



Mimaki Engineering Co., Ltd.

Third Quarter of Fiscal Year Ending March 31, 2023

Financial Results Briefing Materials

March 13, 2023



Securities Code
6638

CJV330 Series



UJF-7151 plus II



TS330-1600



3DUJ-2207



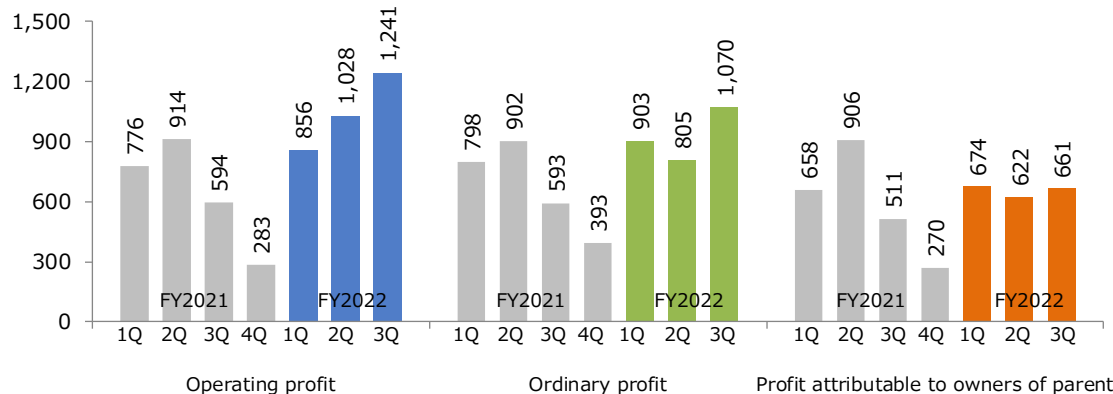
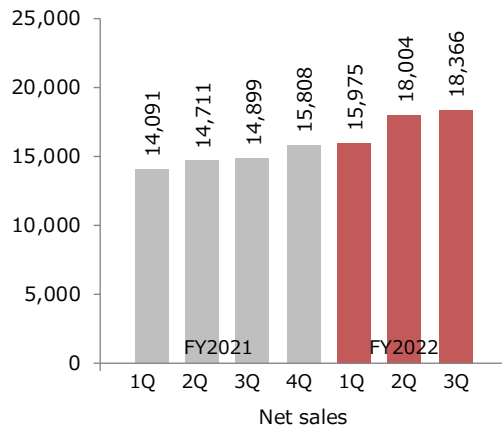
Consolidated Results for FY2022

- ❖ Third quarter results
- ❖ FY2022 full business year forecast

Consolidated Performance Highlights (Results for 3Q FY2022)



(Millions of yen)		FY2021		FY2022 <small>* Excluding the impact of exchange rate</small>				
		3Q Actual	Sales ratio	3Q Actual	Sales ratio	Change from FY2021		
						Amount	Change from FY2021	Change from FY2021*
■	Net sales	14,899	—	18,366	—	3,466	23.3%	12.0%
■	Operating profit	594	4.0%	1,241	6.8%	647	108.9%	—
■	Ordinary profit	593	4.0%	1,070	5.8%	477	80.4%	—
■	Profit attributable to owners of parent	511	3.4%	661	3.6%	149	29.3%	—
Exchange rate (yen)	USD	113.71	—	141.64	—	27.93	24.6%	—
	EUR	130.07	—	144.35	—	14.28	11.0%	—



Consolidated Financial Highlights (for 3Q FY2022)



■ 3Q net sales

- Sales increased by 3,466 million yen compared to the same period of FY2021 (+23%, including +1,683 million yen due to the impact of exchange rates), exceeding the previous forecast.
- The overall impact of the ongoing shortage of semiconductors from the first half of the fiscal year has persisted while the longer transportation lead times are gradually being resolved.
- Despite the impact of the sales decline resulting from the Russia-Ukraine crisis and China's COVID-19 policy, firm demand for the Company's printer units and ink contributed to significant sales growth in all markets: the SG market with an extensive product lineup, the IP market with strong sales of new products, and the TA market with notable recovery demand following COVID-19, especially in emerging countries.
- The yen's depreciation on foreign exchange had a positive effect, with a considerable increase in sales.

■ 3Q operating profit

- Profit increased by 647 million yen compared to the same period of FY2021 (+109%, including +644 million yen due to the impact of exchange rates), exceeding the previous forecast
- Reviewed selling prices to cope with the continuing impact of higher procurement costs of parts and materials and energy costs.
- Compared with the high cost of sales ratio in the same period of the previous fiscal year due to a significant increase in costs, the cost of sales ratio improved due to a gradual decrease in transportation costs as logistics disruptions were resolved and better model mixing. SG&A expenses increased due to strong business and sales activities.
- The yen's depreciation on foreign exchange had a positive effect, with a significant increase in sales.

■ Balance sheet as of 3Q

- CCC*, a key indicator, decreased in comparison to the end of the previous fiscal year as a result of sales expansion, accelerated collection of accounts receivable, inventory reduction activities, etc.

