

# Financial Result for the First Half of the Fiscal Year Ended March 2018

MIMAKI ENGINEERING CO., LTD

November 27, 2017



**Mimaki®**

**UJF-3042 MkII**

**UJF-6042 MkII**



Code:6638

Listed on the first section of  
the Tokyo Stock Exchange

# Financial Results for the Second Quarter of the Fiscal Year ending March 31, 2018

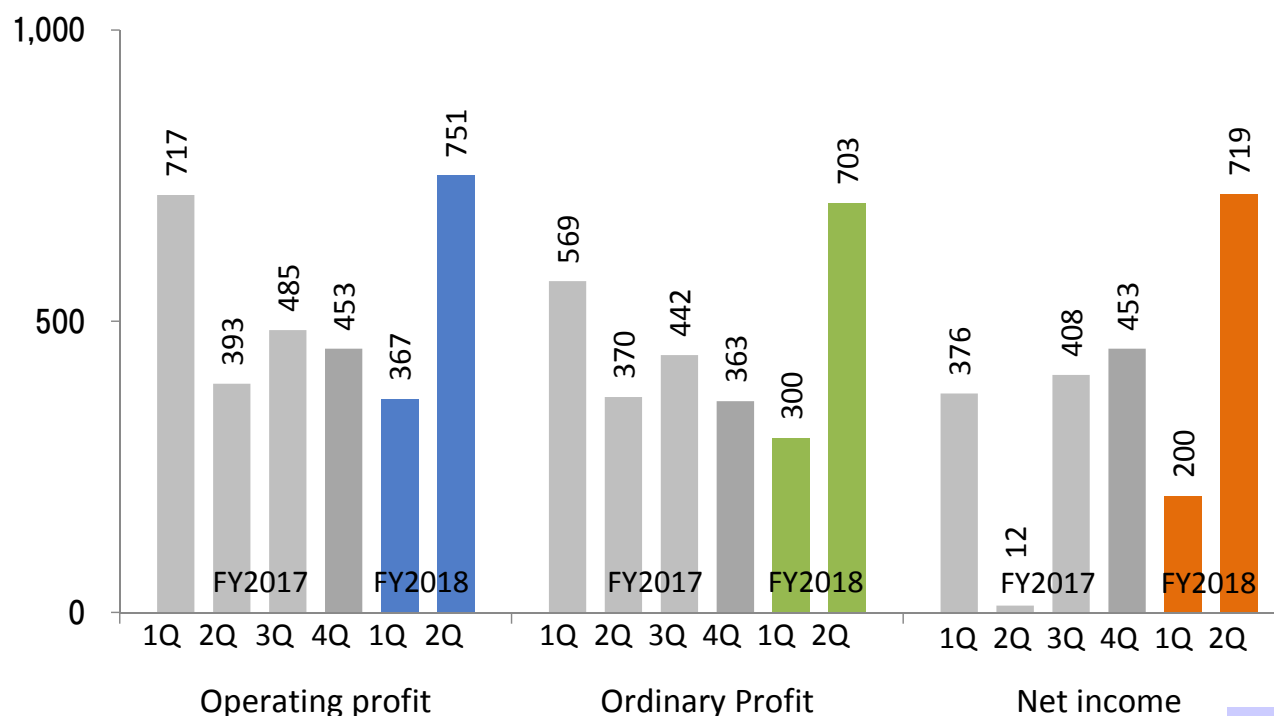
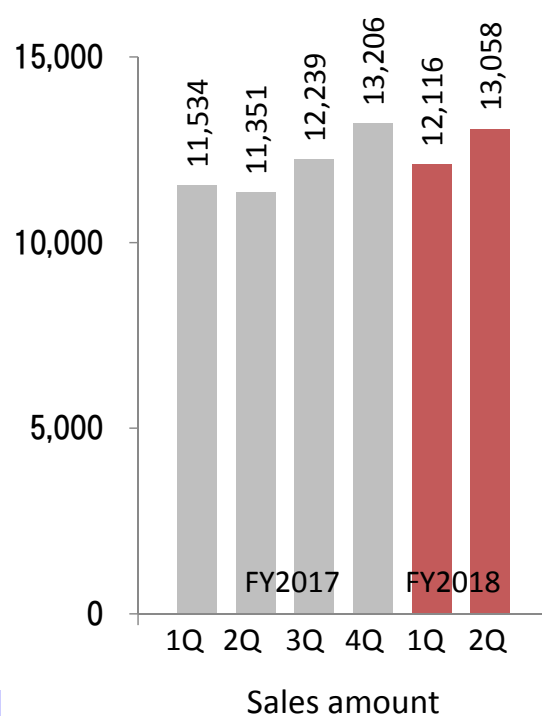


# Consolidated Financial Highlights



Currency unit: million JPY	Fiscal Year 2017		
	Q1	Q2	First half
■ Sales amount	11,534	11,351	22,885
■ Operating profit	717	393	1,110
■ Ordinary Profit	569	370	939
■ Net income	376	12	388
Currency exchange rate (Yearly average)	USD JPY108.22	JPY102.44	JPY105.33
	EURO JPY122.13	JPY114.28	JPY118.21

Fiscal Year 2018						
Q1	Increase and decrease ratio	Q2	Increase and decrease ratio	Increase and decrease amount	Increase and decrease ratio	sales ratio
12,116	5.0%	13,058	15.0%	25,174	10.0%	-
367	Δ48.7%	751	91.1%	1,119	0.8%	4.4%
300	Δ47.2%	703	90.0%	1,004	6.8%	4.0%
200	46.6%	719	-	920	137.0%	3.7%
JPY111.10	2.7%	JPY111.04	8.4%	JPY111.07	5.4%	-
JPY122.19	0.0%	JPY130.38	14.1%	JPY126.29	6.8%	-



# Factors affecting operating income

(First Half of the FY3/17 vs First Half of the FY3/18)



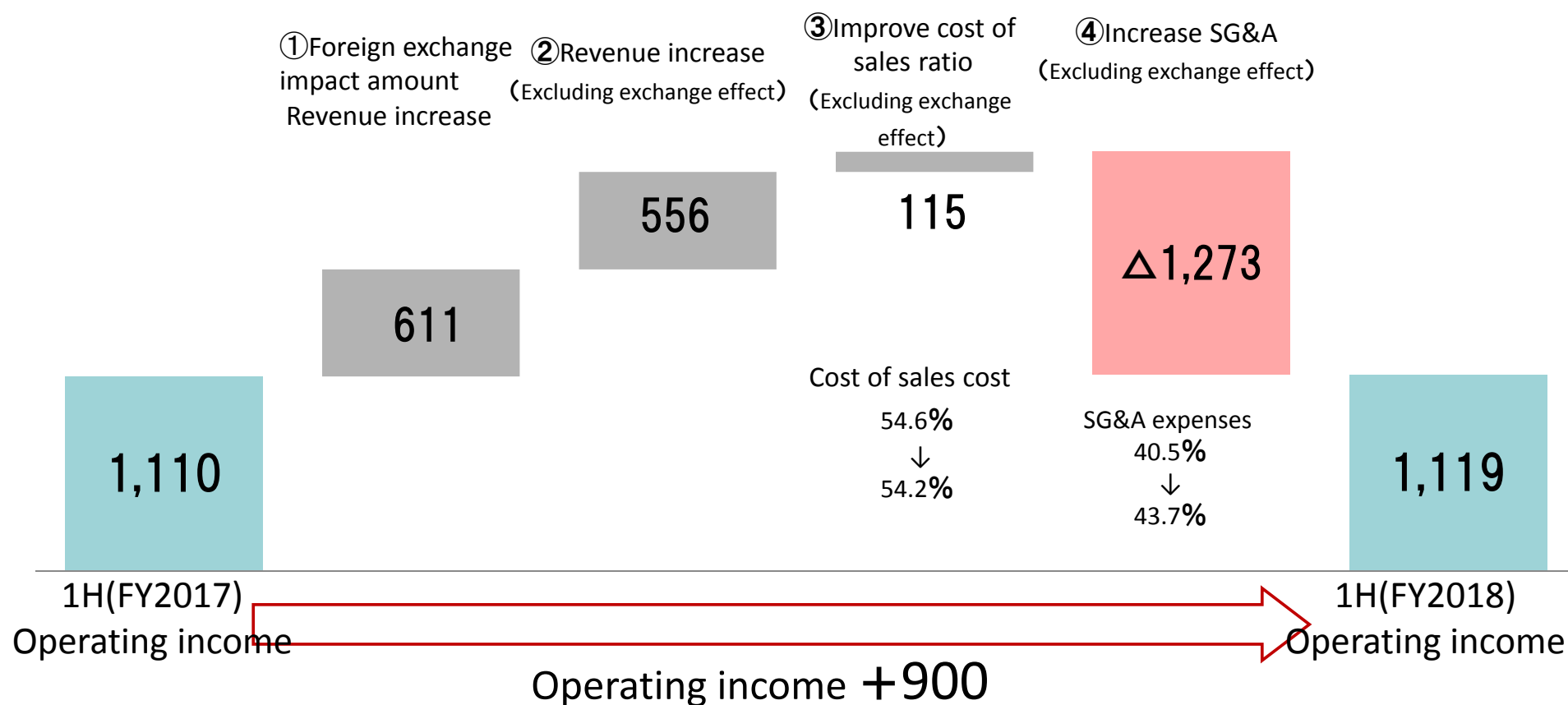
(Currency unit: million JPY)

## 【Influence amount by currency】

USD／JPY105.33	→	JPY111.07	+151
EUR／JPY118.21	→	JPY126.29	+370
<u>Others(BRL,CNY,etc)</u>			<u>+90</u>
Total			+611

