



Mimaki Engineering Co., Ltd.

Fiscal Year Ending March 31, 2023

Financial Results Briefing Materials

May 15, 2023



Securities Code
6638

CJV330 Series



CFX-2513



TxF150-75



3DUJ-2207



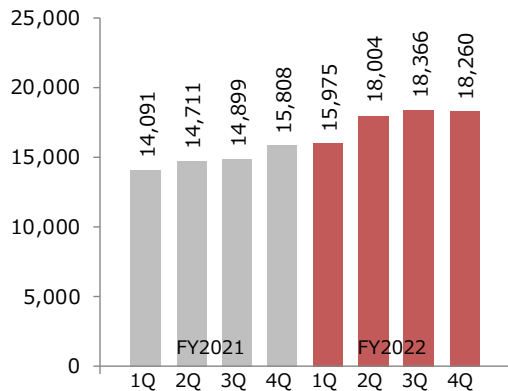
Consolidated Results for FY2022

- ❖ Fourth quarter and full-year results
- ❖ FY2023 full business year forecast

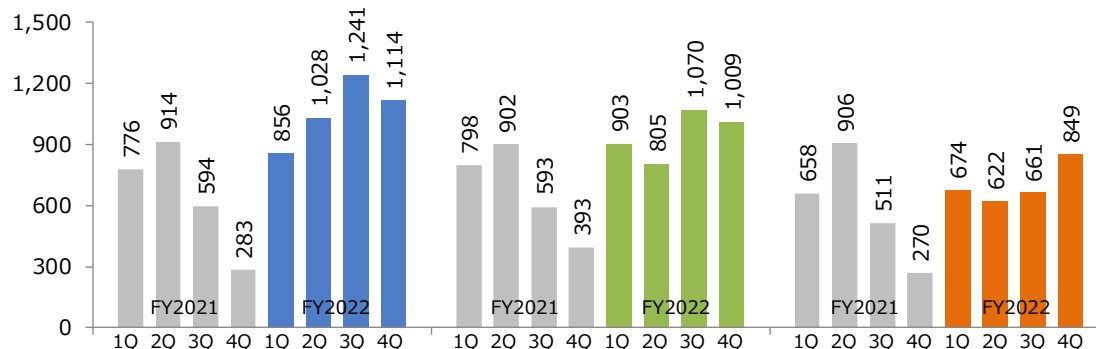
Consolidated Performance Highlights (Results for 4Q FY2022)



(Millions of yen)		FY2021		FY2022 <small>* Excluding the impact of exchange rate</small>				
		4Q Actual	Sales ratio	4Q Actual	Sales ratio	Change from FY2021		
						Amount	Change from FY2021	Change from FY2021*
■ Net sales		15,808	—	18,260	—	2,451	15.5%	8.9%
■ Operating profit		283	1.8%	1,114	6.1%	830	292.5%	—
■ Ordinary profit		393	2.5%	1,009	5.5%	616	156.6%	—
■ Profit attributable to owners of parent		270	1.7%	849	4.7%	578	213.5%	—
Exchange rate (yen)	USD	116.21	—	132.32	—	16.11	13.9%	—
	EUR	130.40	—	142.07	—	11.67	8.9%	—



Net sales



Operating profit

Ordinary profit

Profit attributable to owners of parent

Consolidated Financial Highlights (for 4Q FY2022)



■ 4Q net sales

- Sales increased by 2,451 million yen compared to the same period of FY2021 (+16%, including +1,040 million yen due to the impact of exchange rates), exceeding the forecast.
- The impacts of the shortage of semiconductors and the longer transportation lead times have eased.
- Sales to the SG, IP, and TA markets all significantly increased compared to the same period of FY2021.
- While SG and IP led the increase over the March 13 net sales forecast that had been revised downward to reflect the slowdown in economic growth in Europe and the U.S. in particular, sales did not recover to the level expected before the revision.

■ 4Q operating profit

- Profit increased by 830 million yen compared to the same period of FY2021 (+293%, including +420 million yen due to the impact of exchange rates), exceeding the previous forecast.
- Continued to review selling prices to cope with the remaining impact of higher procurement costs of parts and materials and energy costs.
- The cost of sales ratio worsened because of the impact of parts and materials procured at high cost and other factors, although transportation costs declined.
- The SG&A expenses ratio improved due to efficient cost management at a time of strong business and sales activities.
- The yen's depreciation on foreign exchange had a positive effect, with a significant increase in sales.

■ Balance sheet as of 4Q

- CCC*, a key indicator, worsened in comparison to the end of the previous quarter as a result of higher parts and materials costs and slowing demand leading to a rise in inventory value.

2022/end of March: 5.27 → end of June: 5.50 → end of September: 5.14 → end of December: 4.83 → 2023/end of March: 5.27