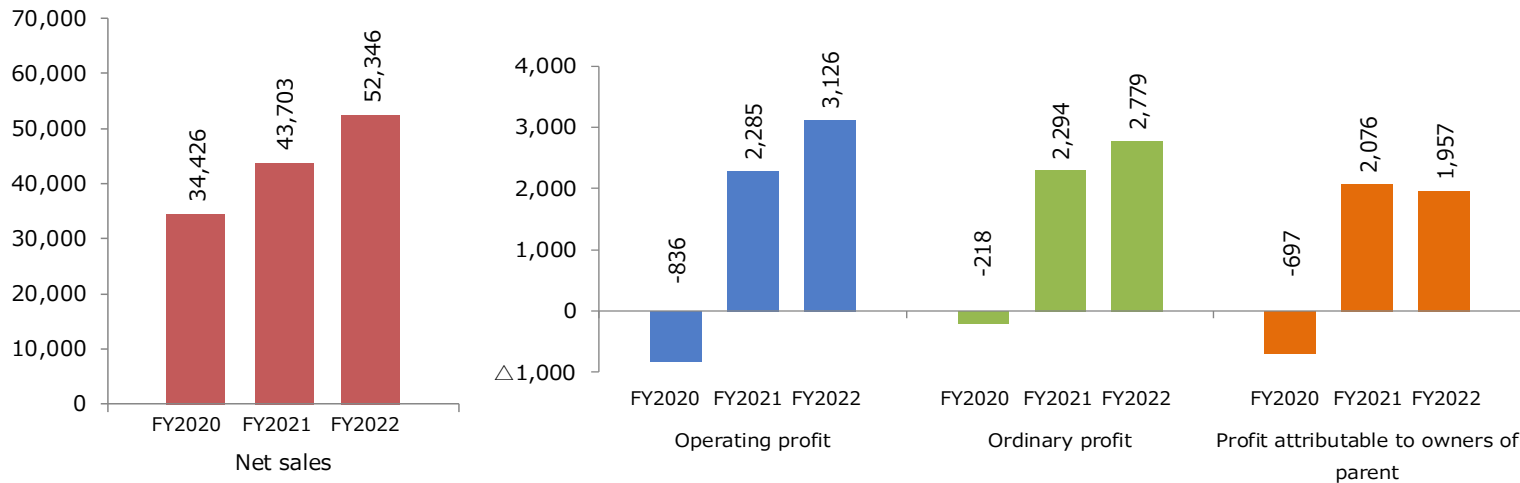
2021/end of December: 4.27 → 2022/end of March: 5.27 → end of June: 5.50 → end of September: 5.14 → end of December: 4.83

*CCC: Cash Conversion Cycle

Consolidated Performance Highlights (Cumulative Results for 3Q FY2022)



(Millions of yen)		FY2021		FY2022 <small>* Excluding the impact of exchange rate</small>				
		1Q-3Q Actual	Sales ratio	1Q-3Q Actual	Sales ratio	Change from FY2021		
						Amount	Change from FY2021	Change from FY2021*
■	Net sales	43,703	–	52,346	–	8,643	19.8%	9.9%
■	Operating profit	2,285	5.2%	3,126	6.0%	841	36.8%	–
■	Ordinary profit	2,294	5.3%	2,779	5.3%	485	21.1%	–
■	Profit attributable to owners of parent	2,076	4.8%	1,957	3.7%	-118	-5.7%	–
Exchange rate (yen)	USD	111.10	–	136.53	–	25.43	22.9%	–
	EUR	130.62	–	140.60	–	9.98	7.6%	–



Factors Effecting Operating Profit (3Q FY2021 Cumulative vs 3Q FY2022 Cumulative)



[Impact by currency]

USD: 111.10 yen → 136.53 yen	+1,193
EUR: 130.62 yen → 140.60 yen	+536
CNY: 17.25 yen → 19.88 yen	-648
TRY: 12.18 yen → 7.86 yen	-302
BRL: 20.71 yen → 26.55 yen	+243
Other (AUD, IDR, etc.)	+397
Total	+1,418

[FX impact on net sales, cost of sales and operating profit]

Net sales (4,314) - Cost of sales (1,857) - SG&A expenses (1,038) = Operating profit (1,418)

[Factors behind changes in cost of sales ratio]

Impact is primarily due to soaring costs for transportation and parts and raw materials

[Factors behind changes in SG&A expenses]

Labor expenses	447
Sales promotion expenses	397
R&D expenses	262
Travel and transportation expenses	202
Commission paid	108
Others	509
Total	1,925

(Unit: millions of yen)

(1) FX impact

(2) Impact of change in net sales

(3) Impact of change in cost of sales ratio

(4) Impact of change in SG&A expenses

1,715

-367

-1,925

1,418

Cost of sales ratio

SG&A expenses ratio

60.4%

34.4%



61.1%
(+0.7 pt)

35.3%
(+0.9 pt)

2,285

3,126

Operating profit
(FY2021)

Operating profit
(FY2022)

Operating profit 841 million yen

Sales by Market Segment (Results for 3Q FY2022)