## 【Exchange impact on sales, cos and operating profit】

Sales 1,063 — Cost of sales 186 — SG&A 266 = Operating income 611

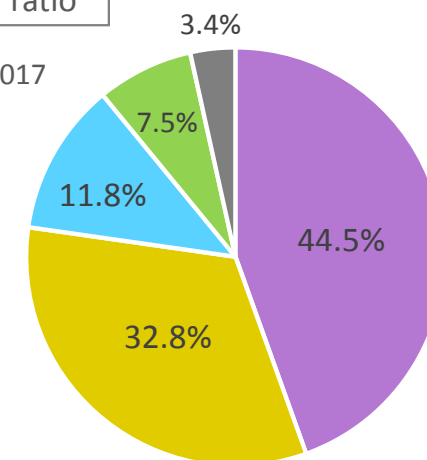


# Sales Amount of Each Market (First half of the FY2018)

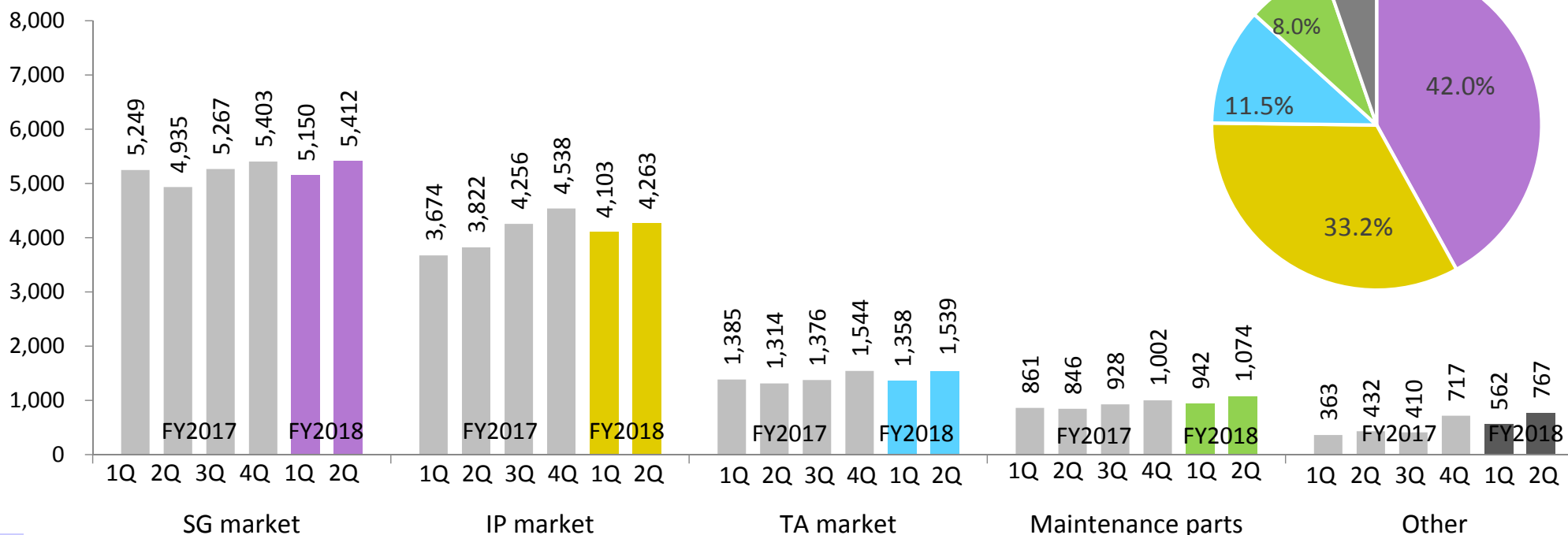
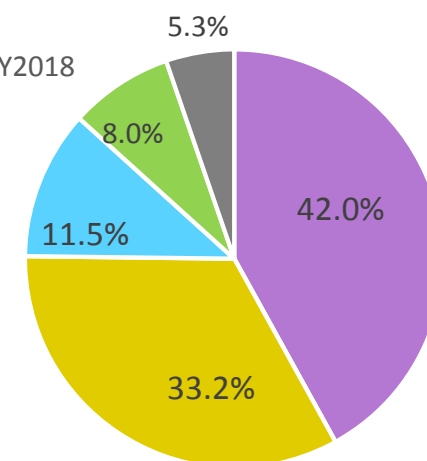
Currency unit: million JPY	Fiscal Year 2017		Fiscal Year 2018		
	First half	Composition ratio	First half	Composition ratio	Increase and decrease ratio
SG market	10,184	44.5%	10,562	42.0%	3.7%
IP market	7,496	32.8%	8,367	33.2%	11.6%
TA market	2,700	11.8%	2,898	11.5%	7.3%
Maintenance parts	1,707	7.5%	2,016	8.0%	18.1%
Other	796	3.4%	1,329	5.3%	67.1%
Total	22,885	100.0%	25,174	100.0%	10.0%

Composition ratio

1H of the FY2017



1H of the FY2018



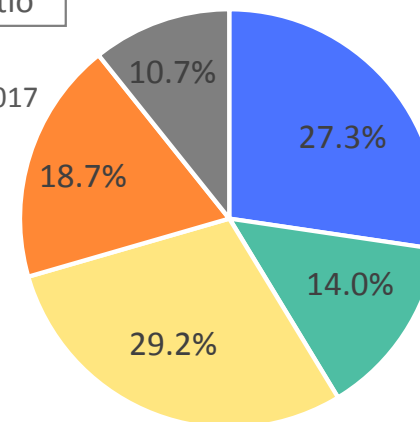
# Sales Amount of Each Product Category

## (First half of the FY2018)

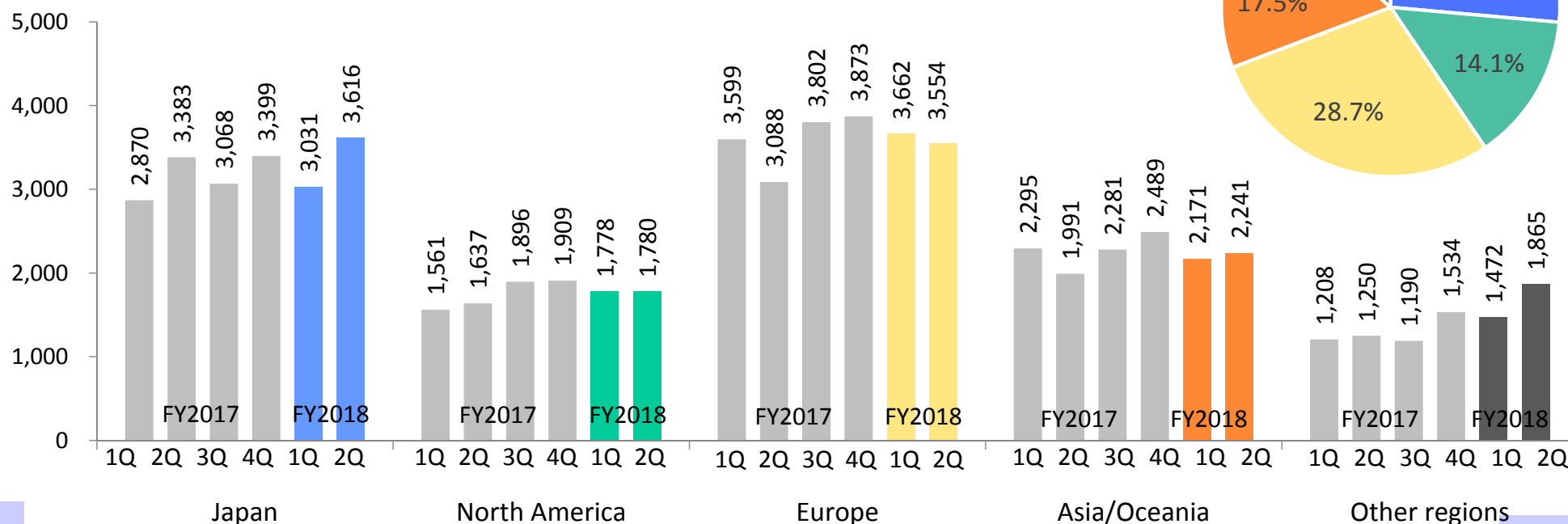
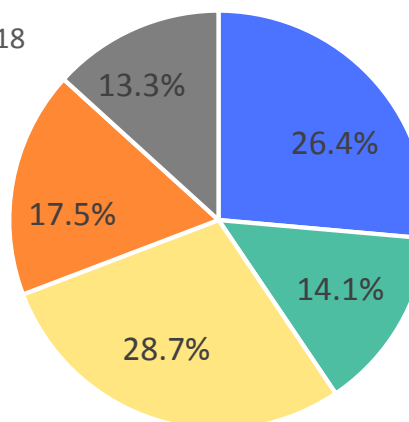
Currency unit: million JPY	Fiscal Year 2017		Fiscal Year 2018		
	First half	Composition ratio	First half	Composition ratio	Increase and decrease ratio
Japan	6,254	27.3%	6,647	26.4%	6.3%
North America (Local currency/\$)	3,198 (30.3M)	14.0%	3,558 (32.0M)	14.1%	11.2%
Europe (Local currency/€)	6,687 (56.5M)	29.2%	7,217 (57.1M)	28.7%	7.9%
Asia/Oceania	4,286	18.7%	4,413	17.5%	3.0%
Other regions	2,458	10.7%	3,337	13.3%	35.8%
Total	22,885	100.0%	25,174	100.0%	10.0%

Composition ratio

1H of the FY2017



1H of the FY2018



# Summary Balance Sheet (As of September 30, 2017)

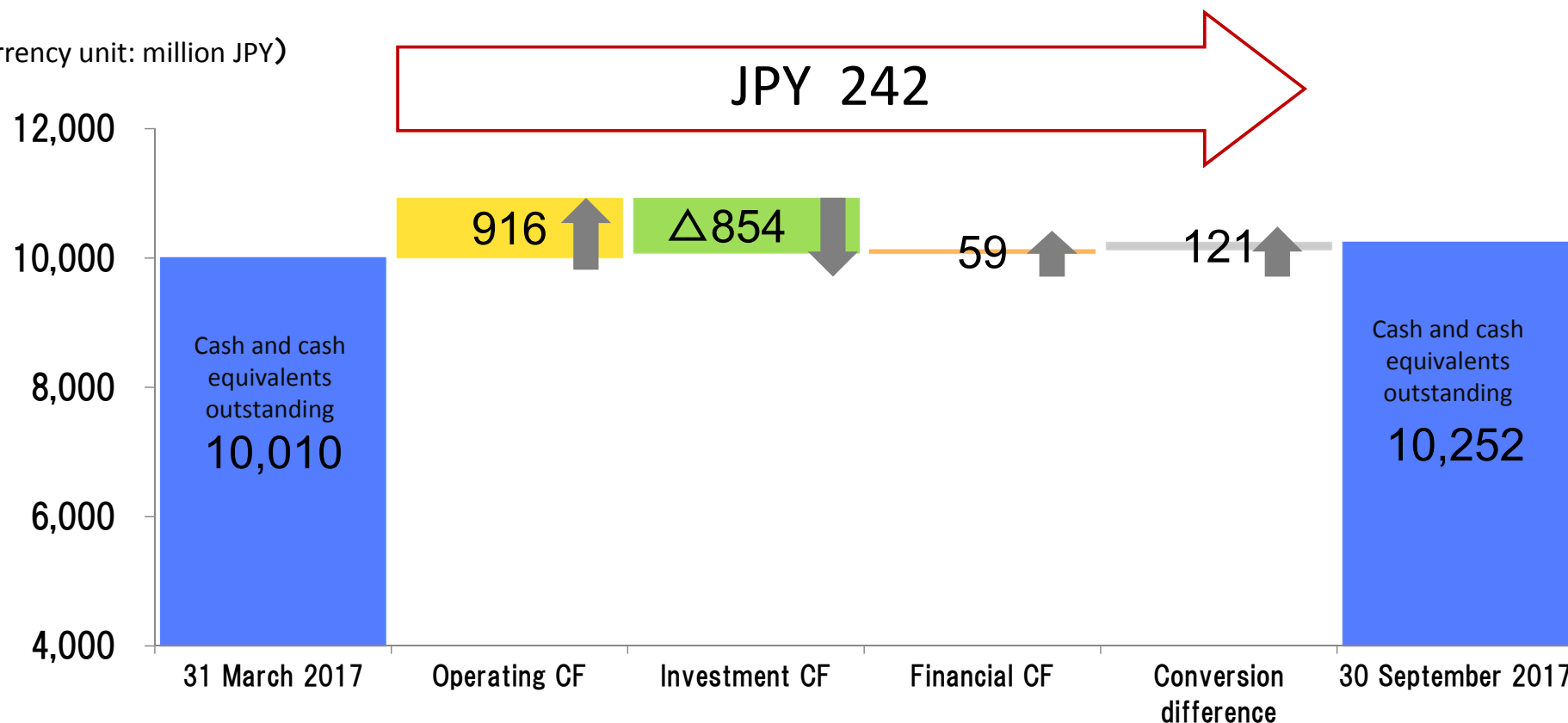
(Currency unit: million JPY)		31-Mar-17	30-Sep-17	Increase and decrease amount	Increase and decrease ratio
Assets	Cash and deposits	10,054	10,297	242	2.4%
	Notes and accounts receivable-trade	8,493	9,228	734	8.6%
	Inventories	14,923	16,558	1,635	11.0%
	Other current assets	2,718	3,330	611	22.5%
	Total current assets	36,190	39,414	3,224	8.9%
	Property, plant and equipment	9,342	9,546	203	2.2%
	Intangible assets	2,101	2,396	295	14.0%
	Other assets	1,573	1,612	38	2.5%
	Total non-current assets	13,017	13,555	538	4.1%
	Total	49,207	52,970	3,762	7.7%
Liabilities/Net assets	Notes and accounts payable-trade(※1)	7,369	8,716	1,346	18.3%
	Short-term loans payable(※2)	9,800	11,126	1,326	13.5%
	Other current liabilities	5,742	6,458	715	12.5%
	Total current liabilities	22,912	26,301	3,388	14.8%
	Long-term loans payable	9,492	8,410	△ 1,082	△11.4%
	Other non-current liabilities	753	736	△ 16	△2.2%
	Total non-current liabilities	10,245	9,146	△ 1,099	△10.7%
	Total Liabilities	33,158	35,447	2,289	6.9%
	Total net assets	16,049	17,522	1,473	9.2%
	Total	49,207	52,970	3,762	7.7%

(※1) Including Electronically Recorded Obligations

(※2) Including long-term loans payable within one year

# Cash flow (First half of the FY2018)

(Currency unit: million JPY)



## Operating CF

EBITDA(※)	1,709
Increase working capital	Δ 366
Tax, interest, etc.	Δ 426
<b>Total</b>	<b>916</b>

## Investment CF

Acquisition of fixed assets	Δ 912
Sales of fixed assets	47
Others	10
<b>Total</b>	<b>Δ 854</b>

