

Financial Result for the First Half Ended September 30, 2019

November, 2019

MIMAKI ENGINEERING CO., LTD

NEW

JV300Plus Series



NEW

CJV300Plus Series



NEW

Tx300P-1800 MkII



Mimaki
3D Printer

3DUJ-553



UCJV300-130



JF-X200-2513 EX



TS55-1800



Mimaki®


TSE LISTED
Code:6638

Listed on the
first section
of the Tokyo
Stock Exchange

Financial Results for Fiscal Year ending March 31, 2020

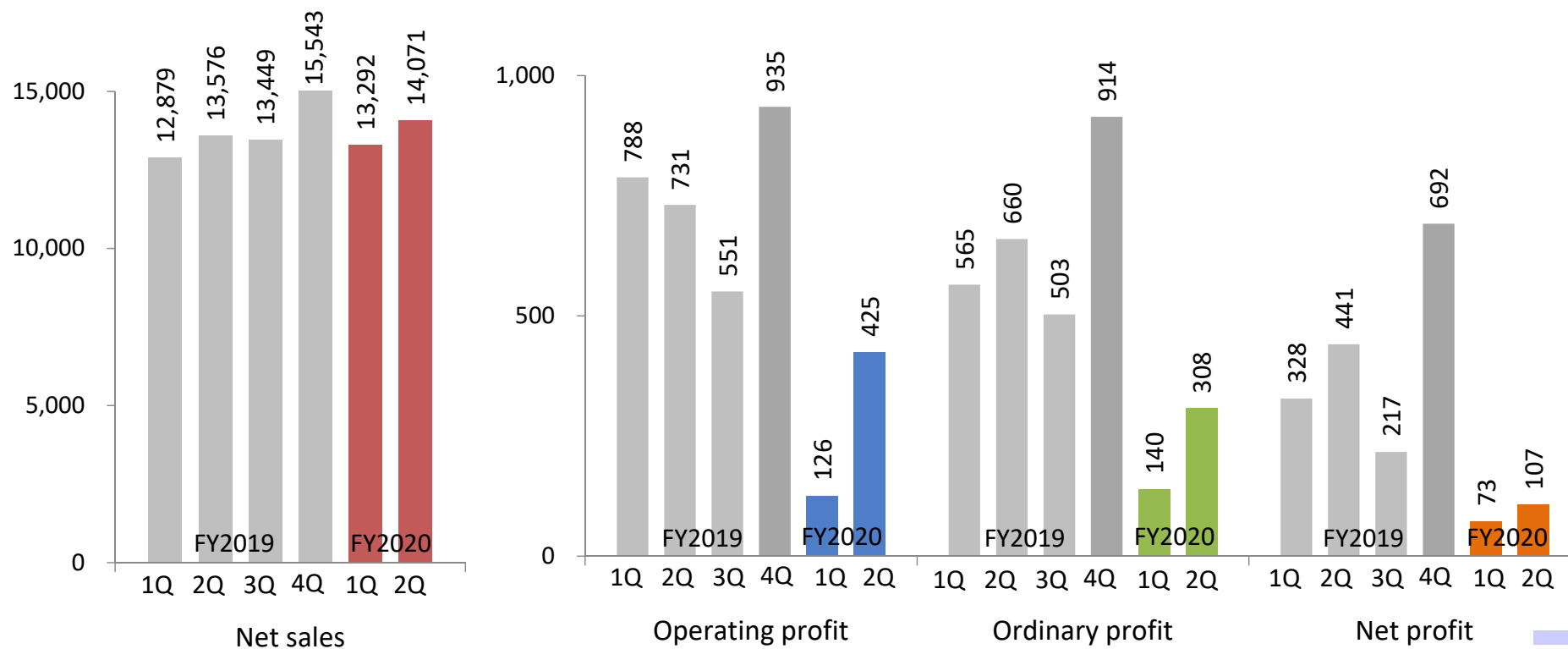
- First Half Result -



Consolidated Financial Highlights (First Half)



Millions of yen	Fiscal Year 2019			Fiscal Year 2020					
	1Q Actual	2Q Actual	First Half Actual	1Q Actual	Change	2Q Actual	Change	First Half Actual	Change
Net sales	12,879	13,576	26,455	13,292	3.2%	14,071	3.6%	27,363	3.4%
Operating profit	788	731	1,520	126	△83.9%	425	△41.9%	551	△63.7%
Ordinary profit	565	660	1,225	140	△75.2%	308	△53.2%	449	△63.4%
Net profit	328	441	769	73	△77.5%	107	△75.5%	181	△76.4%
Exchange rate	USD	JPY109.07	JPY111.46	JPY110.27					
	EUR	JPY130.06	JPY129.62	JPY129.84					
				JPY109.90	0.8%	JPY107.35	△3.7%	JPY108.63	△1.5%
				JPY123.49	△5.1%	JPY119.34	△7.9%	JPY121.41	△6.5%



Factors effecting operating profit

(First Half of FY2019 vs First Half of FY2020)



(Millions of yen)

【impact by currency】

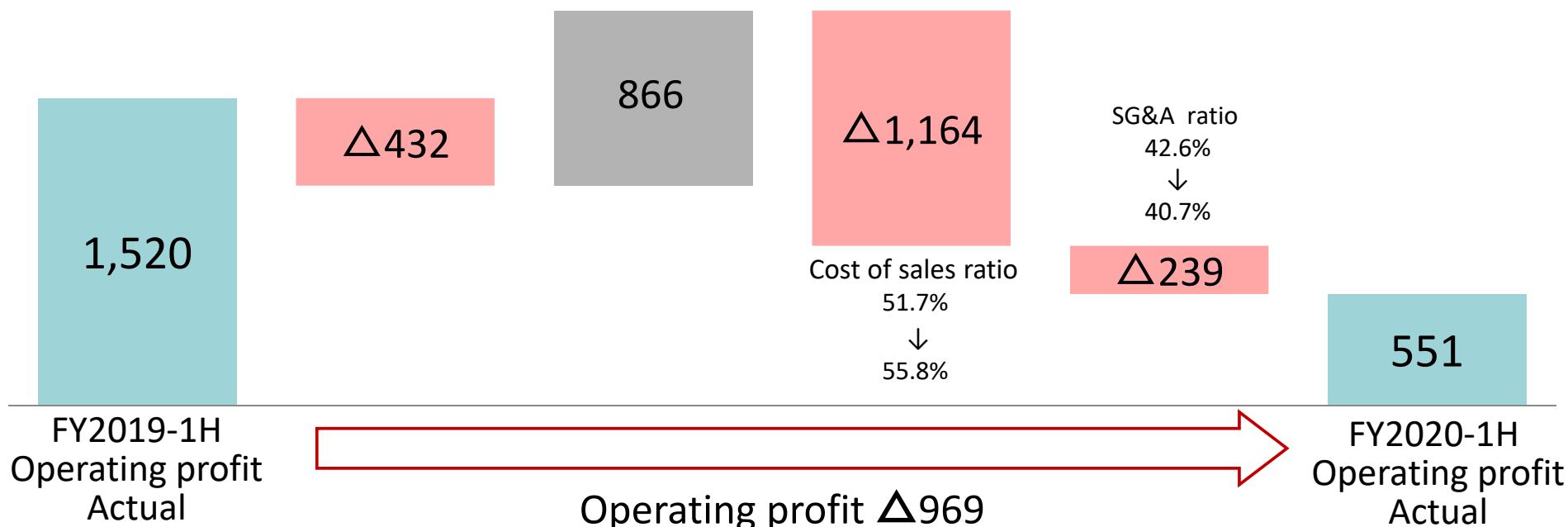
USD / JPY110.27	→	JPY108.63	△42
EUR / JPY129.84	→	JPY121.41	△336
CNY / JPY16.75	→	JPY15.68	+92
BRL / JPY29.27	→	JPY27.55	△46
TRY / JPY22.54	→	JPY18.82	△57
<u>Others (INR, AUD, IDR, etc.)</u>			<u>△43</u>
Total			△432

