

# Financial Result for the First Half Ended September 30, 2018

MIMAKI ENGINEERING CO., LTD

November, 2018

**NEW**



(Launched in July 2018)

**NEW**

**Tiger-1800B MkII**



(Launched in July 2018)

**NEW**

**TS55-1800**



(To be launched in December 2018)



Code:6638

Listed on the first section of  
the Tokyo Stock Exchange

# Financial Results for Fiscal Year ending March 31, 2019

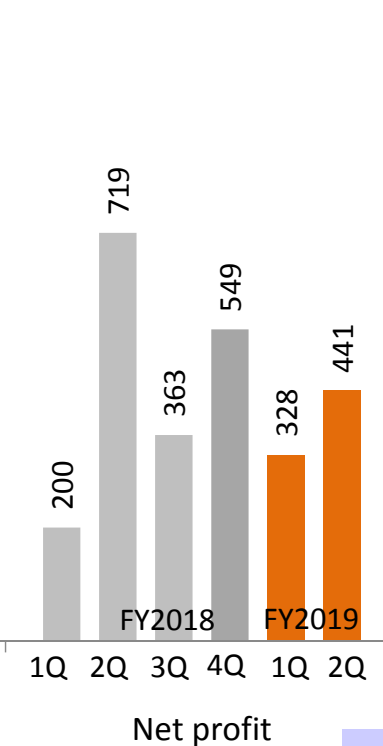
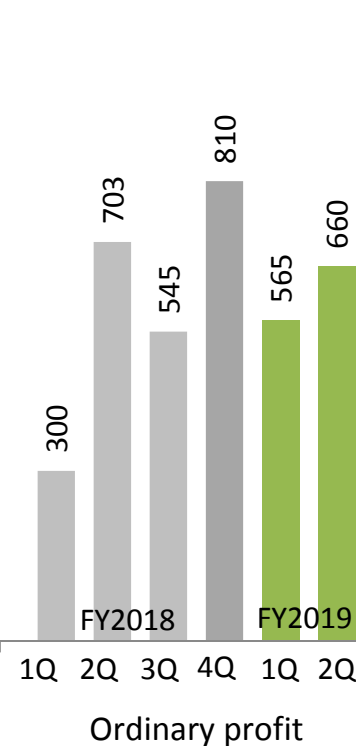
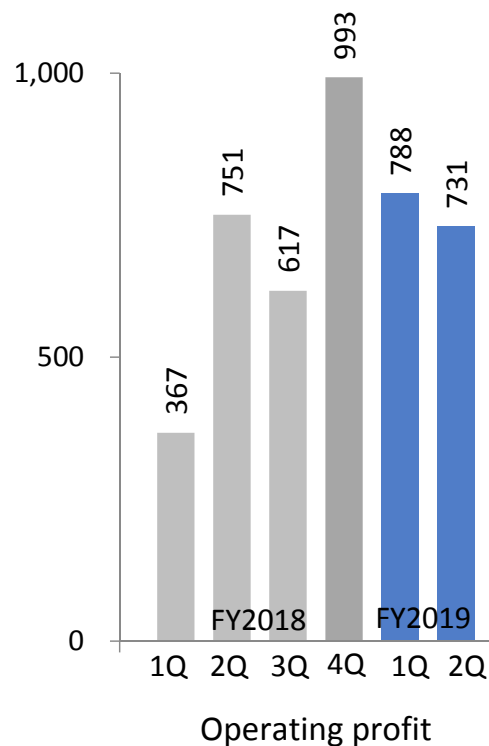
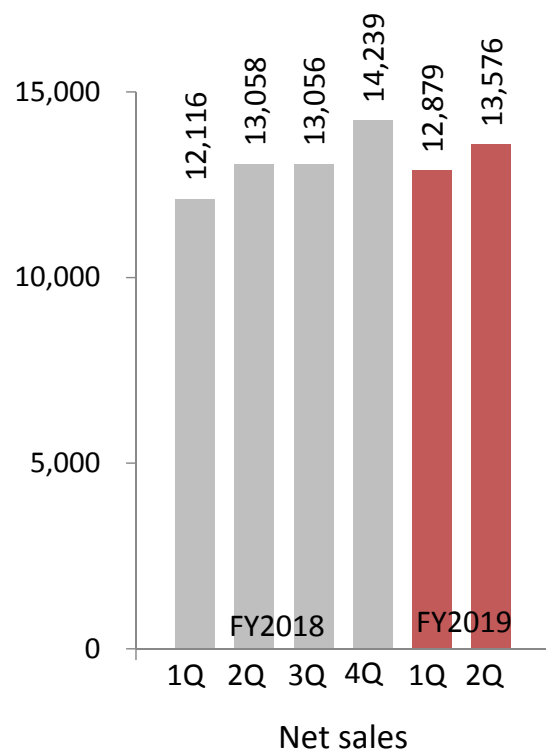
## - First Half Result -



# Consolidated Financial Highlights ( First Half )



Millions of yen	Fiscal Year 2018			Fiscal Year 2019					
	1Q Actual	2Q Actual	First Half Actual	1Q Actual	Change	2Q Actual	change	First Half Actual	Change
Net sales	12,116	13,058	25,174	12,879	6.3%	13,576	4.0%	26,455	5.1%
Operating profit	367	751	1,119	788	114.5%	731	△ 2.6%	1,520	35.9%
Ordinary profit	300	703	1,004	565	88.0%	660	△ 6.1%	1,225	22.1%
Net profit	200	719	920	328	63.5%	441	△ 38.7%	769	△ 16.4%
Exchange rate USD	JPY111.10	JPY111.04	JPY111.07	JPY109.07	△ 1.8%	JPY111.46	0.4%	JPY110.27	△ 0.7%
Exchange rate EURO	JPY122.19	JPY130.38	JPY126.29	JPY130.06	6.4%	JPY129.62	△ 0.6%	JPY129.84	2.8%



# Factors effecting operating profit

(First Half of the FY2018 vs First Half of the FY2019)



(Millions of yen)

## 【impact by currency】

USD / JPY111.07	→	JPY110.27	△23
EUR / JPY126.29	→	JPY129.84	+153
TRY / JPY31.33	→	JPY22.54	△117
BRL / JPY34.85	→	JPY29.27	△155
Others (INR, AUD, IDR, etc.)			△107
Total			△249

## 【FX impact on sales, cost and operating profit】

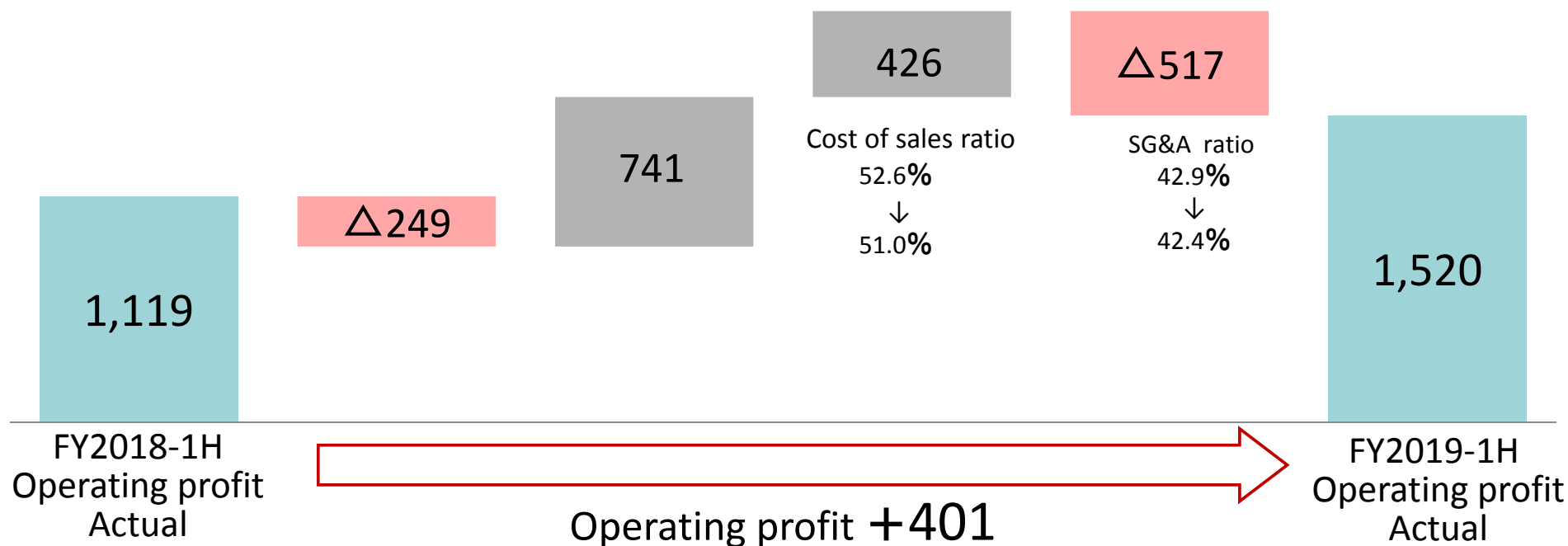
Sales △284 — Cost of sales 26 — SG&A △61 = Operating profit △249

①FX impact

②Revenue increase  
(Excluding FX impact)

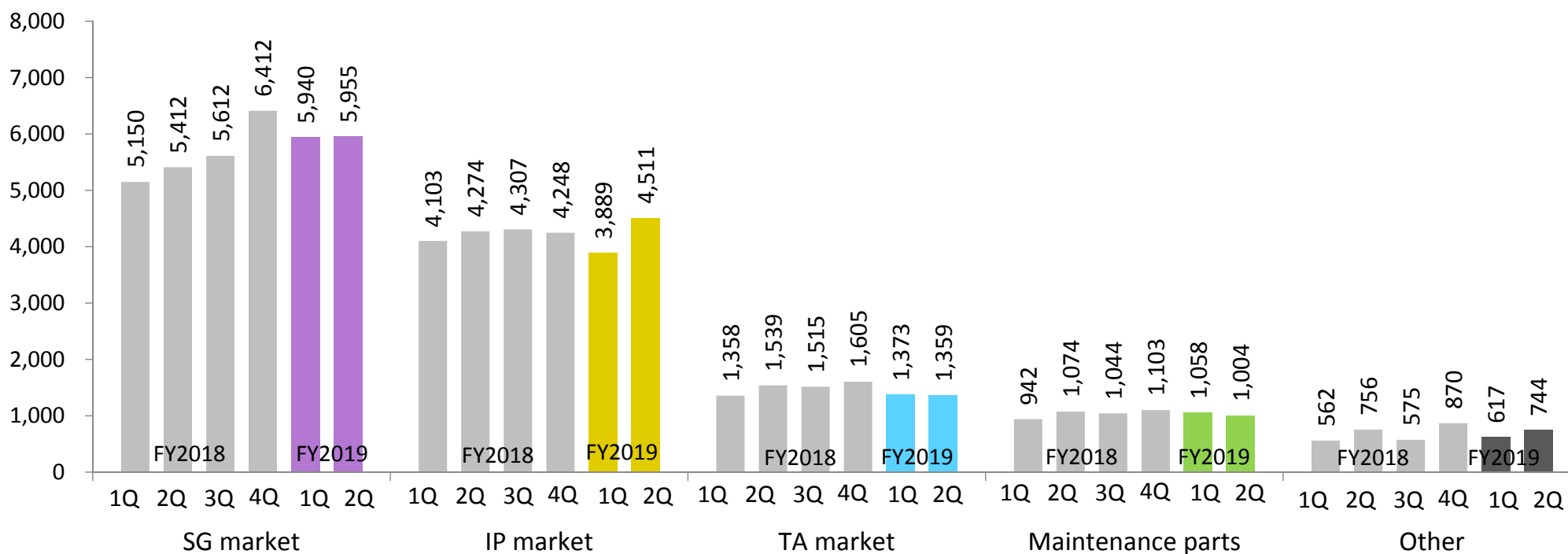
③Improve cost of  
sales ratio  
(Excluding FX impact)

