



# Financial Result for the Fiscal Year Ended March 2019

MIMAKI ENGINEERING CO., LTD

May 2019

Mimaki  
**3D Printer** **3DUJ-553**



**UCJV300-130**



**UJF-6042 MkII**



(Launched in July 2018)

**NEW** **JFX200-2513 EX**



(To be launched in May 2019)

**NEW**



(Launched in March 2019)



Code:6638

**Mimaki**

Listed on the first section of  
the Tokyo Stock Exchange

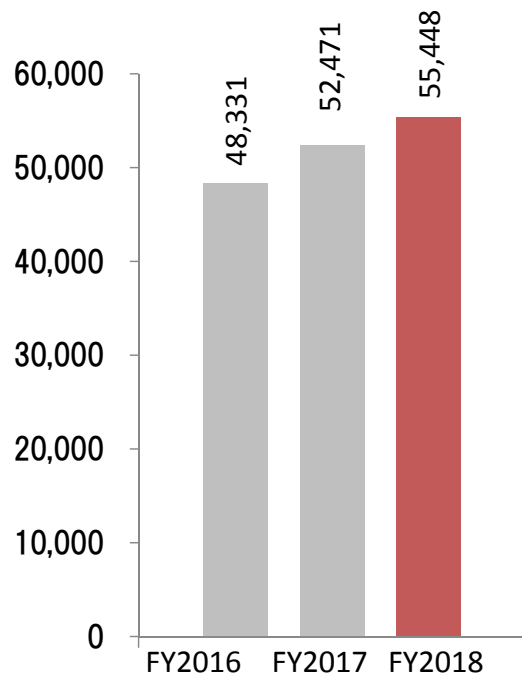
# Financial Results for Fiscal Year ended March 31, 2019



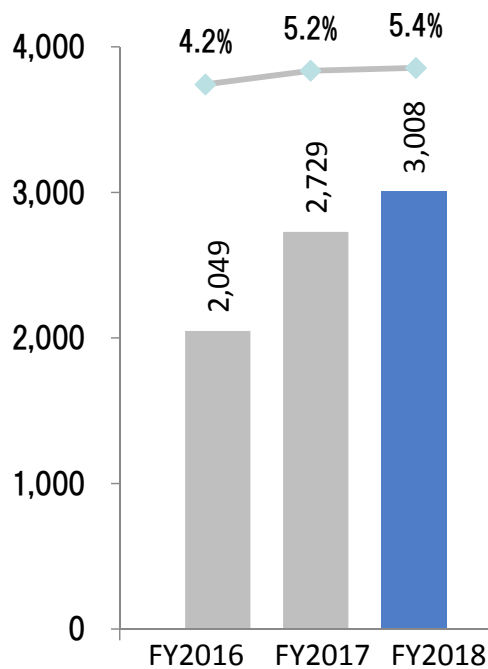
# Consolidated Financial Highlights



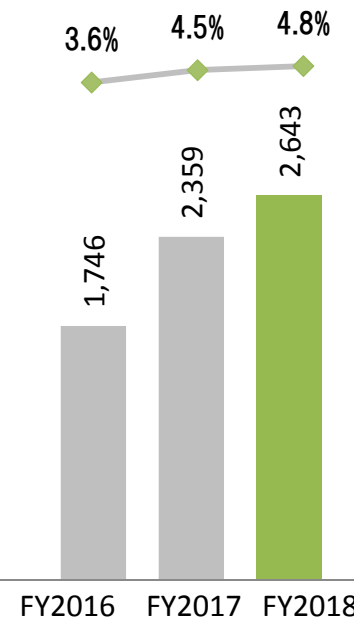
Currency unit: million JPY	Fiscal Year 2017		Fiscal Year 2018		
	Actual Results	sales ratio	Actual Results	sales ratio	Increase and decrease ratio
<span style="color: red;">■</span> Sales amount	52,471	100.0%	55,448	100.0%	5.7%
<span style="color: blue;">■</span> Operating profit	2,729	5.2%	3,008	5.4%	10.2%
<span style="color: green;">■</span> Ordinary Profit	2,359	4.5%	2,643	4.8%	12.0%
<span style="color: orange;">■</span> Net income	1,833	3.5%	1,680	3.0%	△8.4%
Currency exchange rate (Yearly average)	USD	JPY110.86	JPY110.91	-	0.0%
	EURO	JPY129.70	JPY128.40	-	△1.0%



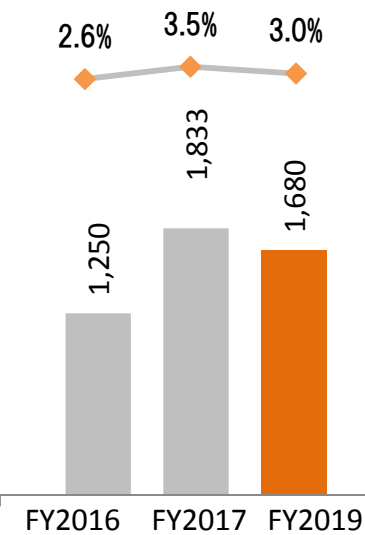
Sales amount



Operating profit



Ordinary Profit



Net income



# Factors Affecting Operating Income (FY2017 vs FY2018)



(Currency unit: million JPY)

## 【Influence amount by currency】

USD/JPY110.86 → JPY110.91	+2
EUR/JPY129.70 → JPY128.40	△118
TRY/JPY30.21 → JPY21.55	△253
BRL/JPY34.47 → JPY29.34	△250
Others (INR, AUD, IDR etc.)	△85
<b>Total</b>	<b>△704</b>

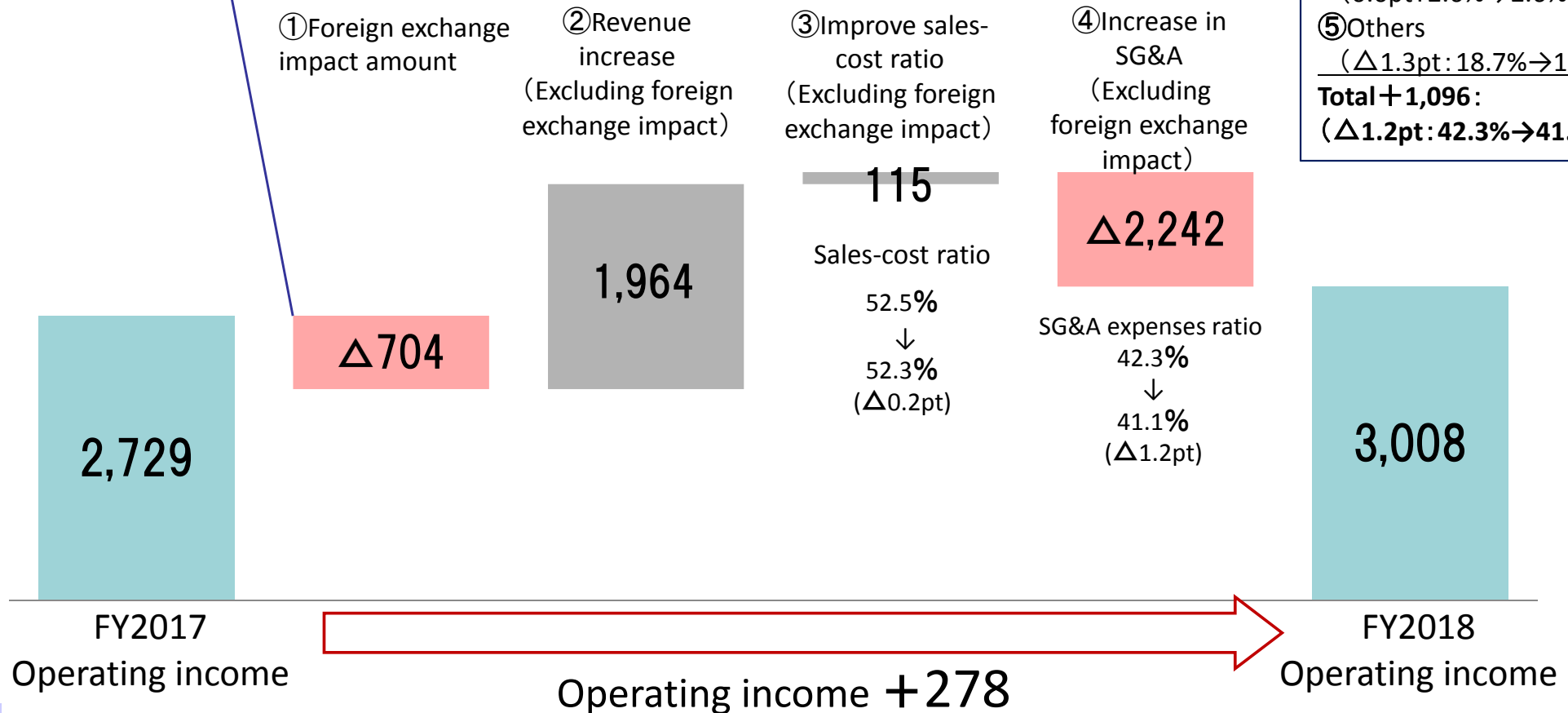
## 【Foreign exchange impact on sales, cos and operating profit】

Sales △1,158 - Cost of sales △188 - SG&A △266 = Operating income △704

## Factors affecting increase SG & A (Composition ratio)

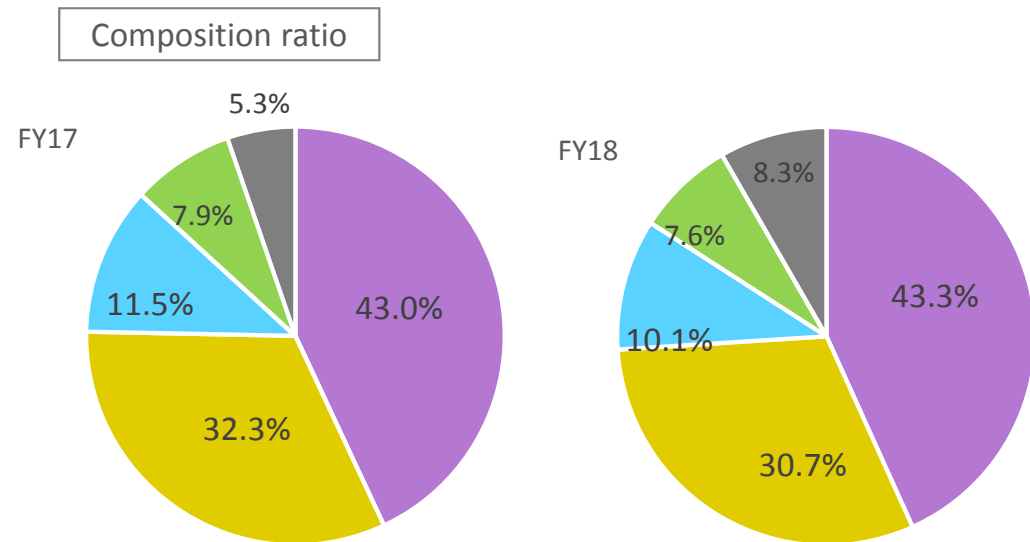
- ① Personal expenses +656  
(0.0pt: 16.2%→16.2%)
- ② Rent expenses +129  
(0.0pt: 2.5%→2.5%)
- ③ Haulage expenses +122  
(+0.1pt: 2.3%→2.4%)
- ④ Commission fee +122  
(0.0pt: 2.6%→2.6%)
- ⑤ Others  
(△1.3pt: 18.7%→17.4%)

**Total +1,096:**  
(△1.2pt: 42.3%→41.1%)

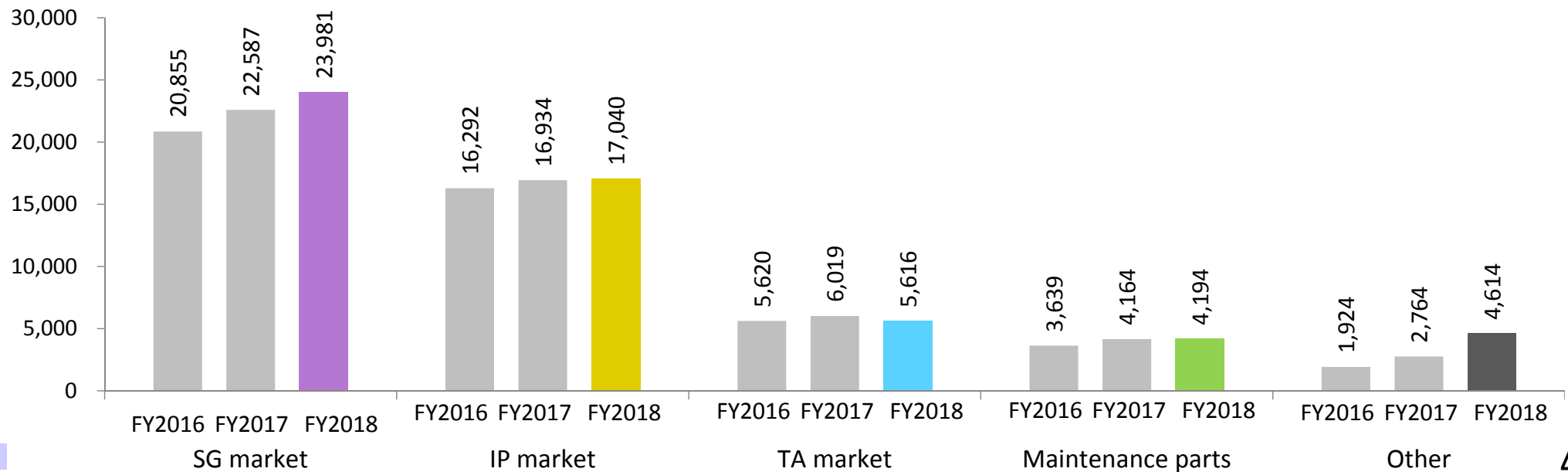


# Sales Amount of Each Market (FY2018)

Currency unit: million JPY	Fiscal Year 2017	Fiscal Year 2018	
	performance	performance	Increase and decrease ratio
SG market	22,587	23,981	6.2%
IP market	16,934	17,040	0.6%
TA market	6,019	5,616	△6.7%
Maintenance parts	4,164	4,194	0.7%
Other	2,764	4,614	66.9%
<b>Total</b>	<b>52,471</b>	<b>55,448</b>	<b>5.7%</b>



※ A 66.9% increase in other results since sales of ALPHA DESIGN's business added in fourth quarter. ( A 7.3% increase if excluded.)



