

Financial Result for the Fiscal Year Ended March 2018

MIMAKI ENGINEERING CO., LTD

June 4, 2018

NEW



(To be launched in July 2018)

NEW

Tiger-1800B MkII



(To be launched in July 2018)

NEW

Mimaki
3D Printer



(Launched in November 2017)

JPX
TSE LISTED

Code:6638

Listed on the first section of
the Tokyo Stock Exchange

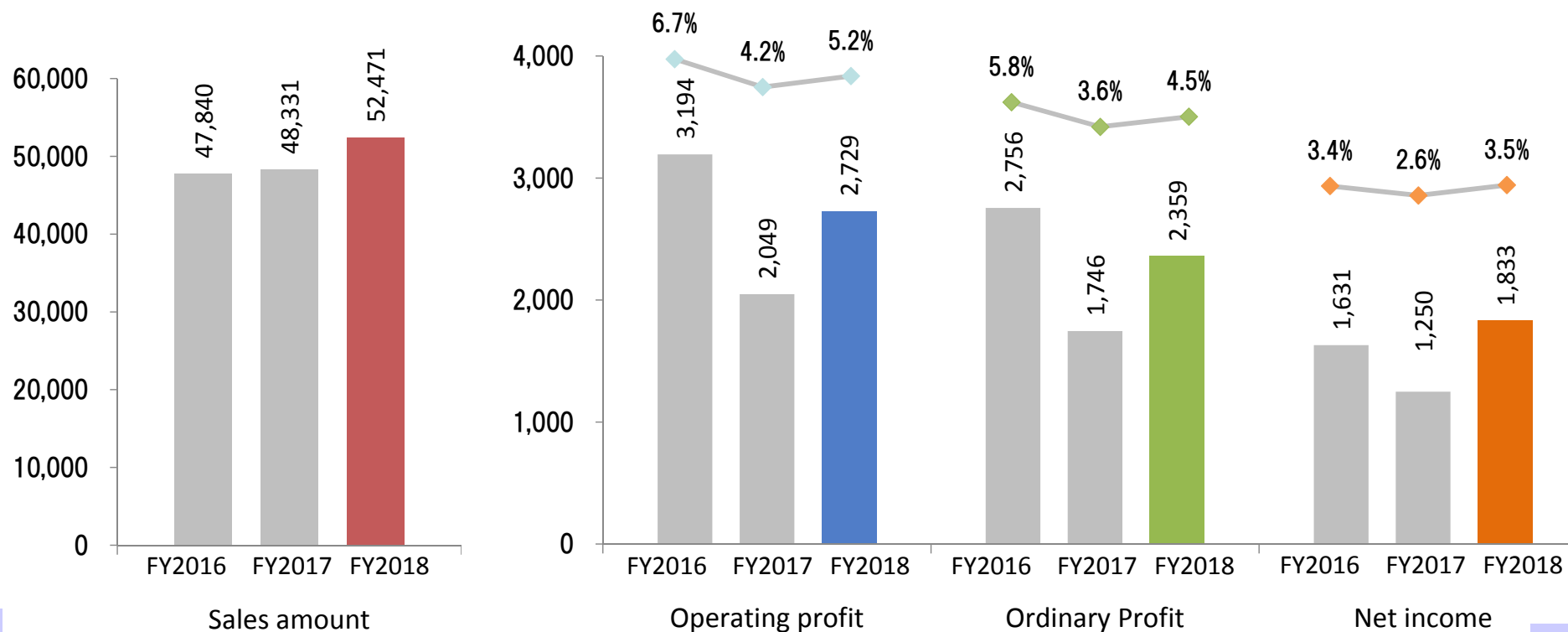
Mimaki

Financial Results for Fiscal Year ended March 31, 2018



Consolidated Financial Highlights

Currency unit: million JPY	Fiscal Year 2017		Fiscal Year 2018		
	Actual Results	Increase and decrease ratio	Actual Results	sales ratio	Increase and decrease ratio
Sales amount	48,331	-	52,471	-	8.6%
Operating profit	2,049	4.2%	2,729	5.2%	33.2%
Ordinary Profit	1,746	3.6%	2,359	4.5%	35.1%
Net income	1,250	2.6%	1,833	3.5%	46.7%
Currency exchange rate (Yearly average)	USD	JPY108.41	-	-	-
	EURO	JPY118.83	-	-	-
			JPY110.86	-	2.3%
			JPY129.70	-	9.1%



Factors affecting operating income (FY3/17 vs FY318)



(Currency unit: million JPY)

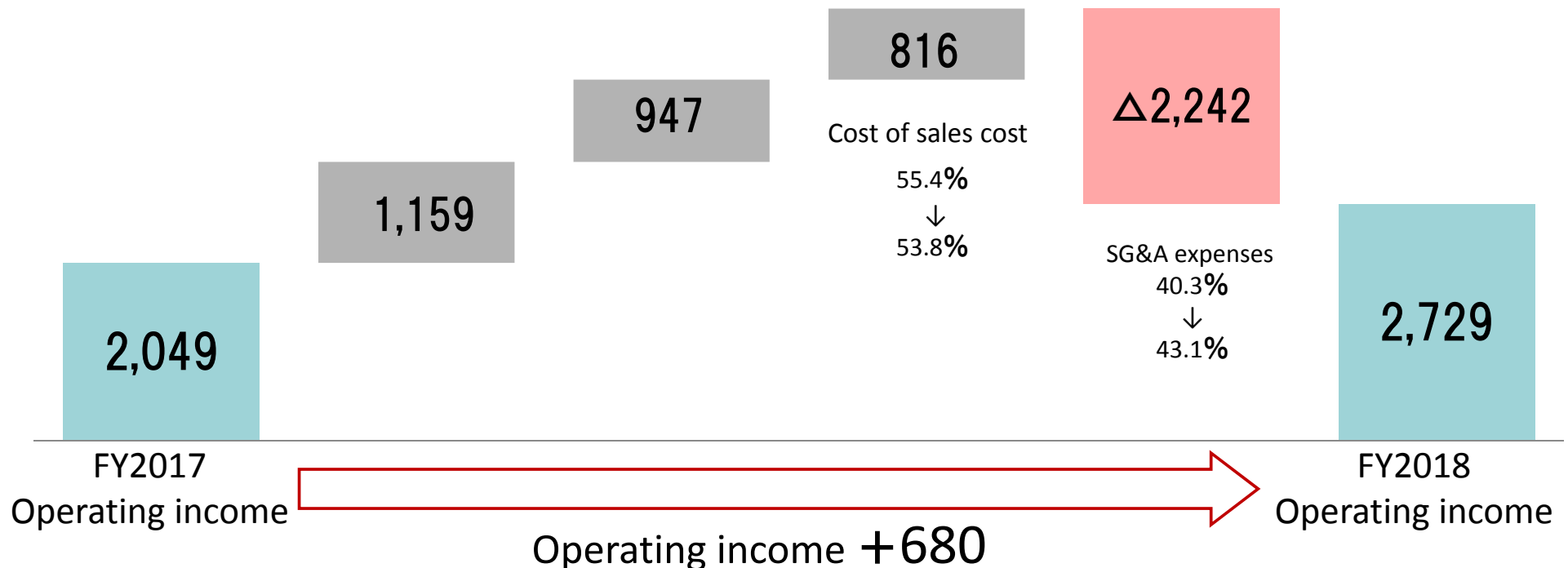
【Influence amount by currency】

USD／JPY108.41 → JPY110.86	+139
EUR／JPY118.83 → JPY129.70	+1,034
Others(BRL, CNY, etc.)	△14
Total	+1,159

【Exchange impact on sales, cos and operating profit】

Sales 2,012 — Cost of sales 397 — SG&A 456 = Operating income 1,159

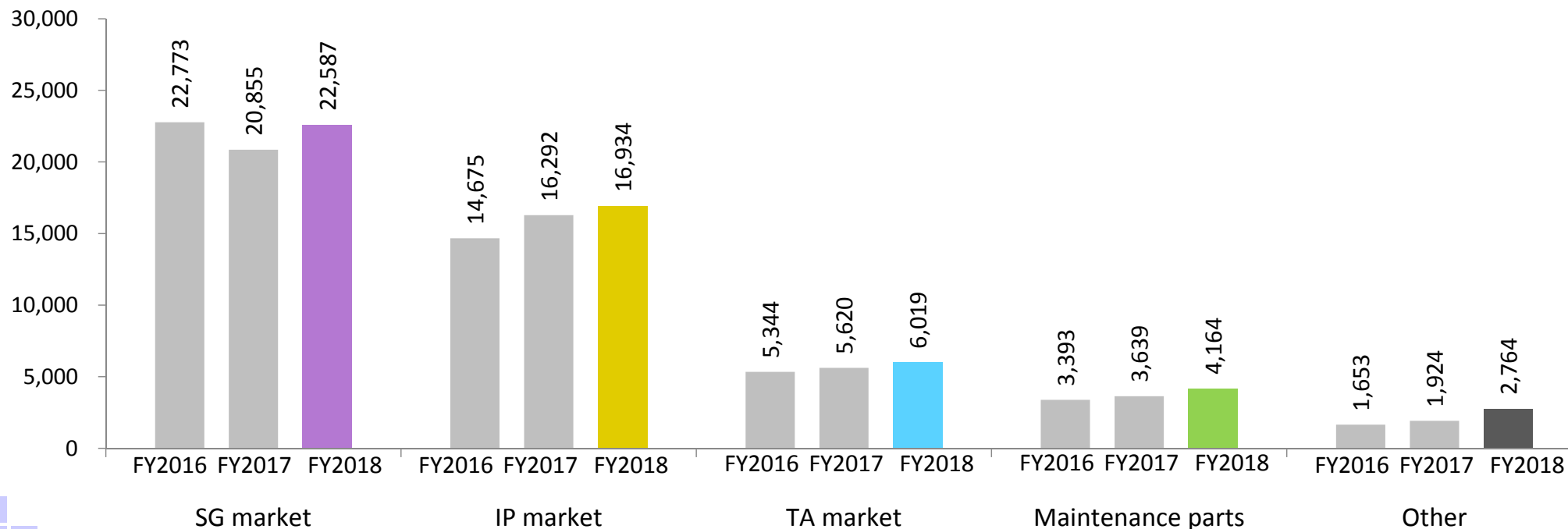
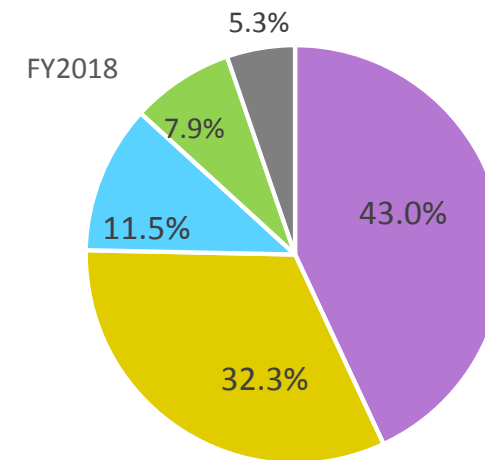
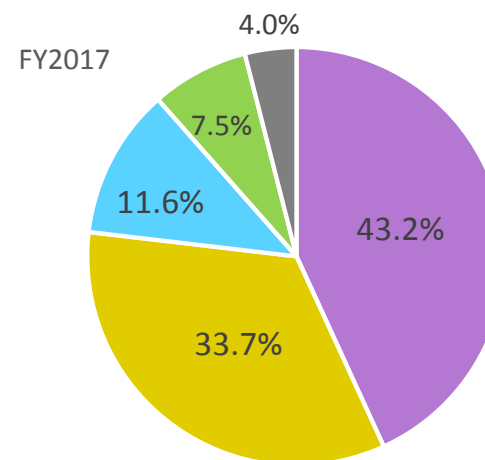
- ① Foreign exchange impact amount
Revenue increase
- ② Revenue increase
(Excluding exchange effect)
- ③ Improve cost of sales ratio
(Excluding exchange effect)
- ④ Increase SG&A
(Excluding exchange effect)



