

(Translation)

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TSE LISTED

Code:6638

Listed on the first
section
of the Tokyo
Stock Exchange

Financial Results

Fiscal Year 2019 (Ended March 2020)

June 2020

MIMAKI ENGINEERING CO., LTD.

NEW

JV300PlusSeries



NEW

CJV300PlusSeries



NEW

TX300P-1800MkII



NEW

UJV100-160



JFX200-2513EX



3DUJ-553



Mimaki
3D Printer

UJF-6042 MkII



Today's Agenda

- Financial Results for the Fiscal Year 2019
- FY2020 Basic Policies and Actions
- Reference

■ Financial Results for the Fiscal Year 2019

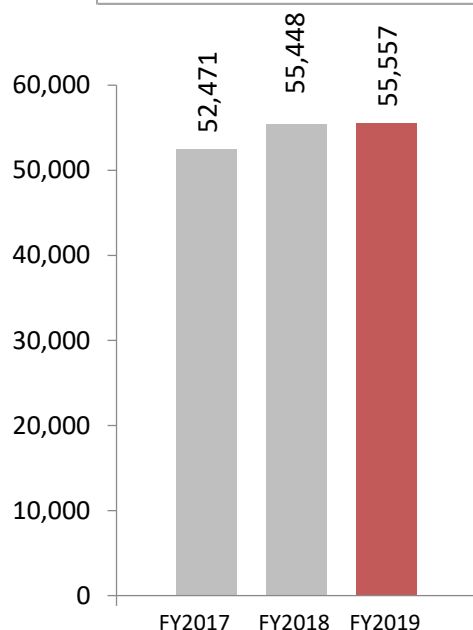
■ FY2020 Basic Policies and Actions

■ Reference

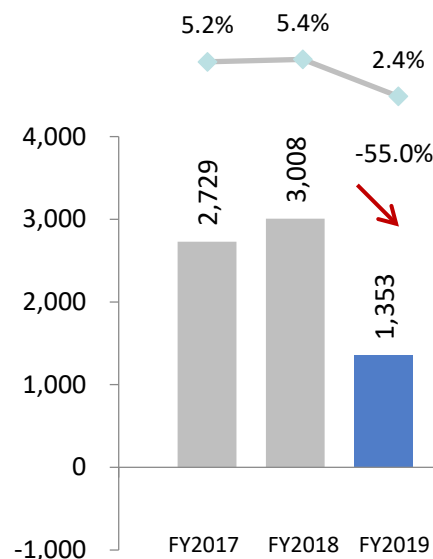
Consolidated Financial Highlights

		FY2018	
		Actual	Sales ratio
(Millions of yen)			
Net sales		55,448	100.0%
Operating profit		3,008	5.4%
Ordinary profit		2,643	4.8%
Profit attributable to owners of parent		1,680	3.0%
Exchange rate (yen)	USD	110.91	
	EUR	128.40	

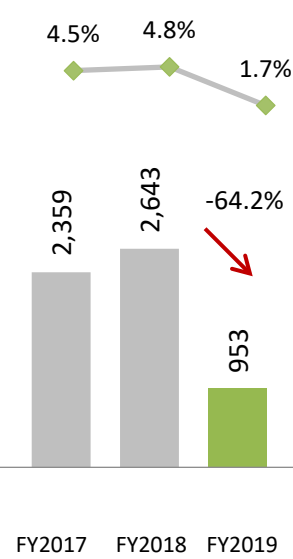
FY2019			
Actual	Sales ratio	Change from FY2018	Change from FY2018 *Excluding the impact of exchange rate
55,557	100.0%	0.2%	3.3%
1,353	2.4%	-55.0%	-25.5%
946	1.7%	-64.2%	
-777	-1.4%		
108.75		-1.9%	
120.83		-5.9%	



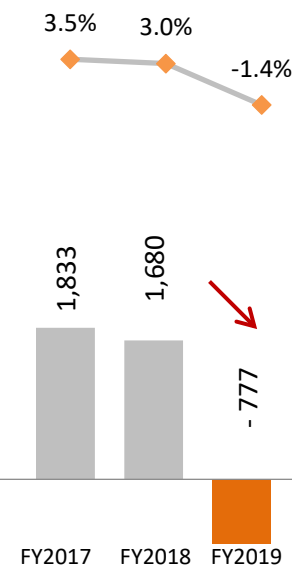
Net sales



Operating profit



Ordinary profit



Profit attributable to owners of parent

Consolidated results exceeded our plan until February, however were affected by worldwide spread of COVID-19, mainly in March.

■ Net sales : Not Achieved

- Previous forecast: 56.45 billion yen → Actual: 55.557 billion yen
Nearly all of the shortfall amount of 892 million yen was due to the impact of COVID-19.
- Printers, inks and spare parts missed targets due to a sharp decline in demand for printing from end users, regardless of sales area or market segment.

■ Operating profit : Not Achieved

- Previous forecast: 1.45 billion yen → Actual: 1.353 billion yen
Although S.G.&A. expenses were reduced, sales fell sharply, resulting in a shortfall of 96 million yen.

