

Financial Results Briefing Materials

Mimaki Engineering Co., Ltd.

May 12, 2022



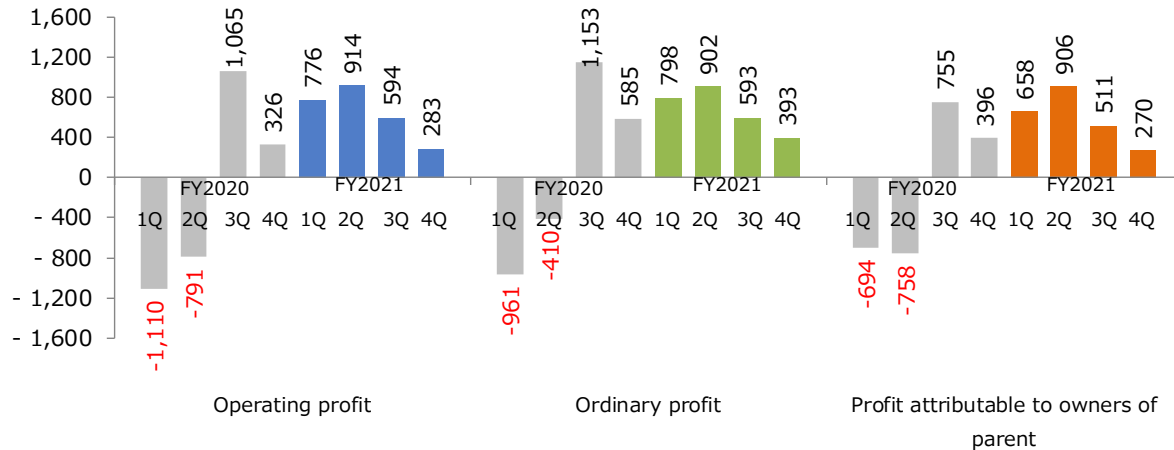
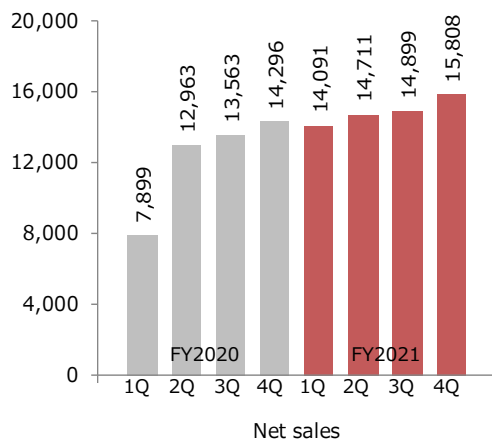
Consolidated Results for FY2021

- ❖ Fourth quarter and full-year results
- ❖ Full-year forecast for FY2022

Consolidated Performance Highlights (Result for 4Q FY2021)



(Millions of yen)		FY2020		FY2021 <small>* Excluding the impact of exchange rate</small>				
		4Q Actual	Sales ratio	4Q Actual	Sales ratio	Change from FY2020		
						Amount	Change from FY2020	Change from FY2020*
■ Net sales		14,296	—	15,808	—	1,511	10.6%	7.1%
■ Operating profit		326	2.3%	283	1.8%	-42	-13.0%	—
■ Ordinary profit		585	4.1%	393	2.5%	-191	-32.7%	—
■ Profit attributable to owners of parent		396	2.8%	270	1.7%	-125	-31.6%	—
Exchange rate (yen)	USD	105.90	—	116.21	—	10.31	9.7%	—
	EUR	127.68	—	130.40	—	2.72	2.1%	—



■ 4Q sales

- Sales increased by 1,511 million yen compared to the same period of FY2020 (+11%, including +498 million yen due to impact of exchange rate), exceeded the forecast, and increased by +12% compared to the same period of FY2019.
- In addition to the shortage of parts and raw materials together with prolonged transportation lead times, the situation in Russia and Ukraine, and the spread of COVID-19 in China are having an impact, however, responding to strong printing and capital investment demand in North America and Japan, and the effects of depreciation of the yen will secure increased sales.

■ 4Q operating profit

- Operating profit decreased by 42 million yen compared to the same period of FY2020 (-13%, including +132 million yen due to impact of exchange rate), generally as expected, and decreased by 36% compared to the same period of FY2019, ordinary profit and profit attributable to owners of parent exceeded the forecast due to exchange gain.
- Although the cost of sales ratio has improved slightly compared to the same period of FY2020 despite soaring parts and transportation costs, in addition to recording product repair expenses due to quality issues, recording an allowance for doubtful accounts in Europe due to the situation in Russia and Ukraine, and the return of restrained labor expenses due to the planned suspension of business in the previous fiscal year resulted in increased SG&A expenses and reduced profits.

■ Balance sheet as of 4Q

- CCC*, a key indicator, increased in comparison to the end of the previous fiscal year under a policy of procuring and securing parts, etc., with the goal of supplying products to the market without being affected by the global shortage of materials and leveraging recovery in demand to maximize sales opportunities.

2021/end of March: 3.60 → end of June: 4.22 → end of September:4.35 → end of December: 4.27 → 2022/end of March: 5.27

