



Mimaki Engineering Co., Ltd.

First Quarter of Fiscal Year Ending March 31, 2023

Financial Results Briefing Materials

August 9, 2022



Securities Code
6638

JV330 Series



UJF-7151 plus II



TS100-1600



3DUJ-2207



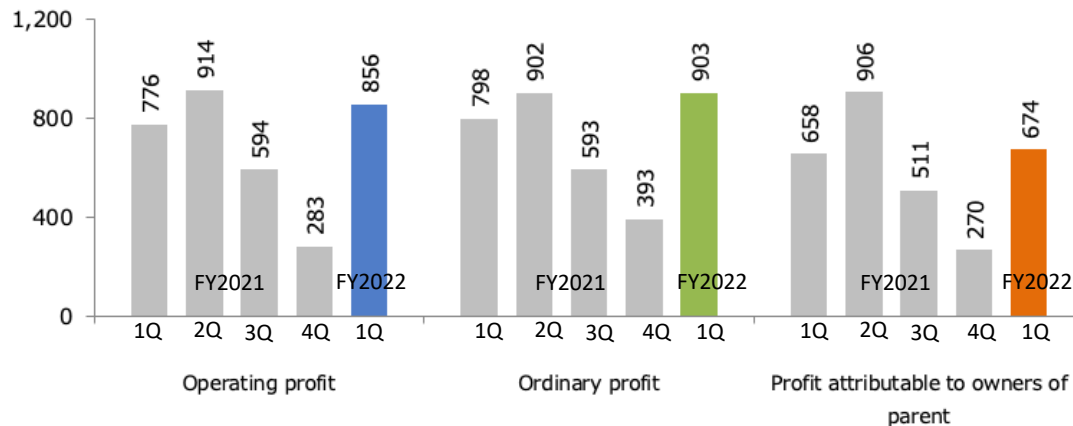
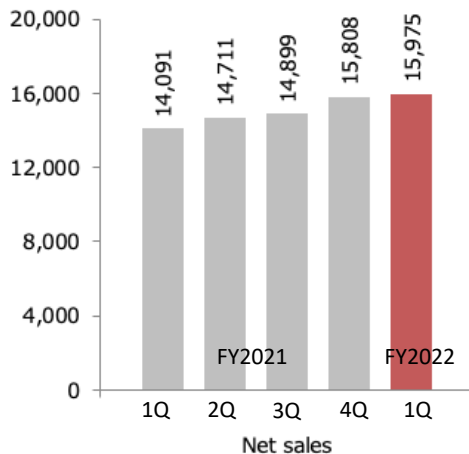
Consolidated Results for FY2022

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

Consolidated Performance Highlights (Results for 1Q FY2022)



(Millions of yen)		FY2021		FY2022 * Excluding the impact of exchange rate				
		1Q Actual	Sales ratio	1Q Actual	Sales ratio	Change from FY2021		
						Amount	Change from FY2021	Change from FY2021*
■ Net sales		14,091	—	15,975	—	1,883	13.4%	5.7%
■ Operating profit		776	5.5%	856	5.4%	80	10.3%	—
■ Ordinary profit		798	5.7%	903	5.7%	104	13.1%	—
■ Profit attributable to owners of parent		658	4.7%	674	4.2%	16	2.4%	—
Exchange rate (yen)	USD	109.49	—	129.57	—	20.08	18.3%	—
	EUR	131.95	—	138.10	—	6.15	4.7%	—



Consolidated Financial Highlights (for 1Q FY2022)



■ 1Q sales

- Sales increased by 1,883 million yen compared to the same period of FY2021 (+13%, including +1,081 million yen due to the impact of exchange rates), exceeding the forecast
- Despite ongoing shortages of parts and materials in general and prolonged lead times for transportation, as well as the negative impact on production and sales brought about by the Russia-Ukraine crisis in Europe and lockdowns in China, sales of new products launched in the previous fiscal year began to contribute in earnest, existing products performed well in general in the face of constraints in supply of main products, and sales of ink and maintenance parts grew steadily, allowing us to leverage customer demand for printing and capital expenditure
- The weak yen exchange had a positive effect, with a considerable increase in sales

