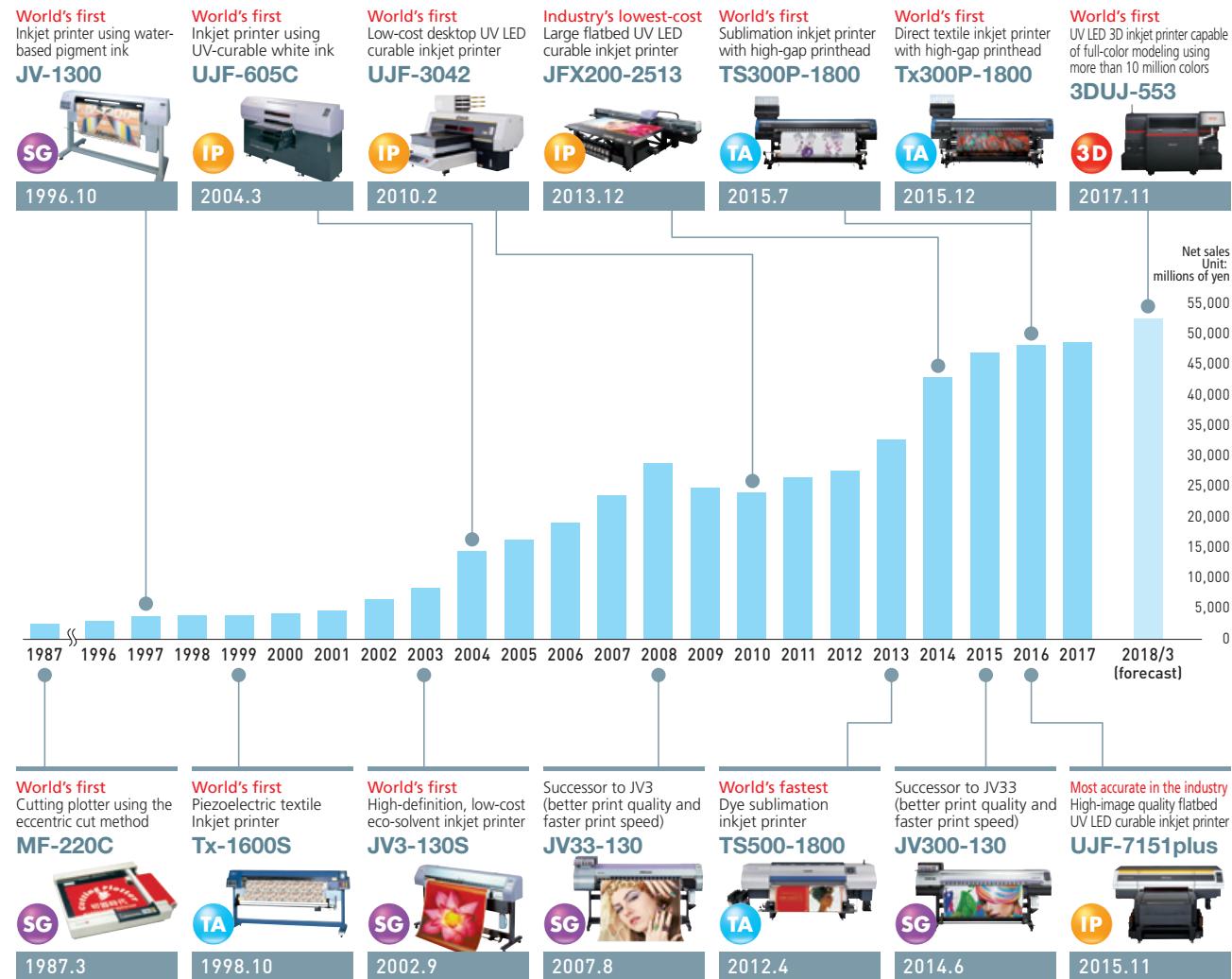


The history of MIMAKI as one of continuous innovation

As a market leader in digital on-demand production, we will continue to create new markets and customers by identifying diverse needs promptly and accurately and providing products that target these needs.



