

Consolidated Financial Results for the Six Months Ended June 30, 2019

As of August 2019

FY2019 Action Items

- ✓ Halt the decline in printer sales by expanding the product lineup
- ✓ Make aggressive investments towards entering a growth stage
- ✓ Speed up business operations and put them on track through divisional organizational structure (strategic business units)

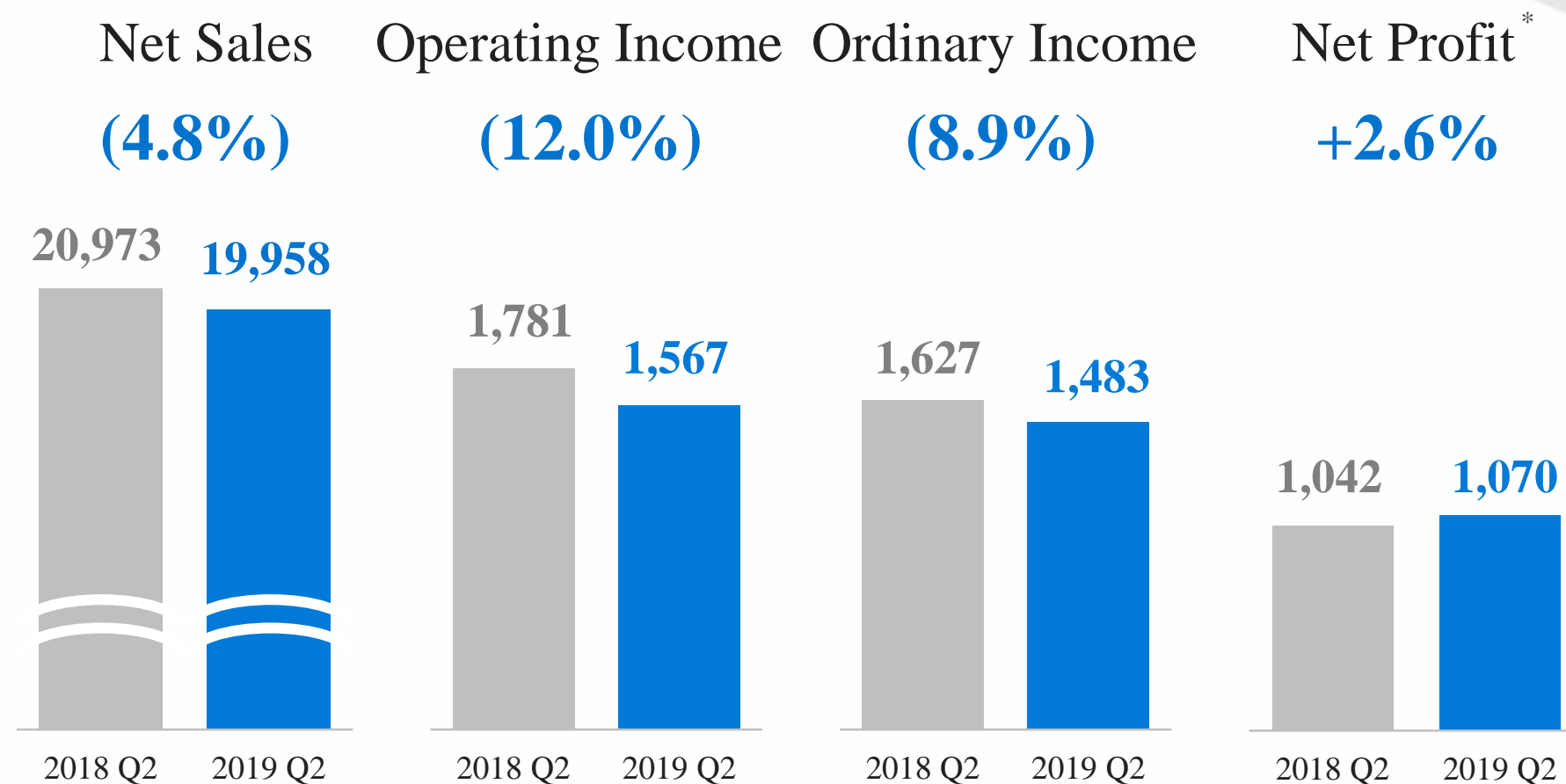
Consolidated Financial Results for the Six Months Ended June 30, 2019

Financial Highlights

- ✓ A new model of printer for signage was released, but sales of existing models decreased resulting in lower net sales YoY
- ✓ While there was an increase in sales of dental milling machines, there was a decrease with 3D digital fabrication devices. 3D Products as a total remained at the same level as last
- ✓ Operating income and ordinary income also decreased due to the effects of the stronger yen

Consolidated Financial Results

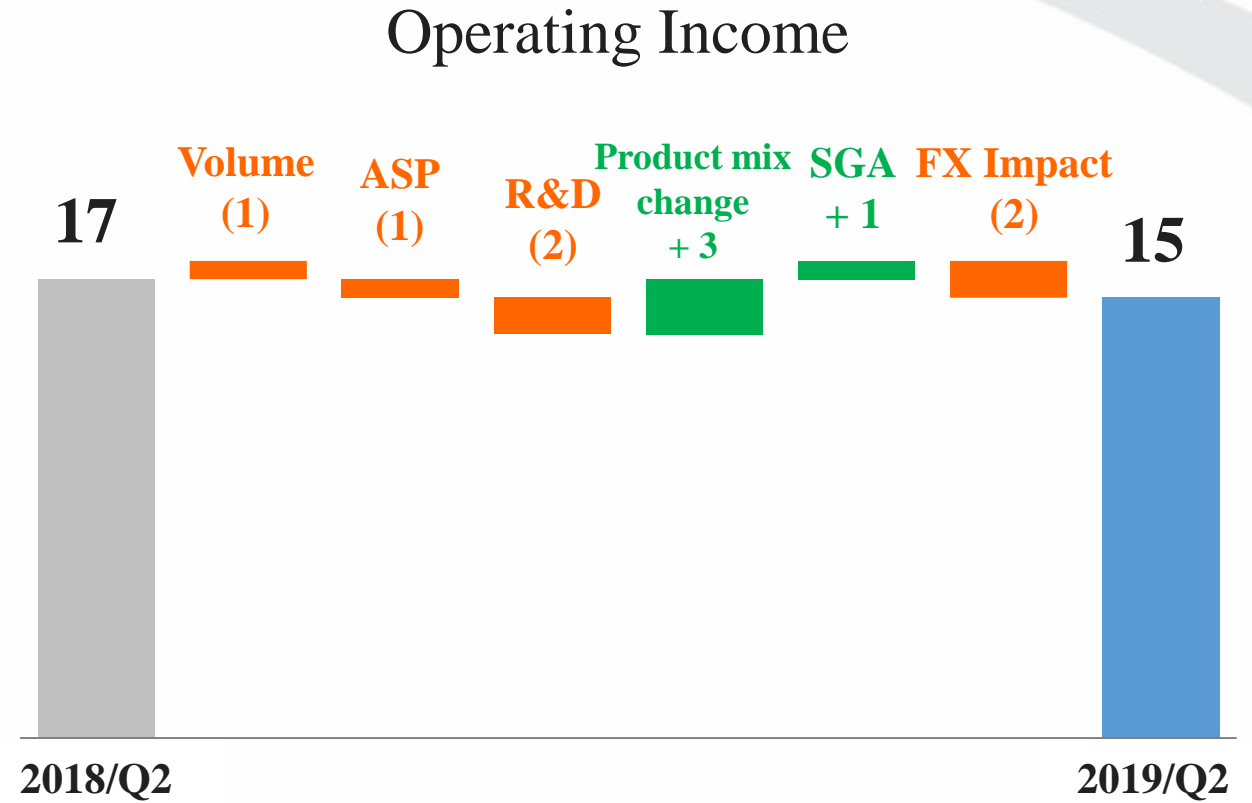
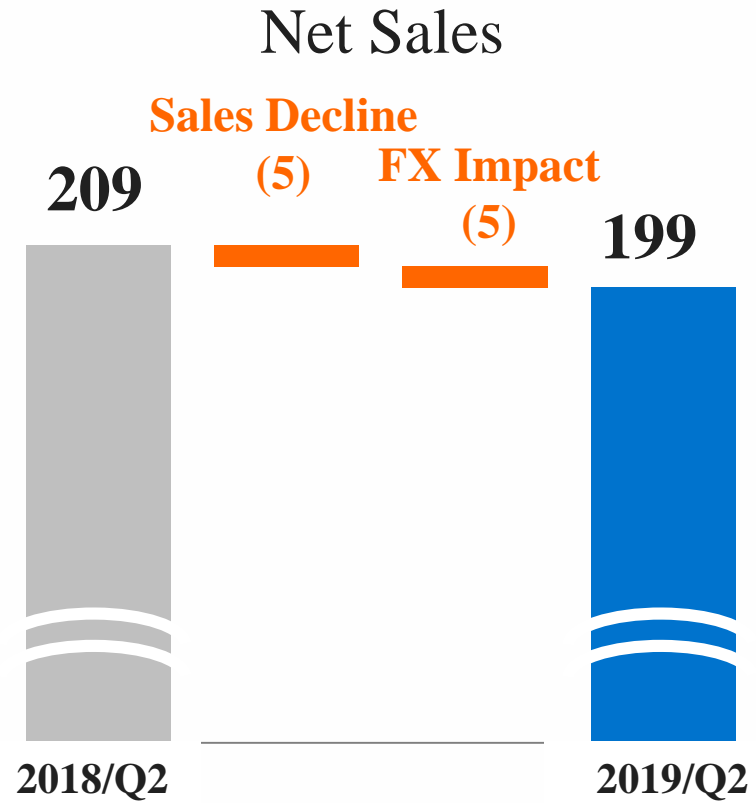
(Millions of Yen)



* Profit attributable to owners of parent

Variance Analysis YoY

(100 Million Yen)



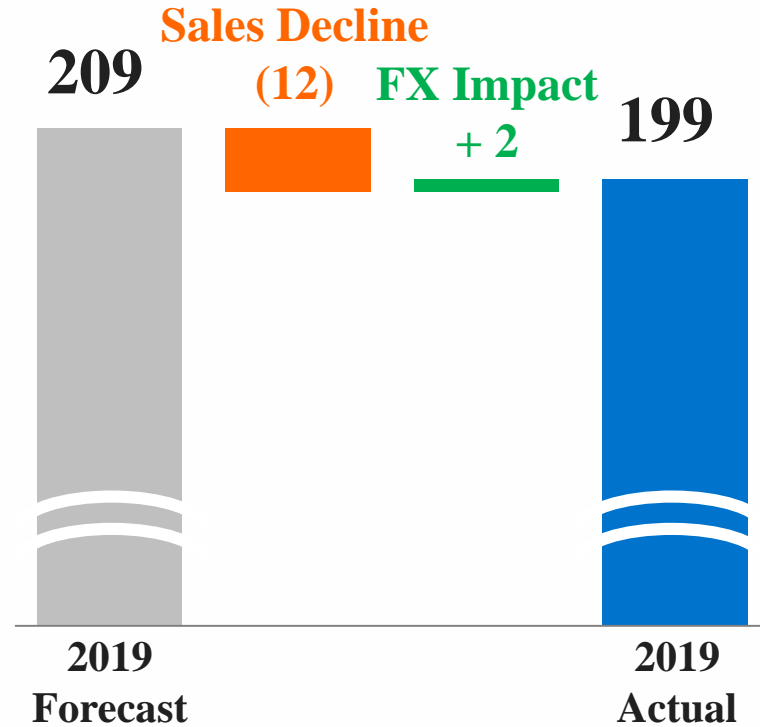
Average exchange rate during the accounting period