■ 1Q operating profit

- Profit increased by 80 million yen compared to the same period of FY2021 (+10%, including +264 million yen due to the impact of exchange rates), exceeding the forecast
- We reviewed our sales prices as a measure against overall increases in costs due to ongoing inflation and rising costs of parts, materials, and transportation. The cost of sales ratio was flat year-on-year due to exchange rates, while SG&A expenses increased in line with increased sales activities

■ Balance sheet as of 1Q

- CCC*, a key indicator, increased year-on-year as a result of the effects of prolonged transportation lead times and efforts to secure inventory to avoid losing sales opportunities caused by parts shortages

2021/end of June: 4.22 → end of September: 4.35 → end of December: 4.27 → 2022/end of March: 5.27 → end of June: 5.50

*CCC: Cash Conversion Cycle

Factors Effecting Operating Profit (1Q FY2021 vs 1Q FY2022)



[Impact by currency]

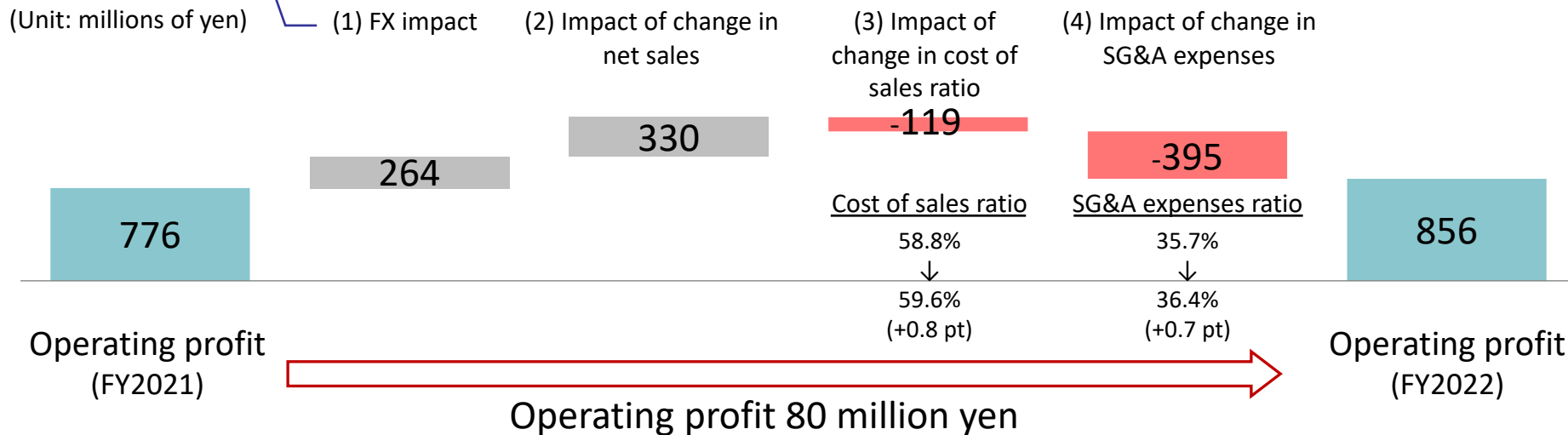
USD: 109.49 yen → 129.57 yen	+337
EUR: 131.95 yen → 138.10 yen	+91
CNY: 16.96 yen → 19.58 yen	-267
TRY: 13.04 yen → 8.24 yen	-76
BRL: 20.71 yen → 26.38 yen	+77
<u>Other (AUD, IDR, etc.)</u>	<u>+102</u>
Total	+264

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

Net sales (1,081) - Cost of sales (540) - SG&A expenses (277) = Operating profit (264)

[Factors behind changes in SG&A expenses]

Sales promotion expenses	195
Labor expenses	184
Product repair expenses	-75
Travel and transportation expenses	65
Allowance for doubtful accounts	-22
R&D expenses	18
<u>Others</u>	<u>31</u>
Total	395



Sales by Market Segment (Results for 1Q FY2022)



(Millions of yen)	FY2021		FY2022 <small>* Excluding the impact of exchange rate</small>				
	1Q Actual	Sales ratio	1Q Actual	Change from FY2021		Sales ratio	
				Amount	Change from FY2021		Change from FY2021*
■ SG market	6,144	43.6%	6,640	496	8.1%	-0.6%	41.6%
■ IP market	3,696	26.2%	4,556	859	23.3%	15.2%	28.5%
■ TA market	1,360	9.7%	1,566	206	15.2%	5.2%	9.8%
■ FA business	940	6.7%	828	-111	-11.9%	-11.9%	5.2%
■ Others	1,950	13.8%	2,383	432	22.2%	-	14.9%
Total	14,091	100.0%	15,975	1,883	13.4%	5.7%	100.0%

