

BUSINESS REPORT

Interim 2015

The Interim Financial Report
for the 40th Term

The contents are based on data
as of September 30, 2014.

April 1, 2014–September 30, 2014



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

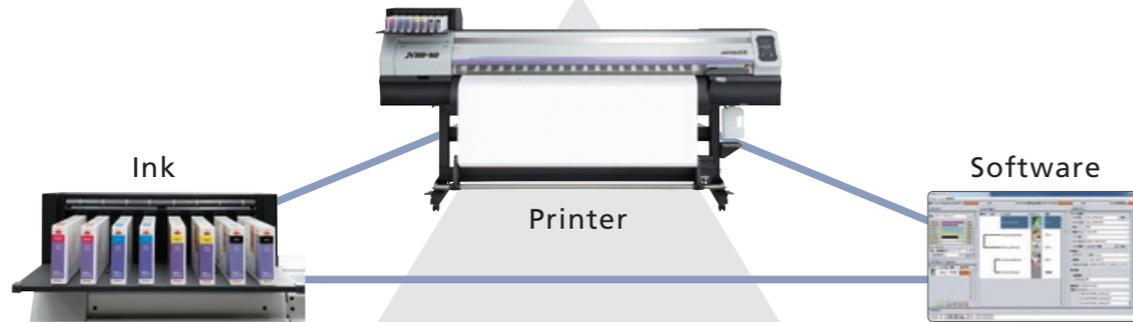
Notes:

- 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.

Innovation.

We Comprehensively Propose Products Best Suited to Market Needs

Mimaki develops its own inks and software that are optimal for and bring out the added value of our printers. Providing printers, ink, and software in an integrated manner is a major advantage.



Innovation and a Real Difference: Faster and More Beautiful

Product Proposals for Three Markets



A mixed technological base, including the field of chemicals, is a major strength for MIMAKI ENGINEERING.

The **unique added value** of our products creates profit for our customers.

To Our Shareholders

Before presenting the business report for the first half of our 40th term (April 1, 2014 to September 30, 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 Achieved Double-Digit Sales Growth and a Substantial Rise in Profit

In line with our theme, "Build a solid foundation for M500," we entered the second year of our M500 Project with the goal of achieving consolidated net sales of 50 billion yen in the medium term. Our consolidated results for the first half of the fiscal year ending March 2015 (period of April–September 2014) were as follows:

- Net sales increased 17.2% year on year to 22,235 million yen.
- Operating profit jumped 77.2% to 2,617 million yen.
- Ordinary profit rose 281.9% to 2,380 million yen.
- Net profit increased 1,029.4% to 1,566 million yen.

Uncertainties in the business environment due to a number of factors were countered by easy monetary policies in developed countries and economic expansion in emerging nations, which we expect will keep the business climate in a generally favorable condition. The SG market—including large and small display graphics used for promotions, advertising, exhibitions and signage—accounts for half of our net sales and continues to grow gradually. In June we launched the JV300 Series of printers that are positioned to offer significant revenue opportunities while providing excellent cost/performance value, and our focus now is to increase market share. The IP market for industrial products and the TA market for textile goods—which we have been developing as the second and third pillars of our operations after the SG

market—are still expanding rapidly after the previous term, with MIMAKI ENGINEERING positioned at the frontline of expansion. In the TA market, our early launch of sublimation transfer inkjet printers enabled us to overcome the competition. Our products have been adopted by leading fashion brands as green and economical production units, which is a position we anticipate will continue for some time, and we expect that this will help to boost our corporate value.

