

**For the Fiscal Year Ended March 31, 2018**

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**Annual Select<sup>®</sup> 2018**

**MIMAKI ENGINEERING CO., LTD.**

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### **Corporate Profile**



MIMAKI ENGINEERING CO., LTD. (“the Company”) has leveraged our unique technologies to create and open up the market for industrial inkjet printers, except those for printing on paper, since we released an inkjet printer for outdoor signage in 1996. Going forward, we will continue to promote mass customization, on-demand printing and Internet of Things (IoT) solutions involving vector and raster technologies, in pursuing our aim of acting as a global company that generates 100 billion yen in annual revenues.

Accordingly, our business philosophy encompasses the following.

- (1) We aspire to become a “Development-oriented Enterprise” holding our own technology and supplying our own brand products throughout the world.
- (2) We aim to become a company that can adapt and quickly provide the products that will satisfy the customers.
- (3) We strive to become an innovator always providing “something new, something different” in the market.
- (4) We aim at creating a corporate culture where our individual employees can exploit their personal characters and capability to the fullest extent.

## I. Summary of Selected Financial Data (Consolidated)

	39 <sup>th</sup> term Fiscal year ended March 31, 2014	40 <sup>th</sup> term Fiscal year ended March 31, 2015	41 <sup>st</sup> term Fiscal year ended March 31, 2016	42 <sup>nd</sup> term Fiscal year ended March 31, 2017	43 <sup>rd</sup> term Fiscal year ended March 31, 2018
Net sales (Thousands of yen)	40,362,991	46,637,613	47,840,383	48,331,564	52,471,137
Ordinary profit (Thousands of yen)	1,668,581	3,753,072	2,756,986	1,746,023	2,359,542
Profit attributable to owners of parent (Thousands of yen)	884,467	2,522,706	1,631,335	1,250,361	1,833,832
Comprehensive income (Thousands of yen)	1,429,589	2,680,135	879,398	1,315,764	1,801,047
Net assets (Thousands of yen)	7,879,322	15,193,221	15,642,535	16,049,220	17,778,087
Total assets (Thousands of yen)	32,067,725	43,479,615	46,132,881	49,207,554	54,019,815
Net assets per share (Yen)	292.68	485.38	501.68	534.26	584.77
Basic earnings per share (Yen)	33.02	92.94	52.06	41.32	61.05
Diluted earnings per share (Yen)	32.78	92.74	–	–	–
Equity ratio (%)	24.5	34.9	33.9	32.6	32.5
Return on equity (ROE) (%)	12.4	21.9	10.6	7.9	10.9
Price earnings ratio (PER) (Times)	18.6	25.6	12.8	15.6	12.9
Net cash provided by (used in) operating activities (Thousands of yen)	1,802,249	(2,145,605)	3,433,969	2,163,194	3,002,514
Net cash provided by (used in) investing activities (Thousands of yen)	(1,235,706)	(2,738,553)	(2,493,387)	(3,248,671)	(1,493,560)
Net cash provided by (used in) financing activities (Thousands of yen)	739,068	6,642,424	3,386,495	32,660	38,107
Cash and cash equivalents at end of period (Thousands of yen)	4,869,902	6,989,214	10,992,884	10,010,484	11,486,169
Number of employees [Separately, average number of temporary employees] (Persons)	1,202 [99]	1,378 [173]	1,449 [144]	1,580 [188]	1,629 [223]

- Notes:
1. Consumption taxes are not included in net sales.
  2. Diluted earnings per share for the 41st and 42nd terms are not presented here due to an absence of potential shares. Diluted earnings per share for the 43rd term are not presented here due to an absence of potential shares with dilutive effect.
  3. A two-for-one share split was carried out on April 1, 2015. Net assets per share, basic earnings per share, and diluted earnings per share have been calculated on the assumption of the share split having been carried out on April 1, 2013. The calculation of the price earnings ratio for the 40th term factors the share split ratio into the share price as of March 31, 2015, given that the share was trading ex-rights on that date.

## II. Business Description

The MIMAKI Group (“the Group”) consists of the Company, 18 consolidated subsidiaries (MIMAKI USA, INC., MIMAKI EUROPE B.V., MIMAKI ENGINEERING (TAIWAN) Co., Ltd., MIMAKI PRECISION Co., Ltd., GRAPHIC CREATION Co., Ltd., MIMAKI IJ TECHNOLOGY CO., Ltd., Mimaki Deutschland GmbH, Shanghai Mimaki Trading Co., Ltd., MIMAKI BRASIL COMERCIO E IMPORTACAO LTDA, MIMAKI PINGHU TRADING CO., LTD., PT. MIMAKI INDONESIA, MIMAKI AUSTRALIA PTY LTD, MIMAKI SINGAPORE PTE. LTD., MIMAKI INDIA PRIVATE LIMITED, MIMAKI EURASIA DIJITAL BASKI TEKNOLOJILERI PAZARLAMA VE TICARET LIMITED SIRKETI, Mimaki La Meccanica S.p.A, Mimaki Lithuania, UAB, Mimaki Bompan Textile S.r.l) and two other companies (MIMAKI KANPHOR INDIA PRIVATE LIMITED, etc.), total 21 companies. The Group’s reportable segments are categorized by geographic region given that it engages in development, manufacturing and sales of products such as industrial inkjet printers and cutting plotters primarily as a single business operation.

