

Consolidated Financial Results **for the Fiscal Year** **Ended December 31, 2019**

February 21, 2020

Consolidated Financial Results for the Fiscal Year Ended December 31, 2019

FY2019 Financial Summary

- ✓ While sales of dental milling machines were solid, sales of printers and service parts decreased.
- ✓ Total sales decreased due to the effects of the stronger yen.
- ✓ Operating income also decreased due to the increase in the R&D and the effects of the stronger yen

FY2019 Consolidated Financial Results

(Millions of Yen)

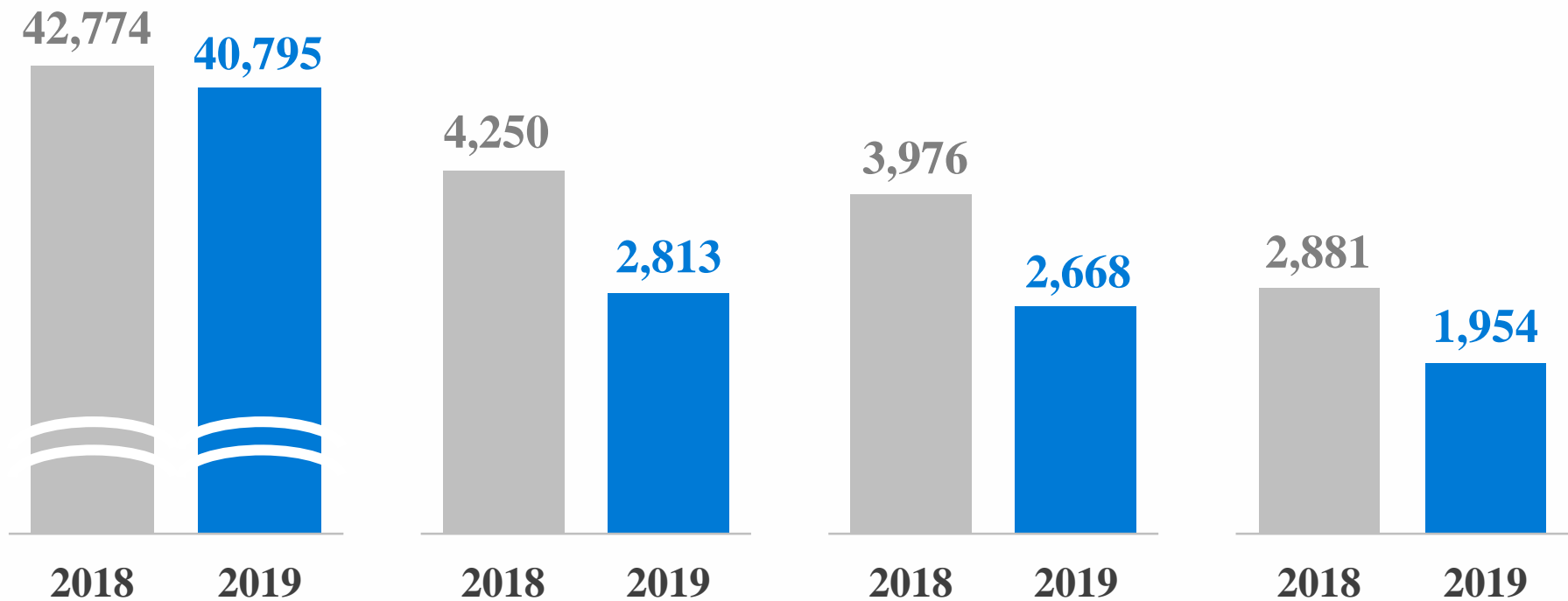
Net Sales Operating Income Ordinary Income Net Profit

(4.6%)

(33.8%)

(32.9%)

(32.2%)

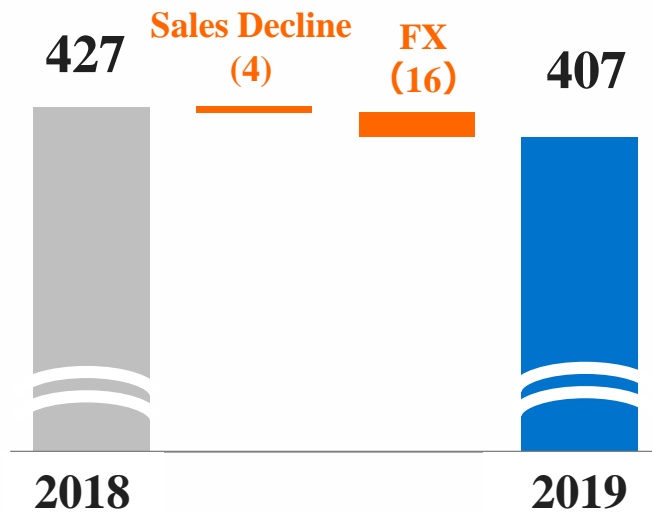


* Profit attributable to owners of parent

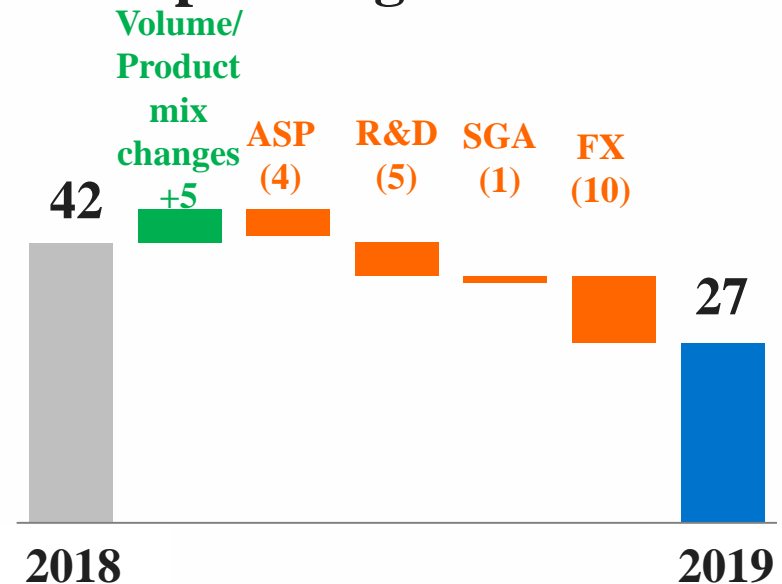
Variance Analysis YoY

(Millions of Yen)

Net Sales



Operating Income



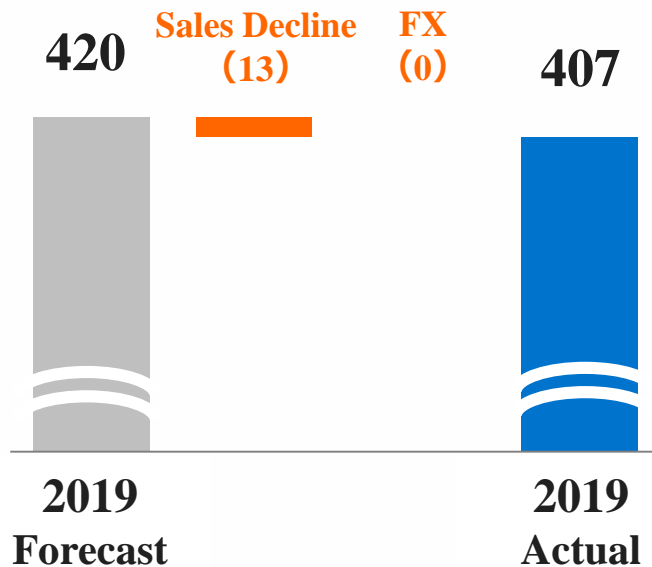
Average exchange rate during the accounting period

(Yen)	2018	2019	
USD	110.44	109.06	98.8%
EUR	130.45	122.11	93.6%

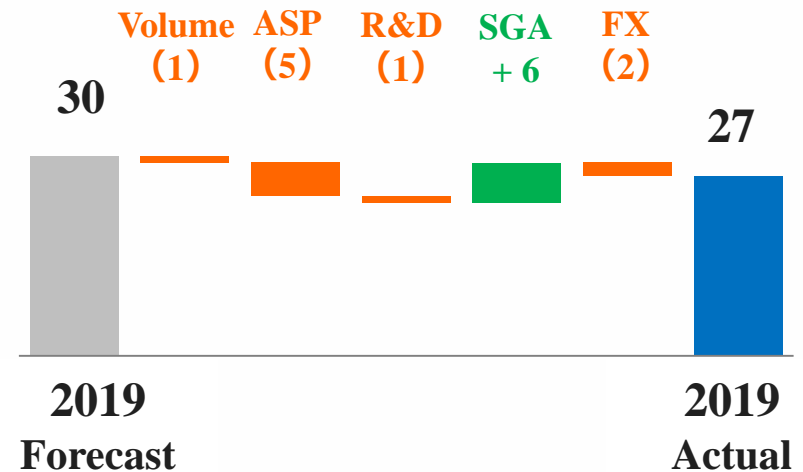
Variance Analysis vs. Forecast

(Millions of Yen)