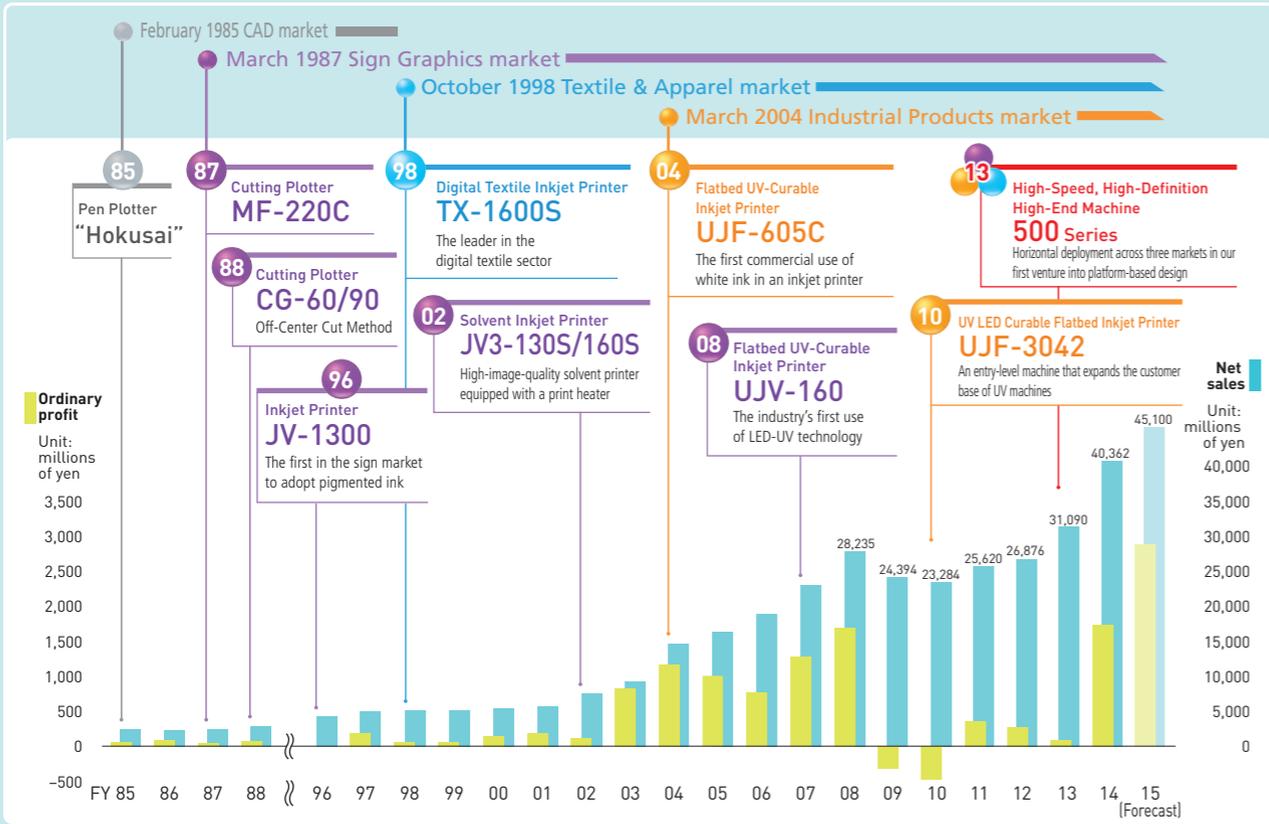
We have routinely conducted small, private exhibitions—called Mini-Exhibitions—in Japan and will actively promote our products through Mini-Exhibitions outside Japan as well. These events are designed to directly demonstrate the added value of our products by enabling customers to experience them up close. We aim to increase trust and market share by reducing the sense of distance between customers and ourselves. In addition to these sales efforts, we will invest in R&D and strengthen our global management system, while striving to further reinforce our business base, in line with our activities to "Build a solid foundation for M500."

We have set the interim dividend for the fiscal year under review at 7.50 yen per share, an increase of 4 yen. We look forward to your ongoing support and encouragement.

