



Mimaki Engineering Co., Ltd.

Second Quarter of Fiscal Year Ending March 31, 2023

Financial Results Briefing Materials

November 9, 2022



Securities Code
6638

JV330 Series



JFX600-2513



TS330-1600



3DUJ-2207



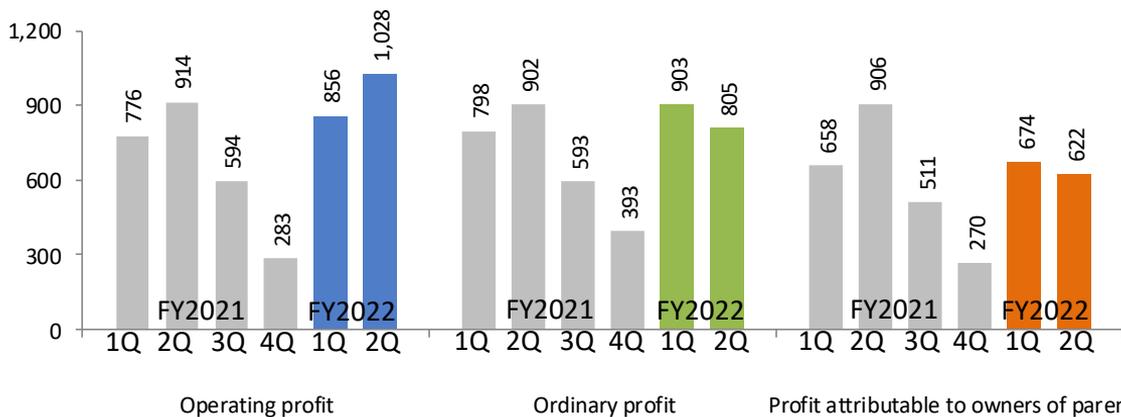
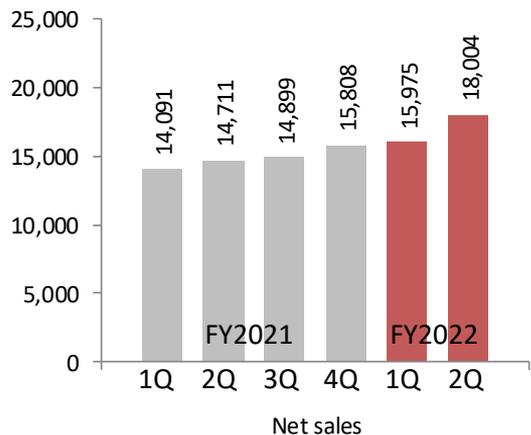
Consolidated Results for FY2022

- ❖ Second quarter and first half results
- ❖ FY2022 full business year forecast

Consolidated Performance Highlights (Results for 2Q FY2022)



(Millions of yen)		FY2021		FY2022 <small>* Excluding the impact of exchange rate</small>				
		2Q Actual	Sales ratio	2Q Actual	Sales ratio	Change from FY2021		
						Amount	Change from FY2021	Change from FY2021*
Net sales		14,711	—	18,004	—	3,292	22.4%	11.6%
Operating profit		914	6.2%	1,028	5.7%	114	12.5%	—
Ordinary profit		902	6.1%	805	4.5%	-96	-10.7%	—
Profit attributable to owners of parent		906	6.2%	622	3.5%	-284	-31.4%	—
Exchange rate (yen)	USD	110.11	—	138.38	—	28.27	25.7%	—
	EUR	129.83	—	139.34	—	9.51	7.3%	—



Consolidated Financial Highlights (for 2Q FY2022)



■ 2Q net sales

- Sales increased by 3,292 million yen compared to the same period of FY2021 (+22%, including +1,592 million yen due to the impact of exchange rates), largely in line with the previous forecast
- Despite the impact of ongoing shortages of parts and materials in general and continued longer transportation lead times from the 1Q, as well as the negative impact on sales brought about by the Russia-Ukraine crisis in Europe, overall demand for the Company's products remained strong. In addition to the IP market, where new products performed well, sales in the TA market, which had been slow to recover from the COVID-19, increased mainly in emerging countries, and sales in the SG market were also strong, especially for mainstay products. The sales shift in the FA business from 1Q also contributed to the significant increase in sales, as well as the positive effect of yen depreciation overall.

■ 2Q operating profit

- Profit increased by 114 million yen compared to the same period of FY2021 (+13%, including +504 million yen due to the impact of exchange rates), exceeding the previous forecast
- Although we proceeded with revising selling prices to cope with the increases in costs, the cost of sales ratio rose due to increased costs from parts procurement that prioritizes avoidance of lost sales opportunities, as well as soaring energy costs. Although SG&A expenses increased mainly in personnel costs, sales promotion expenses, and R&D costs due to increased business and sales activities, operating profit increased significantly due to the effect of yen depreciation.

■ Balance sheet as of 2Q

- CCC*, a key indicator, decreased in comparison to the end of the previous fiscal year as a result of sales expansion, accelerated collection of accounts receivable, inventory reduction activities, etc., while we continued to secure inventories in response to the shortage of parts and materials.

