

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Consolidated Financial Results
for the Year Ended March 31, 2016
(Based on Japanese GAAP)**

May 12, 2016

Company name: MIMAKI ENGINEERING CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6638 URL <http://ir.mimaki.com/>
 Representative: President Kazuaki Ikeda
 Executive General Manager Administration
 Inquiries: Division Hiroshi Miyake TEL 0268-64-2281
 Scheduled date of ordinary general meeting of shareholders: June 21, 2016
 Scheduled date to file Securities Report: June 22, 2016
 Scheduled date to commence dividend payments: June 22, 2016
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2016	47,840	2.6	3,194	(28.9)	2,756	(26.5)	1,631	(35.3)
Year ended March 31, 2015	46,637	15.5	4,491	51.9	3,753	124.9	2,522	185.2

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2016	52.06	–	10.6	6.2	6.7
Year ended March 31, 2015	92.94	92.74	21.9	9.9	9.6

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2016	46,132	15,642	33.9	501.68
As of March 31, 2015	43,479	15,193	34.9	485.38

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2016	3,433	(2,493)	3,386	10,992
Year ended March 31, 2015	(2,145)	(2,738)	6,642	6,989

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2015	–	7.50	–	12.50	20.00	147	10.8	2.6
Year ended March 31, 2016	–	5.00	–	5.00	10.00	352	19.2	2.0
Year ending March 31, 2017 (Forecast)	–	5.00	–	5.00	10.00		34.8	

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2016	23,750	(1.0)	600	(62.4)	450	(67.1)	250	(69.2)	7.98
Full year	48,350	1.1	1,850	(42.1)	1,500	(45.6)	900	(44.8)	28.72

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2016

(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2016	32,040,000 shares	As of March 31, 2015	32,040,000 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2016	859,790 shares	As of March 31, 2015	745,790 shares
----------------------	----------------	----------------------	----------------

Average number of shares during the period

Year ended March 31, 2016	31,337,680 shares	Year ended March 31, 2015	27,143,999 shares
---------------------------	-------------------	---------------------------	-------------------

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	7,037,514	11,034,884
Notes and accounts receivable - trade	7,726,316	7,888,065
Merchandise and finished goods	12,034,781	10,895,330
Work in process	412,930	266,208
Raw materials and supplies	3,748,966	3,306,227
Deferred tax assets	1,384,295	833,948
Other	1,575,588	1,578,485
Allowance for doubtful accounts	(148,443)	(122,553)
Total current assets	33,771,949	35,680,596
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,789,963	7,346,076
Accumulated depreciation	(3,111,119)	(3,363,219)
Buildings and structures, net	2,678,844	3,982,856
Machinery, equipment and vehicles	642,173	698,349
Accumulated depreciation	(411,662)	(450,670)
Machinery, equipment and vehicles, net	230,511	247,678
Tools, furniture and fixtures	5,871,365	6,397,370
Accumulated depreciation	(4,427,180)	(4,868,310)
Tools, furniture and fixtures, net	1,444,184	1,529,059
Land	2,872,063	2,876,214
Leased assets	1,203,327	1,258,114
Accumulated depreciation	(897,363)	(976,923)
Leased assets, net	305,963	281,191
Construction in progress	604,300	55,570
Total property, plant and equipment	8,135,866	8,972,570
Intangible assets		
Other	291,891	392,891
Total intangible assets	291,891	392,891
Investments and other assets		
Investment securities	129,826	110,276
Deferred tax assets	278,412	246,337
Other	1,016,105	851,906
Allowance for doubtful accounts	(144,436)	(121,697)
Total investments and other assets	1,279,907	1,086,822
Total non-current assets	9,707,666	10,452,284
Total assets	43,479,615	46,132,881

