

For the Fiscal Year Ended March 31, 2019

Annual Select[®] 2019

MIMAKI ENGINEERING CO., LTD.

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(Securities Code: 6638)

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Corporate Profile



MIMAKI ENGINEERING CO., LTD. (“the Company”) has leveraged our unique technologies to create and open up the market for industrial inkjet printers, except those for printing on paper, since we released an inkjet printer for outdoor signage in 1996. Going forward, we will further develop digital on-demand printing utilizing our original raster technology (for inkjet, etc.) and vector technology (for cutting plotters, etc.) while aiming to be a Development-oriented Enterprise able to provide customer satisfaction.

Accordingly, our business philosophy encompasses the following.

- (1) We aspire to become a “Development-oriented Enterprise” with our own technology and supplying our own brand of products throughout the world.
- (2) We aim to become a company that can adapt and quickly provide the products that will satisfy the customers.
- (3) We strive to become an innovator always providing “something new, something different” in the market.
- (4) We aim at creating a corporate culture where our individual employees can exploit their personal characteristics and capabilities to the fullest extent.

I. Summary of Selected Financial Data (Consolidated)

	40 th term Fiscal year ended March 31, 2015	41 st term Fiscal year ended March 31, 2016	42 nd term Fiscal year ended March 31, 2017	43 rd term Fiscal year ended March 31, 2018	44 th term Fiscal year ended March 31, 2019
Net sales (Thousands of yen)	46,637,613	47,840,383	48,331,564	52,471,137	55,448,425
Ordinary profit (Thousands of yen)	3,753,072	2,756,986	1,746,023	2,359,542	2,643,164
Profit attributable to owners of parent (Thousands of yen)	2,522,706	1,631,335	1,250,361	1,833,832	1,680,226
Comprehensive income (Thousands of yen)	2,680,135	879,398	1,315,764	1,801,047	1,136,629
Net assets (Thousands of yen)	15,193,221	15,642,535	16,049,220	17,778,087	19,010,639
Total assets (Thousands of yen)	43,479,615	46,132,881	49,207,554	53,994,162	58,463,004
Net assets per share (Yen)	485.38	501.68	534.26	584.77	614.03
Basic earnings per share (Yen)	92.94	52.06	41.32	61.05	55.29
Diluted earnings per share (Yen)	92.74	–	–	–	–
Equity ratio (%)	34.9	33.9	32.6	32.5	32.2
Return on equity (ROE) (%)	21.9	10.6	7.9	10.9	9.2
Price earnings ratio (PER) (Times)	25.6	12.8	15.6	12.9	11.4
Net cash provided by (used in) operating activities (Thousands of yen)	(2,145,605)	3,433,969	2,163,194	3,002,514	1,068,436
Net cash provided by (used in) investing activities (Thousands of yen)	(2,738,553)	(2,493,387)	(3,248,671)	(1,493,560)	(2,219,070)
Net cash provided by (used in) financing activities (Thousands of yen)	6,642,424	3,386,495	32,660	38,107	194,097
Cash and cash equivalents at end of period (Thousands of yen)	6,989,214	10,992,884	10,010,484	11,486,169	11,351,960
Number of employees [Separately, average number of temporary employees] (Persons)	1,378 [173]	1,449 [144]	1,580 [188]	1,629 [223]	1,984 [205]

- Notes:
1. Consumption taxes are not included in net sales.
 2. Diluted earnings per share for the 41st and 42nd terms are not presented here due to an absence of potential shares. Diluted earnings per share for the 43rd and 44th terms are not presented here due to an absence of potential shares with dilutive effect.
 3. A two-for-one share split was carried out on April 1, 2015. Net assets per share, basic earnings per share, and diluted earnings per share have been calculated on the assumption of the share split having been carried out on April 1, 2014. The calculation of the price earnings ratio for the 40th term factors the share split ratio into the share price as of March 31, 2015, given that the share was trading ex-rights on that date.
 4. The Company has applied the “Partial Amendments to Accounting Standards for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the fiscal year under review, and the major operating performance indicators pertaining to the previous fiscal year, etc. are presented after the application of such accounting standards.