- SG market : Although main products faced supply constraints and negative effects due to China and Russia, sales of the entry-level models JV/UJV100 increased, shipments of the new flagship model JV/CJV330 began, and ink sales were strong, and sales increased in association with exchange rates
- IP market : The UJF-3042/6042Mk II e, and UJF-7151plus II, updates to the lineup caused sales of main products to increase significantly, while sales of large flatbed printers grew with the existing JFX200 as well as the new JFX600, and ink sales were also strong. Sales increased significantly
- TA market : Sales of main products grew strongly, centering on the entry-level TS100 in Latin America, Asia, and Oceania, while sales of the existing TS55 also remained strong, and ink sales grew significantly. Sales increased
- FA business : Although orders grew steadily, shortages of parts and materials caused delays in production and sales of PCB inspection equipment and PCB mounting equipment, resulting in a significant decrease in sales

Sales by Area (Results for 1Q FY2022)



(Millions of yen)	FY2021		FY2022			
	1Q Actual	Sales ratio	1Q Actual	Change from FY2021		Sales ratio
				Amount	Change from FY2021	
■ Japan	3,586	25.4%	4,164	578	16.1%	26.1%
■ North America	2,689	19.1%	3,431	742	27.6%	21.5%
Local currency:\$	24.5M	—	26.4M	1.9M	7.8%	—
■ Europe	4,257	30.2%	4,300	43	1.0%	26.9%
Local currency:€	32.2M	—	31.1M	-1.1M	-3.5%	—
■ Asia, Oceania	2,444	17.3%	2,618	174	7.1%	16.4%
■ Others	1,115	7.9%	1,459	344	30.9%	9.1%
Total	14,091	100.0%	15,975	1,883	13.4%	100.0%

- Japan: Thanks to a gradual recovery in economic activity, IP sales of ink and main products were strong, centering on new products, and SG and TA ink sales also grew due to increased customer use, for a significant increase in sales
- North America: Although the effect of rapid inflation gradually became apparent, sales of SG, IP, and TA main products and ink were strong, and the weak yen meant that sales increased
- Europe: Despite the positive effect of the exchange rates, the negative effect on shipments to Russia and Ukraine meant that year-on-year growth was flat. Sales of SG and IP in Europe other than Russia and Ukraine grew strongly, although varying by country, and sales of ink were strong overall
- Asia and Oceania: Although the lockdown in China had a significant impact, sales grew strongly in areas such as Thailand, Indonesia, and India, with increased sales overall

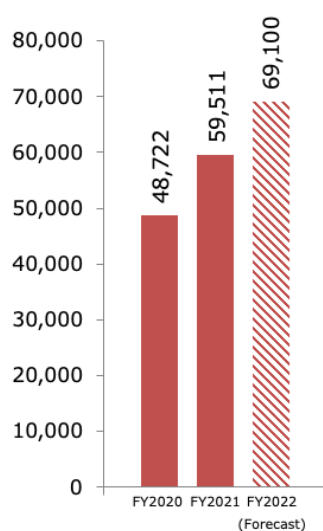
Consolidated Results for FY2022

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

Consolidated Performance Forecast Highlights (FY2022)

