## Company Profile / Stock Information (As of March 31, 2023)

#### Corporate Profile

Corporate Name	MIMAKI ENGINEERING CO., LTD.
Foundation	August 1975
Capital	4,357 million yen
Business Activities	Development, manufacturing, and sales of computer devices and software
Employees	2,044 (consolidated) 829 (parent company only)

#### Board Members (As of June 23, 2023)

President	Kazuaki Ikeda
Managing Director	Kazuyuki Takeuchi
Executive Director	Koji Shimizu
Director	Yasuhiro Haba
Director	Nariaki Makino
Director	Takeshi Kodaira
Director	Shujiro Morisawa
Outside Director (Full-time Audit and Supervisory Committee Member)	Yoh Zenno
Director (Audit and Supervisory Committee Member)	Noriyuki Tanaka
Outside Director (Audit and Supervisory Committee Member)	Makoto Tanaka
Outside Director (Audit and Supervisory Committee Member)	Hisamitsu Arai
Outside Director (Audit and Supervisory Committee Member)	Seiko Minomo
Outside Director	Shunsuke Numata

#### Accounting Auditor

Deloitte Touche Tohmatsu LLC

#### Shareholder Information

Business year	From April 1 to March 31
Annual general meeting of shareholders	Within three months from the end of each business year
Record date	Annual meeting of shareholders: March 31 Year-end dividend: March 31 Interim dividend: September 30 A date will be announced beforehand if necessary.
Share unit	100 shares
Shareholder registry administrator	Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan
Contact details for the above	Mitsubishi UFJ Trust and Banking Corporation Transfer Agent Department 1-1, Nikkocho, Fuchu-shi, Tokyo, Japan Tel: 0120-232-711 (toll free in Japan)

#### Stock Information

Number of Authorized Shares	128,160,000 shares
Number of Issued Shares	32,040,000 shares
Number of Shareholders	5.053

#### Maior Shareholders

(shares)	(%)
5,064,000	17.60
2,801,200	9.73
2,230,000	7.75
2,035,000	7.07
1,529,000	5.31
1,178,500	4.09
840,000	2.92
833,200	2.90
642,500	2.23
638,600	2.22
	Number of shares need           5,064,000           2,801,200           2,230,000           2,035,000           1,529,000           1,178,500           840,000           833,200           642,500           638,600

#### **Ownership Breakdown**

Financial inst	itutions	Financial in	struments	firms	Other Japanese corporations		
Overseas cor	porations, etc.	Individuals	and others	;	Treasury shares		
4,640	,400 shares (14.5	%)		3,	260,767 shares (10.2%	) —	
	10,144,706 sł		9,676	,281 shares (30.2%)			
901,970 shares (2.8%) 3,415,876 shares (10.7%)							

business year	Mail address	P.O. Box No. 29, Shin-Tokyo Post Office 137-8081, Japan Mitsubishi UFJ Trust and Banking Corporation Transfer Agent Department
	Method of public notice	Public notices are posted on our website (https://ir.mimaki.com/, in Japanese). However, if an electronic public notice cannot be given due to unavoidable circumstances, it will be published in the <i>Nihon Keizai Shimbun</i> .
cessary.	Listings	Tokyo Stock Exchange Prime Market
	Securities code	6638

1. For inquiries on address changes or other procedures pertaining to shares, please contact the account management institution (securities firm, etc.) with which your account is held. Please note that the shareholder registry administrator (Mitsubishi UFJ Trust and Banking Corporation) cannot handle these procedures.

2. Unreceived dividends are paid at the head office of Mitsubishi UFJ Trust and Banking Corporation.

#### **Corporate Website**

In addition to offering the latest information and news, our corporate website provides visitors with a comprehensive understanding of MIMAKI ENGINEERING's business, products, and services. Please have a look.