Also, the following describes the Group’s business operations classified by markets to which end users of our products belong.

### (1) SG (Sign Graphics) market

We develop, manufacture, and sell products for Sign Graphics market. The products for this market are models designed to produce visual communications, such as advertisements and signboards. This includes devices such as wide inkjet printers that selectively use ink according to specific applications and materials to be printed, and cutting plotters that perform contour cutting of alphanumeric characters, logos, illustrations and other shapes, all geared to the Sign Graphics market which is increasingly shifting to digital technologies as a result of a call for quicker response times, lower costs and higher resolutions.

### (2) IP (Industrial Products) market

For the Industrial Products market, we develop, manufacture, and sell industrial products, as well as products used on-site in facilities that produce merchandise, gifts, novelties, order-made goods and other products for general consumers. Our products here are designed to help users streamline production and cut costs, irrespective of industry, and include flatbed UV-curable inkjet printers that are capable of printing on a range of materials, as well as cutting plotters and other devices.

### (3) TA (Textile & Apparel) market

For the Textile & Apparel market, we develop, manufacture, and sell products that are capable of printing to textiles before the cutting and sewing process, cloth materials for ready-to-wear apparel and the like. Our products in this market include inkjet printers capable of dye sublimation printing to polyester materials and printing directly to fabrics such as those made of cotton, silk and other materials. With these products we serve users who must provide a quick response in operations that include producing samples and engaging in high-mix, low-volume production.

The Company carries out product development geared to the respective SG, IP, and TA markets described above. In addition to the Company, with respect to manufacturing, some production of our mainstay products is also carried out by MIMAKI IJ TECHNOLOGY CO., Ltd. and Mimaki La Meccanica S.p.A, and some production of inks is also carried out by MIMAKI IJ TECHNOLOGY CO., Ltd., MIMAKI ENGINEERING (TAIWAN) Co., Ltd., Mimaki Lithuania, UAB, and MIMAKI EUROPE B.V. Some of our parts and components are procured from MIMAKI PINGHU TRADING CO., LTD., MIMAKI ENGINEERING (TAIWAN) Co., Ltd., and MIMAKI PRECISION Co., Ltd. With respect to sales, the Company carries out such operations in Japan, and in some areas of the Asia and Oceania region. In our major geographic regions overseas,

sales are carried out by MIMAKI USA, INC. (North America), MIMAKI EUROPE B.V. (Europe), Mimaki Deutschland GmbH (Germany), MIMAKI EURASIA DIJITAL BASKI TEKNOLOJILERI PAZARLAMA VE TICARET LIMITED SIRKETI (Turkey), Mimaki Lithuania, UAB (Lithuania), Mimaki Bompan Textile S.r.l (Italy), MIMAKI ENGINEERING (TAIWAN) Co., Ltd. (Taiwan), Shanghai Mimaki Trading Co., Ltd. (China), MIMAKI BRASIL COMERCIO E IMPORTACAO LTDA (Brazil), MIMAKI INDIA PRIVATE LIMITED (India), PT. MIMAKI INDONESIA (Indonesia), MIMAKI AUSTRALIA PTY LTD (Australia), and MIMAKI SINGAPORE PTE. LTD. (Singapore).

(4) Spare parts

Spare parts include those parts and components needed for maintenance purposes when customers use our products. The Company manufactures and sells most such spare parts.

