



Listed on the Tokyo Stock Exchange First Section on March 13, 2015

2015 BUSINESS REPORT

The Financial Report for the 40th Term
The contents are based on data as of March 31, 2015.

April 1, 2014 >>> March 31, 2015

Mimaki
MIMAKI ENGINEERING CO., LTD.



Securities Code:
6638

Shareholder Information

Business year	From April 1 to March 31
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 Or a date announced beforehand if necessary.
Share unit	100 shares
Shareholder registry administrator and account management institution for special accounts	Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan Mitsubishi UFJ Trust and Banking Corporation Transfer Agent Department 7-10-11, Higashisuna, Koto-ku, Tokyo 137-8081, Japan Tel: 0120-232-711 (toll free)

Method of public notice

Public notices are posted on our website (<http://www.mimaki.co.jp/>). However, if an electronic public notice cannot be given due to unavoidable circumstances, it will be published in the Nihon Keizai Shimbun.

Listings	Tokyo Stock Exchange First Section
Securities Code:	6638

Notes:

- 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.
- For procedures relating to shares registered in the special account, Mitsubishi UFJ Trust and Banking Corporation is our account management institution for special accounts. Please contact the above account management institution. In addition, any branches of Mitsubishi UFJ Trust and Banking Corporation in Japan can handle these procedures.
- Unreceived dividends are paid at the head office of Mitsubishi UFJ Trust and Banking Corporation.