BUSINESS REPORT 2017.9



Securities Code: 6638

INTERIM 2017 BUSINESS REPORT

April 1, 2017–September 30, 2017



New technology printer with UV ink

UCJV300-160

Launched in November 2017



Applies UV-curable ink that hardens immediately through irradiation of ultraviolet (UV) light

Ink requires no drying time, and printing time is reduced

Possible to print on a wider range of materials

SG

Installed environmentally friendly UV ink LUS-170
Commenced sales of the UCJV300-160/UCJV150-160

Compared with solvent inks, UV inks dry more quickly, post-processing and sign applying are possible instantly. Additionally, UV ink enables printing on materials that are difficult to print onto using other inks, allowing a broader range of applications. Furthermore, the combined solutions of four layers printing and the inside lighting of graphics make possible an amazing presentation named "Day & Night Printing." The UCJV300-160/UCJV150-160 takes the industry a step closer to the future of sign graphics.



UCJV300-160
UCJV150-160

Launched in November 2017

Day & Night Printing



Back light off
Visible image in the daytime



Back light on
Visible image in the nighttime

Opening of the Kitakanto Sales Office

On October 25, 2017, the Kitakanto Sales Office was opened to serve Ibaraki and Tochigi Prefectures. The 15th such office to be opened in Japan, it benefits from a showroom, allowing us to work even more closely with regional customers to further expand our specialized and meticulous sales and maintenance services.



1784-5, Yanazemachi,
Utsunomiya-shi, Tochigi
321-0933, Japan
Tel: +81 28-346-2802
Fax: +81 28-346-2803

Joint venture company
Mimaki Bompan Textile
S.r.l. established in Italy

In June 2017, we established a joint venture company in partnership with leading Italian distributor Bompan S.r.l. This establishment aims to expand sales of products for the Textile & Apparel (TA) market, primarily in EU.

3D

Commenced sales of the 3DUJ-553
full-color 3D printer

This is the world's first* UV-curable 3D inkjet printer to allow full-color modeling using more than 10 million colors. The rich color expression allows more beautiful modeling by enabling reproduction of fine detail in such items as architectural models and solid models used for object signboards.

*Survey as of August 2017 by MIMAKI ENGINEERING



3DUJ-553

Launched in November 2017

Unparalleled modeling capabilities and color expression for a variety of artistic expressions



Commenced sales of the CF22-1225
flatbed cutting plotter

With its ability to deal with 4x8 sheet sizes, this new product has enhanced print and cut interoperability with the JFX200-2513 flatbed UV inkjet printer. The ID cut function allows it to automatically load cut data and begin cutting by printing the ID information at the time of printing.



CF22-1225

Launched in November 2017

SG

Commenced sales of the LA-160W/LA-170W
and Mimaki Vision Laminate 310-137

The LA-160W/LA-170W are warm laminators perfect for using with the UCJV300-160/UCJV150-160. Mimaki Vision Laminate 310-137 is a genuine laminating film that reduces silvering while laminating to a UV print.



LA-160W
LA-170W

Launched in November 2017



Before presenting the business report for the first half of our 43rd term (April 1, 2017 to September 30, 2017), I would like to address a few words to our shareholders, and to express my sincere appreciation for your continued support.

Kazuaki Ikeda President, MIMAKI ENGINEERING CO., LTD.

Q Please first discuss the first half of the fiscal year ending March 2018.

Looking at our consolidated business performance, we secured both higher revenue and profit, with net sales rising 10% year on year to 25,174 million yen, and operating profit reaching 1,119 million yen, an increase of 0.8% year on year. The yen depreciated compared with the same period in the previous year, but progress is more or less in line with our plans. There are three highlights.

The first is that, viewing net sales by market, Industrial Products (IP), which includes novelty items, industrial products and others, continued to grow. New small-sized flatbed products launched in October 2016 made a significant contribution.

