

Financial Performance Review

for the FY2015 ended December 31, 2015

Roland DG Corporation

February 19, 2016

Imagine.  **Roland**

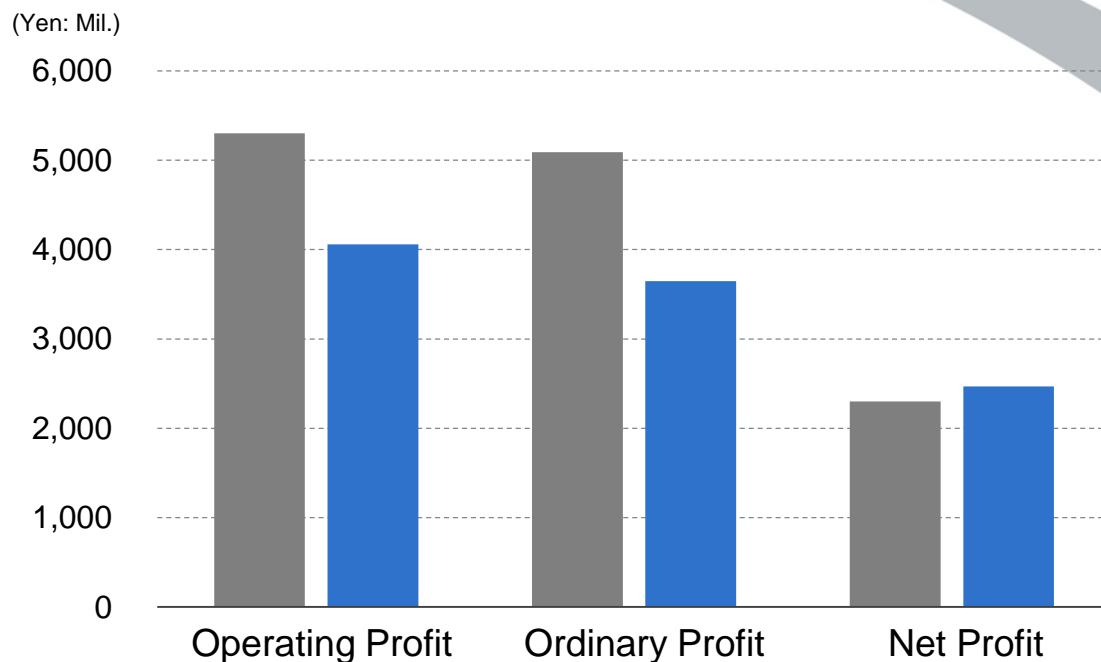
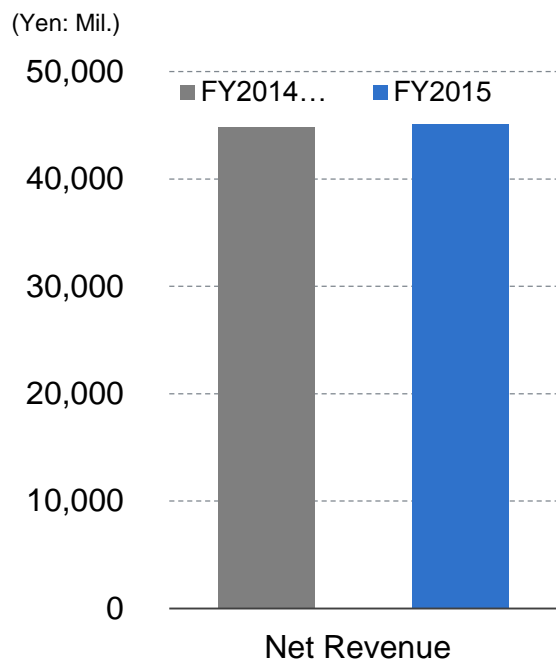
Change of Accounting Period

- ❖ The past fiscal year (2015) was a nine-months accounting period from April 1 to December 31, 2015, as a transitional period.
- ❖ Accounting period of overseas subsidiaries is unchanged, for 12 months.
- ❖ Accounting period unification starts in 2016.

		Year N												Year N+1		
	Month	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3
Previous Period (Adjusted)	Subsidiaries	12 months														
	Japan				9 months											
Past Fiscal Year	Subsidiaries	12months														
	Japan				9 months											
Accounting Period in 2016 And on	Subsidiaries	12 months														
	Japan	12 months														

Consolidated Financial Results for the Fiscal Year Ended on December 31, 2015

Consolidated Financial Results for FY2015

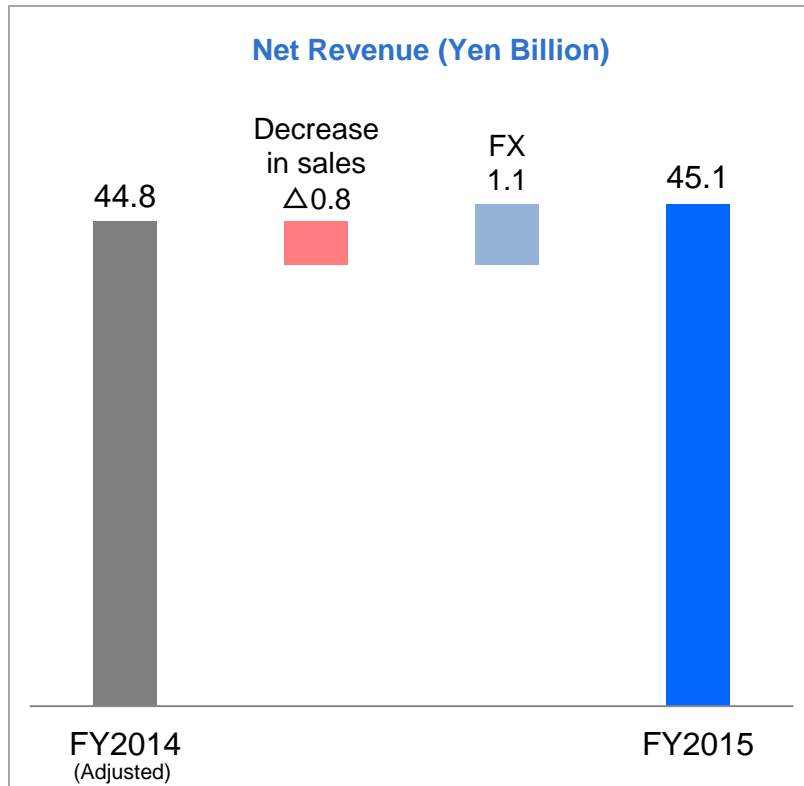


(Yen Mil.)	FY2014 (Adjusted)	FY2015	YOY
Net Revenue	44,867	45,121	100.6%
Operating Income	5,303	4,057	76.5%
Ordinary Income	5,090	3,646	71.6%
Net Income	2,300	2,468	107.3%

Average FX Rate			
(Yen)	FY2014 (Adjusted)	FY2015	YOY
USD	105.85	121.06	114.4%
EUR	140.44	134.36	95.7%

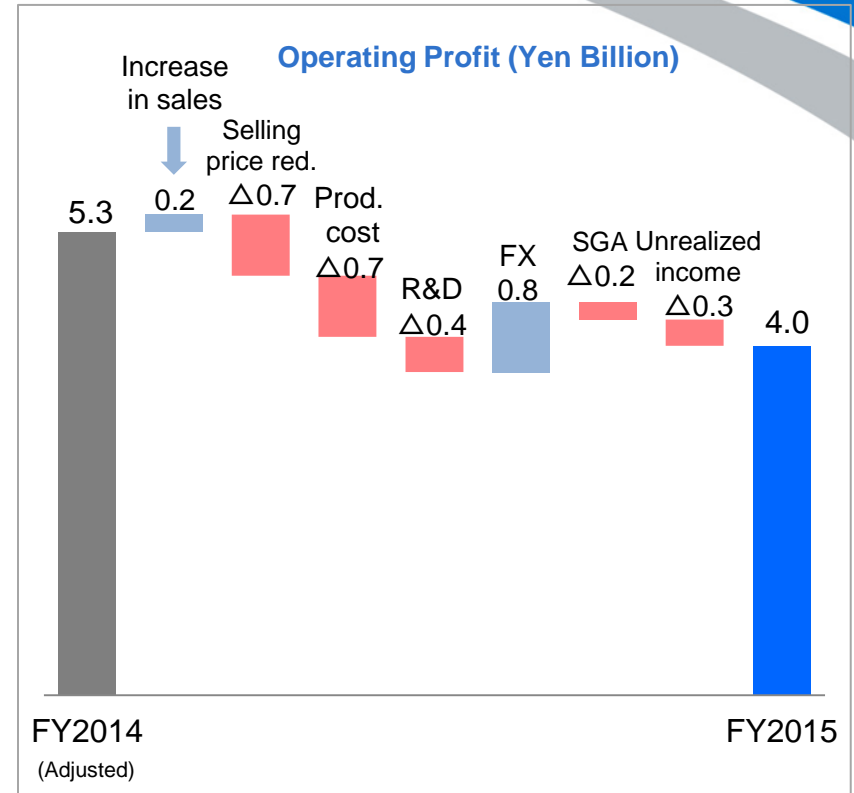
Figures in FY 2014 are adjusted for 9+12 for comparison.

Variance analysis vs. a year ago



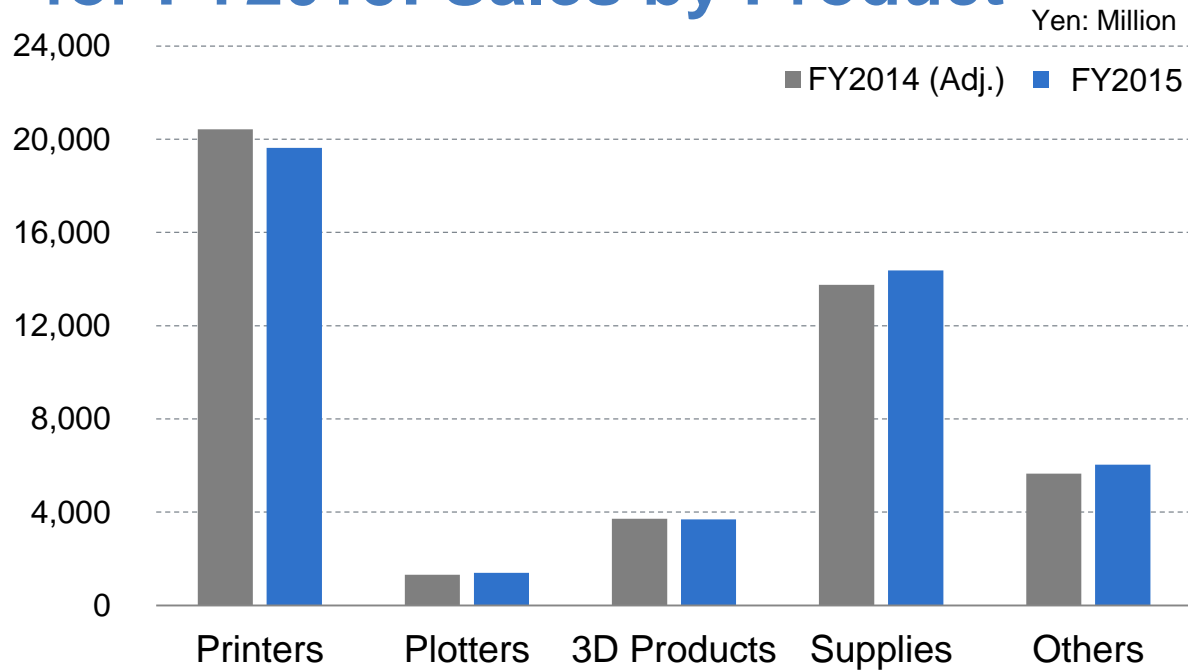
Ave. FX rate

Yen	FY2014	FY2015	VS LY
USD	105.85	121.06	114.4%
EUR	140.44	134.36	95.7%
GBP	174.23	185.13	106.3%
DKK	18.84	18.02	95.6%
AUD	95.41	91.10	95.5%

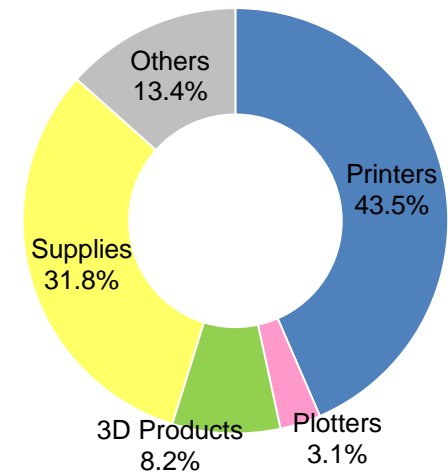


Yen	FY2014	FY2015	VS LY
THB	3.26	3.54	108.6%
CNY	17.19	19.21	111.8%
KRW	0.1007	0.1073	106.6%
BRL	45.07	36.99	82.1%
RUB	-	2.00	-