Sales Amount of Each Market (FY2018)

Currency unit: million JPY	Fiscal Year 2017	Fiscal Year 2018	
	performance	performance	Increase and decrease ratio
SG market	20,855	22,587	8.3%
IP market	16,292	16,934	3.9%
TA market	5,620	6,019	7.1%
Maintenance parts	3,639	4,164	14.4%
Other	1,924	2,764	43.7%
Total	48,331	52,471	8.6%

Composition ratio



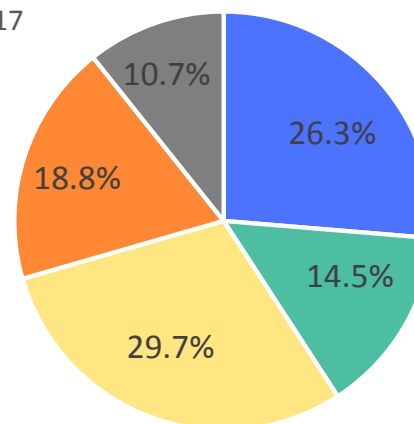
Sales Amount of Each Product Category (FY2018)



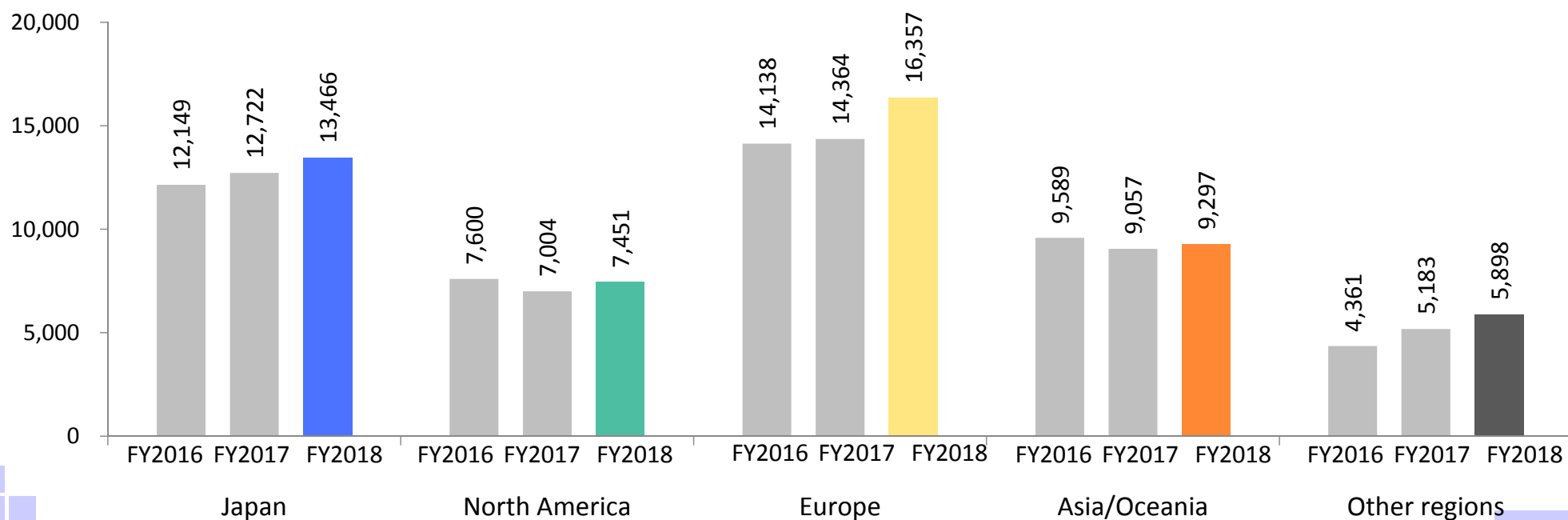
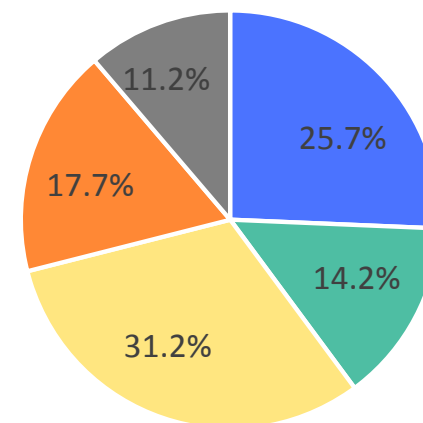
Currency unit: million JPY	Fiscal Year 2017	Fiscal Year 2018	
	First half	First half	Increase and decrease ratio
Japan	12,722	13,466	5.8%
North America (Local currency/\$)	7,004 (64.6M)	7,451 (67.2M)	6.4%
Europe (Local currency/€)	14,364 (120.8M)	16,357 (126.1M)	13.9%
Asia/Oceania	9,057	9,297	2.6%
Other regions	5,183	5,898	13.8%
Total	48,331	52,471	8.6%

Composition ratio

FY2017



FY2018



Summary Balance Sheet (As of March 31, 2018)



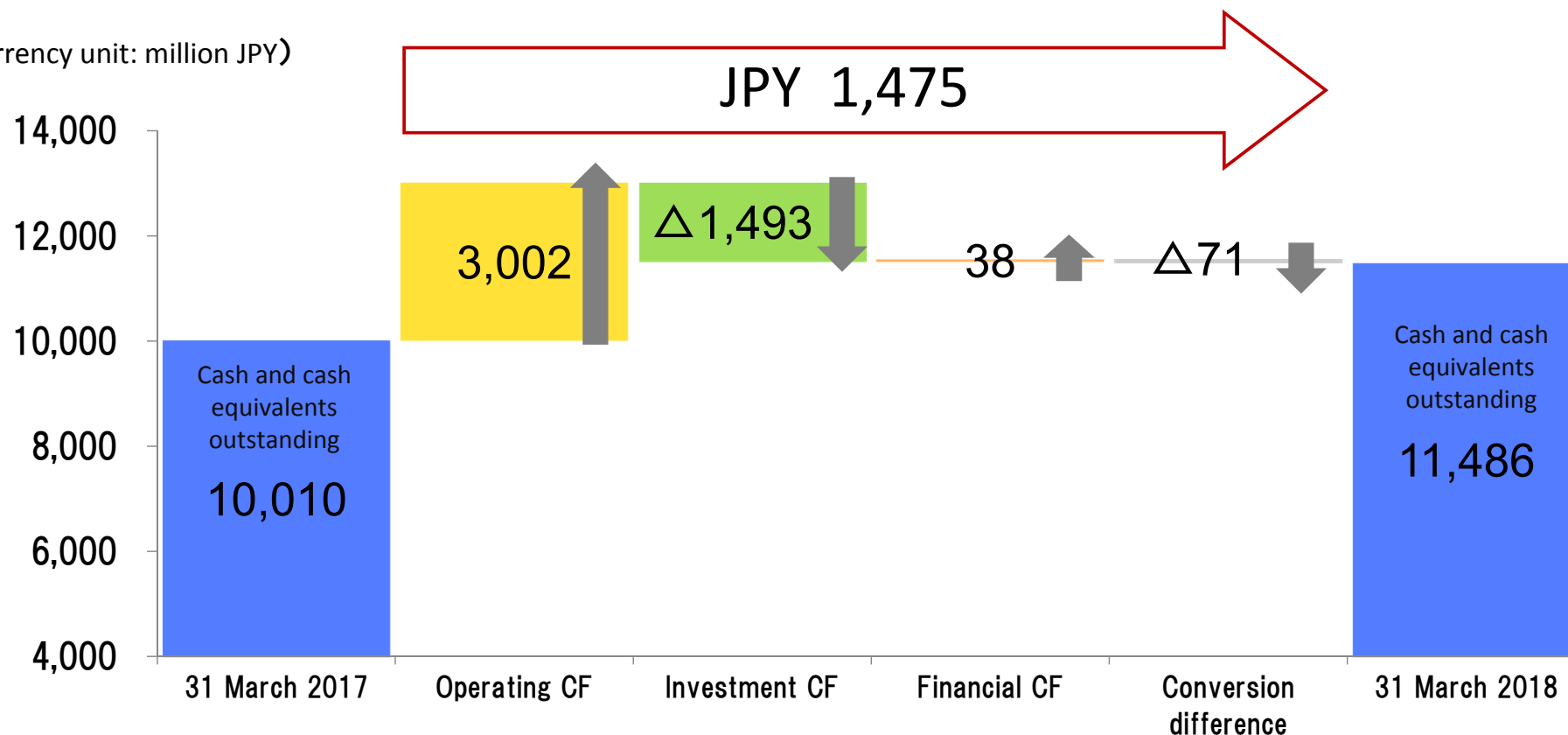
(Currency unit: million JPY)		31-Mar-17	31-Mar-18	Increase and decrease amount	Increase and decrease ratio
Assets	Cash and deposits	10,054	11,529	1,475	14.7%
	Notes and accounts receivable-trade	8,493	9,232	739	8.7%
	Inventories	14,923	16,337	1,414	9.5%
	Other current assets	2,718	3,461	742	27.3%
	Total current assets	36,190	40,561	4,371	12.1%
	Property, plant and equipment	9,342	9,248	△ 93	△1.0%
	Intangible assets	2,101	2,354	253	12.1%
	Other assets	1,573	1,855	281	17.9%
	Total non-current assets	13,017	13,458	441	3.4%
	Total	49,207	54,019	4,812	9.8%
Liabilities/Net assets	Notes and accounts payable-trade(※1)	7,369	8,674	1,304	17.7%
	Short-term loans payable(※2)	9,800	11,483	1,683	17.2%
	Other current liabilities	5,742	7,155	1,412	24.6%
	Total current liabilities	22,912	27,313	4,401	19.2%
	Long-term loans payable	9,492	8,237	△ 1,255	△13.2%
	Other non-current liabilities	753	690	△ 62	△8.3%
	Total non-current liabilities	10,245	8,927	△ 1,317	△12.9%
	Total Liabilities	33,158	36,241	3,083	9.3%
	Total net assets	16,049	17,778	1,728	10.8%
Total		49,207	54,019	4,812	9.8%

(※1) Including Electronically Recorded Obligations

(※2) Including long-term loans payable within one year

Cash flow (FY2018)

(Currency unit: million JPY)



Operating CF

EBITDA (※1)	4,766
Increase working capital	Δ 1,255
Tax, interest, etc.	Δ 508
Total	3,002

Investment CF

Acquisition of fixed assets(※2)	Δ 1,573
Sales of fixed assets	105
Others	Δ 26
Total	Δ 1,493

Financial CF

Short/Long-Term Borrowing Balance	420
Dividend	Δ 299
Others	Δ 82
Total	38

(※1) Operating profit before payment, tax and depreciation

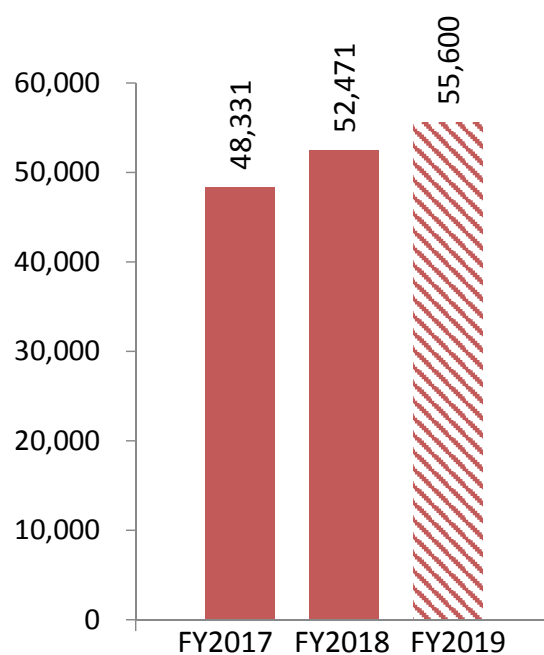
(※2) European ink factory, core system, demonstration machine, etc.