The second is that, for net sales by region, the North American market, in which the share of total sales had been stagnating at low levels, began to show clear signs of expanding. We see this as an indication that our initiatives to rebuild the sales agent network and our sales techniques are starting to bear fruit.

The third is that, due to increased costs (selling, general and administrative expenses), the operating margin fell below previous-year levels. This was due to the impact of European investments made during the previous term, such as those in our Italian development and manufacturing subsidiary, setting up of a new ink factory, and investments in human resources and so on made in preparation for opening up new markets.

Q What is the outlook for the full year?

Our forecasts for consolidated business performance for the fiscal year ending March 2018 are net sales of 52,150 million yen (up

7.9% year on year) and operating profit of 2,350 million yen (up 14.7% year on year). There are two points to highlight regarding important measures to be taken from the third quarter onward.

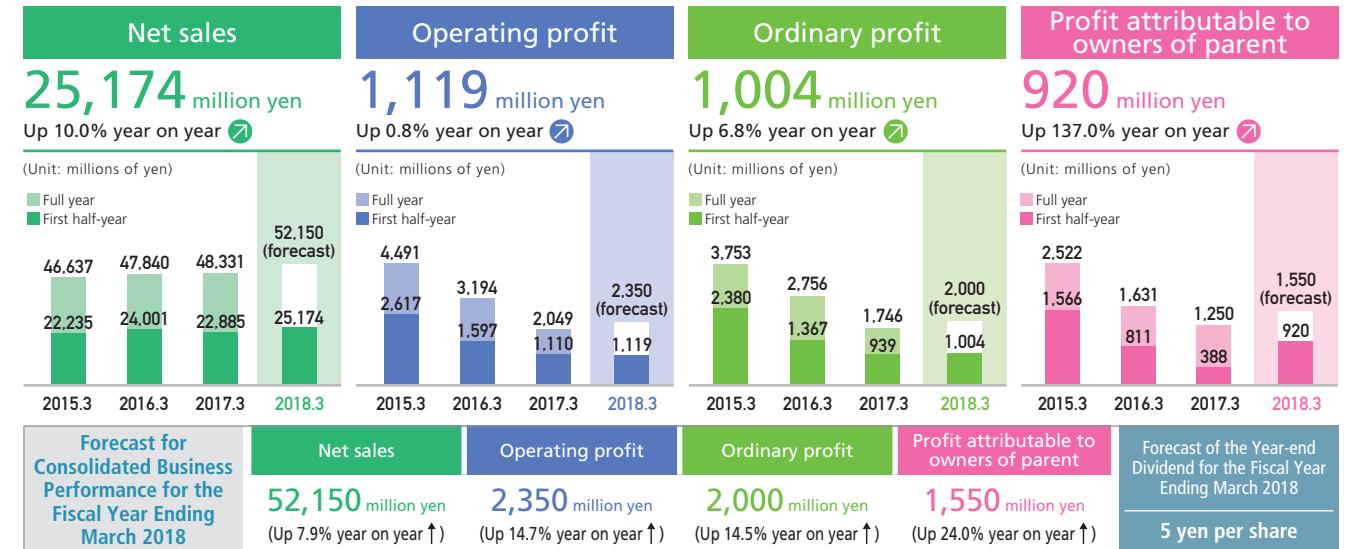
The first is improved sales of new products. In November 2017, we introduced new products aimed at the Sign Graphics (SG) market for advertisements and signboards, and others. These are innovative new models that allow printing and cutting to be done by the same unit, and they use environmentally friendly UV ink. We expect these to lead to share expansion in the SG market.

The second is the sale into the Textile & Apparel (TA) market of high-speed models manufactured by Mimaki La Meccanica S.p.A. in Italy, which we acquired last year. The Group has mainly handled medium-speed models aimed at the place of consumption, but by adding these high-speed models targeted at the place of production, we will push ahead with the digitalization of the TA market as a whole.

