



Mimaki Engineering Co., Ltd.

First Quarter of Fiscal Year Ending March 31, 2024

Financial Results Briefing Materials

August 10, 2023



Securities Code
6638



Consolidated Results for FY2023

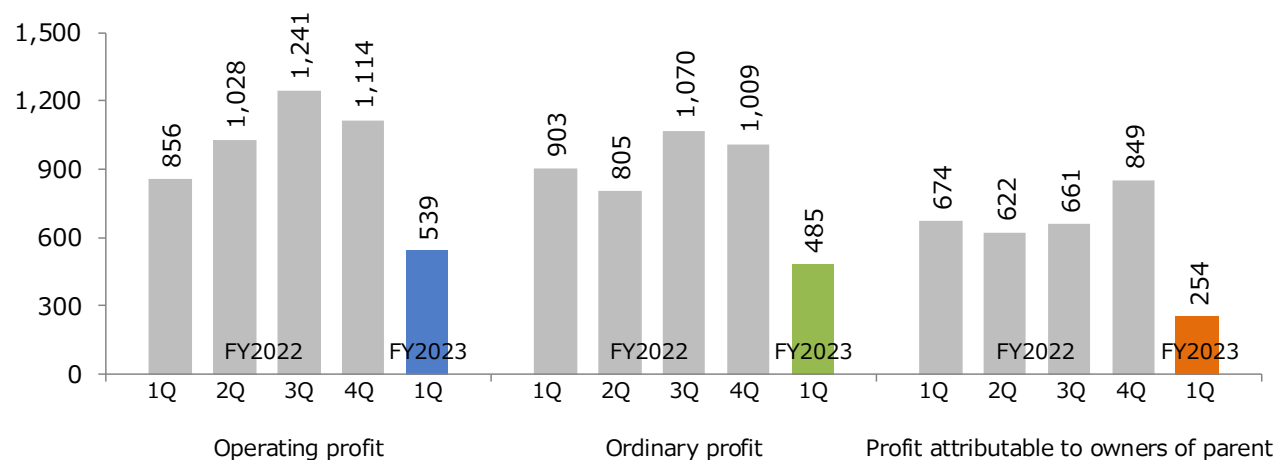
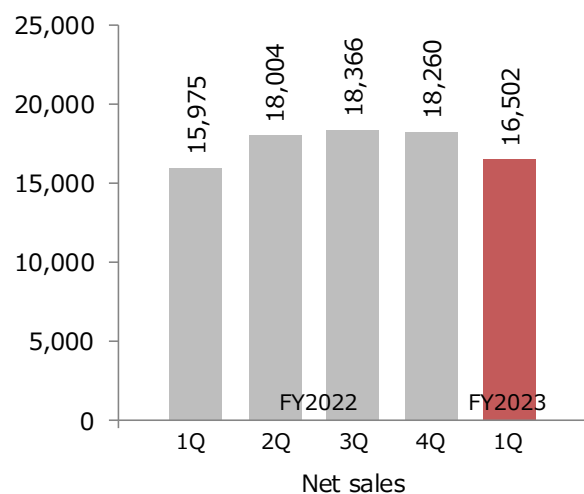
- ❖ First quarter results
- ❖ First half and full business year forecast

Consolidated Performance Highlights (Results for 1Q FY2023)



(Millions of yen)		FY2022	
		1Q Actual	Sales ratio
■	Net sales	15,975	—
■	Operating profit	856	5.4%
■	Ordinary profit	903	5.7%
■	Profit attributable to owners of parent	674	4.2%
Exchange rate (yen)	USD	129.57	—
	EUR	138.10	—

FY2023				
* Excluding the impact of exchange rate				
1Q Actual	Sales ratio	Change from FY2022		
		Amount	Percentage	Percentage*
16,502	—	+527	+3.3%	-0.3%
539	3.3%	-317	-37.0%	—
485	2.9%	-418	-46.3%	—
254	1.5%	-419	-62.2%	—
137.37	—	+7.80	+6.0%	—
149.46	—	+11.36	+8.2%	—



Consolidated Financial Highlights (for 1Q FY2023)



■ 1Q net sales

- Sales increased by 527 million yen compared to the same period of FY2022 (+3%, including +569 million yen due to the impact of exchange rates), down from the forecast.
- FA business sales increased significantly while sales to SG, IP, and TA markets decreased as a result of a decline in ink demand and slowing growth of main unit sales due to the overall economic downturn.
- While sales in Japan and India were strong due to increased economic activity, and sales in China increased compared to the same period of FY2022 when demand was significantly sluggish due to COVID-19, sales in North America, Europe, Asia, and Oceania were deeply impacted by the economic slowdown and other factors, resulting in a decline in sales.
- Despite this challenging environment, the yen's depreciation on foreign exchange had a positive effect, resulting in an increase in sales compared to the same period of FY2022.