An innovator that always provides “something

We aim to be a market leader in digital on-demand production by developing

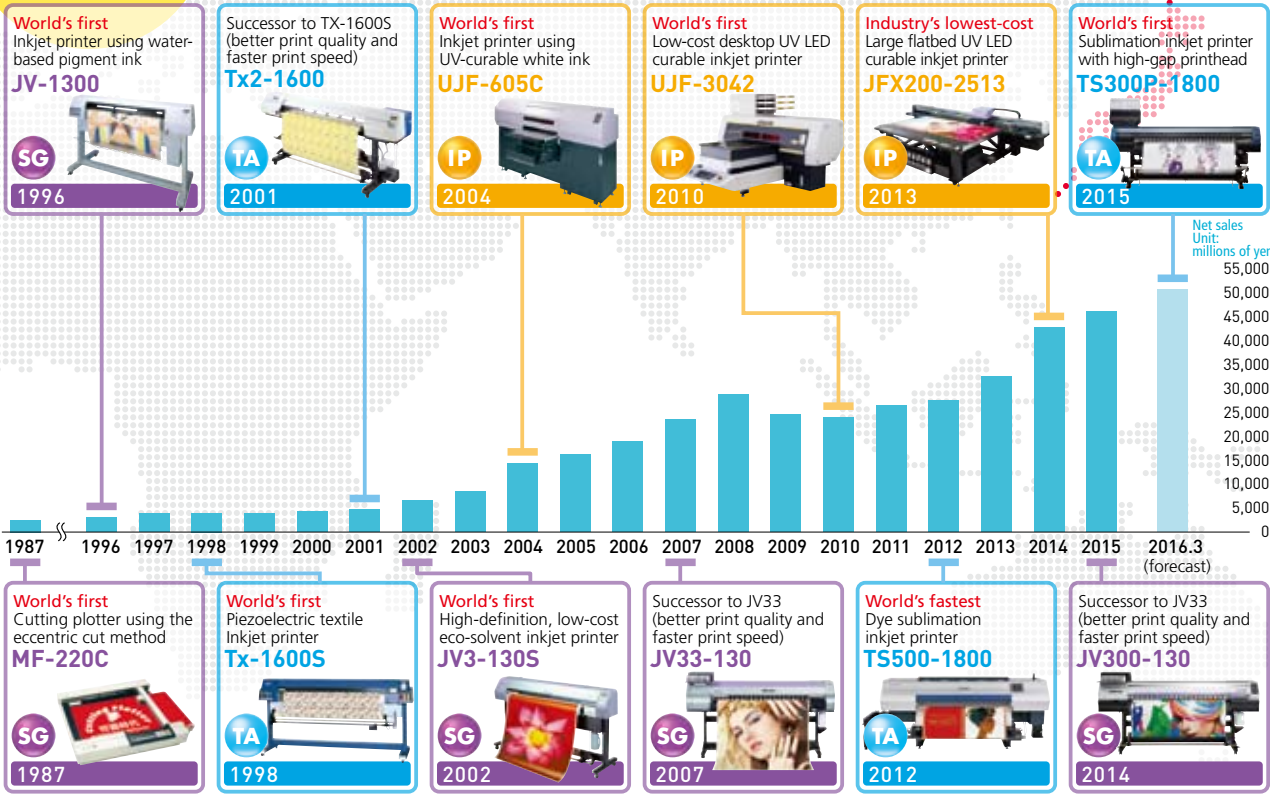
new, something different” to the market

market-oriented products with our inkjet and cutting technologies.

Strengths of MIMAKI

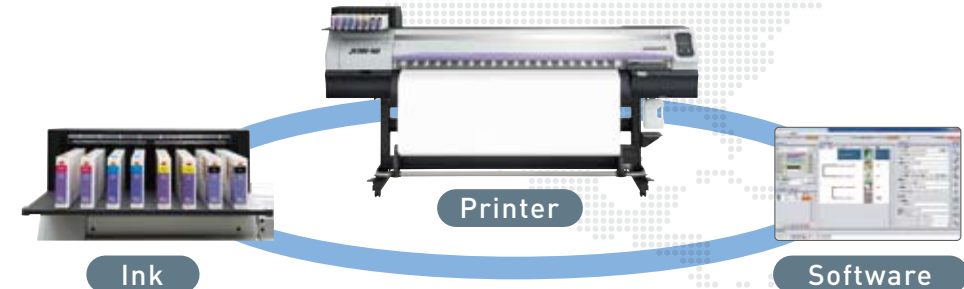
Creating markets with innovative, world’s first products

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 providing products that target these needs.



Providing comprehensive offerings tailored to optimally match markets in approximately 150 countries and regions

We provide original ink and software products that deliver added value to printers **in an integrated manner**. Our breadth of expertise in technology, including chemistry, is a major strength for MIMAKI.



Product Proposals for Three Markets

Having set for ourselves a development challenge of “printing on anything other than water and air,” we are opening up markets **with the unique added value** of our products.

SG Sign Graphics

Advertisements / signboards

IP Industrial Products

Industrial and promotional products

TA Textile & Apparel

Clothing / fabrics

Special
Feature

Interview

With Chairman Ikeda and
President Kobayashi

Past, Present, and
Future of MIMAKI



Akira Ikeda

Executive Chairman
MIMAKI ENGINEERING CO., LTD.

An aggregate of small productive business units, the We continue to propose “something new, something

THEME 01

Looking back at the dawn
of MIMAKI to mark the 40th
anniversary

Building the technological base in the early days

Ikeda

MIMAKI was established originally as an engineering company that engaged in planning, design, and manufacture of automated instruments under commission. I joined MIMAKI as a developer in 1981, when the Company was seeking to change its contract-based business model by developing house-brand products.

Kobayashi

I joined the MIMAKI later, in 1984, also as a developer. Back then, the assumption was that personal computer-aided design (CAD) would become mainstream in the future. So the Company decided to develop a first-in-the-world pen plotter as an output device for drawing on A2 size paper. In 1985, MIMAKI released the MF-120 as its first house-brand product and the MG-110 as a vertical A1 pen plotter under the trademark of “Hokusai,” named after the *ukiyo-e* painter who was linked to Nagano Prefecture.

Ikeda

While selling house-brand products, MIMAKI developed an original equipment manufacturer (OEM) business. Pen plotters for CAD required a sense of design for business equipment. We made every effort to respond to modification requests from the companies doing the ordering, but the business was not profitable. The experience, however, contributed to significant quality improvements. The improved quality standards provided the foundation for our subsequent product development.

