

Roland DG Corporation

THE 40th ORDINARY GENERAL MEETING OF SHAREHOLDERS

March 18, 2021



Information on Live Streaming

◆ Shareholders attending in person

- Consideration will be given to shareholders' privacy in the live streaming of this Meeting.
- Only the chairman and officers will be filmed.
- Please refrain from making any statements that could identify individuals unrelated to the meeting agenda.

◆ Shareholders viewing the live streaming

- There may be problems with the video or sound.
- Please refrain from recording the audio or video.

Agenda

Matters to be reported

1. The Business Report, Consolidated Financial Statements and audit report on Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the Company's 40th Fiscal Year (from January 1, 2020 to December 31, 2020)
2. Non-Consolidated Financial Statements for the Company's 40th Fiscal Year (from January 1, 2020 to December 31, 2020)

Proposals to be resolved

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Reduction of capital reserve

Proposal No. 3: Election of Seven Directors

Auditor's Report

Auditor's Report(Convocation notice P44)

監査役会の監査報告書 謄本

監査報告書

当監査役会は、2020年1月1日から2020年12月31日までの第40期事業年度における取締役の職務の執行に関して、各監査役が作成した監査報告書に基づき、審議の上、本監査報告書を作成し、以下のとおり報告いたします。

1. 監査役及び監査役会の監査の方法及びその内容

- (1) 監査役会は、監査の方針、職務の分担等を定め、各監査役から監査の実施状況及び結果について報告を受けるほか、取締役等及び会計監査人からその職務の執行状況について報告を受け、必要に応じて説明を求めました。
- (2) 各監査役は、監査役会が定めた監査役監査の基準に準拠し、監査の方針、職務の分担等の監査計画に従い、取締役、執行役員、監査室等と意思疎通を図り、情報の収集及び監査の環境の整備に努めるとともに、以下の方法で監査を実施しました。
 - ① 取締役会その他重要な会議に出席し、取締役、執行役員等からその職務の執行状況について報告を受け、必要に応じて説明を求め、重要な決裁書類等を閲覧し、本社及び主要な事業所において業務及び財産の状況を調査いたしました。また、子会社については、子会社の取締役及び監査役等との意思疎通及び情報の交換を図り、必要に応じて子会社から事業の報告を求め、その業務及び財産の状況を調査いたしました。
 - ② 事業報告に記載されている取締役の職務の執行が法令及び定款に適合することを確保するための体制その他株式会社及びその子会社から成る企業集団の業務の適正を確保するために必要なものとして会社法施行規則第100条第1項及び第3項に定める体制の整備に関する取締役会決議の内容及び当該決議に基づき整備されている体制(内部統制システム)について、取締役及び執行役員等からその構築及び運用の状況について定期的に報告を受け、必要に応じて説明を求め、意見を表明いたしました。
 - ③ 会計監査人が独立の立場を保持し、かつ、適正な監査を実施しているかを監視及び検証するとともに、会計監査人からその職務の執行状況について報告を受け、必要に応じて説明を求めました。また、会計監査人から「職務の遂行が適正に行われることを確保するための体制」(会社計算規則第131条各号に掲げる事項)を「監査に関する品質管理基準」(平成17年10月28日企業会計審議会)等に従って整備している旨の通知を受け、必要に応じて説明を求めました。

以上の方法に基づき、当該事業年度に係る事業報告及びその附属明細書、計算書類(貸借対照表、損益計算書、株主資本等変動計算書及び個別注記表)及びその附属明細書並びに連結計算書類(連結貸借対照表、連結損益計算書、連結株主資本等変動計算書及び連結注記表)について検討いたしました。

2. 監査の結果

- (1) 事業報告等の監査結果
 - ① 事業報告及びその附属明細書は、法令及び定款に従い、会社の状況を正しく示しているものと認めます。
 - ② 取締役の職務の執行に関する不正の行為又は法令若しくは定款に違反する重大な事実とは認められません。
 - ③ 内部統制システムに関する取締役会決議の内容は相当であると認めます。また、当該内部統制システムに関する事業報告の記載内容及び取締役の職務の執行についても、指摘すべき事項は認められません。
- (2) 計算書類及びその附属明細書の監査結果
会計監査人有限責任監査法人トーマツの監査の方法及び結果は相当であると認めます。
- (3) 連結計算書類の監査結果
会計監査人有限責任監査法人トーマツの監査の方法及び結果は相当であると認めます。

2021年2月12日

ローランド ディー.ジー.株式会社 監査役会

常 勤 監 査 役 鈴 木 正 康 ㊞

常 勤 監 査 役 長 野 直 樹 ㊞

社 外 監 査 役 松 田 茂 樹 ㊞

社 外 監 査 役 本 田 光 宏 ㊞

以上

The 40th term Business Report

(From January 1, 2020 to December 31, 2020)

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.

FY2020 Financial Summary

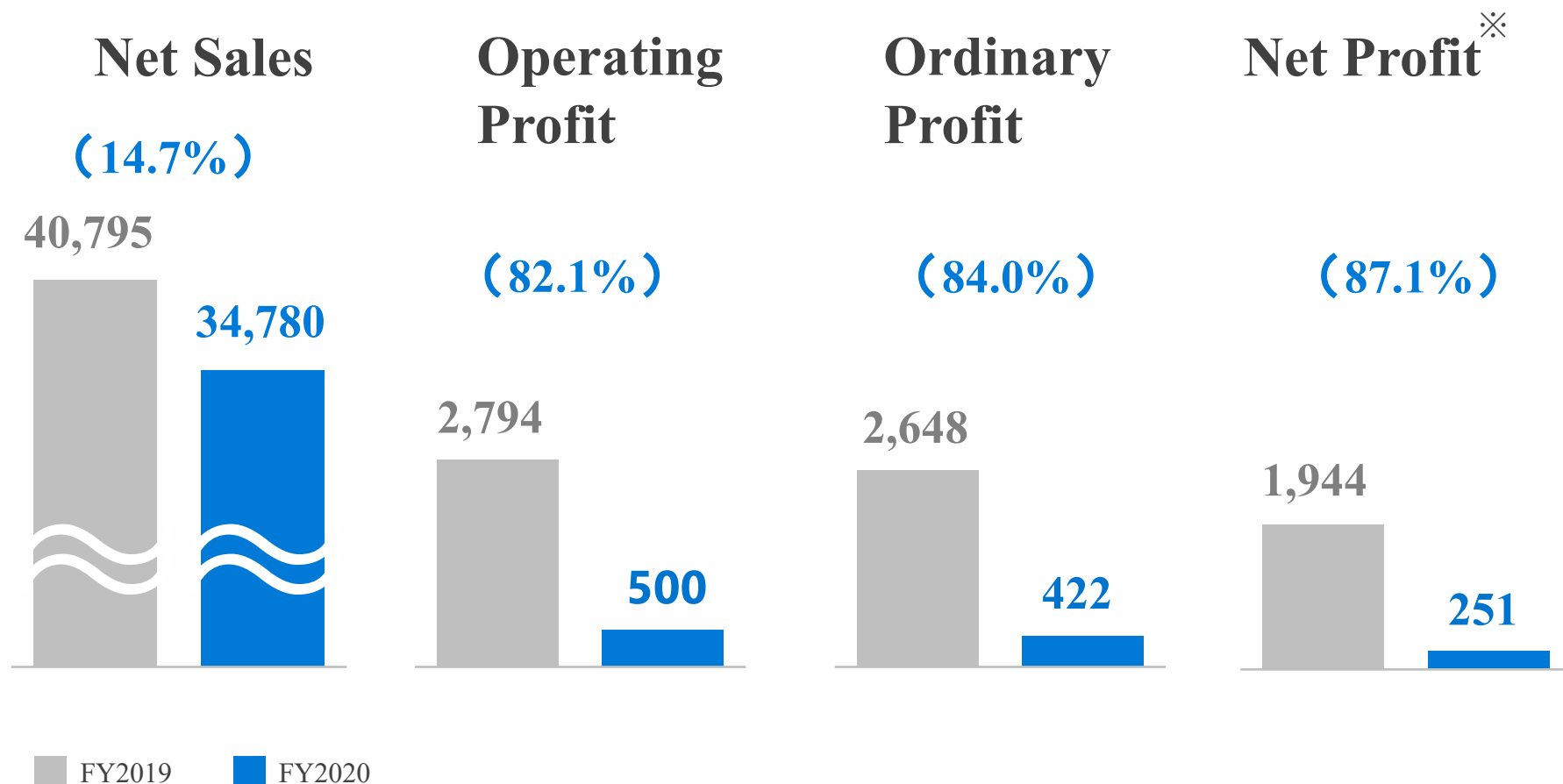
FY2020 Financial Results

- ❖ Significant decline in sales in Q2 due to the impact of COVID-19
- ❖ Sales recovered in Q3 onward, but the result was a major decrease in revenue compared to the previous fiscal year
- ❖ Despite a major profit decrease due to a decline in gross profit in step with the fall in revenue, operating profit stayed positive due to SG&A cost control and other measures