■ 1Q operating profit

- Profit decreased by 317 million yen compared to the same period of FY2022 (-37 %, including +266 million yen due to the impact of exchange rates), down from the forecast.
- Despite continued sales of products using semiconductors and other high-cost parts procured in the previous fiscal year, the cost of sales ratio remained at the same year on year level due to a decline in transportation costs and a review in selling prices to cope with overall cost increases due to ongoing inflation.
- On the other hand, SG&A expenses increased due to higher R&D expenses for future development of new technologies and products, labor expenses, and expenses associated with increased sales activities such as active participation in global trade shows.
- As a result, although the yen's depreciation on foreign exchange had a positive effect, profit decreased compared to the same period of FY2022.

■ Balance sheet as of 1Q

- CCC*, a key indicator, increased in comparison to the end of the previous fiscal year as a result of higher inventory due to lack of sales growth compared to the plan.

2022/end of June: 5.50 → end of September: 5.14 → end of December: 4.83 → 2023/end of March:5.27 → end of June: 6.09

*CCC : Cash Conversion Cycle

Factors Effecting Operating Profit (1Q FY2022 vs 1Q FY2023)



[Impact by currency]

USD: 129.57 yen → 137.37 yen	+85
EUR: 138.10 yen → 149.46 yen	+200
CNY: 19.58 yen → 19.56 yen	+0
TRY: 8.24 yen → 6.63 yen	-51
BRL: 26.38 yen → 27.77 yen	+15
<u>Other (AUD, IDR, etc.)</u>	<u>+16</u>
Total	+266

[FX impact on net sales, cost of sales and operating profit]
 Net sales 569 - Cost of sales 156 - SG&A expenses 146 =
 Operating profit 266

[Factors behind changes in cost of sales ratio]
 Despite continued sales of products using semiconductors and other high-cost parts procured in the previous period, reductions in logistics costs and adjustments to sales prices to address overall cost increases due to inflation contributed to maintaining the gross profit margin at the same level as the same period last year

[Factors behind changes in SG&A expenses]

R&D expenses	+174
Labor expenses	+157
Travel and transportation expenses	+95
Commission paid	+72
Sales promotion expenses	+71
Product repair expenses	-69
<u>Others</u>	<u>+78</u>
Total	+579

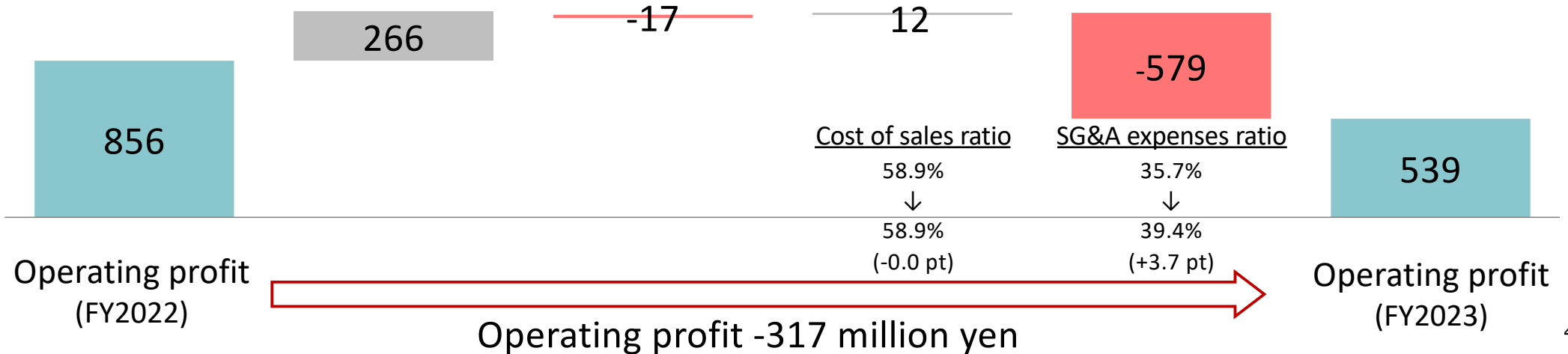
(Unit: millions of yen)

(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 1Q FY2023)