2021/end of September: 4.35 → end of December: 4.27 → 2022/end of March: 5.27 → end of June: 5.50 → end of September: 5.14

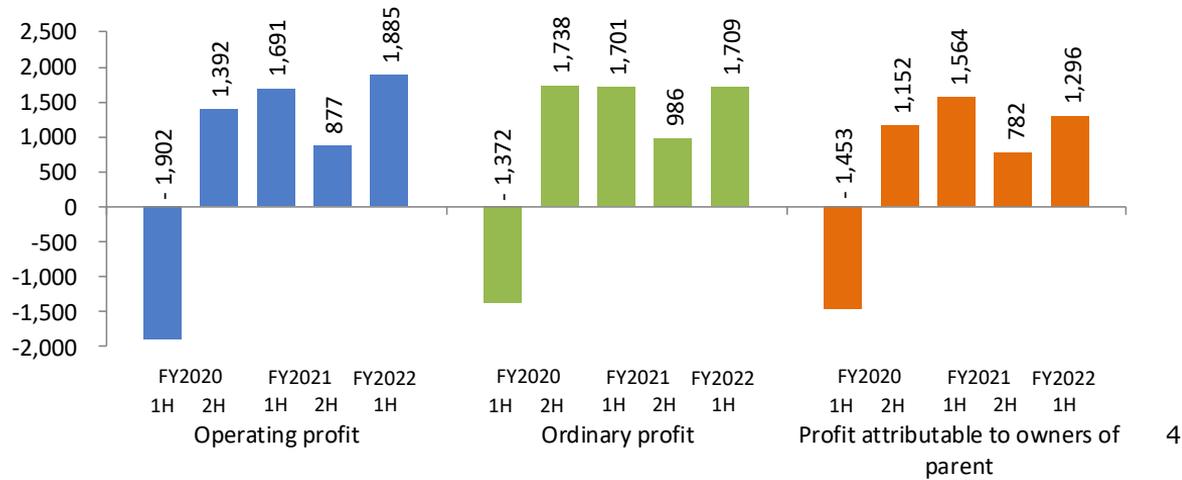
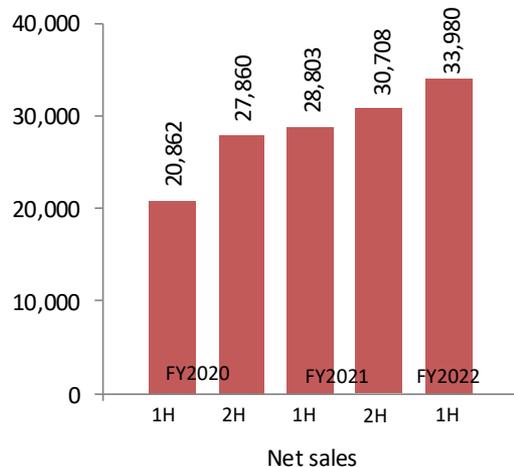
*CCC: Cash Conversion Cycle

Consolidated Performance Highlights (Results for 1H FY2022)



		FY2021	
		First half Actual	Sales ratio
(Millions of yen)			
■ Net sales		28,803	—
■ Operating profit		1,691	5.9%
■ Ordinary profit		1,701	5.9%
■ Profit attributable to owners of parent		1,564	5.4%
Exchange rate (yen)	USD	109.80	—
	EUR	130.89	—

FY2022							* Excluding the impact of exchange rate	
First half Actual	Sales ratio	Change from FY2021			Previous forecast	Change from previous forecast		
		Amount	Change from FY2021	Change from FY2021*				
33,980	—	5,176	18.0%	8.7%	34,200	-219		
1,885	5.5%	194	11.5%	—	1,570	315		
1,709	5.0%	8	0.5%	—	1,540	169		
1,296	3.8%	-268	-17.1%	—	1,160	136		
133.98	—	24.18	22.0%	—	130.29	3.69		
138.72	—	7.83	6.0%	—	137.22	1.50		



Sales by Market Segment (Results for 2Q FY2022)



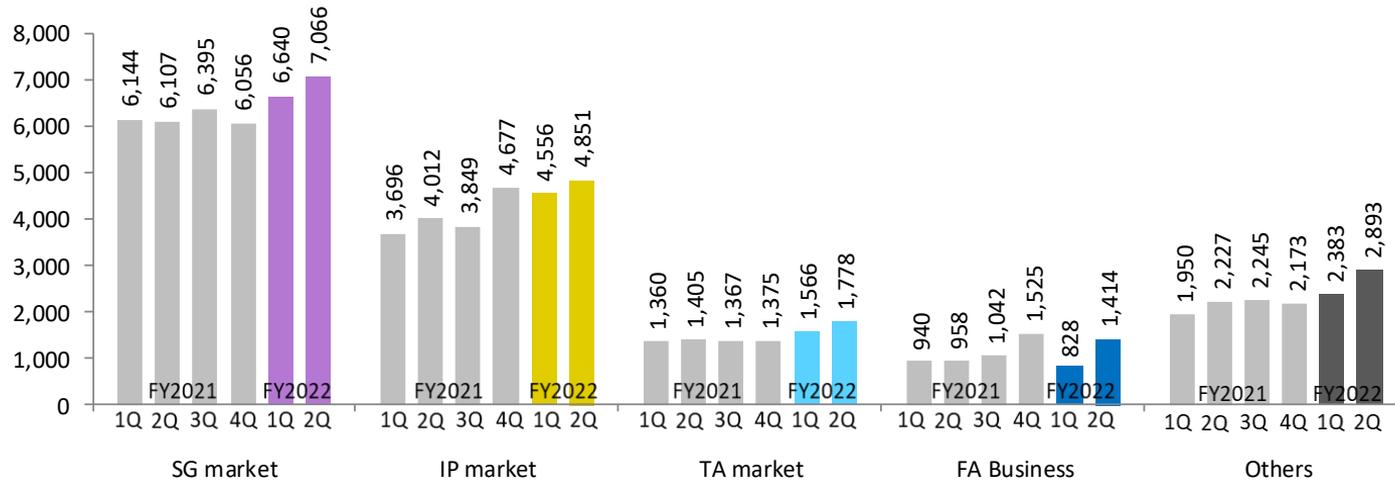
(Millions of yen)	FY2021		FY2022				
	2Q Actual	Sales ratio	2Q Actual	Change from FY2021		Sales ratio	
				Amount	Change from FY2021		Change from FY2021*
SG market	6,107	41.5%	7,066	958	15.7%	3.1%	39.2%
IP market	4,012	27.3%	4,851	838	20.9%	9.9%	26.9%
TA market	1,405	9.6%	1,778	373	26.5%	11.9%	9.9%
FA business	958	6.5%	1,414	456	47.6%	47.6%	7.9%
Others	2,227	15.1%	2,893	665	29.9%	—	16.1%
Total	14,711	100.0%	18,004	3,292	22.4%	11.6%	100.0%