(5) Others

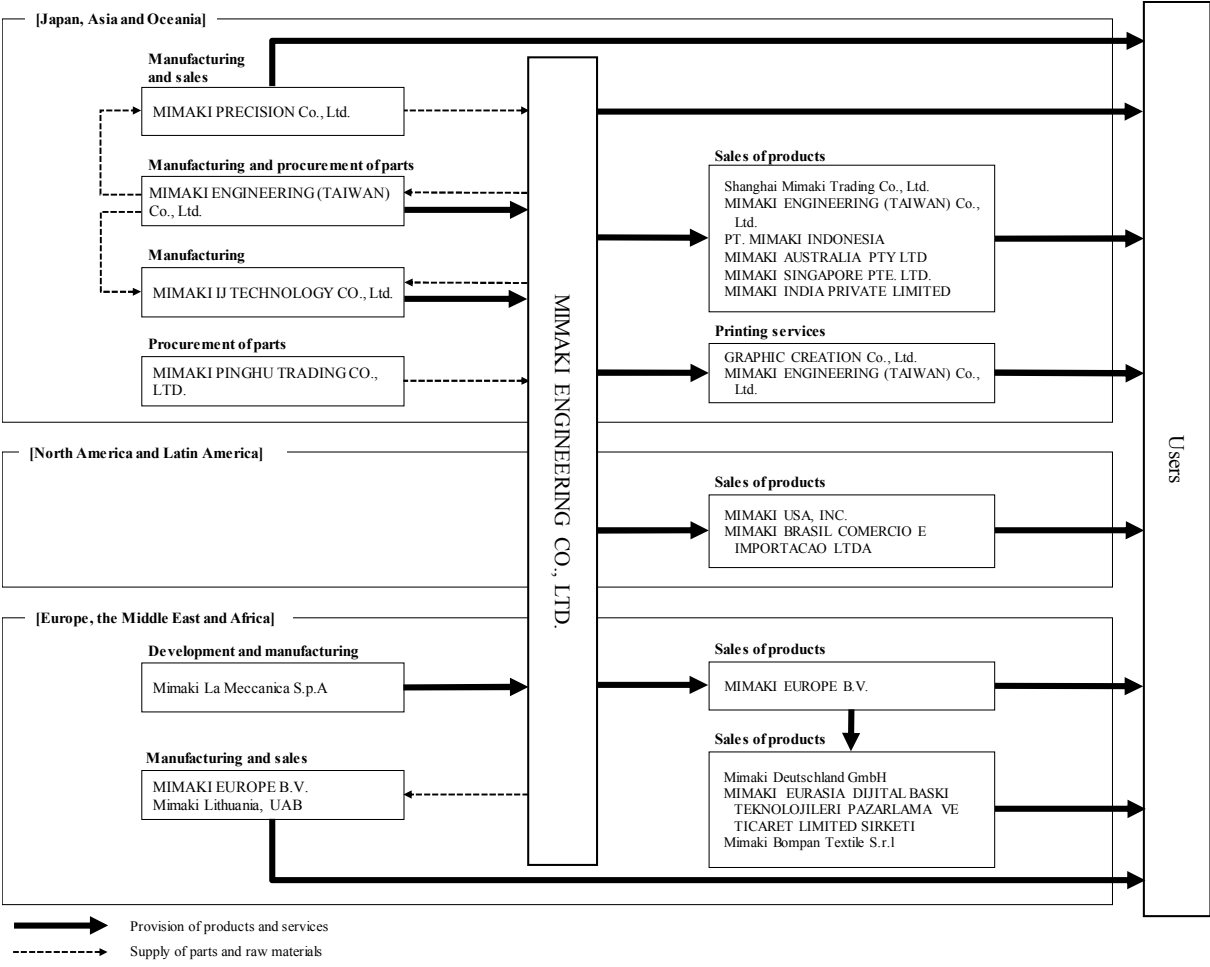
This area of business includes manufacture and sales of custom-made machines outside the scope of the aforementioned market categories, and also includes printing services.

Such custom-made machines are manufactured and sold by the Company, and printing services and other such business is carried out online by GRAPHIC CREATION Co., Ltd. and MIMAKI ENGINEERING (TAIWAN) Co., Ltd.

[Outline of Classification by Markets]

