Roland DG Corporation

Consolidated Financial Results for the Nine Months Ended September 30, 2023

November 9, 2023

Roland

Summary

FY2023 Q3 Overview (YoY)

- **Sales increased** YoY thanks to weak yen
- Operating and Ordinary profit **declined**, Net profit **increased**

Forecast Revision

- **Downward revision** due to Q3 YTD performance and latest Q4 outlook
- The year-end dividend will **increase by 20 yen** in line with the initial target of 50% total return ratio.

FY2023 Q3 Overview

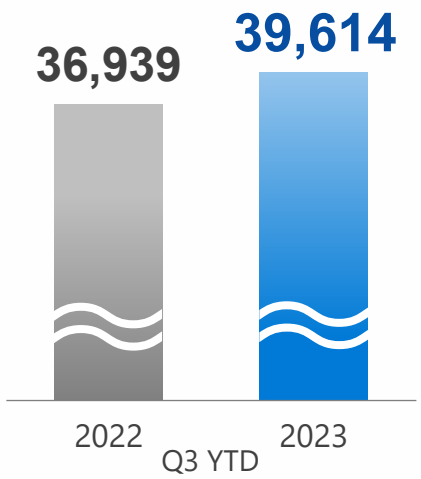
Net Sales and Net Profit Increased

YoY performance

(Millions of yen)

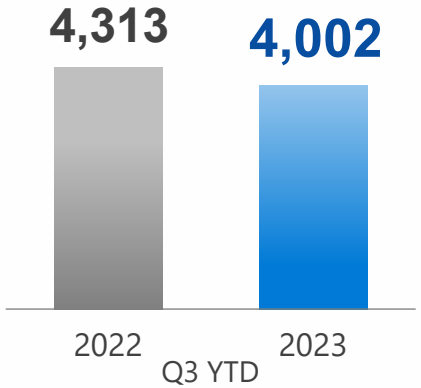
Net Sales

+7.2%



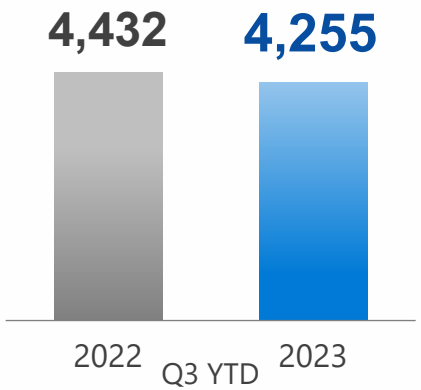
Operating Profit

(7.2)%



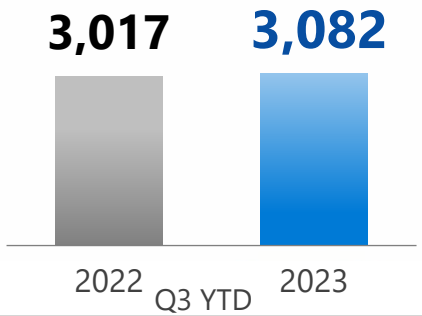
Ordinary Profit

(4.0)%



Net Profit*

+2.2%



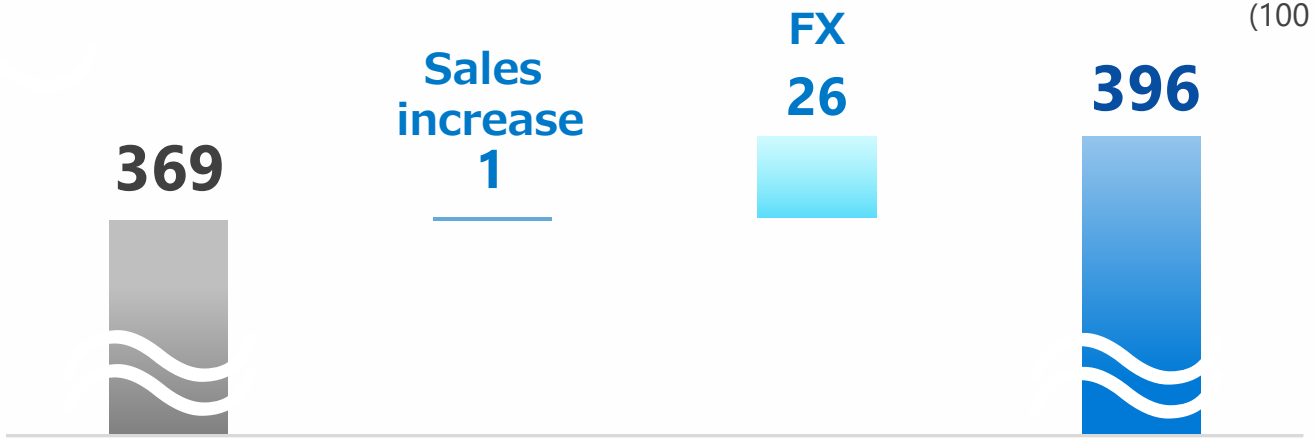
※ Net profit attributable to owners of parent

Sales and Operating Profit delta breakdown

Variance Analysis YoY

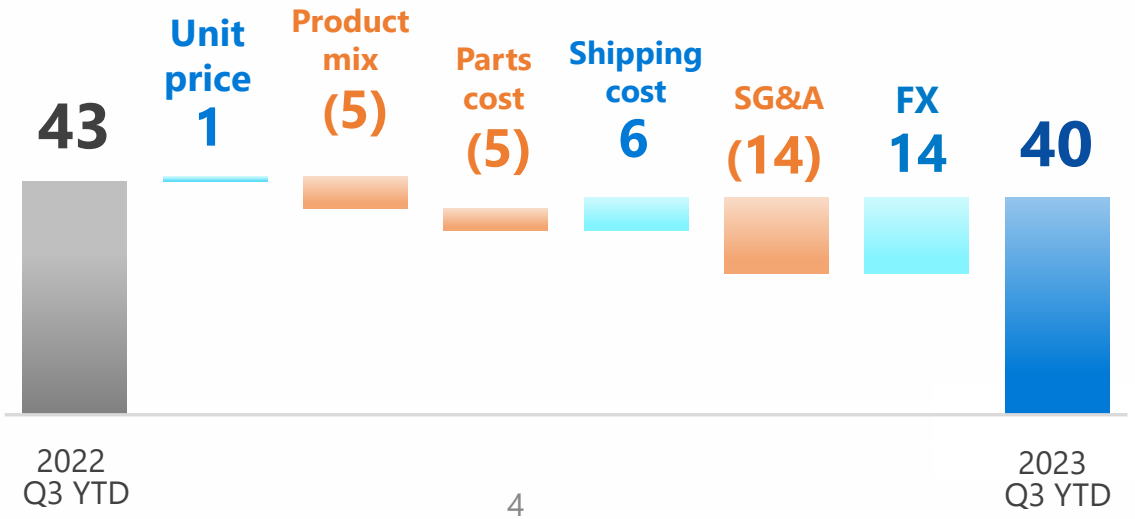
(100 millions of yen)