Consolidated Financial Results for FY2015: Sales by Product



Sales by Product

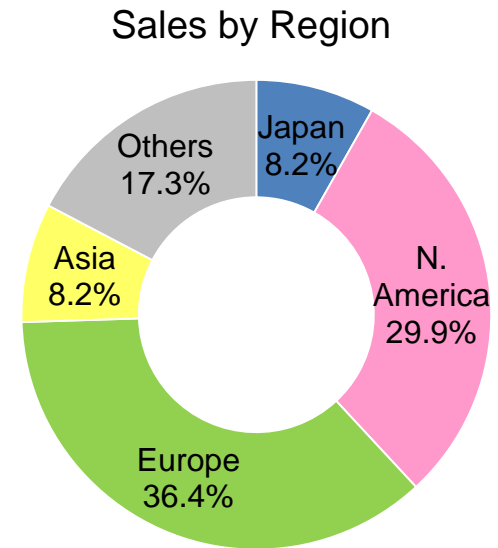
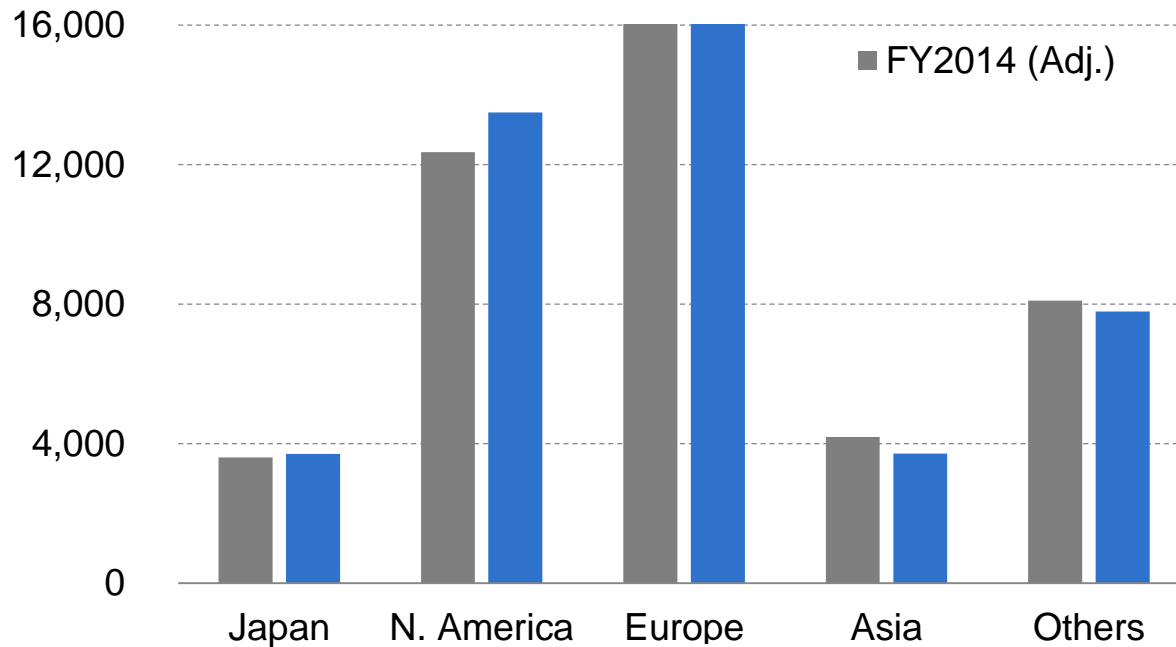


Yen: Million

	FY2014 (Adj.)		FY2015		YOY	
	Amount	%	Amount	%	Yen	Local Currency
Printers	20,422	45.5%	19,631	43.5%	96.1%	94.2%
Plotters	1,313	2.9%	1,399	3.1%	106.6%	101.9%
3D Products	3,721	8.3%	3,693	8.2%	99.3%	94.8%
Supplies	13,756	30.7%	14,365	31.8%	104.4%	101.2%
Others	5,653	12.6%	6,031	13.4%	106.7%	105.0%
Total	44,867	100.0%	45,121	100.0%	100.6%	98.0%

Consolidated Financial Results for FY2015: Sales by Region

Yen: Million



Yen:
Million

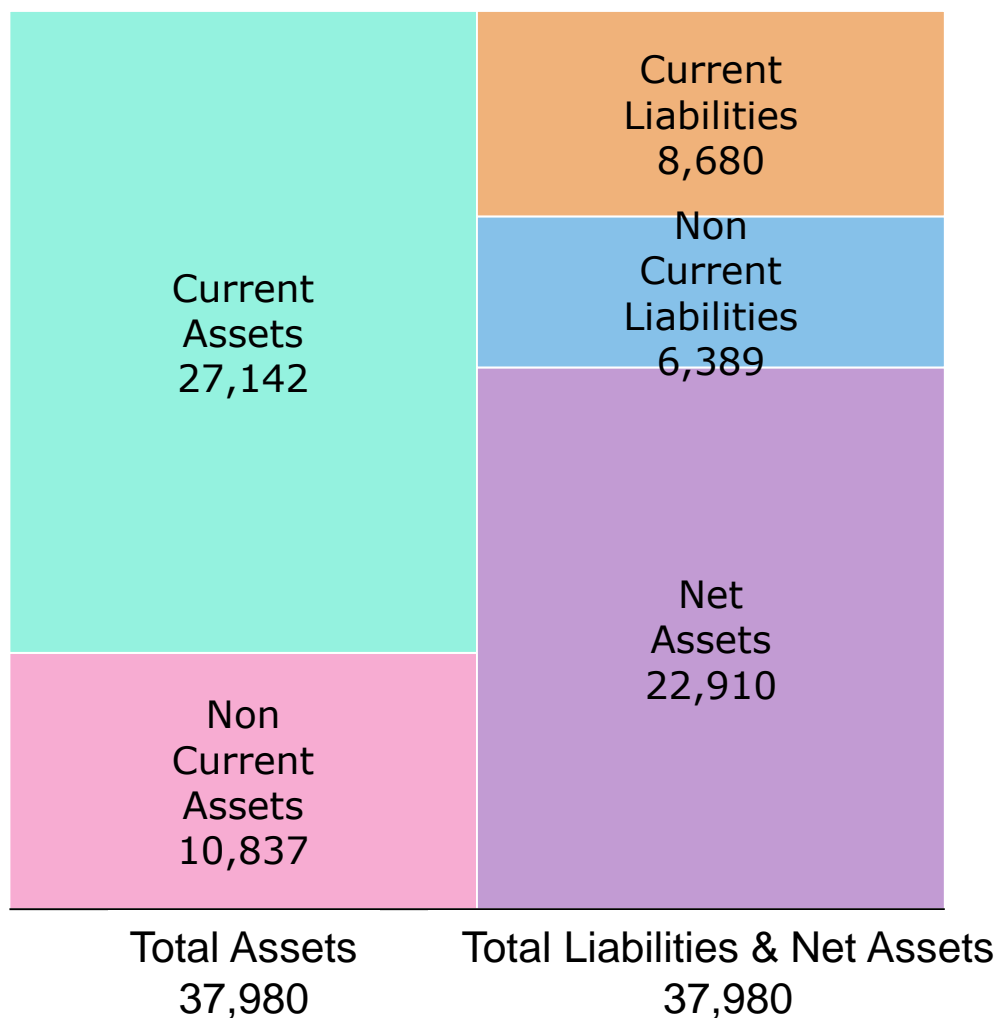
	FY2014 (Adj.)		FY2015		YOY	
	Amount	%	Amount	%	Yen	Local Currency
Japan	3,608	8.0%	3,706	8.2%	102.7%	-
N. America	12,351	27.5%	13,491	29.9%	109.2%	95.5%
Europe	16,616	37.0%	16,415	36.4%	98.8%	101.5%
Asia	4,195	9.4%	3,715	8.2%	88.6%	84.7%
Others	8,095	18.1%	7,791	17.3%	96.2%	99.3%
Total	44,867	100.0%	45,121	100.0%	100.6%	98.0%



Consolidated Balance Sheet

As of the end of December 2015

Yen, Million



Long/Short Term Loan
Fiscal Year End: Yen 5,760 Mil.
A year ago: Yen 6,840 mil.

Equity Ratio
Fiscal Year End: 60.3%
A year ago: 57.8%

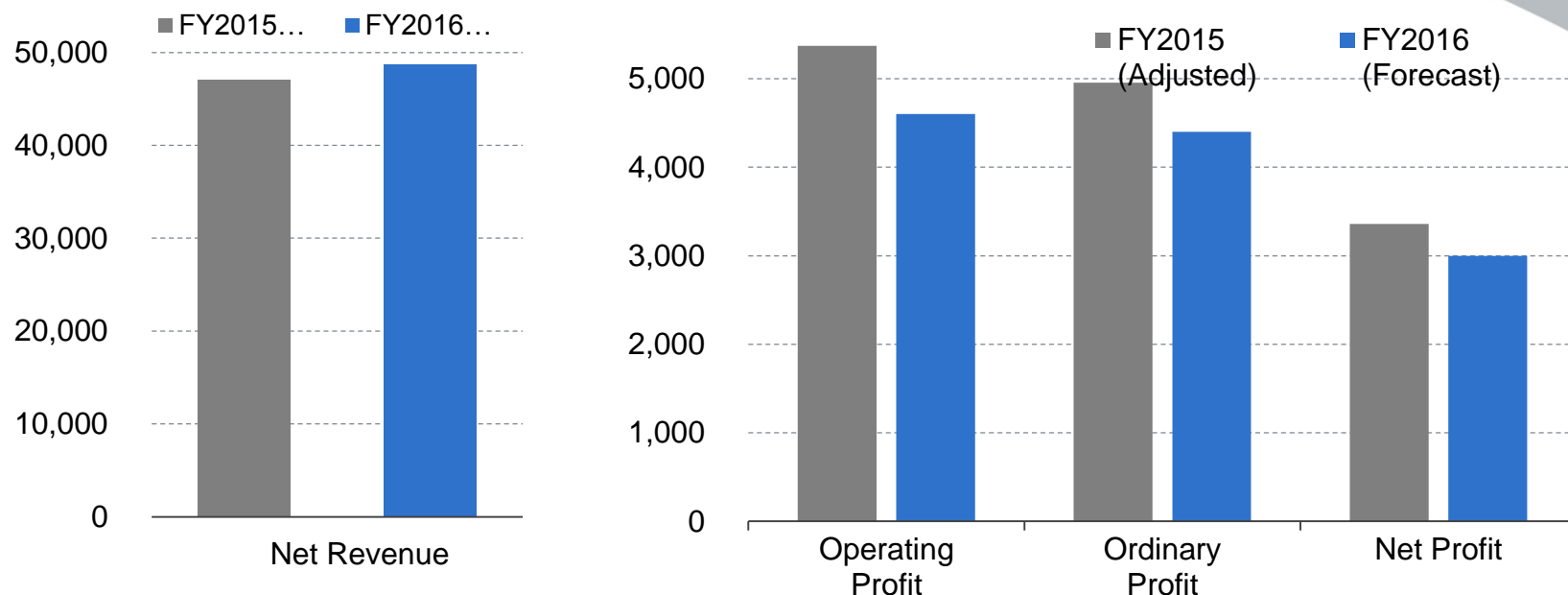
Consolidated Forecast for the Fiscal Year Ending on December 31, 2016

Change of Accounting Period

- ❖ From 2016, both Japan and overseas subsidiaries have the same accounting period of 12 months from January to December.

	Month	Year N												Year N+1		
		1	2	3	4	5	6	7	8	9	10	11	12	1	2	3
Previous Accounting Period	Subsidiaries	12 months														
	Japan				12 months											
Past Fiscal Year (Adjusted)	Subsidiaries	12 months														
	Japan	12 months														
Accounting Period in 2016 And on	Subsidiaries	12 months														
	Japan	12 months														

Consolidated Financial Forecast for FY2016



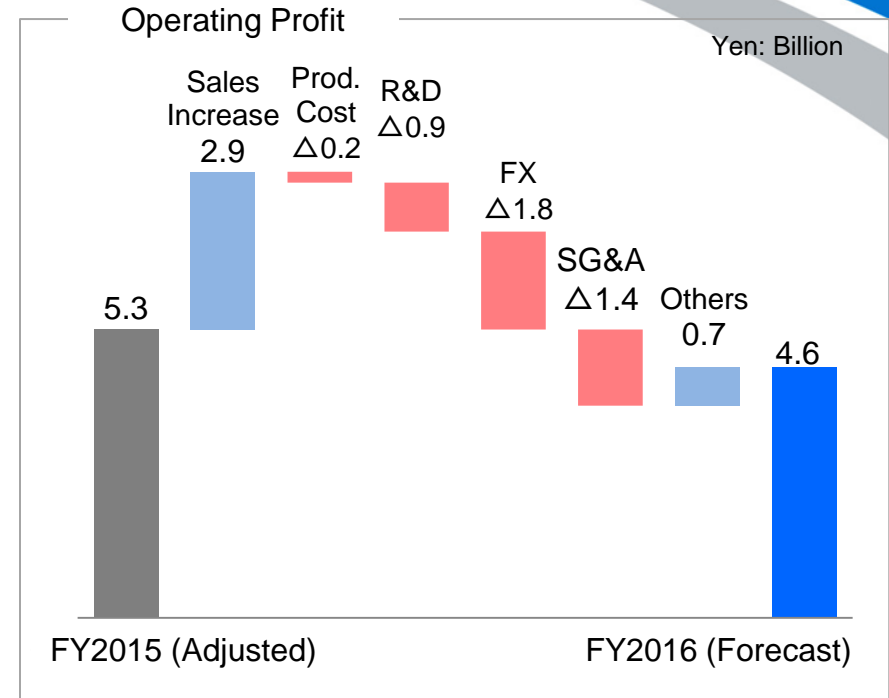
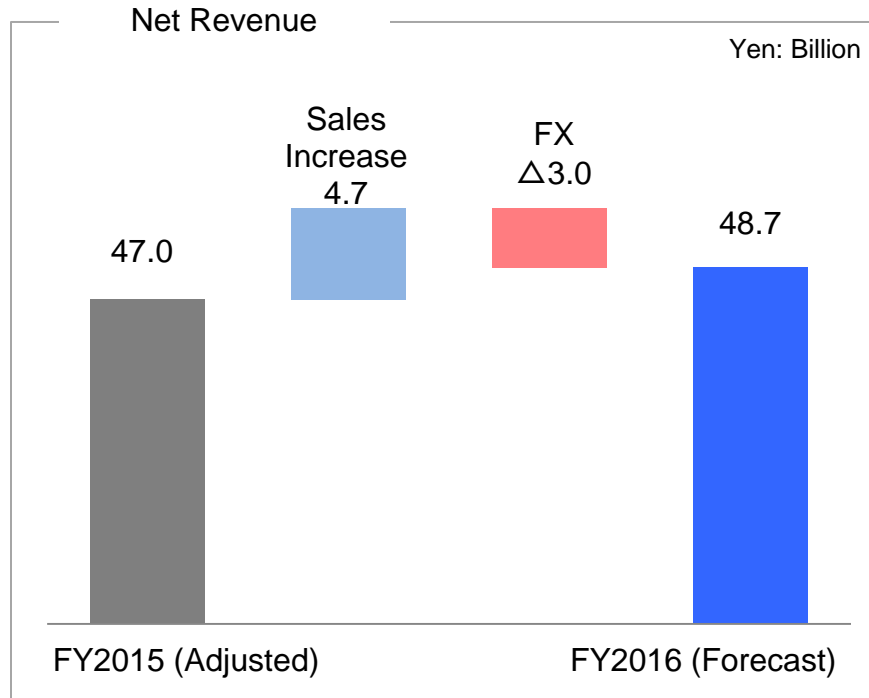
Yen: Million