December 2014

Trends in Business Performance

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

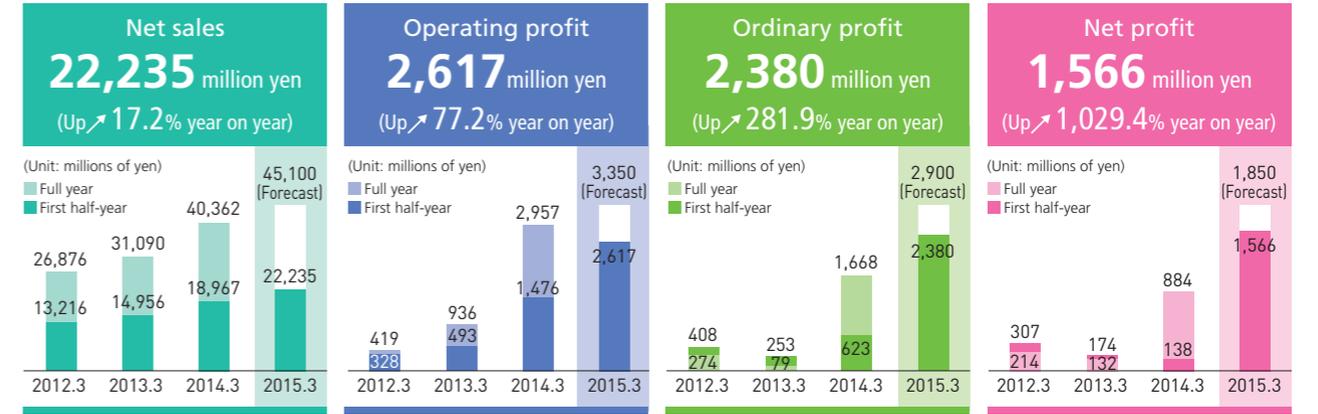


MIMAKI ENGINEERING seeks to be a market-oriented, development-driven company that pursues the potential of on-demand production based on its inkjet and cutting technologies. Our aim is as follows.

- 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**.

Consolidated Performance Highlights for the First Half of the Fiscal Year Ending March 2015

The M500 Project, Targeting Consolidated Net Sales of 50 Billion Yen in the Medium Term, Starts Its Second Year
The next series of main products for the SG market made a solid start alongside the IP and TA markets, which continued their strong showing. This put us in a favorable position to achieve our target.



Net Sales

The new JV300 Series has been well received in the SG market, and demand for digital on-demand production expanded in the IP and TA markets. Accordingly, printer and cutter products and consumables such as ink recorded healthy performances. In terms of regions, sales were particularly strong in Europe and Asia. As a result, we recorded consolidated net sales of 22,235 million yen, an increase of 17.2% year on year.

Profits

Together with the higher profit reflecting the rise in net sales, the lower yen contributed to improving the cost-to-sales ratio, pushing up operating profit 77.2% to 2,617 million yen. Non-operating expenses improved from the previous term, when we recorded a large amount of non-operating expenses, resulting in ordinary profit of 2,380 million yen, up 281.9% year on year, and net income of 1,566 million yen, compared with 138 million yen in the same period a year ago.

Forecast for Consolidated Business Performance for the Fiscal Year Ending March 2015	Net sales 45,100 million yen (Up↑ 11.7% year on year)	Operating profit 3,350 million yen (Up↑ 13.3% year on year)	Ordinary profit 2,900 million yen (Up↑ 73.8% year on year)	Net profit 1,850 million yen (Up↑ 109.2% year on year)	Planned dividend increase from 7 yen to 15 yen
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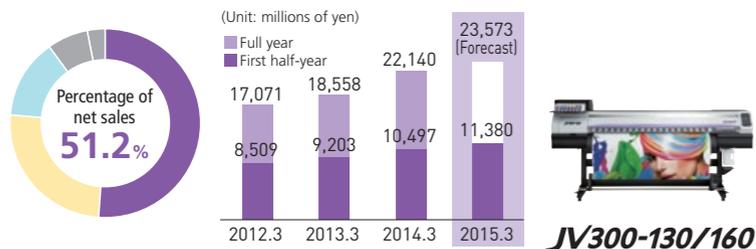
We forecast further growth in the IP and TA markets, in which we can offer unique added value in response to the globally growing demand for digital on-demand production. We also anticipate sales growth to come from expansion of our market share in the SG market with the JV300 Series of printers that facilitates increased throughput, reduced waste and lower cost of operation. We will push vigorously to increase profitability on a group-wide basis to solidify our business foundation. To accomplish the aims expressed in "Build a solid foundation for M500"—our theme for the current term—we will make investments targeting R&D, marketing activities, and the strengthening of our global management system, as we seek to further reinforce our business base.