Forecast for the Fiscal Year ending March 31, 2019

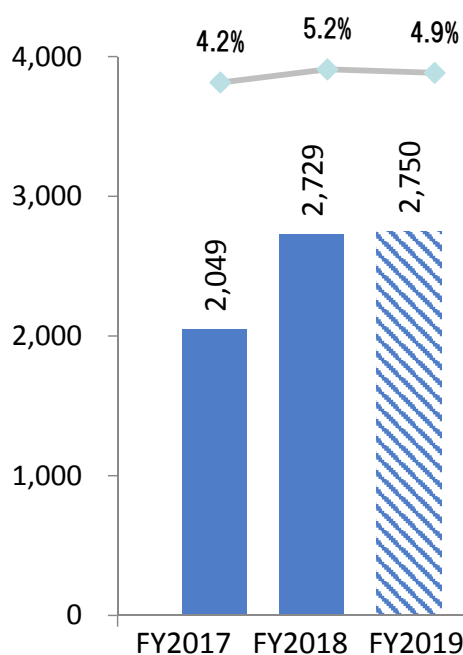


Consolidated Financial Highlights (Prediction for the FY2019)

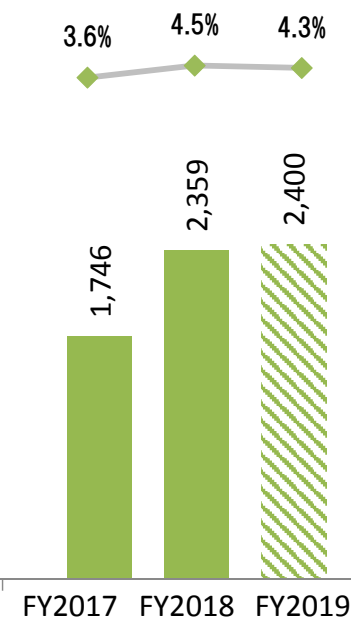
Currency unit: million JPY	Fiscal Year 2018		Fiscal Year 2019				
	Fiscal year	Sales ratio	First half	Second half	Fiscal year	Increase and decrease ratio	Sales ratio
■ Sales amount	52,471	-	26,500	29,100	55,600	6.0%	—
■ Operating profit	2,729	5.2%	950	1,800	2,750	0.7%	4.9%
■ Ordinary profit	2,359	4.5%	800	1,600	2,400	1.7%	4.3%
■ Net income	1,833	3.5%	650	1,200	1,850	0.9%	3.3%
Currency exchange rate (Yearly average)	USD	JPY110.86	-	-	JPY105.00	Δ5.3%	—
	EURO	JPY129.70	-	-	JPY128.00	Δ1.3%	—



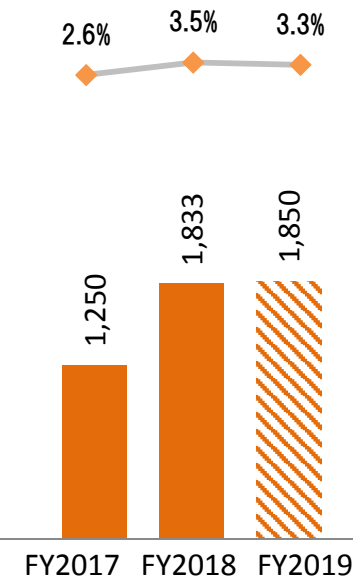
Sales amount



Operating profit



Ordinary profit



Net income

Factors affecting operating income

Currency unit:
Million JPY

【Influence amount by currency】

USD／JPY110.86 → JPY105	△390
EUR／JPY129.70 → JPY128	△181
Others (BRL, CNY, etc.)	+12
Total	△559

【Exchange impact on sales, cos and operating profit】

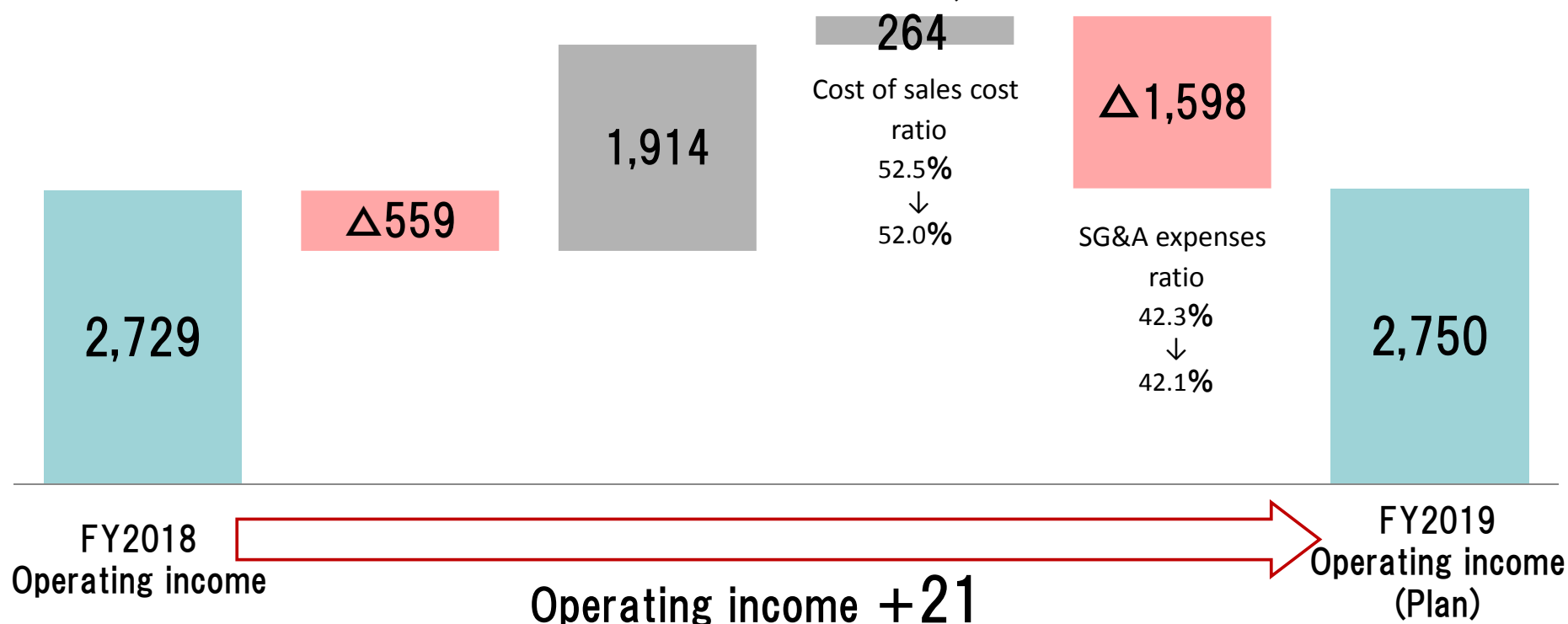
Sales△901 - Cost of sales△128 - SG&A△214 = Operating income△559

① Foreign exchange
impact amount
Revenue increase

② Revenue increase
(Excluding exchange effect)

③ Improve cost of
sales ratio
(Excluding exchange
effect)

④ Increase SG&A
(Excluding exchange effect)

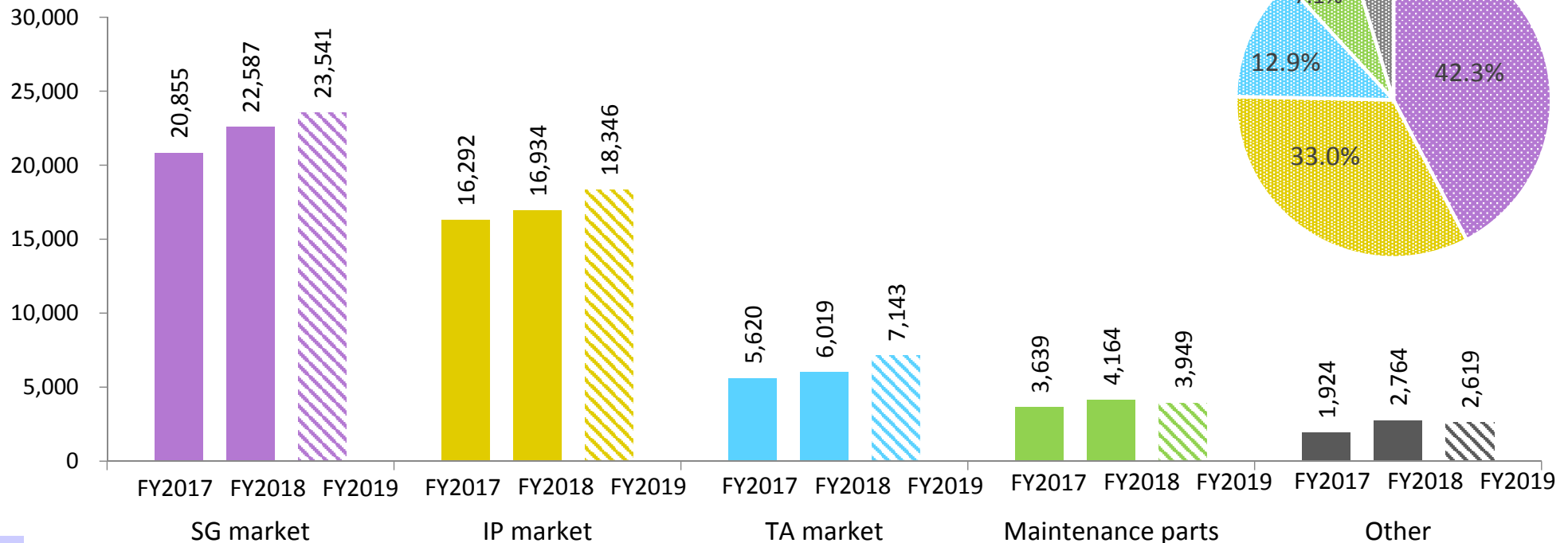
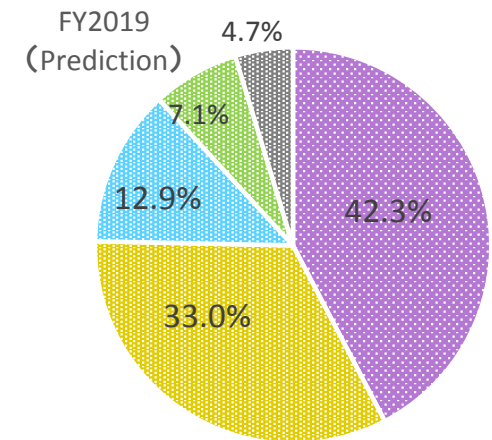
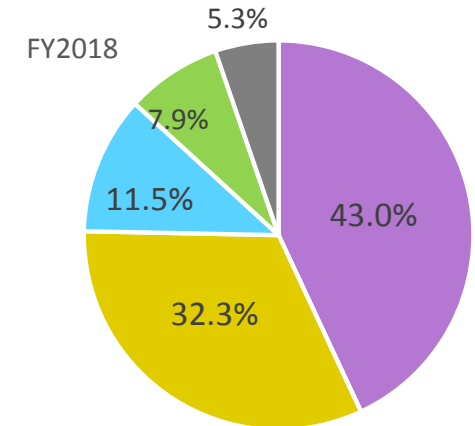


Sales Amount of Each Market (Prediction for the FY2019)