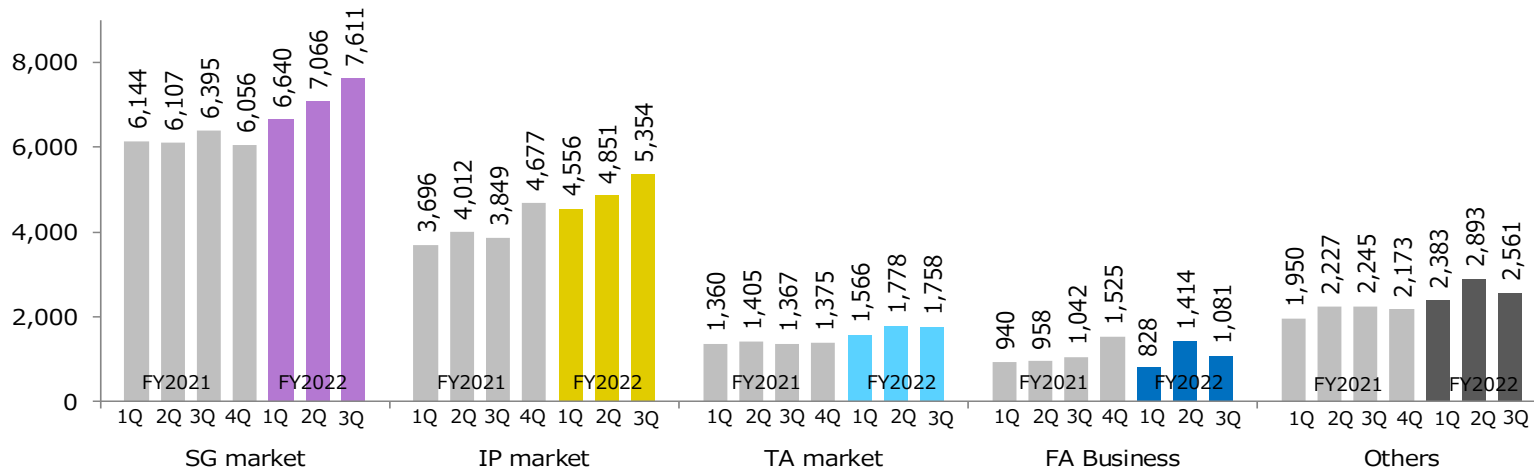
(Millions of yen)	FY2021		FY2022 <small>* Excluding the impact of exchange rate</small>				
	3Q Actual	Sales ratio	3Q Actual	Change from FY2021		Sales ratio	
				Amount	Change from FY2021		Change from FY2021*
■ SG market	6,395	42.9%	7,611	1,215	19.0%	7.9%	41.4%
■ IP market	3,849	25.8%	5,354	1,505	39.1%	24.0%	29.2%
■ TA market	1,367	9.2%	1,758	391	28.6%	18.3%	9.6%
■ FA business	1,042	7.0%	1,081	39	3.8%	2.1%	5.9%
■ Others	2,245	15.1%	2,561	315	14.1%	–	13.9%
Total	14,899	100.0%	18,366	3,466	23.3%	12.0%	100.0%

- SG market : Mainly the mid-range models, the entry-level 100 model series, and cutting plotters such as the CG-AR series were strong, new flagship models were also firm, and ink sales remained strong.
- IP market : The updates to the lineup of the UJF series of mainstay compact flatbed printers caused main units sales to continue to increase notably, while sales of large flatbed printers performed well and ink sales were also strong.
- TA market : Sales of main units grew substantially, centering on the entry-level model TS100 in Latin America and Asia, while sales of the mainstay mid-range models were strong, and ink sales also grew significantly.
- FA business : Sales in relation to PCB inspection equipment, semiconductor production equipment and metal processing remained firm, while sales of FA equipment and PCB mounting equipment decreased.

Sales by Market Segment (Cumulative Results for 3Q FY2022)



(Millions of yen)	FY2021		FY2022				
	1Q-3Q Actual	Sales ratio	1Q-3Q Actual	Change from FY2021		Sales ratio	
				Amount	Change from FY2021		Change from FY2021*
SG market	18,647	42.7%	21,318	2,670	14.3%	3.5%	40.7%
IP market	11,558	26.4%	14,762	3,203	27.7%	16.3%	28.2%
TA market	4,133	9.5%	5,103	970	23.5%	11.8%	9.7%
FA business	2,940	6.7%	3,324	383	13.1%	12.5%	6.4%
Others	6,423	14.7%	7,837	1,414	22.0%	—	15.0%
Total	43,703	100.0%	52,346	8,643	19.8%	9.9%	100.0%



Sales by Area (Results for 3Q FY2022)