II. Business Description

The MIMAKI Group (“the Group”) consists of the Company, 24 consolidated subsidiaries (MIMAKI USA, INC., MIMAKI EUROPE B.V., MIMAKI ENGINEERING (TAIWAN) Co., Ltd., MIMAKI PRECISION Co., Ltd., GRAPHIC CREATION Co., Ltd., MIMAKI IJ TECHNOLOGY CO., Ltd., Mimaki Deutschland GmbH, Shanghai Mimaki Trading Co., Ltd., MIMAKI BRASIL COMERCIO E IMPORTACAO LTDA, MIMAKI PINGHU TRADING CO., LTD., PT. MIMAKI INDONESIA, MIMAKI AUSTRALIA PTY LTD, MIMAKI SINGAPORE PTE. LTD., MIMAKI INDIA PRIVATE LIMITED, MIMAKI EURASIA DIJITAL BASKI TEKNOLOJILERI PAZARLAMA VE TICARET LIMITED SIRKETI, Mimaki La Meccanica S.p.A, Mimaki Lithuania, UAB, Mimaki Bompan Textile S.r.l, ALPHA DESIGN CO., LTD., ALPHA SYSTEMS CO., LTD., ALPHA TECH CO., LTD., Tonami Corporation Ltd, LUCK'A Inc., MIMAKI (THAILAND) CO., LTD.) and four other companies (MIMAKI KANPHOR INDIA PRIVATE LIMITED, etc.), total 29 companies. The Group’s reportable segments are categorized by geographic region given that it engages in development, manufacturing and sales of products such as industrial inkjet printers and cutting plotters primarily as a business operation.

Also, the following describes the Group’s business operations classified by markets to which end users of our products belong.

(1) SG (Sign Graphics) market

For the Sign Graphics market, we develop, manufacture, and sell products used to produce visual communications, such as advertisements and signboards. Given the high level of digitalization required in this market due to aspects such as environmental considerations, increased diversity of materials and for adding high value, we provide environmentally-friendly ink, inkjet printers that can be used for various purposes, and cutting plotters that can accurately cut the contours of alphanumeric characters, logos, illustrations and other shapes.

(2) IP (Industrial Products) market

For the Industrial Products market, we develop, manufacture, and sell industrial products, as well as products used on-site in facilities that produce merchandise, gifts, novelties, order-made goods and other products for general consumers. We provide products that contribute to improving user convenience and cost cutting, irrespective of industry, including flatbed UV-curable inkjet printers able to print on a range of materials, as well as cutting plotters and other devices.

(3) TA (Textile & Apparel) market

For the Textile & Apparel market, we develop, manufacture, and sell products that are capable of printing to textiles before the cutting and sewing process and fabric for ready-to-wear apparel and the like. With anticipation for progress in digital transformation that includes conversion of the value chain, we propose highly productive production systems and environmental considerations for inkjet printers in particular for the place of consumption, the place of production and brand owners.

(4) Spare parts

Spare parts include those parts and components needed for maintenance purposes when customers use our products.

(5) Others

This area of business includes manufacture and sales of machines outside the scope of the aforementioned market categories, and also includes printing services.

[Outline of Classification by Markets]

[Products for SG market]

Refers to products for the Sign Graphics market involving advertisements, signboards, etc.

Major products

Inkjet Printers	
• UJV55-320	• JV300 Series
• JV150 Series	• SJ-320UV
• JV34-260	• JV400LX Series
• JV400SUV Series	• UJV500-160
• UCJV300 Series	• UCJV150 Series
• CJV300 Series	• CJV150 Series
Cutting Plotters	
• CG-FX II Series	• CG-SR III Series
Software	
• Raster Link 6Plus	• Fine Cut 8
• Raster Link Pro5 SG	• Simple POP
Ink	
• UV-curable inks	
• Eco-solvent inks	
• Solvent UV inks	
• Water-based latex inks	
• Water-based sublimation inks	

[Products for IP market]

Refers to products for the Industrial Products market, used at sites where industrial products are manufactured, etc.

Major products

Flatbed Inkjet Printers	
• UJF-6042MkII	• UJF-3042MkII
• UJF-7151plus	• JFX200-2513
• JFX200-2513EX	• JFX500-2131
• UJF-6042	• UJF-3042HG
• UJF-3042FX	
3D Printers	
• 3DUJ-553	• 3DFF-222
Cutting Plotters	
• CF22-1225	• CFL-605RT
• CF2 Series	• CF3 Series
Software	
• Raster Link 6Plus	• Fine Cut 8
• Raster Link Pro5 IP	• Ittobori
Ink	
• Hard UV-curable inks	
• Flexible UV-curable inks	

[Products for TA market]

Refers to products for the Textile & Apparel market that are capable of printing to cloth materials