Please visit our website by scanning the QR code with your phone.

https://ir-eng.mimaki.com/

#### Official social media accounts (Japanese only)

Facebook https://www.facebook.com/mimakiengineering/ YouTube https://www.youtube.com/user/MimakiPR/videos Instagram https://www.instagram.com/mimaki\_japan/

# BUSINESS REPORT 2023.3

2022.4.1-2023.3.31



[Compliance with system for providing informational materials for the general meeting of shareholders in electronic format]

- convocation in advance (items to be provided in electronic format), beginning in the current fiscal year. Items to be provided in electronic format shall be sent as paper-based documents only to shareholders who have made a request for delivery of paper-based documents by the record date of the general meeting of shareholders
- In order to prevent confusion among shareholders, for this year's general meeting of shareholders, we delivered paper-based documents stating the items to be provided in electronic format to all shareholders, regardless of whether they requested delivery of paper-based documents or not. However, beginning with the next annual general meeting of shareholders we intend to deliver a notice of convocation in accordance with the system for provision of materials in electronic format, and requests your understanding in this matter.



Securities Code: 6638

)6

# **NEW PRODUCT**



• Following a revision to the Companies Act, informational materials for the general meeting of shareholders shall in principle be made available on a website disclosed in the notice of

We aim to be a market leader in digital on-demand production by developing market-oriented products with our proprietary raster technology (for inkjets, etc.) and vector technology (for cutting plotters, etc.).

### **Management Vision**



We aspire to become a "Development-oriented Enterprise" with our own technology and our own brand of products throughout the world.

We aim to become a company that can adapt and quickly provide our products that will satisfy the customers.

We strive to become an innovator always providing "something new, something different" in the market.

We aim at creating a corporate culture where our individual employees can exploit their personal characteristics and abilities to the fullest extent.



### MIMAKI develops new organization and corporate image

To remain as a group of innovators and to fully exploit the personal characteristics and abilities of every employee, we began a new system with small groups called GIPS (Group Independent Profitability management system). We also reorganized into five divisions-Research and Development, Sales, Production, Administration, and Corporate Planning—so that we can promptly identify potential market needs and provide solutions.

With GIPS every group will now have a clear role and responsibilities and will work cooperatively as if each group were an independent small factory.

The added value as the "fruit" of the activities of each group will be made clear, and in order to improve the profitability of their own division, all members of the group (centered on a leader) will share issues and ways to resolve them. Through these activities, all employees will participate in management and everyone will have efficiency in mind. In this way, we are looking to make our company an aggregate of "small fruits like a cluster of grapes."

Kazuaki Ikeda President

# Providing the total solution: supporting everything from introduction to the final quality of products

The MIMAKI Group is a development-driven group of companies that provides integrated services through the development, manufacturing, sales, and maintenance service of products, such as industrial inkjet printers, cutting plotters, and inks. By leveraging our proprietary core technologies, we will drive additional progress during the digital transformation and play our role as a solutions provider that supports everything from the introduction to the final quality of products.



# The history of **MIMAKI**: continual innovation

As a market leader in digital on-demand production, we will continue to create new markets and customers by identifying diverse needs promptly and accurately and by providing products that target these needs.



## Markets and the FA Business

# Providing products for three markets and developing the

# **FA business**

Promoting the expansion of markets by always providing optimal products to the players in each market.



# Medium- to long-term growth strategy MIMCIKI® V10

MIMAKI is steadily implementing measures aimed at achieving the targets set out in the "Mimaki V10" medium-to long-term growth strategy: an operating profit margin of 10% by FY2025 as well as ensuring a V-shaped recovery in business results.



Message from Top Management

Here we provide a report on the state of business during the 48th term (from April 1, 2022 to March 31, 2023).

President, MIMAKI ENGINEERING CO., LTD.

#### Overview of business performance during the fiscal year ended March 31, 2023

In the fiscal year ended March 31, 2023 (the fiscal year under review), both net sales and profits increased significantly. Net sales were 70,607 million yen (up 18.6% year on year), and operating profit was 4.241 million yen (up 65.1%) vear on vear).

During the fiscal year under review, the global economy continued to face challenging conditions, which included product shortages and cost increases caused by difficulties in procuring parts and raw materials, and soaring prices for energy and food that led to prolonged historic levels of inflation worldwide. In addition, the slowing of global economic growth gradually became apparent following rapid interest rate hikes in the United States and European countries from the latter half of the third quarter, and the confusion caused by China's zero-COVID policy, among other factors. In Japan, while the economy gradually improved, the situation remained unpredictable due to growing uncertainty over the future, caused by rising inflation and sharp fluctuations in exchange rates. On the other hand, the investments in environmental problems or digitalization have grown globally and increased business opportunities in these fields. Under such circumstances, we have strived for building a foundation to improve profitability set forth in the medium- to long-term growth strategy, "Mimaki V10." Simultaneously, we have developed and provided new technologies and services for higher competitiveness and sustainable growth.