	FY2015 (Adjusted)	FY2016 (Forecast)	YOY
Net Revenue	47,024	48,700	103.7%
Operating Profit	5,371	4,600	85.6%
Ordinary Profit	4,955	4,400	88.8%
Net Profit	3,358	3,000	89.3%

Average FX Rate (Jan. – Dec.)

(Yen)	FY2015 (Adjusted)	FY2016 (Forecast)	YOY
USD	121.06	115.00	95.0%
EUR	134.36	125.00	93.0%

Variance analysis vs. a year ago



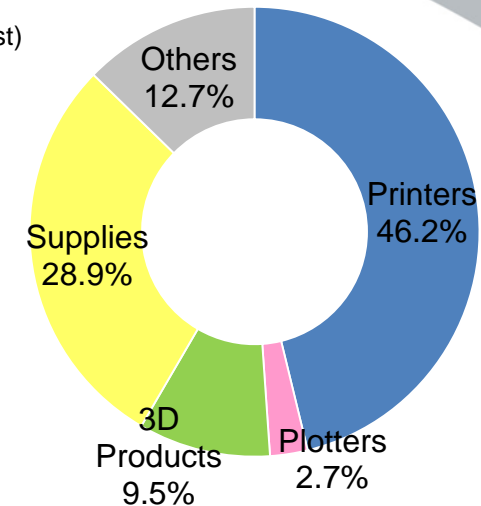
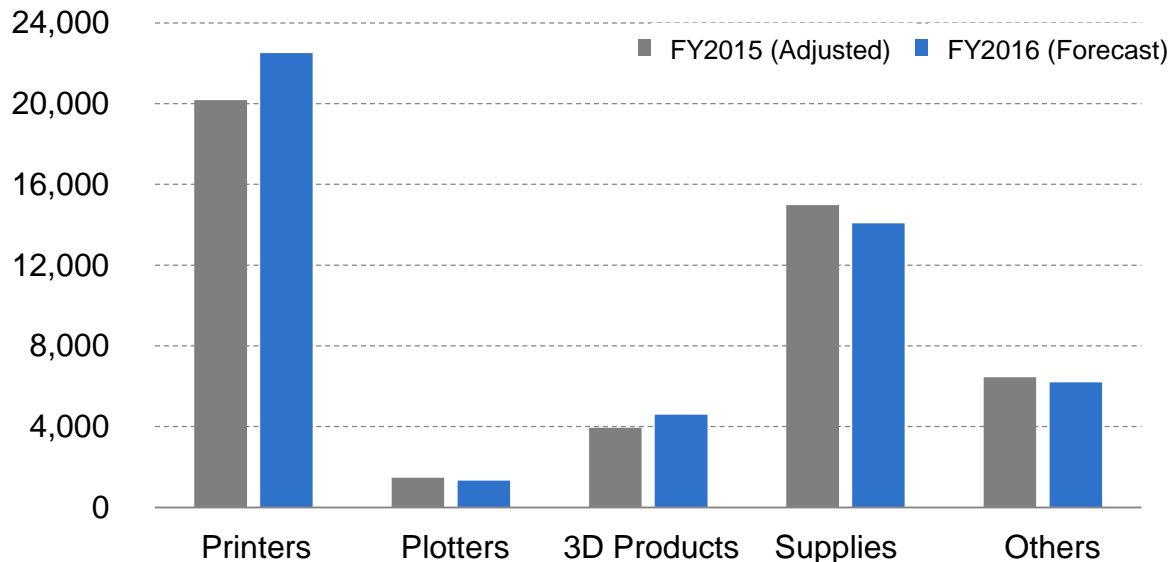
Average FX Rate (Jan.-Dec.)

	FY2015 (Adjusted)	FY2016 (Forecast)	YOY
USD	121.06	115.00	95.0%
EUR	134.36	125.00	93.0%
GBP	185.13	165.00	89.1%
DKK	18.02	16.78	93.1%
AUD	91.10	80.00	87.8%

	FY2015 (Adjusted)	FY2016 (Forecast)	YOY
THB	3.54	3.30	93.2%
CNY	19.21	17.50	91.1%
KRW	0.1073	0.1000	93.2%
BRL	36.99	28.00	75.7%
RUB	2.00	1.50	75.0%

Consolidated Financial Forecast for FY2016: Sales by Product

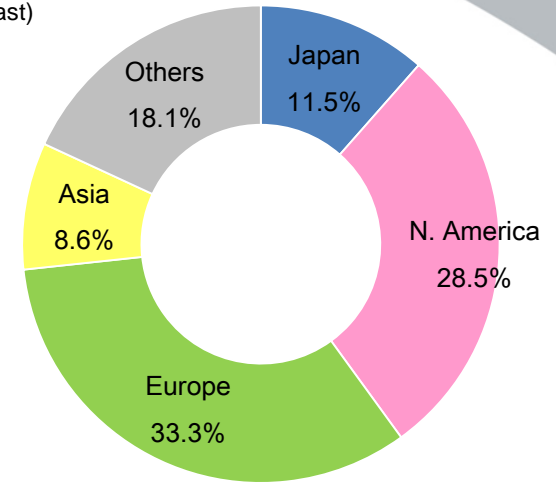
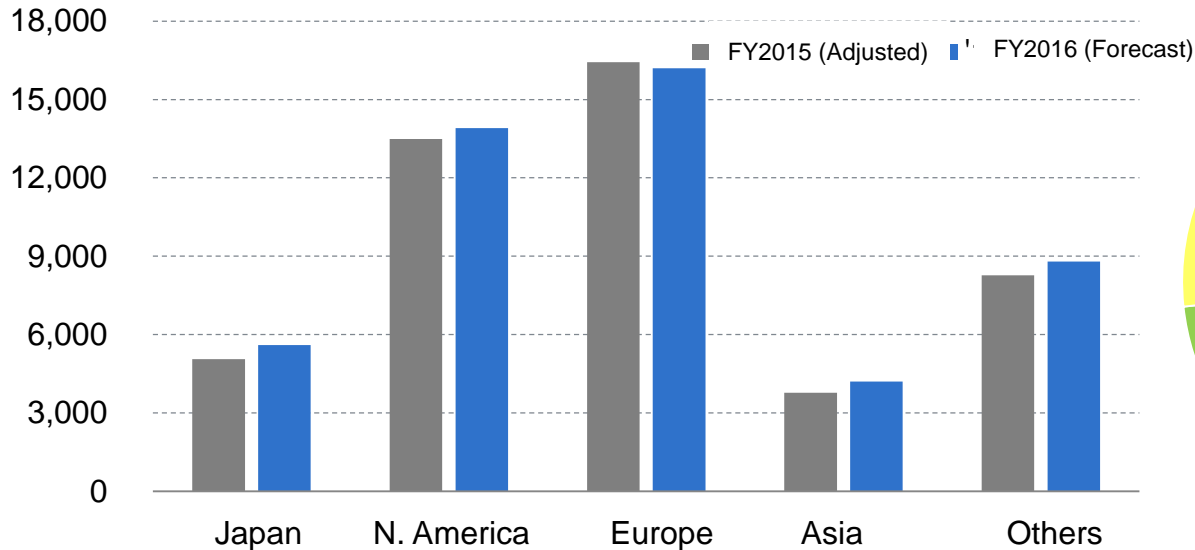
Yen: Million




	FY2015 (Adjusted)		FY2016 (Forecast)		YOY	
(Yen: Million)	Amount	%	Amount	%	JPY	Local Currency
Printers	20,175	42.9%	22,500	46.2%	111.5%	119.0%
Plotters	1,476	3.1%	1,330	2.7%	90.1%	94.8%
3D Products	3,951	8.4%	4,600	9.5%	116.4%	121.5%
Supplies	14,978	31.9%	14,070	28.9%	93.9%	100.1%
Others	6,443	13.7%	6,200	12.7%	96.2%	102.4%
Total	47,024	100.0%	48,700	100.0%	103.6%	110.2%

Consolidated Financial Forecast for FY2016: Sales by Region

Yen: Million

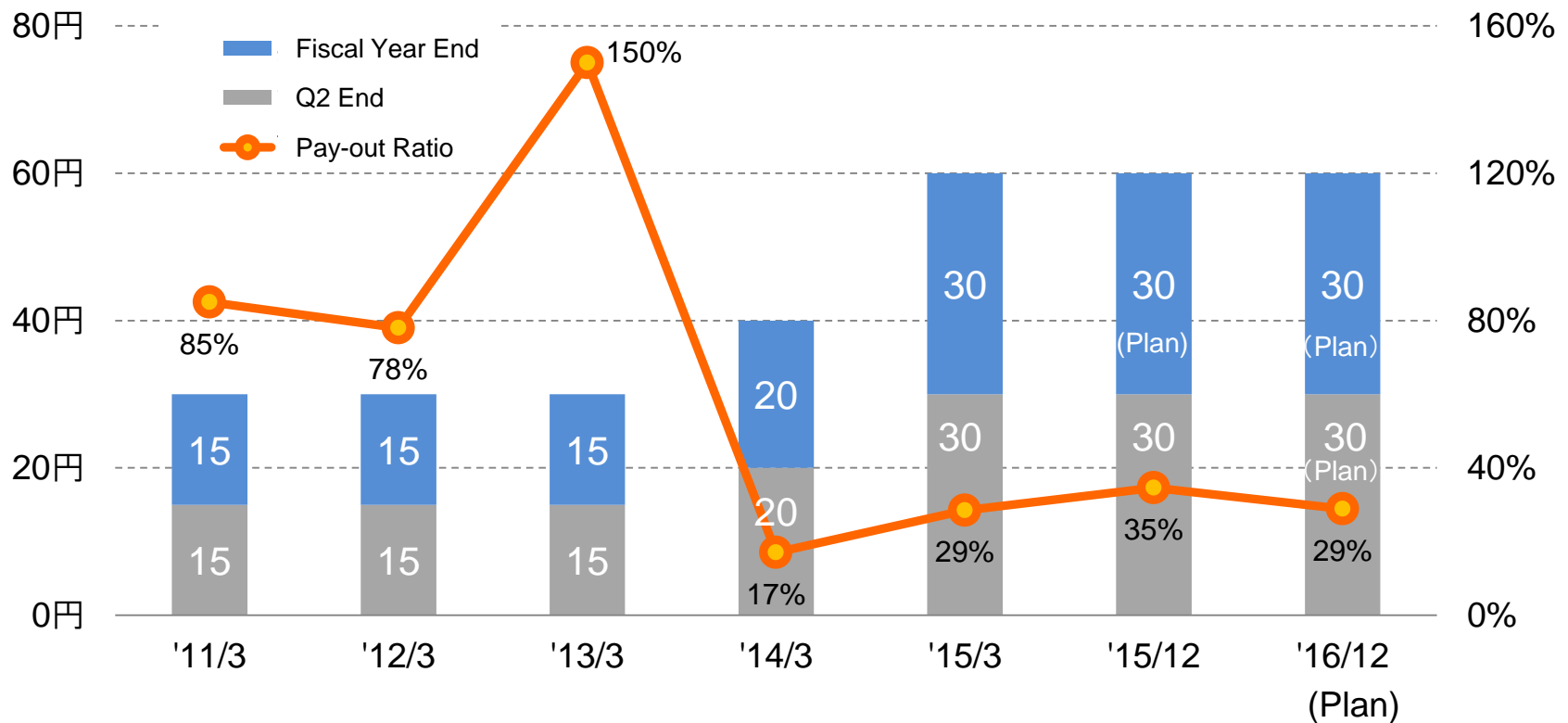


	FY2015 (Adjusted)		FY2016 (Forecast)		YOY	
(Yen: Million)	Amount	%	Amount	%	JPY	Local Currency
Japan	5,058	10.8%	5,600	11.5%	110.7%	-
北米	13,491	28.7%	13,900	28.5%	103.0%	108.2%
欧州	16,434	34.9%	16,200	33.3%	98.6%	106.5%
アジア	3,770	8.0%	4,200	8.6%	111.4%	116.7%
その他	8,269	17.6%	8,800	18.1%	106.4%	117.3%
合計	47,024	100.0%	48,700	100.0%	103.6%	110.2%

imagine. 