Mimaki

Currency unit: million JPY	Fiscal Year 2018	Fiscal Year 2019			
	Fiscal year	First half	Second half	Fiscal year	Increase and decrease ratio
SG market	22,587	11,296	12,245	23,541	4.2%
IP market	16,934	8,720	9,625	18,346	8.3%
TA market	6,019	3,210	3,933	7,143	18.7%
Maintenance parts	4,164	1,969	1,980	3,949	△5.2%
Other	2,764	1,303	1,315	2,619	△5.3%
Total	52,471	26,500	29,100	55,600	6.0%

Composition ratio

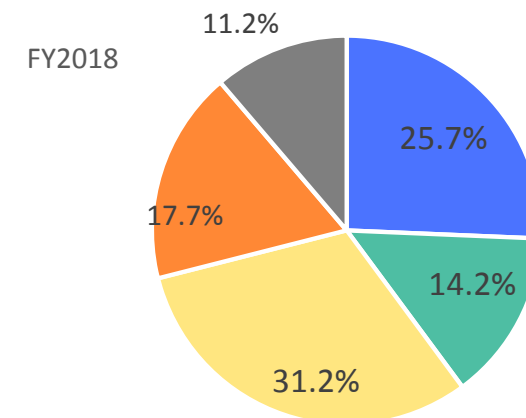


Sales Amount of Each Region (Prediction for the FY2019)

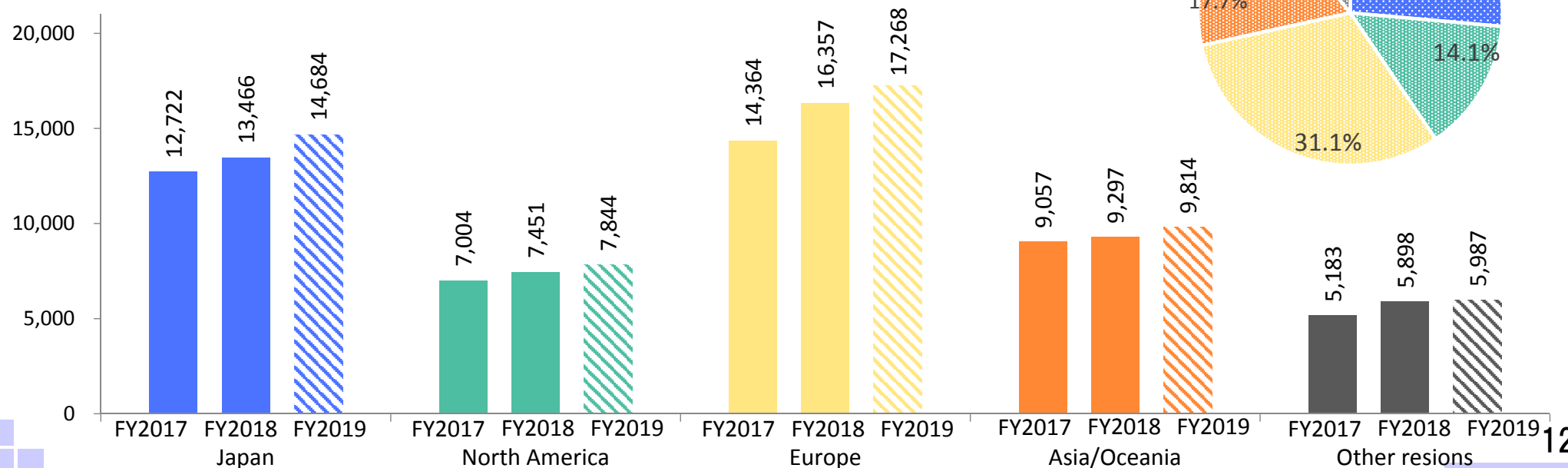
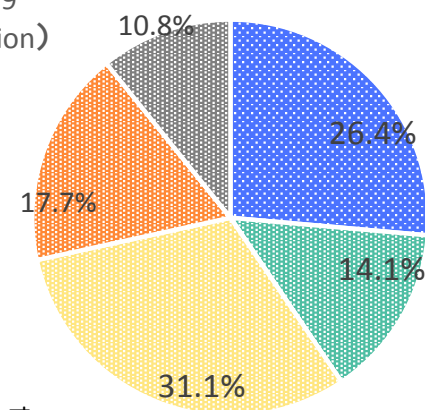
Mimaki

Currency unit : million JPY	Fiscal year 2018	Fiscal Year 2019			
	Fiscal year	First half	Second half	Fiscal year	increase and decrease ratio
Japan	13,466	7,036	7,647	14,684	9.0%
North America (Local currency/\$)	7,451 (67.2M\$)	3,745 (35.6M\$)	4,098 (39.0M\$)	7,844 (74.7M\$)	5.3%
Europe (Local currency/€)	16,357 (126.1M€)	8,156 (63.7M€)	9,111 (71.1M€)	17,268 (134.9M€)	5.6%
Asia/Oceania	9,297	4,725	5,088	9,814	5.6%
Other regions	5,898	2,834	3,153	5,987	1.5%
Total	52,471	26,500	29,100	55,600	6.0%

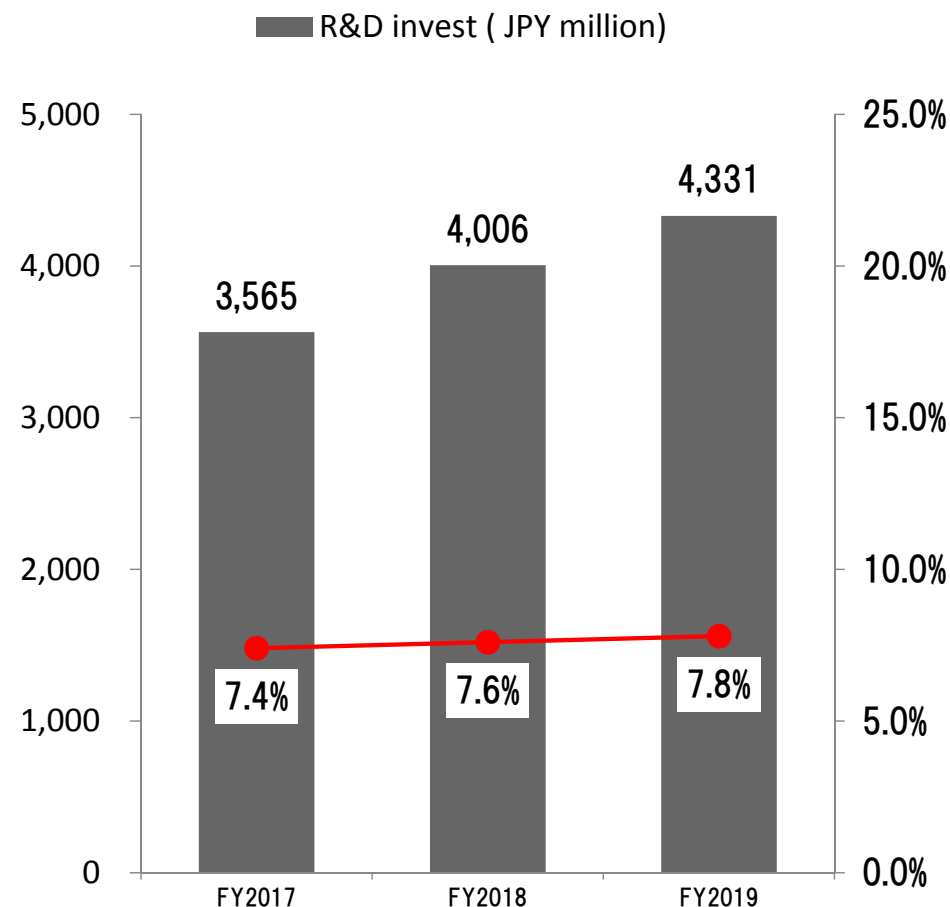
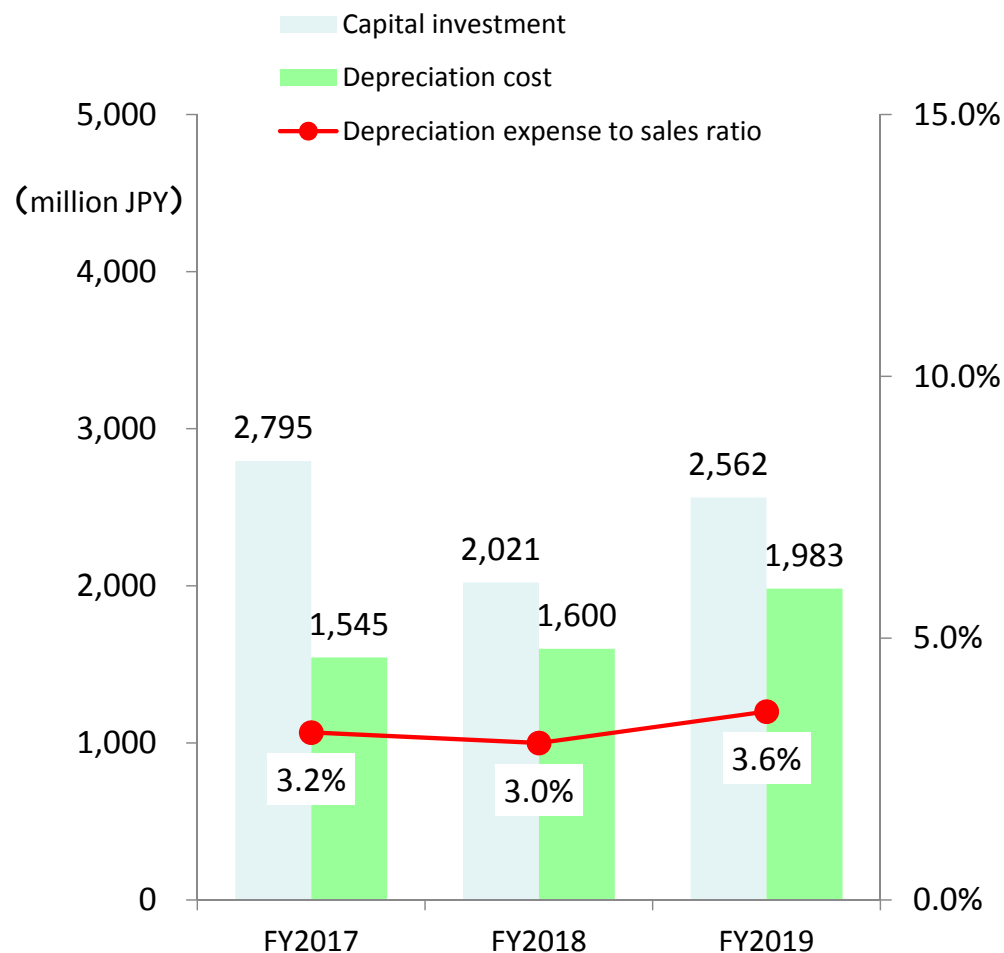
Composition ratio



FY2019
(Prediction)



Capital Expenditures, Depreciation, R&D invest



※ Main capital investment(FY 3/19)

- Core system JPY342M
- Mold JPY315M
- Mechanical equipment(subsidiary) JPY206M
- Laboratory equipment JPY203M

※ The above amount shows the total cost of research and development activities, and includes expenses related to improvement and application etc. of existing products. "Research and development expenses" for SG & A expenses in each fiscal year are 2,413 million yen in FY3/17, 2,330 million yen in FY3/18, and 2,552 million yen in FY3/19