# Sales Amount of Each Product Category (FY2018)

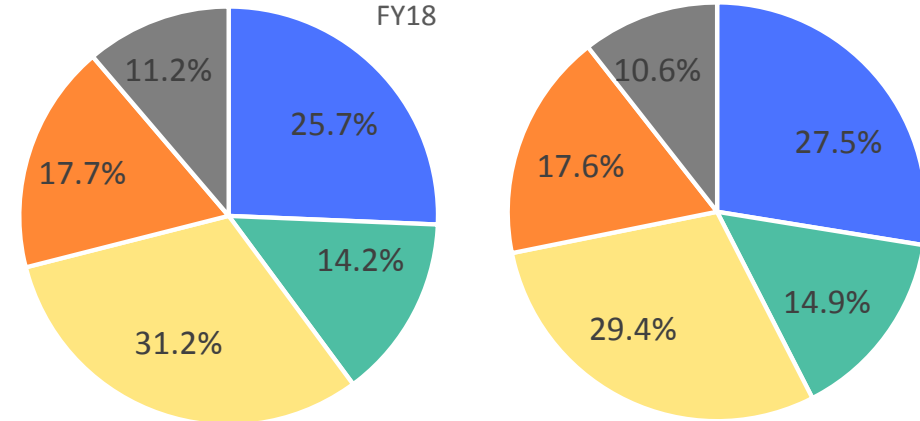


Currency unit: million JPY	Fiscal Year 2017	Fiscal Year 2018	
	Actual Results	Actual Results	Increase and decrease ratio
Japan	13,466	15,274	13.4%
North America (Local currency/\$)	7,451 (67.2M)	8,278 (74.6M)	11.1%
Europe (Local currency/€)	16,357 (126.1M)	16,276 (126.7M)	Δ0.5%
Asia/Oceania	9,297	9,754	4.9%
Other regions	5,898	5,863	Δ0.6%
<b>Total</b>	<b>52,471</b>	<b>55,448</b>	<b>5.7%</b>

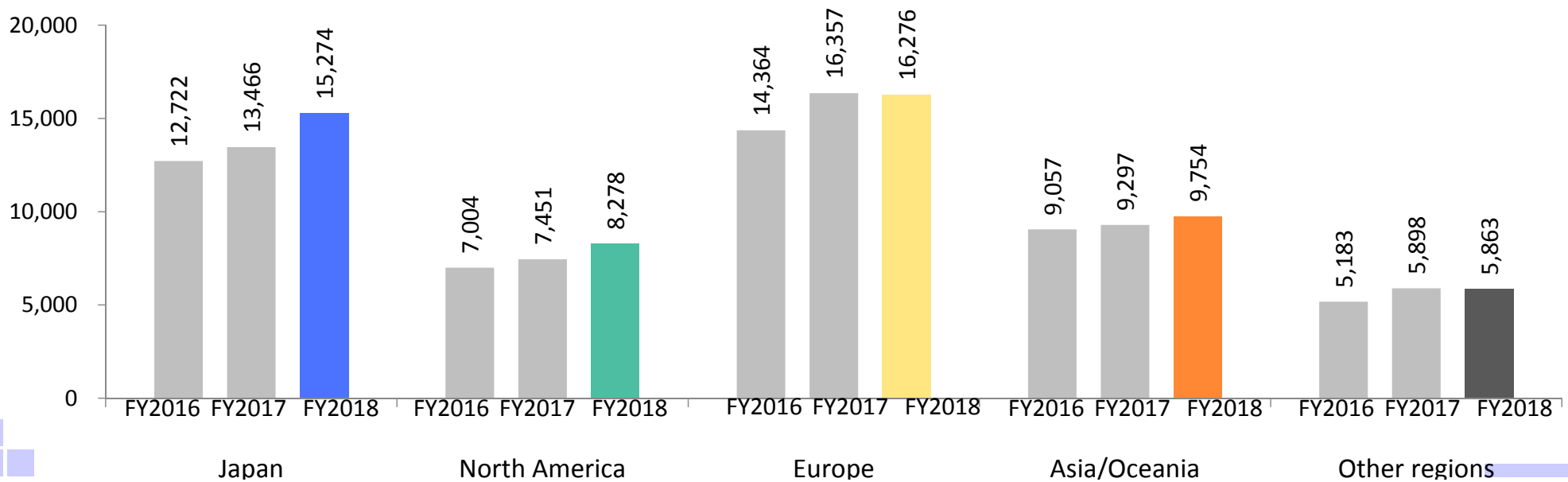
Composition ratio

FY17

FY18



※A 13.4% increase in Japan results since sales of ALPHA DESIGN's business added in fourth quarter. ( A 1.2% increase if excluded.)



# Summary Balance Sheet (As of March 31, 2019)

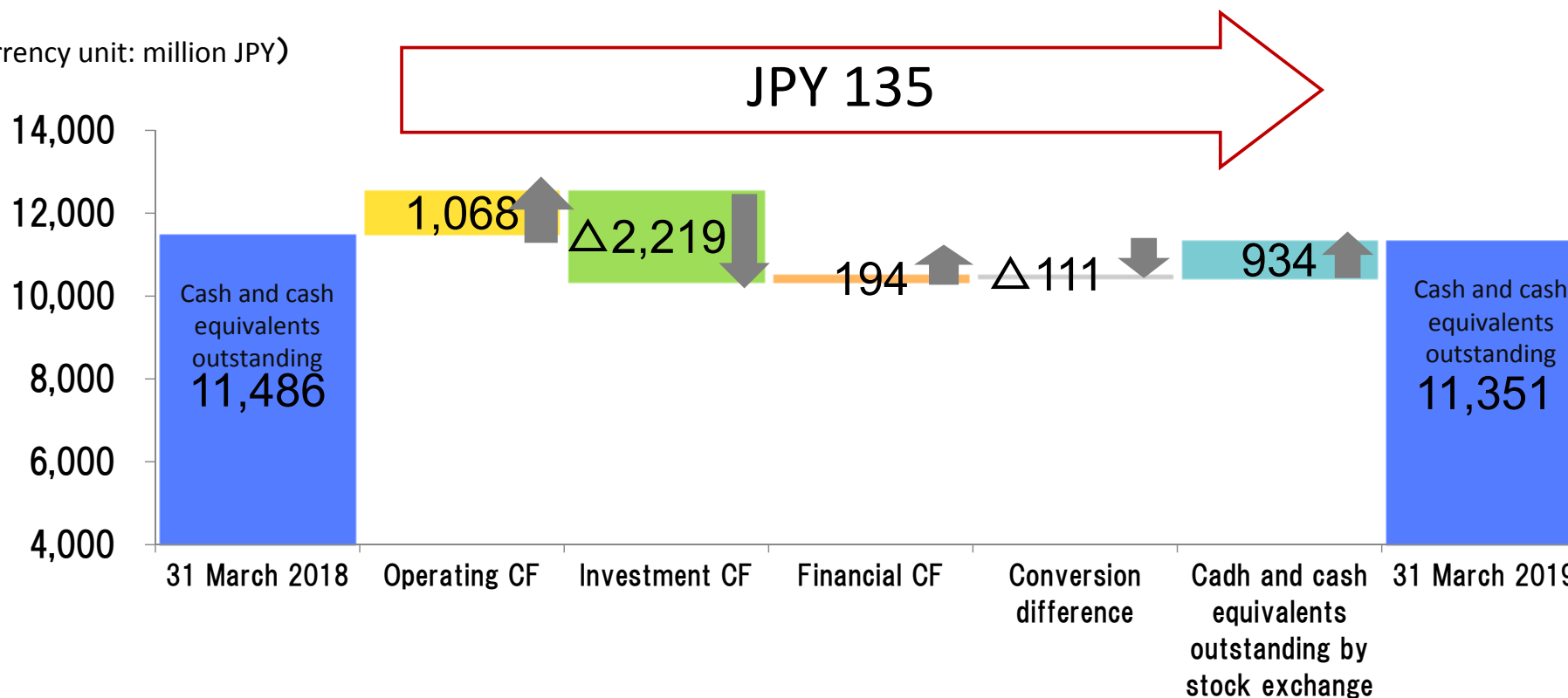
(Currency unit: million JPY)		31-Mar-18	31-Mar-19	Increase and decrease amount	Increase and decrease ratio
Assets	Cash and deposits	11,529	11,994	464	4.0%
	Notes and accounts receivable-trade(※1)	9,773	10,475	702	7.2%
	Inventories	16,337	18,023	1,685	10.3%
	Other current assets	1,520	1,628	108	7.1%
	<b>Total current assets</b>	<b>39,161</b>	<b>42,121</b>	<b>2,959</b>	<b>7.6%</b>
	Propetty, plant and equipment	9,248	10,724	1,475	16.0%
	Intangible assets	2,354	2,398	43	1.9%
	Other assets	3,229	3,219	△ 10	△0.3%
	<b>Total non-current assets</b>	<b>14,832</b>	<b>16,341</b>	<b>1,509</b>	<b>10.2%</b>
	<b>Total</b>	<b>53,994</b>	<b>58,463</b>	<b>4,468</b>	<b>8.3%</b>
Liabilities/Net assets	Notes and accounts payable-trade(※1)	8,674	8,352	△ 322	△3.7%
	Short-term loans payable(※2)	11,483	13,670	2,186	19.0%
	Other current liabilities	7,131	6,869	△ 262	△3.7%
	<b>Total current liabilities</b>	<b>27,289</b>	<b>28,891</b>	<b>1,602</b>	<b>5.9%</b>
	Long-term loans payable	8,237	9,564	1,327	16.1%
	Other non-current liabilities	689	996	306	44.5%
	<b>Total non-current liabilities</b>	<b>8,926</b>	<b>10,560</b>	<b>1,634</b>	<b>18.3%</b>
	<b>Total Liabilities</b>	<b>36,216</b>	<b>39,452</b>	<b>3,236</b>	<b>8.9%</b>
<b>Total net assets</b>	<b>17,778</b>	<b>19,010</b>	<b>1,232</b>	<b>6.9%</b>	
<b>Total</b>	<b>53,994</b>	<b>58,463</b>	<b>4,468</b>	<b>8.3%</b>	

(※1) Including Electronically recorded monetary claims and Electronically recorded obligations

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

# Cash Flow (FY2018)

(Currency unit: million JPY)



## Operating CF

EBITDA (※1)	5,076
Increase working capital	Δ 2,399
Tax, interest, etc.	Δ 1,609
<b>Total</b>	<b>1,068</b>

## Investment CF

Acquisition of fixed assets(※2)	Δ 1,826
Sales of fixed assets	35
Others	Δ 428
<b>Total</b>	<b>Δ 2,219</b>

## Financial CF

Short/Long-Term Borrowing Balance	893
Dividend	Δ 449
Others	Δ 249
<b>Total</b>	<b>194</b>

(※1) Operating profit before payment, tax and depreciation

(※2) European ink factory, core system, demonstration machine, etc.