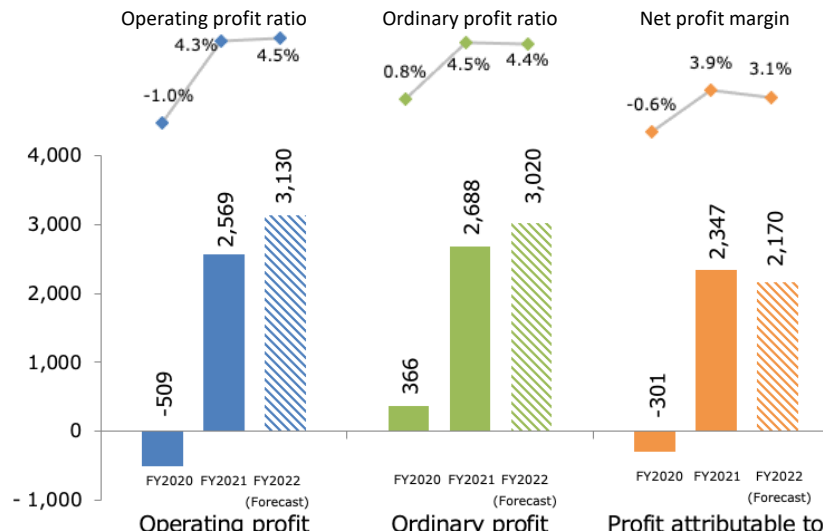


(Millions of yen)		FY2021		FY2022									
		Fiscal year Actual	Sales ratio	First half Actual (Revised)	Change from previous forecast	Second Half Forecast	Change from previous forecast	Fiscal year Forecast (Revised)	Sales ratio	Change from previous forecast	* Excluding the impact of exchange rate		
											Change from FY2021		
										Amount	Change from FY2021	Change from FY2021*	
■ Net sales		59,511	-	34,200	3,500	34,900	0	69,100	-	3,500	9,588	16.1%	12.8%
■ Operating profit		2,569	4.3%	1,570	800	1,560	0	3,130	4.5%	800	560	21.8%	-
■ Ordinary profit		2,688	4.5%	1,540	840	1,480	0	3,020	4.4%	840	331	12.3%	-
■ Profit attributable to owners of parent		2,347	3.9%	1,160	730	1,010	0	2,170	3.1%	730	-177	-7.6%	-
Exchange rate (yen)		USD 112.38	-	130.29	20.29	110.00	0.00	120.14	-	10.14	7.76	6.9%	-
		EUR 130.56	-	137.22	7.22	130.00	0.00	133.61	-	3.61	3.05	2.3%	-



Net sales

<2Q exchange rate assumptions>
 USD 131.00 yen
 EUR 136.33 yen



Key Points of the Consolidated Performance Forecast (FY2022)



- Based on 1Q achievements and forecasts for 2Q (including exchange rate assumptions), the forecast for the first half of the fiscal year has been revised upward
 - ① In 2Q, efforts to balance economic activity with measures to prevent the spread of COVID-19 continue in every country, and strong growth in demand for industrial inkjet printers is expected to accompany increases in capital expenditure and demand for printing
 - ② Exchange range assumptions for 2Q have been revised as follows: USD: 110.00 yen → 131.00 yen, EUR: 130.00 yen → 136.33 yen
- Conversely, forecasting for the second half of the fiscal year is difficult due to numerous uncertain factors (including exchange rate assumptions). Accordingly, we will continue to monitor the situation carefully, and leave forecasts for the second half of the year unchanged
 - ① In addition to firm demand, the effect of new products introduced in the previous year is expected to continue a trend towards sales growth
 - ② Although we will move ahead with passing on increases in the cost of parts and materials to customers, we anticipate that a worsening cost of sales ratio and a loss of sales opportunities due to difficulties in procuring parts and materials will continue to a certain extent in the second half of the year
 - ③ The Russia/Ukraine crisis has brought with it global increases in prices and inflation, which together with the risk of slower economic activity caused by monetary tightening by authorities in each country, means that unpredictable conditions are expected to continue
 - ④ Since forecasts for exchange rates in the second half of the year remain uncertain, no change has been made to our initial assumption of USD: 110.00 yen and EUR: 130.00 yen
- Although the goal of reaching an operating profit ratio of 10% by FY2025 as established in Mimaki V10 remains strong, we will take every precaution against risk, and solidify our management foundation, continuing to work together as a company

Factors Effecting Operating Profit (FY2021 Results vs FY2022 Forecast)



(Unit: millions of yen)

[Impact by currency]

USD: 112.38 yen → 120.14 yen	+630
EUR: 130.56 yen → 133.61 yen	+241
CNY: 17.51 yen → 19.04 yen	-354
TRY: 11.23 yen → 8.22 yen	-220
BRL: 21.11 yen → 22.99 yen	+118
Other (AUD, IDR, etc.)	+173
Total	+587

[Exchange rate sensitivity (1 yen/year)]

	Net sales	Operating profit
USD	147	81
EUR	125	79

[Factors behind changes in cost to sales ratio]