Major products

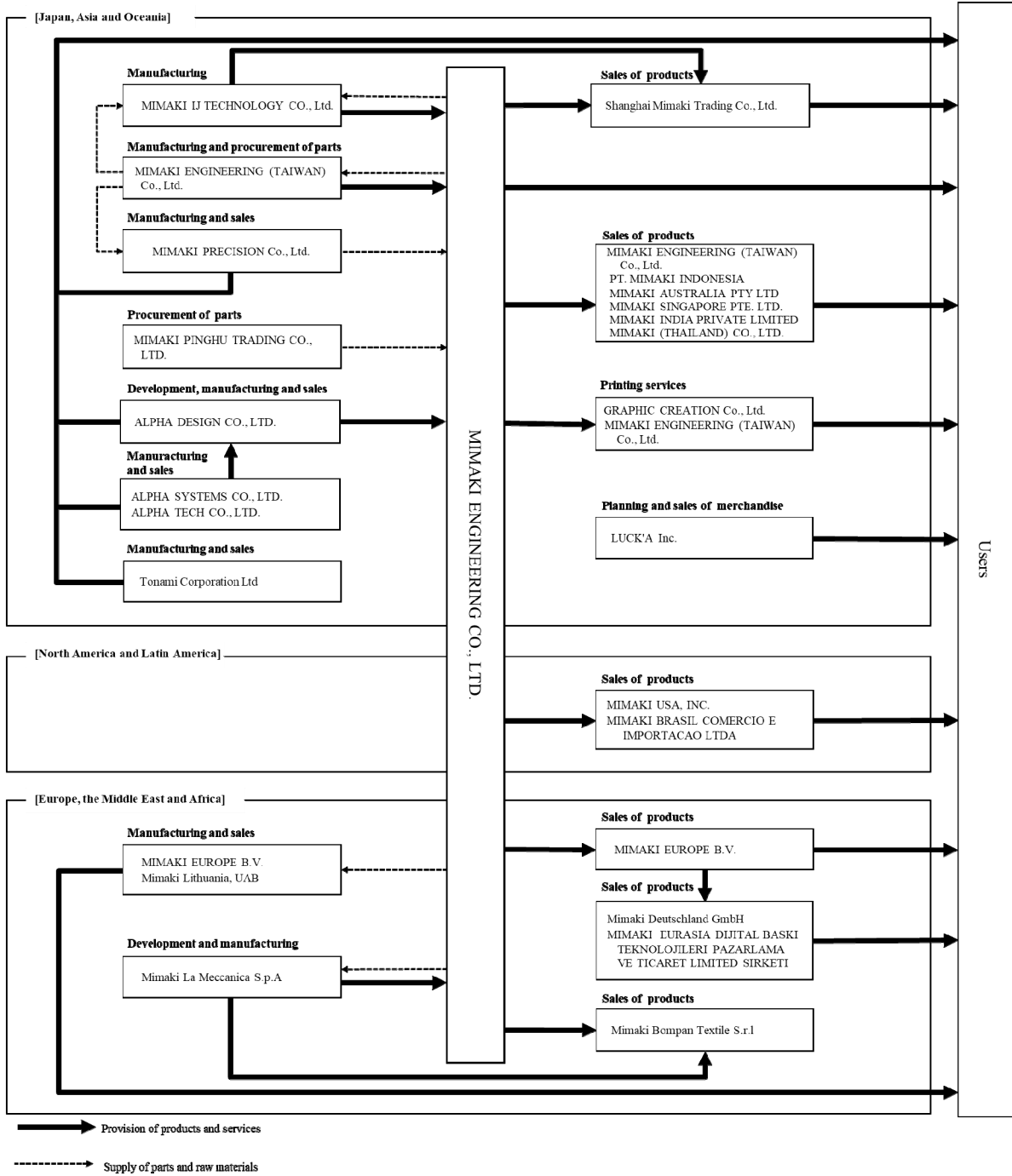
Inkjet Printers	
• TS55-1800	• Tx300P-1800B
• Tx500P-3200DS	• TS30-1300
• TS500P-3200	• Tx300P-1800
• TS300P-1800	• TS500-1800
• Tx500-1800B	• Tx500-1800DS
• Tiger-1800B	• Tiger-1800BMkII
Cutting Plotters	
• APC-130	
Software	
• Raster Link 6Plus	• Tx Link 3
• Raster Link Pro5 TA	• Tx Link 4
Ink	
• Reactive dye inks	
• Acid dye inks	
• Water-based sublimation inks	
• Textile pigment inks	

[Outline of Company Classification by Segment]