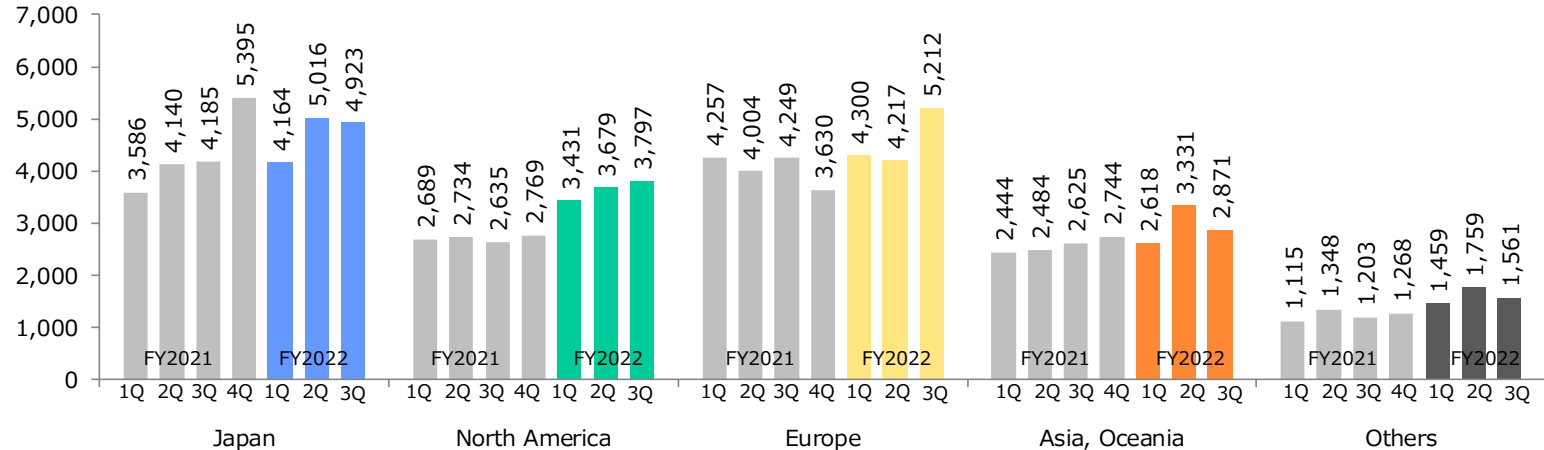
(Millions of yen)	FY2021		FY2022			
	3Q Actual	Sales ratio	3Q Actual	Change from FY2021		Sales ratio
				Amount	Change from FY2021	
■ Japan	4,185	28.1%	4,923	738	17.6%	26.8%
■ North America	2,635	17.7%	3,797	1,162	44.1%	20.7%
Local currency:\$	23.1M	–	26.8M	3.6M	15.7%	–
■ Europe	4,249	28.5%	5,212	962	22.6%	28.4%
Local currency:€	32.6M	–	36.1M	3.4M	10.5%	–
■ Asia, Oceania	2,625	17.6%	2,871	245	9.4%	15.6%
■ Others	1,203	8.1%	1,561	358	29.8%	8.5%
Total	14,899	100.0%	18,366	3,466	23.3%	100.0%

- Japan: Amid continued economic recovery, sales in the SG, IP, and TA markets increased significantly, and ink sales were also strong.
- North America: While the speed of inflation gradually slowed down, IP sales remained strong for both compact and large flatbed printers, SG sales were also strong mainly for mainstay products, sales of ink and spare parts were also strong, and the effect of the yen's depreciation on foreign exchange contributed positively.
- Europe: Although the negative impact of the Russia-Ukraine crisis still remains, sales increased in most major countries such as Germany, Italy, the U.K., and Portugal. Overall, sales of SG and IP increased significantly, TA sales remained firm, ink demand was also solid and the effect of the yen's depreciation on foreign exchange contributed positively.
- Asia and Oceania: While sales in China declined significantly due to the impact of the Zero-COVID policy and the confusion after its lifting, sales increased in most major countries, such as Australia, the Philippines, Thailand, and India. Overall, in addition to strong SG, TA sales expanded significantly, and ink sales were also strong.

Sales by Area (Cumulative Results for 3Q FY2022)



(Millions of yen)	FY2021		FY2022			
	1Q-3Q Actual	Sales ratio	1Q-3Q Actual	Change from FY2021		Sales ratio
				Amount	Change from FY2021	
Japan	11,911	27.3%	14,105	2,193	18.4%	26.9%
North America	8,058	18.4%	10,908	2,849	35.4%	20.8%
Local currency:\$	72.5M	–	79.8M	7.3M	10.1%	–
Europe	12,511	28.6%	13,730	1,219	9.7%	26.2%
Local currency:€	95.7M	–	97.5M	1.7M	1.8%	–
Asia, Oceania	7,554	17.3%	8,821	1,266	16.8%	16.9%
Others	3,666	8.4%	4,780	1,113	30.4%	9.1%
Total	43,703	100.0%	52,346	8,643	19.8%	100.0%