- SG market : Although main products were affected by difficulties in procuring parts and materials, the entry-level 100 model series, cutting plotters with the new CG-AR, mid-range models, and ink sales were strong.
- IP market : The UJF-7151PlusII and UJF-6042MkIIe compact flatbed printers with updates to the lineup caused main products to continue to increase substantially, while sales of large flatbed printers were also strong, and ink sales increased substantially.
- TA market : Sales of main products grew substantially continuing from 1Q, centering on the entry-level model TS100 in Latin America and Asia, while sales of the mainstay mid-range models remained strong, and ink sales also grew significantly.
- FA business : Sales in the FA equipment, PCB inspection equipment, metal processing, and PCB mounting equipment businesses grew substantially due to increased demand for capital investment in line with economic recovery, as well as the contribution of projects whose sales shifted from 1Q due to the impact of shortages of parts and materials.

Sales by Market Segment (Results for 1H FY2022)



(Millions of yen)	FY2021		FY2022						
	First half Actual	Sales ratio	First half Actual	Change from FY2021			Sales ratio	Previous forecast	Change from previous forecast
				Amount	Change from FY2021	Change from FY2021*			
SG market	12,252	42.5%	13,707	1,454	11.9%	1.2%	40.3%	14,006	-299
IP market	7,709	26.8%	9,407	1,698	22.0%	12.4%	27.7%	9,629	-221
TA market	2,766	9.6%	3,345	579	20.9%	8.6%	9.8%	3,399	-54
FA business	1,898	6.6%	2,243	344	18.2%	18.2%	6.6%	2,415	-171
Others	4,178	14.5%	5,276	1,098	26.3%	—	15.5%	4,749	527
Total	28,803	100.0%	33,980	5,176	18.0%	8.7%	100.0%	34,200	-219



Sales by Area (Results for 2Q FY2022)



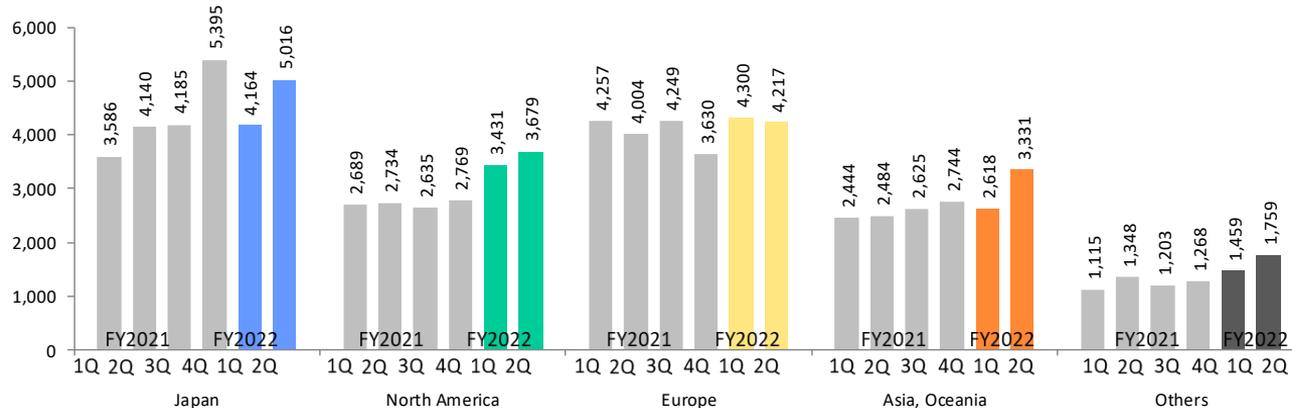
(Millions of yen)	FY2021		FY2022			
	2Q Actual	Sales ratio	2Q Actual	Change from FY2021		Sales ratio
				Amount	Change from FY2021	
■ Japan	4,140	28.1%	5,016	876	21.2%	27.9%
■ North America	2,734	18.6%	3,679	944	34.6%	20.4%
Local currency:\$	24.8M	—	26.5M	1.7M	7.1%	—
■ Europe	4,004	27.2%	4,217	213	5.3%	23.4%
Local currency:€	30.8M	—	30.2M	-0.5M	-1.9%	—
■ Asia, Oceania	2,484	16.9%	3,331	846	34.1%	18.5%
■ Others	1,348	9.2%	1,759	411	30.5%	9.8%
Total	14,711	100.0%	18,004	3,292	22.4%	100.0%

