

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2020
(Based on Japanese GAAP)**

May 27, 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 of ordinary general meeting of shareholders: June 30, 2020
 Scheduled date to file Securities Report: June 30, 2020
 Scheduled date to commence dividend payments: –
 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, 2020 (from April 1, 2019 to March 31, 2020)

(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, 2020	55,557	0.2	1,353	(55.0)	946	(64.2)	(777)	–
Year ended March 31, 2019	55,448	5.7	3,008	10.2	2,643	12.0	1,680	(8.4)

	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, 2020	(26.24)	–	(4.5)	1.7	2.4
Year ended March 31, 2019	55.29	–	9.2	4.7	5.4

(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, 2020	54,221	16,033	29.2	537.72
As of March 31, 2019	58,463	19,010	32.2	614.03

(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, 2020	823	(368)	(431)	10,988
Year ended March 31, 2019	1,068	(2,219)	194	11,351

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			
Year ended March 31, 2019	–	7.50	–	7.50	15.00	455	27.1	2.5
Year ended March 31, 2020	–	7.50	–	0.00	7.50	221	–	1.3
Year ending March 31, 2021 (Forecast)	–	–	–	–	–	–	–	–

3. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2020
 (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, 2020	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 March 31, 2020	2,545,767 shares	As of March 31, 2019	1,375,767 shares
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Average number of shares during the period

Year ended March 31, 2020	29,648,797 shares	Year ended March 31, 2019	30,387,145 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	11,994,422	11,134,570
Notes and accounts receivable - trade	9,442,738	9,476,875
Merchandise and finished goods	12,292,865	12,143,940
Work in process	1,584,892	1,402,066
Raw materials and supplies	4,145,331	4,494,144
Other	2,689,769	2,510,248
Allowance for doubtful accounts	(28,793)	(58,687)
Total current assets	42,121,226	41,103,159
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,564,998	8,547,417
Accumulated depreciation	(4,339,166)	(4,595,837)
Buildings and structures, net	4,225,831	3,951,579
Machinery, equipment and vehicles	1,561,897	1,854,159
Accumulated depreciation	(1,075,852)	(1,173,817)
Machinery, equipment and vehicles, net	486,045	680,341
Tools, furniture and fixtures	8,095,364	8,242,393
Accumulated depreciation	(6,227,102)	(6,630,901)
Tools, furniture and fixtures, net	1,868,261	1,611,492
Land	3,262,745	3,275,034
Leased assets	1,673,981	1,772,486
Accumulated depreciation	(1,261,470)	(1,372,019)
Leased assets, net	412,510	400,467
Construction in progress	468,718	238,938
Total property, plant and equipment	10,724,112	10,157,854
Intangible assets		
Goodwill	1,441,724	453,783
Other	956,577	786,949
Total intangible assets	2,398,301	1,240,732
Investments and other assets		
Investment securities	69,552	63,287
Long-term loans receivable	31,021	31,021
Deferred tax assets	1,504,652	845,210
Other	2,057,803	1,251,934
Allowance for doubtful accounts	(443,665)	(471,275)
Total investments and other assets	3,219,364	1,720,178
Total non-current assets	16,341,777	13,118,765
Total assets	58,463,004	54,221,924

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,726,025	3,524,748
Electronically recorded obligations - operating	4,626,156	3,746,579
Short-term borrowings	11,054,710	10,701,488
Current portion of long-term borrowings	2,615,481	5,276,116
Lease obligations	101,157	111,477
Accounts payable - other	1,463,886	973,544
Income taxes payable	327,606	69,508
Provision for bonuses	881,035	740,274
Provision for bonuses for directors (and other officers)	40,673	–
Provision for product warranties	1,008,315	864,481
Other	3,046,404	3,137,840
Total current liabilities	28,891,454	29,146,058
Non-current liabilities		
Long-term borrowings	9,564,594	8,066,340
Lease obligations	338,609	313,351
Deferred tax liabilities	72,326	71,669
Retirement benefit liability	452,687	450,251
Asset retirement obligations	47,600	48,255
Other	85,094	92,661
Total non-current liabilities	10,560,911	9,042,530
Total liabilities	39,452,365	38,188,589
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	10,280,826
Treasury shares	(618,501)	(1,329,614)
Total shareholders' equity	19,865,971	17,925,708
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	977	(5,481)
Foreign currency translation adjustment	(1,068,880)	(2,102,648)
Remeasurements of defined benefit plans	30,617	41,984
Total accumulated other comprehensive income	(1,037,285)	(2,066,145)
Share acquisition rights	12,088	26,892
Non-controlling interests	169,864	146,880
Total net assets	19,010,639	16,033,335
Total liabilities and net assets	58,463,004	54,221,924