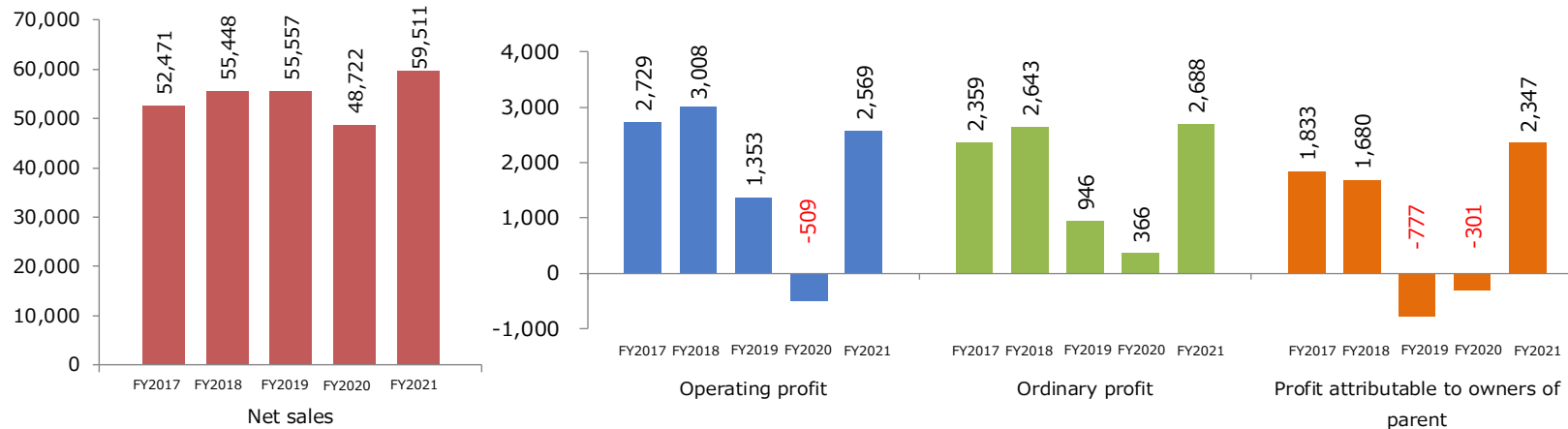
*CCC: Cash conversion cycle, figures have changed from those disclosed in the previous fiscal year due to the inclusion of claims in bankruptcy and reorganization from the current fiscal year

Consolidated Financial Highlights (Results for FY2021)



(Millions of yen)		FY2020		FY2021					* Excluding the impact of exchange rate	
		Fiscal year Actual	Sales ratio	Fiscal year Actual	Sales ratio	Change from FY2020			Fiscal year Forecast (Revised)	Change from previous forecast
						Amount	Change from FY2020	Change from FY2020*		
■	Net sales	48,722	—	59,511	—	10,789	22.1%	18.0%	59,100	411
■	Operating profit	-509	-1.0%	2,569	4.3%	3,079	—	—	2,630	-60
■	Ordinary profit	366	0.8%	2,688	4.5%	2,321	633.7%	—	2,520	168
■	Profit attributable to owners of parent	-301	-0.6%	2,347	3.9%	2,648	—	—	2,140	207
Exchange rate (yen)	USD	106.06	—	112.38	—	6.32	6.0%	—	109.58	2.80
	EUR	123.70	—	130.56	—	6.86	5.5%	—	129.21	1.35

*The Company has applied the "Accounting Standard for Revenue Recognition" from the beginning of FY2022, and figures for FY2021 are those after the accounting standard was applied.



Factors Effecting Operating Profit (FY2020 vs FY2021)



[Impact by currency]

USD:106.06 yen → 112.38 yen	+409
EUR:123.70 yen → 130.56 yen	+451
CNY:15.67 yen → 17.51 yen	-363
TRY:14.51 yen → 11.23 yen	-176
AUD:76.17 yen → 83.03 yen	+88
Other (BRL, IDR, INR, etc.)	+169
Total	+579

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

Net sales (2,014) - Cost of sales (895) - SG&A expenses (539) =
Operating profit (579)

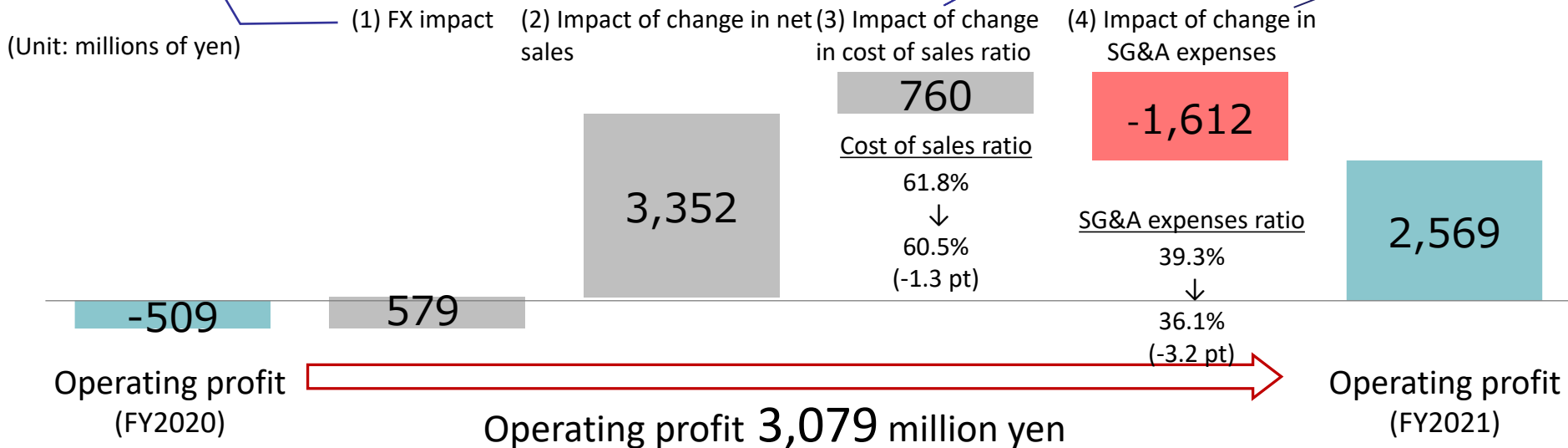
Factors behind changes in cost to sales ratio

The FY2020 cost of sales ratio (61.8%) includes deterioration in the cost of sales ratio due to structural reforms (1,401 million yen: 2.9%); and excluding this, the FY2021 cost of sales ratio deteriorated by 2.8 pt compared to the actual cost of sales ratio (57.7%, assuming the same exchange rate as that for the FY2021).