Factors Effecting Operating Profit (FY2018 vs FY2019)

(Millions of yen)

■ Impact by Currency

USD / JPY 110.91 → JPY 108.75	-112
EUR / JPY 128.40 → JPY 120.83	-598
CNY / JPY 16.54 → JPY 15.60	+141
BRL / JPY 29.34 → JPY 26.53	-143
TRY / JPY 21.55 → JPY 18.58	-105
Other *1	-71
Total	-888

*1 IDR, INR, AUD

■ FX Impact on net sales, cost of sales and operating profit

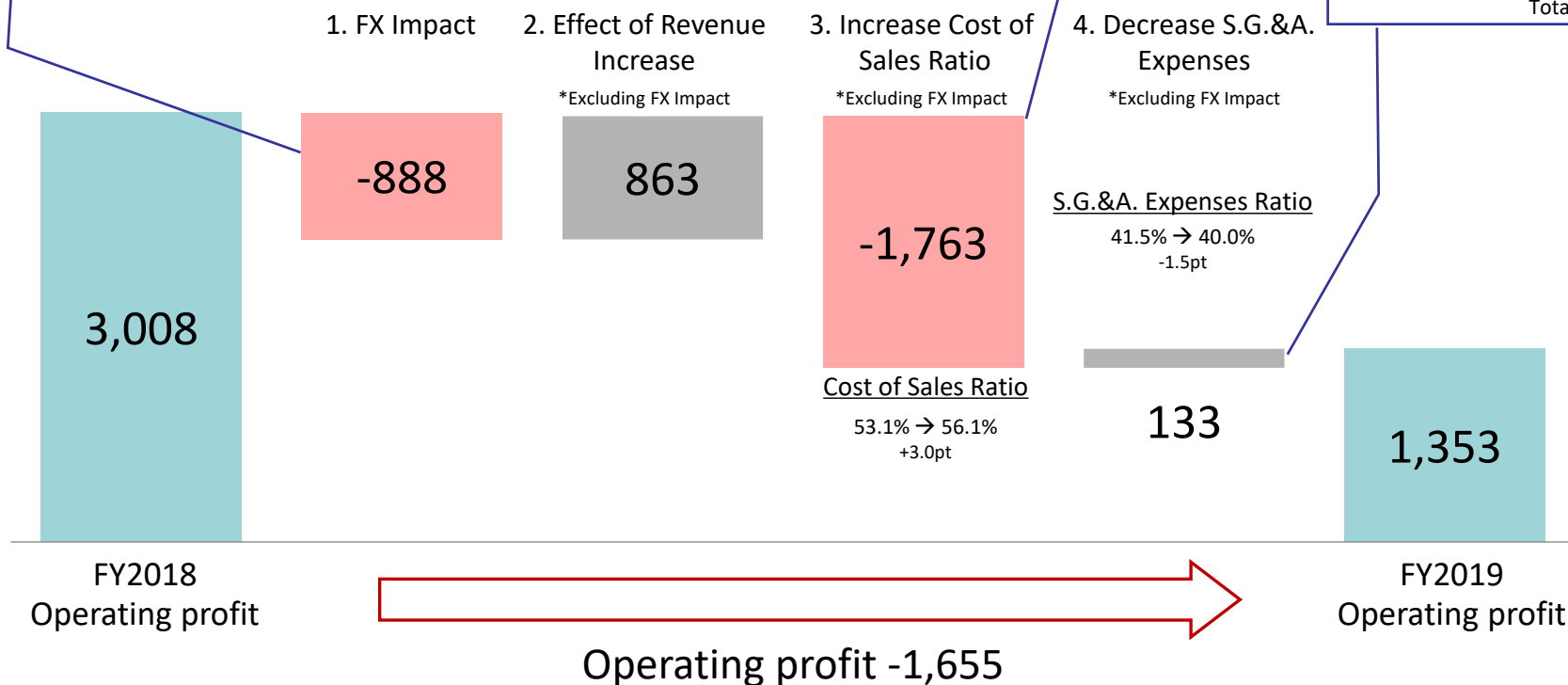
Net sales (1,730) - Cost of sales (407) - S.G.&A. expenses (435) = Operating profit (888)

■ Main Factors

(1) FA business	+1.7pt : 950 million yen
(2) Excluding FA business	+1.3pt : 800 million yen
Product mix	+0.7pt : 450 million yen
Other	+0.6pt : 350 million yen
Total	+3.0pt : 1.75 billion yen

■ Main Factors

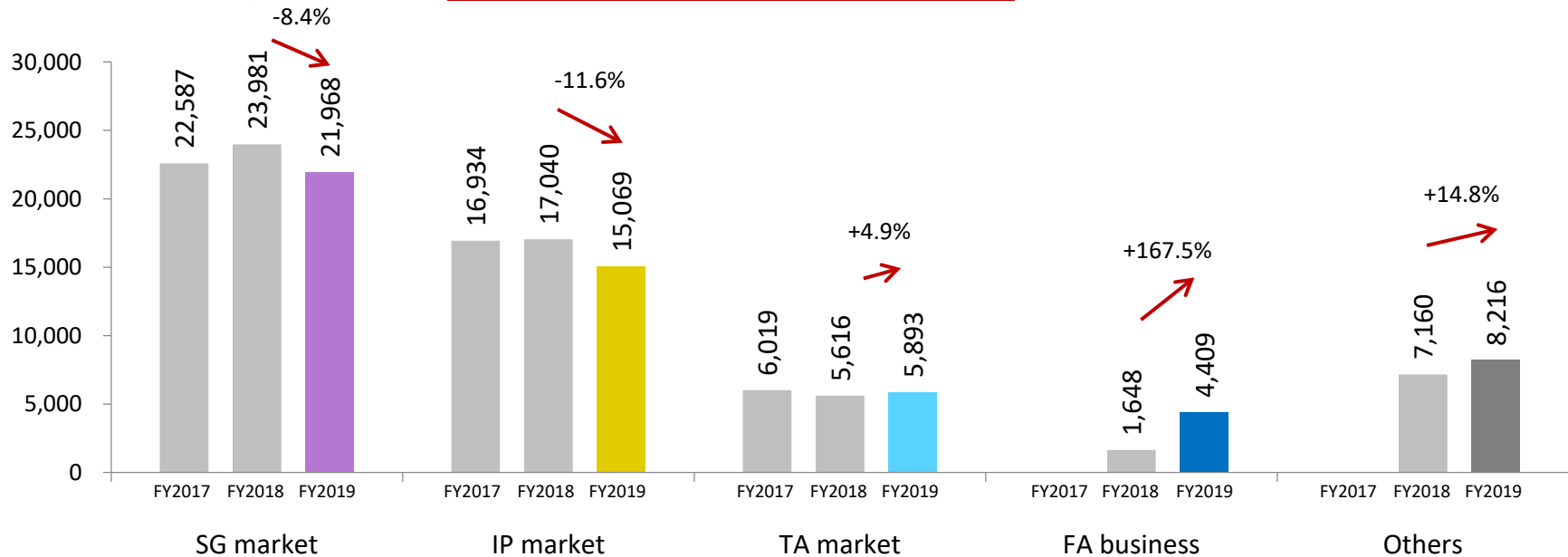
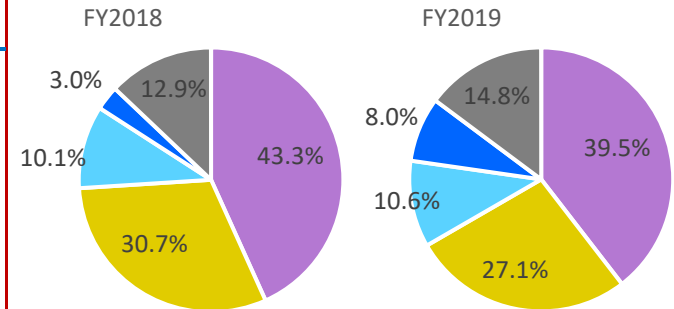
(1) Salaries & Wages	+630
(2) Quality Expenses	-444
(3) Patent Fee	-414
(4) Rent Expenses	+132
(5) Other	-37
Total	-133