1. FX impact

2. Revenue increase
(Excluding FX impact)

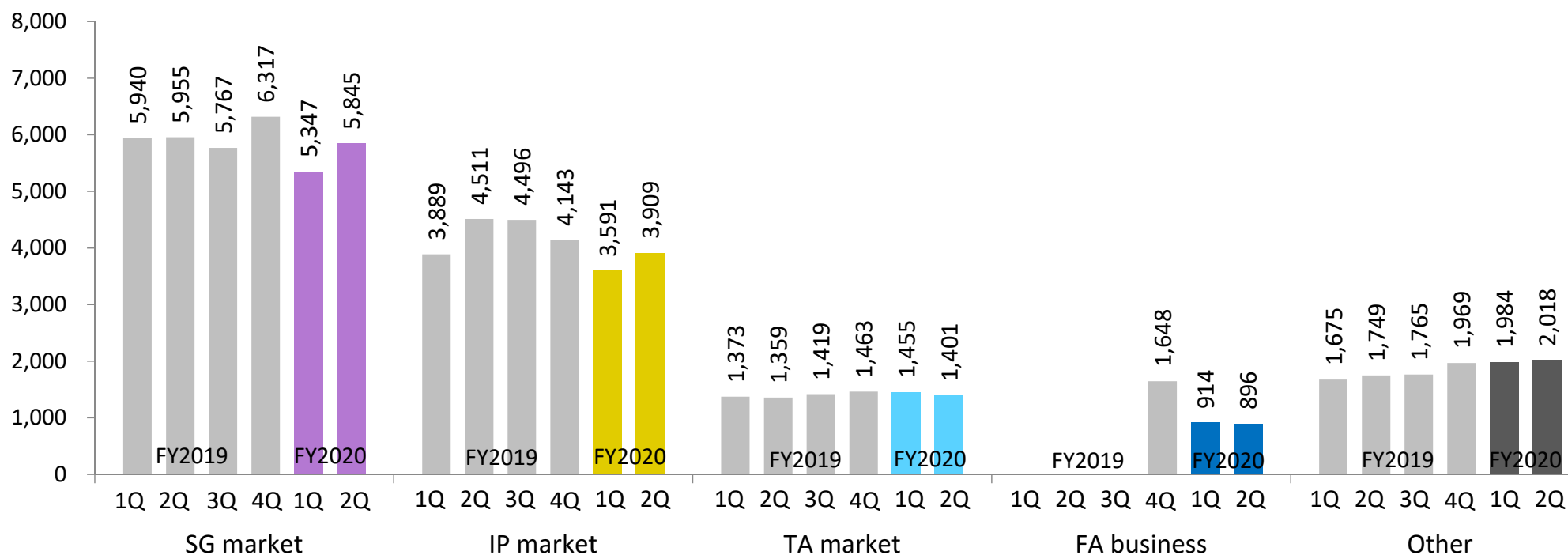
3. Improve cost of
sales ratio
(Excluding FX impact)

4. Increase SG&A
(Excluding FX impact)



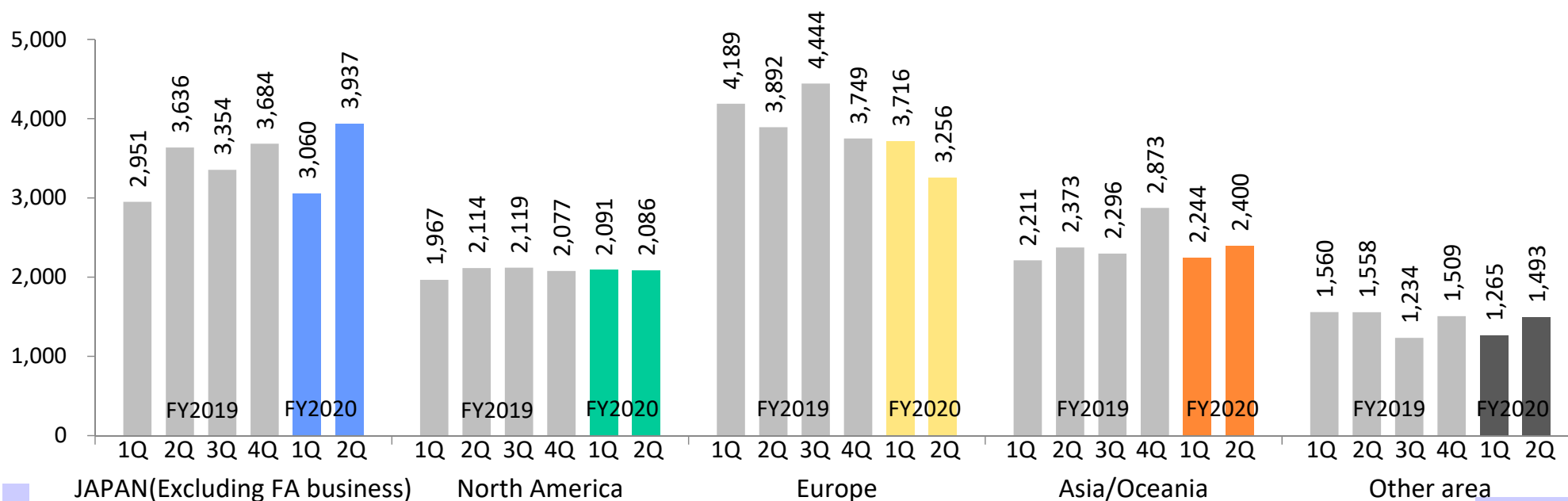
Sales by market segment (First Half)

Millions of yen	Fiscal Year 2019			Fiscal Year 2020			
	1Q Actual	2Q Actual	First Half Actual	1Q Actual	2Q Actual	First Half Actual	Change
SG market	5,940	5,955	11,896	5,347	5,845	11,193	△ 5.9%
IP market	3,889	4,511	8,400	3,591	3,909	7,500	△ 10.7%
TA market	1,373	1,359	2,732	1,455	1,401	2,856	4.5%
FA business	-	-	-	914	896	1,810	-
Other	1,675	1,749	3,425	1,984	2,018	4,002	16.8%
Total	12,879	13,576	26,455	13,292	14,071	27,363	3.4%



Sales by area (First Half)

Millions of yen	Fiscal Year 2019			Fiscal Year 2020			
	1Q Actual	2Q Actual	First Half Actual	1Q Actual	2Q Actual	First Half Actual	Change
Japan	2,951	3,636	6,587	3,974	4,834	8,809	33.7%
(Excluding FA business)	2,951	3,636	6,587	3,060	3,937	6,998	6.2%
North America (Local currency/\$)	1,967 (18.0M\$)	2,114 (18.9M\$)	4,081 (37.0M\$)	2,091 (19.0M\$)	2,086 (19.4M\$)	4,178 (38.4M\$)	2.4%
Europe (Local currency/€)	4,189 (32.2M€)	3,892 (30.0M€)	8,082 (62.2M€)	3,716 (30.0M€)	3,256 (27.3M€)	6,973 (57.4M€)	△13.7%
Asia/Oceania	2,211	2,373	4,585	2,244	2,400	4,644	1.3%
Other area	1,560	1,558	3,119	1,265	1,493	2,758	△11.6%
Total	12,879	13,576	26,455	13,292	14,071	27,363	3.4%