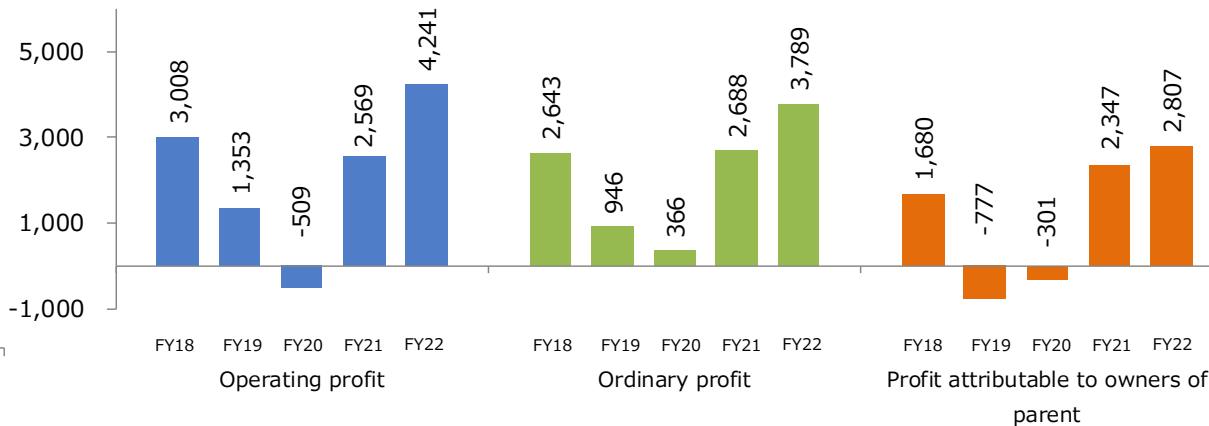
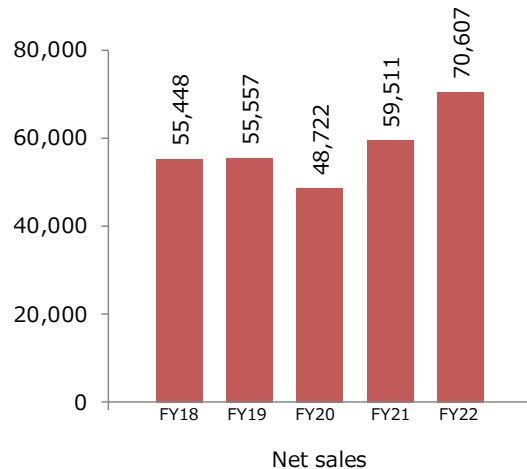
*CCC: Cash Conversion Cycle. Starting with the current fiscal year, figures have changed from those disclosed in the previous fiscal year due to the inclusion of bankruptcy or reorganization claims.

Consolidated Performance Highlights (Results for FY2022)



(Millions of yen)		FY2021		FY2022						
		Fiscal year Actual	Sales ratio	Fiscal year Actual	Sales ratio	Change from FY2021			Fiscal year Forecast (Revised)	Change from previous forecast
						Amount	Change from FY2021	Change from FY2021*		
■	Net sales	59,511	—	70,607	—	11,095	18.6%	9.7%	70,000	607
■	Operating profit	2,569	4.3%	4,241	6.0%	1,671	65.1%	—	4,000	241
■	Ordinary profit	2,688	4.5%	3,789	5.4%	1,101	41.0%	—	3,580	209
■	Profit attributable to owners of parent	2,347	3.9%	2,807	4.0%	459	19.6%	—	2,450	357
Exchange rate (yen)	USD	112.38	—	135.48	—	23.10	20.6%	—	135.48	0.00
	EUR	130.56	—	140.97	—	10.41	8.0%	—	140.85	0.12

* Excluding the impact of exchange rate



Factors Effecting Operating Profit (FY2021 vs FY2022)



[Impact by currency]

USD: 112.38 yen → 135.48 yen	+1,404
EUR: 130.56 yen → 140.97 yen	+723
CNY: 17.51 yen → 19.75 yen	-737
TRY: 11.23 yen → 7.65 yen	-377
BRL: 21.11 yen → 26.28 yen	+291
Other (AUD, IDR, etc.)	+493
Total	+1,796

[FX impact on net sales, cost of sales and operating profit]
 Net sales 5,346 - Cost of sales 2,317 - SG&A expenses 1,231 =
 Operating profit 1,796

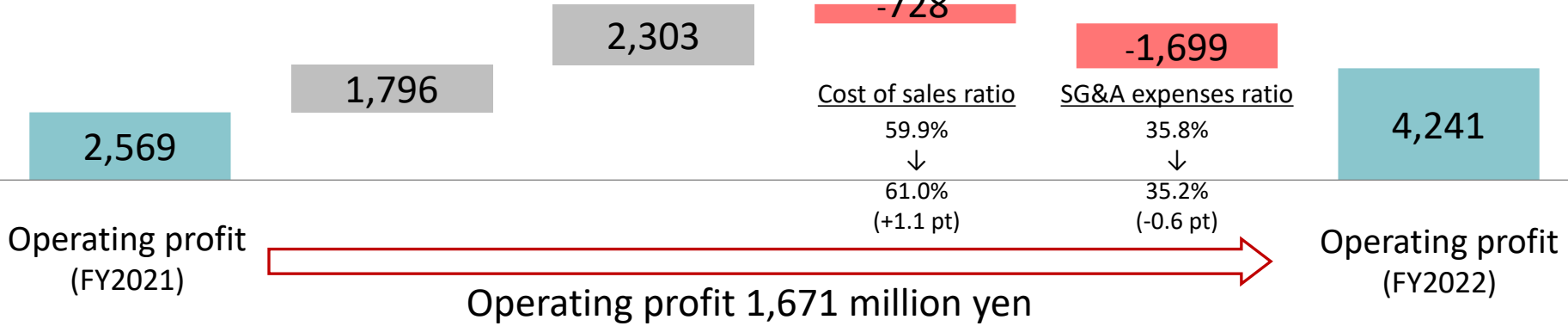
[Factors behind changes in cost of sales ratio]
 Impact is primarily due to soaring costs for transportation and parts and raw materials

[Factors behind changes in SG&A expenses]

Labor expenses	642
R&D expenses	463
Sales promotion expenses	434
Product repair expenses	-408
Allowance for doubtful accounts	-290
Travel and transportation expenses	274
Others	583
Total	1,699

(Unit: millions of yen)

- (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 by Market Segment (Results for 4Q FY2022)