(Yen)	2018/Q2	2019/Q2	
USD	108.69	110.06	101.3%
EUR	131.67	124.35	94.4%

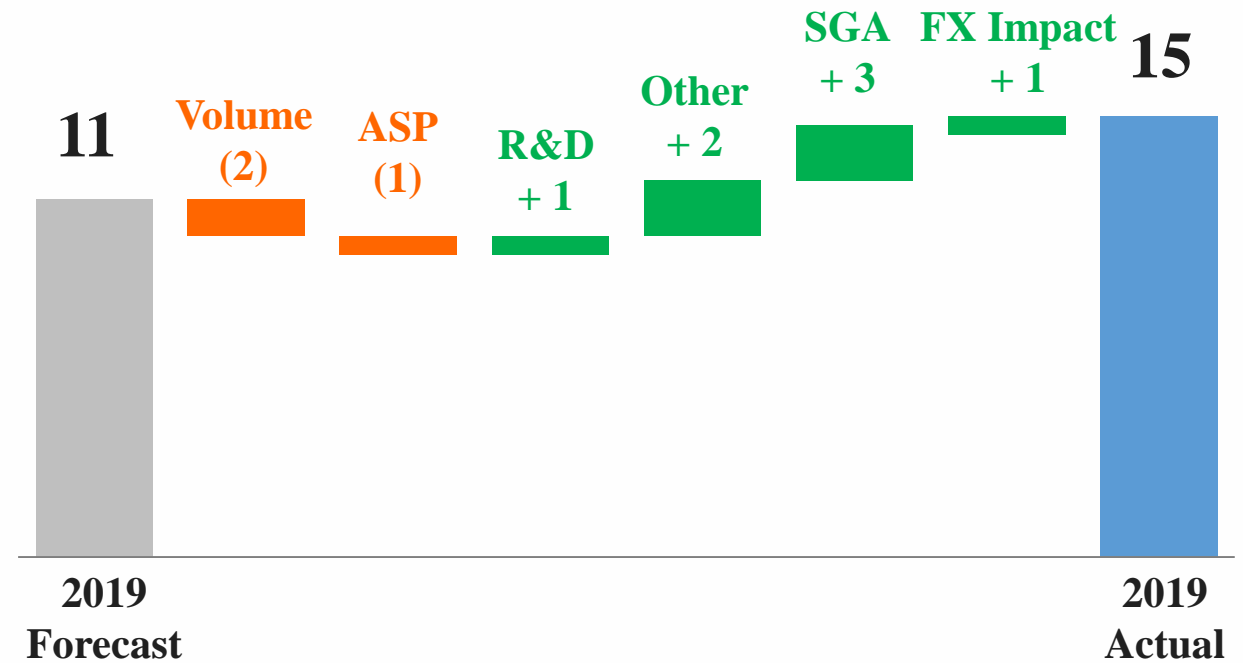
Variance Analysis vs. Forecast

(100 Million Yen)

Net Sales



Operating Income



Average exchange rate during the accounting period

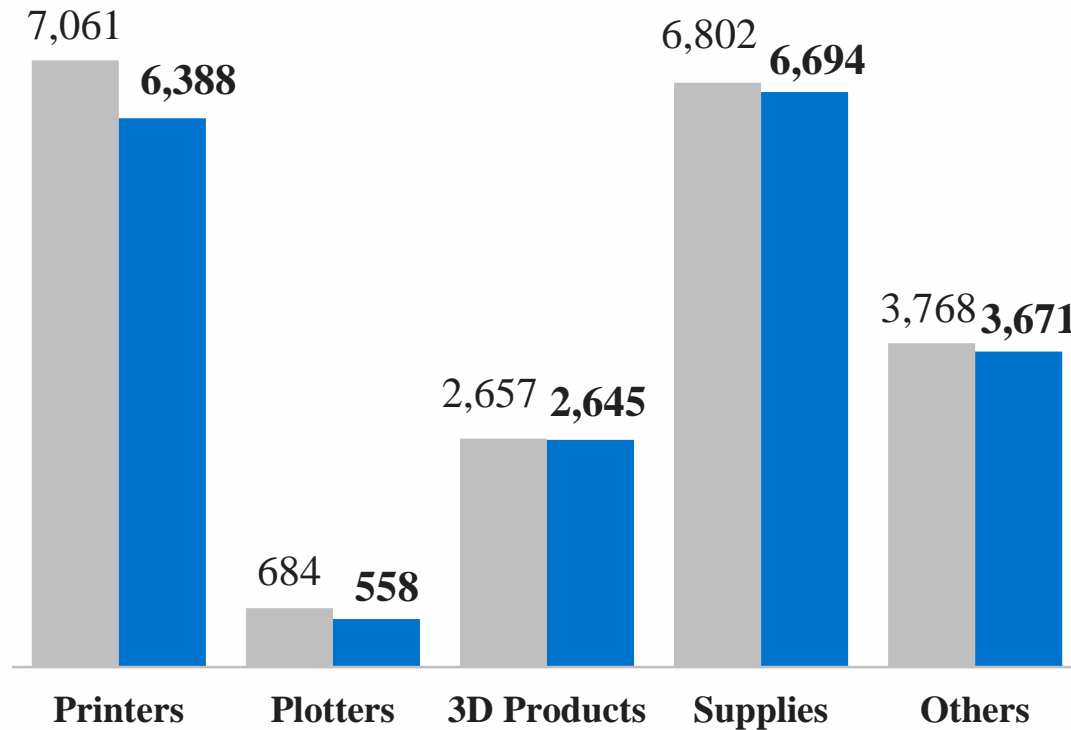
(Yen)	2019 Assumption	2019/Q2 Performance	
USD	105.00	110.06	104.8%
EUR	125.00	124.35	99.5%

Business Highlights

(Millions of Yen)

2018 Q2

2019 Q2



Printers

- ✓ Printers for signage down
- ✓ New models were steady, but existing models were weak

Plotters

- ✓ Wide-format models for signage decreased

3D Products (DGSHAPE)

- ✓ Dental milling machines continued to grow
- ✓ 3D milling machines and engraving machines decreased

Supplies

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

Others

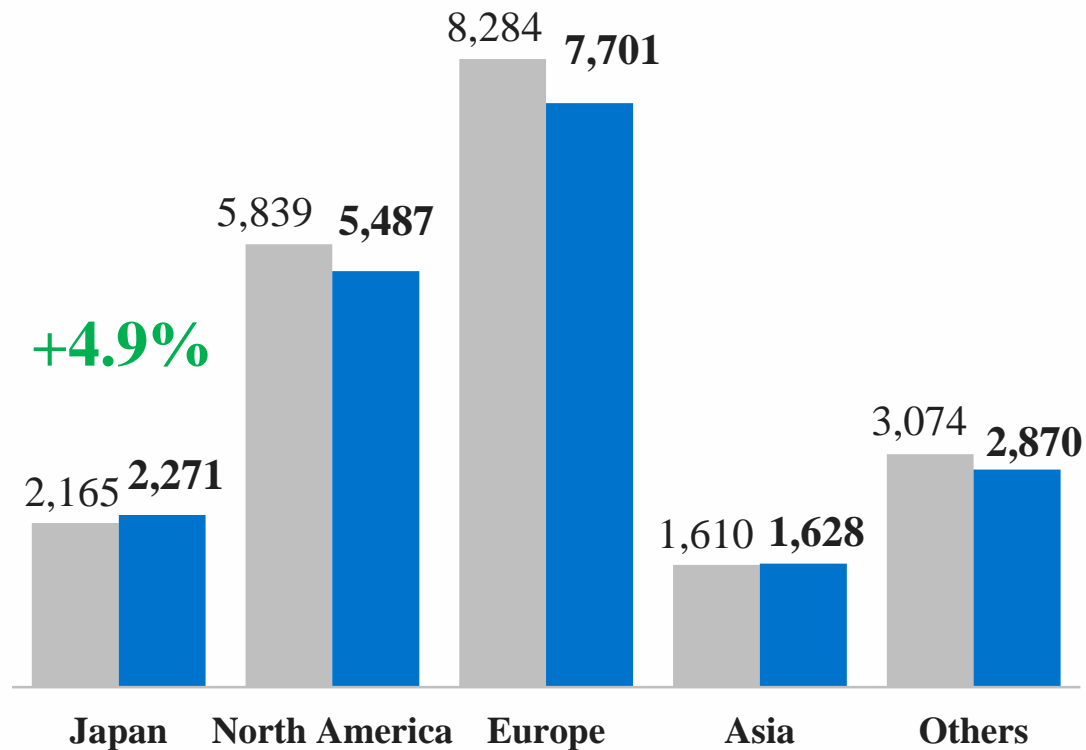
- ✓ Service parts were mostly flat

Regional Highlights

(Millions of Yen)

2018 Q2

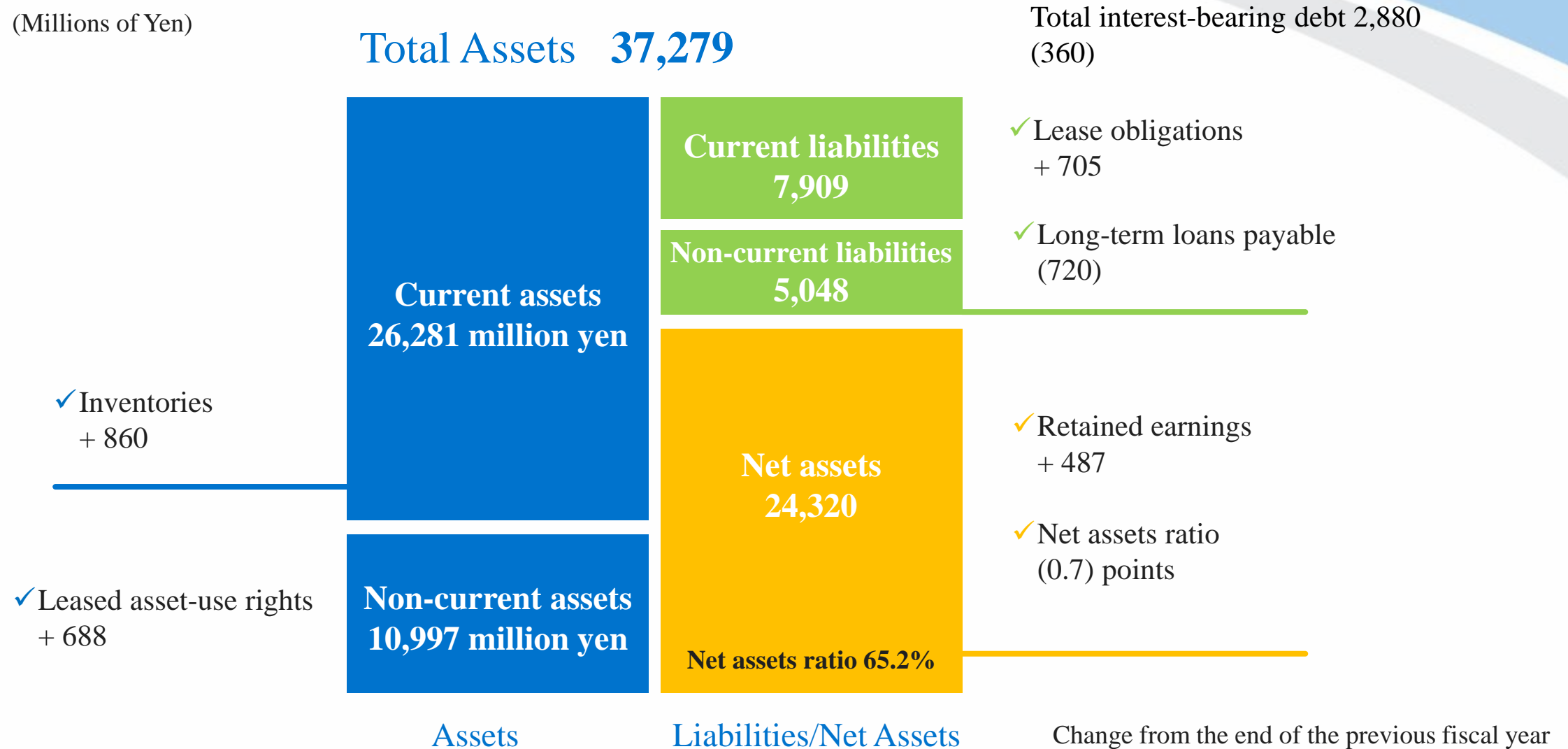
2019 Q2



- | | |
|---------------|--|
| Japan | <ul style="list-style-type: none">✓ Printers for signage increased due to a steady sales increase in new model✓ Dental milling machines decreased |
| North America | <ul style="list-style-type: none">✓ Printers for signage increased due to a steady sales increase in new model✓ UV printers and dental milling machines decreased |
| Europe | <ul style="list-style-type: none">✓ Printers for signage down✓ Dental milling machines increased✓ The strong yen against the euro affected the sales |
| Asia | <ul style="list-style-type: none">✓ Printers for signage and dental milling machines increased in Korea and the ASEAN region✓ Printers for signage down in China |
| Others | <ul style="list-style-type: none">✓ Printers for signage were solid in Australia✓ Printers for signage decreased in South America region |