Net Sales



		2022 Q3 YTD	2023 Q3 YTD	
Average FX (Unit:Yen)	USD	128.06	138.11	107.8%
	EUR	136.00	149.67	110.1%

Operating Profit



Main increase in SG&A cost

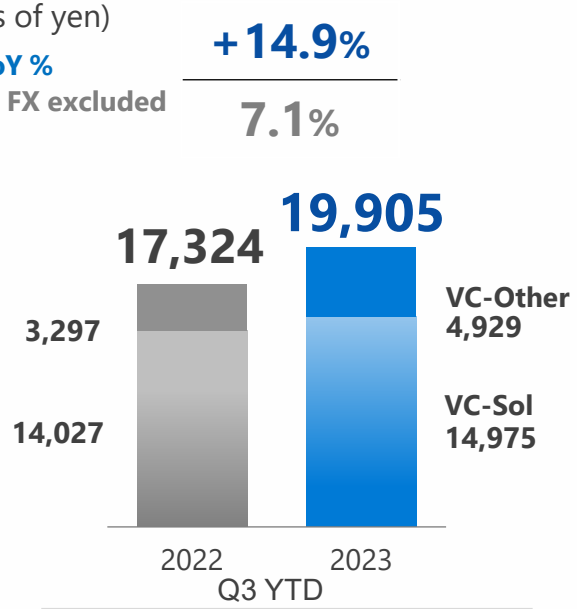
- Personnel +4
- Travel & transportation +2
- Transportation and storage cost +2
- Ads & promotion +1
- R&D +1
- Commission fee +1
- Others +3 (Consumables etc.)

VC-Other boosted sales for Visual Communication

Sales by market YoY

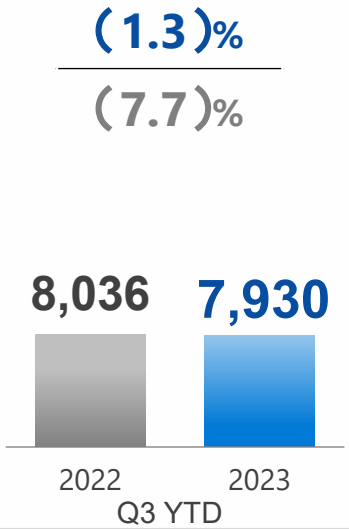
(Millions of yen)

Top : YoY %
Bottom: FX excluded



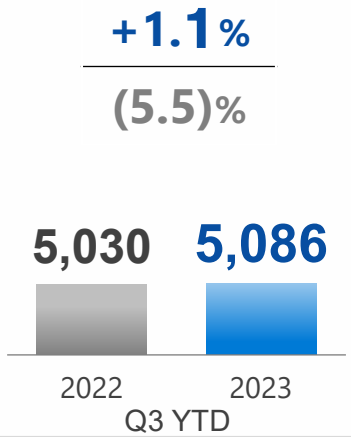
Visual Communication

- New Regin printer AP-640 and UV Printers LG/MG series launched in January and inks grew (VC-Other)
- Eco-Solvent printers for sign market TrueVIS series launched in last year sales expected and eco-solvent ink grew. Eco-Solvent printer, emerging market brand “DGXPRESS” , launched in Sep(VC-Solvent)



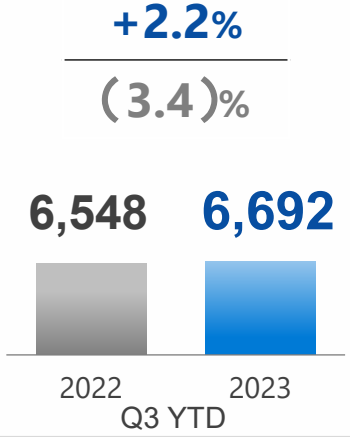
Digital Fabrication

- 3D milling machines and Desktop cutting machines declined
- Desktop apparel printers BN-20S launched in Jun grew and released BN2-20/20A, a fully model changed version of Eco-Solvent model BN series in Sep.
- UV inks for desktop UV printers increased



Dental

- High productivity model DWX-53DC launched in Sep grew solidly
- Emerging market model, DWX-52DCi grew in Middle East, Central/South America, Asia, and Eastern Europe
- Existing models such as the standard model DWX-52D are sluggish



Service, Software & Others

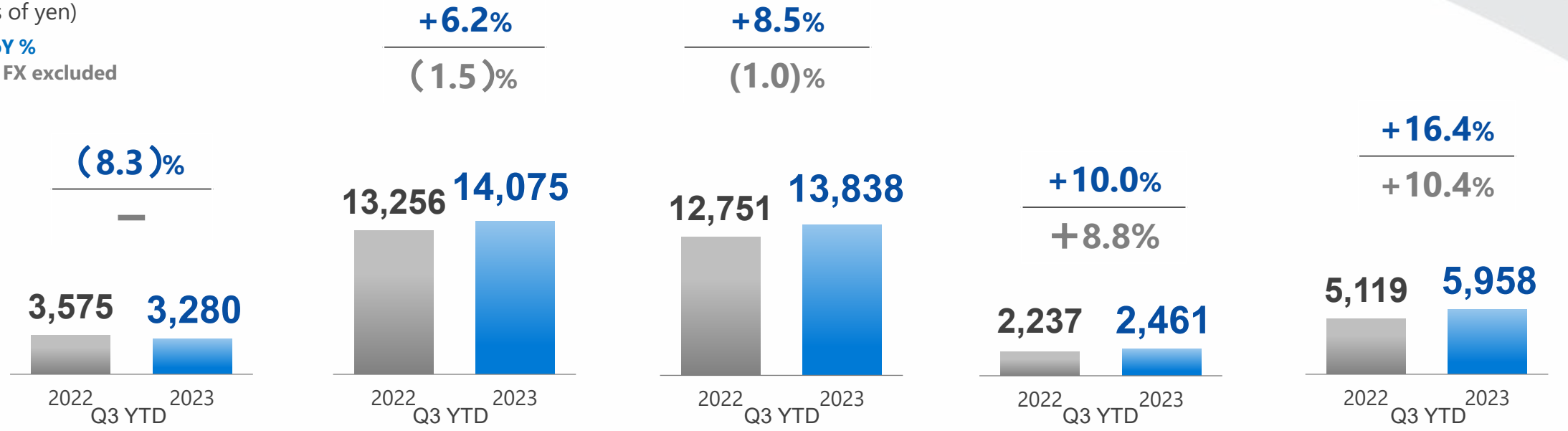
- Transportation fee and service parts grew

“Others” region incl. Australia, Central/South America, and Middle East grew

Sales by Regions YoY

(Millions of yen)

Top : YoY %
Bottom: FX excluded



- Eco-Solvent printers for sign market decreased YoY but roll type UV printers and UV inks grew
- 3D modeling machines decreased
- New dental product, DWX-53DC, increased but DWX-4 decreased from last year when sales grew due to insurance coverage change