Sales by Market Segment

(Millions of yen)	FY2018	FY2019		
	Actual	Actual	Change from FY2018	Change from FY2018 *Excluding the impact of exchange rate
SG market	23,981	21,968	-8.4%	-4.7%
IP market	17,040	15,069	-11.6%	-7.4%
TA market	5,616	5,893	4.9%	8.7%
FA business	1,648	4,409	167.5%	
Others	7,160	8,216	14.8%	
Total	55,448	55,557	0.2%	3.3%

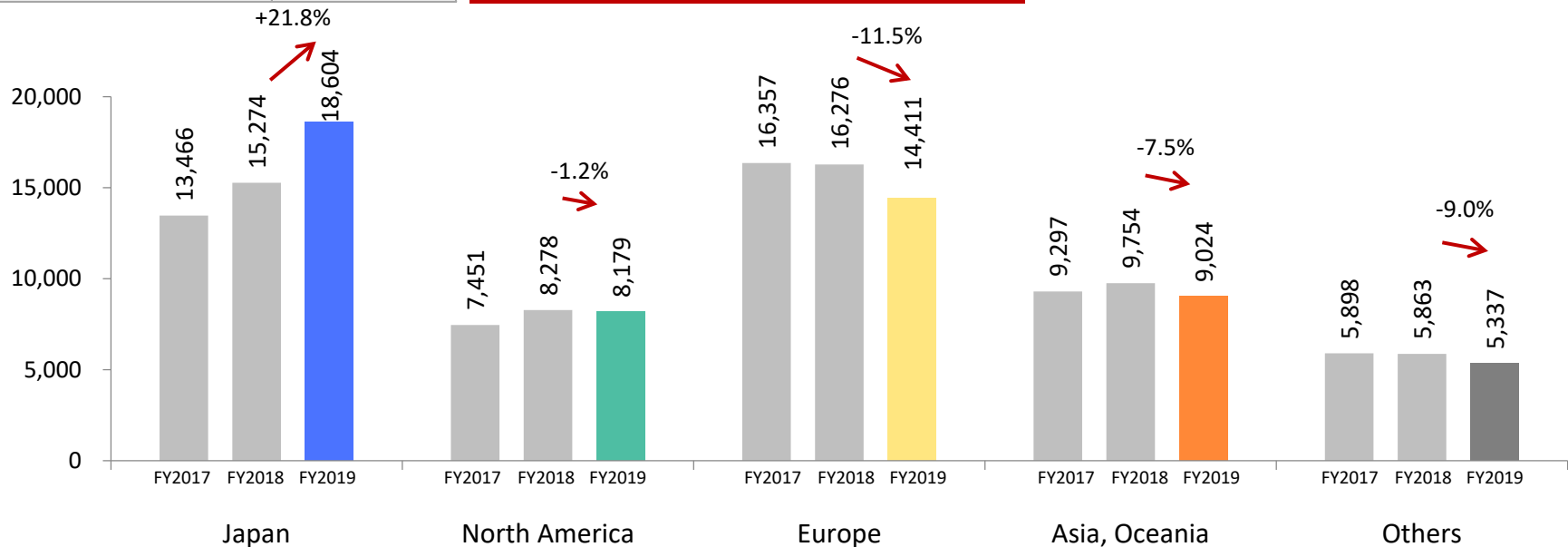
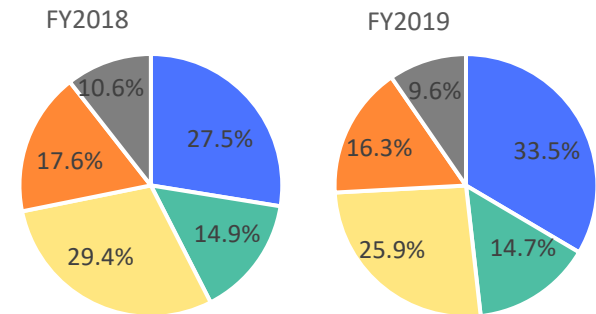
Composition ratio