Consolidated Results for FY2022

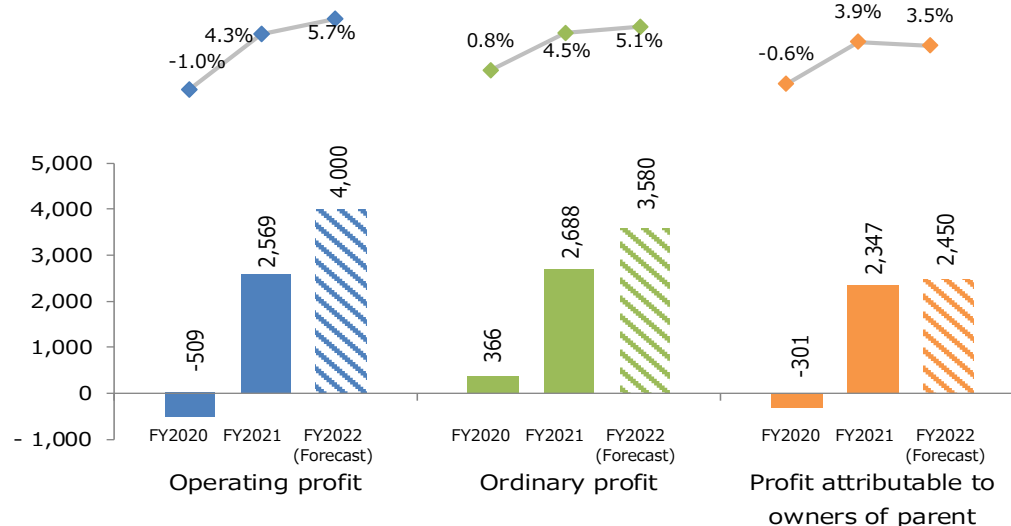
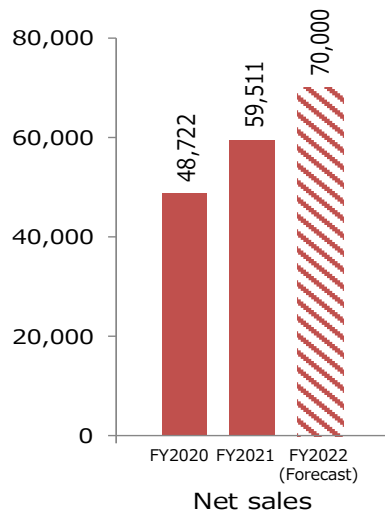
- ❖ Third quarter results
- ❖ FY2022 full business year forecast

Consolidated Performance Forecast Highlights (FY2022)



(Millions of yen)		FY2021		FY2022								
		Fiscal year Actual	Sales ratio	Fiscal year Previous forecast	Sales ratio	Change from FY2021	Fiscal year Forecast (Revised)	Sales ratio	Change from FY2021			Change from previous forecast
									Amount	Change from FY2021	Change from FY2021*	
■ Net sales		59,511	-	71,800	-	12,288	70,000	-	10,488	17.6%	8.6%	-1,800
■ Operating profit		2,569	4.3%	3,420	4.8%	850	4,000	5.7%	1,430	55.7%	-	580
■ Ordinary profit		2,688	4.5%	3,070	4.3%	381	3,580	5.1%	891	33.2%	-	510
■ Profit attributable to owners of parent		2,347	3.9%	2,200	3.1%	-147	2,450	3.5%	102	4.4%	-	250
Exchange rate (yen)	USD	112.38	-	134.49	-	22.11	135.48	-	23.10	20.6%	-	0.99
	EUR	130.56	-	136.86	-	6.30	140.85	-	10.29	7.9%	-	3.99

* Excluding the impact of exchange rate



Key Points of the Consolidated Performance Forecast (FY2022)



■ Assumptions underlying the consolidated performance forecast

① Net sales

- Some difficulties in procuring parts and materials will continue to have an effect to some extent while longer transportation lead times are expected to be resolved.
- The previous forecast has been revised downward since we expect a decrease in demand mainly for ink despite our efforts to strengthen product lineup and sales activities. The demand decline is likely to happen as the operation of printers at customer locations may decrease following the economic slowdown in Europe, the U.S., and etc.

② Operating profit

- No change in outlook regarding impact of higher costs of parts, materials, and energy, etc.
- The previous forecast has been revised upward due to the cost of sales ratio expected to improve. Its contributing factors are reviewed selling prices, decreased transportation costs as well as better model mixing. The mixing improvement follows the sales increase from new printer main units with high gross margin. The revision also takes account of the progress up to 3Q.

③ Exchange rate assumptions for 4Q are as follows: USD: 132.33 yen (previous forecast: 135.00 yen), EUR: 141.61 yen (previous forecast: 135.00 yen)

- With the goal of reaching an operating profit ratio of 10% by FY2025 as established in “Mimaki V10,” we will take every precaution with regard to geopolitical risks, define measures for business expansion in FY2023, and work together as an entire company.