Impact is primarily anticipated from soaring costs for transportation and parts and raw materials

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

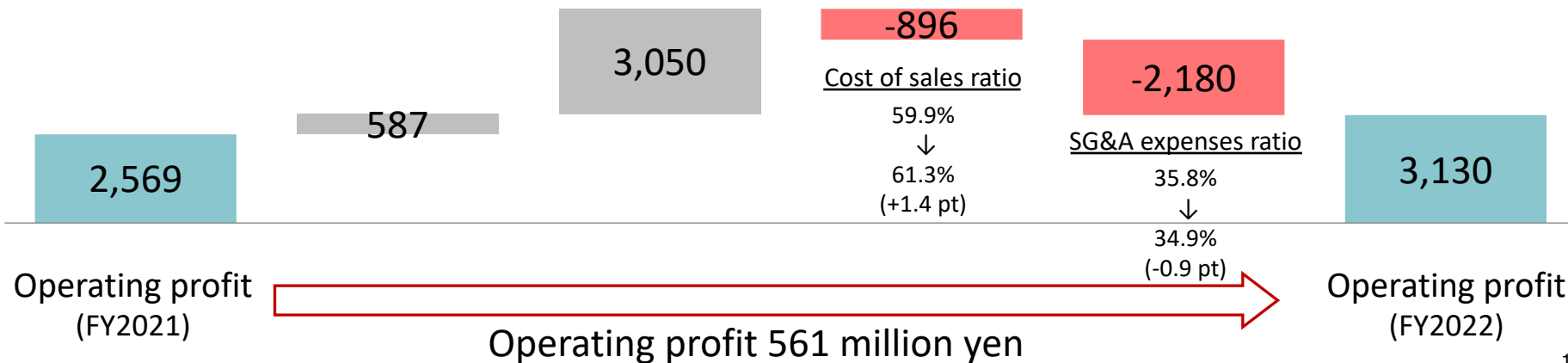
Net sales (1,974) - Cost of sales (916) - SG&A expenses (469) = Operating profit (587)

(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

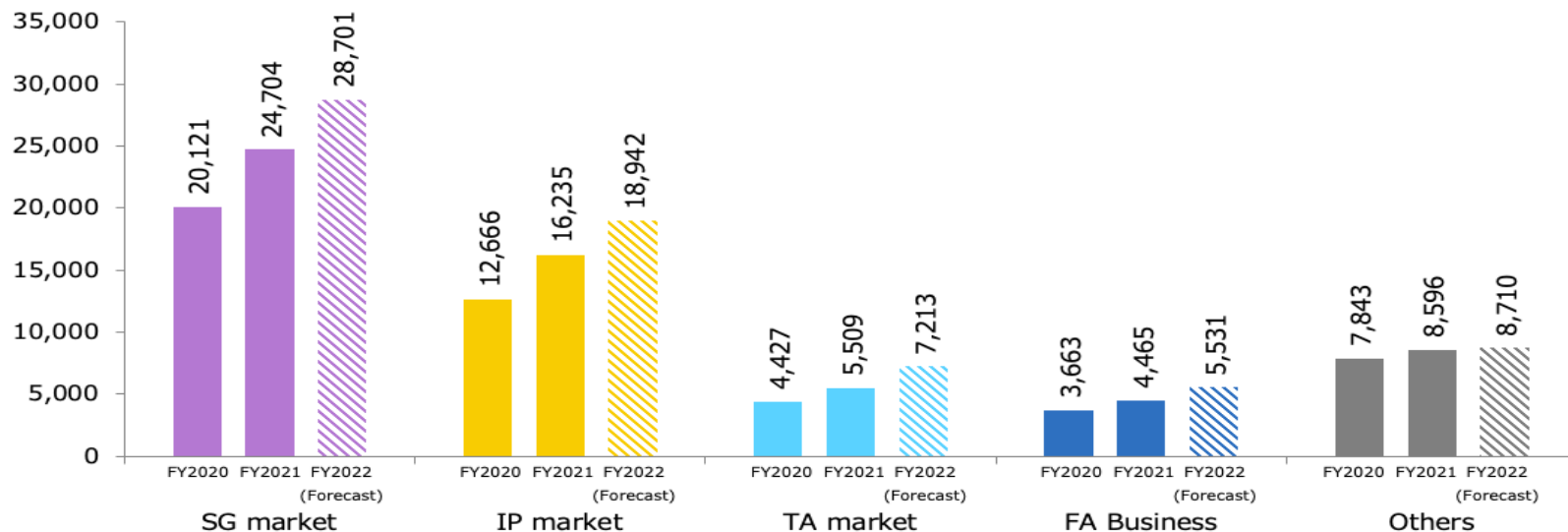


Sales Forecast by Market Segment (FY2022)



