

Group Network Affiliates



Shareholder Information

Business year	From April 1 to March 31
General meeting of shareholders	Within three months from the end of each business year
Record date	Annual meeting of shareholders March 31 Year-end dividend March 31 Interim dividend September 30 Or a date announced beforehand if necessary.
Share unit	100 shares
Shareholder registry administrator and account management institution for special accounts	Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan Mitsubishi UFJ Trust and Banking Corporation Transfer Agent Department 7-10-11, Higashisuna, Koto-ku, Tokyo 137-8081, Japan Tel: 0120-232-711 (toll free)

Method of public notice Public notices are posted on our website (<http://www.mimaki.co.jp/>). However, if an electronic public notice cannot be given due to unavoidable circumstances, it will be published in the Nihon Keizai Shimbun.

Listings Tokyo Securities Exchange JASDAQ (Standard)

Securities Code: 6638

(Notes)

- For inquiries on address changes or other procedures pertaining to shares, please contact the account management institution (securities firm, etc.) with which your account is held. Please note that the shareholder registry administrator (Mitsubishi UFJ Trust and Banking Corporation) cannot handle these procedures.
- For procedures relating to shares registered in the special account, Mitsubishi UFJ Trust and Banking Corporation is our account management institution for special accounts. Please contact the above account management institution. In addition, any branches of Mitsubishi UFJ Trust and Banking Corporation in Japan can handle these procedures.
- Unreceived dividends are paid at the head office of Mitsubishi UFJ Trust and Banking Corporation.

Securities Code: 6638

Business Report 2014

The Financial Report for the 39th Term
The contents are based on data as of March 31, 2014.
April 1, 2013–March 31, 2014

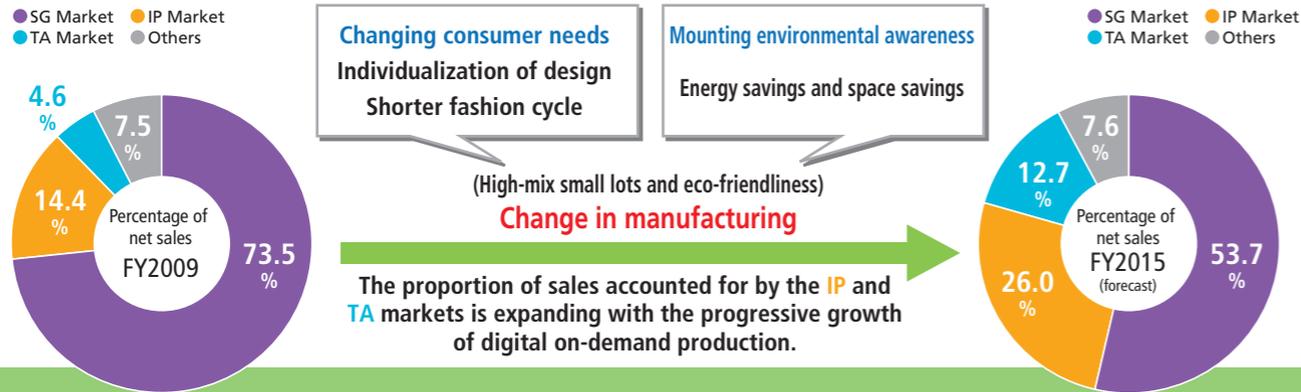
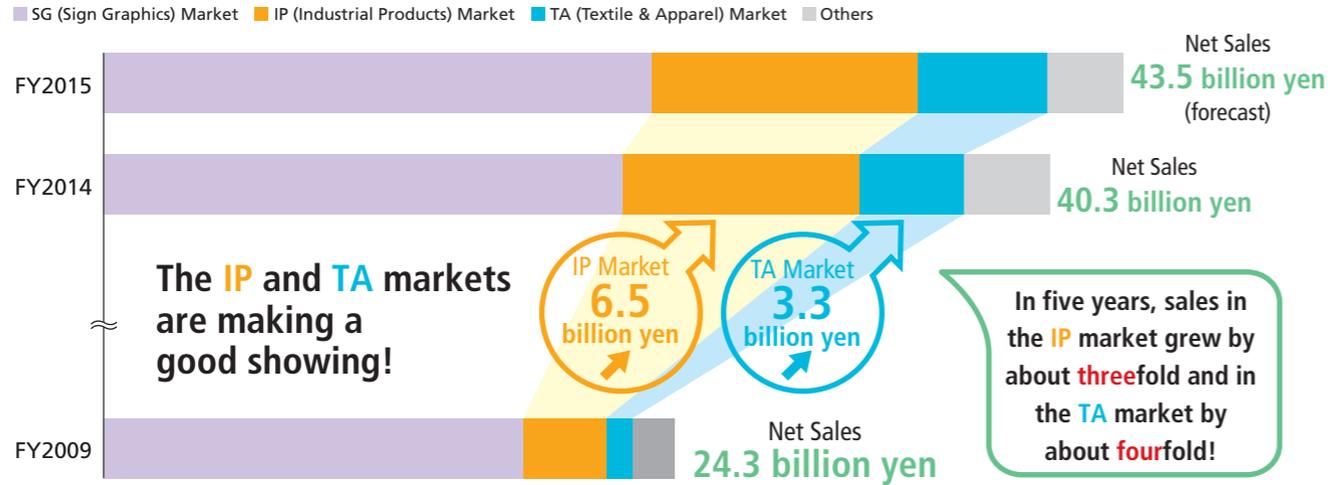
Innovation.



