



Mimaki Engineering Co., Ltd.

Third Quarter of Fiscal Year Ending March 31, 2024

Financial Results Briefing Materials

February 14, 2024



Securities Code
6638



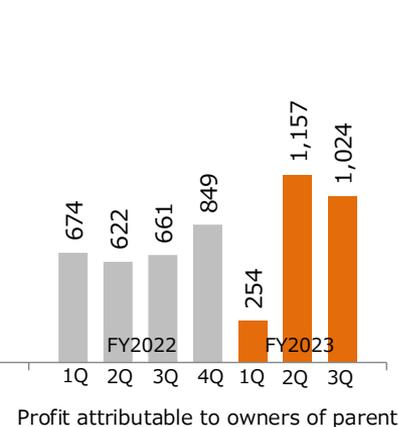
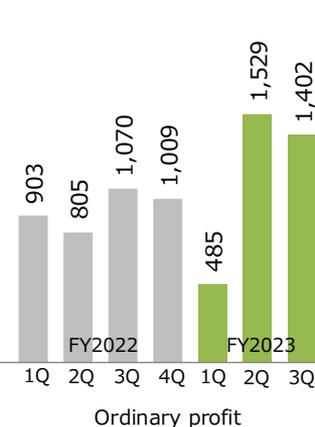
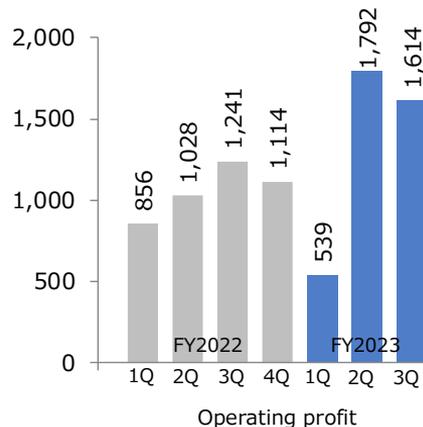
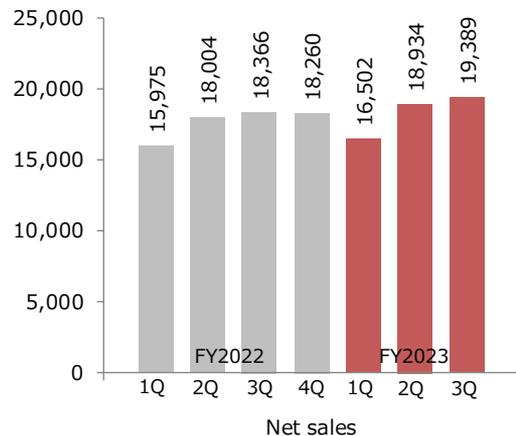
Consolidated Results for FY2023

- ❖ Third quarter results
- ❖ FY2023 full business year forecast

Consolidated Performance Highlights (Results for 3Q FY2023)



(Millions of yen)		FY2022		FY2023 <small>* Excluding the impact of exchange rate</small>				
		3Q Actual	Sales ratio	3Q Actual	Sales ratio	Change from FY2022		
						Amount	Percentage	Percentage*
■	Net sales	18,366	—	19,389	—	+1,022	+5.6%	+1.9%
■	Operating profit	1,241	6.8%	1,614	8.3%	+373	+30.1%	—
■	Ordinary profit	1,070	5.8%	1,402	7.2%	+332	+31.1%	—
■	Profit attributable to owners of parent	661	3.6%	1,024	5.3%	+363	+55.0%	—
Exchange rate (yen)	USD	141.64	—	147.89	—	+6.25	+4.4%	—
	EUR	144.35	—	159.10	—	+14.75	+10.2%	—



Consolidated Financial Highlights (for 3Q FY2023)



■ 3Q net sales

- Sales increased by 1,022 million yen compared to the same period of FY2022 (+6%, including +677 million yen due to the impact of exchange rates), slightly below the internal plan.
- As in 2Q, each area continued to actively develop the mini-exhibition strategy and made efforts for steady acquisition and closing of individual business deals.
- Sales in Asia, Oceania, and Japan grew strongly, and sales in North America was also steady. Meanwhile, sales in Europe were negatively impacted by the economic stagnation due to the prolonged situation in Ukraine as well as high policy interest rates and other factors.
- TA sales increased significantly as the new TxF150 direct to film (DTF) printer remained strong. However, while FA sales also grew, SG and IP sales decreased due to lower sales of main units despite firm ink sales, compared to the higher level of sales in Europe and the U.S. in the same period of FY2022.
- Overall, sales increased with the positive impact of foreign exchange rates, securing consecutive sales increases in 2Q and 3Q, even excluding the impact of foreign exchange rates.

■ 3Q operating profit

- Profit increased by 373 million yen compared to the same period of FY2022 (+30%, including +367 million yen due to the impact of exchange rates), remained at the same level as the internal plan.
- The cost of sales ratio improved due to a decline in transportation costs as well as the effects of prices reviews in light of cost increases, despite continued sales of products using high-cost parts procured in the previous fiscal year. Although SG&A expenses increased due to raised business activity, growth in the ratio of SG&A expenses to sales was controlled. With an additional effect of the yen's depreciation on exchange rates, operating profit increased significantly.