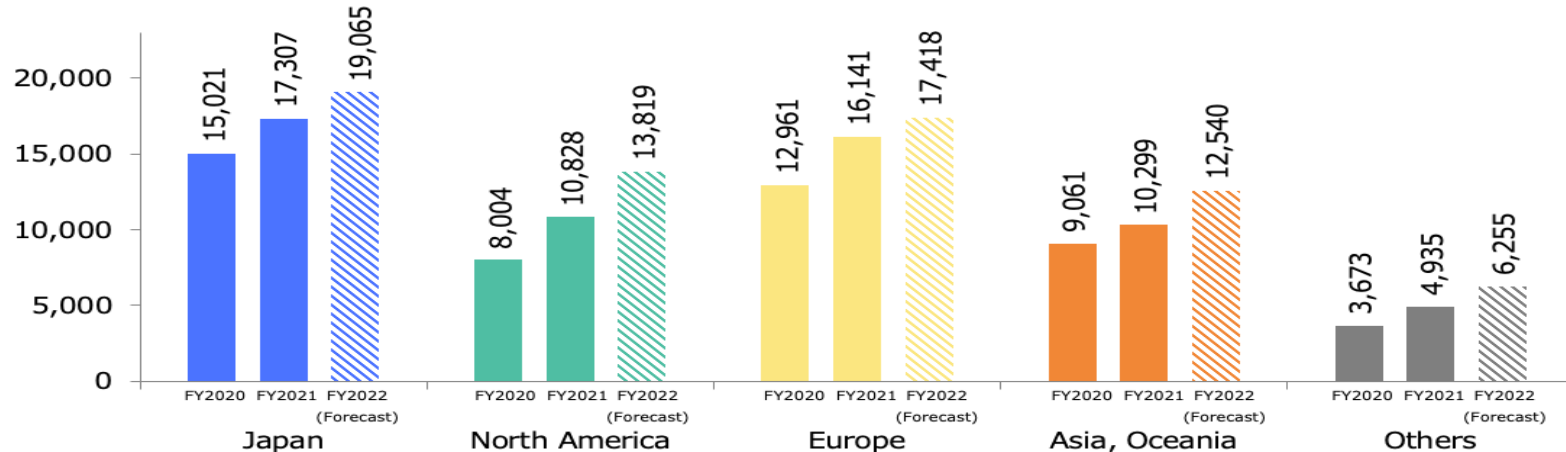
(Millions of yen)	FY2021		FY2022									Sales ratio
	Fiscal year Actual	Sales ratio	First half Actual (Revised)	Change from previous forecast	Second Half Forecast	Change from previous forecast	Fiscal year Forecast (Revised)	Change from previous forecast	Change from FY2021			
									Amount	Change from FY2021	Change from FY2021*	
SG market	24,704	41.5%	14,006	1,330	14,694	0	28,701	1,330	3,997	16.2%	12.2%	41.5%
IP market	16,235	27.3%	9,629	1,077	9,313	0	18,942	1,077	2,706	16.7%	13.4%	27.4%
TA market	5,509	9.3%	3,399	374	3,814	0	7,213	374	1,704	30.9%	25.9%	10.4%
FA business	4,465	7.5%	2,415	28	3,116	0	5,531	28	1,065	23.9%	23.8%	8.0%
Others	8,596	14.4%	4,749	688	3,961	0	8,710	688	113	1.3%	–	12.6%
Total	59,511	100.0%	34,200	3,500	34,900	0	69,100	3,500	9,588	16.1%	12.8%	100.0%