(Millions of yen)	FY2022		FY2023				Sales ratio
	1Q Actual	Sales ratio	1Q Actual	Change from FY2022		Sales ratio	
				Amount	Percentage		
■ SG market	6,640	41.6%	6,769	+128	+1.9%	-2.5%	41.0%
■ IP market	4,556	28.5%	4,677	+121	+2.7%	-1.1%	28.3%
■ TA market	1,566	9.8%	1,596	+29	+1.9%	-1.9%	9.7%
■ FA business	828	5.2%	1,050	+221	+26.7%	+27.6%	6.4%
■ Others	2,383	14.9%	2,408	+25	+1.1%	—	14.6%
Total	15,975	100.0%	16,502	+527	+3.3%	-0.3%	100.0%

* Excluding the impact of exchange rate

- SG market : Sales of main units decreased mainly for mainstay models while sales of flagship and entry-level models increased. In addition, ink sales were firm, and the positive impact of foreign exchange rates resulted in a slight increase in sales.
- IP market : Although sales of compact and large flatbed main units and ink, which had been strong in the same period of FY2022, declined during the current fiscal year, the positive impact of foreign exchange rates helped to secure an increase in sales.
- TA market : Regarding main units, while the launch in April of TxF150-75, a new product, went smoothly, sales of existing models and ink decreased, but the positive impact of foreign exchange rates resulted in a slight increase in sales.
- FA business : Sales of semiconductor production equipment increased significantly for specific customers, while sales of FA equipment, PCB mounting equipment, and PCB inspection equipment also grew, resulting in a significant increase in sales.

SG: Sign Graphics, IP: Industrial Products, TA: Textile & Apparel, FA: Factory Automation

Sales by Area (Results for 1Q FY2023)



(Millions of yen)	FY2022		FY2023			
	1Q Actual	Sales ratio	1Q Actual	Change from FY2022		Sales ratio
				Amount	Percentage	
■ Japan	4,164	26.1%	4,680	+515	+12.4%	28.4%
■ North America	3,431	21.5%	3,041	-389	-11.4%	18.4%
Local currency:\$	26.4M	—	22.1M	-4.3M	-16.4%	—
■ Europe	4,300	26.9%	4,259	-40	-0.9%	25.8%
Local currency:€	31.1M	—	28.5M	-2.6M	-8.5%	—
■ Asia, Oceania	2,618	16.4%	2,599	-19	-0.7%	15.8%
■ Others	1,459	9.1%	1,920	+461	+31.6%	11.6%
Total	15,975	100.0%	16,502	+527	+3.3%	100.0%

- Japan: Due to post-COVID-19 effects, SG secured the same level of sales as in the same period of FY2022, sales for IP and TA grew significantly due to strong sales of mainstay and new products, and sales for FA were also strong, especially in semiconductor production equipment and FA equipment.
- North America: SG sales declined significantly due to lower demand from capital expenditure cutbacks resulting from the impact of the economic slowdown amid ongoing measures to revitalize the SG sales channel. IP sales were on par with the same period of FY2022, while TA sales were firm, and despite the positive impact of foreign exchange rates, sales were down significantly.
- Europe: TA sales were firm, but SG sales were on par with the same period of FY2022 and IP sales declined. Sales in Portugal, France, Turkey, etc. remained strong, while sales declined in Germany, the U.K., Italy, etc. The positive impact of foreign exchange rates added to the above, and as a result, sales were on par with the same period of FY2022.
- Asia and Oceania: While Australia and other countries were affected by economic slowdown, results remained on par with the same period of FY2022 due to recovery in China, growth in India and other countries, and the positive impact of foreign exchange rates.