Net Sales



Operating Income



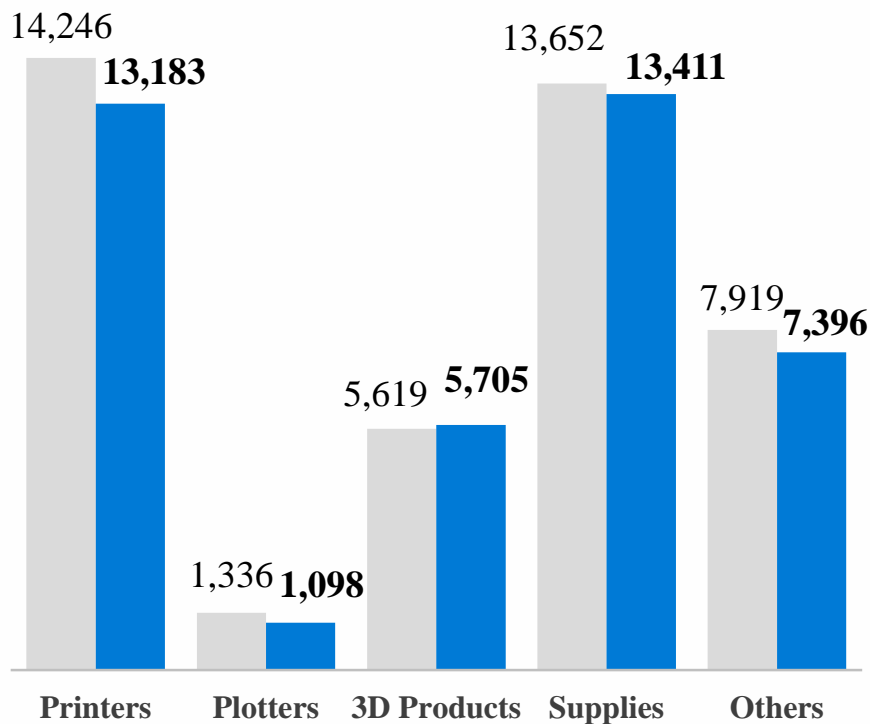
Average exchange rate during the accounting period

(Yen)	2019 Assumption	2019 Performance	
USD	105.00	109.06	103.9%
EUR	125.00	122.11	97.7%

FY2019 Sales by Product

(Millions of Yen)

■ 2018 ■ 2019

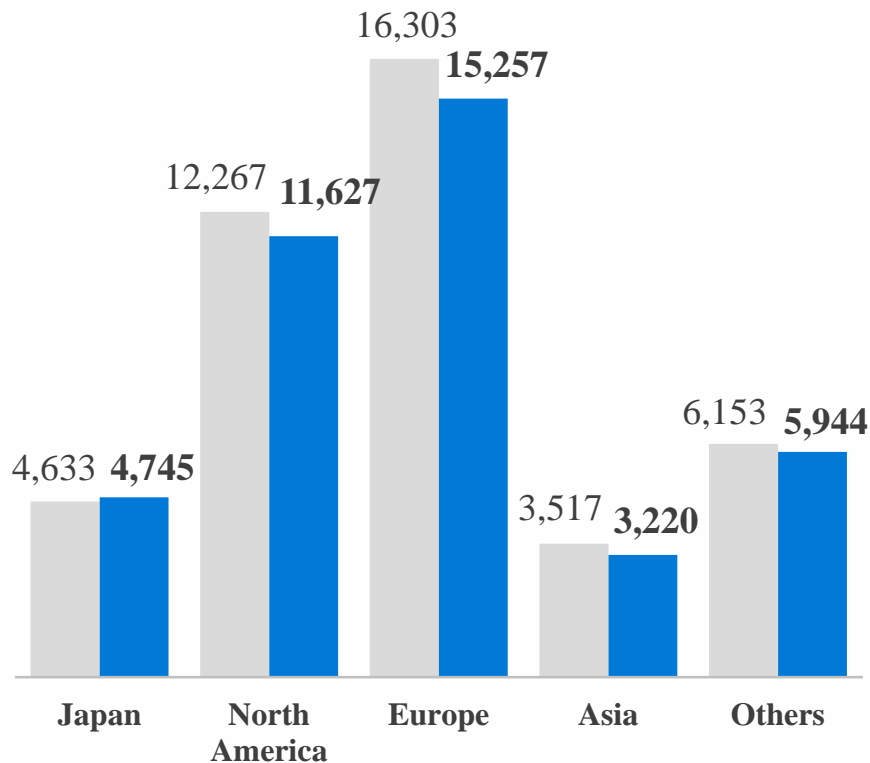


- | | |
|-----------------------|---|
| Printers | <ul style="list-style-type: none"> ✓ Printers for signage slightly decreased. ✓ UV printers for retailers and signage decreased. |
| Plotters | <ul style="list-style-type: none"> ✓ Wide-format models for signage decreased. |
| 3D Products (DGSHAPE) | <ul style="list-style-type: none"> ✓ Dental milling machines continued to grow. ✓ 3D milling machines and engraving machines decreased. |
| Supplies | <ul style="list-style-type: none"> ✓ UV ink and dye sublimation ink increased. ✓ Eco-Solvent ink for signage decreased. |
| Others | <ul style="list-style-type: none"> ✓ Service parts decreased. |

FY2019 Sales by Region

(Millions of Yen)

■ 2018 ■ 2019



Japan

- ✓ Printers for signage and dental milling machines increased.

North America

- ✓ Printers for retailers and signage decreased.
- ✓ Dental milling machines decreased.

Europe

- ✓ Dental milling machines increased.
- ✓ Printers for signage and UV printers down.
- ✓ The strong yen against the euro affected the sales.

Asia

- ✓ Dental milling machines increased.
- ✓ Printers and service parts decreased.

Others

- ✓ Printers for signage decreased

Consolidated Balance Sheet as of December 31, 2019

(Millions of Yen)

Total Assets 38,446

Total interest-bearing debt 2,880
(360)

**Current assets
27,605**

✓ Inventories
+ 1,612

✓ Leased asset-
use rights
+ 8

**Non-current assets
10,840**

Assets

**Current liabilities
9,023**

✓ Lease obligations
+ 798

**Non-current liabilities
4,374**

✓ Long-term loans payable
(1,440)

**Net assets
25,047**

✓ Retained earnings
+ 1,045

✓ Net assets ratio
(0.8) points

Net assets ratio 65.1%

Liabilities/Net Assets

Change from the end of the previous fiscal year

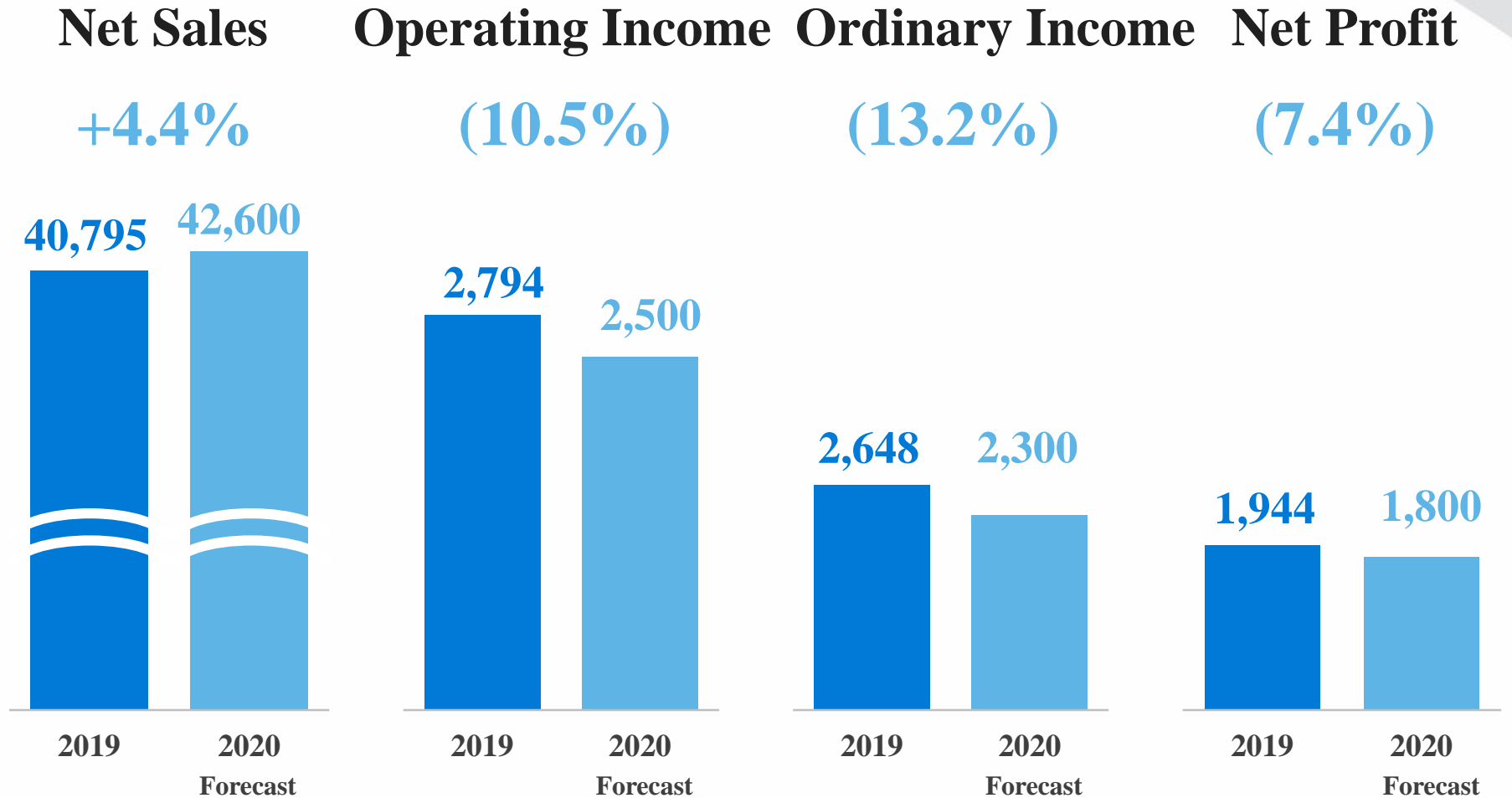
Consolidated Earnings Forecast for the Fiscal Year Ending December 31, 2020