Decline in revenue and profit

FY2020 Consolidated Financial Results

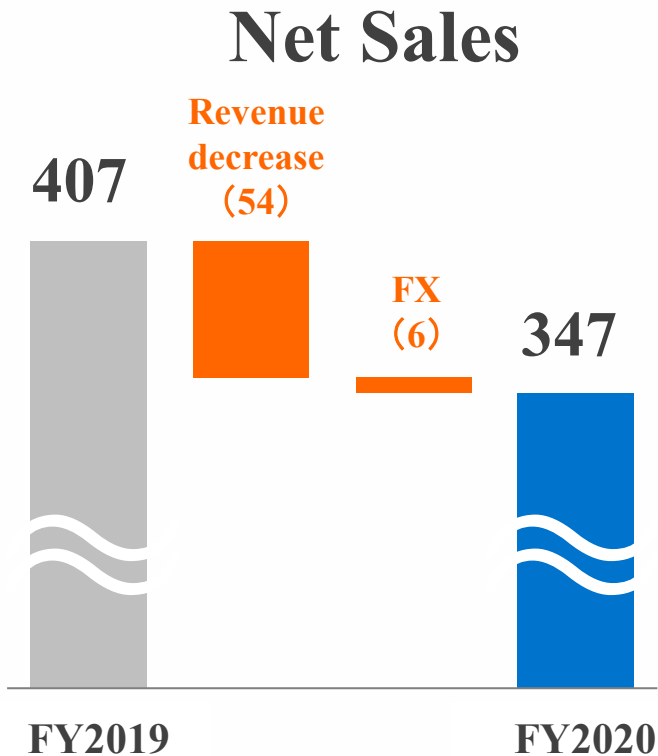
(Millions of yen)



※ Profit attributable to owners of parent

Variance Analysis YoY

(100 Millions of yen)



Sales decreased by 6 billion yen from the previous year

Minus 600 million yen due to the influence of exchange rates

Real sales decreased by 5.4 billion yen

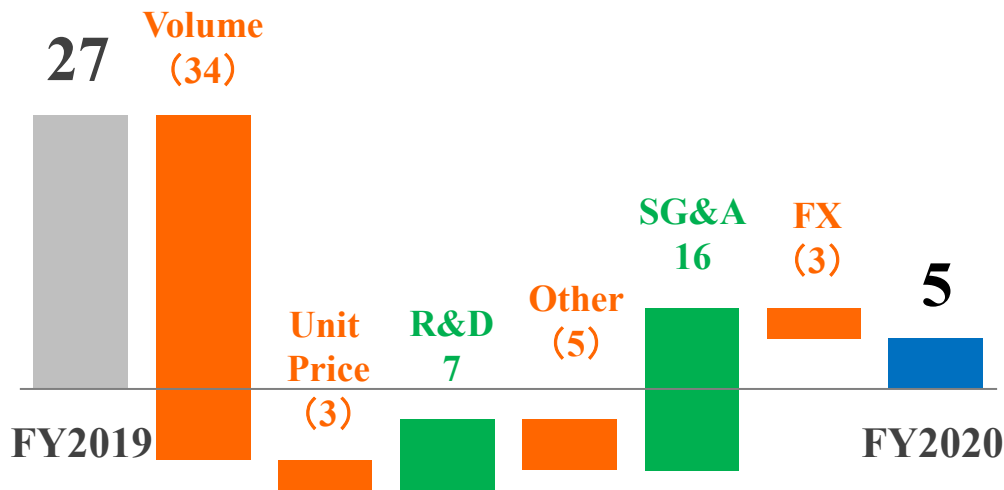
Average FX Rate
(Unit: Yen)

	2019	2020	
USD	109.06	106.83	98.0%
EUR	122.11	121.86	99.8%

Variance Analysis YoY

(100 Millions of yen)

Operating Profit



Decline in gross profit due to major decrease in revenue was a major negative factor

Impact of fall in unit prices and exchange rates

Reduced R&D spending and SG&A costs

SG&A costs had positive impact of 1.6 billion yen

Secured positive operating income of 500 million yen

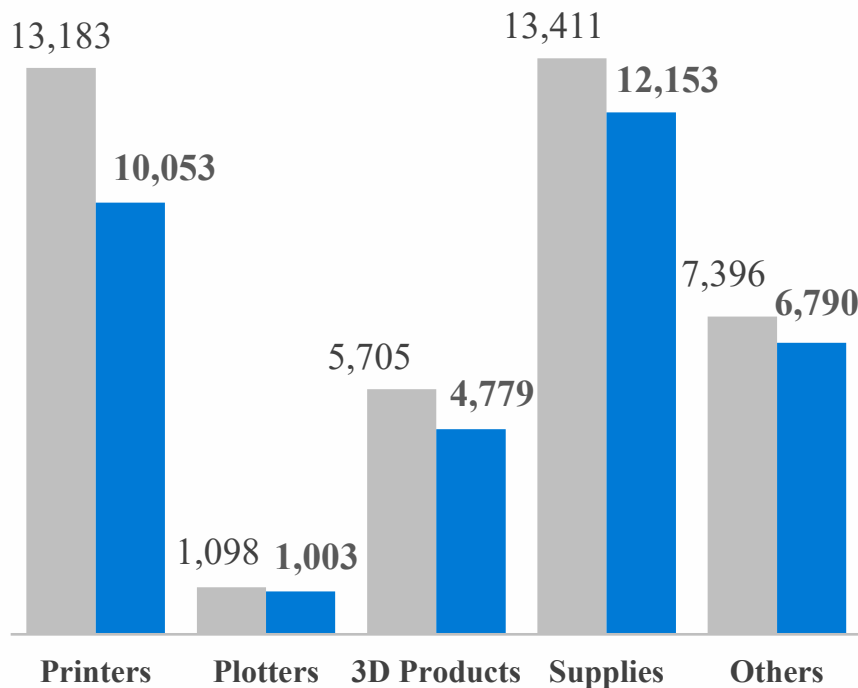
Average FX Rate
(Unit: Yen)

	2019	2020	
USD	109.06	106.83	98.0%
EUR	122.11	121.86	99.8%

FY2020 Sales by Products

(Millions of Yen)

■ FY2019 ■ FY2020



Printers

- Desktop printers grew from small business demanded
- Sign and retail declined as output fell

Plotters

- Low-priced STIKA series cutting machines increased
- Large size model for sign market declined

3D Products (DGSHAPE)

- Decline in capex demand led to year-on-year fall in sales to 3D digital fabrication market and dental market