## Financial CF

Short/Long-Term Borrowing Balance	251
Dividend	Δ 149
Others	Δ 42
<b>Total</b>	<b>59</b>

(※) Operating profit before payment, tax and depreciation



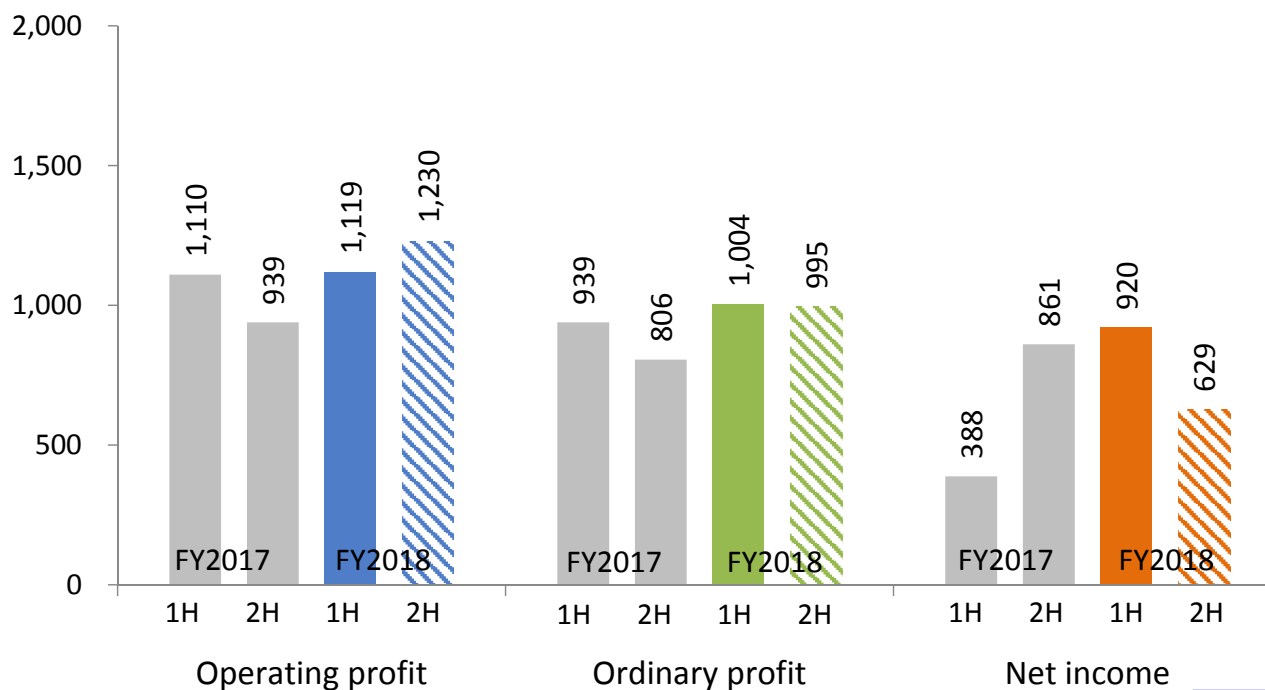
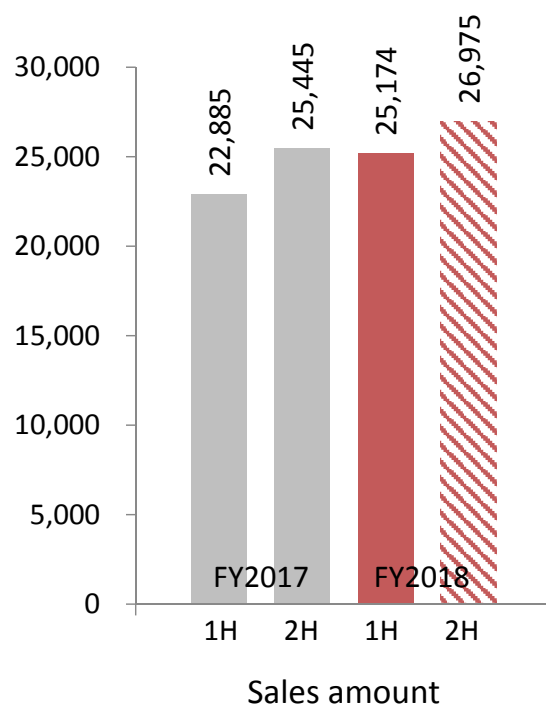
# Forecast for the Fiscal Year ending March 31, 2018



# Consolidated Financial Highlights (Prediction for the FY2018)



Currency unit: million JPY		Fiscal Year 2017			Fiscal Year 2018						
		First half	Second half	Fiscal year	First half	Increase and decrease ratio	Second half	Increase and decrease ratio	Fiscal year	Increase and decrease ratio	Sales ratio
<span style="color: red;">■</span>	Sales amount	22,885	25,445	48,331	25,174	10.0%	26,975	6.0%	52,150	7.9%	-
<span style="color: blue;">■</span>	Operating profit	1,110	939	2,049	1,119	0.8%	1,230	31.0%	2,350	14.7%	4.5%
<span style="color: green;">■</span>	Ordinary profit	939	806	1,746	1,004	6.8%	995	23.4%	2,000	14.5%	3.8%
<span style="color: orange;">■</span>	Net income	388	861	1,250	920	137.0%	629	Δ26.9%	1,550	24.0%	3.0%
Currency	USD	JPY105.33	JPY111.50	JPY108.41	JPY111.07	5.4%	JPY107.25	Δ3.8%	JPY109.16	0.7%	-
exchangerate (Yearly average)	EURO	JPY118.21	JPY119.45	JPY118.83	JPY126.29	6.8%	JPY120.42	0.8%	JPY123.36	3.8%	-



# Factors affecting operating income

Currency unit:  
Million JPY

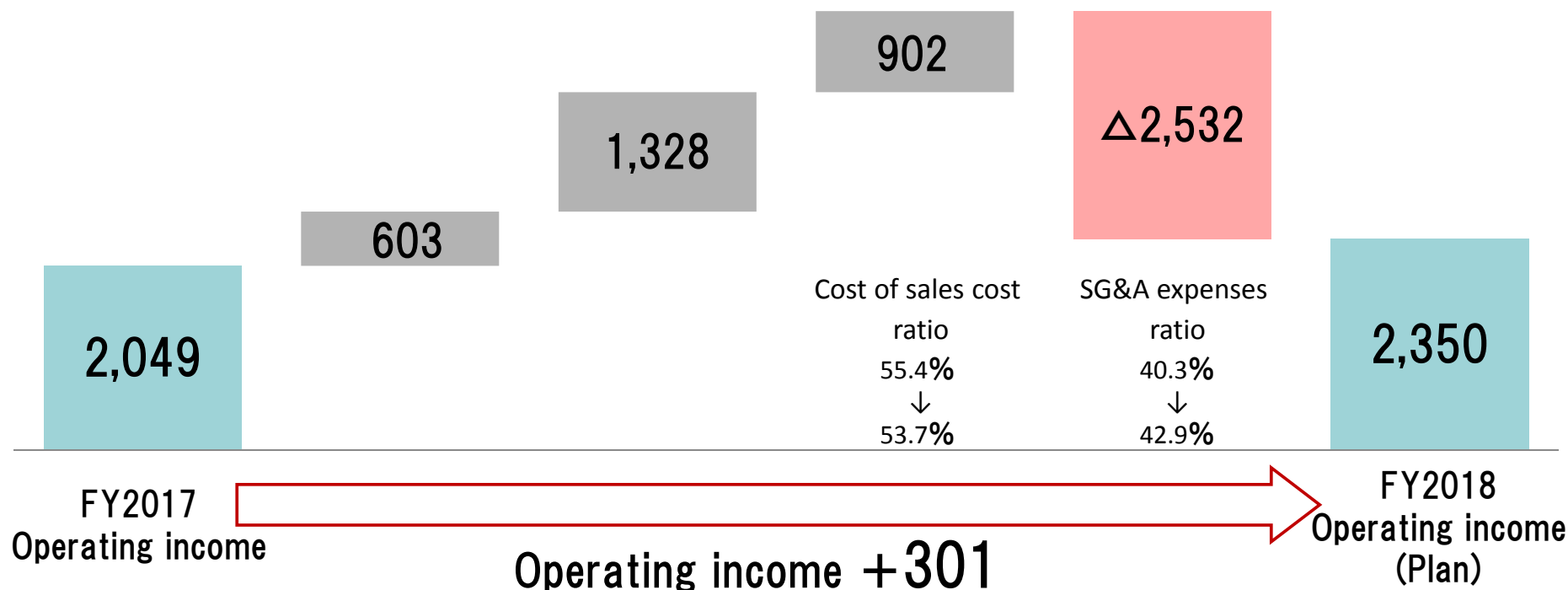
## 【Influence amount by currency】

USD/JPY108.41 → JPY109.16	+44
EUR/JPY118.83 → JPY123.36	+467
Others (BRL, CNY, etc.)	+92
<b>Total</b>	<b>+603</b>

## 【Exchange impact on sales, cos and operating profit】

Sales 839 — Cost of sales 61 — SG&A 175 = Operating income 603

- ① Foreign exchange impact amount (Excluding exchange effect) Revenue increase  
 ② Revenue increase  
 ③ Improve cost of sales ratio (Excluding exchange effect)  
 ④ Increase SG&A (Excluding exchange effect)

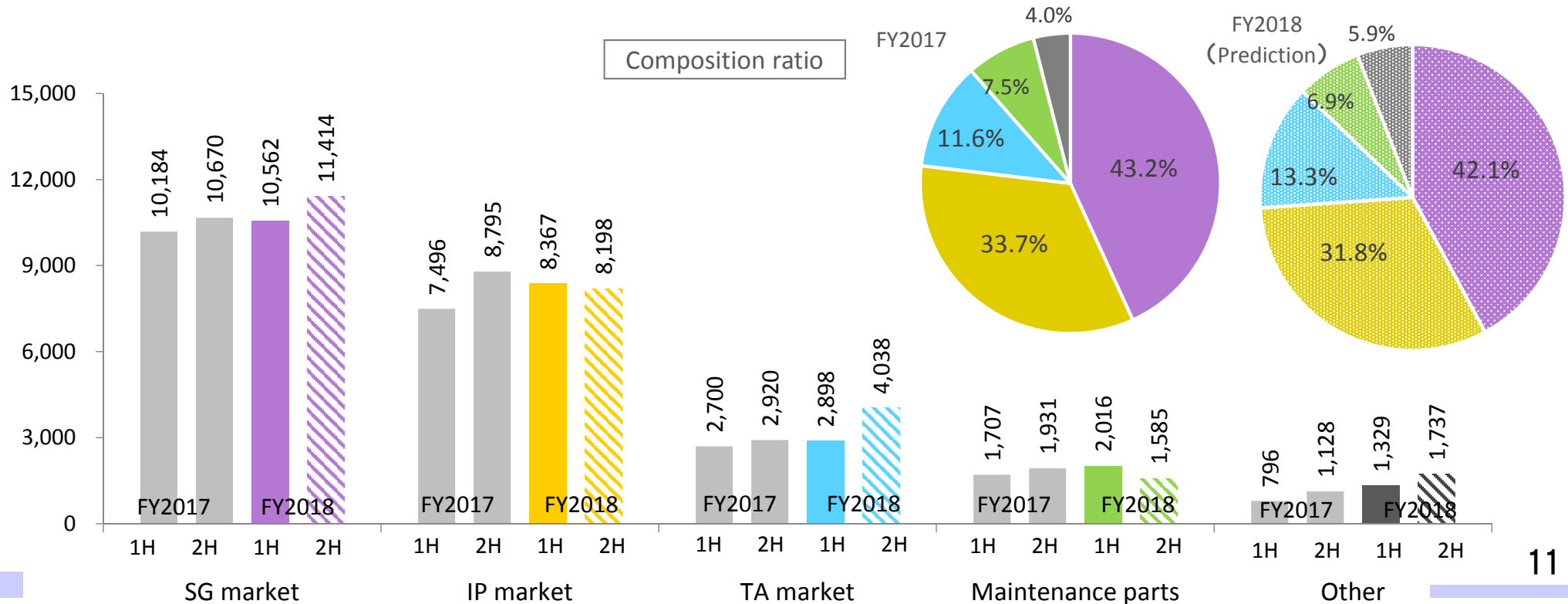


# Sales Amount of Each Market (Prediction for the FY2018)



Currency unit: million JPY	Fiscal Year 2017		
	First half	Second half	Fiscal year
SG market	10,184	10,670	20,855
IP market	7,496	8,795	16,292
TA market	2,700	2,920	5,620
Maintenance parts	1,707	1,931	3,639
Other	796	1,128	1,924
Total	22,885	25,445	48,331