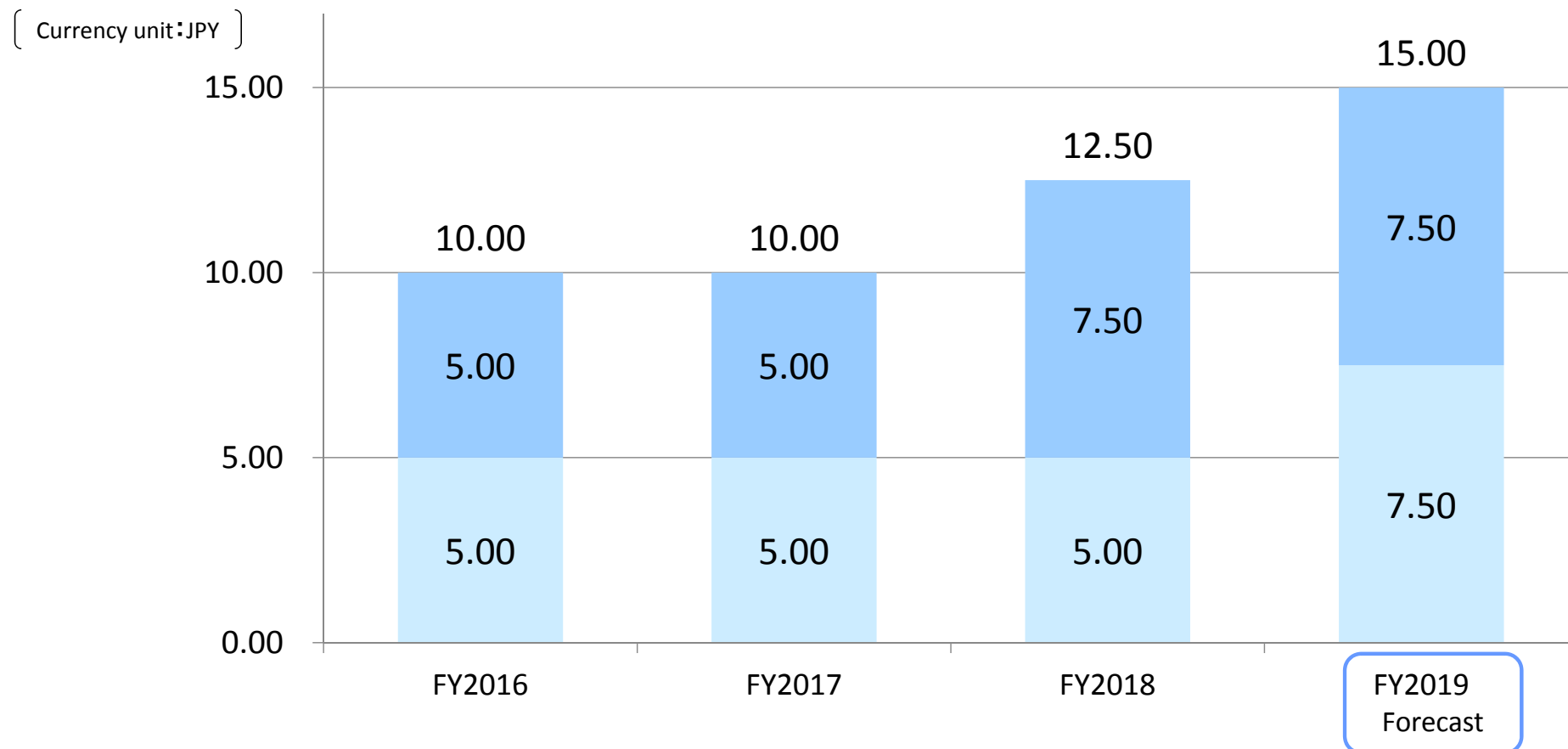
Dividends (Prediction for the FY2019)



Mimaki

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.



❖ Growth strategy and priority issues

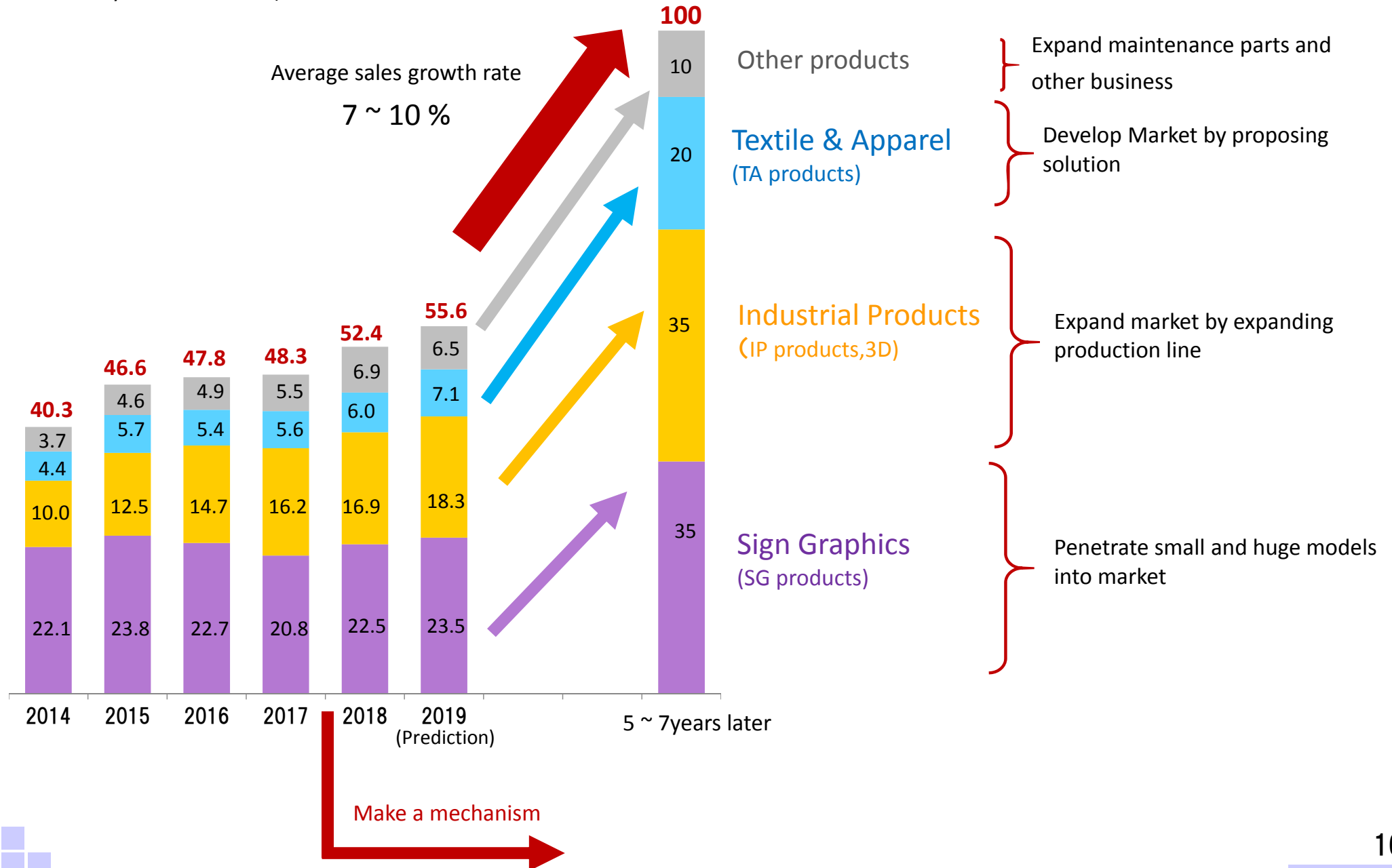


Long term vision: M1000 2.0



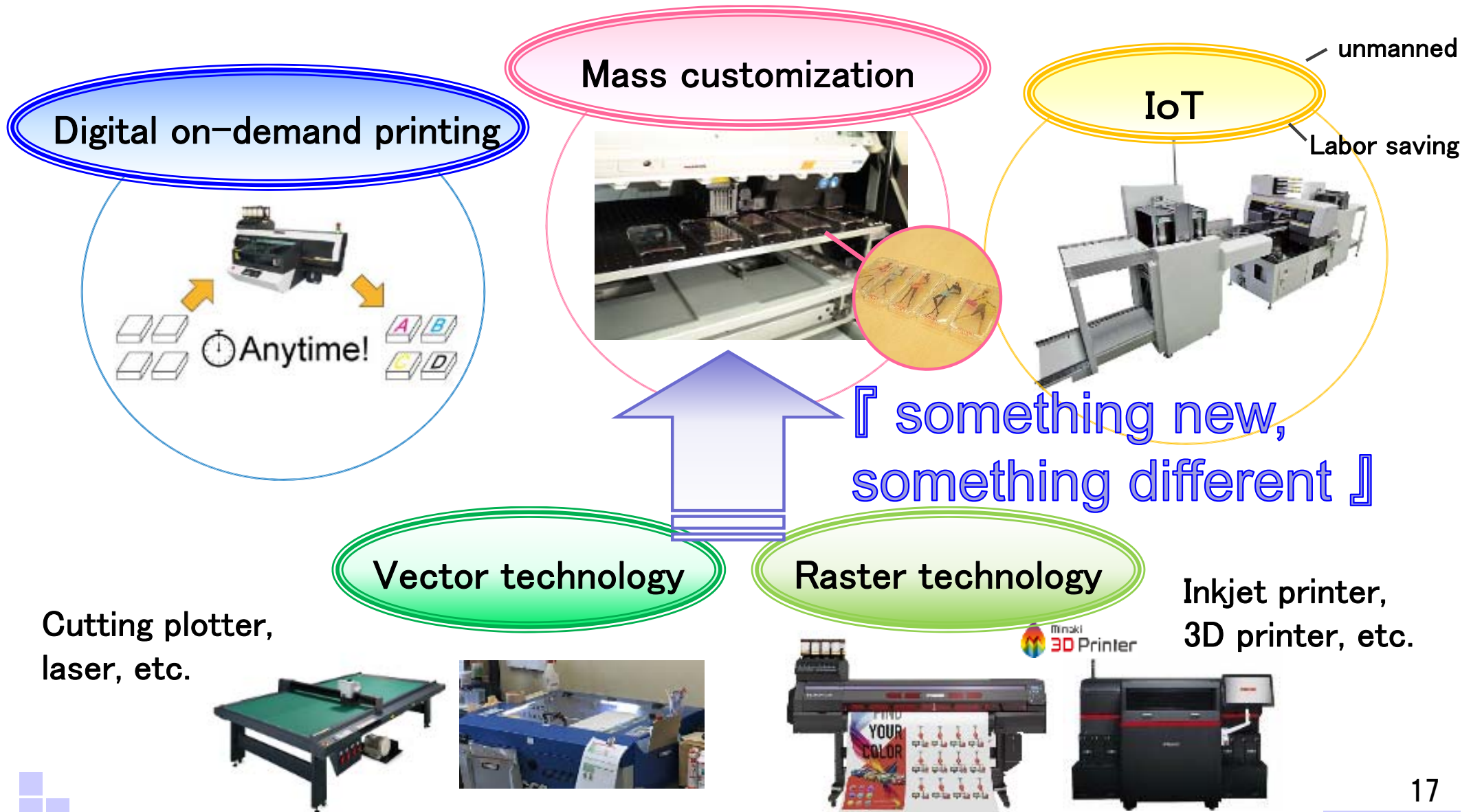
Mimaki

(Currency unit: billion JPY)