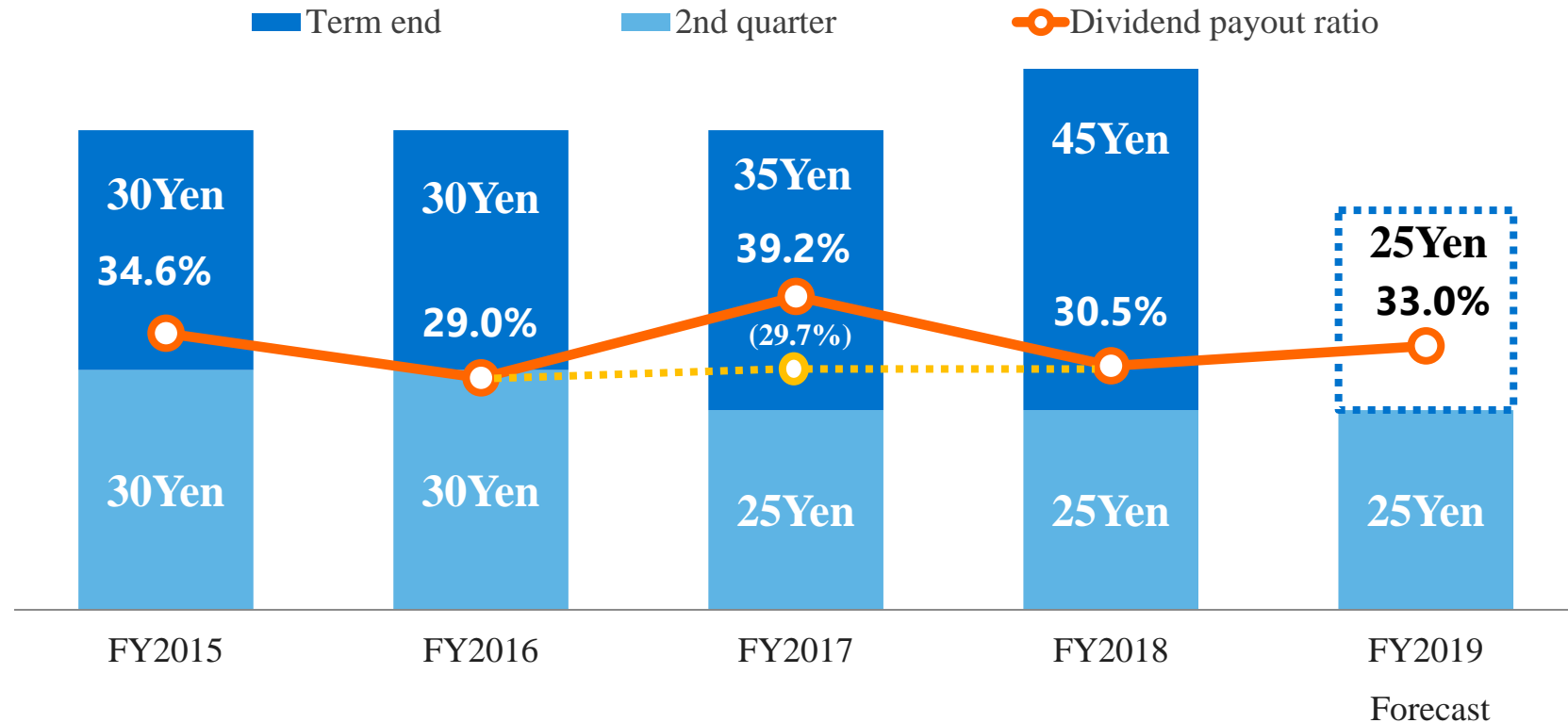
Consolidated Balance Sheet as of June 30, 2019

(Millions of Yen)



Dividend Forecast

For the fiscal year 2019, yen 25/share for H1, yen 25/share for H2, yen 50/share/year is scheduled.
Payout ratio is 33.0% is scheduled.

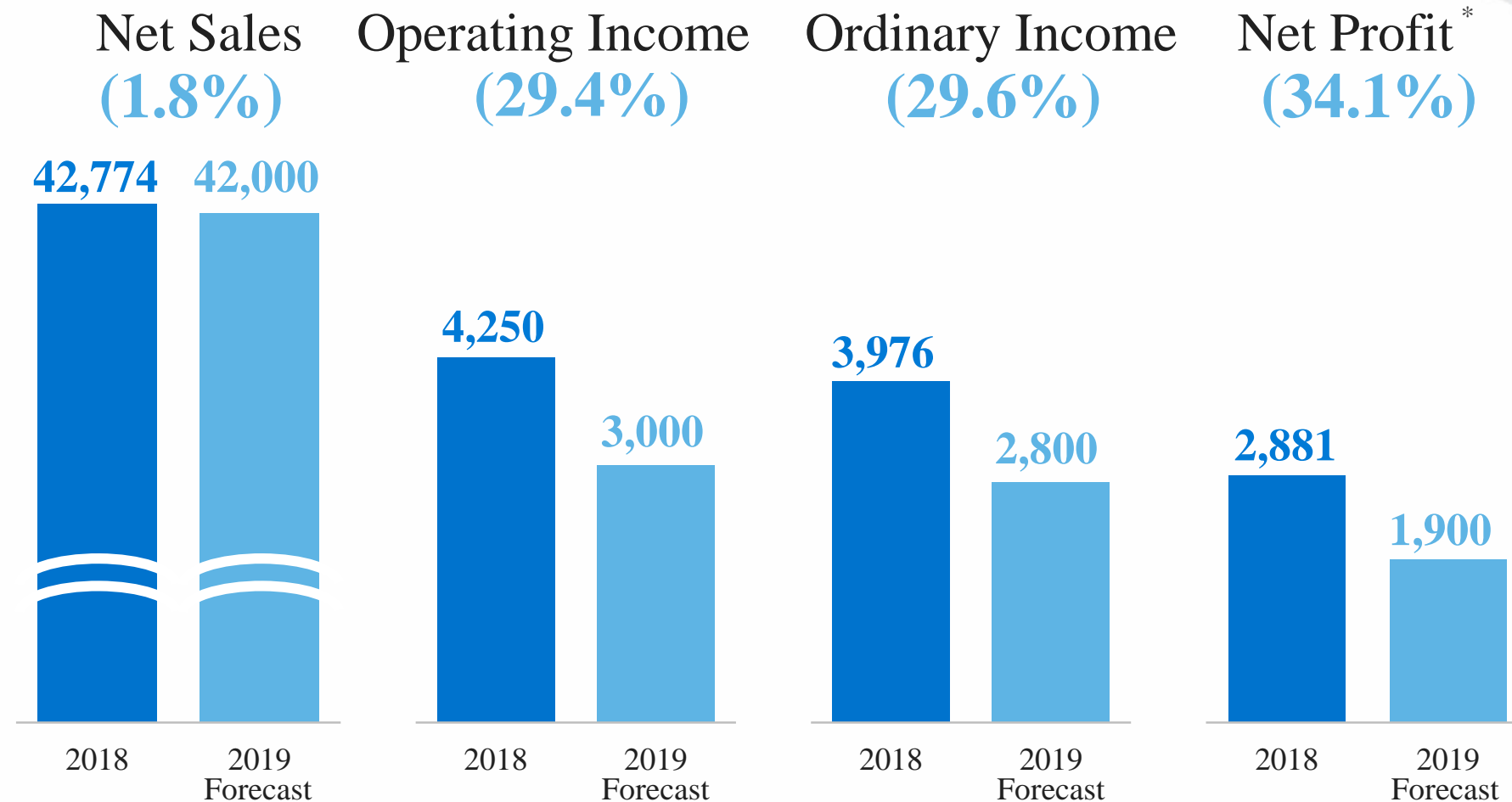


Dotted line denotes figure excluding extraordinary loss

Consolidated Earnings Forecast for the Fiscal Year Ending December 31, 2019

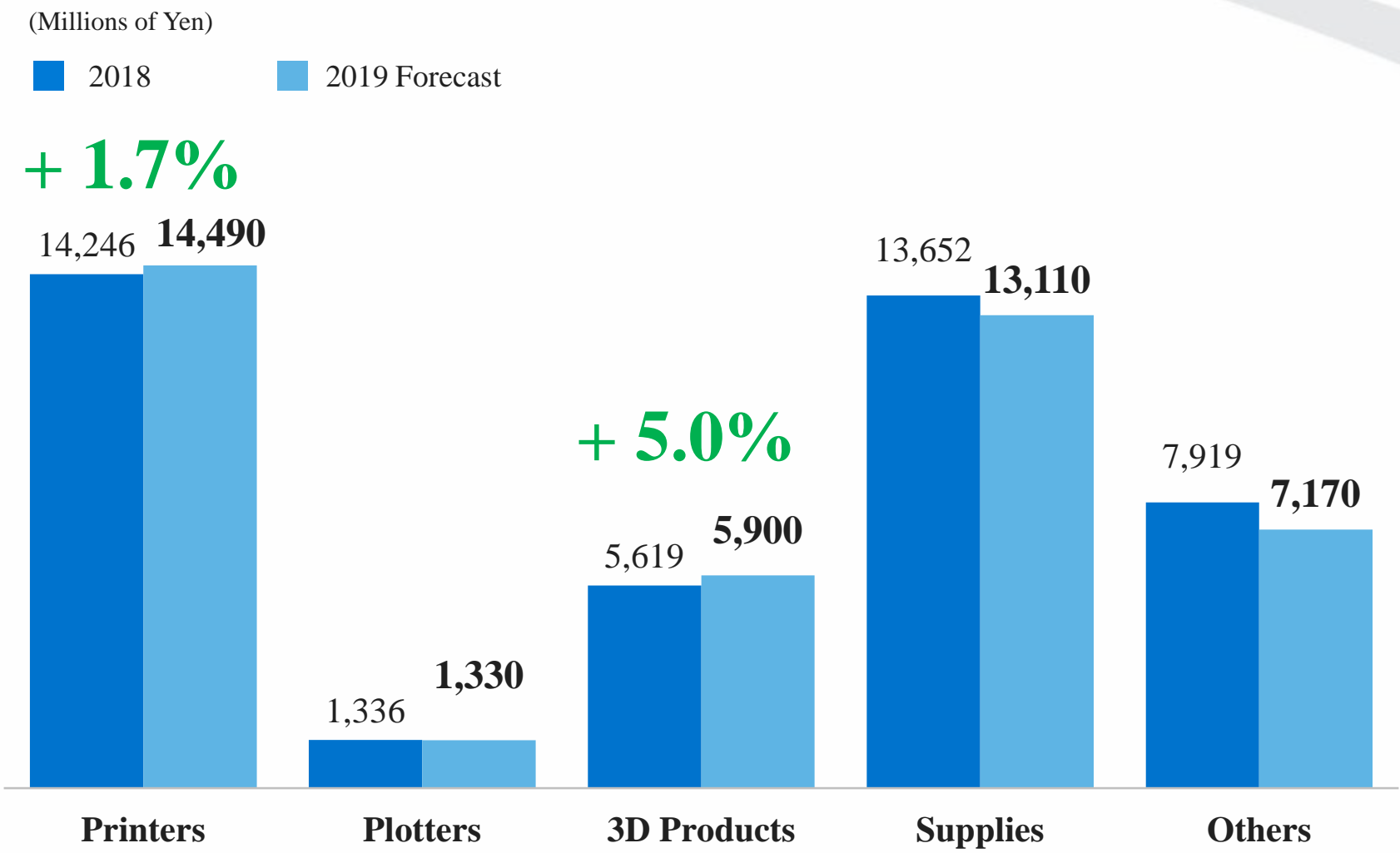
Consolidated Earnings Forecast for the Fiscal Year Ending December 31, 2019