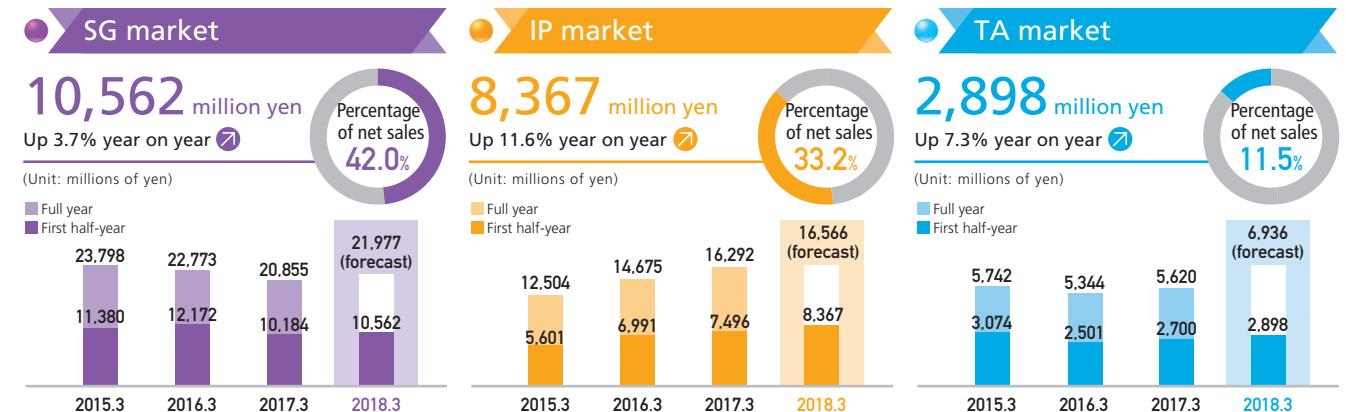
Q What is your message to shareholders?

In preparation for the Group transforming into a “truly global company” with annual net sales of 100 billion yen, we are working diligently both to expand earnings and to build an improved system of corporate governance. In addition, the Company regards the return of profits to shareholders as one of the most important issues facing management. Our basic policy on dividends is to emphasize stability and consistency, and for this fiscal year we plan to offer a dividend of 10 yen per share (5 yen at the interim and 5 yen at the year-end). We continue to consider other avenues for returning profits to shareholders. I would be most grateful for the continued guidance and encouragement of shareholders.

Consolidated Performance Highlights for the First Half of the Fiscal Year Ending March 2018



Performance Highlights by Market for the First Half of the Fiscal Year Ending March 2018



Net sales for the SG market, such as advertisements and signboards, were 10,562 million yen, up 3.7% year on year. Competition increased for entry-level machines, but sales of ink, media and other related consumables expanded.

Net sales for the IP market, which includes novelty items, industrial products, and others, rose by 11.6% year on year to 8,367 million yen. Digital print applications continued to expand, leading to overall growth in large-format models, small-format models and ink.

Net sales for the TA market, encompassing products such as clothing, fabrics, and others, came to 2,898 million yen (up 7.3% year on year). Entry-level machines struggled, but sales of ink and other related products grew significantly.

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

Hachioji Development Center
593-6 Kitano-machi, Hachioji-shi, Tokyo 192-0906, Japan

JP Demonstration Center
6F, TOC Bldg., 7-22-17, Nishigotanda, Shinagawa, Tokyo 141-0031, Japan

Sales Bases Tokyo, Osaka, Sapporo, Sendai, Nagano, Yokohama, Saitama, Kitakanto (Utsunomiya), Kanazawa, Nagoya, Kyoto, Kobe, Hiroshima, Shikoku (Takamatsu), and Fukuoka

Overseas Group Companies

Branch offices and sales offices of affiliated companies, etc.



