

# Financial Performance Review

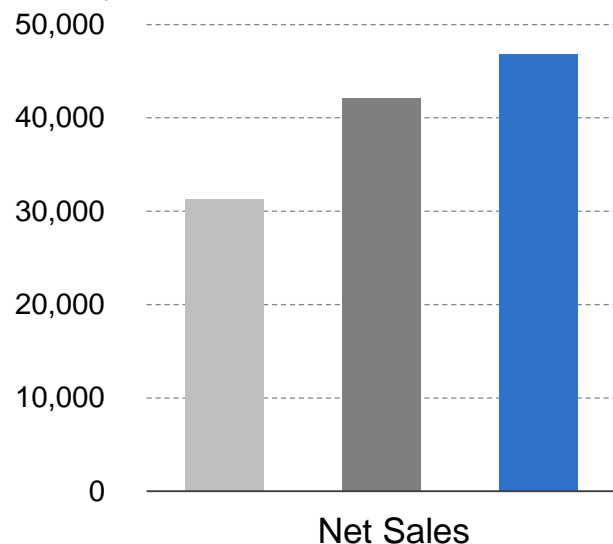
for the FY2015 ended March 31, 2015

Roland DG Corporation  
May 14, 2015

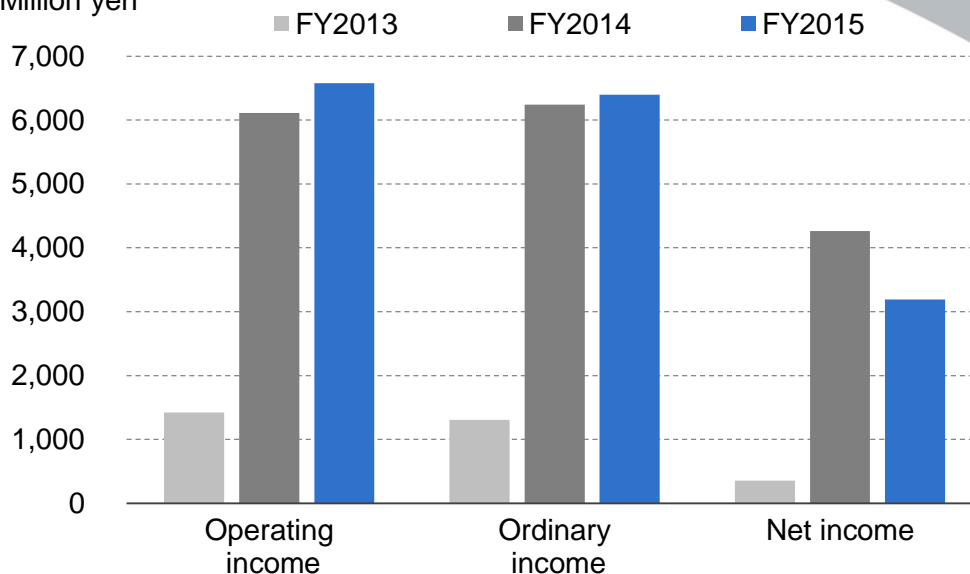
Imagine.  Roland

# Consolidated Results for the FY2015

Million yen



Million yen

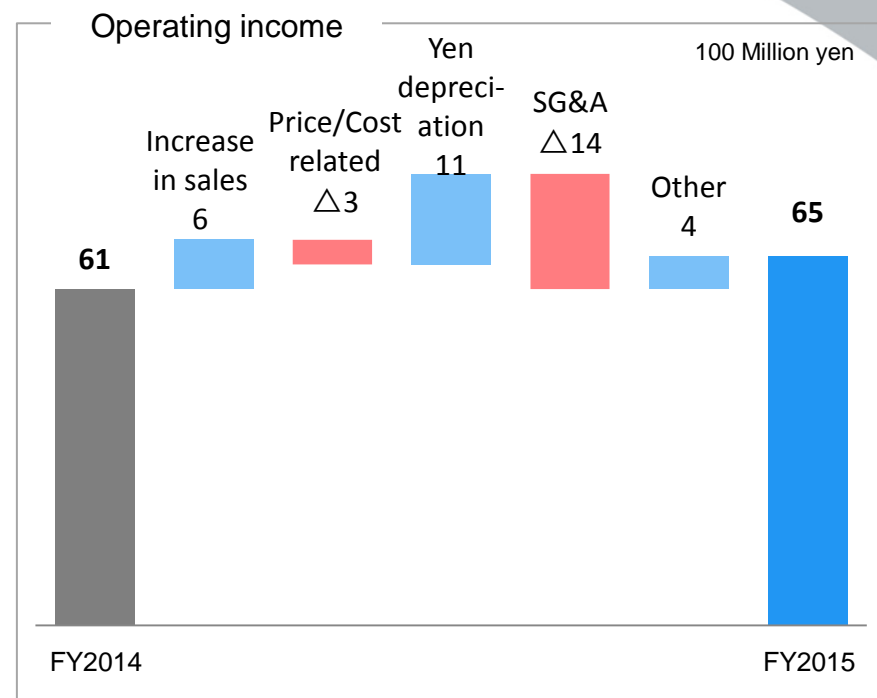
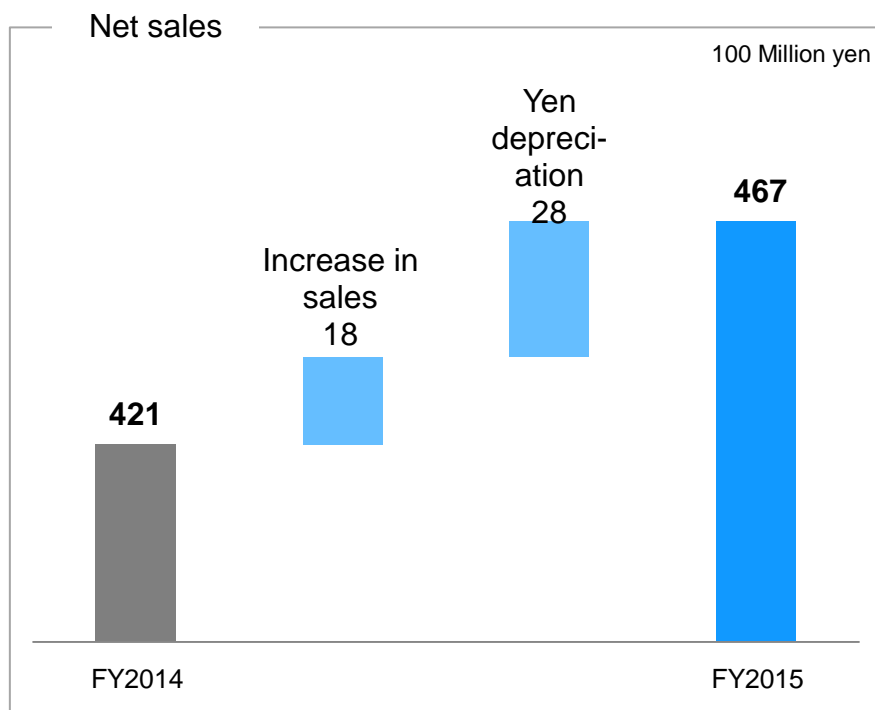


| Million yen      | FY2013 | FY2014 | <b>FY2015</b> | YoY    |
|------------------|--------|--------|---------------|--------|
| Net Sales        | 31,264 | 42,141 | <b>46,770</b> | 111.0% |
| Operating income | 1,423  | 6,111  | <b>6,578</b>  | 107.6% |
| Ordinary income  | 1,306  | 6,244  | <b>6,398</b>  | 102.5% |
| Net income       | 356    | 4,265  | <b>3,190</b>  | 74.8%  |

Average FX Rate (Jan. to Dec.)

| Yen        | FY2014 | <b>FY2015</b> | YoY    |
|------------|--------|---------------|--------|
| <b>USD</b> | 97.65  | <b>105.85</b> | 108.4% |
| <b>EUR</b> | 129.71 | <b>140.44</b> | 108.3% |

# Variance Analysis: Net Sales & Operating Income



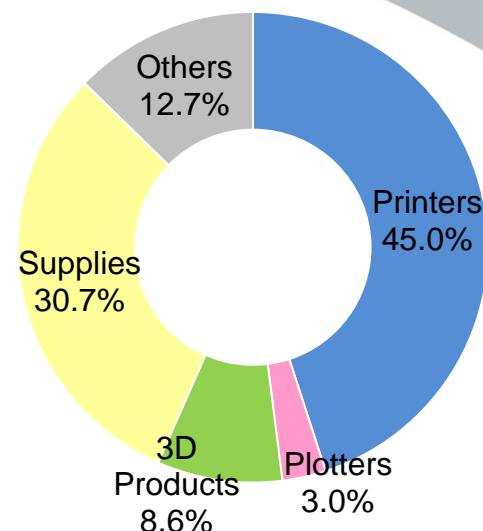
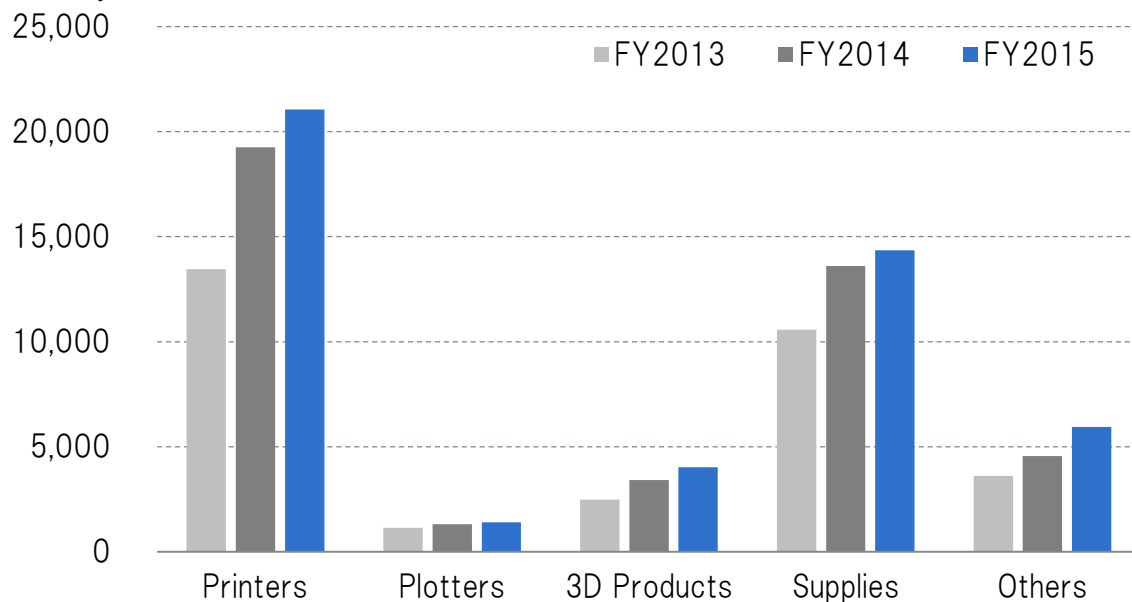
Average FX Rate

| Yen | FY2014 | FY2015 | YoY    |
|-----|--------|--------|--------|
| USD | 97.65  | 105.85 | 108.4% |
| EUR | 129.71 | 140.44 | 108.3% |
| GBP | 152.73 | 174.23 | 114.1% |
| DKK | 17.39  | 18.84  | 108.3% |
| AUD | 94.41  | 95.41  | 101.1% |

| Yen | FY2014 | FY2015 | YoY    |
|-----|--------|--------|--------|
| THB | 3.18   | 3.26   | 102.5% |
| CNY | 15.91  | 17.19  | 108.0% |
| KRW | 0.0894 | 0.1007 | 112.6% |
| BRL | 44.97  | 45.07  | 100.2% |