(Millions of Yen)

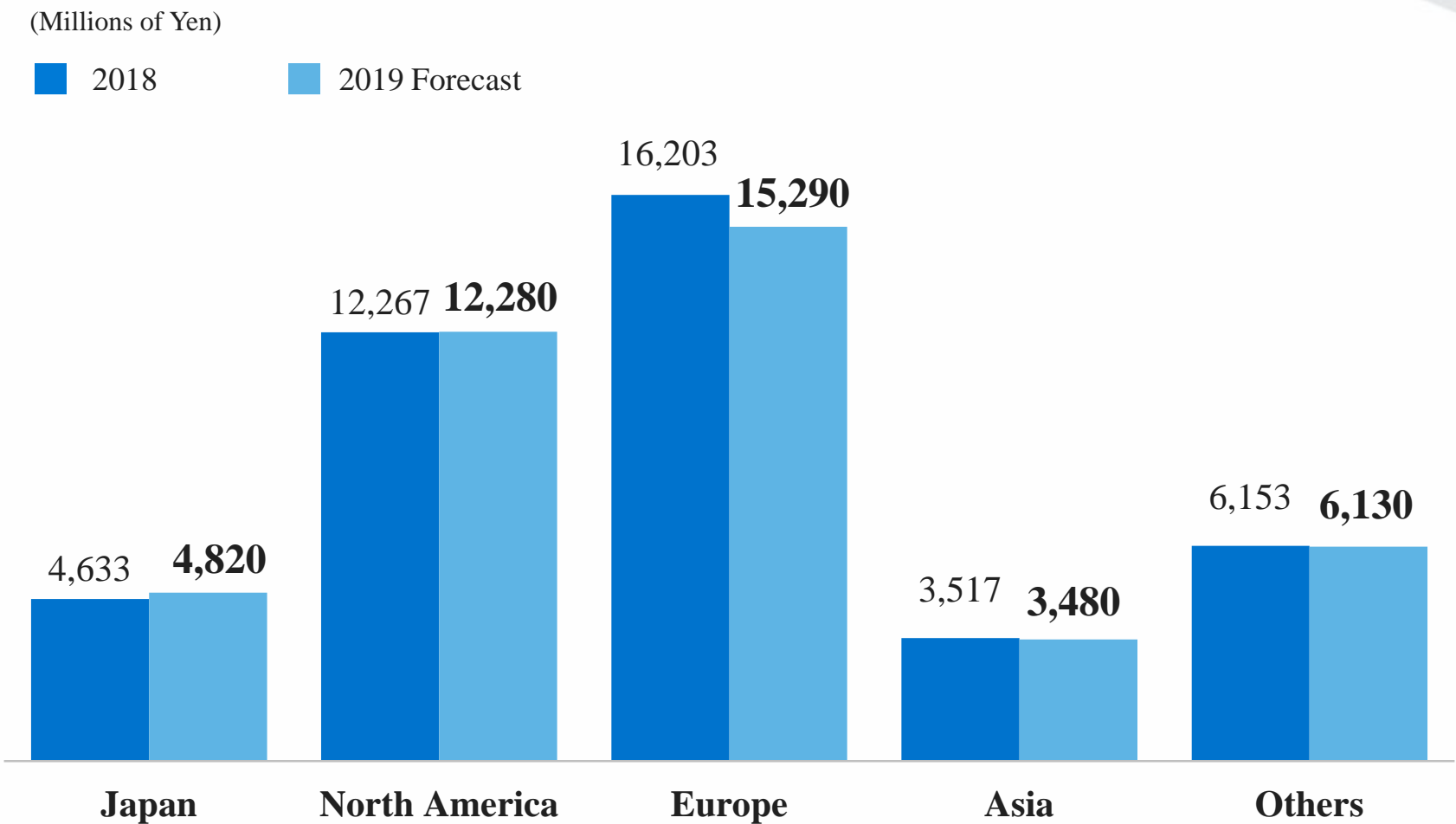


* Profit attributable to owners of parent

FY2019 Sales Forecast by Product



FY2019 Sales Forecast by Region



Business Summary

Business Domains



Digital
Printing
Business



COTO
Business

 **DGSHAPE**
Business





Digital
Printing
Business

COTO
Business

 DGSHAPE
Business

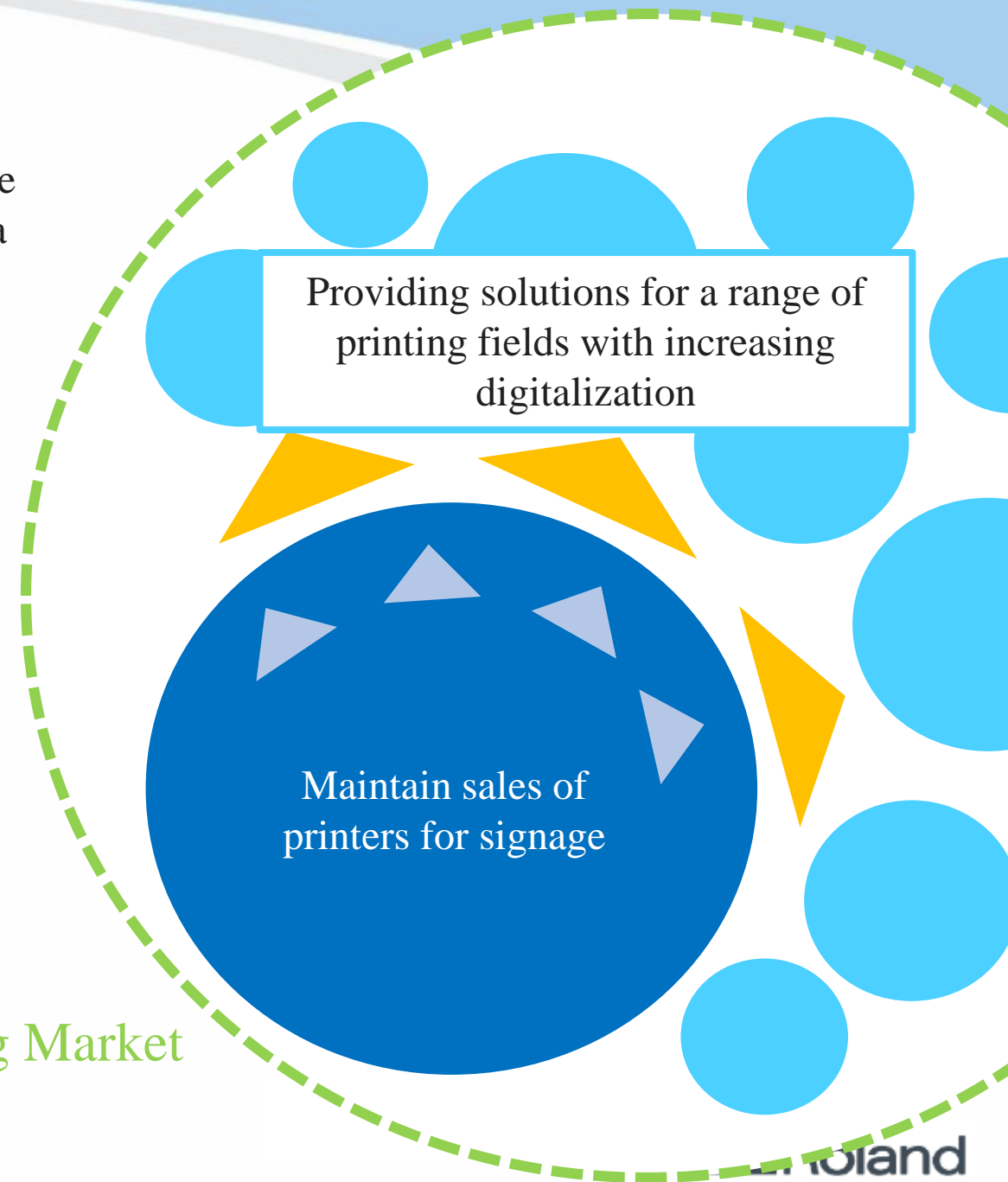
Digital Printing Business—Key Issues

Developing and supplying digital printing solutions suited to diverse applications will spur innovation in business processes throughout a range of printing fields. This will help expand business of existing customers, and also help create a new digital printing market.

Maintain sales by enhancing or improving existing models, and releasing new models to halt the drop in sales of printers for signage

Collaborate with local partners (Co-creation) to expand lineup of products and services, and expand into adjacent fields and cultivate them

Digital Printing Market



New Product : TrueVIS VG2-640/540

“Power to Excite.” The new wide-format inkjet printer/cutter for sign makers and graphics providers, boasting the highest output quality in Roland DG history.



- ▶ Newly developed TR2 ink, including new orange ink options



- ▶ True Rich Color preset: vibrant color can be combined with neutral grays, smooth gradations and natural skin tones to produce color quality of incomparable realism and complexity



- ▶ Increased print/cut accuracy and smart new automated pinch rollers

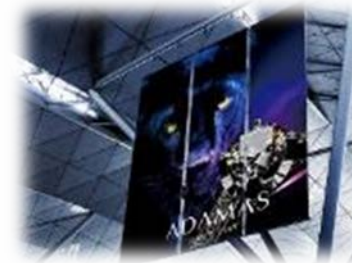


- ▶ Certified for long-lasting results by the 3M MCS, providing assurance of the quality and reliability of their graphics



Launched on
Mar. 5, 2019

TrueVIS VG2-640 VG2-540



Banners



Stickers



Car Wrapping

Won the Prestigious Awards

The VG2-540 and VG2-640 impressed the judges with the system's breadth of color gamut, optimized color accuracy and color reproduction capability, plus a host of technological advancements to deliver high-precision print and cut performance



Won the 2019 ISA Sign Expo Innovation Award in the “Printer” category

Won ‘Best Print & Cut Solution’ in the prestigious EDP (European Digital Press Association) Awards.



