

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2017 (Based on Japanese GAAP)

November 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: November 10, 2017
 Scheduled date to commence dividend payments: December 5, 2017
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2017 (from April 1, 2017 to September 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2017	25,174	10.0	1,119	0.8	1,004	6.8	920	137.0
Six months ended September 30, 2016	22,885	(4.6)	1,110	(30.5)	939	(31.3)	388	(52.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2017	30.65	–
Six months ended September 30, 2016	12.78	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	52,970	17,522	32.6
As of March 31, 2017	49,207	16,049	32.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	–	5.00	–	5.00	10.00
Year ending March 31, 2018	–	5.00	–	–	–
Year ending March 31, 2018 (Forecast)	–	–	–	5.00	10.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	52,150	7.9	2,350	14.7	2,000	14.5	1,550	24.0	51.60

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2017
(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: No
- 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 September 30, 2017	32,040,000 shares	As of March 31, 2017	32,040,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2017	1,999,790 shares	As of March 31, 2017	1,999,790 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2017	30,040,210 shares	Six months ended September 30, 2016	30,397,325 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	10,054,884	10,297,481
Notes and accounts receivable - trade	8,493,326	9,228,221
Merchandise and finished goods	10,498,680	11,712,349
Work in process	548,187	585,891
Raw materials and supplies	3,876,383	4,260,154
Deferred tax assets	887,346	1,259,927
Other	2,066,389	2,284,080
Allowance for doubtful accounts	(234,917)	(213,594)
Total current assets	36,190,281	39,414,511
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,786,916	3,956,810
Land	2,799,264	2,799,264
Other, net	2,756,107	2,790,202
Total property, plant and equipment	9,342,289	9,546,277
Intangible assets		
Goodwill	1,470,247	1,436,780
Other	630,761	960,109
Total intangible assets	2,101,008	2,396,890
Investments and other assets		
Deferred tax assets	231,338	295,384
Other	1,501,627	1,536,364
Allowance for doubtful accounts	(158,991)	(219,086)
Total investments and other assets	1,573,975	1,612,662
Total non-current assets	13,017,272	13,555,831
Total assets	49,207,554	52,970,342
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,622,288	4,107,625
Electronically recorded obligations - operating	3,747,459	4,608,594
Short-term loans payable	6,917,376	7,838,842
Current portion of long-term loans payable	2,882,684	3,287,577
Income taxes payable	299,105	498,182
Provision for bonuses	670,203	806,722
Provision for directors' bonuses	32,703	16,645
Provision for product warranties	470,168	651,817
Other	4,270,630	4,485,401
Total current liabilities	22,912,620	26,301,409
Non-current liabilities		
Long-term loans payable	9,492,384	8,410,125
Lease obligations	150,802	116,417
Deferred tax liabilities	13,835	13,887
Net defined benefit liability	450,455	466,111
Asset retirement obligations	52,870	53,309
Other	85,364	86,692
Total non-current liabilities	10,245,712	9,146,544
Total liabilities	33,158,333	35,447,953

(Thousands of yen)

	As of March 31, 2017	As of September 30, 2017
Net assets		
Shareholders' equity		
Capital stock	4,357,456	4,357,456
Capital surplus	4,269,686	4,269,686
Retained earnings	8,746,923	9,517,379
Treasury shares	(804,308)	(804,308)
Total shareholders' equity	16,569,757	17,340,213
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,603	9,369
Foreign currency translation adjustment	(551,924)	(77,549)
Remeasurements of defined benefit plans	25,783	20,218
Total accumulated other comprehensive income	(520,536)	(47,961)
Non-controlling interests	–	230,137
Total net assets	16,049,220	17,522,389
Total liabilities and net assets	49,207,554	52,970,342

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Net sales	22,885,637	25,174,703
Cost of sales	12,505,982	13,246,982
Gross profit	10,379,655	11,927,720
Selling, general and administrative expenses	9,269,383	10,808,583
Operating profit	1,110,271	1,119,136
Non-operating income		
Interest income	23,204	22,013
Dividend income	450	400
Other	49,840	23,035
Total non-operating income	73,494	45,448
Non-operating expenses		
Interest expenses	63,803	85,188
Sales discounts	55,189	43,631
Foreign exchange losses	93,783	8,602
Share of loss of entities accounted for using equity method	17,058	9,939
Other	14,217	13,144
Total non-operating expenses	244,051	160,507
Ordinary profit	939,714	1,004,077
Extraordinary income		
Gain on sales of non-current assets	14,784	19,086
Total extraordinary income	14,784	19,086
Extraordinary losses		
Loss on sales of non-current assets	151	142
Total extraordinary losses	151	142
Profit before income taxes	954,347	1,023,021
Income taxes - current	190,782	537,345
Income taxes - deferred	375,047	(430,066)
Total income taxes	565,830	107,278
Profit	388,517	915,742
Loss attributable to non-controlling interests	–	(4,914)
Profit attributable to owners of parent	388,517	920,657

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	388,517	915,742
Other comprehensive income		
Valuation difference on available-for-sale securities	1,284	3,765
Foreign currency translation adjustment	(799,798)	480,724
Share of other comprehensive income of entities accounted for using equity method	43,885	2,205
Remeasurements of defined benefit plans, net of tax	(4,486)	(5,565)
Total other comprehensive income	(759,115)	481,131
Comprehensive income	(370,597)	1,396,873
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(370,597)	1,393,232
Comprehensive income attributable to non-controlling interests	–	3,641