- Japan: IP sales remained strong under the moderate economic recovery, and a significant increase in FA sales due to a shift of projects from 1Q also contributed to the strong sales growth.
- North America: While the impact of slowdown in economic activity due to inflation gradually became apparent, sales of new and existing products for IP expanded favorably, SG and TA remained strong, ink sales were also strong, and the effect of the weak yen contributed.
- Europe: Despite the negative economic impact of the Russia-Ukraine crisis, sales of SG and IP increased in major countries such as Germany, the U.K., Portugal, and France, sales of ink and maintenance parts were also strong, and the effect of the weak yen contributed.
- Asia and Oceania: While sales in China remained sluggish despite recovery from the impact of the lockdown, in areas such as Thailand, India, and Indonesia, sales of TA grew substantially in addition to strong sales of SG and IP, and ink sales were also strong.

Sales by Area (Results for 1H FY2022)



(Millions of yen)	FY2021		FY2022					
	First half Actual	Sales ratio	First half Actual	Change from FY2021		Sales ratio	Previous forecast	Change from previous forecast
				Amount	Change from FY2021			
Japan	7,726	26.8%	9,181	1,455	18.8%	27.0%	9,245	-63
North America	5,423	18.8%	7,110	1,687	31.1%	20.9%	7,384	-273
Local currency:\$	49.3M	—	53.0M	3.6M	7.4%	—	56.6M	- 3.6M
Europe	8,261	28.7%	8,518	257	3.1%	25.1%	8,493	25
Local currency:€	63.1M	—	61.4M	- 1.7M	-2.7%	—	61.8M	- 0.4M
Asia, Oceania	4,929	17.1%	5,950	1,021	20.7%	17.5%	6,016	-66
Others	2,463	8.6%	3,218	755	30.7%	9.5%	3,059	159
Total	28,803	100.0%	33,980	5,176	18.0%	100.0%	34,200	-219



Condensed Balance Sheet (as of September 30, 2022)



(Millions of yen)	31-Mar-22	30-Sep-22	Change	
Assets				
Cash and deposits	8,971	10,330	1,358	15.1%
Notes and accounts receivable - trade *1	10,176	11,102	925	9.1%
Inventories	25,832	27,898	2,066	8.0%
Other	2,514	2,789	274	10.9%
Total current assets	47,495	52,120	4,625	9.7%
Property, plant and equipment	10,177	11,142	965	9.5%
Intangible assets	587	623	36	6.1%
Investments and other assets	2,596	2,979	382	14.7%
Total non-current assets	13,362	14,746	1,384	10.4%
Total assets	60,857	66,866	6,009	9.9%
Liabilities and Net assets				
Notes and accounts payable - trade *1	9,488	9,122	-366	-3.9%
Short-term borrowings *2	14,436	19,496	5,060	35.1%
Other	8,404	8,402	-1	-0.0%
Total current liabilities	32,329	37,022	4,692	14.5%
Long-term borrowings	8,432	7,034	-1,397	-16.6%
Other	1,378	1,589	211	15.3%
Total non-current liabilities	9,810	8,624	-1,186	-12.1%
Total liabilities	42,140	45,646	3,506	8.3%
Total net assets	18,716	21,220	2,503	13.4%
Total liabilities and net assets	60,857	66,866	6,009	9.9%

❖ Assets +6,009

- **Current assets (+4,625)**
→ Increase in merchandise and finished goods, cash and deposits, etc.
- **Property, plant and equipment (+965)**
→ Increase in buildings and structures, etc.
- **Investments and other assets (+382)**
→ Increase in deferred tax assets, etc.

❖ Liabilities +3,506

- **Current liabilities (+4,692)**
→ Notes and accounts payable - trade (+1,030)
Electronically recorded obligations – operating (-1,396)
→ Short-term borrowings (+6,017)
- **Non-current liabilities (-1,186)**
→ Long-term borrowings (-1,397)
→ Lease liabilities (+101)