<p><b>[Products for SG market]</b> Refers to products for the Sign Graphics market involving advertisements, signboards, etc.</p> <p><b>Major products</b></p> <p><b>Inkjet Printers</b></p> <ul style="list-style-type: none"> <li>• UJV55-320</li> <li>• JV150 Series</li> <li>• JV34-260</li> <li>• JV400SUV Series</li> <li>• UCJV300-160</li> <li>• CJV300 Series</li> <li>• UJV-160</li> <li>• JV300 Series</li> <li>• SJ-320UV</li> <li>• JV400LX Series</li> <li>• UJV500-160</li> <li>• UCJV150-160</li> <li>• CJV150 Series</li> </ul> <p><b>Cutting Plotters</b></p> <ul style="list-style-type: none"> <li>• CG-FX II Series</li> <li>• CG-SR III Series</li> </ul> <p><b>Software</b></p> <ul style="list-style-type: none"> <li>• Raster Link 6Plus</li> <li>• Raster Link Pro5 SG</li> <li>• Fine Cut 8</li> <li>• Simple Studio</li> </ul> <p><b>Ink</b></p> <ul style="list-style-type: none"> <li>• Eco-solvent inks</li> <li>• Solvent UV inks</li> <li>• Water-based latex inks</li> <li>• Water-based sublimation inks</li> </ul>	<p><b>[Products for IP market]</b> Refers to products for the Industrial Products market, used at sites where industrial products are manufactured, etc.</p> <p><b>Major products</b></p> <p><b>Flatbed Inkjet Printers</b></p> <ul style="list-style-type: none"> <li>• UJF-6042MkII</li> <li>• UJF-7151plus</li> <li>• JFX500-2131</li> <li>• UJF-3042HG</li> <li>• UJF-3042MkII</li> <li>• JFX200-2513</li> <li>• UJF-6042</li> <li>• UJF-3042FX</li> </ul> <p><b>3D Printers</b></p> <ul style="list-style-type: none"> <li>• 3DUJ-553</li> </ul> <p><b>Cutting Plotters</b></p> <ul style="list-style-type: none"> <li>• CF22-1225</li> <li>• CF2 Series</li> <li>• CFL-605RT</li> <li>• CF3 Series</li> </ul> <p><b>Software</b></p> <ul style="list-style-type: none"> <li>• Raster Link 6Plus</li> <li>• Raster Link Pro5 IP</li> <li>• Fine Cut 8</li> <li>• Ittobori</li> </ul> <p><b>Ink</b></p> <ul style="list-style-type: none"> <li>• Hard UV-curable inks</li> <li>• Flexible UV-curable inks</li> </ul>	<p><b>[Products for TA market]</b> Refers to products for the Textile &amp; Apparel market that are capable of printing to cloth materials</p> <p><b>Major products</b></p> <p><b>Inkjet Printers</b></p> <ul style="list-style-type: none"> <li>• Tx300P-1800B</li> <li>• TS30-1300</li> <li>• Tx300P-1800</li> <li>• TS500-1800</li> <li>• Tx500-1800DS</li> <li>• Tiger-1800B</li> <li>• Tx500P-3200DS</li> <li>• TS500P-3200</li> <li>• TS300P-1800</li> <li>• Tx500-1800B</li> <li>• MM700-1800B</li> </ul> <p><b>Cutting Plotters</b></p> <ul style="list-style-type: none"> <li>• APC-130</li> </ul> <p><b>Software</b></p> <ul style="list-style-type: none"> <li>• Raster Link 6Plus</li> <li>• Raster Link Pro5 TA</li> <li>• Tx Link 3</li> </ul> <p><b>Ink</b></p> <ul style="list-style-type: none"> <li>• Reactive dye inks</li> <li>• Acid dye inks</li> <li>• Water-based sublimation inks</li> <li>• Textile pigment inks</li> </ul>
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[Overview of the Group Business]



(Note) Except the Company, all companies shown are consolidated subsidiaries.

### III. Overview of Operating Results

#### (1) Operating Results

During the fiscal year under review, the global economy mounted a recovery overall as strengths of the U.S. and Chinese economies continued to help underpin stability in Europe and emerging nations. Nevertheless, the situation became unsettled from February to fiscal year-end (March 31, 2018) as cause for concern materialized in the form of trade friction between the U.S. and China as well as moves to exit monetary easing, in addition to geopolitical risk. Likewise in Japan, although a stock market rally had ensued in wake of the ruling party's Lower House election victory in October, increasing instability in world affairs once again fueled an appreciating yen and downward share price trajectory heading to fiscal year-end.

Amid those circumstances, the Group forged steadily ahead in carrying out measures geared to achieving its aim of generating 100 billion yen in annual revenues. Accordingly, in November we launched two strategic new products that are bound to play a role in enabling it to attain future growth. First, we launched sales of the UCJV Series of inkjet printers, tailored to the Sign Graphics market (SG market). They are equipped with UV-curable ink and enable printing and cutting using a single machine. Amid a scenario of an intensifying competitive landscape in the SG market, the UCJV Series looks toward the future of the signage market by offering new options with respect to its use of UV-curable ink. Second, we launched sales of the 3DUJ-553 UV-curable inkjet 3D printer which enables full-color modeling of over 10 million colors. This printer features world-class performance in producing detailed shapes and vibrant colors which results from layering UV-curable ink, drawing on technologies developed thus far with respect to two-dimensional, high-resolution inkjet printers. As for the organization, we also focused on the making of a mechanism that would be suitable for a global enterprise. This involved establishing the Corporate Planning Division during the fiscal year under review, thereby shifting to a five-division structure from our previous four-division structure (Research and Development Division, Sales Division, Production Division, Administration Division). Through our making of a mechanism, we continue working diligently toward becoming a "truly global company," thereby carrying forward the management slogan of fiscal 2018.

As a result, consolidated net sales for the fiscal year ended March 31, 2018 totaled 52,471 million yen, up 8.6% year on year, operating profit was 2,729 million yen, up 33.2%, ordinary profit was 2,359 million yen, up 35.1%, and profit attributable to owners of parent was 1,833 million yen, up 46.7%.

With respect to exchange rates of major currencies during the fiscal year under review, the Japanese yen was 110.86 per U.S. dollar and 129.70 per euro (in comparison with 108.41 yen and 118.83 yen, respectively, in the previous fiscal year).

Performance by business segment is shown below.