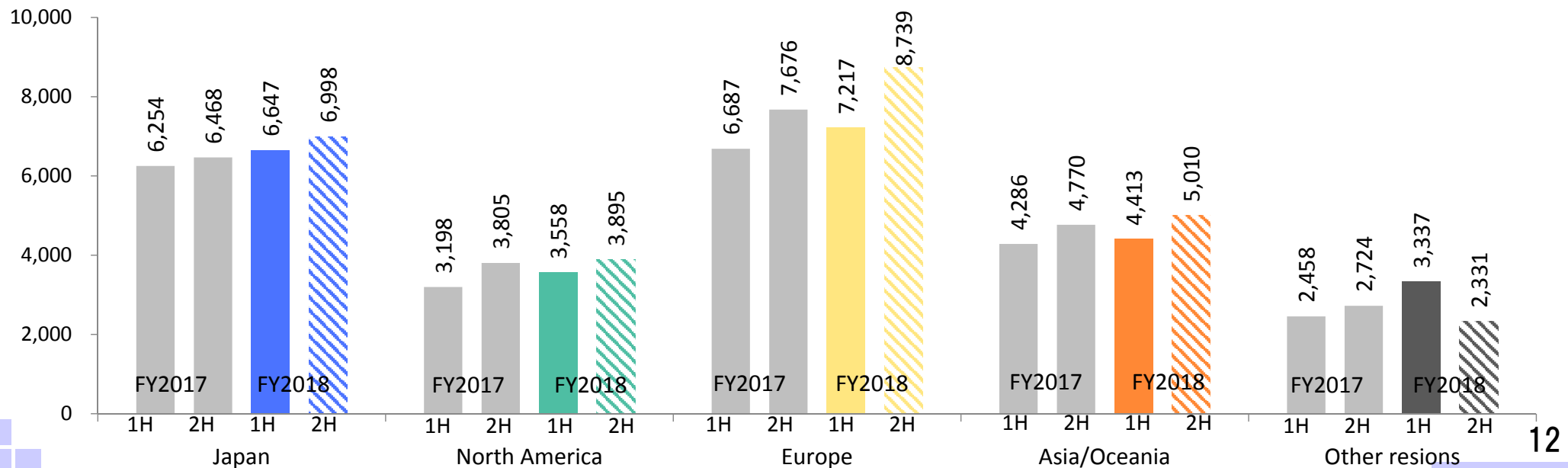
Fiscal Year 2018					
First half	Increase and decrease ratio	Second half	Increase and decrease ratio	Fiscal year	Increase and decrease ratio
10,562	3.7%	11,414	7.0%	21,977	5.4%
8,367	11.6%	8,198	Δ6.8%	16,566	1.7%
2,898	7.3%	4,038	38.3%	6,936	23.4%
2,016	18.1%	1,585	Δ17.9%	3,601	Δ1.0%
1,329	67.1%	1,737	54.0%	3,067	59.4%
25,174	10.0%	26,975	6.0%	52,150	7.9%



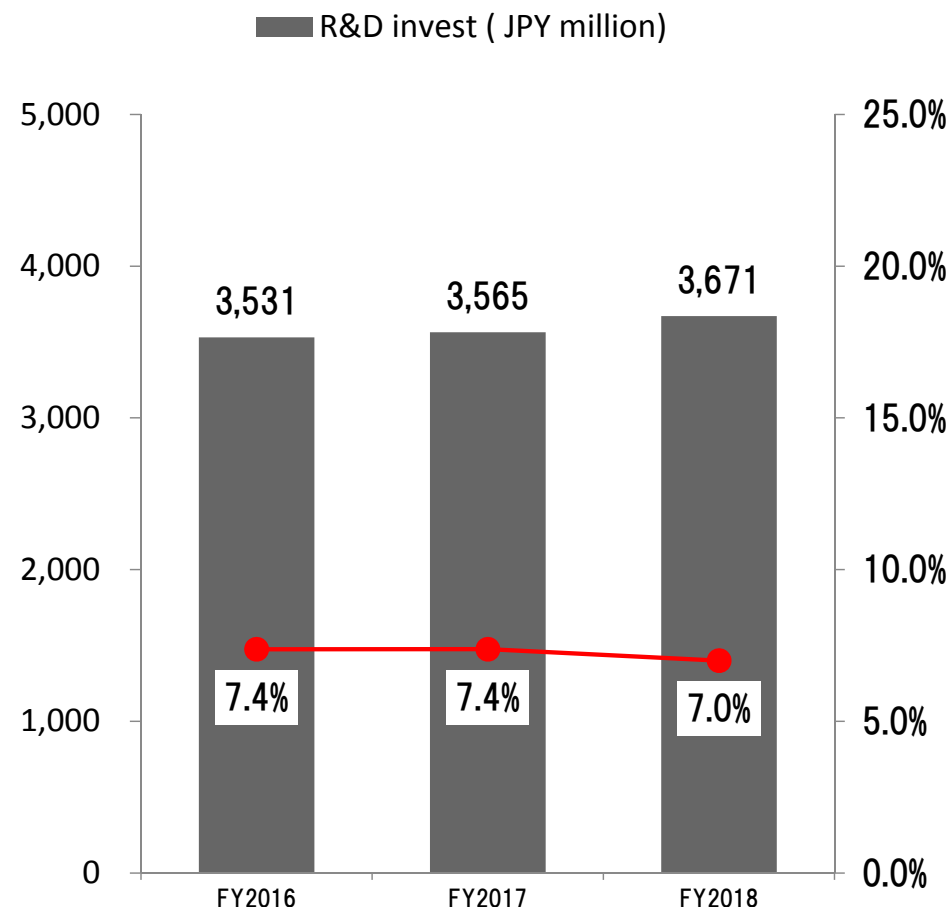
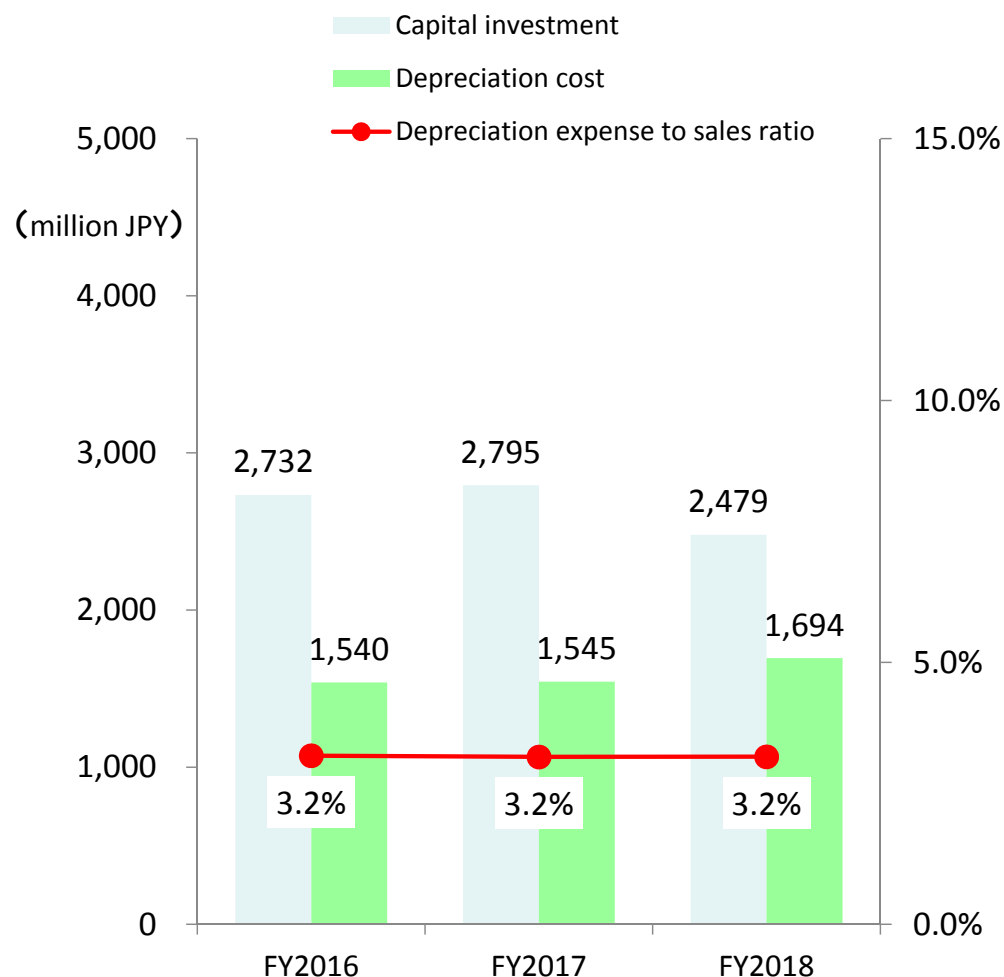
# Sales Amount of Each Region (Prediction for the FY2018)



Currency unit : million JPY	Fiscal Year 2017				Fiscal Year 2018						
	First half	Second half	Fiscal year	Composition ratio	First half	increase and decrease ratio	Second half	increase and decrease ratio	Fiscal year	increase and decrease ratio	Composition ratio
Japan	6,254	6,468	12,722	26.3%	6,647	6.3%	6,998	8.2%	13,645	7.3%	26.1%
North America (Local currency/\$)	3,198 (30.3M)	3,805 (34.2M)	7,004 (64.6M)	14.5%	3,558 (32.0M)	11.2%	3,895 (36.2M)	2.4%	7,454 (68.2M)	6.4%	14.3%
Europe (Local currency/€)	6,687 (56.5M)	7,676 (64.3M)	14,364 (120.8M)	29.7%	7,217 (57.1M)	7.9%	8,739 (72.2M)	13.8%	15,957 (129.3M)	11.1%	30.6%
Asia/Oceania	4,286	4,770	9,057	18.8%	4,413	3.0%	5,010	5.0%	9,423	4.0%	18.1%
Other regions	2,458	2,724	5,183	10.7%	3,337	35.8%	2,331	Δ14.4%	5,669	9.4%	10.9%
Total	22,885	25,445	48,331	100.0%	25,174	10.0%	26,975	6.0%	52,150	7.9%	100.0%



# Capital Expenditures, Depreciation, R&D invest



## ※ Main capital investment(FY 3/18)

- Core system JPY 337M
- Production facility JPY310M
- Demonstration machine(subsidiary) JPY224M
- Mold JPY211M

※ 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 expenses" for SG & A expenses in each fiscal year are 2,318 million yen in FY3 / 16, 2,413 million yen in FY3 / 3, and 2,482 million yen in FY08 / 3.