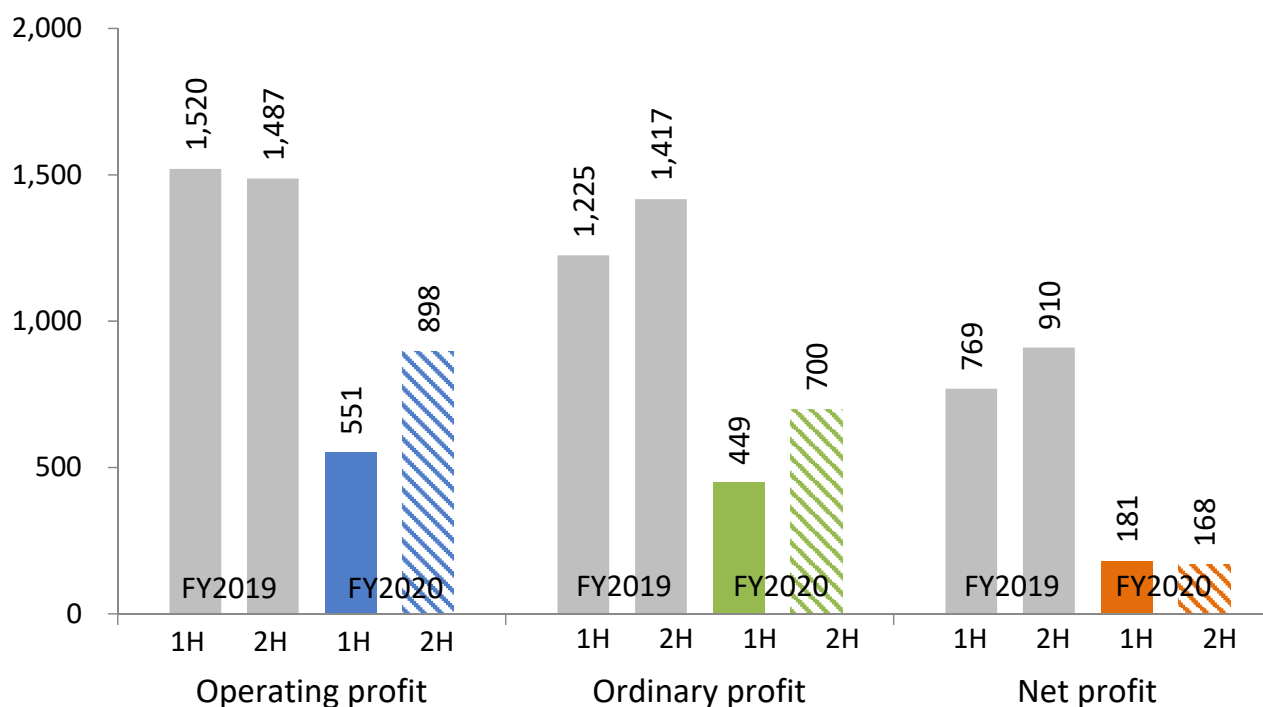
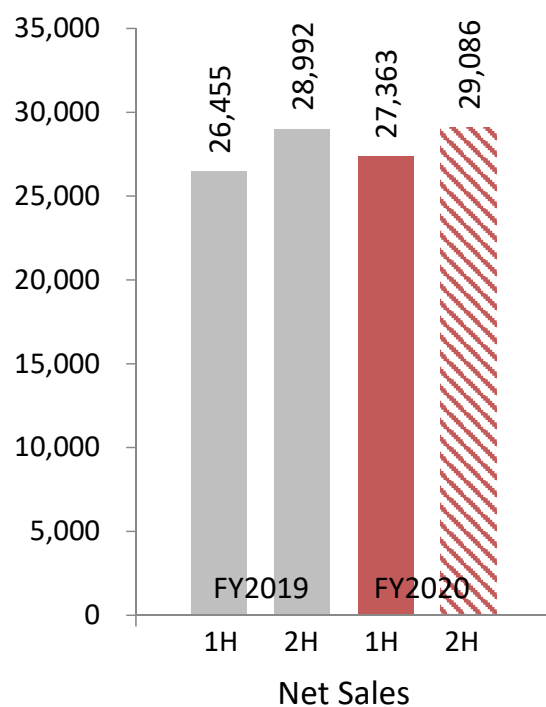
FY2020 Forecast



Consolidated Financial Highlights (Forecast for FY2020)



Millions of yen	Fiscal Year 2019		Fiscal Year 2020				
	Fiscal year Actual	Sales ratio	First half Actual	Second half Forecast	Fiscal year Forecast	Change	Sales ratio
Net Sales	55,448	-	27,363	29,086	56,450	1.8%	—
Operating profit	3,008	5.4%	551	898	1,450	△51.8%	2.6%
Ordinary profit	2,643	4.8%	449	700	1,150	△56.5%	2.0%
Net profit	1,680	3.0%	181	168	350	△79.2%	0.6%
exchange rate	USD	JPY110.91	JPY108.63	JPY107.00	JPY107.81	△2.8%	—
	EUR	JPY128.40	JPY121.41	JPY117.00	JPY119.21	△7.2%	—



Factors effecting operating profit (FY2019 vs FY2020)

(Millions of yen)

【impact by currency】

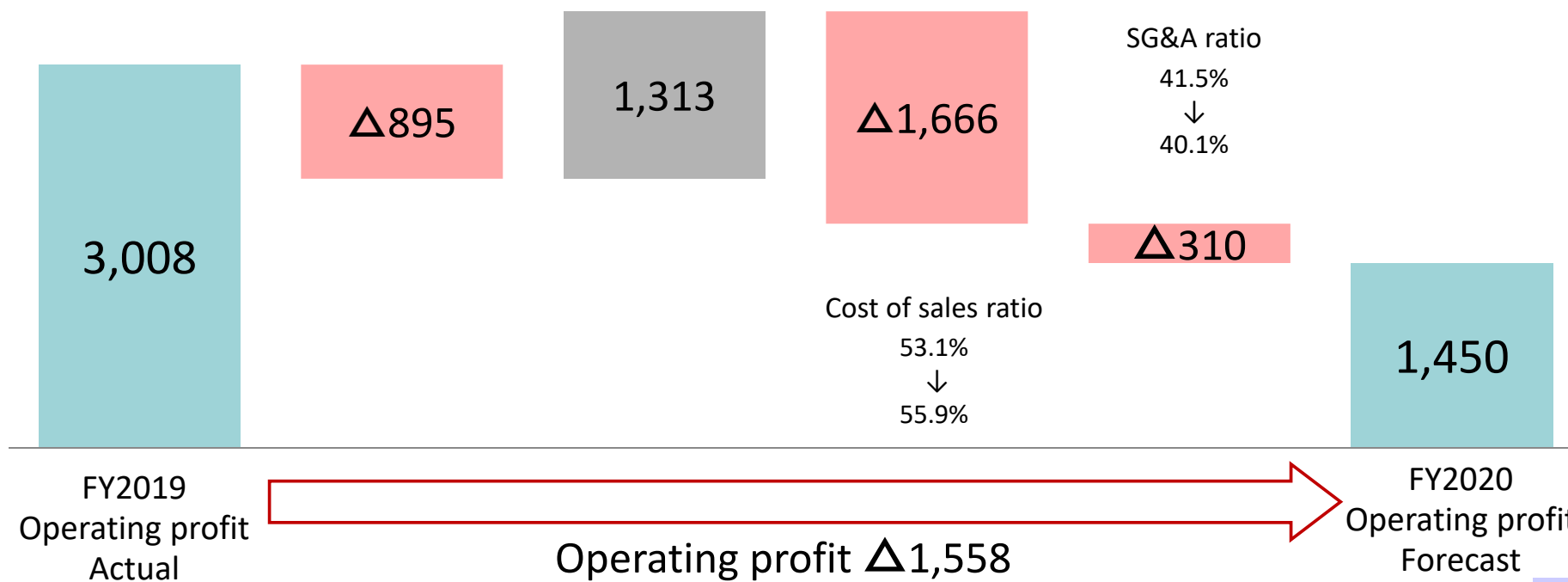
USD／JPY110.91 → JPY107.81	△174
EUR／JPY128.40 → JPY119.21	△808
CNY／JPY16.54 → JPY15.54	+169
BRL／JPY29.34 → JPY29.00	△18
AUD／JPY80.92 → JPY78.00	△31
<u>Others (IDR, THB, etc.)</u>	<u>△33</u>
Total	△895