⇒ Due to impact of soaring transportation costs and parts and raw materials prices

Factors behind changes in SG&A expenses

Product repair expenses	642
Labor expenses	471
Sales promotion expenses	344
R&D expenses	324
Commission paid	195
Transportation expenses	-162
Others	-203
Total	1,612



Sales by Market Segment (Results for 4Q FY2021)

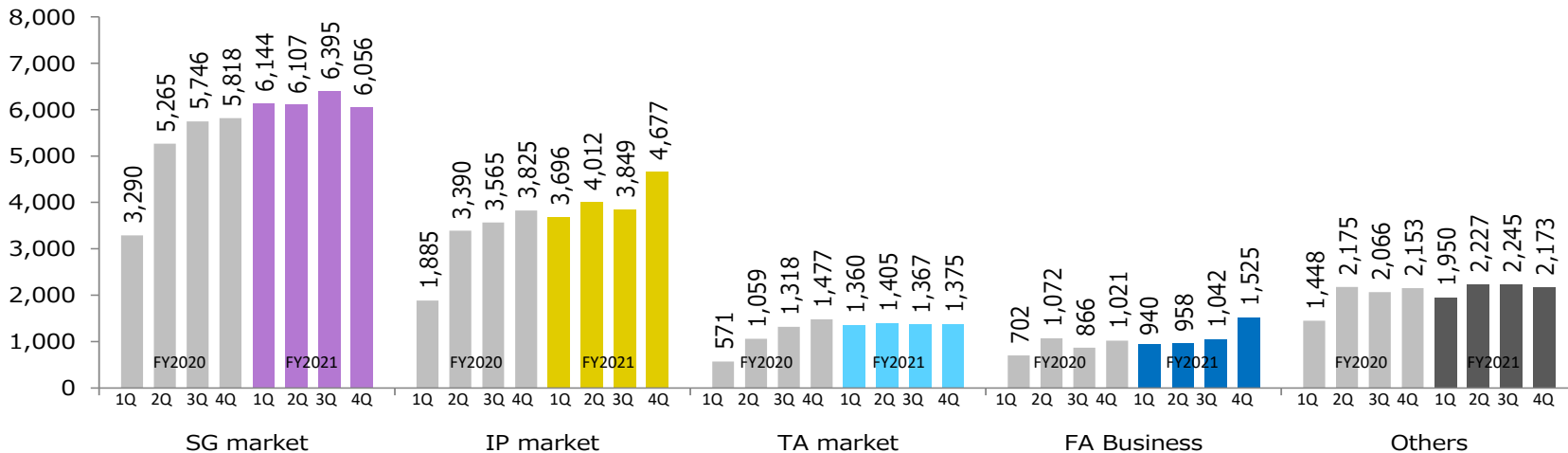


(Millions of yen)	FY2020		FY2021 <small>* Excluding the impact of exchange rate</small>				
	4Q Actual	Sales ratio	4Q Actual	Change from FY2020			Sales ratio
				Amount	Change from FY2020	Change from FY2020*	
■ SG market	5,818	40.7%	6,056	238	4.1%	-2.8%	38.3%
■ IP market	3,825	26.8%	4,677	852	22.3%	21.2%	29.6%
■ TA market	1,477	10.3%	1,375	-102	-6.9%	-14.1%	8.7%
■ FA business	1,021	7.1%	1,525	503	49.3%	57.8%	9.6%
■ Others	2,153	15.1%	2,173	20	0.9%	—	13.7%
Total	14,296	100.0%	15,808	1,511	10.6%	7.1%	100.0%

- For the SG market: Strong capital investment demand in North America and Japan resulted in favorable sales of main products and ink in entry-level models such as JV/UJV100 and mainstay products such as JV/UCJV300, whereas sales decreased in Europe and China
- For the IP market: Full scale supply of new products such as UJF-3042/6042MkIIe, UJF-7151plusII, and JFX600-2513 were launched in 3Q saw significant growth in sales in North America, Europe, and Japan
- For the TA market: Sales grew in North America and Asia mainly due to the entry-level model TS100, but decreased year-on-year for the same period in Europe and Japan
- FA business: Increased capital investment demand due to economic recovery saw strong performances in the FA equipment, board inspection equipment, and metal processing businesses

Sales by Market Segment (Results for FY2021)

(Millions of yen)	FY2020		FY2021 <small>* Excluding the impact of exchange rate</small>				
	Fiscal year Actual	Sales ratio	Fiscal year Actual	Change from FY2020		Sales ratio	
				Amount	Change from FY2020		Change from FY2020*
■ SG market	20,121	41.3%	24,704	4,582	22.8%	17.1%	41.5%
■ IP market	12,666	26.0%	16,235	3,568	28.2%	24.4%	27.3%
■ TA market	4,427	9.1%	5,509	1,081	24.4%	18.1%	9.3%
■ FA business	3,663	7.5%	4,465	802	21.9%	24.0%	7.5%
■ Others	7,843	16.1%	8,596	752	9.6%	–	14.4%
Total	48,722	100.0%	59,511	10,789	22.1%	18.0%	100.0%



Sales by Area (Results for 4Q FY2021)