Financial Highlights

Performance Highlights by Market for the Fiscal Year Ending March 2015

SG market

Net sales: **11,380** million yen (Up \nearrow 8.4% year on year)

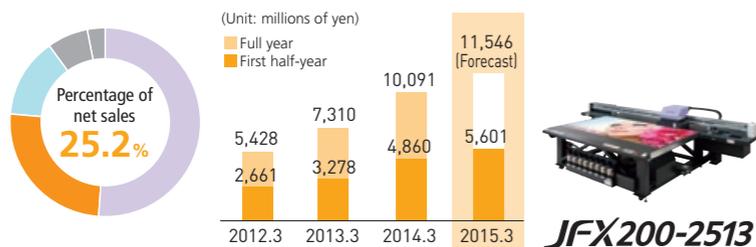


JV300-130/160

The products for this market are models aimed at customers that produce large and small display graphics used for promotions, advertising, exhibitions, signage, and others. Sales volume for the JV300 Series, which was launched in June 2014 as our next series of main products, grew strongly in Japan and Europe. The JV33 Series that preceded the JV300 Series continues to maintain its product appeal eight years after its launch, with sales volume rising steadily mainly in China and developing countries. This resulted in 8.4% year-on-year growth in consolidated net sales to 11,380 million yen. Three new models were launched in October 2014—outside the fiscal period under review—as part of our effort to boost market share with cutting-edge models that offered enhanced competitiveness.

IP market

Net sales: **5,601** million yen (Up \nearrow 15.2% year on year)

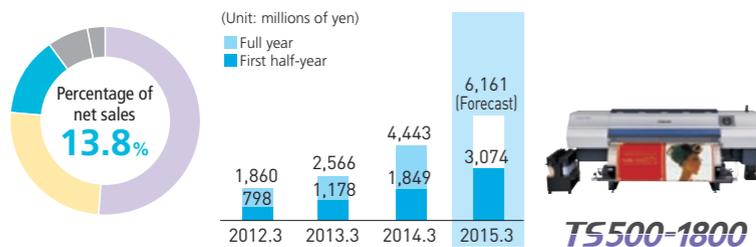


JFX200-2513

The products for this market are used in the manufacture of industrial products. Leading compact models UJF-3042HG, UJF-3042FX, and UJF-6042 saw brisk activity. The large, high-end model JFX500-2131 remained a strong performer while the JFX200-2513—an entry model with pared-down features and a price nearly half that of the JFX500-2131—saw favorable growth in sales volume in emerging nations. These products contributed greatly to revenues, resulting in a 15.2% year-on-year jump in net sales to 5,601 million yen.

TA market

Net sales: **3,074** million yen (Up \nearrow 66.2% year on year)



TS500-1800

The products in this market are used for producing textile goods in the apparel industry. Since it eliminates the post-printing washing process, the sublimation transfer printing we launched ahead of competitors enables the easy setup of a clean working environment at a low cost in a small space. It is therefore growing into a market in its own right within textile printing. The entry model TS34-1800A and high-end model TS500-1800 both performed well, while sales of sublimation ink outpaced those of machines. This resulted in 66.2% year-on-year growth in net sales to 3,074 million yen.

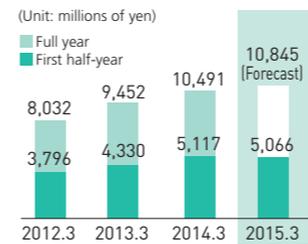
● Spare parts 6.9%, Others 2.9%

Financial Highlights

Performance Highlights: Market Conditions by Region and Product Category for the First Half of the Fiscal Year Ending March 2015

Japan

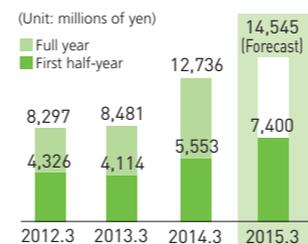
Net sales: **5,066** million yen (down \searrow 1.0% year on year)



Our 13 sales bases in Japan continued to engage in community-based sales efforts. In particular, the JV300 Series for the SG market and the JFX200-2513 for the IP market performed strongly. Nevertheless, net sales fell slightly year on year, due partly to the rise in the consumption tax. (The 14th sales office in Japan, the Yokohama Sales Bases, was opened in October 2014, outside the fiscal period under review.)