④Increase SG&A  
(Excluding FX impact)



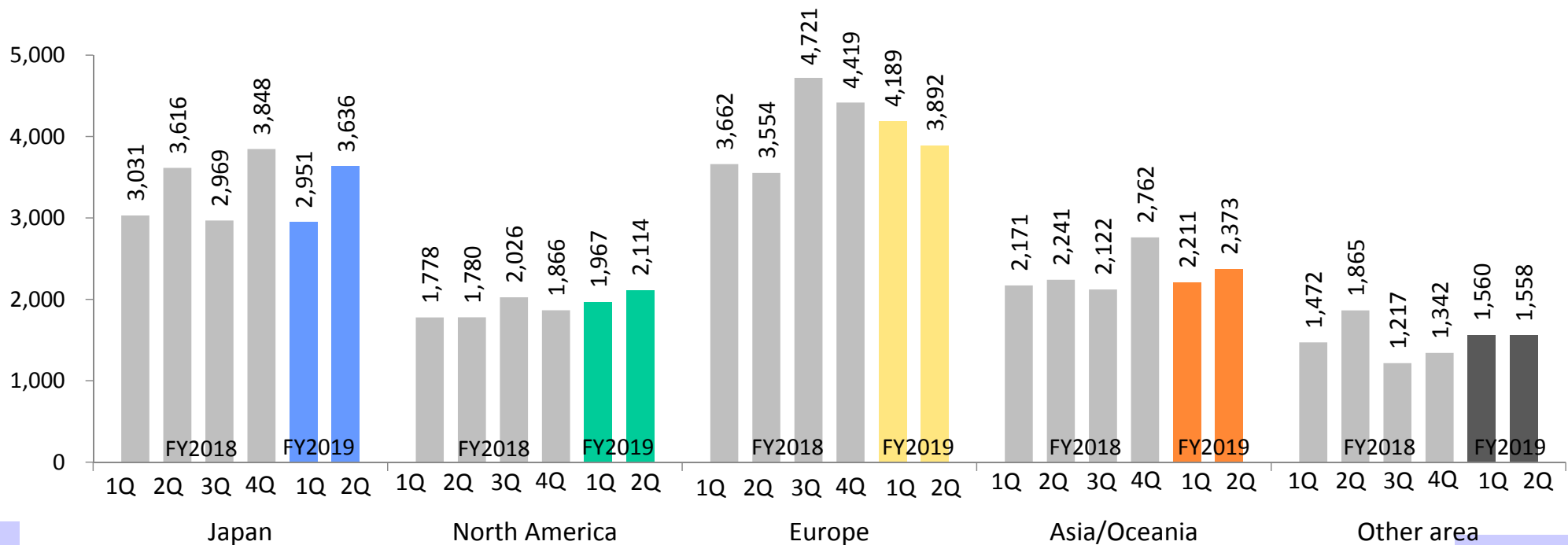
# Sales by market segment ( First Half )

Millions of yen	Fiscal Year 2018			Fiscal Year 2019			
	1Q Actual	2Q Actual	First Half Actual	1Q Actual	2Q Actual	First Half Actual	Change
SG market	5,150	5,412	10,562	5,940	5,955	11,896	12.6%
IP market	4,103	4,274	8,378	3,889	4,511	8,400	0.3%
TA market	1,358	1,539	2,898	1,373	1,359	2,732	△ 5.7%
Maintenance parts	942	1,074	2,016	1,058	1,004	2,063	2.3%
Other	562	756	1,318	617	744	1,362	3.3%
Total	12,116	13,058	25,174	12,879	13,576	26,455	5.1%



# Sales by area ( First Half )

Millions of yen	Fiscal Year 2018			Fiscal Year 2019			
	1Q Actual	2Q Actual	First Half Actual	1Q Actual	2Q Actual	First Half Actual	Change
Japan	3,031	3,616	6,647	2,951	3,636	6,587	△ 0.9%
North America (Local currency/\$)	1,778 (16.0M)	1,780 (16.0M)	3,558 (32.0M)	1,967 (18.0M)	2,114 (18.9M)	4,081 (37.0M)	14.7%
Europe (Local currency/€)	3,662 (29.9M)	3,554 (27.1M)	7,217 (57.1M)	4,189 (32.2M)	3,892 (30.0M)	8,082 (62.2M)	12.0%
Asia/Oceania	2,171	2,241	4,413	2,211	2,373	4,585	3.9%
Other area	1,472	1,865	3,337	1,560	1,558	3,119	△ 6.5%
Total	12,116	13,058	25,174	12,879	13,576	26,455	5.1%



# FY2019 Forecast

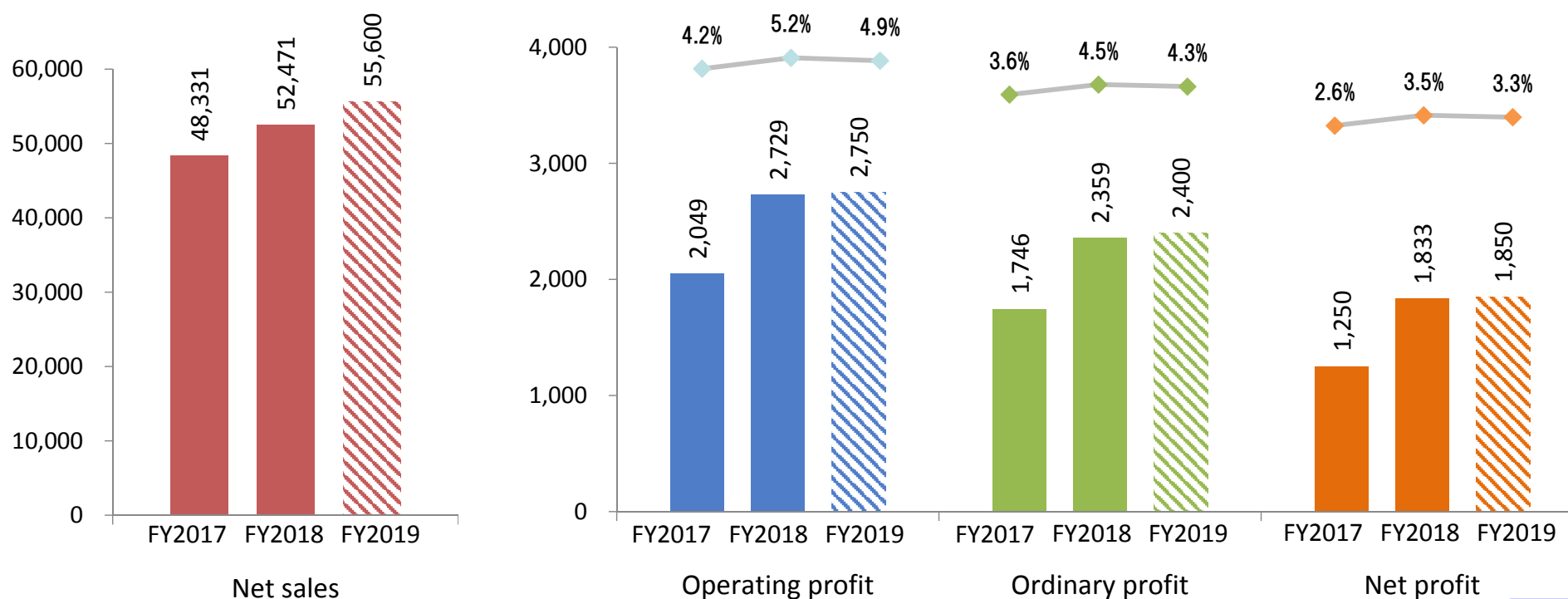


# Consolidated Financial Highlights (Forecast for the FY2019)



Millions of yen	Fiscal Year 2018		Fiscal Year 2019				
	Fiscal year Actual	Sales ratio	First half Actual	Second half Forecast	Fiscal year Forecast	Change	Sales ratio
Net Sales	52,471	-	26,455	29,144	55,600	6.0%	—
Operating profit	2,729	5.2%	1,520	1,229	2,750	0.7%	4.9%
Ordinary profit	2,359	4.5%	1,225	1,174	2,400	1.7%	4.3%
Net profit	1,833	3.5%	769	1,080	1,850	0.9%	3.3%
USD exchangerate	JPY110.86	-	JPY110.27	JPY105.00	JPY107.64	Δ 2.9%	—
EURO	JPY129.70	-	JPY129.84	JPY128.00	JPY128.92	Δ 0.6%	—

\* Alpha Design Group and LUCK'A are not included in the forecast.