# Sales by Product for the FY2015

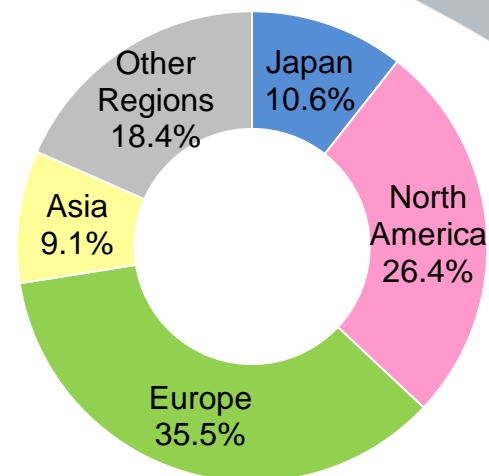
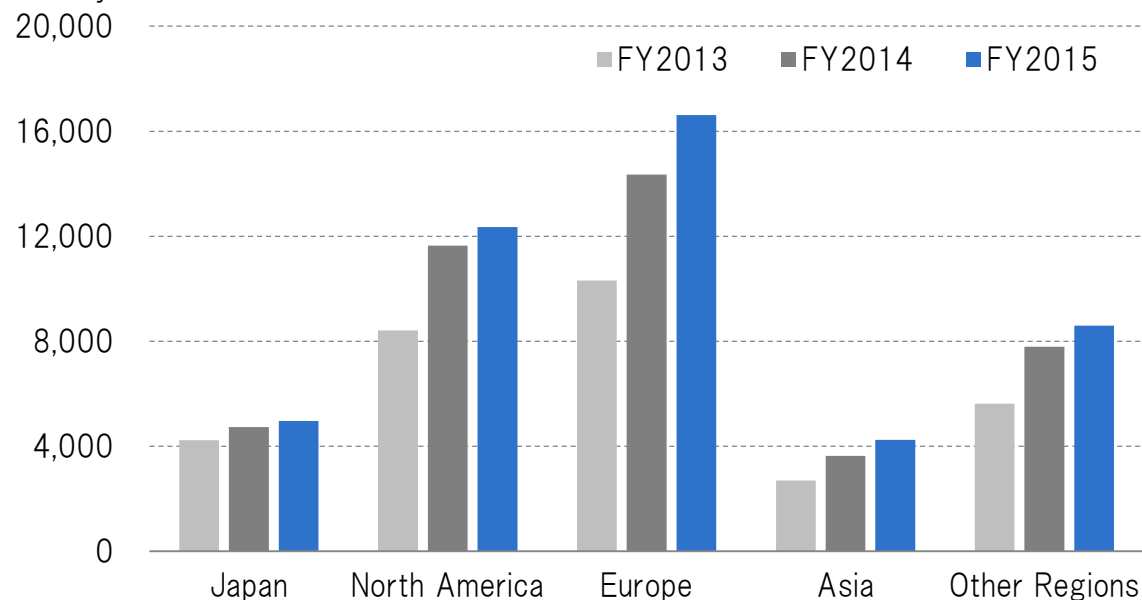
Million yen



| FY2014      |        |                  | FY2015 |                  | YoY    |                |
|-------------|--------|------------------|--------|------------------|--------|----------------|
| Million yen | Amount | Composition rate | Amount | Composition rate | JPY    | Local currency |
| Printers    | 19,262 | 45.7%            | 21,053 | 45.0%            | 109.3% | 102.5%         |
| Plotters    | 1,302  | 3.1%             | 1,398  | 3.0%             | 107.3% | 101.6%         |
| 3D Products | 3,415  | 8.1%             | 4,026  | 8.6%             | 117.9% | 111.7%         |
| Supplies    | 13,602 | 32.3%            | 14,351 | 30.7%            | 105.5% | 99.0%          |
| Others      | 4,558  | 10.8%            | 5,940  | 12.7%            | 130.3% | 122.9%         |
| Total       | 42,141 | 100.0%           | 46,770 | 100.0%           | 111.0% | 104.3%         |

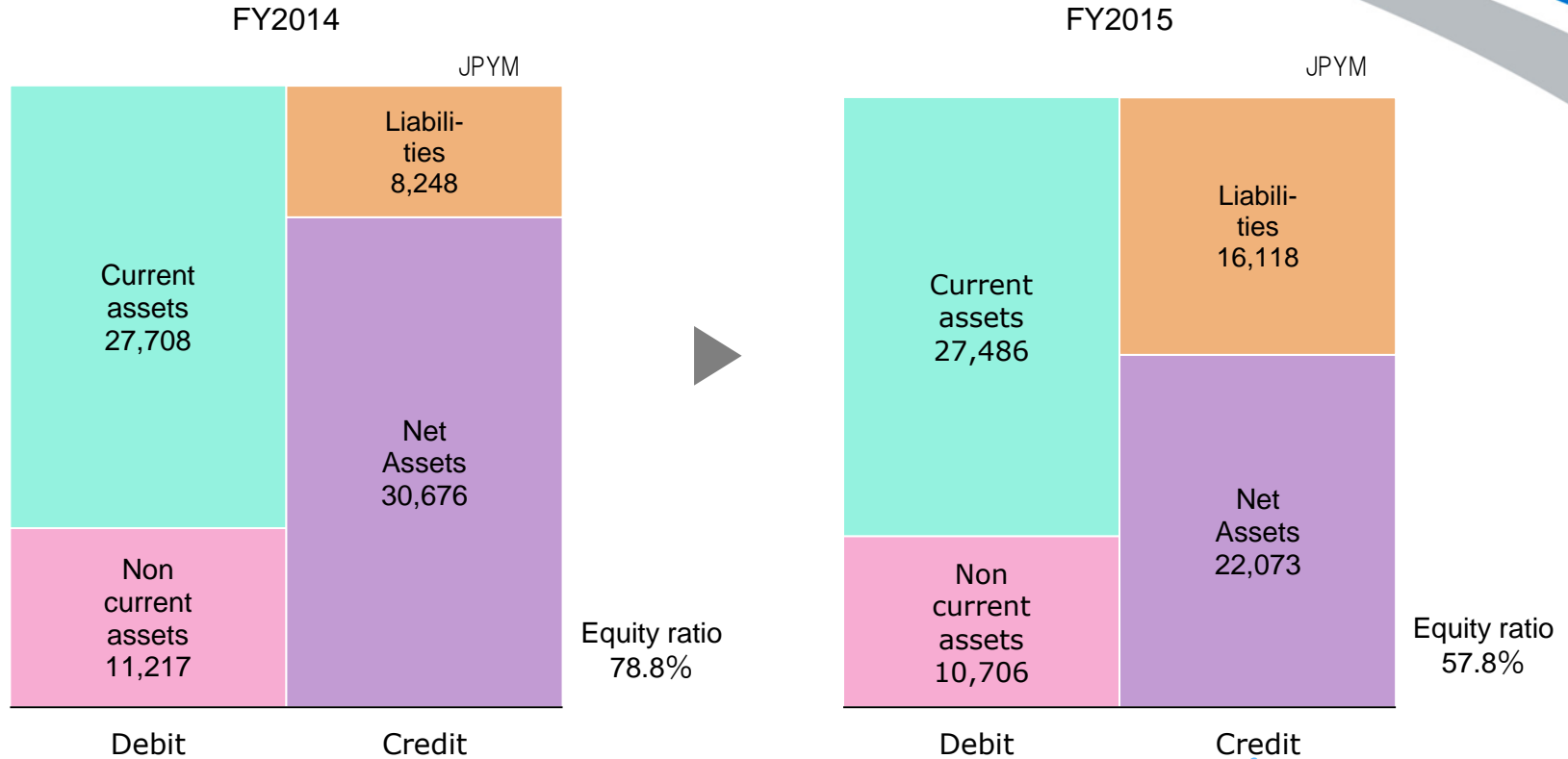
# Sales by Region for the FY2015

Million yen



| FY2014        |        |                  | FY2015 |                  | YoY    |                |
|---------------|--------|------------------|--------|------------------|--------|----------------|
| Million yen   | Amount | Composition rate | Amount | Composition rate | JPY    | Local currency |
| Japan         | 4,727  | 11.2%            | 4,960  | 10.6%            | 104.9% | -              |
| North America | 11,638 | 27.6%            | 12,351 | 26.4%            | 106.1% | 97.8%          |
| Europe        | 14,354 | 34.1%            | 16,616 | 35.5%            | 115.8% | 105.9%         |
| Asia          | 3,633  | 8.6%             | 4,250  | 9.1%             | 117.0% | 109.7%         |
| Other Regions | 7,789  | 18.5%            | 8,592  | 18.4%            | 110.3% | 107.9%         |
| Total         | 42,141 | 100.0%           | 46,770 | 100.0%           | 111.0% | 104.3%         |

# Balance Sheet – FY2014 vs. FY2015



## The amount of change with the treasury stock acquisition and retirement

### Liabilities

- Current portion of long-term loans payable : +1,440 Million yen
- Long-term loans payable : +5,400 Million yen