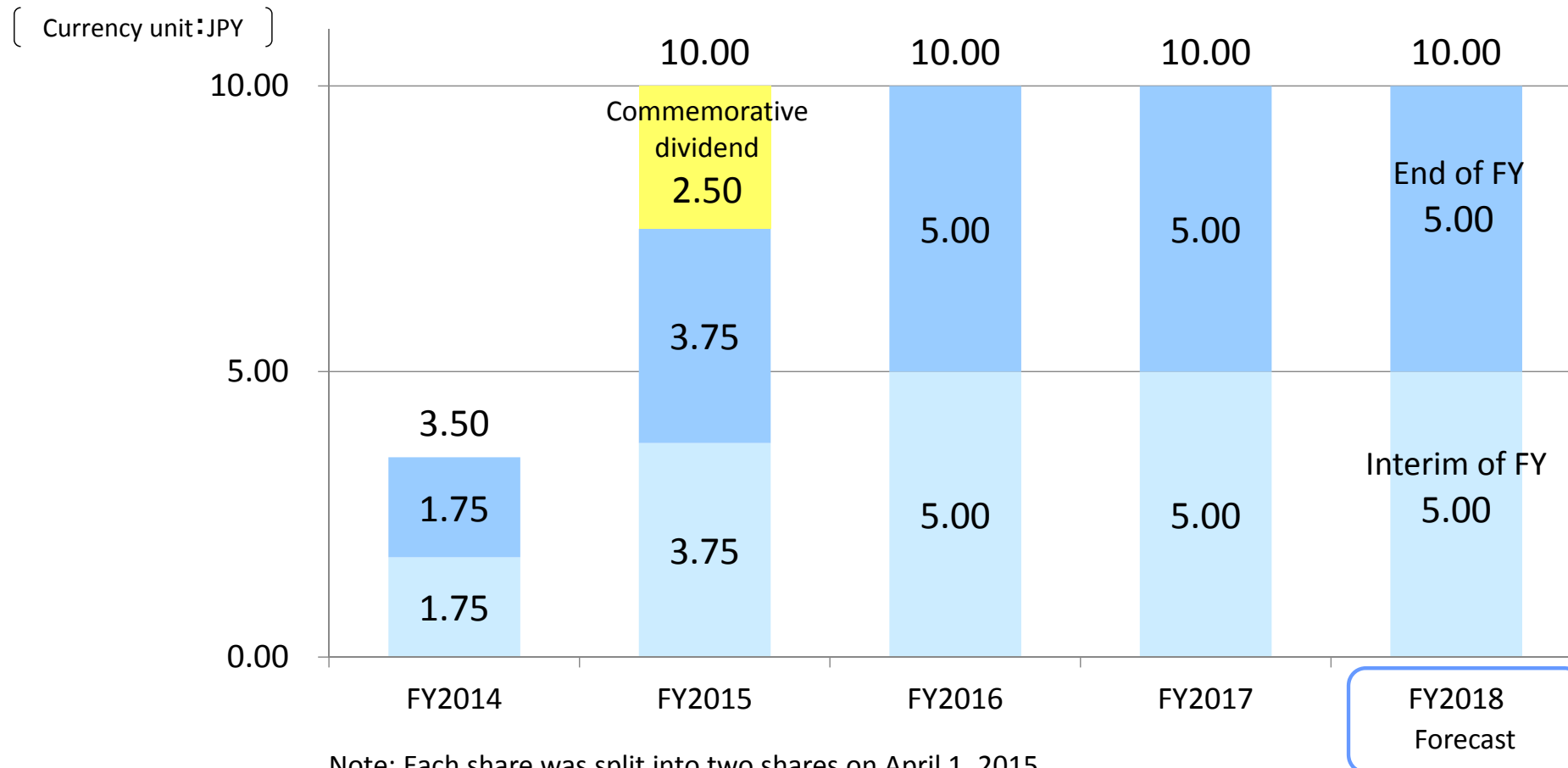
# Dividends (Prediction for the FY2018)



Mimaki

## 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.



Note: Each share was split into two shares on April 1, 2015.

In the graph above, in order to make comparison with the past easier to understand, it is displayed considering the stock split.



# ❖ Growth vision M1000 2.0 (medium-to long-term)



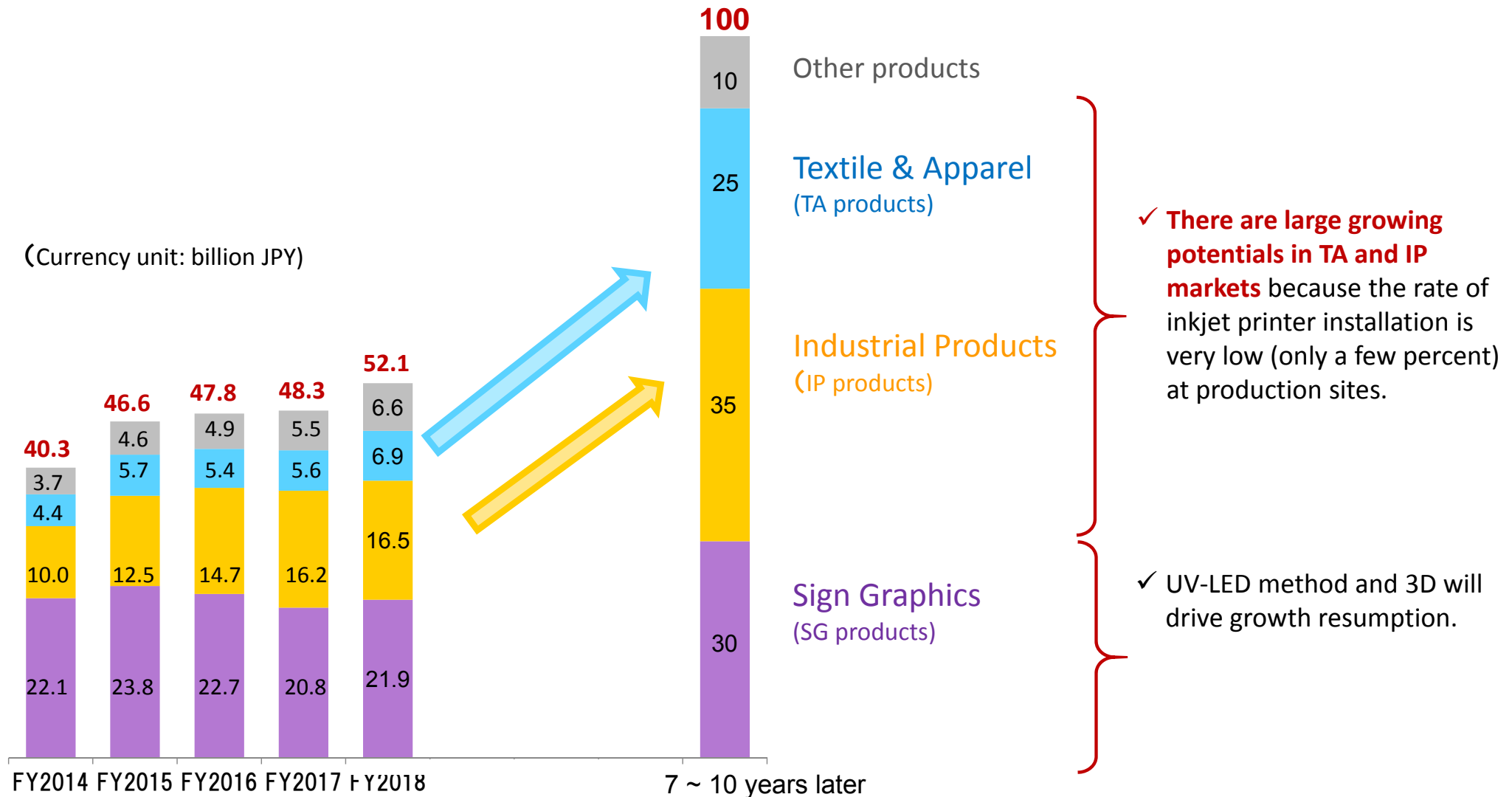


# Mimaki aims at reaching JPY100 billion sales (Long term vision: M1000 2.0)



Mimaki

## ➤ SG's growth restart and IP/TA market expansion.



# SG: Average 3–5% increase expected

Cutting

Graphic

Eco Solvent, Latex, etc.

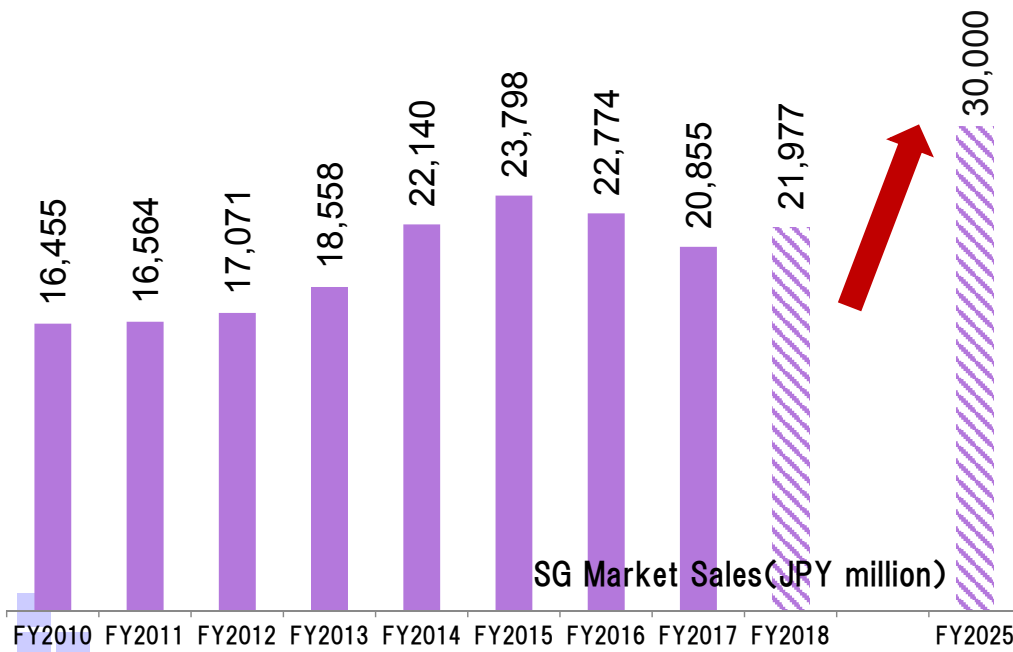
3D

Add Value

• 4 layers

• move eco friendly

• Immediate construction



Backlight off→  
Image of day signs

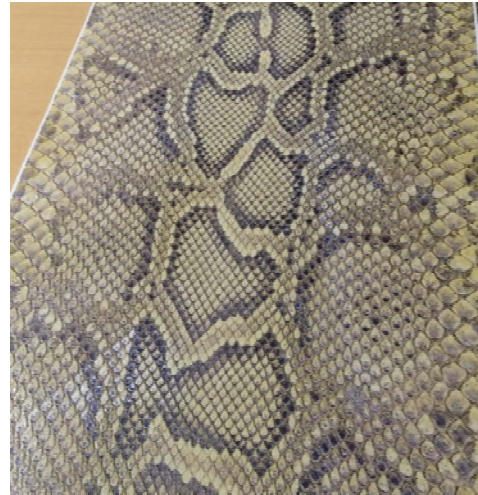
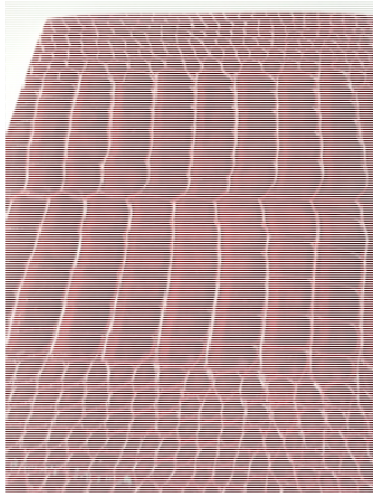


Backlight on→  
By turning on the backlight,  
the color layer of the fourth  
layer emerges