Kobayashi

Later, we developed a cutting plotter equipped with a blade, instead of a pen plotter with a pen, to cut out text on vinyl films for signage applications. In 1987, we released our first product for the Sign Graphics (SG) market, the MF-220C. Back then, there were many foreign-made cutting plotters, but we developed the world’s first cutting plotter based on a new “eccentric cut” method using the caster principle. Since this cutting method did not require moving up and down the cutter and facilitated the cutting even of Japanese *kanji* characters with many strokes, it won high praise from the market.

Ikeda

Plotter development requires not only

operations of MIMAKI can be compared to a bunch of grapes. different” together with “beauty and speed.”

mechanism design but also firmware technology for hardware control and software technology to interface with personal computers. These elemental technologies are the technological base of MIMAKI today.

THEME 02

Birth of the JV3 series, MIMAKI’s
epoch-making printers

Conducting user-oriented product development and building the chemical technology base

Kobayashi

In the 1990s, leading U.S. companies launched a major offensive with the inkjet system in the CAD market, which led us to withdraw from the CAD business. Anticipating a change of signage from text to graphics, we started to develop full-color wide inkjet printers (IJP) and released an IJP that used water-based pigment ink, the JV-1300.

Ikeda

In developing its successor, one of our engineers said, “If we develop new ink that can be printed directly onto polyvinyl chloride sheets without a receiving layer, we can help to significantly reduce signage

production costs.” This new ink is our eco-solvent ink. Water-based pigment ink can wash off when it rains, so it should be laminated to protect it and it can only be printed on expensive media that have a receiving layer. The eco-solvent ink requires neither lamination nor a receiving layer, which drastically reduces cost and effort and maximizes customer profit.

Kobayashi

Another company had already released a solvent IJP ahead of MIMAKI, but it did not become popular due to a number of weaknesses: picture quality, the odor of the ink, and printer maintenance. Therefore, it was critical for us to develop MIMAKI’s original “eco-solvent ink that can achieve high picture quality” by overcoming such weaknesses. Our development efforts defied the conventional wisdom of the industry at that time, including chemical research on how to control ink odor by adjusting solvent composition while striking a balance between weather resistance and color development, nurturing control technology for optimization of the ink and the head, and creative mechanical design for easier maintenance. These efforts resulted in the release of the JV3 series in 2002.

Ikeda

As epoch-making products from the JV3 series changed the flow and cost structure of signage production, the series became a huge hit around the world and helped MIMAKI to become a 10 billion yen company by breaking through the net sales ceiling of 5 billion yen. Given the improvement in



Hisayuki Kobayashi

President
MIMAKI ENGINEERING CO., LTD.



MIMAKI's revenue base, we held the strong opinion that we should cover consumables as well as hardware. With the product development for the JV3 series, we changed our system from procuring both heads and ink from head manufacturers to developing our own functional ink that provided added value to printers. This was our entry into developing expertise in ink chemistry.

Kobayashi

It has become a great strength of MIMAKI in terms of launching IJPs in a wide range of areas, including Sign Graphics (SG), Industrial Products (IP), and Textile & Apparel (TA). Today, we develop unique ink products for specific uses, including ultraviolet (UV)-curable ink for printing on diverse materials

and dye sublimation ink for colorful printing on synthetic textiles, such as polyester.

THEME 03

"Bunch of grapes" growth strategy and M500 Project

Organizing to encourage individual employees to open up markets

Ikeda

MIMAKI's development has aimed at building a structure akin to that of a "bunch of grapes," that is, an autonomous aggregation of small groups. Each of our business units has sales of 3 billion yen and invests about 0.2 billion yen, or 7% to 8% of its sales, in research and development. Centering on inkjet technology and cutting technology, MIMAKI has launched businesses with a foreseeable market cycle—with each business serving as an individual grape—in multiple markets, including signboards, industrial products, textiles, and apparel.

Kobayashi

We are now working on the M500 Project (consolidated net sales of 50 billion yen) to further stabilize the "bunch of grapes" structure. In product development, we ensure

that we conduct internal reviews even from the beginning of the development process to enhance our development capabilities. Particularly after the JV300 series was released as a strategic product, the benefits of the organizational system have become apparent.