FY2020 Policy

- ▶ Embark on a growth strategy under the new management team.
- ▶ Strengthen the lineup of printers continuing from the last FY.
- ▶ Expand the dental clinic market and strengthen the proposition of denture and implant solutions for dental labs

Consolidated Earnings Forecast for the Fiscal Year Ending December 31, 2020

(Millions of Yen)

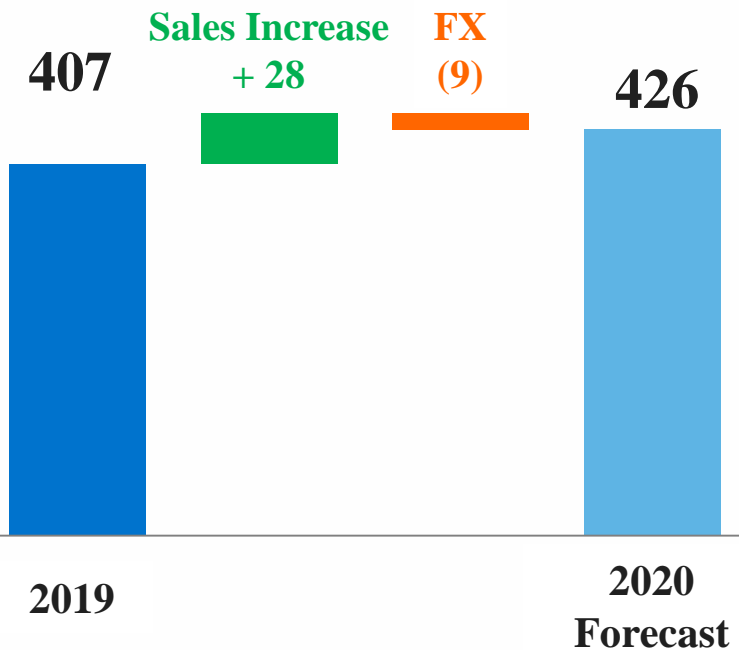


* Profit attributable to owners of parent

Variance Analysis YoY

(100 Million Yen)

Net Sales



- ▶ Decline in sales of signage printers has been halted and sales of UV printers are expected to increase.
- ▶ Steady sales of dental milling machines are expected to be maintained and sales of 3D digital fabrication devices are expected to increase.
- ▶ Net sales are expected to decrease by 900 million yen due to the appreciation of yen.

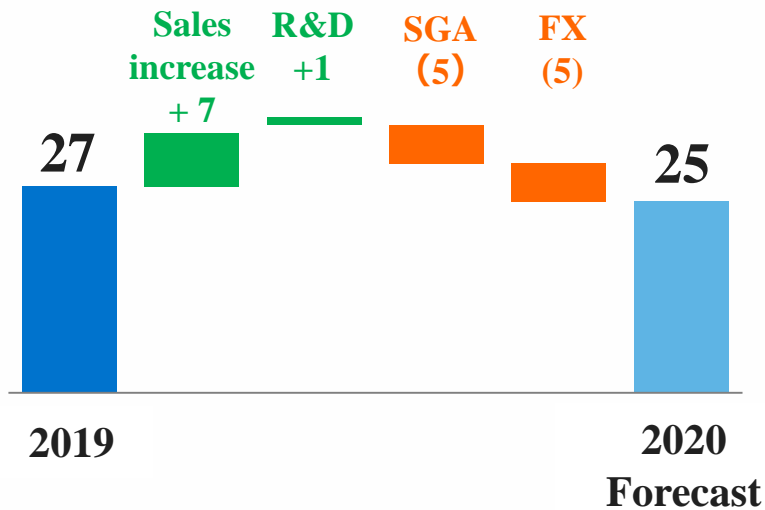
Average exchange rate for the year
(Yen)

	2019	2020 (Forecast)	
USD	109.06	105.00	96.3%
EUR	122.11	120.00	98.3%

Variance Analysis YoY

(100 Million Yen)

Operating Income



- ▶ Operating income is expected to increase by 700 million yen because of sales increase.
- ▶ SG&A is expected to increase mainly due to the increase in salary
- ▶ Operating income is expected to decrease by 500 million yen owing to the assumption of a stronger yen.

Average exchange rate for the year
(Yen)

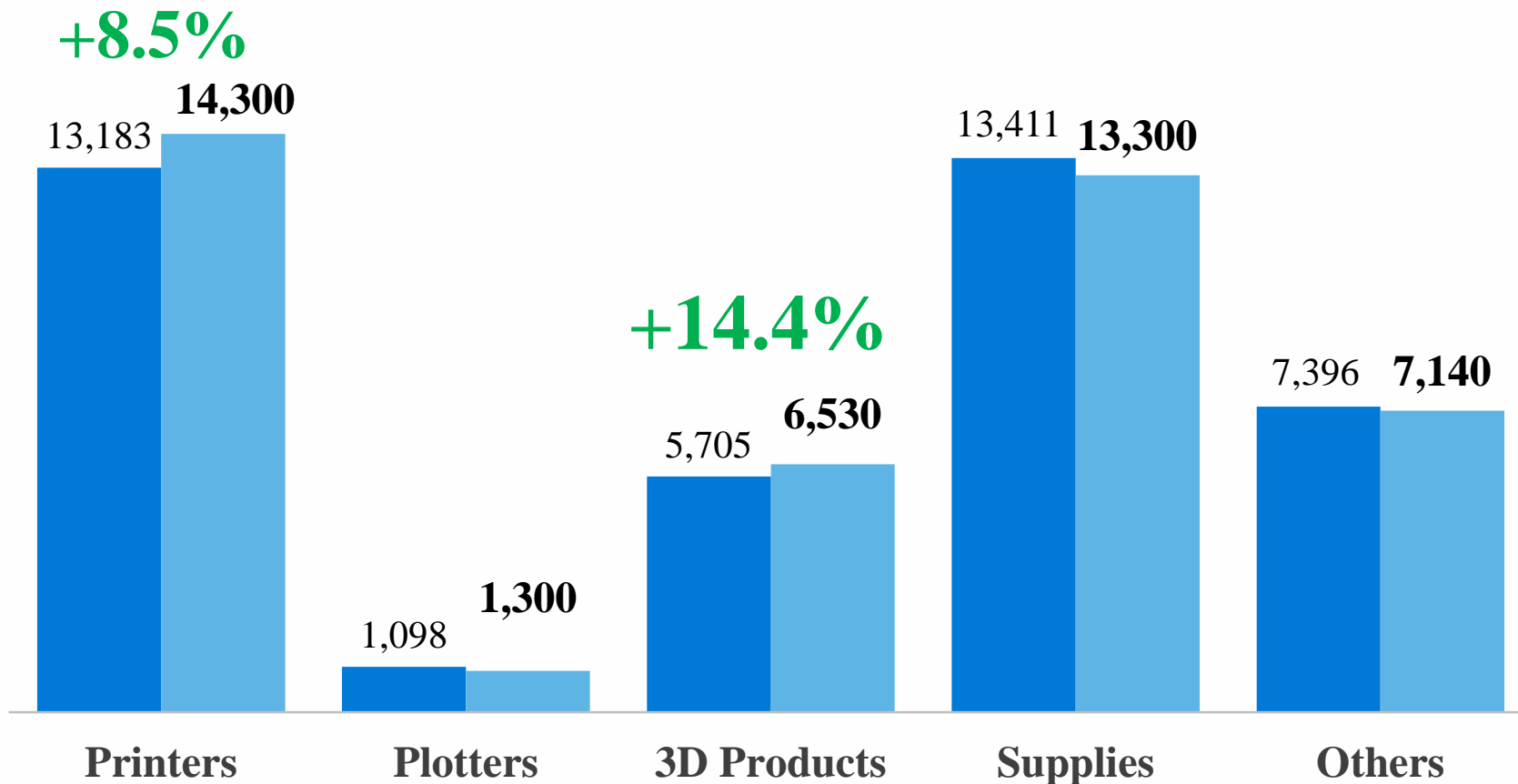
	2019	2020 (Forecast)	
USD	109.06	105.00	96.3%
EUR	122.11	120.00	98.3%

FY2020 Sales Forecast by Product

(Millions of Yen)