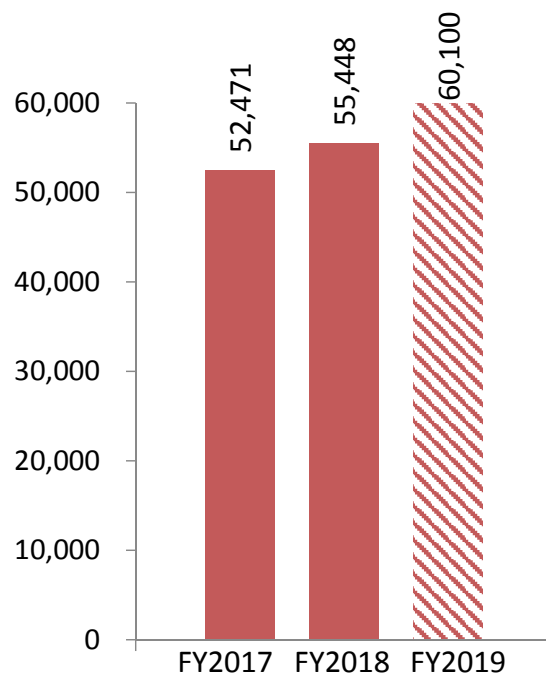
# Forecast for the Fiscal Year Ending March 31, 2020



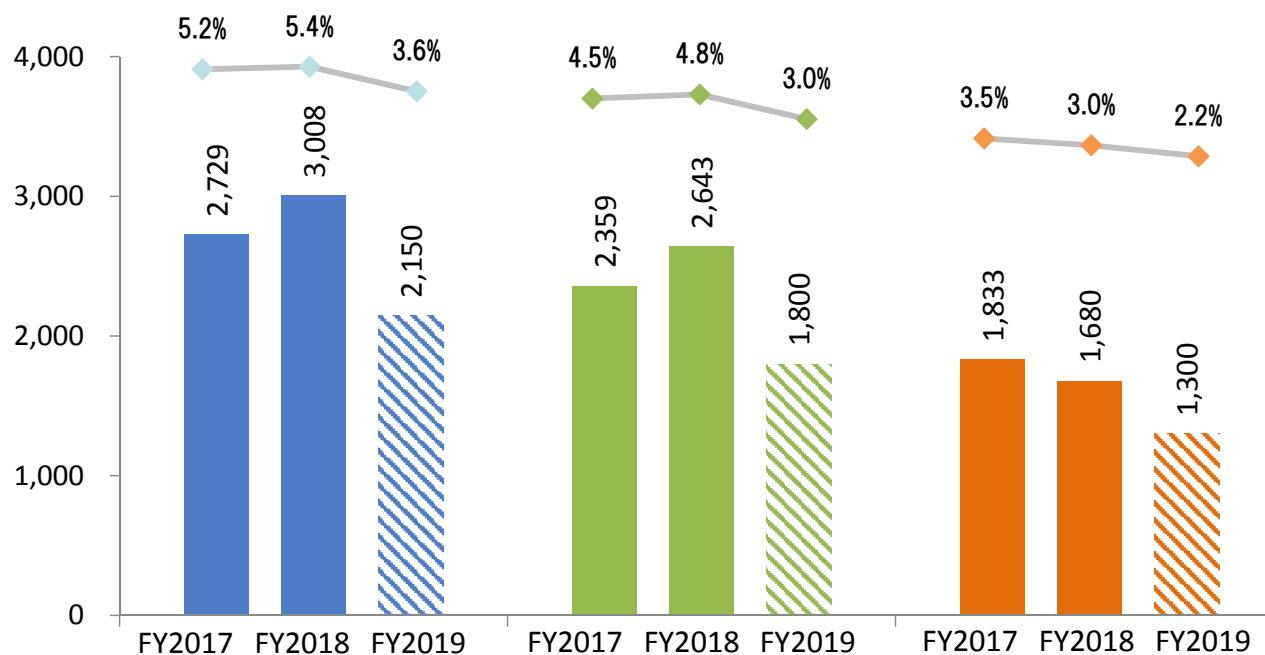
# Consolidated Financial Highlights (Prediction for the FY2019)



Currency unit: million JPY	Fiscal Year 2018		Fiscal Year 2019				
	Fiscal year	Sales ratio	First half	Second half	Fiscal year	Increase and decrease ratio	Sales ratio
■ Sales amount	55,448	100.0%	28,950	31,150	60,100	8.4%	100.0%
■ Operating profit	3,008	5.4%	800	1,350	2,150	Δ28.5%	3.6%
■ Ordinary profit	2,643	4.8%	650	1,150	1,800	Δ31.9%	3.0%
■ Net income	1,680	3.0%	450	850	1,300	Δ22.6%	2.2%
Currency exchange rate (Yearly average)	USD	JPY110.91	-	-	JPY107.00	Δ3.5%	-
	EURO	JPY128.40	-	-	JPY122.00	Δ5.0%	-



Sales amount



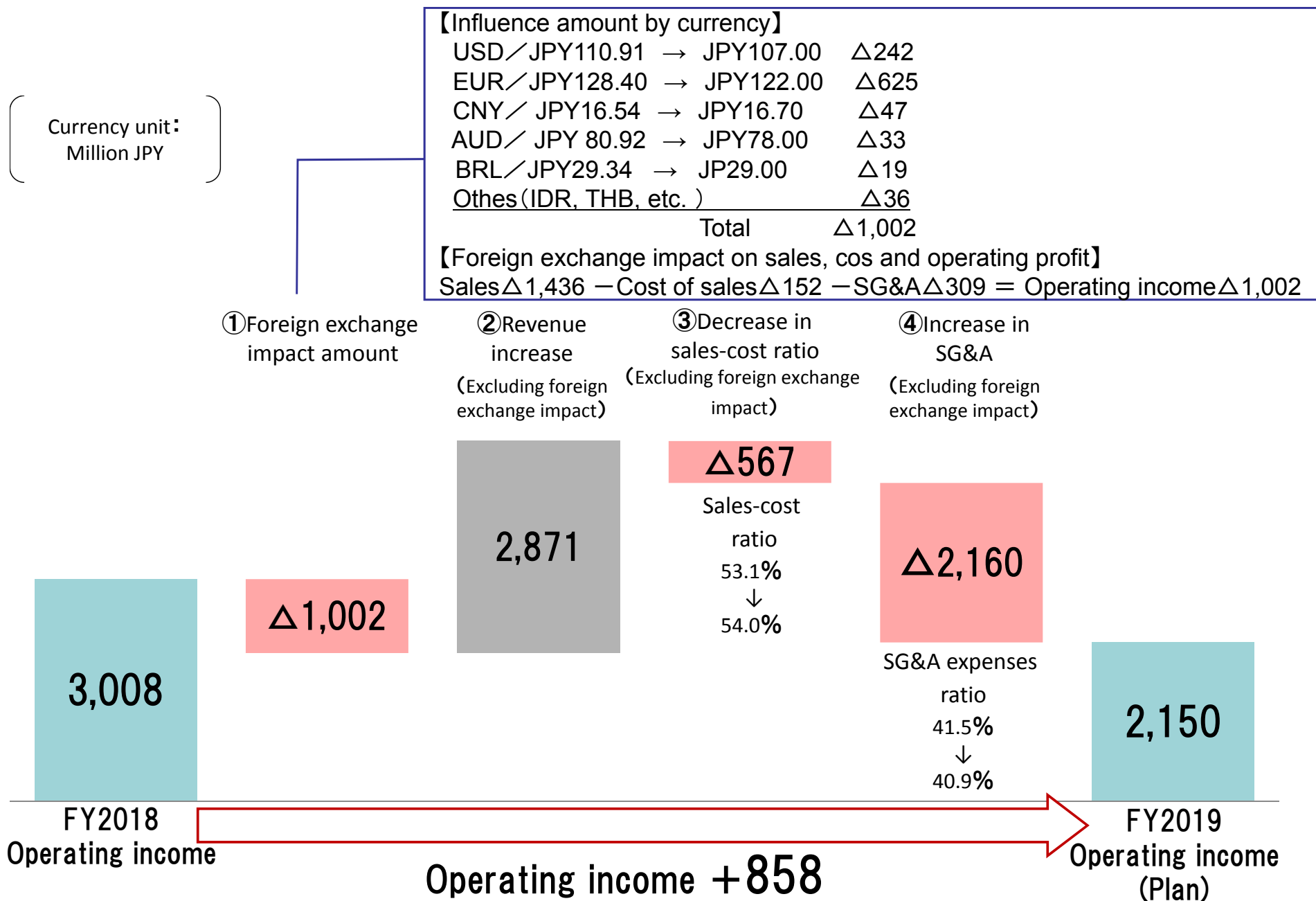
Operating profit

Ordinary profit

Net income



# Factors Affecting Operating Income

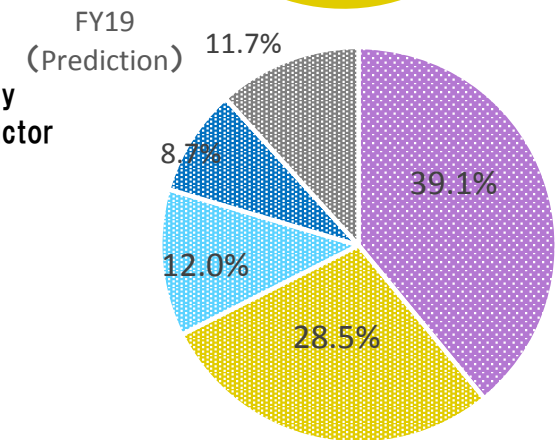
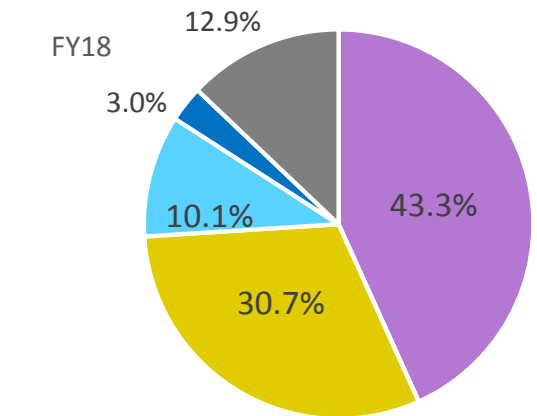


# Sales Amount of Each Market (Prediction for the FY2019)

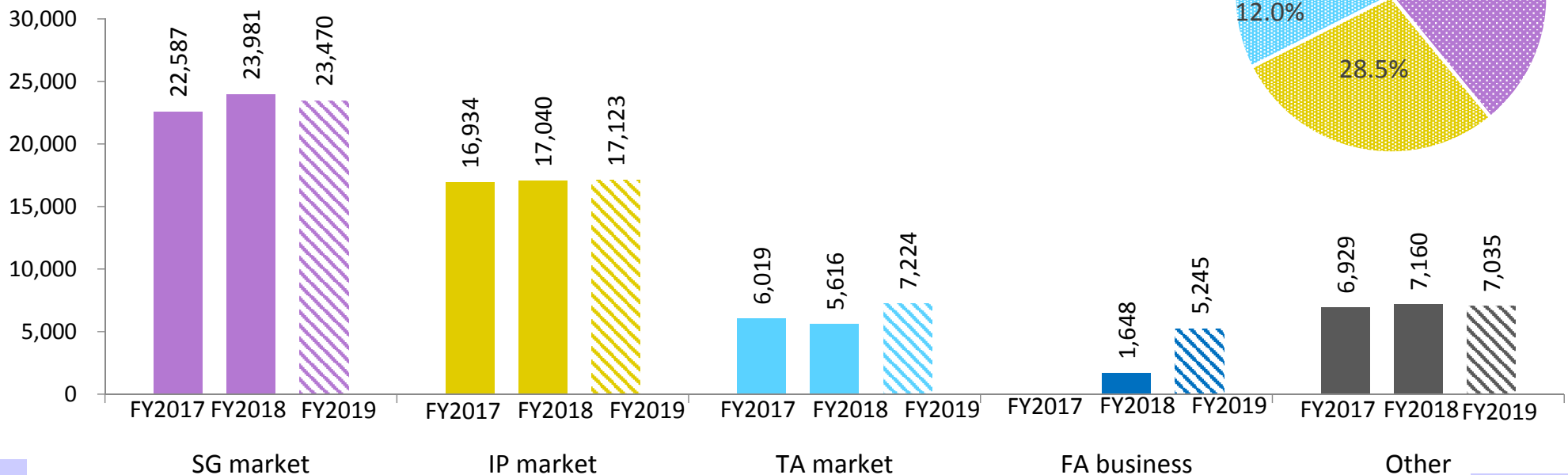


Currency unit: million JPY	Fiscal Year 2018	Fiscal Year 2019			
	Fiscal year	First half	Second half	Fiscal year	Increase and decrease ratio
SG market	23,981	11,294	12,175	23,470	Δ2.1%
IP market	17,040	8,119	9,004	17,123	0.5%
TA market	5,616	3,375	3,848	7,224	28.6%
FA business	1,648	2,595	2,650	5,245	218.2%
Other	7,160	3,563	3,471	7,035	Δ1.7%
Total	55,448	28,950	31,150	60,100	8.4%

Composition ratio



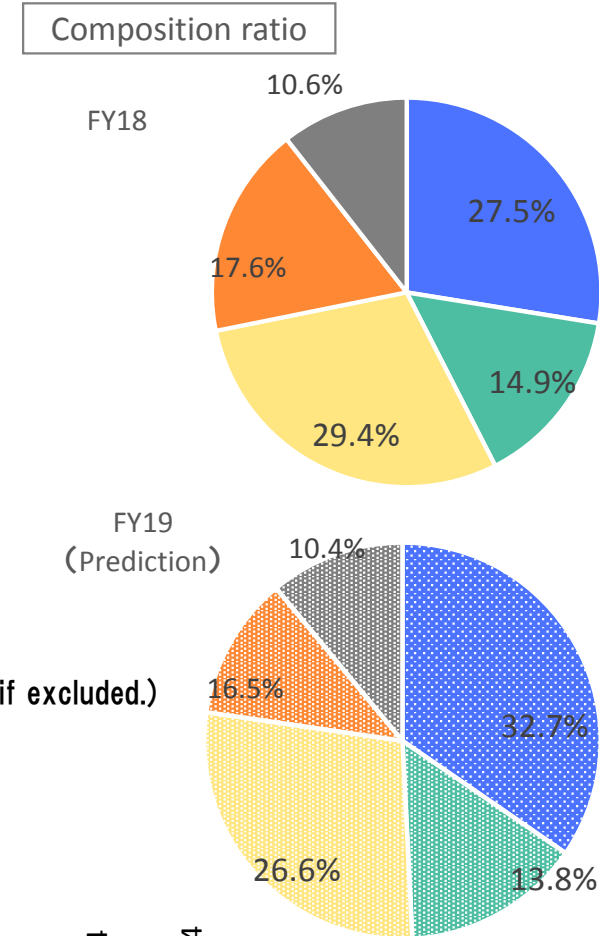
※ FA business is a general term of the business which is based on the ALPHA DESIGN GROUP, specifically development, manufacturing and sales of Factory Automation (FA) device, moisture-proof agent, semiconductor mounting device and metal processing industry.