Ikeda

We are also encouraging the promotion of young employees as next-generation design team leaders. By enabling the younger generation to promote projects and strengthening the project management system, we have solidified the foundation for enhancing design quality. On the other hand, in recent years, the percentage of mid-career employees has declined because business growth has preceded human resource development. To resolve this issue, we are strengthening our rank-based training programs, especially for making new hires industry-ready.

Kobayashi

In terms of sales, we subdivide sales areas so that we can actively understand customer needs. A characteristic area-based initiative is the "mini-exhibition strategy" we pursue in Japan. Unlike a conventional exhibition whereby an organizer accepts applications from different exhibitors, a mini-exhibition is a small-scale exhibition hosted solely by

MIMAKI. It provides us with opportunities to engage in dialogue with our customers and offer specific proposals. Aiming to become more community-based, we have held mini-exhibitions not only in urban centers but also throughout Japan. In fiscal 2014, we hosted about 750 mini-exhibitions.

Ikeda

We think this kind of focused and personable approach is crucial in building strong relationships of trust with customers as well as acquiring information and an understanding of underlying needs of the market—or even just a few hints about its needs. We are now working on a global launch of the mini-exhibition strategy with a particular focus on North America. With this strategy, we aim to establish a solid sales system by enhancing recruitment of local staff and providing expertise-building training programs.

THEME 04

Starting initiatives for M1000 (consolidated net sales of 100 billion yen)

Message to shareholders

Kobayashi

We think we have made substantial progress in solidifying the foundation for achieving

M500 and have reached the stage where we are ready to execute strategies for further growth, or strategies toward M1000 (consolidated net sales of 100 billion yen). Under these circumstances, MIMAKI listed its stock on the First Section of the Tokyo Stock Exchange (TSE) in March 2015 and raised 4.66 billion yen with a public stock offering around the same time. We will devote the funds to capital investment to enhance our development and production capabilities. We have already secured a factory site near our current head office and will build factory facilities in stages. Meanwhile, we established a development center in Tokyo in May and started preparations for an increase of development personnel.

Ikeda

In terms of new technology toward M1000, we are developing 3D printers as our prospective fourth pillar. Based on the patent we acquired in 2009, our 3D printer under development will be a full-color UV-curable inkjet printer that allows 3D modeling in unprecedented colors. We have great expectations for it as a new "grape."

Ikeda and Kobayashi

MIMAKI aims to be a development-driven company that can keep up with a changing world by supporting the growth of its employees and their efforts to drive business in new fields, achieving M500 and launch initiatives toward M1000. We aspire to remain a company where individual employees contribute to the growth of this "bunch of grapes" that we call MIMAKI by providing willing trailblazers with as many opportunities as possible.

We appreciate our shareholders' continued support for the MIMAKI Group.



Action 1

Listing on the TSE First Section on March 13, 2015

With the approval of the TSE, MIMAKI ENGINEERING CO., LTD. shifted its stocks from the JASDAQ to the TSE First Section on March 13, 2015. We appreciate the tremendous support and cooperation of our shareholders and all the stakeholders who helped to make this happen.



Action 2

1:2 Stock Split (as of April 1, 2015)

With the aim of reducing the minimum stock investment unit to improve liquidity and increase investors, we carried out a 1:2 stock split.

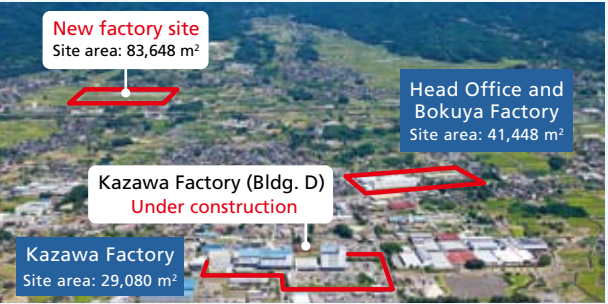
Action 3

4.66 Billion Yen Raised through a Public Stock Offering on March 13, 2015

We will devote the raised funds to capital investment for the future growth of the Company.