Overall, robust demand for our products endured difficulties. Parts shortages, mainly for semiconductors, and longer transportation lead times, as well as Russia-Ukraine crisis and China's Zero-COVID policy impacted the net sales during the period under review. By market, new products were strong in the IP (Industrial Products) market, and sales also grew significantly in the TA (Textile & Apparel) market, mainly in emerging countries. The SG (Sign Graphics) market experienced firm sales, especially for mainstay products, and sales in the FA (Factory Automation) business were also robust. By product category, ink and spare parts recorded strong sales, as did main units. Overall, although we revised down our forecast for net sales in the fourth guarter, full-year sales recorded a significant increase. The forecast revision was in response to the gradual downturn in growth of, in particular, the American and European economy in the late third guarter. However, the strong demand and weaker yen rather positively affected the sales. In terms of profit, despite the impact of increased costs due to the procurement of parts and materials that prioritized the avoidance of losing sales opportunities, and the impact of soaring energy prices, the cost of sales ratio improved slightly due to price revision to address rising costs. In addition, the SG&A ratio improved despite rising expenses. Specifically, greater business and sales activities led to rises in SG&A expenses mainly for personnel, R&D, and sales promotion expenses, which we managed efficiently. In addition to these, the yen's depreciation had a positive effect, resulting in a significant increase in operating profit.

Based on its medium- to long-term growth strategy, "Mimaki V10," the MIMAKI Group is working to achieve an operating profit margin of 10% by fiscal 2025 while also increasing net sales. Despite the uncertain business environment for the fiscal year ending March 31, 2024, we aim to generate new value, incorporate innovative ideas and methods, and create a more sustainable future. Accordingly, we have established "Create" as the Group's management policy, and we will engage in these efforts utilizing the combined capabilities of the entire Group.

of 10 ven per share each). support.

## Kazuaki Ikeda

#### Outlook for consolidated business performance for the fiscal year ending March 31, 2024

Our consolidated full-year business performance forecasts for the fiscal year ending March 31, 2024, are net sales of 78,000 million yen (up 10.5% year on vear) and operating profit of 4.400 million ven (up 3.7% year on year).

In the fiscal year ending March 31, 2024, although the global economy is expected to grow at a slower pace than in the previous fiscal year, it seems increasingly likely that we will avoid a significant slowdown in the growth rate caused by inflation and financial instability. Additionally, we anticipate that worldwide shortages of parts and materials will gradually be resolved. Nevertheless, the outlook for the global economy remains uncertain due to growing geopolitical risks, including the prolongation of Russia's invasion of Ukraine and the tension between the United States and China. The situation is therefore expected to continue to be unpredictable.

Under these conditions, while we expect business to be affected by the slowdown in the global economy, we will increase sales of existing products by further strengthening sales activities and launch new products that meet customer needs, and we forecast increases in net sales for the SG. IP, and TA markets, as well as in the FA business. By region, sales are expected to grow in Europe, which was significantly impacted by the Russia-Ukraine situation in the previous fiscal year. Net sales are also expected to increase in Japan and other regions, mainly in Asia and Oceania where the Chinese economy is recovering. and in North America where demand remains firm. As for profit, while the cost of sales ratio is expected to deteriorate due to the sale of products that use high-cost parts and materials procured and produced in the previous fiscal year, we assume that exchange rate levels will move in the direction of a stronger yen compared to the previous fiscal year. On the other hand, in addition to the increase in profit arising from the expansion in revenue, the SG&A ratio is expected to improve due to efficient handling of expenses. As a result of the above, operating profit is expected to increase slightly.