(Japan, Asia and Oceania)

Net sales in the Japan, Asia and Oceania region amounted to 22,559 million yen, up 3.1% year on year. They slightly increased overall, amid a situation where net sales in China decreased year on year, yet that decrease was covered by net sales in other areas, including those in Japan.

(North America and Latin America)

Net sales in the North America and Latin America region amounted to 11,741 million yen, up 10.1% year on year. They increased on a yen basis as a result of yen depreciation against the dollar, while also increasing year on year calculated on a local currency basis (U.S. dollars, etc.). This indicates that results from drastic reforms undertaken with respect to sales channels are finally materializing.

(Europe, the Middle East and Africa)

Net sales in the Europe, the Middle East and Africa region amounted to 18,170 million yen, up 15.2% year on year. They increased on a yen basis as a result of yen depreciation against the euro, while also increasing year on year calculated on a local currency basis (the euro).

Net sales by market for the fiscal year ended March 31, 2018 are as follows.

	Net sales (millions of yen)	Percentage of net sales (%)	Year on year (%)
SG market	22,587	43.0	108.3
IP market	16,934	32.3	103.9
TA market	6,019	11.5	107.1
Spare parts	4,164	7.9	114.4
Others	2,764	5.3	143.7
Total	52,471	100.0	108.6

(SG market)

With our mainstay entry model products, net sales improved substantially due to effects of new products, even though the downward trend in net sales of machines persisted amid an intensifying competitive landscape. Moreover, ink, media and other related consumables generated net sales that were substantially higher than in the previous fiscal year. This resulted in net sales of 22,587 million yen, up 8.3% year on year.

(IP market)

Higher net sales were achieved in relation to inks and product options, which was in addition to a substantial increase in unit sales of our new small-sized flatbed printers which went on sale in October 2016. This resulted in net sales of 16,934 million yen, up 3.9% year on year.

(TA market)

Net sales of inks and other products increased substantially, although those of machines decreased as a result of quality issues incurred with respect to our entry model products. This resulted in net sales of 6,019 million yen, up 7.1% year on year.

## (2) Financial Status

### (Assets)

Total assets as of March 31, 2018 amounted to 54,019 million yen, an increase of 4,812 million yen (compared with 49,207 million yen as of March 31, 2017). Total current assets amounted to 40,561 million yen, an increase of 4,371 million yen (compared with 36,190 million yen as of March 31, 2017). This is mainly attributable to respective increases in cash and deposits of 1,475 million yen, merchandise and finished goods of 967 million yen, and notes and accounts receivable - trade of 739 million yen. Moreover, total non-current assets amounted to 13,458 million yen, an increase of 441 million yen (compared with 13,017 million yen as of March 31, 2017). This is mainly attributable to respective increases in tools, furniture and fixtures of 274 million yen, and buildings and structures of 156 million yen, despite a decrease in construction in progress of 422 million yen.

### (Liabilities)

Total liabilities as of March 31, 2018 amounted to 36,241 million yen, an increase of 3,083 million yen (compared with 33,158 million yen as of March 31, 2017). Total current liabilities amounted to 27,313 million yen, an increase of 4,401 million yen (compared with 22,912 million yen as of March 31, 2017). This is mainly attributable to respective increases in the current portion of long-term loans payable of 1,256 million yen, and electronically recorded obligations - operating of 804 million yen. Total non-current liabilities amounted to 8,927 million yen, a decrease of 1,317 million yen (compared with 10,245 million yen as of March 31, 2017). This is mainly attributable to a decrease in long-term loans payable of 1,255 million yen.

### (Net assets)

Total net assets as of March 31, 2018 amounted to 17,778 million yen, an increase of 1,728 million yen (compared with 16,049 million yen as of March 31, 2017). This is mainly attributable to an increase in retained earnings of 1,533 million yen.

## (3) Cash Flow

Cash and cash equivalents (hereinafter "cash") as of March 31, 2018 totaled 11,486 million yen, an increase of 1,475 million yen compared with March 31, 2017, owing to proceeds from long-term loans payable, profit before income taxes, etc., partially offset by repayments of long-term loans payable, an increase in inventories, etc.

The cash flows for the fiscal year ended March 31, 2018 and factors contributing to those amounts are as follows:

### (Cash flows from operating activities)

Net cash provided by operating activities totaled 3,002 million yen (up 839 million yen year on year). This is primarily due to profit before income taxes of 2,383 million yen and depreciation of 1,600 million yen, despite an outflow of increase in inventories totaling 1,594 million yen.

### (Cash flows from investing activities)

Net cash used in investing activities totaled 1,493 million yen (down 1,755 million yen year on year). This is mainly attributable to purchase of property, plant and equipment totaling 1,165 million yen and purchase of intangible assets of 407 million yen.