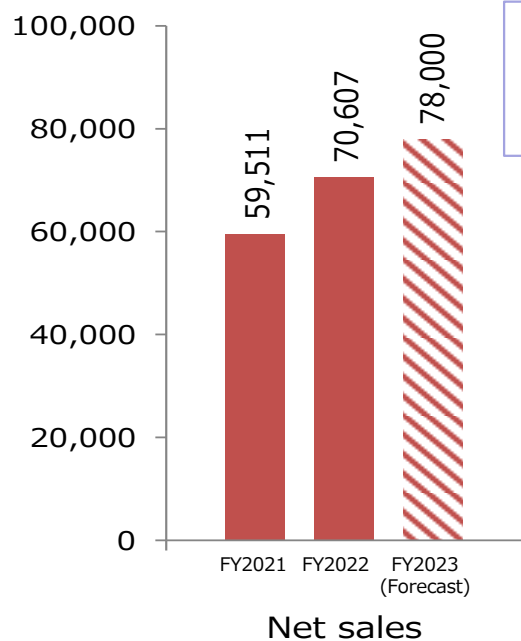
Consolidated Results for FY2023

- ❖ First quarter results
- ❖ First half and full business year forecast

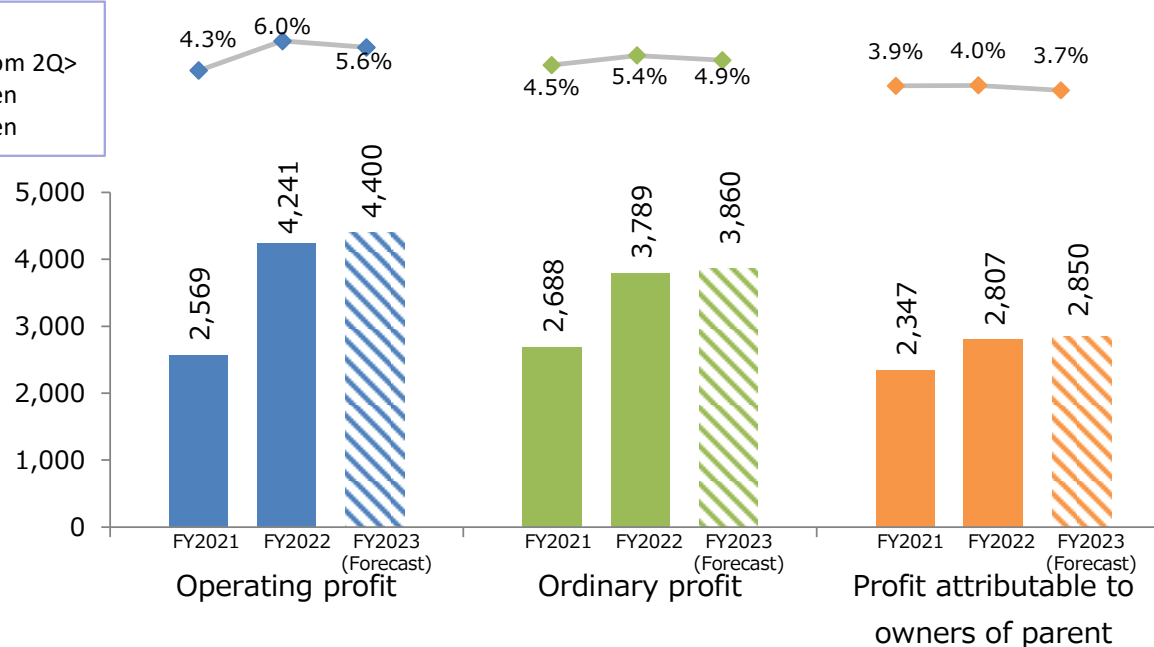
Consolidated Performance Forecast Highlights (FY2023)



(Millions of yen)	FY2022			FY2023									
	Fiscal year Actual	Sales ratio	First half Actual	Change from previous forecast	Second half Forecast	Change from previous forecast	Fiscal year Forecast	Sales ratio	Change from previous forecast	* Excluding the impact of exchange rate			
										Amount	Percentage	Percentage*	
Net sales	70,607	-	37,200	± 0	40,800	± 0	78,000	-	± 0	+7,392	+10.5%	+12.4%	
Operating profit	4,241	6.0%	1,850	± 0	2,550	± 0	4,400	5.6%	± 0	+158	+3.7%	-	
Ordinary profit	3,789	5.4%	1,590	± 0	2,270	± 0	3,860	4.9%	± 0	+70	+1.8%	-	
Profit attributable to owners of parent	2,807	4.0%	1,100	± 0	1,750	± 0	2,850	3.7%	± 0	+42	+1.5%	-	
Exchange rate (yen)	USD	135.48	-	135.00	+2.00	133.00	± 0.00	134.00	-	+1.00	-1.48	-1.1%	-
	EUR	140.97	-	142.00	+6.00	136.00	± 0.00	139.00	-	+3.00	-1.97	-1.4%	-



<Exchange rate assumptions from 2Q>
 USD 133.00 yen
 EUR 136.00 yen



Key Points of the Consolidated Performance Forecast (FY2023)



- Assumptions underlying the consolidated performance forecast
 - ① Although 1Q results fell short of the 1H forecast assumptions made at the beginning of the period, the 1H and full business year forecasts remain unchanged, incorporating a recovery in the 2Q and beyond.
 - ② For net sales, the following measures will be conducted on a global basis from 2Q onwards.
 - a. Steady introduction and sales expansion of new products "330 series" and "TxF150" launched in the previous period and 1Q as well as new products including "Tiger600" and "CFX" which will be launched from 2Q onwards.
 - b. Proactive sales activities by identifying key areas, products, and channels, and vigorous development of new channels and projects.
 - ③ For operating profit, we will thoroughly review the content and execution timing of SG&A expenses to improve the SG&A expense ratio for 2Q and beyond.
 - ④ Exchange rates assumed for 2Q onwards remain unchanged 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)