Supplies

- Ink fell by drop in output demand
- 2H recovered to 2019 level

Others

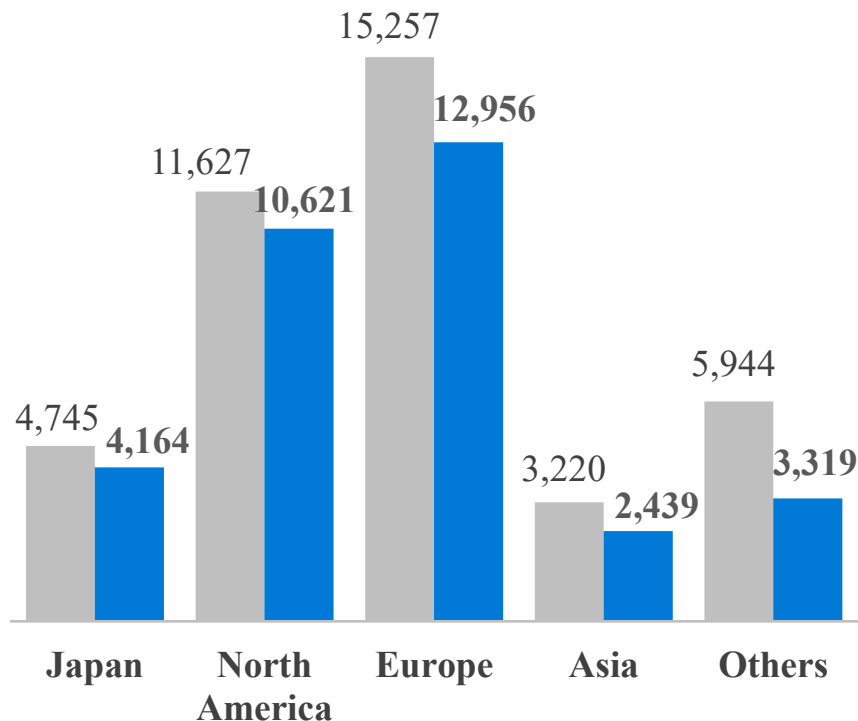
- Service parts decreased
- Sales have recovered since Q3

FY2020 Sales by Regions

(Millions of yen)

■ FY2019

■ FY2020



Japan

- Small dental products increased due to change in insurance policy
- Printers and 3D products declined

North America

- Printers and supply fell
- Dental products better than FY2019

Europe

- Demand on path to recovery with resumption of economic activity, but sales down year-on-year due to impact of Q2 sales decline

Asia

- Dental recovered to 2019 level in China by establishment of new dealer
- Printer, supply and parts fell

Others

- Decline in Australia and South America which are main markets
- Brazil largely impacted by FX

Balance sheet summary (as of 12/31/2020)

Balance sheet remains healthy

Total Assets **36,301**

- ✓ Cash & deposit
+ 1,236
- ✓ Notes and accounts
receivable- trade
(624)
- ✓ Inventories
(1,615)

Current assets
26,215

Fixed assets
10,085

Assets

Current Liabilities
8,577

Fixed liabilities
2,985

Net assets
24,738

Net asset ratio 68.1%

Liabilities/Net assets

Total interest-bearing debt **1,440**
(1,440)

✓ Notes and accounts payable-trade
+361

✓ Long term borrowings
(1,440)

✓ Net asset ratio
+3.0Points

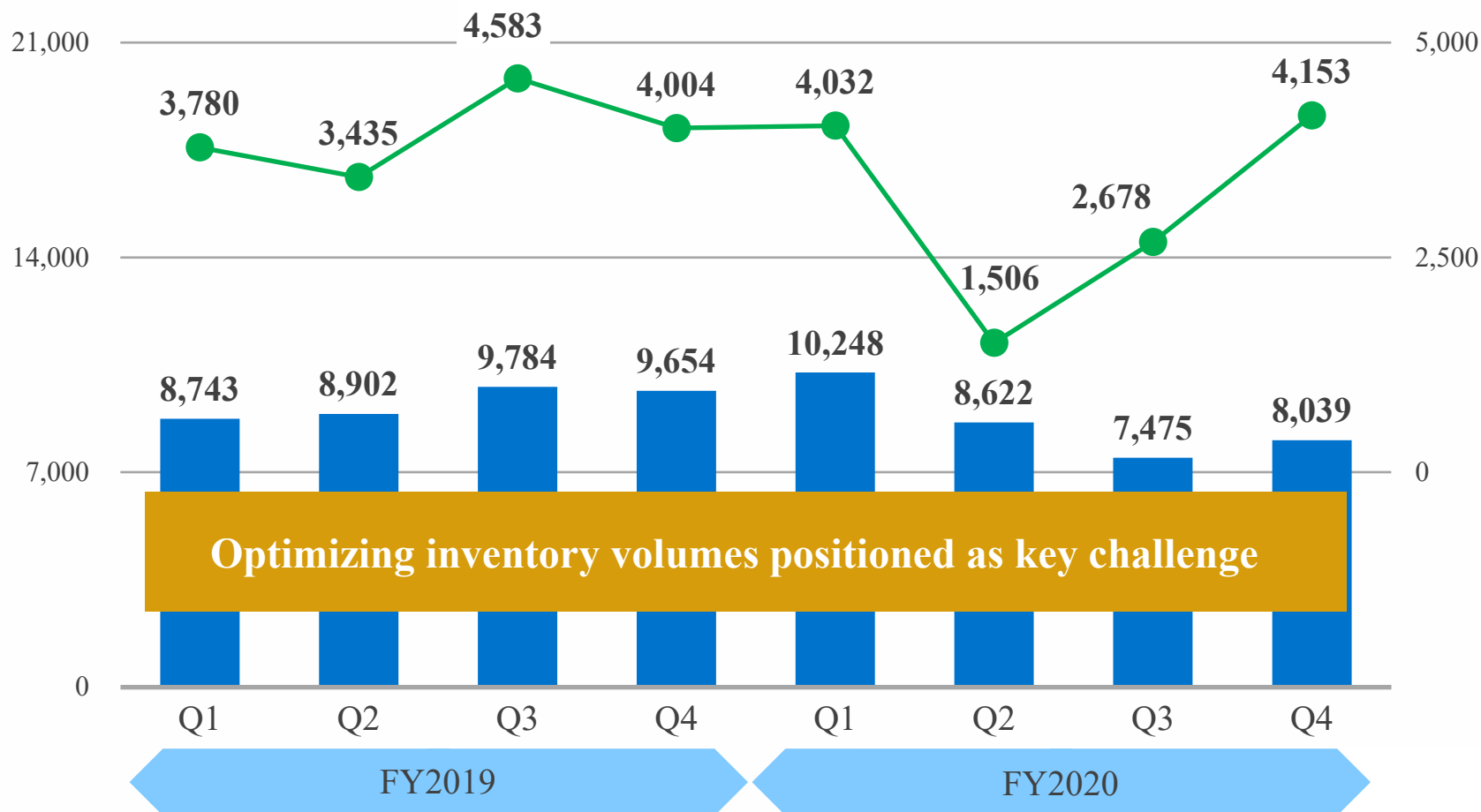
※ Change from the end
of previous fiscal year

Change in Inventory and production value

(Millions of Yen)

Inventory

Production Value



Summary of FY2020

Under uncertain future

DX

Flexibility

Speed

Work on business management with the above three keywords



Reconfirmed our potential

Summary

Adapted rapidly to change in business environment

Took swift emergency measures in response to challenges facing us

Announced revision of full-year forecasts before our competitors

Used digital technology to capture new customers and provided sales and service support to maintain our customer base

Responded flexibly to production adjustments and post-adjustment production increases

Decided to implement structural reforms before announcing the new Mid-term Plan

FY2021 Forecast

Outline of FY2021 Forecast

- ❖ Sales are expected to increase owing to the recovery of demand for capital investment.
- ❖ Profits are also expected to increase due to the effect of increased sales and structural reforms to reduce fixed costs, including the consolidation of manufacturing bases into the Thai plant and the reduction of personnel through the call for early voluntary retirement.