Europe

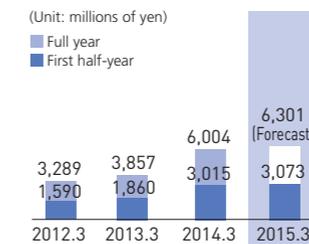
Net sales: **7,400** million yen (Up \nearrow 33.3% year on year)



The JV300 Series for the SG market and the JFX200-2513 for the IP market performed well. Sales of the TS500-1800 for the TA market were also strong, in association with sharp growth in the sales of sublimation ink. These results helped to expand net sales year on year.

North America

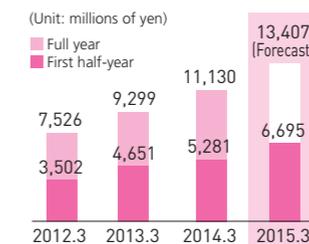
Net sales: **3,073** million yen (Up \nearrow 1.9% year on year)



Sales volume growth of the JFX200-2513 for the IP market and the TS500-1800 for the TA market pushed net sales slightly higher year on year. Sales in the SG market, however, were sluggish. Going forward, we will step up our Mini-Exhibition efforts in the United States to provide a direct connection resulting in a more rewarding experience for our customers and to boost our market share.

Asia, Oceania, and Others

Net sales: **6,695** million yen (Up \nearrow 26.8% year on year)



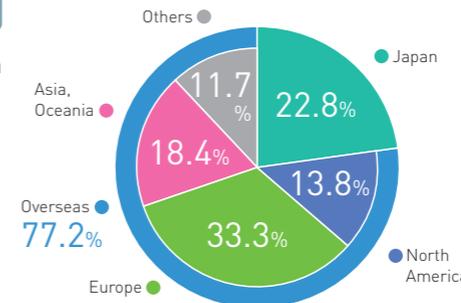
Sales subsidiaries established in Singapore and Australia in the previous fiscal year succeeded in developing sales channels, with sales in ASEAN countries and Australia starting to grow as a result. In addition, the JV33 series for the SG market performed well in China. These results helped to push net sales much higher year on year.

Business performance for the first half of the fiscal year ending March 2015

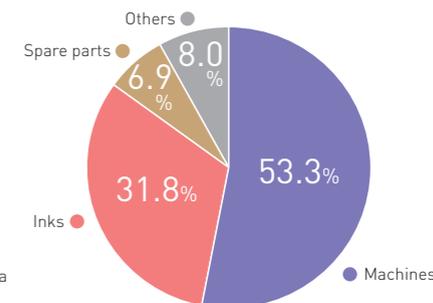
Consolidated net sales outside Japan
17,168 million yen
Percentage of consolidated net sales
77.2%