1	Expansion of the existing Kazawa Factory Building D (To be completed in December 2015)	1,331 million yen
2	Acquisition of a new factory site (Acquired in March 2015)	1,326 million yen
3	Building of a factory at the new site (To be completed in January 2017)	2,800 million yen

Funds raised through the public stock offering 4,660 million yen (After tax) → Total investment 5,450 million yen



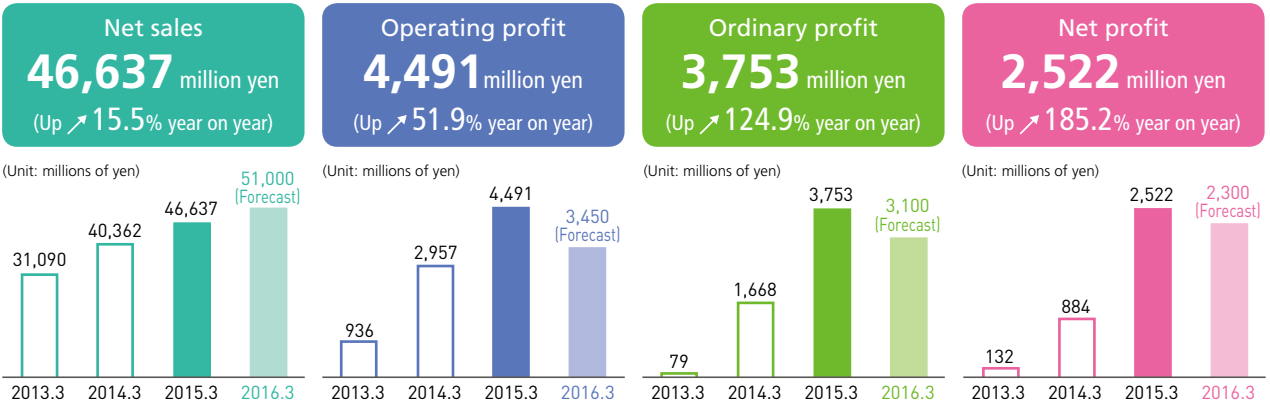
Around the time we were listed on the TSE First Section, we raised funds through a public stock offering and conducted a stock split. With these corporate actions, we secured resources for our growth and improved our financial strength. We are committed to meet the expectations of all stakeholders by implementing medium- to long-term growth strategies and further improving our performance. We appreciate your continued support.



	As of the end of March 2014	As of the end of March 2015
1 Advancing to the TSE First Section		
2 Securing growth resources		
3 Improving financial strength	Capital adequacy ratio: 24.5%	Capital adequacy ratio: 34.9%
4 Increasing shareholders	Number of shareholders: 1,655	Number of shareholders: 5,785
5 Improving stock fluidity	Free float weight: 8.2%	Free float weight: 16.7%

Financial Highlights
Consolidated Performance Highlights for the Fiscal Year Ended March 2015.

Second year of the **M500 Project** with the medium-term goal of consolidated net sales of 50 billion yen
With new products successful in the SG market and a continued strong performance in the IP and TA markets, we have started to gear up to achieve the goal.



Net Sales

We remodeled major products for the SG market and increased the number of units sold, primarily of existing products in the first half of the fiscal year and of new products in the second half. In the IP market, sales of large models dramatically improved while small models continued to record steady sales. In the TA market, dye sublimation printers maintained strong sales. By region, sales were particularly strong in Europe and Asia. This performance resulted in net sales of 46,637 million yen (up 15.5% year on year).

Profits

Despite increased production costs due to higher prices of some material, which impacted some group members along with increased labor costs due to expanding operations and increased sales promotion costs, the depreciation of the yen contributed to improving the cost of sales ratio, as our major production sites are located in Japan. This resulted in operating profit of 4,491 million yen (up 51.9% year on year). Compared with the previous fiscal year in which we recorded a large amount of non-operating expenses, ordinary profit and net profit increased to 3,753 million yen (up 124.9%) and 2,522 million yen (up 185.2%), respectively.