Sales and profits expected to return to a level slightly above FY2019 results

FY2021 Forecast

(Millions of Yen)

Net Sales

+19.3%

Operating Profit

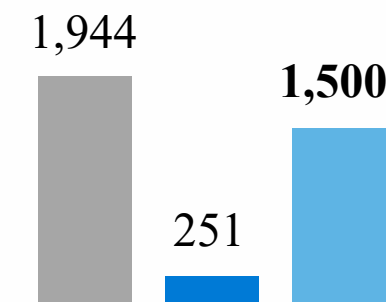
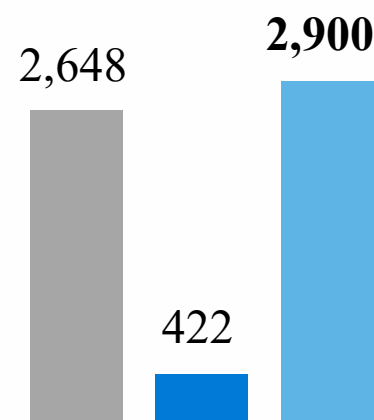
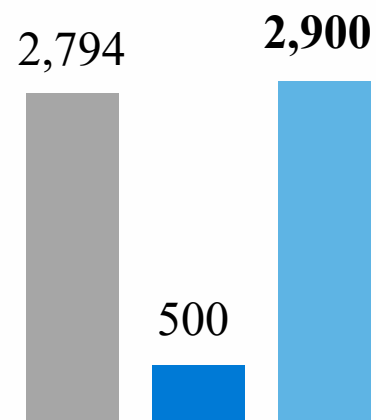
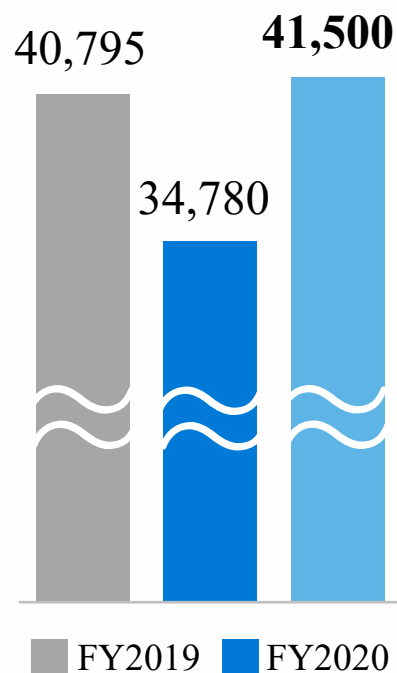
+479.8%

Ordinary Profit

+586.0%

Net Profit ※

+497.3%



Includes JPY1B extraordinary loss due to the early retirement program

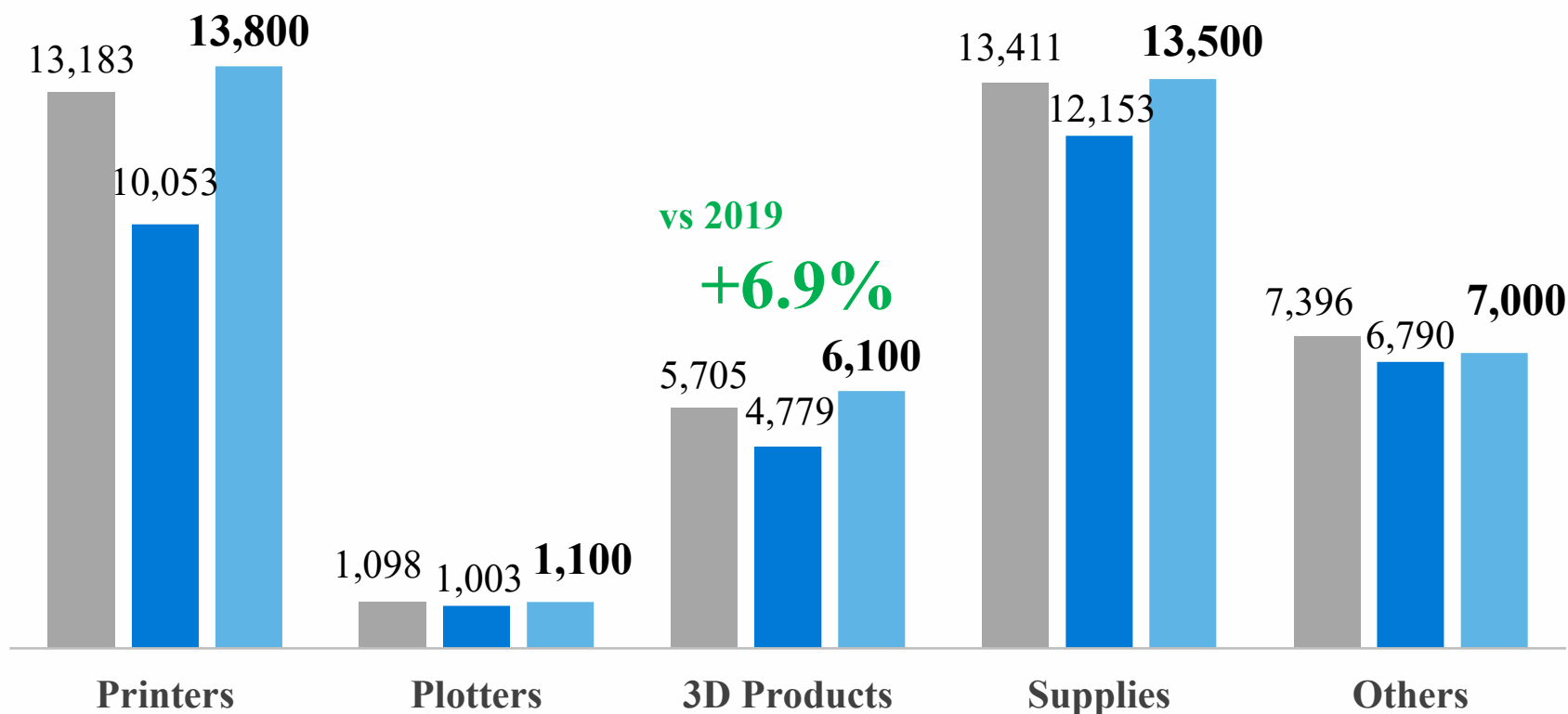
※ Profit attributable to owners of parent

FY2020 Sales Forecast by Products

(Millions of yen)

vs 2019

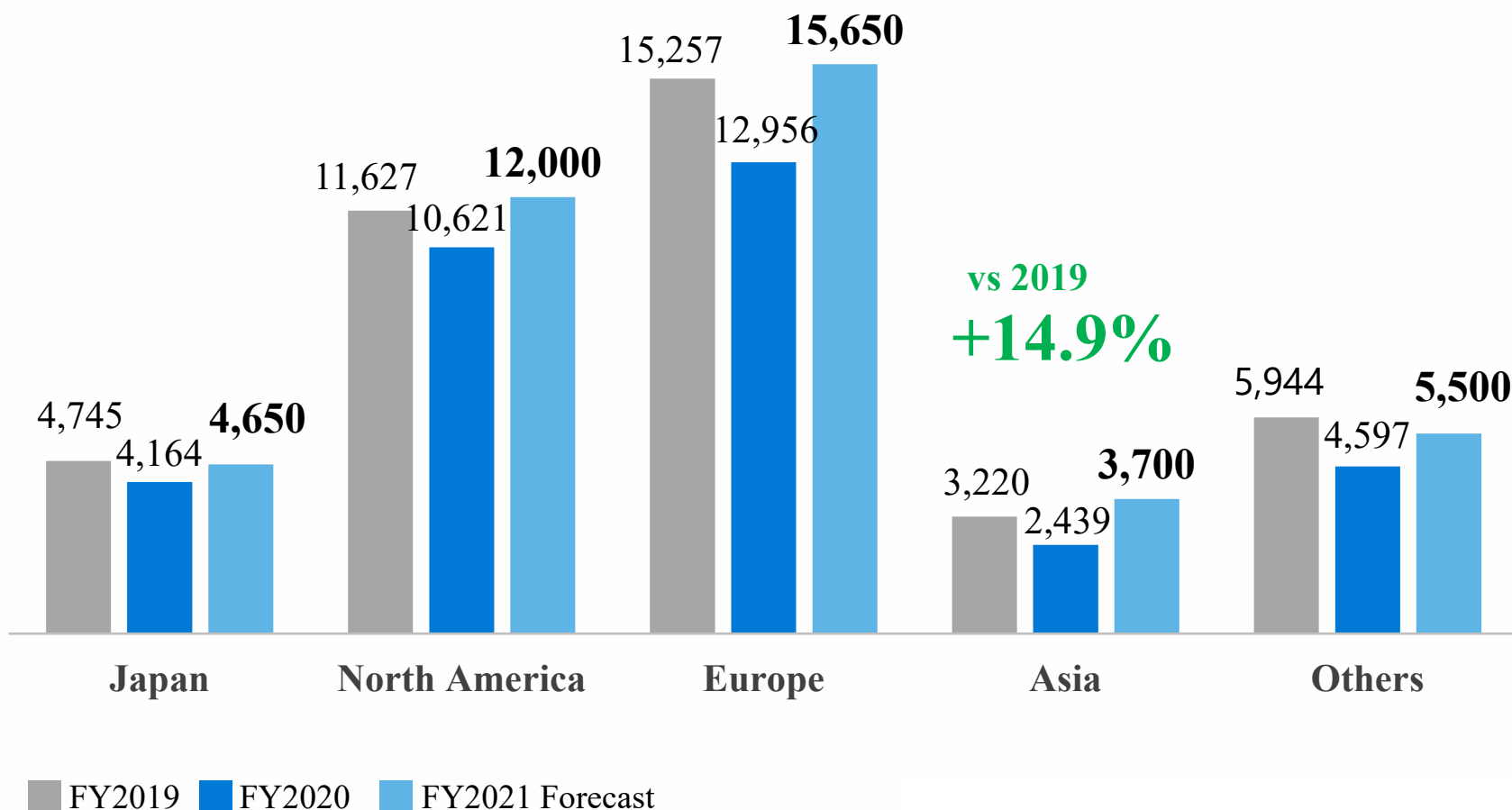
+4.7%



■ FY2019 ■ FY2020 ■ FY2021 Forecast

FY2020 Sales Forecast by Regions

(Millions of yen)