(Millions of yen)	FY2021		FY2022 <small>* Excluding the impact of exchange rate</small>				
	4Q Actual	Sales ratio	4Q Actual	Change from FY2021			Sales ratio
				Amount	Change from FY2021	Change from FY2021*	
■ SG market	6,056	38.3%	7,133	1,077	17.8%	8.1%	39.1%
■ IP market	4,677	29.6%	5,370	692	14.8%	8.5%	29.4%
■ TA market	1,375	8.7%	1,508	132	9.6%	1.5%	8.3%
■ FA business	1,525	9.6%	1,326	-199	-13.1%	-11.5%	7.3%
■ Others	2,173	13.7%	2,922	749	34.5%	—	16.0%
Total	15,808	100.0%	18,260	2,451	15.5%	8.9%	100.0%

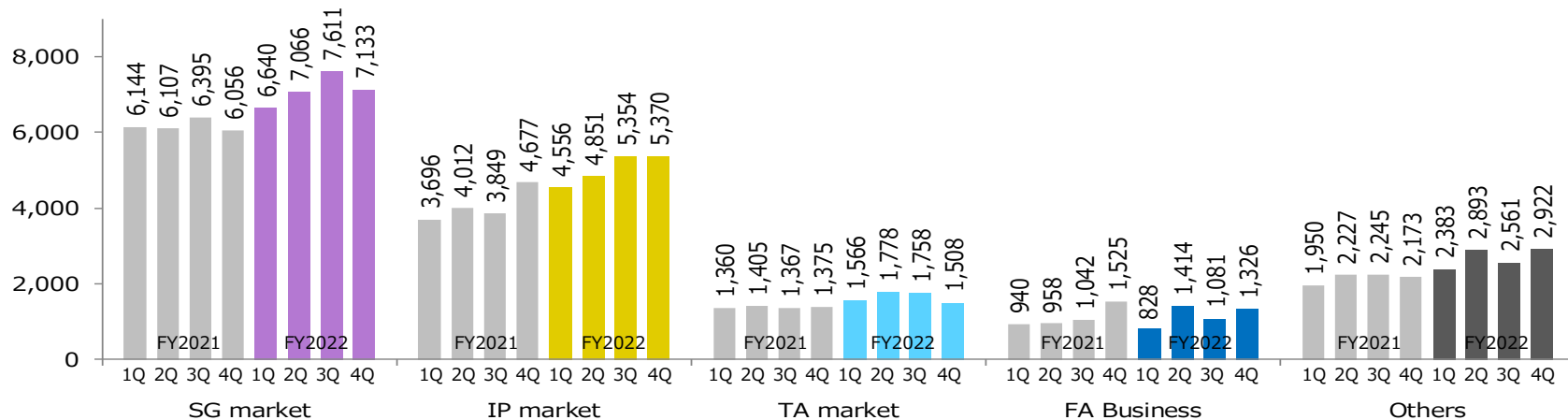
- SG market : Mainstay mid-range models, entry-level models, and cutting plotters, which benefited greatly from new products, were strong. New flagship models also contributed to rising sales. Ink sales were also strong, resulting in a significant increase in sales.
- IP market : The updates to the lineup of mainstay compact flatbed printers caused main units sales to increase notably, while sales of large flatbed printers also increased, sales of ink and spare parts were also strong, resulting in a significant increase in sales.
- TA market : Sales of entry-level models rose in Latin America and Asia, while sales of new flagship models rose in Japan and other developed countries, such as North America and Europe. Sales of spare parts also grew, resulting in an increase in sales.
- FA business : Sales were down except for semiconductor production equipment in the current quarter, in contrast to the significant sales growth that resulted from the sharp recovery in demand in the same period of FY2021.

Sales by Market Segment (Results for FY2022)



(Millions of yen)	FY2021		FY2022						
	Fiscal year Actual	Sales ratio	Fiscal year Actual	Change from FY2021		Sales ratio	Fiscal year Forecast (Revised)	Change from previous forecast	
				Amount	Change from FY2021				Change from FY2021*
SG market	24,704	41.5%	28,451	3,747	15.2%	4.6%	40.3%	27,983	468
IP market	16,235	27.3%	20,132	3,896	24.0%	14.0%	28.5%	20,060	71
TA market	5,509	9.3%	6,611	1,102	20.0%	9.2%	9.4%	6,738	-126
FA business	4,465	7.5%	4,650	184	4.1%	4.3%	6.6%	4,795	-144
Others	8,596	14.4%	10,760	2,163	25.2%	–	15.2%	10,421	338
Total	59,511	100.0%	70,607	11,095	18.6%	9.7%	100.0%	70,000	607

* Excluding the impact of exchange rate



Sales by Area (Results for 4Q FY2022)