■ Balance sheet as of 3Q

- 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.

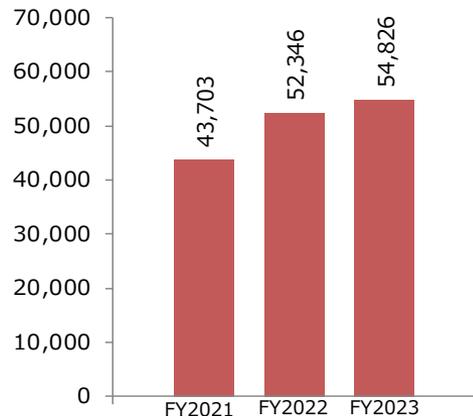
2022/end of December: 4.83 → 2023/end of March: 5.27 → end of June: 6.09 → end of September: 5.16 → end of December: 4.69

*CCC: Cash Conversion Cycle

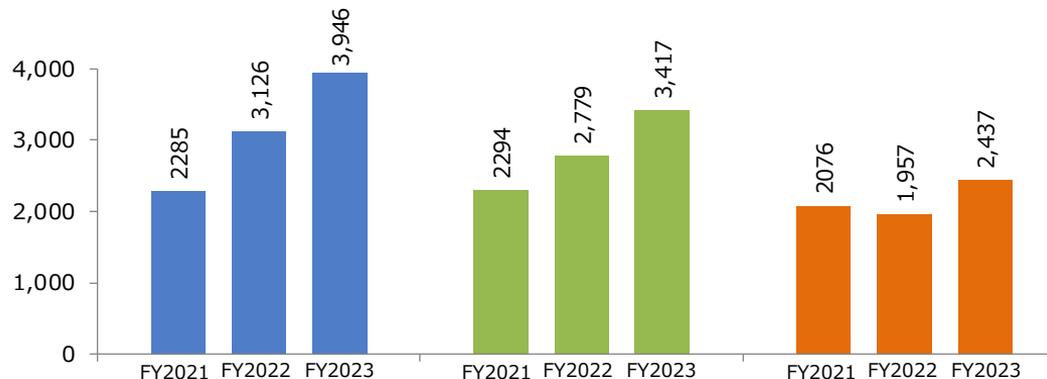
Consolidated Performance Highlights (Cumulative Results for 3Q FY2023)



(Millions of yen)		FY2022		FY2023 <small>* Excluding the impact of exchange rate</small>				
		1Q-3Q Actual	Sales ratio	1Q-3Q Actual	Sales ratio	Change from FY2022		
						Amount	Percentage	Percentage*
■ Net sales		52,346	—	54,826	—	+2,479	+4.7%	+0.9%
■ Operating profit		3,126	6.0%	3,946	7.2%	+819	+26.2%	—
■ Ordinary profit		2,779	5.3%	3,417	6.2%	+637	+22.9%	—
■ Profit attributable to owners of parent		1,957	3.7%	2,437	4.4%	+479	+24.5%	—
Exchange rate (yen)	USD	136.53	—	143.29	—	+6.76	+5.0%	—
	EUR	140.60	—	155.28	—	+14.68	+10.4%	—



Net sales



Operating profit

Ordinary profit

Profit attributable to owners of parent

Factors Effecting Operating Profit (3Q FY2022 Cumulative vs 3Q FY2023 Cumulative)



[Impact by currency]

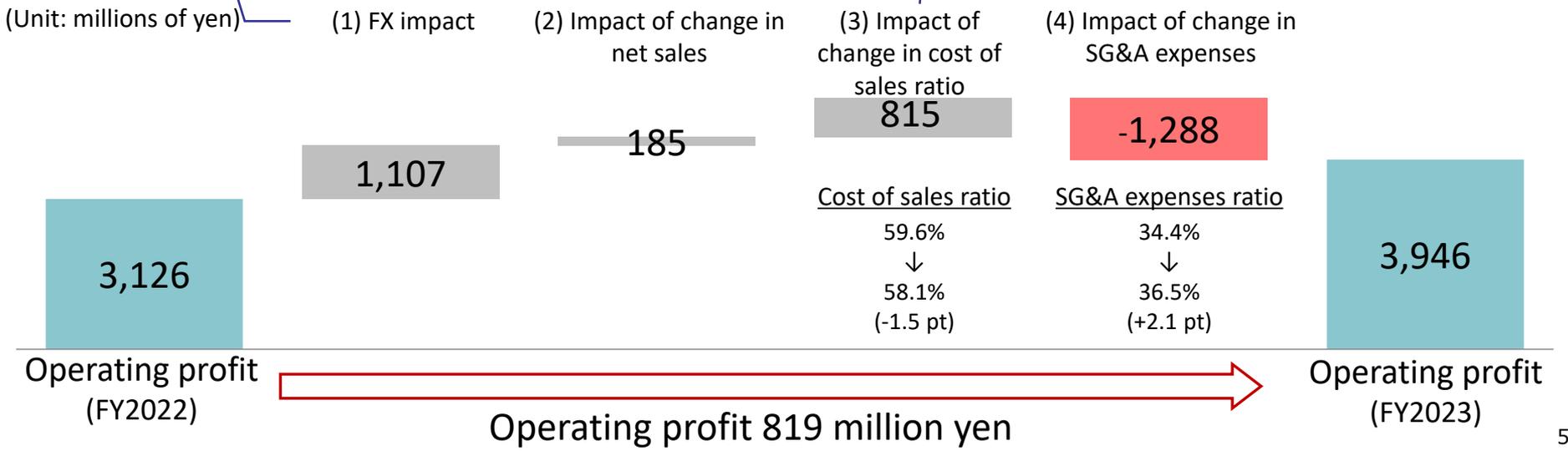
USD: 136.53 yen → 143.29 yen	+330
EUR: 140.60 yen → 155.28 yen	+820
CNY: 19.88 yen → 19.98 yen	-10
TRY: 7.86 yen → 5.74 yen	-218
BRL: 26.55 yen → 29.08 yen	+98
Other (AUD, IDR, etc.)	+87
Total	+1,107