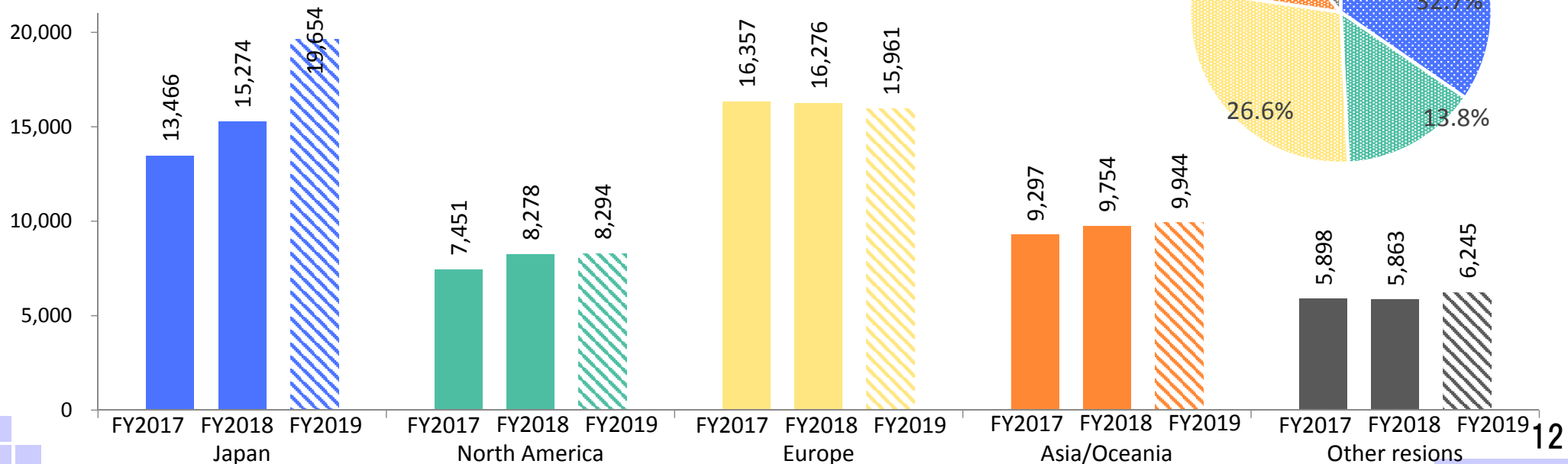
# Sales Amount of Each Regions (Prediction for the FY2019)



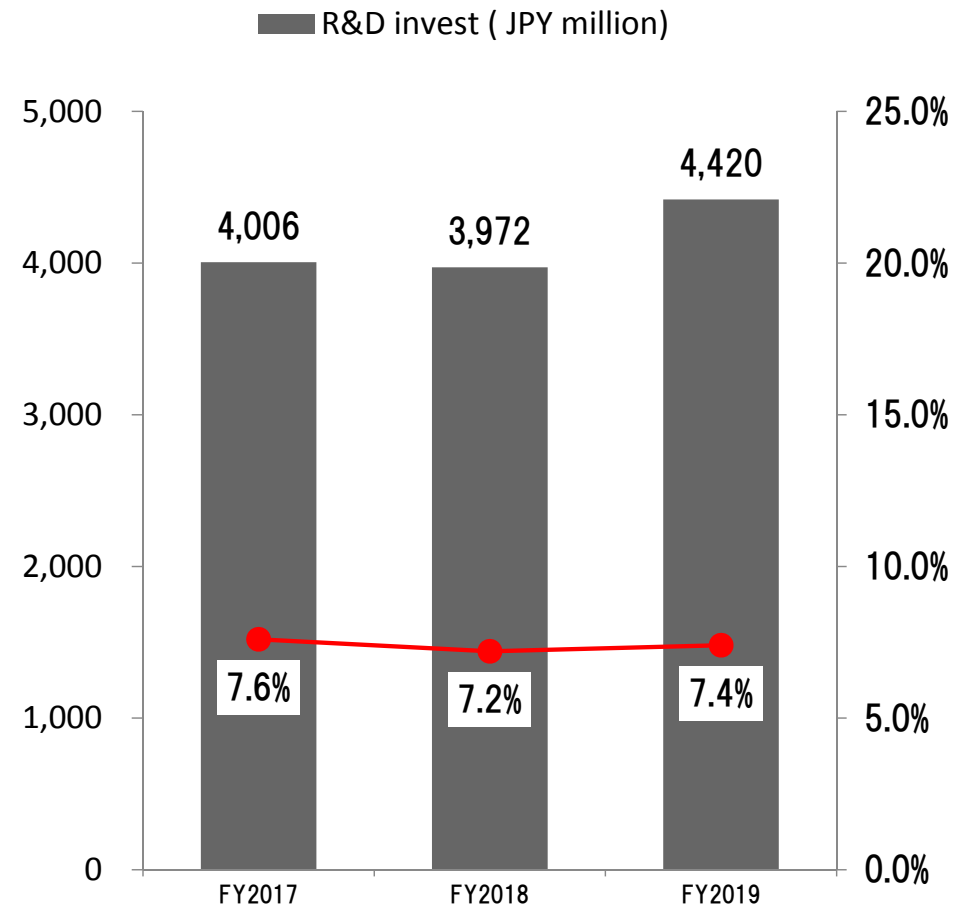
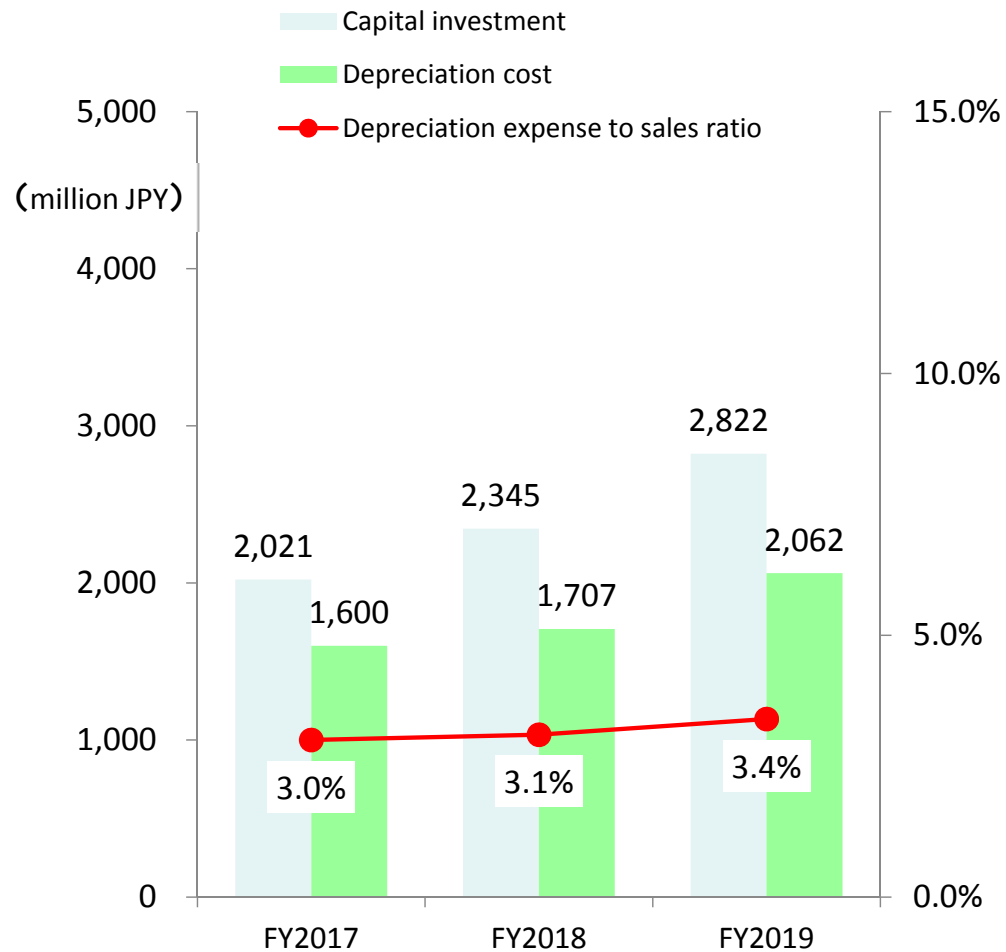
Currency unit : million JPY	Fiscal year 2018	Fiscal Year 2019			
	Fiscal year	First half	Second half	Fiscal year	increase and decrease ratio
Japan	15,274	9,401	10,252	19,654	28.7%
North America (Local currency/\$)	8,278 (74.6M\$)	3,968 (37.0M\$)	4,325 (40.4M\$)	8,294 (77.5M\$)	0.2%
Europe (Local currency/€)	16,276 (126.7M€)	7,643 (62.6M€)	8,318 (68.1M€)	15,961 (130.8M€)	Δ1.9%
Asia/Oceania	9,754	4,813	5,131	9,944	1.9%
Other regions	5,863	3,122	3,122	6,245	6.5%
<b>Total</b>	<b>55,448</b>	<b>28,950</b>	<b>31,150</b>	<b>60,100</b>	<b>8.4%</b>



※A 28.7% increase in Japan results since FA business is added in fourth quarter. ( A 5.1% increase if excluded.)



# Capital Expenditures, Depreciation, R&D Invest



## ※ Main capital investment( March 2020)

- Machinery and equipment (mainly for ink) JPY669M
- Software, Core system JPY465M
- Demonstration device JPY445M

※ 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 2,330 million yen in FY2017, 2,379 million yen in FY2018, and 2,077 million yen in FY2019

