

(Translation)

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Code:6638

Listed on the first section of the Tokyo Stock Exchange

Financial Results

First Half of Fiscal Year 2020

(Ending March 31, 2021)

MIMAKI ENGINEERING CO., LTD.

3DUJ-2207



JV100-160

SUJV-160



3DGD-1800



UJV100-160



Tx300P-1800MkII

JFX200-2513 EX



UJF-6042 MkII

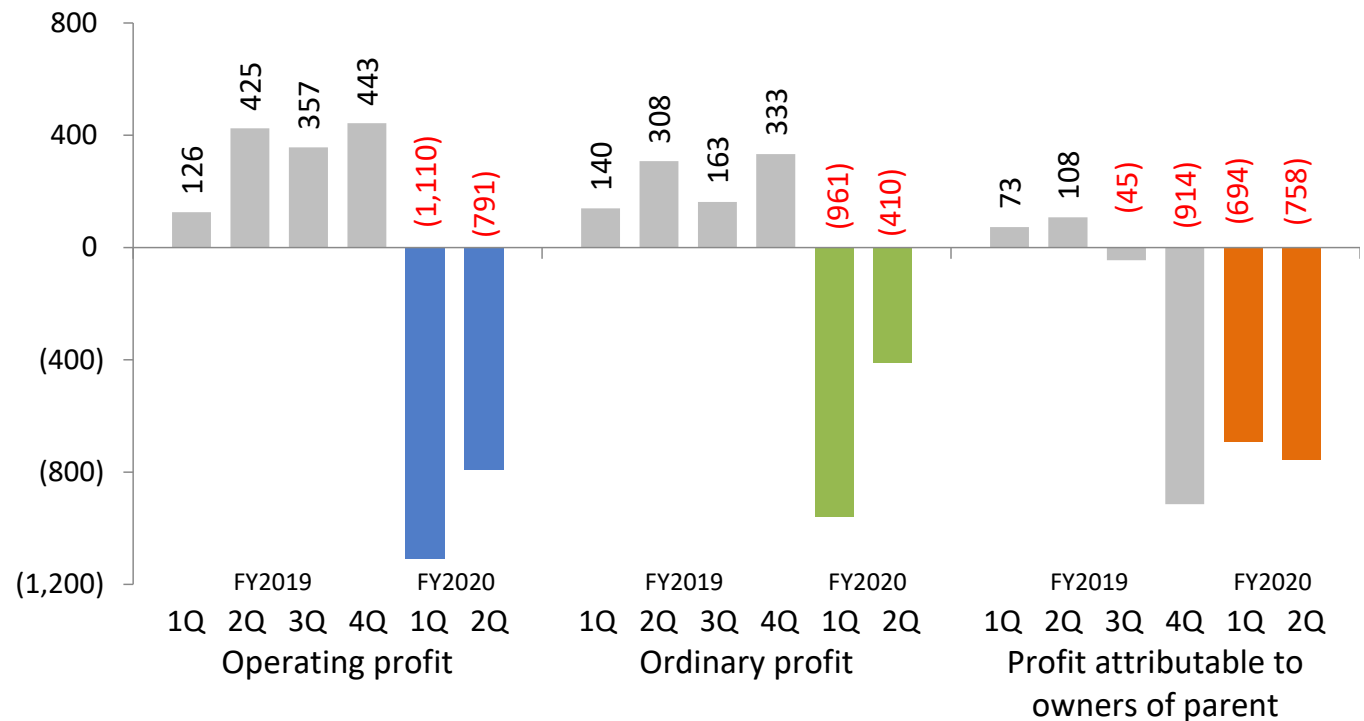
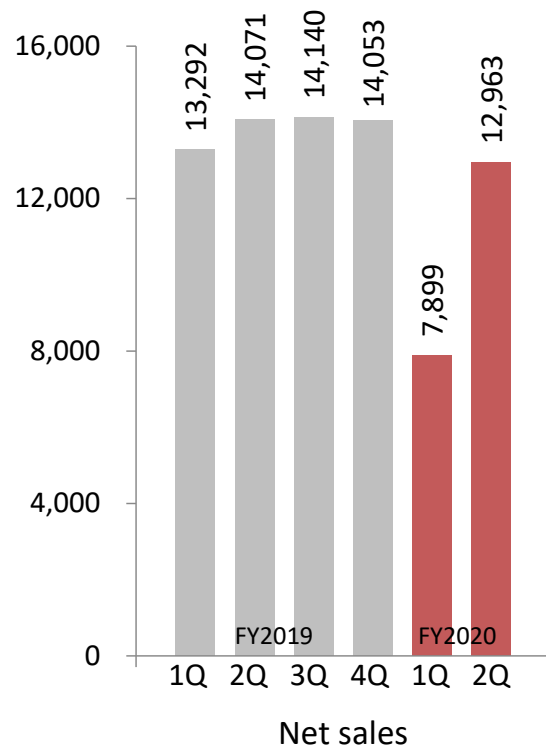
FY2020 Financial Results and Forecast

- Financial Results for First Half
- Forecast for FY2020

Consolidated Financial Highlights (FY2020 First Half Actual)



	(Millions of yen)	FY2019			FY2020				
		1Q Actual	2Q Actual	First Half Actual	1Q Actual	2Q Actual	First Half Actual	Change from FY2019	Change from FY2019 *Excluding the impact of exchange rate
Net sales		13,292	14,071	27,363	7,899	12,963	20,862	-23.8%	-22.1%
Operating profit		126	425	551	-1,110	-791	-1,902	-	-
Ordinary profit		140	308	449	-961	-410	-1,372	-	-
Profit attributable to owners of parent		73	108	181	-694	-758	-1,453	-	-
Exchange rate (yen)	USD	109.90	107.35	108.63	107.62	106.22	106.92	-1.6%	-
	EUR	123.49	119.34	121.41	118.47	124.11	121.29	-0.1%	-



Main Points of Consolidated Financial Results

The economic effect of COVID-19 has been gradually getting better, sales and profits exceeded forecasts due to new-normal sales activities, and structural reform measures aimed at a V-shaped recovery also progressed as planned.