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COVID-19 Prevention Measures

Established a taskforce led by the President and Directors.
Responding flexibly to the constantly changing situation.

1. Basic Policy

- Take top priority in striving for the health and safety of our stakeholders and employees and preventing the spread of the virus

2. Status of Main Countermeasures in Place

- Banned overseas business travel by Group employees in principle. Domestic travel determined based on need and urgency, taking alternatives such as video-conferencing and teleconferencing
- Group employees wear masks while on duty, thoroughly implement hand-washing and other basic prevention measures, and stay home if they have a fever or cold-like symptoms
- At sites located in regions under state of emergency declaration, lowered workplace attendance rates with the use of work-from-home, staggered commuting, flextime, etc.

3. COVID-19 Cases in the Company (as of March 18)

- Three positive cases confirmed (1 in Tokyo, 2 in Hamamatsu), all mild and have since recovered
- Coordinating with public health centers to respond appropriately and implementing thorough efforts to prevent spread of virus

2021-2023 Mid-term Plan

Despite some success, we largely fell short of the previous Mid-term Plan (MTP) targets

Key Successes

- Developed new head technology
- In-house ink development
- Separation of DGSHAPE
- Set up Business Divisions
- Partial production shift to Thailand
- Established Co-Creation process

(JPY)	FY2015	Prev. MTP Target (Original)	Prev. MTP Target (Revised)	FY2019	FY2020
Revenue	47B	76B	46B	40.8B	34.8B
Operating Profit / Margin	5.3B /11%	10B /13%	4.5B /10%	2.8B /6.8%	0.5B /1.4%
ROE	15%	15%	12%	7.9%	1.0%
Payout ratio	- ²	30%	30%	32%	50%

1. FY2015 has been adjusted from 9mth to 12mth figures

2. FY2015 not available since there was only mid-year dividend

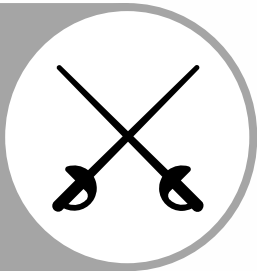
RDG experienced both external and internal headwinds

Market



- ❖ Overall sign market was flat ~ slight decline
- ❖ Solvent, our core segment, faced a shrink in demand
- ❖ Dental market grew at 7~8% CAGR

Competition



- ❖ Large competitors entered market, intensifying price competition
- ❖ Market entry also by emerging market players (e.g. Chinese manufacturers)
- ❖ Emerging market players started entering dental

Company



- ❖ Decrease in new product launch
- ❖ Fixed cost remained high despite sales decline, leading to lower profitability
- ❖ Management decision making slowed

**We acknowledge this result sincerely and
commit to a change going forward**

Mid-term Plan Vision

Return to the true RDG of “Creativity, **BEST**, Cooperative enthusiasm”

Evolve into a lean organization and build the next mountain of business

Be a

"Niche Market Creator"

- ❑ Diversifying needs and digitalization are a chance to use our strengths
- ❑ Create new markets by fully leveraging strengths and shift from analog to digital

Pioneer the Future by

"Digital & Co-creation"

- ❑ Actively expand circle of Co-creation and use digital tech to create new value and markets
- ❑ “Connected” is the key

Establish a

"Culture of Challenge"

- ❑ Instill the ambition to seek new challenges into each and every member of our group

Reborn as a lean organization

- ❑ Strong against risk, ready and able to take on all challenges

Business Portfolio Transition

- Focus on efficiency for existing businesses
- Expand into new markets

**2021-2023 MTP
Core Strategy**

Lean organization

- Integrate production locations
- Reduce cost
- Renew management team and organization

Financial Target

(JPY)	FY2019	FY2020	FY2023
Sales	40.8B	34.8B	48B + α
New business sales / % of total sales	-	2.5B / 7%	10B / 20%
Operating profit / margin	2.8B / 6.8%	0.5B / 1.4%	6B / 12.5%
ROE	7.9%	1.0%	15%
ROIC	6.5%	0.6%	15%
CCC	163	141	120
Payout ratio / DOE¹	32% / 2.5%	50% / 0.5%	30% / 2%

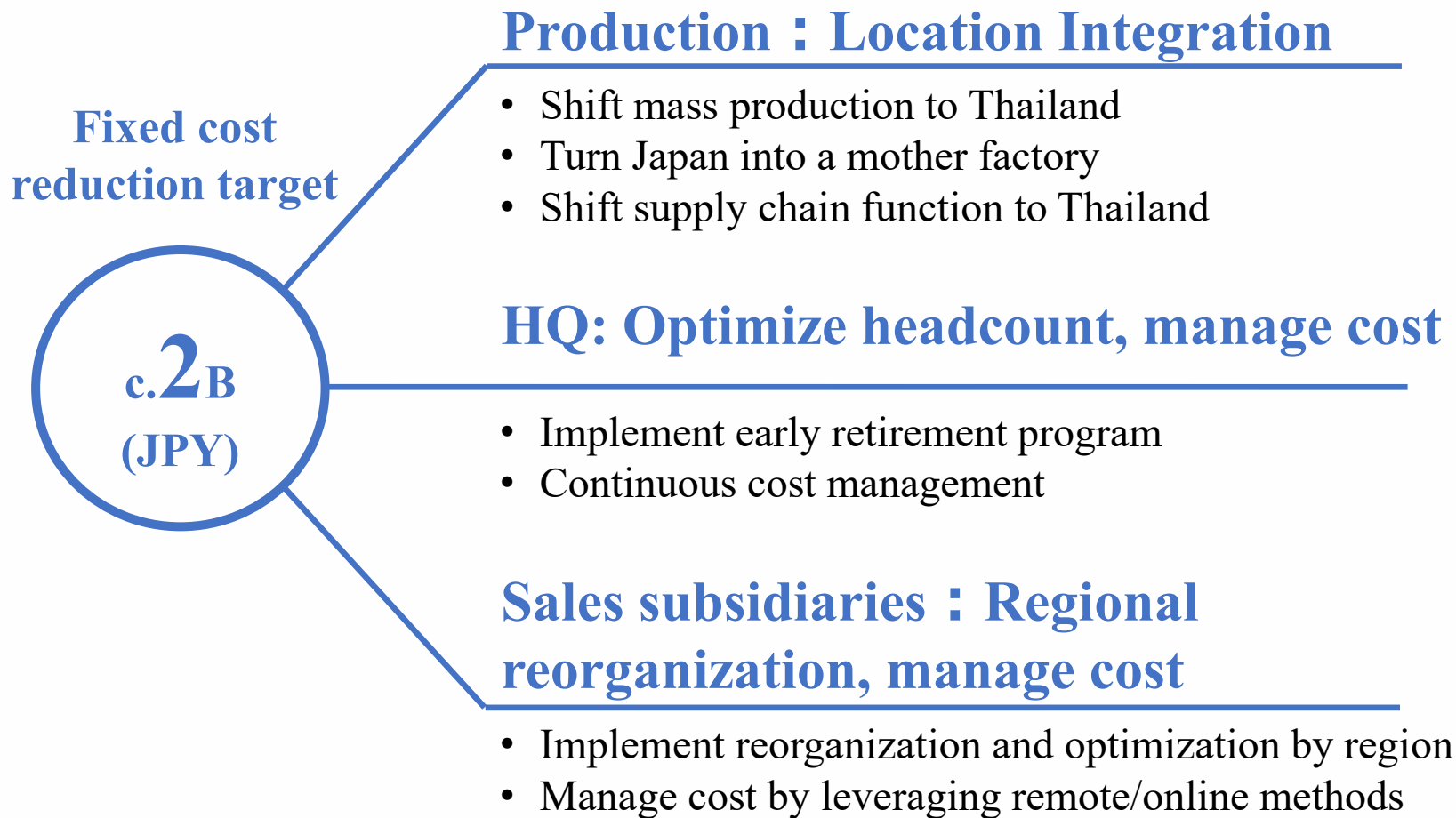
2021-2023 Mid-term Plan



Lean organization

- Integrate production locations
- Reduce cost
- Renew management team and organization