Forecast for Consolidated Business Performance for the Fiscal Year Ending March 2016	Net sales	Operating profit	Ordinary profit	Net profit	Distribution per share
	51,000 million yen (Up ↑ 9.4% year on year)	3,450 million yen (Down ↓ 23.2% year on year)	3,100 million yen (Down ↓ 17.4% year on year)	2,300 million yen (Down ↓ 8.8% year on year)	Interim dividend: 5 yen Year-end dividend: 5 yen

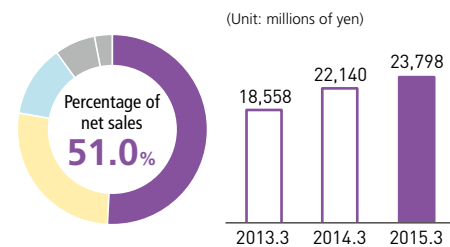
Keeping in mind the growing global demand for digital on-demand production and anticipating that by leveraging the MIMAKI Group's global networks we can effectively boost sales of products that can meet market needs with "innovation and a real difference," we expect sales to rise. In terms of profits, we expect a profit decline based on a stronger yen versus the euro and emerging market currencies. We are committed to bringing our M500 Project to completion and are pursuing growth strategies with a view that extends beyond the medium-term goal.

Financial Highlights

Performance Highlights by Market for the Fiscal Year Ended March 2015

SG market

Net sales: **23,798 million yen** (Up ↗ 7.5% year on year)



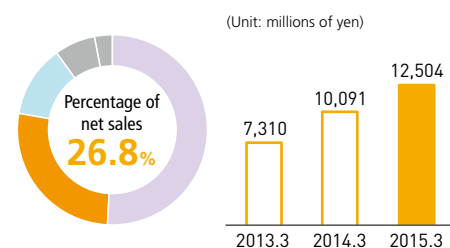
JV300-130/160

The products for this market are models designed to produce visual communications, such as advertisements and signboards.

The JV300 series, released in June 2014, won a high market evaluation for its capabilities, including picture quality, print speed, and continuous operation function. Attracting new customers as well as replacement demand, the series enjoyed very strong sales and increased the number of units sold. The JV150, CJV300, and CJV150 series, released in October 2014, also increased the number of units sold and contributed to sales growth. These resulted in net sales of 23,798 million yen, up 7.5% year on year.

IP market

Net sales: **12,504 million yen** (Up ↗ 23.9% year on year)



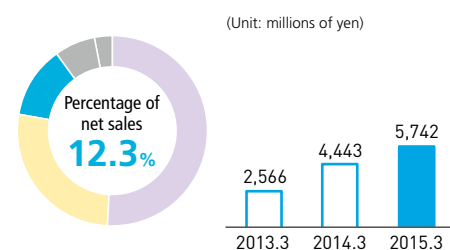
JFX200-2513

The products for this market are used in the manufacture of industrial products.

Among products for the IP market, where we can take advantage of the features of UV-curable ink that can be printed on various materials, leading compact models UJF-3042HG, UJF-3042FX, and UJF-6042 saw brisk activity. The large, high-end model JFX500-2131 remained a strong performer while the JFX200-2513—an entry model with pared-down features and a price nearly half that of the JFX500-2131—saw favorable growth in sales volume in emerging nations. These products contributed greatly to revenues, resulting in net sales of 12,504 million yen, up 23.9% year on year.

TA market

Net sales: **5,742 million yen** (Up ↗ 29.3% year on year)



TS500-1800

The products in this market are used for producing textile goods in the apparel industry.

Since it eliminates the post-printing washing process, the sublimation transfer printing we launched ahead of competitors enables the easy setup of a clean working environment at a low cost in a small space. It is therefore growing into a market in its own right within textile printing. The entry model TS34-1800A and high-end model TS500-1800 both performed well, and sublimation ink also achieved a substantial increase in sales. These resulted in net sales of 5,742 million yen, up 29.3% year on year.