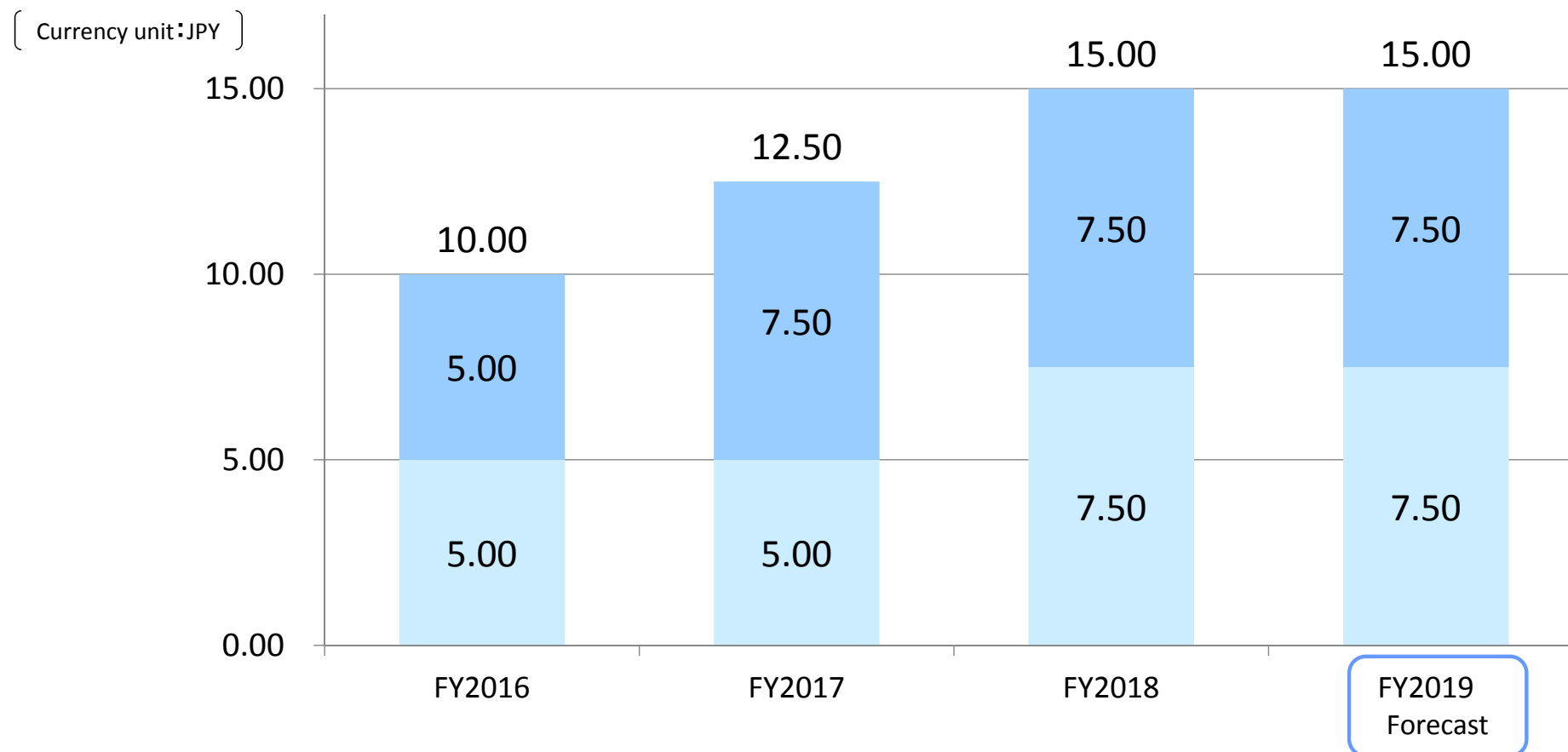


# Dividends (Prediction for the FY2019)



## 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.

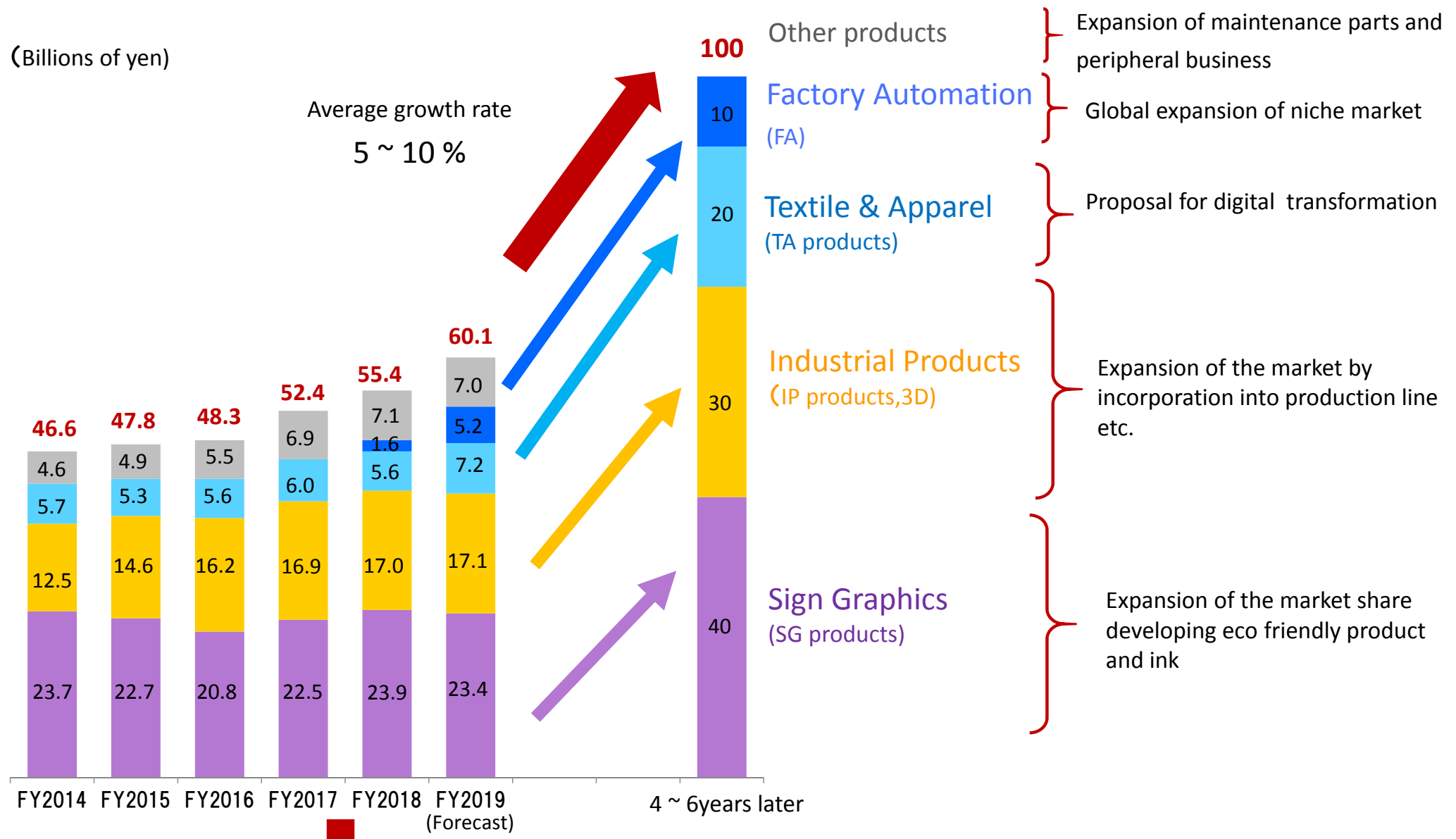


# ❖ Growth Strategy and Priority Issues





# Mimaki Aims at Reaching JPY100 Billion Sales (Long Term Vision: M1000 3.0)



**Make a mechanism**



# 1. Vision Statement

Promote digital on-demand printing, mass customization and IoT with vector technology, raster technology and mechatronics technology.

## Vector technology※1



Cutting plotter, laser, etc.

## Raster technology※2

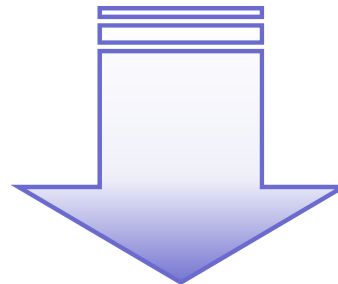


Inkjet printer, 3D printer, etc.

※1: **Vector technology** : Vector is a data format that expresses images as collections of analytic geometric figures such as circles and straight lines.

※2: **Raster technology** : Raster is a data format that expresses images with a collection of shades of points.

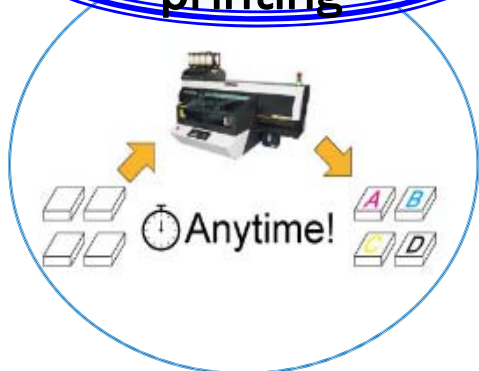
※3: **Mechatronics technology** : the development of products with combining mechanical micro mechanism and electronic control mechanism organically.



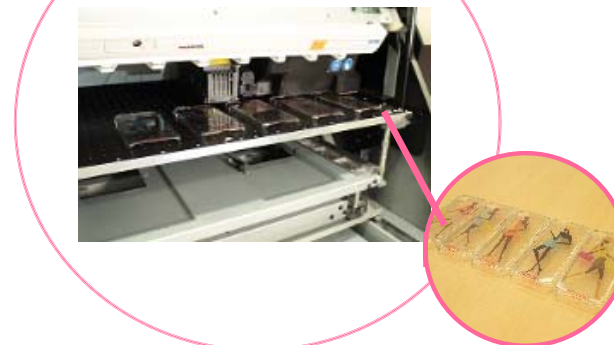
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## Mechatronics technology※3

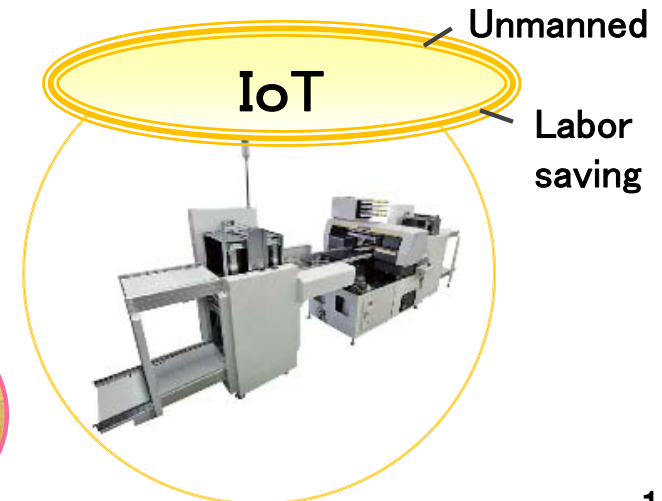
### Digital on-demand printing



### Mass customization



### IoT



# 3. M1000 3.0 Vision



**◎ Proposal for digital transformation**

**◎ Manage sustainability**

- Effort in resource recycling management and technology

**◎ Improve quality of product**

- Full review quality control
- Establish quality system

# 4. 6 Business Units/Introduction of Division System



Corporate Planning Division: Global management by Group Independent Profitability management System (GIPS)

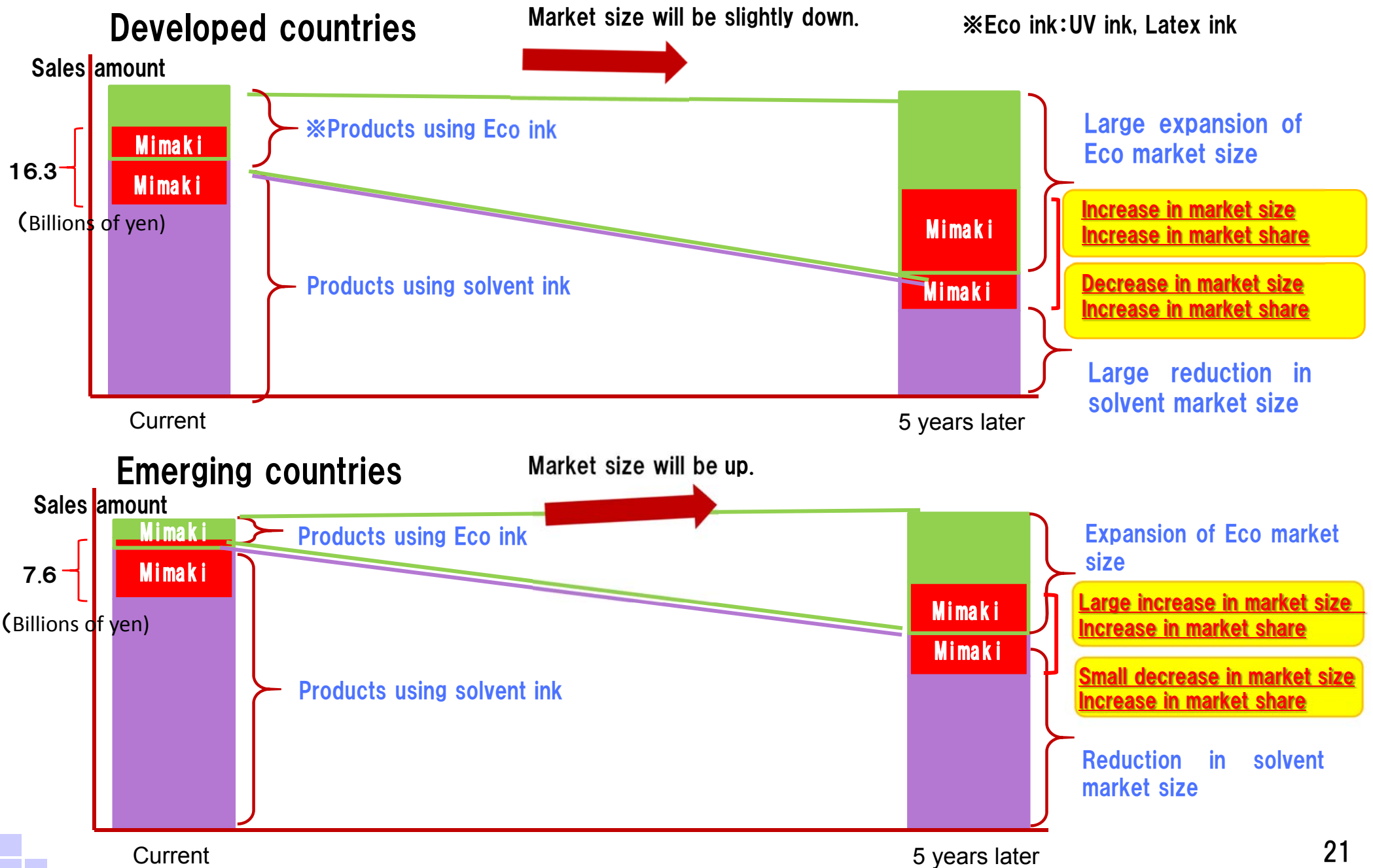




# ◆ SG Market



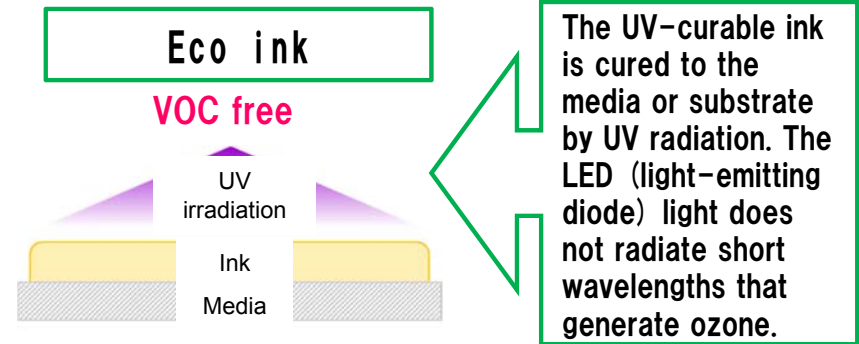
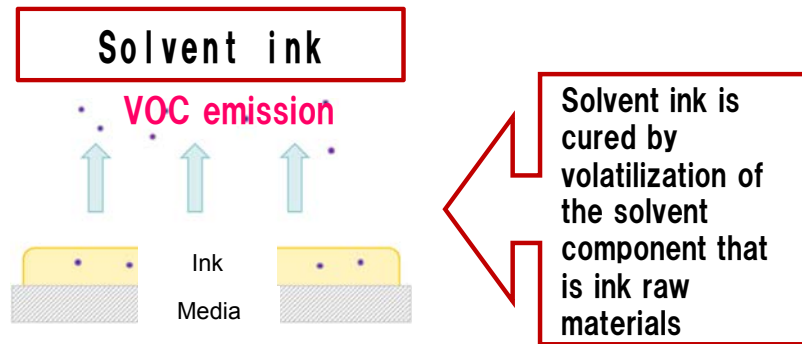
# 5-1. SG Market Growth Charts



