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Securities Code  
6638

# First Quarter of Fiscal Year Ending March 31, 2022 Financial Results Briefing Materials

Mimaki Engineering Co., Ltd.

August 10, 2021

**DCF-605PU**



**JV100-160**

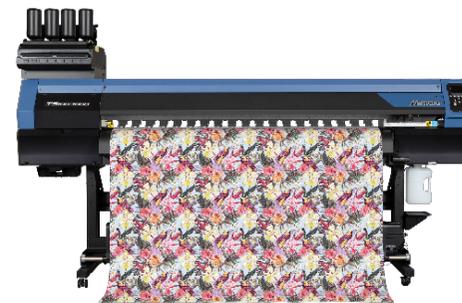


**UV100-160**



**3DUJ-2207**

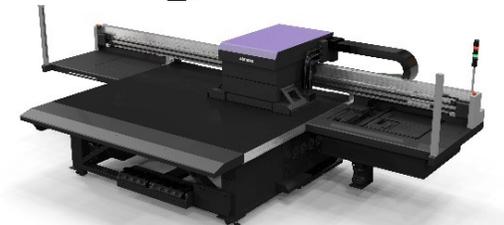
**Tiger-1800B MkIII**



**TS100-1600**

**JFX600-2513** NEW

**JFX550-2513**



(To be released in CY2021/3Q)



# Consolidated Results for the Fiscal Year Ending March 2022

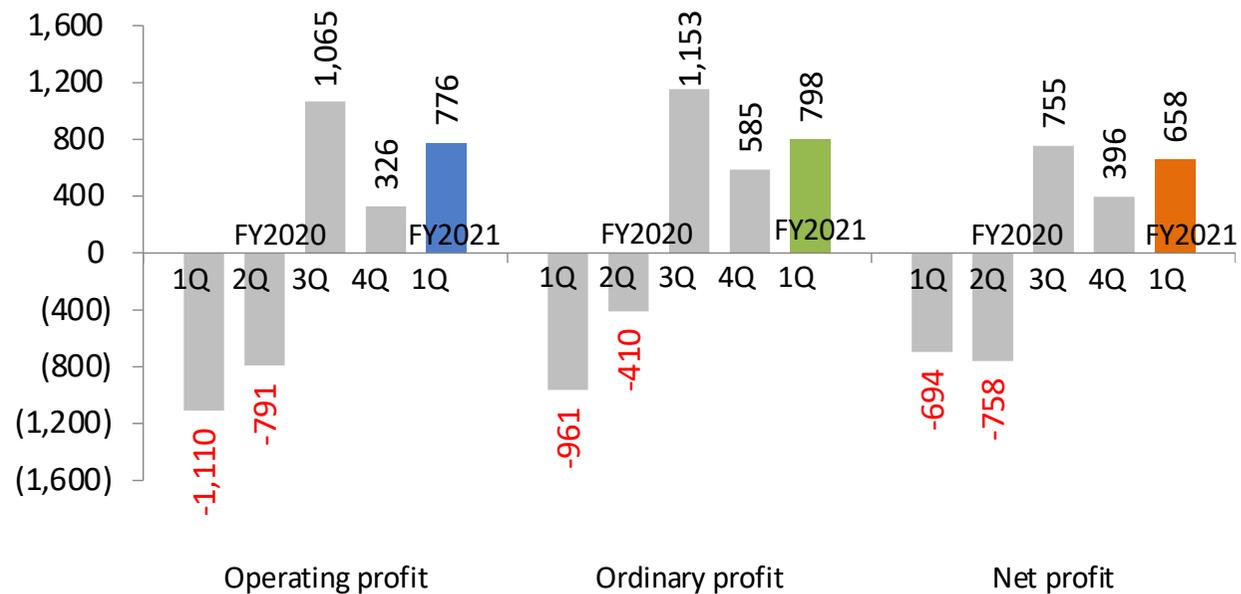
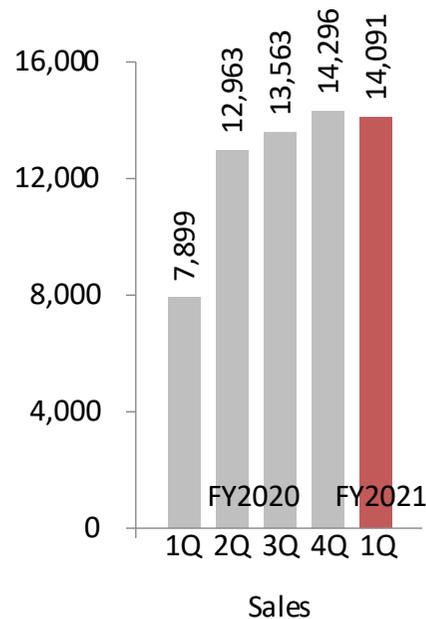
- ❖ First quarter results
- ❖ First half and full business year forecast

# Consolidated Performance Highlights (Results for 1Q FY2021)



(Unit: millions of yen)	FY2020		FY2021		YoY change		
	1Q results	Sales ratio	1Q results	Sales ratio	YoY change		
					Amount	Ratio	Ratio (excluding exchange rate)
■ Sales	7,899	-	14,091	-	6,192	78.4%	70.7%
■ Operating profit	-1,110	-14.1%	776	5.5%	1,886	-	-
■ Ordinary profit	-961	-12.2%	798	5.7%	1,760	-	-
■ Profit attributable to owners of parent	-694	-8.8%	658	4.7%	1,353	-	-
Exchange rate US dollar (average during period)	107.62 yen	-	109.49 yen	-	1.87 yen	1.7%	-
Euro	118.47 yen	-	131.95 yen	-	13.48 yen	11.4%	-

The Company has applied the "Accounting Standard for Revenue Recognition" from the beginning of the first quarter of fiscal year 2021, and as a result, net sales increased by 51 million yen, operating profit decreased by 22 million yen, ordinary profit and net profit before taxes increased by 3 million yen each.