1. FX impact

2. Revenue increase
(Excluding FX impact)

3. Improve cost of
sales ratio
(Excluding FX impact)

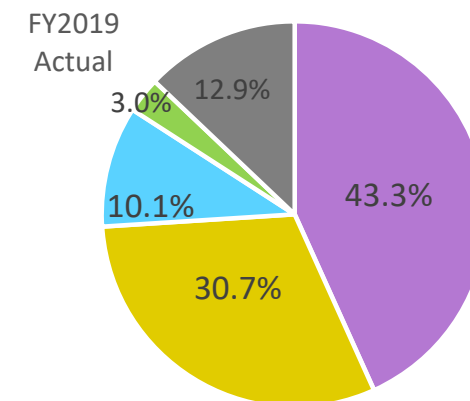
4. Increase SG&A
(Excluding FX impact)



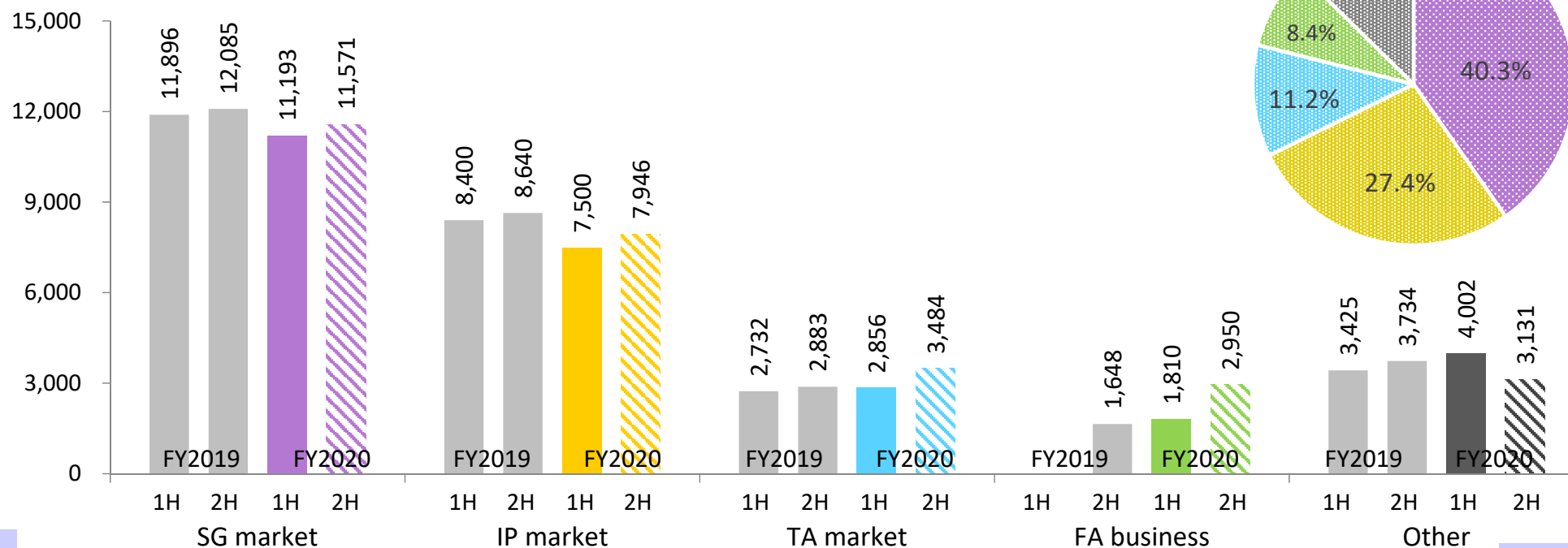
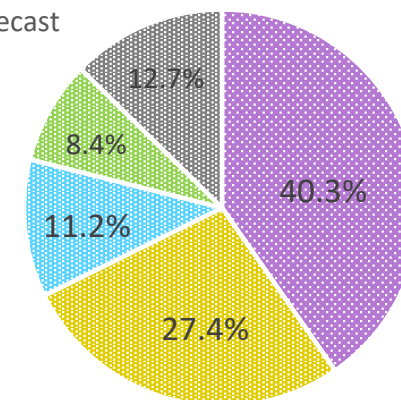
Sales by market segment (Forecast for FY2020)

Millions of yen	Fiscal Year 2019	Fiscal Year 2020			
	Fiscal year Actual	First half Actual	Second half Forecast	Fiscal year Forecast	Change
SG market	23,981	11,193	11,571	22,765	△5.1%
IP market	17,040	7,500	7,946	15,447	△9.4%
TA market	5,616	2,856	3,484	6,341	12.9%
FA business	1,648	1,810	2,950	4,761	188.9%
Other	7,160	4,002	3,131	7,133	△0.4%
Total	55,448	27,363	29,086	56,450	1.8%

Composition ratio



FY2020 Forecast

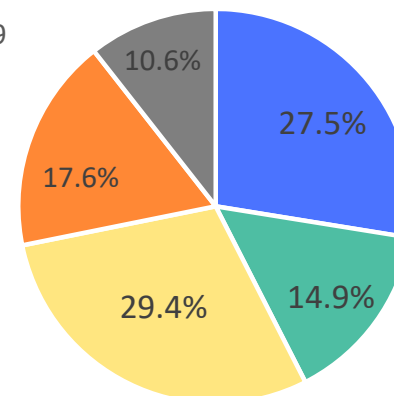


Sales by area (Forecast for FY2020)

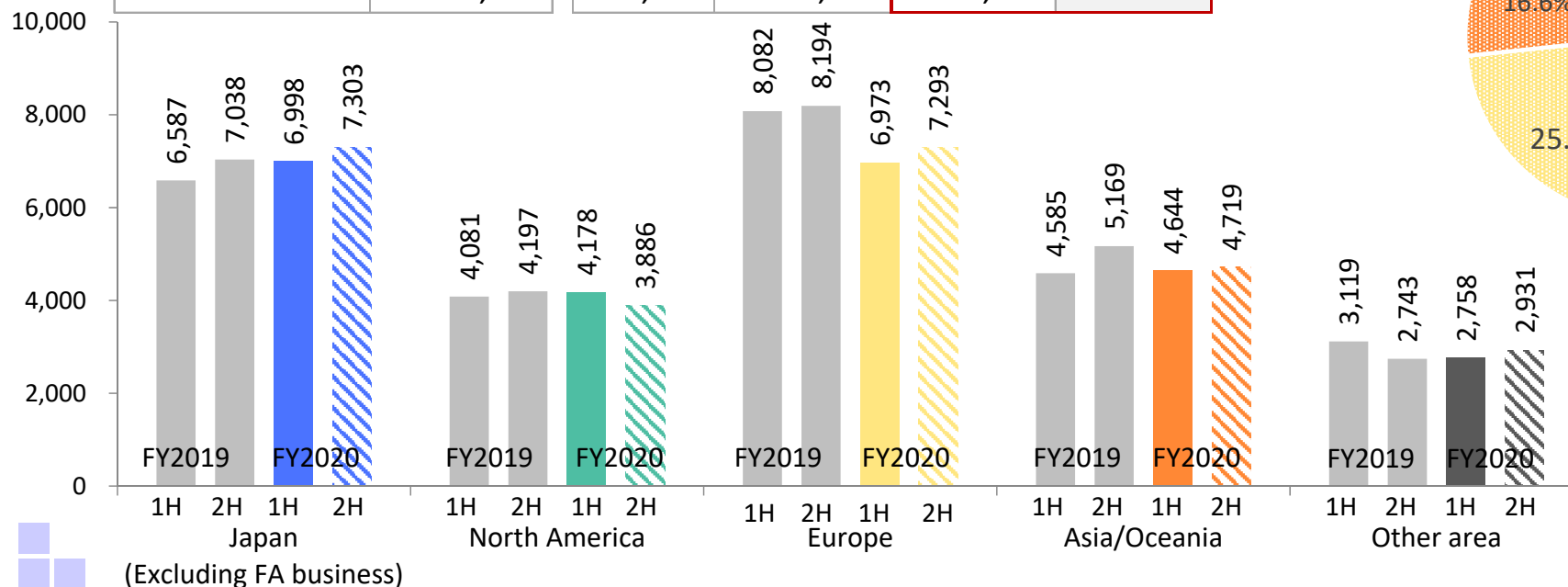
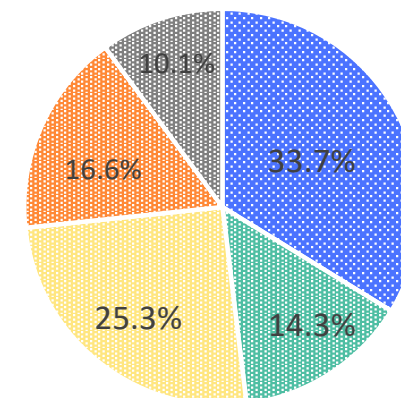
Millions of yen	Fiscal year 2019	Fiscal Year 2020			
	Fiscal year Actual	First half Actual	Second half Forecast	Fiscal year Forecast	Change
Japan	15,274	8,809	10,254	19,063	24.8%
(Excluding FA business)	13,626	6,998	7,303	14,301	5.0%
North America	8,278	4,178	3,886	8,064	△2.6%
(Local currency/\$)	(74.6M\$)	(38.4M\$)	(36.3M\$)	(74.8M\$)	
Europe	16,276	6,973	7,293	14,266	△12.4%
(Local currency/€)	(126.7M€)	(57.4M€)	(62.2M€)	(119.6M€)	
Asia/Oceania	9,754	4,644	4,719	9,363	△4.0%
Other area	5,863	2,758	2,931	5,690	△2.9%
Total	55,448	27,363	29,086	56,450	1.8%