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

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	55,448,425	55,557,698
Cost of sales	29,418,210	31,750,309
Gross profit	26,030,215	23,807,388
Selling, general and administrative expenses	23,022,152	22,453,871
Operating profit	3,008,063	1,353,517
Non-operating income		
Interest income	35,026	31,204
Dividend income	948	874
Insurance claim income	8,679	16,533
Rent income	12,136	28,300
Insurance return	521	95,122
ICMS Refund	46,784	22,198
Subsidy income	5,235	36,622
Other	72,504	43,368
Total non-operating income	181,835	274,224
Non-operating expenses		
Interest expenses	179,184	255,895
Sales discounts	90,603	82,350
Foreign exchange losses	233,444	200,576
Share of loss of entities accounted for using equity method	15,884	77,608
Other	27,616	64,674
Total non-operating expenses	546,734	681,104
Ordinary profit	2,643,164	946,636
Extraordinary income		
Gain on sales of non-current assets	23,693	20,485
Other	–	2,428
Total extraordinary income	23,693	22,913
Extraordinary losses		
Loss on sales of non-current assets	1,562	2,934
Impairment loss	–	903,465
Loss on step acquisitions	4,706	–
Other	–	5,373
Total extraordinary losses	6,268	911,773
Profit before income taxes	2,660,589	57,777
Income taxes - current	873,474	199,840
Income taxes - deferred	138,180	652,258
Total income taxes	1,011,655	852,099
Profit (loss)	1,648,934	(794,322)
Loss attributable to non-controlling interests	(31,291)	(16,360)
Profit (loss) attributable to owners of parent	1,680,226	(777,962)

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit (loss)	1,648,934	(794,322)
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,427)	(6,459)
Foreign currency translation adjustment	(513,268)	(1,070,264)
Remeasurements of defined benefit plans, net of tax	(3,226)	11,366
Share of other comprehensive income of entities accounted for using equity method	10,617	29,872
Total other comprehensive income	(512,305)	(1,035,484)
Comprehensive income	1,136,629	(1,829,806)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,176,587	(1,806,822)
Comprehensive income attributable to non-controlling interests	(39,957)	(22,984)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,357,456	4,269,686	10,280,353	(804,308)	18,103,187
Changes 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 in items other than shareholders' equity					–
Total changes during period	–	347,354	1,229,623	185,806	1,762,784
Balance at end of 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 period	4,403	(574,895)	33,843	(536,647)	1,725	209,822	17,778,087
Changes 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 in items other than shareholders' equity	(3,426)	(493,984)	(3,226)	(500,637)	10,362	(39,957)	(530,232)
Total changes during period	(3,426)	(493,984)	(3,226)	(500,637)	10,362	(39,957)	1,232,551
Balance at end of period	977	(1,068,880)	30,617	(1,037,285)	12,088	169,864	19,010,639

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

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	2,660,589	57,777
Depreciation	1,707,676	1,756,585
Amortization of goodwill	197,851	262,359
Impairment loss	–	903,465
Increase (decrease) in allowance for doubtful accounts	(7,223)	84,737
Increase (decrease) in provision for bonuses	109,656	(138,404)
Increase (decrease) in provision for bonuses for directors (and other officers)	2,267	(40,673)
Increase (decrease) in provision for product warranties	60,135	(138,975)
Increase (decrease) in retirement benefit liability	(839)	13,774
Interest and dividend income	(35,975)	(32,078)
Insurance claim income	(3,168)	(16,533)
Interest expenses	179,184	255,895
Share of loss (profit) of entities accounted for using equity method	15,884	77,608
Foreign exchange losses (gains)	212,807	387,604
Loss (gain) on sales of fixed assets	(22,131)	(17,550)
Decrease (increase) in trade receivables	40,701	542,203
Decrease (increase) in inventories	(629,782)	(749,718)
Increase (decrease) in trade payables	(1,554,407)	(1,035,481)
Decrease (increase) in consumption taxes refund receivable	(23,461)	(5,243)
Increase (decrease) in accounts payable - other	(20,928)	(407,741)
Other, net	(211,320)	(62,763)
Subtotal	2,677,516	1,696,847
Interest and dividends received	34,091	25,941
Proceeds from insurance income	3,168	16,533
Interest paid	(179,477)	(255,650)
Income taxes paid	(1,622,879)	(750,499)
Income taxes refund	156,016	90,128
Net cash provided by (used in) operating activities	1,068,436	823,299
Cash flows from investing activities		
Payments into time deposits	(335,678)	–
Proceeds from withdrawal of time deposits	–	485,189
Purchase of property, plant and equipment	(1,556,249)	(1,040,904)
Proceeds from sales of property, plant and equipment	35,408	163,751
Purchase of intangible assets	(269,956)	(101,757)
Payments for investments in capital	(2,510)	–
Other, net	(90,084)	125,571
Net cash provided by (used in) investing activities	(2,219,070)	(368,149)

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,979,266	(281,956)
Proceeds from long-term borrowings	4,250,000	3,902,500
Repayments of long-term borrowings	(6,336,157)	(2,740,283)
Purchase of treasury shares	(171,712)	(711,113)
Repayments of lease obligations	(77,468)	(149,794)
Dividends paid	(449,829)	(451,050)
Net cash provided by (used in) financing activities	194,097	(431,697)
Effect of exchange rate change on cash and cash equivalents	(111,752)	(386,564)
Net increase (decrease) in cash and cash equivalents	(1,068,288)	(363,112)
Cash and cash equivalents at beginning of period	11,486,169	11,351,960
Increase in cash and cash equivalents by the stock exchange	934,079	—
Cash and cash equivalents at end of period	11,351,960	10,988,848