# Factors effecting operating profit (FY2018 vs FY2019)

( Millions of yen )

## 【impact by currency】

USD / JPY110.86	→	JPY107.64	△203
EUR / JPY129.70	→	JPY128.92	△74
TRY / JPY30.21	→	JPY19.57	△274
BRL / JPY34.47	→	JPY27.27	△373
IND / JPY0.0083	→	JPY0.0076	△69
AUD / JPY85.79	→	JPY80.88	△44
Others (IDR, CNY, etc.)			△34
Total			△1,071

## 【FX impact on sales, cost and operating profit】

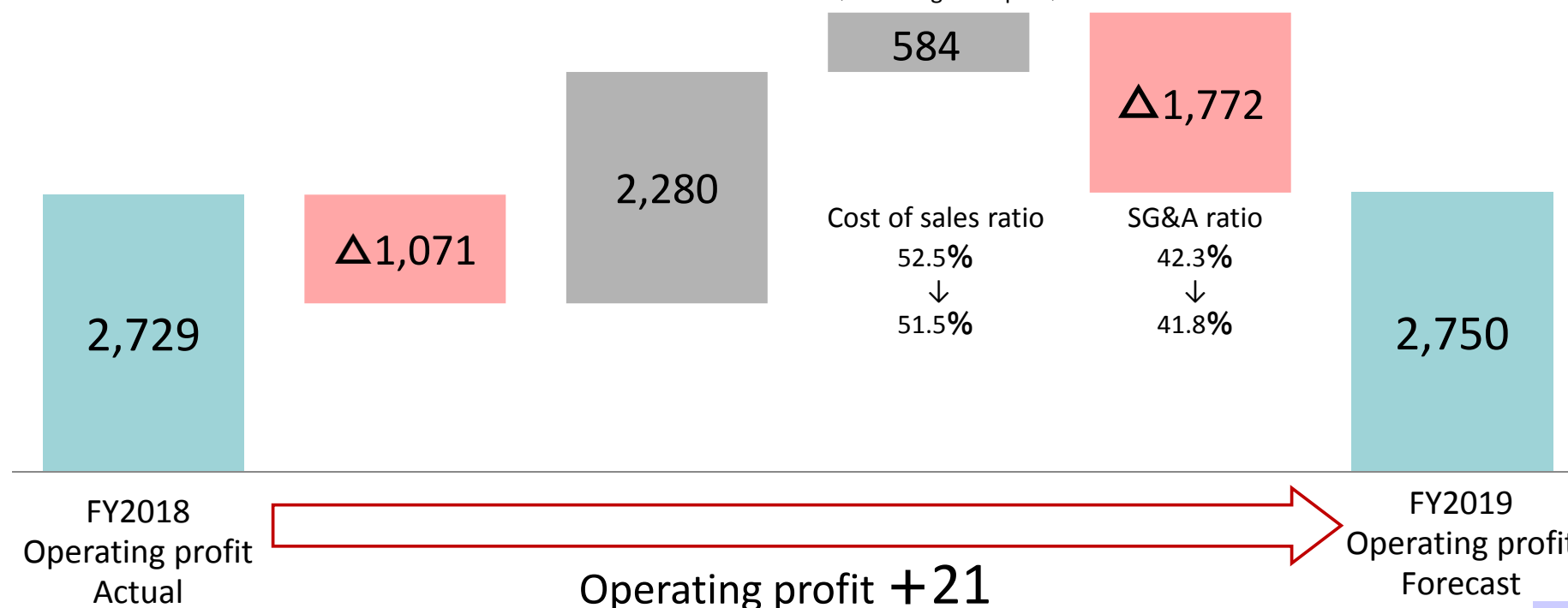
Sales△1,672 — Cost of sales△213 — SG&A△388 = Operating profit△1,071

① FX impact

② Revenue increase  
(Excluding FX impact)

③ Improve cost of  
sales ratio  
(Excluding FX impact)

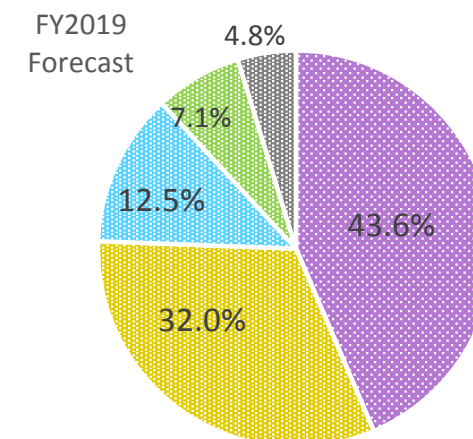
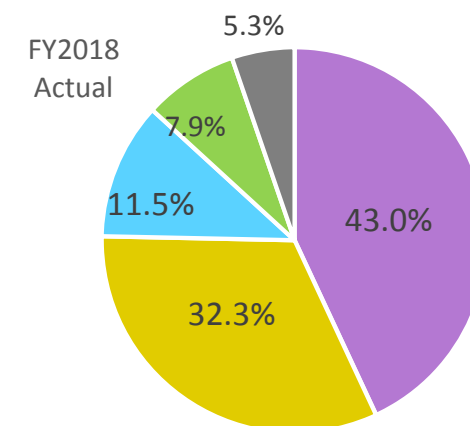
④ Increase SG&A  
(Excluding FX impact)



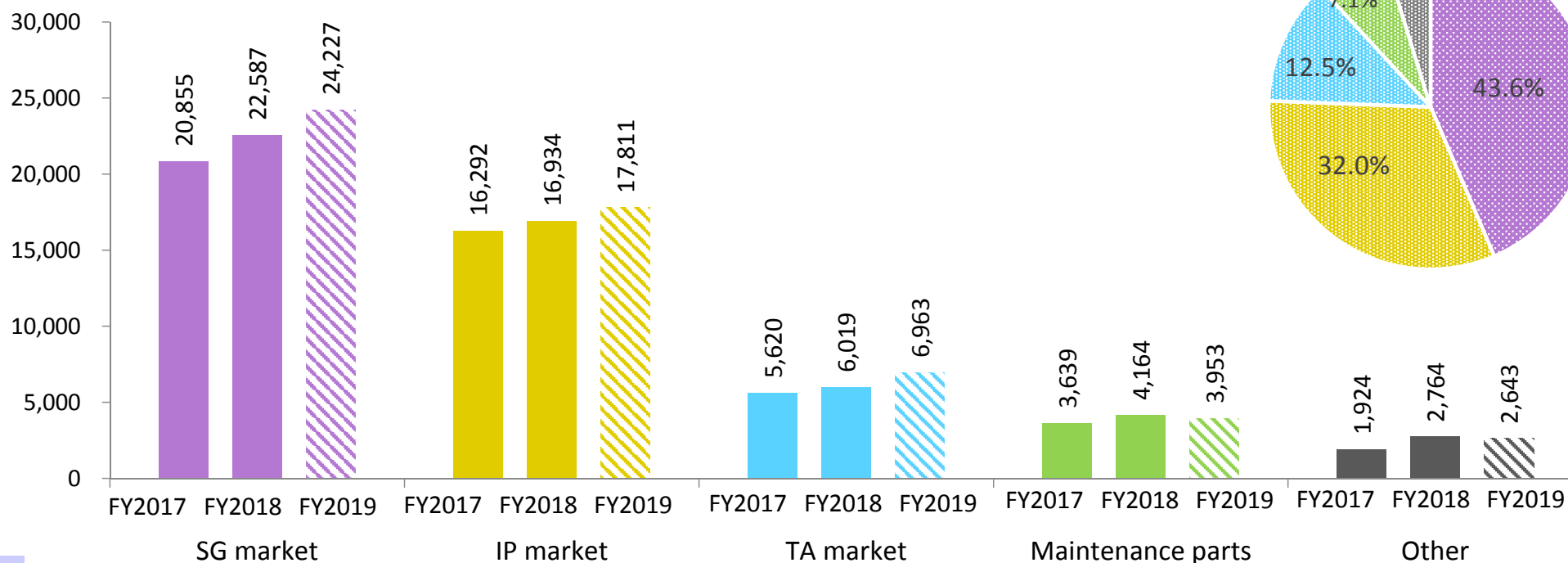
# Sales by market segment (Forecast for the FY2019)

Millions of yen	Fiscal Year 2018	Fiscal Year 2019			
	Fiscal year Actual	First half Actual	Second half Forecast	Fiscal year Forecast	Change
SG market	22,587	11,896	12,330	24,227	7.3%
IP market	16,934	8,400	9,411	17,811	5.2%
TA market	6,019	2,732	4,230	6,963	15.7%
Maintenance parts	4,164	2,063	1,890	3,953	Δ 5.1%
Other	2,764	1,362	1,280	2,643	Δ 4.4%
Total	52,471	26,455	29,144	55,600	6.0%

Composition ratio



\* Alpha Design Group and LUCK'A are not included in the forecast.

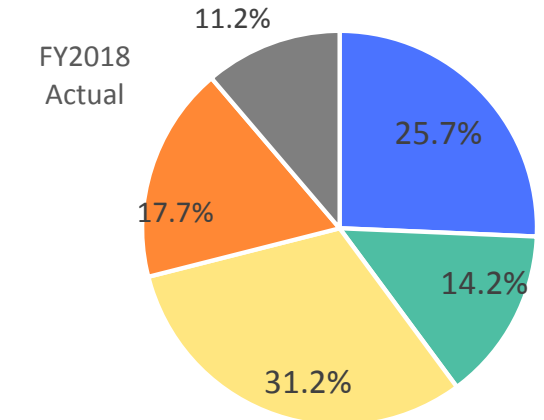


# Sales by area (Forecast for the FY2019)

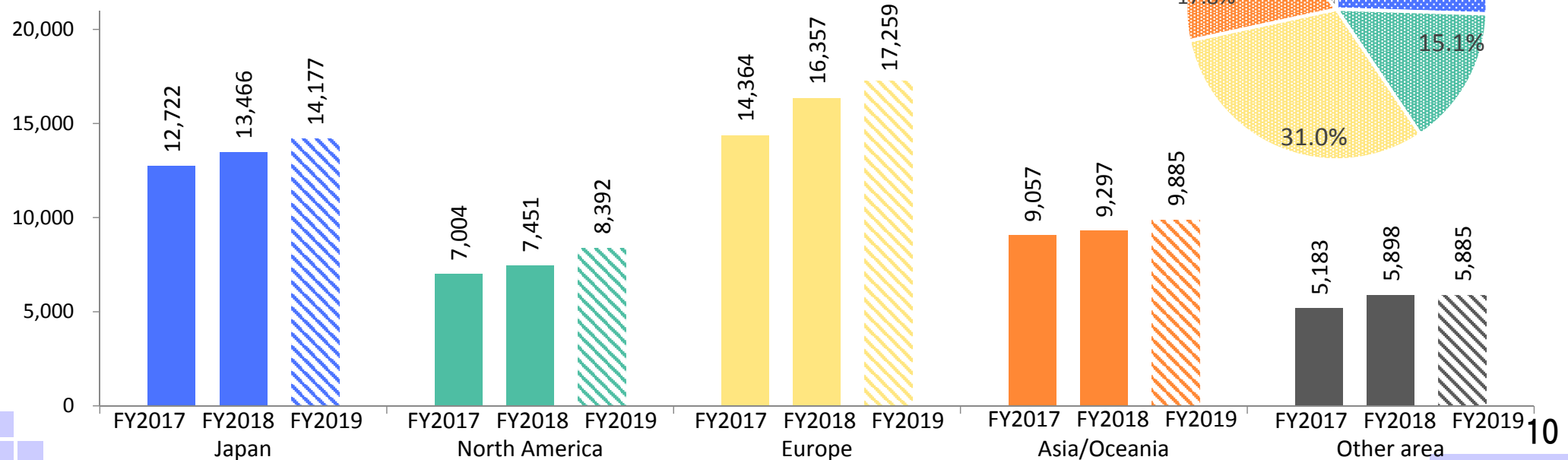
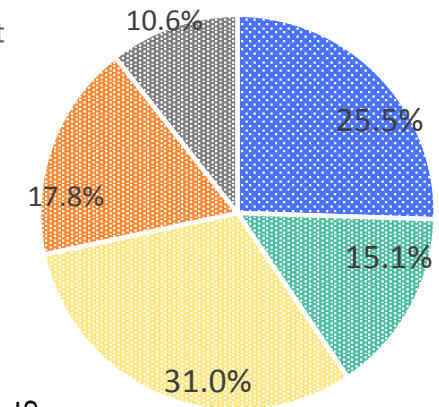
Millions of yen	Fiscal year 2018	Fiscal Year 2019			
	Fiscal year Actual	First half Actual	Second half Forecast	Fiscal year Forecast	Change
Japan	13,466	6,587	7,589	14,177	5.3%
North America (Local currency/\$)	7,451 (67.2M\$)	4,081 (37.0M)	4,310 (40.9M\$)	8,392 (77.9M\$)	12.6%
Europe (Local currency/€)	16,357 (126.1M€)	8,082 (62.2M)	9,177 (71.6M€)	17,259 (133.8M€)	5.5%
Asia/Oceania	9,297	4,585	5,300	9,885	6.3%
Other area	5,898	3,119	2,765	5,885	Δ 0.2%
Total	52,471	26,455	29,144	55,600	6.0%

\* Alpha Design Group and LUCK'A are not included in the forecast.