Composition ratio

FY2019 Actual



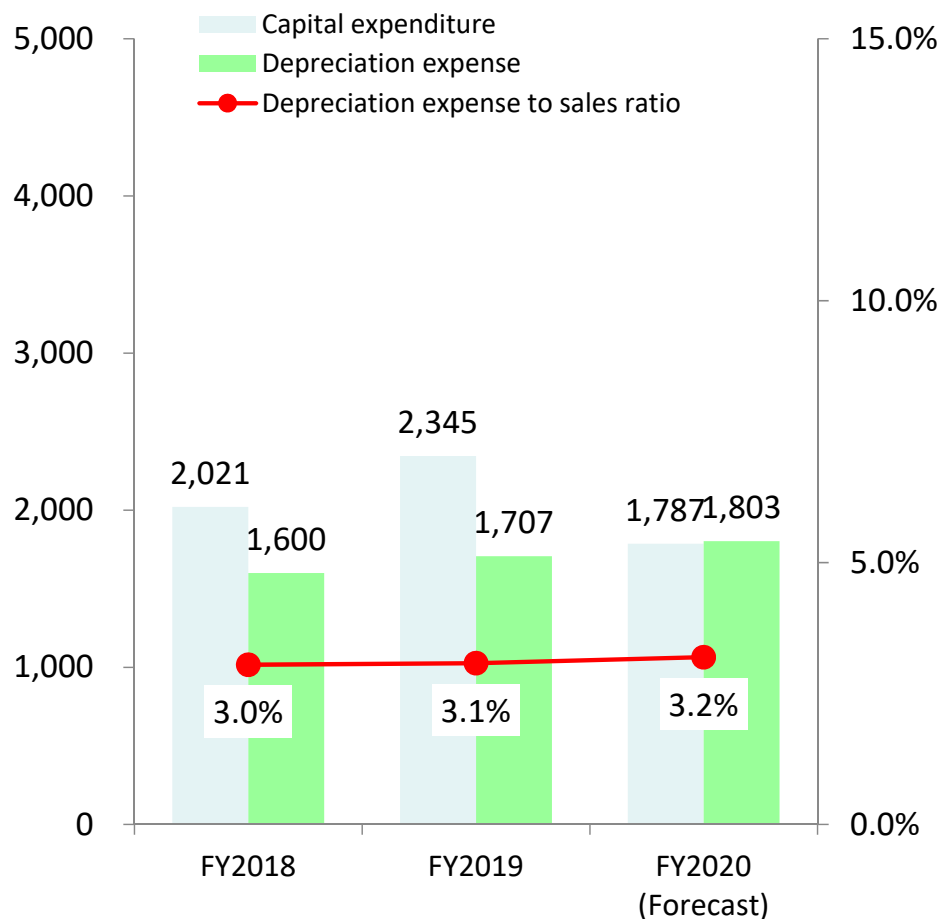
FY2020 Forecast



Capital expenditure, Depreciation, R&D investment



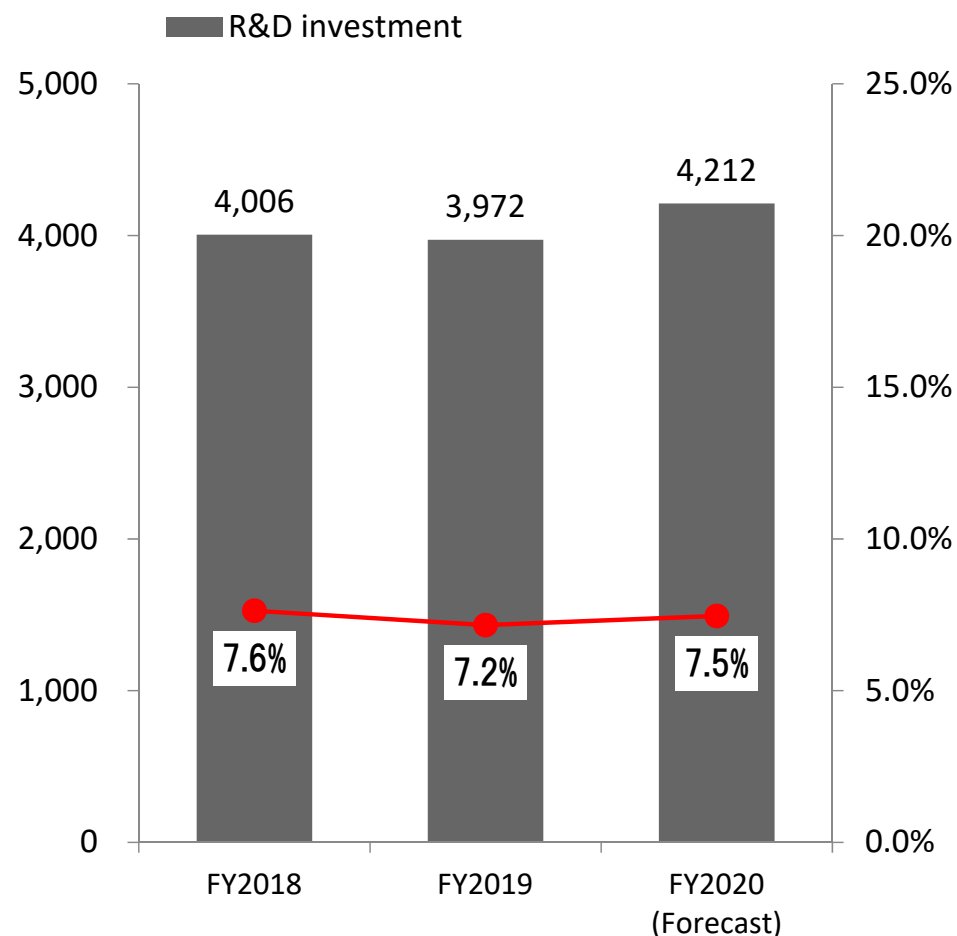
(Millions of yen)



*Main capital expenditure (FY2020)

- Demonstration machine JPY387M
- Mechanical equipment JPY342M
- Software, Core system JPY282M

(Millions of yen)