### Net Assets

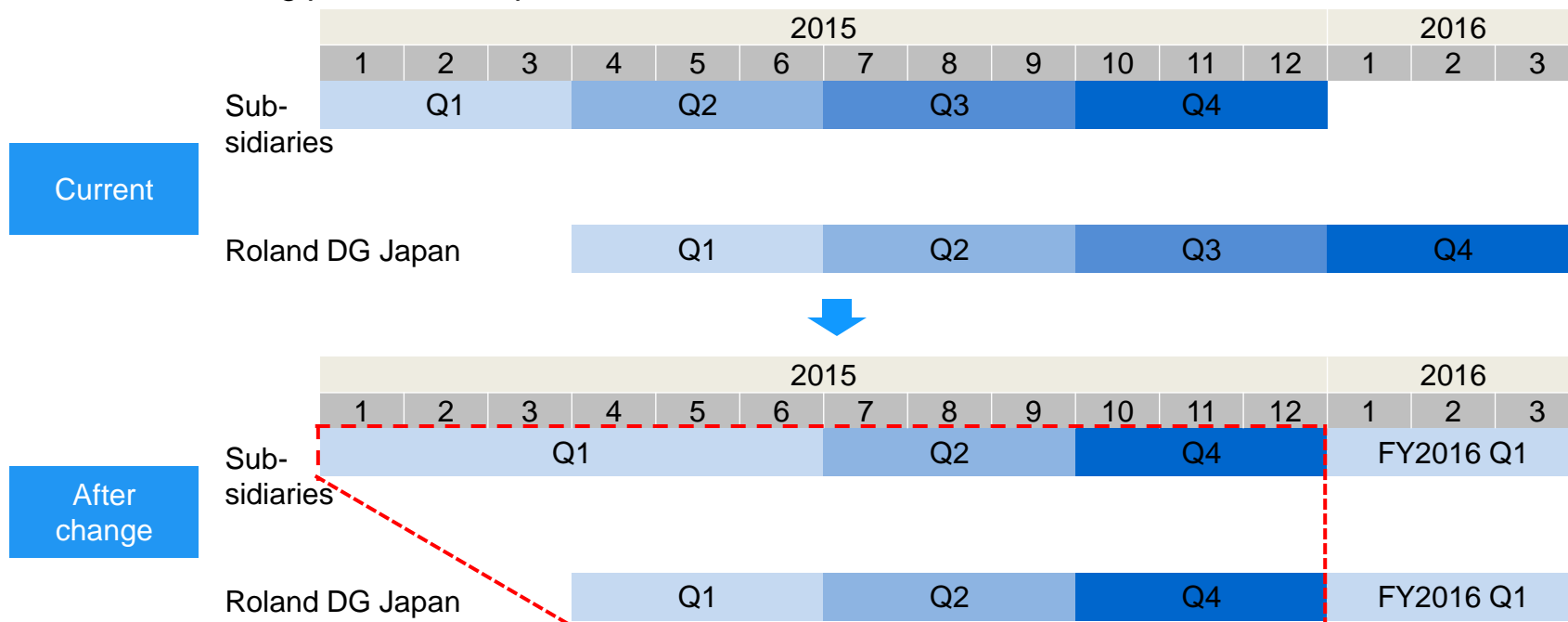
- Retained earnings :  $\Delta$ 8,545 Million yen

# Change to Accounting Period and Consolidated Forecast

for the Fiscal Year ending December 31, 2015

# Change to Accounting Period (Business Year End Date)

- ❖ Purpose
  - Increase management transparency through the timely and accurate disclosure of management information
  - Promoting an additional layer of globally united business operations
- ❖ Content of the change to accounting period
  - Current: March 31 of every year
  - After change: December 31 of every year
- ❖ Roland DG Japan's 35th Fiscal Year, which will serve as a transitional period, will be a nine-month accounting period from April 1, 2015 to December 31, 2015.

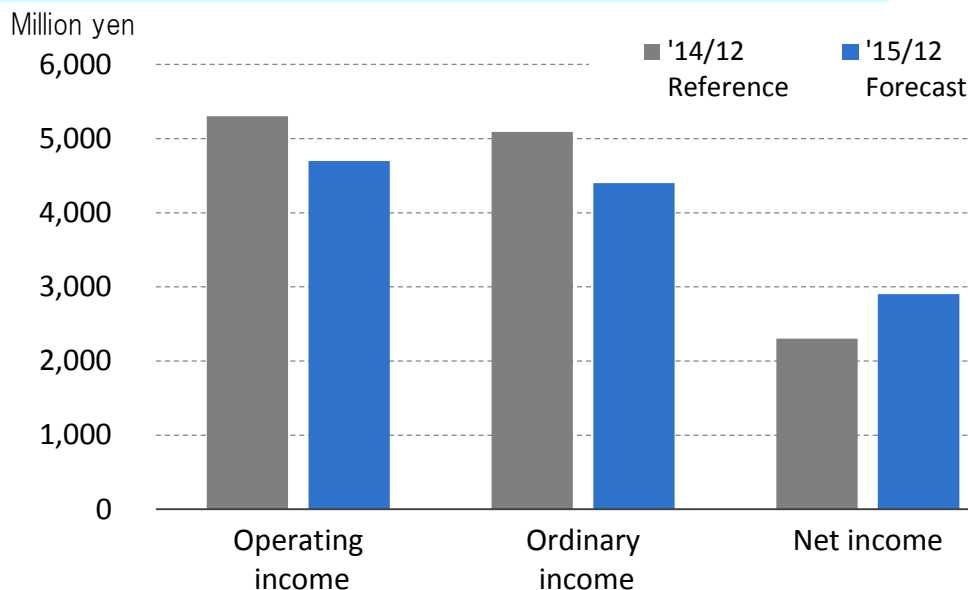
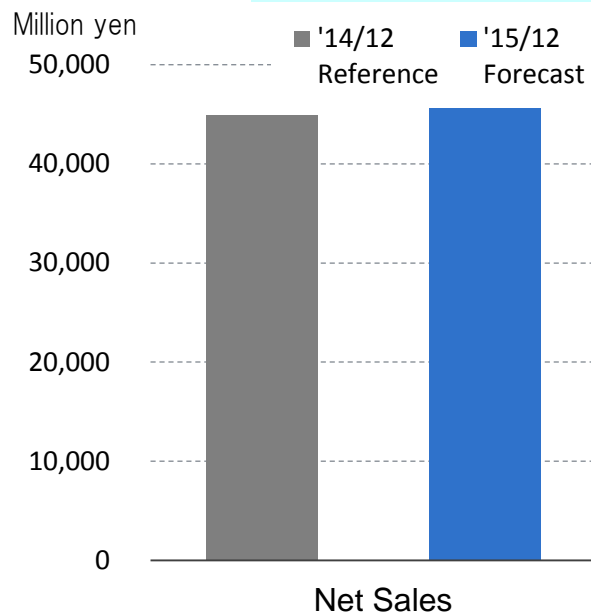


※On condition of an approval of the “Partial Amendments to Article of Incorporation” at the 34<sup>th</sup> Ordinary General Meeting of Shareholders scheduled to be held on June 17, 2015.



# Consolidated Forecast for the Fiscal Year ending December 31, 2015 (9 Months)

The last year results have been recalculated for 9 months for comparison.



| (Million yen)    | '14/12<br>Reference | '15/12<br>Forecast | YoY    |
|------------------|---------------------|--------------------|--------|
| Net Sales        | 44,867              | <b>45,600</b>      | 101.6% |
| Operating income | 5,304               | <b>4,700</b>       | 88.6%  |
| Ordinary income  | 5,090               | <b>4,400</b>       | 86.4%  |
| Net income       | 2,301               | <b>2,900</b>       | 126.0% |

## Average FX rate

| (Yen) | '14/12 | '15/12<br>Forecast | YoY    |
|-------|--------|--------------------|--------|
| USD   | 105.85 | <b>115.00</b>      | 108.6% |
| EUR   | 140.44 | <b>125.00</b>      | 89.0%  |

## Impact of Change in Foreign Exchange Rates

Net Sales                    -0.8 billion yen

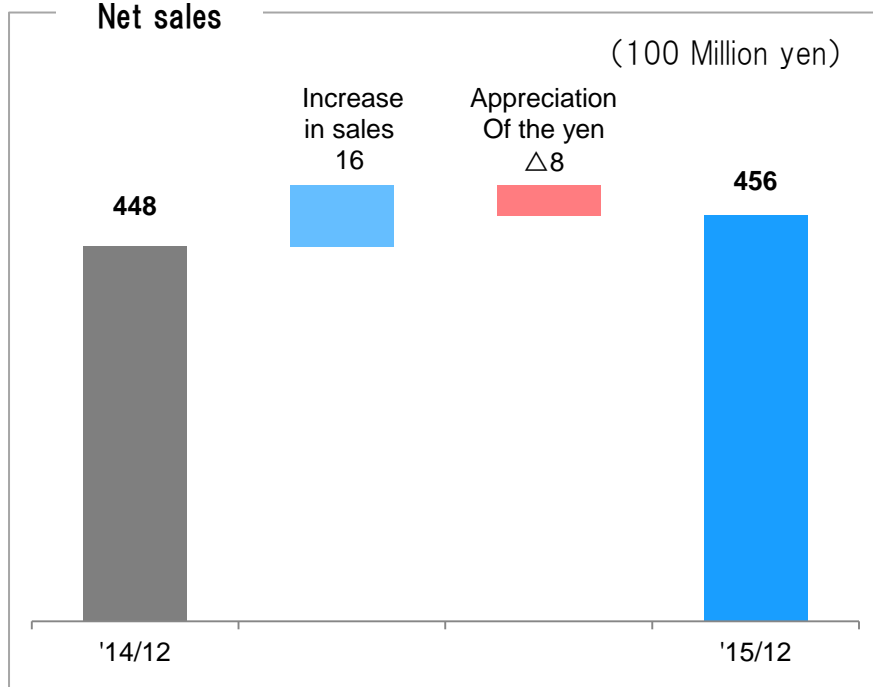
Operating income        -0.5 billion yen