# 1Q Consolidated Financial Highlights



In addition to an increase in capital investment and printing jobs ordered to our customers resulting from the recovery of the global economy, the introduction of new products and the effect of a weaker yen also contributed to significant growth in earnings

## ■ Sales

- Sales increased by 6,192 million yen (78%) compared to the same period of FY2020 (including 606 million yen due to impact of exchange rate). Significant growth in all regions and markets, exceeded the forecast, and increased by 6% compared to the same period of FY2019.
- While affected by shortage of parts and raw materials and prolonged transport lead times, demand recovery exceeded the initial forecast, and new products such as JV/UJV100-160 and TS100-1600 also contributed.
- Sales to SG market increased by 87% and exceeded the forecast due to increased demand resulting from increased economic activity.
- Sales to IP market increased by 96% and exceeded the forecast due to increased demand for industrial products and novelty goods.
- Sales to TA market increased by 138% due to recovery in demand for apparel products but fell below the forecast.

## ■ Operating profit

- Despite the impact of soaring transportation costs and raw material prices, SG&A expenses increased due to product repair costs associated with the higher product utilization rates and launch of new products, related costs associated with increased sales activities, and personnel costs associated with the cancellation of planned holidays, overall, SG&A expenses were kept below the level of the same period of FY2019, and profit increased by 1,886 million yen compared to the same period of FY2020 (including 246 million yen due to impact of exchange rate) due to the effect of increased sales and weaker yen.

## ■ Balance sheet

- A key indicator CCC\* increased compared to the end of March due to operations to secure inventory in response to prolonged transportation lead times and shortage of parts and raw materials in order to avoid opportunity losses.  
2020/end of June: 7.91 → end of September: 4.52 → end of December: 3.70 → 2021/end of March: 3.60 → end of June: 4.22

\*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

# Factors Effecting Operating Profit (1Q FY2020 vs 1Q FY2021)



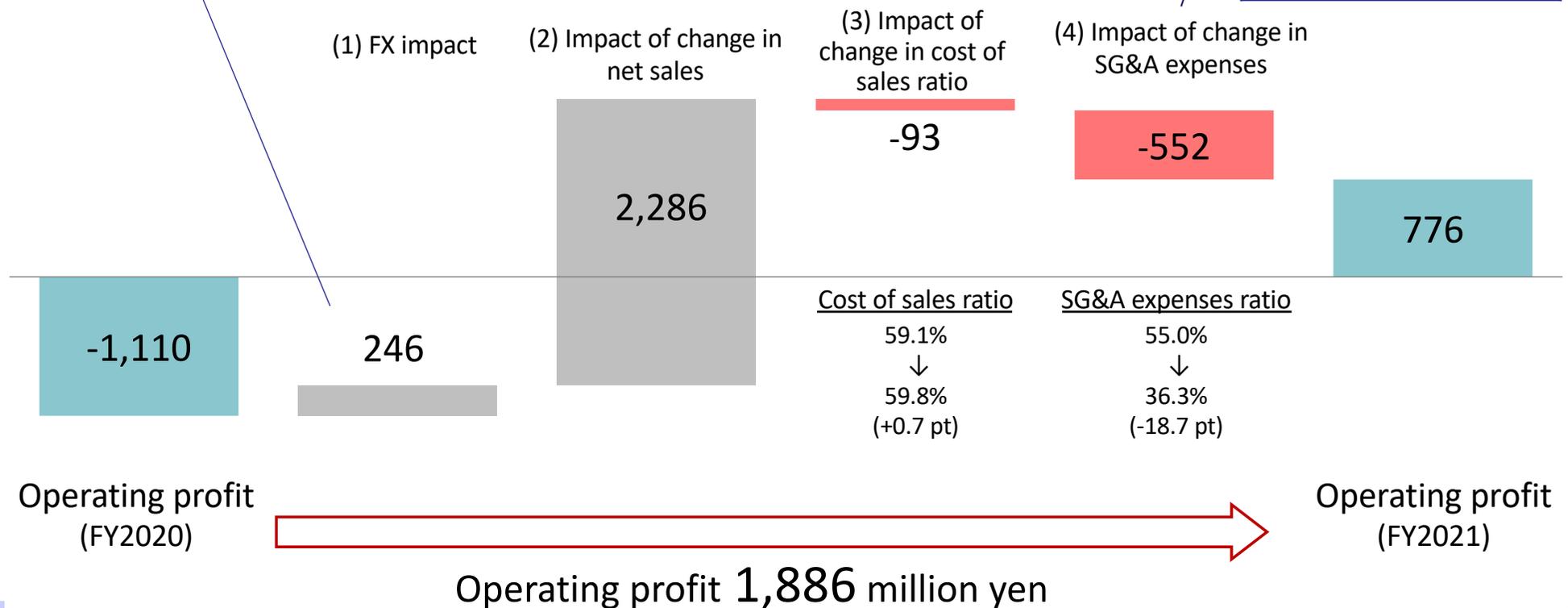
(Unit: millions of yen)

[Impact by currency]				
USD:	107.62 yen	→	109.49 yen	+29
EUR:	118.47 yen	→	131.95 yen	+268
CNY:	15.17 yen	→	16.96 yen	-99
AUD:	70.64 yen	→	84.31 yen	+51
TRY:	15.71 yen	→	13.04 yen	-32
Other (BRL, IDR, INR, etc.)				+28
				Total
				+246