Dividend

- ❖ The same amount of dividend is planned for FY2015 (9 months).
- ❖ Pay-out ratio will be revised to 30% from current assumption of 20%.



Change of Representative Directors (Proposal)

	New Title	Current Title
Masahiro Tomioka	Representative Director, Chairman	Representative Director, Chairman and President
Hidenori Fujioka	Representative Director, President	Director, Executive Vice President

The change is subject to the resolution at the Ordinary General Meeting of Shareholders for the 35th Business Term and the following Board of Directors' meeting, both to be held on March 24, 2016.

Directors and Audit & Supervisory Board Members (Proposal)

Masahiro Tomioka	Chairman of the Board	(New appointment)
Hidenori Fujioka	President	(New appointment)
David Goward	Executive Vice President	(New appointment)
Wataru Suzuki	Senior Executive Director	
Shuji Hotta	Managing Director	
Takuo Hirose	Outside Independent Director	
Chieko Okuda	Outside Independent Director	
Katsuhiro Endo	Outside Independent Director	(New appointment)
Masanori Nakagawa	Audit & Supervisory Board Member	
Masayasu Suzuki	Audit & Supervisory Board Member	
Shigeki Matsuda	External Audit & Supervisory Board Member	
Mitsuhiro Honda	External Audit & Supervisory Board Member	(New appointment)

The change is subject to the resolution at the Ordinary General Meeting of Shareholders for the 35th Business Term and the following Board of Directors' meeting, both to be held on March 24, 2016.

Roland DG Corporation

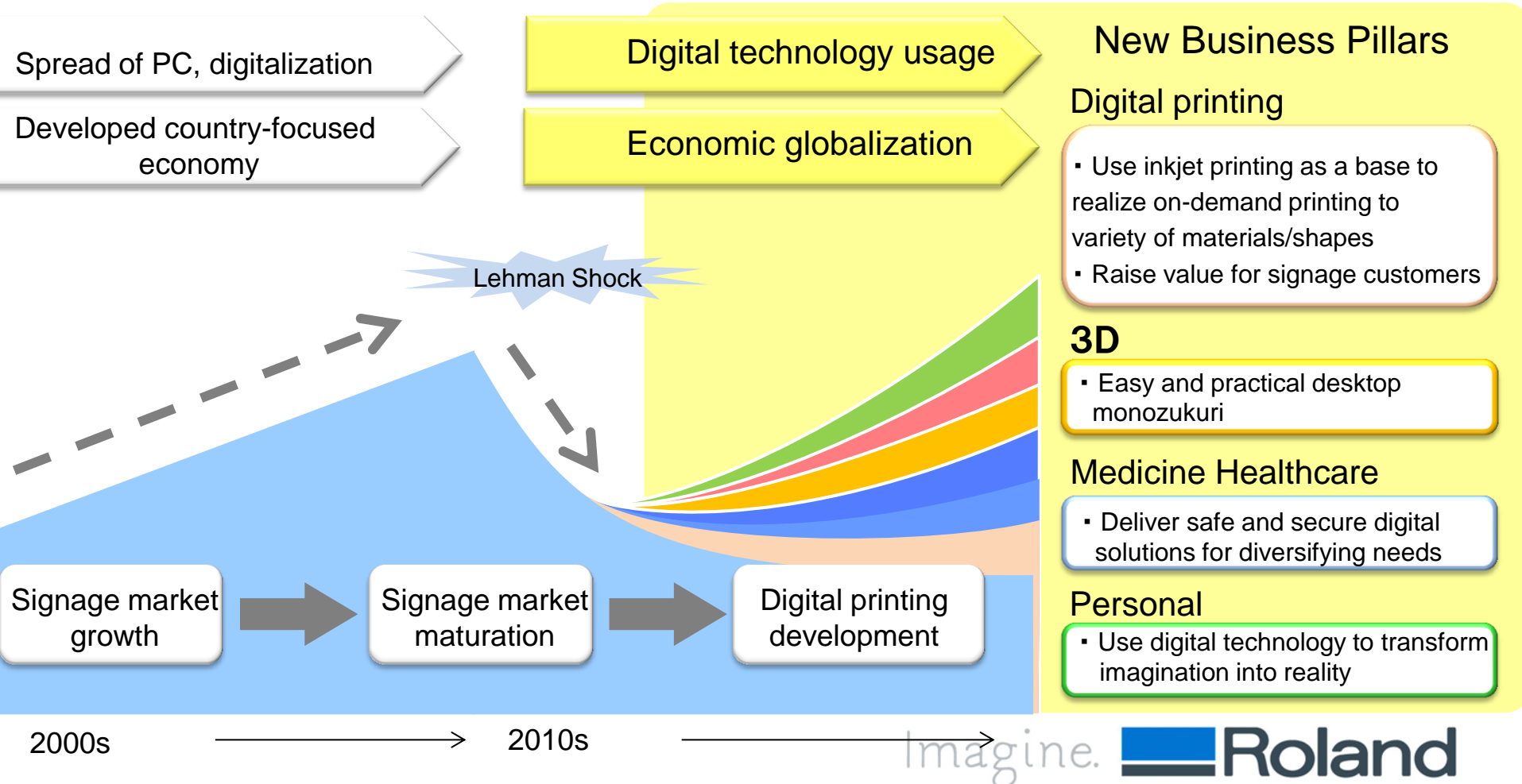
Midterm Management Plan 2016-2020

Review of the previous Business Plan (2013 - 2015)

A Look Back : New Founding

(from 2012 financial briefing, shareholder meeting)

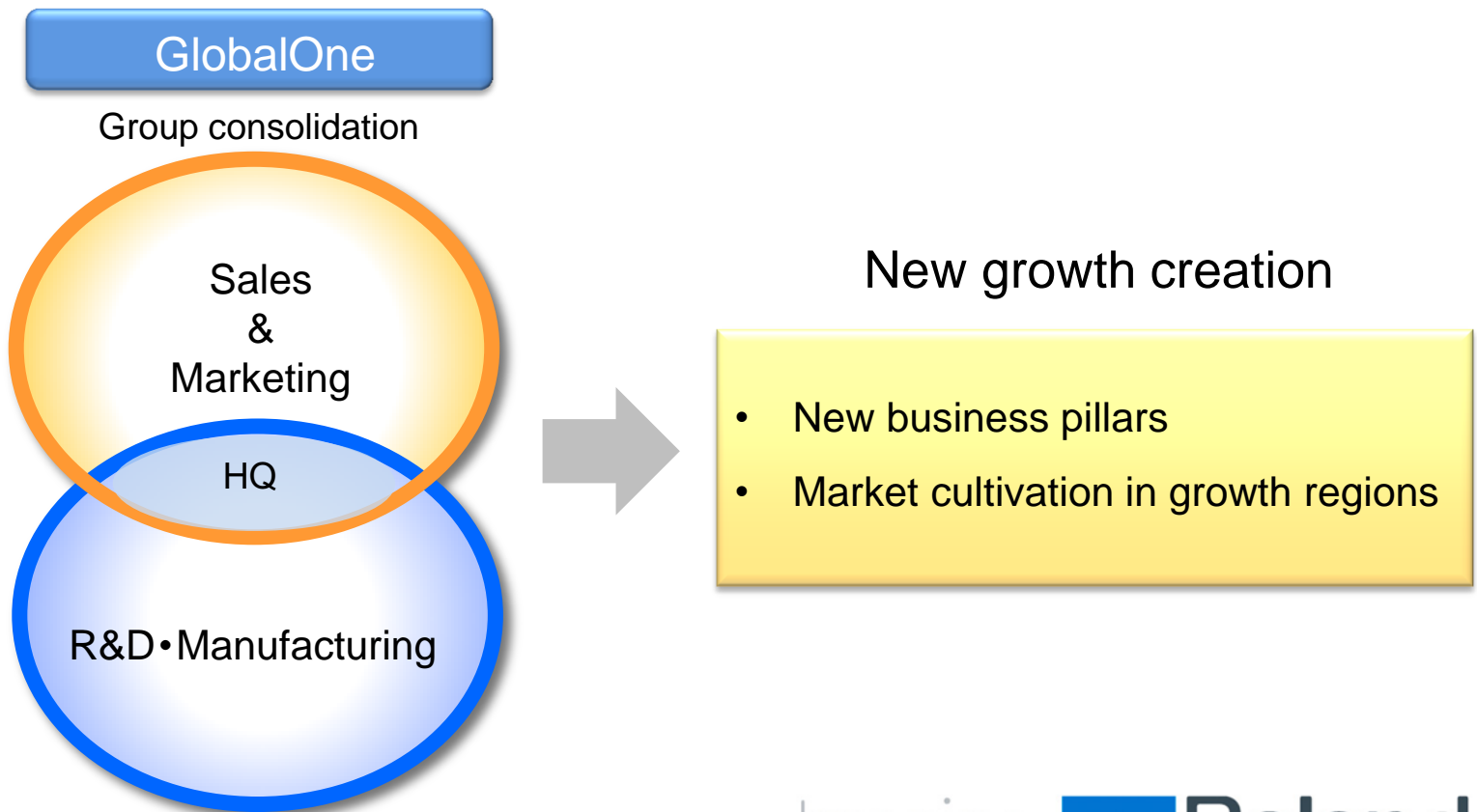
As our key market of signage continues to mature, we pledge to harness the power of evolving technology and the developing global economy to create new businesses



A Look Back : Midterm Management Plan (2013-2015)

Midterm Plan Basic Policy (2013—2015)

Promote GlobalOne structural reform and build a management foundation for new growth.



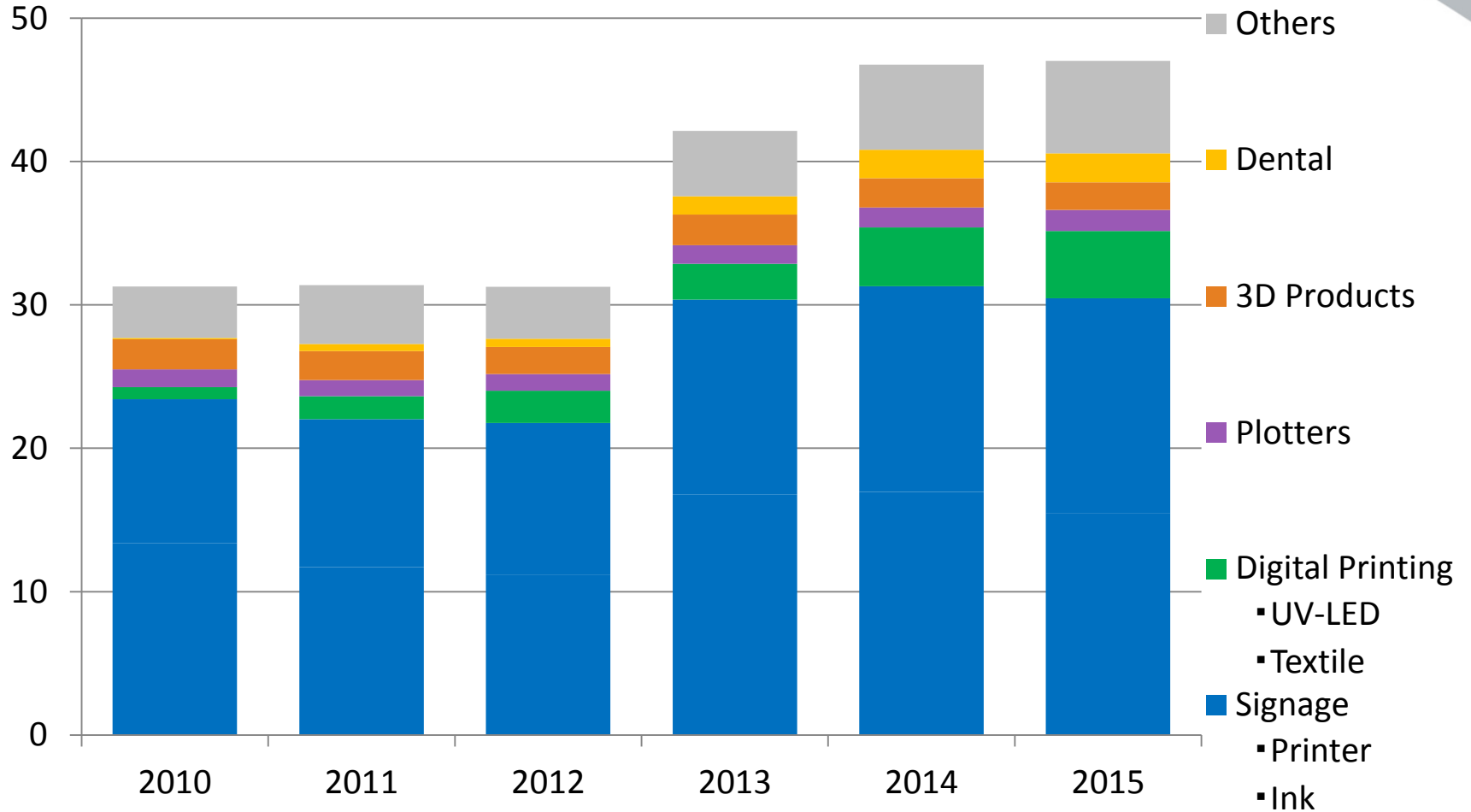
GlobalOne Structural Reform Policy

Technology-supported Value Creation and Market Creation



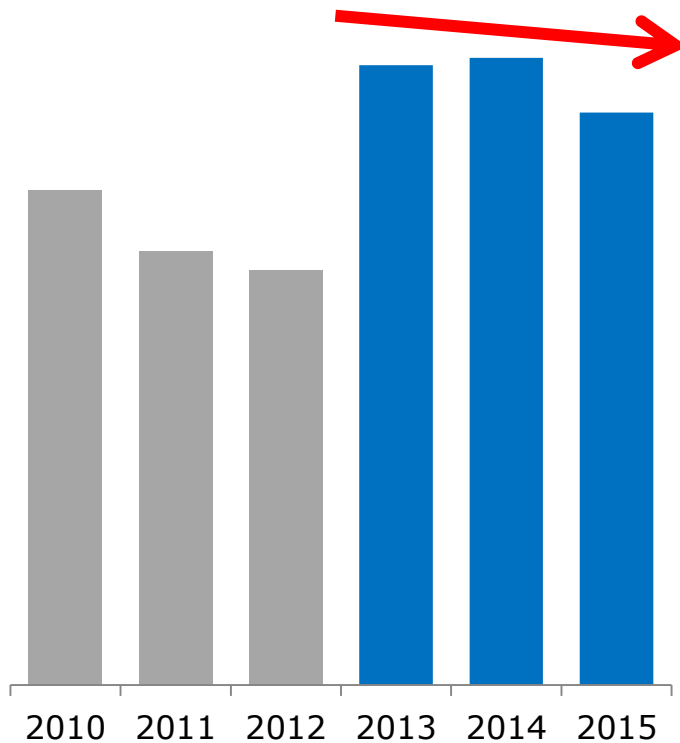
Sales Trend by Product Category

Yen, Billion



Signage

While market share is maintained by introduction of series of new products, sales revenue declines reflecting stable demand.



