

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 10, 2021

Company name: MIMAKI ENGINEERING CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6638 URL <https://ir.mimaki.com>
 Representative: President Kazuaki Ikeda
 Inquiries: Executive General Manager Corporate Koji Shimizu TEL 0268-80-0058
 Planning Division
 Scheduled date to file Quarterly Securities Report: February 10, 2021
 Scheduled date to commence dividend payments: –
 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 nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

(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, 2020	34,426	(17.1)	(836)	–	(218)	–	(697)	–
Nine months ended December 31, 2019	41,503	4.0	909	(56.1)	612	(64.6)	136	(86.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	(23.65)	–
Nine months ended December 31, 2019	4.60	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	50,966	15,325	30.0
As of March 31, 2020	54,221	16,033	29.2

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, 2020	–	7.50	–	–	7.50
Year ending March 31, 2021	–	0.00	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	–	–

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	48,600	(12.5)	(800)	–	60	(93.7)	(500)	–	(16.95)

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020
(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, 2020	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 December 31, 2020	2,545,767 shares	As of March 31, 2020	2,545,767 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, 2020	29,494,233 shares	Nine months ended December 31, 2019	29,699,944 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	11,134,570	14,849,996
Notes and accounts receivable - trade	9,476,875	6,690,751
Merchandise and finished goods	12,143,940	9,674,409
Work in process	1,402,066	1,465,684
Raw materials and supplies	4,494,144	3,957,887
Other	2,510,248	2,828,052
Allowance for doubtful accounts	(58,687)	(74,017)
Total current assets	41,103,159	39,392,763
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,951,579	3,699,098
Land	3,275,034	3,275,034
Other, net	2,931,239	2,265,543
Total property, plant and equipment	10,157,854	9,239,676
Intangible assets		
Goodwill	453,783	91,080
Other	786,949	438,403
Total intangible assets	1,240,732	529,483
Investments and other assets		
Investment securities	63,287	125,623
Deferred tax assets	845,210	1,007,069
Other	1,282,955	1,330,904
Allowance for doubtful accounts	(471,275)	(659,399)
Total investments and other assets	1,720,178	1,804,198
Total non-current assets	13,118,765	11,573,358
Total assets	54,221,924	50,966,122
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,524,748	3,650,016
Electronically recorded obligations - operating	3,746,579	2,989,478
Short-term borrowings	10,701,488	5,488,268
Current portion of long-term borrowings	5,276,116	7,218,170
Lease obligations	111,477	74,280
Income taxes payable	69,508	108,959
Provision for bonuses	740,274	611,477
Provision for product warranties	864,481	636,906
Other	4,111,384	4,807,598
Total current liabilities	29,146,058	25,585,155
Non-current liabilities		
Long-term borrowings	8,066,340	9,147,357
Lease obligations	313,351	298,355
Deferred tax liabilities	71,669	80,715
Retirement benefit liability	450,251	476,551
Asset retirement obligations	48,255	51,527
Other	92,661	650
Total non-current liabilities	9,042,530	10,055,157
Total liabilities	38,188,589	35,640,312

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
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	9,583,255
Treasury shares	(1,329,614)	(1,329,614)
Total shareholders' equity	17,925,708	17,228,137
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(5,481)	1,580
Foreign currency translation adjustment	(2,102,648)	(1,988,344)
Remeasurements of defined benefit plans	41,984	35,524
Total accumulated other comprehensive income	(2,066,145)	(1,951,239)
Share acquisition rights	26,892	32,693
Non-controlling interests	146,880	16,218
Total net assets	16,033,335	15,325,809
Total liabilities and net assets	54,221,924	50,966,122

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, 2019	Nine months ended December 31, 2020
Net sales	41,503,911	34,426,334
Cost of sales	23,575,205	21,590,158
Gross profit	17,928,706	12,836,176
Selling, general and administrative expenses	17,018,922	13,672,308
Operating profit (loss)	909,784	(836,132)
Non-operating income		
Interest income	24,986	11,749
Dividend income	919	876
Insurance claim income	108,427	290
Purchase discounts	17,748	5,644
Subsidy income	–	604,586
Gain on business transfer, non-operating income	–	121,091
Share of profit of entities accounted for using equity method	–	10,582
Other	79,607	68,658
Total non-operating income	231,689	823,480
Non-operating expenses		
Interest expenses	193,427	129,022
Sales discounts	62,181	58,628
Foreign exchange losses	192,588	5,687
Share of loss of entities accounted for using equity method	29,787	–
Other	50,593	12,728
Total non-operating expenses	528,577	206,066
Ordinary profit (loss)	612,896	(218,718)
Extraordinary income		
Gain on sales of non-current assets	18,080	47,059
Other	2,428	952
Total extraordinary income	20,508	48,011
Extraordinary losses		
Loss on sales of non-current assets	744	4,844
Impairment loss	–	642,456
Loss on disposal of non-current assets	–	47,563
Total extraordinary losses	744	694,864
Profit (loss) before income taxes	632,661	(865,571)
Income taxes - current	159,900	89,311
Income taxes - deferred	347,084	(121,041)
Total income taxes	506,984	(31,729)
Profit (loss)	125,676	(833,841)
Loss attributable to non-controlling interests	(10,937)	(136,271)
Profit (loss) attributable to owners of parent	136,614	(697,570)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit (loss)	125,676	(833,841)
Other comprehensive income		
Valuation difference on available-for-sale securities	2,396	7,061
Foreign currency translation adjustment	(290,387)	117,815
Remeasurements of defined benefit plans, net of tax	(7,592)	(6,459)
Share of other comprehensive income of entities accounted for using equity method	27,866	2,097
Total other comprehensive income	(267,716)	120,514
Comprehensive income	(142,040)	(713,327)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(128,040)	(582,664)
Comprehensive income attributable to non-controlling interests	(14,000)	(130,662)