■ 2Q Net sales

- Recovered to 92% year-on-year, with sales activities such as online exhibitions.
- The SG market is on a recovery trend due in part to an increase in demand for Social distancing signs.
- The decline in IP sales improved due to a recovery in customer demand.
- Demand for TA market remained sluggish, but improved gradually compared to 1Q.
- In the FA Business, sales increased due to steady orders, mainly for automobile-related applications, despite the impact of the sluggish economy.

■ 2Q Operating profit

- Cost of sales ratio worsened due to production adjustments and inventory reduction measures, on the other hand inventory streamlining progressed.
- SG&A-to-sales ratio improved significantly due to a sharp decrease in real-world events and cost-cutting measures.

■ 2Q Ordinary profit and Profit attributable to owners of parent

- Recorded grant income in each country related to the planned suspension of operations as non-operating income.
- Impairment loss on goodwill, etc. recorded as extraordinary loss, and asset reduction progressed.

■ 2Q Balance Sheet, Cash Flow

- Approx. 3.2 billion yen reduction from the end of the previous 4Q due to thorough inventory reduction measures.
- Net cash provided by operating activities increased mainly due to a decrease in inventories.

Factors Effecting Operating Profit (FY2019 1H vs FY2020 1H)



(Millions of yen)

■ Impact by Currency

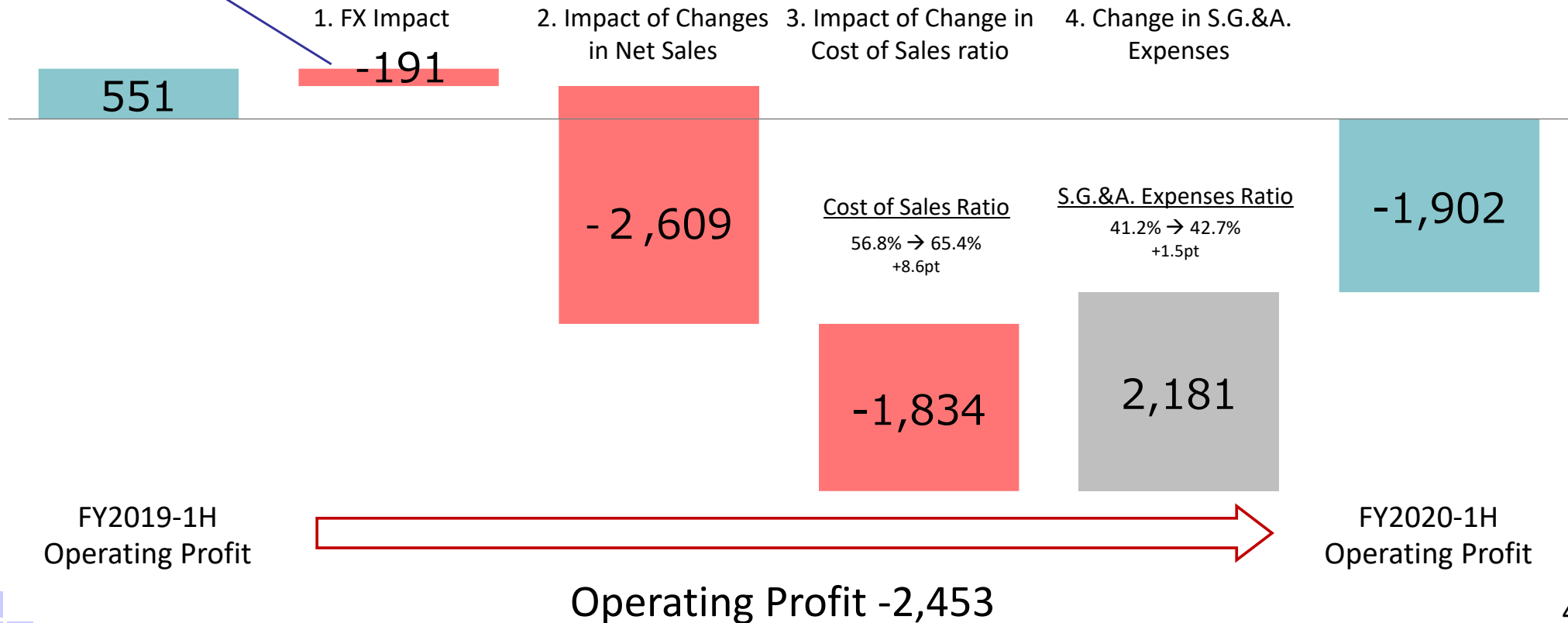
USD / JPY 108.63	→ JPY 106.92	-34	
EUR / JPY 121.41	→ JPY 121.29	-2	
CNY / JPY 15.68	→ JPY 15.26	+22	
BRL / JPY 27.55	→ JPY 19.87	-91	
TRY / JPY 18.82	→ JPY 15.22	-60	
Other *1		-26	*1 IDR, AUD, THB, etc.
Total		-191	

■ Main Factors

Promotion Expenses	-457	
Salaries & Wages	-373	
Transportation Expenses	-350	
R&D Cost	-335	
Quality Expenses	-306	
Other	-360	
Total		-2,181