# Variance Analysis

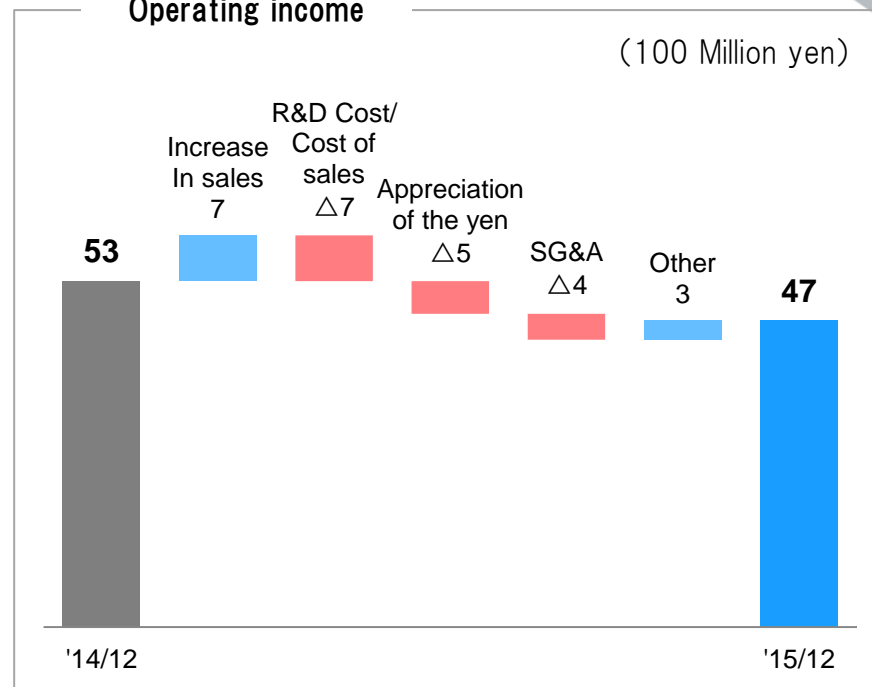
(for 9 months ending December 2015)

The last year results have been recalculated for 9 months for comparison.

## Net sales



## Operating income



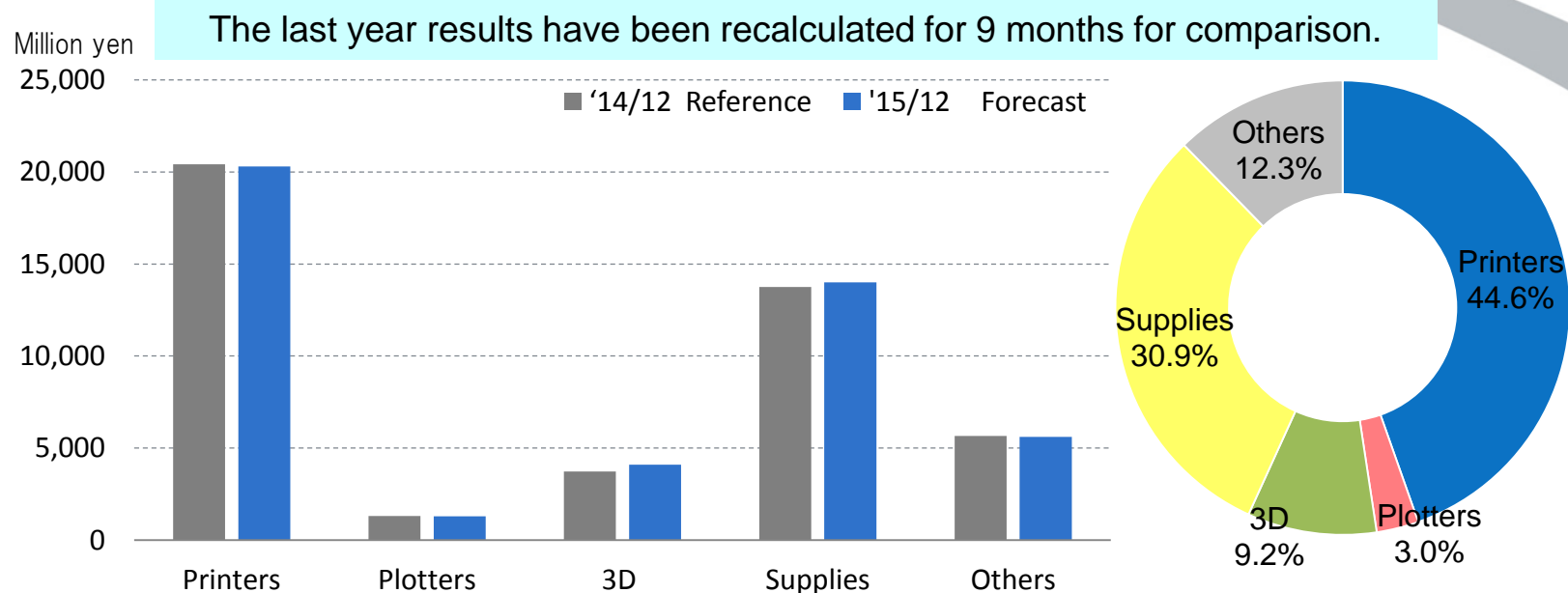
## Average FX rate

| (Yen) | '14/12 | '15/12 | YoY    |
|-------|--------|--------|--------|
| USD   | 105.85 | 115.00 | 108.6% |
| EUR   | 140.44 | 125.00 | 89.0%  |
| GBP   | 174.23 | 175.00 | 100.4% |
| DKK   | 18.84  | 16.78  | 89.1%  |
| AUD   | 95.41  | 90.00  | 94.3%  |

| (Yen) | '14/12 | '15/12 | YoY    |
|-------|--------|--------|--------|
| THB   | 3.26   | 3.60   | 110.4% |
| CNY   | 17.19  | 19.00  | 110.5% |
| KRW   | 0.1007 | 0.1000 | 99.3%  |
| BRL   | 45.07  | 38.00  | 84.3%  |

# Forecast: Sales by Product

(for 9 months ending December 2015)

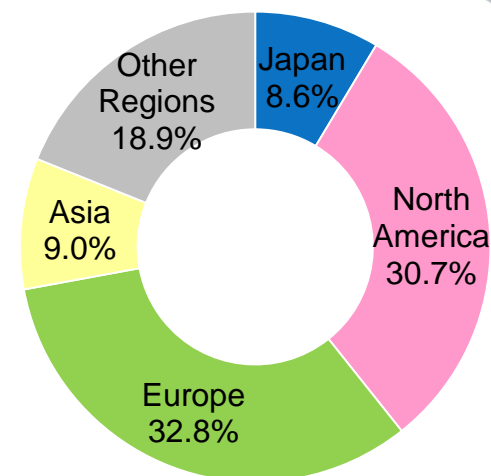
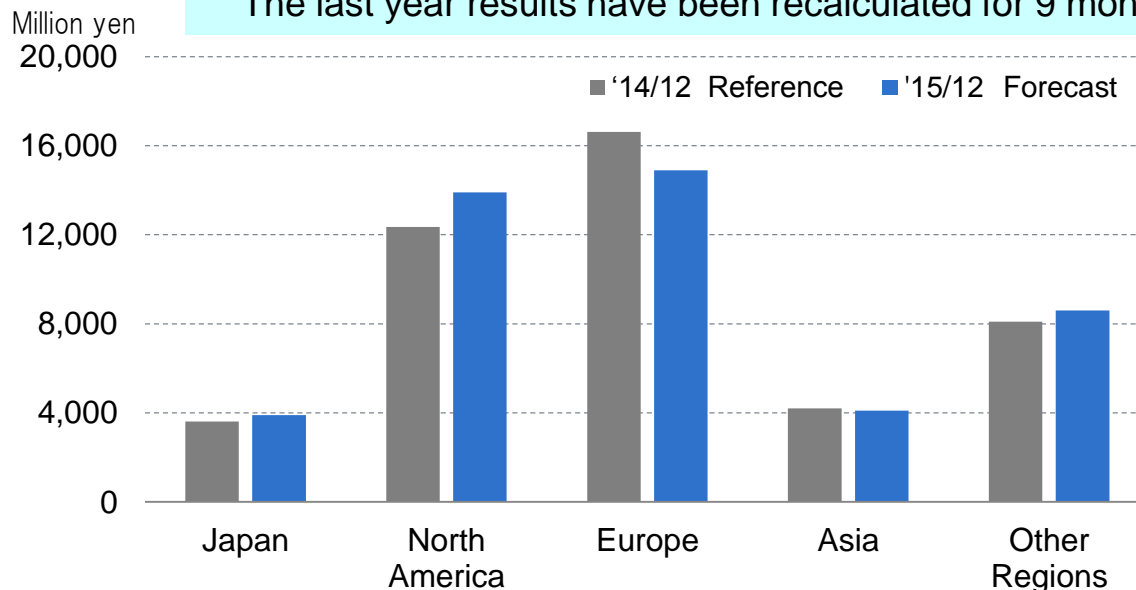


| (Million yen) | '14/12 Reference |                  | '15/12 Forecast |                  | YoY    |                |
|---------------|------------------|------------------|-----------------|------------------|--------|----------------|
|               | Amount           | Composition rate | Amount          | Composition rate | JPY    | Local Currency |
| Printers      | 20,422           | 45.5%            | 20,300          | 44.6%            | 99.4%  | 101.8%         |
| Plotters      | 1,313            | 2.9%             | 1,300           | 3.0%             | 99.0%  | 99.0%          |
| 3D Products   | 3,721            | 8.3%             | 4,100           | 9.2%             | 110.2% | 112.9%         |
| Supplies      | 13,756           | 30.7%            | 14,000          | 30.9%            | 101.8% | 103.2%         |
| Others        | 5,653            | 12.6%            | 5,600           | 12.3%            | 99.1%  | 100.8%         |
| Total         | 44,867           | 100.0%           | 45,600          | 100.0%           | 101.6% | 103.4%         |

# Forecast: Sales by Region

(for 9 months ending December 2015)

The last year results have been recalculated for 9 months for comparison.