Model change of main product-line and launch of the high speed models.

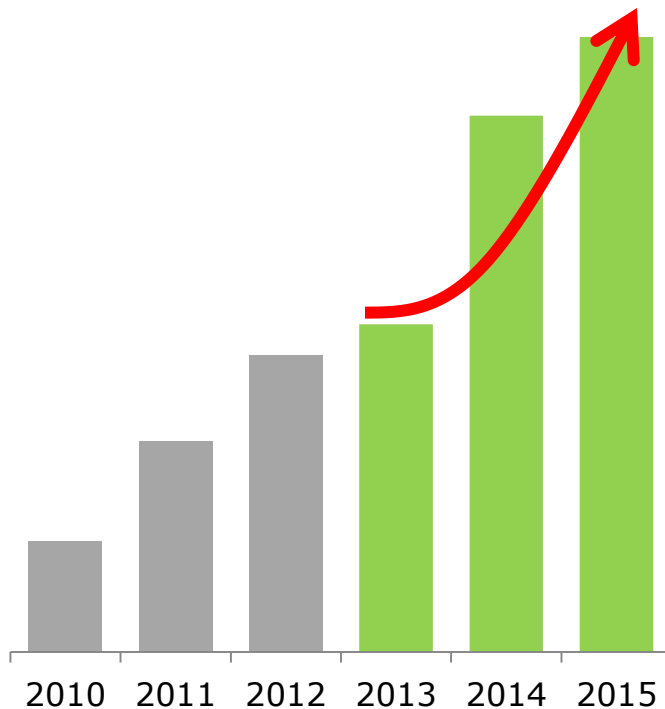


Introduction of new solution to meet local market demand.



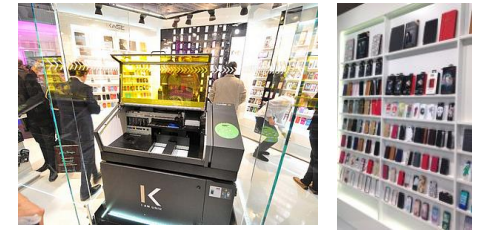
Digital Printing

Sales has increased by developing new usage of UV printers and Textile printers.



【UV】

- Sales increase in retail business
- Proposal of package solution



【Textile】

- Introduction of Die Sublimation printing model.
- Oeko-Tek standard has been obtained.

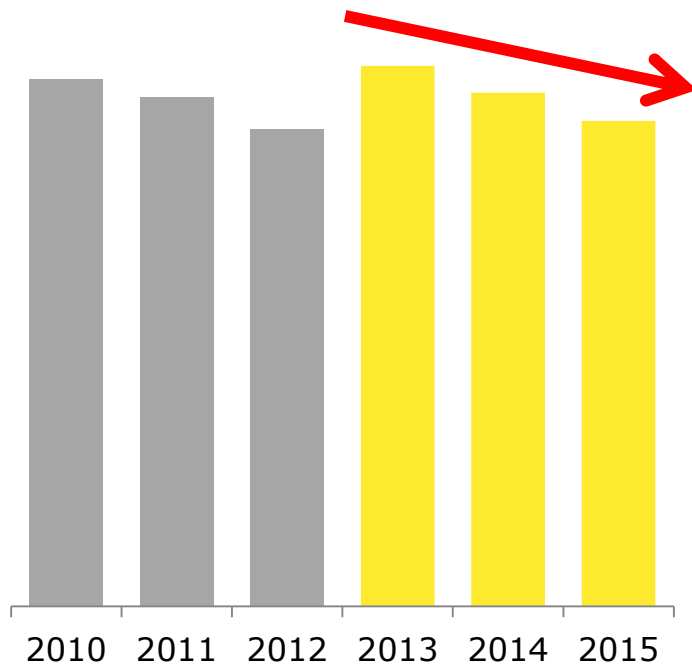


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3D Mono-zukuri (Fabrication)

Unique digital mono-zukuri (fabrication) has been proposed, featuring a subtractive milling machine and an additive 3D printer.

- monoFab brand has been launched with a 3D printer and a milling machine.



3D PRINTER MILLING MACHINE

monoFab



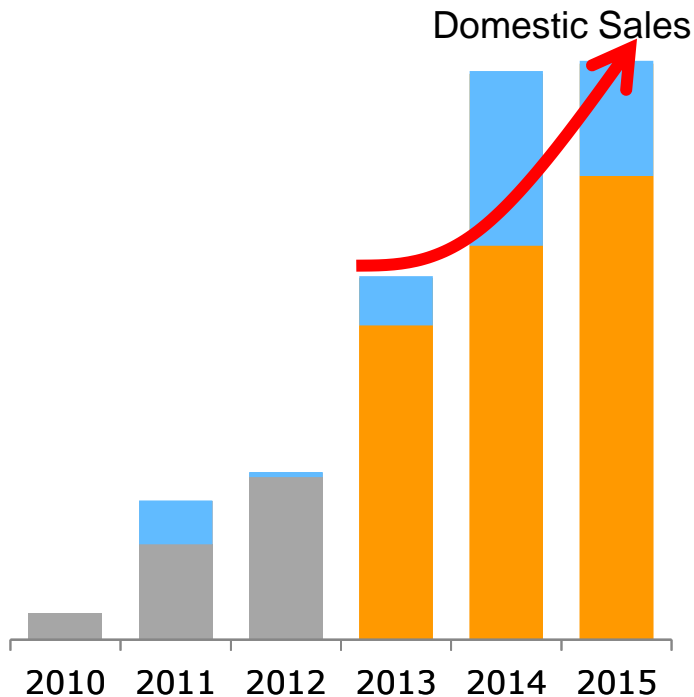
- Sponsored Fablab events.



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Dental Business

Sales has increased significantly due to stronger product line up and introduction of new products designed to suit new materials.



Strengthening line –up

Introduction of compact models for clinic use and model change for lab use.



DWX-4



DWX-51D

Meet needs of new material

Introduction of the new wet milling machine for glass ceramic.

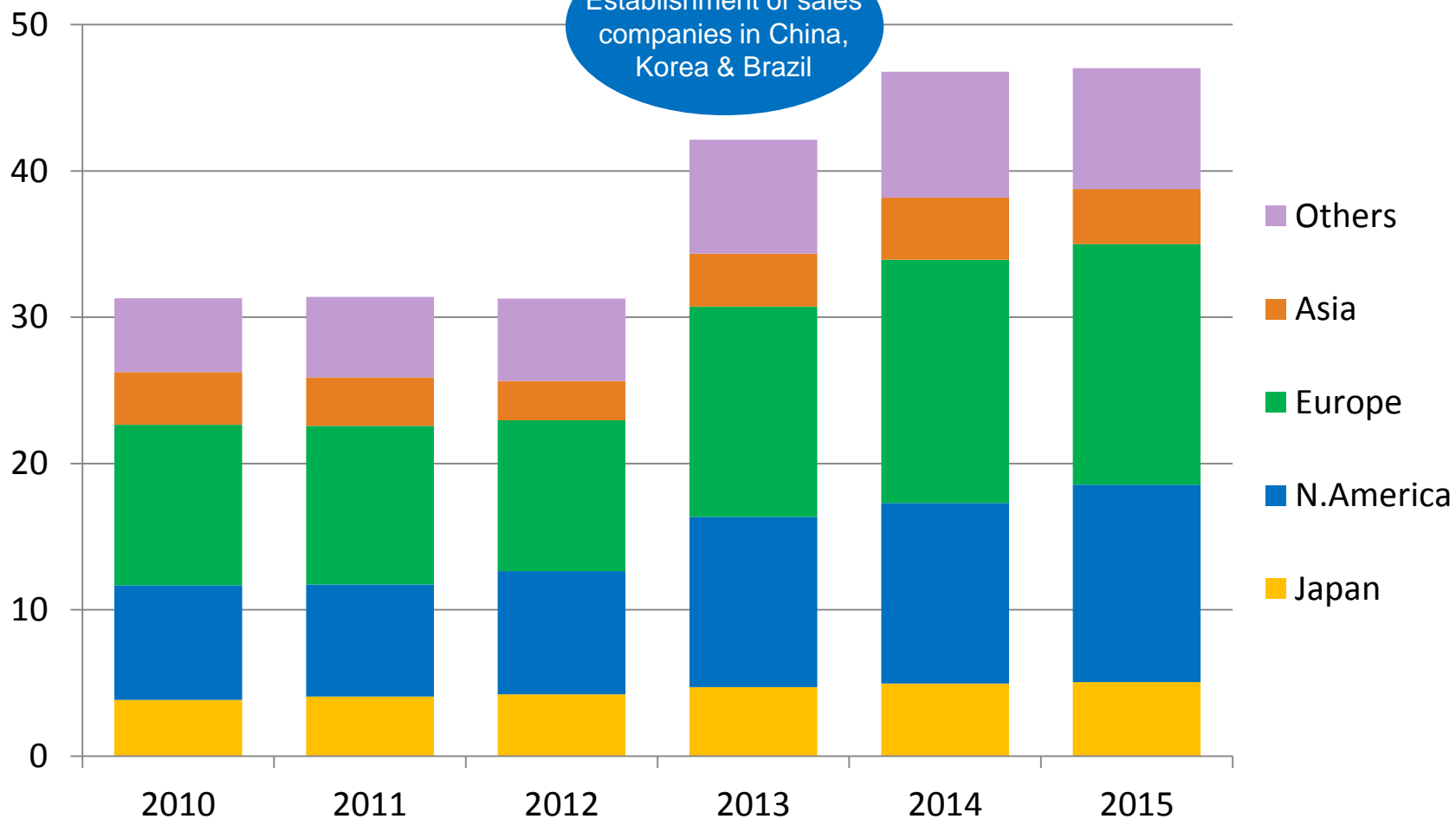


New **DWX-4W** Wet Dental Mill

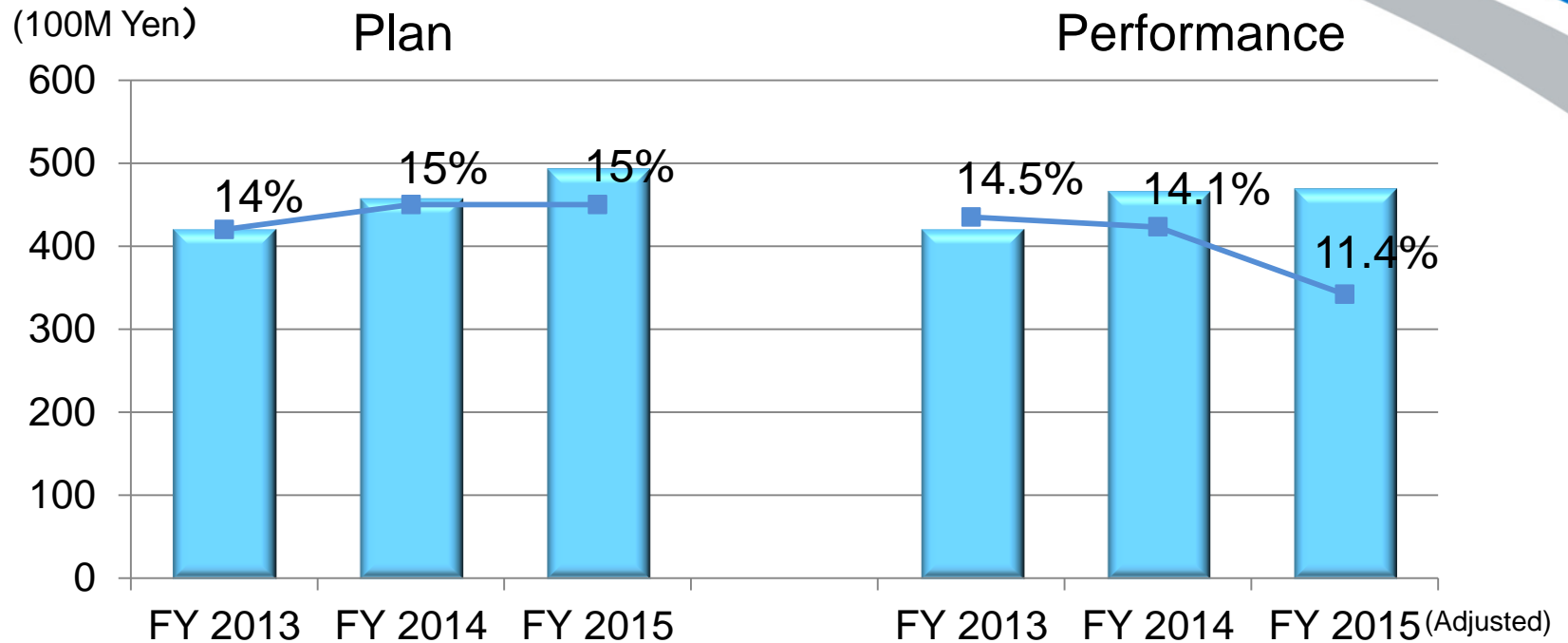
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Sales Trend by Region