■ FX Impact on net sales, cost of sales and operating profit

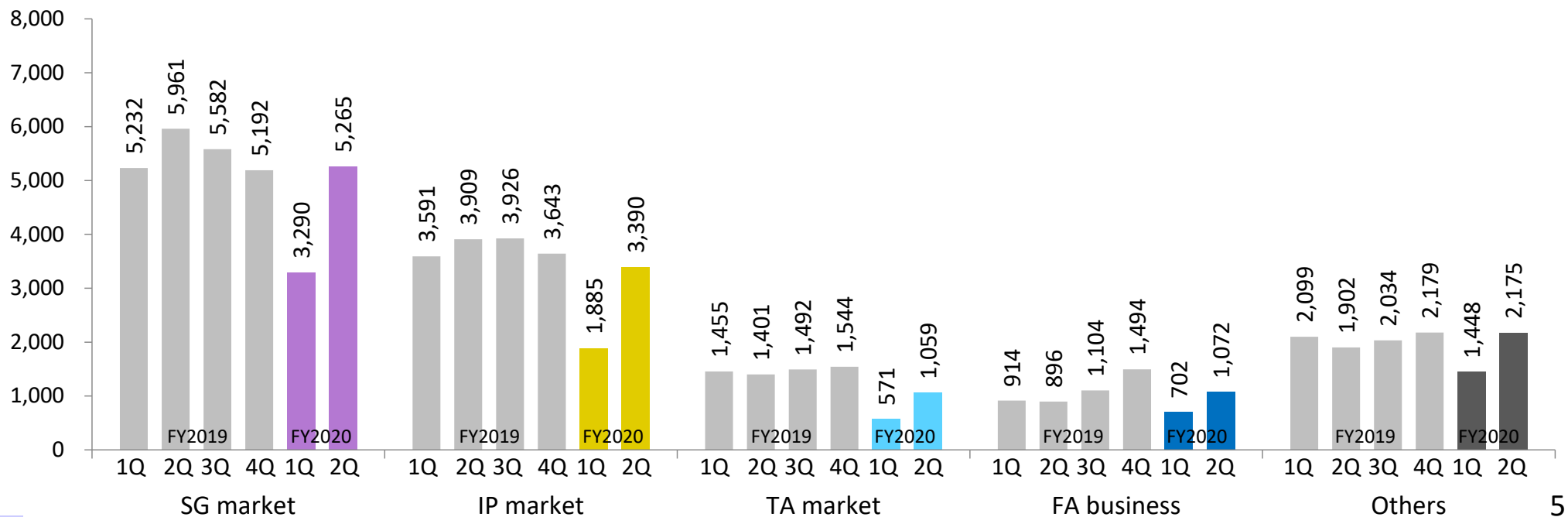
Net sales (467) - Cost of sales (107) - S.G.&A. expenses (169) = Operating profit (191)



Sales by Market Segment (FY2020 First Half Actual)



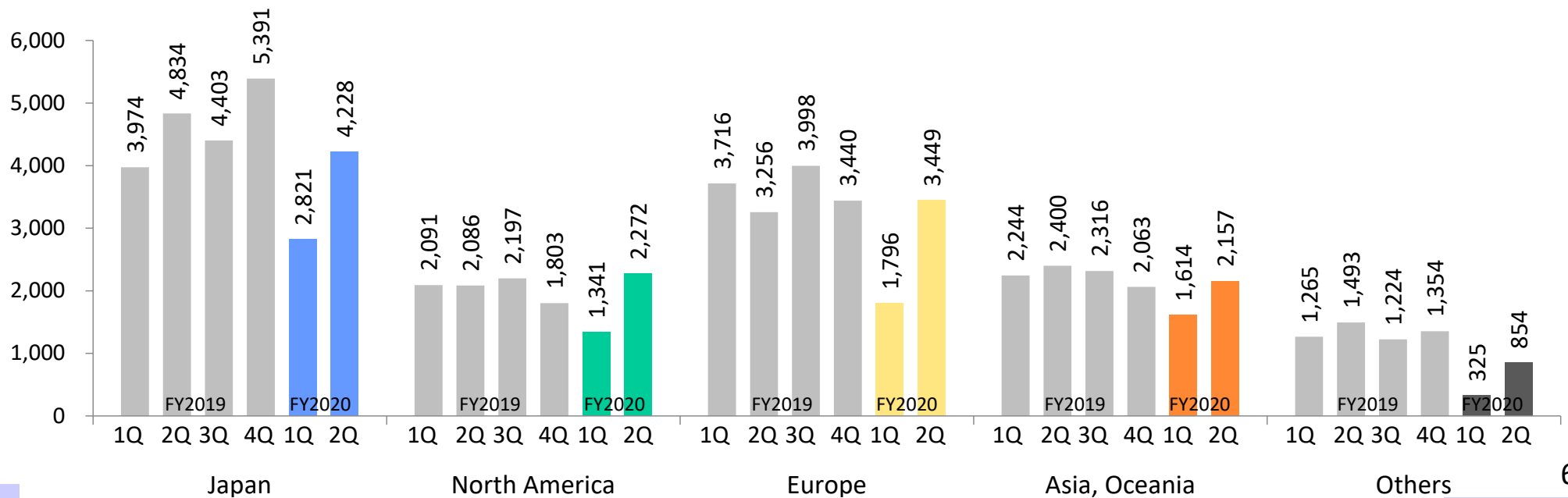
(Millions of yen)	FY2019			FY2020				
	1Q Actual	2Q Actual	First Half Actual	1Q Actual	2Q Actual	First Half Forecast	Change from FY2019	Change from FY2019 *Excluding the impact of exchange rate
SG market	5,232	5,961	11,193	3,290	5,265	8,556	-23.6%	-21.5%
IP market	3,591	3,909	7,500	1,885	3,390	5,275	-29.7%	-28.1%
TA market	1,455	1,401	2,856	571	1,059	1,631	-42.9%	-41.1%
FA business	914	896	1,810	702	1,072	1,775	-2.0%	-0.3%
Others	2,099	1,902	4,002	1,448	2,175	3,624	-9.4%	-
Total	13,292	14,071	27,363	7,899	12,963	20,862	-23.8%	-22.1%



Sales by Area (FY2020 First Half Actual)