Segment Name	Company Name		
Japan, Asia and Oceania	Sales companies	MIMAKI ENGINEERING CO., LTD. Shanghai Mimaki Trading Co., Ltd. MIMAKI ENGINEERING (TAIWAN) Co., Ltd. PT. MIMAKI INDONESIA MIMAKI SINGAPORE PTE. LTD. MIMAKI AUSTRALIA PTY LTD MIMAKI INDIA PRIVATE LIMITED MIMAKI (THAILAND) CO., LTD. ALPHA DESIGN CO., LTD. ALPHA SYSTEMS CO., LTD. ALPHA TECH CO., LTD. Tonami Corporation Ltd	
		Manufacturing companies	MIMAKI ENGINEERING CO., LTD. MIMAKI PRECISION Co., Ltd. MIMAKI IJ TECHNOLOGY CO., Ltd. MIMAKI ENGINEERING (TAIWAN) Co., Ltd. ALPHA DESIGN CO., LTD. ALPHA SYSTEMS CO., LTD. ALPHA TECH CO., LTD. Tonami Corporation Ltd
		Printing service companies	GRAPHIC CREATION Co., Ltd.
		Planning and sales of merchandise companies	LUCK'A Inc.
North America and Latin America	Sales companies	MIMAKI USA, INC. MIMAKI BRASIL COMERCIO E IMPORTACAO LTDA	
Europe, the Middle East and Africa	Sales companies	MIMAKI EUROPE B.V. Mimaki Deutschland GmbH MIMAKI EURASIA DIJITAL BASKI TEKNOLOJILERI PAZARLAMA VE TICARET LIMITED SIRKETI Mimaki Lithuania, UAB Mimaki Bompan Textile S.r.l	
	Manufacturing	MIMAKI EUROPE B.V. Mimaki La Meccanica S.p.A	

(Note) ALPHA SYSTEMS CO., LTD. absorbed ALPHA TECH CO., LTD. through a merger in April 2019.

[Overview of the Group Business]



- (Notes) 1. Except the Company, all companies shown are consolidated subsidiaries.
 2. ALPHA SYSTEMS CO., LTD. absorbed ALPHA TECH CO., LTD. through a merger in April 2019.

III. Overview of Operating Results

(1) Operating Results

The global economy in the fiscal year under review was generally firm up until the second quarter, but an unstable situation has continued since the third quarter with the emergence of various negative factors such as the downturn in the Chinese economy and uncertainty concerning US policy management. In regard to the Japanese economy, in addition to a serious labor shortage, there are uncertainties on the political front ahead of the consumption tax hike and on the market front involving concerns about a strong yen. Like the global economy, the conditions are not optimistic.

The Group is steadily expanding our business even amid such circumstances. For net sales by market, there was substantial increase in the SG (Sign Graphics) market driven by the UCJV Series, which was first sold in November 2017. The UCJV is an innovative product that prints and cuts in one machine and uses environmentally-friendly UV ink. Going forward, we anticipate the UCJV will have a long-term consolidated position as a major model for the SG market.

For net sales by area, there has been an increase in North America and Latin America, where initiatives have been introduced to reform sales channels. The previous sales share of net sales for North America and Latin America had been unfavorable compared to other areas, but we recognize that the impact of the medium-term initiatives to rebuild the sales agency networks and sales methods are becoming evident.

In addition, the Alpha Design Group, which is strong in development of high performance products such as accurate positioning technology and transportation, etc. and LUCK'A Inc., which is very competitive in planning and design of merchandise such as in the music and animation sectors became wholly-owned subsidiaries in the third quarter. Both companies contributed to the consolidated earnings from the fourth quarter. We will further accelerate initiatives for “automatic and unattended operation” going forward by generating early synergies with both companies.

As a result, consolidated net sales for the fiscal year ended March 31, 2019 totaled 55,448 million yen, up 5.7% year on year, operating profit was 3,008 million yen, up 10.2%, ordinary profit was 2,643 million yen, up 12.0%, and profit attributable to owners of parent was 1,680 million yen, down 8.4%.

With respect to exchange rates of major currencies during the fiscal year under review, the exchange rate was 110.91 yen per U.S. dollar and 128.40 yen per euro (in comparison with 110.86 yen and 129.70 yen, respectively, in the previous fiscal year). In addition, the depreciation of emerging market currencies (Turkish lira, Brazilian real, etc.) was a factor that weighed on operating results.

Performance by business segment is shown below.

(Japan, Asia and Oceania)

Net sales in the Japan, Asia and Oceania region amounted to 24,930 million yen, up 10.5% year on year with addition of the Alpha Design Group and LUCK'A Inc., which became consolidated subsidiaries during the period. Net sales in China decreased year on year, yet the decrease was covered by other areas and net sales increased year on year even without taking account of the increase in consolidated subsidiaries.