Composition ratio



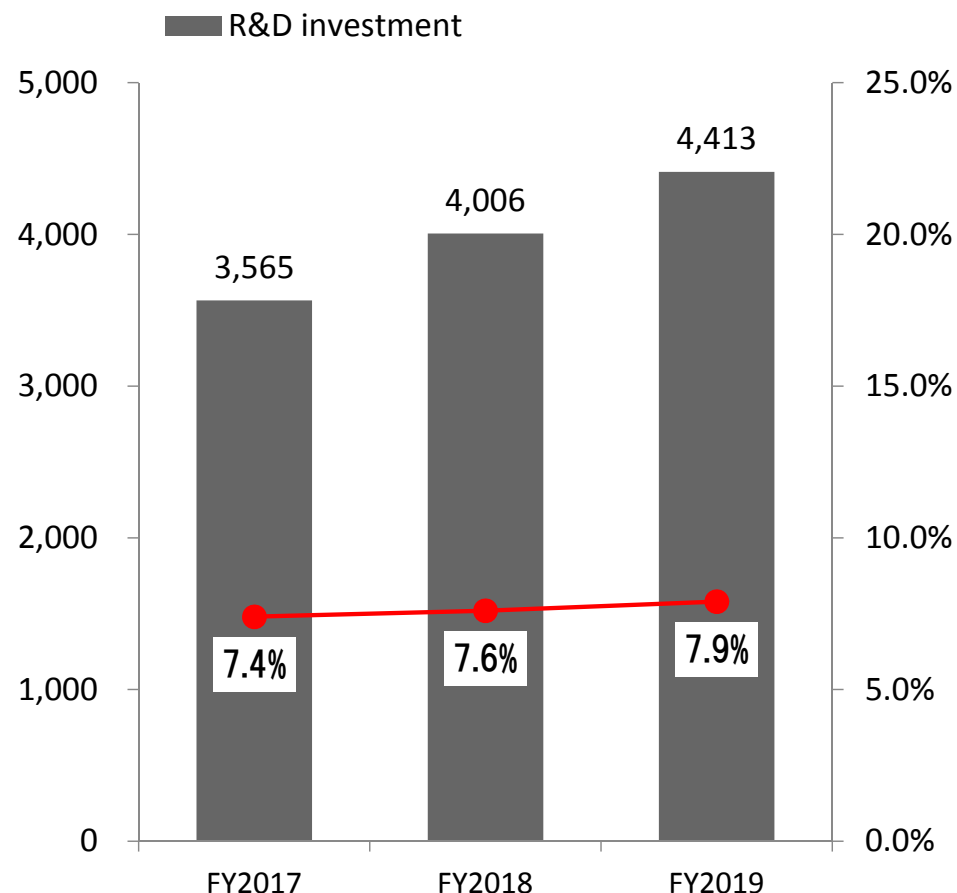
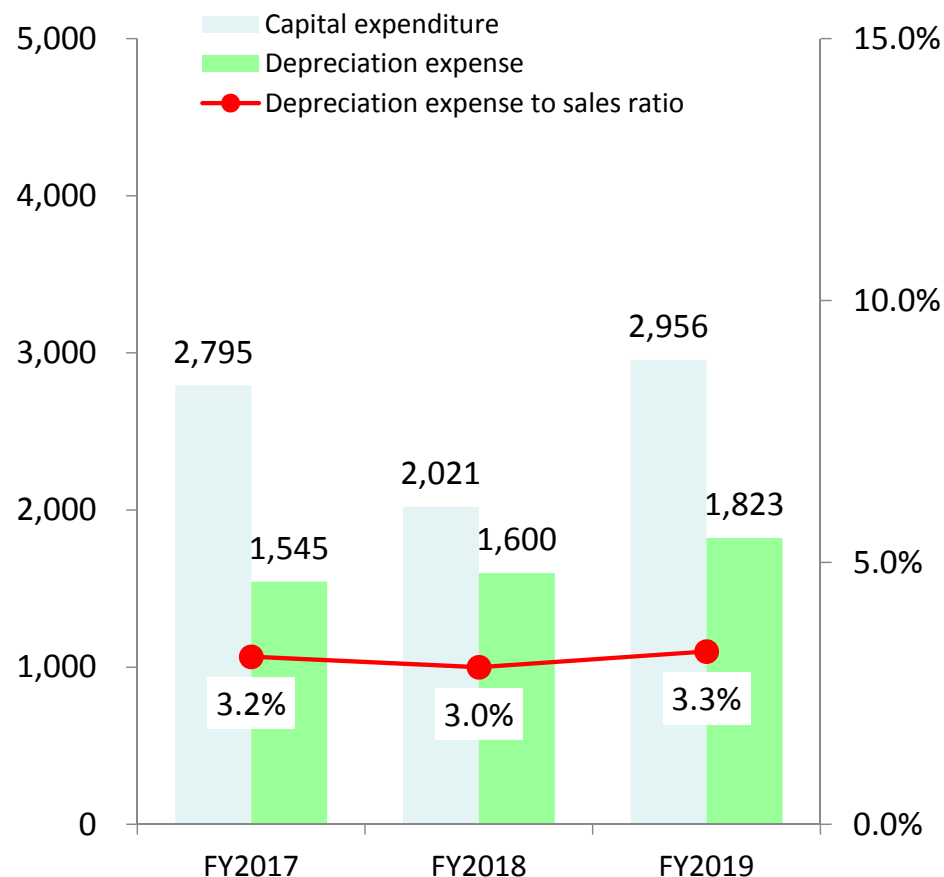
FY2019 Forecast



# Capital expenditure, Depreciation, R&D investment

Mimaki

(Millions of yen)



## ※ Main capital expenditure (FY2019)

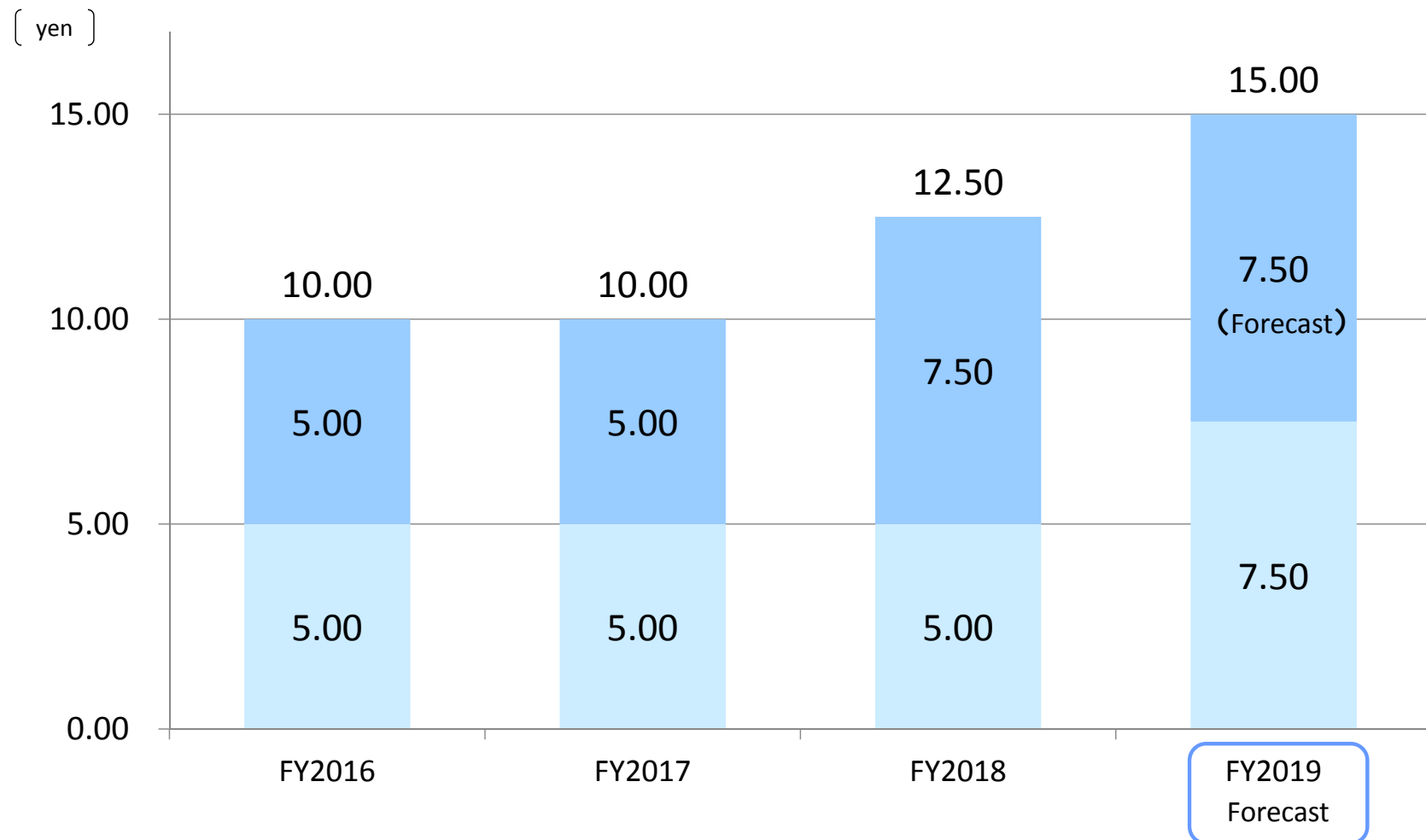
- Mechanical equipment JPY766M
- Demonstration machine JPY450M
- Mold JPY325M
- Core system JPY246M

※ 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 investment" for SG & A in each fiscal year are 2,413 million yen in FY2017, 2,330 million yen in FY2018, and 2,552 million yen in FY2019.