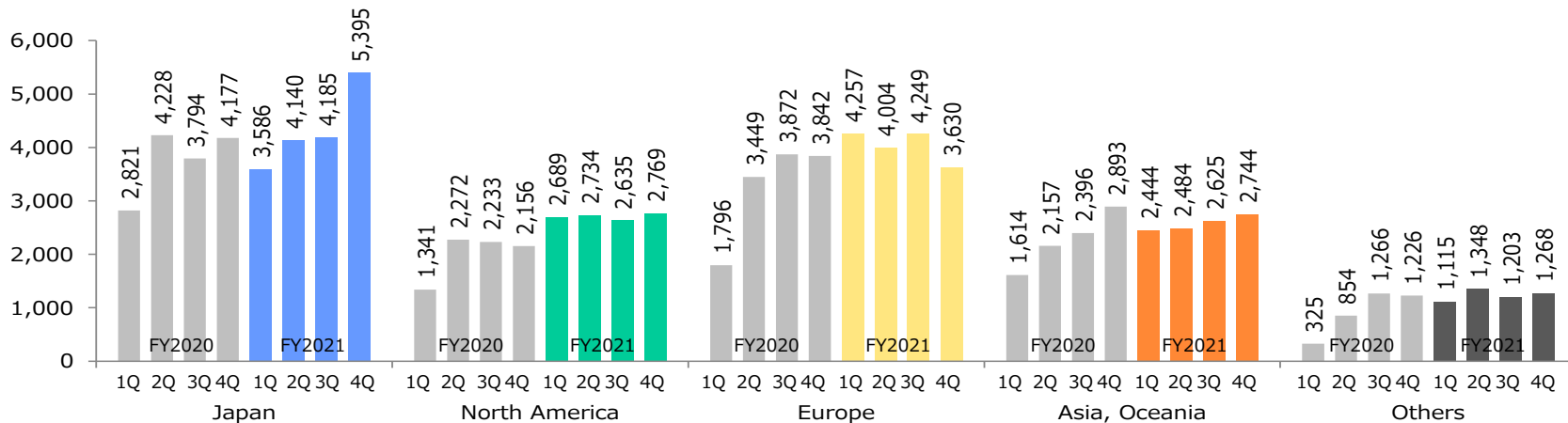


(Millions of yen)	FY2020		FY2021			
	4Q Actual	Sales ratio	4Q Actual	Change from FY2020		Sales ratio
				Amount	Change from FY2020	
■ Japan	4,177	29.2%	5,395	1,218	29.2%	34.1%
■ North America	2,156	15.1%	2,769	612	28.4%	17.5%
Local currency:\$	20.2M	—	23.7M	3.4M	17.2%	—
■ Europe	3,842	26.9%	3,630	-212	-5.5%	23.0%
Local currency:€	30.4M	—	27.8M	- 2.5M	-8.5%	—
■ Asia, Oceania	2,893	20.2%	2,744	-148	-5.1%	17.4%
■ Others	1,226	8.6%	1,268	41	3.4%	8.0%
Total	14,296	100.0%	15,808	1,511	10.6%	100.0%

- Japan: Recovering economic activity brought strong sales of SG and IP, in both main products and ink sales, with significantly improved sales of FA also contributing to the major increase
- North America: IP, which was unable to amply supply new products in 3Q saw significant growth in sales in the current quarter, along with strong sales growth in SG and TA, with significant increases in sales thanks to the effects of depreciation of the yen
- Europe: Full-scale supply of new products by IP has resulted in strong sales, and the depreciation of the yen has had favorable effects, however, the situation in Russia and Ukraine has caused reduced sales in some countries including Russia, with an overall reduction in sales
- Asia and Oceania: Sales were strong in Australia, South Korea, Indonesia, etc. although revenue decreased due to major impact from reduced sales in China

Sales by Area (Results for FY2021)

(Millions of yen)	FY2020		FY2021			
	Fiscal year Actual	Sales ratio	Fiscal year Actual	Change from FY2020		Sales ratio
				Amount	Change from FY2020	
Japan	15,021	30.8%	17,307	2,285	15.2%	29.1%
North America	8,004	16.4%	10,828	2,824	35.3%	18.2%
Local currency:\$	75.4M	—	96.3M	20.8M	27.7%	—
Europe	12,961	26.6%	16,141	3,180	24.5%	27.1%
Local currency:€	104.7M	—	123.6M	18.8M	18.0%	—
Asia, Oceania	9,061	18.6%	10,299	1,237	13.7%	17.3%
Others	3,673	7.5%	4,935	1,262	34.4%	8.3%
Total	48,722	100.0%	59,511	10,789	22.1%	100.0%



Condensed Balance Sheet (As of 31-Mar-22)

(Millions of yen)	31-Mar-21	31-Mar-22	Change	
Assets				
Cash and deposits	10,839	8,971	-1,868	-17.2%
Notes and accounts receivable - trade *1	8,363	10,176	1,812	21.7%
Inventories	17,919	25,832	7,912	44.2%
Other	2,040	2,514	474	23.3%
Total current assets	39,163	47,495	8,331	21.3%
Property, plant and equipment	9,288	10,177	888	9.6%
Intangible assets	491	587	96	19.6%
Investments and other assets	1,895	2,596	701	37.0%
Total non-current assets	11,675	13,362	1,686	14.4%
Total assets	50,838	60,857	10,018	19.7%
Liabilities and Net assets				
Notes and accounts payable - trade *1	9,772	9,488	-283	-2.9%
Short-term borrowings *2	8,119	14,436	6,316	77.8%
Other	7,077	8,404	1,327	18.8%
Total current liabilities	24,969	32,329	7,360	29.5%
Long-term borrowings	8,913	8,432	-481	-5.4%
Other	742	1,378	635	85.6%
Total non-current liabilities	9,656	9,810	154	1.6%
Total liabilities	34,625	42,140	7,514	21.7%
Total net assets	16,213	18,716	2,503	15.4%
Total liabilities and net assets	50,838	60,857	10,018	19.7%

❖ Assets +10,018

- **Current assets (+8,331)**
→ Increase in raw materials and supplies, merchandise and finished goods, etc.
- **Property, plant and equipment (+888)**
→ Increase in lease assets, etc.
- **Investments and other assets (+701)**
→ Increase in deferred tax assets, etc.