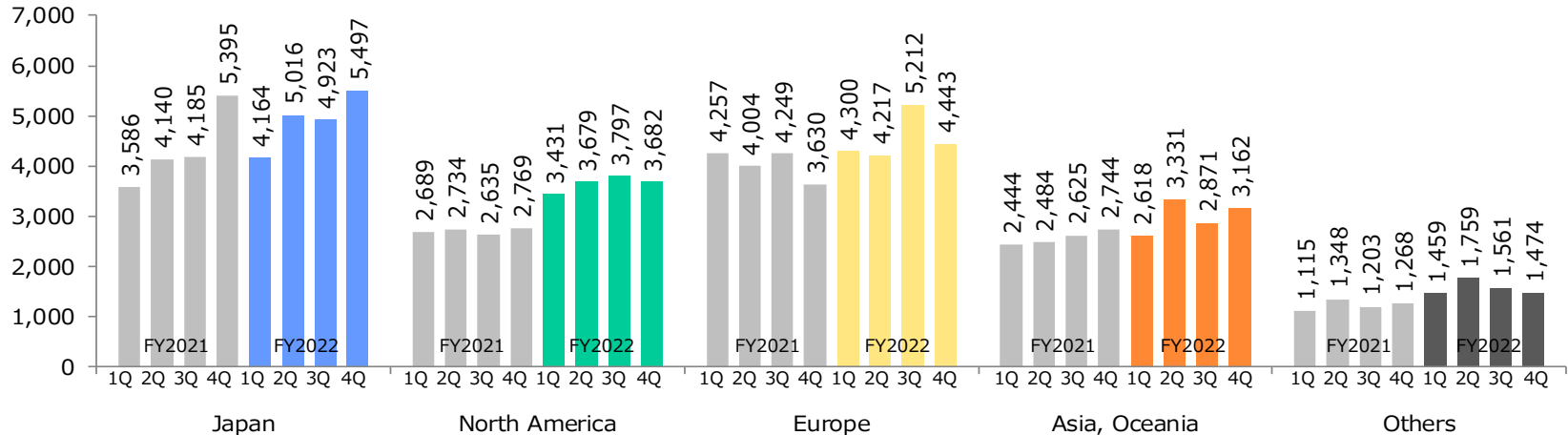
(Millions of yen)	FY2021		FY2022			
	4Q Actual	Sales ratio	4Q Actual	Change from FY2021		Sales ratio
				Amount	Change from FY2021	
■ Japan	5,395	34.1%	5,497	101	1.9%	30.1%
■ North America	2,769	17.5%	3,682	912	33.0%	20.2%
Local currency:\$	23.8M	—	27.8M	3.9M	16.8%	—
■ Europe	3,630	23.0%	4,443	813	22.4%	24.3%
Local currency:€	27.8M	—	31.2M	3.4M	12.3%	—
■ Asia, Oceania	2,744	17.4%	3,162	417	15.2%	17.3%
■ Others	1,268	8.0%	1,474	206	16.2%	8.1%
Total	15,808	100.0%	18,260	2,451	15.5%	100.0%

- Japan: Sales rose in the IP market, especially for compact flatbed printers, and also in the TA market, where demand was firm, but in the SG and FA markets, in which sales had increased significantly in the same period of FY2021 due to a sharp recovery in demand, sales fell during the current quarter, with the result that overall sales were on par with the same period of FY2021.
- North America: Sales increased in the IP market especially for compact and large flatbed printers and also in the SG market especially for mainstay mid-range models, and there was the effect of the yen's depreciation on foreign exchange, resulting in a significant increase in sales, but sales did not recover to the level expected before the downward revision in the March 13 net sales forecast.
- Europe: SG sales in particular increased considerably in most major countries such as Germany, Italy, Portugal, Spain, and France, with significant sales increases of greater than double digits in local currencies, but sales were mostly at the level indicated by the revised figure of March 13.
- Asia and Oceania: Sales in China gradually recovered after the lifting of the Zero-COVID policy, and in nearly all other countries and regions, including Australia, sales rose, resulting in a significant increase in sales.

Sales by Area (Results for FY2022)



(Millions of yen)	FY2021		FY2022					
	Fiscal year Actual	Sales ratio	Fiscal year Actual	Change from FY2021		Sales ratio	Fiscal year Forecast (Revised)	Change from previous forecast
				Amount	Change from FY2021			
Japan	17,307	29.1%	19,602	2,295	13.3%	27.8%	19,471	131
North America	10,828	18.2%	14,590	3,762	34.7%	20.7%	14,209	381
Local currency:\$	96.3M	-	107.6M	11.3M	11.8%	-	104.8M	2.8M
Europe	16,141	27.1%	18,174	2,032	12.6%	25.7%	18,118	56
Local currency:€	123.6M	-	128.9M	5.2M	4.3%	-	128.6M	0.3M
Asia, Oceania	10,299	17.3%	11,983	1,684	16.4%	17.0%	11,898	85
Others	4,935	8.3%	6,255	1,320	26.7%	8.9%	6,302	-47
Total	59,511	100.0%	70,607	11,095	18.6%	100.0%	70,000	607



Condensed Balance Sheet (as of March 31, 2023)



(Millions of yen)	31-Mar-22	31-Mar-23	Change	
Assets				
Cash and deposits	8,971	10,485	1,513	16.9%
Notes and accounts receivable - trade * ¹	10,176	12,303	2,126	20.9%
Inventories	25,832	28,015	2,183	8.5%
Other	2,514	2,888	373	14.8%
Total current assets	47,495	53,692	6,197	13.0%
Property, plant and equipment	10,177	12,011	1,834	18.0%
Intangible assets	587	911	323	55.0%
Investments and other assets	2,596	3,174	577	22.2%
Total non-current assets	13,362	16,097	2,734	20.5%
Total assets	60,857	69,789	8,932	14.7%
Liabilities and Net assets				
Notes and accounts payable - trade * ¹	9,488	9,103	-384	-4.1%
Short-term borrowings * ²	14,436	21,525	7,089	49.1%
Other	8,404	9,515	1,110	13.2%
Total current liabilities	32,329	40,144	7,815	24.2%
Long-term borrowings	8,432	5,476	-2,956	-35.1%
Other	1,378	2,112	734	53.3%
Total non-current liabilities	9,810	7,589	-2,221	-22.6%
Total liabilities	42,140	47,733	5,593	13.3%
Total net assets	18,716	22,056	3,339	17.8%
Total liabilities and net assets	60,857	69,789	8,932	14.7%

❖ Assets +8,932

- **Current assets (+6,197)**
→ Increase in merchandise and finished goods, etc.
- **Property, plant and equipment (+1,834)**
→ Increase in Right-of-use assets, etc.
- **Investments and other assets (+577)**
→ Increase in deferred tax assets, etc.