# Dividends (Forecast for the FY2019)



## Dividend record and current term forecast



# Topics

Approach to growth strategy of FY2018



SG

# 1. UCJV series

<Relevant growth strategies>

Expansion of lineup




Differentiation by environmentally friendly UV ink



- Entry model for SG market
- Corresponds to print & cut
- LED-UV curing inkjet printer
- Multilayer printing function installed

# 1-1. Differentiation by environmentally friendly UV ink

## UV ink

- ✓ Low VOC=Eco friendly  Point①
- ✓ Printable on Non-PVC
  - Printable on environmentally friendly materials  Point②
- ✓ No need heaters=Energy saving  Point③
- ✓ Immediate curing, immediate post-processing
  - Correspond to short delivery
- ✓ High concealability, high concentration, high definition, high weather resistance

Combine good points of solvent and latex

## Solvent ink

- ✓ High resolution, High color development
- ✓ Energy is relatively save

## Latex ink

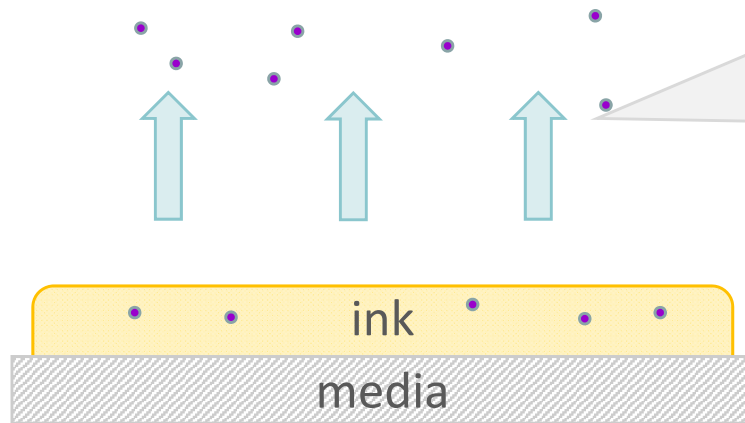
- ✓ Eco
- ✓ Immediately drying, Immediate post processing
- ✓ Media versatility



# 1-1.① environmentally friendly UV ink

## Low-VOC and ozone-free LED-UV light

Solvent

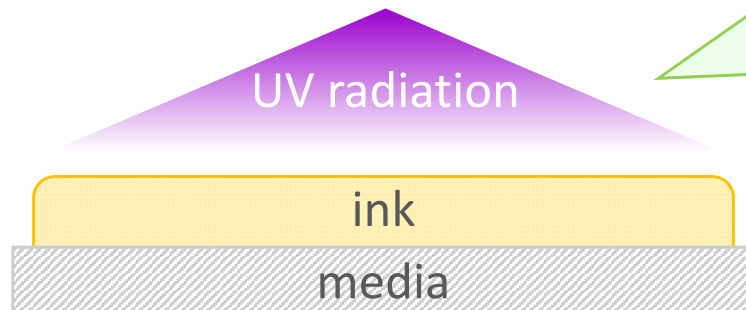


Ink raw materials: Pigment + Organic solvent  
Ink hardens due to  
**volatilization of solvent component**

**Harmful substances are generated**



UV



Ink raw materials: VOC substance not used  
Ink cures by **UV irradiation**

**Harmful substances hardly occur**

+α

**Ultraviolet rays causing ozone generation are not used** thanks to LED

Point①



# 1-1.② Printable on Non-PVC

Possible to print on environmental friendly materials

## Solvent

Printable material  
**PVC only**



disposal



**PVC may generate toxic substances** when its incinerated



※Some substances used as PVC stabilizers etc. are concerned about environmental and human health effects.

## UV

Printable material  
Japanese paper



Fabric



wood



etc.

Possible to print on environmental friendly materials

Point ②



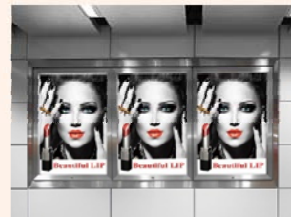
# 1-1.② Printable on Non-PVC

## Printable on various media

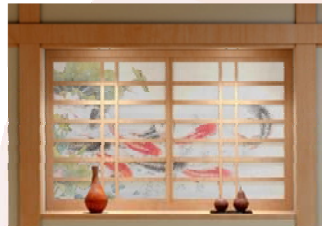
Indoor  
sign



Electric spectaculars  
(colton)



Poster (YUPO)

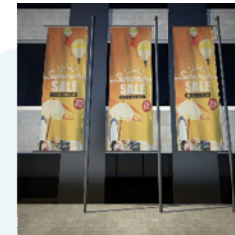


Shoji  
(sliding paper door--  
Japanese paper)

Indoor  
decoration



Window decoration  
(Transparent PET)

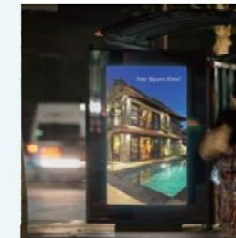


Fabric



Tarpaulin

Outdoor  
sign



Electric spectaculars  
(FF)



Label / Sticker



Swing P.O.P. (PET film)

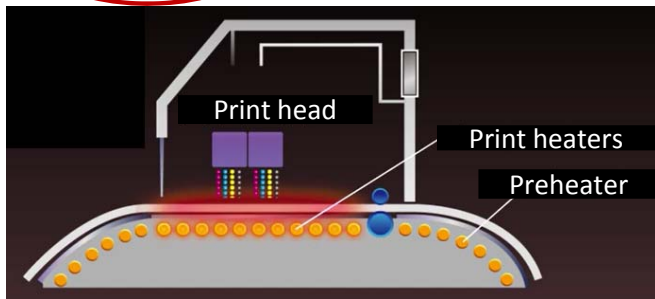
POP / Label

# 1-1.③ Energy saving

## Eco thanks to energy saving

Solvent ▪ Latex

Heating is necessary for drying



UCJV300



Latex ink  
(other company)

✓ The material is stretched under influence of heat, the picture shifts when pasting.

✓ Difference in temperature balance  
→ Uneven color



※ To harden the Latex ink, it is necessary to heat at least 60 degrees (100 degrees depending on the media).

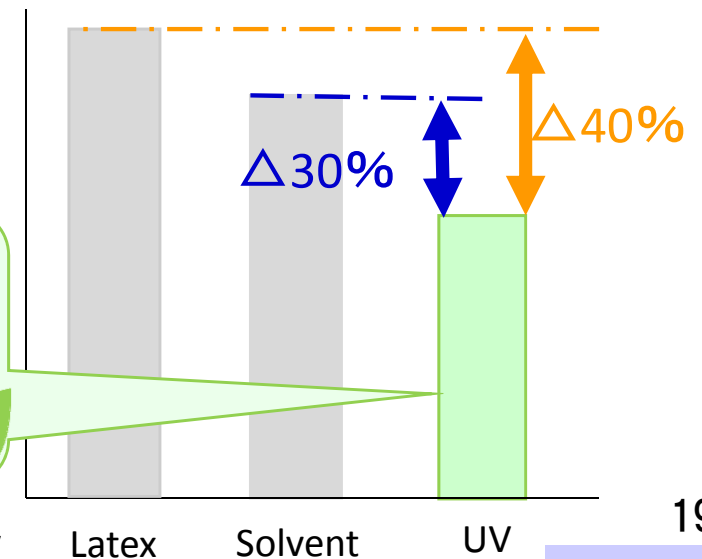
UV

Heating is unnecessary  
as its cured immediately by UV irradiation



Energy saving because  
heater is not used

Point ③



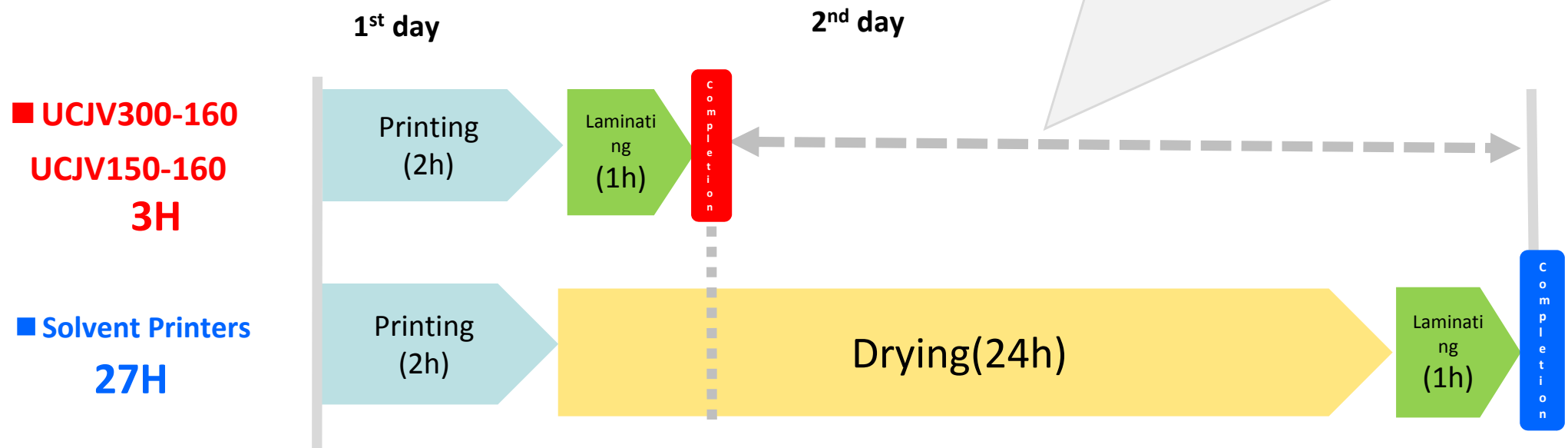
※According to our survey

# 1-1.④ Immediate processing, immediate construction

Mimaki

Correspond to short delivery times

- ✓ **Max. 90% of production time is saved.**
- ✓ An order of sign making of applying on the same date can be received.



※ Same as above : 10 sheets of 900×1800mm signs are output, the printing speed (4c) is 15.7m 2/h.



# 1-2. User stories

Used as the main machine of the tarpaulin banner / Kimura Kanban Co., Ltd.



High-density white ink of LUS-170 ink

< Main factor of introducing >

- Wider variety of media can be supported by high-density printing with light shielding property.

< Effect >

- Improvement of working efficiency.
- Ink cost reduction.
- Increase of supported media.

As a new weapon / Shimizu Octo Inc.



Meeting room produced  
by the company's young staff

< Main factor of introducing >

- Reduction of working process.
- Manufacture white ink job in house.
- High versatility of print media.

< Effect >

- Improve productivity and quality.
- Manufacture white ink job in house.
- High density and high quality output of color/transparent materials.

# 1-2. User stories

## Use for window decoration / G-Craft Co., Ltd.



### < Main factor of introducing >

- The demand of window decoration has been increased, then UCJV can help efficiently.
- Multilayer print make possible to improve expression and proposal.
- Can respond with confidence even on the same day shipping.

### < Effect >

- Shift from outsourcing to in-house manufacture.
- Respond to short-term demands.
- The range of work has expanded.

## As a new weapon / EVENTAS Inc.



"System display"

Transparent media is often used for glass parts.