❖ Liabilities +7,514

- **Current liabilities (+7,360)**
→ Notes and accounts payable-trade (-750)
Electronically recorded obligations - operating (+467)
→ Short-term borrowings (+6,497)
- **Non-current liabilities (+154)**
→ Long-term borrowings (-481)
→ Lease obligations (+569)

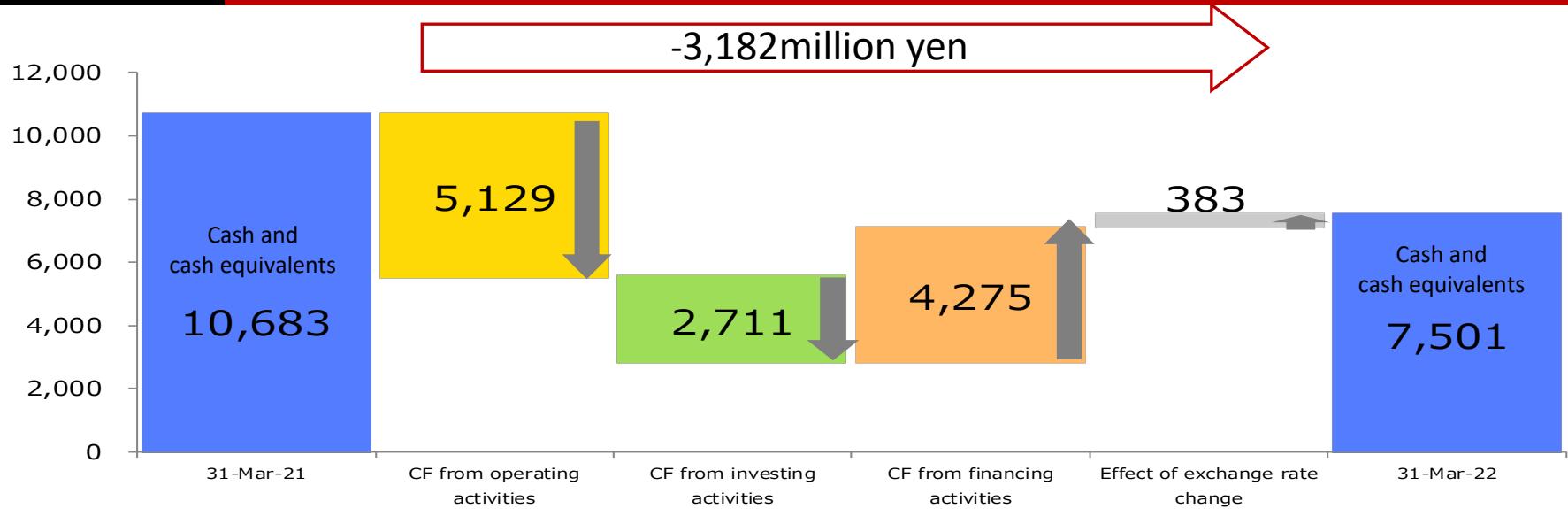
❖ Net assets +2,503

- Retained earnings (+1,899)

(*1) Including electronically recorded monetary claims - operating and electronically recorded obligations - operating

(*2) Including current portion of long-term borrowings

Cash Flows (Results for FY2021)



Cash flows from operating activities

EBITDA (*)	4,713
Increase in working capital	-9,010
Taxes, interest payments, etc.	-832
Total	-5,129

Cash flows from investing activities

Fixed deposit balance	-1,307
Acquisition of non-current assets	-1,557
Others	152
Total	-2,711

Cash flows from financing activities

Proceeds from short and long-term borrowings	5,553
Dividends paid	-441
Others	-836
Total	4,275

(*) Operating income before interest, taxes, and amortization

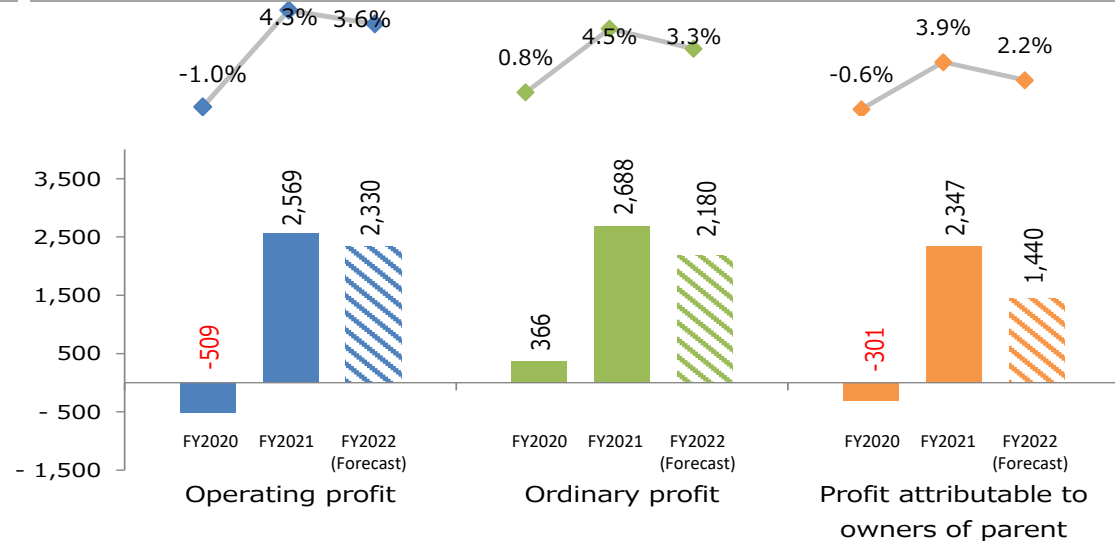
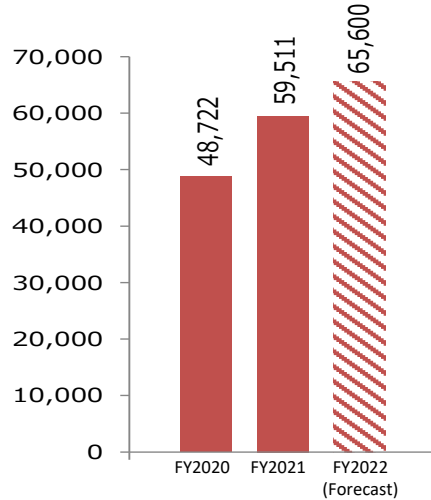
Consolidated Results for FY2021

- ❖ Fourth quarter and full-year results
- ❖ Full-year forecast for FY2022

Consolidated Performance Forecast Highlights (FY2022 - Full-Year)