MIMAKI Lithuania, UAB (Lithuania)



MIMAKI EUROPE B.V. (The Netherlands)



Mimaki Bompan Textile S.r.l. (Italy)



MIMAKI IJ TECHNOLOGY CO., Ltd. (China)



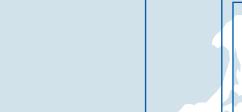
Mimaki Deutschland GmbH (Germany)



Mimaki La Meccanica S.p.A. (Italy)



Shanghai Mimaki Trading Co., Ltd. (China)



MIMAKI EURASIA DIJITAL BASKI TEKNOLOJILERI PAZARLAMA VE TICARET LIMITED SIRKETI (Turkey)



MIMAKI PRECISION Co., Ltd. (Japan)



MIMAKI AUSTRALIA PTY LTD (Australia)



GRAPHIC CREATION Co., Ltd. (Japan)



MIMAKI INDIA PRIVATE LIMITED (India)

We provide products and services to customers in approximately **150** countries and regions



MIMAKI USA, INC. (U.S.A.)



MIMAKI BRASIL COMERCIO E IMPORTACAO LTDA (Brazil)

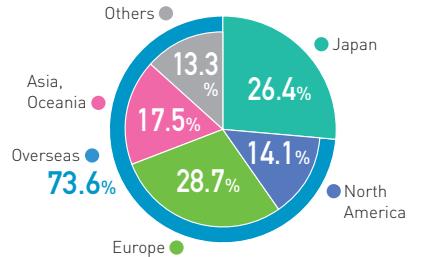


MIMAKI SINGAPORE PTE. LTD. (Singapore)

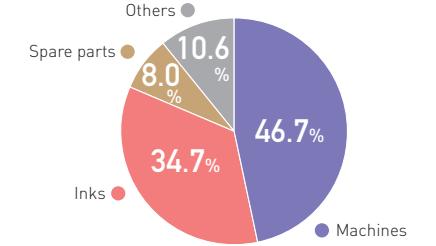
Business performance for the first half of the fiscal year ending March 2018

Consolidated net sales outside Japan **18,527** million yen
Percentage of consolidated net sales **73.6%**

Percentage of net sales by region



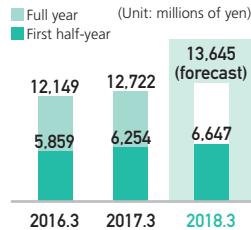
Percentage of net sales by product category



Japan

Net sales: **6,647** million yen Up 6.3% year on year

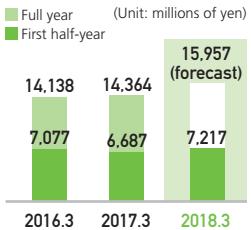
The domestic market is under intense competitive pressure, but net sales grew year on year. With regard to machines, sales to the SG market declined year on year, but sales to the IP and TA markets both recorded year-on-year increases. Ink and service-related sales posted growth in each market.



Europe

Net sales: **7,217** million yen Up 7.9% year on year

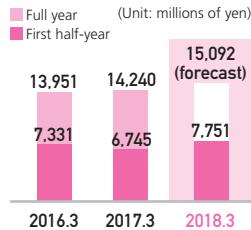
Net sales grew significantly year on year. Net sales also grew on a local currency basis, excluding the effects of the yen/euro exchange rate. Machines for the SG market declined year on year, but sales to the IP and TA markets posted year-on-year increases.



Asia, Oceania, and Others

Net sales: **7,751** million yen Up 14.9% year on year

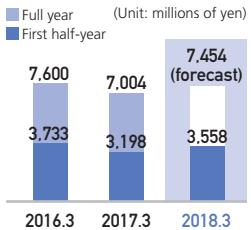
Net sales grew significantly year on year. The situation in China for SG market products has been challenging, but conditions have been recovering in other regions of Asia and Oceania. In particular, sales of ink grew in every market.



North America

Net sales: **3,558** million yen Up 11.2% year on year

Net sales grew significantly year on year. Net sales also grew on a local currency basis, excluding the effects of the yen/dollar exchange rate. Sales to each market are recording overall growth, but sales to the TA market in particular are expanding significantly.