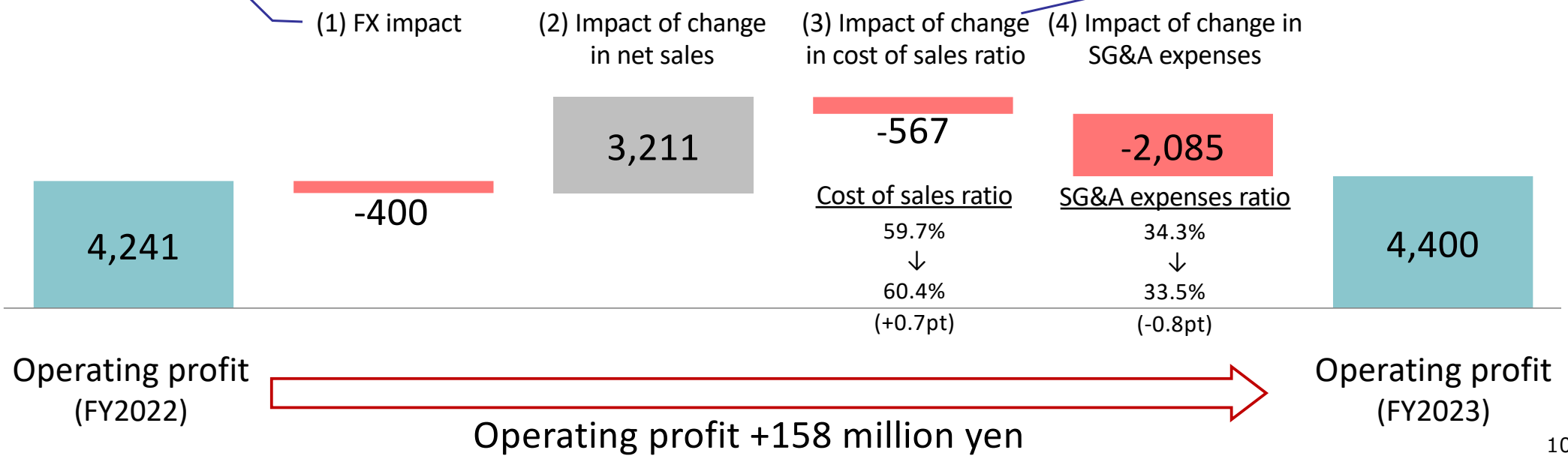


(Unit: millions of yen)

[Impact by currency]		[Exchange rate sensitivity (1 yen/year)]	
		Net sales	Operating profit
USD: 135.48 yen → 134.00 yen	-105	USD 153	71
EUR: 140.97 yen → 139.00 yen	-212	EUR 155	108
CNY: 19.75 yen → 19.90 yen	-27		
TRY: 7.65 yen → 7.40 yen	-30		
THB: 3.85 yen → 3.80 yen	-16		
Other (AUD, IDR, etc.)	-7		
Total	-400		

[FX impact on net sales, cost of sales and operating profit]
 Net sales (578) - Cost of sales (83) - SG&A expenses (94) = Operating profit (400)

[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.