### < Main factor of introducing >

- Substantial cost reduction.
- Challenge new business with newer technology than solvent technology.

### < Effect >

- Possible to correspond to a wide range of orders.
- Substantial cost reduction.
- Possible to print to new media.



# 1-2. Case study

Sponsoring the 25th anniversary project "BAPE XXV" of A BATHING APE® brand establishment



2018.9.4~2018.9.7  
Premium Incentive Show @ Tokyo Big Sight





# 1-2. Case study



POP



4 layer printing



>>>



Flash print



# 1-3. Expansion of lineup

1.6m width



**UCJV300-160**



**UCJV150-160**

(Launched in November 2017)

0.8m width



**UCJV300-75**

1.1m width



**UCJV300-107**

1.3m width



**UCJV300-130**

(Launched in July 2018)

# 1-4. Award winning

Received FASPA 2018 “ EDP Award” !




## 2. Tiger-1800BMk II

<Relevant growth strategies>

Add High-speed model suitable for production area

*Tiger-1800B MkII*



Direct to textile

Sublimation transfer

- High-end model for TA market
- Sublimation and direct model are available

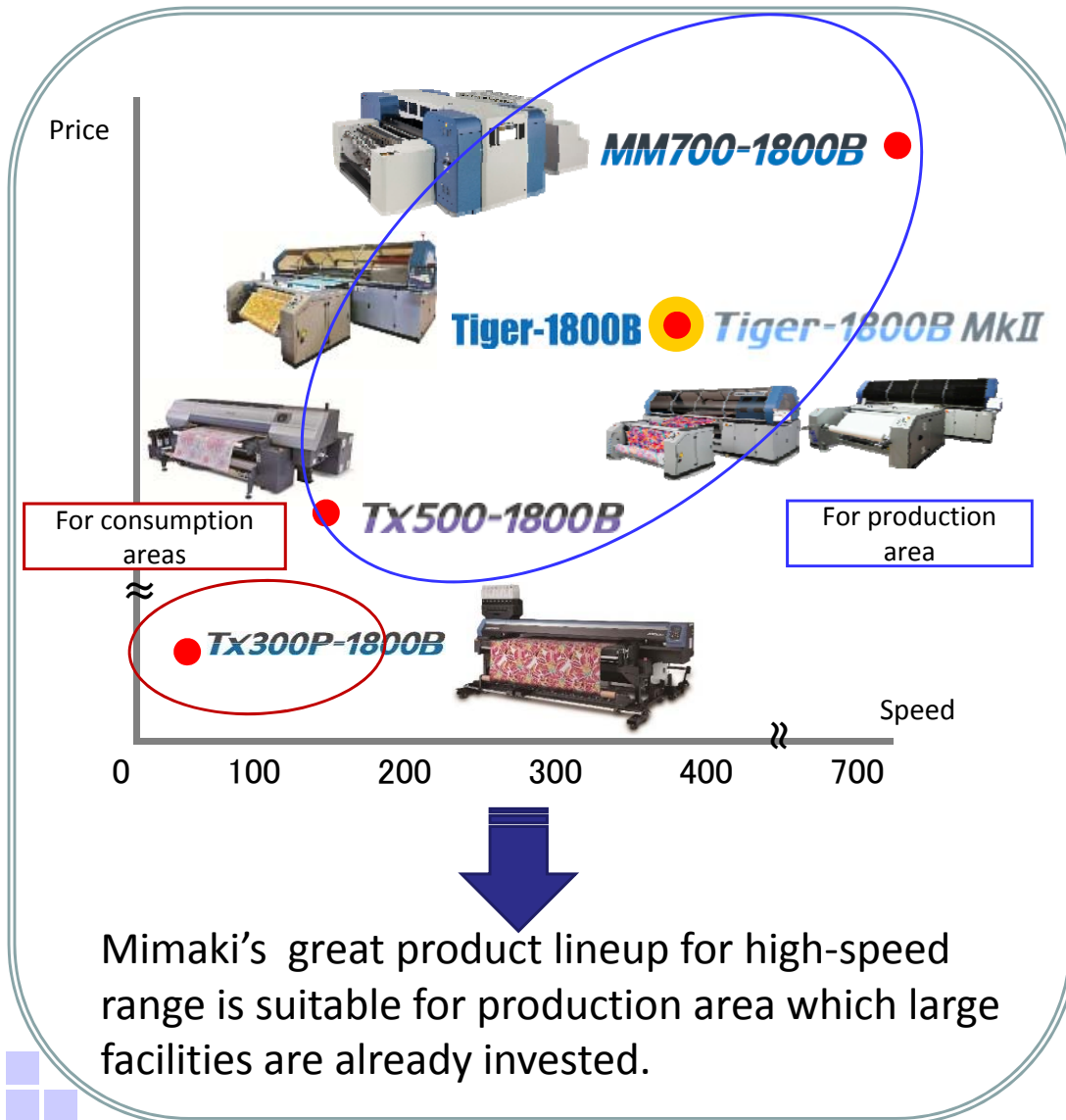
※ Sublimation transfer: After printing on transfer paper, overlapping the dough, applying pressure with a press machine, printing

※ Direct to textile: direct printing on fabric

- High-speed printing with a width of 1.8 m, the fastest  $385\text{m}^2 / \text{h}$

# 2-1. Tiger-1800B Mk II

Add New Tiger, industrial high-speed model,  
is best production for large-scale production at manufacturing sites



## Tiger-1800B MkII

Mimaki controller which realizes addition of high resolution and print mode is installed

### Direct to textile model



### Sublimation transfer model



(Launched in July 2018) 28

## 2-2. Feature

### ①MAPS (Mimaki Advanced Pass System)

The MAPS can realize the beautiful printing with less banding and color-shifting by making the boundary as gradation.



### ②Enable higher quality printing

Added 1,200 dpi print mode, supports multipass

✂ Multi-pass means to print a determined printing area by multiple times with different nozzles, which allows to suppress the cause of stripe and band and create a beautiful print.

### ③NRS(Nozzle Recovery System)

Replace the nozzle with trouble that can not be improved by cleaning with a different nozzle and print  
Printing can be resumed without waiting for service man to repair



### 3. TS55-1800

<Relevant growth strategies>

Release of middle range model suitable for consumption area

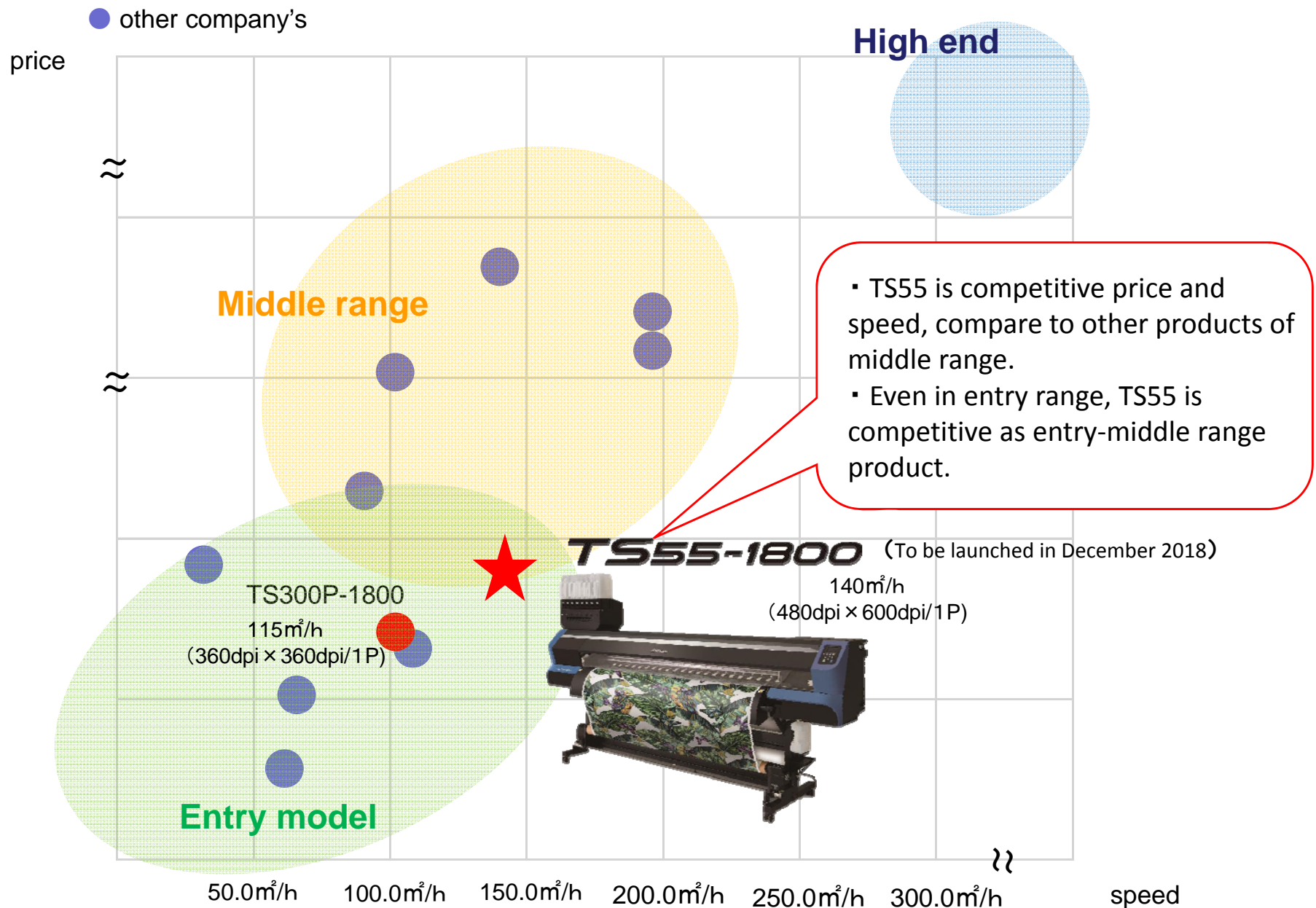
Expansion of consumables business



- Middle range model for TA market
- Sublimation transfer inkjet printer
- ※ Sublimation transfer: After printing on transfer paper, overlapping the dough, applying pressure with a press machine, printing
- Fastest speed of 140 m<sup>2</sup> / h
- Mini Jumbo roll unit and 10kg ink tank as a option for low-cost operation and long run



# 3-1. Portfolio of sublimation transfer printer





## 3-2. Option that enables low cost, continuous long-time printout

Mimaki

### Mini jumbo roll unit

- ✓ Corresponding to high-speed/volumn production
- ✓ Low running cost



Back side: The option device is mounted.