[FX impact on net sales, cost of sales, and operating profit]
 Net sales 2,019 - Cost of sales 455 - SG&A expenses 457 =
 Operating profit 1,107

[Factors behind changes in cost of sales ratio]
 Although sales of products using high-cost materials procured in the previous fiscal year continued, this improved due to a decrease in transportation costs and the effect of a review of sales prices in response to rising costs.

[Factors behind changes in SG&A expenses]

Labor expenses	+365
Commission paid	+278
R&D expenses	+262
Travel and transportation expenses	+172
Product repair expenses	-133
Rent	+121
Others	+222
Total	+1,288



Sales by Market Segment (Results for 3Q FY2023)



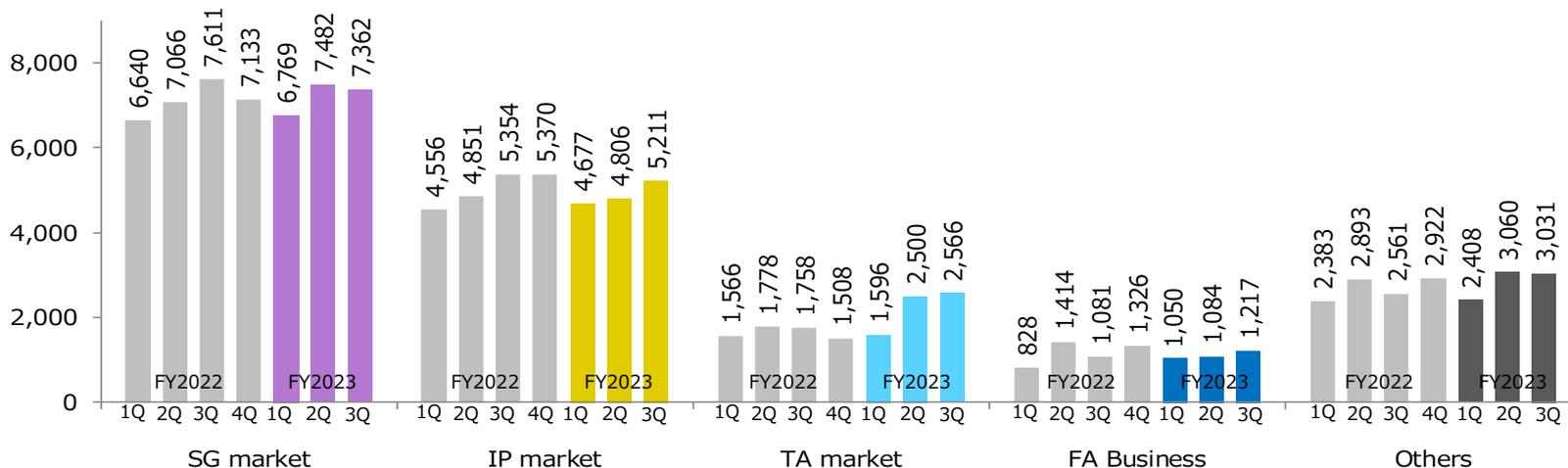
(Millions of yen)	FY2022		FY2023 <small>* Excluding the impact of exchange rate</small>				Sales ratio
	3Q Actual	Sales ratio	3Q Actual	Change from FY2022			
				Amount	Percentage	Percentage*	
■ SG market	7,611	41.4%	7,362	-249	-3.3%	-6.9%	38.0%
■ IP market	5,354	29.2%	5,211	-142	-2.7%	-6.5%	26.9%
■ TA market	1,758	9.6%	2,566	+808	+46.0%	+40.6%	13.2%
■ FA business	1,081	5.9%	1,217	+135	+12.6%	+12.1%	6.3%
■ Others	2,561	13.9%	3,031	+470	+18.4%	–	15.6%
Total	18,366	100.0%	19,389	+1,022	+5.6%	+1.9%	100.0%

