

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 9, 2017

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 0268-80-0058
 Scheduled date to file Quarterly Securities Report: February 10, 2017
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016)

(1) Consolidated operating results (cumulative)

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	%
Nine months ended December 31, 2016	35,125	(2.3)	1,595	(36.4)	1,382	(35.8)	796	(28.8)
Nine months ended December 31, 2015	35,945	3.2	2,506	(26.3)	2,153	(29.0)	1,119	(45.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2016	26.29		–	
Nine months ended December 31, 2015	35.70		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	50,918	15,789	31.0
As of March 31, 2016	46,132	15,642	33.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2016	–	5.00	–	5.00	10.00
Year ending March 31, 2017	–	5.00	–	–	–
Year ending March 31, 2017 (Forecast)	–	–	–	5.00	10.00

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
Full year	48,350	1.1	1,850	(42.1)	1,500	(45.6)	900	(44.8)	29.61

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2016
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

As of December 31, 2016	32,040,000 shares	As of March 31, 2016	32,040,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2016	1,899,790 shares	As of March 31, 2016	859,790 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2016	30,311,308 shares	Nine months ended December 31, 2015	31,351,570 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	11,034,884	12,787,799
Notes and accounts receivable - trade	7,888,065	7,619,542
Merchandise and finished goods	10,895,330	11,223,552
Work in process	266,208	328,987
Raw materials and supplies	3,306,227	4,063,243
Deferred tax assets	833,948	553,682
Other	1,578,485	2,217,963
Allowance for doubtful accounts	(122,553)	(206,812)
Total current assets	35,680,596	38,587,958
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,982,856	3,740,944
Land	2,876,214	2,876,214
Other, net	2,113,499	2,622,812
Total property, plant and equipment	8,972,570	9,239,970
Intangible assets		
Goodwill	–	995,761
Other	392,891	540,846
Total intangible assets	392,891	1,536,608
Investments and other assets		
Deferred tax assets	246,337	231,570
Other	962,182	1,484,390
Allowance for doubtful accounts	(121,697)	(161,787)
Total investments and other assets	1,086,822	1,554,174
Total non-current assets	10,452,284	12,330,753
Total assets	46,132,881	50,918,712
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,867,713	4,463,222
Short-term loans payable	6,469,851	7,292,496
Current portion of long-term loans payable	2,757,416	2,678,764
Income taxes payable	106,116	123,680
Provision for bonuses	700,491	365,498
Provision for directors' bonuses	43,678	21,812
Provision for product warranties	414,740	455,480
Other	3,766,647	9,074,290
Total current liabilities	21,126,656	24,475,245
Non-current liabilities		
Long-term loans payable	8,721,797	9,870,550
Lease obligations	136,177	172,164
Deferred tax liabilities	6,628	6,901
Net defined benefit liability	311,532	466,200
Asset retirement obligations	52,685	52,920
Other	134,868	85,364
Total non-current liabilities	9,363,689	10,654,101
Total liabilities	30,490,345	35,129,347

(Thousands of yen)

	As of March 31, 2016	As of December 31, 2016
Net assets		
Shareholders' equity		
Capital stock	4,357,456	4,357,456
Capital surplus	4,269,686	4,269,686
Retained earnings	7,803,163	8,293,501
Treasury shares	(201,831)	(737,694)
Total shareholders' equity	16,228,475	16,182,949
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(981)	7,049
Foreign currency translation adjustment	(605,640)	(414,586)
Remeasurements of defined benefit plans	20,683	13,952
Total accumulated other comprehensive income	(585,939)	(393,584)
Total net assets	15,642,535	15,789,364
Total liabilities and net assets	46,132,881	50,918,712

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net sales	35,945,875	35,125,191
Cost of sales	19,073,390	19,384,765
Gross profit	16,872,485	15,740,425
Selling, general and administrative expenses	14,365,728	14,144,941
Operating income	2,506,757	1,595,484
Non-operating income		
Interest income	19,742	40,191
Dividend income	804	750
Insurance income	9,599	16,447
Insurance return	22,002	14,862
Reversal of allowance for doubtful accounts	13,654	-
Other	41,538	39,361
Total non-operating income	107,340	111,612
Non-operating expenses		
Interest expenses	87,725	107,650
Sales discounts	80,464	83,386
Foreign exchange losses	157,791	105,219
Share of loss of entities accounted for using equity method	107,909	7,023
Other	26,483	21,494
Total non-operating expenses	460,373	324,775
Ordinary income	2,153,724	1,382,321
Extraordinary income		
Gain on sales of non-current assets	10,112	20,995
Gain on reversal of subscription rights to shares	212	-
Total extraordinary income	10,325	20,995
Extraordinary losses		
Loss on sales of non-current assets	747	1,564
Total extraordinary losses	747	1,564
Profit before income taxes	2,163,301	1,401,753
Income taxes - current	412,864	308,100
Income taxes - deferred	631,339	296,712
Total income taxes	1,044,204	604,813
Profit	1,119,096	796,939
Profit attributable to owners of parent	1,119,096	796,939

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	1,119,096	796,939
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,163)	8,031
Foreign currency translation adjustment	(462,351)	173,480
Share of other comprehensive income of entities accounted for using equity method	23,120	17,573
Remeasurements of defined benefit plans, net of tax	(9,629)	(6,730)
Total other comprehensive income	(451,024)	192,355
Comprehensive income	668,072	989,294
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	668,072	989,294