MIMAKI ENGINEERING CO., LTD.

Making the IP and TA Markets Our Second and Third Business Foundations Alongside the SG Market

The SG market is indeed the core of our sales, but the IP and TA markets have increased their sales component ratio.



The adoption rate of digital on-demand production in manufacturing is still low...

The latent market is large, as is the potential for growth of our business!

To Our Shareholders

Before presenting the business report for the 39th term (April 1, 2013 to March 31, 2014), I would like to address a few words to our shareholders, and particularly to express my sincere appreciation for your continued support.



Hisayuki Kobayashi

President, MIMAKI ENGINEERING CO., LTD.

We entered the fiscal year ended March 2014 with the slogan "M500 Start," which expressed our medium-term goal of achieving consolidated net sales of 50 billion yen. Our consolidated results for the fiscal year under review saw net sales increase 29.8% year on year to 40,362 million yen, while operating profit jumped 215.7% to 2,957 million yen and ordinary profit rose 1,994.2% to 1,668 million yen. Net profit increased 566.1% to 884 million yen.

With the correction of excessive yen appreciation, overseas sales grew substantially. Even discounting for the effects of yen depreciation, we maintained strong growth in net sales both in and outside Japan. In addition to steady performance for entry models in the SG, IP and TA markets, the 500 series of high-speed, high-end machines, for which full-scale sales got underway in the fiscal year under review, also contributed to the increase in sales. The rise in demand for digital on-demand production, which we took the initiative in developing, became prominent. This, coupled with the effect of releasing the 500 series, drove considerable growth in the IP and TA markets for industrial applications, which are becoming the second and third foundations of our business alongside the SG market. We also focused on expanding our marketing and maintenance service bases in and outside Japan during the fiscal year under

review and promoted the global spread of sales operations closely integrated with regional communities. In R&D, we launched a 3D printer development project, which uses patents obtained through our UV curable inkjet technology, marking the start of initiatives in a new development field.

Concurrently, issues that we need to address to achieve sustainable growth were thrown into relief. In particular, we see inventory management as a top-priority issue. We are working to ensure thorough management of inventories by keeping production, marketing, and inventory in line with each other and enhancing cooperation with relevant departments. Taking seriously the results for the fiscal year under review in which we recorded a large amount of non-operating expenses, we will also push ahead with the creation of a system to ensure that profits once earned are securely retained.

In the fiscal year ending March 2015, we will launch the JV300 series of new products for the SG market and further improve business performance focused on enhanced promotion of digital on-demand production in the IP and TA markets.