Reduce 2B fixed cost globally through cost control and production location integration



Business Portfolio Transition

- Focus on efficiency for existing businesses
- Expand into new markets

2021-2023 Mid-term Plan



Target 10B sales from growth market and new business

(Sales JPY)

Existing

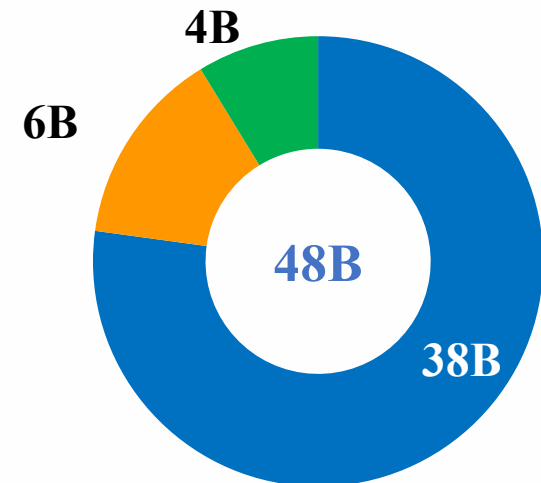
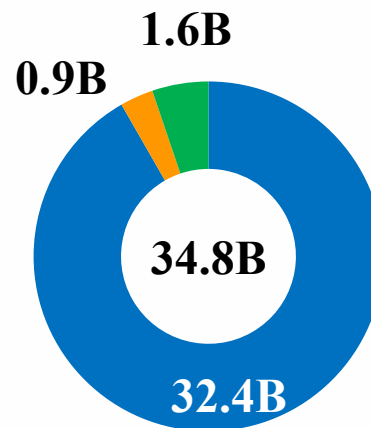
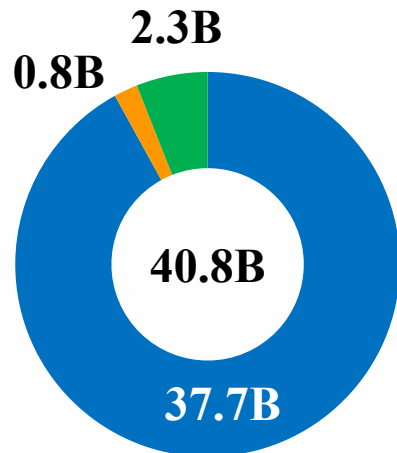
Growth M

New

FY2019

FY2020

FY2023



Existing Business

Diversify solutions and improve efficiency

Growth Market

Full-scale entry by dedicated models

New Market

Develop niche markets

Overarching

SaaS, connected, remote services

Existing Business

Digital Printing

- Launch non-solvent product line
- Streamline operation to improve efficiency

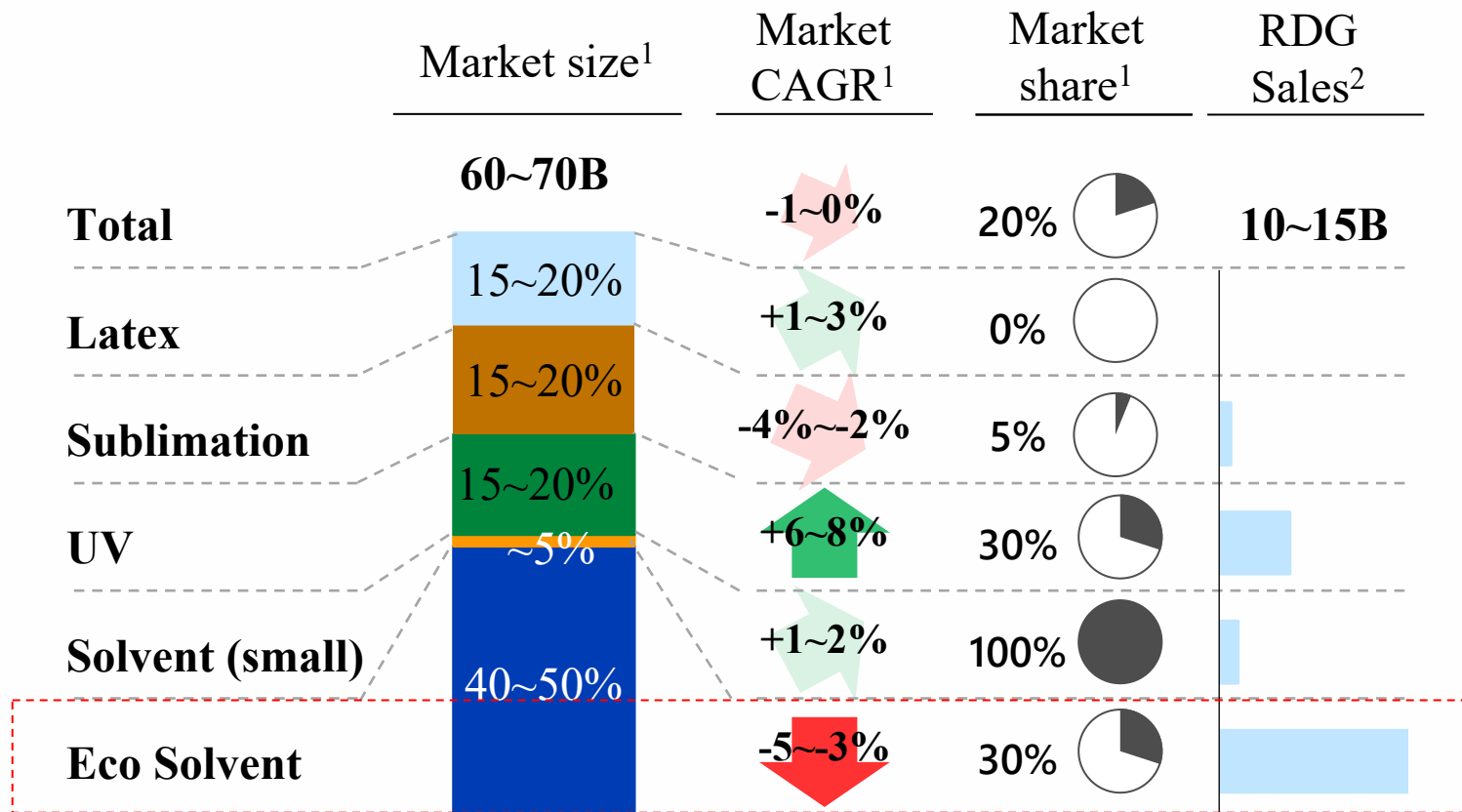
Diversify Solution
and improve
efficiency

DGSHAPE

- Expand target application
- Develop dental clinic market
- Reduce cost to improve efficiency

Existing Biz **Printer market landscape**

- Overall market is flat ~ negative growth
- Customers are switching away from solvent ink, which is currently our largest revenue stream



1. RDG estimate based on 3rd party research data (as of 2019)
 2. 2019 actual

Strengthen non-solvent solutions

Capture customers' switching demand by expanding product line to fully leverage existing customer base

- Environmental awareness affecting customer needs

Improve efficiency

Improve efficiency to increase profit in a low-growth market

- Integrate production location
- Review product portfolio
- Develop product platform