Drafting Plotter

1985 February MF-120 A2 Flat Pen Plotter [Hokusai]	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 May MR-1900 LED Plotter A0 Version	1995 March JP-560/590 Monochrome Inkjet Plotter
1997 December JP-660/690C Full-Color Inkjet Plotter	1999 November MR-1600 LED Plotter A1 Version		

Cutting Plotter

1987 March MF-220C A2 Flat Cutting Plotter	1989 October CG-90SD Cutting Plotter	1990 January CG-120 Cutting Plotter with Auto-Roll Feeder	1991 June CG-45 Desktop Cutting Plotter
1988 June CG-45 Desktop Cutting Plotter	1992 January CG-50 High-Speed Cutting Plotter	1993 February HF-500 Heat Pen Cutting Plotter	1994 January CG-6/9/12 Low-Cost Cutting Plotter
1995 January Vector Link Cutting Software for PS (Mac OS)	1996 October CAM LINK Cutting Data Conversion Software	1997 January CG-100AP 1-Meter-Width Apparel Pattern Cutting Plotter	1998 March My Brain Vehicle Cutting System for Car Film
1999 June CG-100/130Lx High-Speed Cutting Plotter	2000 January Fine Cut Plug-In Cutting Software for Illustrator	2001 June JV4-130/160/180 Large Format Full-Color 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	2004 April CG-160FX Cutting Plotter with High-Speed Crop-Marker Sensor	2005 October CG-75M/130/160FX II Multi Cutting Plotter	2006 March Simple Cut Cutting Application Software
2007 August CG-60SR Desktop Cutting Plotter	2008 January CF3-1631/1610 Flatbed Cutting Plotter with Router Head	2009 February TPC-1000 Printer Cutter for Sports Apparel	2010 October FineCut8 Plug-In Cutting Software
2011 May CG-100SR II High-Quality Cutting Plotter	2012 February UJF-3042HG UV LED Curable Flatbed Inkjet Printer	2013 April UJV500-160 UV LED Curable Roll-to-Roll Inkjet Printer	2014 June JV300-130/160 Solvent Inkjet Printer
2015 February CFL-605RT Small-Sized Flatbed Cutting Plotter	2016 February TS500P-3200 Dye Sublimation Inkjet Printer	2017 November UCJV300-160 UCJV150-160 New Technology UV LED Inkjet Printer Using UV-curable Ink	

Inkjet Printer

1996 October JV-1300 Full-Color Inkjet Printer with Water-Based Pigment Ink	1998 April JV2-130 Full-Color Inkjet Printer with Six-Color Pigment Ink	1999 November JV2-180 Large Format Full-Color Inkjet Printer	2000 November TX Link Software RIP for Textile Printing
2001 June JV4-130/160/180 Large Format Full-Color Inkjet Printer	2002 September JV3-130S/160S Solvent Inkjet Printer	2003 January DM2-1810 Flatbed Inkjet Printer	2004 March UJF-605C Flatbed UV-Curable Inkjet Printer
2005 March GP-604D Garment Printer	2006 January Mimaki Profile Master Color Management System	2007 January UJF-605C II Flatbed UV-Curable Inkjet Printer	2008 January CF3-1631/1610 Flatbed Cutting Plotter with Router Head
2009 February TPC-1000 Printer Cutter for Sports Apparel	2010 January JV5-320DS Direct Printing / Dye Sublimation Grand Format Inkjet Printer	2011 March JV34-260 Super Wide Format Inkjet Printer	2012 February UJF-3042FX UV LED Curable Flatbed Inkjet Printer
2013 April UJV500-160 UV LED Curable Roll-to-Roll Inkjet Printer	2014 June JV300-130/160 Solvent Inkjet Printer	2015 February CFL-605RT Small-Sized Flatbed Cutting Plotter	2016 February TS500P-3200 Dye Sublimation Inkjet Printer
2017 November UCJV300-160 UCJV150-160 New Technology UV LED Inkjet Printer Using UV-curable Ink			