Sales by Area

(Millions of yen)	FY2018	FY2019		
	Actual	Actual	Change from FY2018	Change from FY2018 *Excluding the impact of exchange rate
Japan	15,274	18,604	21.8%	0.8%
Excluding FA business	13,626	14,194		
North America	8,278	8,179	-1.2%	-5.9%
Local currency: \$	74.6M	75.2M		
Europe	16,276	14,411	-11.5%	3.3%
Local currency: €	126.7M	119.2M		
Asia, Oceania	9,754	9,024	-7.5%	-9.0%
Others	5,863	5,337		
Total	55,448	55,557	0.2%	3.3%

Composition ratio



Balance Sheet

(Millions of yen)	31-Mar-19	31-Mar-20	Change	
Assets				
Cash and deposits	11,994	11,134	-859	-7.2%
Notes and accounts receivable - trade * ¹	10,475	10,200	-274	-2.6%
Inventories	18,023	18,040	17	0.1%
Other	1,628	1,727	99	6.1%
Total current assets	42,121	41,103	-1,018	-2.4%
Property, plant and equipment	10,724	10,157	-566	-5.3%
Intangible assets	2,398	1,240	-1,157	-48.3%
Invenstments and other assets	3,219	1,720	-1,499	-46.6%
Total non-current assets	16,341	13,118	-3,223	-19.7%
Total assets	58,463	54,221	-4,241	-7.3%
Liabilities and Net assets				
Notes and accounts payable - trade * ¹	8,352	7,271	-1,080	-12.9%
Short-term borrowings * ²	13,670	15,977	2,307	16.8%
Other	6,869	5,897	-971	-14.1%
Total current liabilities	28,891	29,146	254	0.8%
Long-term borrowings	9,564	8,066	-1,498	-15.6%
Other	996	976	-20	-2.0%
Total non-current liabilities	10,560	9,042	-1,518	-14.4%
Total liabilities	39,452	38,188	-1,263	-3.2%
Total net assets	19,010	16,033	-2,977	-15.7%
Total liabilities and net assets	58,463	54,221	-4,241	-7.3%

*¹ Including electronically recorded monetary claims/obligations – operating

*² Including current portion of long-term borrowings

❖ Assets -4,241

- **Current assets: -1,018M**
 - Decrease cash and deposits
- **Intangible assets: -1,157M**
 - Impairment of goodwill (La Meccanica)
- **Investments and other assets: -1,499M**
 - Deferred tax assets etc.

❖ Liabilities -1,263

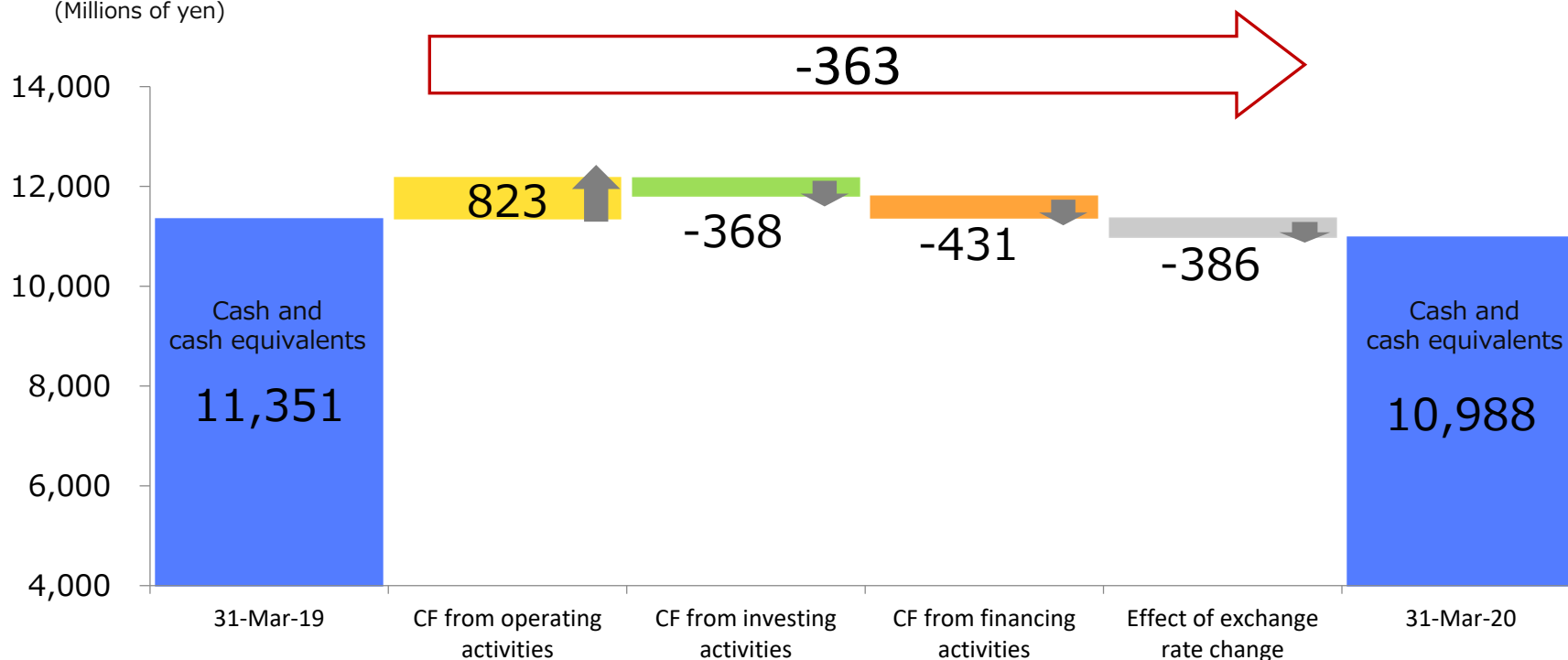
- **Current liabilities: +254**
 - Notes and accounts payable – trade: -1,080M
 - Short-term borrowings: +2,307M
- **Non-current liabilities: -1,518**
 - Long-term borrowings: -1,498M