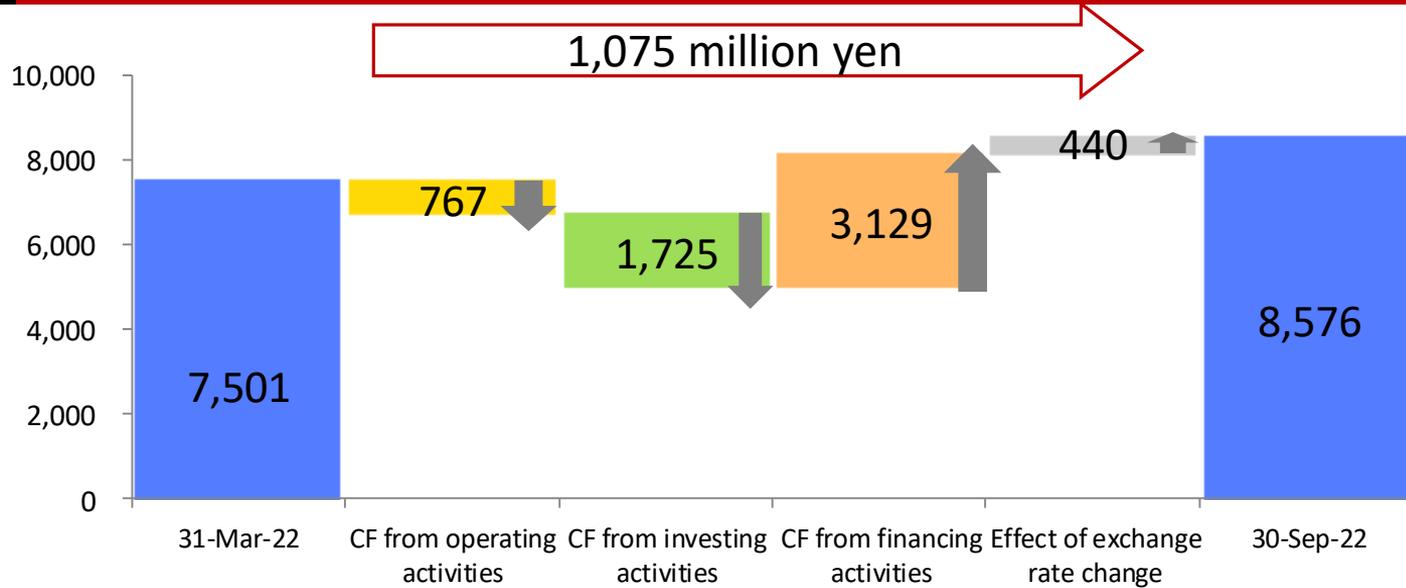
❖ Net assets +2,503

- Retained earnings (+1,102)

(*1) Including electronically recorded monetary claims - operating and electronically recorded obligations - operating

(*2) Including current portion of long-term borrowings

Cash Flows (Results for 1H FY2022)



Cash flows from operating activities

EBITDA (*)	2,361
Increase in working capital	-2,190
Taxes, interest payments, etc.	-938
Total	-767

Cash flows from investing activities

Fixed deposit balance	-270
Acquisition of non-current assets	-1,572
Others	117
Total	-1,725

Cash flows from financing activities

Proceeds from short and long-term borrowings	3,458
Dividends paid	-216
Others	-112
Total	3,129

(*) Operating profit before interest, taxes and amortization

Consolidated Results for FY2022

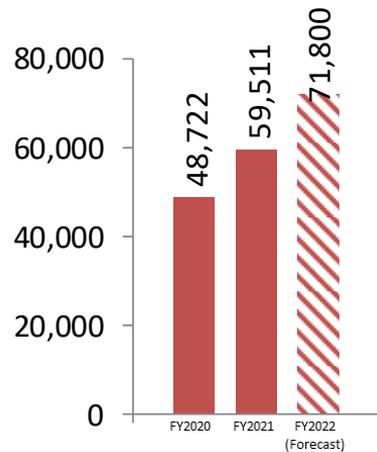
- ❖ Second quarter and first half results
- ❖ FY2022 full business year forecast

Consolidated Performance Forecast Highlights (FY2022)

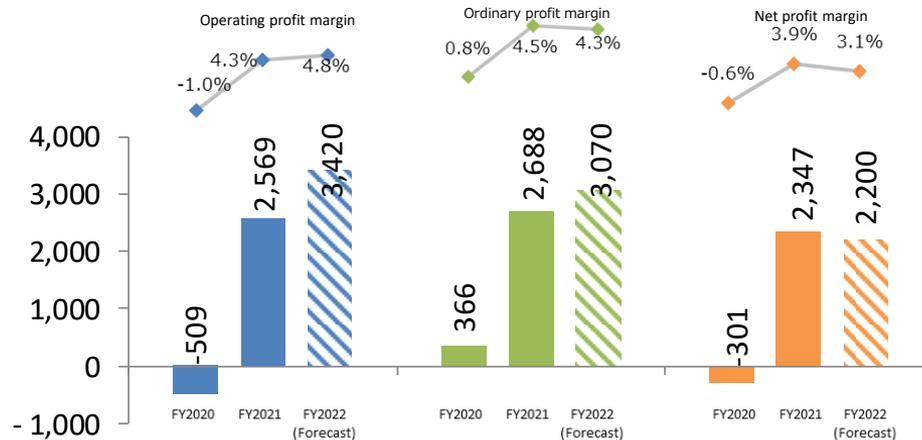


		FY2021		FY2022								
		Fiscal year Actual	Sales ratio	Second half Forecast (Revised, net)	Sales ratio	Change from FY2021	Fiscal year Forecast (Revised)	Sales ratio	Change from FY2021			Change from previous forecast
									Amount	Change from FY2021	Change from FY2021*	
(Millions of yen)												
■ Net sales		59,511	—	37,819	—	7,111	71,800	—	12,288	20.6%	12.3%	2,700
■ Operating profit		2,569	4.3%	1,534	4.1%	656	3,420	4.8%	850	33.1%	—	290
■ Ordinary profit		2,688	4.5%	1,360	3.6%	373	3,070	4.3%	381	14.2%	—	50
■ Profit attributable to owners of parent		2,347	3.9%	903	2.4%	120	2,200	3.1%	-147	-6.3%	—	30
Exchange rate (yen)	USD	112.38	—	135.00	—	20.04	134.49	—	22.11	19.7%	—	14.35
	EUR	130.56	—	135.00	—	4.77	136.86	—	6.30	4.8%	—	3.25

* Excluding the impact of exchange rate



Net sales



Operating profit

Ordinary profit

Profit attributable to owners of parent

■ Assumptions underlying the consolidated performance forecast

① Net sales

- We expect that product supply restrictions due to difficulties in procuring parts and materials will remain in some areas and products, as well as the impact of continued longer transportation lead times.
- We expect strong demand from customers in the SG, IP, and TA markets as we strengthen our product lineup, and we will steadily link product inventories to sales by further strengthening our sales activities.