(Thousands of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,535,173	6,867,713
Short-term loans payable	6,157,523	6,469,851
Current portion of long-term loans payable	2,151,492	2,757,416
Lease obligations	105,432	100,131
Accounts payable - other	1,488,360	1,162,253
Income taxes payable	800,896	106,116
Provision for bonuses	745,478	700,491
Provision for directors' bonuses	55,360	43,678
Provision for product warranties	448,649	414,740
Other	2,275,917	2,504,262
Total current liabilities	21,764,284	21,126,656
Non-current liabilities		
Long-term loans payable	5,910,248	8,721,797
Lease obligations	167,698	136,177
Deferred tax liabilities	29,780	6,628
Net defined benefit liability	254,318	311,532
Asset retirement obligations	19,841	52,685
Other	140,222	134,868
Total non-current liabilities	6,522,109	9,363,689
Total liabilities	28,286,394	30,490,345
Net assets		
Shareholders' equity		
Capital stock	4,357,456	4,357,456
Capital surplus	4,266,585	4,269,686
Retained earnings	6,524,218	7,803,163
Treasury shares	(124,759)	(201,831)
Total shareholders' equity	15,023,500	16,228,475
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,665	(981)
Foreign currency translation adjustment	102,192	(605,640)
Remeasurements of defined benefit plans	51,139	20,683
Total accumulated other comprehensive income	165,997	(585,939)
Subscription rights to shares	3,724	—
Total net assets	15,193,221	15,642,535
Total liabilities and net assets	43,479,615	46,132,881

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	46,637,613	47,840,383
Cost of sales	23,769,235	25,234,731
Gross profit	22,868,377	22,605,651
Selling, general and administrative expenses	18,376,984	19,411,081
Operating income	4,491,393	3,194,570
Non-operating income		
Interest income	20,001	42,442
Dividend income	2,935	804
Insurance income	82,871	13,090
Insurance return	3,869	22,002
Other	51,484	47,795
Total non-operating income	161,163	126,135
Non-operating expenses		
Interest expenses	114,699	118,697
Sales discounts	115,557	108,465
Foreign exchange losses	454,827	200,290
Share of loss of entities accounted for using equity method	101,472	98,141
Other	112,925	38,123
Total non-operating expenses	899,483	563,718
Ordinary income	3,753,072	2,756,986
Extraordinary income		
Gain on sales of non-current assets	15,325	16,476
Gain on reversal of subscription rights to shares	1,276	212
Total extraordinary income	16,602	16,689
Extraordinary losses		
Loss on sales of non-current assets	3,006	2,729
Total extraordinary losses	3,006	2,729
Profit before income taxes	3,766,668	2,770,946
Income taxes - current	1,428,537	559,208
Income taxes - deferred	(184,576)	580,403
Total income taxes	1,243,961	1,139,611
Profit	2,522,706	1,631,335
Profit attributable to owners of parent	2,522,706	1,631,335

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	2,522,706	1,631,335
Other comprehensive income		
Valuation difference on available-for-sale securities	10,404	(13,647)
Foreign currency translation adjustment	161,858	(762,206)
Remeasurements of defined benefit plans, net of tax	22,083	(30,456)
Share of other comprehensive income of entities accounted for using equity method	(36,918)	54,373
Total other comprehensive income	157,428	(751,936)
Comprehensive income	2,680,135	879,398
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,680,135	879,398

Consolidated statements of changes in equity

Fiscal year ended March 31, 2015

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,015,168	1,913,398	4,088,336	(163,494)	7,853,408
Cumulative effects of changes in accounting policies			61,138		61,138
Restated balance	2,015,168	1,913,398	4,149,474	(163,494)	7,914,546
Changes of items during period					
Issuance of new shares	2,342,287	2,342,287			4,684,575
Dividends of surplus			(147,962)		(147,962)
Profit attributable to owners of parent			2,522,706		2,522,706
Purchase of treasury shares				(61)	(61)
Exercise of subscription rights to shares		10,899		38,795	49,695
Net changes of items other than shareholders' equity					
Total changes of items during period	2,342,287	2,353,187	2,374,743	38,734	7,108,953
Balance at end of current period	4,357,456	4,266,585	6,524,218	(124,759)	15,023,500

	Accumulated other comprehensive income				Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,260	(22,747)	29,055	8,568	17,344	7,879,322
Cumulative effects of changes in accounting policies						61,138
Restated balance	2,260	(22,747)	29,055	8,568	17,344	7,940,460
Changes of items during period						
Issuance of new shares						4,684,575
Dividends of surplus						(147,962)
Profit attributable to owners of parent						2,522,706
Purchase of treasury shares						(61)
Exercise of subscription rights to shares						49,695
Net changes of items other than shareholders' equity	10,404	124,939	22,083	157,428	(13,620)	143,807
Total changes of items during period	10,404	124,939	22,083	157,428	(13,620)	7,252,761
Balance at end of current period	12,665	102,192	51,139	165,997	3,724	15,193,221