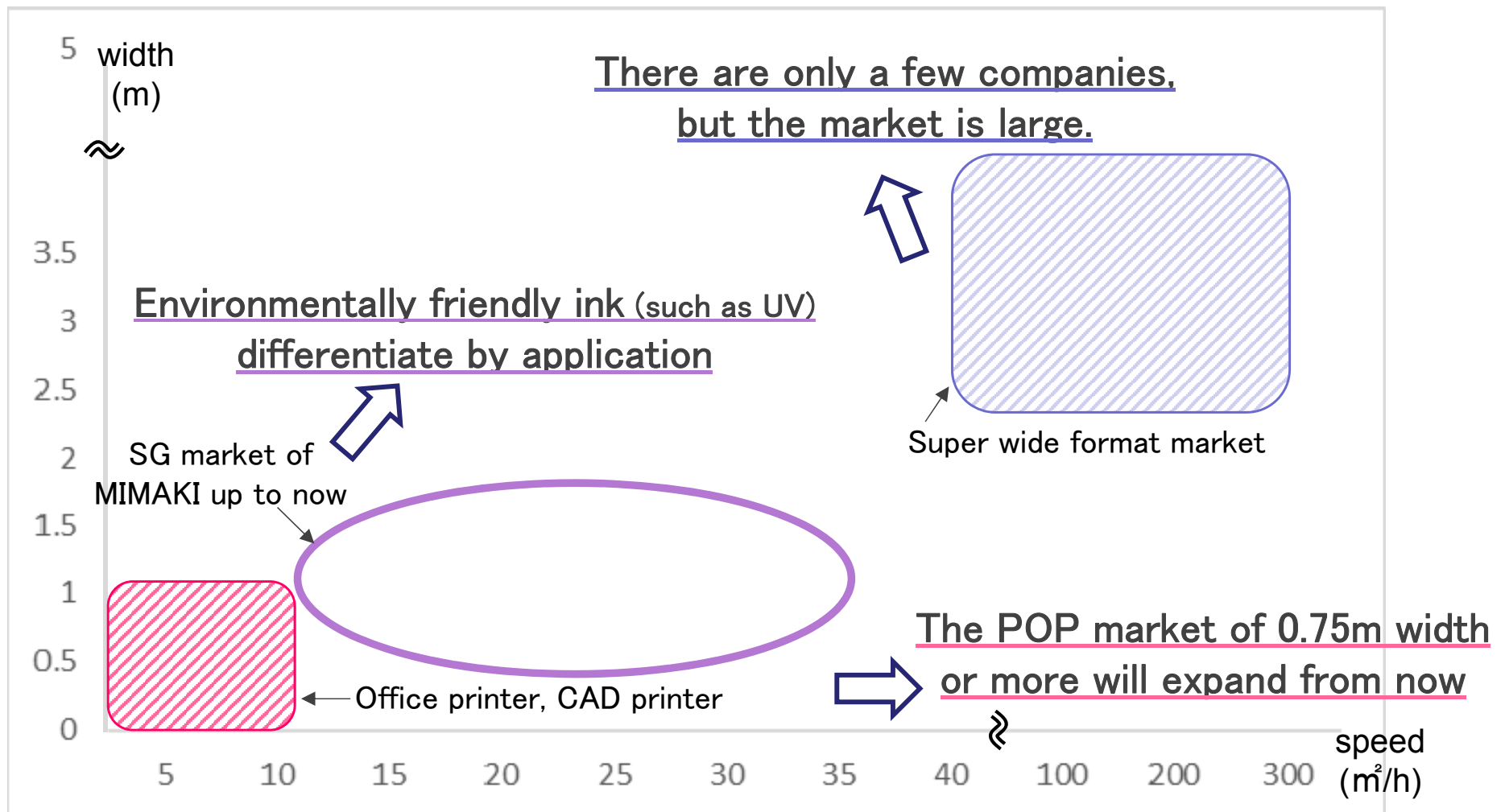
1. Vision statement

Promote mass customization, digital on-demand printing and IoT with vector technology and raster technology.



2-1. Growth strategy/SG

- Differentiate from competitors by introducing environmentally friendly products
- Expand market share by expanding applications
- Expand the product lineup for sign markets



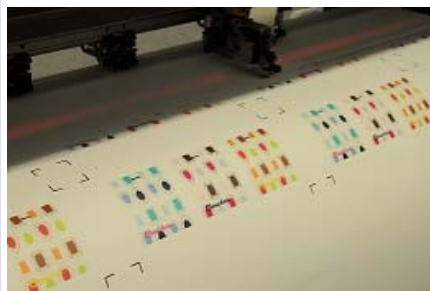
2-1. Expanding applications

- Expanding the range of work for end users by switching from Eco Solvent Ink to UV Ink and Water based Ink.
- Expansion from signboards to interior POPs, labels, window films, wallpaper etc.

sign



label/sticker



POP



Window film



wallpaper



2-2. Growth strategy/IP

- Value added strategy
- EASY to USE

© Specialty market

Smartphone case



novelty



Add
value



Silver ink



EASY to USE

Design room



Shop in shopping mall



FAB



2-2. Growth strategy/IP

- Develop both high-resolution and high speed
- Proceed less labor and unmanned operation
- Promote Digital Print's IoTs

©Industrial

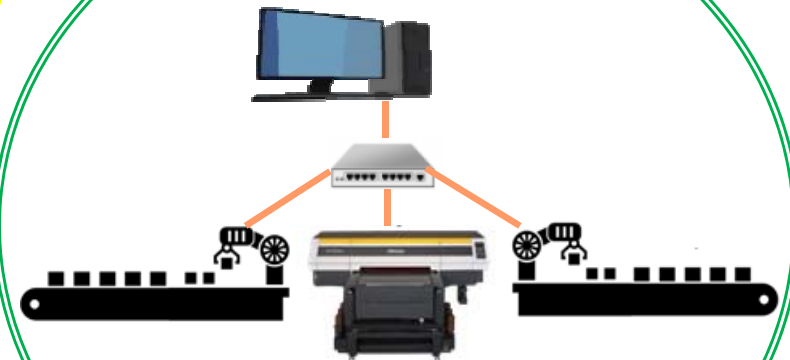
High speed



Customize



- Unmanned
- Labor saving

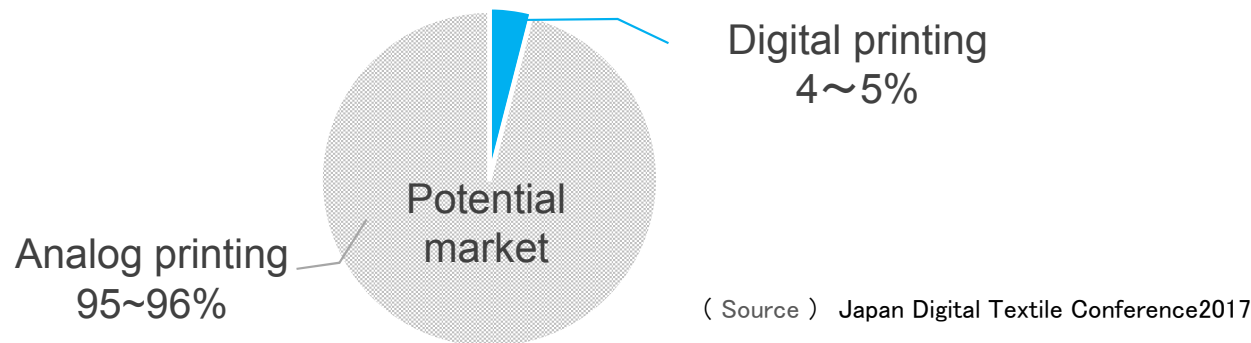


IoT

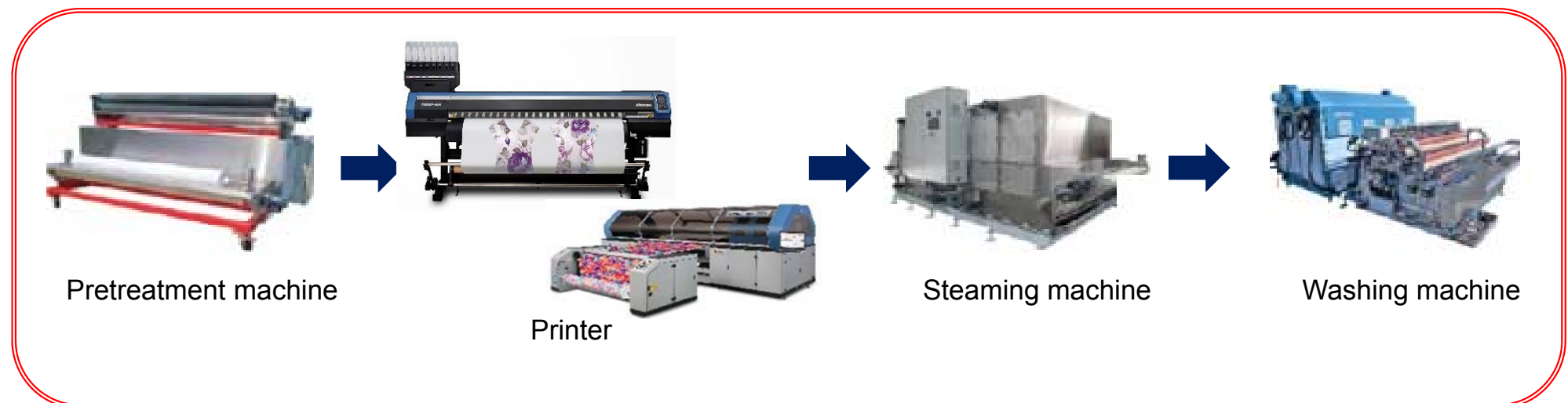
2-3. Growth strategy/TA

- Propose solution as an integrated system
- Implement goods and sales strategies that match the characteristics of each place of consumption and production area

◎ The ratio of analog printing is high, and there is a huge potential market

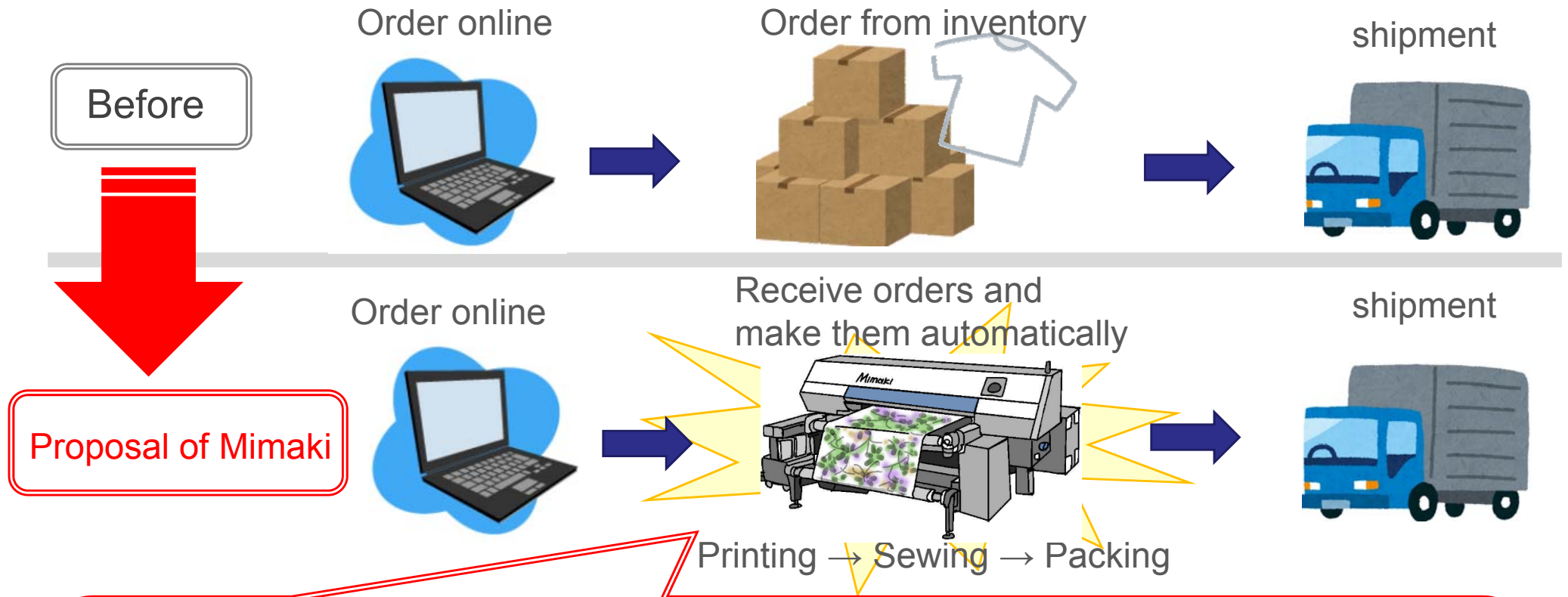


◎ Integrated system

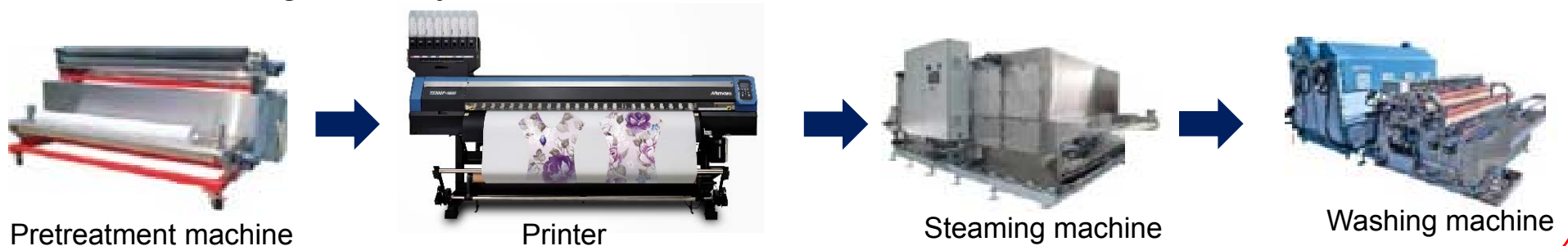


2-3. Growth strategy/TA

- Consumption area strategy: Propose a solution that can receive orders from online and produce it on demand