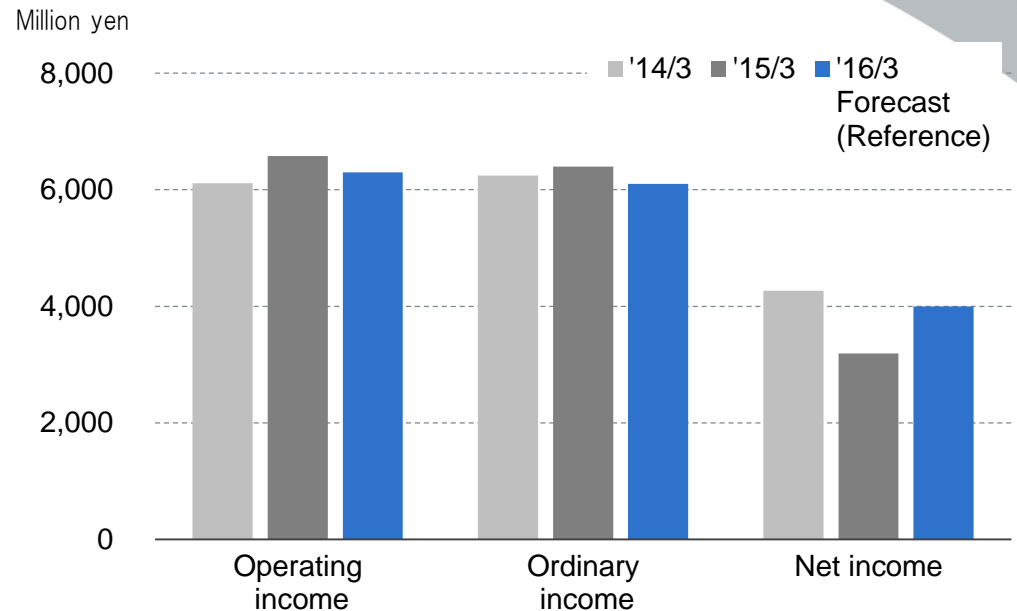
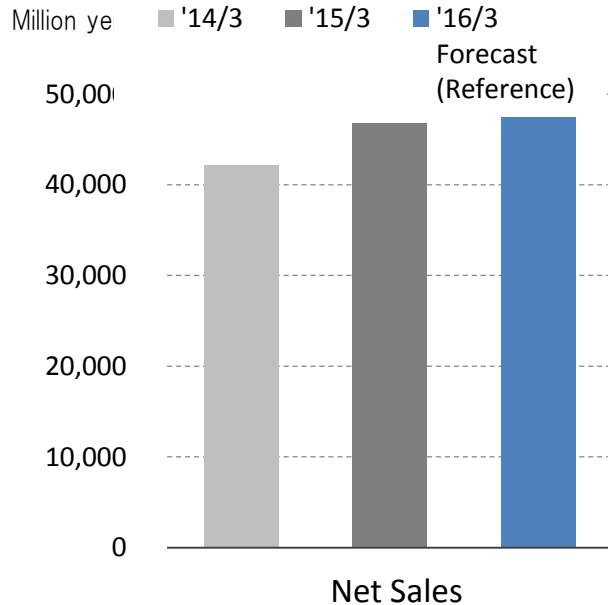


| (Million yen) | '14/12 Reference |                  | '15/12 Forecast |                  | YoY    |                |
|---------------|------------------|------------------|-----------------|------------------|--------|----------------|
|               | Amount           | Composition rate | Amount          | Composition rate | JPY    | Local Currency |
| Japan         | 3,608            | 8.1%             | <b>3,900</b>    | <b>8.6%</b>      | 108.1% | -              |
| North America | 12,351           | 27.5%            | <b>13,900</b>   | <b>30.7%</b>     | 112.5% | 103.6%         |
| Europe        | 16,616           | 37.0%            | <b>14,900</b>   | <b>32.8%</b>     | 89.7%  | 98.7%          |
| Asia          | 4,195            | 9.4%             | <b>4,100</b>    | <b>9.0%</b>      | 97.7%  | 95.3%          |
| Other Regions | 8,095            | 18.0%            | <b>8,600</b>    | <b>18.9%</b>     | 106.2% | 112.4%         |
| Total         | 44,867           | 100.0%           | <b>45,600</b>   | <b>100.0%</b>    | 101.6% | 103.4%         |

**【Reference】**  
Hypothetical Forecast  
based on  
previous 12 months  
accounting period

# Ref:Forecast for 12 months

The forecast has been recalculated for 12 months for comparison.



| (Million yen)    | '15/3  | '16/3<br>Forecast<br>(Reference) | YoY    |
|------------------|--------|----------------------------------|--------|
| Net Sales        | 46,770 | 47,400                           | 101.3% |
| Operating Income | 6,578  | 6,300                            | 95.8%  |
| Ordinary Income  | 6,398  | 6,100                            | 95.3%  |
| Net income       | 3,190  | 4,000                            | 125.4% |

## Average FX rate

| (Yen) | '15/3  | '16/3<br>Forecast<br>(Reference) | YoY    |
|-------|--------|----------------------------------|--------|
| USD   | 105.85 | 115.00                           | 108.6% |
| EUR   | 140.44 | 125.00                           | 89.0%  |

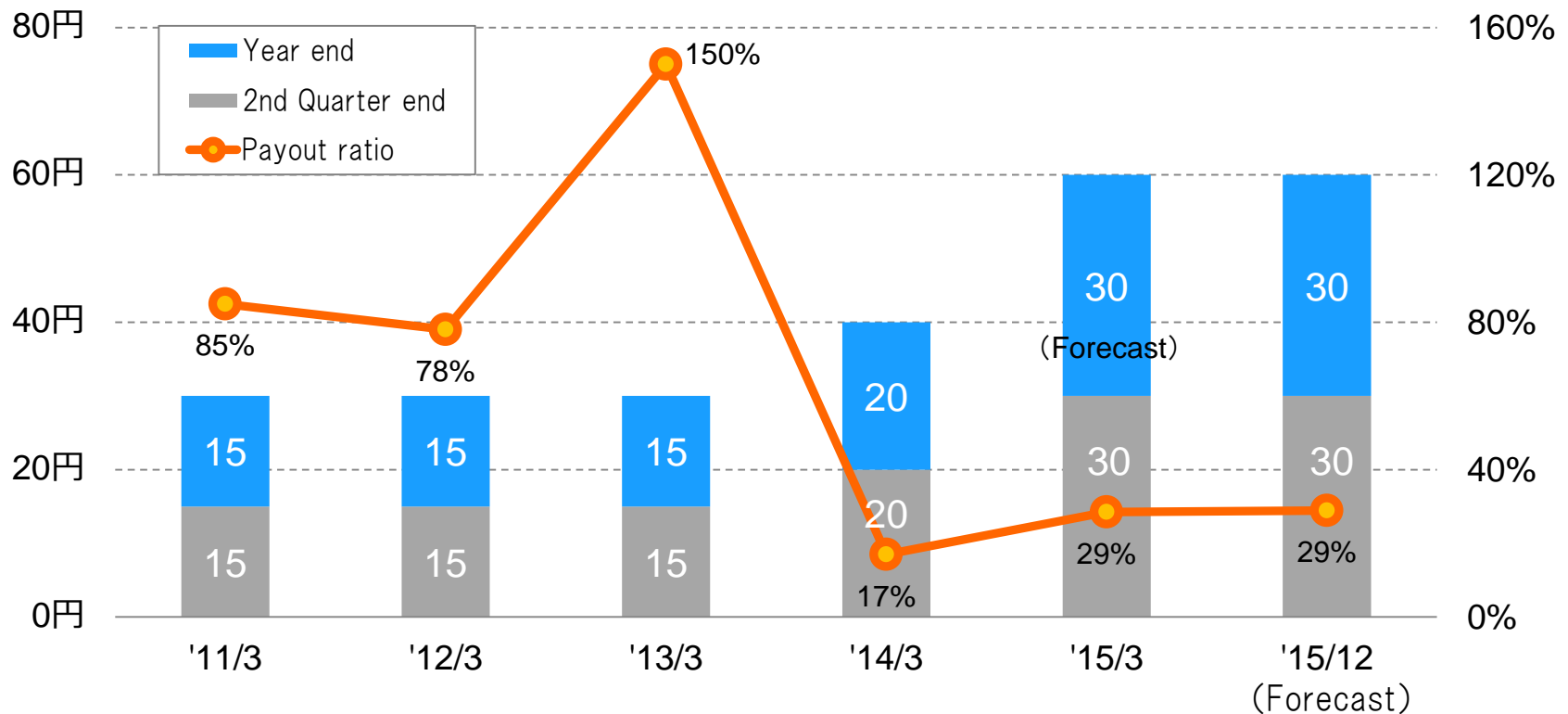
Impact of Change in Foreign Exchange Rates

Net Sales -0.8 billion yen

Operating income -0.5 billion yen

# Dividends

- ❖ A ¥60/year dividend to be proposed as of the end of March 2015.
- ❖ The same ¥60 dividend is scheduled as of the end of December 2015 for 9 months.



# Structural Reform Progress Report



# New Founding (From Mar. 2012 Financial Briefing)

PC use, Digitalization

Economy focused in developed countries

Digital tech application

Globalization of economy

New Business Pillars

Digital Printing

- Use inkjet printing as base to realize on-demand printing to variety of media, shapes
- Raise customer value in signage

3D

- Easy-to-use, practical desktop fabrication

Medical health care

- Provide safety and security of digital to solve diverse needs

Personal

- Spread joy of transforming ideas into reality using digital

2012

Lehman Shock

Personal  
Medical health care  
3D

Developing  
Value-added digital  
printing

Signage market  
growth

Signage market  
maturation

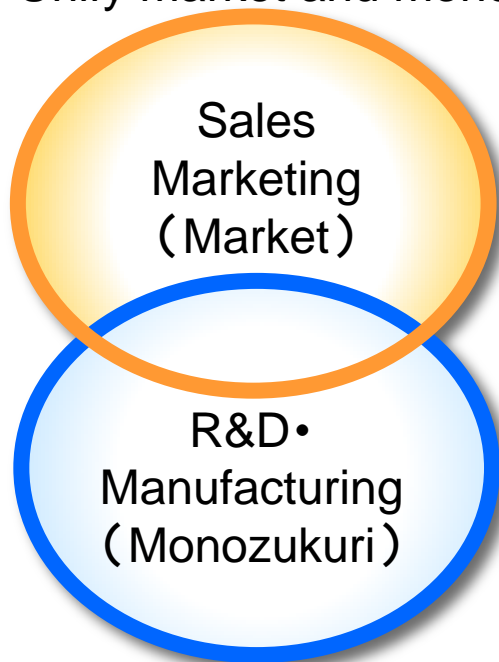
# GlobalOne: Structural Reform for Growth