(Millions of yen)	FY2019			FY2020				
	1Q Actual	2Q Actual	First Half Actual	1Q Actual	2Q Actual	First Half Actual	Change from FY2019	Change from FY2019 *Excluding the impact of exchange rate
Japan	3,974	4,834	8,809	2,821	4,228	7,050	-20.0%	-
North America	2,091	2,086	4,178	1,341	2,272	3,614	-13.5%	-12.1%
Local currency: \$	19.0M	19.4M	38.4M	12.4M	21.3M	33.8M	-12.1%	-
Europe	3,716	3,256	6,973	1,796	3,449	5,246	-24.8%	-24.7%
Local currency: €	30.0M	27.3M	57.4M	15.1M	28.0M	43.2M	-24.7%	-
Asia, Oceania	2,244	2,400	4,644	1,614	2,157	3,772	-18.8%	-
Others	1,265	1,493	2,758	325	854	1,180	-57.2%	-
Total	13,292	14,071	27,363	7,899	12,963	20,862	-23.8%	-22.1%



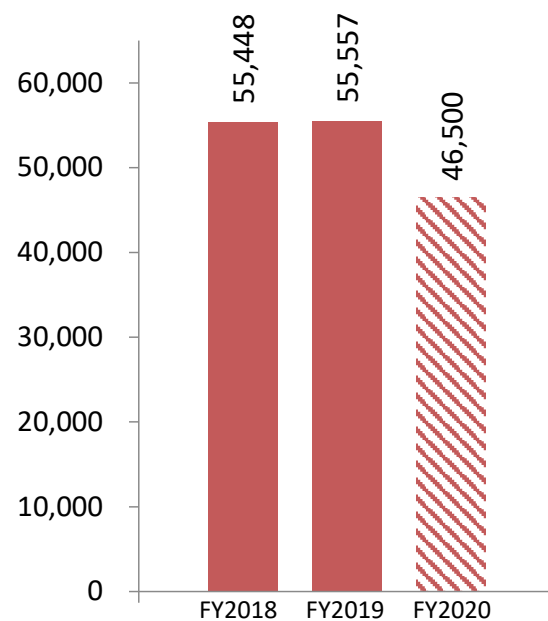
FY2020 Financial Results and Forecast

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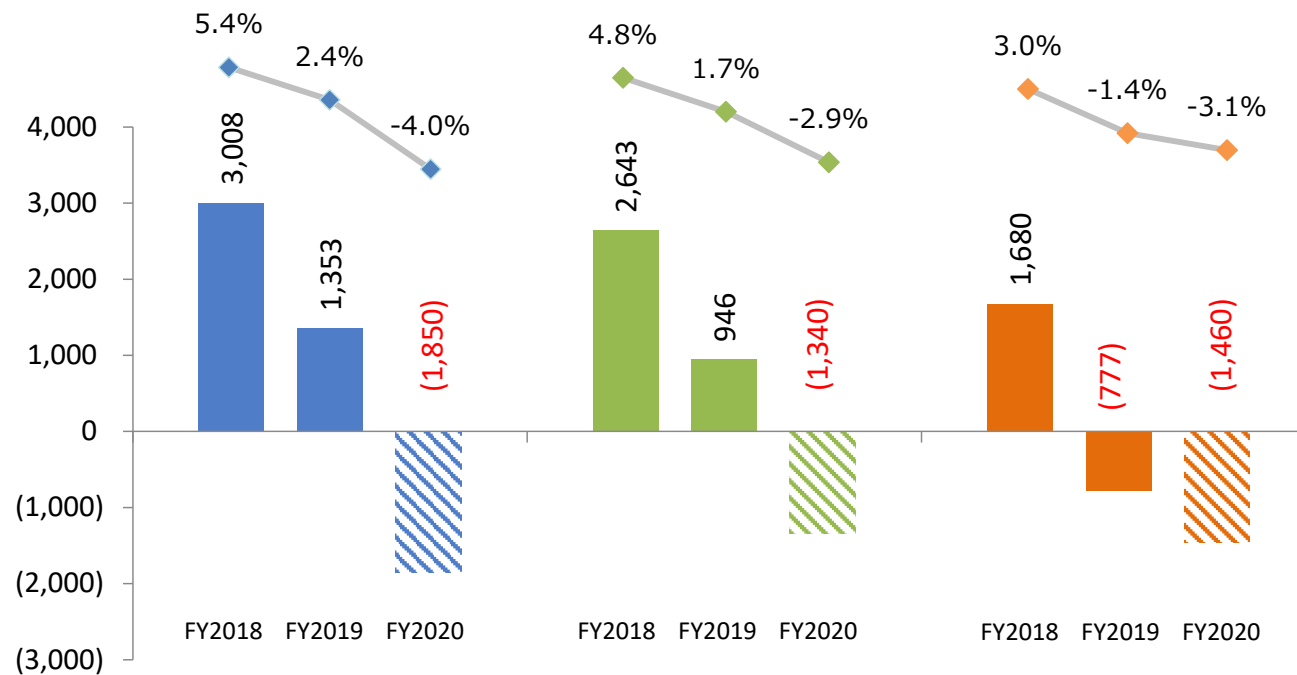
Forecast for FY2020 - Consolidated Financial Highlights -



(Millions of yen)	FY2019		FY2020								
	Fiscal year Actual	Sales ratio	First half Actual	Change from FY2019	Second half Forecast	Change from FY2019	Fiscal year Forecast	Change from FY2019	Sales ratio	Change from FY2019 *Excluding the impact of exchange rate	
Net sales	55,557	100.0%	20,862	-23.8%	25,637	-9.1%	46,500	-9,057	-16.3%	100.0%	-14.1%
Operating profit	1,353	2.4%	-1,902	-	52	-	-1,850	-3,203	-	-4.0%	-
Ordinary profit	946	1.7%	-1,372	-	32	-	-1,340	-2,286	-	-2.9%	-
Profit attributable to owners of parent	-777	-1.4%	-1,453	-	-6	-	-1,460	-682	-	-3.1%	-
Exchange rate (yen)	USD	108.75	106.92	-1.6%	105.00	-3.6%	105.96	-2.79	-2.6%	-	-
	EUR	120.83	121.29	-0.1%	120.00	-0.2%	120.65	-0.18	-0.1%	-	-