- SG market : Sales of main units increased for flagship models, while sales of existing models decreased, compared to the higher level of sales in the same period of FY2022 when back orders began to be eliminated due to improved transportation lead times in Europe and the U.S. Overall sales decreased despite firm ink sales and the positive impact of foreign exchange rates.
- IP market : Despite the positive impact of foreign exchange rates in addition to strong ink sales, sales of compact flatbed printers, in particular, declined compared to the same period of FY2022 when sales of new products expanded, and overall sales decreased.
- TA market : Sales of new products introduced from this fiscal year continued to be strong, mainly in developed countries, and ink sales were also strong, resulting in a significant increase in overall sales.
- FA business : Although sales of semiconductor production equipment and PCB inspection equipment decreased, which were strong in the same period of the previous fiscal year due to increased demand, sales of FA equipment, metal processing products, and PCB mounting equipment increased, resulting in a significant increase in overall sales.

Sales by Market Segment (Cumulative Results for 3Q FY2023)



(Millions of yen)	FY2022		FY2023				Sales ratio
	1Q-3Q Actual	Sales ratio	1Q-3Q Actual	Change from FY2022			
				Amount	Percentage	Percentage*	
SG market	21,318	40.7%	21,613	+295	+1.4%	-2.9%	39.4%
IP market	14,762	28.2%	14,695	-66	-0.4%	-4.5%	26.8%
TA market	5,103	9.7%	6,663	+1,560	+30.6%	+25.2%	12.2%
FA business	3,324	6.4%	3,352	+28	+0.8%	+0.7%	6.1%
Others	7,837	15.0%	8,500	+662	+8.5%	-	15.5%
Total	52,346	100.0%	54,826	+2,479	+4.7%	+0.9%	100.0%



Sales by Area (Results for 3Q FY2023)

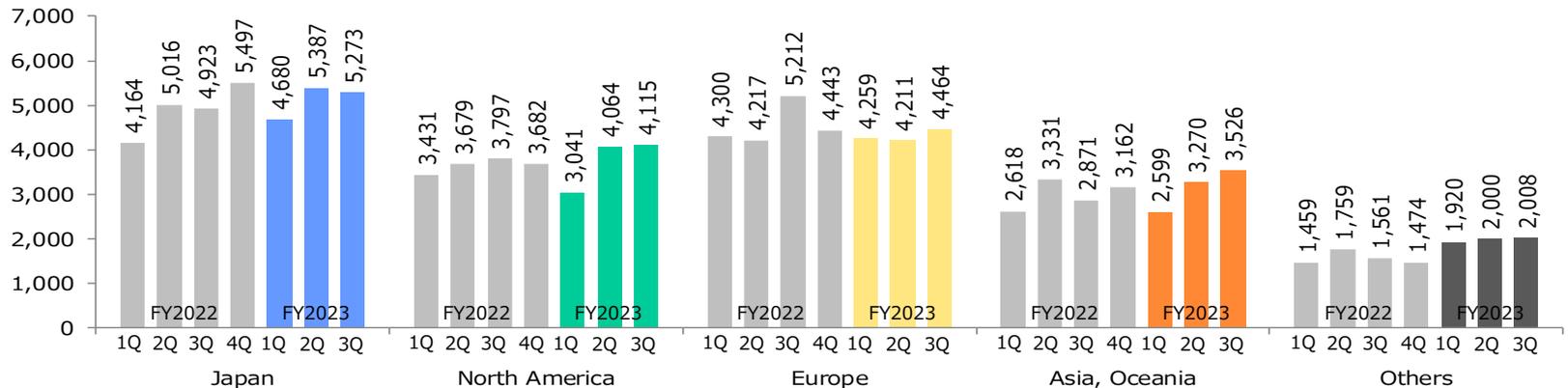


(Millions of yen)	FY2022		FY2023			
	3Q Actual	Sales ratio	3Q Actual	Change from FY2022		Sales ratio
				Amount	Percentage	
■ Japan	4,923	26.8%	5,273	+349	+7.1%	27.2%
■ North America	3,797	20.7%	4,115	+318	+8.4%	21.2%
Local currency:\$	26.8M	—	27.8M	+1.0M	+3.8%	—
■ Europe	5,212	28.4%	4,464	-747	-14.3%	23.0%
Local currency:€	36.1M	—	28.0M	-8.0M	-22.3%	—
■ Asia, Oceania	2,871	15.6%	3,526	+655	+22.8%	18.2%
■ Others	1,561	8.5%	2,008	+446	+28.6%	10.4%
Total	18,366	100.0%	19,389	+1,022	+5.6%	100.0%

- Japan: Sales decreased in the SG market but remained strong in the IP and TA markets as the economy continued to expand. Sales also increased in the FA business, resulting in an increase in overall sales.
- North America: Amid the firm economy, especially in personal consumption, although SG and IP sales decreased compared to the higher level of sales in the same period of the previous fiscal year due to the elimination of back orders and the effect of new products, overall sales increased with significant growth in TA sales and the positive impact of foreign exchange rates.
- Europe: Amid the positive impact of foreign exchange rates, TA sales increased significantly, while SG and IP sales declined. For the results by country, while sales in Portugal, France, Poland, and other countries were strong, sales declined in Germany, Italy, the U.K., and other countries, resulting in a decrease in overall sales.
- Asia and Oceania: In addition to a significant recovery in sales compared to the same period of the previous fiscal year when China was severely impacted by COVID-19, sales were strong in the SG, IP, and TA markets with economic growth in India, Indonesia, and other countries. Despite a decrease in FA sales to Taiwan, overall sales increased significantly.