From right,
Eli Keersmaekers, Division President of Global Marketing and Sales
Andrew Oransky, CEO of Roland DGA
Kevin Shigenoya, Division Vice President of Digital Printing Division

Gillian Montanaro, Head of Marketing for Roland DG EMEA (right)

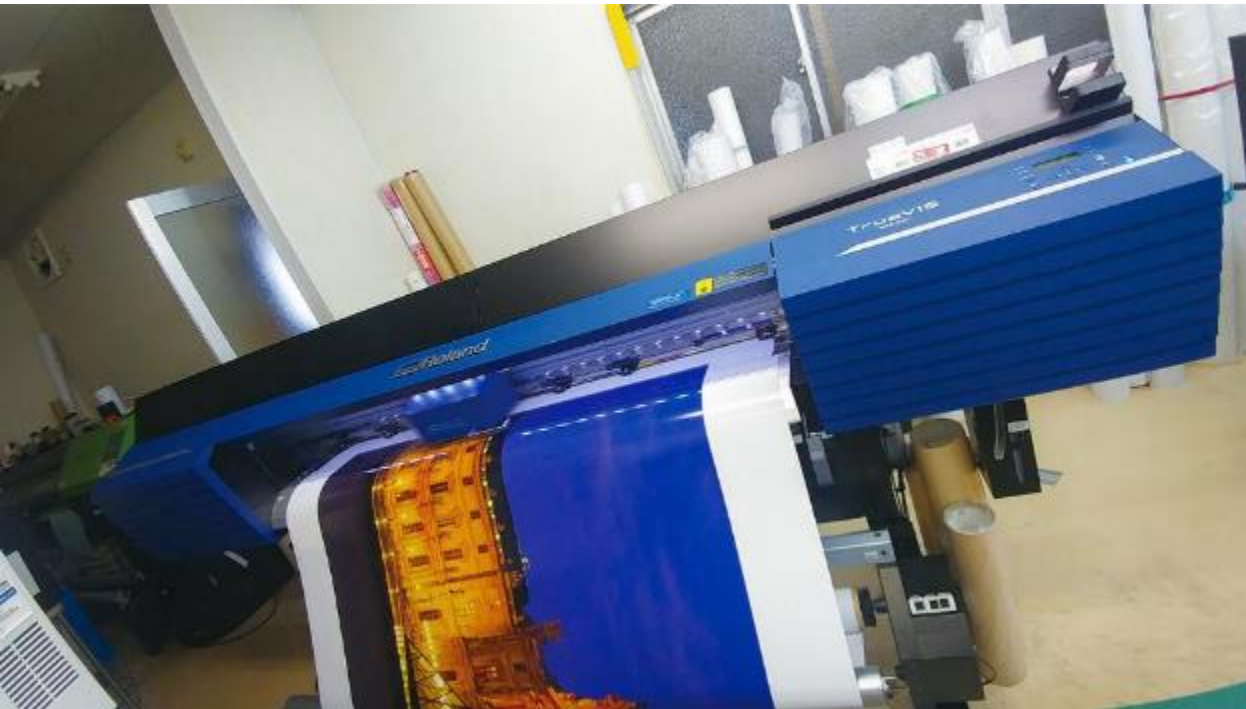
VG2-540 Customer Case

Giken Co., Ltd.

distributor of wide-format inkjet printers and media used for signboards, and is also a professional sign maker with its own printing business

One of the first companies to begin using Roland DG's new TrueVIS VG2-540 for printing billboards and signboards

“I have found that the VG2-540 has an image quality that delivers a real impact on the person viewing the prints. It has excellent color reproduction and now covers a much broader color gamut. The new orange ink has definitely made a positive impact,” said Masahiko Matsumoto, President of Giken Co., Ltd.



“Look how vivid the colors in the sky look.”

“I was amazed at just how well the print quality conveyed the textures and warmth of metals and glass objects in images.”



New Product : VersaUV LEF2-200

Benchtop UV flatbed printer, that prints amazing graphics and lifelike textures, including premium finishes such as simulated embossing, onto a vast array of materials



- ▶ A Head Refresh Feature removes any ink remaining on the printheads and cleans the printhead surface to maintain the health of the printer
The airtight cover protects operators from UV light



- ▶ Capable of printing on corners and curves as well as soft materials such as leather and fabric, Roland ECO-UV ink formulations are designed for both flexibility and beautiful imaging



- ▶ Clear ink can be printed for spot gloss or matte finishes, as well as unique embossing effects



- ▶ Print directly onto PVC and plastics, canvas, wood, leather, fabric, etc.



VersaUV
LEF2-200

Launched on
Mar. 5, 2019



Smartphone Cases



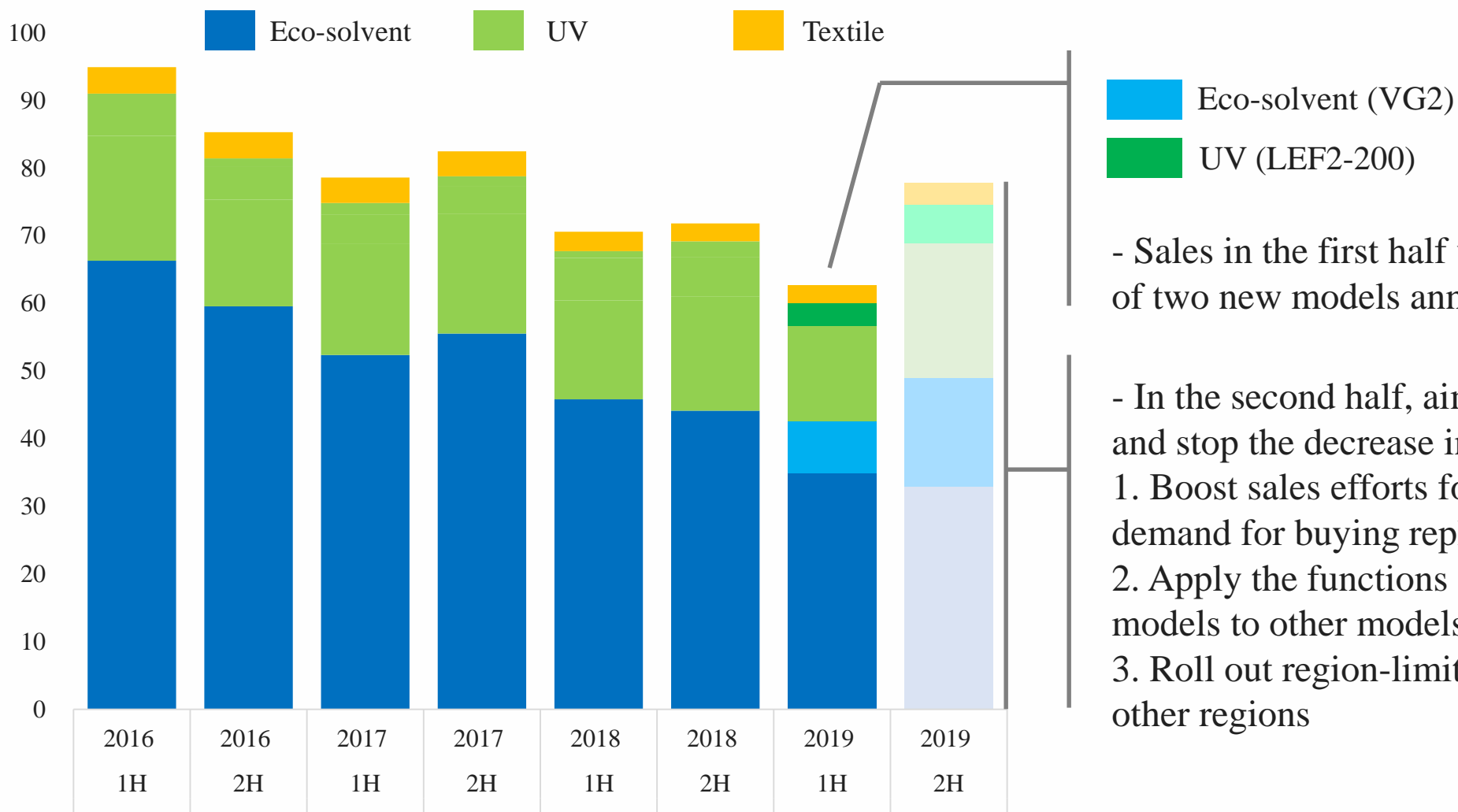
Custom Goods



Trophies

Sales Trends of Printer and Initiatives for 2H of FY2019

(100 Million Yen)

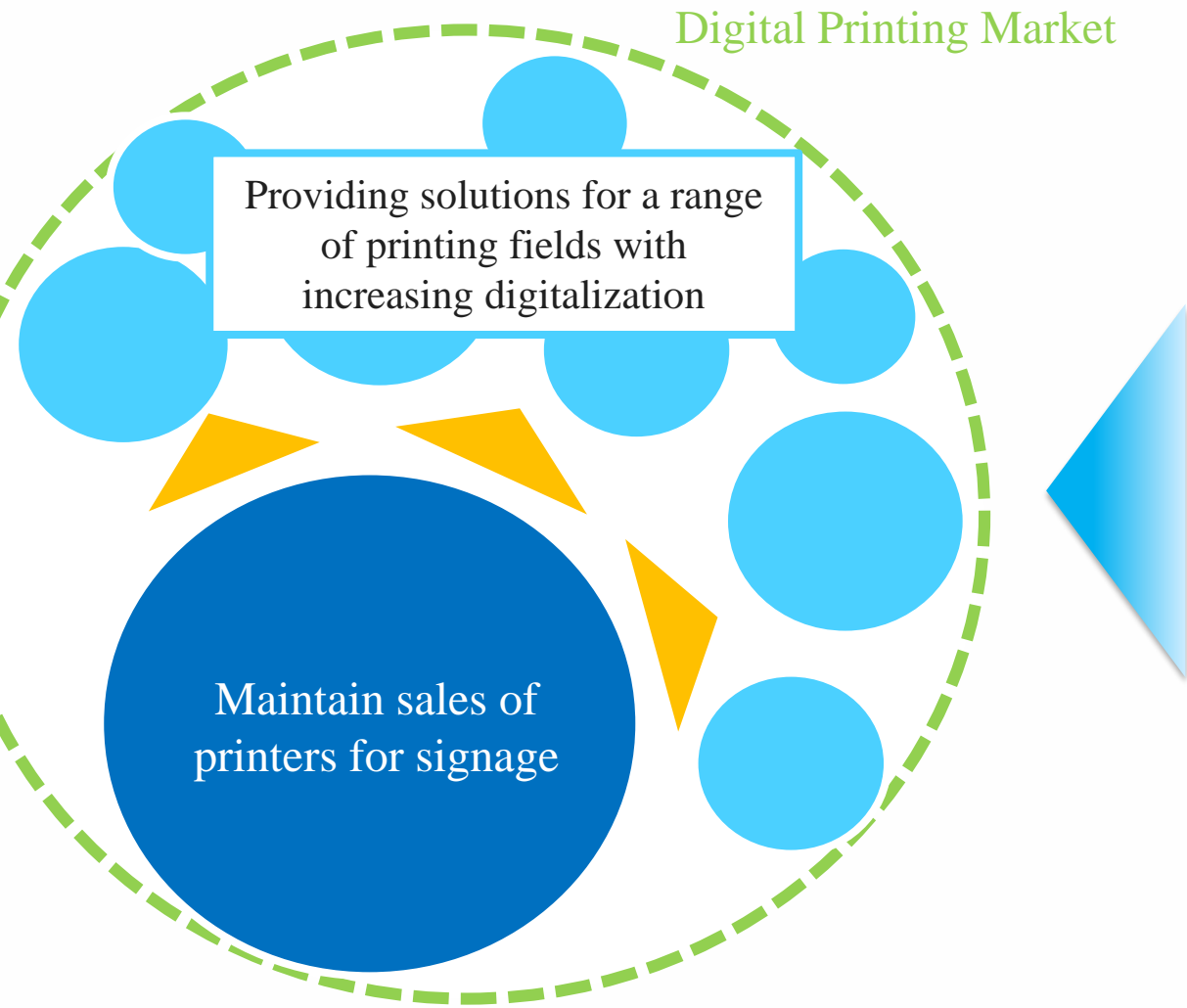


- Sales in the first half were supported by the effects of two new models announced in March

- In the second half, aim to continue increasing sales and stop the decrease in sales in the printer segment
- 1. Boost sales efforts for new models (stimulate demand for buying replacements)
- 2. Apply the functions and performance of new models to other models
- 3. Roll out region-limited Co-Creation models to other regions