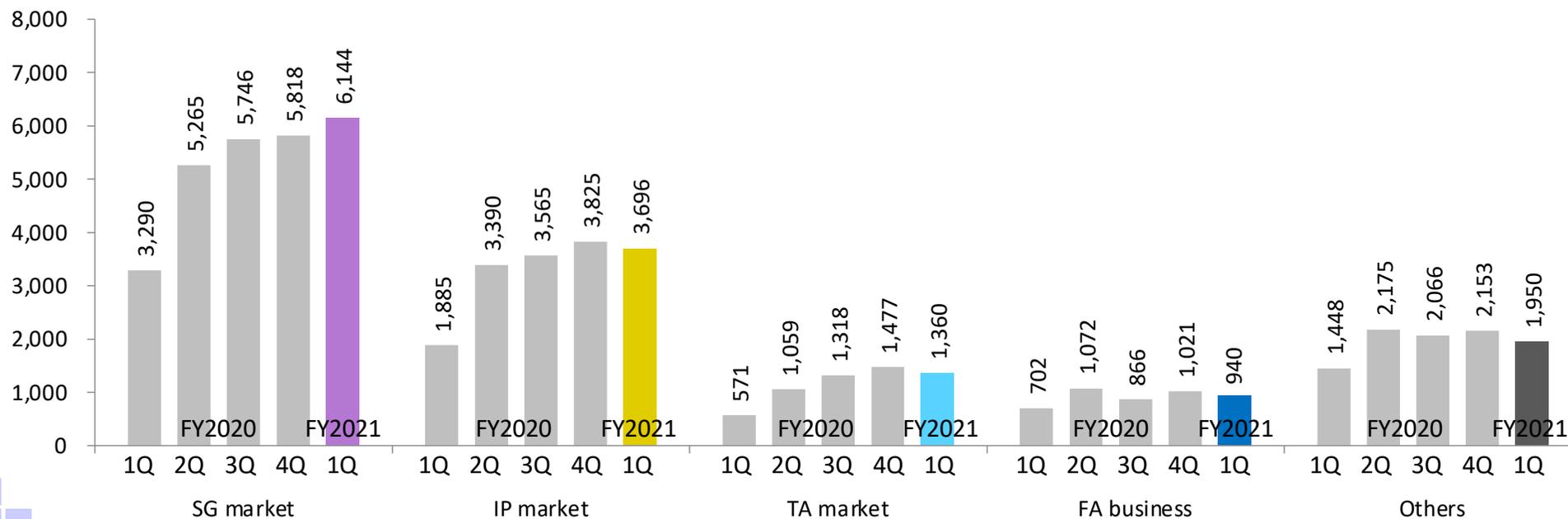
[FX impact on net sales, cost of sales and operating profit]	
Net sales	606
- Cost of sales	-225
- SG&A expenses	-134
= Operating profit	246

Factors for Increase/Decrease in SG&A expenses	
Product repair expenses	287
R&D expenses	135
Allowance for doubtful accounts	-125
SG&A expenses	122
Transportation expenses	53
Labor expenses	49
Others	31
Total	
552	



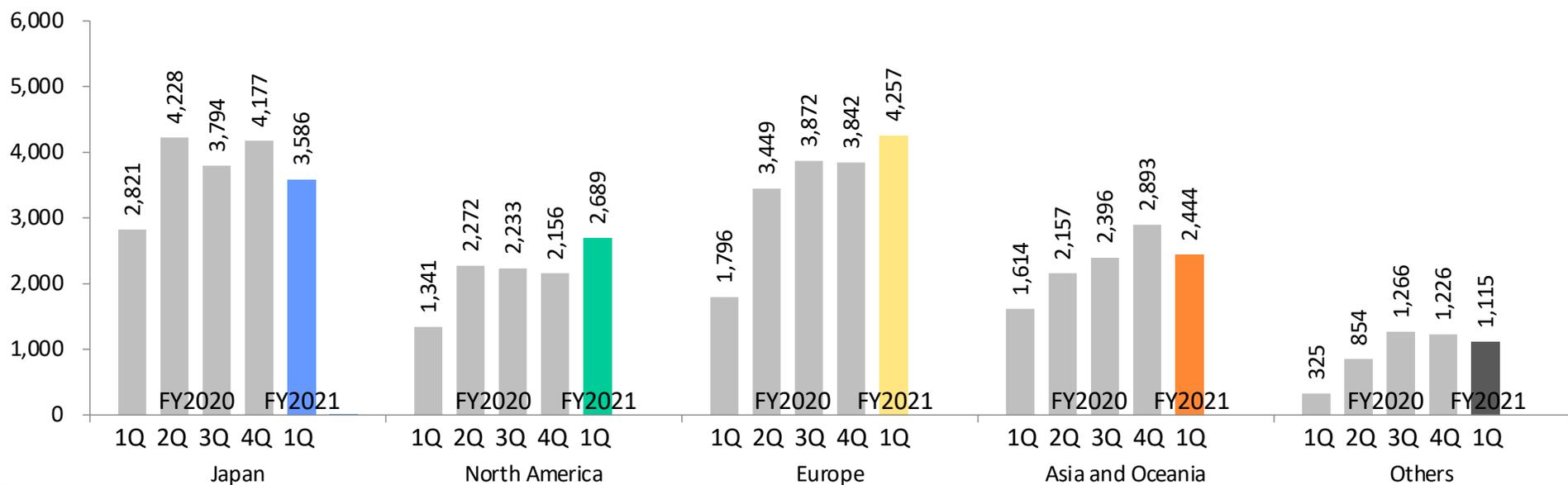
# Sales by Market Segment (Results for 1Q FY2021)

(Unit: millions of yen)	FY2020		FY2021		
	1Q results	1Q results	YoY change		
			Amount	Ratio	Ratio (excluding exchange rate)
SG market	3,290	6,144	2,854	86.7%	78.0%
IP market	1,885	3,696	1,811	96.1%	85.7%
TA market	571	1,360	788	137.9%	127.7%
FA business	702	940	237	33.8%	36.6%
Others	1,448	1,950	501	34.6%	-
<b>Total</b>	<b>7,899</b>	<b>14,091</b>	<b>6,192</b>	<b>78.4%</b>	<b>70.7%</b>



