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Filing Company: Roland DG Corporation
 Representative: Kohei Tanabe, President
 Listing: First Section, Tokyo Stock Exchange (Stock Code: 6789)
 Contact: Kazuhiro Ogawa, Executive Officer and President of Corporate Division
 Tel. +81-53-484-1400

Notice of Revisions of Financial Result Forecasts and Dividend Forecasts

Roland DG Corporation (hereinafter, the “Company”) hereby announces the revisions of the consolidated financial result forecasts and dividend forecast released on February 14, 2020, in consideration of the recent trends in financial results, as follows.

1. Revisions of the consolidated financial result forecasts for the first six months ending June 30, 2020 (January 1, 2020 to June 30, 2020)

(Millions of Yen unless otherwise specified)

	Net sales	Operating income	Ordinary income	Profit (loss) attributable to owners of parent	Net income (loss) per share (Yen)
Previous forecast (A)	21,000	700	700	600	48.04
Latest forecast (B)	13,400	(1,500)	(1,700)	(1,200)	(96.09)
Difference (B – A)	(7,600)	(2,200)	(2,400)	(1,800)	—
Difference ratio (%)	(36.2)	—	—	—	—
(Ref) Performance of the previous fiscal year (the six months ended June 30, 2019)	19,958	1,567	1,483	1,070	85.32

2. Revisions of the consolidated financial result forecasts for the fiscal year ended December 31, 2020 (January 1, 2020 to December 31, 2020)

(Millions of Yen unless otherwise specified)

	Net sales	Operating income	Ordinary income	Profit (loss) attributable to owners of parent	Net income (loss) per share (Yen)
Previous forecast (A)	42,600	2,500	2,300	1,800	144.12
Latest forecast (B)	27,300	(2,600)	(2,900)	(2,000)	(160.14)
Difference (B – A)	(15,300)	(5,100)	(5,200)	(3,800)	—
Difference ratio (%)	(35.9)	—	—	—	—
(Ref) Performance of the previous fiscal year (the fiscal year ended December 31, 2019)	40,795	2,794	2,648	1,944	155.39

3. Reasons for revisions

(1) Reasons for the revisions of the consolidated financial result forecasts for the first six months ending June 30, 2020

Economic activities slowed due to the spread of COVID-19, which dampened our customers' investment appetite. Furthermore, tradeshows and events are being postponed or cancelled, and various global sales locations, starting from China, have switched to remote work due to government orders and policies. Such limitations to our sales and promotion activities are expected to lead to significant loss of business opportunities. As a result, net sales is expected to be lower than the previous forecast. As to the profits, due to the decrease in net sales, operating income, ordinary income, and profit attributable to owners of parent are also expected to be lower than the previous forecast.

(2) Reasons for the revisions of the consolidated financial result forecasts for the fiscal year ending December 31, 2020

Due to the spread of COVID-19, the full year financial forecast is also expected to largely depart from the original forecast. Since it is uncertain when the COVID-19 situation will end, it is not easy to provide a reasonable financial forecast. Nevertheless, we have built the revised forecast assuming that the 2nd quarter (April-June) will be the bottom of sales decline and that the business will slowly recover from July but would remain affected until the year end. Therefore, the forecast may change depending on how the COVID-19 situation evolves.

4. Actions and plans in response to the situation

In order to minimize the impact on our financial performance, we are taking the following actions:

- ① Cost reduction mainly in SG&A
- ② Management bonus cut
- ③ Addition of credit line to prepare for potential cash needs in the future
- ④ Adjustment of production to respond to the demand situation

5. Summary of the revised dividend forecasts

	Dividend per share (Yen)		
	2nd quarter end	Year end	Total
Previous forecasts	20	25	45
Current forecasts	undetermined	Undetermined	undetermined
Results for the current fiscal year			
Results for the previous fiscal year (the fiscal year ended December 31, 2019)	25	25	50

6. Reasons for revisions

Our policy is to pay dividends in accordance with company performance by targeting 30% payout ratio and accounting for the future business plan. As previously mentioned, our revised 2nd quarter and full year forecast have been built using assumptions in regards to the impact of COVID-19 on our financial performance. Therefore, we have withdrawn our dividend forecast for now and will once again set a forecast when it becomes feasible.

Note: The above forecast is based on information available to the Company and the group at the time of the document's release. Actual results may differ from the forecasts presented herein for various reasons.