Factors Effecting Operating Profit (FY2021 Results vs FY2022 Forecast)



(Unit: millions of yen)

[Impact by currency]

USD: 112.38 yen → 135.48 yen	+1,367
EUR: 130.56 yen → 140.85 yen	+731
CNY: 17.51 yen → 19.77 yen	-714
TRY: 11.23 yen → 7.65 yen	-361
BRL: 21.11 yen → 26.29 yen	+283
Other (AUD, IDR, etc.)	+471
Total	+1,777

[Exchange rate sensitivity (1 yen/year)]

	Net sales	Operating profit
USD	136	59
EUR	115	71

[Factors behind changes in cost to sales ratio]

Impact is primarily anticipated from soaring costs for transportation and parts and raw materials

[FX impact on net sales, cost of sales and operating profit]

Net sales (5,352) - Cost of sales (2,317) - SG&A expenses (1,257) = Operating profit (1,777)

(1) FX impact

(2) Impact of change in net sales

(3) Impact of change in cost of sales ratio

(4) Impact of change in SG&A expenses

1,777

2,057

-730

Cost of sales ratio

59.9%

↓

61.1%

(+1.2pt)

-1,674

SG&A expenses ratio

35.8%

↓

35.5%

(-0.3pt)

2,569

4,000

Operating profit (FY2021)

Operating profit (FY2022)

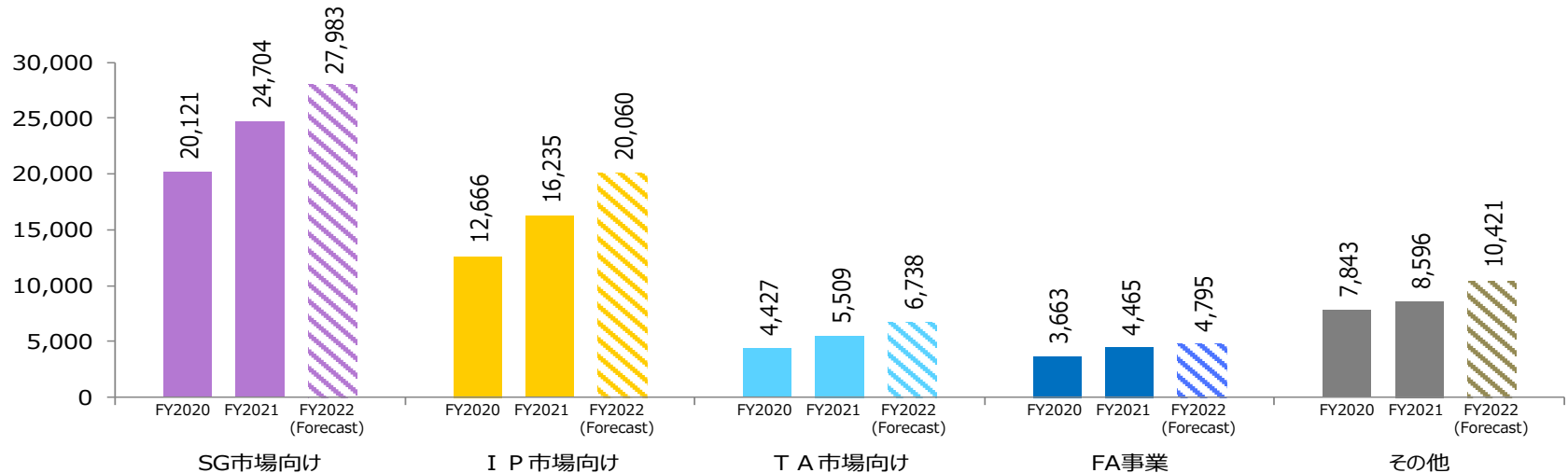
Operating profit 1,430 million yen

Sales Forecast by Market Segment (FY2022)



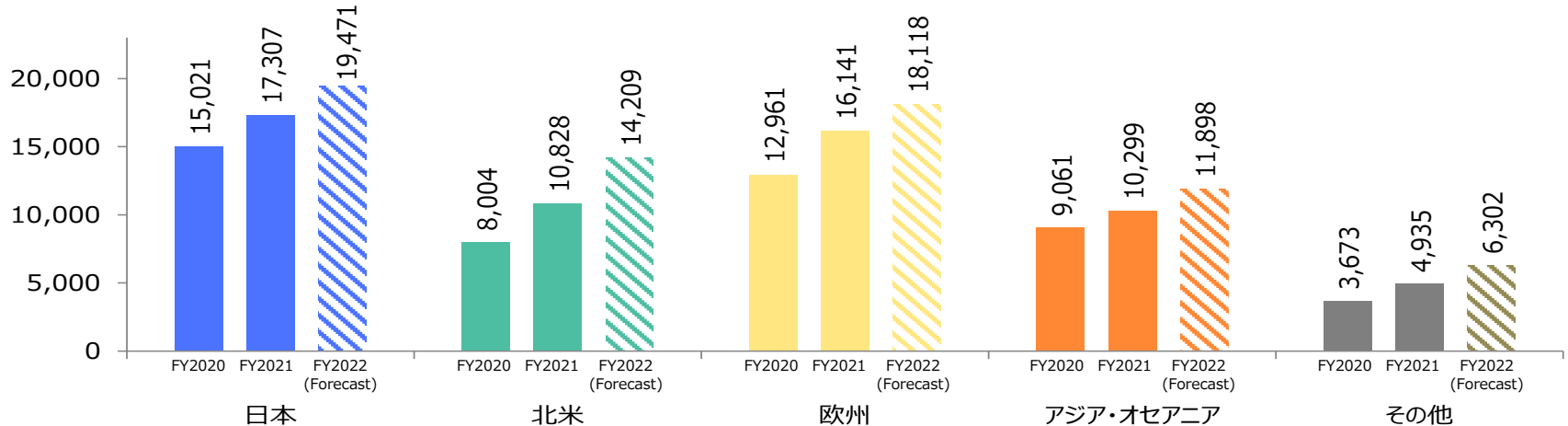
(Millions of yen)	FY2021		FY2022							
	Fiscal year Actual	Sales ratio	Fiscal year Previous forecast	Change from FY2021	Fiscal year Forecast (Revised)	Change from FY2021			Sales ratio	Change from previous forecast
						Amount	Change from FY2021	Change from FY2021*		
SG market	24,704	41.5%	29,611	4,906	27,983	3,279	13.3%	2.8%	40.0%	-1,627
IP market	16,235	27.3%	20,025	3,789	20,060	3,825	23.6%	13.7%	28.7%	35
TA market	5,509	9.3%	7,161	1,652	6,738	1,229	22.3%	11.0%	9.6%	-422
FA business	4,465	7.5%	5,131	665	4,795	329	7.4%	7.4%	6.9%	-336
Others	8,596	14.4%	9,871	1,274	10,421	1,824	21.2%	-	14.9%	550
Total	59,511	100.0%	71,800	12,288	70,000	10,488	17.6%	8.6%	100.0%	-1,800