- New roll type UV printers, Eco-Solvent inks and UV inks grew
- Co-Creation flatbed UV models grew but desktop Eco-Solvent printers declined
- New dental milling machine DWX-53DC expected but existing models decreased

- Eco-Solvent printers for sign market and new roll type UV printers grew (No.1 market share in some regions *)
- Desktop UV printers grew
- New dental milling machine DWX-53DC grew and DWX-52Di expected in Eastern Europe

- Eco-Solvent printers for sign market and the emerging market model DWX-52Di grew in China and ASEAN region
- Dental milling machines grew in India

- UV printers and UV inks grew in Australia
- UV printers for DGXPRESS and DWX-53DC sales grew in Brazil
- The emerging market model DWX-52Di grew in Middle East and Central America

*The Company estimated based on research company data

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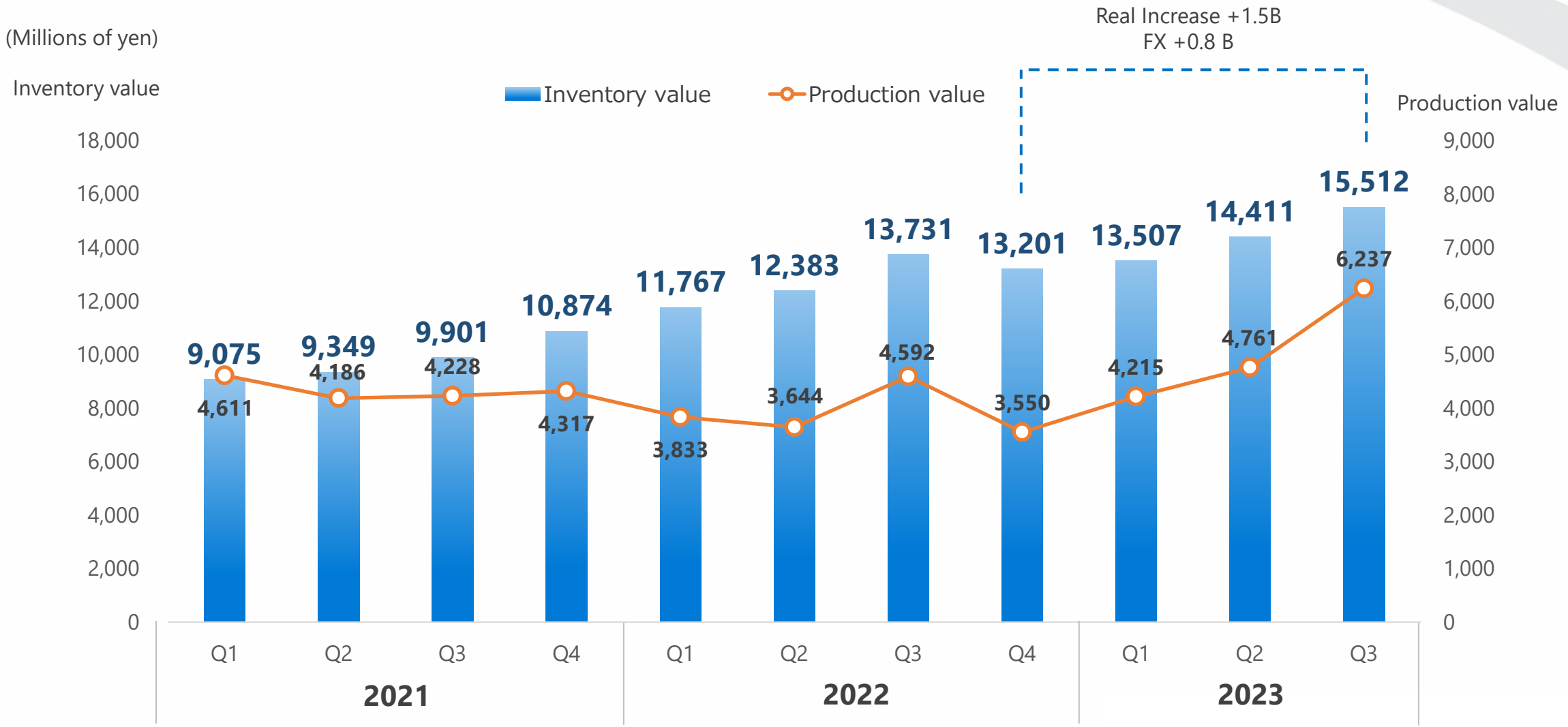
Manufactured Goods Inventory Increased due to Increased Production

Change in inventory value and production value



Forecast Revision

Q3（3 month） performance and Q4 outlook

Forecast Revision

Key factor	Q3 performance vs. original outlook	Latest Q4 outlook vs. original outlook
Demand	• In VC, sales of VC-Other increased significantly compared to last year due to the introduction of new non-solvent ink products(achieved No.1 market share in some regions*), but sales volume fell far short of the plan. • In DF, sales of the Co-Creation model fell far short of the plan in Europe and the U.S. • In the Dental business, sales of existing models slowed down in Europe and the U.S. due to increasingly cautious capital investment and an increasingly competitive environment. *The Company estimated based on research company data	• Although sales are expected to exceed Q3 (July-September) due to the demand season, sales volume is expected to fall short of the initial plan due to cautious capital investment demand mainly in Japan, Europe, and the U.S. • In the dental business, sales promotion campaigns will be launched mainly in Europe and the U.S. to boost sales of existing models. • In Latin America, the Middle East, Eastern Europe, and Asia, sales of VC and Dental regional models are expected to continue to grow.
Supply	• Significant Reduction of Order Backlog by Increasing Production • Increased product inventories due to increased production • Platform creation have enabled us to shorten development lead times	• Monitor demand trends and control production/inventory levels
Cost/ Margin	• Parts and materials prices are slowly improving • Transportation costs improved significantly compared to expectations • SG&A expenses were in line with plan	• Material procurement and transportation costs are expected to continue to improve. • SG&A expenses are expected to increase, but are essentially in line with the initial plan
FX	• Weaker Yen than assumption 【Q3 Average】 USD：JPY 138.11／EUR：JPY 149.67 【Assumption】 USD: JPY 125／EUR: JPY135	• Weaker yen to continue

Downward revision due to Q3 YTD performance and latest Q4 outlook

Forecast Revision

Full year

(Millions of yen)	Revised Forecast*1	Original Forecast*2	Difference	%	FY2022	Difference	%
Net Sales	**54,500**	58,100	(3,600)	*(6.2) %*	50,459	4,040	*8.0%*
Gross Profit	**27,700**	30,400	0	*0%*	25,059	2,640	*10.5%*
SG&A	**21,900**	20,700	1,200	*5.8%*	18,975	2,924	*15.4%*
Operating Profit	**5,800**	7,000	(1,200)	*(17.1) %*	6,083	(283)	*(4.7) %*
Ordinary Profit	**6,000**	7,000	(1,000)	*(14.3) %*	6,126	(126)	*(2.1) %*
Net Profit*3	**4,800**	5,400	(600)	*(11.1) %*	4,327	472	*10.9%*
Average FX (Yen) USD	**140**	125			131.46		
Average FX (Yen) EUR	**151**	135			138.11		