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

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

2002

September
JV3-130S/160S
Solvent Inkjet Printer

2005

March
GP-604D
Garment Printer

2003

January
DM2-1810
Flatbed Inkjet Printer

April
JV3-250SP
Super-Wide Solvent Inkjet Printer

November
GP-604
Garment Printer

2004

March
UVF-605C
Flatbed UV-Curable Inkjet Printer

2002

June
Fine Cut for Corel
Cutting Software for Corel Draw

2003

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

December
CF2 Series
Flatbed Cutting Plotter

March
UVJ-110
Roll-Fed UV-Curable Inkjet Printer

June
JV22-130/160
Full-Color Inkjet Printer

June
JV3-160SP
Solvent Inkjet Printer

October
JV3-75SP II /130SP II
Solvent Inkjet Printer

October
Tx3-1600
Digital Textile Inkjet Printer

2005

April
UVF-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

2004

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

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

December
CF2 Series
Flatbed Cutting Plotter

January

Mimaki Profile Master
Color Management System

January

UVF-605C II
Flatbed UV-Curable Inkjet Printer

August

JV5-320S
Grand Format Solvent Inkjet Printer

June

JV5-130S/160S
Ultra High-Speed Solvent Inkjet Printer

December

JF-1610/1631
Large Format Flatbed UV-Curable Inkjet Printer

August

UVF-605R II
Roll-Fed UV-Curable Inkjet Printer

September

Raster Link Pro III /IP III / TA III
Software RIP Compatible with PS3

October

CG-60SR
Desktop Cutting Plotter

November

CG-60SL
For overseas: Low-Cost Desktop Cutting Plotter

January

UVF-605C II
Flatbed UV-Curable Inkjet Printer

January

UVF-605C II
Flatbed UV-Curable Inkjet Printer

August

JV5-320S
Grand Format Solvent Inkjet Printer

August

JV3-130/160
Solvent Inkjet Printer

June

JV5-130S/160S
Ultra High-Speed Solvent Inkjet Printer

December

JF-1610/1631
Large Format Flatbed UV-Curable Inkjet Printer

August

UVF-605R II
Roll-Fed UV-Curable Inkjet Printer

September

Raster Link Pro III /IP III / TA III
Software RIP Compatible with PS3

October

CG-60SR
Desktop Cutting Plotter

November

CG-60SL
For overseas: Low-Cost Desktop Cutting Plotter

January

UVF-605C II
Flatbed UV-Curable Inkjet Printer

January

IPF-1610B/1610B-U
Industrial Flatbed UV-Curable Inkjet Printer

July

Mimaki Profile Master II
Color Management System

August

CJV30-60/100/130/160
Printer Cutter

August

Raster Link Pro4 SG/IP/TA
Software RIP for PS3 Cutting Software

September

UVJ-160
Hybrid UV LED Curable Inkjet Printer

January

CF3-1631/1610
Flatbed Cutting Plotter with Router Head

March

CG-75/130/160FX II
Multi Cutting Plotter

February

JV33-260
Super-Wide Solvent Inkjet Printer

February

TPC-1000
Printer Cutter for Sports Apparel

February

TS3-1600
Dye Sublimation Printer for Sports Apparel

February

JV33-260
Super-Wide Solvent Inkjet Printer

February

TPC-1000
Printer Cutter for Sports Apparel

February

TS3-1600
Dye Sublimation Printer for Sports Apparel

February

TS5-1600AMF
Dye Sublimation Printer for Sports Apparel

April

Raster Link Pro5 SG/IP/TA
Software RIP for PS3 Cutting Software

May

JFX-1631
Large Format UV LED Curable Flatbed Inkjet Printer

October

Tx400-1800D
Digital Textile Inkjet Printer

December

UVF-706
Flatbed UV-Curable Inkjet Printer

January

CF3-1631/1610
Flatbed Cutting Plotter with Router Head

March

CG-75/130/160FX II
Multi Cutting Plotter

January

JV5-320DS
Direct Printing / Dye Sublimation Grand Format Inkjet Printer

February

UVF-3042
UV LED Curable Flatbed Inkjet Printer

February

Tx400-1800B
Digital Textile Inkjet Printer with Adhesive Belt Carrier System

November

JFX-1631plus
Large Format UV LED Curable Flatbed Inkjet Printer

November

JFX-1615plus
Large Format UV LED Curable Flatbed Inkjet Printer

October

Tx400-1800D
Digital Textile Inkjet Printer

December

UVF-706
Flatbed UV-Curable Inkjet Printer

May

CG-100SR II
High-Quality Cutting Plotter

August

APC-130
Large Format CAD Cutting Plotter for Apparel

January

JV5-320DS
Direct Printing / Dye Sublimation Grand Format Inkjet Printer

March

JV34-260
Super Wide Format Inkjet Printer

September

UVF-3042FX
UV LED Curable Flatbed Inkjet Printer

November

TS34-1800A