# Sales by Area (Results for 1Q FY2021)

(Unit: millions of yen)	FY2020	FY2021		
	1Q results	1Q results	YoY change	
			Amount	Ratio
■ Japan	2,821	3,586	764	27.1%
■ North America	1,341	2,689	1,347	100.5%
(Local currency/\$)	12.4M	24.5M	12.0M	97.1%
■ Europe	1,796	4,257	2,460	137.0%
(Local currency/€)	15.1M	32.2M	17.0M	112.8%
■ Asia/Oceania	1,614	2,444	830	51.4%
■ Others	325	1,115	789	242.2%
<b>Total</b>	<b>7,899</b>	<b>14,091</b>	<b>6,192</b>	<b>78.4%</b>



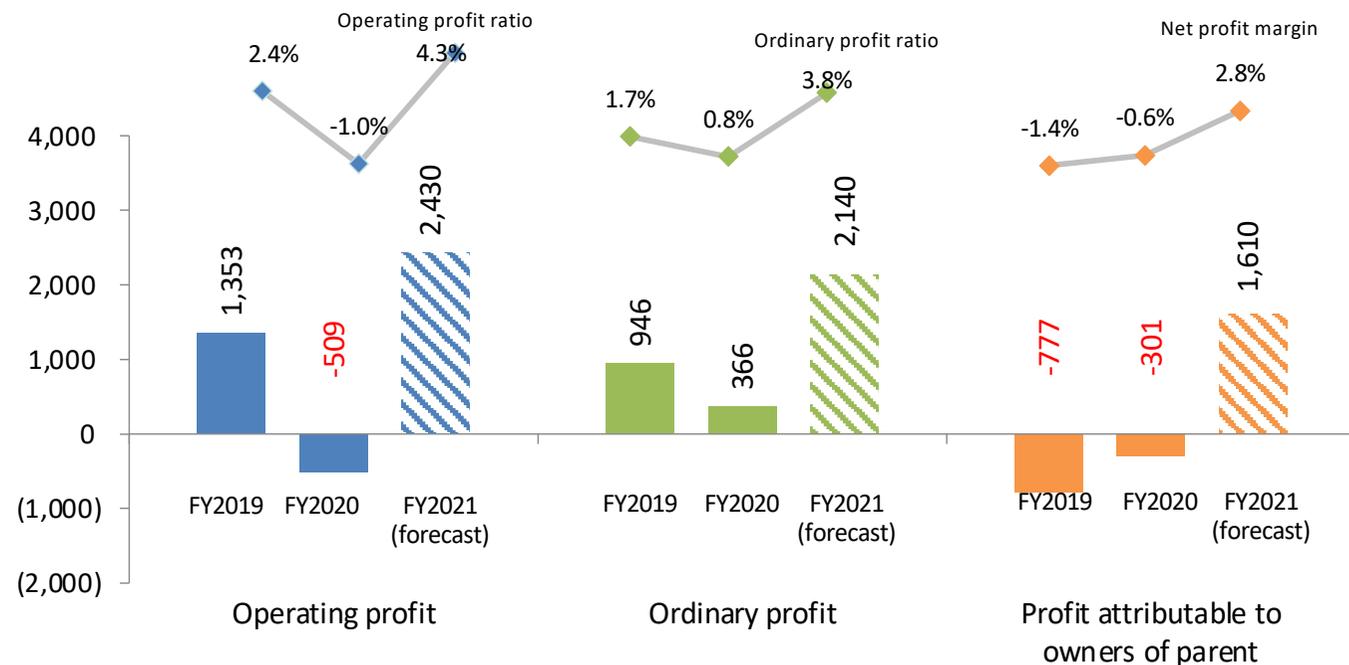
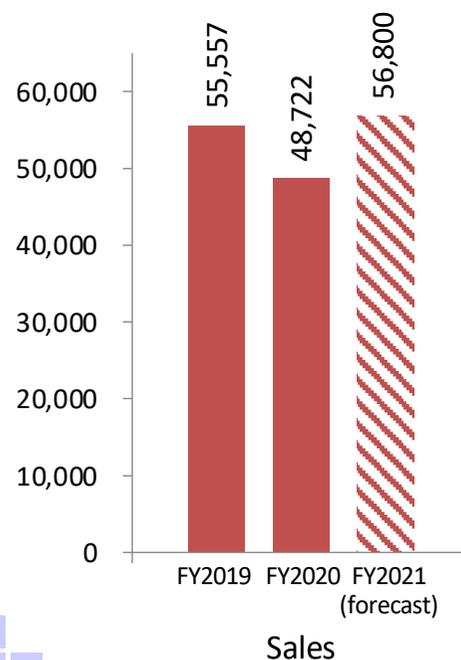
# Consolidated Results for the Fiscal Year Ending March 2022

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

# Consolidated Performance Forecast Highlights (FY2021)



(Unit: millions of yen)	FY2020		FY2021							YoY change		
	Full-year results	Sales ratio	1st half forecast (revised)	Change from previous forecast	2nd half forecast	Change from previous forecast	Full-year forecast (revised)	Sales ratio	Change from previous forecast	YoY change		
										Amount	Ratio	Ratio (excluding exchange rate)
■ Sales	48,722	-	27,400	800	29,400	0	56,800	-	800	8,077	16.6%	15.5%
■ Operating profit	-509	-1.0%	1,020	380	1,410	0	2,430	4.3%	380	2,939	-	-
■ Ordinary profit	366	0.8%	930	500	1,210	0	2,140	3.8%	500	1,773	484.1%	-
■ Profit attributable to owners of parent	-301	-0.6%	750	440	860	0	1,610	2.8%	440	1,911	-	-
Exchange rate (average during period)	US dollar	106.06 yen	107.25 yen	2.25 yen	105.00 yen	0.00 yen	106.12 yen	-	1.12 yen	0.06 yen	0.1%	-
	Euro	123.70 yen	128.48 yen	3.48 yen	125.00 yen	0.00 yen	126.74 yen	-	1.74 yen	3.04 yen	2.5%	-