■ 2019

■ 2020 Forecast

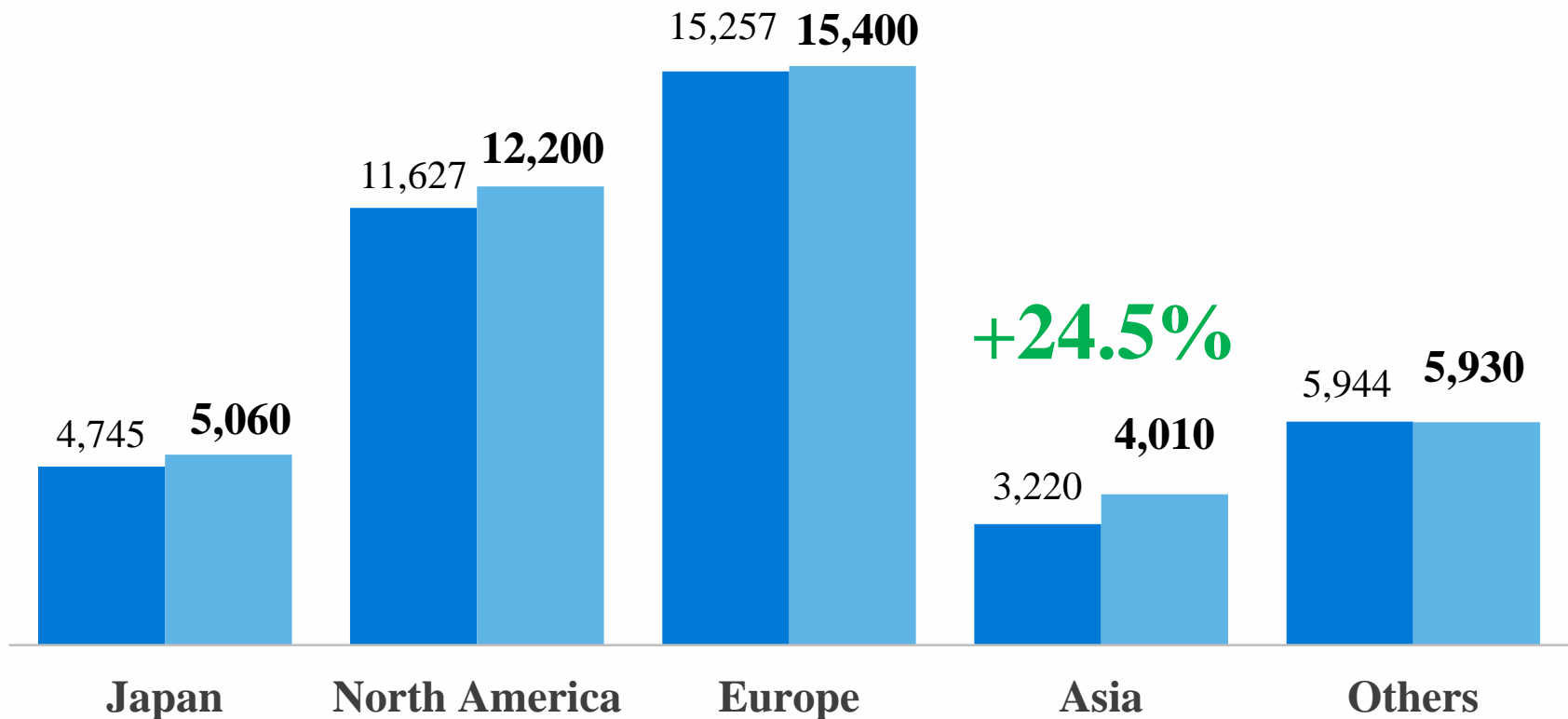


FY2020 Sales Forecast by Region

(Millions of Yen)

■ 2019

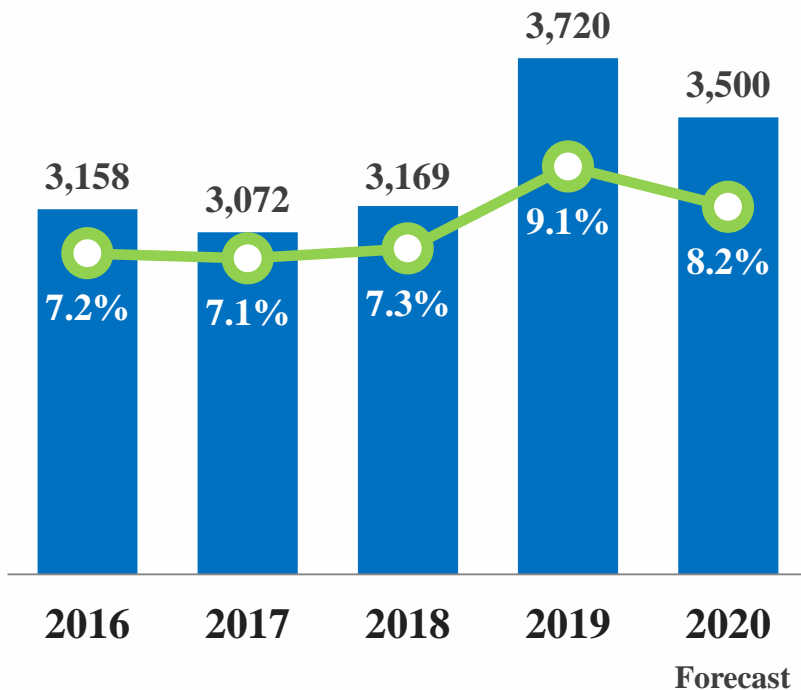
■ 2020 Forecast



R&D, Capital Expenditures, and Depreciation and Amortization

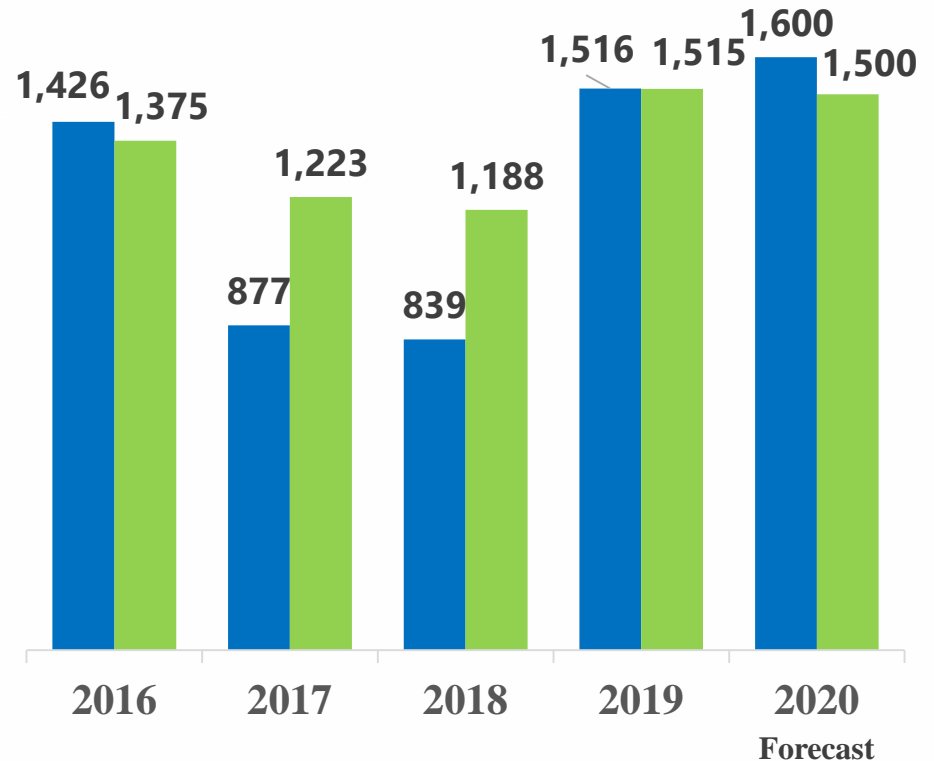
(Millions of Yen)

■ R&D ● R&D to net sales ratio



(Millions of Yen)