(Cash flows from financing activities)

Net cash provided by financing activities totaled 38 million yen (up 5 million yen year on year). This is mainly due to proceeds from long-term loans payable totaling 3,000 million yen and an increase in short-term loans payable totaling 428 million yen, partially offset by repayments of long-term loans payable totaling 3,007 million yen and cash dividends paid of 299 million yen.

## IV. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	10,054,884	11,529,969
Notes and accounts receivable - trade	8,493,326	9,232,964
Merchandise and finished goods	10,498,680	11,466,055
Work in process	548,187	769,911
Raw materials and supplies	3,876,383	4,101,582
Deferred tax assets	887,346	1,399,918
Other	2,066,389	2,248,935
Allowance for doubtful accounts	(234,917)	(187,833)
Total current assets	36,190,281	40,561,505
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,443,364	7,724,818
Accumulated depreciation	(3,656,447)	(3,781,155)
Buildings and structures, net	3,786,916	3,943,663
Machinery, equipment and vehicles	1,066,537	1,050,493
Accumulated depreciation	(648,040)	(668,354)
Machinery, equipment and vehicles, net	418,496	382,139
Tools, furniture and fixtures	6,977,698	7,572,060
Accumulated depreciation	(5,376,113)	(5,695,859)
Tools, furniture and fixtures, net	1,601,585	1,876,201
Land	2,799,264	2,799,435
Leased assets	1,211,441	1,209,227
Accumulated depreciation	(990,862)	(1,055,084)
Leased assets, net	220,578	154,143
Construction in progress	515,446	93,168
Total property, plant and equipment	9,342,289	9,248,751
Intangible assets		
Goodwill	1,470,247	1,445,817
Other	630,761	908,607
Total intangible assets	2,101,008	2,354,424
Investments and other assets		
Investment securities	168,895	117,566
Deferred tax assets	231,338	284,457
Other	1,332,732	1,698,684
Allowance for doubtful accounts	(158,991)	(245,573)
Total investments and other assets	1,573,975	1,855,134
Total non-current assets	13,017,272	13,458,310
Total assets	49,207,554	54,019,815

(Thousands of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,622,288	4,122,297
Electronically recorded obligations - operating	3,747,459	4,552,318
Short-term loans payable	6,917,376	7,344,770
Current portion of long-term loans payable	2,882,684	4,138,854
Lease obligations	81,262	74,670
Accounts payable - other	1,357,073	1,336,978
Income taxes payable	299,105	819,209
Deferred tax liabilities	–	24,496
Provision for bonuses	670,203	766,213
Provision for directors' bonuses	32,703	38,406
Provision for product warranties	470,168	879,007
Other	2,832,294	3,216,690
Total current liabilities	22,912,620	27,313,912
Non-current liabilities		
Long-term loans payable	9,492,384	8,237,263
Lease obligations	150,802	85,083
Deferred tax liabilities	13,835	15,219
Net defined benefit liability	450,455	457,295
Asset retirement obligations	52,870	46,610
Other	85,364	86,343
Total non-current liabilities	10,245,712	8,927,816
Total liabilities	33,158,333	36,241,728
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,357,456	4,357,456
Capital surplus	4,269,686	4,269,686
Retained earnings	8,746,923	10,280,353
Treasury shares	(804,308)	(804,308)
Total shareholders' equity	16,569,757	18,103,187
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,603	4,403
Foreign currency translation adjustment	(551,924)	(574,895)
Remeasurements of defined benefit plans	25,783	33,843
Total accumulated other comprehensive income	(520,536)	(536,647)
Share acquisition rights	–	1,725
Non-controlling interests	–	209,822
Total net assets	16,049,220	17,778,087
Total liabilities and net assets	49,207,554	54,019,815

**(2) Consolidated Statements of Income and  
Consolidated Statements of Comprehensive Income**

**(Consolidated Statements of Income)**

(Thousands of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net sales	48,331,564	52,471,137
Cost of sales	26,789,640	27,549,961
Gross profit	21,541,924	24,921,175
Selling, general and administrative expenses	19,492,442	22,191,307
Operating profit	2,049,481	2,729,868
Non-operating income		
Interest income	57,244	49,334
Dividend income	750	700
Insurance income	20,424	9,204
Insurance return	14,862	25,217
Subsidy income	19,110	2,369
Other	33,438	55,513
Total non-operating income	145,830	142,339
Non-operating expenses		
Interest expenses	155,949	176,192
Sales discounts	111,529	92,241
Foreign exchange losses	133,718	177,432
Share of loss of entities accounted for using equity method	21,708	40,993
Other	26,381	25,805
Total non-operating expenses	449,288	512,665
Ordinary profit	1,746,023	2,359,542
Extraordinary income		
Gain on sales of non-current assets	64,780	28,012
Total extraordinary income	64,780	28,012
Extraordinary losses		
Loss on sales of non-current assets	2,453	4,209
Total extraordinary losses	2,453	4,209
Profit before income taxes	1,808,350	2,383,345
Income taxes - current	620,631	1,113,173
Income taxes - deferred	(62,642)	(542,022)
Total income taxes	557,988	571,151
Profit	1,250,361	1,812,194
Loss attributable to non-controlling interests	–	(21,638)
Profit attributable to owners of parent	1,250,361	1,833,832