Yen, Billion



Midterm Plan(2013-2015) Performance

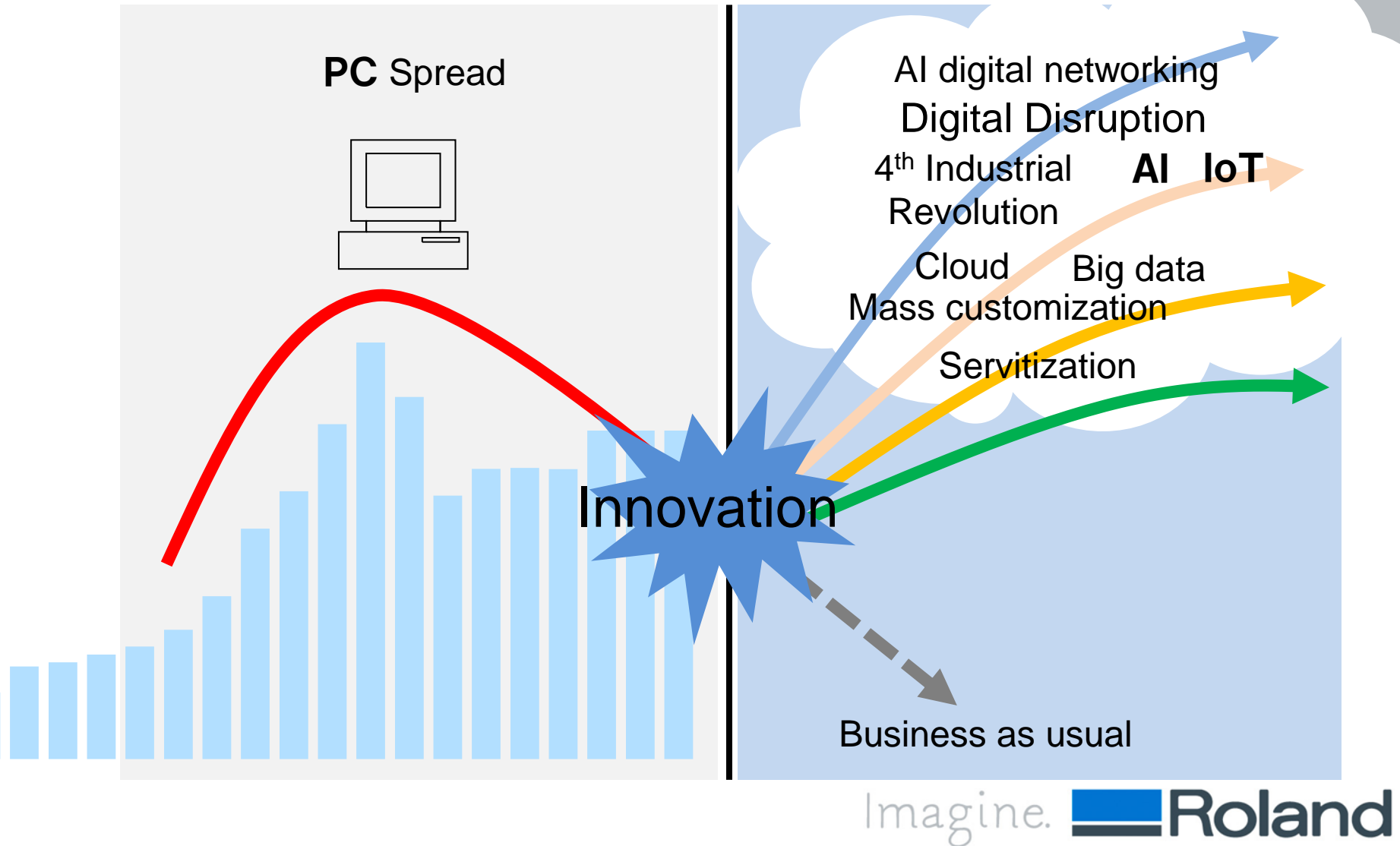


	Plan				Performance			
	FY 2013	FY 2014	FY 2015		FY 2013	FY 2014	FY 2015	%
Sales	421	458	494		421	467	470	95%
Op. Profit	61	69	75		61	65	54	72%
Op. Margin	14%	15%	15%		14%	14%	11%	—

Roland DG Corporation

Midterm Management Plan 2015-2020

Innovation for Continuous Growth



Midterm Management Plan 2015-2020

Shift from **GlobalOne** to the next phase **GrowthOne**

Midterm Management Policy

“Sustainable Growth through Innovation”

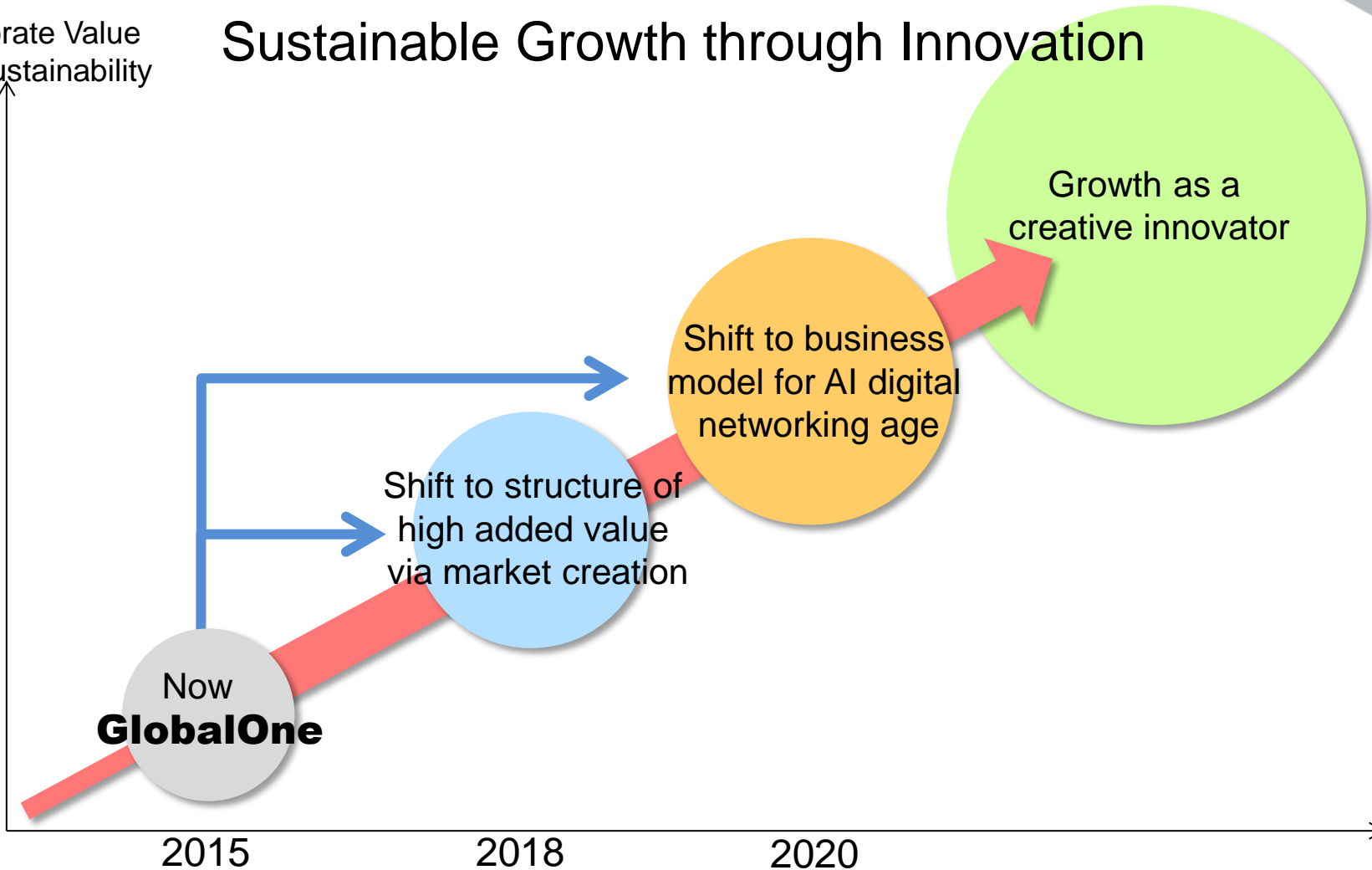
1. Shift to structure of high added value via market creation
2. Shift to business model for AI digital networking age
3. Shift to innovation-based group