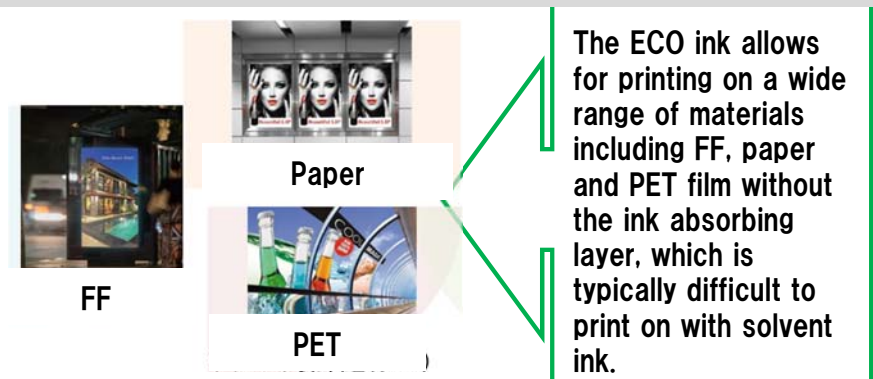
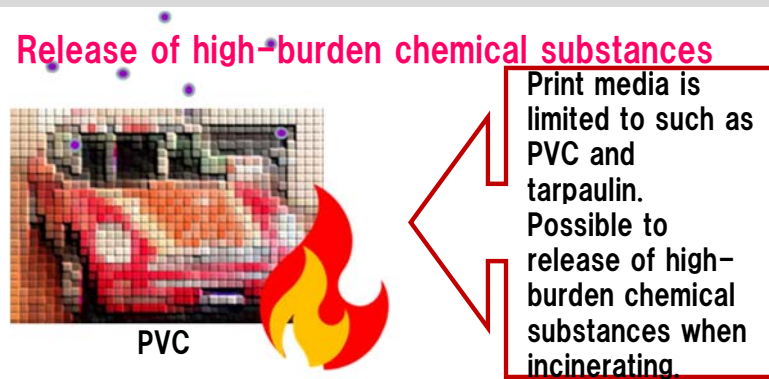
# 5-2. Feature of Eco Ink

- #1 : VOC free
- #2 : Printing on any sign media other than PVC
- #3 : Printing on the environment-friendly material

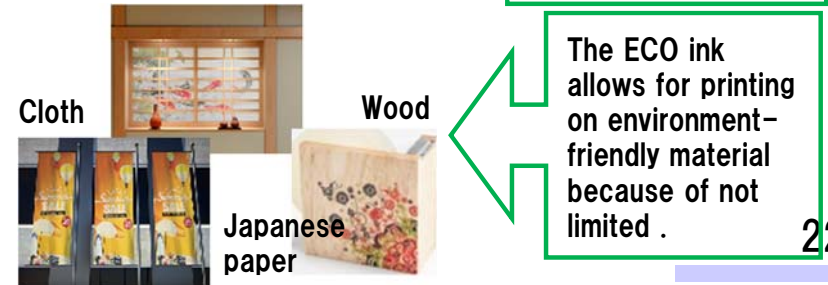
## Key point 1



## Key point 2



## Key point 3





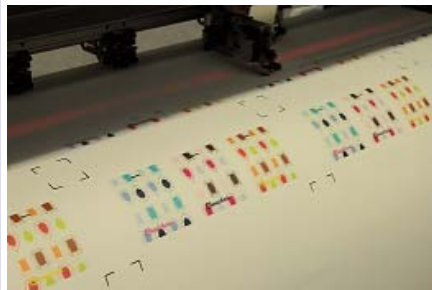
# 5-3. Expanding Applications with Environment-friendly UV Ink

- Expanding the range of work for end users in order to any material
- Expanding from signboards to interior POPs, labels, window films, wallpaper etc.

Sing



Label/Sticker



POP



Window film



Wallpaper





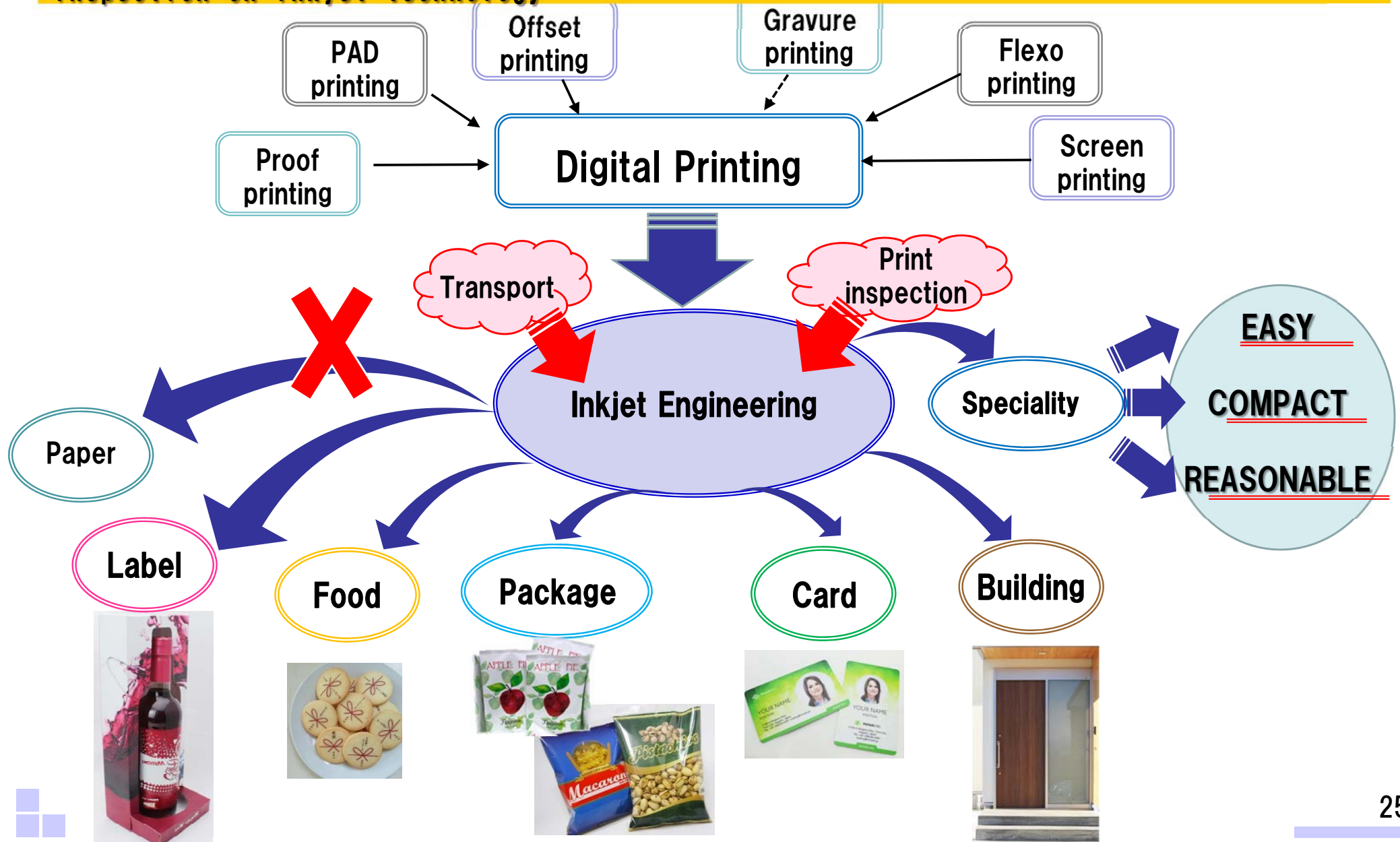


# ◆ IP Market



# 6-1 About the Future Development in IP Market

Expanding applications with adding elemental technology as transport and print inspection on inkjet technology



# 6-2. Focusing on 3D Printing Field Development

## Game • Character figure



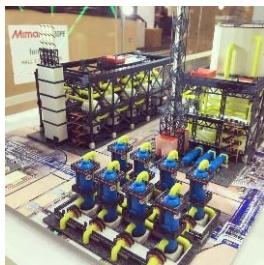
## Medical



## Mock up



## Architecture



## Cosmetics



## Souvenir





# ◆ TA Market



# 7-1. Proposal for Solution Including Value Chain

## Production area

India, China, Southeast Asia, South America, etc.

- Subcontracting company engaging in mass customization
- 95% on analog printing

### Issues

- High cost capital investment
- Increase in unit labor cost/Manpower shortage
- Environmental regulations
- Color matching know-how

## Consumption area

Mainly developed countries

Closing/downsizing of mass customization company  
Small - medium quantity production in house

### Issues

- Store closing/Rapid growth of E-Commerce (online retailers)
- Delivery time reduction
- Increase in demand for customized product
- Inventory reduction

Digital formation in connected these three

## Brand owner

Mainly developed countries

(Fashion, sports apparel industry)

- Collaboration with directly owned shops, franchised shops and factory

### Issues

- Solutions to water pollution and water shortage
- Delivery time reduction by small lot production of many products
- Inventory reduction
- Planning of high value-added products

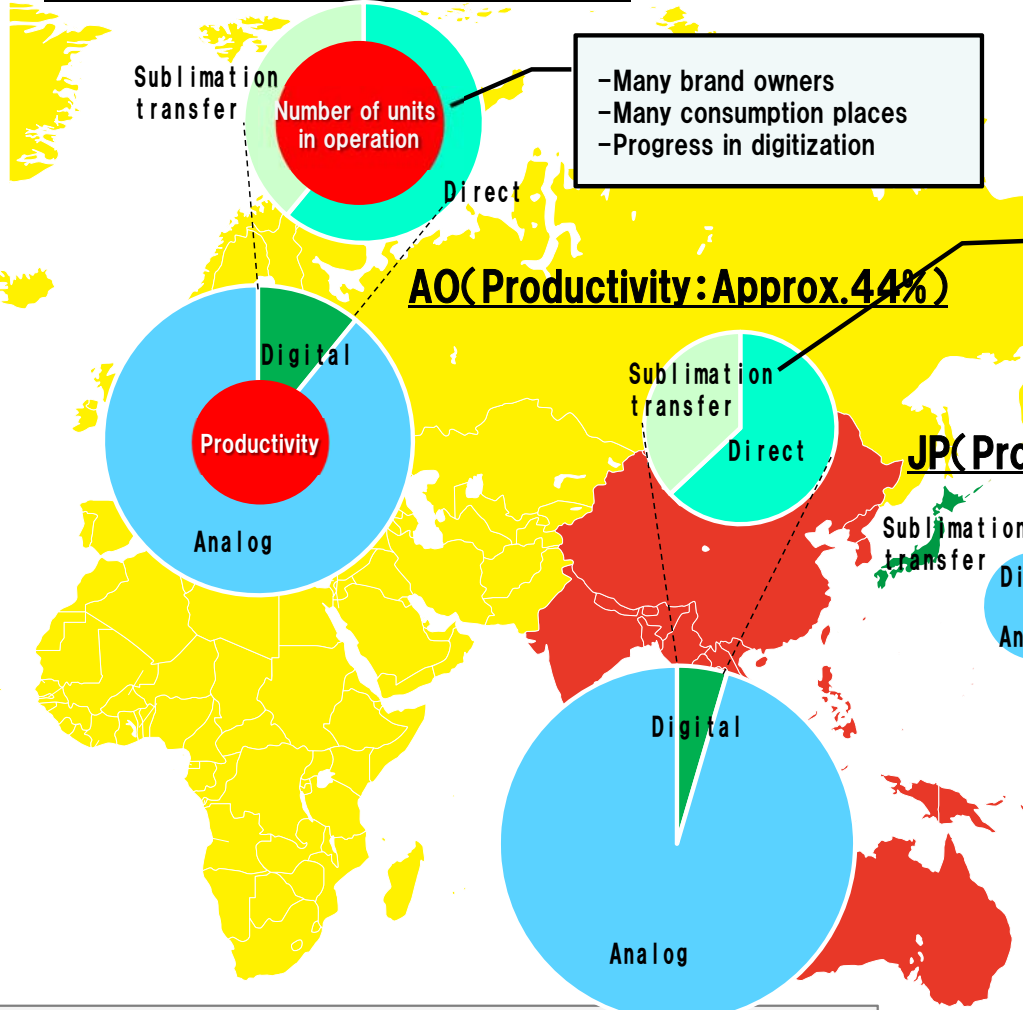


Proposal for digitization of the manufacturing site including value chain not only from "analog" to "digitization"