* Excluding the impact of exchange rate

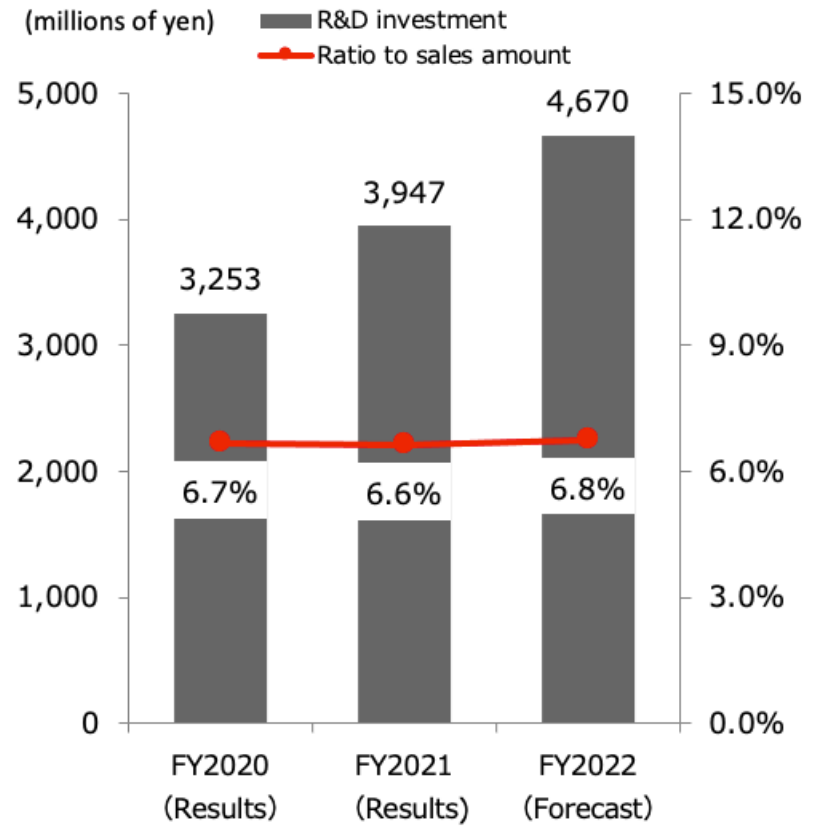
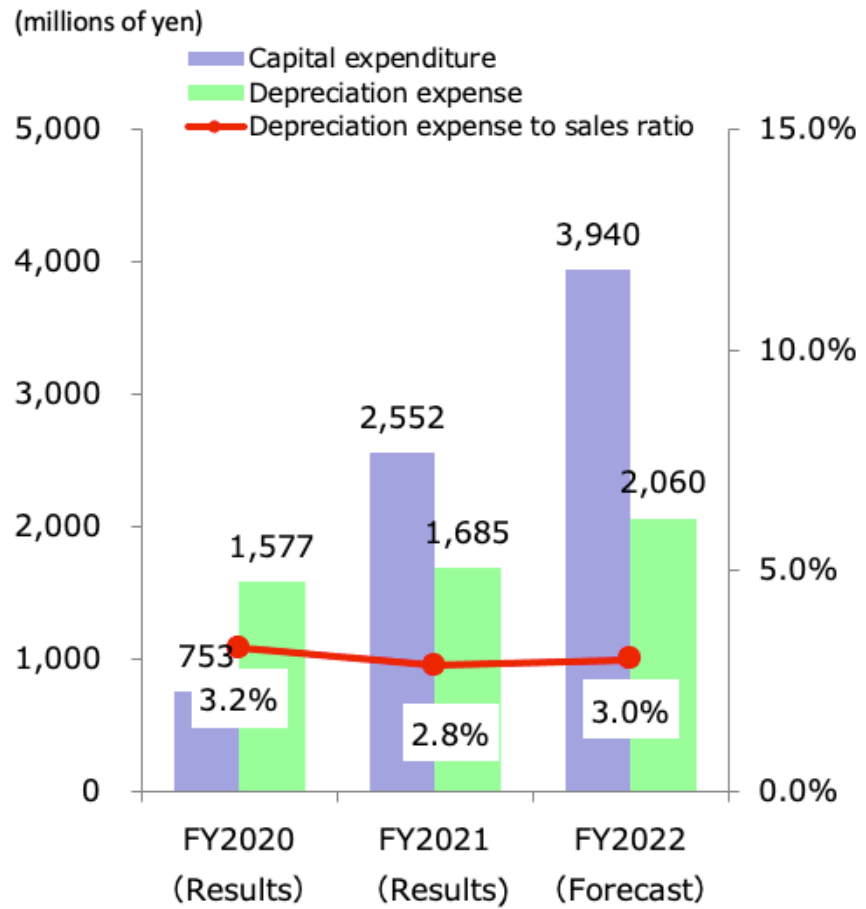