② Operating profit

- The cost of sales ratio is expected to deteriorate due to the change in the outlook from the previous assumption that the sharp rise in material and energy costs would gradually dissipate to one in which the impact is expected to continue through the second half of the fiscal year. SG&A expenses at overseas subsidiaries are expected to increase after translation into yen due to the sharp depreciation of the yen.

③ Exchange rate assumptions for the second half of the fiscal year are as follows: USD: 135 yen, EUR: 135 yen, CNY: 19.8 yen

- ## ■ With the goal of reaching an operating profit ratio of 10% by FY2025 as established in “Mimaki V10” remaining strong, we will take every precaution against geopolitical risks, and solidify our management foundation in the second half of the fiscal year, working together as a company.

Factors Effecting Operating Profit (FY2021 Results vs FY2022 Forecast)



(Unit: millions of yen)

[Impact by currency]

USD: 112.38 yen → 134.49 yen	+1,615
EUR: 130.56 yen → 136.86 yen	+542
CNY: 17.51 yen → 19.84 yen	-609
TRY: 11.23 yen → 7.48 yen	-285
BRL: 21.11 yen → 25.24 yen	+260
Other (AUD, IDR, etc.)	+339
Total	+1,863

[Exchange rate sensitivity (1 yen/year)]

	Net sales	Operating profit
USD	143	73
EUR	131	86

[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 (4,972) - Cost of sales (2,003) - SG&A expenses (1,105) = Operating profit (1,863)

(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

1,863

2,931

-1,586

Cost of sales ratio

59.9%

↓

62.3%

(+2.4 pt)

-2,358

SG&A expenses ratio

35.8%

↓

35.4%

(-0.4 pt)

2,569

3,420

Operating profit
(FY2021)

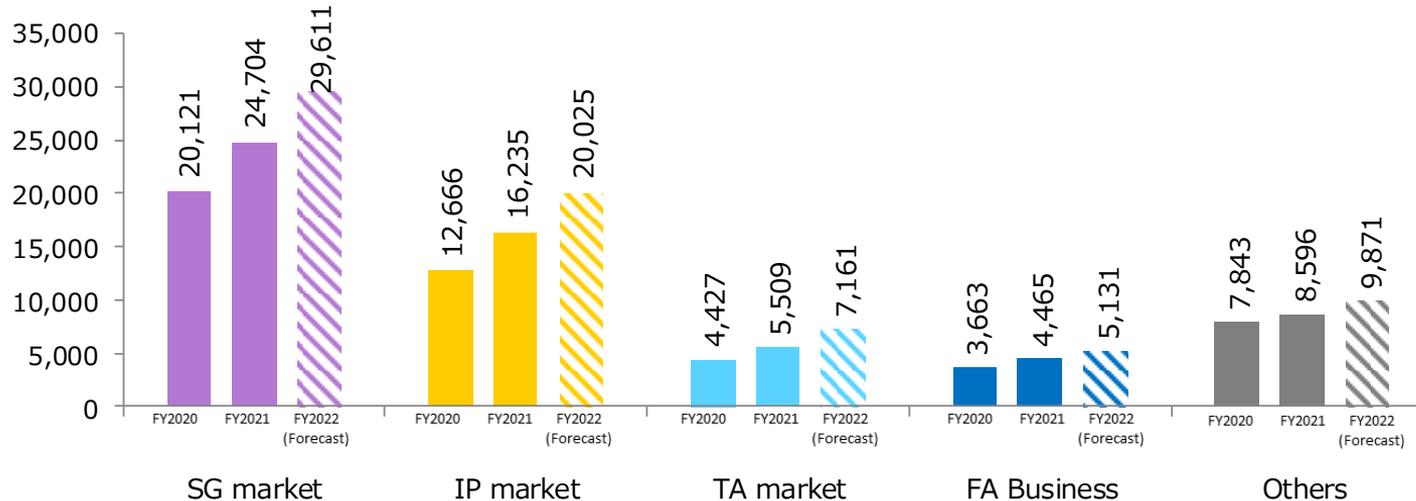
Operating profit 850 million yen

Operating profit
(FY2022)

Sales Forecast by Market Segment (FY2022)