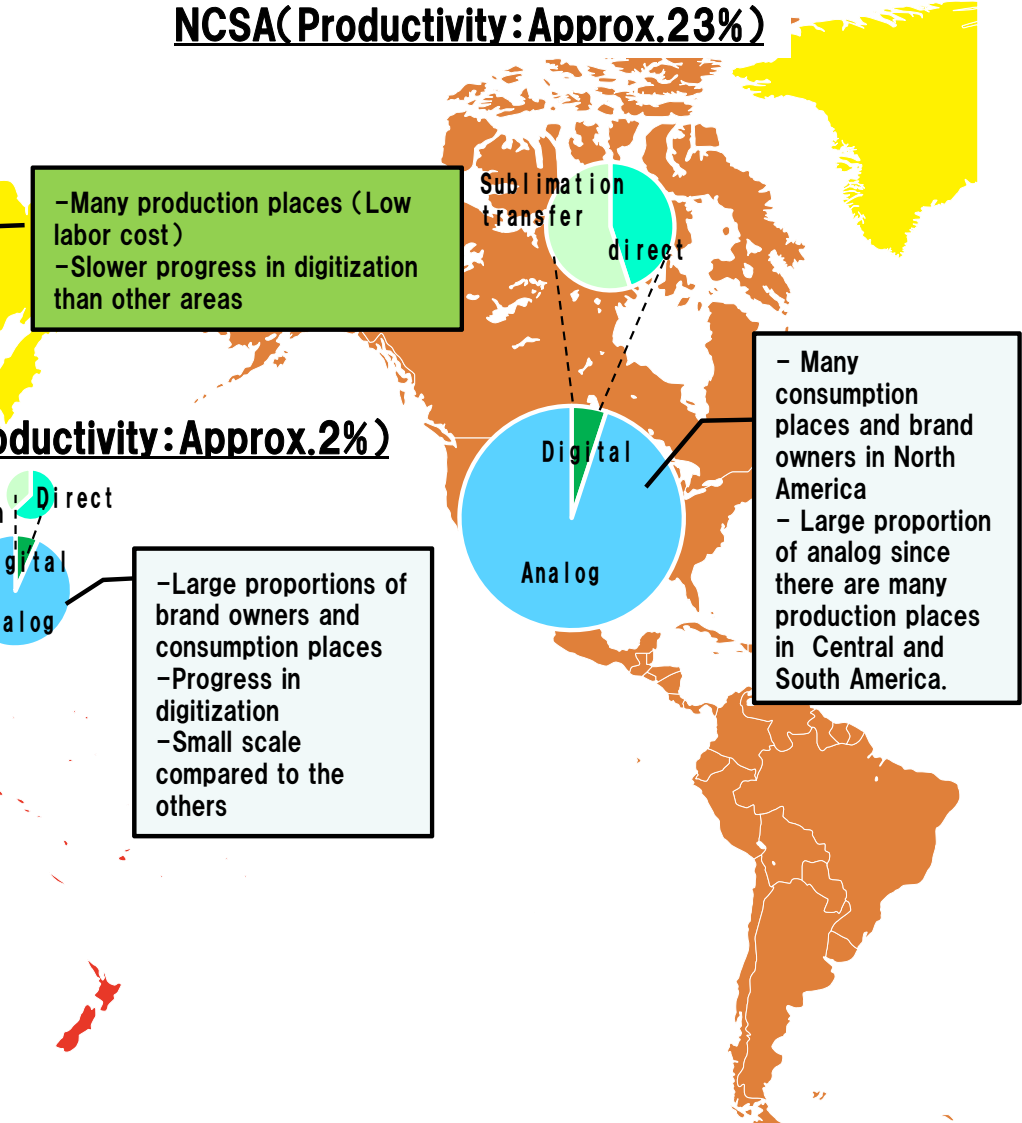
# 7-2. In the Present of Each Areas of TA Market

## EMEA(Productivity: Approx.31%)



-Many brand owners  
-Many consumption places  
-Progress in digitization

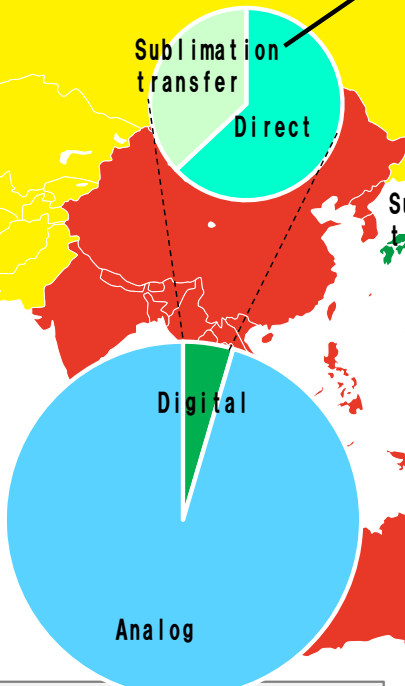
## NCSA(Productivity: Approx.23%)



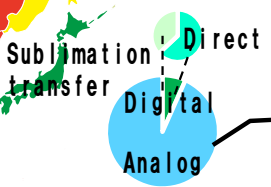
-Many production places (Low labor cost)  
-Slower progress in digitization than other areas

- Many consumption places and brand owners in North America  
- Large proportion of analog since there are many production places in Central and South America.

## AO(Productivity: Approx.44%)



## JP(Productivity: Approx.2%)



-Large proportions of brand owners and consumption places  
-Progress in digitization  
-Small scale compared to the others

Two issues for consideration to digitization at production site in TA market.

**「eco」 「system」**

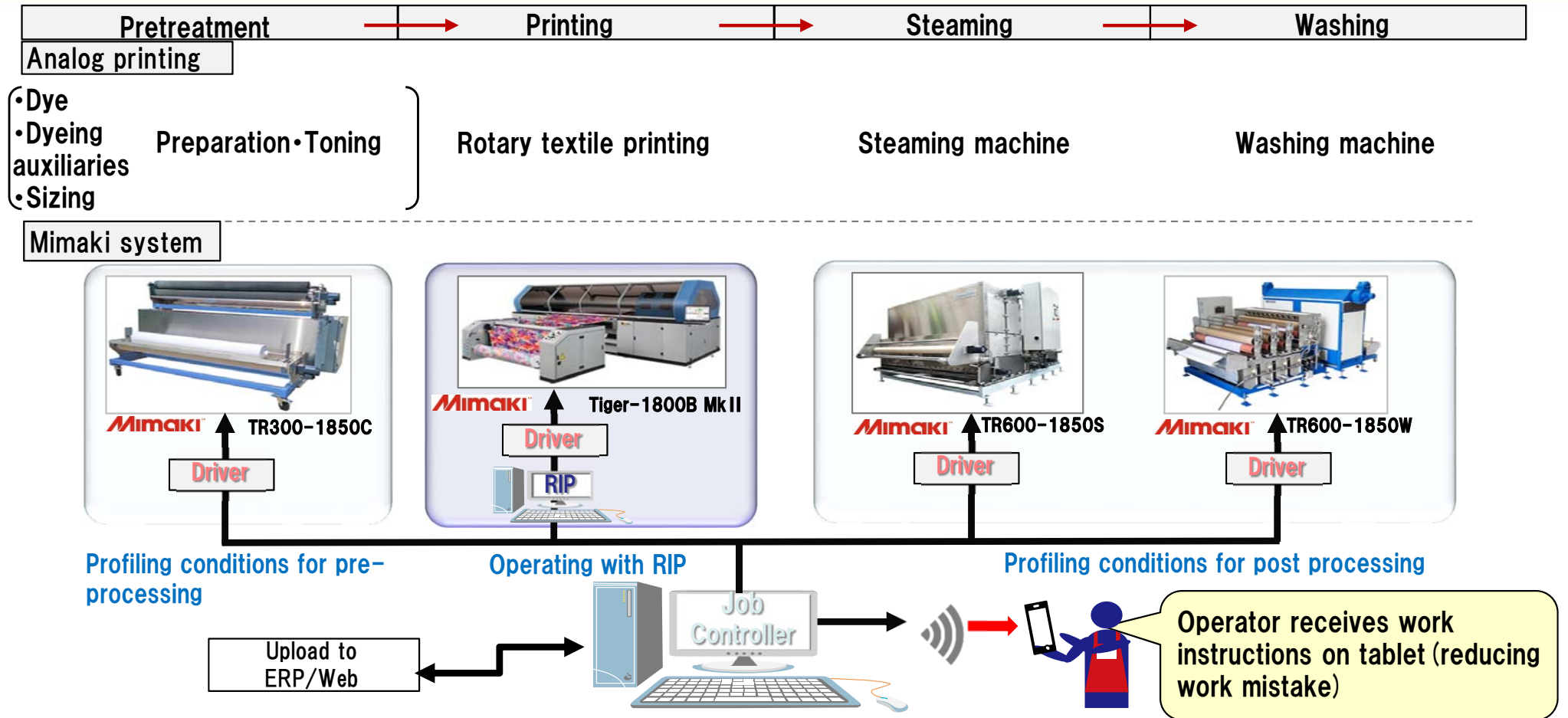
⇒suggestion for problem solving is required at each production site.

■ :AO region   ■ :EMEA region   ■ :NCSA region   ■ :Japan

「Source:WTiN Conference in Japan (2018.Sep)」を基に当社で2018年時点を想定

# 7-3. Growth Strategy/Production Area

## Strategy of production area: Proposal of low cost and stable operation system



### Feature of proposal system

- ① Reduction of process as printing plates are not used
- ② Coloring process automation
- ③ No need for know-how of skilled workers
- ④ ECO with Low water and power consumption

# 7-4. Growth Strategy/Consumption Area

**Consumption area strategy:**

**Propose a solution that can receive orders from online and produce them on demand**

Up to now  
(Analog)

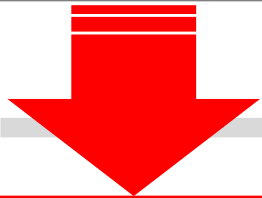
Order Online



Order from inventory



Shipment

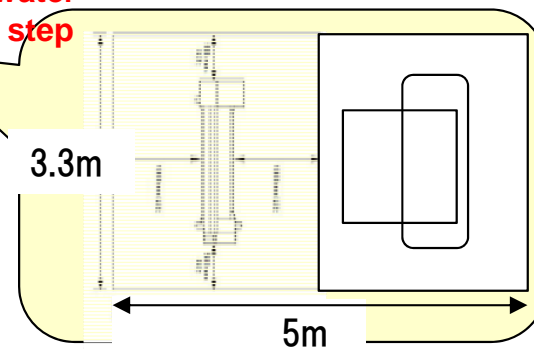


**Proposal of Mimaki**

Digital micro factory of Mimaki  
Water-based sublimation Ink  
Installed system (Polyester)  
✖Paper transfer



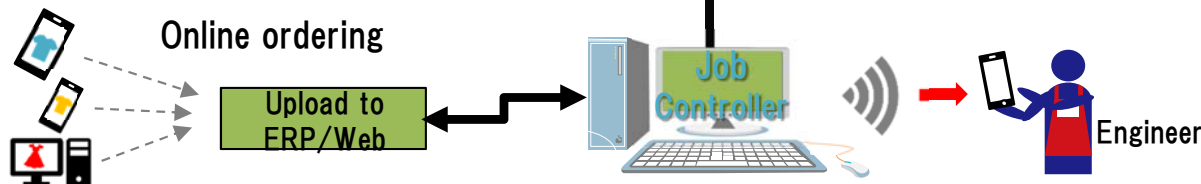
Not using water  
GO to next step



Enable to work in small space

Feature of proposal system

- ①Reduction of process as printing plates are not used
- ②Automation of dyeing process
- ③Use no water
- ④Inventory reduction