❖ Net assets -2,977

- Retained earnings: -1,229
- Treasury shares: -711
- Foreign currency translation adjustment: -1,033

Cash Flows

(Millions of yen)



Cash flows from operating activities

EBITDA * ¹	3,415
Increasing working capital	-1,718
Tax, Interest payment, etc.	-873
Total	823

Cash flows from investing activities

Purchase of fixed assets * ²	-1,142
Sales of property, plant and equipment	163
Other	610
Total	-368

Cash flows from financing activities

Short-term/long-term borrowings	880
Dividends	-451
Other	-860
Total	-431

*¹ Earnings Before Interest, Taxes, Depreciation and Amortization

*² European ink manufacturing factory, Mission-critical system, Demonstration machine, etc.

■ Financial Results for the Fiscal Year 2019

■ FY2020 Basic Policies and Actions

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Response to COVID-19 and Future Outlook

- Implementation of measures to prevent the spread of infectious diseases in line with the policies of each country's governments
- Implementing measures to respond to rapid decline in earnings and maintain employment
- Lay the groundwork for a quick return to profitability after COVID-19 converges

1. Implementation of planned shutdowns and overtime regulations at all domestic sites, including production sites

- Kazawa factory (Tomi-shi, Nagano) : Implemented planned shutdown from April 21 to June 30 for adjusting production and inventory
- Other offices including the head office : Planned closures on Friday and Biweekly Thursday after April 21^{*1}
- Company-wide overtime regulations (no overtime work) : Implemented company-wide after April 21

2. Prophylaxis of infection

- Prohibition of domestic and overseas business trips by employees^{*2}
- Implementation of teleworking in prefectures under special precautions
- Implemented measures such as hand washing, disinfection, ventilation, and maintaining social distancing at the business site level

3. Laying the groundwork for a recovery after COVID-19 converges

- Review the product roadmap in anticipation of global changes in customer needs and demand
- Development focused on measures truly necessary for recovery through bold selection of conventional measures

4. Offering simplified face shields made by our 3D printer “3DFF-222” free of charge

- Started at the end of April and provided 20,301 items to 842 medical institutions and face-to-face service providers nationwide (as of June 1)
- Contributing to society through the production of 750 items a day with 30 printers and our plotters

^{*1} Restrictions on domestic operations are lifted from June 1

^{*2} Restrictions on domestic business trips are lifted from June 1

Our earnings forecast for FY2020 has not been determined because there is no promise for the convergence of COVID-19.

We will promptly disclose our earnings forecast when it is possible to calculate the forecast.