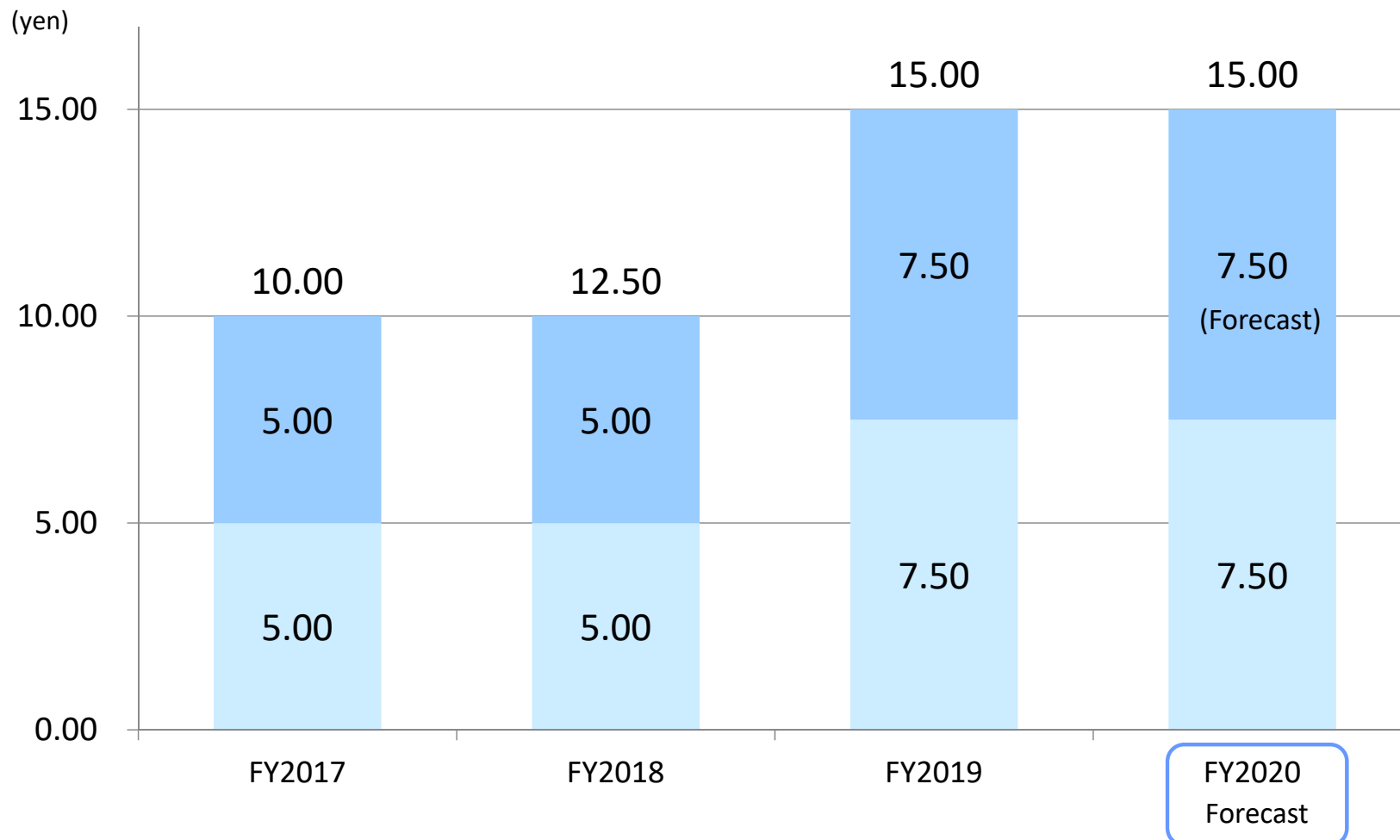
* The above amount shows the total cost of research and development activities, and includes expenses related to improvement and application etc. of existing products. "Research and development investment" for SG & A in each fiscal year are 2,330 million yen in FY2018, 2,379 million yen in FY2019, and 2,420 million yen in FY2020.



Dividends (Forecast for FY2020)



Dividend record and current term forecast



Topics

Approach to growth strategy of FY2020



SG

1. JV300-130 Plus, CJV300-130 Plus, CG-130FX II Plus



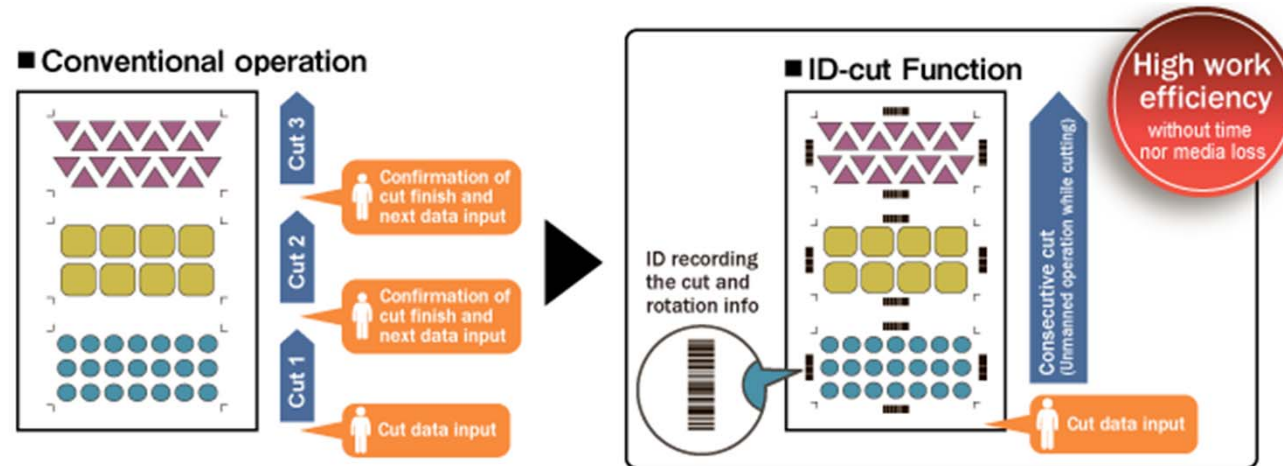
JV300-130Plus

(Launched in September 2019)

- Labor-saving process & Business efficiency
- ECO feature for green protection

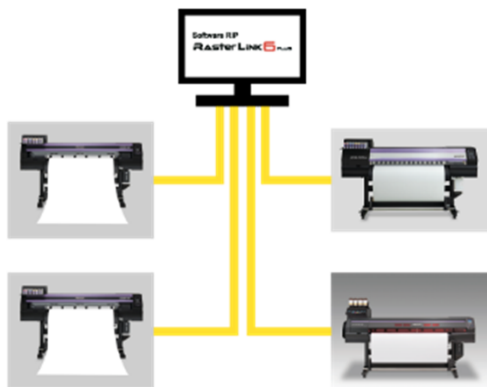
1-1. Labor-saving process & Business efficiency

The “ID Cut function” is now made possible to perform unmanned cutting operations



The “ID Cut function” is that automatically scans printed-out register marks with ID, then reads cut data and cuts it.

“Ethernet connection” has newly been added



Connection via Ethernet can be establish via network cable, and thus connection to a printer from any PC within network is now available.

More free and efficient work environment can be put in place.

1-2. ECO feature for green protection

Adoption of environmental-friendly ink cartridge



“The Mimaki Eco-cartridge” is a reusable environmental-friendly designed ink cartridge which customers can replace a 600ml ink pack by themselves.



Ecological

Decrease usage quantity of plastic materials

Efficient

Increase in ink amount reduces time and effort to replace an ink cartridge with a new one

Economical

Decrease the frequency of replacing ink

*Changing the ink cartridge of SS21 ink to 600ml “Eco-cartridge” from 440ml cartridge

TA

2. Tx300P-1800Mk II



Tx300P-1800MkII

(Launched in November 2019)

- Switchable conveyance units supporting both textile and paper
- Hybrid ink supply system

2-1. Main Features

Switchable conveyance units supporting both textile and paper



Tx300P-1800MkII

“Tx300P-1800Mk II” enables printing on both textile and paper media through enabling customers to switch the conveyance unit by them selves.

