

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 11, 2021

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 Corporate
 Inquiries: Planning Division Koji Shimizu TEL 0268-80-0058
 Scheduled date of ordinary general meeting of shareholders: June 30, 2021
 Scheduled date to file Securities Report: June 30, 2021
 Scheduled date to commence dividend payments: June 16, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results

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	%
Year ended March 31, 2021	48,722	(12.3)	(509)	–	366	(61.3)	(301)	–
Year ended March 31, 2020	55,557	0.2	1,353	(55.0)	946	(64.2)	(777)	–

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	(10.21)	–	(1.9)	0.7	(1.0)
Year ended March 31, 2020	(26.24)	–	(4.5)	1.7	2.4

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	50,838	16,213	31.8	548.10
As of March 31, 2020	54,221	16,033	29.2	537.72

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	6,634	15	(7,315)	10,683
Year ended March 31, 2020	823	(368)	(431)	10,988

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	–	7.50	–	0.00	7.50	221	–	1.3
Year ended March 31, 2021	–	0.00	–	7.50	7.50	221	–	1.4
Year ending March 31, 2022 (Forecast)	–	7.50	–	7.50	15.00		37.8	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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
Six months ending September 30, 2021	26,600	27.5	640	–	430	–	310	–	10.51
Full year	56,000	14.9	2,050	–	1,640	347.6	1,170	–	39.67

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2021	32,040,000 shares	As of March 31, 2020	32,040,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	2,545,767 shares	As of March 31, 2020	2,545,767 shares
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Average number of shares during the period

Year ended March 31, 2021	29,494,233 shares	Year ended March 31, 2020	29,648,797 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	11,134,570	10,839,746
Notes and accounts receivable - trade	9,476,875	7,746,264
Merchandise and finished goods	12,143,940	11,080,748
Work in process	1,402,066	1,871,152
Raw materials and supplies	4,494,144	4,967,614
Other	2,510,248	2,846,437
Allowance for doubtful accounts	(58,687)	(188,887)
Total current assets	41,103,159	39,163,076
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,547,417	8,641,461
Accumulated depreciation	(4,595,837)	(4,970,522)
Buildings and structures, net	3,951,579	3,670,939
Machinery, equipment and vehicles	1,854,159	1,967,046
Accumulated depreciation	(1,173,817)	(1,345,253)
Machinery, equipment and vehicles, net	680,341	621,793
Tools, furniture and fixtures	8,242,393	7,996,457
Accumulated depreciation	(6,630,901)	(6,797,052)
Tools, furniture and fixtures, net	1,611,492	1,199,405
Land	3,275,034	3,275,034
Leased assets	1,772,486	1,886,324
Accumulated depreciation	(1,372,019)	(1,455,533)
Leased assets, net	400,467	430,790
Construction in progress	238,938	90,771
Total property, plant and equipment	10,157,854	9,288,734
Intangible assets		
Goodwill	453,783	82,453
Other	786,949	409,249
Total intangible assets	1,240,732	491,702
Investments and other assets		
Investment securities	63,287	131,334
Long-term loans receivable	31,021	32,521
Deferred tax assets	845,210	999,448
Other	1,251,934	1,342,568
Allowance for doubtful accounts	(471,275)	(610,502)
Total investments and other assets	1,720,178	1,895,369
Total non-current assets	13,118,765	11,675,806
Total assets	54,221,924	50,838,883