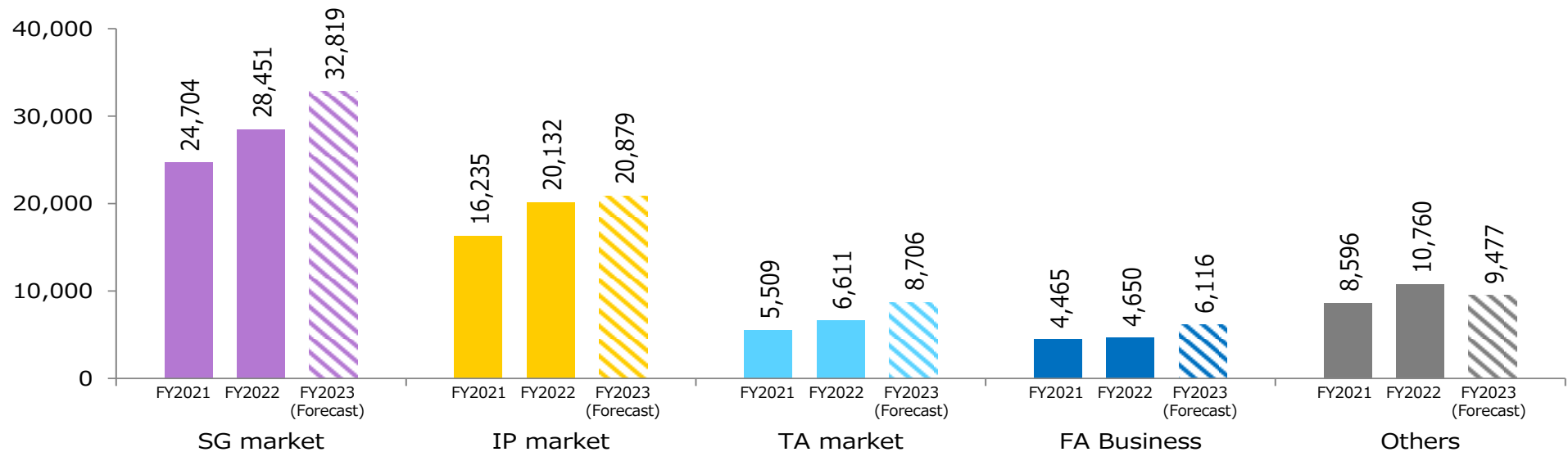


Sales Forecast by Market Segment (FY2023)



(Millions of yen)	FY2022		FY2023									Sales ratio
	Fiscal year Actual	Sales ratio	First half Actual	Change from previous forecast	Second half Forecast	Change from previous forecast	Fiscal year Forecast	Change from previous forecast	Change from FY2022			
									Amount	Percentage	Percentage*	
SG market	28,451	40.3%	15,692	± 0	17,127	± 0	32,819	± 0	+4,367	+15.4%	+17.7%	42.1%
IP market	20,132	28.5%	10,325	± 0	10,554	± 0	20,879	± 0	+747	+3.7%	+5.5%	26.8%
TA market	6,611	9.4%	4,021	± 0	4,685	± 0	8,706	± 0	+2,095	+31.7%	+34.5%	11.2%
FA business	4,650	6.6%	2,337	± 0	3,778	± 0	6,116	± 0	+1,465	+31.5%	+31.6%	7.8%
Others	10,760	15.2%	4,823	± 0	4,654	± 0	9,477	± 0	-1,282	-11.9%	-	12.2%
Total	70,607	100.0%	37,200	± 0	40,800	± 0	78,000	± 0	+7,392	+10.5%	+12.4%	100.0%

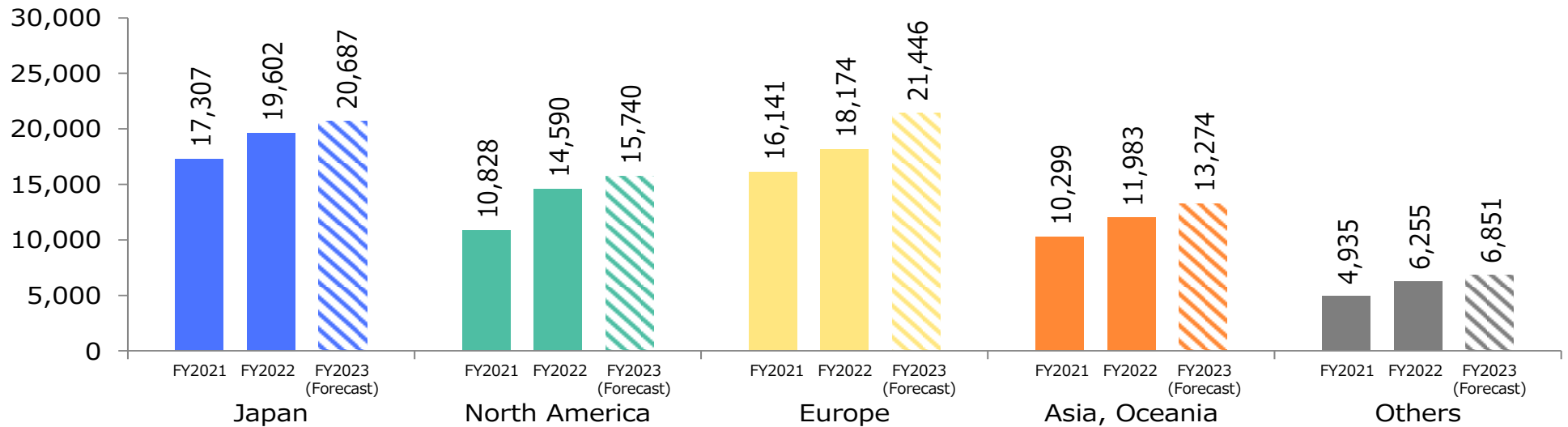
* Excluding the impact of exchange rate



Sales Forecast by Area (FY2023)