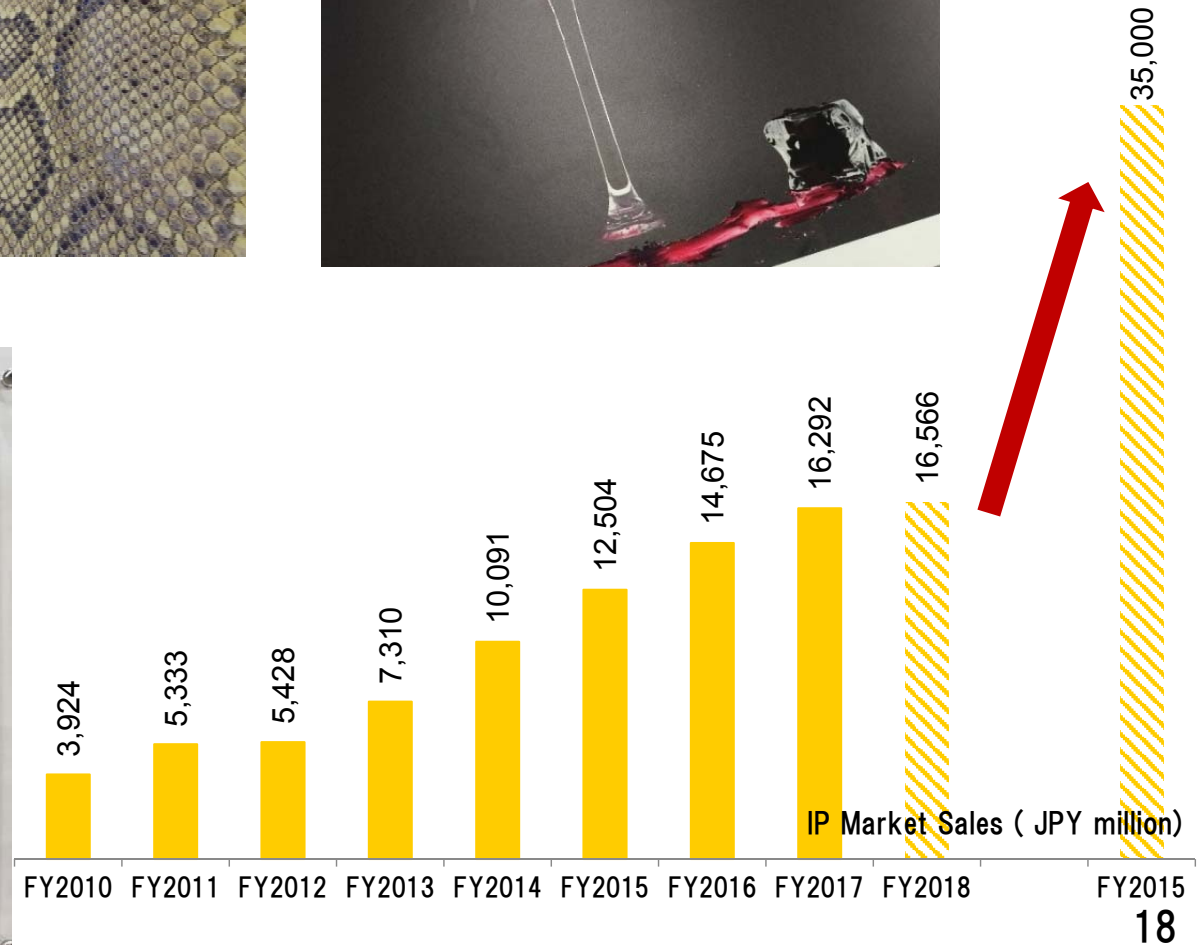


# IP: Average 10% increase expected

## Surface imaging



■ Clear ink + Digital foil



# TA: Average 20% increase expected

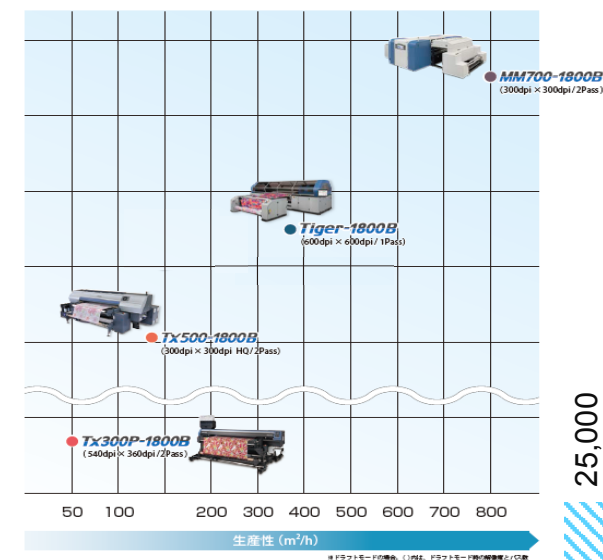


Full line-up strategy: Full line-up of products that can handle both consumption and production sites.  
TA Lab Center : Accumulating know-how and sending out as a training center.

## Consumption area strategy

Object : Full customized printing of apparel in metropolitan area.  
It corresponds to the speed production of the fast fashion industry.

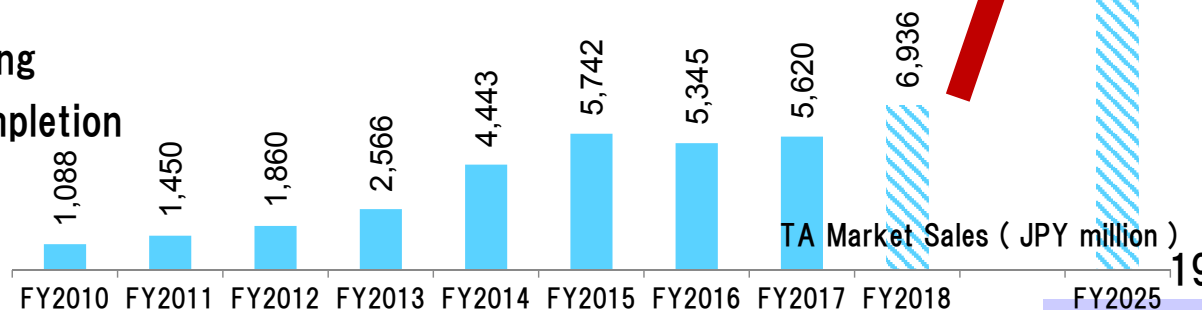
Model : Sublimation transfer inkjet printer of anhydrous dyeing,  
Inkjet printer for pigment



## Production site strategy : Secure sales network

Object : Analog printing of silk, cotton, polyester, etc.  
→ Main production place: China, India, Italy etc.

Model : High-speed print model of direct printing  
→ Mimaki LM acquires Pro series completion





Mimaki Europe B.V.



Mimaki Lithuania, UAB



Mimaki Bompan Textile S.r.l

## ● Europe, Middle East, Africa ●

An Average 10% increase in sales over the medium to long term

- ① Implementation of area structure and strategies/measures according to regional characteristics
- ② Promote Digitization of TA Market by Mimaki Bompan
- ③ Reducation of lead time for ink procurement ( Netherlands, Lithuania )

## ● Asia, Oceania ●

An Average 10% increase in sales over the medium to long term

- ① Restructuring of sales structure in China
- ② Build a sales network for the Indian market with great potential
- ③ Utilization of the ASEAN market

▼ mini-exhibition



## ● USA ●

An Average 15% increase in sales over the medium to long term

- ① Subdivide regional markets, implement strategies and measures according to characteristics
- ② Strengthening alliances with regional sales companies
- ③ Thoroughness of mini-exhibition strategy

## ● Japan ●

An Average 5-7% increase in sales over the medium to long term

- ① Solutions provider for commercial inkjet printers
- ② Differentiation from competition by service
- ③ Further thoroughness of mini-exhibition strategy

# ❖ Topics





# Autumn exhibition

## Announce strategic new products

- **Sign & Display Show 2017**  
@Tokyo(31 Aug – 2 Sep)
- **Print17**  
@Chicago, USA(10-14 Sep)
- **C! Print**  
@Madrid, Spain(26-29 Sep)
- **SGIA Expo**  
@New Orleans, USA(10-12 Oct)
- **Viscom Italia**  
@Milan, Italy(12-14 Oct)





## Leading the future of SG through UV Innovation (UV-LED Roll to Roll Print & Cut entry model)



### ✓ UV-LED Print

- Quick drying
- Immediate reprocessing possible
- Environmentally Friendly

### ✓ Day & Night Printing

- Expanding application spreading on 4 layer printing
- Proposal of signboard with high visibility possible

Back light OFF



Back light ON



# Mimaki genuine laminating film



Release of Mimaki Genuine warm laminator and Genuine Laminating Film.

Reduce Silvering at the time of lamination to materials printed by UV-LED.

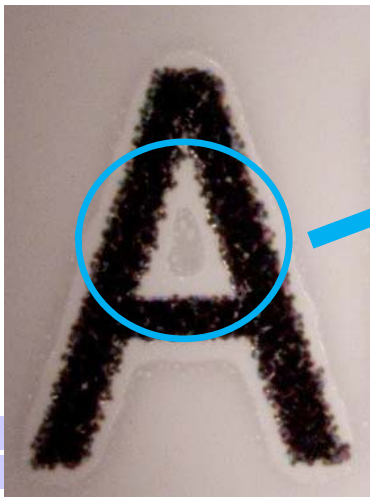
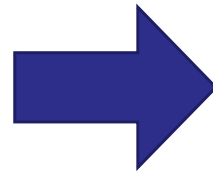
LA-140W / LA-160W



Conventional laminating film



Mimaki Vision Laminate 310-137



Silvering (air bubbles involving) is generated.



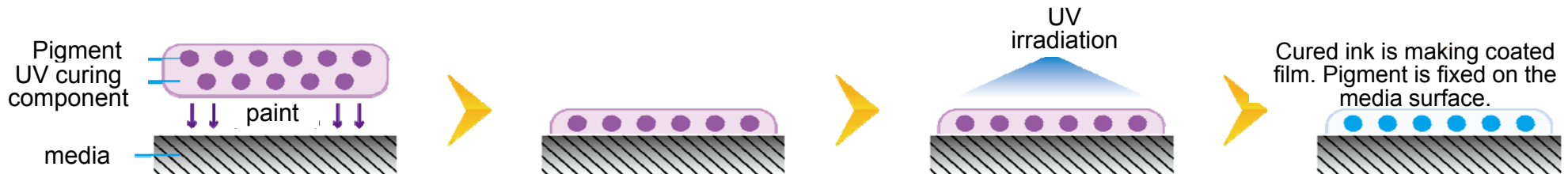
Silvering is reduced.



## 【UV ink】

The ink is cured and fixed by irradiating UV light (ultraviolet light).

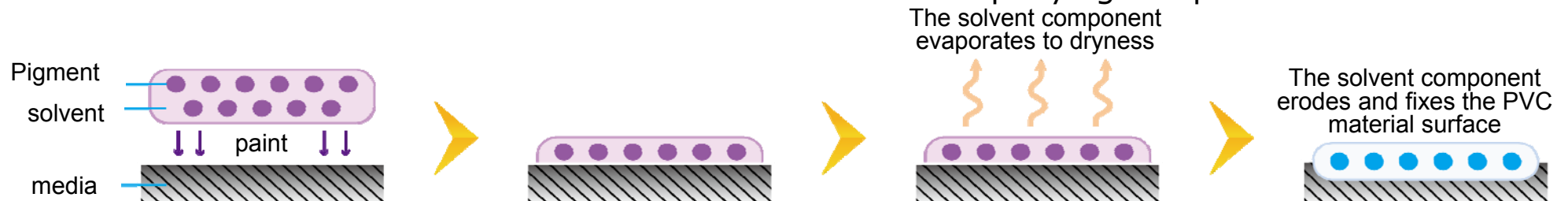
- Since the ink hardens immediately, put it in a post-process such as lamination or cutting immediately after printing.
- Since it does not require a dedicated substrate, it can print on various media.



## 【Solvent ink】

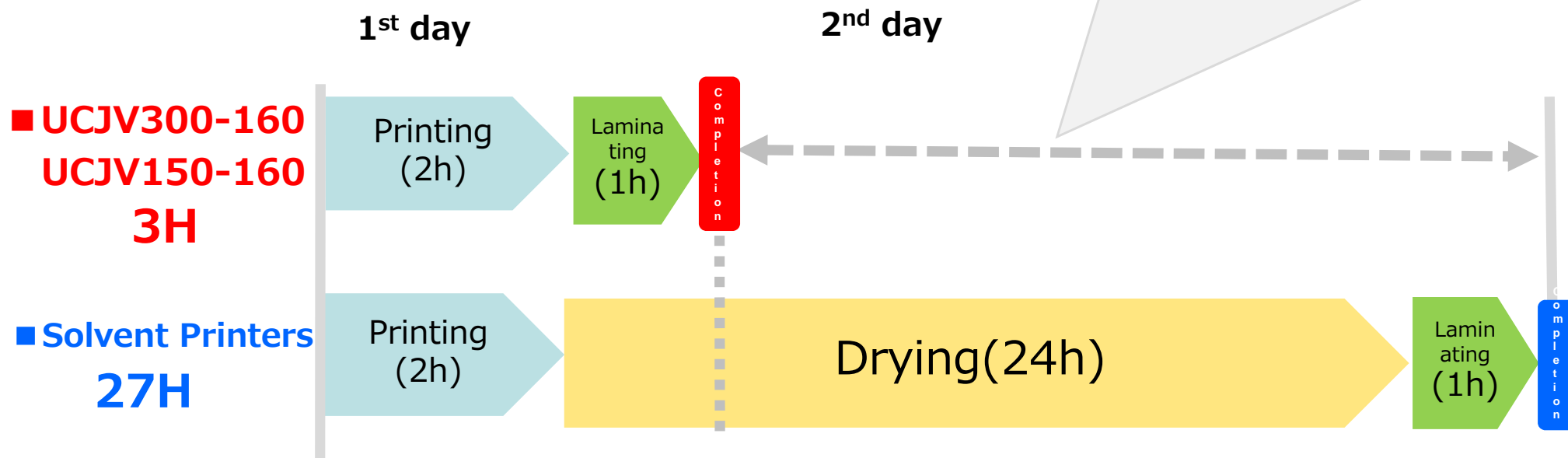
Solvent ink penetrates into PVC-based materials, and the ink is fixed by the evaporation of organic solvent components.