(Millions of yen)		FY2021		FY2022								
		Fiscal year Actual	Sales ratio	First half Forecast	Sales ratio	Second half Forecast	Sales ratio	Fiscal year Forecast	Sales ratio	* Excluding the impact of exchange rate Change from FY2021		
										Amount	Change from FY2021	Change from FY2021*
■	Net sales	59,511	-	30,700	-	34,900	-	65,600	-	6,088	10.2%	11.9%
■	Operating profit	2,569	4.3%	770	2.5%	1,560	4.5%	2,330	3.6%	-239	-9.3%	-
■	Ordinary profit	2,688	4.5%	700	2.3%	1,480	4.2%	2,180	3.3%	-508	-18.9%	-
■	Profit attributable to owners of parent	2,347	3.9%	430	1.4%	1,010	2.9%	1,440	2.2%	-907	-38.7%	-
Exchange rate	USD	112.38	-	110.00	-	110.00	-	110.00	-	-2.38	-2.1%	-
(yen)	EUR	130.56	-	130.00	-	130.00	-	130.00	-	-0.56	-0.4%	-



■ Assumptions of the consolidated performance forecast

1. The impact due to shortage of parts and raw materials, and disruptions in logistics is expected to continue until the first half, and gradually improve from the second half onward
→ We will prioritize avoiding opportunity losses under recovering demand, and secure parts and raw materials
→ We will implement flexible sales measures while keeping a close eye on the market and competitive environment
2. The impact of the situation in Russia and Ukraine is expected to continue through this period
→ No sales are expected from Russia and Ukraine this period, and certain impact in Eastern Europe is incorporated
3. Impact due to the lockdown in China to curb the spread of COVID-19 and impact due to accelerating global inflation is not incorporated at the initial stage
4. Exchange rate assumptions are USD: 110 yen/EUR: 130 yen/CNY: 18.3 yen

- Although the goal of reaching an operating profit ratio of 10% by FY2025 as established in Mimaki V10 remains strong, we will take every precaution against geopolitical risks, and seize the opportunity to solidify our management foundation working 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 → 110.00 yen	-195
EUR:130.56 yen → 130.00 yen	-41
CNY:17.51 yen → 18.30 yen	-145
TRY:11.23 yen → 8.42 yen	-200
BRL:21.11 yen → 20.34 yen	-51
Other (AUD, IDR, etc.)	-65
Total	-701

[Exchange rate sensitivity (1 yen/year)]

	Net sales	Operating profit
USD	147	82
EUR	120	74

Factors behind changes in cost to sales ratio

Impact mainly of soaring transportation costs and parts and raw materials prices is expected

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

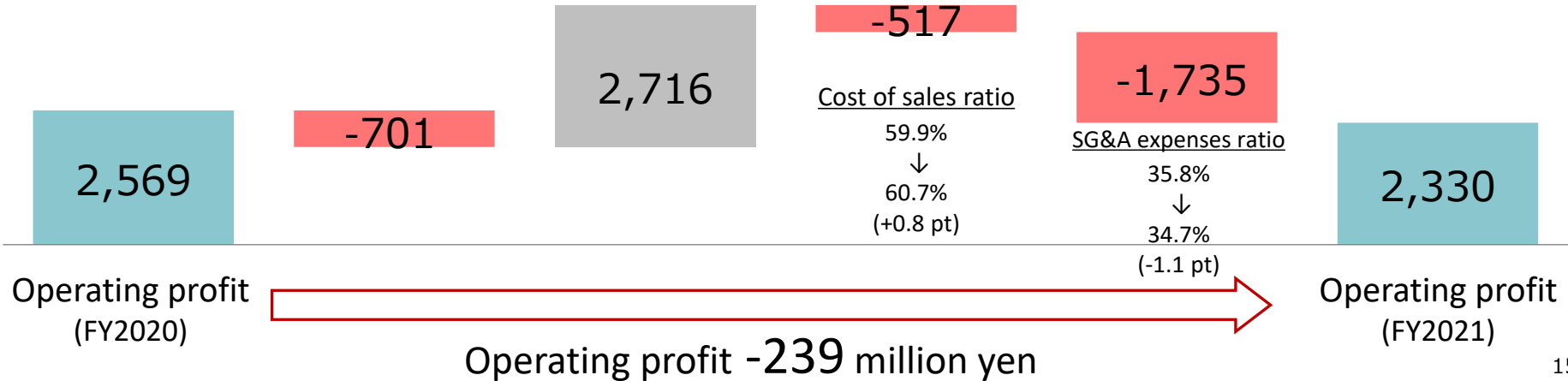
Net sales (-690) - Cost of sales (114) - SG&A expenses (-103) = Operating profit (-701)