High-quality printing can be stably achieved by changing the conveyance route for textile and paper.

Adoption of Hybrid ink supply system

Select either one ink-loaded type
or two inks-loaded hybrid type

Focused on
productivity

One ink-
loaded

Two inks-loaded
(Hybrid)

Three types
of ink
combinations

Intended for
various usages

IP

3. JFX200-2513EX



JFX200-2513EX

(Launched in May 2019)

- High value-added print and high productivity
- Stability and safety
- Upgraded usability

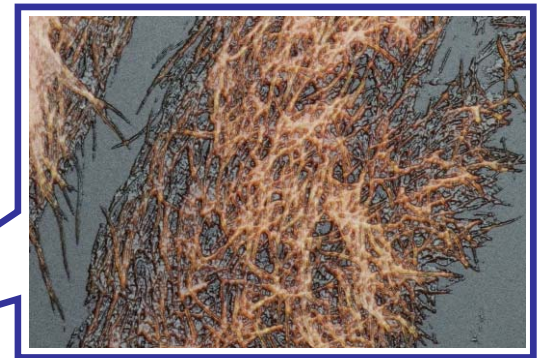
3-1. High value-added print and High productivity



Easy creation of smooth semi-stereoscopic 2.5D data



High visibility letters



Texture enticing to touch

Print speed has improved and added the new print mode

*in white-simultaneous printing

The newly developed head unit is adopted

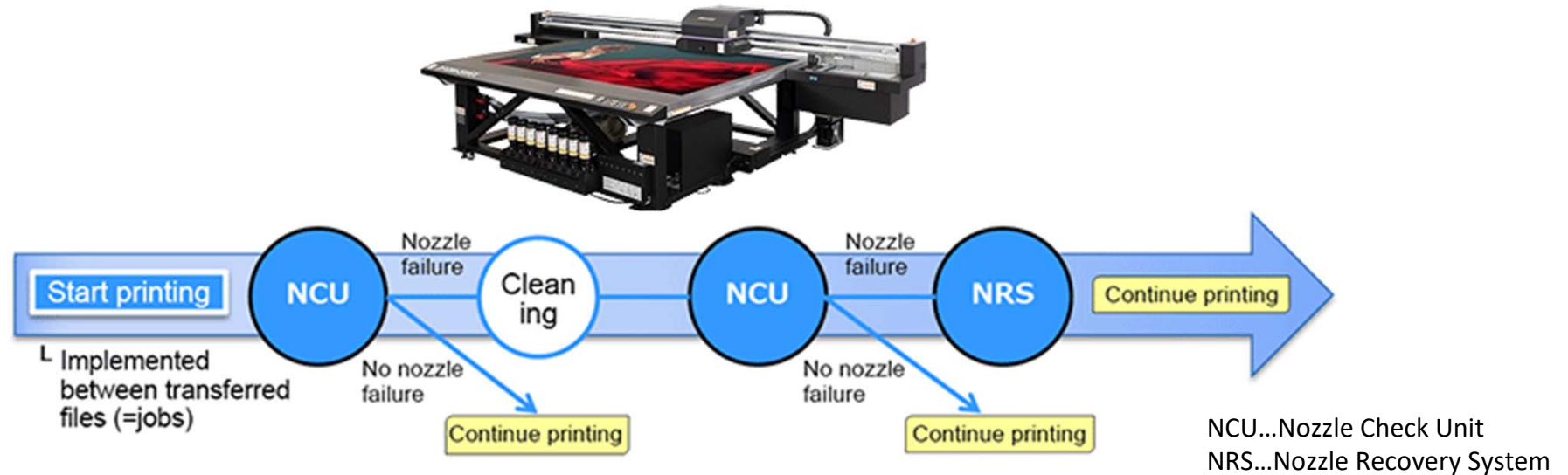
- Enable production without reducing speed even in white & color simultaneous printing
- Increase the productivity 200% compared to the conventional model

The new “Draft mode” is adopted

- Realize a maximum print speed of 35m²/h
- Realize production 140% faster than the conventional model

3-2. Stability and safety

Automatically detects missing nozzles and performs recovery



Links with external stop interface allow users to meet safety standards that are different by factory

Standard
emergency stop

Safety light
curtain

Safety mat

Customers can also have the printer work with safety measures that suit their environment.

3-3. Upgraded usability

Work efficiency improved by adding the vacuum-controlling foot switch



Foot switch

Operator can use not only the ON/OFF switch on the operation panel, but also a foot pedal to operate the vacuum switch that ensures stable print by adsorbing media to the bed surface.



The foot pedal improves work efficiency when the user has no hands free such as for printing on large-size boards.

“Ethernet connection” supported

It is a convenient connection method when connecting a single PC to multiple printers.

Setup is easy; just add cables to the existing office network environment.



TA

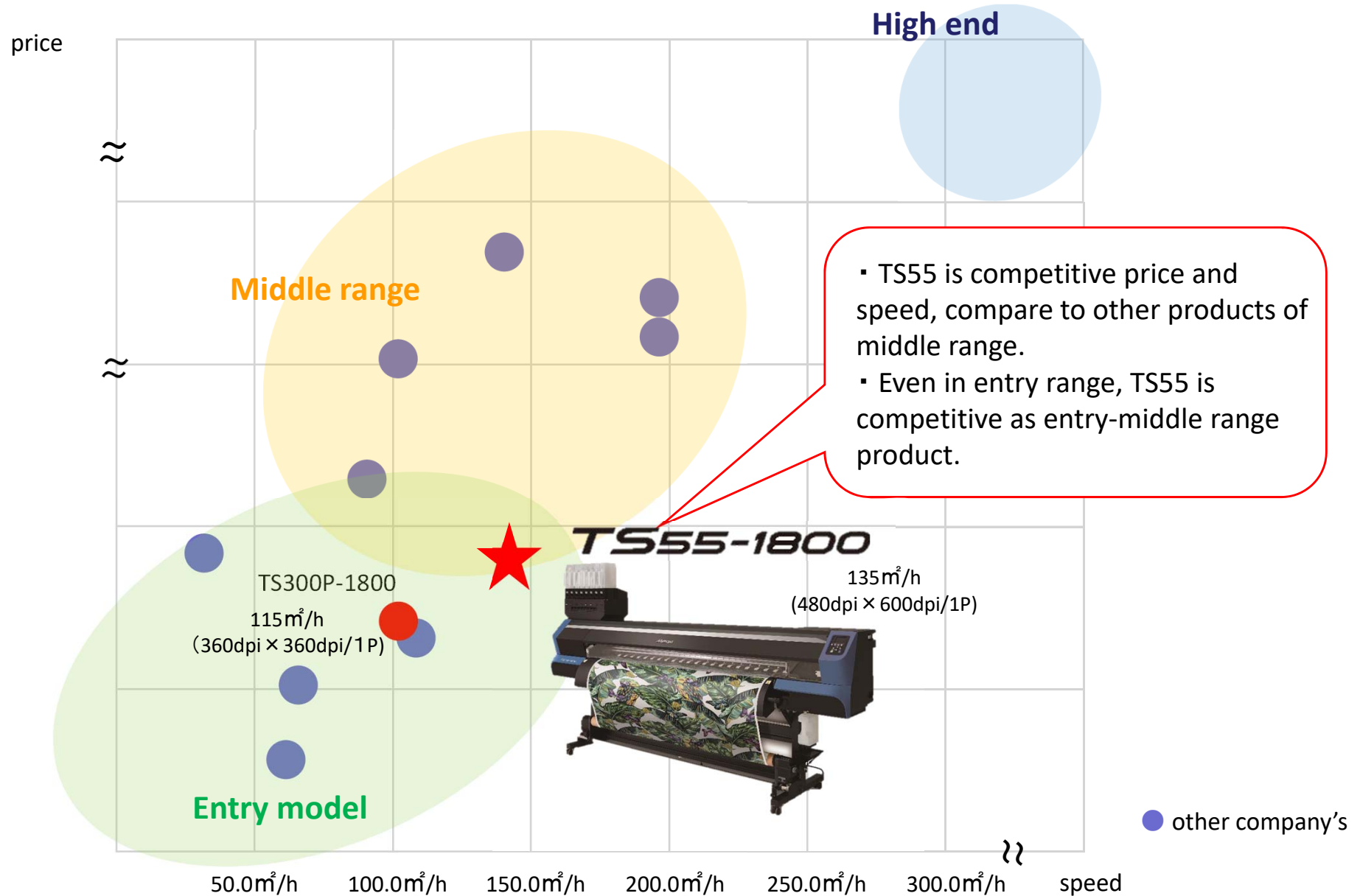
4. TS55-1800



(Launched in March 2019)