Front side: Standard model

### 10kg Ink supply unit

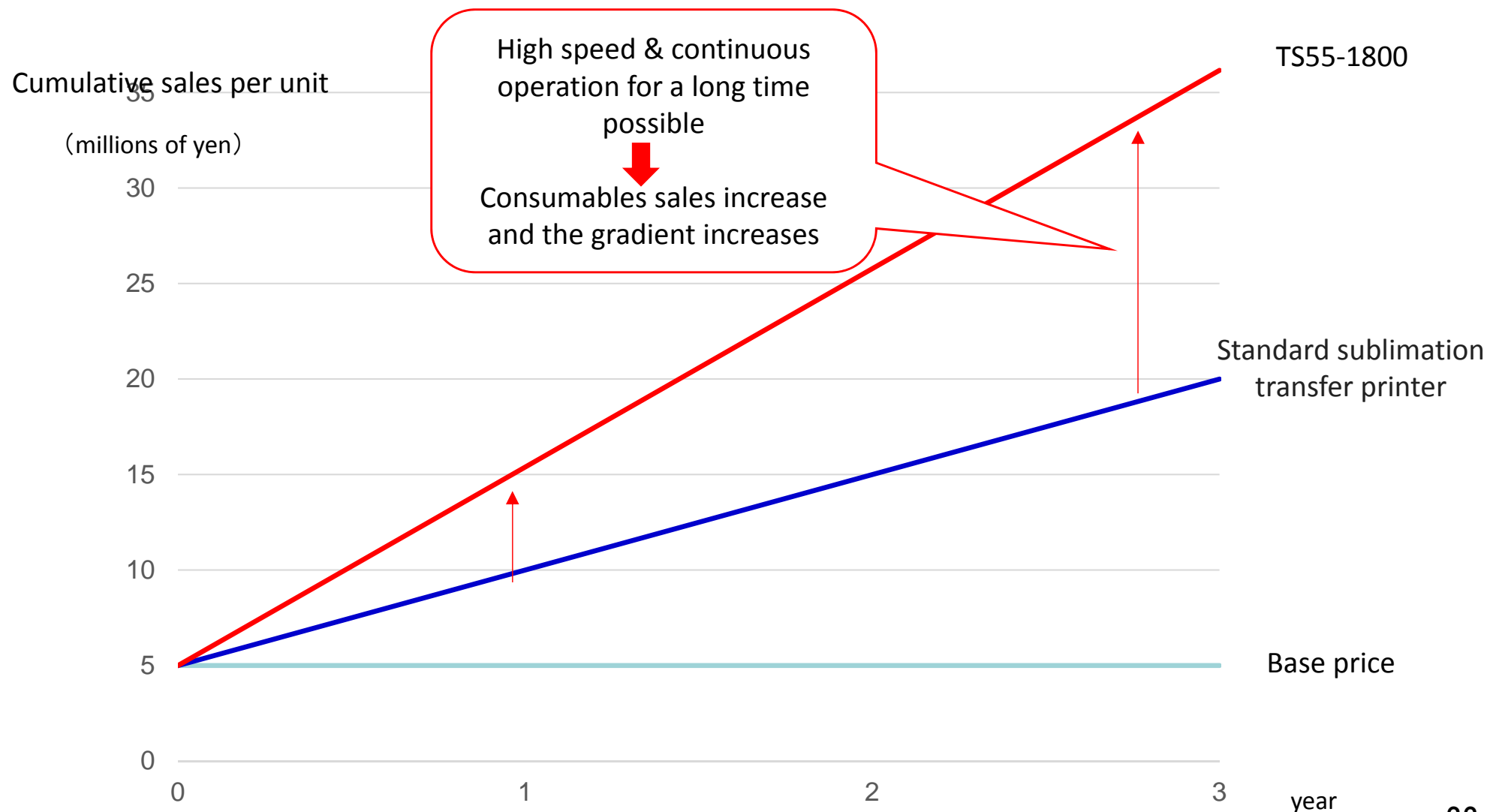
- ✓ Corresponding to continuous long run operation.
- ✓ Achieves significant reductions in running cost and operation time

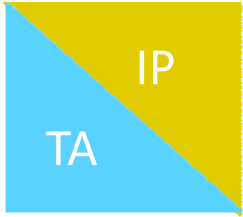


# 3-3. Image of consumable business expansion

Cumulative sales per unit including consumable items (ink, transfer paper)

Prerequisite: Print mode with similar image quality, 12 hours / day, 20 days / month





## 4. M&A

(Alpha Design Group, LUCK'A)

<Relevant growth strategies>

Efforts towards “automation” and “unmanned operation”

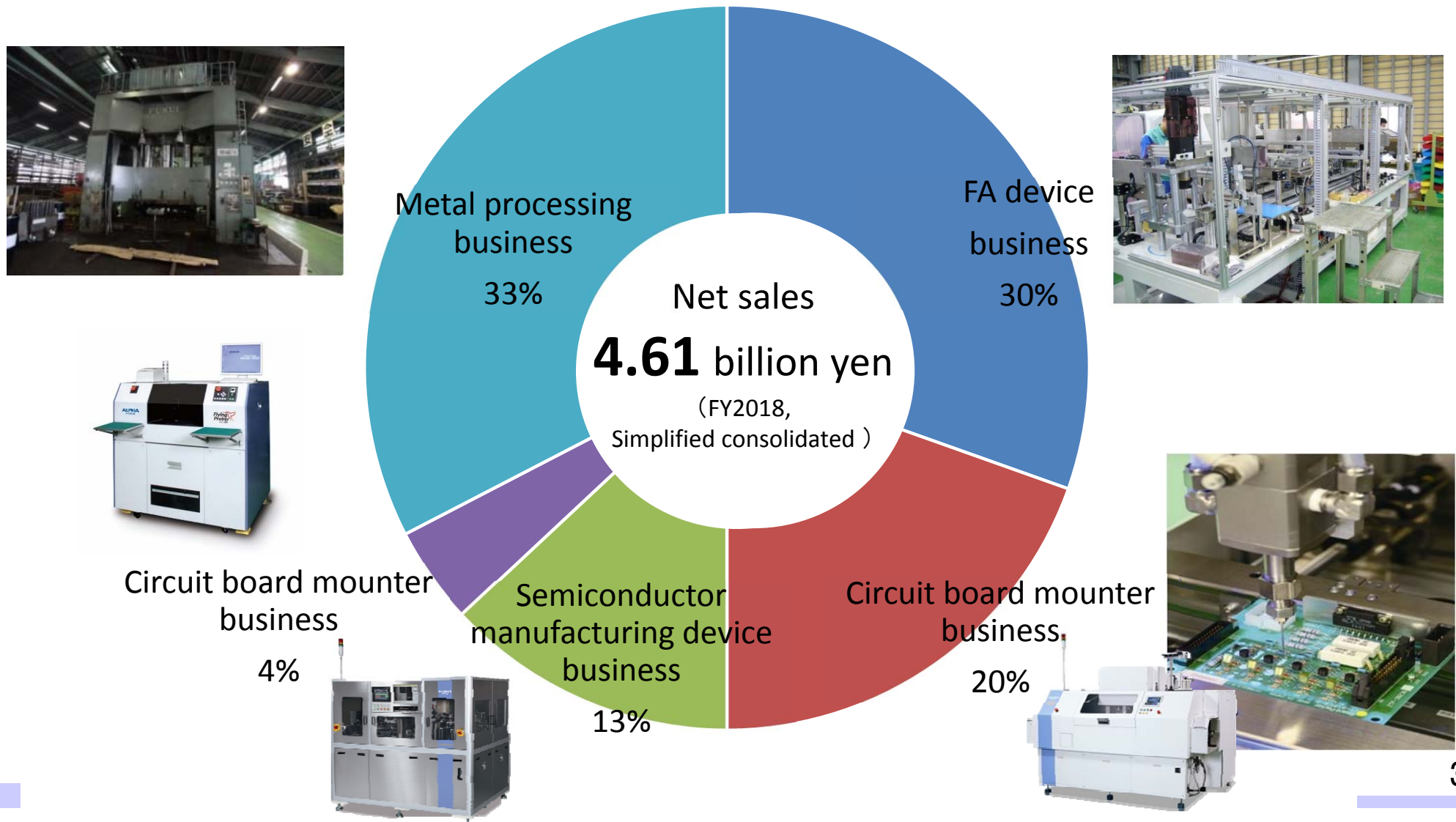
# 4-1. About Alpha Design Group

## Profile

Group name	Alpha Design Group
Headquarters	2211-3 Ko, Shigeno, Tomi-city, Nagano, Japan (Alpha Design Co., Ltd. headquarters)
Representatives	Shujiro Morisawa
Business contents	Development, manufacture and sale of factory automation equipment, manufacture and sale of circuit board mounter, metal processing business etc.
Capital	195 million yen
Funded	January, 1989
Employees	263 (As of September 30, 2018)
Group Companies (4 companies in Japan, 2 companies in China)	Alpha Design Co., Ltd. Alpha System Co., Ltd. Alpha Tech Co., Ltd Tonami Corporation Ltd. Dalian Alpha Design Co., LTD. Alpha Automation Technology (Shenzhen) Co., LTD. (including Shanghai Branch)

## 4-2. Sale composition ratio

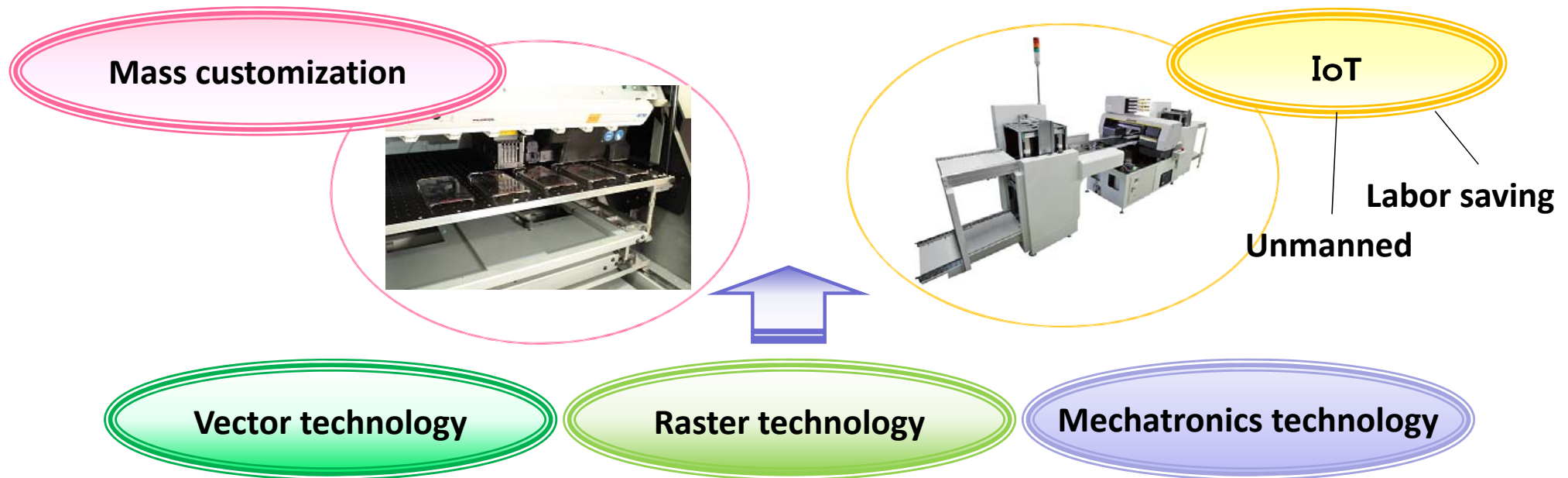
Based on the vector technology and mechatronics technology, the Alpha Design Group develops into five businesses.