■ Capital Expenditures ■ Depreciation and Amortization

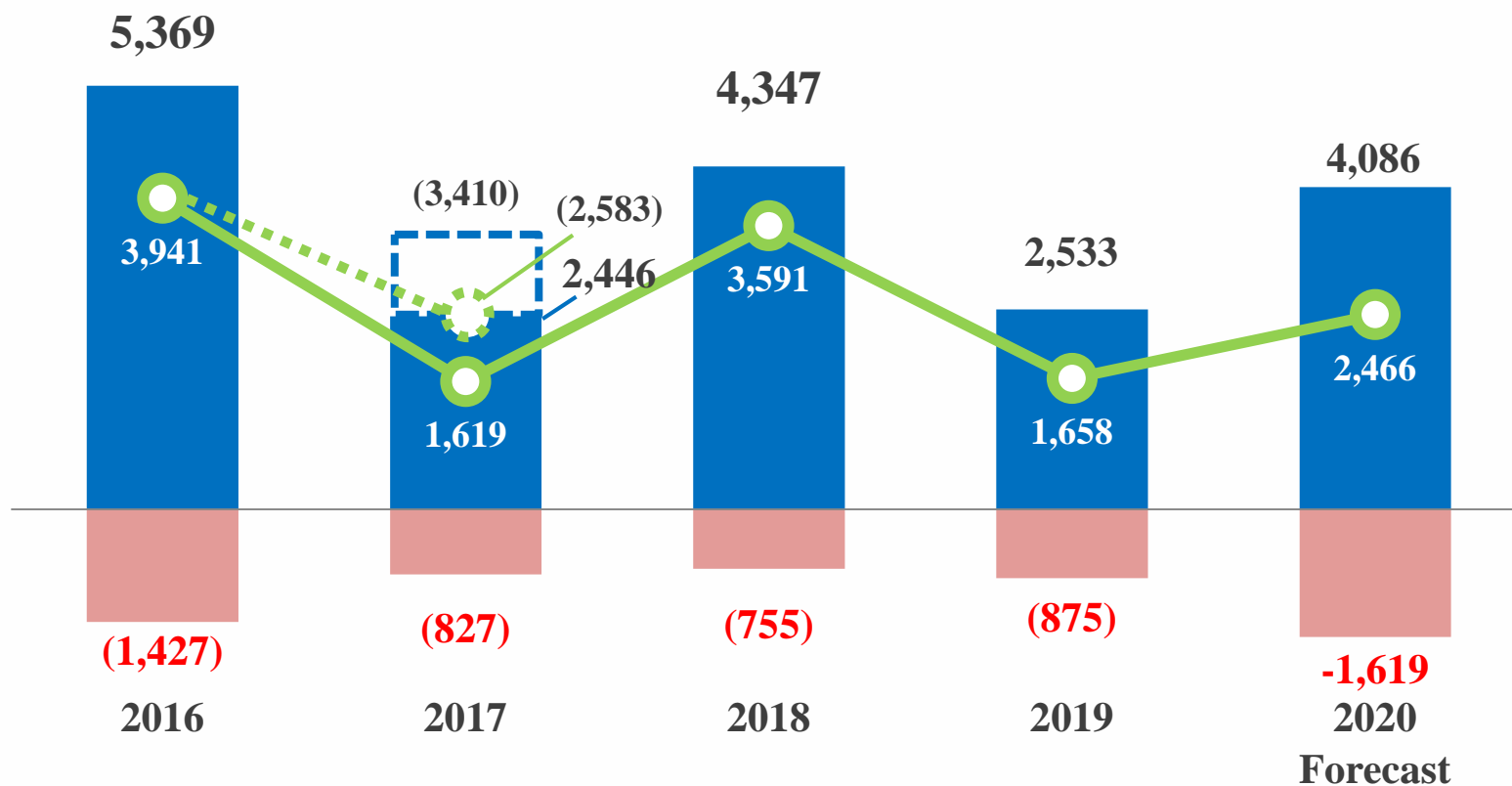


*IFRS 16 has been applied since FY2019

Free Cashflow

(Millions of Yen)

Net cash used in investing activities Net cash provided by operating activities Free Cash Flow



Dotted line denote figure excluding extraordinary loss

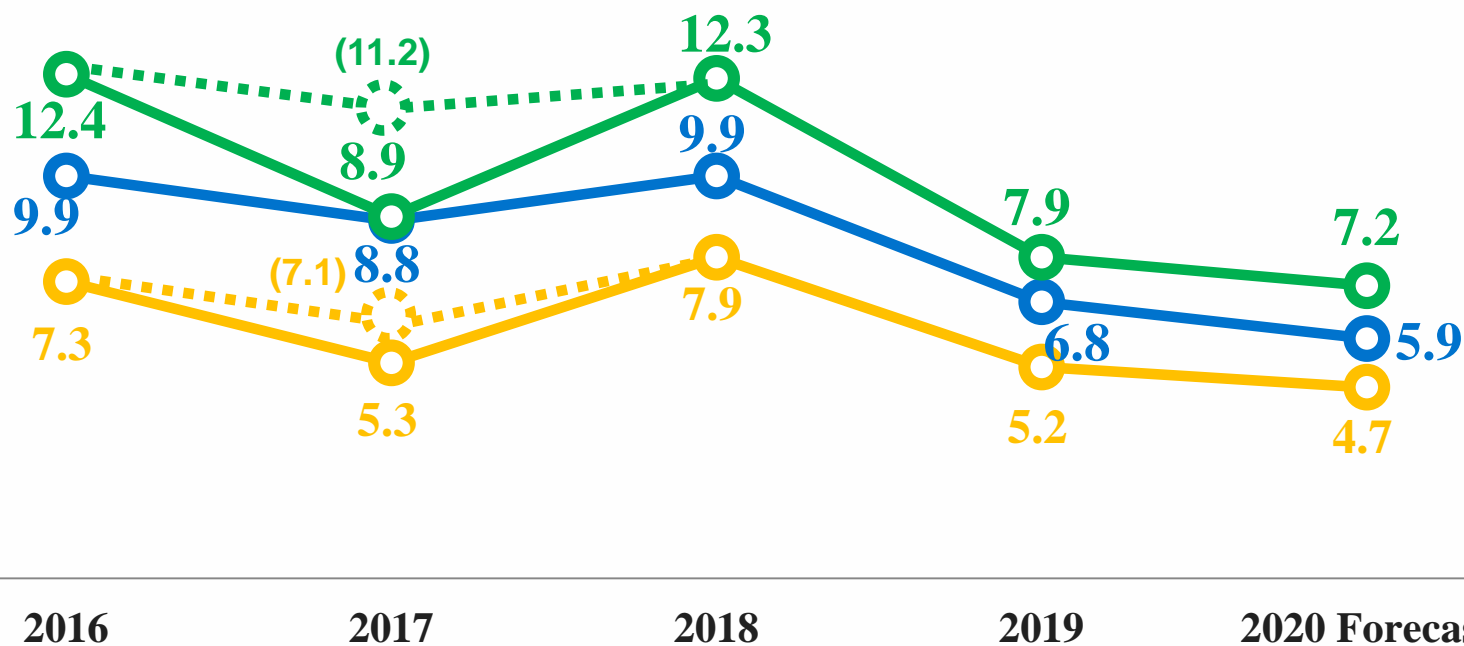
Selected Financial Data

(%)

OP ratio

ROA

ROE

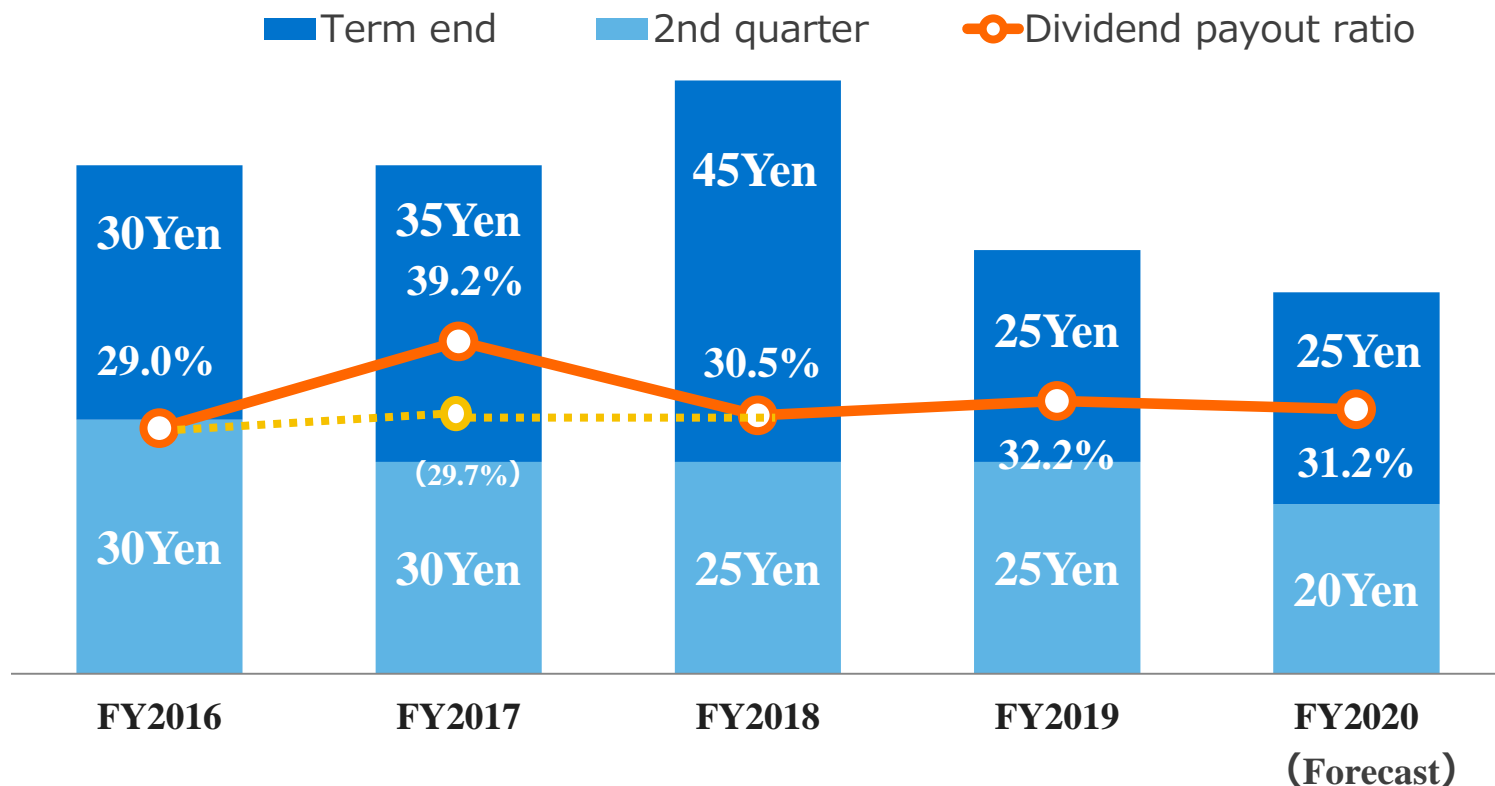


Dotted line denote figure excluding extraordinary loss

Dividend Forecast

FY2019: ¥25 paid as an interim dividend, ¥25 planned for the year-end dividend. Annual dividend payout ratio will be 32.2%



FY2020 Forecast: ¥45, down ¥5 from FY2019, expected. Annual dividend payout ratio will be 31.2%



Dotted line denote figure excluding extraordinary loss

Business Summary

Positioning and Issues of the Medium-Term Business Plan

2018  2020 

Current Medium-Term Business Plan

Turning point of the growth stage



Expansion of growth areas



Stopping decline in sales of signage printers



Improve profitability

New growth stage
to realize the
vision



Business Domains



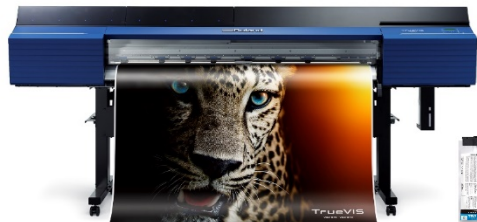
Digital Printing Business : New Products Announced in 2019