3 months

	FY2023				Q4 Outlook
	Q1	Q2	Q3	Q3 YTD	(Revised Forecast-Q3YTD
Net Sales	12,687	12,992	13,934	39,614	14,885
Gross Profit	6,437	6,577	7,131	20,146	7,553
SG&A	5,152	5,269	5,721	16,143	5,756
Operating Profit	1,284	1,308	1,409	4,002	1,797
Ordinary Profit	1,365	1,526	1,363	4,255	1,744
Net Profit*3	937	1,144	999	3,082	1,717
Average FX (Yen) USD				138.11	
Average FX (Yen) EUR				149.67	

*1 Revised Forecast November 9, 2023
*2 Original Forecast February 10, 2023
*3 Net profit attributable to owners of parent

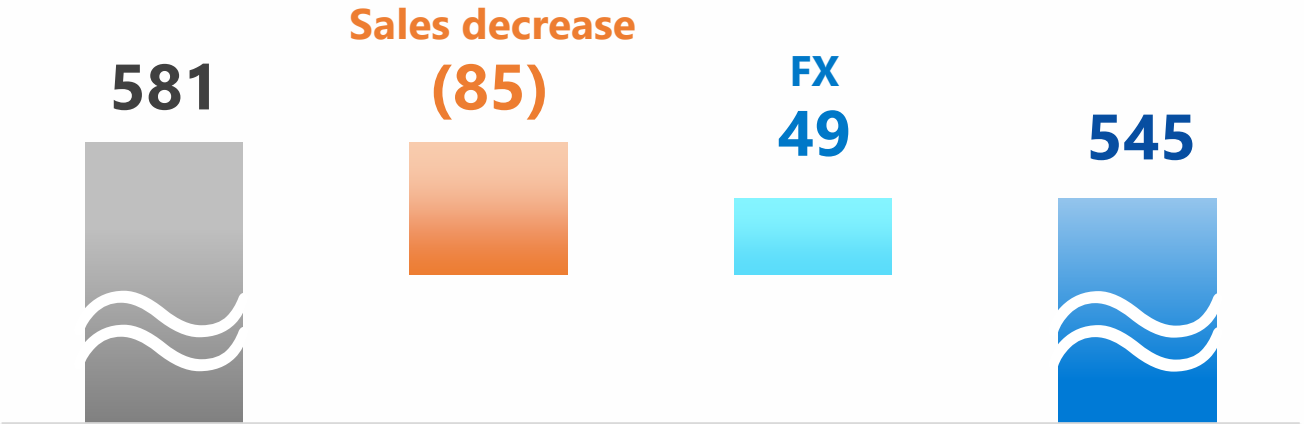
Incl. extraordinary gain from building and land disposal gain of 330M in relation to the new HQ project

Factors of increase/decrease from initial forecast （Original forecast released on February 10, 2023）

Forecast revision

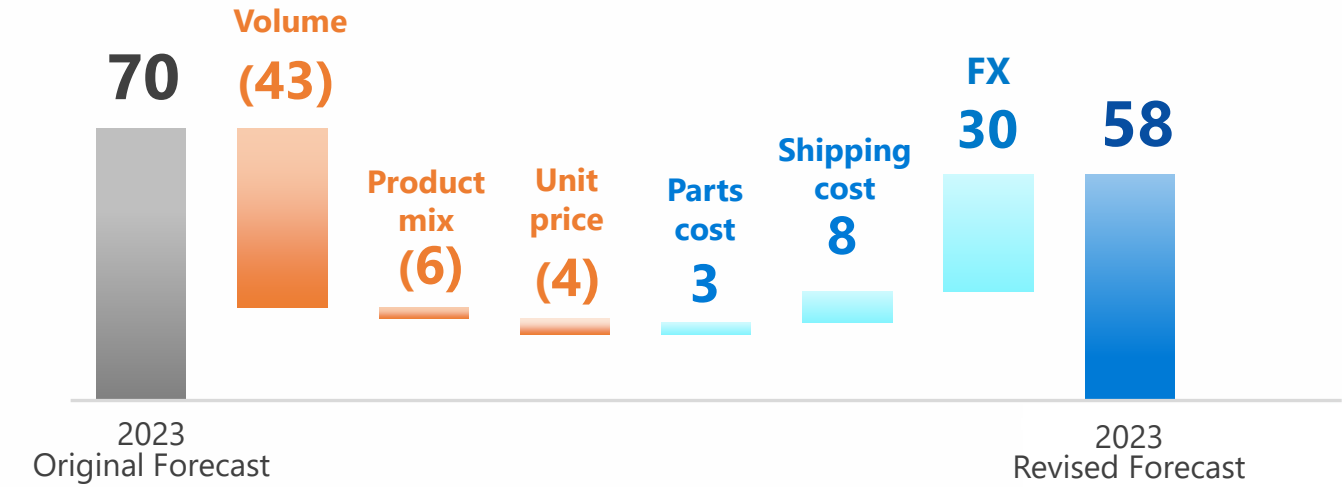
(100 millions of yen)

Net sales



Average FX rate (Unit：Yen)	USD	125	140	112.0%
	EUR	135	151	111.9%

Operating Profit



Shareholder Return

Revised year-end Dividend Forecast（Dividend Increase)

The Company use the higher of 30% payout ratio or 2% Dividend on Equity ratio(DOE) as a basis. In addition, the Company is considering flexible shareholder return and targeting a total return ratio of 50% for this fiscal year.

Based on the above policy, the year-end dividend for the current fiscal year will be **100 yen, an increase of 20 yen** from the initial forecast, in order to increase the dividend payout ratio and achieve a total return ratio of 50% in combination with the share repurchased already conducted in the current fiscal year.