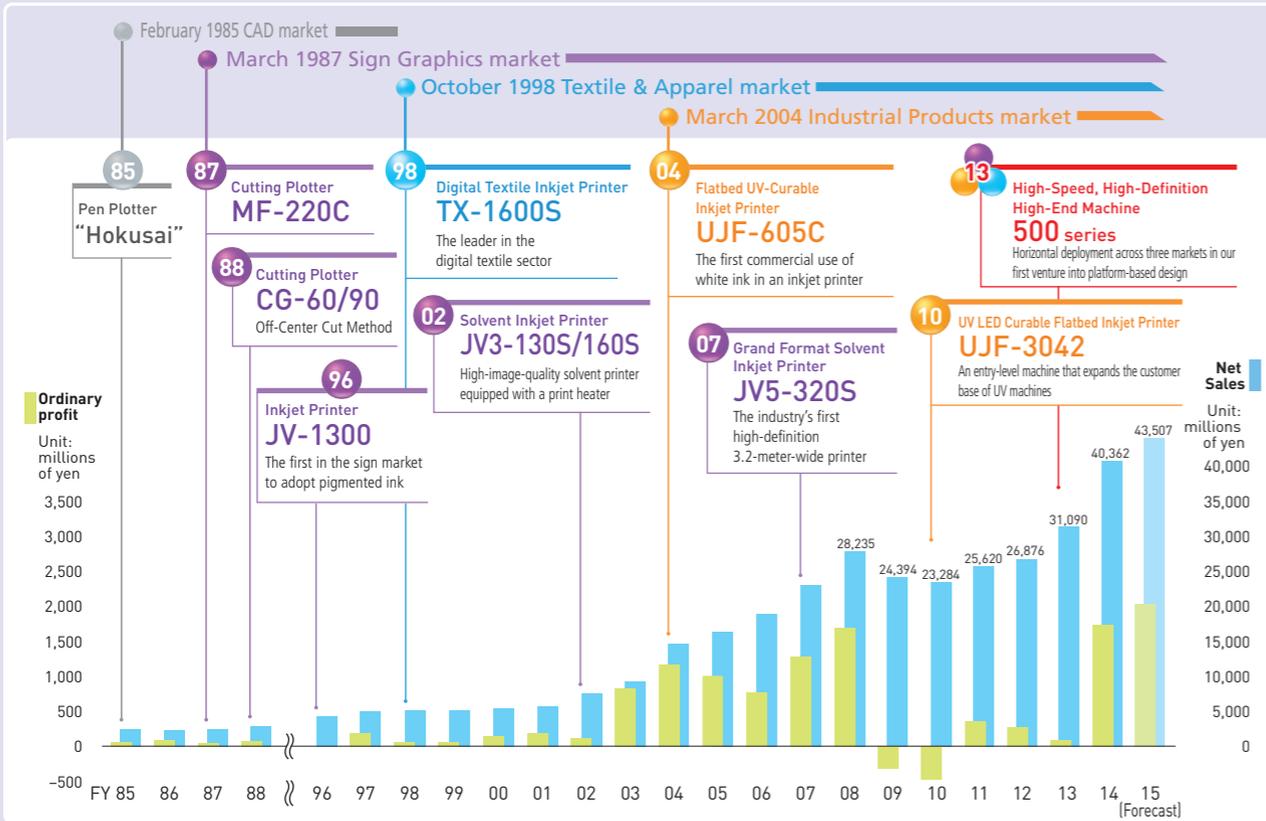
We have set the year-end dividend for the fiscal year at under review 3.50 yen per share, which we hope is satisfactory. I look forward to your ongoing support and encouragement. Thank you.

June 2014

Trends in Business Performance

Trends in Business Performance

● Sign Graphics market ● Industrial Products market ● Textile & Apparel market



MIMAKI ENGINEERING aims to be a market-oriented, development-driven company that pursues the potential of on-demand production based on its inkjet and cutting technologies. Our aim is as follows.

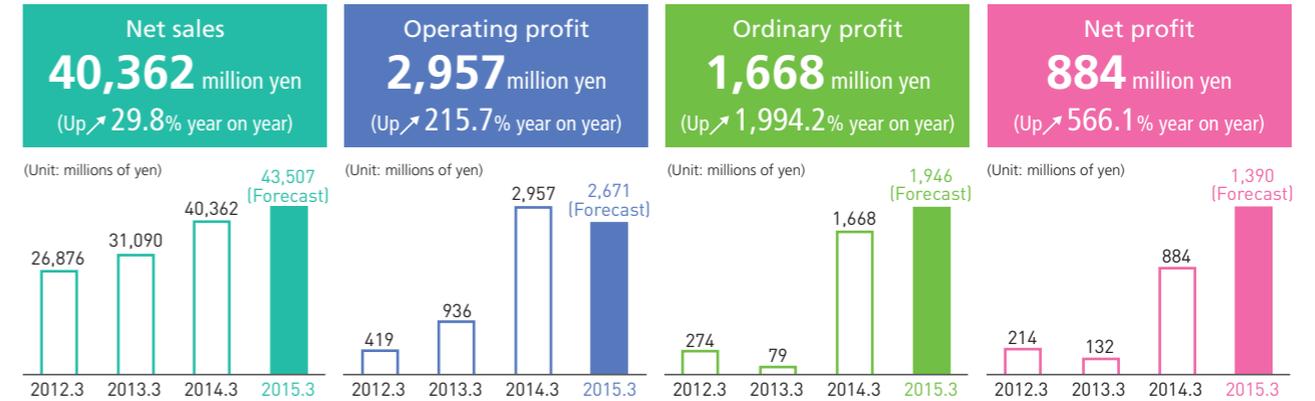
- VISION 1** Be a **development-driven company** supplying MIMAKI branded products to the world using our proprietary technologies.
- Management VISION 2** Be a **company agile** enough to quickly provide products that satisfy customers.
- Vision VISION 3** Be an **innovator** that always provides **innovation and a real difference** to the market.
- VISION 4** Have a business culture in which each employee can make **full use of his or her individuality and capabilities**.