Midterm Plan Policy (2013 - 2015)

GlobalOne Structural reform to build a foundation for new growth

## GlobalOne

Unify market and monozukuri



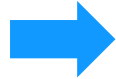
Create opportunity for growth

- New business pillars
- Cultivate markets in growth regions

# Color : Solvent Printers

Best Solution for Signage

Vinyl Sheets  
+  
Solvent Ink



- Market needs focus on low installation and running costs as tech matures and added value shrinks
- Shift in focus from high value-added pro model to standard models

Pro models



Standard models

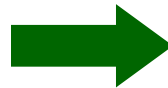


Imagine.  Roland

# Color: UV Printers

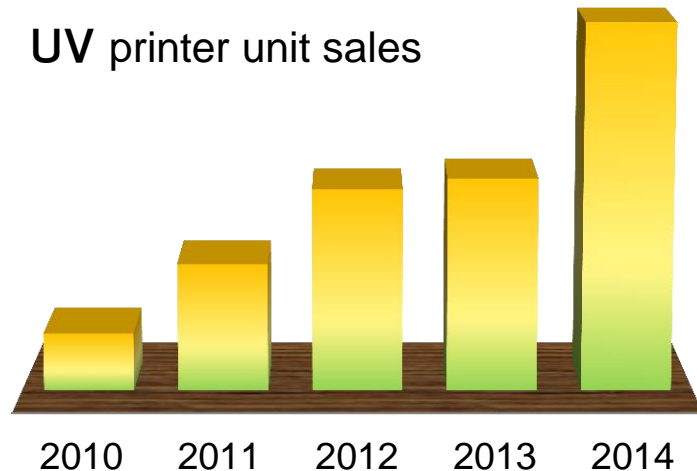
UV Printers : On-demand printing technology

Supports variety of media



Support variety of printing needs  
High value-added printing  
Develop new applications

UV printer unit sales



Smartphone cases Novelty goods



## Key features

- High image quality and precision
- Sleek design is safe and user-friendly
- Perfect for low-volume, on-demand tasks in store or at the office

# Color: Original Design Applications

- Print original designs to smartphone and tablet cases
- Established in 2012, 140 shops worldwide(as of 2Q 2014)

THE **KASE**



Original prints using the Roland DG LEF series

Imagine.  **Roland**



# Color: Create and Deliver Applications

Roland Creative Center : 66 locations worldwide  
System to produce diverse applications



Italy



Brazil



UK



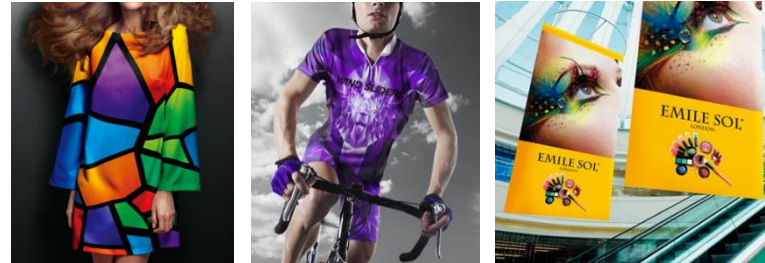
Roland DG  
Creative Center

Imagine.  Roland

# Color: Textiles



Released Dec. 2014



Apparel/T-shirts, Banners

New brand: **Texart**

Deliver high value-added digital printing on textiles with vibrant and polished colors

- 8 colors including orange and violet
- Highest speed among entry-level models
- High-capacity ink delivery system
- ErgoSoft software



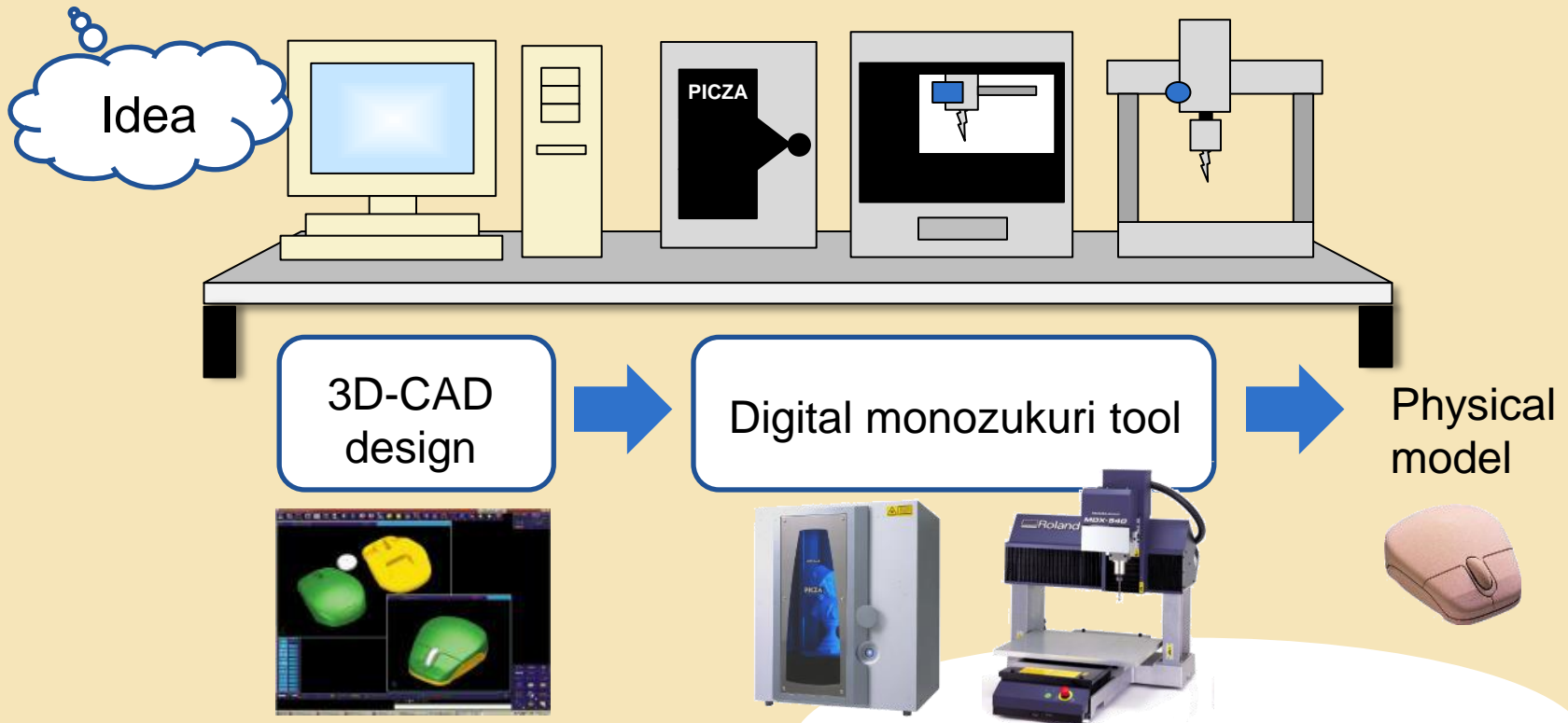
RT-640 ink awarded Oeko-Tex Standard 100 **1<sup>st</sup> class** for adhering to the highest level of safety regulations.

# 「Desktop Factory: Digital Monozukuri」

1986 First 3D cutter released

2002 「Desktop Factory: Digital Monozukuri」 proposal

「Desktop Factory : Digital Monozukuri」  Roland



Imagine.  Roland



# 3D : Digital Monozukuri

monoFab: New digital monozukuri proposal



3D PRINTER

**monoFab ARM-10**



MILLING MACHINE

**monoFab SRM-20**



FAB10 Gold Sponsor



monoFab Idea-thon meeting



Maker Faire Tokyo exhibition

**Maker Faire**

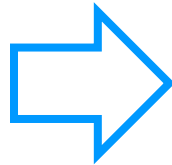
# Digital : The Need for Digital Processing

- Dental prosthetics shifting from metal to ceramic
- Ability to cut and shape zirconia and hybrid resin
- Digitalization through use of scanners and CAD/CAM