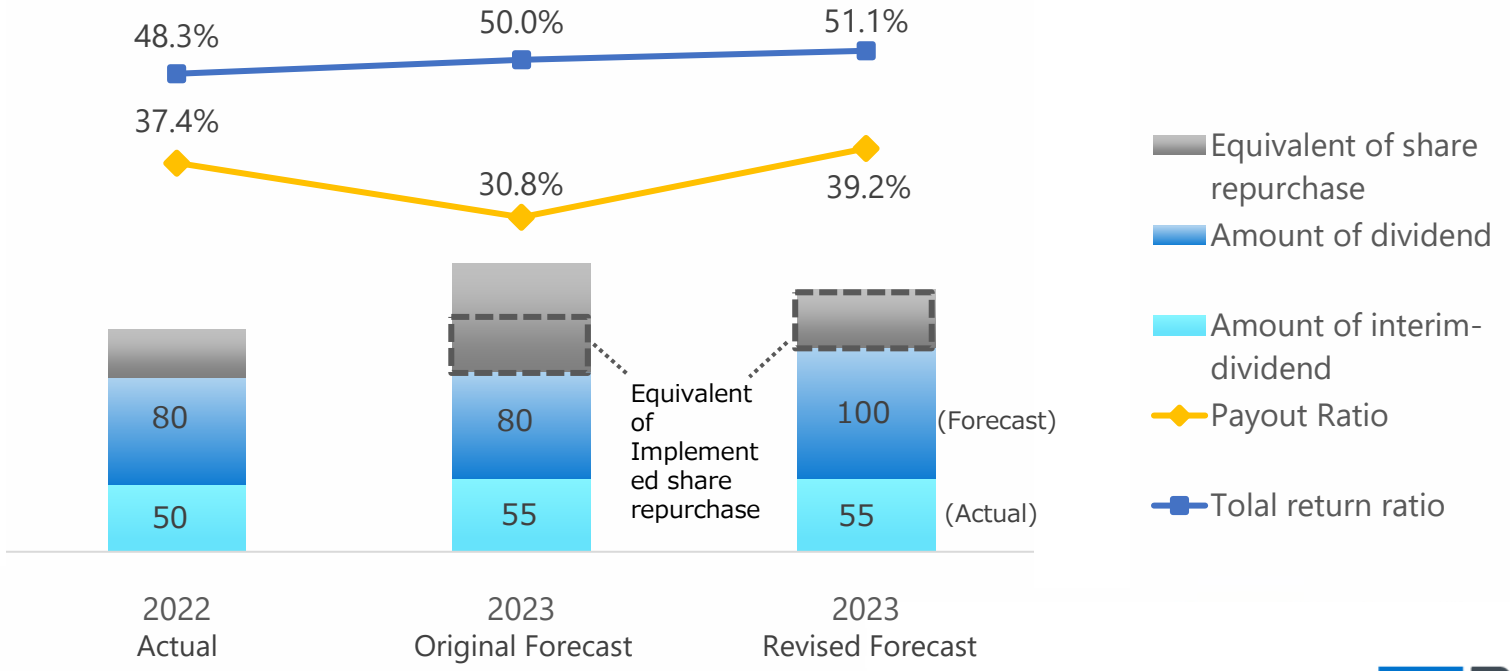
・FY2023 Revised forecast： Interim-dividend **55 yen**（actual）, Dividend **100 yen**（forecast）,
Annual dividend **155 yen**（Payout Ratio **39.2%**, Total return ratio **51.1%**）

Repurchase of Share of Common Stock

（Canceled on March 28, 2023）

FY2023 Actual
Repurchase Period：
From January 1,2023 to February 28,2023
Total amount of repurchase price：
544,403,700 yen
Total number of shares repurchased：
186,700 Shares

FY2022 Actual
Repurchase Period：
From November 11,2022 to December 31,2022
Total amount of repurchase price：
455,572,800 yen
Total number of shares repurchased：
149,700 shares



New Products | BN2-20/20A

Digital Fabrication

Released on September 7, 2023

Desktop Eco-Solvent printer with compact and easy-to-use

VersaSTUDIO
BN2-20 BN2-20A

	BN2-20	BN2-20A
Ink type	Eco-Solvent ink	Eco-Solvent ink
Ink color	CMYK 4 colors	CMYK+W
Type	Print＆Cut	Print ＆ Cut
Price（with tax）	1,045,000 JPY	1,265,000 JPY
Sales Target	4,500 Units in a year（Globally）	

- Since the first model was introduced, over 25,000 units of the BN Series have been sold. First full model change in 12 years since launch in 2011.
- The new BN2 increases the printing speed approximately 4 times greater than the previous models. They can produce a wide variety of high-value-added items, from original T-shirts, posters, stickers, labels, and unique-shaped displays, beautifully and quickly.
- Come standard with software that can be used for everything from design creation to output with simple operations and have a simple design with a power button.

Application

Original T -shirt

Tote bag

Sticker and labels

Poster

Window graphics

Interior

Complication of share acquisition and change of trade name to DG DIMENSE

TOPICS

- October 4, Complicated the share acquisition and change the trade name to “DG DIMENSE”
- October 6, Held the foundation ceremony in Lithuania

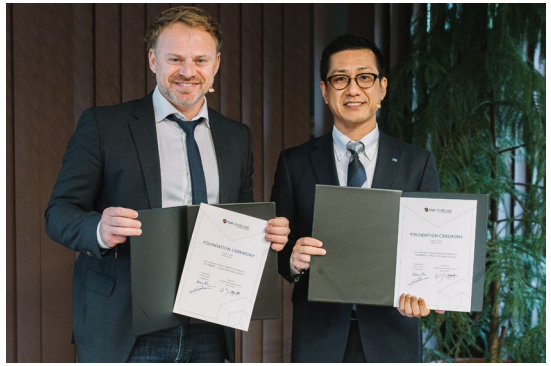
Click here and check the blog!

DG DIMENSE
A Roland DG Group Company

DG DIMENSE

Company name	:	UAB DG DIMENSE
Location	:	Lithuania
Representative	:	Aleksey Etin
Business activities	:	Development, manufacture and sales of wall paper materials, inks and printers
Capital stock	:	2,000 EUR（At the time of acquisition）
Total asset	:	6,748 thousand EUR
Shareholding ratio	:	The Company 50.1%

Aleksey Etin, CEO


Signing ceremony

Ambassador Ozaki from the Embassy of Japan in Lithuania

Ceremony venue

Pray for future development with “Kagamibiraki”