Financial Highlights

Consolidated Performance Highlights for the Fiscal Year Ended March 2014

M500 Project Targeting Consolidated Net Sales of 50 Billion Yen Makes a Good Start

The IP and TA markets for industrial applications made a strong showing, resulting in new records in net sales and operating profit.



Net Sales

With the correction of excessive yen appreciation, overseas sales grew substantially in the fiscal year under review. Even discounting for the effect of yen depreciation, there was strong growth in net sales both in and outside Japan. In addition to our main entry-level models, which returned healthy performances in each of the SG, IP, and TA markets, high-end models in the 500 series and products for emerging nations also helped to boost sales. As a result, net sales reached 40,362 million yen, a substantial increase of 29.8% year on year, setting a new record.

Profits

The effect of the yen depreciation also helped improve the cost of sales ratio, as our plants in Japan are our main production bases. Operating profit rose 215.7% to 2,957 million yen, setting a new record. Ordinary profit stood at 1,668 million yen, compared with 79 million yen the previous fiscal year, despite the recording of an exchange rate loss and an investment loss on equity in an Indian subsidiary, and net income jumped 566.1% to 884 million yen.

For the fiscal year ending March 2015	Net sales	Operating profit	Ordinary profit	Net profit	Planned increase
	43,507 million yen (Up↑ 7.8% year on year)	2,671 million yen (Down↓ 9.7% year on year)	1,946 million yen (Up↑ 16.6% year on year)	1,390 million yen (Up↑ 57.2% year on year)	from 7 yen to 10 yen

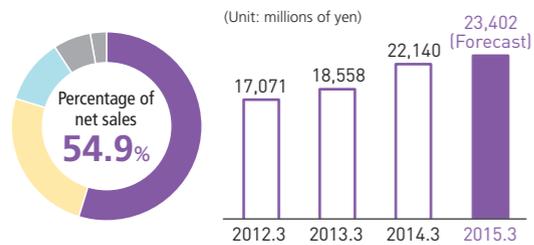
We forecast further growth in the IP and TA markets, in which we can offer unique added value in response to the globally growing demand for digital on-demand production. We also anticipate sales growth to come from expansion of our market share in the SG market with the JV300 series of new products that feature improved competitiveness. We will push vigorously to increase profitability on a group-wide basis to solidify our business foundation. This will include focusing on the goals of the M500 project, practicing thorough inventory management, cutting manufacturing costs, and reducing exchange rate risk.

Financial Highlights

Performance Highlights by Market for the Fiscal Year Ended March 2014

SG market

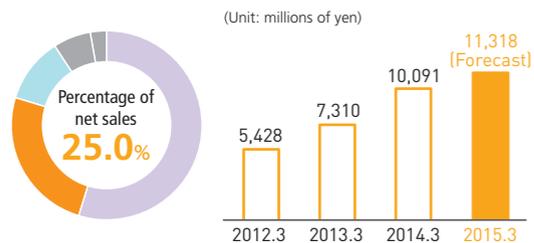
Net sales: **22,140 million yen** (Up \nearrow 19.3% year on year)



The products for this market are models aimed at the SG market, such as advertisements and signboards. Among our existing main entry-level models, a particularly important contribution to sales came from the JV33 series, a long-selling product range that continued solid sales growth thanks notably to the expansion of sales routes realized in advanced Western and emerging nations. Furthermore, the SWJ-320, which has specifications for emerging nations and others, contributed to increased sales. This resulted in steady performance for both machines and consumables such as ink and net sales of 22,140 million yen (up 19.3% year on year).