(North America and Latin America)

Net sales in the North America and Latin America region amounted to 12,403 million yen, up 5.6% year on year. Progress was made in reform of sales channels and there was steady growth even on a local currency basis (U.S. dollars, etc.) when the impact of foreign exchange is excluded.

(Europe, the Middle East and Africa)

Net sales in the Europe, the Middle East and Africa region amounted to 18,114 million yen, down 0.3% year on year. There was a solid increase in net sales calculated on a local currency basis (the euro).

Net sales by market for the fiscal year ended March 31, 2019 are as follows.

	Net sales (millions of yen)	Percentage of net sales (%)	Year-on-year changes (%)
SG market	23,981	43.3	6.2
IP market	17,040	30.7	0.6
TA market	5,616	10.1	(6.7)
Spare parts	4,194	7.6	0.7
Others	4,614	8.3	66.9
Total	55,448	100.0	5.7

(SG market)

Net sales of products for the SG market amounted to 23,981 million yen, up 6.2% year on year. In addition to the continued favorable trend for the "UCJV Series", a year on year increase in net sales was also secured for consumable items such as ink and media.

(IP market)

Net sales of products for the IP market amounted to 17,040 million yen, up 0.6% year on year. Net sales for both machines and ink were virtually at the same levels as the previous year.

(TA market)

Net sales of products for the TA market amounted to 5,616 million yen, down 6.7% year on year. Although net sales of machines decreased, a year on year increase in net sales was secured for consumable items such as ink and media.

(2) Financial Status

(Assets)

Total assets as of March 31, 2019 amounted to 58,463 million yen, an increase of 4,468 million yen (compared with 53,994 million yen as of March 31, 2018). Total current assets amounted to 42,121 million yen, an increase of 2,959 million yen (compared with 39,161 million yen as of March 31, 2018). This is mainly attributable to respective increases in merchandise and finished goods of 826 million yen, and work in process of 814 million yen. Moreover, total non-current assets amounted to 16,341 million yen, an increase of 1,509 million yen (compared with 14,832 million yen as of March 31, 2018). This is mainly attributable to respective increases in land of 463 million yen, and construction in progress of 375 million yen.

(Liabilities)

Total liabilities as of March 31, 2019 amounted to 39,452 million yen, an increase of 3,236 million yen (compared with 36,216 million yen as of March 31, 2018). Total current liabilities amounted to 28,891 million yen, an increase of 1,602 million yen (compared with 27,289 million yen as of March 31, 2018). This is mainly attributable to an increase in short-term loans payable of 3,709 million yen. Total non-current liabilities amounted to 10,560 million yen, an increase of 1,634 million yen (compared with 8,926 million yen as of March 31, 2018). This is mainly attributable to an increase in long-term loans payable of 1,327 million yen.

(Net assets)

Total net assets as of March 31, 2019 amounted to 19,010 million yen, an increase of 1,232 million yen (compared with 17,778 million yen as of March 31, 2018). This is mainly attributable to an increase in retained earnings of 1,229 million yen.

(3) Cash Flow

Cash and cash equivalents (hereinafter “cash”) as of March 31, 2019 totaled 11,351 million yen, a decrease of 134 million yen compared with March 31, 2018, owing to repayments of long-term loans payable, income taxes paid, etc., partially offset by proceeds from long-term loans payable, an increase in short-term loans payable, etc. The details by operating activities, investment activities and financing activities are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities totaled 1,068 million yen (down 1,934 million yen year on year). This is primarily due to an outflow of 1,622 million yen in income taxes paid and a 1,554 million yen decrease in notes and accounts payable – trade, despite profit before income taxes of 2,660 million yen and depreciation of 1,707 million yen.

(Cash flows from investing activities)

Net cash used in investing activities totaled 2,219 million yen (up 725 million yen year on year). This is mainly attributable to purchase of property, plant and equipment totaling 1,556 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities totaled 194 million yen (up 155 million yen year on year). This is mainly due to proceeds from long-term loans payable totaling 4,250 million yen and an increase in short-term

loans payable totaling 2,979 million yen, partially offset by repayments of long-term loans payable totaling 6,336 million yen.