## (Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	1,250,361	1,812,194
Other comprehensive income		
Valuation difference on available-for-sale securities	6,585	(1,200)
Foreign currency translation adjustment	59,880	(32,257)
Remeasurements of defined benefit plans, net of tax	5,100	8,060
Share of other comprehensive income of entities accounted for using equity method	(6,163)	14,250
Total other comprehensive income	65,402	(11,146)
Comprehensive income	1,315,764	1,801,047
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,315,764	1,817,721
Comprehensive income attributable to non-controlling interests	–	(16,673)

### (3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2017

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,357,456	4,269,686	7,803,163	(201,831)	16,228,475
Changes of items during period					
Dividends of surplus			(306,602)		(306,602)
Profit attributable to owners of parent			1,250,361		1,250,361
Purchase of treasury shares				(602,477)	(602,477)
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	-	943,759	(602,477)	341,282
Balance at end of current period	4,357,456	4,269,686	8,746,923	(804,308)	16,569,757

	Accumulated other comprehensive income				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 current period	(981)	(605,640)	20,683	(585,939)	15,642,535
Changes of items during period					
Dividends of surplus					(306,602)
Profit attributable to owners of parent					1,250,361
Purchase of treasury shares					(602,477)
Net changes of items other than shareholders' equity	6,585	53,716	5,100	65,402	65,402
Total changes of items during period	6,585	53,716	5,100	65,402	406,685
Balance at end of current period	5,603	(551,924)	25,783	(520,536)	16,049,220

Fiscal year ended March 31, 2018

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,357,456	4,269,686	8,746,923	(804,308)	16,569,757
Changes of items during period					
Dividends of surplus			(300,402)		(300,402)
Profit attributable to owners of parent			1,833,832		1,833,832
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	-	1,533,430	-	1,533,430
Balance at end of current period	4,357,456	4,269,686	10,280,353	(804,308)	18,103,187

	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 current period	5,603	(551,924)	25,783	(520,536)	-	-	16,049,220
Changes of items during period							
Dividends of surplus							(300,402)
Profit attributable to owners of parent							1,833,832
Net changes of items other than shareholders' equity	(1,200)	(22,971)	8,060	(16,111)	1,725	209,822	195,436
Total changes of items during period	(1,200)	(22,971)	8,060	(16,111)	1,725	209,822	1,728,866
Balance at end of current period	4,403	(574,895)	33,843	(536,647)	1,725	209,822	17,778,087

#### (4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,808,350	2,383,345
Depreciation	1,545,428	1,600,003
Amortization of goodwill	26,464	166,777
Increase (decrease) in allowance for doubtful accounts	108,983	52,152
Increase (decrease) in provision for bonuses	(31,401)	95,701
Increase (decrease) in provision for directors' bonuses	(10,975)	5,702
Increase (decrease) in provision for product warranties	48,710	409,301
Increase (decrease) in net defined benefit liability	5,131	12,355
Interest and dividend income	(57,994)	(50,034)
Insurance income	(20,424)	(9,204)
Interest expenses	155,949	176,192
Share of loss (profit) of entities accounted for using equity method	21,708	40,993
Foreign exchange losses (gains)	100,897	(92,665)
Loss (gain) on sales of non-current assets	(62,326)	(23,802)
Decrease (increase) in notes and accounts receivable - trade	(763,591)	(1,113,834)
Decrease (increase) in inventories	(656,839)	(1,594,693)
Increase (decrease) in notes and accounts payable - trade	316,700	1,279,366
Decrease (increase) in consumption taxes refund receivable	(79,113)	(120,688)
Increase (decrease) in accounts payable - other	106,512	64,641
Other, net	(101,328)	229,639
Subtotal	2,460,842	3,511,247
Interest and dividend income received	56,934	52,299
Proceeds from insurance income	20,424	9,204
Interest expenses paid	(149,801)	(177,601)
Income taxes paid	(419,068)	(495,026)
Income taxes refund	193,861	102,390
Net cash provided by (used in) operating activities	2,163,194	3,002,514
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	16,366	–
Purchase of property, plant and equipment	(1,484,567)	(1,165,545)
Proceeds from sales of property, plant and equipment	222,456	105,777
Purchase of intangible assets	(265,451)	(407,638)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(471,878)	–
Payments for transfer of business	(651,539)	–
Payments of short-term loans receivable	(243,601)	–
Proceeds from sales of investment securities	–	47,677
Other, net	(370,455)	(73,831)
Net cash provided by (used in) investing activities	(3,248,671)	(1,493,560)