Ceremony of unveiling the signboard

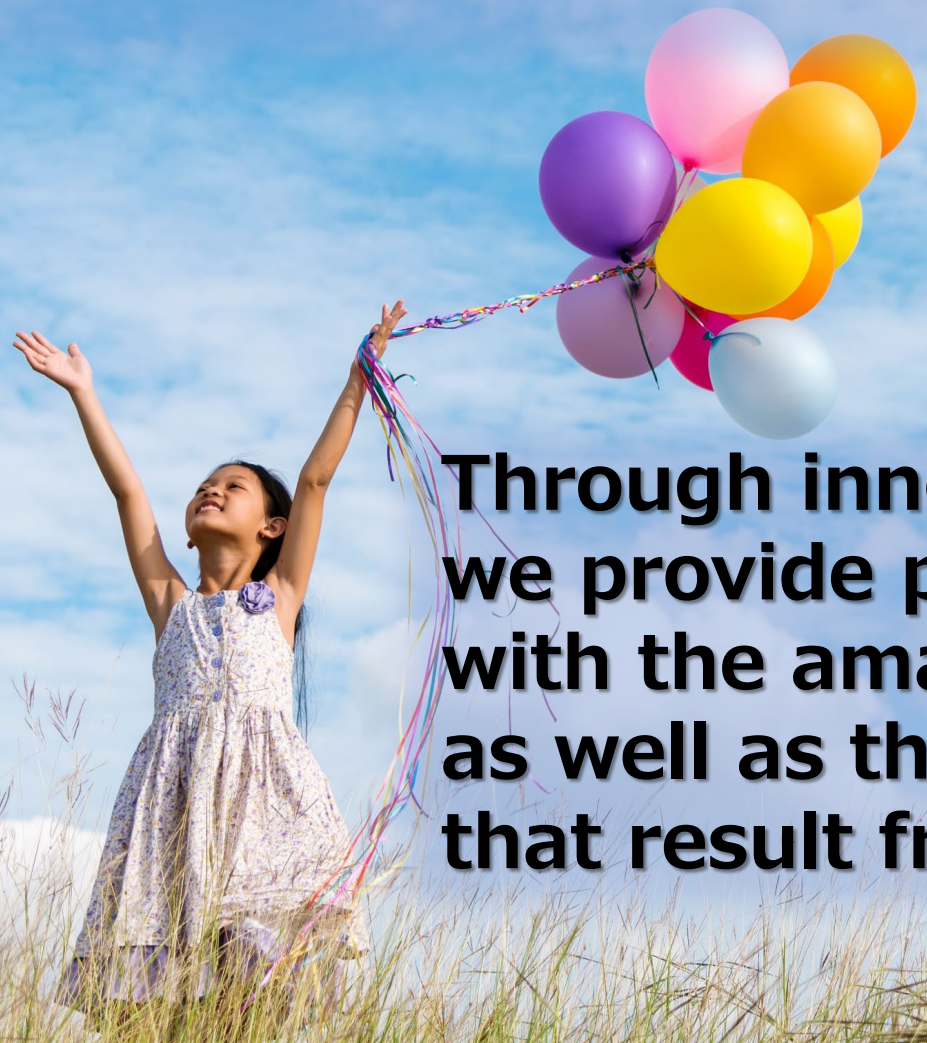
Roland

Headquarters New Office Building Supporting New Ways of Working (operation commencement Nov 1)

TOPICS

- Designing office spaces optimized for the four work scenarios of focus, collaboration, interaction, and creativity, and helping workers choose the optimal environment to improve their performance.
- Nearly ZEB certified which will reduce energy consumption by 75% through combination of solar power generation and efficient equipment systems.

Purpose: To Empower Creativity and Excitement Worldwide



Through innovative digital solutions, we provide people around the world with the amazement and joy of creation, as well as the wow and excitement that result from it.

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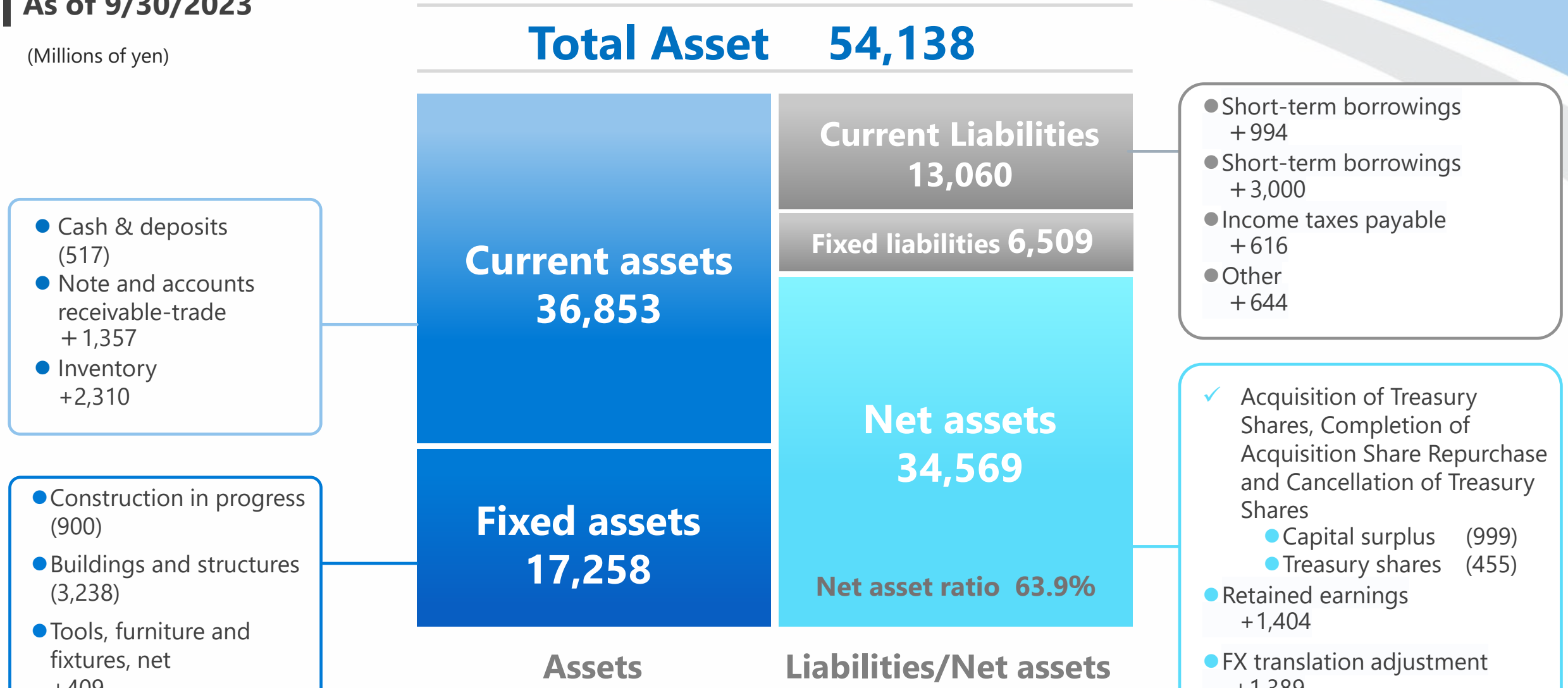
Appendix

Balance sheet

As of 9/30/2023

(Millions of yen)