❖ Liabilities +5,593

- **Current liabilities (+7,815)**
→ Notes and accounts payable-trade (+692)
Electronically recorded obligations - operating (-1,077)
→ Short-term borrowings (+7,957)
- **Non-current liabilities (-2,221)**
→ Long-term borrowings (-2,956)
→ Lease obligations (+615)

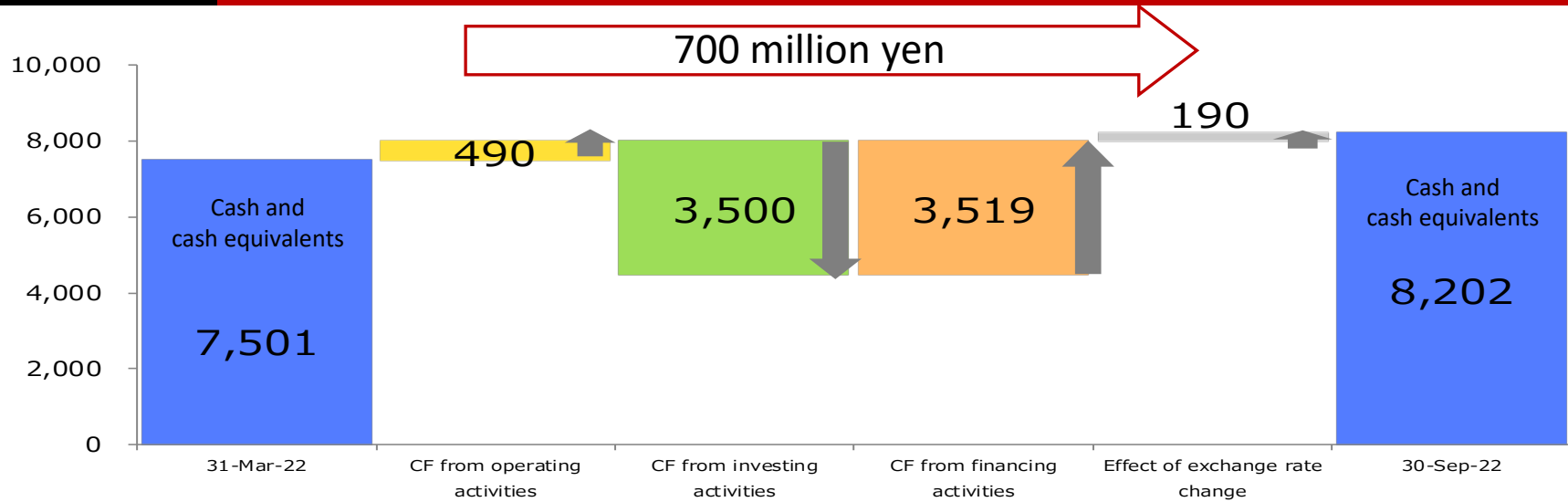
❖ Net assets +3,339

- Retained earnings (+2,447)

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

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

Cash Flows (Results for FY2022)



Cash flows from operating activities

EBITDA (*)	5,847
Increase in working capital	-3,897
Taxes, interest payments, etc.	-1,458
Total	490

Cash flows from investing activities

Fixed deposit balance	-815
Acquisition of non-current assets	-2,548
Others	-136
Total	-3,500

Cash flows from financing activities

Proceeds from short and long-term borrowings	4,188
Dividends paid	-432
Others	-236
Total	3,519

(*) Operating profit before interest, taxes and amortization

Consolidated Results for FY2022

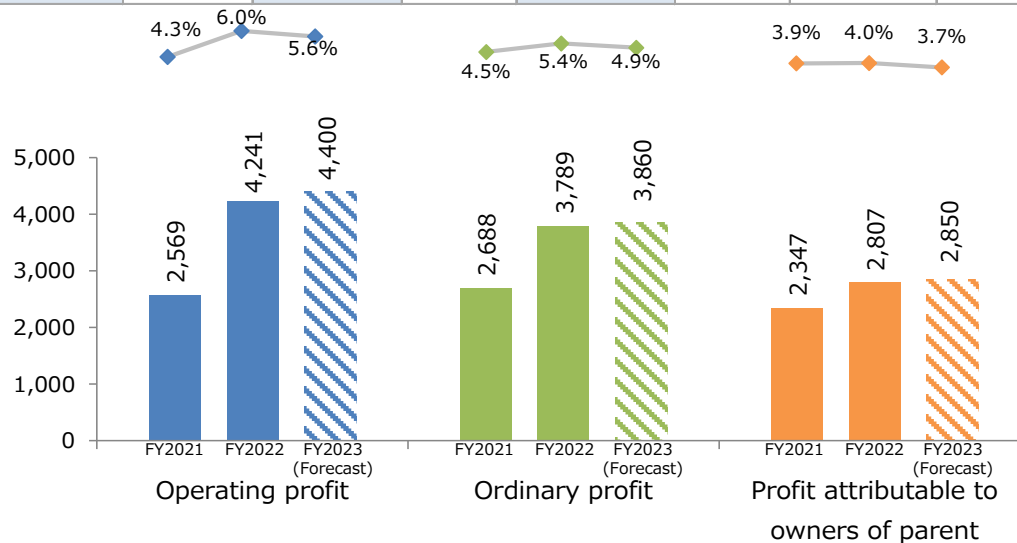
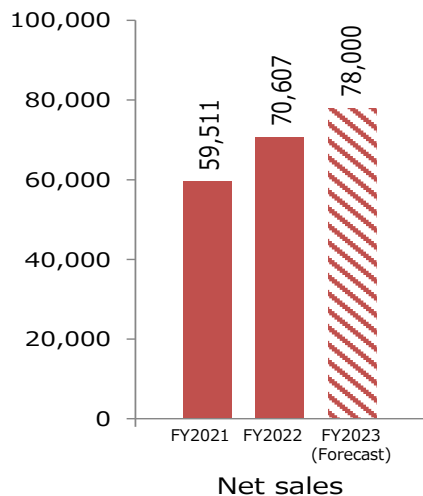
- ❖ Fourth quarter and full-year results
- ❖ FY2023 full business year forecast