Sales by Area (Cumulative Results for 3Q FY2023)

(Millions of yen)	FY2022		FY2023			
	1Q-3Q	Sales ratio	1Q-3Q Actual	Change from FY2022		Sales ratio
	Actual			Amount	Percentage	
Japan	14,105	26.9%	15,341	+1,236	+8.8%	28.0%
North America	10,908	20.8%	11,222	+314	+2.9%	20.5%
Local currency:\$	79.8M	-	78.0M	-1.8M	-2.3%	-
Europe	13,730	26.2%	12,935	-794	-5.8%	23.6%
Local currency:€	97.5M	-	83.3M	-14.1M	-14.5%	-
Asia, Oceania	8,821	16.9%	9,397	+575	+6.5%	17.1%
Others	4,780	9.1%	5,929	+1,148	+24.0%	10.8%
Total	52,346	100.0%	54,826	+2,479	+4.7%	100.0%



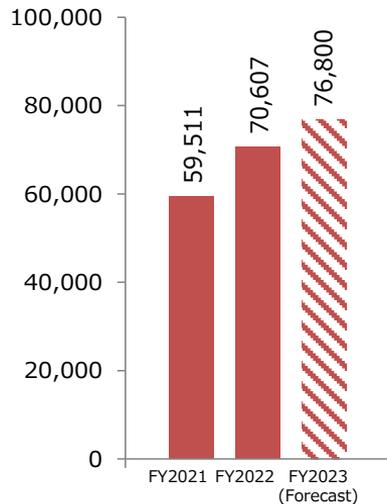
Consolidated Results for FY2023

- ❖ Third quarter results
- ❖ FY2023 full business year forecast

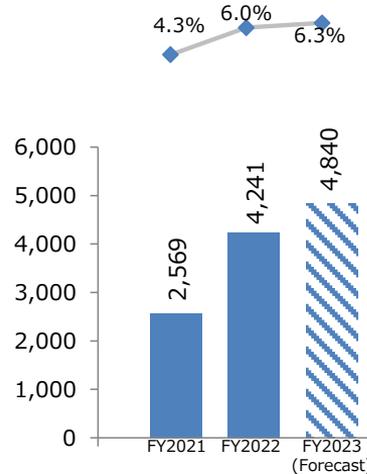
Consolidated Performance Forecast Highlights (FY2023)



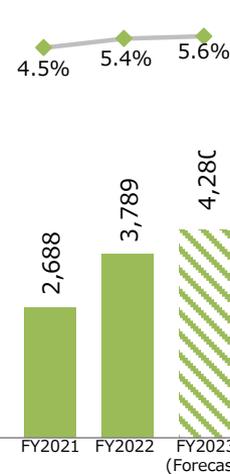
(Millions of yen)		FY2022		FY2023 <small>* Excluding the impact of exchange rate</small>					
		Fiscal year Actual	Sales ratio	Fiscal year Forecast	Sales ratio	Change from FY2022			Change from previous forecast
						Amount	Percentage	Percentage*	
■	Net sales	70,607	—	76,800	—	+6,192	+8.8%	+6.0%	± 0
■	Operating profit	4,241	6.0%	4,840	6.3%	+598	+14.1%	—	± 0
■	Ordinary profit	3,789	5.4%	4,280	5.6%	+490	+12.9%	—	± 0
■	Profit attributable to owners of parent	2,807	4.0%	3,160	4.1%	+352	+12.6%	—	± 0
Exchange rate (yen)	USD	135.48	—	142.47	—	+6.99	+5.2%	—	+1.97
	EUR	140.97	—	152.71	—	+11.74	+8.3%	—	+3.52



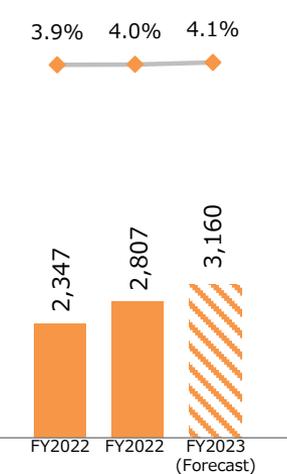
Net sales



Operating profit



Ordinary profit



Profit attributable to owners of parent

- Assumptions underlying the consolidated performance forecast

- ① Net sales

Despite lingering concerns about a global economic slowdown and the impact of marine transport on the worsening situation in the Middle East, among others, the forecast for the fiscal year remains unchanged, in consideration of the outlook for continuing strong sales of new products in the TA market, as well as the contribution to sales from the launch of new products in the SG and TA markets and our continued efforts to strengthen sales activities in 4Q.