Change in prosthetic material



Metal

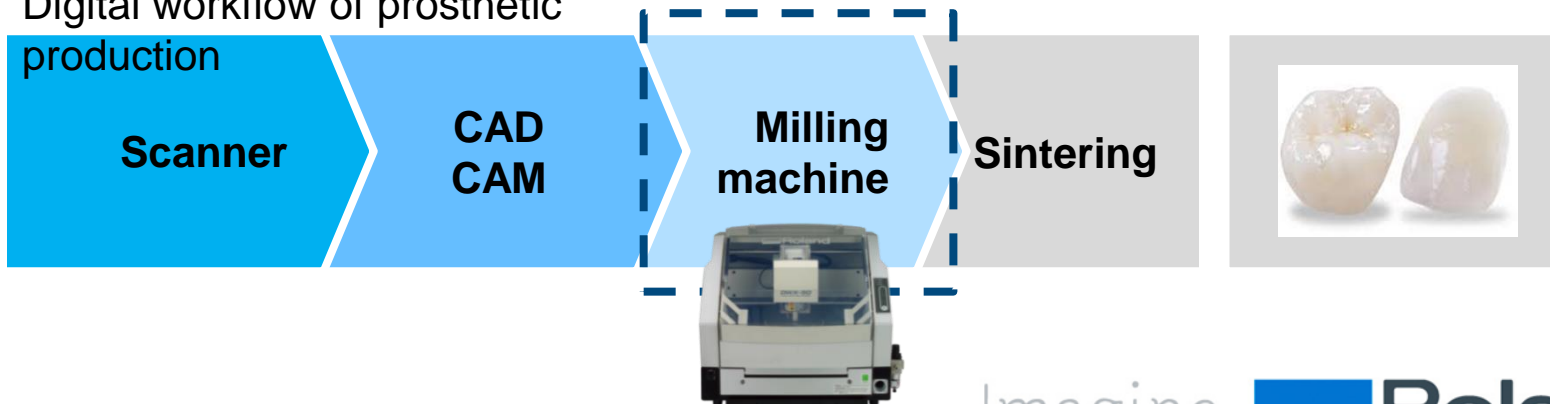


Zirconia



Hybrid resin

Digital workflow of prosthetic production



# Dental Milling Machine Lineup (Planned)

- Expand possibilities with combined dry and wet milling

Dry milling



**DWX-50**



**DWX-4**

Wet milling



**DWX-4W**

***[in development]***

Support more materials  
Improve productivity  
Optimize investment

Dry Milling



Zirconia



Hybrid  
resin

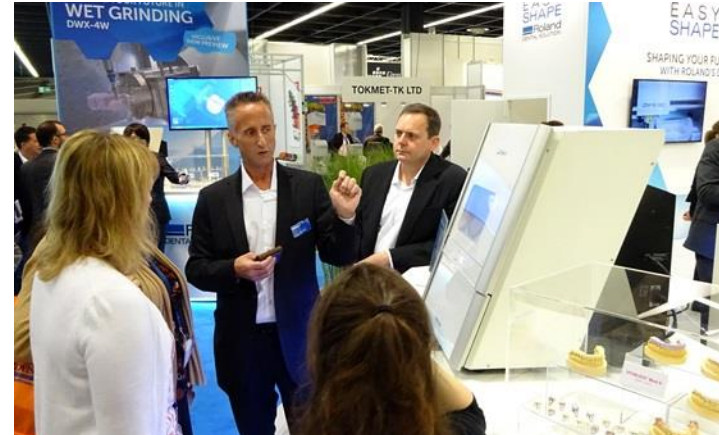
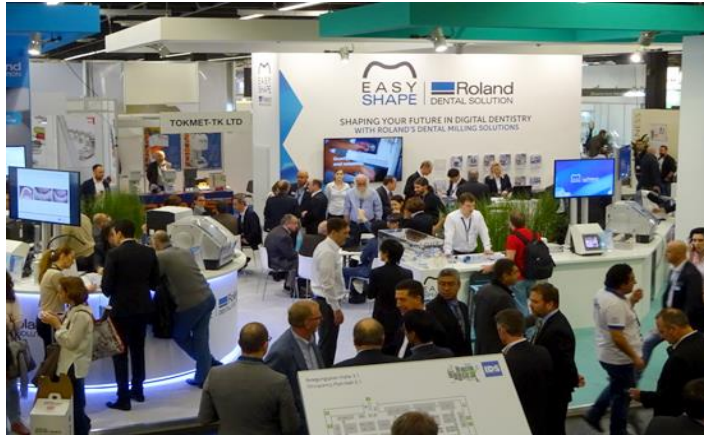
Wet Milling



Glass ceramics

# Exhibition of Products in Development

- Exhibition at Germany's 「IDS:International Dental Show」 in March



***【sample output】***



***DWX-4W 【in development】***

## **DWX-4W**

Our company's first wet milling machine will be released in mid-2015

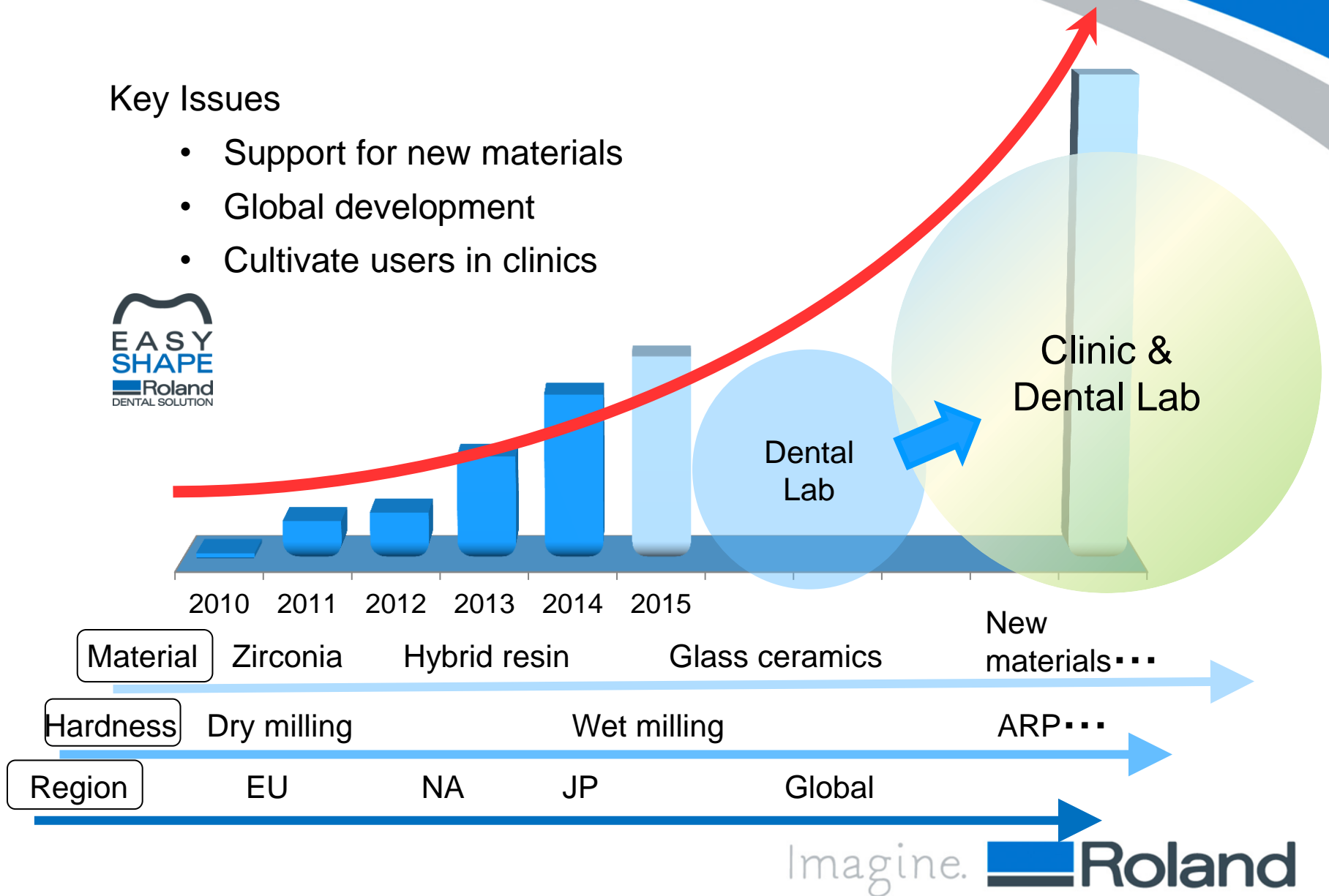
Imagine.  **Roland**



# Commercialization of Dental

## Key Issues

- Support for new materials
- Global development
- Cultivate users in clinics



# Medical: Instrument Management System

Metal impact printer for marking



UDI regulations\* will require traceable information for medical instruments

- EU•Asia: within the next few years
  - US: progressively starting Sept. 2014
- ※ UDI UDI (Unique Device Identification)

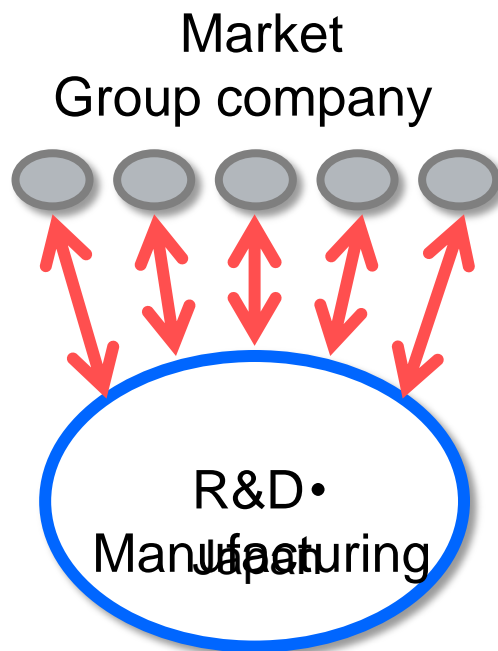
Digitalize instrument management with Digital YATAI

- Eliminates human error from workflow
- Establishes high standard of quality
- Builds efficient management methods

# Group Structural Reform

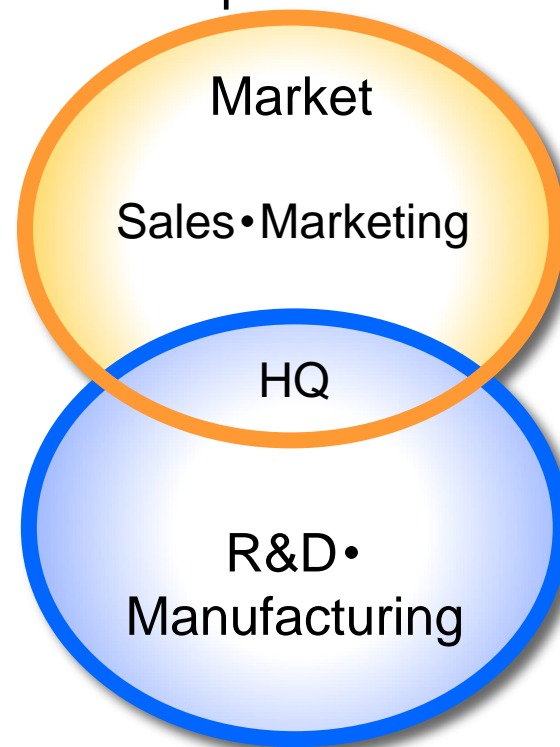
Realize a new founding and sustainable growth by operating globally as a consolidated group