IP market

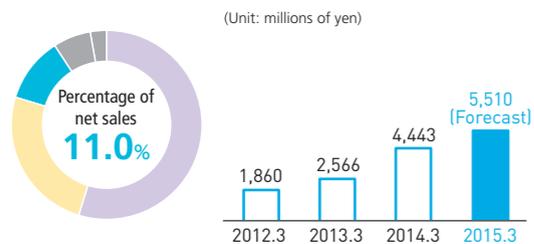
Net sales: **10,091 million yen** (Up \nearrow 38.0% year on year)



The products for this market are used in the manufacture of industrial products. A strong performer was the high-end UJF-6042 model, which, with double the printing size of the leading UJF-3042HG model, delivers the finer print quality required in industrial printing. In addition, we achieved sales unit growth for the high-end JFX500-2131, a large flatbed printer, and for the JFX200-2513, an entry-level model. These efforts contributed significantly to increased sales, including of consumables such as ink, resulting in a 38.0% year-on-year rise in net sales to 10,091 million yen.

TA market

Net sales: **4,443 million yen** (Up \nearrow 73.1% year on year)



The products in this market are used in the textile industry (fabric before cutting and sewing) and the apparel industry (ready-to-wear clothes such as T-shirts). Our successful promotion of sublimation-type printing, which offers both environmental and cost benefits by cutting out the post-printing washing process, led to sales unit growth for sublimation printers in both the TS 34-1800A of existing entry-level models and high-speed, high-definition, high-end 500 series. Sales of sublimation ink grew substantially, which contributed greatly to the overall sales growth of the TA market. This resulted in 73.1% year-on-year growth in net sales to 4,443 million yen.

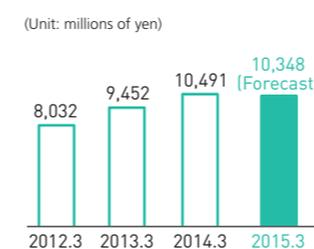
● Spare parts 6.5%, Others 2.6%

Financial Highlights

Performance Highlights: Market Conditions by Region and Product Category for the Fiscal Year Ended March 2014

Japan

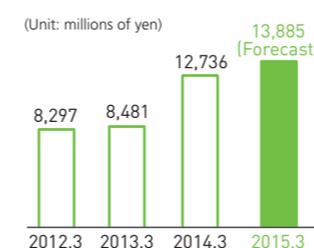
Net sales: **10,491 million yen** (Up \nearrow 11.0% year on year)



We invited customers to Mimaki Application Lab (MAL) workshops, where they were given free hands-on demonstrations on how to use our products profitably. In addition, the efforts made by our 13 sales bases, including the three new offices opened during the fiscal year under review in Kyoto, Kobe, and Shikoku, helped push net sales higher year on year in each of the SG, IP, and TA markets.

Europe

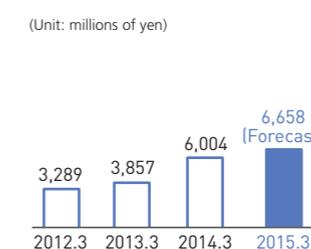
Net sales: **12,736 million yen** (Up \nearrow 50.2% year on year)



In addition to solid sales in the SG market, in which existing products did particularly well, there was sales unit growth for the UJF-6042 in the IP market and the TS500-1800 and TS34-1800A sublimation printers in the TA market. The boost from a weaker yen and stronger euro helped push net sales higher year on year.

North America

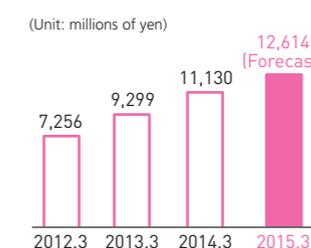
Net sales: **6,004 million yen** (Up \nearrow 55.7% year on year)



Entry-level models for the SG market and the UJF-6042 model and 500 series for the IP and TA markets contributed to increased sales, while the boost from a weaker yen and stronger dollar was also a factor in the strong year-on-year growth in sales. Meanwhile, we strengthened our net sales force by opening a new sales office in the United States in October 2013.