- ② Operating profit

In 4Q, while we will continue to invest in labor, R&D, and other expenses for future growth, the forecast for the fiscal year remains unchanged, taking into account the gradual decline in sales of products using high-cost materials and the outlook for the cost of sales ratio due to the effects of price reviews and other factors.

- ③ Exchange rates assumed for 4Q remain unchanged as follows: USD: 140 yen, EUR: 145 yen

- Based on the Group's management policy for FY2023 of "Create," Mimaki Engineering will continue its commitment to growing net sales and reaching the "Mimaki V10" goal of an operating profit ratio of 10% by FY2025.

Factors Effecting Operating Profit (FY2022 Results vs FY2023 Forecast)



(Unit: millions of yen)

[Impact by currency]

USD: 135.48 yen → 142.47 yen	+530
EUR: 140.97 yen → 152.71 yen	+1,117
CNY: 19.75 yen → 19.98 yen	-36
TRY: 7.65 yen → 6.21 yen	-176
BRL: 26.28 yen → 28.28 yen	+118
Other (AUD, IDR, etc.)	+110
Total	+1,663

[Exchange rate sensitivity (1 yen/year)]

	Net sales	Operating profit
USD	146	72
EUR	128	84

[Factors behind changes in cost of sales ratio]

While sales of products using high-cost materials procured and produced in the previous fiscal year advanced, sales remained at the same level as the previous fiscal year due to a decrease in transportation costs and the effect of a review of sales prices.

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

Net sales 2,881 - Cost of sales 648 - SG&A expenses 569 = Operating profit 1,663

(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

1,663

1,334

-259

-2,139

Cost of sales ratio

59.7%

↓

60.1%

(+0.4pt)

SG&A expenses ratio

34.3%

↓

35.6%

(+1.3pt)

4,241

4,840

Operating profit
(FY2022)

Operating profit +598 million yen

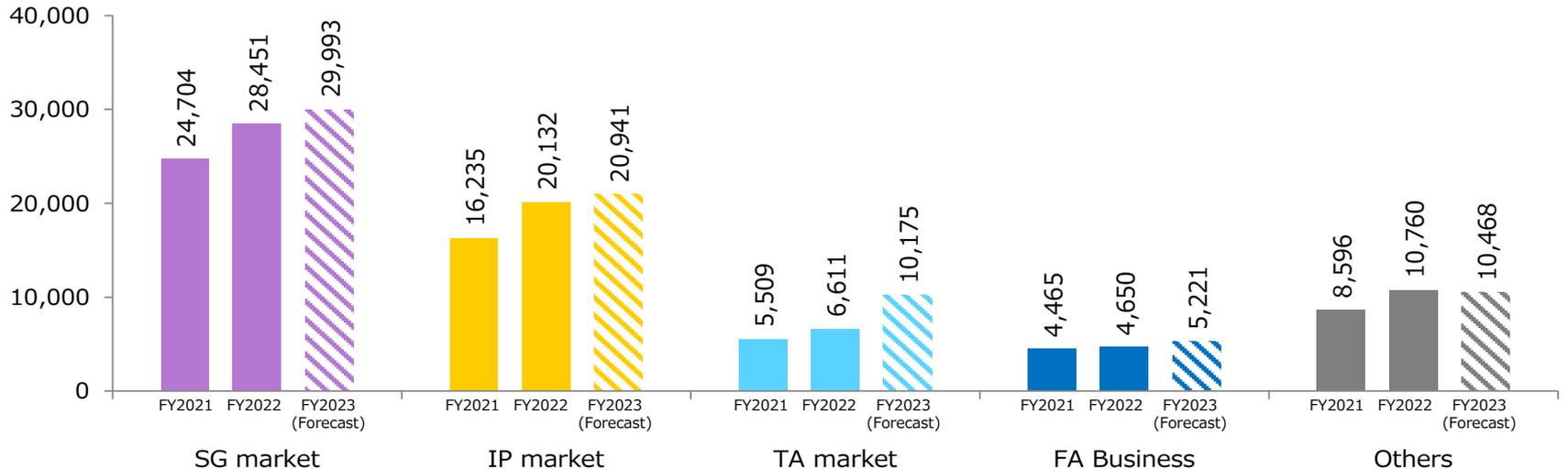
Operating profit
(FY2023)

Sales Forecast by Market Segment (FY2023)