* Excluding the impact of exchange rate



Sales Forecast by Area (FY2022)

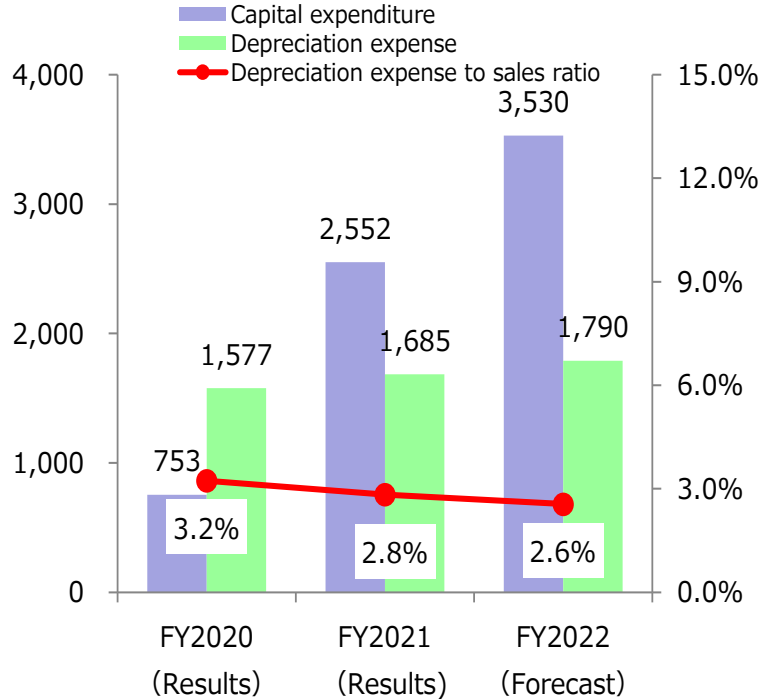
(Millions of yen)	FY2021		FY2022						
	Fiscal year Actual	Sales ratio	Fiscal year Previous forecast	Change from FY2021	Fiscal year Forecast (Revised)	Change from FY2021		Sales ratio	Change from previous forecast
						Amount	Change from FY2021		
Japan	17,307	29.1%	19,105	1,798	19,471	2,163	12.5%	27.8%	365
North America	10,828	18.2%	15,090	4,261	14,209	3,380	31.2%	20.3%	-880
Local currency:\$	96.3M	-	112.2M	15.8M	104.8M	8.5M	8.8%	-	- 7.4M
Europe	16,141	27.1%	18,683	2,542	18,118	1,976	12.2%	25.9%	-565
Local currency:€	123.6M	-	136.5M	12.8M	128.6M	4.9M	4.0%	-	- 7.9M
Asia, Oceania	10,299	17.3%	12,430	2,131	11,898	1,599	15.5%	17.0%	-531
Others	4,935	8.3%	6,489	1,554	6,302	1,367	27.7%	9.0%	-186
Total	59,511	100.0%	71,800	12,288	70,000	10,488	17.6%	100.0%	-1,800