## Joint Venture(JV) System



## GlobalOne

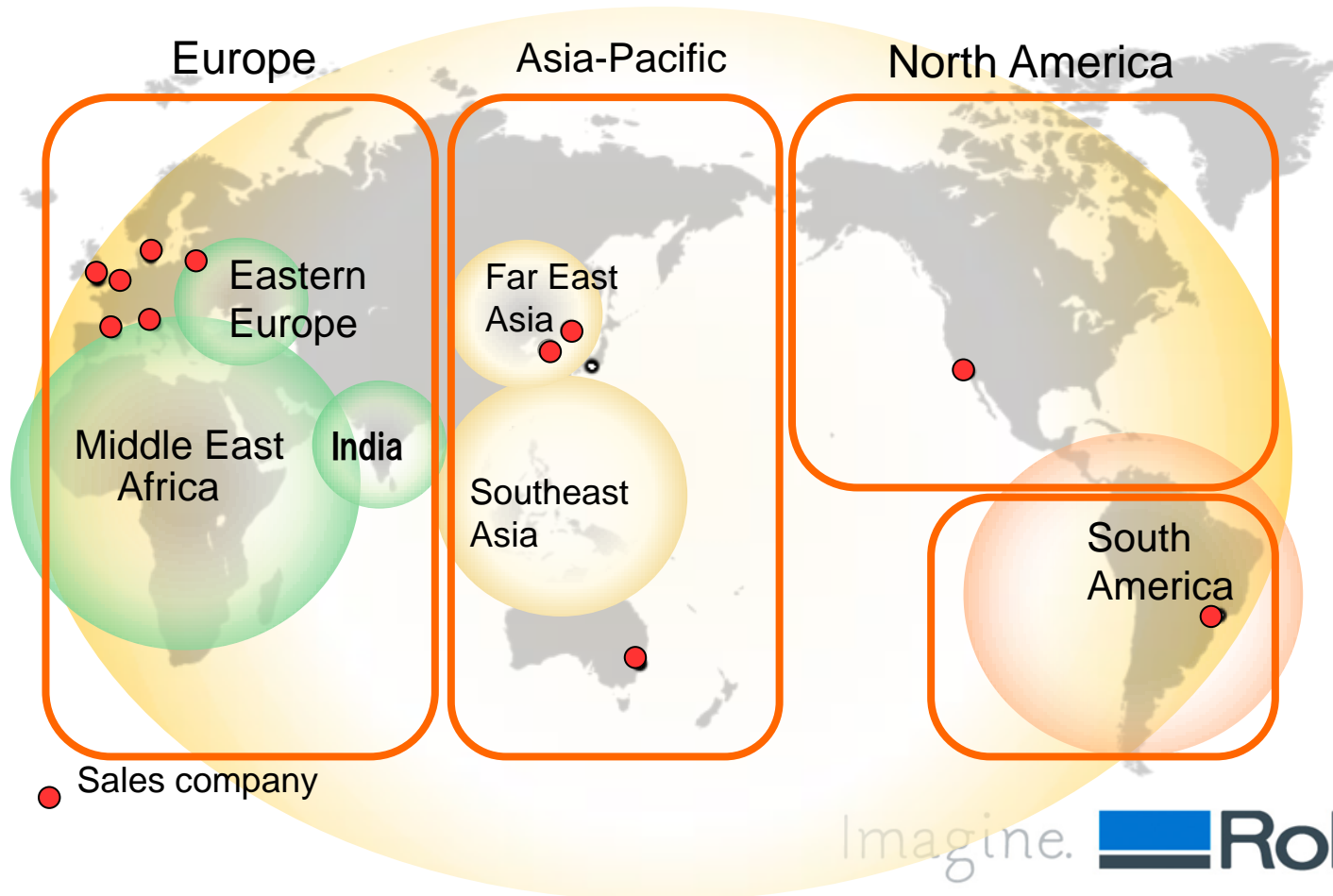
Group consolidation



# Sales and Marketing Structure

Sales  
Marketing

- HQ focus on region-specific needs, sales and support
- Use Local No.1 status to build markets in areas of growth
- Deliver 3R standard worldwide customer support system





# Global Production and SCM

- Global production disperses risk from natural disaster, lowers costs and mitigates effects of exchange rates
- Unifying manufacturing and market creates highly responsive SCM

R&D •  
Manufacturing

SCM



Miyakoda plant (Japan)



Thai factory



Digital YATAI  
(D-Shop)



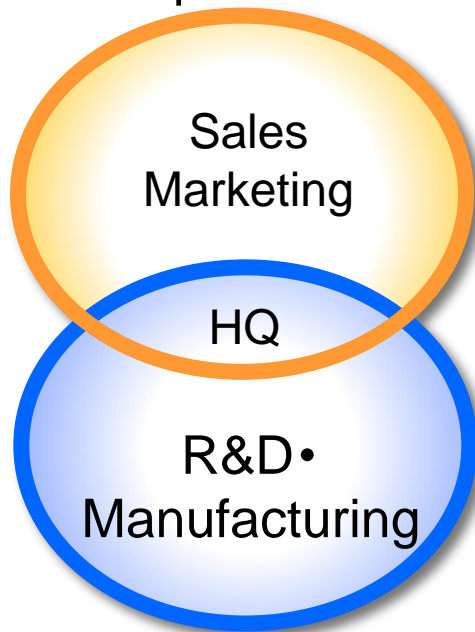
| Thai production status  | 2013  | 2014  | 2015<br>(planned)  |
|-------------------------|-------|-------|--------------------|
| Employees               | 40    | 108   | 130                |
| Yearly units produced   | 2,800 | 6,600 | 7,000<br>+plotters |
| Local procurement ratio | 25%   | 40%   | 50%<br>(target)    |

# Structural Reform of Group Operations

- Accelerate group management, improve effectiveness of capital/resources
- Raise level of global operations

## GlobalOne

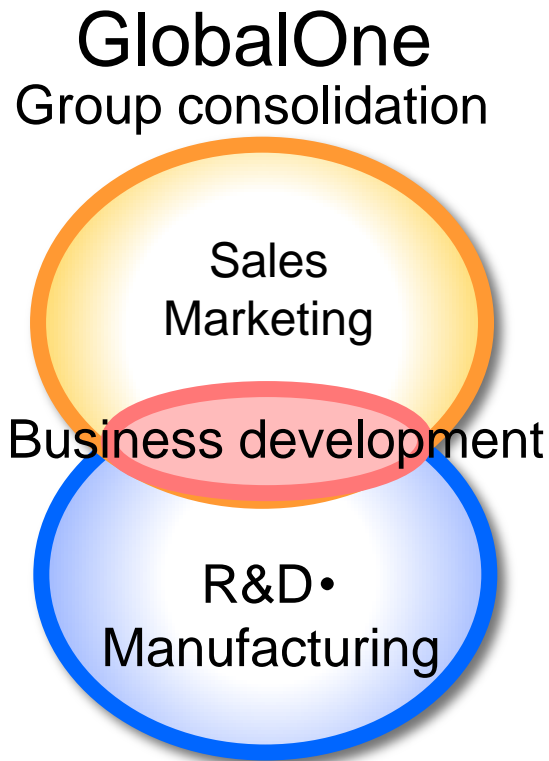
Group consolidation



- ❖ Convert all sales companies into wholly-owned subsidiaries (Mar. 2013)
- ❖ Establish European holding company (Mar. 2014)
- ❖ Utilize European shared services company (2012~)

# New Business Development

- Business Development Division : Connect technology and market and directly develop new businesses



## Digital Printing

Textiles  
Industrial printing(UV)

## Easy Shape

Health care  
**3D**/monoFab

(Apr. 2015 onward)

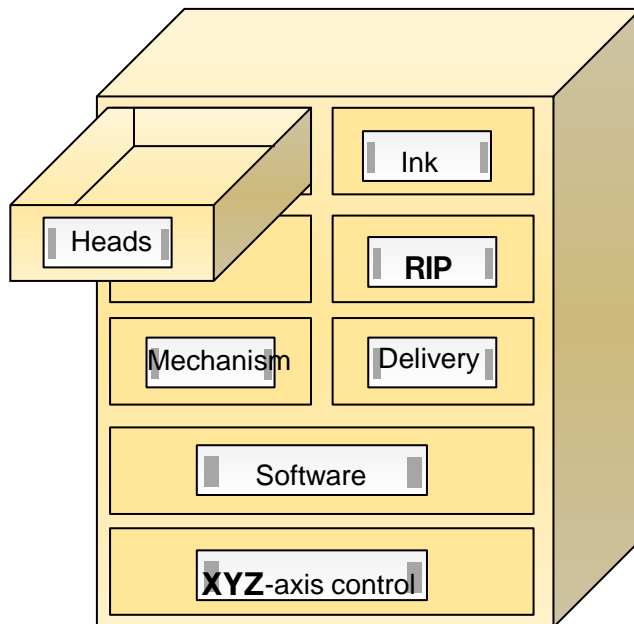
Imagine.  **Roland**

# Structural Reform of Technology

From signage market  
to digital printing market

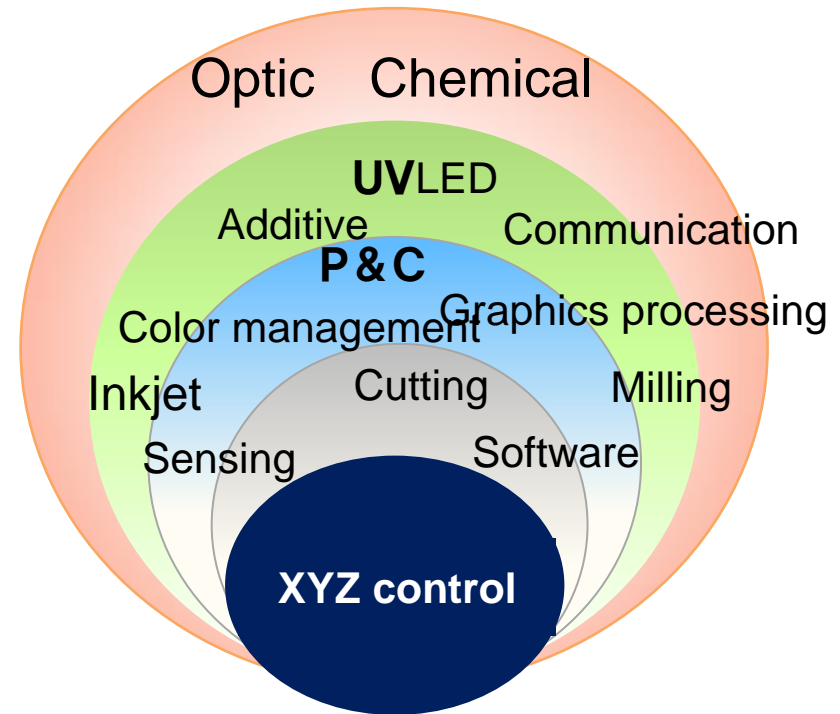
Reform of inkjet technology

- Realize diverse printing needs
- Speedy delivery of technology



Broaden possibilities

- Optic, chemical technology
- Tech R&D for future business
- 「Simplicity」「Comfort」「Safety」



# Future Products

「Imagination into Reality」

Imaging Products

2D



IJ printer



Cutting



Metal printer

3D



Modeling machine



Digital engraver

「Digital Health Care」

Health care Products



Dental milling machine

# Sustainable Growth