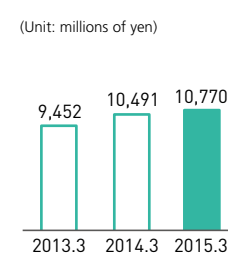
● Spare parts 7.0%, Others 2.9%

Financial Highlights

Performance Highlights: Market Conditions by Region and Product Category for the Fiscal Year Ended March 2015

Japan

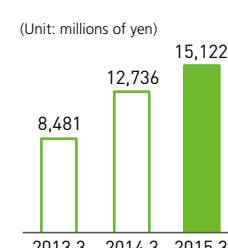
Net sales: **10,770 million yen** (Up ↗ 2.7% year on year)



Despite impacts of the consumption tax hike, sales increased for new products from the JV300, CJV300, and CJV150 series for the SG market while the JFX200-2513, a large model for the IP market, continued its strong performance. These resulted in higher net sales than in the previous fiscal year.

Europe

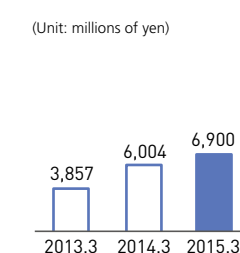
Net sales: **15,122 million yen** (Up ↗ 18.7% year on year)



New products from the JV300 series for the SG market and JFX200-2513 for the IP market continued their strong performance. The TS500-1800 for the TA market continued to show strong sales, followed by a dramatic increase in sales of dye sublimation ink. These resulted in substantially higher net sales than in the previous fiscal year.

North America

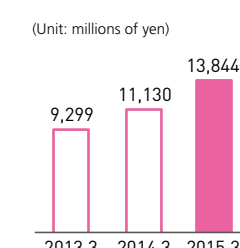
Net sales: **6,900 million yen** (Up ↗ 14.9% year on year)



Sales in the SG market were slow despite the effect of new products from the JV300 series. A substantial increase in the number of JFX200-2513 units sold in the IP market and the steady performance of dye sublimation printers in the TA market helped push net sales higher year on year.

Asia, Oceania, and Others

Net sales: **13,844 million yen** (Up ↗ 24.4% year on year)



Products for the SG market in China and products for the TA market in Brazil continued to enjoy particularly strong sales. The efforts of sales subsidiaries to improve distribution channels in ASEAN countries and Australia contributed to the steady performance. These helped push net sales substantially higher year on year.

Business performance for the fiscal year ended March 2015

Consolidated net sales outside Japan

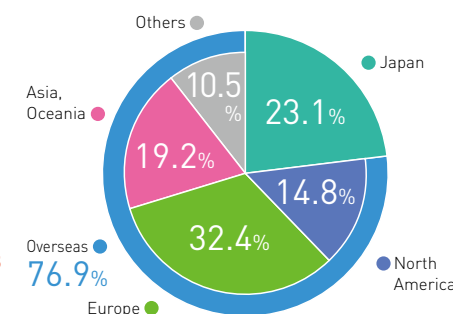
35,866 million yen

Percentage of consolidated net sales

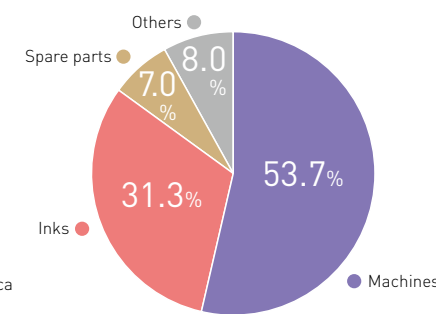
76.9%

We provide products and services to customers in approximately **150 countries and regions.**

Percentage of net sales by region



Percentage of net sales by product category






Launching a New Product in Each of Our Three Markets

Sign Graphics

SIJ-320UV

3.2-meter width, Grand Format UV LED Curable Inkjet Printer



Released only outside Japan; sales in Japan to be decided


Launched in April 2015

- Launched in overseas markets with greater demands for large signage production
- Achieving both "beauty and speed" at a bargain price for a large UV printer