Consolidated Performance Forecast Highlights (FY2022)



(Millions of yen)		FY2022		FY2023								
		Fiscal year Actual	Sales ratio	First half Forecast	Sales ratio	Second half Forecast	Sales ratio	Fiscal year Forecast	Sales ratio	Change from FY2022		
										Amount	Change from FY2022	Change from FY2022*
■	Net sales	70,607	-	37,200	-	40,800	-	78,000	-	7,392	10.5%	12.4%
■	Operating profit	4,241	6.0%	1,850	5.0%	2,550	6.3%	4,400	5.6%	158	3.7%	-
■	Ordinary profit	3,789	5.4%	1,590	4.3%	2,270	5.6%	3,860	4.9%	70	1.8%	-
■	Profit attributable to owners of parent	2,807	4.0%	1,100	3.0%	1,750	4.3%	2,850	3.7%	42	1.5%	-
Exchange rate (yen)	USD	135.48	-	133.00	-	133.00	-	133.00	-	-2.48	-1.8%	-
	EUR	140.97	-	136.00	-	136.00	-	136.00	-	-4.97	-3.5%	-

* Excluding the impact of exchange rate



Key Points of the Consolidated Performance Forecast (FY2023)



- Assumptions underlying the consolidated performance forecast
 - ① Although the world economy is expected to slow down compared to the previous fiscal year, there is a high possibility that a significant slowdown in growth will be avoided, and the impact of parts and materials shortages is gradually moving toward resolution.
 - ② Under net sales by product market, sales are expected to increase in the SG, IP, and TA markets and in the FA business owing to a further strengthening of sales initiatives leading to expanding sales of existing products and introducing new products built to meet customer needs.
 - ③ Sales for all areas, including Japan and other regions, are expected to grow. By region, sales are expected to grow in Europe, though deeply impacted by the Russia–Ukraine issue in the previous fiscal year. Growth is also expected particularly in Asia and Oceania, where the Chinese economy is recovering, and in North America, where demand remains solid.
 - ④ Operating profit is likely to be up slightly thanks to an improvement in the SG&A expenses ratio due to efficient cost execution. Although the cost of sales ratio is expected to worsen due to the sale of products using high-cost parts and materials procured and produced in the previous fiscal year.
 - ⑤ Exchange rate assumptions are as follows: USD: 133 yen, EUR: 136 yen
- Having chosen “Create” as the Group’s management policy for FY2023, Mimaki Engineering is committed to creating a more sustainable future by creating new value and incorporating innovative ideas and methods to grow net sales and reach the “Mimaki V10” goal of an operating profit ratio of 10% by FY2025.

Factors Effecting Operating Profit (FY2022 Results vs FY2023 Forecast)



(Unit: millions of yen)

[Impact by currency]

USD: 135.48 yen → 133.00 yen	-167
EUR: 140.97 yen → 136.00 yen	-545
CNY: 19.75 yen → 20.00 yen	-50
THB: 3.85 yen → 3.70 yen	-49
BRL: 26.28 yen → 25.90 yen	-23
Other (AUD, IDR, etc.)	-44
Total	-880

[Exchange rate sensitivity (1 yen/year)]

	Net sales	Operating profit
USD	153	67
EUR	156	109

[Factors behind changes in cost to sales ratio]

The cost of sales ratio likely to worsen by selling products using high-cost parts and materials procured and produced in the previous fiscal year.

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

Net sales (1,286) - Cost of sales (202) - SG&A expenses (203) = Operating profit (880)

(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

-880

3,497

-263

Cost of sales ratio

59.7%

↓

60.0%

(+0.3pt)

-2,193

SG&A expenses ratio

34.3%

↓

33.3%

(-1.0pt)

4,241

4,000

Operating profit
(FY2022)

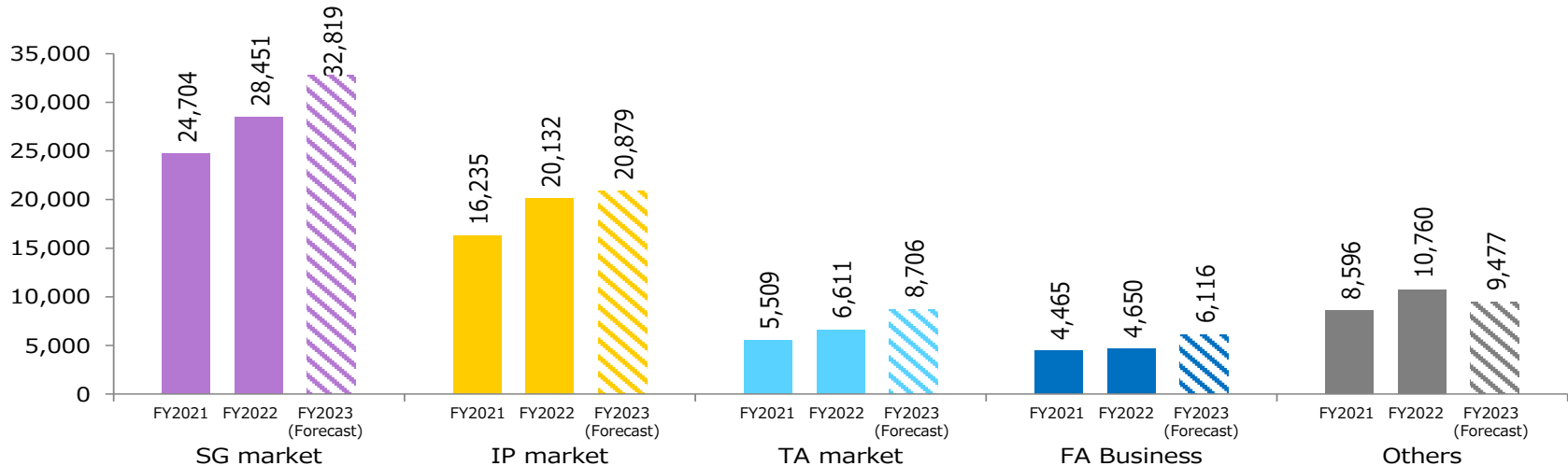
Operating profit
(FY2023)