Asia, Oceania, and Others

Net sales: **11,130 million yen** (Up \nearrow 19.7% year on year)



Supported by successful sales operations closely integrated with regional communities and conducted by sales subsidiaries in emerging nations, we posted strong progress in the Asia, Oceania and other regions. We recorded year-on-year growth in sales with strong demand for the JV33 series, especially for sale to the SG market in China.

Business performance for the fiscal year ended March 2014

Consolidated net sales outside Japan

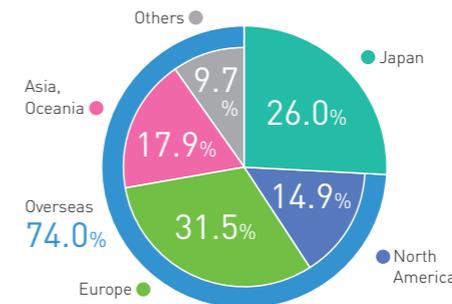
29,871 million yen

Percentage of consolidated net sales

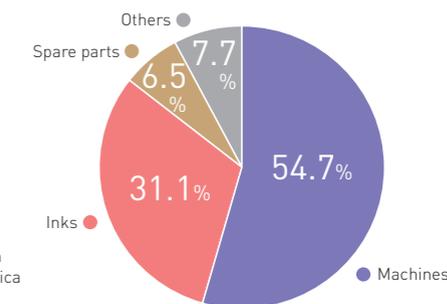
74.0%

We provide products and services to customers in some **80 countries.**

Percentage of net sales by region



Percentage of net sales by product category



1985-2005

2006

2007

2008

2009

2010

2011

2012

2013

2014

Drafting Plotter

1985

February
MF-120
A2 Flat Pen Plotter
[Hokusa]

July
MG-110
A1 Pen Plotter
[Hokusa]



1986

April
MX-11/10
Servo-Style Pen Plotter

1988

July
MX-11/10P
Pencil Plotter

1989

May
MR-11
Thermal Plotter

1991

April
MX-760/790
High-Speed Pencil Plotter

1993

January
MX-340/360/390
Low-Cost Pencil Plotter

1994

November
MR-1600
LED Plotter A1 Version

1994

May
MR-1900
LED Plotter A0 Version

1995

March
JP-560/590
Monochrome Inkjet Plotter

1997

December
JP-660/690C
Full-Color Inkjet Plotter

Inkjet Printer

1996

October
JV-1300
Full-Color Inkjet Printer with Water-Based Pigment Ink

October
Raster Link
Software RIP for PS2

October
Raster Link
Software RIP for PS2

1998

April
JV2-130
Full-Color Inkjet Printer with Six-Color Pigment Ink

October
TX-1600S
Digital Textile Inkjet Printer

1999

November
JV2-180
Large Format Full-Color Inkjet Printer

2001

June
JV4-130/160/180
Large Format Full-Color Inkjet Printer

August
TX2-1600
Digital Textile Inkjet Printer

October
Raster Link Pro
Software RIP for PS3

October
JV3-130S/160S
Solvent Inkjet Printer

2002

September
JV3-130S/160S
Solvent Inkjet Printer

2005

March
GP-604D
Garment Printer

April
JF-605R
Roll-Fed UV-Curable Inkjet Printer

May
JV3-250SPF
Super-Wide Solvent Inkjet Printer

August
Raster Link Pro II
Software RIP for PS3

October
GP-1810D
Garment Printer

November
DS-1600/1800
Direct Dye Sublimation Printer

December
JV3-130SL
Solvent Inkjet Printer

2002

June
CG-100/130Lx
High-Speed Cutting Plotter

2000

January
Fine Cut
Plug-In Cutting Software for Illustrator

June
CG-130FX
Cutting Plotter with High-Speed Crop-Marker Sensor

2003

June
CG-130FX
Cutting Plotter with High-Speed Crop-Marker Sensor

2005

October
CG-75ML+JV3-75SP II
Print & Cut Combination

December
CF2 series
Flatbed Cutting Plotter

2004

April
CG-160FX
Cutting Plotter with High-Speed Crop-Marker Sensor

2005

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Print & Cut Combination

Model Change in Main Products for the SG Market

In May 2014, we launched the JV300 series as the successor models to our JV33 series of leading products for the SG market.