- Middle range model for TA market
- Sublimation transfer inkjet printer
- Fastest speed of 135 m² / h
- Options

4-1. Portfolio of sublimation transfer printer



4-2. Option Units

Option units provide for the achievement of low running cost and long-time continuous operation

Mini jumbo roll unit

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



Front side: Standard model

10kg Ink supply unit

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

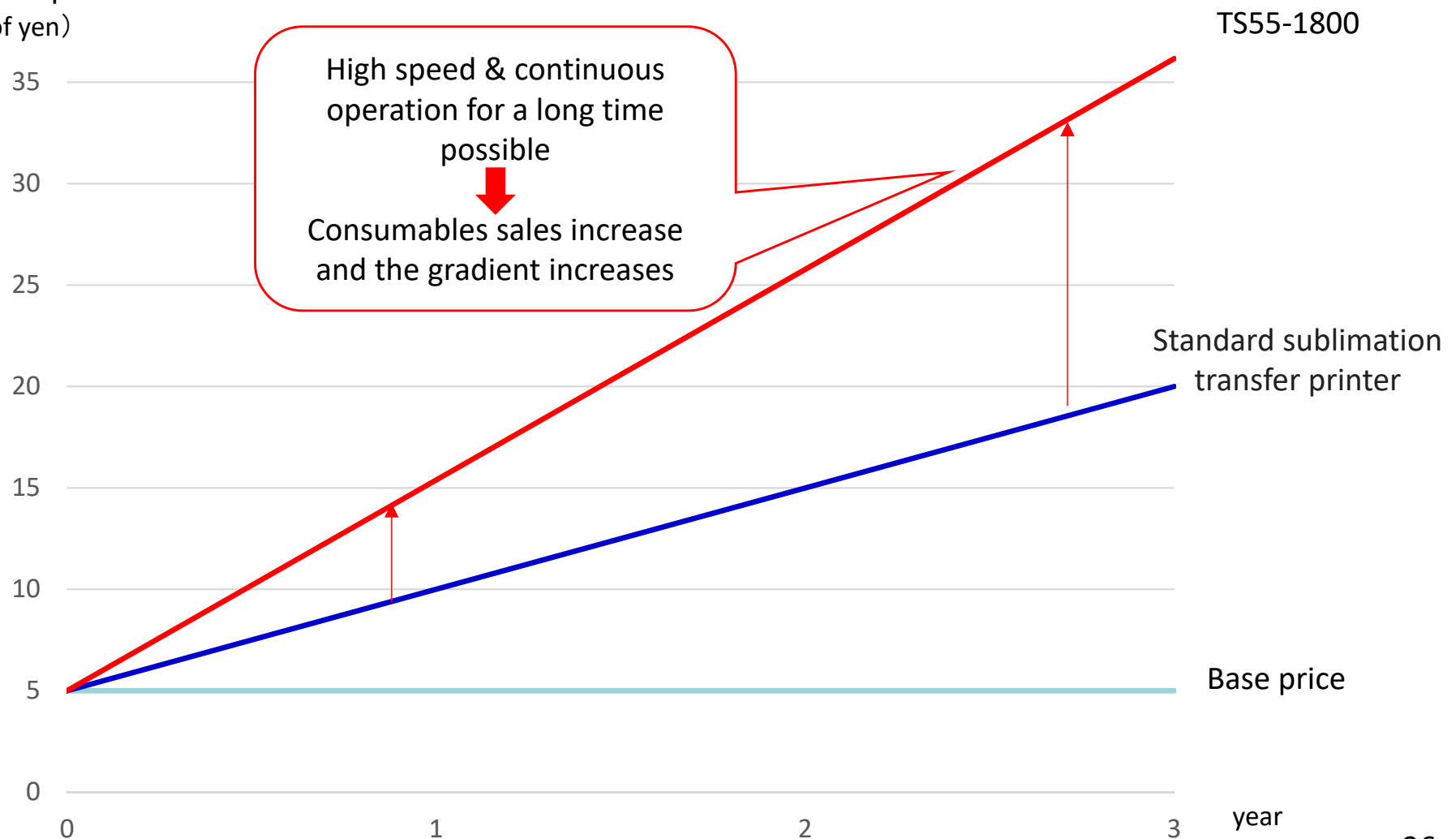
Back side: The option device is mounted.

4-3. Image of consumable business expansion

High speed & continuous operation for a long time possible

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

Cumulative sales per unit
(Millions of yen)



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

5. FabCafe Tokyo



- One of the largest “Full-color 3D printing exhibitions” in Japan
- Exhibit the 3D models printed by “3DUJ-553”

5-1. Supporting the exhibition (FabCafe Tokyo)

One of the largest “Full-color 3D printing exhibitions” in Japan



- 23rd August 2019 - 6th September 2019
- FabCafe Tokyo, Japan

Exhibiting the 3D models printed by “3DUJ-553”



The expression of stained glass windows and water

6. Donating the 3D model of Ueda Castle

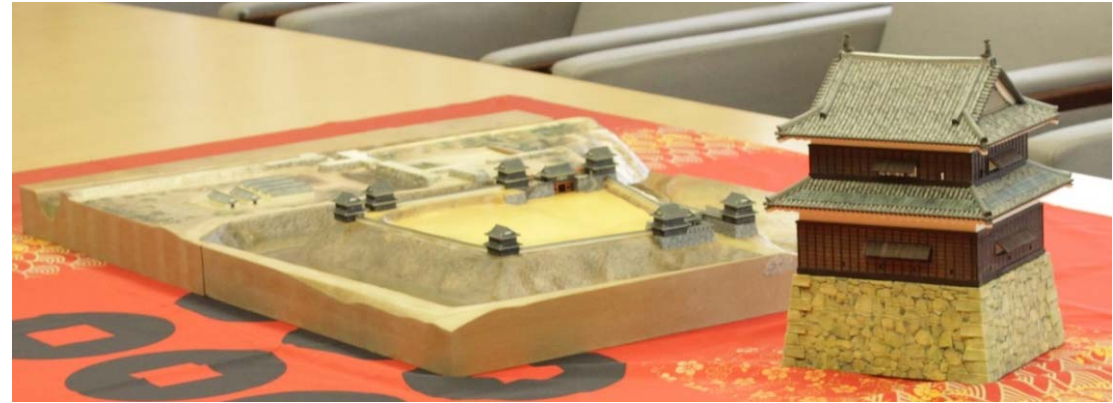


*Ueda Castle

- Donating the 3D model of Ueda Castle to Ueda City, Nagano Pre.
- Utilized to increase recognition of Ueda Castle

6-1. Donating the 3D model of Ueda Castle

In August 2019, the 3D model of Ueda Castle was donated to Ueda City



The models of Ueda Castle printed by our 3D printer "3DUJ-553"
LEFT: The ruins of Ueda Castle, RIGHT: Minami-Yagura

Utilized at events and educational institutions

The 3D model is displayed at the Ueda City Hall.

It is utilized at events and educational institutions to increase recognition of Ueda Castle.



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