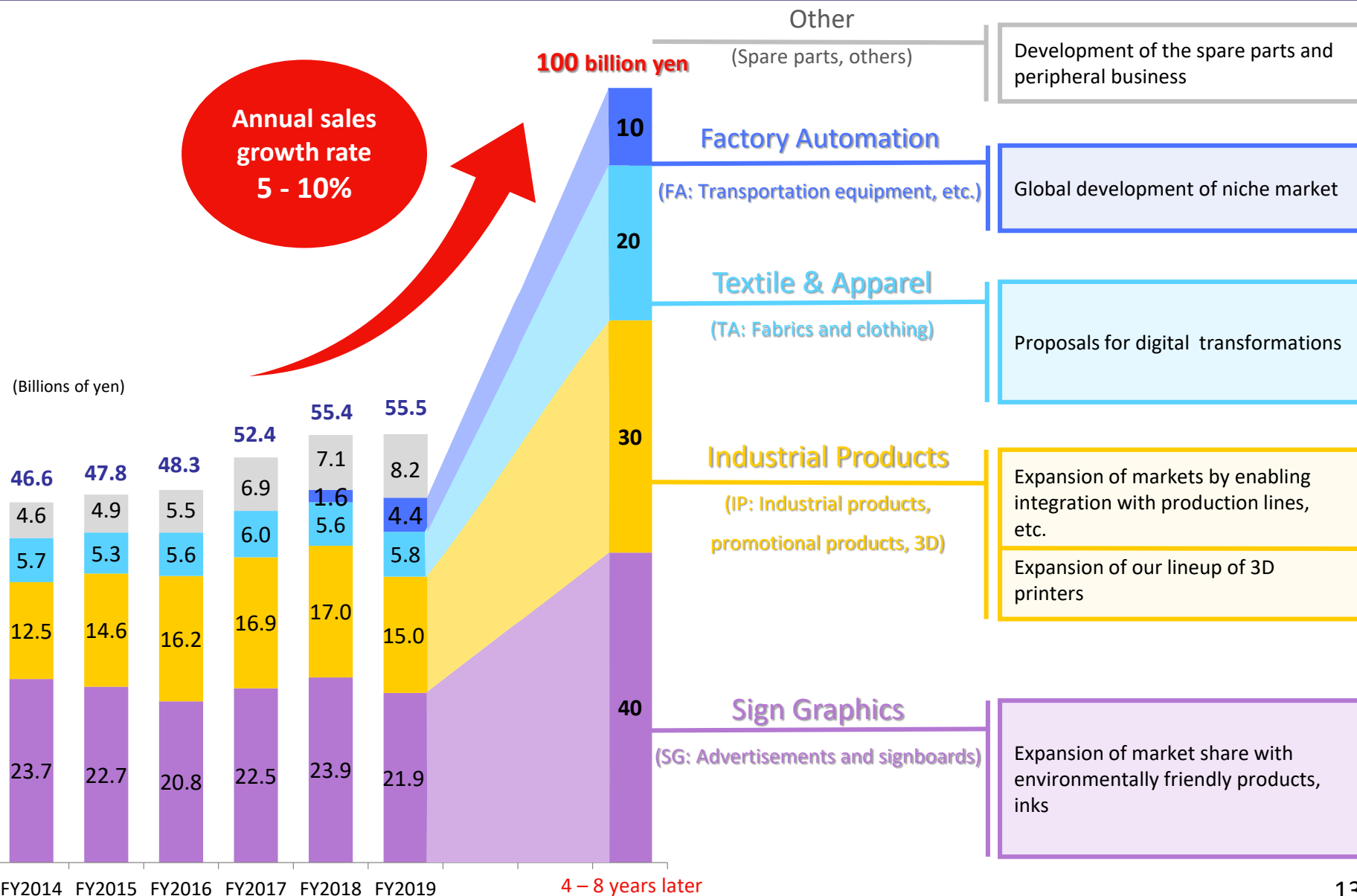
■ Outlook for FY2020

- The prospect of the convergence of COVID-19 is uncertain, and the impact of this on overall economic activities is expected to continue for the time being.
- We recognize that it is difficult to expect a rapid recovery even after COVID-19 have converged.

■ Policy for recovery and expansion of business results

- While keeping a close eye on the major objectives set out in M1000, we recognize that it will take longer than previously anticipated to achieve them.
- We take full advantage of the essence of “a company that can adapt and quickly provide the products that will satisfy the customers” defined in our management vision, we will review our work efforts and methods on a zero-basis.
- We capture the opportunity for the world economy to turn to a recovery trend, and steadily prepare to take the next step again.

Long Term Vision: Review of the timing of M1000 3.0



Key measures for Achieving M1000 3.0

■ Incorporating Digital Transformation as a Growth Driver

As a solution provider, we provide total solutions through an integrated system that integrates pre-processing, printing, and post-processing

3D Printing

- Expansion of our lineup of 3D printers



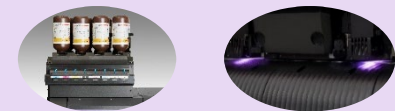
IoT for Digital Printing

- Automating the printing process to realize unmanned production and labor-saving



SG business

- Environment-friendly UV ink



Pre-processing
Equipment

Software

Cutting Plotter

Post-processing
Equipment



We provide our proprietary technologies, products, and know-how as a total solution to support everything from introduction to quality of products.

Key measures for Achieving M1000 3.0

3D Printing



- In 3D printing in IP market, we have steadily expanded our lineup starting with “3DUJ-553”, UV-curable inkjet printer, which we launched in 2017.
- We will further expand our product lineup to meet the diverse needs of customers and accelerate the proposal of diverse applications.

IoT for Digital Printing



- In TA and IP market, we introduce automation of printing processes in order to reduce labor and provide unmanned work. It is based on our wide range of product lineups, including pre-processing equipment, printers, inks, cutting plotters, post-processing equipment, and workflow software for digital printing, and our expertise of constructing printing process.

SG business



- In SG market, the earnings environment has become unstable due to intensified competition.
- On the other hand, we expect to accelerate the shift from solvent inks to UV-curable inks, which have a low environmental impact.
- UV-curable inks secure competitive advantage, and we will aggressively promote development and sales activities of it.

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.

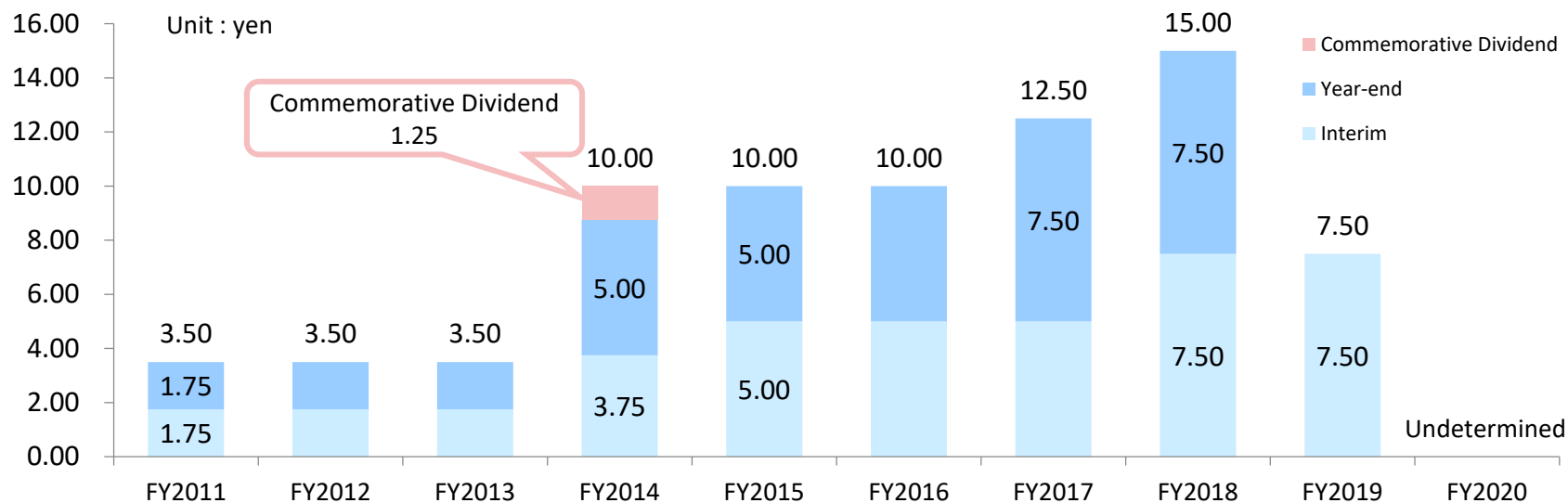
■ Year-end dividends for FY2019

Forecast: 7.5 yen/share → Actual: non-distribution (Annual 7.5 yen/share)

The outlook is uncertain due to the worldwide spread of COVID-19, and we believe that it is best to prepare for the stabilization of management and employment with securing internal funds as the top priority.