Net sales



Operating profit

Ordinary profit

Profit attributable to owners of parent

Main Points of Forecast for FY2020

- Upward revision of sales forecast based on assumption of 90% year on year level for demand in 2H.
→ previous forecast assume 80% level.
*This assumption does not incorporate the impact of COVID-19 because it is difficult to calculate it rationally.
- In the SG market, we will incorporate the effects of the launch of global sales of new entry-level products JV/UJV100-160 and an increase in ink sales due to a recovery in print demand.
- In the IP market, in addition to an increase in sales of industrial use, for which demand is firm, the effects of new model 3DUJ-2207, which is the entry-level, compact full color 3D printer are expected.
- In the TA market, forecasts will not be revised due to the gradual recovery in the apparel market. However, we will promote demand stimulation through SUJV-160 of new products for leather and fabric, etc.
- Profits are expected to increase due to factors such as the full-scale launch of sales activities and an increase in the number of new product development man-hours. However, in addition to the elimination of structural reform expenses, the company expects a recovery in sales amid a streamlining of the fixed cost structure, and upwardly revised its forecast.
- At the same time, in order to achieve a V-shaped recovery in business performance in the future, we will formulate and steadily implement a new medium-to long-term growth strategy, thereby driving the shift to digital on-demand for industrial printing and realizing sustainable growth.

Factors Effecting Operating Profit (FY2019 Actual vs FY2020 Forecast)

(Millions of yen)

■ Impact by Currency

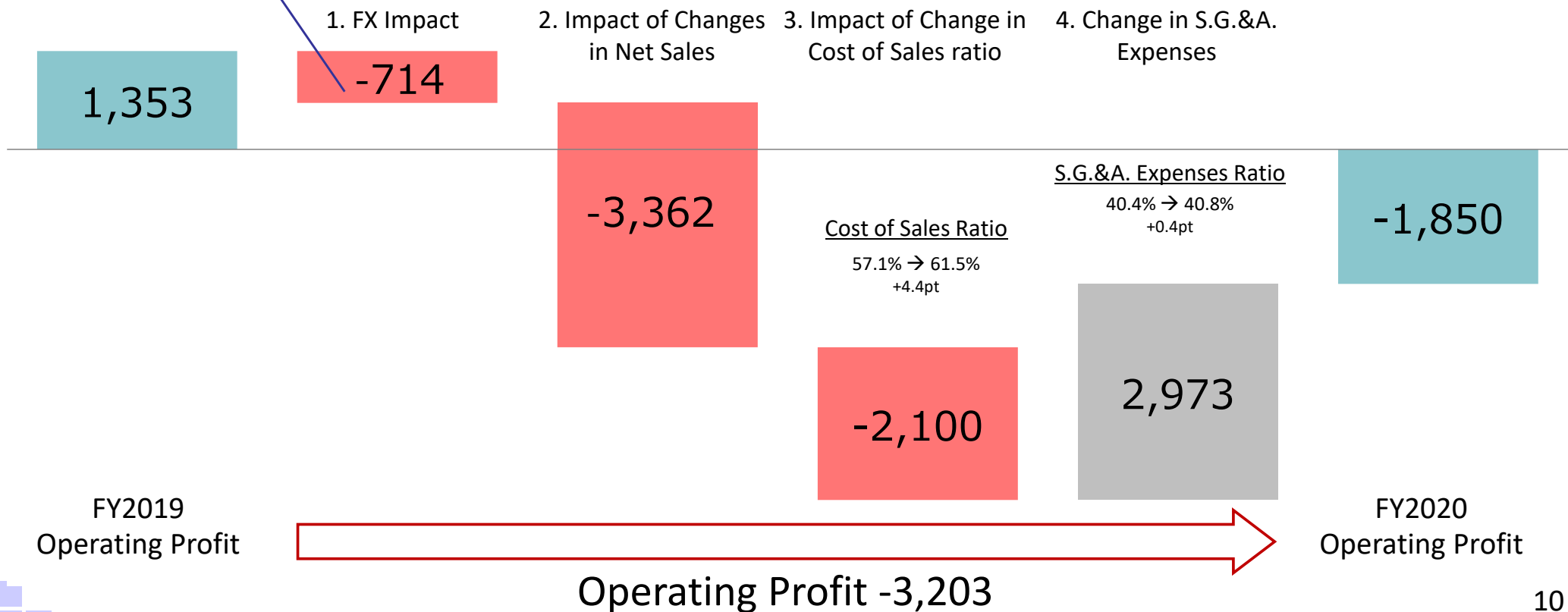
USD / JPY 108.75	→ JPY 105.96	-134
EUR / JPY 120.83	→ JPY 120.65	-12
CNY / JPY 15.60	→ JPY 15.48	+11
BRL / JPY 26.53	→ JPY 19.44	-295
TRY / JPY 18.58	→ JPY 14.11	-150
Other *1		-134
Total		-714

FX Sensitivity (impact by ¥1 change)

	Net sales	Operating profit
USD	87	48
EUR	101	66

■ FX Impact on net sales, cost of sales and operating profit

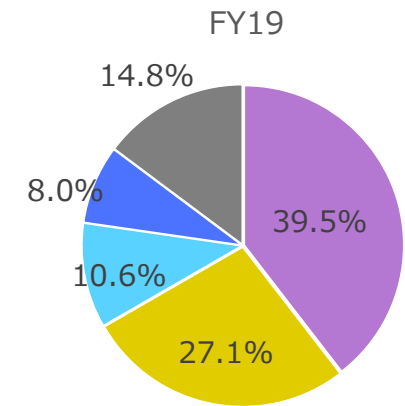
Net sales (1,210) - Cost of sales (182) - S.G.&A. expenses (314) = Operating profit (714)