IV. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	11,529,969	11,994,422
Notes and accounts receivable - trade	9,232,964	9,442,738
Merchandise and finished goods	11,466,055	12,292,865
Work in process	769,911	1,584,892
Raw materials and supplies	4,101,582	4,145,331
Other	2,248,935	2,689,769
Allowance for doubtful accounts	(187,833)	(28,793)
Total current assets	39,161,586	42,121,226
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,724,818	8,564,998
Accumulated depreciation	(3,781,155)	(4,339,166)
Buildings and structures, net	3,943,663	4,225,831
Machinery, equipment and vehicles	1,050,493	1,561,897
Accumulated depreciation	(668,354)	(1,075,852)
Machinery, equipment and vehicles, net	382,139	486,045
Tools, furniture and fixtures	7,572,060	8,095,364
Accumulated depreciation	(5,695,859)	(6,227,102)
Tools, furniture and fixtures, net	1,876,201	1,868,261
Land	2,799,435	3,262,745
Leased assets	1,209,227	1,673,981
Accumulated depreciation	(1,055,084)	(1,261,470)
Leased assets, net	154,143	412,510
Construction in progress	93,168	468,718
Total property, plant and equipment	9,248,751	10,724,112
Intangible assets		
Goodwill	1,445,817	1,441,724
Other	908,607	956,577
Total intangible assets	2,354,424	2,398,301
Investments and other assets		
Investment securities	117,566	69,552
Long-term loans receivable	—	31,021
Deferred tax assets	1,658,723	1,504,652
Other	1,698,684	2,057,803
Allowance for doubtful accounts	(245,573)	(443,665)
Total investments and other assets	3,229,400	3,219,364
Total non-current assets	14,832,576	16,341,777
Total assets	53,994,162	58,463,004

(Thousands of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,122,297	3,726,025
Electronically recorded obligations - operating	4,552,318	4,626,156
Short-term loans payable	7,344,770	11,054,710
Current portion of long-term loans payable	4,138,854	2,615,481
Lease obligations	74,670	101,157
Accounts payable - other	1,336,978	1,463,886
Income taxes payable	819,209	327,606
Provision for bonuses	766,213	881,035
Provision for bonuses for directors (and other officers)	38,406	40,673
Provision for product warranties	879,007	1,008,315
Other	3,216,690	3,046,404
Total current liabilities	27,289,415	28,891,454
Non-current liabilities		
Long-term loans payable	8,237,263	9,564,594
Lease obligations	85,083	338,609
Deferred tax liabilities	14,061	72,326
Retirement benefit liability	457,295	452,687
Asset retirement obligations	46,610	47,600
Other	86,343	85,094
Total non-current liabilities	8,926,658	10,560,911
Total liabilities	36,216,074	39,452,365
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	11,509,976
Treasury shares	(804,308)	(618,501)
Total shareholders' equity	18,103,187	19,865,971
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,403	977
Foreign currency translation adjustment	(574,895)	(1,068,880)
Remeasurements of defined benefit plans	33,843	30,617
Total accumulated other comprehensive income	(536,647)	(1,037,285)
Share acquisition rights	1,725	12,088
Non-controlling interests	209,822	169,864
Total net assets	17,778,087	19,010,639
Total liabilities and net assets	53,994,162	58,463,004

**(2) Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income**

(Consolidated Statements of Income)

(Thousands of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	52,471,137	55,448,425
Cost of sales	27,549,961	29,418,210
Gross profit	24,921,175	26,030,215
Selling, general and administrative expenses	22,191,307	23,022,152
Operating profit	2,729,868	3,008,063
Non-operating income		
Interest income	49,334	35,026
Dividend income	700	948
Insurance income	9,204	8,679
Insurance return	25,217	521
ICMS refund	9,704	46,784
Subsidy income	2,369	5,235
Other	45,808	84,640
Total non-operating income	142,339	181,835
Non-operating expenses		
Interest expenses	176,192	179,184
Sales discounts	92,241	90,603
Foreign exchange losses	177,432	233,444
Share of loss of entities accounted for using equity method	40,993	15,884
Other	25,805	27,616
Total non-operating expenses	512,665	546,734
Ordinary profit	2,359,542	2,643,164
Extraordinary income		
Gain on sales of non-current assets	28,012	23,693
Total extraordinary income	28,012	23,693
Extraordinary losses		
Loss on sales of non-current assets	4,209	1,562
Loss on step acquisitions	-	4,706
Total extraordinary losses	4,209	6,268
Profit before income taxes	2,383,345	2,660,589
Income taxes - current	1,113,173	873,474
Income taxes - deferred	(542,022)	138,180
Total income taxes	571,151	1,011,655
Profit	1,812,194	1,648,934
Loss attributable to non-controlling interests	(21,638)	(31,291)
Profit attributable to owners of parent	1,833,832	1,680,226

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	1,812,194	1,648,934
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,200)	(6,427)
Foreign currency translation adjustment	(32,257)	(513,268)
Remeasurements of defined benefit plans, net of tax	8,060	(3,226)
Share of other comprehensive income of entities accounted for using equity method	14,250	10,617
Total other comprehensive income	(11,146)	(512,305)
Comprehensive income	1,801,047	1,136,629
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,817,721	1,176,587
Comprehensive income attributable to non-controlling interests	(16,673)	(39,957)