## 4-3. Business synergy

### ① Technical synergy

- By incorporating vector technology<sup>\*1</sup> and mechatronics technology<sup>\*2</sup> of Alpha design into the technology portfolio, we can respond to "labor saving" and "unmanned" as well as in-house production of various high value added products.



\* 1 Vector is a data format that expresses images as collections of analytic geometric figures such as circles and straight lines. It is utilized in cutting technology and others. Raster is a data format that expresses images with a collection of shades of points and is utilized in inkjet technology and the like.

\* 2 Mechatronics is a compound word of mechanism and electronics and refers to electronic mechanical engineering aiming at the development of high performance and multifunctional products with the results of mechanical engineering fields such as microcomputers added to mechanical engineering products.

## 4-3. Business synergy

### ② Production synergy

- Mimaki Precision and the function of metal processing business of Alpha Design Group can be integrated to **improve productivity** through sharing of specialized fields and processing know-how.

### ③ Sales synergy

- **The sales scale can be expanded** by utilizing the Group's sales network for board mounting business, which is the main business of alpha design.

### ④ Management synergy

- **Improve management efficiency** through prediction management and profit management by reducing fixed costs through integration of sales bases in Japan and overseas, utilizing efficiency by consolidating factory spaces, introducing our management accounting system.



## 4-4. About LUCK'A

### Profile

Company name	LUCK'A Inc.
Headquarters	2-10-5, Sendagaya, Shibuya-ku, Tokyo, Japan
Representatives	Haruhisa Kato
Business contents	Planning, designing, producing, selling etc. goods mainly on music and animation
Capital	3 million yen
Funded	April, 2007
Group Companies (including part-time job)	21 (As of September 30, 2018)





## 4-5. Business synergy

### Technical and production synergy

- By incorporating the production of goods planned and designed by LUCK'A into the Mimaki group and securing a certain volume, we will make efforts to put "automation" and "unmanned" into practical use.
- Releasing Mimaki's printing technology with LUCK'A's design, commercial flow and copyright.



IP

## 5. 3DUJ-553

<Relevant growth strategies>

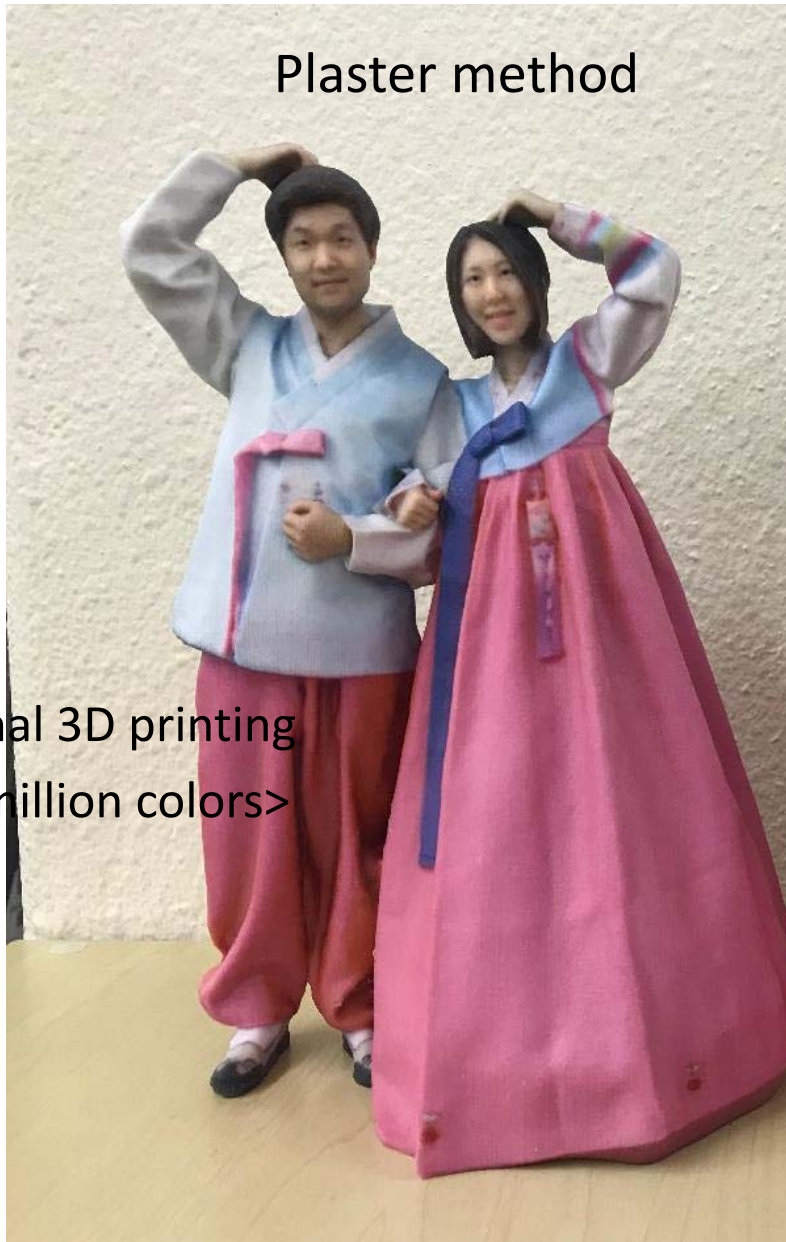
Replace Plaster 3D printer to Mimaki's full color 3D inkjet method.



- Full color 3D printer
- Full color modeling of more than 10 million colors
- Delicate expression possible
- Wide range of expression with clear ink

# 5-1. Difference from plaster method

Plaster method



Conventional 3D printing  
<About 5 million colors>

UV inkjet method



Mimaki's 3D print  
<Over 10 million colors>

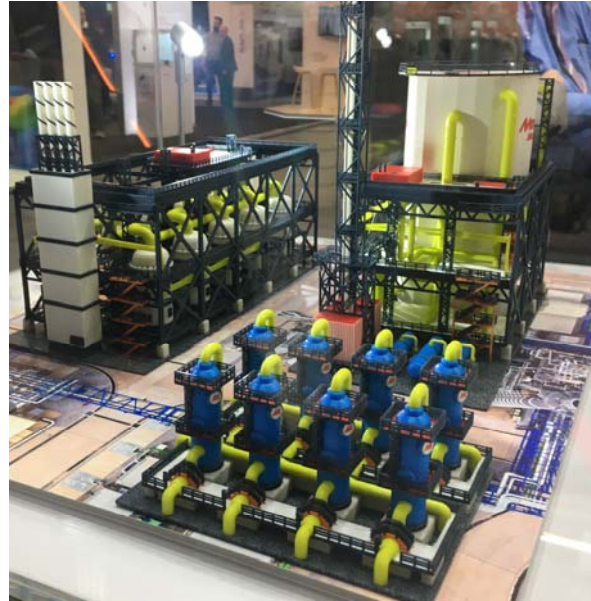


## 5-2. Samples





## 5-2. Samples



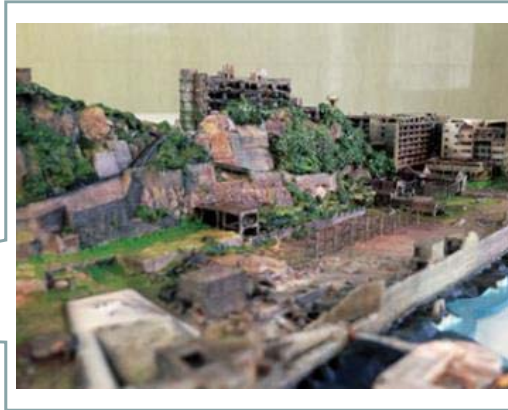


## 5-3. User stories

Modeling by creators etc. / Hotaru Corporation Co., Ltd.



Same size as that donated to Nagasaki University  
62cm warship island



Creators' latest works

Prototyping of parts of industrial products and shaping of medical field such as organ models / JMC Corporation

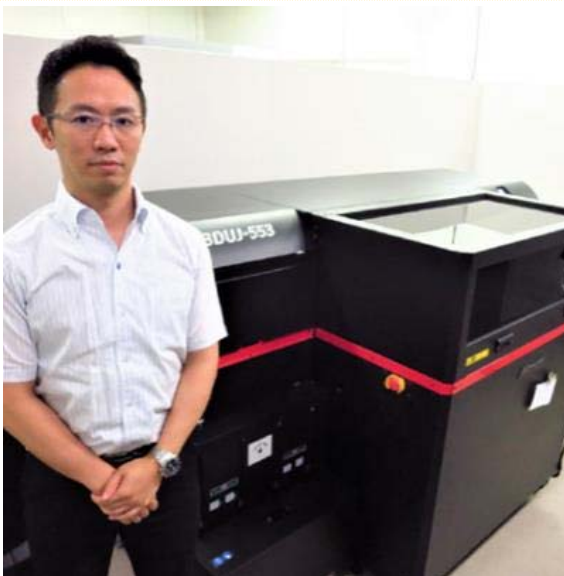


Figure sample

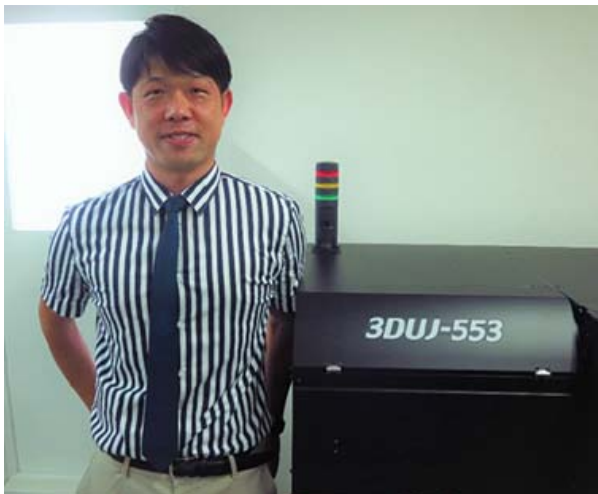


Gecko created in combination with CT



## 5-3. User stories

Sign, memorabilia, original goods, sample creation etc. / B&P Inc.



High color evaluation of "full color" as "overwhelming"



Replica on the left, right is real

Making cartoon and animated figures, goods / Popls



The original illustration



3D modeling data



3D figure

3D figures of prominent illustrator design sold at "Comic 94"

## 5-4. Award winning

Winning FESPA 2018 "EDP Award" and  
SGIA "Award 2018 (3D Printer Division)"!



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IR department

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