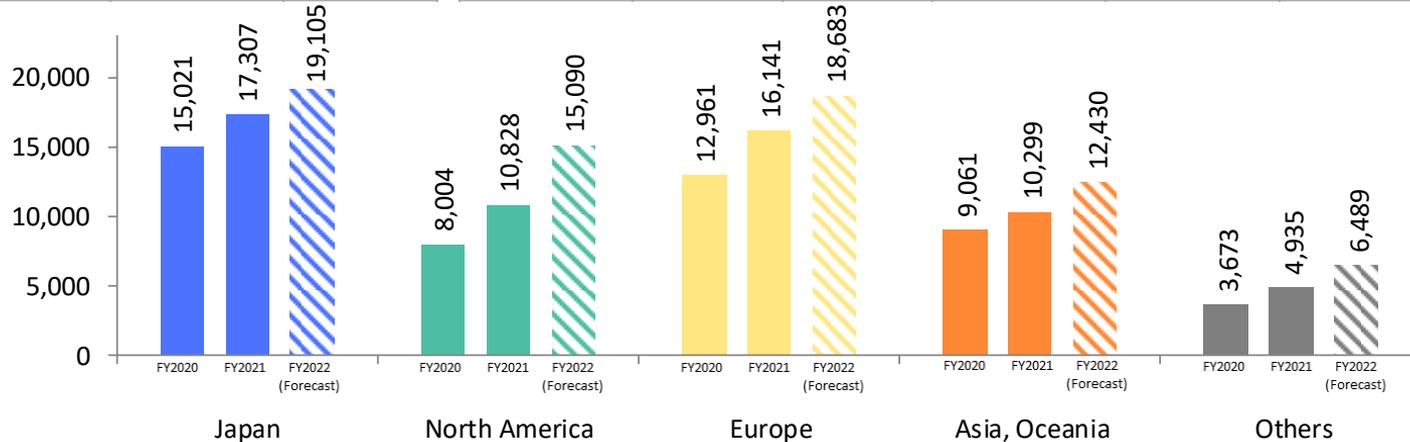
(Millions of yen)	FY2021		FY2022							* Excluding the impact of exchange rate	
	Fiscal year Actual	Sales ratio	Second half Forecast (Revised, net)	Change from FY2021	Fiscal year Forecast (Revised)	Change from FY2021			Sales ratio	Change from previous forecast	
						Amount	Change from FY2021	Change from FY2021*			
SG market	24,704	41.5%	15,903	3,452	29,611	4,906	19.9%	9.9%	41.2%	909	
IP market	16,235	27.3%	10,617	2,090	20,025	3,789	23.3%	15.1%	27.9%	1,082	
TA market	5,509	9.3%	3,815	1,072	7,161	1,652	30.0%	18.1%	10.0%	-52	
FA business	4,465	7.5%	2,888	320	5,131	665	14.9%	14.3%	7.1%	-400	
Others	8,596	14.4%	4,594	175	9,871	1,274	14.8%	—	13.7%	1,160	
Total	59,511	100.0%	37,819	7,111	71,800	12,288	20.6%	12.3%	100.0%	2,700	



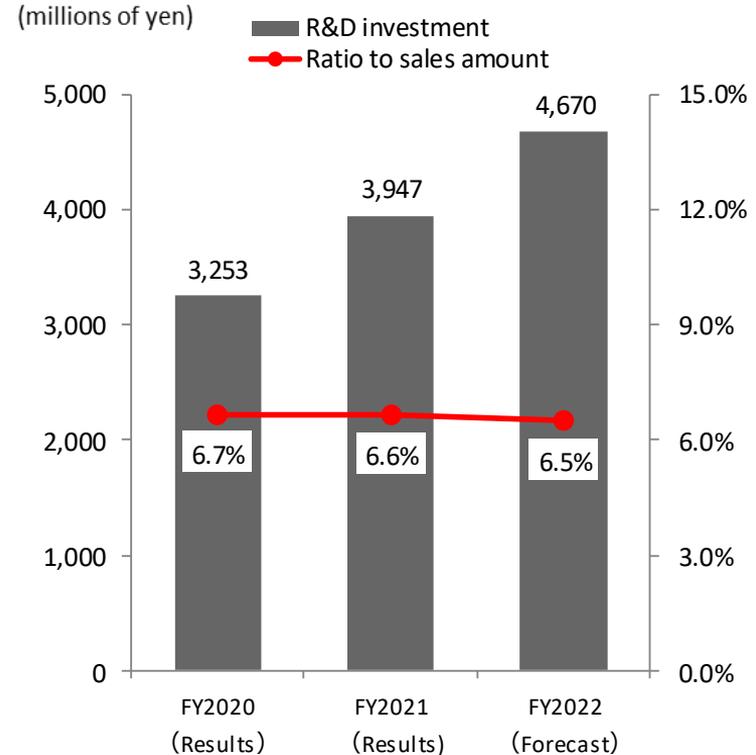
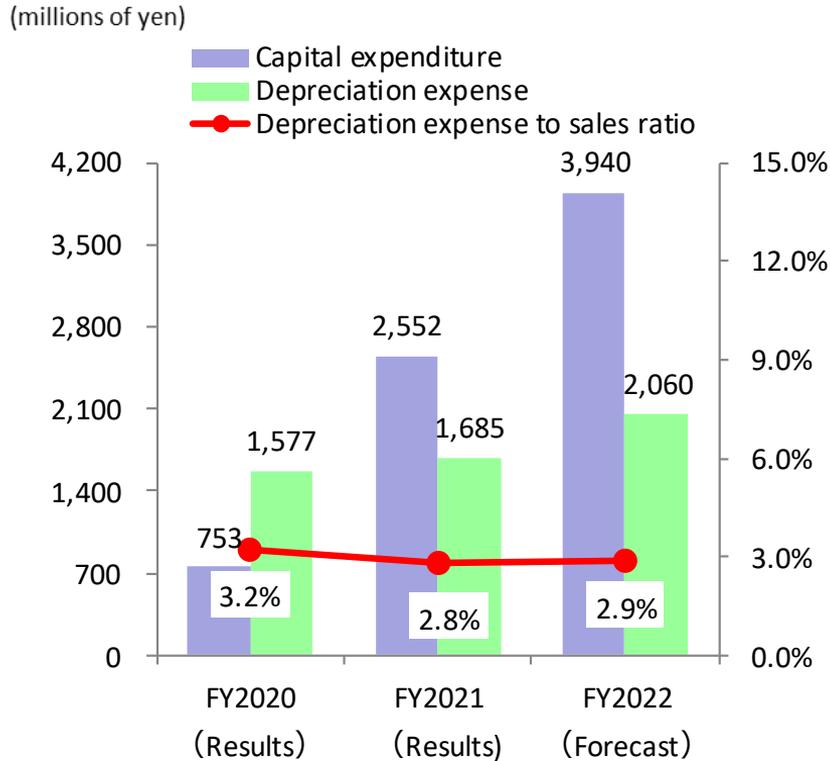
Sales Forecast by Area (FY2022)