Sales Forecast by Area (FY2022)

(Millions of yen)	FY2021		FY2022								
	Fiscal year Actual	Sales ratio	First half Actual (Revised)	Change from previous forecast	Second Half Forecast	Change from previous forecast	Fiscal year Forecast (Revised)	Change from previous forecast	Change from FY2021		Sales ratio
									Amount	Change from FY2021	
Japan	17,307	29.1%	9,245	418	9,819	0	19,065	418	1,758	10.2%	27.6%
North America	10,828	18.2%	7,384	1,446	6,435	0	13,819	1,446	2,991	27.6%	20.0%
Local currency:\$	96.3M	-	56.6M	2.7M	58.5M	0.0M	115.1M	2.7M	18.8M	19.5%	-
Europe	16,141	27.1%	8,493	1,137	8,925	0	17,418	1,137	1,277	7.9%	25.2%
Local currency:€	123.6M	-	61.8M	5.3M	68.6M	0.0M	130.5M	5.3M	6.9M	5.6%	-
Asia, Oceania	10,299	17.3%	6,016	534	6,524	0	12,540	534	2,241	21.8%	18.1%
Others	4,935	8.3%	3,059	△ 36	3,195	0	6,255	△ 36	1,319	26.7%	9.1%
Total	59,511	100.0%	34,200	3,499	34,900	0	69,100	3,500	9,588	16.1%	100.0%



Capital Expenditure, Depreciation, and R&D Investment Forecast (FY2022)



※ 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

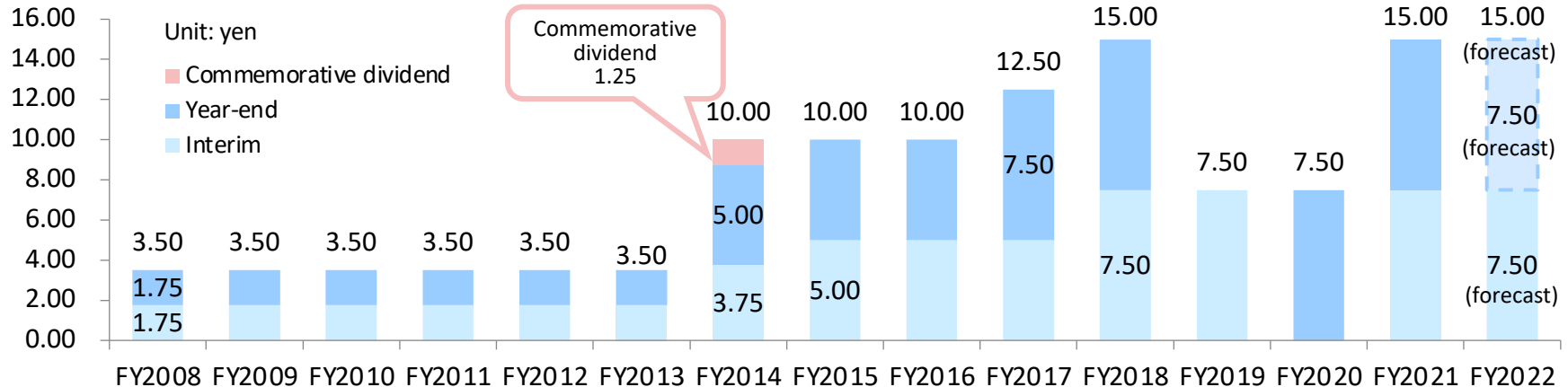
Mimaki Engineering treats shareholder returns as a key management tenet. As such, it is the Company's basic policy to stably and continuously pay out dividends commensurate with growth in business performance.

■ Dividends for FY2021 (results) Interim: 7.5 yen, Year-end: 7.5 yen

Based on recovery of business and our policy of stable and continuous shareholder returns, we paid an annual dividend of 15.0 yen.

■ Dividends for FY2022 (forecast) Interim: 7.5 yen, Year-end: 7.5 yen

Based on a comprehensive consideration of 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,
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