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2018

(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	4,269,686	8,746,923	(804,308)	16,569,757
Changes of items during period					
Dividends of surplus			(300,402)		(300,402)
Profit attributable to owners of parent			1,833,832		1,833,832
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	-	1,533,430	-	1,533,430
Balance at end of current period	4,357,456	4,269,686	10,280,353	(804,308)	18,103,187

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	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	5,603	(551,924)	25,783	(520,536)	-	-	16,049,220
Changes of items during period							
Dividends of surplus							(300,402)
Profit attributable to owners of parent							1,833,832
Net changes of items other than shareholders' equity	(1,200)	(22,971)	8,060	(16,111)	1,725	209,822	195,436
Total changes of items during period	(1,200)	(22,971)	8,060	(16,111)	1,725	209,822	1,728,866
Balance at end of current period	4,403	(574,895)	33,843	(536,647)	1,725	209,822	17,778,087

Fiscal year ended March 31, 2019

(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	4,269,686	10,280,353	(804,308)	18,103,187
Changes of items during period					
Dividends of surplus			(450,603)		(450,603)
Profit attributable to owners of parent			1,680,226		1,680,226
Purchase of treasury shares				(175,498)	(175,498)
Changes by share exchanges		347,354		361,305	708,659
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	347,354	1,229,623	185,806	1,762,784
Balance at end of current period	4,357,456	4,617,040	11,509,976	(618,501)	19,865,971

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	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	4,403	(574,895)	33,843	(536,647)	1,725	209,822	17,778,087
Changes of items during period							
Dividends of surplus							(450,603)
Profit attributable to owners of parent							1,680,226
Purchase of treasury shares							(175,498)
Changes by share exchanges							708,659
Net changes of items other than shareholders' equity	(3,426)	(493,984)	(3,226)	(500,637)	10,362	(39,957)	(530,232)
Total changes of items during period	(3,426)	(493,984)	(3,226)	(500,637)	10,362	(39,957)	1,232,551
Balance at end of current period	977	(1,068,880)	30,617	(1,037,285)	12,088	169,864	19,010,639

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	2,383,345	2,660,589
Depreciation	1,600,003	1,707,676
Amortization of goodwill	166,777	197,851
Increase (decrease) in allowance for doubtful accounts	52,152	(7,223)
Increase (decrease) in provision for bonuses	95,701	109,656
Increase (decrease) in provision for bonuses for directors (and other officers)	5,702	2,267
Increase (decrease) in provision for product warranties	409,301	60,135
Increase (decrease) in retirement benefit liability	12,355	(839)
Interest and dividend income	(50,034)	(35,975)
Insurance income	(9,204)	(3,168)
Interest expenses	176,192	179,184
Share of loss (profit) of entities accounted for using equity method	40,993	15,884
Foreign exchange losses (gains)	(92,665)	212,807
Loss (gain) on sales of non-current assets	(23,802)	(22,131)
Decrease (increase) in notes and accounts receivable - trade	(1,113,834)	40,701
Decrease (increase) in inventories	(1,594,693)	(629,782)
Increase (decrease) in notes and accounts payable - trade	1,279,366	(1,554,407)
Decrease (increase) in consumption taxes refund receivable	(120,688)	(23,461)
Increase (decrease) in accounts payable - other	64,641	(20,928)
Other, net	229,639	(211,320)
Subtotal	3,511,247	2,677,516
Interest and dividend income received	52,299	34,091
Proceeds from insurance income	9,204	3,168
Interest expenses paid	(177,601)	(179,477)
Income taxes paid	(495,026)	(1,622,879)
Income taxes refund	102,390	156,016
Net cash provided by (used in) operating activities	3,002,514	1,068,436
Cash flows from investing activities		
Payments into time deposits	–	(335,678)
Purchase of property, plant and equipment	(1,165,545)	(1,556,249)
Proceeds from sales of property, plant and equipment	105,777	35,408
Purchase of intangible assets	(407,638)	(269,956)
Payments for investments in capital	–	(2,510)
Proceeds from sales of investment securities	47,677	–
Other, net	(73,831)	(90,084)
Net cash provided by (used in) investing activities	(1,493,560)	(2,219,070)

