

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

November 11, 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: November 11, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2020 (from April 1, 2020 to September 30, 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	%
Six months ended September 30, 2020	20,862	(23.8)	(1,902)	–	(1,372)	–	(1,453)	–
Six months ended September 30, 2019	27,363	3.4	551	(63.7)	449	(63.4)	181	(76.4)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2020	(49.28)	–
Six months ended September 30, 2019	6.11	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	47,536	14,413	30.2
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	46,500	(16.3)	(1,850)	–	(1,340)	–	(1,460)	–	(49.50)

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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 September 30, 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 September 30, 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)

Six months ended September 30, 2020	29,494,233 shares	Six months ended September 30, 2019	29,803,362 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	11,134,570	11,172,683
Notes and accounts receivable - trade	9,476,875	7,453,783
Merchandise and finished goods	12,143,940	8,599,788
Work in process	1,402,066	1,367,868
Raw materials and supplies	4,494,144	4,787,392
Other	2,510,248	2,122,486
Allowance for doubtful accounts	(58,687)	(77,466)
Total current assets	41,103,159	35,426,535
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,951,579	3,752,512
Land	3,275,034	3,275,034
Other, net	2,931,239	2,375,319
Total property, plant and equipment	10,157,854	9,402,867
Intangible assets		
Goodwill	453,783	118,788
Other	786,949	487,895
Total intangible assets	1,240,732	606,683
Investments and other assets		
Investment securities	63,287	126,336
Deferred tax assets	845,210	1,326,335
Other	1,282,955	1,289,626
Allowance for doubtful accounts	(471,275)	(642,200)
Total investments and other assets	1,720,178	2,100,097
Total non-current assets	13,118,765	12,109,648
Total assets	54,221,924	47,536,184
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,524,748	2,613,955
Electronically recorded obligations - operating	3,746,579	1,443,304
Short-term borrowings	10,701,488	5,729,250
Current portion of long-term borrowings	5,276,116	6,262,370
Lease obligations	111,477	84,429
Income taxes payable	69,508	125,120
Provision for bonuses	740,274	612,245
Provision for bonuses for directors (and other officers)	—	2,040
Provision for product warranties	864,481	677,236
Other	4,111,384	4,171,595
Total current liabilities	29,146,058	21,721,549
Non-current liabilities		
Long-term borrowings	8,066,340	10,499,521
Lease obligations	313,351	313,572
Deferred tax liabilities	71,669	60,947
Retirement benefit liability	450,251	476,609
Asset retirement obligations	48,255	49,540
Other	92,661	650
Total non-current liabilities	9,042,530	11,400,841
Total liabilities	38,188,589	33,122,391

(Thousands of yen)

	As of March 31, 2020	As of September 30, 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	8,827,307
Treasury shares	(1,329,614)	(1,329,614)
Total shareholders' equity	17,925,708	16,472,189
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(5,481)	2,184
Foreign currency translation adjustment	(2,102,648)	(2,148,499)
Remeasurements of defined benefit plans	41,984	37,678
Total accumulated other comprehensive income	(2,066,145)	(2,108,636)
Share acquisition rights	26,892	31,427
Non-controlling interests	146,880	18,811
Total net assets	16,033,335	14,413,792
Total liabilities and net assets	54,221,924	47,536,184

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, 2019	Six months ended September 30, 2020
Net sales	27,363,780	20,862,800
Cost of sales	15,531,565	13,834,499
Gross profit	11,832,215	7,028,301
Selling, general and administrative expenses	11,280,355	8,930,346
Operating profit (loss)	551,859	(1,902,044)
Non-operating income		
Interest income	18,120	6,955
Dividend income	619	576
Insurance claim income	106,613	1,787
Purchase discounts	14,279	3,129
Foreign exchange gains	–	32,937
Subsidy income	–	436,619
Gain on business transfer	–	121,091
Share of profit of entities accounted for using equity method	–	14,919
Other	56,845	47,295
Total non-operating income	196,477	665,313
Non-operating expenses		
Interest expenses	135,607	91,145
Sales discounts	41,573	34,428
Foreign exchange losses	60,277	–
Share of loss of entities accounted for using equity method	23,981	–
Other	37,838	9,892
Total non-operating expenses	299,279	135,465
Ordinary profit (loss)	449,058	(1,372,197)
Extraordinary income		
Gain on sales of non-current assets	12,640	34,755
Other	1,288	238
Total extraordinary income	13,928	34,993
Extraordinary losses		
Loss on sales of non-current assets	697	4,844
Impairment loss	–	642,429
Loss on disposal of non-current assets	–	47,563
Total extraordinary losses	697	694,837
Profit (loss) before income taxes	462,289	(2,032,041)
Income taxes - current	100,454	6,423
Income taxes - deferred	192,209	(451,960)
Total income taxes	292,663	(445,537)
Profit (loss)	169,625	(1,586,503)
Loss attributable to non-controlling interests	(12,368)	(132,984)
Profit (loss) attributable to owners of parent	181,994	(1,453,518)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit (loss)	169,625	(1,586,503)
Other comprehensive income		
Valuation difference on available-for-sale securities	(386)	7,666
Foreign currency translation adjustment	(669,683)	(41,459)
Remeasurements of defined benefit plans, net of tax	(5,079)	(4,306)
Share of other comprehensive income of entities accounted for using equity method	28,164	524
Total other comprehensive income	(646,985)	(37,574)
Comprehensive income	(477,359)	(1,624,077)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(456,281)	(1,496,009)
Comprehensive income attributable to non-controlling interests	(21,078)	(128,068)