

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

August 10, 2017

Company name: MIMAKI ENGINEERING CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6638 URL <http://ir.mimaki.com>
 Representative: President Kazuaki Ikeda
 Executive General Manager Administration
 Inquiries: Division Hiroshi Miyake TEL 0268-80-0058
 Scheduled date to file Quarterly Securities Report: August 10, 2017
 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 three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(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	%
Three months ended June 30, 2017	12,116	5.0	367	(48.7)	300	(47.2)	200	(46.6)
Three months ended June 30, 2016	11,534	(4.3)	717	9.8	569	3.9	376	52.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2017	6.68		–	
Three months ended June 30, 2016	12.27		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	49,216	16,518	33.1
As of March 31, 2017	49,207	16,049	32.6

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, 2017	–	5.00	–	5.00	10.00
Year ending March 31, 2018	–	–	–	–	–
Year ending March 31, 2018 (Forecast)	–	5.00	–	5.00	10.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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
Six months ending September 30, 2017	24,950	9.0	1,050	(5.4)	900	(4.2)	800	105.9	26.63
Full year	52,150	7.9	2,350	14.7	2,000	14.5	1,550	24.0	51.60

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017
 (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 June 30, 2017	32,040,000 shares	As of March 31, 2017	32,040,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	1,999,790 shares	As of March 31, 2017	1,999,790 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2017	30,040,210 shares	Three months ended June 30, 2016	30,650,452 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	10,054,884	9,200,611
Notes and accounts receivable - trade	8,493,326	8,193,515
Merchandise and finished goods	10,498,680	11,453,592
Work in process	548,187	471,092
Raw materials and supplies	3,876,383	3,793,294
Deferred tax assets	887,346	879,333
Other	2,066,389	2,066,595
Allowance for doubtful accounts	(234,917)	(245,568)
Total current assets	36,190,281	35,812,466
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,786,916	3,765,466
Land	2,799,264	2,799,264
Other, net	2,756,107	2,864,336
Total property, plant and equipment	9,342,289	9,429,067
Intangible assets		
Goodwill	1,470,247	1,453,021
Other	630,761	956,070
Total intangible assets	2,101,008	2,409,091
Investments and other assets		
Investment securities	168,895	124,404
Deferred tax assets	231,338	290,194
Other	1,332,732	1,304,439
Allowance for doubtful accounts	(158,991)	(152,710)
Total investments and other assets	1,573,975	1,566,327
Total non-current assets	13,017,272	13,404,486
Total assets	49,207,554	49,216,952
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,622,288	3,603,983
Electronically recorded obligations - operating	3,747,459	3,887,730
Short-term loans payable	6,917,376	7,090,896
Current portion of long-term loans payable	2,882,684	2,762,585
Lease obligations	81,262	81,720
Accounts payable - other	1,357,073	1,751,509
Income taxes payable	299,105	197,471
Provision for bonuses	670,203	363,673
Provision for directors' bonuses	32,703	5,794
Provision for product warranties	470,168	554,122
Other	2,832,294	2,813,220
Total current liabilities	22,912,620	23,112,708
Non-current liabilities		
Long-term loans payable	9,492,384	8,848,827
Lease obligations	150,802	132,441
Deferred tax liabilities	13,835	13,798
Net defined benefit liability	450,455	450,719
Asset retirement obligations	52,870	52,960
Other	85,364	86,643
Total non-current liabilities	10,245,712	9,585,391
Total liabilities	33,158,333	32,698,099

(Thousands of yen)

	As of March 31, 2017	As of June 30, 2017
Net assets		
Shareholders' equity		
Capital stock	4,357,456	4,357,456
Capital surplus	4,269,686	4,269,686
Retained earnings	8,746,923	8,851,042
Treasury shares	(804,308)	(804,308)
Total shareholders' equity	16,569,757	16,673,876
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,603	9,177
Foreign currency translation adjustment	(551,924)	(413,740)
Remeasurements of defined benefit plans	25,783	23,044
Total accumulated other comprehensive income	(520,536)	(381,518)
Non-controlling interests	–	226,495
Total net assets	16,049,220	16,518,853
Total liabilities and net assets	49,207,554	49,216,952

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	11,534,407	12,116,600
Cost of sales	6,237,241	6,383,767
Gross profit	5,297,166	5,732,832
Selling, general and administrative expenses	4,580,166	5,365,055
Operating profit	717,000	367,777
Non-operating income		
Interest income	12,214	11,924
Dividend income	450	400
Insurance income	7,548	57
Other	5,344	8,617
Total non-operating income	25,557	20,999
Non-operating expenses		
Interest expenses	31,076	43,191
Sales discounts	31,374	21,910
Foreign exchange losses	59,816	17,852
Share of loss of entities accounted for using equity method	43,110	892
Other	7,612	4,038
Total non-operating expenses	172,990	87,883
Ordinary profit	569,567	300,893
Extraordinary income		
Gain on sales of non-current assets	9,027	9,079
Total extraordinary income	9,027	9,079
Extraordinary losses		
Loss on sales of non-current assets	4	125
Total extraordinary losses	4	125
Profit before income taxes	578,590	309,847
Income taxes - current	81,716	158,094
Income taxes - deferred	120,739	(49,025)
Total income taxes	202,455	109,068
Profit	376,134	200,778
Profit attributable to owners of parent	376,134	200,778

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	376,134	200,778
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,293)	3,573
Foreign currency translation adjustment	(676,110)	137,991
Share of other comprehensive income of entities accounted for using equity method	41,744	191
Remeasurements of defined benefit plans, net of tax	(2,243)	(2,738)
Total other comprehensive income	(639,902)	139,018
Comprehensive income	(263,768)	339,796
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(263,768)	339,796