(1) FX impact

(2) Impact of change in net sales

(3) Impact of change in cost of sales ratio

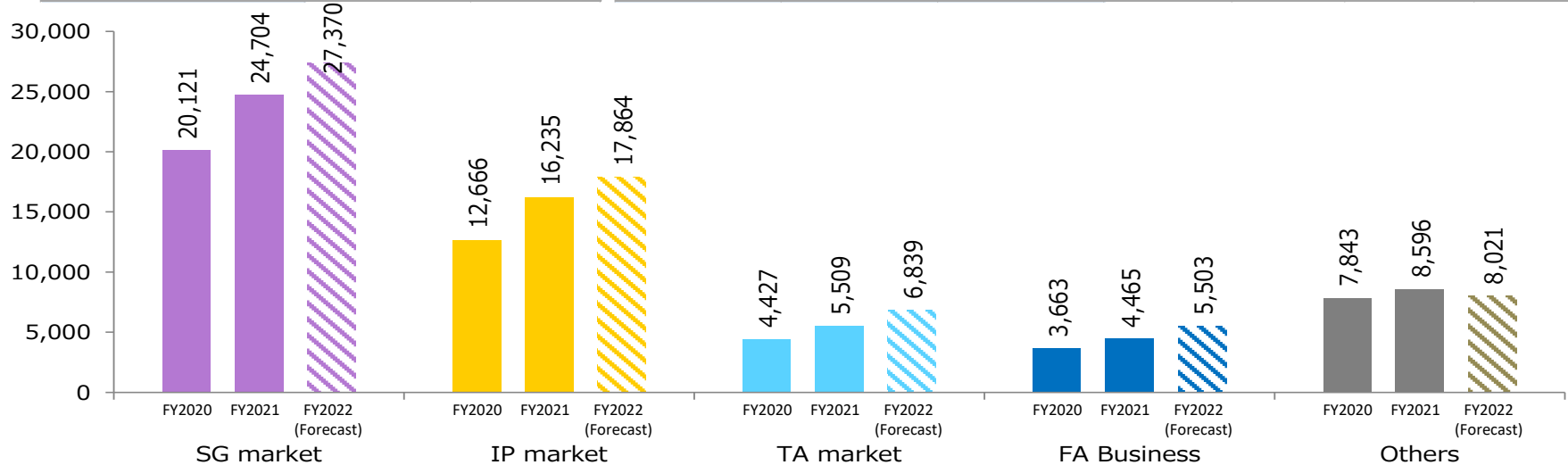
(4) Impact of change in SG&A expenses



Sales Forecast by Market Segment (FY2022 - Full-Year)

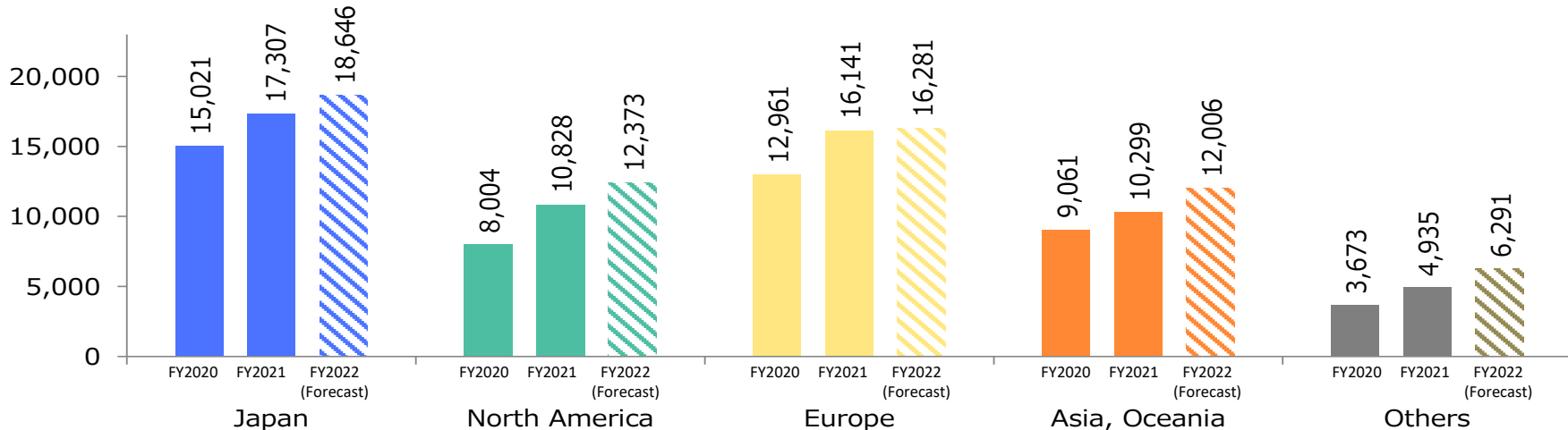


(Millions of yen)	FY2021		FY2022 <small>* Excluding the impact of exchange rate</small>						
	Fiscal year Actual	Sales ratio	First half Forecast	Second half Forecast	Fiscal year Forecast	Change from FY2021			Sales ratio
						Amount	Change from FY2021	Change from FY2021*	
SG market	24,704	41.5%	12,676	14,694	27,370	2,666	10.8%	12.8%	41.7%
IP market	16,235	27.3%	8,551	9,313	17,864	1,629	10.0%	11.5%	27.2%
TA market	5,509	9.3%	3,024	3,814	6,839	1,329	24.1%	27.0%	10.4%
FA business	4,465	7.5%	2,386	3,116	5,503	1,037	23.2%	23.3%	8.4%
Others	8,596	14.4%	4,060	3,961	8,021	△ 575	△6.7%	—	12.2%
Total	59,511	100.0%	30,700	34,900	65,600	6,088	10.2%	11.9%	100.0%



Sales Forecast by Area (FY2022 - Full-Year)

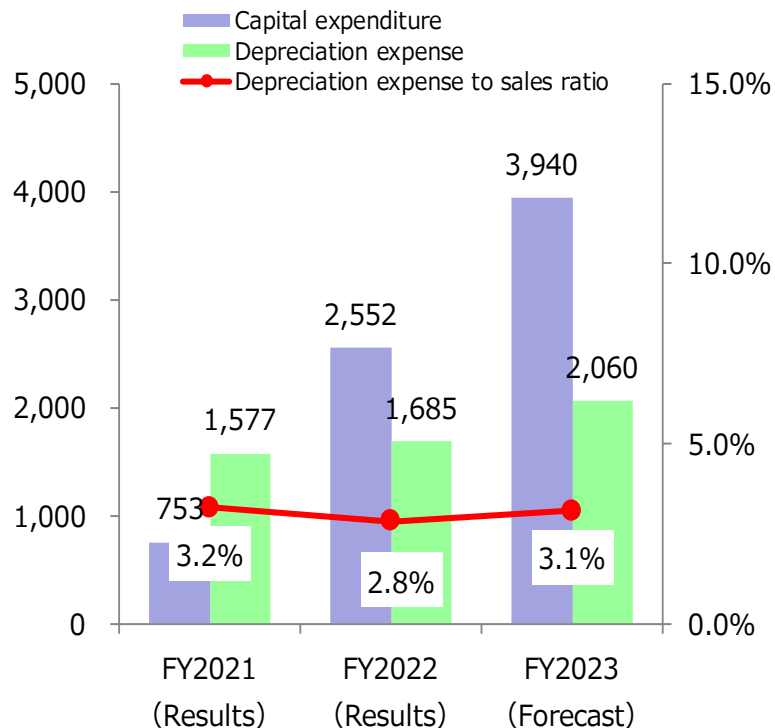
(Millions of yen)	FY2021		FY2022					
	Fiscal year Actual	Sales ratio	First half Forecast	Second half Forecast	Fiscal year Forecast	Change from FY2021		Sales ratio
						Amount	Change from FY2021	
Japan	17,307	29.1%	8,827	9,819	18,646	1,339	7.7%	28.4%
North America	10,828	18.2%	5,938	6,435	12,373	1,544	14.3%	18.9%
Local currency:\$	96.3M	—	53.9M	58.5M	112.4M	16.1M	16.7%	—
Europe	16,141	27.1%	7,355	8,925	16,281	139	0.9%	24.8%
Local currency:€	123.6M	—	56.5M	68.6M	125.2M	1.6M	1.3%	—
Asia, Oceania	10,299	17.3%	5,482	6,524	12,006	1,707	16.6%	18.3%
Others	4,935	8.3%	3,096	3,195	6,291	1,356	27.5%	9.6%
Total	59,511	100.0%	30,700	34,900	65,600	6,088	10.2%	100.0%