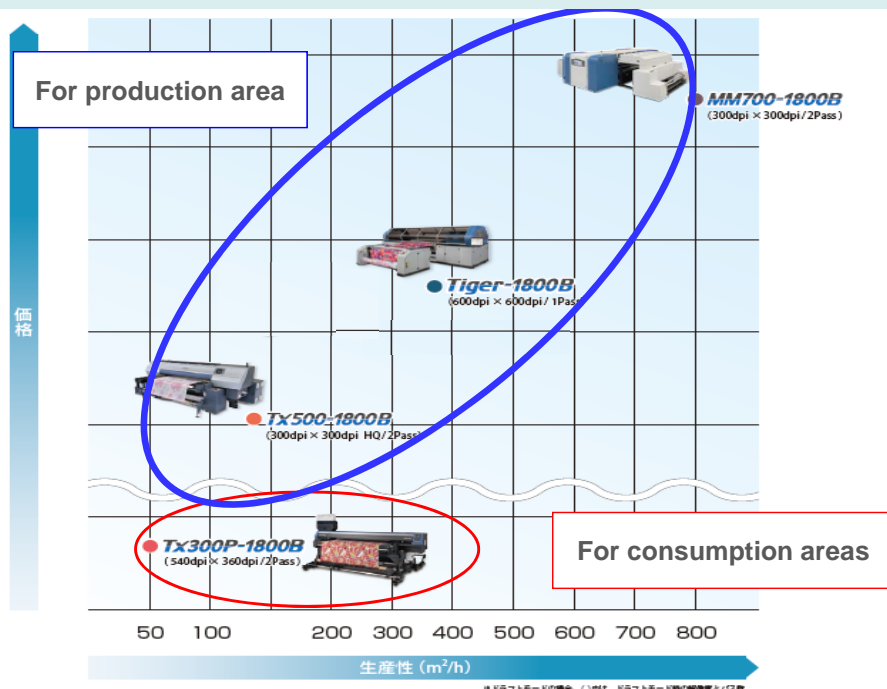


©Mimaki Integrated system



2-3. Growth strategy/TA

- Production site strategy : Increased speed of printers, and decrease labor works



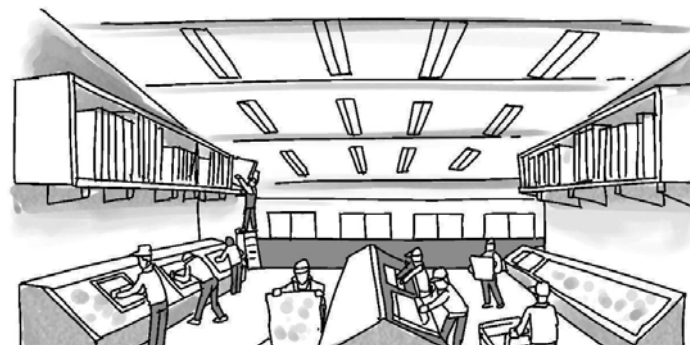
China, India, Turkey, Brazil, Italy, etc.

Analog printing on production site

→ Switching to digital printing

※ Most of the production sites are large-scale facilities

→ High speed models are optimal



- Total solution proposal for each material

Line up from entry to high end, also accommodate color matching

Enable control of final product

(Color control is available, for using MIMAKI products from pre-treatment to washing.)

《Set of printer and front and rear processing device》



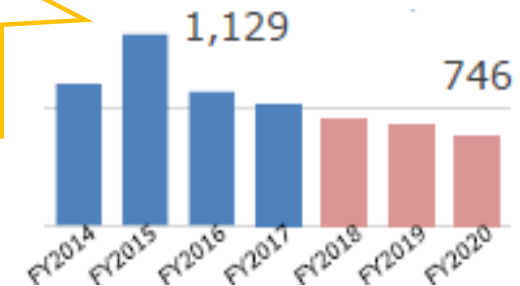
2-4. Growth strategy/3D

- Replace gypsum system to full color inkjet system

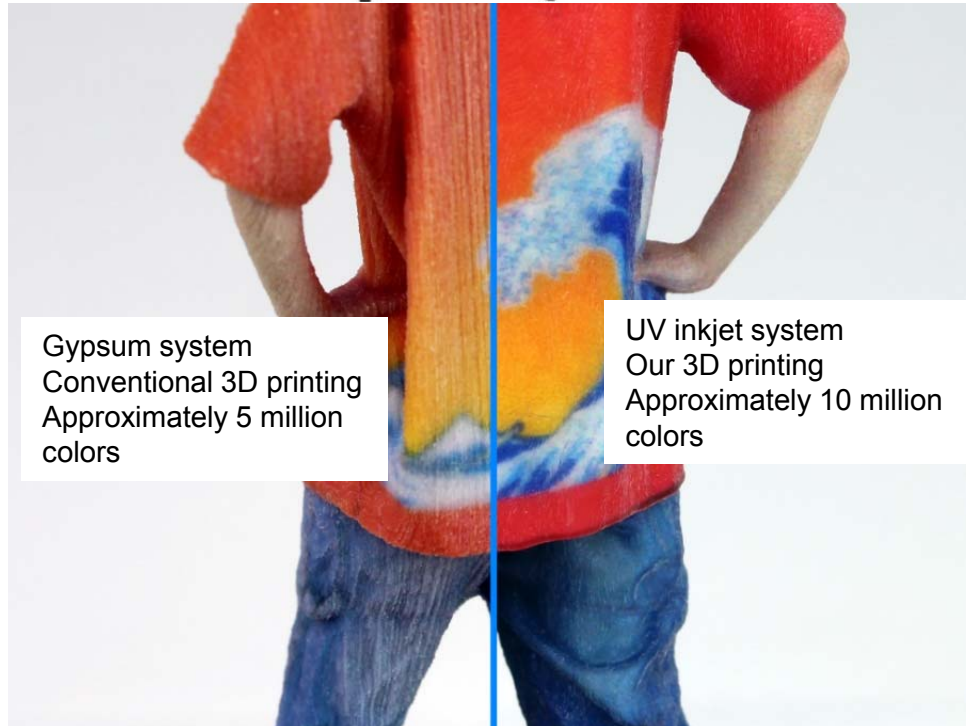


Approximately 1000 units / year shipping
→ Estimated total number of units
about 5000 !!

<Gypsum system>
Forecast of trends in shipments



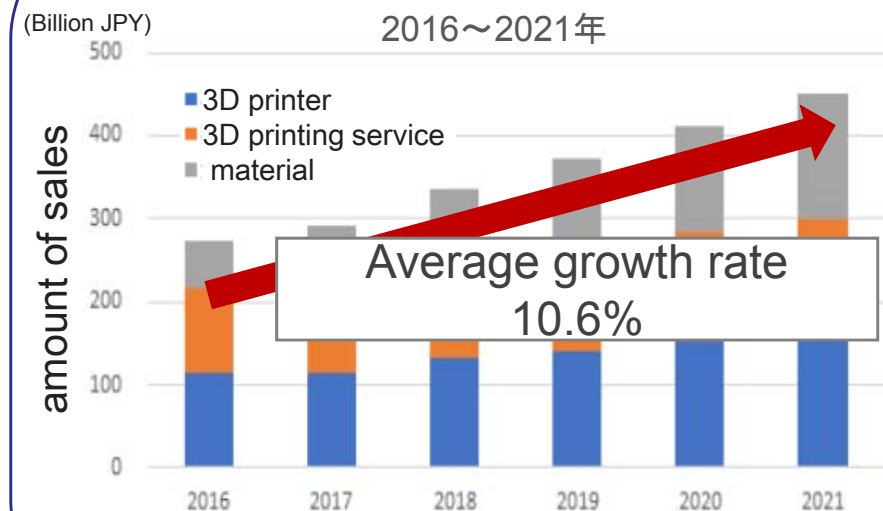
Source: 3Dプリンタ導入活用ガイド(技術評論社)



Gypsum system
Conventional 3D printing
Approximately 5 million
colors

UV inkjet system
Our 3D printing
Approximately 10 million
colors

Domestic 3D printing market
Actual sales amount result and forecast
2016~2021年



Average growth rate
10.6%

Note: 2016年は実績値、2017年以降は予測
Source: IDC Japan, 2/2018

3. Priority measures for each headquarters



Sales Division

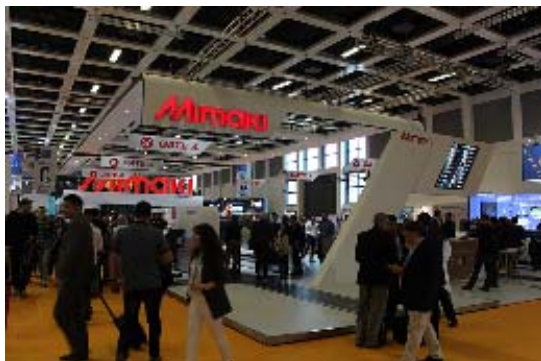
1. Proceed community-based sales and mini-exhibition*1 strategies
2. Propose solutions and expand the consumables business

*1: A small briefing session to explain new product, application proposals and software seminars for 3 to 5 customers

Mini exhibition



FESPA exhibition



Tiger + Junbo roll



3. Priority measures for each headquarters



● Japan

< Expect **5 to 10%** sales revenue growth in medium and long term >

- ① Industrial inkjet printer solution provider
- ② Differentiation from competition through service
- ③ Enforce the mini exhibition strategy

● North, Central and South America

< Expect **15%** sales revenue growth in medium and long term >

- ① Strength sales channel, increase local sales company
- ② Enhance ability of service man and salesperson
- ③ Enforce mini exhibition strategy

● Europe, Middle East, Africa

< Expect **10%** sales revenue growth in medium and long term >

- ① Reform German channel
- ② Introduction and operation of management accounting system
- ③ Enhance ability of service man and salesperson (Establish skill map)

● Asia, Oceania

< Expect **10 to 15%** sales revenue growth in medium and long term >

- ① Restructure sales system in China and India
- ② Enforce the area system
- ③ Enhance customer inquiry management and process management



3. Priority measures for each headquarters



Research and Development Division

1. Improve quality of products
2. Standardize design

- Make a mechanism to update MES (Mimaki Engineering Standard) evaluation by listing past quality problems as design evaluation items
- Standardize designs including software and firmware