Operating profit 158 million yen

Sales Forecast by Market Segment (FY2023)

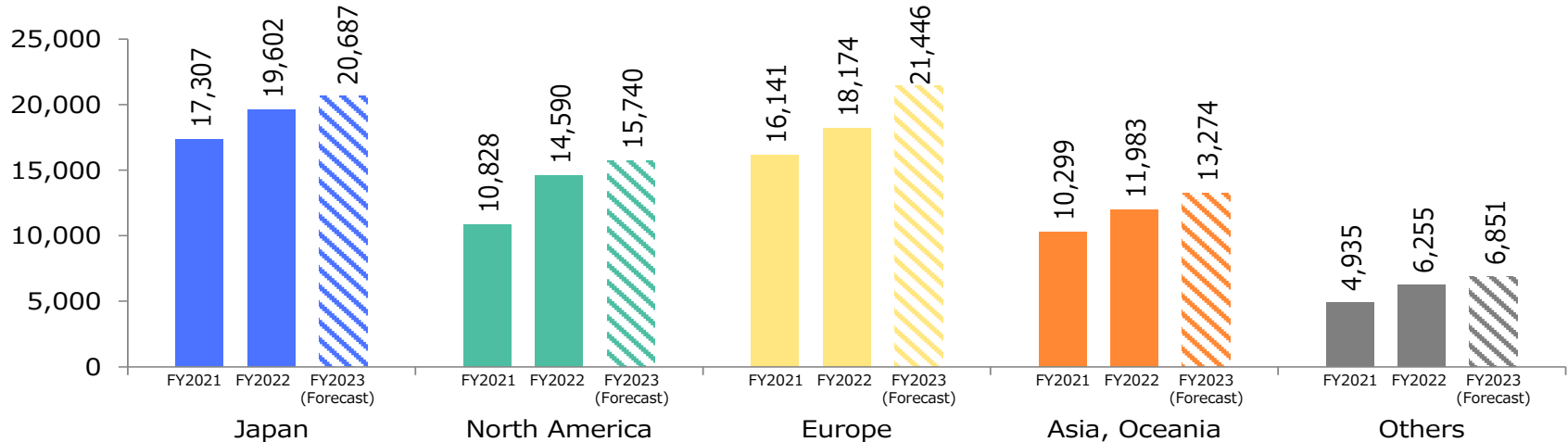


(Millions of yen)	FY2022		FY2023 <small>* Excluding the impact of exchange rate</small>						
	Fiscal year Actual	Sales ratio	First half Forecast	Second half Forecast	Fiscal year Forecast	Change from FY2022			Sales ratio
						Amount	Change from FY2022	Change from FY2022*	
SG market	28,451	40.3%	15,692	17,127	32,819	4,367	15.4%	17.7%	42.1%
IP market	20,132	28.5%	10,325	10,554	20,879	747	3.7%	5.5%	26.8%
TA market	6,611	9.4%	4,021	4,685	8,706	2,095	31.7%	34.5%	11.2%
FA business	4,650	6.6%	2,337	3,778	6,116	1,465	31.5%	31.6%	7.8%
Others	10,760	15.2%	4,823	4,654	9,477	-1,282	-11.9%	-	12.2%
Total	70,607	100.0%	37,200	40,800	78,000	7,392	10.5%	12.4%	100.0%



Sales Forecast by Area (FY2023)

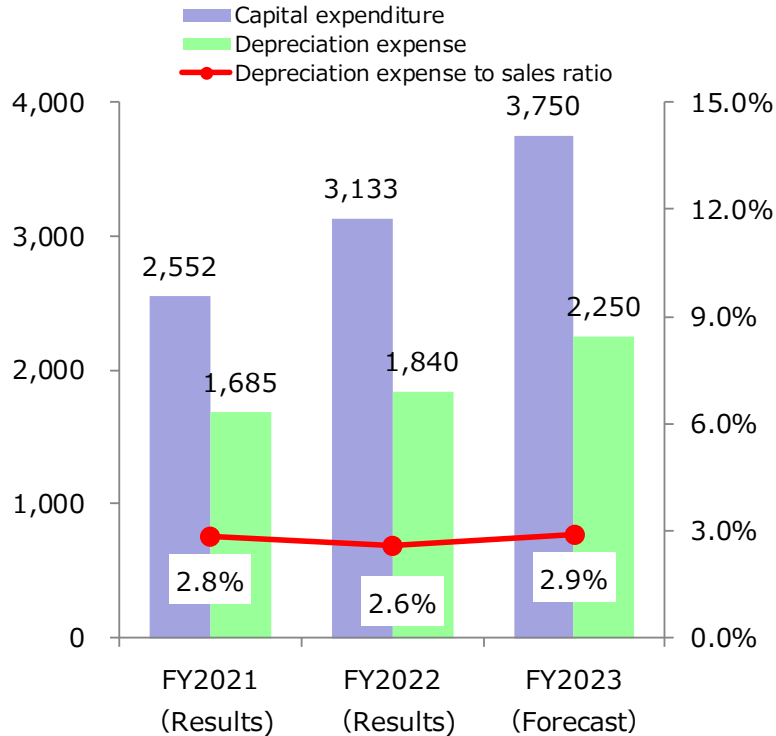
(Millions of yen)	FY2022		FY2023					
	Fiscal year Actual	Sales ratio	First half Forecast	Second half Forecast	Fiscal year Forecast	Change from FY2022		Sales ratio
						Amount	Change from FY2022	
Japan	19,602	27.8%	9,698	10,989	20,687	1,084	5.5%	26.5%
North America	14,590	20.7%	7,628	8,111	15,740	1,149	7.9%	20.2%
Local currency:\$	107.6M	-	57.3M	60.9M	118.3M	10.6M	9.9%	-
Europe	18,174	25.7%	10,112	11,334	21,446	3,272	18.0%	27.5%
Local currency:€	128.9M	-	74.3M	83.3M	157.6M	28.7M	22.3%	-
Asia, Oceania	11,983	17.0%	6,319	6,954	13,274	1,290	10.8%	17.0%
Others	6,255	8.9%	3,441	3,410	6,851	596	9.5%	8.8%
Total	70,607	100.0%	37,200	40,800	78,000	7,392	10.5%	100.0%