Roadmap to Sustainable Growth

GrowthOne

Sustainable Growth through Innovation

Corporate Value
and sustainability

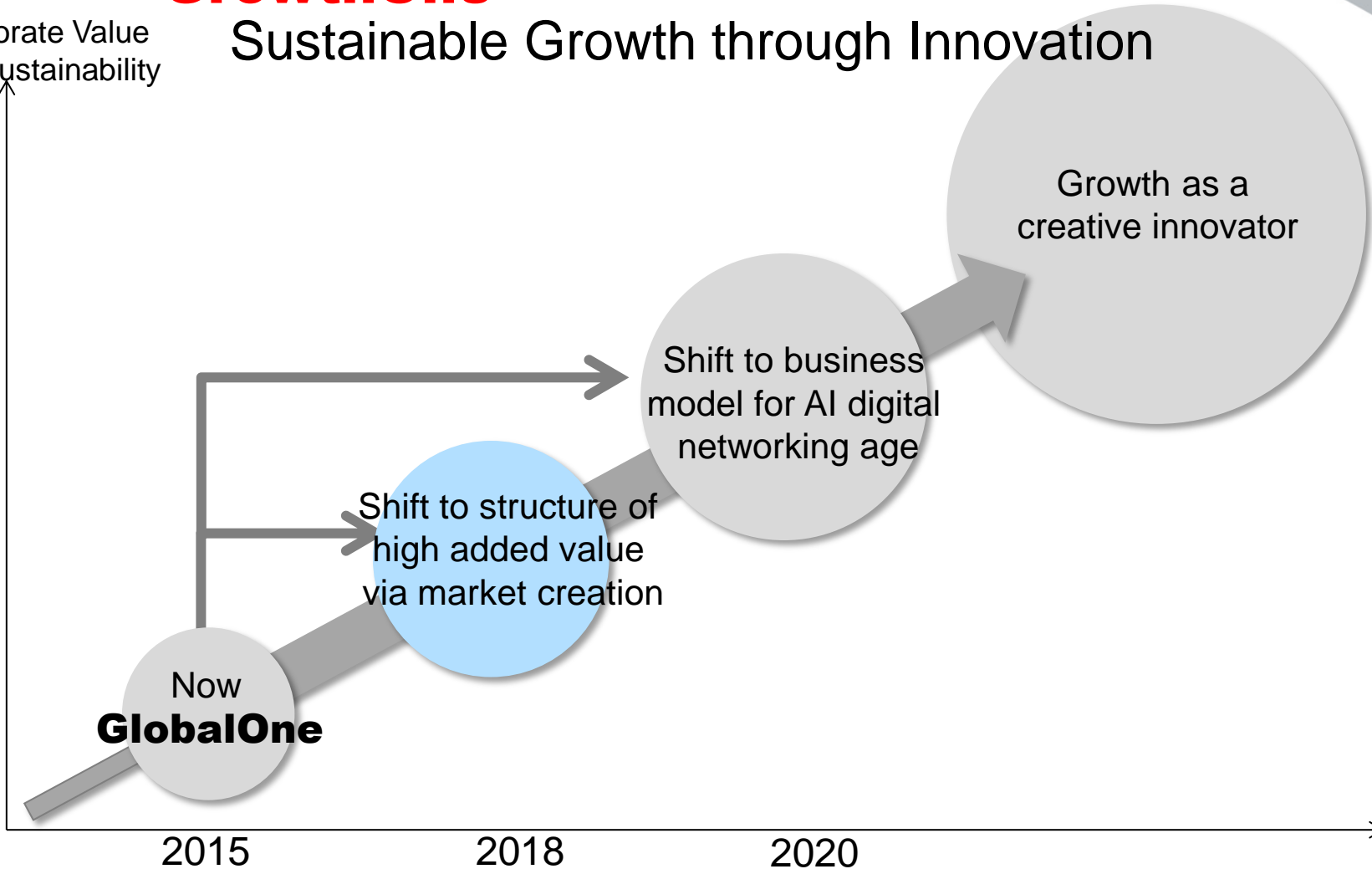


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GrowthOne

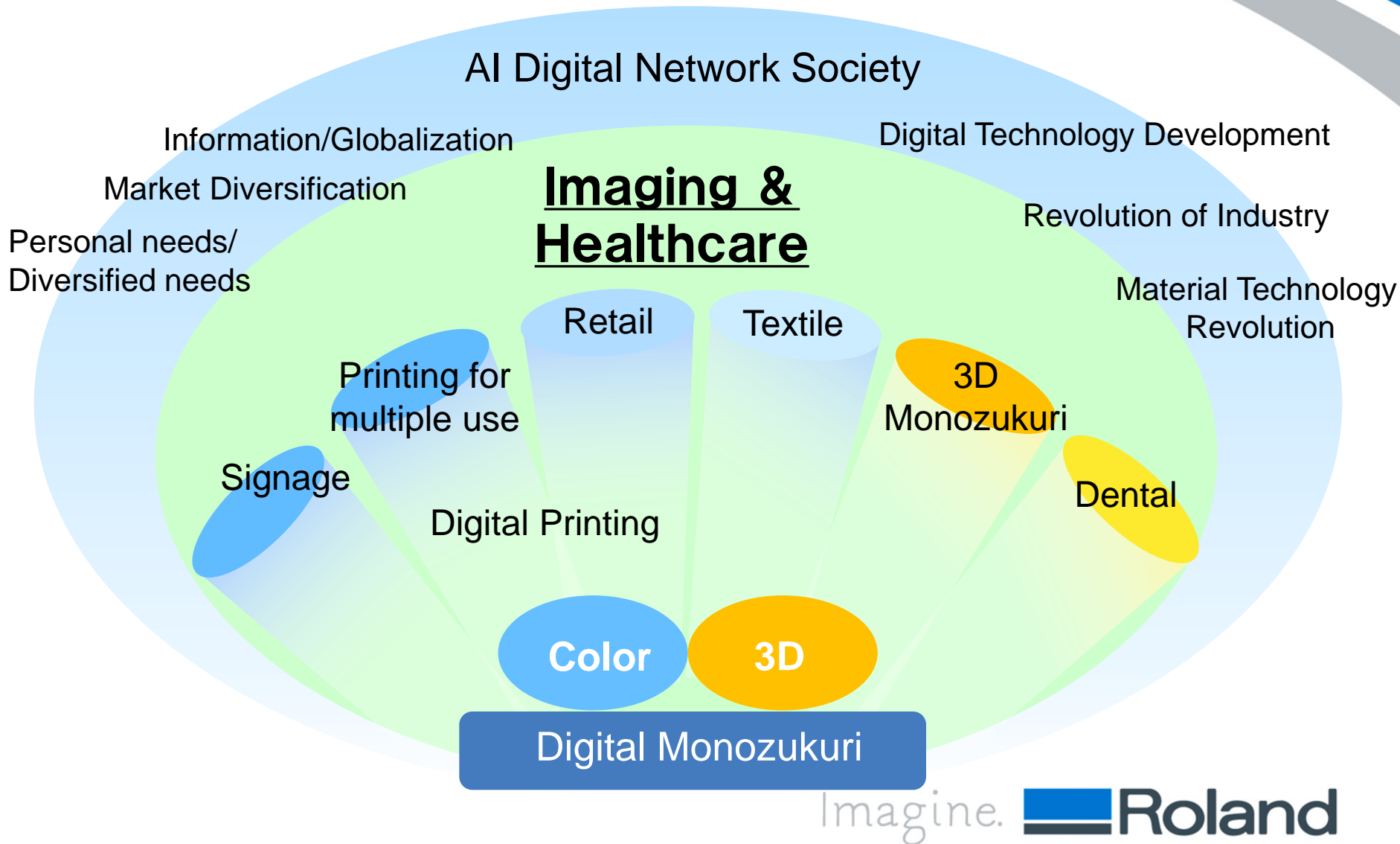
Sustainable Growth through Innovation

Corporate Value
and sustainability



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Business Directions



Imaging: Digital Printing

Printing for Multiple Use

■ Business Direction

Accelerate on-demand printing for industrial use by the digital printing technology that enables printing on various material and surface.

■ Objectives

- Develop industrial use of UV/LED printers.
- Start global usage development.



■ Tasks

- Revolution of ink technologies for various materials and surface.
- Resolution improvement
- Customization to meet more local needs.



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Imaging: Digital Printing

Retail Business

■ Business Direction

Propose shops with fun experiences;
profitability through desktop fabrication

■ Objectives

- Propose solution that is safe and easy to operate.
- Provide flawless service to local customers.

■ Tasks

- Establish an all-in-one service package for retail customers.
- Provide ideal support for customers' global businesses.



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Imaging: Digital Printing

Textiles

■ Business Direction

Meet diversified and personalized fashion needs
on an on-demand basis.

■ Objectives

- Introduction of our first die-sublimation printer and ink for textile use.

■ Tasks

- Build a robust business model of on-demand fashion printing.
- Develop business process to meet diversified/low volume fashion demand.



Texart

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Imaging: Digital Printing

Signage

■ Business Direction

To propose optimum solutions for “Profitable Signage Business”.

■ Achievements

- Provide customers in advanced markets with local solutions.
- Grow value added business by proposing new usage in developing markets.

■ Tasks

- Rebuild structure of solutions for business model revolution
- Re allocation of human resources for better efficiency and profitability



SOLJET

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Imaging: 3D Monozukuri (3D Fabrication)

3D Monozukuri

■ Business Direction

Accelerate 3D Monozukuri trend by realizing 3D Monozukuri concept and encouraging creators' Monozukuri.

■ Achievements

- Created and maintained a unique Monozukuri market.
- Offering a lineup with 2 new products which are subtractive and additive.



■ Tasks

- 3D technology revolution and new material management.
- Simplify process of “imagination into reality”.



monoFab
3D PRINTER MILLING MACHINE

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Healthcare

Dental

■ Business Direction

Provide regenerative medicine and on-demand treatment by utilizing digital technology

■ Achievements

- Developed new machines to meet new materials.
- Built-in user-support function.
- Deployment mainly in advanced markets.



■ Tasks

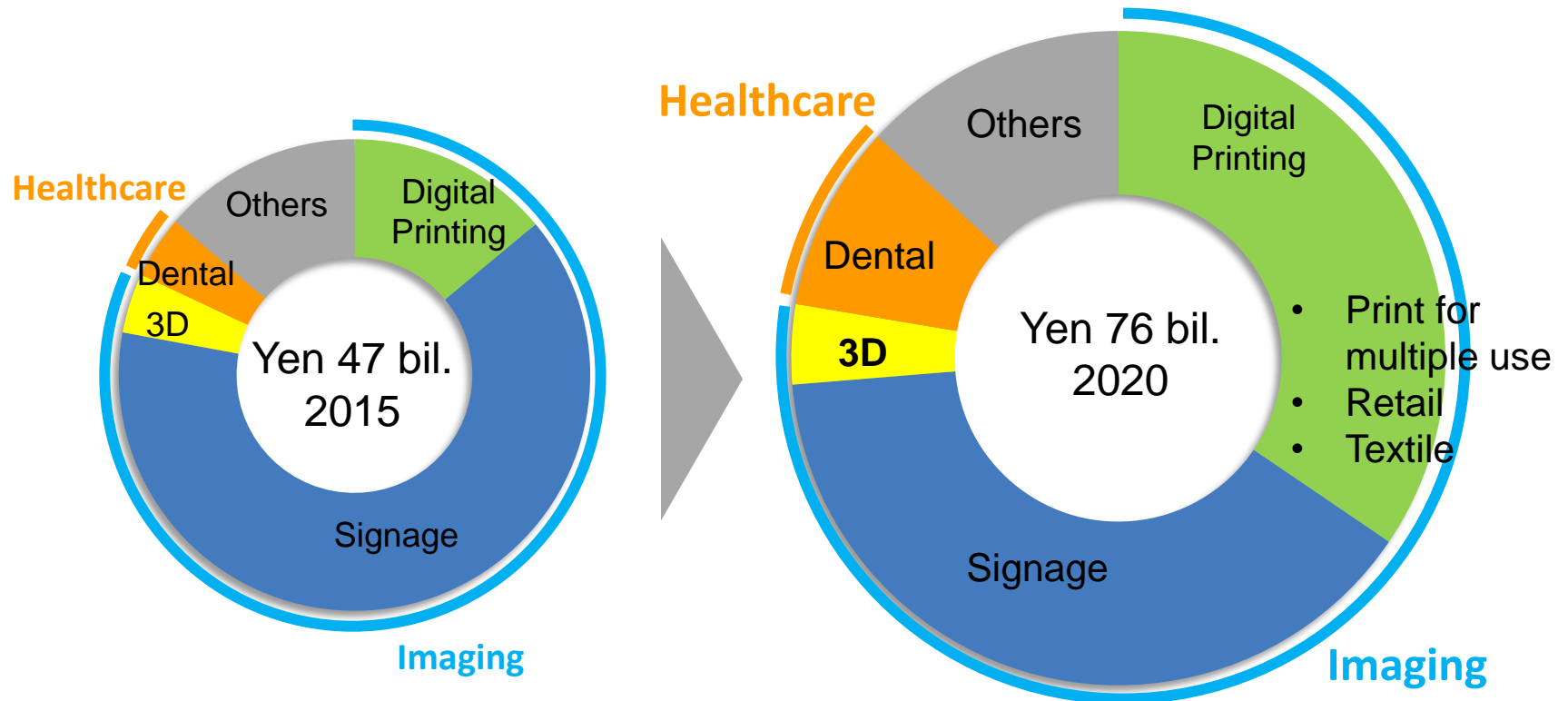
- Global implementation utilizing success stories.
- Expand use from lab to clinic.



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Business Target

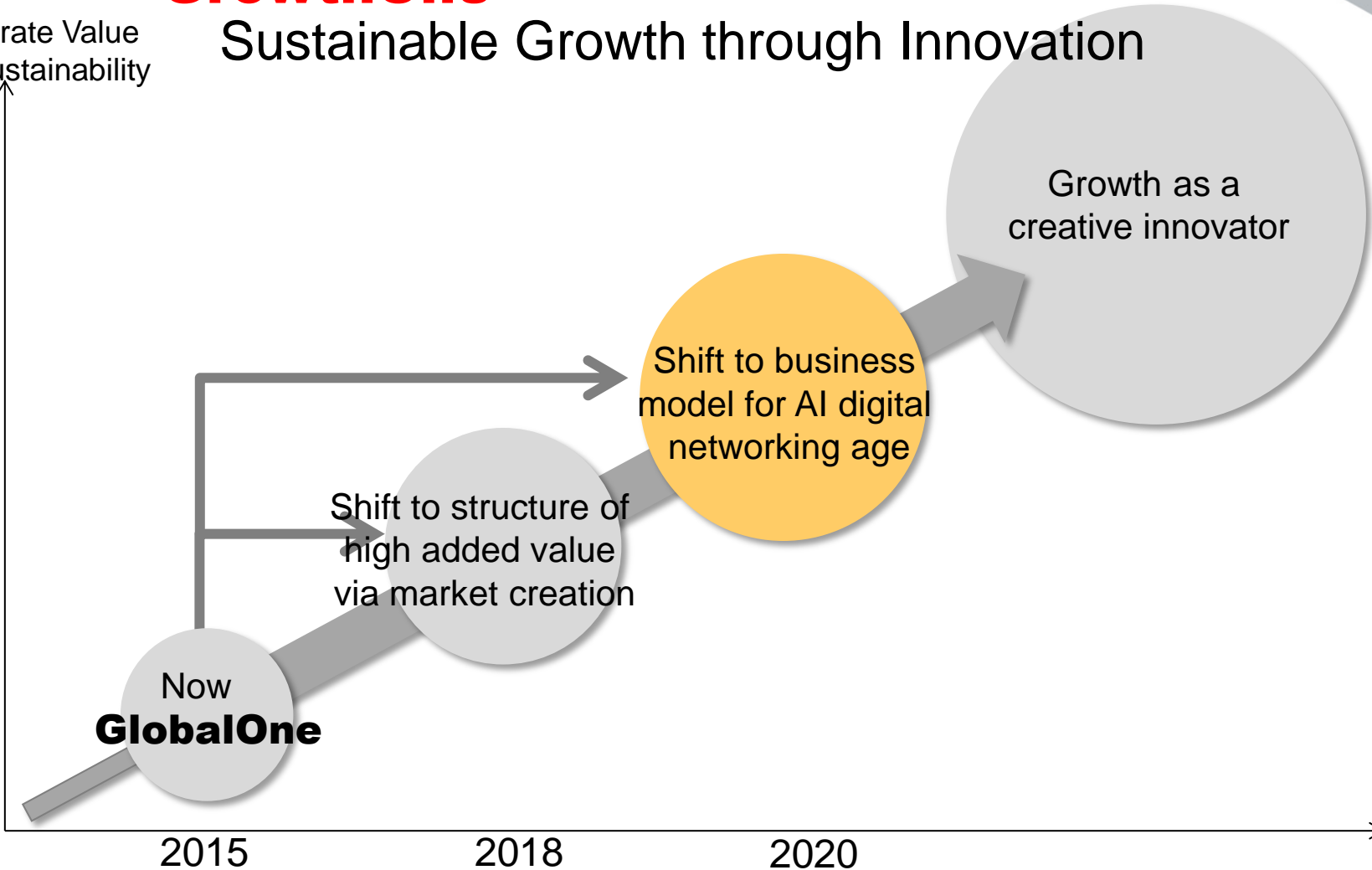
Sales Revenue: Yen 76 billion in 2020 with multiple core businesses