■ Forecast of interim and year-end dividends for FY2020: Undetermined

Dividend forecasts have not been determined due to uncertainty in the outlook for business performance.

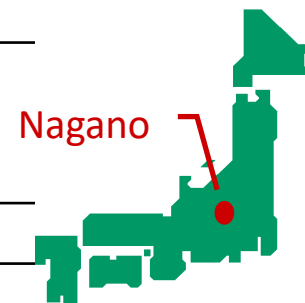


- The commemorative dividend for FY2014 is based on listing on the First Section of the Tokyo Stock Exchange.
- We conducted a 2-for-1 stock split with an effective date of April 1, 2015. (Dividends before splitting are appealed and revised)

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Company Profile (as of March 31, 2020)

Foundation	August 1975
Capital	4,357 million yen
Headquarters	2182-3 Singeno-Otsu, Tomi-Shi, Nagano 389-0512, Japan
Representatives	Executive Chairman: Akira Ikeda / President: Kazuaki Ikeda
Employees	Consolidated: 2,003 / Parent Company Only: 821
Group Companies *Count each as 1 company	<p>◆ Industrial Inkjet Printer Related: 20</p> <ul style="list-style-type: none"> • Sales: 13 *Sales and Production Europe: MIMAKI EUROPE*, Mimaki Deutschland, MIMAKI EURASIA, and Mimaki Bompan North and South America: MIMAKI USA, and MIMAKI BRASIL Asia and Oceania: Shanghai Mimaki, MIMAKI INDONESIA, MIMAKI SINGAPORE, MIMAKI AUSTRALIA, MIMAKI INDIA, TAIWAN MIMAKI*, and MIMAKI (THAILAND) • Develop and Production: 7 Japan: Mimaki Precision China: Mimaki IJ Technology, and Pinghu Mimaki Taiwan: TAIWAN MIMAKI Europe: MIMAKI EUROPE, Mimaki La Meccanica, and Mimaki Lithuania • Printing: 2 Japan: Graphic Creation, and LUCK'A <p>◆ Alpha Design Group: 6</p> <ul style="list-style-type: none"> • Develop and Production: 2 *Sales, Develop and Production Japan : Alpha Design*, and Alpha Systems* • Sales: 3 China : Dalian Alpha Design, Alpha Automation Technology, and Shanghai Branch • Sheet Metal Processing: 1 Japan: Tonami
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)



SG Market (Sign Graphics: Advertisements and Signboards)

Inkjet Printer



UJV100-160



UCJV300-160



UCJV300-107



JV300Plus Series



JV300 Series
JV300-130/JV300-160



UCJV300-130



UCJV300-75



CJV300Plus Series



CJV150 Series
CJV150-75/107/130/160



CJV300 Series



JV400SUV



JV400LX



UJV55-320



SIJ-320UV

Cutting Plotter



CG-FX II Plus series
CUTTING PLOTTER



◆ **CG-SR III series**

Software

- ◆ Raster Link Pro 5 SG
- ◆ Raster Link 6 Plus
- ◆ Fine Cut 8
- ◆ Fine Cut 9
- ◆ Simple POP

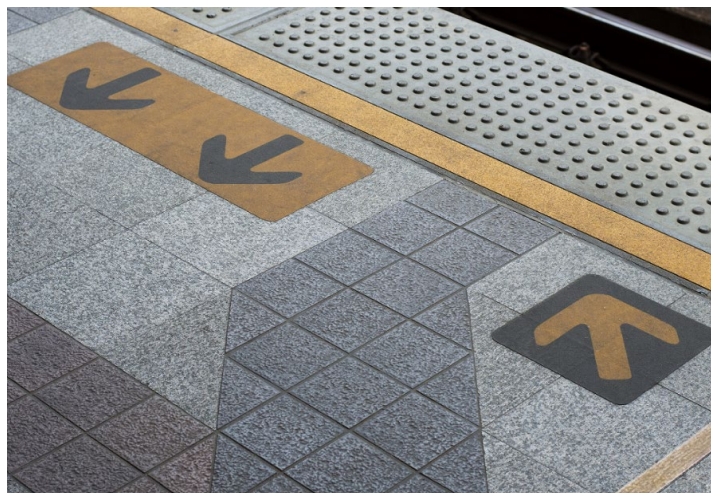
Application Examples - Visual communication materials for business use



Guide Signboard



Outdoor Signboard



Asphalt



Outdoor Signboard

SG Market (Sign Graphics: Outdoor Advertisements)



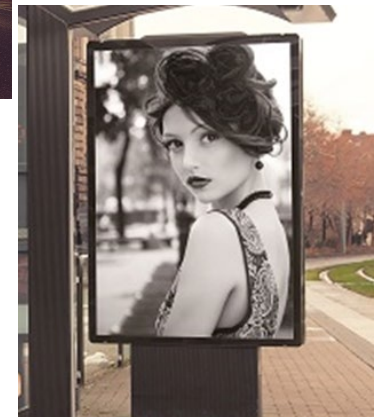
Window Graphics



Pictogram Sign



Illumination Signboard



Lit Signage



Vehicle Wrapping

SG Market (Sign Graphics: Advertisements)