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,524,748	4,322,168
Electronically recorded obligations - operating	3,746,579	5,449,924
Short-term borrowings	10,701,488	4,125,700
Current portion of long-term borrowings	5,276,116	3,993,954
Lease obligations	111,477	197,432
Accounts payable - other	973,544	1,274,402
Income taxes payable	69,508	257,644
Provision for bonuses	740,274	884,655
Provision for product warranties	864,481	1,049,122
Other	3,137,840	3,414,047
Total current liabilities	29,146,058	24,969,051
Non-current liabilities		
Long-term borrowings	8,066,340	8,913,749
Lease obligations	313,351	249,070
Deferred tax liabilities	71,669	56,941
Retirement benefit liability	450,251	383,029
Asset retirement obligations	48,255	52,940
Other	92,661	650
Total non-current liabilities	9,042,530	9,656,381
Total liabilities	38,188,589	34,625,433
Net assets		
Shareholders' equity		
Share capital	4,357,456	4,357,456
Capital surplus	4,617,040	4,617,040
Retained earnings	10,280,826	9,979,574
Treasury shares	(1,329,614)	(1,329,614)
Total shareholders' equity	17,925,708	17,624,456
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(5,481)	5,478
Foreign currency translation adjustment	(2,102,648)	(1,568,988)
Remeasurements of defined benefit plans	41,984	104,767
Total accumulated other comprehensive income	(2,066,145)	(1,458,742)
Share acquisition rights	26,892	34,250
Non-controlling interests	146,880	13,486
Total net assets	16,033,335	16,213,450
Total liabilities and net assets	54,221,924	50,838,883

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	55,557,698	48,722,930
Cost of sales	31,750,309	30,108,369
Gross profit	23,807,388	18,614,560
Selling, general and administrative expenses	22,453,871	19,124,372
Operating profit (loss)	1,353,517	(509,812)
Non-operating income		
Interest income	31,204	16,163
Dividend income	874	876
Insurance claim income	16,533	3,664
Rent income	28,300	15,801
Insurance return	95,122	–
ICMS Refund	22,198	7,525
Subsidy income	36,622	889,959
Gain on business transfer	–	121,091
Share of profit of entities accounted for using equity method	–	23,612
Other	43,368	73,834
Total non-operating income	274,224	1,152,528
Non-operating expenses		
Interest expenses	255,895	167,754
Sales discounts	82,350	81,922
Foreign exchange losses	200,576	8,448
Share of loss of entities accounted for using equity method	77,608	–
Other	64,674	18,209
Total non-operating expenses	681,104	276,335
Ordinary profit	946,636	366,381
Extraordinary income		
Gain on sale of non-current assets	20,485	55,492
Other	2,428	1,190
Total extraordinary income	22,913	56,682
Extraordinary losses		
Loss on sale of non-current assets	2,934	4,844
Impairment losses	903,465	642,456
Loss on disposal of non-current assets	–	47,563
Other	5,373	–
Total extraordinary losses	911,773	694,864
Profit (loss) before income taxes	57,777	(271,801)
Income taxes - current	199,840	324,330
Income taxes - deferred	652,258	(155,309)
Total income taxes	852,099	169,021
Loss	(794,322)	(440,822)
Loss attributable to non-controlling interests	(16,360)	(139,571)
Loss attributable to owners of parent	(777,962)	(301,251)

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Loss	(794,322)	(440,822)
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,459)	10,959
Foreign currency translation adjustment	(1,070,264)	542,983
Remeasurements of defined benefit plans, net of tax	11,366	62,783
Share of other comprehensive income of entities accounted for using equity method	29,872	(3,146)
Total other comprehensive income	(1,035,484)	613,580
Comprehensive income	(1,829,806)	172,757
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,806,822)	306,151
Comprehensive income attributable to non-controlling interests	(22,984)	(133,393)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,357,456	4,617,040	11,509,976	(618,501)	19,865,971
Changes during period					
Dividends of surplus			(451,188)		(451,188)
Loss attributable to owners of parent			(777,962)		(777,962)
Purchase of treasury shares				(711,113)	(711,113)
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	(1,229,150)	(711,113)	(1,940,263)
Balance at end of period	4,357,456	4,617,040	10,280,826	(1,329,614)	17,925,708

	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 period	977	(1,068,880)	30,617	(1,037,285)	12,088	169,864	19,010,639
Changes during period							
Dividends of surplus							(451,188)
Loss attributable to owners of parent							(777,962)
Purchase of treasury shares							(711,113)
Net changes in items other than shareholders' equity	(6,459)	(1,033,768)	11,366	(1,028,860)	14,804	(22,984)	(1,037,040)
Total changes during period	(6,459)	(1,033,768)	11,366	(1,028,860)	14,804	(22,984)	(2,977,303)
Balance at end of period	(5,481)	(2,102,648)	41,984	(2,066,145)	26,892	146,880	16,033,335