※Change from the end of previous fiscal year

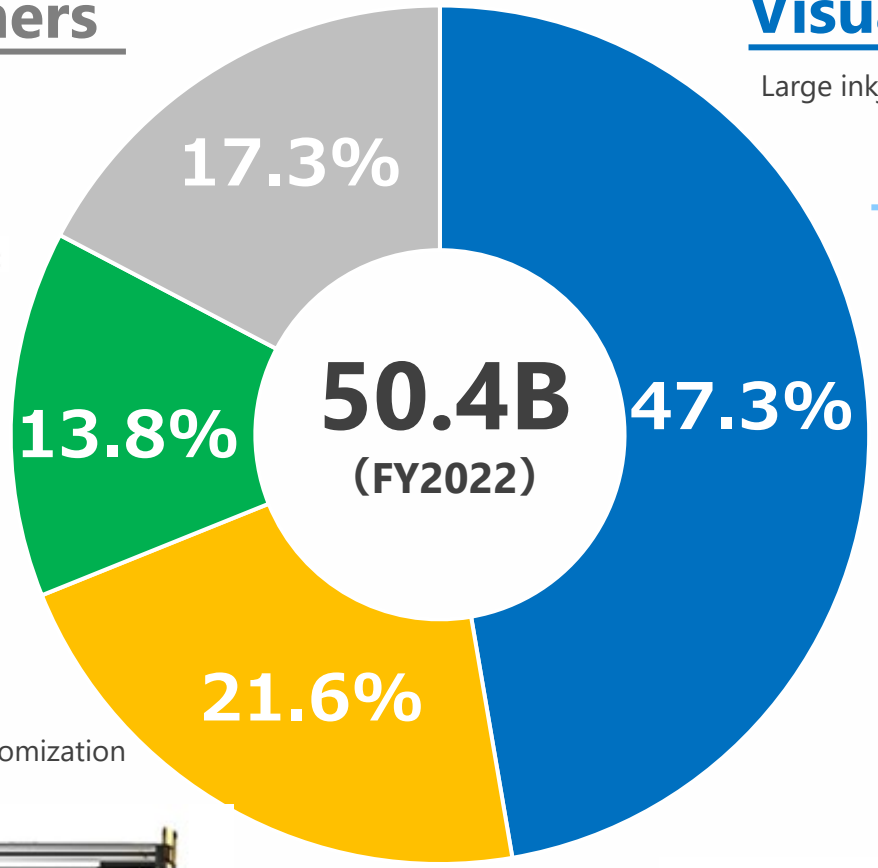
Net sales by four market

Service, Software & Others

Service parts, maintenance, and connected service

Dental

Dental milling machines



Visual Communication

Large inkjet printers for sign, displays and decorations

VC-Solvent

Eco-Solvent printers

Eco-Solvent printers

Digital Fabrication

Products that enable on-demand personalized and customization

Desktop ECO-Solvent printers

Co-Creation products

3D milling machines

Desktop UV printers

VC-Other

Non-Solvent printers

Cutting machines

Resin printers

UV printers

Product launched in 2023

Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep

TrueVIS AP-640

The company's first resin ink model

DGXPRESS UG-642 UG-641

Launched the region-specific model DGXPRESS brand, with it first released of two models of UV printers

EU-1000MF

UV flatbed printer launched in Europe

Roland DG Connect

Roland DG Connect Offers Expanded Operational Capabilities. Started. subscription service

VersaSTUDIO BN2-20 BN2-20A

Full model change the desktop inkjet printer

TrueVIS LG-640 LG-540 LG-300 MG-640 MG-300

Two line-up of UV printers; high-productivity model and dissemination model

VersaSTUDIO SIGN MAKER BN-20D

The company's first DTF desktop inkjet printer targeting small- and medium-sized apparel business

DGXPRESS ER-642

High-end model dedicated to Eco-Solvent for emerging market

VersaOBJECT CO Series

Launch the new VersaOBJECT brand of products capable of printing brilliant color directly on a wide variety of three-dimensional objects.
Globally expanded our Co-Creation model.

New Eco-friendly Cardboard-Based Ink Cartridges Reduce Plastic Usage by 82%

VersaSTUDIO GS2-24

Compact cutting machine with improved pro level specifications

DWX-52D Plus

Plus model using high performance spindle as default

Roland

Consolidated financial results

(Millions of yen)		2022 Q3 YTD		2023 Q3 YTD		YoY		
		Performance	% of sales	Performance	% of sales	Change	Ratio	Exchange rate impact excluded Real term
Net Sales		36,939	-	**39,614**	-	2,674	*107.2%*	*100.3%*
Gross Profit		18,335	*49.6%*	**20,146**	*50.9%*	1,810	*109.9%*	*98.2%*
SG&A		14,022	*38.0%*	**16,143**	*40.8%*	2,121	*115.1%*	*110.2%*
Operating Profit		4,313	*11.7%*	**4,002**	*10.1%*	(310)	*92.8%*	*59.3%*
Ordinary Profit		4,432	*12.0%*	**4,255**	*10.7%*	(177)	*96.0%*	*63.2%*
Net Profit*		3,017	*8.2%*	**3,082**	*7.8%*	64	*102.2%*	*69.0%*
EPS (Yen)		242.13		**253.91**				
Exchange rate Yen	USD	128.06		**138.11**				
	EUR	136.00		**149.67**				

*1 Net profit attributable to owners of parent

Exchange rate Amount of impact	Net sales	2,570
	Operating Profit	1,455

Consolidated financial results

(Millions of yen)

	2022 Q3 YTD		2023 Q3 YTD		YoY		
Sales by Market	Performance	% of sales	Performance	% of sales	Change	Ratio	Exchange rate impact excluded Real term
Visual Communication	17,324	*46.9%*	**19,905**	*50.2%*	2,580	*114.9%*	*107.1%*
Digital Fabrication	8,036	*21.8%*	**7,930**	*20.0%*	(105)	*98.7%*	*92.3%*
Dental	5,030	*13.6%*	**5,086**	*12.9%*	55	*101.1%*	*94.5%*
Service, Software & Others	6,548	*17.7%*	**6,692**	*16.9%*	143	*102.2%*	*96.6%*
Total	36,939	*100.0%*	**39,614**	*100.0%*	2,674	*107.2%*	*100.3%*
Sales by Product							
Hardware	18,454	*50.0%*	**19,322**	*48.8%*	867	*104.7%*	*97.8%*
Supplies	12,150	*32.9%*	**13,842**	*34.9%*	1,692	*113.9%*	*106.4%*
Service parts & Others	6,335	*17.1%*	**6,450**	*16.3%*	115	*101.8%*	*96.0%*
Sales by Region							
Japan	3,575	*9.7%*	**3,280**	*8.3%*	(295)	*91.7%*	-
North America	13,256	*35.9%*	**14,075**	*35.5%*	819	*106.2%*	*98.5%*
Europe	12,751	*34.5%*	**13,838**	*34.9%*	1,086	*108.5%*	*99.0%*
Asia	2,237	*6.0%*	**2,461**	*6.2%*	224	*110.0%*	*108.8%*
Others	5,119	*13.9%*	**5,958**	*15.1%*	839	*116.4%*	*110.4%*
Total	36,939	*100.0%*	**39,614**	*100.0%*	2,674	*107.2%*	*100.3%*

Consolidated financial results (3 months)

(Millions of yen)

	2022				2023				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	YoY	QoQ
Net Sales	11,316	12,768	12,854	13,519	12,687	12,992	13,934	*108.4%*	*107.3%*
Gross Profit	5,681	6,263	6,390	6,724	6,437	6,577	7,131	*111.6%*	*108.4%*
%	*50.2%*	*49.1%*	*49.7%*	*49.7%*	*50.7%*	*50.6%*	*51.2%*	*+1.5PP*	*+0.6PP*
SG&A	4,387	4,868	4,766	4,953	5,152	5,269	5,721	*120.0%*	*108.6%*
%	*38.8%*	*38.1%*	*37.1%*	*36.6%*	*40.6%*	*40.6%*	*41.1%*	*+4.0PP*	*+0.5PP*
Operating Profit	1,293	1,395	1,624	1,770	1,284	1,308	1,409	*86.8%*	*107.7%*
%	*11.4%*	*10.9%*	*12.6%*	*13.1%*	*10.1%*	*10.1%*	*10.1%*	*(2.5) PP*	*0P*
Ordinary Profit	1,467	1,406	1,558	1,693	1,365	1,526	1,363	*87.5%*	*89.4%*
%	*13.0%*	*11.0%*	*12.1%*	*12.5%*	*10.8%*	*11.7%*	*9.8%*	*(2.3) PP*	*(1.9) PP*
Net Profit *	925	1,009	1,082	1,309	937	1,144	999	*92.4%*	*87.3%*
%	*8.2%*	*7.9%*	*8.4%*	*9.7%*	*7.4%*	*8.8%*	*7.2%*	*(1.2) PP*	*(1.6) PP*
EPS(yen)	74.25	81.01	86.87	105.56	77.09	94.37	82.45		