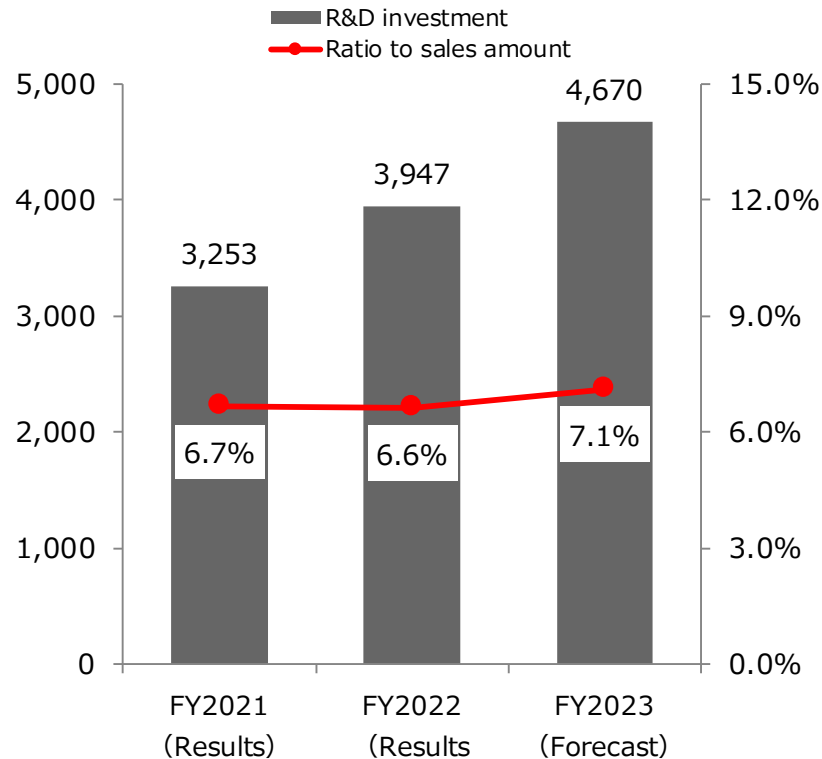
Capital Expenditure, Depreciation, and R&D Investment Forecast



(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

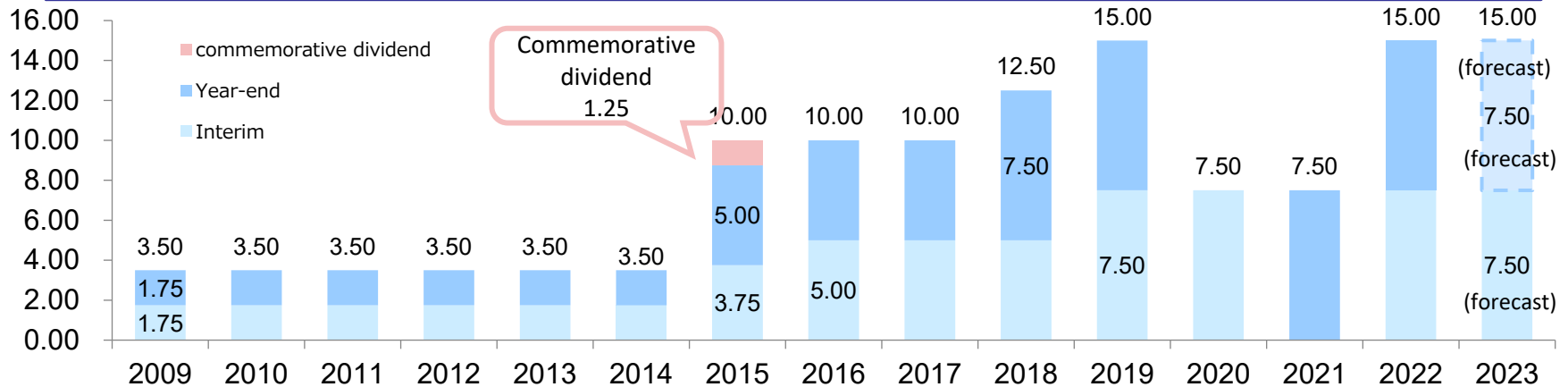
Mimaki Engineering treats shareholder returns as a key management tenet. As such, it is the Company's basic policy to stably and continuously pay out dividends commensurate with growth in business performance.

■ Dividends for FY2021 (results) 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 (forecast) Interim: 7.5 yen, Year-end: 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

[Disclaimer]

This document was created by Mimaki Engineering Co., Ltd. (hereafter referred to as "the Company") in order to provide information on the Company, and is not intended to solicit investors.

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.