(Thousands of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	428,208	2,979,266
Proceeds from long-term loans payable	3,000,000	4,250,000
Repayments of long-term loans payable	(3,007,547)	(6,336,157)
Purchase of treasury shares	–	(171,712)
Repayments of lease obligations	(82,587)	(77,468)
Cash dividends paid	(299,966)	(449,829)
Net cash provided by (used in) financing activities	38,107	194,097
Effect of exchange rate change on cash and cash equivalents	(71,377)	(111,752)
Net increase (decrease) in cash and cash equivalents	1,475,685	(1,068,288)
Cash and cash equivalents at beginning of period	10,010,484	11,486,169
Increase in cash and cash equivalents by share exchanges	–	934,079
Cash and cash equivalents at end of period	11,486,169	11,351,960

V. Corporate Data (as of March 31, 2019)

Basic Information

Trade name:	MIMAKI ENGINEERING CO., LTD.
Established:	August 1975
Listed market:	The First Section of Tokyo Stock Exchange (Securities Code: 6638)
Listed:	March 2015
Business year:	From April 1 to March 31
Capital stock:	4,357 million yen
Number of employees:	1,984 persons (Consolidated)
Head office:	2182-3 Shigeno-Otsu, Tomi-shi, Nagano
Telephone:	+81-268-64-2281
Consolidated subsidiaries:	MIMAKI USA, INC. MIMAKI EUROPE B.V. Mimaki Deutschland GmbH MIMAKI ENGINEERING (TAIWAN) Co., Ltd. MIMAKI IJ TECHNOLOGY CO., Ltd. MIMAKI PINGHU TRADING CO., LTD. Shanghai Mimaki Trading Co., Ltd. MIMAKI BRASIL COMERCIO E IMPORTACAO LTDA PT. MIMAKI INDONESIA MIMAKI AUSTRALIA PTY LTD MIMAKI SINGAPORE PTE. LTD. MIMAKI INDIA PRIVATE LIMITED MIMAKI EURASIA DIJITAL BASKI TEKNOLOJILERI PAZARLAMA VE TICARET LIMITED SIRKETI Mimaki La Meccanica S.p.A Mimaki Lithuania, UAB Mimaki Bompan Textile S.r.l MIMAKI (THAILAND) CO., LTD. MIMAKI PRECISION Co., Ltd. GRAPHIC CREATION Co., Ltd. ALPHA DESIGN CO., LTD. ALPHA SYSTEMS CO., LTD. ALPHA TECH CO., LTD. Tonami Corporation Ltd LUCK'A Inc.

Directors (as of June 27, 2019)

Executive Chairman	Akira Ikeda
President	Kazuaki Ikeda
Managing Director	Kazuyuki Takeuchi
Executive Director	Hiroshi Miyake
Director	Yasuhiro Haba
Director	Koji Shimizu
Director	Nariaki Makino
Director*	Seiko Minomo
Director*	Ichiro Yamada
Director (Audit and Supervisory Committee Member) (Full-Time)*	Yoh Zenno
Director (Audit and Supervisory Committee Member)	Noriyuki Tanaka

Director (Audit and Supervisory Committee Member)*	Makoto Tanaka
Director (Audit and Supervisory Committee Member)*	Hisamitsu Arai

* Outside Director

Stock Status

Total number of shares authorized:	128,160,000 shares
Total number of shares issued:	32,040,000 shares
Number of shareholders:	5,093

Major shareholders (Top 10)

Shareholder name	Number of shares held	Share-holding ratio (excluding treasury shares) (%)
Ikedo Holdings, Inc.	4,497,200	14.66
Tanaka Kikaku Ltd.	2,330,000	7.60
Noriyuki Tanaka	2,026,800	6.61
Japan Trustee Services Bank, Ltd.	1,611,500	5.25
Tokyo Small and Medium Business Investment & Consultation Co., Ltd.	1,524,000	4.97
STATE STREET BANK AND TRUST COMPANY 505019 (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch)	1,471,900	4.80
MIMAKI ENGINEERING Employee Stock Ownership	1,440,400	4.69
The Master Trust Bank of Japan, Ltd.	1,140,800	3.72
THE HACHIJUNI BANK, LTD. (Standing proxy: The Master Trust Bank of Japan, Ltd.)	840,000	2.74
Adeki Partners Co., Ltd.	833,200	2.72

Note: Of the above-mentioned shares held, the numbers of shares related to trust business are as follows:

Japan Trustee Services Bank, Ltd.	1,611,500 shares
The Master Trust Bank of Japan, Ltd.	1,140,800 shares

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* While every best effort has been made to provide a translation meeting the quality standards required of professionals, the Company does not guarantee it is 100% accurate. Therefore, please verify the original Japanese text for any final judgments made based on this information.