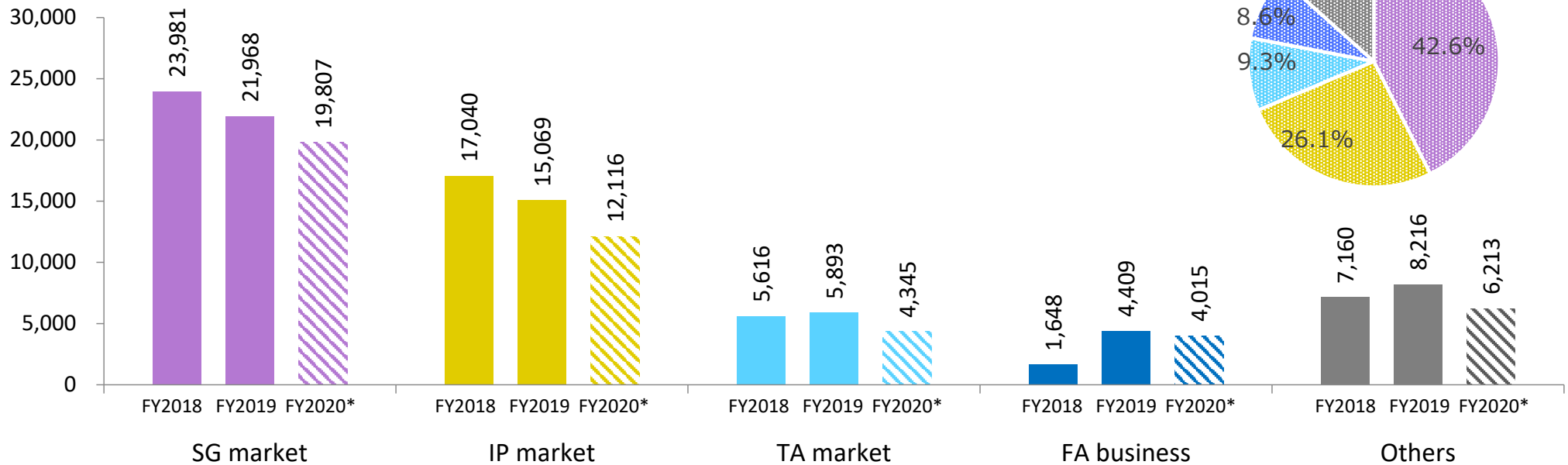
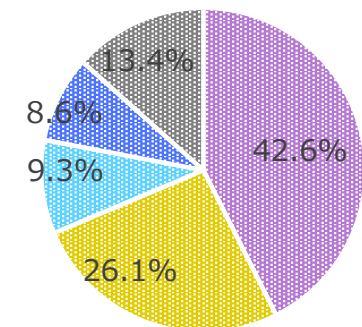
Sales by Market Segment (FY2020 Forecast)

(Millions of yen)	FY2019	FY2020					Change from FY2019 *Excluding the impact of exchange rate
	Fiscal year Actual	First half Actual	Second half Forecast	Fiscal year Forecast	Change from FY2019		
SG market	21,968	8,556	11,251	19,807	-2,160	-9.8%	-6.5%
IP market	15,069	5,275	6,840	12,116	-2,953	-19.6%	-18.3%
TA market	5,893	1,631	2,714	4,345	-1,547	-26.3%	-22.6%
FA business	4,409	1,775	2,240	4,015	-393	-8.9%	-3.7%
Others	8,216	3,624	2,589	6,213	-2,002	-24.4%	-
Total	55,557	20,862	25,637	46,500	-9,057	-16.3%	-14.1%

Composition ratio



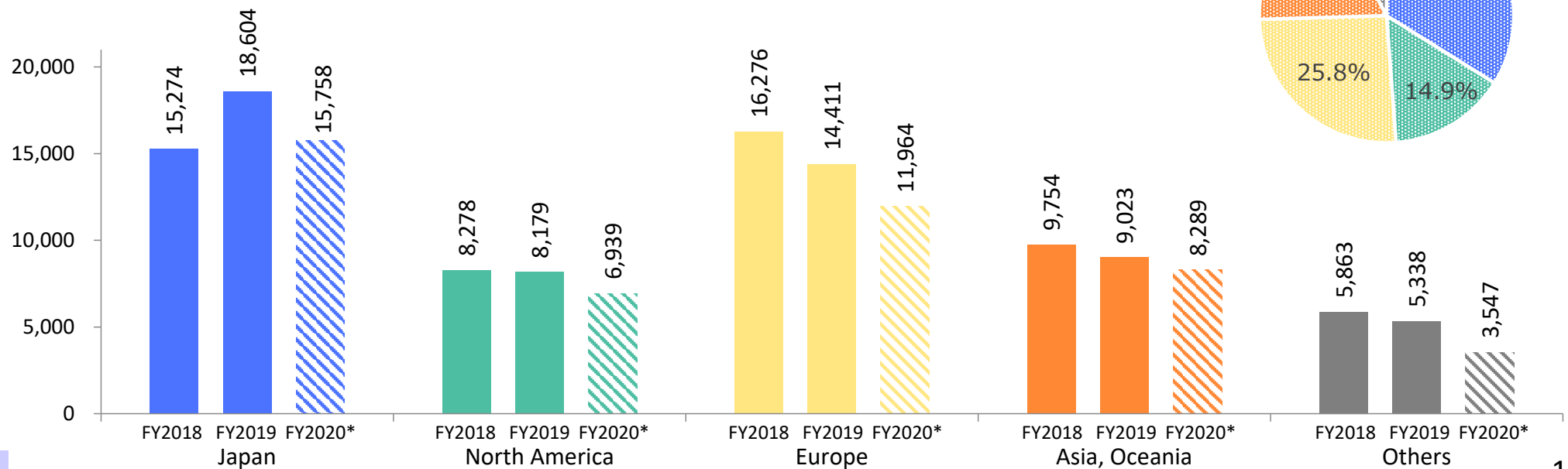
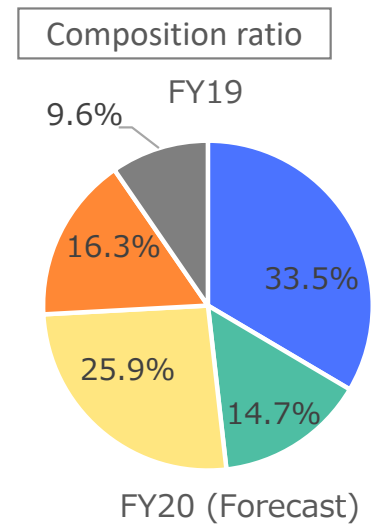
FY20 (Forecast)