(Millions of yen)	FY2021		FY2022						
	Fiscal year Actual	Sales ratio	Second half Forecast (Revised, net)	Change from FY2021	Fiscal year Forecast (Revised)	Change from FY2021		Sales ratio	Change from previous forecast
						Amount	Change from FY2021		
Japan	17,307	29.1%	9,923	342	19,105	1,798	10.4%	26.6%	40
North America	10,828	18.2%	7,979	2,574	15,090	4,261	39.4%	21.0%	1,270
Local currency:\$	96.3M	—	59.1M	12.1M	112.2M	15.8M	16.4%	—	- 2.9M
Europe	16,141	27.1%	10,165	2,285	18,683	2,542	15.7%	26.0%	1,264
Local currency:€	123.6M	—	75.1M	14.6M	136.5M	12.8M	10.4%	—	6.0M
Asia, Oceania	10,299	17.3%	6,480	1,110	12,430	2,131	20.7%	17.3%	-110
Others	4,935	8.3%	3,270	799	6,489	1,554	31.5%	9.0%	234
Total	59,511	100.0%	37,819	7,111	71,800	12,288	20.6%	100.0%	2,700



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

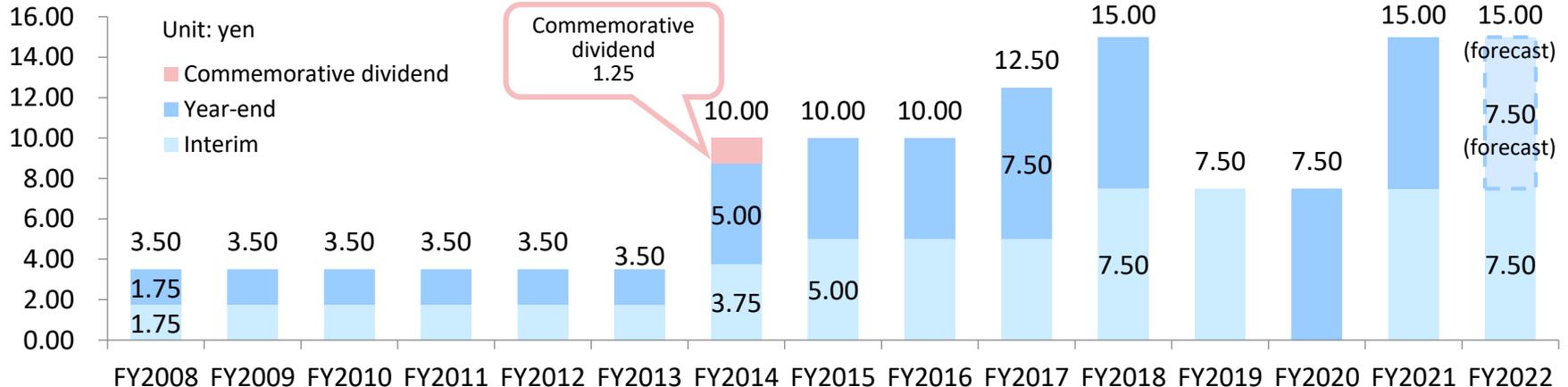
Mimaki Engineering treats shareholder returns as a key management tenet. As such, it is the Company's basic policy to stably and continuously pay out dividends commensurate with growth in business performance.

- Dividends for FY2021 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 Interim: 7.5 yen, Year-end (forecast): 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,
please contact

Mimaki Engineering Co., Ltd.

IR Department

Telephone (Head Office): 0268(80)0058

Telephone (Tokyo): 03(6362)4290

E-mail: mimaki-ir@mimaki.com

[Disclaimer]

This document was created by Mimaki Engineering Co., Ltd. (hereafter referred to as "the Company") in order to provide information on the Company, and is not intended to solicit investors.

The utmost care was taken in ensuring accuracy during the creation of this document; however, no guarantees are made as to its completeness. The Company accepts no responsibility whatsoever for any inconveniences or damages incurred due to use of the information contained in this document.

Performance forecasts and future estimations contained in this document were formulated by the Company based on information that was available when the document was created, and are subject to potential risks and uncertainties. Therefore, various factors such as changing business environments could lead to significantly different outcomes in actual performance compared to the forecasts mentioned or described herein. Thank you for your understanding.