Existing Biz

Expand into new applications that have potential for digitization

Current target application

Crowns & bridges



CAD/CAM
Equip.
Market size
JPY40B

CAGR
10%

RDG
market share
(US labs)
25%

Areas with future digitization potential

Dentures

Propose kits that reduce both time and cost



Block building



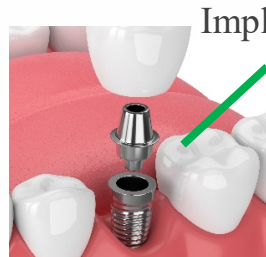
Milling



Complete

CAD/CAM
Equip.
Market size
JPY8B

Implant base



Implant base



More breadth in millable materials
by in-house spindles

CAD/CAM
Equip.
Market size
JPY2.5B

Dental clinic (chair-side) market to grow from COVID prevention needs
Lab market to return to domestic production from overseas outsourcing

- Patients want to minimize visits to prevent infection
- Shorter lead-time for prosthetics procurement
- Shift from outsourcing (emerging countries) to domestic production

“**Chair-side solutions**” (making prosthetics in dental offices) is the key for “**One-Visit treatments**”



Dental clinic user (California, USA)

Current clinic equipment market size is **JPY60B**,
growing at **8% p.a.**

Growth Market

**Full-scale entry by
launching dedicated
models**

- Develop growth markets where we have less footprint
- Introduce dedicated product models for both DP & DGSHAPE

Attractive market but requires strategy to address the competitive landscape

	DP	Dental
Market	<p>Size</p> <p>JPY 120-130B</p> <p>CAGR</p> <p>10%+</p>	<p>Size</p> <p>JPY 8-10B</p> <p>CAGR</p> <p>20%+</p>
Competition	<p><u>Emerging country</u> <u>(Chinese/Indian) players</u> with cost competitiveness and speed</p>	<p>Used to be mainly European manufactures but <u>Emerging country players are entering</u></p>

Hard for both DP and DGSHAPE to compete just by current product line – need to launch dedicated models

New Market

Develop niche markets

- Target new “3D object decoration” printer market that will emerge by personalization trend
- Leverage current Co-Creation know-how to rapidly develop new markets
- Develop new areas esp. around medical systems at DGSHAPE

Digitization is accelerating demand for product personalization

Personalized Marketing

Personalized marketing has become the norm by arise of smart device and social media

Consumers become more have higher expectation towards personalization

Personalized Products (Experience)

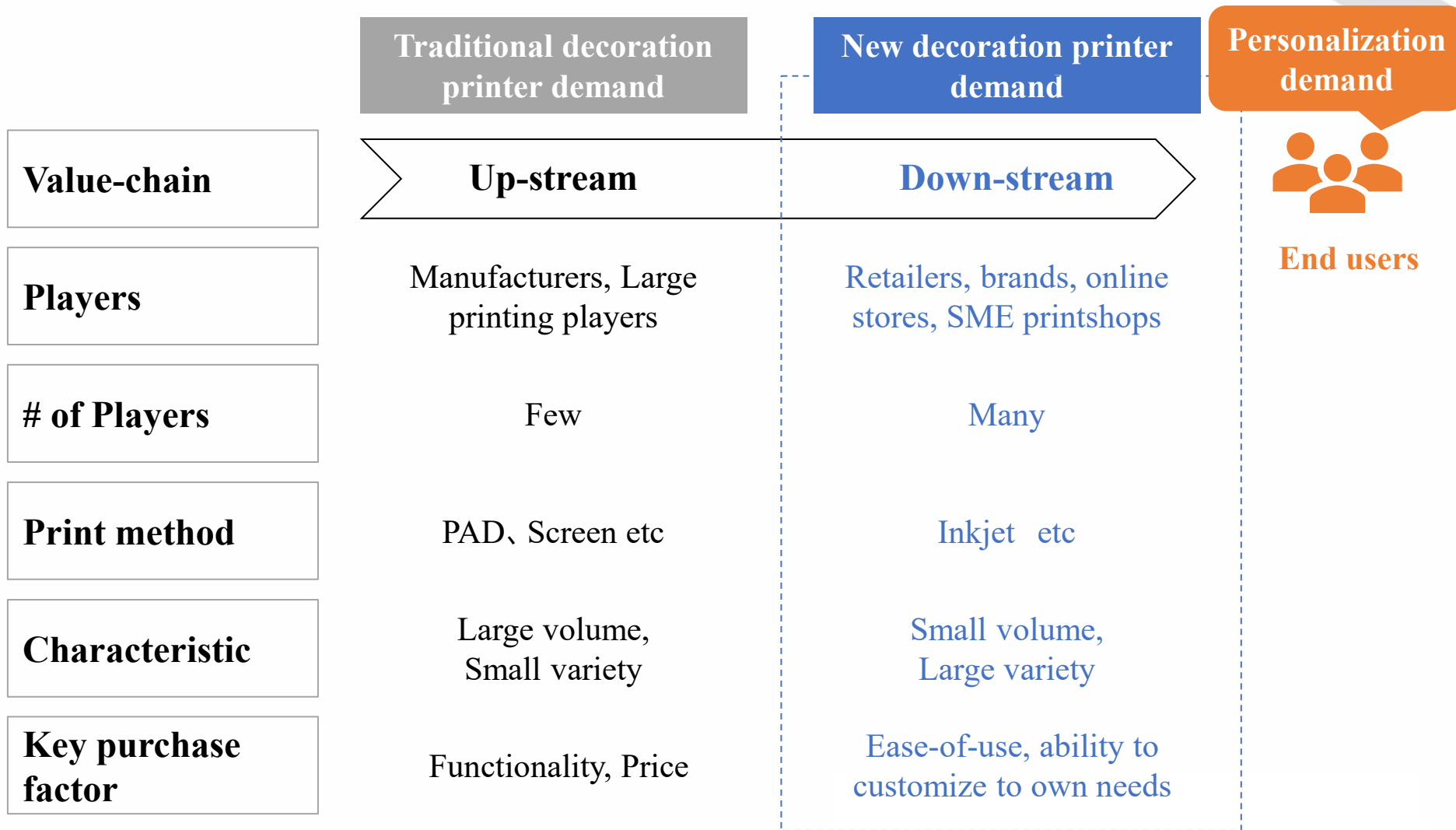
Personalization goes beyond marketing to personalizing the product (experience) itself

Businesses today, have sophisticated infrastructures to provide customization



Personalization will impact the Printer industry that plays an integral role in the decoration process

Characteristic of Object Decoration Printers Market





DNA of a niche market developer

Winning in markets where large players can't



Co-Creation Development

Established process to co-work with our customers



Strong Sales force to capture customer needs

Global sales network that underpinning our strength even during COVID



“Small and easy-to-use” products

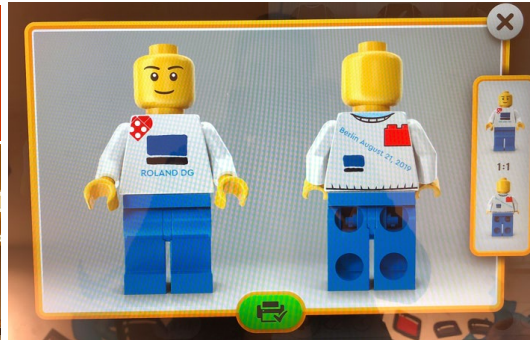
Product characteristics that meet the new segment needs



Highlights

- Strong personalization demand from LEGO fans
- Request for customization: “High safety standard inks”
- Will apply the ink technology developed in other related areas

LEGO® MiniFigure Factory & SF-200



Use existing Co-Creation track record to develop new niche markets

Current Sales
(Europe only)

JPY
0.6B

2023 target

JPY
3B

Today :

Initiated Co-Creation in Europe

Future :

Cross sell products developed in Europe globally

Set-up dedicated team and allocate resource

Accelerate product launch cycle



SF-200



S-Series



EJ-Deco

Start Roland DG Connected

Launch in 2021

Roland DG Connected Service

Maintenance Service: Prevent breakdowns to reduce downtime

Workflow Service: Visualize business process

Business Management Service: Automate business

Market place:
Provide platform to build
new business opportunities

2021

2022

2023

Financial Strategy: Increase cash source and use effectively to maximize corporate value