* Net profit attributable to owners of parent

Roland

Consolidated financial results (3 months)

(Millions of yen)

	2022				2023				
Sales by Market	Q1	Q2	Q3	Q4	Q1	Q2	Q3	YoY	QoQ
Visual Communication	5,186	5,939	6,199	6,521	6,240	6,457	**7,207**	*116.3%*	*111.6%*
Digital Fabrication	2,509	2,840	2,686	2,890	2,464	2,574	**2,892**	*107.7%*	*112.4%*
Dental	1,529	1,879	1,621	1,938	1,915	1,815	**1,355**	*83.6%*	*74.6%*
Service, Software & Others	2,090	2,110	2,347	2,168	2,066	2,145	**2,480**	*105.7%*	*115.6%*
Total	11,316	12,768	12,854	13,519	12,687	12,992	**13,934**	*108.4%*	*107.3%*
Sales by Product									
Hardware	5,843	6,472	6,138	7,240	6,383	6,196	**6,742**	*109.9%*	*108.8%*
Supplies	3,485	4,236	4,427	4,169	4,298	4,726	**4,817**	*108.8%*	*101.9%*
Service parts & Others	1,987	2,059	2,288	2,109	2,005	2,070	**2,374**	*103.8%*	*114.7%*
Sales by Region									
Japan	1,347	1,063	1,164	1,211	1,132	1,033	**1,114**	*95.7%*	*107.8%*
North America	3,859	4,752	4,644	5,196	4,391	4,582	**5,101**	*109.9%*	*111.3%*
Europe	3,880	4,414	4,456	4,692	4,483	4,633	**4,721**	*105.9%*	*101.9%*
Asia	772	699	765	653	735	823	**902**	*118.0%*	*109.6%*
Others	1,455	1,839	1,824	1,765	1,943	1,919	**2,095**	*114.8%*	*109.1%*
Total	11,316	12,768	12,854	13,519	12,687	12,992	**13,934**	*108.4%*	*107.3%*

FY2023 Forecast

(Millions of yen)	2021		2022		2023 Forecast						
	Performance	% of sales	Performance	% of sales	Original	Revised	% of sales	Difference from original	% of original	Difference from FY2022	% of FY2022
Net Sales	45,095	-	50,459	-	58,100	**54,500**	-	(3,600)	*93.8%*	4,040	*108.0%*
Gross Profit	23,063	*111.5%*	25,059	*49.7%*	27,700	**27,700**	*50.8%*	0	*100.0%*	2,640	*110.5%*
SG&A	17,007	*37.7%*	18,975	*37.6%*	20,700	**21,900**	*40.2%*	1,200	*105.8%*	2,924	*115.4%*
Operating Profit	6,056	*13.4%*	6,083	*12.1%*	7,000	**5,800**	*10.6%*	(1,200)	*82.9%*	(283)	*95.3%*
Ordinary Profit	6,082	*13.5%*	6,126	*12.1%*	7,000	**6,000**	*11.0%*	(1,000)	*85.7%*	(126)	*97.9%*
Net Profit*1	3,733	*8.3%*	4,327	*8.6%*	5,400	**4,800**	*8.8%*	(600)	*88.9%*	472	*110.9%*
EPS (yen)	299.88		347.69		438.52	**395.52**					
Average FX rate (Unit : yen) USD	109.81		131.46		125.00	**140.00**					
Average FX rate (Unit : yen) EUR	129.93		138.11		135.00	**151.00**					

*1 Net profit attributable to owners of parent

(Millions of yen)		USD	EUR
Currency Sensitivity (Based on 2022 results)	Net sales	153	110
	Operating Profit	70	81

Roland

FY2023 Forecast

(Millions of yen)

	2021		2022		2023 Forecast						
Sales by markets	Performance	% of sales	Performance	% of sales	Original	Revised	% of sales	Difference from original	% of original	Difference from FY2022	% of FY2022
Visual Communication	20,238	*44.9%*	23,846	*47.3%*	29,100	**27,500**	*50.4%*	(1,600)	*94.5%*	3,653	*115.3%*
Digital Fabrication	10,008	*22.2%*	10,926	*21.6%*	11,600	**11,000**	*20.2%*	(600)	*94.8%*	73	*100.7%*
Dental	6,601	*14.6%*	6,969	*13.8%*	8,600	**6,700**	*12.3%*	(1,900)	*77.9%*	(269)	*96.1%*
Service, Software & Others	8,247	*18.3%*	8,716	*17.3%*	8,800	**9,300**	*17.1%*	500	*105.7%*	583	*106.7%*
Total	45,095	*100.0%*	50,459	*100.0%*	58,100	**54,500**	*100.0%*	(3,600)	*93.8%*	4,040	*108.0%*
Sales by Products											
Hardware	22,668	*50.3%*	25,694	*50.9%*	31,600	**26,700**	*49.0%*	(4,900)	*84.5%*	1,005	*103.9%*
Supplies	14,437	*32.0%*	16,319	*32.4%*	17,800	**18,900**	*34.7%*	1,100	*106.2%*	2,580	*115.8%*
Service parts & Others	7,989	*17.7%*	8,444	*16.7%*	8,700	**8,900**	*16.3%*	200	*102.3%*	455	*105.4%*
Sales by Regions											
Japan	4,533	*10.0%*	4,786	*9.5%*	5,300	**4,400**	*8.1%*	(900)	*83.0%*	(386)	*91.9%*
North America	14,015	*31.1%*	18,452	*36.6%*	21,700	**19,500**	*35.8%*	(2,200)	*89.9%*	1,047	*105.7%*
Europe	17,168	*38.1%*	17,444	*34.6%*	19,200	**19,000**	*34.9%*	(200)	*99.0%*	1,555	*108.9%*
Asia	3,230	*7.2%*	2,890	*5.7%*	3,800	**3,400**	*6.2%*	(400)	*89.5%*	509	*117.6%*
Others	6,148	*13.6%*	6,885	*13.6%*	8,100	**8,200**	*15.0%*	100	*101.2%*	1,314	*119.1%*
Total	45,095	*100.0%*	50,459	*100.0%*	58,100	**54,500**	*100.0%*	(3,600)	*93.8%*	4,040	*108.0%*

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.