(* FY2020 Forecast)

Sales by Area (FY2020 Forecast)

(Millions of yen)	FY2019	FY2020					Change from FY2019 *Excluding the impact of exchange rate
	Fiscal year Actual	First half Forecast	Second half Forecast	Fiscal year Forecast	Change from FY2019		
Japan	18,604	7,050	8,707	15,758	-2,846	-15.3%	-
North America	8,179	3,614	3,325	6,939	-1,239	-15.2%	-12.9%
Local currency: \$	75.2M	33.8M	31.6M	65.4M	-9.7M	-12.9%	-
Europe	14,411	5,246	6,718	11,964	-2,446	-17.0%	-16.9%
Local currency: €	119.2M	43.2M	55.9M	99.1M	-20.0M	-16.9%	-
Asia, Oceania	9,023	3,772	4,517	8,289	-734	-8.1%	-
Others	5,338	1,180	2,367	3,547	-1,790	-33.5%	-
Total	55,557	20,862	25,637	46,500	-9,057	-16.3%	-14.1%

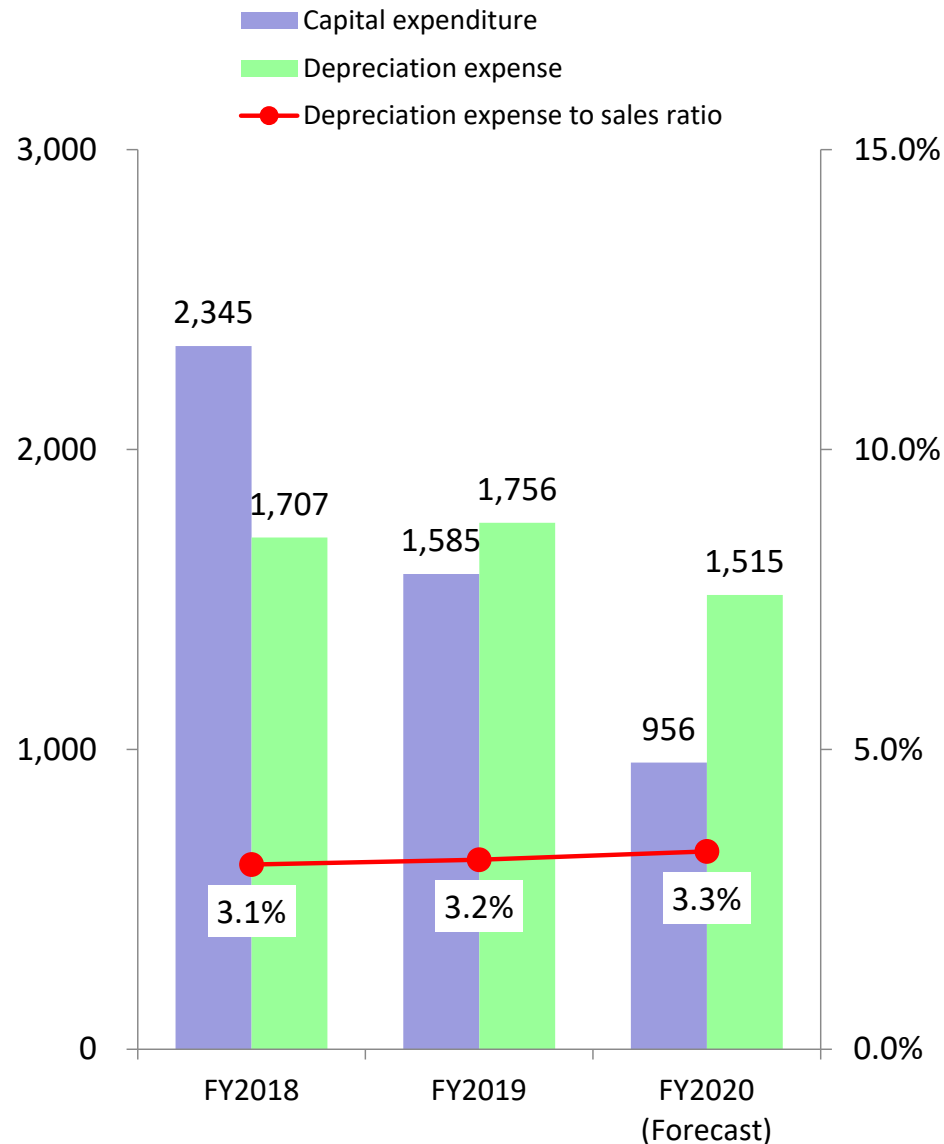


(* FY2020 Forecast)