#### Message to shareholders

Having taken into account a comprehensive range of factors regarding the outlook for business performance, as well as our policy of stable and consistent shareholder returns, we plan for an increase in the annual dividend for the fiscal year ending March 31, 2024, to 20 yen per share (interim and year-end dividends

In closing, we thank you, our shareholders, for your continued guidance and

## **NEW PRODUCT**

NEW

SG

#### **High-End Flatbed Cutting Plotter**

# **CFX Series**

Since we introduced the CF-120 flatbed cutting plotter in 1991, we have expanded the lineup to include the entry model CFL-605RT, and the mid-range CF2 Series and CF3 Series, which have been well received by the market. We recently added the high-end CFX Series to the lineup, which can handle speeds of up to 100 cm/s (2× that of our previous model), and pressures of up to 30 kg (6× that of the previous model).

#### Multi-head with the capability to simultaneously mount three units of two types (tangential [directionally controlled] unit, router [rotation controlled] unit)

Besides the standard equipped pen unit, two more units can be attached to the head simultaneously, tangential and/or router units. Multiple tools in one head enable users to process a variety of shapes during one operation.

#### Two types of tool control

- 1. Z-axis control mode: controls the designated z-axis value when using the cutter that uses downforce pressure, reciprocating cutter, V-cutter, or router. The maximum pressure capacity is 30 kg.
- 2. Variable pressure mode: when using the creasing roller, this mode enables pressure adjustment from low to high. When creasing with assumption of processing cardboard, pressure is adjustable to prevent breaks in the crease depending on the processing direction.

#### Wide range of tools to cater to each application

A total of eight different tools are provided for tangential units: one cutter that uses downforce pressure, two reciprocating cutters, two V-cutters, and three creasing rollers. Nine different tools that can be matched to the material and finished shape are provided for router units. The ideal tool for the customer's application can be selected.

#### Three sizes of table available

Three sizes of tables are available in response to changes in customer needs, and expansion is possible even after installation (cutting areas [width x depth] of 2,540 mm x 1,300 mm, 2,540 mm x 3,190 mm, and 2,540 mm x 5,080 mm, respectively). (The largest available size is 2,540 mm x 5,080 mm, and post-installation expansion incurs an additional charge.)

The FineCut plug-in for Adobe Illustrator is included standard. The standard included software allows Adobe Illustrator users to apply the optimal cutting conditions to a variety of functions.



## A safe and stable DTF printer packed with MIMAKI's technology **TxF150-75**

The TxF150-75 is our first DTF (Direct to Film) printer used to create transfer sheets for printing, and has a maximum print width of 80 cm. The PHT50 heat transfer pigment ink, which is exclusively for use with DTF and consists of the five colors of white and CMYK, has obtained ECO PASSPORT

certification, which is necessary for the international standard related to safe use with textiles, OEKO-TEX. Previous DTF printers had problems such as ink jetting failures and white ink clogging, but we resolved these issues by adopting a degassing ink design supplied in aluminum packaging, and by equipping the printer with MCT<sup>\*1</sup> functionality to circulate white ink. The printer also comes with MIMAKI's NCU\*<sup>2</sup> and NRS\*<sup>3</sup> technology to support stable operation. This printer allows customers to continue working seamlessly without interruptions.

\*1 Mimaki Circulation Technology: function to circulate white ink

\*2 Nozzle Check Unit: function to detect missing nozzles

NEW

TA

\*3 Nozzle Recovery System: function to substitute missing nozzles with other nozzles

#### **Eco-friendly ink pack using aluminum**

Uses an aluminum pack filled with degassed ink. Stable ink jetting is achieved by controlling the amount of air entrained in the ink, and reducing blockages of all ink nozzles, including that used for white ink. Using less plastic compared to bottles, this ink pack causes less environmental impacts.

#### Minimizing downtime by using NCU and NRS to detect missing nozzles automatically

NCU (Nozzle Check Unit):

Sensor detects missing nozzle and implements cleaning automatically to resolve the issue and reduce product wastage.

#### > MCT (Mimaki Circulation Technology) enables stable printing by circulating white ink

By circulating ink within all of the ink pathways, including that in the dumper\*, stable white ink jetting is achieved, and ink wastage caused by frequent nozzle cleaning is reduced.

\*component in the printhead where ink temporarily stays before being jetted.



Please see here for product details



#### NRS (Nozzle Recovery System):

NRS enables printing to continue and productivity to be maintained in cases where the missing nozzle issue is not resolved even by cleaning, without waiting for a service technician.

\*Depending on nozzle position, recovery may not be possible.