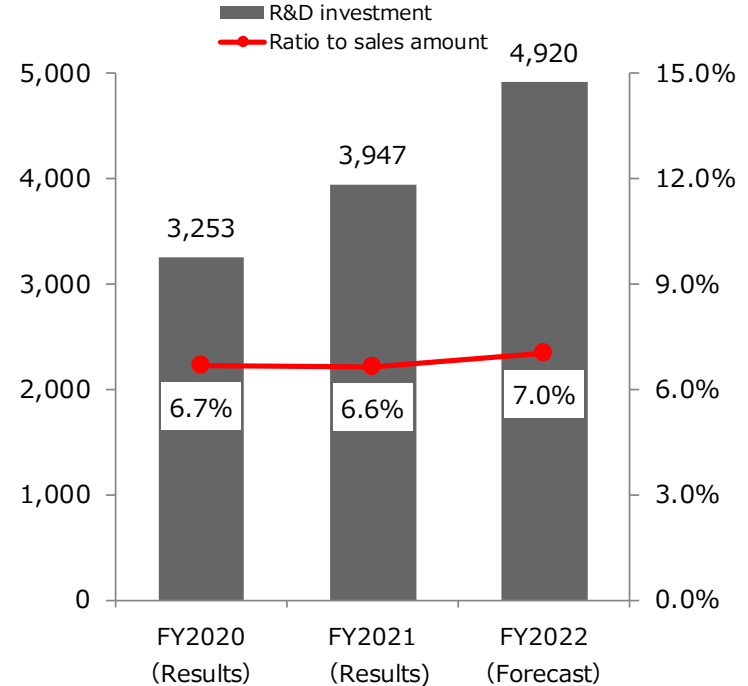
Capital Expenditure, Depreciation, and R&D Investment Forecast (FY2022)



(millions of yen)



(millions of yen)



※ The above amount shows the total cost of research and development activities, and includes expenses related to improvement and application etc. of existing products.

Shareholder Returns

Dividend Policy

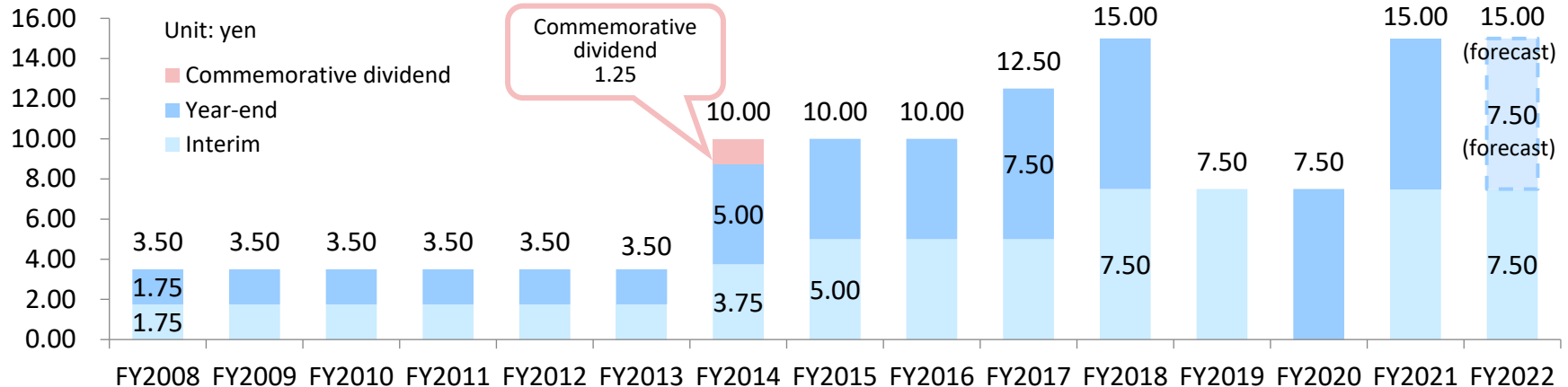
Mimaki Engineering treats shareholder returns as a key management tenet. As such, it is the Company's basic policy to stably and continuously pay out dividends commensurate with growth in business performance.

- Dividends for FY2021 Interim: 7.5 yen, Year-end: 7.5 yen

Based on recovery of business and our policy of stable and continuous shareholder returns, we paid an annual dividend of 15.0 yen.

- Dividends for FY2022 Interim: 7.5 yen, Year-end (forecast) : 7.5 yen

Based on a comprehensive consideration of the business outlook for the current fiscal year and our policy of stable and continuous shareholder returns, we expect to pay an annual dividend of 15.0 yen.



*The commemorative dividend for the fiscal year ended March 31, 2015 is related to the listing on the First Section of the Tokyo Stock Exchange.

*The Company conducted a 2-for-1 stock split effective April 1, 2015 (the dividend before the split has been adjusted retroactively).

For inquiries regarding this material,
please contact

Mimaki Engineering Co., Ltd.

IR Department

Telephone (Head Office): 0268(80)0058

Telephone (Tokyo): 03(6362)4290

E-mail: mimaki-ir@mimaki.com

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The utmost care was taken in ensuring accuracy during the creation of this document; however, no guarantees are made as to its completeness. The Company accepts no responsibility whatsoever for any inconveniences or damages incurred due to use of the information contained in this document.

Performance forecasts and future estimations contained in this document were formulated by the Company based on information that was available when the document was created, and are subject to potential risks and uncertainties. Therefore, various factors such as changing business environments could lead to significantly different outcomes in actual performance compared to the forecasts mentioned or described herein. Thank you for your understanding.