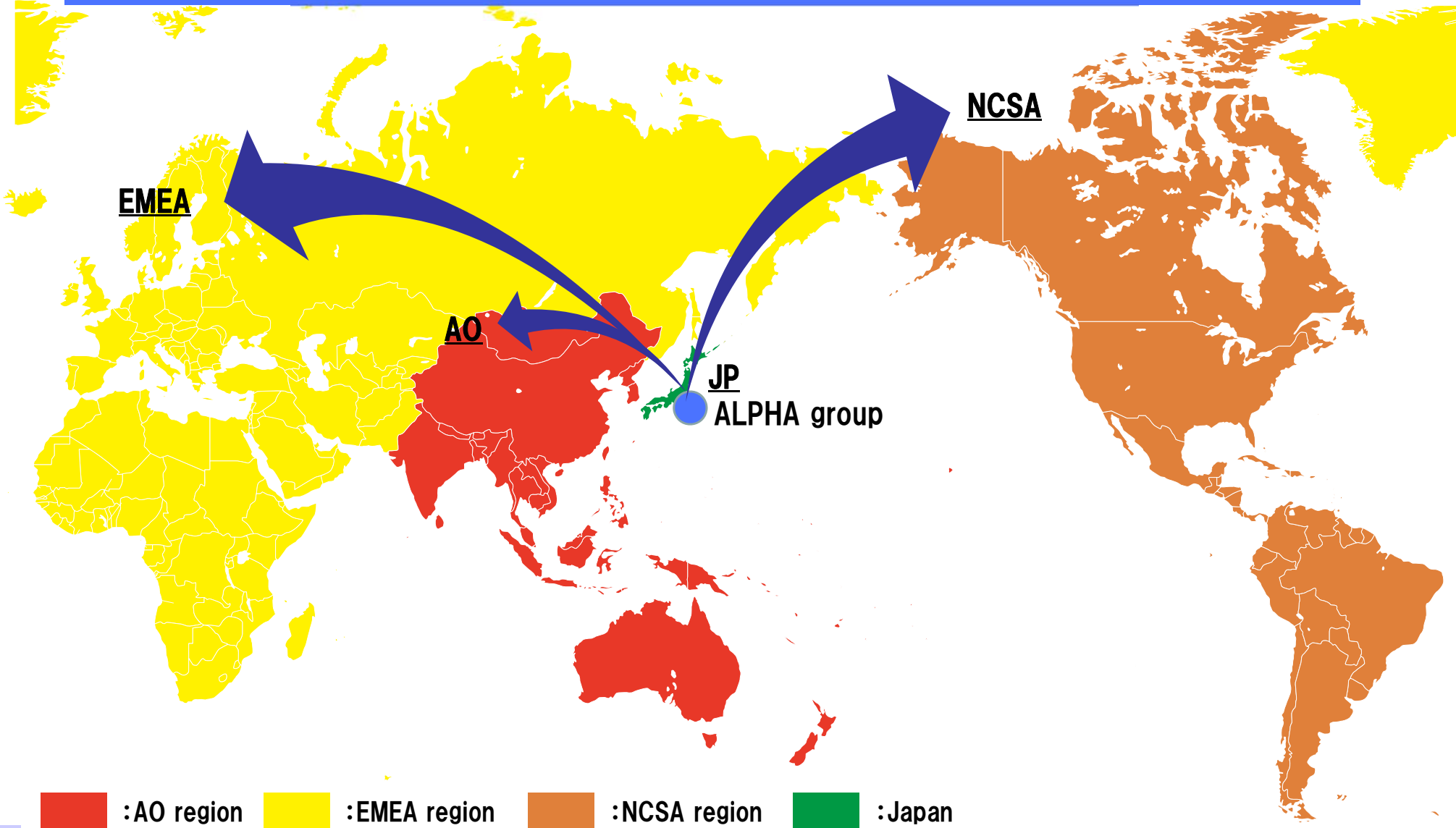
# ◆ FA Business



# 8. Global Sales Network of ALPHA Group Companies



Building global network for product



# 9. Priority Measures for Each Headquarter

## ● Japan

< Expect **5 to 10%** sales revenue growth in medium and long term >

- ① Industrial inkjet printer solution provider
- ② Differentiation from competitor through service
- ③ Enforce the mini exhibition strategy

## ● North, Central and South America

< Expect **10%** sales revenue growth in medium and long term >

(based on the local currency)

- ① Strength sales channel, increase local sales company
- ② Enhance ability of service and salesperson
- ③ Enforce mini exhibition strategy

## ● Europe, Middle East, Africa

< Expect **10%** sales revenue growth in medium and long term >

(based on the local currency)

- ① Reform sales channels in France and Benelux
- ② Enhance ability of service and salesperson
- ③ Start full scale operation of ink factory

## ● Asia, Oceania

< Expect **10 to 15%** sales revenue growth in medium and long term >

(based on the local currency)

- ① Restructure sales system in China and India
- ② Enforce the mini exhibition strategy
- ③ Enhance customer inquiry management and process management

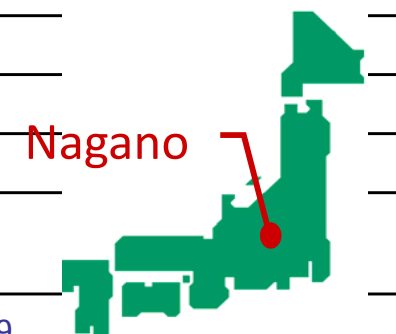


# Company Profile



Mimaki®

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: 1,984; Non-consolidated : 809 *As of March 2019
Group Companies	<ul style="list-style-type: none"> <li>◆ Industrial Inkjet Printer related : 20 <span style="float: right;">* As of April 1, 2019</span></li> <li>• Sales: 13               <ul style="list-style-type: none"> <li>Europe: MIMAKI EUROPE* , Mimaki Deutschland, MIMAKI EURASIA , Mimaki Bompan <span style="float: right;">(* Sales and production )</span></li> <li>North and South America: MIMAKI USA , MIMAKI BRASIL</li> <li>Asia and Oceania: Shanghai Mimaki , MIMAKI INDONESIA, MIMAKI SINGAPORE, MIMAKI AUSTRALIA, MIMAKI INDIA , TAIWAN MIMAKI* , MIMAKI (THAILAND)</li> </ul> </li> <li>• Develop and Production : 7               <ul style="list-style-type: none"> <li>Japan: Mimaki Precision      China: Mimaki IJ Technology , Pinghu Mimaki</li> <li>Taiwan: TAIWAN MIMAKI      Europe: MIMAKI EUROPE, Mimaki La Meccanica , Mimaki Lithuania</li> </ul> </li> <li>• Printing: 2               <ul style="list-style-type: none"> <li>Japan: Graphic Creation , LUCK'A</li> </ul> </li> <li>◆ Alpha Design Group : 6</li> <li>• Develop and Production : 2               <ul style="list-style-type: none"> <li>Japan : Alpha Design*, Alpha Systems*      (* Sales, develop and production )</li> </ul> </li> <li>• Sales : 3               <ul style="list-style-type: none"> <li>China : Dalian Alpha Design, Alpha Automation Technology, Shanghai Branch</li> </ul> </li> <li>• Sheet Metal Processing : 1      Japan : Tonami</li> </ul>
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 2019



# Products for Sign Graphic (SG) Market

## Inkjet printer



## Cutting plotter



## Software

- ◆ Raster Link 6
- ◆ Fine Cut 8
- ◆ Simple Studio
- ◆ Simple POP

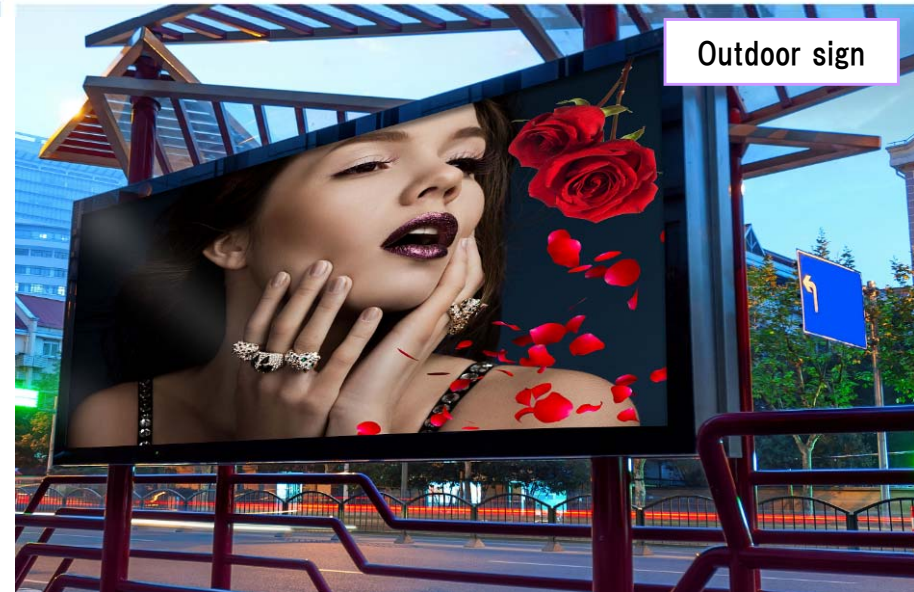


# SG Market (Sign Graphics)

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

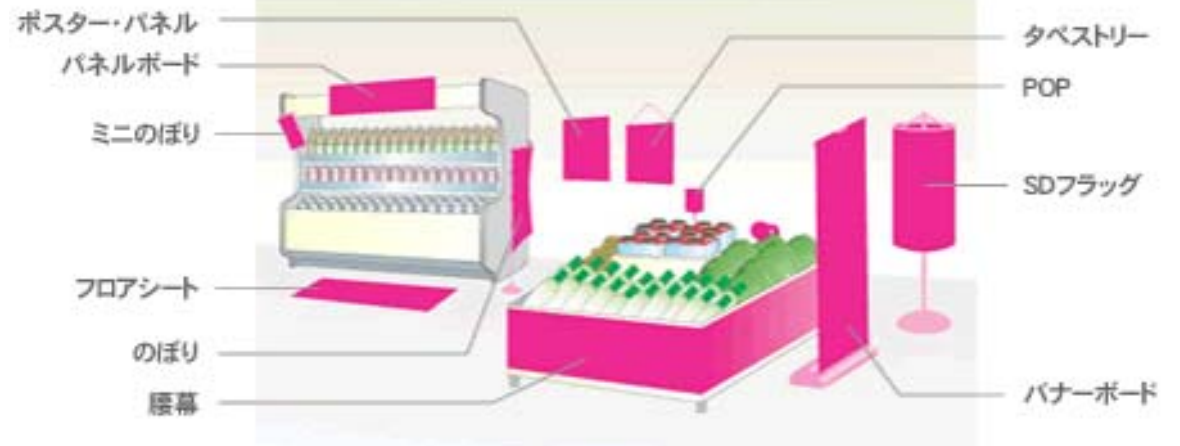


Front lit



Train lapping

# SG : Indoor Advertisement (POP)





# Products for Industrial Product (IP) Market

## Flatbed inkjet printer

## Engraving / Modeling machine



**UJF-6042 MkII**



**UJF-3042 MkII**



**UJF-7151 plus**



◆ **ME-II series**



**JFX200-2531**



**JFX200-2513 EX**



**JFX500-2131**



◆ **NC-5K**

## Flatbed cutting plotter

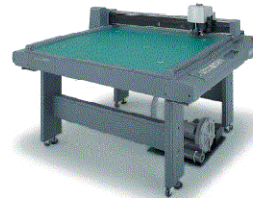
## Software



**CF22-1225**



◆ **CF3 series**



◆ **CF2 series**



◆ **CFL-605RT**

- ◆ **Raster Link 6**
- ◆ **CAM Link**
- ◆ **Fine Cut 8**

# IP Market (Industrial Products)

Application examples in industrial products and novelties





# IP: Package, Small Articles



# IP: Watch, Electric Appliances



Mimaki





# IP: Industrial Use



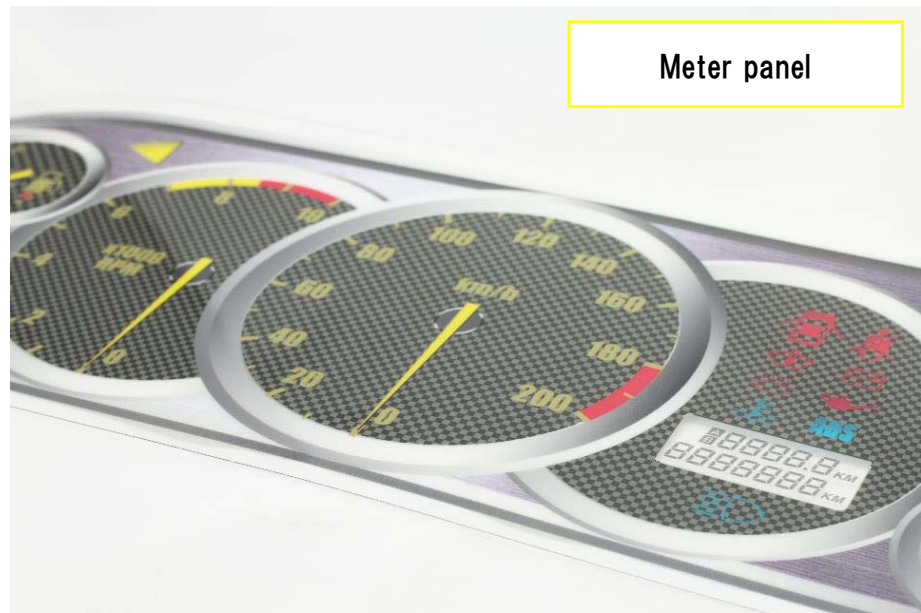
Membrane switch



Brake



\*\*\*\*



Meter panel



# IP: Value-Added Printing



2.5D printing



2.5D printing



Silver Ink





# Products for Textile and Apparel (TA) Market



## Inkjet printer



Printer and Cut machine  
Apparel pattern plotter cutter

Software

◆ APC-130



◆ Raster Link 6

◆ TxLink3



# TA (Textile & Apparel) : Fashion Apparel

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





# TA:Tapestry





# TA Market : Interior Fabric





# TA: Sports Apparel





Thank you