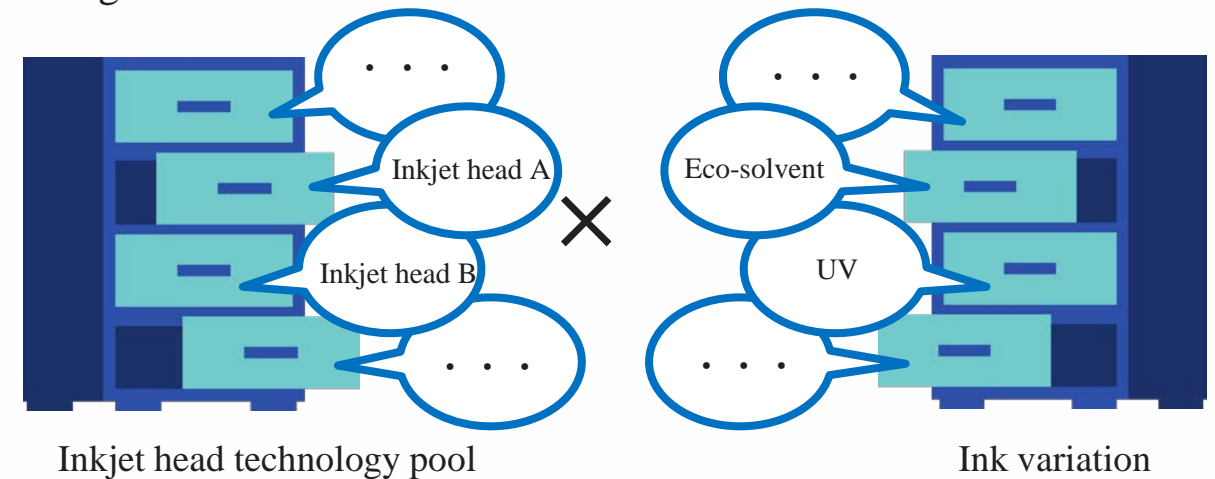
The 2H forecast is the full-year forecast minus the 1H results

Technical Development for Expanding Business



Provide optimal inkjet solutions by developing a broad range of options for inkjet heads and ink in various combinations to suit the printing application. This will help expand the digital printing market

- Strengthen the technology behind inkjet heads and ink, for diversification of the inkjet head and ink pool
- Strengthen the technology of inkjet head and ink combinations
- Greater range of ink colors to fine-tune our forte of high-quality images





COTO
Business

Digital
Printing
Business



DGS SHAPE
Business

Aim of the COTO Business



Instead of simply giving “things” to people as gifts, Roland DG uses the term “COTO” for events or venue spaces where making custom items is fun, and where people can incorporate their own ideas into designs specifically to suit the recipient



The COTO business supplies products, software and services so that retailers and stores in the service industry can provide end users with the opportunity to customize merchandise and items in-store by themselves. This allows customers to create one-of-a-kind items for their own personal use, as well as customize gifts with their own personalized designs

Business Proposals with cotodesign

- "cotodesign", a comprehensive design and print management software package for customizing apparel and gift items in-store using customer data, including photos or artwork from their smartphone
- With the ability to connect to a wide variety of Roland DG's desktop-sized product range, it propose services that make creating appealing original goods more fun
- Products that can connect with cotodesign will not be limited to Roland DG's products, but will gradually be expanded to include products like embroidery machines and laser engravers

The METAZA MPX-95 photo impact printer for the personalization of metallic items with photos, logos, names, messages and other decorations

The LD-80 Laser Decorator that can add text or graphic in metallic and holographic foils for a luxurious appearance



LEF series of benchtop UV-LED flatbed inkjet printer

The VersaSTUDIO BN-20 desktop eco-solvent printer/cutter

The VersaSTUDIO BT-12 desktop direct-to-garment printer

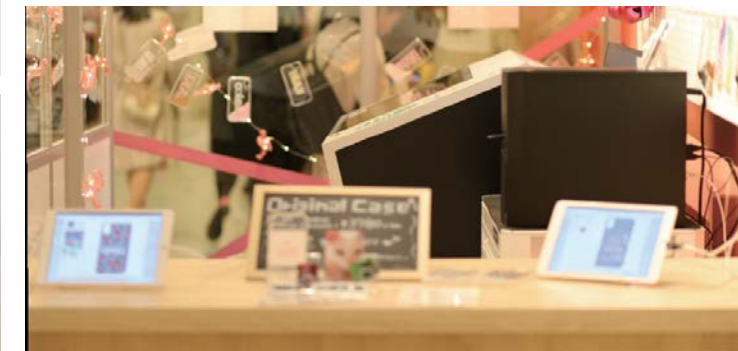
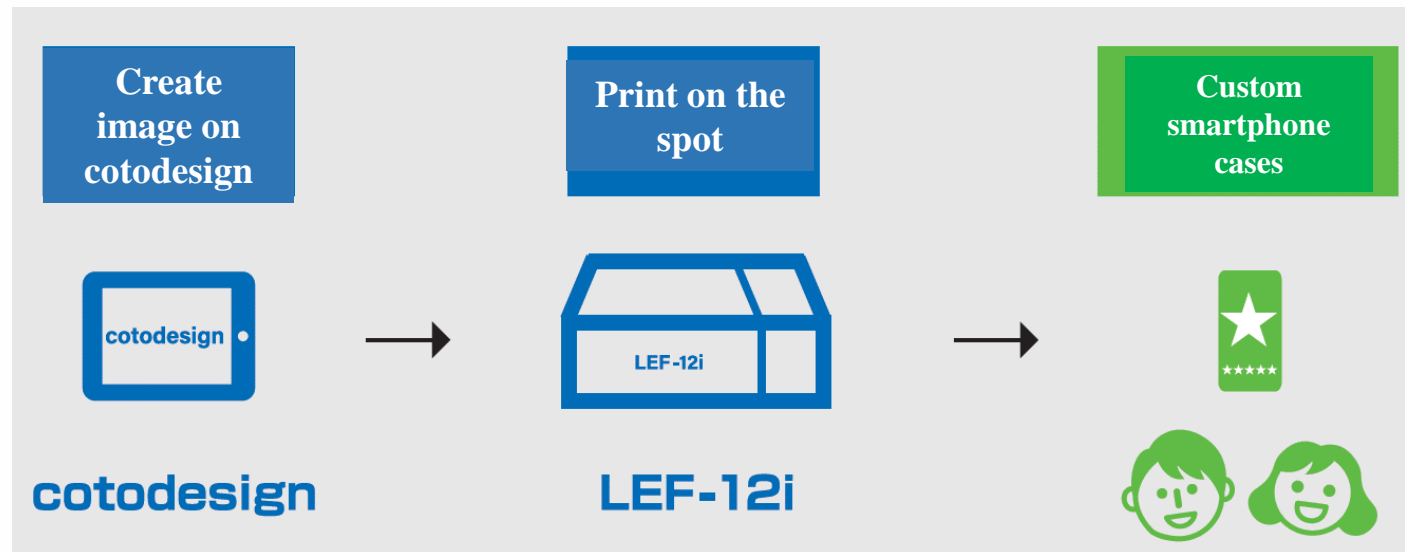
Examples of cotodesign and Product Sets

COLLABORN TOKYO, Nanba, SAMURAI WORKS Inc.

A cotodesign and LEF-12i UV-LED printer set enables customers to make their own custom goods

“cotodesign is simple and intuitive to use, making the process so easy for staff and customers.”

“Customers enjoy using cotodesign with their friends to create designs.”



Market Development

Roland DG customized a Honda N-VAN minivan, a popular model that suits a broad range of work and leisure duties. The N-VAN was customized to drive to different events and provide visitors access to the latest digital tools so that they could have fun creating their very own accessories



Illustrator Chihiro draws visitors portraits.



Visitors create a final image using CotoDesign



The custom van loaded with UV printers and other tools



Designs created by visitors were printed directly onto key chains using the LEF-12i UV printer



One-of-a-kind car-shaped key chains

The promotional event took place at the Honda HQ, Tokyo on 23-24 Feb. 2019

COTO business provides tools that help deliver a unique experience and quality time for customers and transform their imagination into reality



 Roland

Digital
Printing
Business

COTO
Business

 **DGSHAPE**
Business





Dental



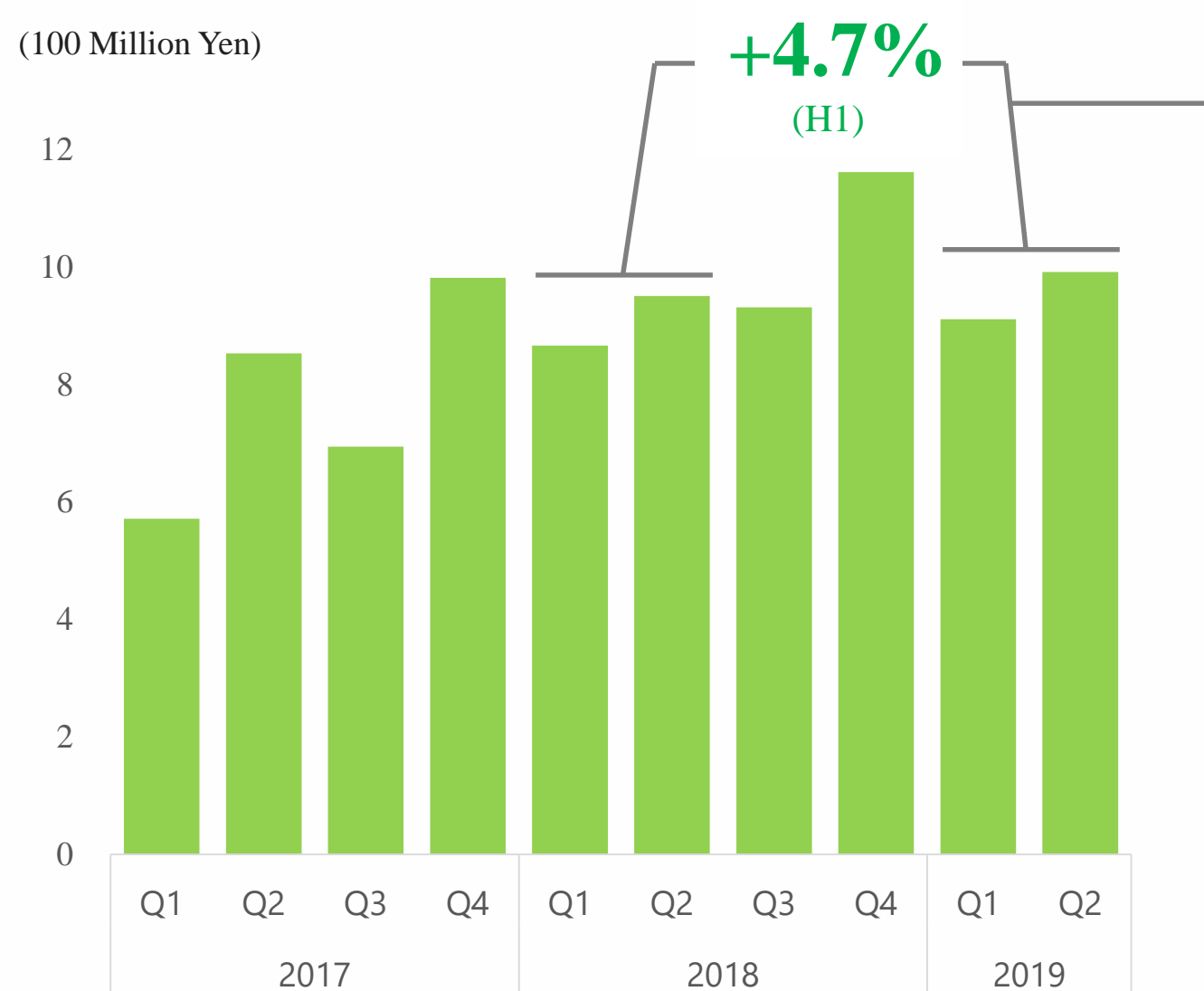
3D Digital Fabrication



Medical



Sales Trends of Dental Milling Machines



【Positive factors YoY】

- The effects of sales of the DWX-42W wet milling machine, newly released in Oct., 2018
- Increase in demand for the DWX-52DCi high-productive dry milling machine in developed countries
- Strengthened sales channel in developing countries

【Differences between forecast and actual】

- Customers held off new product purchases until after the world's largest biannual exhibition "IDS" held in March
- Backlash from the surge in sales during 2018 4Q

IDS (International Dental Show) 2019 in Cologne

Showcased the company's latest dental solutions at the world's leading tradeshow for the dental sector



IDS 2019: Dry and Wet Milling Solutions



5-axis dental mills for dry milling: the DWX-52DCi automatic disc changer model

The exhibit highlighted the DWX-52DCi, which is capable of storing a range of dental materials to maximize the benefits of the model: capable of working with various materials and continuous milling for extended periods of time



The DWX-42W wet dental milling machine

The DWX-42W exhibit included Roland DG's engineered spindle together with a large range of samples milled using it, to showcase the spindle's quality and high reliability, including its durability



IDS 2019: User-Specific Exhibits at the IDS

A large range of solutions exhibited for the specific needs of dental laboratories and dental clinics



Lab Zone: solutions catering to dental laboratories, like high-throughput model of dental milling machines and other exhibits focused on greater efficiency



Clinic Zone: solutions for clinic laboratories aiming to provide same day treatment, with features including wet milling models and compact models



Seminar Theater: seminars provided by Key Opinion Leaders (KOL) who are renowned dental technicians or dental surgeons, as well as users of Roland DG products

Better Solutions for Fields with Increased Digitalization

The core of digitalization until now

Production of crowns and bridges at dental labs



Dentures

The Time Reduction Kit for Denture bases allow users to pour liquid molds for their denture base that can be milled, after curing, in their DWX.