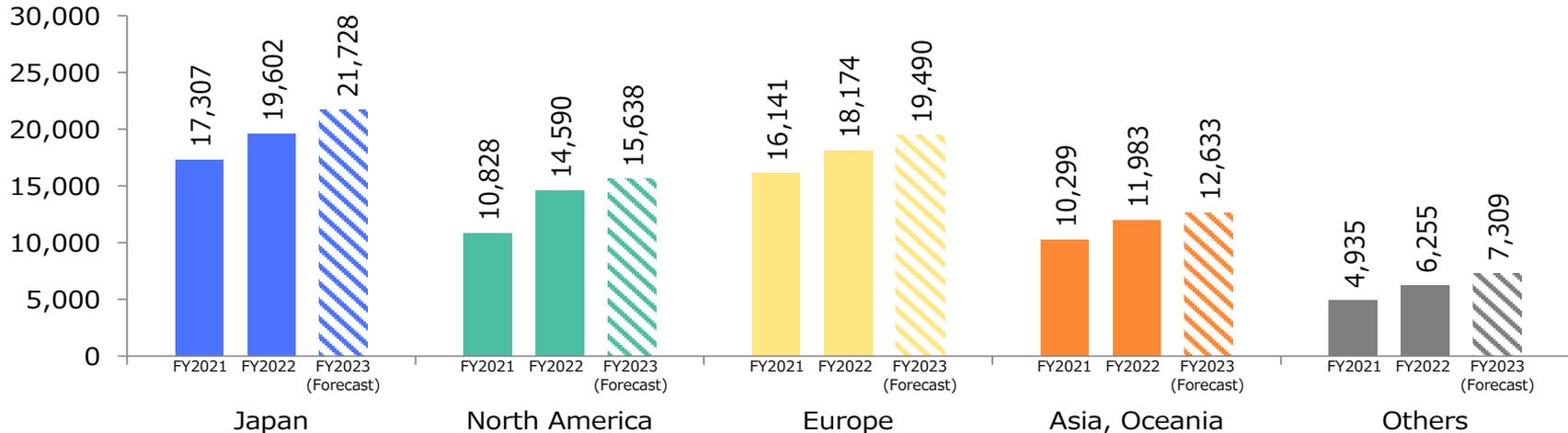
(Millions of yen)	FY2022		FY2023					
	Fiscal year Actual	Sales ratio	Fiscal year Forecast	Change from FY2022			Sales ratio	Change from previous forecast
				Amount	Percentage	Percentage*		
SG market	28,451	40.3%	29,993	+1,541	+5.4%	+2.3%	39.1%	± 0
IP market	20,132	28.5%	20,941	+809	+4.0%	+1.3%	27.3%	± 0
TA market	6,611	9.4%	10,175	+3,563	+53.9%	+49.3%	13.2%	± 0
FA business	4,650	6.6%	5,221	+570	+12.3%	+12.3%	6.8%	± 0
Others	10,760	15.2%	10,468	-291	-2.7%	-	13.6%	± 0
Total	70,607	100.0%	76,800	+6,192	+8.8%	+6.0%	100.0%	± 0

* Excluding the impact of exchange rate



Sales Forecast by Area (FY2023)

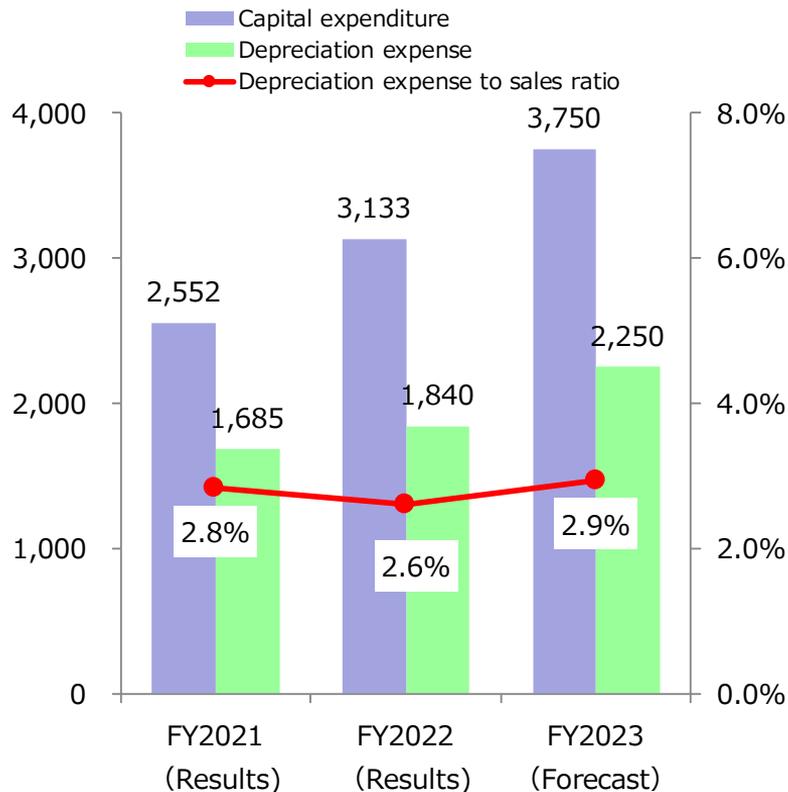
(Millions of yen)	FY2022		FY2023				
	Fiscal year Actual	Sales ratio	Fiscal year Forecast	Change from FY2022		Sales ratio	Change from previous forecast
				Amount	Percentage		
Japan	19,602	27.8%	21,728	+2,125	+10.8%	28.3%	± 0
North America	14,590	20.7%	15,638	+1,048	+7.2%	20.4%	± 0
Local currency:\$	107.6M	-	111.1M	+3.4M	+3.2%	-	±0.0M
Europe	18,174	25.7%	19,490	+1,316	+7.2%	25.4%	± 0
Local currency:€	128.9M	-	131.2M	+2.3M	1.8%	-	±0.0M
Asia, Oceania	11,983	17.0%	12,633	+649	+5.4%	16.4%	± 0
Others	6,255	8.9%	7,309	+1,053	+16.8%	9.5%	± 0
Total	70,607	100.0%	76,800	+6,192	+8.8%	100.0%	± 0