Production division

1. Improve quality of products
2. Establish a production system that can follow demand fluctuations
 - To decrease product defect rate and shipping defect rate
3. Reduce cost

- Fully review process setting
- Set up a production plan which is linking orders, acceptance, assembly, shipping, and arrival
- Realize cost reduction that can not be defeated by competitors



3. Priority measures for each headquarters



Corporate Planning Division

1. Expand GIPS *1 globally
2. Visualize management
3. Make a mechanism

*1: Group Independent Profitability management System

- Operate GIPS including overseas subsidiaries

Administration Division

1. Obtain and utilize management resources
(Person, thing, money, information)
2. Global management system
(Subsidiary management, currency management, compliance)
3. Leaning organization

- Measures to reduce foreign exchange sensitivity
- To establish a compliance system for domestic and overseas subsidiaries
- Become an organization that can run PDCA cycle properly

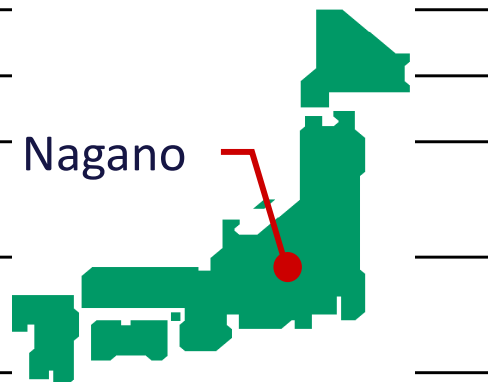


Reference Data



Company Profile



Foundation	August , 1975
Capital	4,357 million Japanese yen
Headquarters	2182-3 Singeno-Otsu, Tomi-City, Nagano, Japan
Representatives	Chairman: Akira Ikeda President: Kazuaki Ikeda
Employees	Consolidated: 1,629; Non-consolidated : 800 *As of March 2018
Group Companies (Total:18 companies) *Count MIMAKI EUROPE , TAIWAN MIMAKI and Mimaki Lithuania each as 1 company	 <p> •Sales: 13 Europe: MIMAKI EUROPE* , Mimaki Deutschland MIMAKI EURASIA ,Mimaki Lithuania*,Mimaki Bompan North and South America: MIMAKI USA , MIMAKI BRASIL Asia and Oceania: Shanghai Mimaki , MIMAKI INDONESIA MIMAKI SINGAPORE , MIMAKI AUSTRALIA MIMAKI INDIA , TAIWAN MIMAKI* (* Sales and production) •Production : 7 Japan: Mimaki Precision Europe: MIMAKI EUROPE, Mimaki La Meccanica , Mimaki Lithuania China: Mimaki IJ Technology , Pinghu Mimaki Taiwan: TAIWAN MIMAKI •Printing: 1 Japan: Graphic Creation </p>
Stock Exchange	Listed on the first section of the Tokyo Stock Exchange / Code: 6638
Number of stocks issued	32,040,000 (Round lot = 100 shares) *As of March 2018

Products for Sign Graphic (SG) Market

Inkjet printer



Cutting plotter



Software

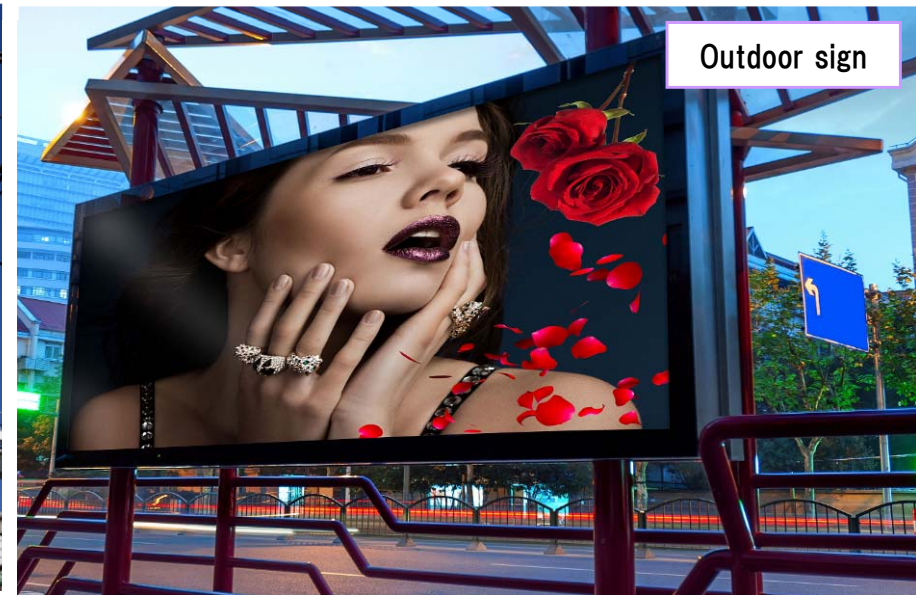
- ◆ Raster Link Pro 5 SG
- ◆ Raster Link 6
- ◆ Fine Cut 8
- ◆ Simple Studio

SG market (Sign Graphics)

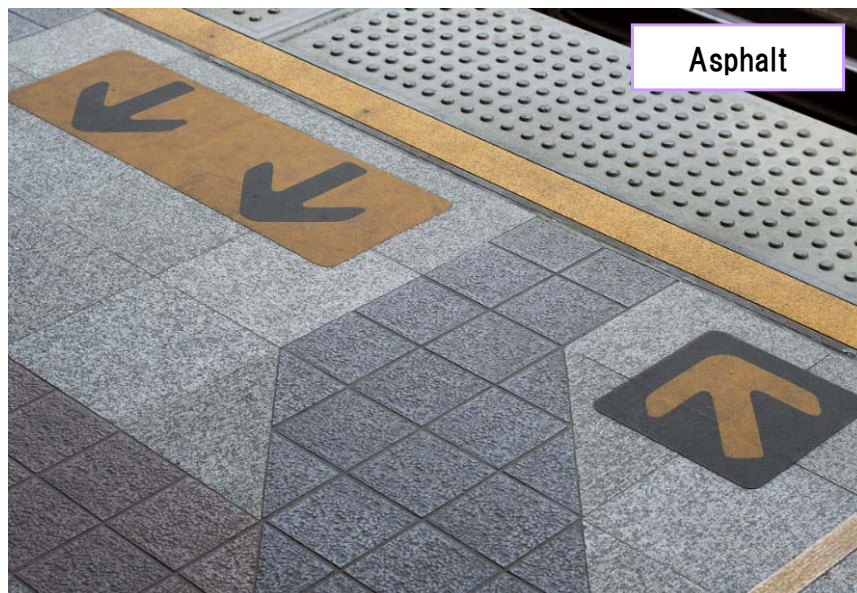
Application examples in the business scene that colors the city



Guide signboard(MWCS)



Outdoor sign



Asphalt



Wallpaper sign

SG : Outdoor advertisement



SG : Outdoor advertisement



Car lapping

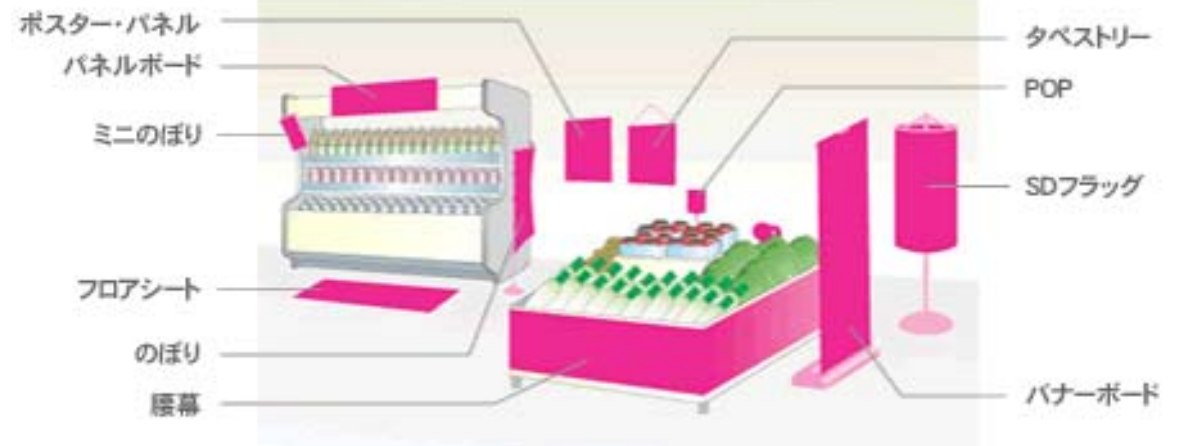


Front lit



Train lapping

SG : Indoor advertisement (POP)



Products for Industrial Product (IP) Market



Flatbed inkjet printer



UJF-6042 MkII



UJF-3042 MkII



UJF-7151 plus



JFX200-2531



JFX200-2513



JFX500-2131



◆ **ME-II series**



◆ **NC-5K**

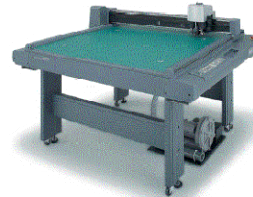
Flatbed cutting plotter



CF22-1225



◆ **CF3 series**



◆ **CF2 series**



◆ **CFL-605RT**

Software

- ◆ **Raster Link Pro 5 IP**
- ◆ **Raster Link 6**
- ◆ **CAM Link**
- ◆ **Fine Cut 8**



IP market (Industrial Products)

Application examples in industrial products and novelties



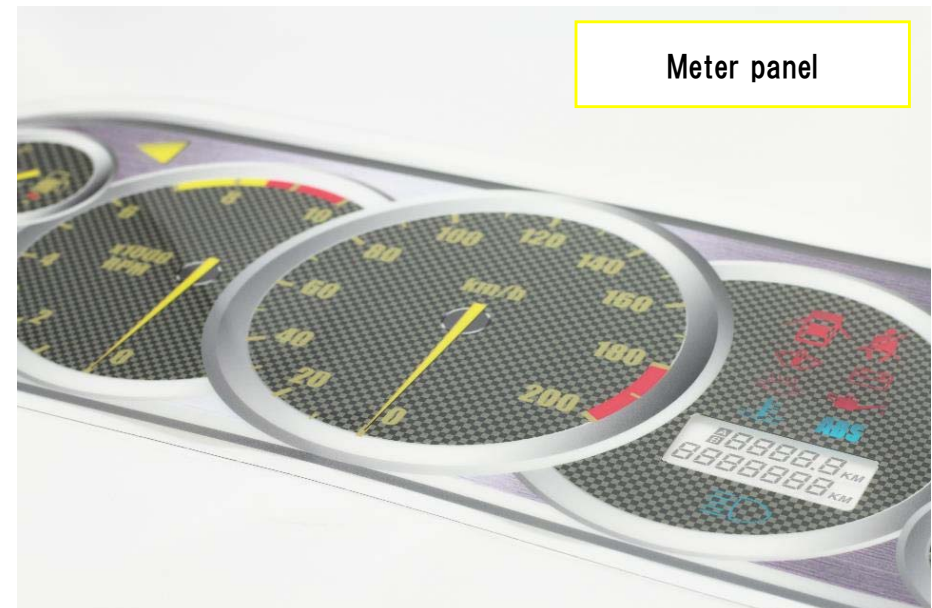
IP: Package, Small articles



IP: Watch, Electric appliances



IP:Industrial use



Products for Textile and Apparel (TA) Market

Inkjet printer



Printer and Cut machine Apparel pattern plotter cutter

Software

◆ APC-130



◆ Raster Link Pro 5 TA

◆ Raster Link 6

◆ TxLink3

TA market (Textile & Apparel)

Example of utilization in fabrics and ready-made garments before cutting/sewing processing



TA: Sports apparel





Thank you