Roland DG TrueVIS VG2-540/VG2-640
(Eight-Color with White)
Outstanding Enhanced CMYK
Eco Solvent/Latex 24" Wide Printer

Roland DG TrueVIS VG2-540/VG2-640
(Eight-Color with Orange)
Outstanding Gamut Expansion
Eco Solvent/Latex 24" Wide Printer

Roland DG TrueVIS
SG2-540/SG2-640 (CMYK)
Outstanding Energy-Efficient CMYK
Eco Solvent/Latex 24" Wide Printer



TrueVIS

VG2-640 VG2-540

TR2 Ink



TrueVIS

SG2-640 SG2-540 SG2-300

TE2 Ink



IU-1000F



VersaUV
LEC2-300



VersaUV
LEF2-300



VersaUV
LEF2-200



LV-290

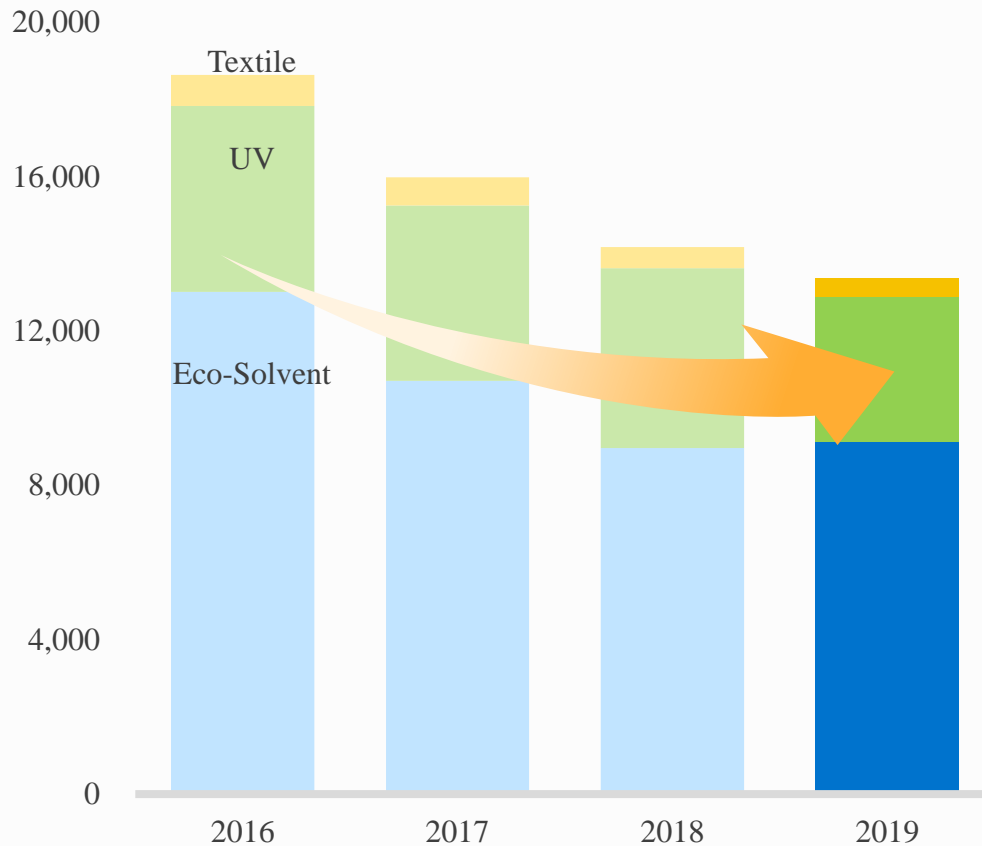


LV-180

Digital Printing Business : Sales Trend of Printer

(Millions of yen)

Sales Trend of Printer (At the same exchange rate)



Sales were supported by the new models
Halt the decline in Eco-Solvent Printer

Year-on-year comparison of sales
excluding exchange rate effects

Sales of Printer
YoY **96.3%**

Sale of Eco-Solvent Printer
YoY **101.7%**



Digital Printing Business : Product development through Co-Creation

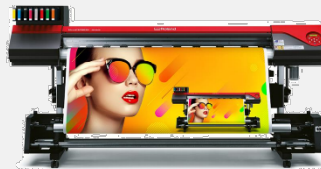
Creating new markets and applications through Co-Creation activities

Expand sales of Europe-exclusive Co-Creation products to other regions

Sales in Europe, North America

8 color Eco-Solvent Printer

VersaEXPRESS
RF-640 8 Colour



Sell globally, excluding some regions

Direct Printing and
Digital Transfer

Texart RT-640M



Discover and Develop new Co-Creation products

SF-200 (EMEA only)

Desktop flatbed printer equipped with safe-to-use ink

- Uses safe ink, even if in contact with mouth
- Allows for customized printing, even on toys that children play with



COTO Business : Main Initiatives

More products compatible with cotodesign software

Roland DG's 7 Series is compatible with cotodesign software, to expand the scope of potential applications

< Product compatibility >

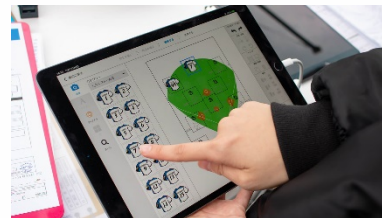
- UV-LED Printer
- Direct-to-Garment Desktop Printer
- Desktop Inkjet Printer/Cutter
- UV Benchtop Flatbed Printer
- Plotter
- Metal Printer
- Laser Decorator



Continue taking a proactive approach to exhibiting at events



Creating Unique Experiences with Fans at Hokkaido Nippon-Ham Fighters Official Store



COTO Business: Case Study

ISHIYA CO., LTD.

cotodesign software and UV printers used to provide a customized printing service onto "Shiroi Koibito" cookie boxes

Customers edit the layout on the tablet screen using cotodesign. Staff members place cookie boxes into the UV printer to print on them.



DGSHAPE Business: Growth of the Dental Business

Realize sustainable growth for the dental business

Strengthening sales networks with a key focus on newly developing countries

Boost sales drastically in eastern Europe, Russia, CIS regions, China, Vietnam and other countries

Greater anticipation for sales growth throughout ASEAN, the Middle East and other regions

Increased sales of high-productivity models



DWX-52DCi

Major increase in sales of high-productivity models equipped with disc changers

FY2019
(YoY excluded FX)

+82%

(millions of yen)

2,500

2,000

1,500

1,000

500

0

Dental Milling Machine “DWX series”

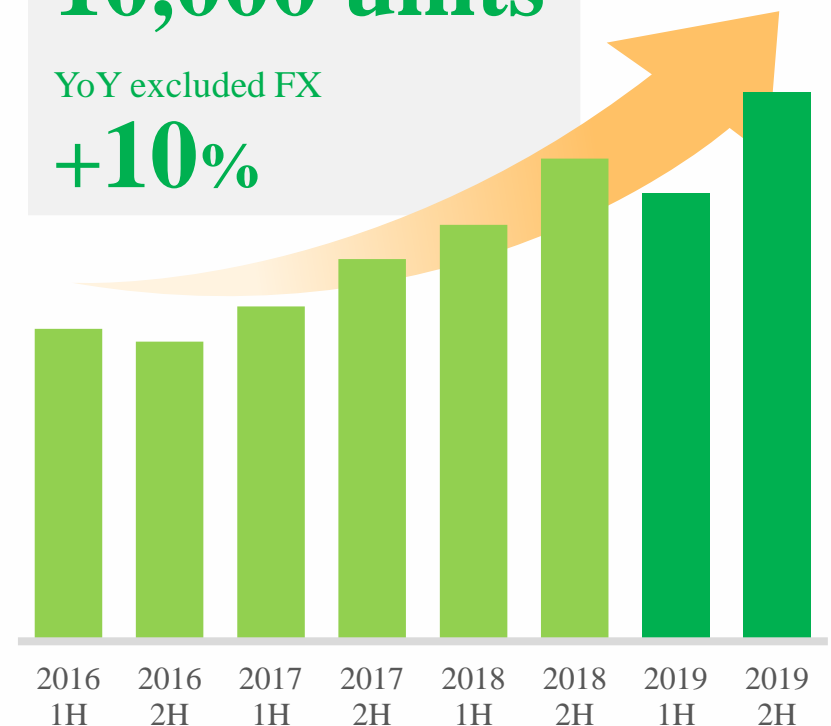
Total worldwide shipments exceed

10,000 units

YoY excluded FX

+10%

FY2019



Sales Trend of Dental Milling Machine(semi-annually
: At the same exchange rate)

DGSHAPE Business: New Value Proposition

Boost dental mills new added value and approach dental laboratories



Operating management software



Visualizes management and operating circumstances at dental laboratories to help streamline work