- It is necessary to evaporate the solvent component, and drying time is necessary.
- The substrate does not fix unless it is PVC or its accompanying component.



# Quick access to next processing and sign applying

- ✓ **Max. 90% of production time is saved.**
- ✓ An order of sign making of applying on the same date can be received.





# Possible to print the wider range of materials

Mimaki

## Indoor sign



Electric spectaculars  
(colton)



Poster (YUPO)※



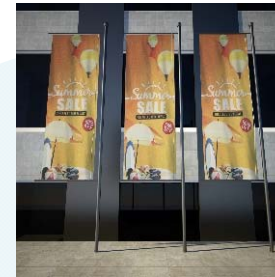
Shoji  
(sliding paper door--  
Japanese paper)



Window decoration  
( Transparent PET)

## Indoor decoration

## Outdoor sign



Fabric※



Tarpaulin



Electric spectaculars  
(FF)



Label / Sticker



## POP / Label

Swing P.O.P. (PET film)

※ UCJV is an environmentally conscious printer that can print on non-PVC material.

# Newly developed environmentally friendly UV ink, LUS-170

Mimaki



- ✓ Newly developed ink, LUS-170 adaptive to environment, generates hardly VOC and can cure without the irradiation of short wavelength UV.
- ✓ LUS-170 yellow ink is eco-friendly and nickel free though general yellow inks are compounding it.



LUS-170 gained the [GREENGUARD Gold] certification, which is based on most strict global standard of chemical substance diffusion. It certification assures the product property conforms to schools and medical facilities.

# Proposal spread by Day & Night Printing

By combining with internal light type LEDs,  
it is possible to propose signs with high visibility

**Day**

(Back light OFF)



**Night**

(Back light ON)





# 3D Printer 3DUJ-553

Launched in  
November 2017

Mimaki



- ✓ full color printing more than 10 million color tones
- ✓ Expression attractive with clear ink
- ✓ Smooth model
- ✓ Easy removal of support material

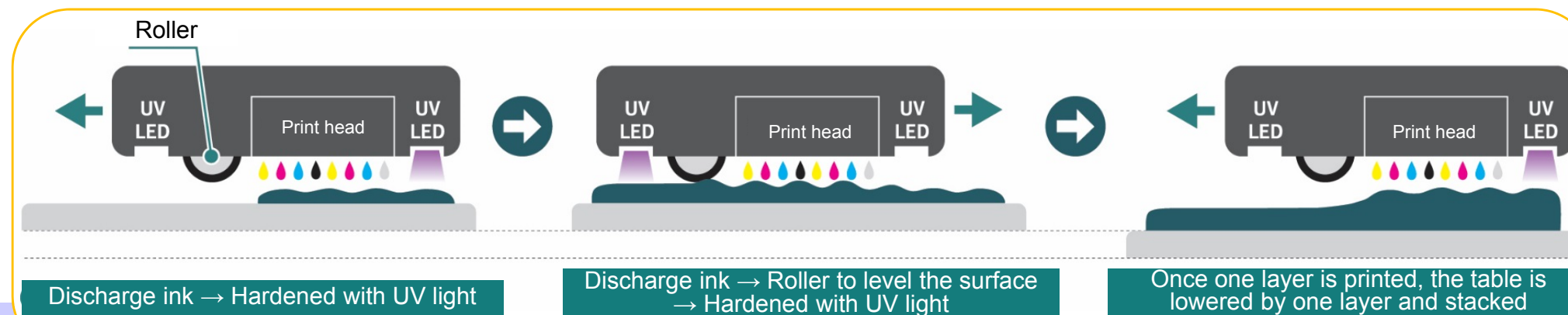
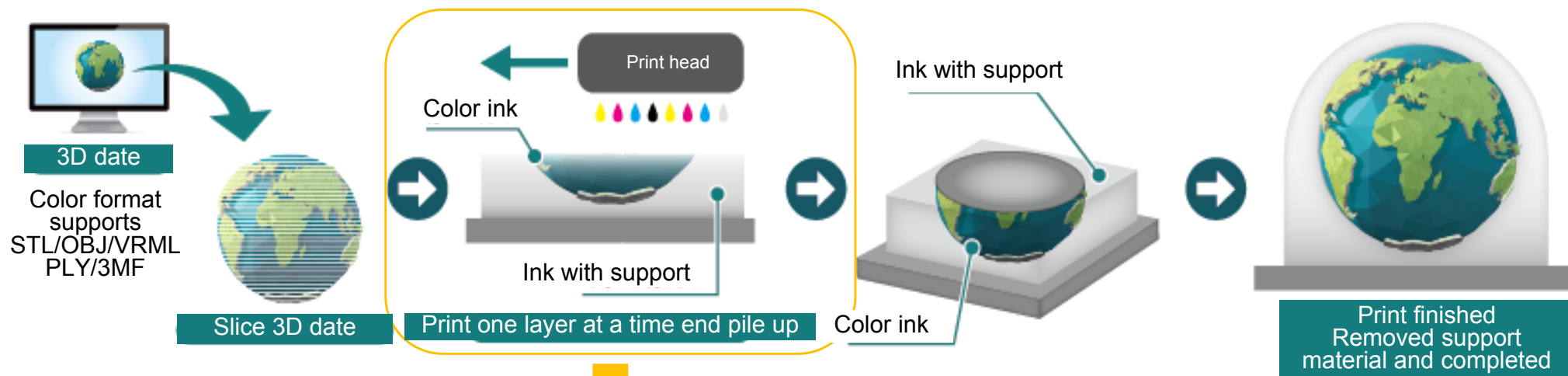




# full color printing more than 10 million color tones

## UV-LED print (Image of landing method)

We will mold sliced 3D data by printing simultaneously with color ink and support material ink. Instead of coloring after modeling, we use color inks to shape, so we realize a beautiful color.



# Expression attractive with clear ink

- Rich color expression combined with color ink

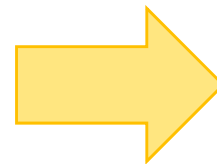


- Expression power increases with combination with light source

Color modeling + light source



Colored Clear Modeling + light source



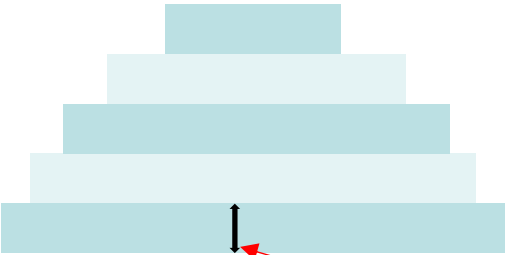


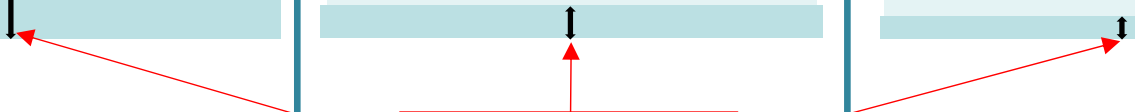

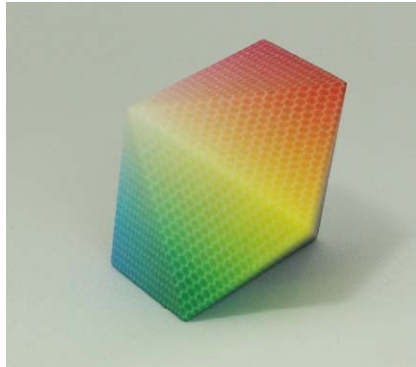

Forming using clear ink

# Smooth model



Mimaki

By selecting laminating pitch according to the application, it is possible to shape according to the purpose

Modeling mode	High speed	Standard	High-definition
Lamination pitch	42 $\mu$ m	32 $\mu$ m	22 $\mu$ m
Stack image			
	 <div>Lamination pitch</div>		
Usage image	 (Outdoor signboard)	 (Color sample)	 (Railings less than 1mm)

# Easy removal of support material

Since the support material ink is water-soluble, it is easy to remove by immersing in water

After completion of printing, put in the removal layer with the support material attached

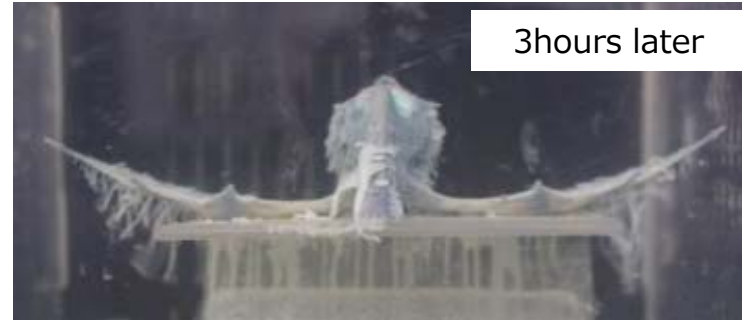


Immediately after input



Support material is removed by dissolving in water

3hours later



Remove from the removal layer, dry → dry ethanol as required



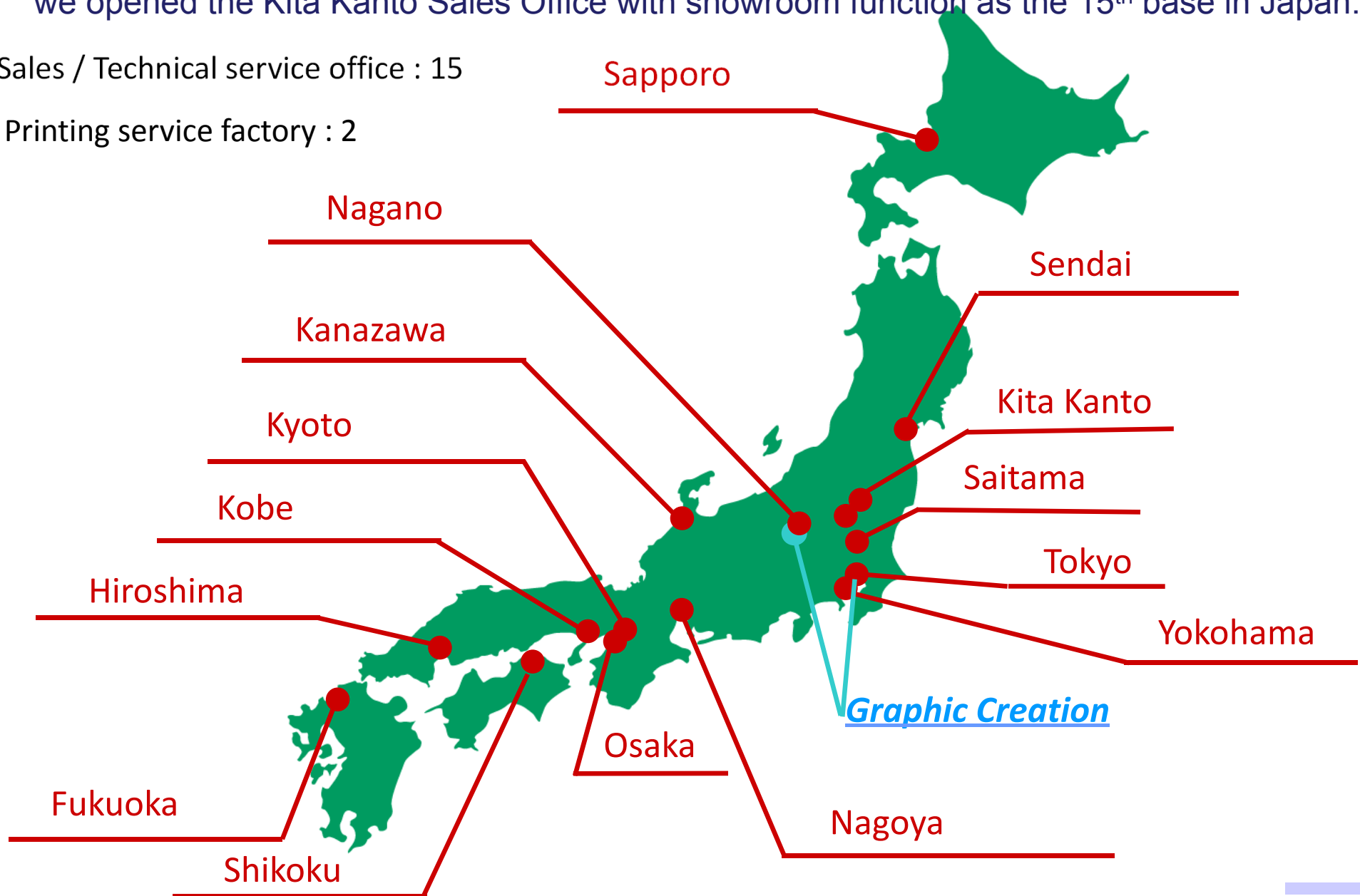
※ Since the water used for removing the support material will be industrial waste, it is necessary for the industrial waste producer to discard it.  
When using the ultrasonic removing tank, we recommend low frequency of 30kHz or less. (Because the water temperature rises too much and it makes the model soft)  
If you keep inundated for a long time after removal, there is a possibility of adverse effects on molded objects such as discoloration.  
Please note that the strength of the shaped object has been dropped in the state not dry.