Resin pouring + Polymerization

Milling

Finish

Production of crowns and bridges at dental clinics



The DWX-42W achieves faster milling times with the Roland DG engineered spindle as well as increased machine rigidity. This solution focuses on providing treatment in a short period of time



DWX-42W

Toward the New Growth Stage to Realize the Vision

Efforts are continuing to be made to boost business activities and operating structure with the aim of achieving the goals of the 2020 medium-term management plan

2019

2020

2021

【Positioning and issues of the medium-term management plan】

Turning point toward the growth stage

- Expansion of growth areas
- Stopping decline in sales of signage printers
- Improving profitability

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

FY2019 Q2 Consolidates Financial Results (6 months)

(Millions of yen)

		FY2018 Q2		FY2019 Q2				YoY change		
		Performance	% of sales	Initial forecast	% of sales	Performance	% of sales	Change	Ratio	Exchange rate impact excluded Real term
Net sales		20,973	100.0%	20,900	100.0%	19,958	100.0%	(1,014)	95.2%	97.7%
Gross profit		9,354	44.6%	8,700	41.6%	8,887	44.5%	(467)	95.0%	99.4%
SGA cost		7,573	36.1%	7,600	36.4%	7,320	36.7%	(253)	96.7%	98.8%
Operating income		1,781	8.5%	1,100	5.3%	1,567	7.9%	(214)	88.0%	101.7%
Ordinary income		1,627	7.8%	1,000	4.8%	1,483	7.4%	(144)	91.1%	106.4%
Net profit		1,042	5.0%	700	3.3%	1,070	5.4%	27	102.6%	121.5%
EPS (Yen)		83.15		55.75		85.32				
Exchange rate Yen	USD	108.69		105.00		110.06				
	EUR	131.67		125.00		124.35				

(Millions of yen)

Exchange rate Amount of impact	Net sales	(543)
	Operating income	(244)

※ Income attributable to owners of parent

FY2019 Q2 Sales by Product (6 months)

(Millions of yen)

	FY2018 Q2		FY2019 Q2		YoY change	
	Performance	Percentages	Forecast	Percentages		Exchange rate impact excluded Real term
Printer	7,061	33.7%	6,388	32.0%	90.5%	93.2%
Plotter	684	3.2%	558	2.8%	81.6%	83.4%
3D Products (DGSHAPE)	2,657	12.7%	2,645	13.3%	99.6%	102.4%
Supply	6,802	32.4%	6,694	33.5%	98.4%	100.9%
Others	3,768	18.0%	3,671	18.4%	97.4%	101.1%
Total	20,973	100.0%	19,958	100.0%	95.2%	97.7%

FY2019 Q2 Sales by Region (6months)

(Millions of yen)

	FY2018 Q2		FY2019 Q2		YoY change	
	Performance	Percentages	Forecast	Percentages		Exchange rate impact excluded Real term
Japan	2,165	10.3%	2,271	11.4%	104.9%	104.9%
North America	5,839	27.8%	5,487	27.5%	94.0%	92.8%
Europe	8,284	39.5%	7,701	38.6%	93.0%	98.4%
Asia	1,610	7.7%	1,628	8.1%	101.1%	103.2%
Others	3,074	14.7%	2,870	14.4%	93.4%	97.4%
Total	20,973	100.0%	19,958	100.0%	95.2%	97.7%

Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2019

(Millions of yen)

		FY2018		FY2019 forecast		YoY change		
		Performance	% of sales	Forecast	% of sales	Change	Ratio	Exchange rate impact excluded Real term
Net sales		42,774	100.0%	42,000	100.0%	(774)	98.2%	101.9%
Gross profit		19,094	44.6%	18,100	43.1%	(994)	94.8%	103.2%
SGA cost		14,844	34.7%	15,100	36.0%	256	101.7%	104.4%
Operating income		4,250	9.9%	3,000	7.1%	(1,250)	70.6%	96.5%
Ordinary income		3,976	9.3%	2,800	6.7%	(1,176)	70.4%	98.1%
Net profit		2,881	6.7%	1,900	4.5%	(981)	65.9%	93.7%
EPS (Yen)		229.66		151.33				
Exchange rate Yen	USD	110.44		105.00				
	EUR	130.45		125.00				

(Millions of yen)

※ Income attributable to owners of parent

		USD	EUR
Currency Sensitivity (based on 2018 results)	Net sales	124	112
	Operating income	90	50

FY2019 Sales Forecast by Product

(Millions of yen)

	FY2018		FY2019 forecast		YoY change	
	Performance	Percentages	Forecast	Percentages		Exchange rate impact excluded Real term
Printer	14,246	33.3%	14,490	34.5%	101.7%	106.0%
Plotter	1,336	3.1%	1,330	3.2%	99.5%	104.1%
3D Products (DGSHAPE)	5,619	13.2%	5,900	14.0%	105.0%	109.0%
Supply	13,652	31.9%	13,110	31.2%	96.0%	100.0%
Others	7,919	18.5%	7,170	17.1%	90.5%	93.5%
Total	42,774	100.0%	42,000	100.0%	98.2%	101.9%

FY2019 Sales Forecast by Region

(Millions of yen)

	FY2018		FY2019 forecast		YoY change	
	Performance	Percentages	Forecast	Percentages		Exchange rate impact excluded Real term
Japan	4,633	10.8%	4,820	11.5%	104.0%	104.0%
North America	12,267	28.7%	12,280	29.2%	100.1%	105.4%
Europe	16,203	37.9%	15,290	36.4%	94.4%	98.6%
Asia	3,517	8.2%	3,480	8.3%	98.9%	100.7%
Others	6,153	14.4%	6,130	14.6%	99.6%	103.9%
Total	42,774	100.0%	42,000	100.0%	98.2%	101.9%

Variance Analysis YoY

(100 Million Yen)

Net Sales

Sales Increase
+ 9

FX Impact
(16)

427

420

2018

**2019
Forecast**

- ▶ Increase printer sales by expanding the lineup
- ▶ Dental continued to grow and 3D products sales increase
- ▶ Forecast exchange rate has a stronger yen than 2018, leading to loss of ¥1.6bn. Without this, we would have a ¥0.9bn Increase over 2018

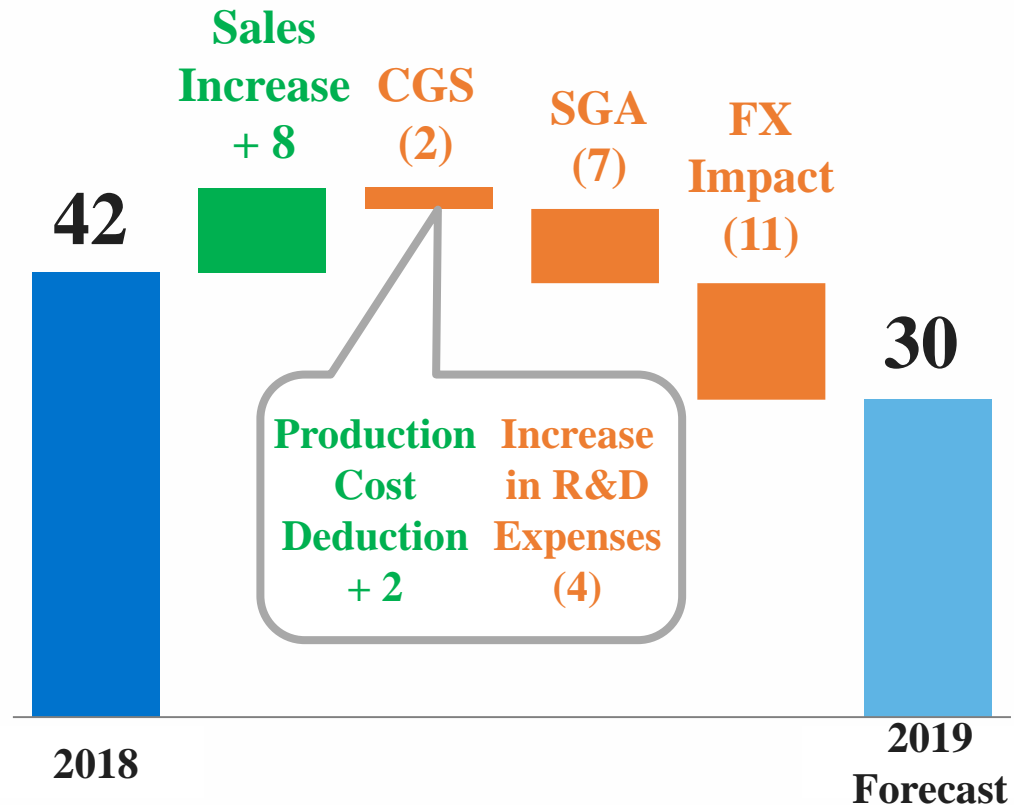
Average exchange rate for the year
(Yen)

	2018	2019 (Forecast)	
USD	110.44	105.00	95.1%
EUR	130.45	125.00	95.8%

Variance Analysis YoY

(100 Million Yen)

