

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 8, 2019

Company name: MIMAKI ENGINEERING CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6638 URL: <https://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 8, 2019
 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, 2018 (from April 1, 2018 to December 31, 2018)

(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, 2018	39,905	4.4	2,072	19.4	1,728	11.6	987	(23.1)
Nine months ended December 31, 2017	38,231	8.8	1,736	8.8	1,549	12.1	1,284	61.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	32.62		–	
Nine months ended December 31, 2017	42.76		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	57,897	18,481	31.6
As of March 31, 2018	53,994	17,778	32.5

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, 2018	–	5.00	–	7.50	12.50
Year ending March 31, 2019	–	7.50	–	–	–
Year ending March 31, 2019 (Forecast)	–	–	–	7.50	15.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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	55,600	6.0	2,750	0.7	2,400	1.7	1,850	0.9	61.13

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018
 (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, 2018	32,040,000 shares	As of March 31, 2018	32,040,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	1,225,767 shares	As of March 31, 2018	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, 2018	30,264,280 shares	Nine months ended December 31, 2017	30,040,210 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	11,529,969	11,738,205
Notes and accounts receivable - trade	9,232,964	8,124,176
Merchandise and finished goods	11,466,055	12,460,434
Work in process	769,911	1,924,418
Raw materials and supplies	4,101,582	4,911,310
Other	2,248,935	2,798,955
Allowance for doubtful accounts	(187,833)	(24,394)
Total current assets	39,161,586	41,933,106
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,943,663	4,262,285
Land	2,799,435	3,262,745
Other, net	2,505,652	2,983,462
Total property, plant and equipment	9,248,751	10,508,492
Intangible assets		
Goodwill	1,445,817	1,518,880
Other	908,607	998,359
Total intangible assets	2,354,424	2,517,240
Investments and other assets		
Investment securities	117,566	66,654
Deferred tax assets	1,658,723	1,429,155
Other	1,698,684	1,902,979
Allowance for doubtful accounts	(245,573)	(459,792)
Total investments and other assets	3,229,400	2,938,996
Total non-current assets	14,832,576	15,964,729
Total assets	53,994,162	57,897,836

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,122,297	4,121,742
Electronically recorded obligations - operating	4,552,318	5,638,222
Short-term loans payable	7,344,770	8,925,013
Current portion of long-term loans payable	4,138,854	3,638,357
Lease obligations	74,670	90,819
Accounts payable - other	1,336,978	1,171,678
Income taxes payable	819,209	159,089
Provision for bonuses	766,213	428,670
Provision for directors' bonuses	38,406	31,128
Provision for product warranties	879,007	1,085,087
Other	3,216,690	3,288,091
Total current liabilities	27,289,415	28,577,900
Non-current liabilities		
Long-term loans payable	8,237,263	10,048,645
Lease obligations	85,083	104,333
Deferred tax liabilities	14,061	83,322
Net defined benefit liability	457,295	470,219
Asset retirement obligations	46,610	46,686
Other	86,343	85,094
Total non-current liabilities	8,926,658	10,838,300
Total liabilities	36,216,074	39,416,201

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
Net assets		
Shareholders' equity		
Capital stock	4,357,456	4,357,456
Capital surplus	4,269,686	4,617,040
Retained earnings	10,280,353	10,816,994
Treasury shares	(804,308)	(517,343)
Total shareholders' equity	18,103,187	19,274,147
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,403	(1,382)
Foreign currency translation adjustment	(574,895)	(1,001,370)
Remeasurements of defined benefit plans	33,843	26,308
Total accumulated other comprehensive income	(536,647)	(976,445)
Share acquisition rights	1,725	8,944
Non-controlling interests	209,822	174,987
Total net assets	17,778,087	18,481,635
Total liabilities and net assets	53,994,162	57,897,836

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, 2017	Nine months ended December 31, 2018
Net sales	38,231,340	39,905,282
Cost of sales	20,013,789	20,764,863
Gross profit	18,217,550	19,140,419
Selling, general and administrative expenses	16,481,106	17,067,789
Operating profit	1,736,444	2,072,629
Non-operating income		
Interest income	34,470	24,686
Dividend income	700	650
Purchase discounts	4,358	38,713
Other	59,824	55,893
Total non-operating income	99,353	119,943
Non-operating expenses		
Interest expenses	130,781	116,477
Sales discounts	68,486	71,591
Foreign exchange losses	54,576	221,495
Share of loss of entities accounted for using equity method	12,435	35,988
Other	20,160	18,027
Total non-operating expenses	286,439	463,580
Ordinary profit	1,549,358	1,728,993
Extraordinary income		
Gain on sales of non-current assets	24,422	15,463
Total extraordinary income	24,422	15,463
Extraordinary losses		
Loss on sales of non-current assets	765	1,668
Loss on step acquisitions	-	4,706
Total extraordinary losses	765	6,374
Profit before income taxes	1,573,015	1,738,081
Income taxes - current	765,015	521,506
Income taxes - deferred	(463,451)	258,735
Total income taxes	301,564	780,241
Profit	1,271,450	957,840
Loss attributable to non-controlling interests	(13,155)	(29,404)
Profit attributable to owners of parent	1,284,606	987,244

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	1,271,450	957,840
Other comprehensive income		
Valuation difference on available-for-sale securities	2,466	(8,788)
Foreign currency translation adjustment	525,422	(460,254)
Share of other comprehensive income of entities accounted for using equity method	(2,267)	28,349
Remeasurements of defined benefit plans, net of tax	(9,304)	(7,535)
Total other comprehensive income	516,316	(448,229)
Comprehensive income	1,787,767	509,610
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,788,798	544,445
Comprehensive income attributable to non-controlling interests	(1,031)	(34,834)