POP



Night

Day

4 Layer Printing

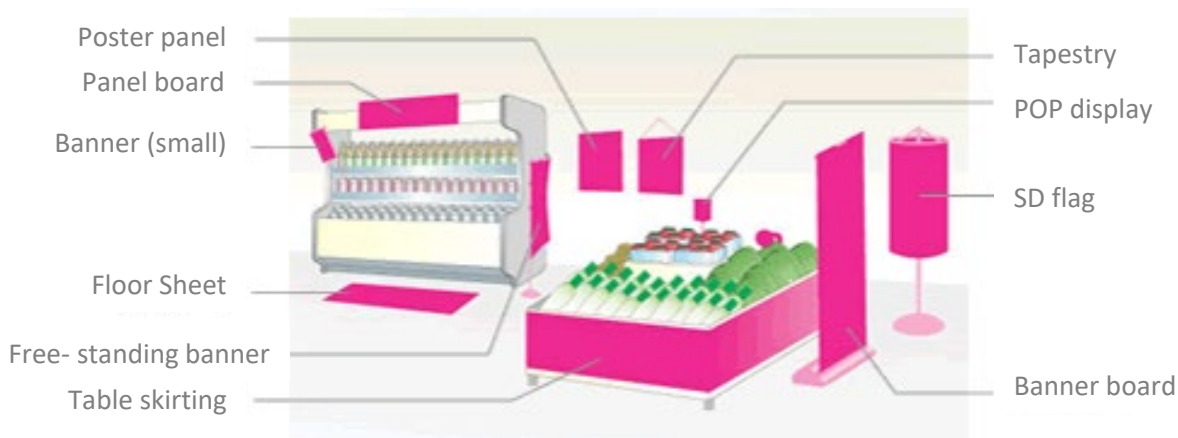


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Flash Print

SG Market (Sign Graphics: POP)



IP Market (Industrial Products: Industrial Products and Promotional Products)



Flatbed Inkjet Printer



UJF-6042 MkII



UJF-3042 MkII



UJF-7151 plus



JFX200-2531



JFX200-2513 EX

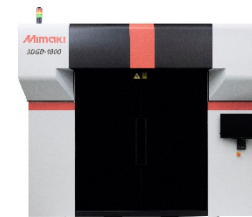


JFX500-2131

3D Printer



3DUJ-553



3DGD-1800



3DFF-222

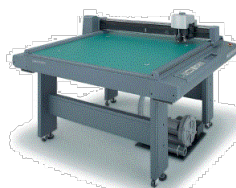
Flatbed Cutting Plotter



CF22-1225



◆ CF3 series



◆ CF2 series



◆ CFL-605RT

Software

- ◆ Raster Link Pro 5 IP
- ◆ Raster Link 6 Plus
- ◆ CAM Link
- ◆ Fine Cut 8
- ◆ Fine Cut 9

Application Examples - Industrial Products and Novelties



Card



Novelty



Smartphone Case



Measuring tape

IP Market (Industrial Products: Package and Promotional Products)

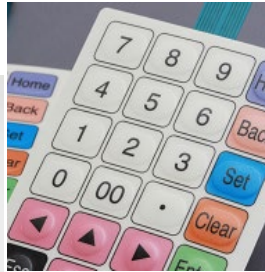


IP Market (Industrial Products: Clocks and Electrical Appliance)





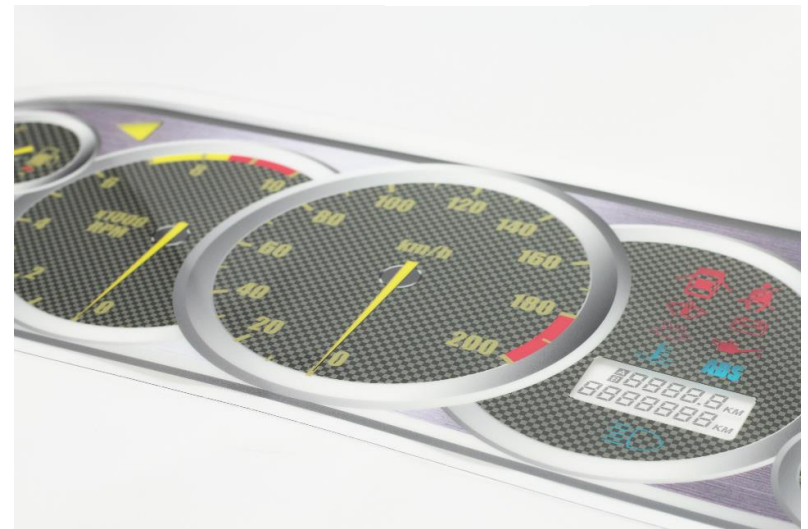
Membrane Switch



Brake



Packing Material



Meter Panel

IP Market (Industrial Products: Value-added Print)

2.5D Print



High Visibility Letters



Texture Enticing to Touch



Express of Thickness of Paint

Silver Ink



IP Market (Industrial Products: 3D Printing)



Inkjet Printer



TX300P-1800 MkII



TS55-1800



Tiger-1800B MkII



TX300P-1800B



TX500P-3200 DS



TS500P-3200



TS300P-1800



TS30-1300



TX500-1800B



TX500-1800DS



TS500-1800



TS34-1800A

Printer Cutter / Cutting Plotter for Apparel

◆ APC-130



Software

◆ Raster Link Pro 5 TA

◆ Raster Link 6 Plus

◆ Tx Link 4

Application Examples – Cloths Before Sewing (textiles) and Ready-made Clothes (apparel)



TA Market (Textile & Apparel: Tapestry)





TA Market (Textile & Apparel: Sports Apparel)



MIMAKI ENGINEERING CO., LTD.

IR department

E-mail : mimaki-ir@mimaki.com

Web : <https://ir-eng.mimaki.com>



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