# Key Points of the Earnings Forecast

- The upward revision in 1Q is added to the 1st half and full-year forecasts.
- There are no revisions from the initial forecast at this time, as there are many uncertain factors for 2Q and beyond.
  - Impact of highly infectious strains of the coronavirus
  - Impact on production due to shortage of parts and raw materials, and prolonged transportation lead times
  - Impact on profit due to soaring transportation costs and raw material prices
- In the 2Q and beyond, we will continue to make concerted Group-wide efforts based on the priority measures set forth in the medium- to long-term growth strategy, Mimaki V10.
  - Market launch of new products and sales expansion
  - Business development in light of rapid changes in the market environment and customer needs
  - Establishment of a foundation to improve profitability

# Factors Effecting Operating Profit (FY2020 Results vs FY2021 Forecast)



(Unit: millions of yen)

## [Impact by currency]

USD:	106.06 yen → 106.12 yen	+3
EUR:	123.70 yen → 126.74 yen	+256
CNY:	15.67 yen → 16.62 yen	-84
AUD:	76.17 yen → 78.83 yen	+33
TRY:	14.51 yen → 13.91 yen	-27
Other (BRL, IDR, etc.)		-43
	<b>Total</b>	<b>139</b>

## [Exchange rate sensitivity (1 yen/year)]

	Net sales	Operating profit
USD	113	57
EUR	124	84

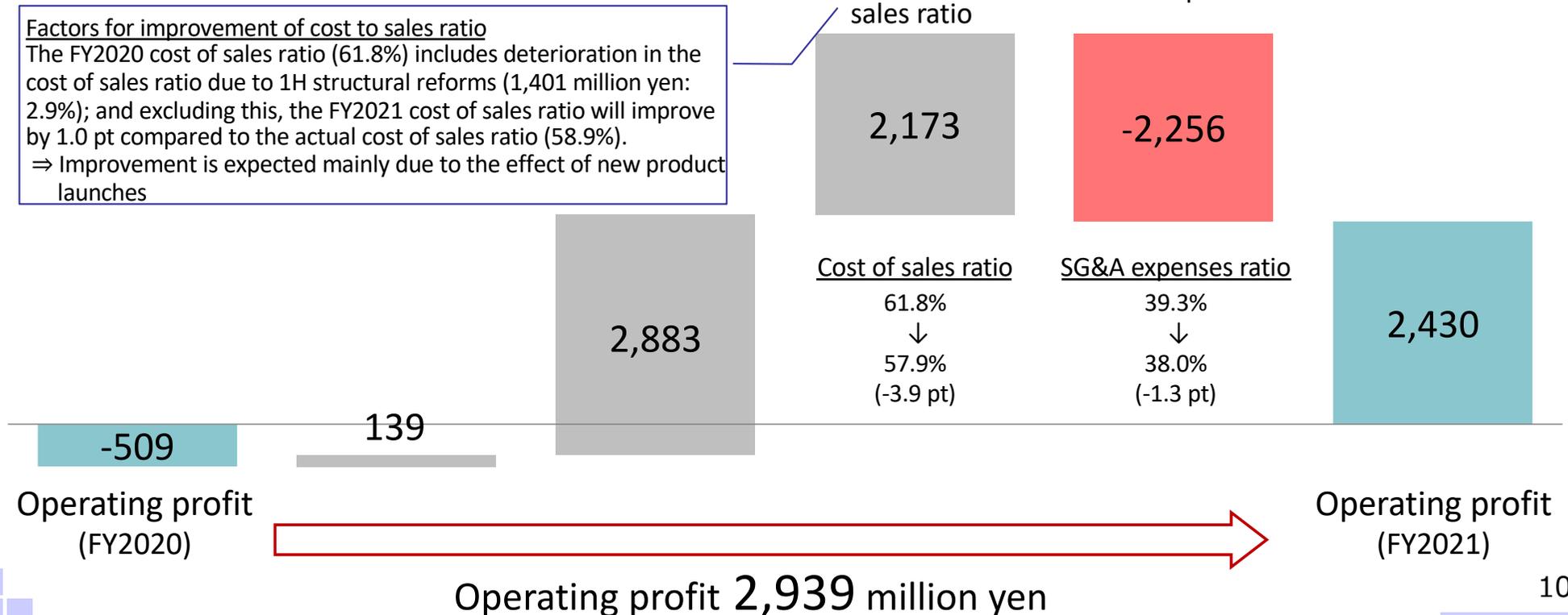
## [FX impact on net sales, cost of sales and operating profit]