(Thousands of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	239,826	428,208
Proceeds from long-term loans payable	3,700,000	3,000,000
Repayments of long-term loans payable	(2,885,330)	(3,007,547)
Purchase of treasury shares	(602,477)	–
Repayments of lease obligations	(113,120)	(82,587)
Cash dividends paid	(306,237)	(299,966)
Net cash provided by (used in) financing activities	32,660	38,107
Effect of exchange rate change on cash and cash equivalents	70,417	(71,377)
Net increase (decrease) in cash and cash equivalents	(982,399)	1,475,685
Cash and cash equivalents at beginning of period	10,992,884	10,010,484
Cash and cash equivalents at end of period	10,010,484	11,486,169

## V. Corporate Data (as of March 31, 2018)

### Basic Information

Trade name:	MIMAKI ENGINEERING CO., LTD.
Established:	August 1975
Listed market:	The First Section of Tokyo Stock Exchange (Securities Code: 6638)
Listed:	March 2015
Business year:	From April 1 to March 31
Capital stock:	4,357 million yen
Number of employees:	1,629 persons (Consolidated)
Head office:	2182-3 Shigeno-Otsu, Tomi-shi, Nagano
Telephone:	+81-268-64-2281
Consolidated subsidiaries:	MIMAKI USA, INC. MIMAKI EUROPE B.V. Mimaki Deutschland GmbH MIMAKI ENGINEERING (TAIWAN) Co., Ltd. MIMAKI IJ TECHNOLOGY CO., Ltd. MIMAKI PINGHU TRADING CO., LTD. Shanghai Mimaki Trading Co., Ltd. MIMAKI BRASIL COMERCIO E IMPORTACAO LTDA PT. MIMAKI INDONESIA MIMAKI AUSTRALIA PTY LTD MIMAKI SINGAPORE PTE. LTD. MIMAKI INDIA PRIVATE LIMITED MIMAKI EURASIA DIJITAL BASKI TEKNOLOJILERI PAZARLAMA VE TICARET LIMITED SIRKETI Mimaki La Meccanica S.p.A Mimaki Lithuania, UAB Mimaki Bompan Textile S.r.l MIMAKI PRECISION Co., Ltd. GRAPHIC CREATION Co., Ltd.

### Directors and Corporate Auditors (as of June 28, 2018)

Executive Chairman	Akira Ikeda
President	Kazuaki Ikeda
Executive Director	Kazuyuki Takeuchi
Director	Hiroshi Miyake
Director	Yasuhiro Haba
Director	Koji Shimizu
Director	Nariaki Makino
Counselor for Director	Noriyuki Tanaka
Director*	Makoto Tanaka
Director*	Hisamitsu Arai
Auditor (Full-Time)**	Yoh Zenno
Auditor**	Tomokazu Iwashita
Auditor**	Yukio Tsuchiya

\* Outside Director    \*\* Outside Auditor

## Stock Status

Total number of shares authorized:	128,160,000 shares
Total number of shares issued:	32,040,000 shares
Number of shareholders:	5,194

### Major shareholders (Top 10)

Shareholder name	Number of shares held	Share-holding ratio (excluding treasury shares) (%)
Ikeda Holdings, Inc.	4,497,200	14.97
Tanaka Kikaku Ltd.	2,330,000	7.76
Japan Trustee Services Bank, Ltd.	2,203,600	7.34
Noriyuki Tanaka	2,025,400	6.74
Tokyo Small and Medium Business Investment & Consultation Co., Ltd.	1,524,000	5.07
MIMAKI ENGINEERING Employee Stock Ownership	1,496,600	4.98
STATE STREET BANK AND TRUST COMPANY 505019 (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch)	1,359,000	4.53
The Master Trust Bank of Japan, Ltd.	863,400	2.87
THE HACHIJUNI BANK, LTD. (Standing proxy: The Master Trust Bank of Japan, Ltd.)	840,000	2.80
Adeki Partners Co., Ltd.	833,200	2.77

Notes: 1. Of the above-mentioned shares held, the numbers of shares related to trust business are as follows:

Japan Trustee Services Bank, Ltd.	2,203,600 shares
The Master Trust Bank of Japan, Ltd.	863,400 shares

2. In addition to shares described above, the Company holds 1,999,790 shares as treasury shares.

\* Annual Select is an English-language disclosure format developed by ZAIHON, INC. to increase the level of convenience of investors outside Japan based on Japanese-language statutory disclosure material, timely disclosure material prescribed by securities exchanges and voluntarily disclosed IR material. Annual Select is a registered trademark of ZAIHON, INC. Reproduction or copying without prior permission is prohibited.

\* While every best effort has been made to provide a translation meeting the quality standards required of professionals, the Company does not guarantee it is 100% accurate. Therefore, please verify the original Japanese text for any final judgments made based on this information.