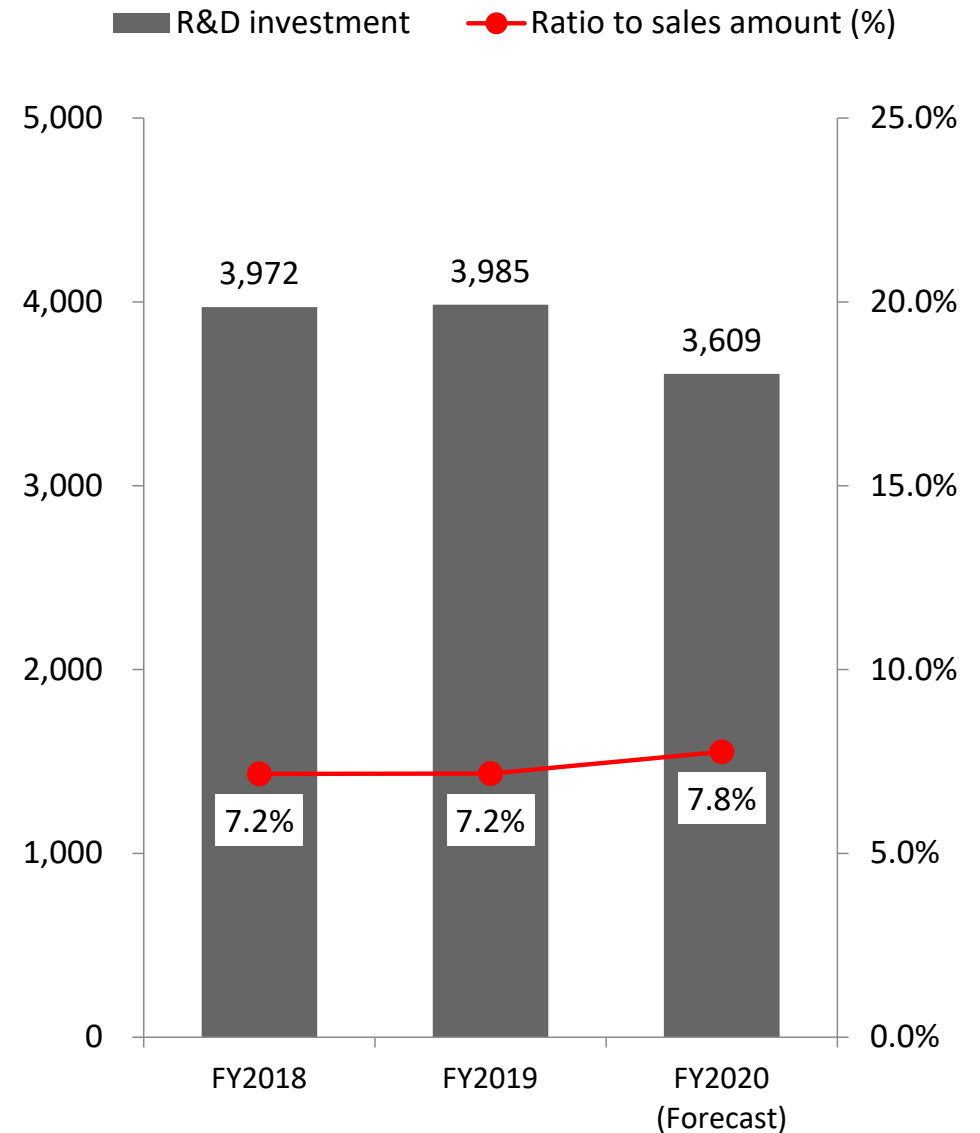
Capital Expenditure, Depreciation and R&D Investment



(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

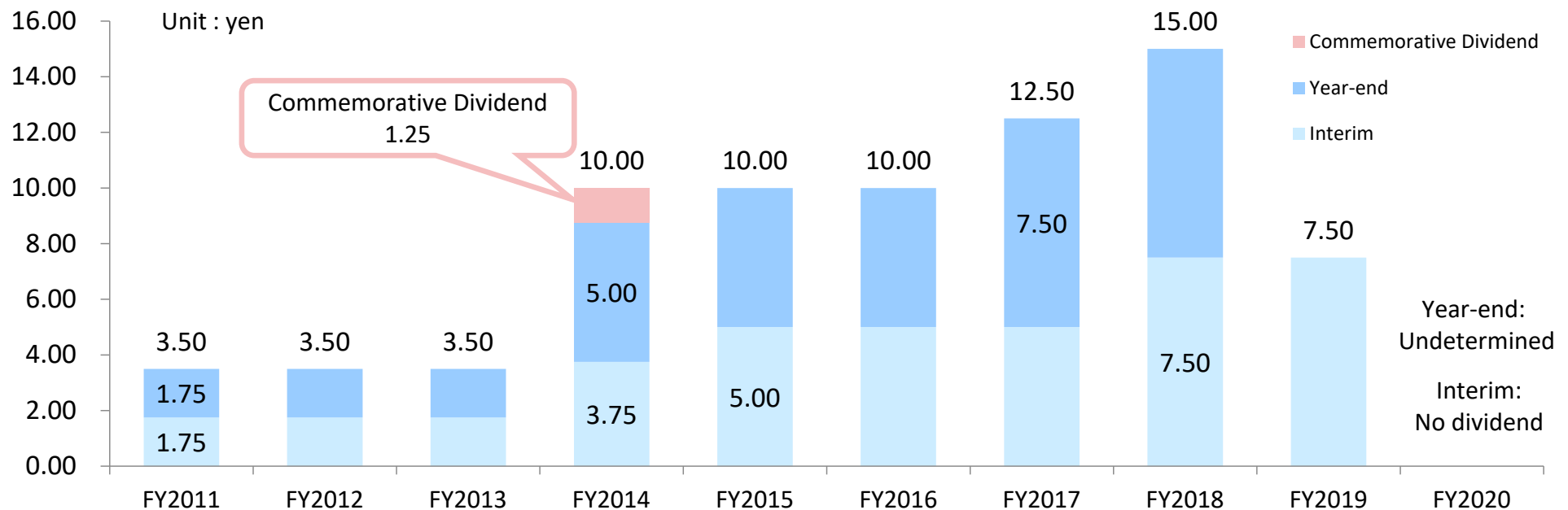
MIMAKI ENGINEERING treats shareholder returns as a key management tenet. As such, it is the Company's basic policy to stably and continuously pay out dividends commensurate with growth in business performance.

■ Interim dividends for FY2020: No dividend

We believe that it is best to prepare for the stabilization of management and employment, with the highest priority given to securing liquidity on hand, despite the prospect of raising funds, given that net income is expected to be in the red.

■ Forecast of year-end dividends for FY2020: Undetermined

Given the strong sense of uncertainty about the future, this report will be provided after examining performance trends in the second half of the fiscal year.



- The commemorative dividend for FY2014 is based on listing on the First Section of the Tokyo Stock Exchange.
- We conducted a 2-for-1 stock split with an effective date of April 1, 2015. (Dividends before splitting are appealed and revised)



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[Handling precautions on this document]

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