Net sales 529 - Cost of sales 257 - SG&A expenses 132 = Operating profit 139

- (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

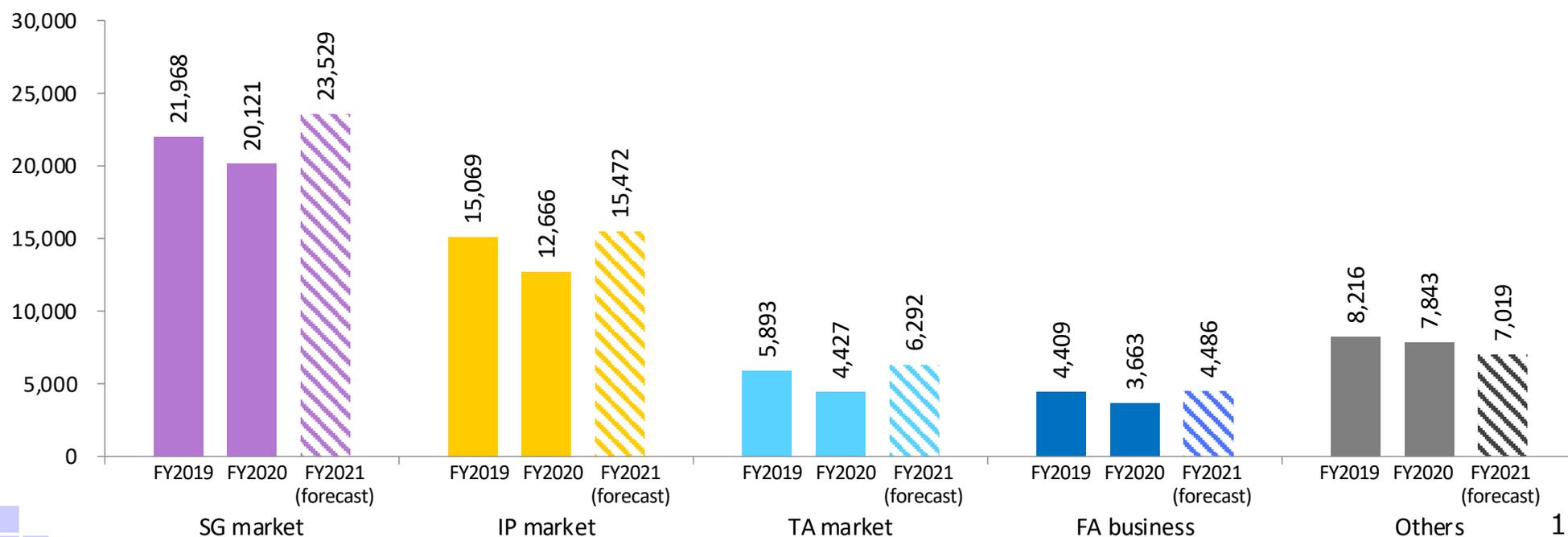
### Factors for improvement of cost to sales ratio

The FY2020 cost of sales ratio (61.8%) includes deterioration in the cost of sales ratio due to 1H structural reforms (1,401 million yen: 2.9%); and excluding this, the FY2021 cost of sales ratio will improve by 1.0 pt compared to the actual cost of sales ratio (58.9%).  
 ⇒ Improvement is expected mainly due to the effect of new product launches



# Sales Forecast by Market Segment (FY2021)

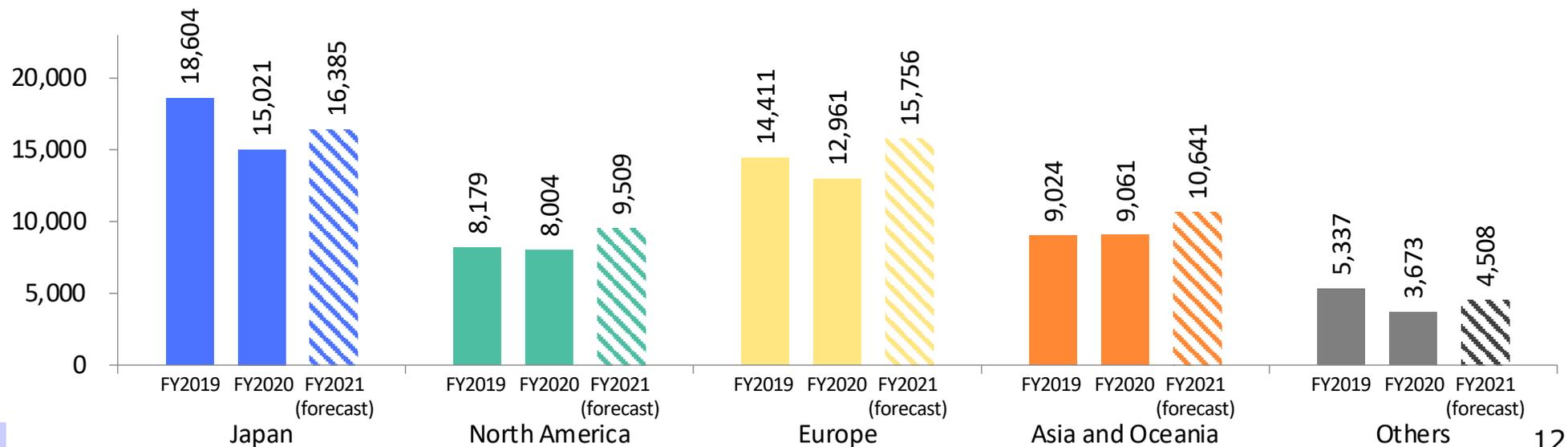
(Unit: millions of yen)	FY2020		FY2021									
	Full-year results	Composition ratio	1st half forecast (revised)	Change from previous forecast	2nd half forecast	Change from previous forecast	Full-year forecast (revised)	Change from previous forecast	YoY change			Composition ratio
									Amount	Ratio	Ratio (excluding exchange rate)	
SG market	20,121	41.3%	11,778	335	11,751	0	23,529	335	3,408	16.9%	15.7%	41.4%
IP market	12,666	26.0%	7,085	331	8,387	0	15,472	331	2,805	22.2%	21.0%	27.2%
TA market	4,427	9.1%	2,856	-184	3,436	0	6,292	-184	1,864	42.1%	40.2%	11.1%
FA business	3,663	7.5%	2,056	-171	2,430	0	4,486	-171	822	22.5%	21.6%	7.9%
Others	7,843	16.1%	3,623	489	3,396	0	7,019	489	-824	-10.5%	-	12.4%
<b>Total</b>	<b>48,722</b>	<b>100.0%</b>	<b>27,400</b>	<b>800</b>	<b>29,400</b>	<b>0</b>	<b>56,800</b>	<b>800</b>	<b>8,077</b>	<b>16.6%</b>	<b>15.5%</b>	<b>100.0%</b>