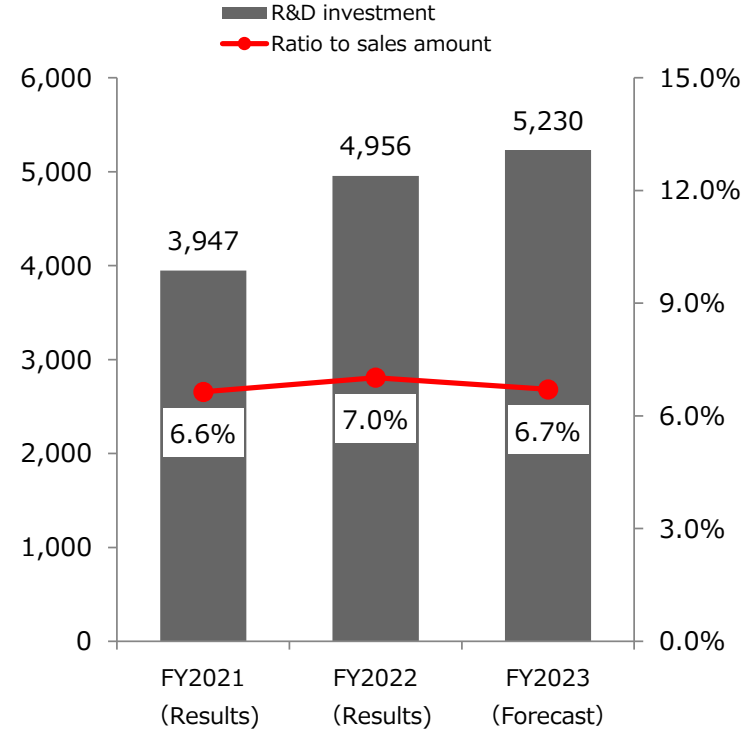
Capital Expenditure, Depreciation, and R&D Investment Forecast (FY2023)



(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

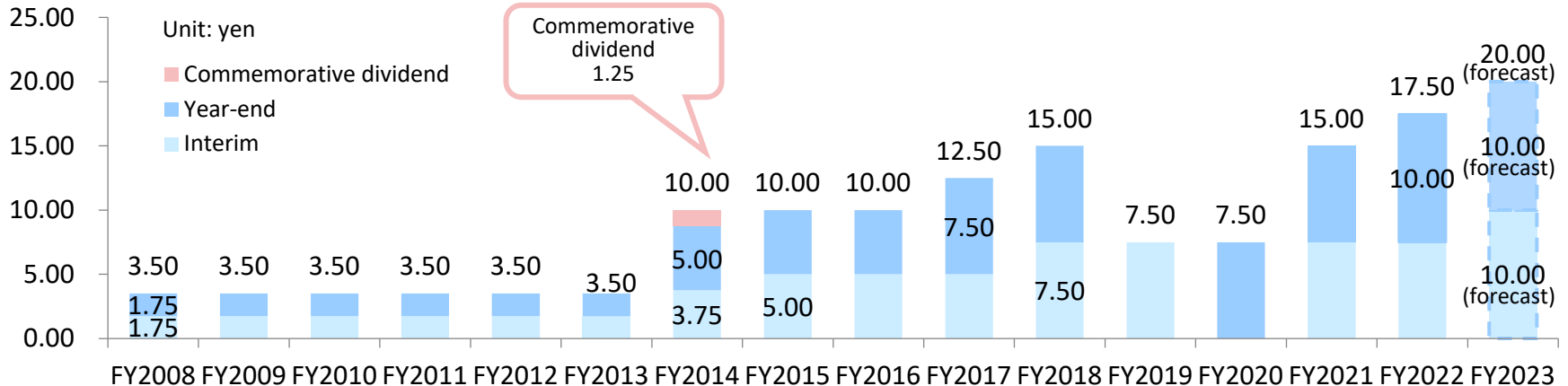
Mimaki Engineering treats shareholder returns as a key management tenet. As such, it is the Company's basic policy to stably and continuously pay out dividends commensurate with growth in business performance.

- Dividends for FY2022 Interim: 7.5 yen, Year-end: 10.0 yen

The annual dividend was increased to 17.5 yen, based on the current period's business performance and outlook, as well as the Company's policies for stable and continuous shareholder returns.

- Dividends for FY2023 Interim: 10.0 yen, Year-end (forecast) : 10.0 yen

Based on the future outlook and our policy of stable and continuous shareholder returns, we will increase the annual dividend to 20.0 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,
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