GrowthOne

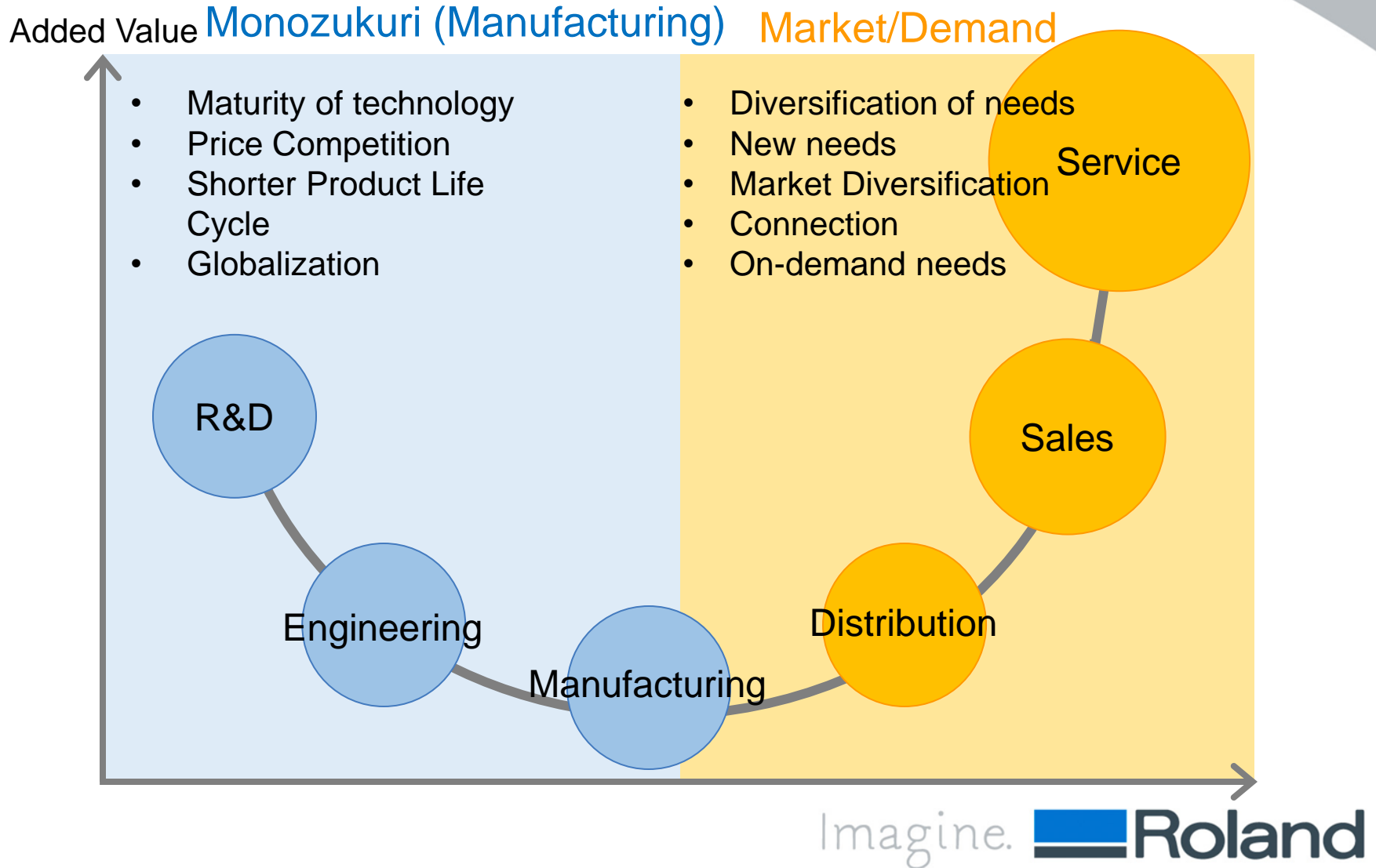
Sustainable Growth through Innovation

Corporate Value
and sustainability



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Customer Value: Smile Curve



Our Footprint



... 2005 2006 2007 2008 2009 2010 2011 2012 **2013 2014 2015**

GlobalOne

Sales Force

Strengthen sales in advanced markets

Management by Region
Restructuring of sales organization
Cultivate New Markets
Buy out sales companies

Customer Support



 DG Academy (Training)

Roland DG Academy



DG Care (Maintenance Service)



DG Creative Center (Usage Development)

Development of local solutions



Signage

Products for emerging markets



3D Monozukuri

3D Printer

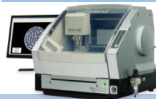


Digital Printing

UV-LED

Textile

Product Launch



Dental

5 Axis milling

Wet milling

Manufacturing

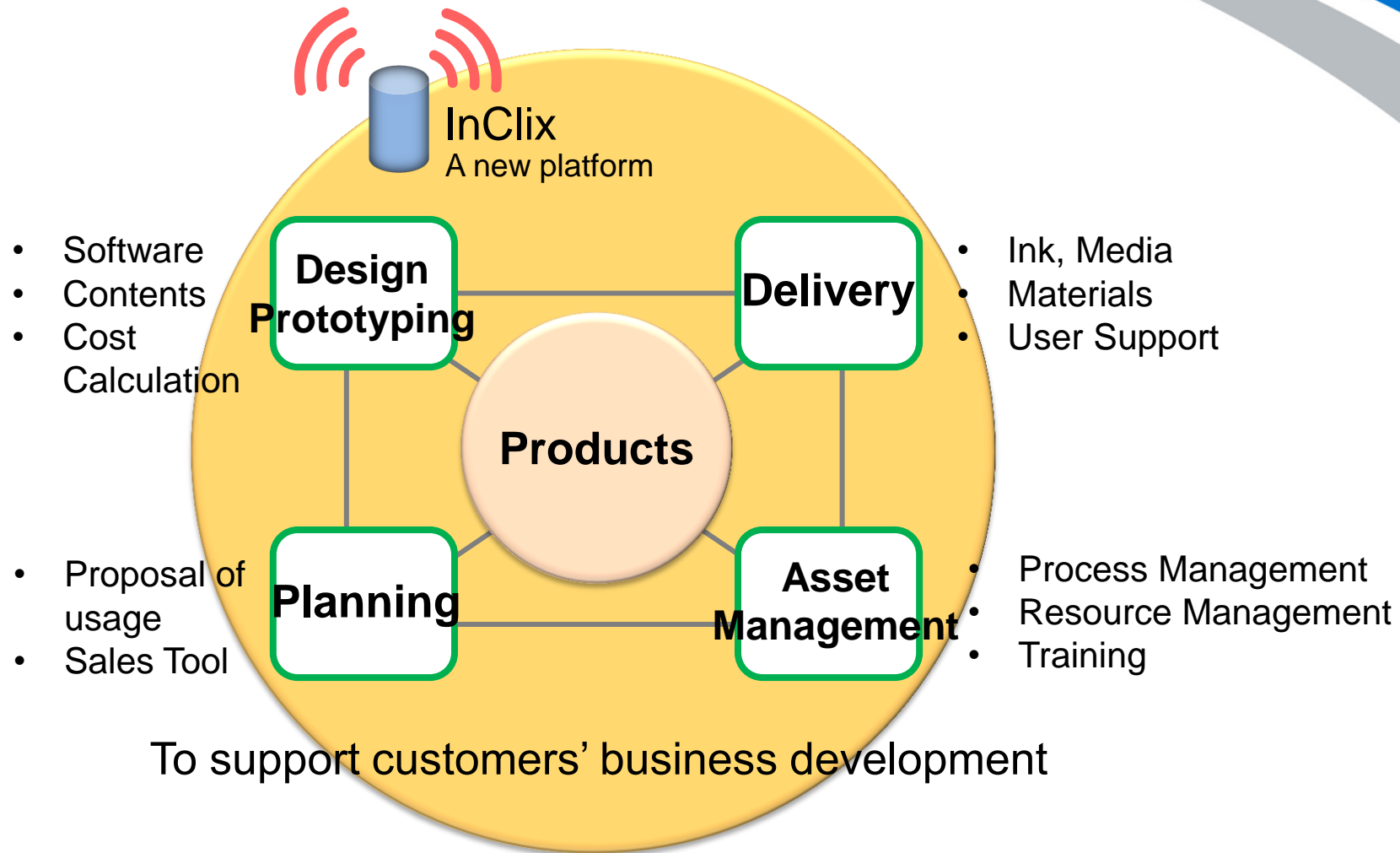
Japan: Cell Production system



Establishment of Thai production
Completion of global manufacturing

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Business Model Transformation: Things to Service



GrowthOne

Sustainable Growth through Innovation

Corporate Value
and sustainability

Growth as a
creative innovator

Shift to business
model for AI digital
networking age

Shift to structure of
high added value
via market creation

Now
GlobalOne

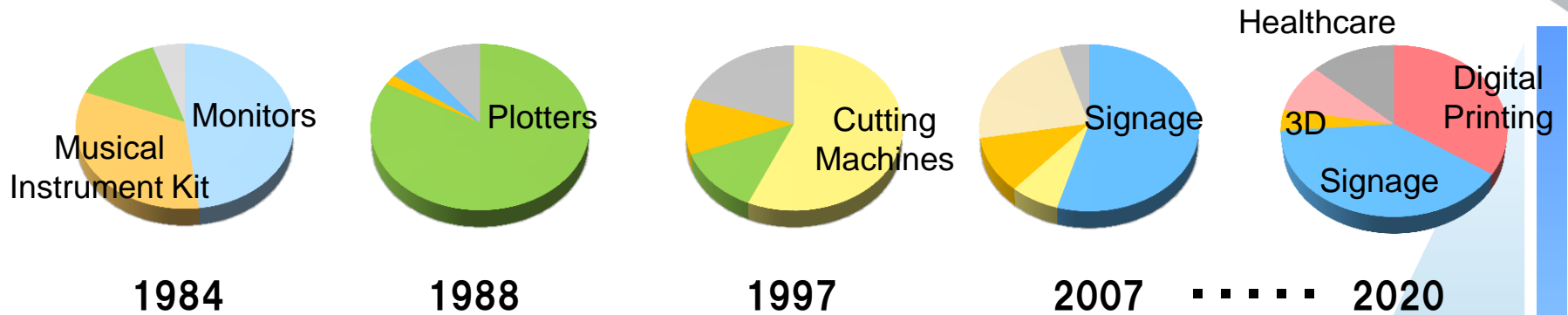
2015

2018

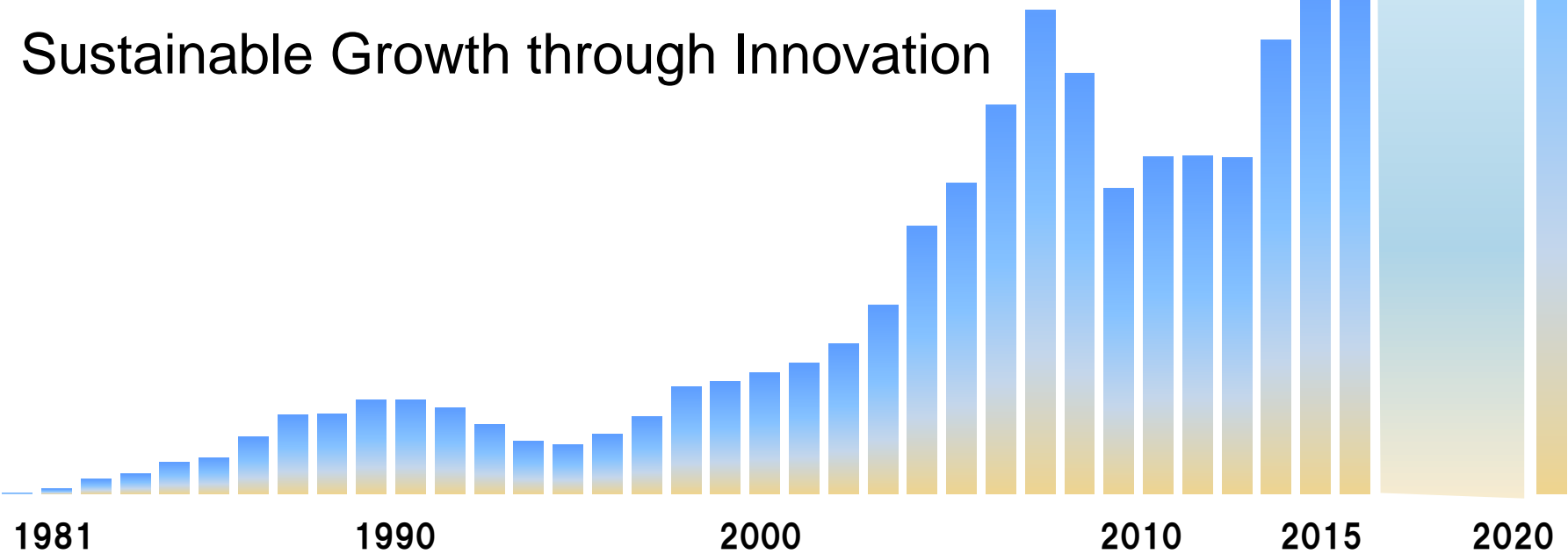
2020

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Paths to Sustainable Growth



Sustainable Growth through Innovation



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.

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