The JV300 series produces beautiful, vivid print quality at a practical print speed of 20 m²/hour, which is 1.7 times faster than the JV33 series. We brought together technologies that we had developed thus far into these cutting-edge machines featuring enhanced competitiveness, with which we will increase our share of the global SG market, thereby ensuring a solid earning basis for the Group.

Amazing Features!



A practical print speed of 20 m²/hour, 1.7 times faster than conventional products



More beautiful, more brilliant printing with the addition of new colors of our original solvent ink



A continuous operation solution that does not stop users' work

Sign & Graphics

Wide-format inkjet printer for solvent ink

JV300-130/160

Outstanding speed, stunning beauty

Ink colors

New colors
(Light black and orange)

DIY Customize Workshop

Loft & Fab
Powered by FabLab Shibuya

Seibu Shibuya Department Store
Tel: +81-3-6416-3335
<http://andfab.jp/>

Loft & Fab, which opened at Seibu Shibuya Department Store in November 2013, installed one of our UJF-3042HG machines.

At Loft & Fab, you can use the UJF-3042HG to print photos or illustrations that you bring to the store onto unbranded products bought at Loft or MUJI, allowing you to easily create with your own hands, right on the spot, your own original products. This adds the fun of making things to the fun of selecting products by enabling you to further process the products.



Corporate Profile

Corporate Name MIMAKI ENGINEERING CO., LTD.
Foundation August 1975
Capital 2,015,160,000 yen
Businesses Development, manufacturing, and sales of computer devices and software
Employees 1,202 (consolidated) / 617 (parent company only)

Board Members (As of June 25, 2014)

Executive Chairman Akira Ikeda
President Hisayuki Kobayashi
Executive Vice President Sakae Sagane
Executive Director Masaaki Fujita
Director Kazuaki Ikeda
Director Osamu Kobayashi
Director Kazuyuki Takeuchi
Counselor for Director Noriyuki Tanaka
Director (Outside) Makoto Tanaka
Auditor (Full-Time) Masayoshi Tsuchiya
Auditor (Outside) Tomokazu Iwashita
Auditor (Outside) Yukio Tsuchiya

Accounting Auditor

Deloitte Touche Tohmatsu LLC

Business Locations

Head Office and Headquarters 2182-3 Shigeno-Otsu, Tomi-shi, Nagano 389-0512, Japan
Kazawa Factory 1333-3 Kazawa, Tomi-shi, Nagano 389-0514, Japan
Nagano Development Center 520-1 Kitanagaike, Nagano-shi, Nagano 381-0025, Japan
Sales Bases Tokyo, Osaka, Sapporo, Sendai, Nagano, Saitama, Kanazawa, Nagoya, Kyoto, Kobe, Hiroshima, Shikoku (Takamatsu), and Fukuoka

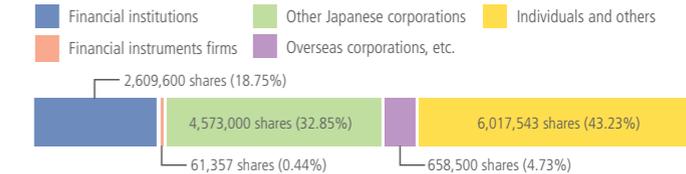
Stock Information

Total Number of Authorized Shares 40,080,000 shares
Total Number of Issued Shares 13,920,000 shares
Number of Shareholders 1,655
Major Shareholders

Shareholder name	Number of shares held (shares)	Investment ratio (%)
Ikeda Holdings, Inc.	2,183,600	15.69
Japan Trustee Services Bank, Ltd.	1,593,700	11.45
Tanaka Kikaku Ltd.	1,200,000	8.62
MIMAKI ENGINEERING Employee Stock Ownership	1,167,800	8.39
Noriyuki Tanaka	1,009,300	7.25
Tokyo Small Business Investment Co.	762,000	5.47
Hachijuni Bank, Ltd.	420,000	3.02
Akira Ikeda	416,600	2.99
AVASYS CORPORATION	360,000	2.59
Nomura Trust and Banking, Ltd.	315,300	2.26

Note: The Company holds 488,865 shares of treasury stock, which are excluded from the above list of major stockholders.

Ownership Breakdown



Corporate Website

In addition to the latest information, including press releases, our corporate website contains contents to give visitors a deeper understanding of MIMAKI ENGINEERING's business, products, and services. Please have a look.

Address > <http://eng.mimaki.co.jp/>

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