Maximize Cash Source

Maximize profitability

- Soundly execute structural reform and growth strategy

Improve cash conversion

- Target 120 days CCC through inventory reduction etc

Maximize corporate value by effective Cash Use

Accelerate investment

- Use for R&D, personnel, promotional in growth areas
- Generate + α growth through investments incl. M&As

Optimal shareholder return

- Pay-out excess cash to shareholders after accounting for room for growth investment

Dividend policy

Target 30% pay-out ratio and 2% DOE

- ❖ **Prioritize growth investment** for sustainable long-term value creation
- ❖ After securing cash for growth, conduct **stable and continuous distribution for shareholders**
- ❖ **Introduce DOE** to enable stable distribution to shareholders even under one-off profit decline due to structural reform and potential volatility due to new businesses

※ *DOE : Dividend on Equity*

ESG Initiatives

*E*nvironment

- Strengthening environmentally-friendly non-solvent ink solutions
- Products equipped with child-proof high safety inks
- Registered for Hamamatsu City SDGs Promotion Platform

*S*ocial

- Improving human health and safety through dental and medical support systems
- Work style reform: Launched work-from-home and flextime schemes
- Promoting digital transformation of sales promotion and service activities

*G*overnance

- Swift decision-making: Streamlining of the Board of Directors
- Management transparency: Outside Directors comprise majority of Board
- Diverse composition of Board of Directors, with foreign nationals, women, and people with wide-ranging experience and knowledge
(Decided after resolution at this Meeting)

New Management (Scheduled after the resolution of GMS)

The Abilities of Management are as follows;

		Management	Technology R&D Production	Sales & Marketing	Finance & accounting	Legal	M&A	Global business
Candidate for director		Kohei Tanabe	●	●	●			●
		Toshiharu Uwai	●	●	●			●
		Eli Keersmaekers	●	●	●			●
	Outside Independent	Takuo Hirose				●	●	●
	Outside Independent	Osamu Hosokubo	●	●	●		●	●
	Outside Independent	Naoko Okada	●	●				●
	Outside	Brian K. Heywood	●		●		●	●
Audit & Supervisory Board members		Masayasu Suzuki			●			●
		Naoki Nagano			●			●
	Outside Independent	Shigeki Matsuda	●		●			
	Outside Independent	Mitsuhiro Honda	●		●			●

Our journey to transformation has already begun

Inspire the Enjoyment of *Creativity*

Be the *BEST* rather than the BIGGEST

The Roland Family — *Cooperative*

Enthusiasm



President
Kohei Tanabe

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.

Proposals to be resolved

Report

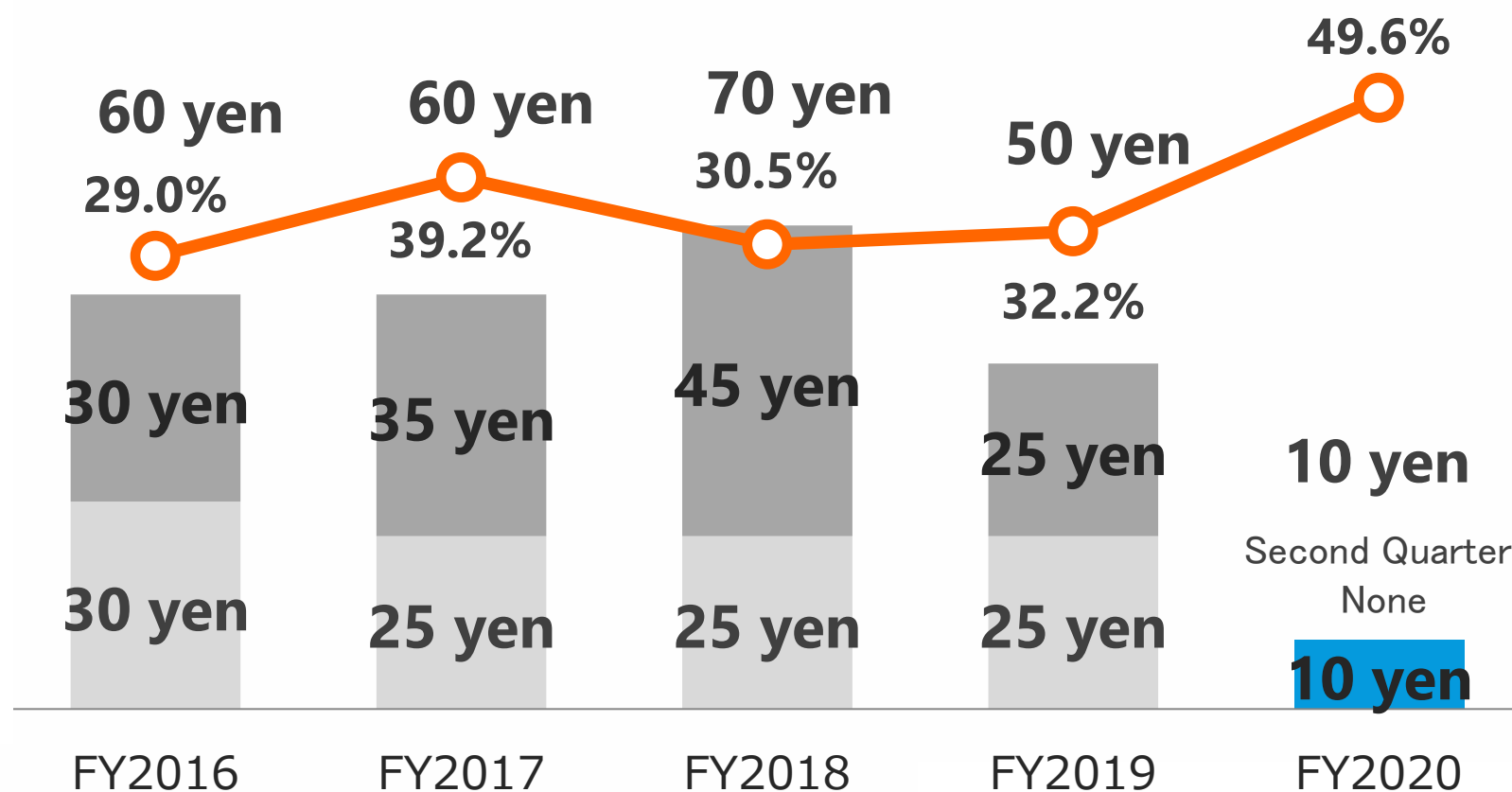
The number of shareholders	22,638
The number of voting rights exercised	126,507

Proposal No.1 Appropriation of Surplus

Convocation notice P5

Dividend per share and payout ratio

■ ■ Year-end dividend ■ ■ Second quarter dividend ○ Payout ratio



Proposal No.2 “Reduction and capital reserve”

Convocation notice P6

1. Amount of surplus to be reduced

Reduction of 2,800,000,000 yen in Legal Capital Surplus of 3,700,603,600 yen to 900,603,600 yen.

2. Effective date of reduction of capital reserve:

April 30, 2021

* This transaction is a transfer between accounts within the net asset section on the balance sheet and does not change the amount of the Company's net assets and total number of outstanding share, and therefore gives no impact on its earnings and amount of net assets per share.

Proposal No. 3: “Election of Seven Directors”

Convocation notice P8~13

Candidates for Director

- | | |
|---|--------------------|
| 1 | Kohei Tanabe |
| 2 | Toshiharu Uwai |
| 3 | Eli Keersmaekers |
| 4 | Takuo Hirose * |
| 5 | Osamu Hosokubo * |
| 6 | Naoko Okada * |
| 7 | Brian K. Heywood * |

* Candidates for Outside Director

Roland DG Corporation

THE 40th ORDINARY GENERAL MEETING OF SHAREHOLDERS

March 18, 2021



Introduction of Management

Directors (7)



Kohei Tanabe



Toshiharu Uwai



Eli Keersmaekers



Takuo Hirose



Osamu Hosokubo



Naoko Okada



Brian K. Heywood

Audit & Supervisory Board Members (4)



Masayasu Suzuki



Naoki Nagano



Shigeki Matsuda



Mitsuhiro Honda

Roland DG Corporation

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