# Sales Forecast by Area (FY2021)

(Unit: millions of yen)	FY2020		FY2021								
	Full-year results	Composition ratio	1st half forecast (revised) *	Change from previous forecast	2nd half forecast*	Change from previous forecast	Full-year forecast (revised)	Change from previous forecast	YoY change		Composition ratio
									Amount	Ratio	
■ Japan	15,021	30.8%	7,789	-238	8,596	-279	16,385	-517	1,363	9.1%	28.8%
■ North America	8,004	16.4%	4,840	839	4,669	340	9,509	1,179	1,504	18.8%	16.7%
Local currency/\$	75.4M	-	45.1M	7.0M	44.4M	3.2M	89.6M	10.3M	14.1M	18.7%	-
■ Europe	12,961	26.6%	7,501	137	8,255	0	15,756	137	2,794	21.6%	27.7%
Local currency/€	104.7M	-	58.3M	-0.6M	65.9M	0.0M	124.3M	-0.6M	19.5M	18.6%	-
■ Asia/Oceania	9,061	18.6%	5,026	355	5,615	279	10,641	634	1,579	17.4%	18.7%
■ Others	3,673	7.6%	2,243	-292	2,265	-340	4,508	-632	835	22.7%	7.9%
<b>Total</b>	<b>48,722</b>	<b>100.0%</b>	<b>27,400</b>	<b>800</b>	<b>29,400</b>	<b>0</b>	<b>56,800</b>	<b>800</b>	<b>8,077</b>	<b>16.6%</b>	<b>100.0%</b>

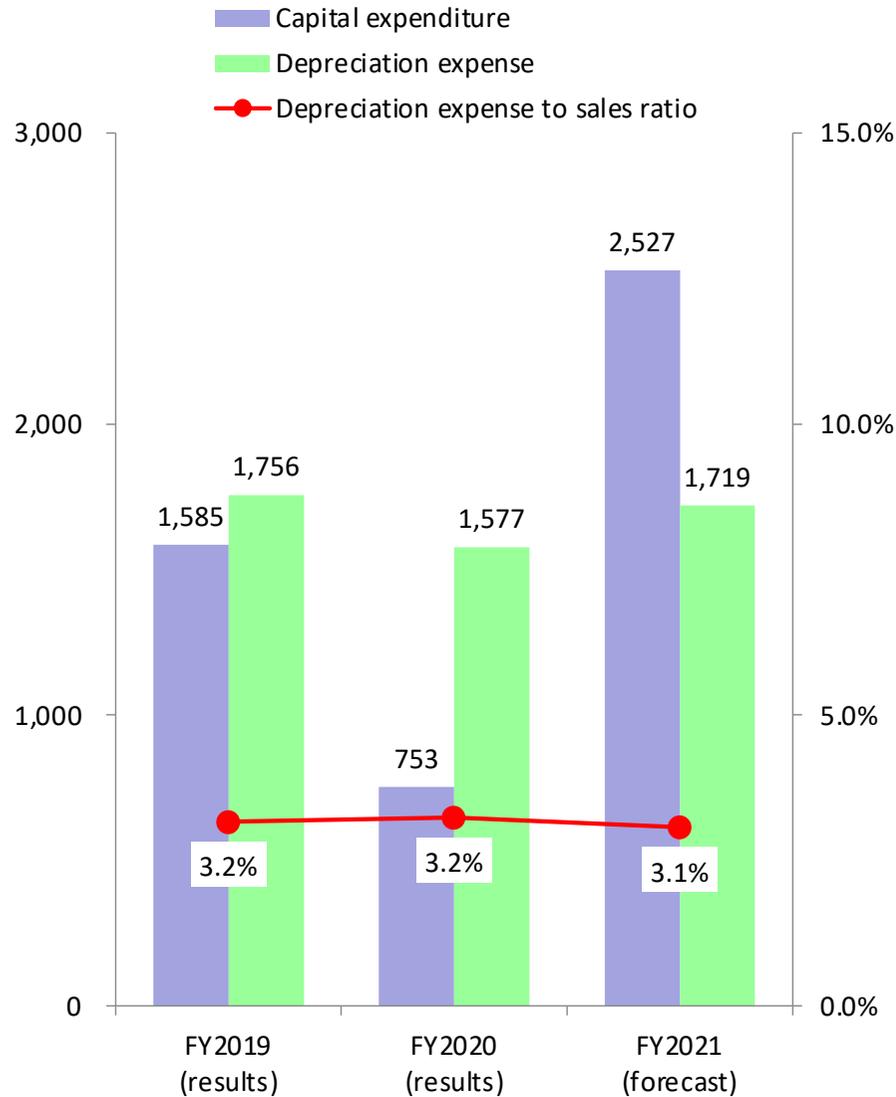
\*Based on 1Q results and future outlook, we have reclassified a portion of FA business sales from Japan to Asia and a portion of Latin America sales from Others to North America.



