

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018 (Based on Japanese GAAP)

November 9, 2018

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 Administration  
 Inquiries: Division Hiroshi Miyake TEL 0268-80-0058  
 Scheduled date to file Quarterly Securities Report: November 9, 2018  
 Scheduled date to commence dividend payments: December 5, 2018  
 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, 2018 (from April 1, 2018 to September 30, 2018)

#### (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, 2018	26,455	5.1	1,520	35.9	1,225	22.1	769	(16.4)
Six months ended September 30, 2017	25,174	10.0	1,119	0.8	1,004	6.8	920	137.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2018	25.62	–
Six months ended September 30, 2017	30.65	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2018	54,460	18,155	33.0
As of March 31, 2018	53,994	17,778	32.5

### 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, 2018	–	5.00	–	7.50	12.50
Year ending March 31, 2019	–	7.50	–	–	–
Year ending March 31, 2019 (Forecast)	–	–	–	7.50	15.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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	55,600	6.0	2,750	0.7	2,400	1.7	1,850	0.9	61.58

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2018  
(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, 2018	32,040,000 shares	As of March 31, 2018	32,040,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2018	1,999,791 shares	As of March 31, 2018	1,999,790 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, 2018	30,040,210 shares	Six months ended September 30, 2017	30,040,210 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2018	As of September 30, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	11,529,969	10,464,917
Notes and accounts receivable - trade	9,232,964	8,233,000
Merchandise and finished goods	11,466,055	12,506,169
Work in process	769,911	700,468
Raw materials and supplies	4,101,582	4,893,814
Other	2,248,935	2,247,099
Allowance for doubtful accounts	(187,833)	(25,588)
Total current assets	39,161,586	39,019,882
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,943,663	3,991,055
Land	2,799,435	2,799,435
Other, net	2,505,652	2,709,864
Total property, plant and equipment	9,248,751	9,500,356
Intangible assets		
Goodwill	1,445,817	1,371,757
Other	908,607	982,340
Total intangible assets	2,354,424	2,354,097
Investments and other assets		
Investment securities	117,566	116,335
Deferred tax assets	1,658,723	1,591,568
Other	1,698,684	2,286,540
Allowance for doubtful accounts	(245,573)	(408,423)
Total investments and other assets	3,229,400	3,586,020
Total non-current assets	14,832,576	15,440,474
Total assets	53,994,162	54,460,356
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,122,297	3,321,842
Electronically recorded obligations - operating	4,552,318	5,862,453
Short-term loans payable	7,344,770	7,074,820
Current portion of long-term loans payable	4,138,854	3,625,416
Lease obligations	74,670	74,222
Accounts payable - other	1,336,978	1,448,919
Income taxes payable	819,209	387,275
Provision for bonuses	766,213	891,914
Provision for directors' bonuses	38,406	18,560
Provision for product warranties	879,007	999,191
Other	3,216,690	3,081,982
Total current liabilities	27,289,415	26,786,598

(Thousands of yen)

	As of March 31, 2018	As of September 30, 2018
Non-current liabilities		
Long-term loans payable	8,237,263	8,851,519
Lease obligations	85,083	55,733
Deferred tax liabilities	14,061	6,823
Net defined benefit liability	457,295	471,674
Asset retirement obligations	46,610	47,183
Other	86,343	85,094
Total non-current liabilities	8,926,658	9,518,027
Total liabilities	36,216,074	36,304,626
Net assets		
Shareholders' equity		
Capital stock	4,357,456	4,357,456
Capital surplus	4,269,686	4,269,686
Retained earnings	10,280,353	10,824,662
Treasury shares	(804,308)	(804,309)
Total shareholders' equity	18,103,187	18,647,495
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,403	3,544
Foreign currency translation adjustment	(574,895)	(728,683)
Remeasurements of defined benefit plans	33,843	27,779
Total accumulated other comprehensive income	(536,647)	(697,359)
Share acquisition rights	1,725	6,822
Non-controlling interests	209,822	198,771
Total net assets	17,778,087	18,155,730
Total liabilities and net assets	53,994,162	54,460,356

**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, 2017	Six months ended September 30, 2018
Net sales	25,174,703	26,455,497
Cost of sales	13,246,982	13,670,186
Gross profit	11,927,720	12,785,310
Selling, general and administrative expenses	10,808,583	11,264,427
Operating profit	1,119,136	1,520,882
Non-operating income		
Interest income	22,013	17,345
Dividend income	400	350
Purchase discounts	1,097	14,366
Other	21,937	33,320
Total non-operating income	45,448	65,383
Non-operating expenses		
Interest expenses	85,188	78,119
Sales discounts	43,631	44,537
Foreign exchange losses	8,602	144,735
Share of loss of entities accounted for using equity method	9,939	84,255
Other	13,144	8,708
Total non-operating expenses	160,507	360,357
Ordinary profit	1,004,077	1,225,908
Extraordinary income		
Gain on sales of non-current assets	19,086	13,063
Total extraordinary income	19,086	13,063
Extraordinary losses		
Loss on sales of non-current assets	142	1,455
Total extraordinary losses	142	1,455
Profit before income taxes	1,023,021	1,237,517
Income taxes - current	537,345	416,392
Income taxes - deferred	(430,066)	64,846
Total income taxes	107,278	481,239
Profit	915,742	756,278
Loss attributable to non-controlling interests	(4,914)	(13,332)
Profit attributable to owners of parent	920,657	769,610

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit	915,742	756,278
Other comprehensive income		
Valuation difference on available-for-sale securities	3,765	(859)
Foreign currency translation adjustment	480,724	(173,318)
Share of other comprehensive income of entities accounted for using equity method	2,205	21,811
Remeasurements of defined benefit plans, net of tax	(5,565)	(6,064)
Total other comprehensive income	481,131	(158,430)
Comprehensive income	1,396,873	597,848
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,393,232	608,898
Comprehensive income attributable to non-controlling interests	3,641	(11,050)