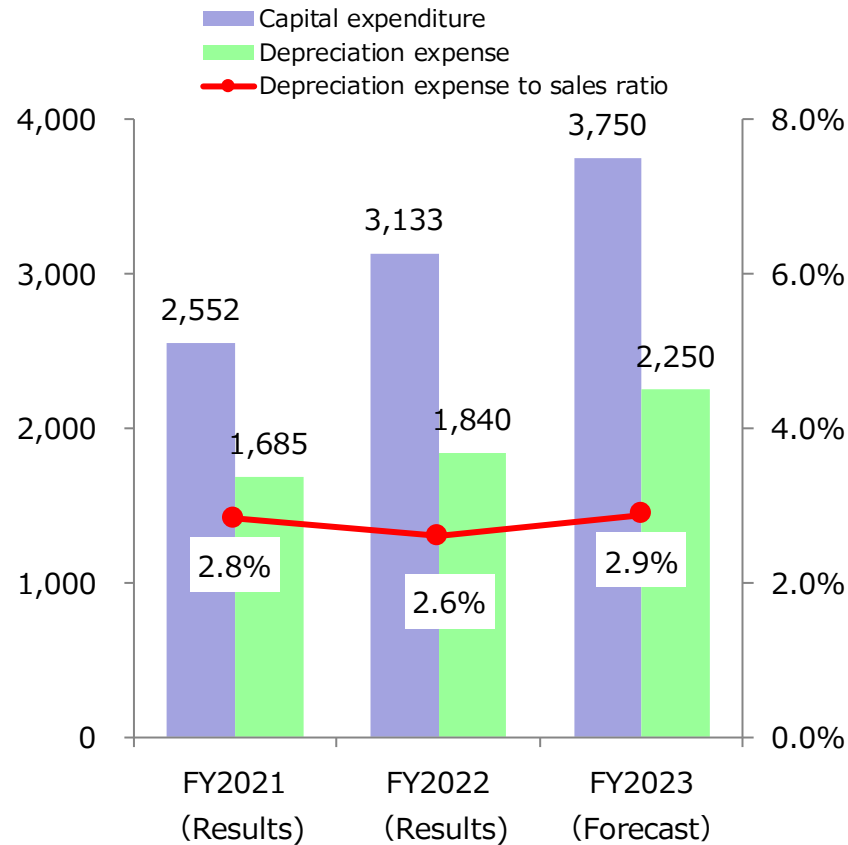
(Millions of yen)	FY2022		FY2023								
	Fiscal year Actual	Sales ratio	First half Actual	Change from previous forecast	Second half Forecast	Change from previous forecast	Fiscal year Forecast	Change from previous forecast	Change from FY2022		Sales ratio
									Amount	Percentage	
Japan	19,602	27.8%	9,698	± 0	10,989	± 0	20,687	± 0	+1,084	+5.5%	26.5%
North America	14,590	20.7%	7,628	± 0	8,111	± 0	15,740	± 0	+1,149	+7.9%	20.2%
Local currency:\$	107.6M	-	57.3M	±0.0M	60.9M	±0.0M	118.3M	±0.0M	+10.6M	+9.9%	-
Europe	18,174	25.7%	10,112	± 0	11,334	± 0	21,446	± 0	+3,272	+18.0%	27.5%
Local currency:€	128.9M	-	74.3M	±0.0M	83.3M	±0.0M	157.6M	±0.0M	+28.7M	+22.3%	-
Asia, Oceania	11,983	17.0%	6,319	± 0	6,954	± 0	13,274	± 0	+1,290	+10.8%	17.0%
Others	6,255	8.9%	3,441	± 0	3,410	± 0	6,851	± 0	+596	+9.5%	8.8%
Total	70,607	100.0%	37,200	± 0	40,800	± 0	78,000	± 0	+7,392	+10.5%	100.0%