## MIMAKI News Flash

#### **Relocated the JP Demonstration Center** Mimaki

In the former JP Demonstration Center, limitations in floor loading and the size of the goods entrance prevented the display of our lineup of enhanced production models, which required the viewing site to be moved to the Tokyo Branch Showroom depending on the solution proposed to customers. On February 25, 2023, the JP Demonstration Center was closed for relocation. Based on the concept of having all MIMAKI solutions in the Osaki area of Tokyo, the JP Demonstration Center was relocated to a site two minutes' walk from the Tokyo Branch



Showroom in Kitashinagawa, Shinagawa-ku, and operations began on April 19. We are pleased to further introduce the entire lineup of our products without customers' burden of travel.



#### Beginning sales of ink cartridges made of paper

As part of our sustainability efforts, we have begun selling ink cartridges made of paper instead of ink cartridges that are currently made mainly of plastic. We achieved a 68% reduction in plastic usage for cartridges by substituting the current plastic material with paper (cardboard), according to our proprietary standard for promoting plastic-free products.



#### Announcement of access control system

Group company ALPHA DESIGN CO., LTD., which is engaged in the research, development, and sale of manufacturing equipment for electrical and electronic components and other products, has announced the packaged access control system "SIX," which is designed to introduce facility



security and access control. The system controls users' trends, visualizes overtime of employees, and contributes to

balancing workloads. In addition, by predefining the number of users allowed in the facility, the system can be used to avoid crowding in smoking rooms, rest areas, and other spaces in working environments in the with-COVID-19 era, and to place entrance restrictions on facilities and events.



#### **Exhibited at JAPAN SHOP**

Between Tuesday February 28, 2023 and Friday March 3, 2023, MIMAKI exhibited at JAPAN SHOP 2023, which was held at Tokyo Big Sight. Our booth showcased the theme of "addedvalue store decorations and labor savings." We proposed labor and process reduction by employing X-axis and Y-axis sheet-fed cutting for creating wallpaper and posters. Additionally, we introduced the workflow for creating fixtures using our latest large-format UV flatbed printer and post-processing equipment.



## MIMAKI and the UN's SDGs

## Among the 17 sustainable development goals (SDGs) adopted by the United Nations in 2015, MIMAKI will contribute to seven of them using its inkjet technology.



#### The MIMAKI Group is committed to resource recycling and related technology as part of our response to the need for sustainability.

Up to this point, we have used proprietary inkjet technology to promote the growth of digital on-demand printing, in turn contributing to fulfilling the needs of society and the environment. Going forward, we will continue to effectively harness the digital transformation (the shift to digitization that includes the value chain and leads to new added value). In this way, we will be able to respond promptly to the needs of society and the environment that inspire us to add high-value such as unattended operation, saving labor, higher speeds and guality, and waterless printing—all technologies that are expected to grow.

#### Toward a sustainable society: with digital on-demand printing

By using proprietary raster and vector technologies, we will drive the further development of digital on-demand printing.





#### **Developing and manufacturing** environmentally friendly inks Environmentally friendly eco-ink also protects the health of the operator

**•**~~ CO

#### Registered as one of the 14th Nagano SDGs partner companies

MIMAKI has been working to help conserve natural resources and to achieve a circular economy. As part of those efforts, MIMAKI has been recently registered as one of the companies participating the SDGs partnership conducted by Nagano prefecture, where our headquarter and major factories are located. Under this partnership, Nagano Prefecture provides support for the utilization of SDGs in the management strategy of companies, based on the three aspects of environmental, social, and economic.

Going forward, we will submit regular reports to Nagano Prefecture on the details of activities that contribute to achieving the SDGs based on the requirement of the partnership. By moving ahead with specific actions based on reviews of our own activities, we will take further steps to promote corporate management that addresses social and environmental needs.





## Network / Corporate History



August Founded MIMAKI PINGHU TRADING CO., LTD.

2010

April Founded MIMAKI EUROPE B.V.