# To 15 domestic bases

In order to expand professional and detailed sales and service system closely tied to the area, we opened the Kita Kanto Sales Office with showroom function as the 15<sup>th</sup> base in Japan.

● Sales / Technical service office : 15

● Printing service factory : 2



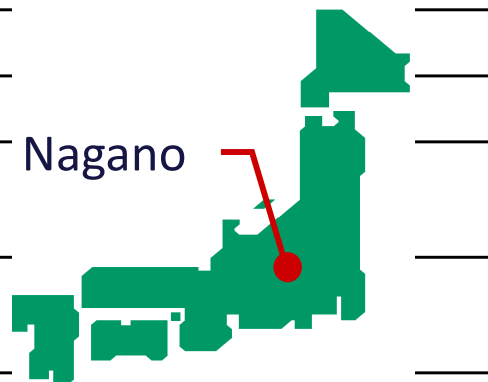
# Reference Data





# Company Profile



Foundation	August , 1975
Capital	4,357 million Japanese yen
Headquarters	2182-3 Singeno-Otsu, Tomi-City, Nagano, Japan
Representatives	Chairman: Akira Ikeda President: Kazuaki Ikeda
Employees	Consolidated: 1,623; Non-consolidated : 804 *As of September 2017
Group Companies (Total:18 companies)  *Count MIMAKI EUROPE , TAIWAN MIMAKI and Mimaki Lithuania each as 1 company	 <p>•Sales: 13            Europe: MIMAKI EUROPE* , Mimaki Deutschland                      MIMAKI EURASIA ,Mimaki Lithuania*,Mimaki Bompan            North and South America: MIMAKI USA , MIMAKI BRASIL            Asia and Oceania: Shanghai Mimaki , MIMAKI INDONESIA                                      MIMAKI SINGAPORE , MIMAKI AUSTRALIA                                      MIMAKI INDIA , TAIWAN MIMAKI* (* Sales and production )</p> <p>•Production : 7                Japan: Mimaki Precision                Europe: MIMAKI EUROPE, Mimaki La Meccanica , Mimaki Lithuania                China: Mimaki IJ Technology , Pinghu Mimaki                Taiwan: TAIWAN MIMAKI</p> <p>•Printing: 1                Japan: Graphic Creation</p>
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)     *As of March 2017

# Products for Sign Graphic (SG) Market

Mimaki

## Inkjet printer



## Cutting plotter



◆ CG-FX II series



◆ CG-SR III series

## Software

- ◆ Raster Link Pro 5 SG
- ◆ Raster Link 6
- ◆ Fine Cut 8
- ◆ Simple Studio

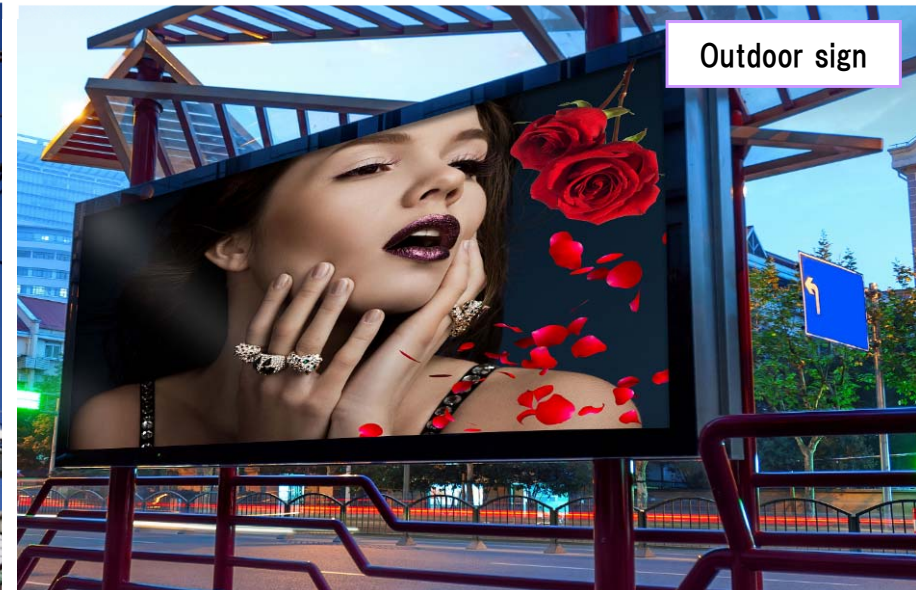


# SG market (Sign Graphics)

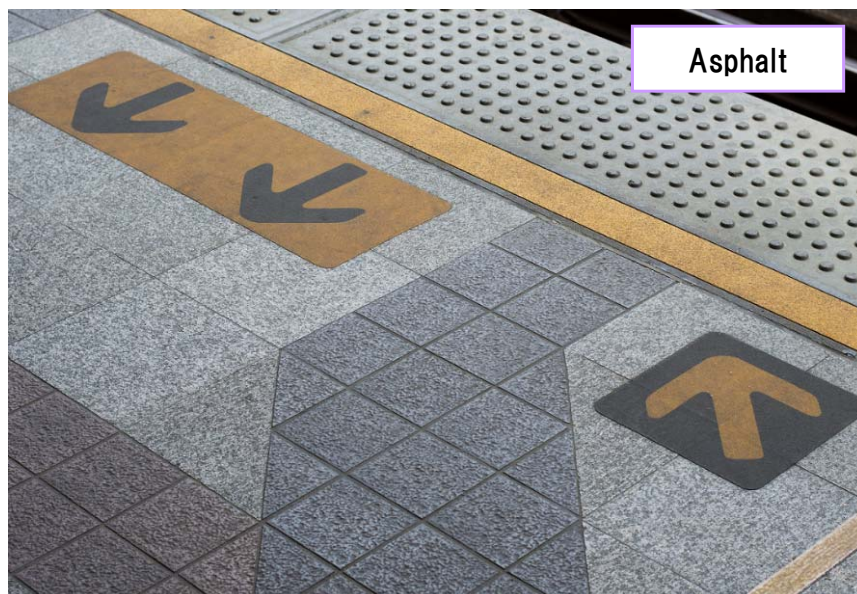
Application examples in the business scene that colors the city



Guide signboard(MWCS)



Outdoor sign



Asphalt



Wallpaper sign

# SG : Outdoor advertisement





# SG : Outdoor advertisement



Car lapping

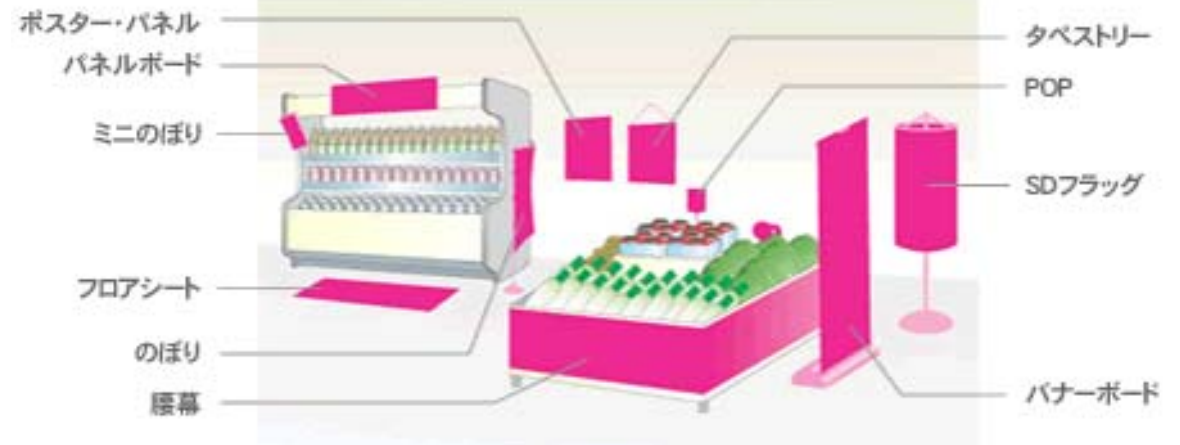


Train lapping



Front lit

# SG : Indoor advertisement (POP)





# Products for Industrial Product (IP) Market



## Flatbed inkjet printer



**UJF-6042 MkII**



**UJF-3042 MkII**



**UJF-7151 plus**



**JFX200-2531**



**JFX200-2513**



**JFX500-2131**



◆ **ME-II series**



◆ **NC-5K**

## Flatbed cutting plotter



**CF22-1225**



◆ **CF3 series**



◆ **CF2 series**



◆ **CFL-605RT**

## Software

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



# IP market (Industrial Products)

Application examples in industrial products and novelties



# IP: Accessories

Card



Smartphone case



Steel plate

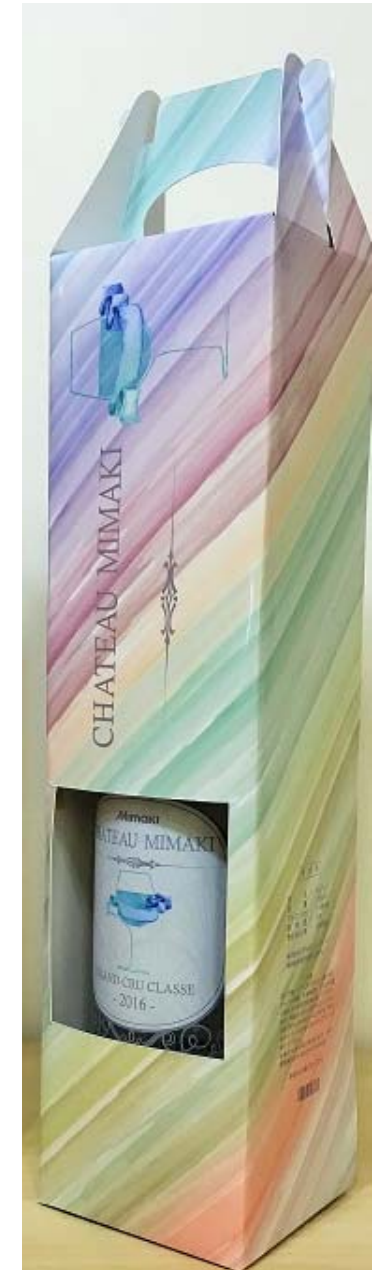


tumbler





# IP:Package







# IP: Watch



Mimaki®





# IP:Industrial use



Membrane switch



Brake



Membrane switch



Meter panel

# Products for Textile and Apparel (TA) Market



## Inkjet printer



**TX300P-1800B**



**TX500P-3200DS**



**TX500-1800B**

**TS30-1300**



**TX300P-1800**



**TS500P-3200**



**TX500-1800DS**



**TS34-1800A**



**TS300P-1800**



**TS500-1800**



**Tiger-1800B**



**Tx2-1600**

## Printer and Cut machine Apparel pattern plotter cutter

◆ **APC-130**



## Software

◆ **Raster Link Pro 5 TA**

◆ **Raster Link 6**

◆ **TxLink3**



# TA market (Textile & Apparel)

Example of utilization in fabrics and ready-made garments before cutting/sewing processing





# TA: Sports apparel





Thank you