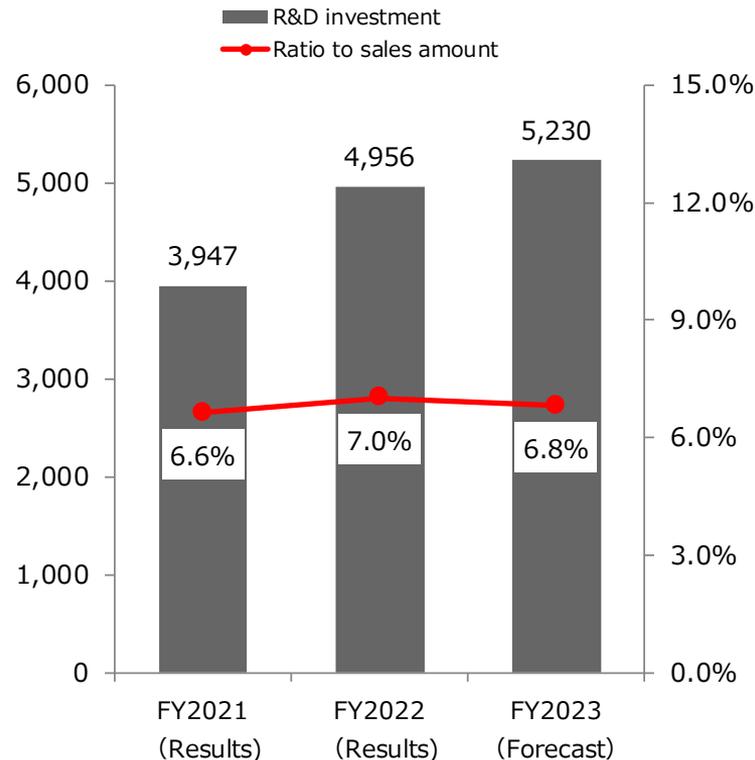
Forecast of capital expenditure, depreciation, and R&D investment (FY2023)



(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

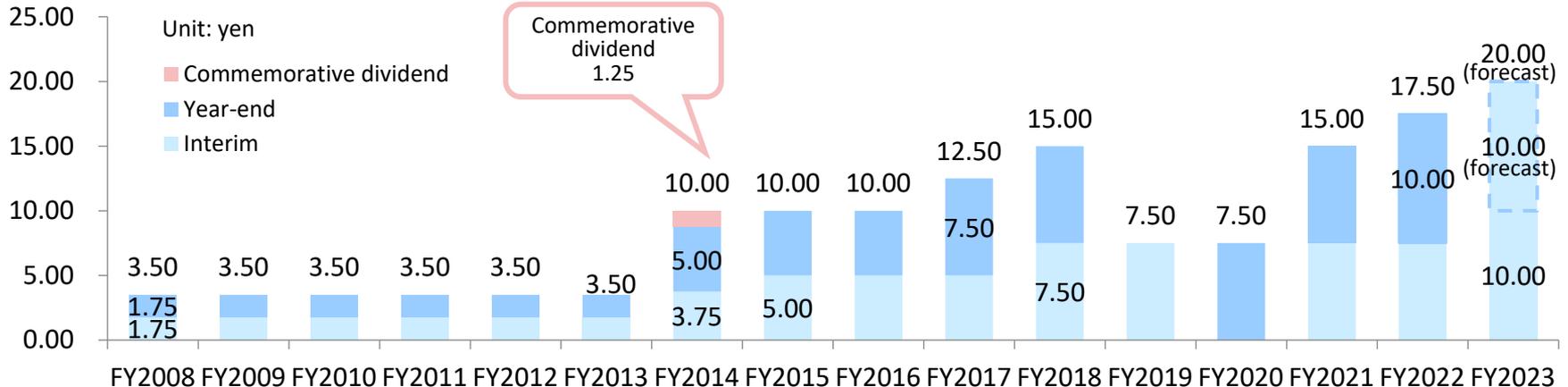
Mimaki Engineering positions shareholder returns as a crucial strategy in our management. The Company's basic policy aims to stably and continuously pay out dividends commensurate with growth in business performance.

■ Dividends for FY2022 Interim: 7.5 yen, Year-end: 10.0 yen

The annual dividend was increased to 17.5 yen, based on the current period's business performance and outlook, as well as the Company's policies for stable and continuous shareholder returns.

■ Dividends for FY2023 Interim: 10.0 yen, Year-end (forecast) : 10.0 yen

Based on the future outlook and our policy of stable and continuous shareholder returns, we will increase the annual dividend to 20.0 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(3442)5035

E-mail: mimaki-ir@mimaki.com

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