## Product Development History



#### Consolidated performance highlights for the fiscal year ended March 2023

Net sales		Operating profit		Ordinary profit			Profit attributable to owners of parent						
<b>70,607</b> million Up 18.6% year on year	yen	<b>4,241</b> million yen Up 65.1% year on year <b>2</b>		<b>3,789</b> million yen Up 41.0% year on year <b></b>			<b>2,807</b> million yen Up 19.6% year on year <b>2</b>						
(millions of yen) <b>70,607</b> <b>59,511</b> <b>48,722</b>	78,000	(millions of ye	n) <b>2 569</b>	4,241	4.400	(millions of ye	en)			(millions of ye	n)	2,807	2,850
		-509				366	2,688	3,789	3,860	-301	2,347		
2021.3 2022.3 2023.3	2024.3	2021.3	2022.3	2023.3	2024.3	2021.3	2022.3	2023.3	3 2024.3	2021.3	2022.3	2023.3	2024.3
Forecasts	Net	sales	0	perating	profit	Ordina	ary profi	it	Profit attri owners o	butable to of parent	Forecasts for the FY	for the year-e ' ending Marc	nd dividends h 2024
for consolidated business performance for the fiscal	78.000	) million ver	4.	<b>400</b> m	illion ven	3.860	D million v	ven	2.850	million ven	Interim	dividend:	10.0 yen

#### Performance highlights by market for the fiscal year ended March 2023

Up 10.5% year on year 🕢 Up 3.7% year on year 🕢 Up 1.8% year on year 🕢



made a contribution to higher sales. Sales of ink were a result, overall sales increased significantly. also strong.

model JV/UJV100, and of cutting plotters, in which flatbed printers rose substantially, and sales of large-sales, particularly in Latin America and Asia. At the category the new CG-AR series was launched, were format flatbed printers also increased. Sales of ink same time, the core mid-range model performed strong, and the new flagship JV/CJV330 model also and spare parts as well as main units were strong. As well, resulting in a substantial sales increase overall.

Sales of the mainstay mid-range models, the entry Sales of the updated lineup of mainstay compact The entry model TS100 saw a substantial increase in Sales of ink increased significantly due to increased operations at customer locations.

ar-end dividend: 10.0 yei

Up 1.5% year on year 🛜

#### Market conditions by region for the fiscal year ended March 2023

	nan			
Net sales: <b>19,602</b> million yen The IP market remained strong, especially for compact flatbed printers, resulting in significant sales growth, while sales in the SG and TA markets also achieved solid growth. The FA business was likewise robust. Ink and spare parts were also strong, resulting in a significant increase in overall revenue.	Up 13.3% year	17,307	(millions of yen) 19.602 2023.3	Net sales: Despite the Russia-Ukra countries, it the United and France, TA market c markets ren demand for
Asia, Ocean	ia, and Otl	hers		
Net sales: <b>18,239</b> million yen Sales increased significantly in almost all countries and regions, especially in Australia, Thailand, and India, and also in Mexico and Brazil in Latin America, with the exception being China. The TA market in particular posted substantial growth in each country. In addition, the SG and IP markets were strong, not only in main units but also in ink and spare parts. This resulted in a significant rise in revenue as a whole.	Up 19.7% year	15.234 2022.3	(millions of yen) 18,239 2023.3	Net sales: In the IP and large significant of were also TA markets although na recover to to the dow sales foreca impact of contributed in revenue f
Business performance for the fiscal year ended March 20	23	Perc	entage of net sal	es by region
We provide products and services to customers in approximately <b>150</b> countries and regions Consolidated net sales outside . <b>51,004</b> mill Percentage of consolidated pet	Japan Ov	sia, Iceania Verseas 72	Others 8.9 17.0% 25.7%	27.8% 20.7%
7	2.2%	Ει	urope	

year ending March 2024

#### Europe

## 18.174 million yen Up 12.6% year on year 🕢

e negative impact of the aine crisis, sales in all major including Germany, Italy, Kingdom, Portugal, Spain, were strong. Sales in the declined, but the SG and IP mained strong, with steady ink.



#### North America

## 14,590 million yen Up 34.7% year on year

market, both compact flatbed printers achieved growth in sales, and sales favorable in the SG and ts. In the fourth quarter, net sales were not able to the level achieved prior vnward revision of the net ast, the generally positive foreign exchange rates to a substantial increase for the full year.

14.590 10.828 8.004 2021.3 2022.3 2023.3

(millions of ven)

Percentage of net sales by product category