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,357,456	4,617,040	10,280,826	(1,329,614)	17,925,708
Changes during period					
Loss attributable to owners of parent			(301,251)		(301,251)
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	(301,251)	–	(301,251)
Balance at end of period	4,357,456	4,617,040	9,979,574	(1,329,614)	17,624,456

	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 period	(5,481)	(2,102,648)	41,984	(2,066,145)	26,892	146,880	16,033,335
Changes during period							
Loss attributable to owners of parent							(301,251)
Net changes in items other than shareholders' equity	10,959	533,660	62,783	607,402	7,357	(133,393)	481,366
Total changes during period	10,959	533,660	62,783	607,402	7,357	(133,393)	180,114
Balance at end of period	5,478	(1,568,988)	104,767	(1,458,742)	34,250	13,486	16,213,450

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	57,777	(271,801)
Depreciation	1,756,585	1,577,890
Impairment losses	903,465	642,456
Amortization of goodwill	262,359	111,993
Increase (decrease) in allowance for doubtful accounts	84,737	259,958
Increase (decrease) in provision for product warranties	(138,975)	180,592
Increase (decrease) in provision for bonuses	(138,404)	140,077
Increase (decrease) in provision for bonuses for directors (and other officers)	(40,673)	–
Increase (decrease) in retirement benefit liability	13,774	22,757
Interest and dividend income	(32,078)	(17,039)
Insurance claim income	(16,533)	(3,664)
Interest expenses	255,895	167,754
Subsidy income	(36,622)	(889,959)
Gain on business transfer	–	(121,091)
Foreign exchange losses (gains)	387,604	(173,259)
Loss (gain) on sales of fixed assets	(17,550)	(50,647)
Share of loss (profit) of entities accounted for using equity method	77,608	(23,612)
Decrease (increase) in trade receivables	542,203	2,062,120
Decrease (increase) in inventories	(749,718)	246,564
Increase (decrease) in trade payables	(1,035,481)	2,295,562
Decrease (increase) in consumption taxes refund receivable	(5,243)	(321,106)
Increase (decrease) in accounts payable - other	(407,741)	189,891
Other, net	(62,763)	(22,434)
Subtotal	1,660,225	6,003,003
Interest and dividends received	25,941	25,115
Proceeds from insurance income	16,533	3,664
Interest paid	(255,650)	(169,605)
Subsidies received	36,622	886,025
Income taxes paid	(750,499)	(288,975)
Income taxes refund	90,128	174,928
Net cash provided by (used in) operating activities	823,299	6,634,156
Cash flows from investing activities		
Payments into time deposits	–	(7,103)
Proceeds from withdrawal of time deposits	485,189	–
Purchase of property, plant and equipment	(1,040,904)	(434,247)
Proceeds from sale of property, plant and equipment	163,751	99,151
Purchase of intangible assets	(101,757)	(18,713)
Purchase of investment securities	–	(54,535)
Proceeds from sale of businesses	–	334,090
Other, net	125,571	97,303
Net cash provided by (used in) investing activities	(368,149)	15,944

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(281,956)	(6,721,626)
Proceeds from long-term borrowings	3,902,500	5,541,200
Repayments of long-term borrowings	(2,740,283)	(5,998,353)
Purchase of treasury shares	(711,113)	–
Repayments of lease obligations	(149,794)	(135,215)
Dividends paid	(451,050)	(1,665)
Net cash provided by (used in) financing activities	(431,697)	(7,315,659)
Effect of exchange rate change on cash and cash equivalents	(386,564)	360,271
Net increase (decrease) in cash and cash equivalents	(363,112)	(305,287)
Cash and cash equivalents at beginning of period	11,351,960	10,988,848
Cash and cash equivalents at end of period	10,988,848	10,683,560