

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

November 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 Corporate
 Inquiries: Planning Division Koji Shimizu TEL 0268-80-0058
 Scheduled date to file Quarterly Securities Report: November 8, 2019
 Scheduled date to commence dividend payments: December 5, 2019
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)

(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, 2019	27,363	3.4	551	(63.7)	449	(63.4)	181	(76.4)
Six months ended September 30, 2018	26,455	5.1	1,520	35.9	1,225	22.1	769	(16.4)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2019	6.11	—
Six months ended September 30, 2018	25.62	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	53,364	17,599	32.7
As of March 31, 2019	58,463	19,010	32.2

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, 2019	—	7.50	—	7.50	15.00
Year ending March 31, 2020	—	7.50			
Year ending March 31, 2020 (Forecast)			—	7.50	15.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	56,450	1.8	1,450	(51.8)	1,150	(56.5)	350	(79.2)	11.74

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2019
(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, 2019	32,040,000 shares	As of March 31, 2019	32,040,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	2,545,767 shares	As of March 31, 2019	1,375,767 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, 2019	29,803,362 shares	Six months ended September 30, 2018	30,040,210 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	11,994,422	8,309,274
Notes and accounts receivable - trade	9,442,738	9,443,037
Merchandise and finished goods	12,292,865	12,755,498
Work in process	1,584,892	1,634,694
Raw materials and supplies	4,145,331	3,998,961
Other	2,689,769	2,377,379
Allowance for doubtful accounts	(28,793)	(54,146)
Total current assets	42,121,226	38,464,699
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,225,831	4,062,664
Land	3,262,745	3,262,745
Other, net	3,235,535	3,083,864
Total property, plant and equipment	10,724,112	10,409,273
Intangible assets		
Goodwill	1,441,724	1,255,679
Other	956,577	817,009
Total intangible assets	2,398,301	2,072,689
Investments and other assets		
Investment securities	69,552	69,463
Deferred tax assets	1,504,652	1,306,821
Other	2,088,824	1,462,314
Allowance for doubtful accounts	(443,665)	(420,306)
Total investments and other assets	3,219,364	2,418,293
Total non-current assets	16,341,777	14,900,257
Total assets	58,463,004	53,364,956
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,726,025	3,843,143
Electronically recorded obligations - operating	4,626,156	3,795,653
Short-term borrowings	11,054,710	9,816,630
Current portion of long-term borrowings	2,615,481	2,096,229
Lease obligations	101,157	87,261
Income taxes payable	327,606	126,886
Provision for bonuses	881,035	732,652
Provision for bonuses for directors (and other officers)	40,673	6,885
Provision for product warranties	1,008,315	888,687
Other	4,510,291	4,006,923
Total current liabilities	28,891,454	25,400,951
Non-current liabilities		
Long-term borrowings	9,564,594	9,346,330
Lease obligations	338,609	349,579
Deferred tax liabilities	72,326	70,960
Retirement benefit liability	452,687	463,130
Asset retirement obligations	47,600	49,054
Other	85,094	85,094
Total non-current liabilities	10,560,911	10,364,149
Total liabilities	39,452,365	35,765,101

(Thousands of yen)

	As of March 31, 2019	As of September 30, 2019
Net assets		
Shareholders' equity		
Share capital	4,357,456	4,357,456
Capital surplus	4,617,040	4,617,040
Retained earnings	11,509,976	11,461,944
Treasury shares	(618,501)	(1,329,614)
Total shareholders' equity	19,865,971	19,106,826
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	977	591
Foreign currency translation adjustment	(1,068,880)	(1,701,689)
Remeasurements of defined benefit plans	30,617	25,537
Total accumulated other comprehensive income	(1,037,285)	(1,675,560)
Share acquisition rights	12,088	19,804
Non-controlling interests	169,864	148,785
Total net assets	19,010,639	17,599,855
Total liabilities and net assets	58,463,004	53,364,956

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, 2018	Six months ended September 30, 2019
Net sales	26,455,497	27,363,780
Cost of sales	13,670,186	15,531,565
Gross profit	12,785,310	11,832,215
Selling, general and administrative expenses	11,264,427	11,280,355
Operating profit	1,520,882	551,859
Non-operating income		
Interest income	17,345	18,120
Dividend income	350	619
Insurance claim income	2,731	106,613
Purchase discounts	14,366	14,279
Other	30,588	56,845
Total non-operating income	65,383	196,477
Non-operating expenses		
Interest expenses	78,119	135,607
Sales discounts	44,537	41,573
Foreign exchange losses	144,735	60,277
Share of loss of entities accounted for using equity method	84,255	23,981
Other	8,708	37,838
Total non-operating expenses	360,357	299,279
Ordinary profit	1,225,908	449,058
Extraordinary income		
Gain on sales of non-current assets	13,063	12,640
Other	–	1,288
Total extraordinary income	13,063	13,928
Extraordinary losses		
Loss on sales of non-current assets	1,455	697
Total extraordinary losses	1,455	697
Profit before income taxes	1,237,517	462,289
Income taxes - current	416,392	100,454
Income taxes - deferred	64,846	192,209
Total income taxes	481,239	292,663
Profit	756,278	169,625
Loss attributable to non-controlling interests	(13,332)	(12,368)
Profit attributable to owners of parent	769,610	181,994

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	756,278	169,625
Other comprehensive income		
Valuation difference on available-for-sale securities	(859)	(386)
Foreign currency translation adjustment	(173,318)	(669,683)
Remeasurements of defined benefit plans, net of tax	(6,064)	(5,079)
Share of other comprehensive income of entities accounted for using equity method	21,811	28,164
Total other comprehensive income	(158,430)	(646,985)
Comprehensive income	597,848	(477,359)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	608,898	(456,281)
Comprehensive income attributable to non-controlling interests	(11,050)	(21,078)