Industrial Products

CFL-605RT

Flatbed Cutting Plotter for A2-size Paper with Additional Margin




Launched in February 2015

- Extremely reliable print and cut solution, when used in combination with a UV-curable printer, for on-demand production of original goods and their packaging

Textile & Apparel

TS300P-1800

Dye Sublimation Production Inkjet Printer



Launched in July 2015

- A practical print speed of 38m²/hr, 1.7 times faster than conventional products
- High-gap printhead model that can print on low-cost thin media

Entering the 3D Printer Business

As the first step into the 3D printer business, one of our consolidated subsidiaries, GRAPHIC CREATION, will launch a service to output full-color objects using its proprietary 3D printer.

Scheduled service launch: August 2015

Features of MIMAKI 3D

Unprecedentedly colorful 3D prints

Reproduces 10 million colors

Allows high-precision micro fabrication



Corporate Profile

Corporate Name MIMAKI ENGINEERING CO., LTD.
Foundation August 1975
Capital 4,357 million yen
Businesses Development, manufacturing, and sales of computer devices and software
Employees 1,378 (consolidated)
680 (parent company only)

Board Members (As of June 24, 2015)

Executive Chairman	Akira Ikeda
President	Hisayuki Kobayashi
Executive Vice President	Sakae Sagane
Executive Director	Masaaki Fujita
Director	Kazuaki Ikeda
Director	Kazuyuki Takeuchi
Counselor for Director	Noriyuki Tanaka
Director (Outside)	Makoto Tanaka
Auditor (Full-Time)	Masayoshi Tsuchiya
Auditor (Outside)	Tomokazu Iwashita
Auditor (Outside)	Yukio Tsuchiya

Accounting Auditor

Deloitte Touche Tohmatsu LLC

Business Locations

Head Office and Headquarters 2182-3 Shigeno-Otsu, Tomi-shi, Nagano 389-0512, Japan

Kazawa Factory 1333-3 Kazawa, Tomi-shi, Nagano 389-0514, Japan

Nagano Development Center 520-1 Kitanagaike, Nagano-shi, Nagano 381-0025, Japan

Hachioji Development Center 593-6 Kitano-machi, Hachioji-shi, Tokyo 192-0906, Japan

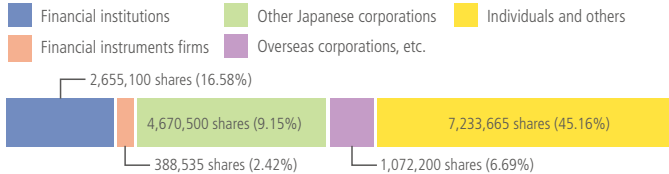
Sales Bases Tokyo, Osaka, Sapporo, Sendai, Nagano, Yokohama, Saitama, Kanazawa, Nagoya, Kyoto, Kobe, Hiroshima, Shikoku (Takamatsu), and Fukuoka

Stock Information

Total Number of Authorized Shares	40,080,000 shares
Total Number of Issued Shares	16,020,000 shares
Number of Shareholders	5,785
Major Shareholders	
Shareholder name	Number of shares held (shares) Investment ratio (%)
Ikeda Holdings, Inc.	2,213,600 13.82
Japan Trustee Services Bank, Ltd.	1,485,800 9.27
Tanaka Kikaku Ltd.	1,200,000 7.49
Noriyuki Tanaka	1,010,000 6.30
MIMAKI ENGINEERING Employee Stock Ownership	861,400 5.38
Tokyo Small Business Investment Co.	762,000 4.76
THE BANK OF NEW YORK MELLON Corporation 140030	488,000 3.05
THE HACHIJUNI BANK, LTD.	420,000 2.62
Akira Ikeda	410,800 2.56
AVASYS CORPORATION	360,000 2.25

Note: The Company holds 372,895 shares of treasury stock, which are excluded from the above list of major stockholders.

Ownership Breakdown



Corporate Website

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

Address > <http://eng.mimaki.co.jp/>

Click here



Homepage



Company profile