

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

February 8, 2018

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 9, 2018
 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, 2017 (from April 1, 2017 to December 31, 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	%
Nine months ended December 31, 2017	38,231	8.8	1,736	8.8	1,549	12.1	1,284	61.2
Nine months ended December 31, 2016	35,125	(2.3)	1,595	(36.4)	1,382	(35.8)	796	(28.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2017	42.76		–	
Nine months ended December 31, 2016	26.29		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	53,124	17,763	33.0
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				
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2017	30,040,210 shares	Nine months ended December 31, 2016	30,311,308 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	10,054,884	10,558,707
Notes and accounts receivable - trade	8,493,326	8,710,979
Merchandise and finished goods	10,498,680	12,131,385
Work in process	548,187	605,949
Raw materials and supplies	3,876,383	4,176,956
Deferred tax assets	887,346	1,291,567
Other	2,066,389	2,245,634
Allowance for doubtful accounts	(234,917)	(198,882)
Total current assets	36,190,281	39,522,298
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,786,916	3,989,420
Land	2,799,264	2,799,435
Other, net	2,756,107	2,689,258
Total property, plant and equipment	9,342,289	9,478,114
Intangible assets		
Goodwill	1,470,247	1,475,349
Other	630,761	1,003,038
Total intangible assets	2,101,008	2,478,387
Investments and other assets		
Deferred tax assets	231,338	300,455
Other	1,501,627	1,568,930
Allowance for doubtful accounts	(158,991)	(223,961)
Total investments and other assets	1,573,975	1,645,424
Total non-current assets	13,017,272	13,601,927
Total assets	49,207,554	53,124,226
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,622,288	3,872,898
Electronically recorded obligations - operating	3,747,459	4,117,280
Short-term loans payable	6,917,376	7,167,550
Current portion of long-term loans payable	2,882,684	3,441,835
Income taxes payable	299,105	518,134
Provision for bonuses	670,203	393,144
Provision for directors' bonuses	32,703	24,057
Provision for product warranties	470,168	908,906
Other	4,270,630	4,397,880
Total current liabilities	22,912,620	24,841,688
Non-current liabilities		
Long-term loans payable	9,492,384	9,778,144
Lease obligations	150,802	103,145
Deferred tax liabilities	13,835	13,925
Net defined benefit liability	450,455	484,176
Asset retirement obligations	52,870	53,350
Other	85,364	86,713
Total non-current liabilities	10,245,712	10,519,456
Total liabilities	33,158,333	35,361,144

(Thousands of yen)

	As of March 31, 2017	As of December 31, 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	9,731,127
Treasury shares	(804,308)	(804,308)
Total shareholders' equity	16,569,757	17,553,961
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,603	8,070
Foreign currency translation adjustment	(551,924)	(40,894)
Remeasurements of defined benefit plans	25,783	16,479
Total accumulated other comprehensive income	(520,536)	(16,344)
Non-controlling interests	–	225,464
Total net assets	16,049,220	17,763,081
Total liabilities and net assets	49,207,554	53,124,226

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, 2016	Nine months ended December 31, 2017
Net sales	35,125,191	38,231,340
Cost of sales	19,384,765	20,013,789
Gross profit	15,740,425	18,217,550
Selling, general and administrative expenses	14,144,941	16,481,106
Operating profit	1,595,484	1,736,444
Non-operating income		
Interest income	40,191	34,470
Dividend income	750	700
Insurance income	16,447	5,556
Insurance return	14,862	25,217
Other	39,361	33,408
Total non-operating income	111,612	99,353
Non-operating expenses		
Interest expenses	107,650	130,781
Sales discounts	83,386	68,486
Foreign exchange losses	105,219	54,576
Share of loss of entities accounted for using equity method	7,023	12,435
Other	21,494	20,160
Total non-operating expenses	324,775	286,439
Ordinary profit	1,382,321	1,549,358
Extraordinary income		
Gain on sales of non-current assets	20,995	24,422
Total extraordinary income	20,995	24,422
Extraordinary losses		
Loss on sales of non-current assets	1,564	765
Total extraordinary losses	1,564	765
Profit before income taxes	1,401,753	1,573,015
Income taxes - current	308,100	765,015
Income taxes - deferred	296,712	(463,451)
Total income taxes	604,813	301,564
Profit	796,939	1,271,450
Loss attributable to non-controlling interests	-	(13,155)
Profit attributable to owners of parent	796,939	1,284,606

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	796,939	1,271,450
Other comprehensive income		
Valuation difference on available-for-sale securities	8,031	2,466
Foreign currency translation adjustment	173,480	525,422
Share of other comprehensive income of entities accounted for using equity method	17,573	(2,267)
Remeasurements of defined benefit plans, net of tax	(6,730)	(9,304)
Total other comprehensive income	192,355	516,316
Comprehensive income	989,294	1,787,767
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	989,294	1,788,798
Comprehensive income attributable to non-controlling interests	–	(1,031)