Operating Income

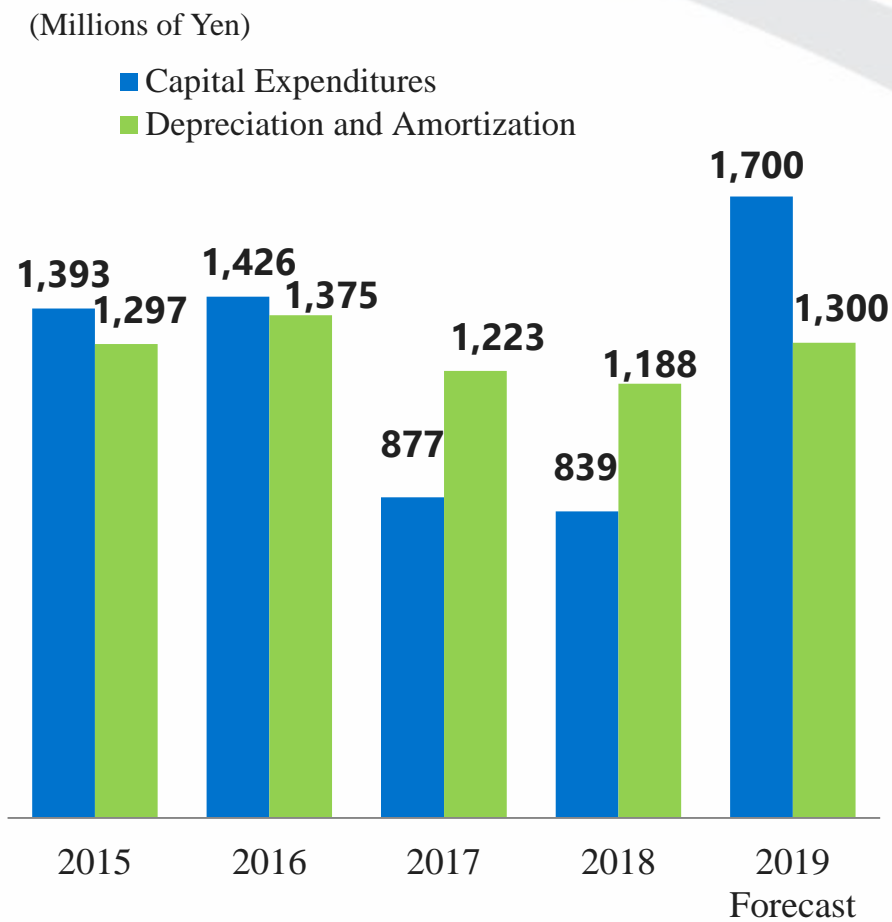
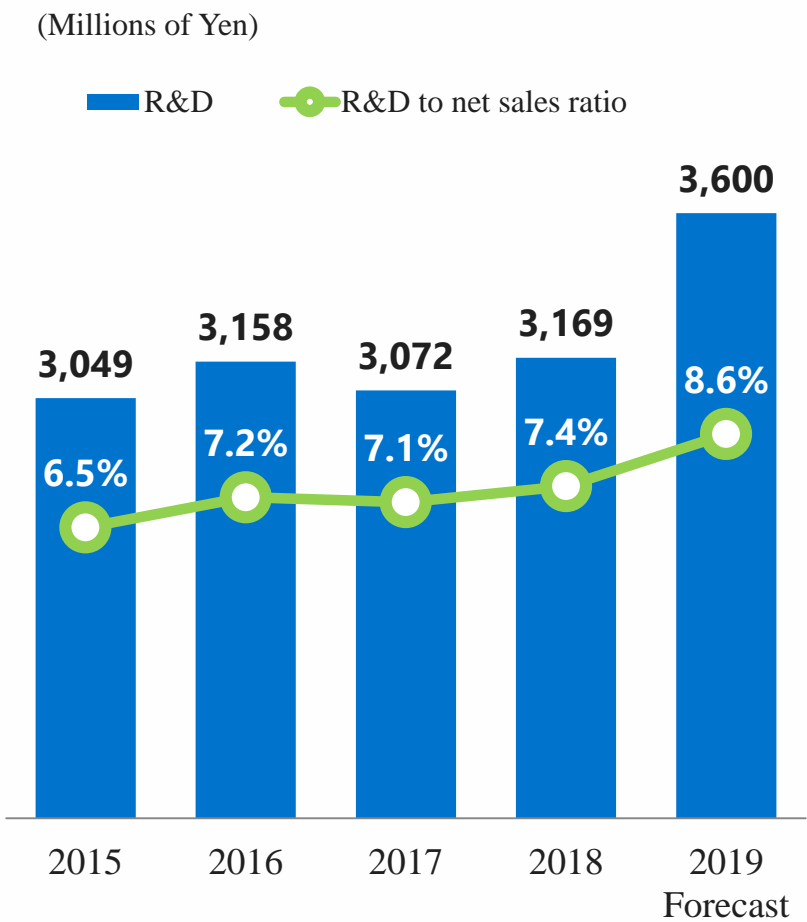


- ▶ Gross profit improved with sales increase and production cost deduction
- ▶ Make aggressive investment towards future growth
- ▶ Forecast exchange rate has a stronger yen than 2018, leading to loss of 1.1bn JPY. Without this, we would have a 100mm JPY increase over 2018

Average exchange rate for the year
(Yen)

	2018	2019 Forecast	
USD	110.44	105.00	95.1%
EUR	130.45	125.00	95.8%

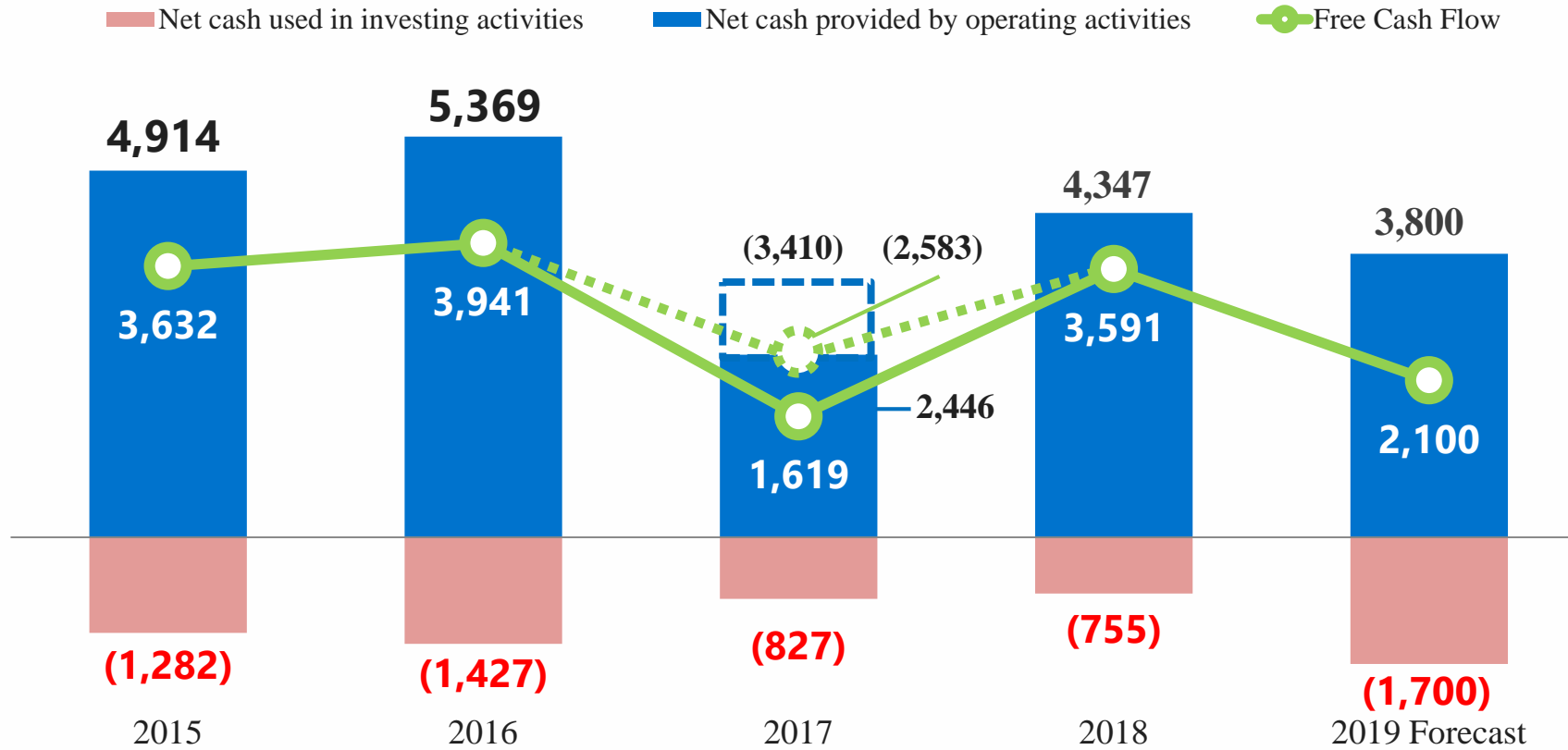
R&D, Capital Expenditures, and Depreciation and Amortization



Figures for FY2015 are adjusted to the 12-month period

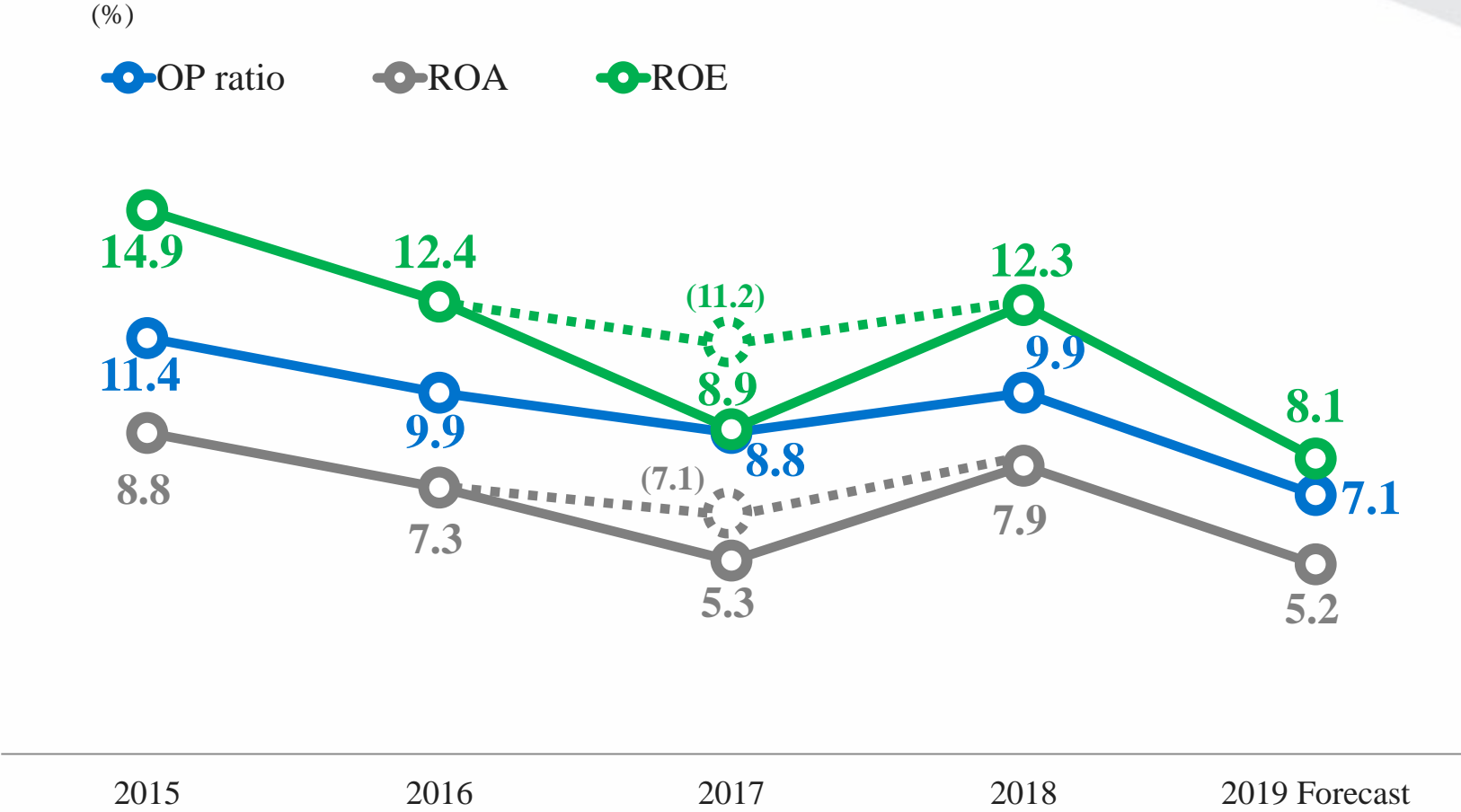
Free Cashflow

(Millions of Yen)



Figures for FY2015 are adjusted to the 12-month period
Dotted line denote figure excluding extraordinary loss

ROA and ROE



Figures for FY2015 are adjusted to the 12-month period
Dotted line denote figure excluding extraordinary loss