Dye Sublimation Printer for Sports Apparel

May

SWJ-320S2/320S4
Solvent UV Inkjet Printer

June

Tx500-1800DS
Direct Printing Inkjet Printer

September

JFX500-2131
UV LED Curable Flatbed Inkjet Printer

December

UVF-6042
UV LED Curable Flatbed Inkjet Printer

April

CG-100SR III
High-Quality Cutting Plotter

February

UVF-3042HG
UV LED Curable Flatbed Inkjet Printer

March

JV400-130/160LX
Latex Inkjet Printer

February

UVF-3042HG
UV LED Curable Flatbed Inkjet Printer

April

TS500-1800
Ultra High-Speed Dye Sublimation Inkjet Printer

May

JV400-130/160SUV
Solvent UV Inkjet Printer

May

UVJ500-160
UV LED Curable Roll-to-Roll Inkjet Printer

October

UVJ500-160
UV LED Curable Roll-to-Roll Inkjet Printer

October

Tx500-1800B
Digital Textile Inkjet Printer with Adhesive Belt Carrier System

December

JFX200-2513
UV LED Curable Flatbed Inkjet Printer

April

CG-60/100SR III
High-Quality Cutting Plotter

June

JV300-130/160
Solvent Inkjet Printer

October

JV150-130/160
Solvent Inkjet Printer

June

JV300-130/160
Solvent Inkjet Printer

October

JV150-130/160
Solvent Inkjet Printer

October

CJV300-130/160
Printer Cutter

October

CJV300-130/160
Printer Cutter

October

CJV150-75/107/130/160
Printer Cutter

October

CJV150-75/107/130/160
Printer Cutter

December

JFX200-2513
UV LED Curable Flatbed Inkjet Printer

April

CG-60/100SR III
High-Quality Cutting Plotter

June

JV300-130/160
Solvent Inkjet Printer

October

JV150-130/160
Solvent Inkjet Printer

Cutting Plotter

1987

March
MF-220C
A2 Flat Cutting Plotter

December

CF-70
A1 Flatbed Cutting Plotter

1988

June
CG-45
Desktop Cutting Plotter

October

Full-Model Change in Main Products

We carried out a full-model change in our main entry models with two product lineups: the 300 Series, which achieves a practical print speed that is 1.7 times faster than conventional products, and the 150 Series of low-cost models mainly targeted at emerging nations. Both series offer a lineup of print-only as well as print and cut machines, and can be loaded with either eco-solvent ink for the SG market or sublimation ink for the TA market. Leveraging these features, we will aggressively promote these machines as products that can be proposed to an ever-growing number of customers.

300 Series: 1.7 times faster practical print speed than the conventional products

Loaded with high-intensity silver ink

JV300series
Launched in June 2014
Practical print speed 20 m²/h
Ink colors: CMYK + White + Silver
print only

CJV300series
Launched in October 2014
Practical print speed 20 m²/h
Ink colors: CMYK + White + Silver + Silver
print and cut

150 Series: Low-cost models mainly targeted at emerging nations

Loaded with high-intensity silver ink

JV150series
Launched in October 2014
Practical print speed 13 m²/h
Ink colors: CMYK + White + Silver
print only

CJV150series
Launched in October 2014
Practical print speed 13 m²/h
Ink colors: CMYK + White + Silver + Silver
print and cut

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 1,299 (consolidated) / 639 (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 (As of October 31, 2014)

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 Kitanagaiki, Nagano-shi, Nagano 381-0025, Japan
Sales Bases Tokyo, Osaka, Sapporo, Sendai, Nagano, Yokohama, Saitama, Kanazawa, Nagoya, Kyoto, Kobe, Hiroshima, Shikoku (Takamatsu), and Fukuoka

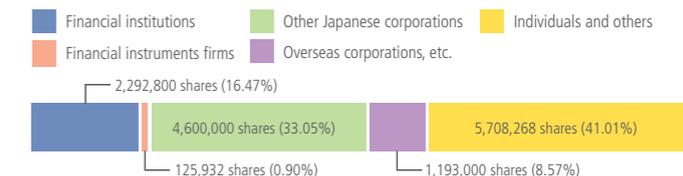
Stock Information

Total Number of Authorized Shares 40,080,000 shares
Total Number of Issued Shares 13,920,000 shares
Number of Shareholders 1,542
Major Shareholders

Shareholder name	Number of shares held (shares)	Investment ratio (%)
Ikeda Holdings, Inc.	2,213,600	15.90
Japan Trustee Services Bank, Ltd.	1,445,400	10.38
Tanaka Kikaku Ltd.	1,200,000	8.62
MIMAKI ENGINEERING Employee Stock Ownership	1,104,400	7.93
Noriyuki Tanaka	1,009,300	7.25
Tokyo Small and Medium Business Investment & Consultation Co., Ltd.	762,000	5.47
Hachijuni Bank, Ltd.	420,000	3.02
Akira Ikeda	408,600	2.94
AVASYS CORPORATION	360,000	2.59
The Bank of New York Mellon Corporation 140030	328,000	2.36

Note: The Company holds 459,465 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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