

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 7, 2020

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: February 7, 2020
 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, 2019 (from April 1, 2019 to December 31, 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	%
Nine months ended December 31, 2019	41,503	4.0	909	(56.1)	612	(64.6)	136	(86.2)
Nine months ended December 31, 2018	39,905	4.4	2,072	19.4	1,728	11.6	987	(23.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2019	4.60		–	
Nine months ended December 31, 2018	32.62		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	54,917	17,718	31.9
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				
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2019	29,699,944 shares	Nine months ended December 31, 2018	30,264,280 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	11,994,422	9,845,347
Notes and accounts receivable - trade	9,442,738	8,414,726
Merchandise and finished goods	12,292,865	12,669,181
Work in process	1,584,892	1,751,326
Raw materials and supplies	4,145,331	4,469,973
Other	2,689,769	3,069,480
Allowance for doubtful accounts	(28,793)	(38,275)
Total current assets	42,121,226	40,181,759
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,225,831	4,014,375
Land	3,262,745	3,262,745
Other, net	3,235,535	3,025,021
Total property, plant and equipment	10,724,112	10,302,142
Intangible assets		
Goodwill	1,441,724	1,230,459
Other	956,577	803,401
Total intangible assets	2,398,301	2,033,860
Investments and other assets		
Investment securities	69,552	73,615
Deferred tax assets	1,504,652	1,168,851
Other	2,088,824	1,634,335
Allowance for doubtful accounts	(443,665)	(476,859)
Total investments and other assets	3,219,364	2,399,942
Total non-current assets	16,341,777	14,735,945
Total assets	58,463,004	54,917,705
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,726,025	3,884,275
Electronically recorded obligations - operating	4,626,156	5,128,511
Short-term borrowings	11,054,710	10,084,275
Current portion of long-term borrowings	2,615,481	2,039,363
Lease obligations	101,157	70,530
Income taxes payable	327,606	46,910
Provision for bonuses	881,035	411,971
Provision for bonuses for directors (and other officers)	40,673	13,470
Provision for product warranties	1,008,315	874,354
Other	4,510,291	4,619,059
Total current liabilities	28,891,454	27,172,722
Non-current liabilities		
Long-term borrowings	9,564,594	8,983,155
Lease obligations	338,609	351,600
Deferred tax liabilities	72,326	83,578
Retirement benefit liability	452,687	473,123
Asset retirement obligations	47,600	49,733
Other	85,094	85,094
Total non-current liabilities	10,560,911	10,026,284
Total liabilities	39,452,365	37,199,007

(Thousands of yen)

	As of March 31, 2019	As of December 31, 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	11,195,357
Treasury shares	(618,501)	(1,329,614)
Total shareholders' equity	19,865,971	18,840,239
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	977	3,373
Foreign currency translation adjustment	(1,068,880)	(1,328,337)
Remeasurements of defined benefit plans	30,617	23,024
Total accumulated other comprehensive income	(1,037,285)	(1,301,939)
Share acquisition rights	12,088	24,533
Non-controlling interests	169,864	155,864
Total net assets	19,010,639	17,718,697
Total liabilities and net assets	58,463,004	54,917,705

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, 2018	Nine months ended December 31, 2019
Net sales	39,905,282	41,503,911
Cost of sales	20,764,863	23,575,205
Gross profit	19,140,419	17,928,706
Selling, general and administrative expenses	17,067,789	17,018,922
Operating profit	2,072,629	909,784
Non-operating income		
Interest income	24,686	24,986
Dividend income	650	919
Insurance claim income	2,238	108,427
Purchase discounts	38,713	17,748
Other	53,654	79,607
Total non-operating income	119,943	231,689
Non-operating expenses		
Interest expenses	116,477	193,427
Sales discounts	71,591	62,181
Foreign exchange losses	221,495	192,588
Share of loss of entities accounted for using equity method	35,988	29,787
Other	18,027	50,593
Total non-operating expenses	463,580	528,577
Ordinary profit	1,728,993	612,896
Extraordinary income		
Gain on sales of non-current assets	15,463	18,080
Other	–	2,428
Total extraordinary income	15,463	20,508
Extraordinary losses		
Loss on sales of non-current assets	1,668	744
Loss on step acquisitions	4,706	–
Total extraordinary losses	6,374	744
Profit before income taxes	1,738,081	632,661
Income taxes - current	521,506	159,900
Income taxes - deferred	258,735	347,084
Total income taxes	780,241	506,984
Profit	957,840	125,676
Loss attributable to non-controlling interests	(29,404)	(10,937)
Profit attributable to owners of parent	987,244	136,614

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	957,840	125,676
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,788)	2,396
Foreign currency translation adjustment	(460,254)	(290,387)
Remeasurements of defined benefit plans, net of tax	(7,535)	(7,592)
Share of other comprehensive income of entities accounted for using equity method	28,349	27,866
Total other comprehensive income	(448,229)	(267,716)
Comprehensive income	509,610	(142,040)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	544,445	(128,040)
Comprehensive income attributable to non-controlling interests	(34,834)	(14,000)