2001 June JV4-130/160/180 Large Format Full-Color Inkjet Printer	2002 September JV3-130S/160S Solvent Inkjet Printer	2003 January DM2-1810 Flatbed Inkjet Printer	2004 March UJF-605C Flatbed UV-Curable Inkjet Printer
2005 March GP-604D Garment Printer	2006 January Mimaki Profile Master Color Management System	2007 January UJF-605C II Flatbed UV-Curable Inkjet Printer	2008 January CF3-1631/1610 Flatbed Cutting Plotter with Router Head
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Corporate Profile

Corporate Name	MIMAKI ENGINEERING CO., LTD.
Foundation	August 1975
Capital	4,357 million yen
Businesses	Development, manufacturing, and sales of computer devices and software
Employees	1,623 (consolidated) 804 (parent company only)

Board Members

Executive Chairman	Akira Ikeda
President	Kazuaki Ikeda
Executive Vice President	Sakae Sagane
Executive Director	Kazuyuki Takeuchi
Director	Hiroshi Miyake
Director	Yasuhiro Haba
Director	Koji Shimizu
Counselor for Director	Noriyuki Tanaka
Director (Outside)	Makoto Tanaka
Director (Outside)	Hisamitsu Arai
Auditor (Full-time, Outside)	Yoh Zenno
Auditor (Outside)	Tomokazu Iwashita
Auditor (Outside)	Yukio Tsuchiya

Accounting Auditor

Deloitte Touche Tohmatsu LLC

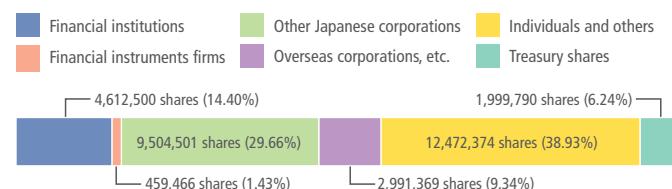
Stock Information

Total Number of Authorized Shares	128,160,000 shares
Total Number of Issued Shares	32,040,000 shares
Number of Shareholders	5,214

Major Shareholders

Shareholder name	Number of shares held (shares)	Investment ratio (%)
Ikeda Holdings, Inc.	4,497,200	14.04
Tanaka Kikaku Ltd.	2,330,000	7.27
Noriyuki Tanaka	2,024,000	6.32
Japan Trustee Services Bank, Ltd.	1,572,600	4.91
MIMAKI ENGINEERING Employee Stock Ownership	1,561,500	4.87
Tokyo Small and Medium Business Investment & Consultation Co., Ltd.	1,524,000	4.76
THE HACHIJUNI BANK, LTD.	840,000	2.62
Akira Ikeda	833,200	2.60
EPSON AVASYS CORPORATION	720,000	2.25
STATE STREET BANK AND TRUST COMPANY 505019	635,200	1.98

Ownership Breakdown



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	Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan
Contact details for the above	Mitsubishi UFJ Trust and Banking Corporation Transfer Agent Department 1-1, Nikkocho, Fuchu-shi, Tokyo, Japan Tel: 0120-232-711 (toll free, in Japan)
Mail address	P.O. Box No. 29, Shin-Tokyo Post Office 137-8081, Japan Mitsubishi UFJ Trust and Banking Corporation Transfer Agent Department
Method of public notice	Public notices are posted on our website (http://ir.mimaki.com/ , in Japanese). However, if an electronic public notice cannot be given due to unavoidable circumstances, it will be published in the <i>Nihon Keizai Shimbun</i> .
Listings	Tokyo Stock Exchange First Section
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.
- Unreceived dividends are paid at the head office of Mitsubishi UFJ Trust and Banking Corporation.



Corporate Website

In addition to the latest information and news, our corporate website provides visitors with a deeper understanding of the business, products and services of MIMAKI ENGINEERING. Please have a look.

Address ▶▶▶ <http://ir-eng.mimaki.com/>

Click!



The QR code to the right may be used for access by cellular phones and smartphones.