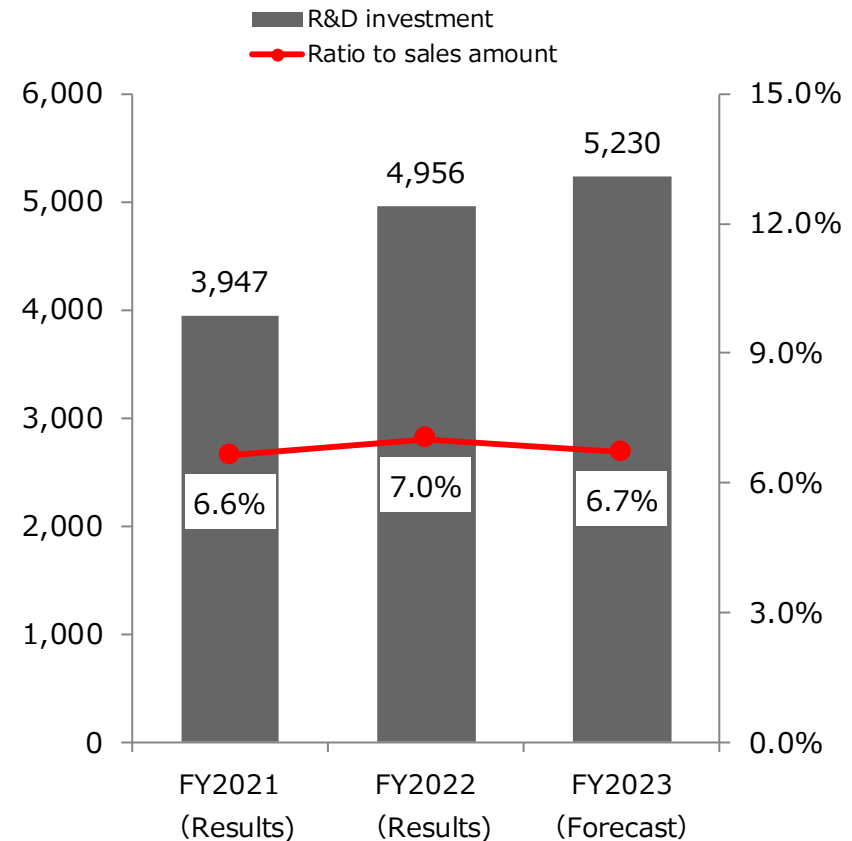
Capital Expenditure, Depreciation, and R&D Investment Forecast (FY2023)



(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

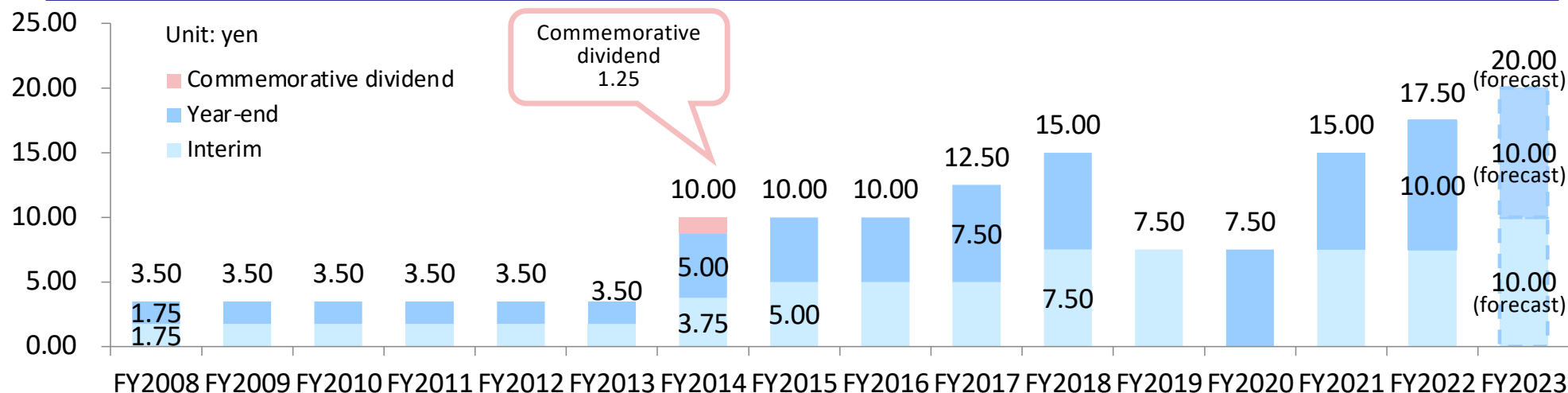
Mimaki Engineering treats shareholder returns as a key management tenet. As such, it is the Company's basic policy to stably and continuously pay out dividends commensurate with growth in business performance.

■ 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,
please contact

Mimaki Engineering Co., Ltd.

IR Department

Telephone (Head Office): 0268(80)0058

Telephone (Tokyo): 03(3442)5035

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.