Denture kits



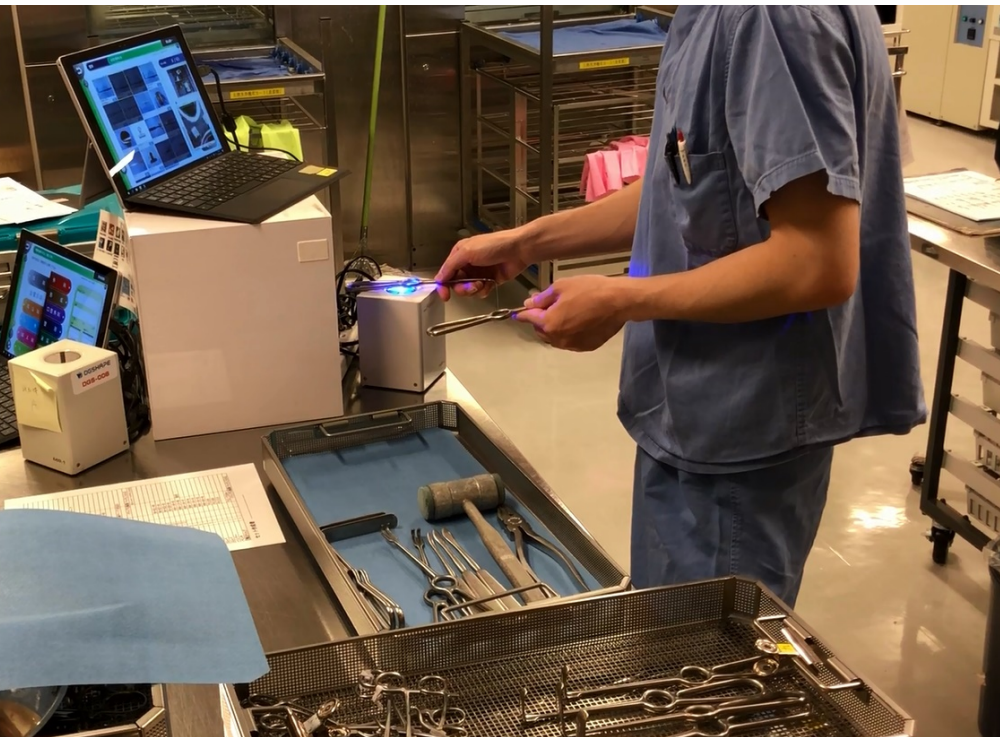
Digitalization of the manual work required for making dentures
Significant reductions in machining time compared to conventional method

DGSHAPE Business: Medical Instrument Maintenance Support System

First official delivery of the support system



Trial operation by the Japanese Red Cross Hamamatsu Hospital led to official delivery



Eirthemis MD

Digitalization of work instrument



Eirthemis KT

Management function of each instrument



Eirthemis BIManager

Clear display of aggregated data



DGSHAPE Business: New Product

New Laser Decorator

LD-300

- In addition to plastic materials, now also capable of printing metal foil onto paper, leather items (tanned leather and synthetic leather) and other materials
- The LD-300 laser decorator can laser imprint in a maximum area of 12 in. (W) x 9.06 in. (D) x 1.57 in. (Z)
- The LD-300 can also be used without foil on leather for sophisticated pyrographic embellishment.



LD-300 uses laser transfer technology to apply heat-activated adhesive foil to acrylic, polycarbonate, polypropylene, polystyrene, leather and ABS.

Business Plan

Corporate Philosophies

Mission _____

Bringing new opportunities to society through digital technology

Slogan _____

Inspire the Enjoyment of Creativity

Be the BEST rather than the BIGGEST

The Roland Family — Cooperative Enthusiasm

Shifts in Business

Achieve growth while applying changes to products and changing markets based on core technology

**Design
/Drawing Market**

Pen Plotter



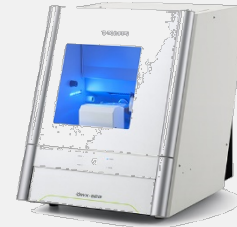
**Manufacturing
/Education Market**

3D Milling Machine



Dental Market

Dental Milling Machine(5 axis)



Sign Market

Plotter



Sign + Adjacent Markets

Inkjet printer



Core Technology: XYZ-axis technology integrating mechanism, electronics and software

Roland DG's Vision

A company continuing to create new added value through innovation

A high value-added company with a focus on niche markets

A company marching forward with society

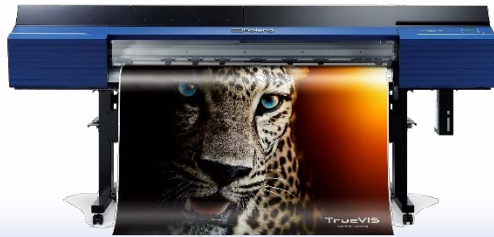
Business Domains

Provide customers with interactive services beyond the scope of current business, by blending hardware and software

Software, Contents



COTO Business



Inkjet Head, Inks, Color Management

Digital Printing Business

Providing solutions with a focus on inkjet printers, to advance digitalization in a broad range of printing applications



Subtractive modeling,
Additive Fabrication, Laser

DGSHAPE Business

Revolutionize broad aspects of craftsmanship by bringing about digital workflows

Digital Printing Business

Deliver added-value with digitalization to customers, and expand their digital printing businesses

Revitalize and maintain existing markets



Identify and expand new markets



Digital Printing Business: Approach to Product Development

Seeking higher quality images with more ink colors



- The VG2 Series released in 2019 features orange ink and a newly developed color management system to achieve outstanding image quality
- Address user demands, and also receive awards from various industry groups



More ink colors help achieve better image quality and more vibrant colors

Basic color of inks



Increased UV printer lineup

- Newly added to the lineup: IU-1000F UV-LED High-Productivity Flatbed Printer capable of printing up to 2.5 m in width
- Strengthen UV printer lineup to put forward more applications to new markets

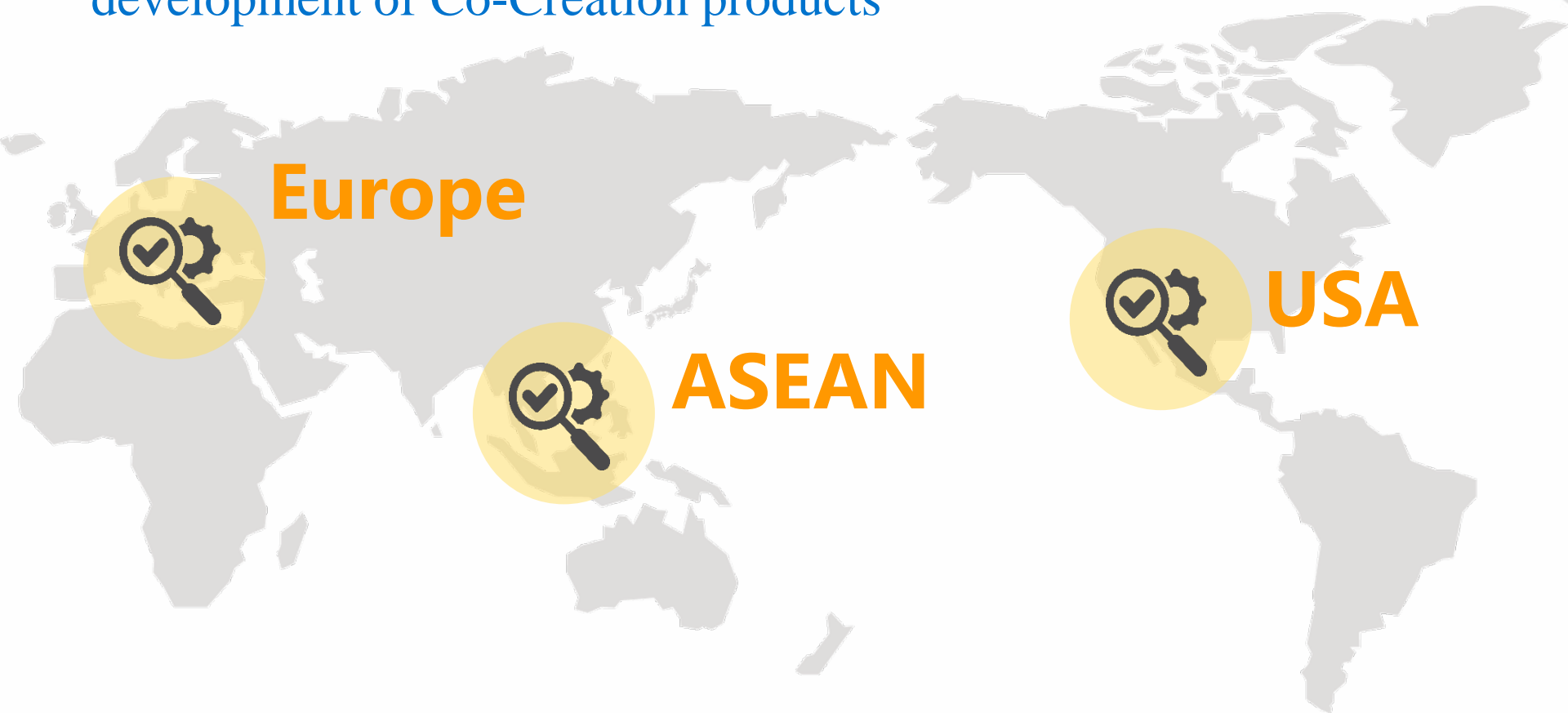


IU-1000F

To be released in Mar., 2020

Digital Printing Business: Efforts to Identify and Expand into New Markets

Open Co-Creation labs in key regions to accelerate development of Co-Creation products



COTO Business: Strategies to Expand Business

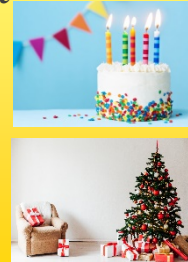
Tourism and amusement industry

Based on successful examples in the past, focus on the highly potential Tourism and Amusement industry



Anniversary and Seasonal Event

Wedding anniversary
Birthday
Christmas
Mother's Day
etc.