Fiscal year ended March 31, 2016

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,357,456	4,266,585	6,524,218	(124,759)	15,023,500
Cumulative effects of changes in accounting policies					
Restated balance	4,357,456	4,266,585	6,524,218		15,023,500
Changes of items during period					
Issuance of new shares					
Dividends of surplus			(352,389)		(352,389)
Profit attributable to owners of parent			1,631,335		1,631,335
Purchase of treasury shares				(88,107)	(88,107)
Exercise of subscription rights to shares		3,100		11,036	14,137
Net changes of items other than shareholders' equity					
Total changes of items during period	-	3,100	1,278,945	(77,071)	1,204,974
Balance at end of current period	4,357,456	4,269,686	7,803,163	(201,831)	16,228,475

	Accumulated other comprehensive income				Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	12,665	102,192	51,139	165,997	3,724	15,193,221
Cumulative effects of changes in accounting policies						
Restated balance	12,665	102,192	51,139	165,997	3,724	15,193,221
Changes of items during period						
Issuance of new shares						
Dividends of surplus						(352,389)
Profit attributable to owners of parent						1,631,335
Purchase of treasury shares						(88,107)
Exercise of subscription rights to shares						14,137
Net changes of items other than shareholders' equity	(13,647)	(707,833)	(30,456)	(751,936)	(3,724)	(755,660)
Total changes of items during period	(13,647)	(707,833)	(30,456)	(751,936)	(3,724)	449,314
Balance at end of current period	(981)	(605,640)	20,683	(585,939)	-	15,642,535

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	3,766,668	2,770,946
Depreciation	1,482,868	1,540,070
Increase (decrease) in allowance for doubtful accounts	68,061	(35,882)
Increase (decrease) in provision for bonuses	160,914	(41,664)
Increase (decrease) in provision for directors' bonuses	41,467	(11,681)
Increase (decrease) in provision for product warranties	(17,139)	(30,323)
Increase (decrease) in net defined benefit liability	6,868	11,012
Interest and dividend income	(22,936)	(43,246)
Insurance income	(82,871)	(13,090)
Interest expenses	114,699	118,697
Share of (profit) loss of entities accounted for using equity method	101,472	98,141
Gain on reversal of subscription rights to shares	(1,276)	(212)
Foreign exchange losses (gains)	114,764	299,862
Loss (gain) on sales of fixed assets	(12,318)	(13,747)
Decrease (increase) in notes and accounts receivable - trade	(669,555)	11,298
Decrease (increase) in inventories	(6,349,344)	918,947
Increase (decrease) in notes and accounts payable - trade	1,404,014	(627,874)
Decrease (increase) in consumption taxes refund receivable	(227,963)	152,932
Increase (decrease) in accounts payable - other	(268,051)	(57,247)
Other, net	(232,985)	(191,092)
Subtotal	(622,645)	4,855,847
Interest and dividend income received	22,907	41,396
Proceeds from insurance income	82,871	13,090
Interest expenses paid	(115,541)	(118,043)
Income taxes paid	(1,524,867)	(1,374,126)
Income taxes refund	11,670	15,804
Net cash provided by (used in) operating activities	(2,145,605)	3,433,969
Cash flows from investing activities		
Net decrease (increase) in time deposits	34,135	2,100
Purchase of property, plant and equipment	(2,760,363)	(2,339,066)
Proceeds from sales of property, plant and equipment	68,988	95,195
Purchase of intangible assets	(146,821)	(251,106)
Proceeds from sales of investment securities	170,000	-
Other, net	(104,492)	(509)
Net cash provided by (used in) investing activities	(2,738,553)	(2,493,387)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	173,335	511,820
Proceeds from long-term loans payable	3,810,000	6,050,000
Repayments of long-term loans payable	(1,779,558)	(2,632,527)
Proceeds from issuance of common shares	4,684,575	-
Proceeds from exercise of share options	37,352	10,626
Purchase of treasury shares	(61)	(88,107)
Repayments of lease obligations	(131,229)	(113,924)
Cash dividends paid	(151,988)	(351,390)
Net cash provided by (used in) financing activities	6,642,424	3,386,495
Effect of exchange rate change on cash and cash equivalents	361,045	(323,407)
Net increase (decrease) in cash and cash equivalents	2,119,312	4,003,669
Cash and cash equivalents at beginning of period	4,869,902	6,989,214
Cash and cash equivalents at end of period	6,989,214	10,992,884