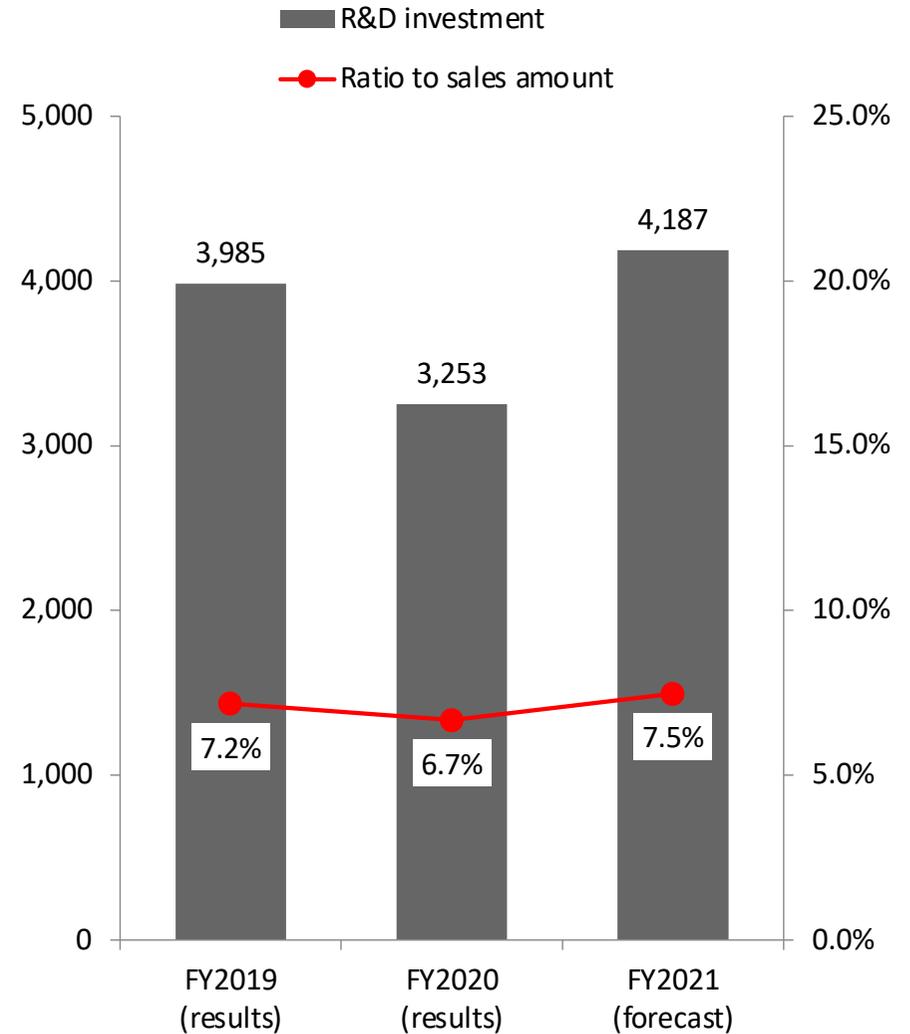
# Capital Expenditure, Depreciation, and R&D Investment Forecast



(millions of yen)



(million 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

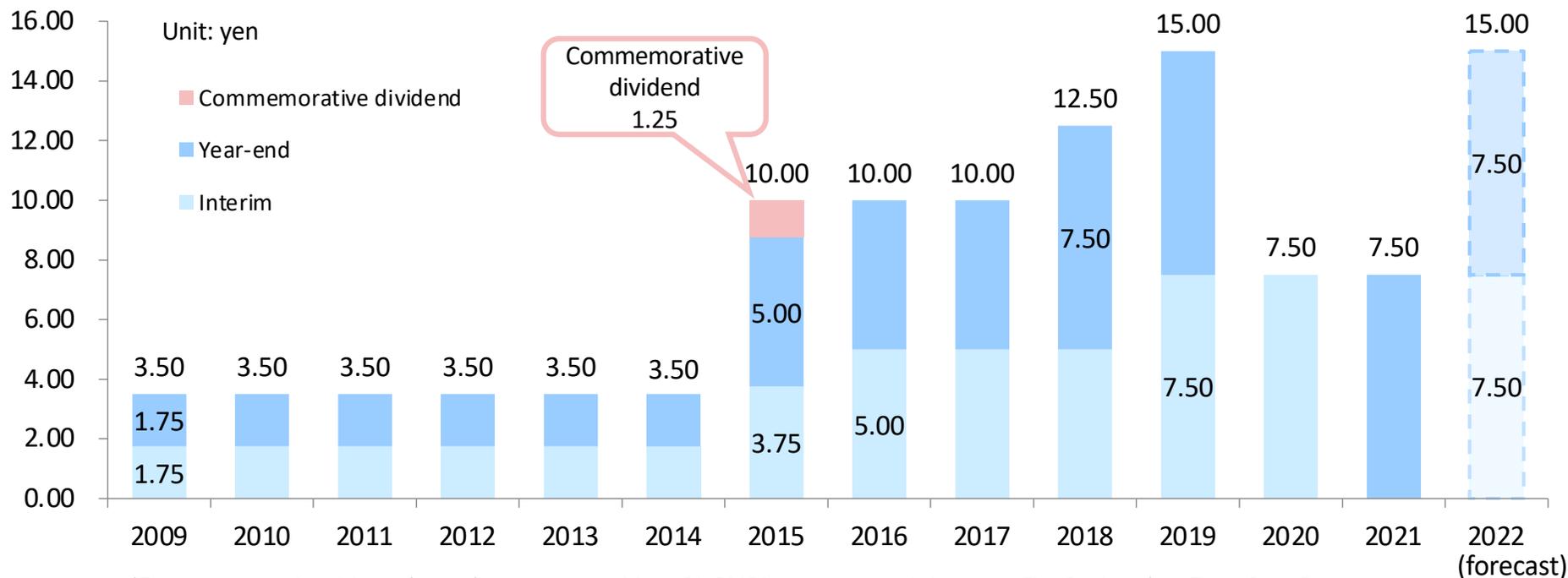
Mimaki Engineering treats shareholder returns as a key management tenet. As such, it is the Company's basic policy to stably and continuously pay out dividends commensurate with growth in business performance.

### ■ Year-end dividends for FY2020: Resumed at 7.5 yen

Although we did not pay a dividend for the 1st half of FY2020, we have resumed paying a year-end dividend of 7.5 yen, taking into account the return to profitability in the 2nd half of the fiscal year, future business prospects, and our shareholder returns policy.

### ■ Interim dividends for FY2021 (forecast): 7.5 yen, Year-end: 7.5 yen

Based on 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

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