Social Event

Companies
Schools
Associations and organizations
Community association



Further investigate success stories and apply to other cases

New proposals aimed at regular event



COTO Business: Expand from Japan, Globally

Roll out on a global scale the COTO solutions that were mainly in Japan



Exhibition(Italy)



Event at commercial site in Taiwan



Exhibition(Brazil)

DGSHAPE Business

Apply technology and knowhow like 3D digital fabrication and proprietary cell production systems to deliver solutions to meet a new digital era



Dental



Medical



3D Digital Fabrication

DGSHAPE Business: Increased Effort Expanding into the Dental Clinic Market

Accelerate expansion into the clinic (chair side) market by identifying sales networks and increasing solutions

Continue identifying new sales networks around the world

- These differ to sales networks for dental laboratories, so increase efforts to identify new sales channels
- Already reaching out to some markets in eastern Europe, with sales of the DWX-42W increasing in 2019



Integrated solutions based on the DWX-42W Wet Dental Mill

- Developed for the chair side market, the DWX-42W is capable of machining glass ceramics and hybrid resins, and optimized for use in clinics that have the air flow and pressure required for machining
- Enhanced solutions when combined with chair side scanners or CAD/CAM systems



DGSHAPE Business : Application Proposals to Suit Dental Laboratories

New proposals for greater digital workflow at dental laboratories

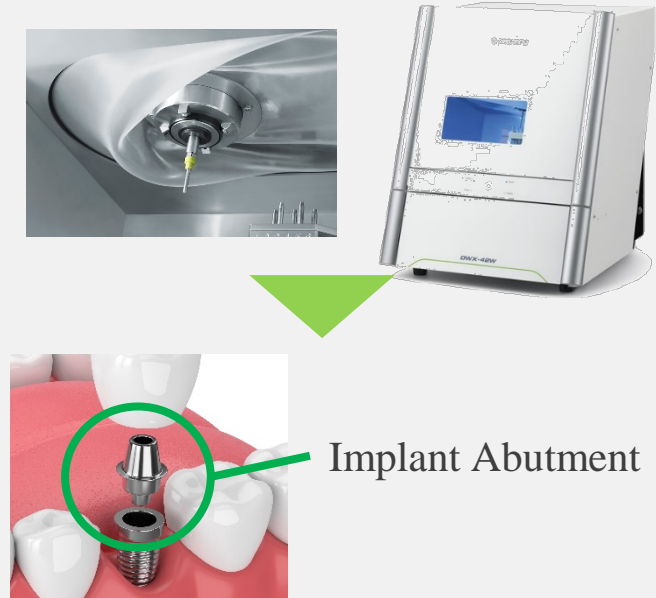
Denture fabrication

The combination of dental mills and denture kits bring digitalization to denture fabrication, which drastically reduces working time



Dental implant fabrication

Increased performance of the proprietary developed spindle in the DWX-42W, making it capable of machining titanium and other types of dental implant foundations



ESG Initiatives

G*overnance*

- Increased number of external directors for greater management transparency (out of 9 directors, 4 are external directors of which 3 are independent directors)
- Foreigners and a female appointed as directors to boost diversity

S*ocial*

- Enhance health and safety with dental and medical support systems
- Promoting women's participation: received "Eruboshi" certification by Japan's Ministry of Health, Labour and Welfare

E*nvironment*

- Shifted from ink cartridges to pouches, to reduce the amount of plastic waste
- Products equipped with safe inks that are extremely safe for children to touch

Reformed Management System

New Management setup

(To be effective upon the approval of the Ordinary General Meeting of Shareholders scheduled on March 19, 2020)

The Abilities of candidate are as follows;

Directors and Audit & Supervisory Board members		Manufacturing /Technology/R&D	Sales/ Marketing	Finance & Accounting	Legal	M&A	Global experience
Directors	Hidenori Fujioka	●	●			●	●
	Kohei Tanabe	●	●				●
	Koichi Hashimoto	●		●	●	●	●
	Toshiharu Uwai	●		●			●
	Eli Keersmaekers ※		●	●			●
	Takuo Hirose	Outside Independent			●		●
	Osamu Hoshokubo※	Outside Independent	●	●		●	●
	Naoko Okada ※	Outside Independent	●				●
	Brian K. Heywood ※	Outside		●		●	●
Audit & Supervisory Board members	Masayasu Suzuki			●			●
	Naoki Nagano ※			●			●
	Shigeki Matsuda	Outside Independent		●			
	Mitsuhiro Honda	Outside Independent		●			●

※ New Candidate

Reformed Management System

Changes of Representative Directors

Kohei Tanabe

Director



President



Hidenori fujioka

President



Chairman

Strengthening the management system with a view to the future

To shift from a transition phase to growth phase, the new President is taking a leading role in finalizing the next medium-term management plan

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 Consolidates Financial Results

(Millions of yen)

	FY2018		FY2019				YoY change		
	Performance	% of sales	Initial forecast	% of sales	Performance	% of sales	Change	Ratio	Exchange rate impact excluded Real term
Net sales	42,774	100.0%	42,000	100.0%	40,795	100.0%	△1,979	95.4%	99.1%
Gross profit	19,094	44.6%	18,100	43.1%	17,330	42.5%	△1,763	90.8%	98.1%
SGA cost	14,844	34.7%	15,100	36.0%	14,536	35.6%	△307	97.9%	100.8%
Operating income	4,250	9.9%	3,000	7.1%	2,794	6.8%	△1,455	65.7%	88.7%
Ordinary income	3,976	9.3%	2,800	6.7%	2,648	6.5%	△1,328	66.6%	91.0%
Net profit	2,881	6.7%	1,900	4.5%	1,944	4.8%	△936	67.5%	93.5%
EPS (Yen)	229.66		151.33		155.39				
Exchange rate	USD	110.44	105.00		109.06				
	EUR	130.45	125.00		122.11				

(Millions of yen)

Exchange rate Amount of impact	Net sales	(1,580)
	Operating income	(975)

※ Income attributable to owners of parent

FY2019 Sales by Product

(Millions of yen)

	FY2018		FY2019		YoY change	
	Performance	Percentages	Forecast	Percentages		Exchange rate impact excluded Real term
Printer	14,246	33.3%	13,183	32.3%	92.5%	96.3%
Plotter	1,336	3.1%	1,098	2.7%	82.2%	84.9%
3D Products (DGSHAPE)	5,619	13.2%	5,705	14.0%	101.5%	105.4%
Supply	13,652	31.9%	13,411	32.9%	98.2%	102.0%
Others	7,919	18.5%	7,396	18.1%	93.4%	96.9%
Total	42,774	100.0%	40,795	100.0%	95.4%	99.1%

FY2019 Sales by Region

(Millions of yen)

	FY2018		FY2019		YoY change	
	Performance	Percentages	Forecast	Percentages		Exchange rate impact excluded Real term
Japan	4,633	10.8%	4,745	11.6%	102.4%	102.4%
North America	12,267	28.7%	11,627	28.5%	94.8%	96.0%
Europe	16,203	37.9%	15,257	37.4%	94.2%	100.6%
Asia	3,517	8.2%	3,220	7.9%	91.6%	94.2%
Others	6,153	14.4%	5,944	14.6%	96.6%	101.4%
Total	42,774	100.0%	40,795	100.0%	95.4%	99.1%

FY2020 Consolidates Financial Forecast

(Millions of yen)

		FY2019		FY2020 forecast		YoY change		
		Performance	% of sales	Forecast	% of sales	Change	Ratio	Exchange rate impact excluded Real term
Net sales		40,795	100.0%	42,600	100.0%	1,805	95.4%	106.7%
Gross profit		17,330	42.5%	17,200	40.4%	△131	99.2%	104.1%
SGA cost		14,536	35.6%	14,800	34.7%	263	101.8%	103.4%
Operating income		2,794	6.8%	2,500	5.9%	△294	89.5%	107.4%
Ordinary income		2,648	6.5%	2,300	5.4%	△349	86.8%	108.7%
Net profit		1,944	4.8%	1,800	4.2%	△145	92.6%	109.8%
EPS (Yen)		155.39		144.12				
Exchange rate Yen	USD	109.06		105.00				
	EUR	122.11		120.00				

(Millions of yen)

※ Income attributable to owners of parent

		USD	EUR
Currency Sensitivity (based on 2019 results)	Net sales	118	112
	Operating income	0	51

FY2020 Sales Forecast by Product

(Millions of yen)

	FY2019		FY2020 forecast		YoY change	
	Performance	Percentages	Forecast	Percentages		Exchange rate impact excluded Real term
Printer	13,183	32.3%	14,300	33.6%	108.5%	110.8%
Plotter	1,098	2.7%	1,300	3.0%	118.4%	121.0%
3D Products (DGSHAPE)	5,705	14.0%	6,530	15.4%	114.4%	116.5%
Supply	13,411	32.9%	13,330	31.3%	99.4%	102.1%
Others	7,396	18.1%	7,140	16.8%	96.5%	98.2%
Total	40,795	100.0%	42,600	100.0%	104.4%	106.7%

FY2020 Sales Forecast by Region

(Millions of yen)

	FY2019		FY2020 forecast		YoY change	
	Performance	Percentages	Forecast	Percentages		Exchange rate impact excluded Real term
Japan	4,745	11.6%	5,060	11.9%	106.6%	-
North America	11,627	28.5%	12,200	28.6%	104.9%	109.0%
Europe	15,257	37.4%	15,400	36.2%	100.9%	102.7%
Asia	3,220	7.9%	4,010	9.4%	124.5%	125.6%
Others	5,944	14.6%	5,930	13.9%	99.8%	101.8%
Total	40,795	100.0%	42,600	100.0%	104.4%	106.7%