

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2019
(Based on Japanese GAAP)**

May 10, 2019

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 of ordinary general meeting of shareholders: June 27, 2019
 Scheduled date to file Securities Report: June 28, 2019
 Scheduled date to commence dividend payments: June 28, 2019
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated operating results

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	%
Year ended March 31, 2019	55,448	5.7	3,008	10.2	2,643	12.0	1,680	(8.4)
Year ended March 31, 2018	52,471	8.6	2,729	33.2	2,359	35.1	1,833	46.7

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2019	55.29	–	9.2	4.7	5.4
Year ended March 31, 2018	61.05	–	10.9	4.6	5.2

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	58,463	19,010	32.2	614.03
As of March 31, 2018	53,994	17,778	32.5	584.77

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2019	1,068	(2,219)	194	11,351
Year ended March 31, 2018	3,002	(1,493)	38	11,486

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2018	–	5.00	–	7.50	12.50	375	20.5	2.2
Year ended March 31, 2019	–	7.50	–	7.50	15.00	455	27.1	2.5
Year ending March 31, 2020 (Forecast)	–	7.50	–	7.50	15.00		35.1	

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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, 2019	28,950	9.4	800	(47.4)	650	(47.0)	450	(41.5)	14.81
Full year	60,100	8.4	2,150	(28.5)	1,800	(31.9)	1,300	(22.6)	42.78

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2019

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2019	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 March 31, 2019	1,375,767 shares	As of March 31, 2018	1,999,790 shares
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Average number of shares during the period

Year ended March 31, 2019	30,387,145 shares	Year ended March 31, 2018	30,040,210 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	11,529,969	11,994,422
Notes and accounts receivable - trade	9,232,964	9,442,738
Merchandise and finished goods	11,466,055	12,292,865
Work in process	769,911	1,584,892
Raw materials and supplies	4,101,582	4,145,331
Other	2,248,935	2,689,769
Allowance for doubtful accounts	(187,833)	(28,793)
Total current assets	39,161,586	42,121,226
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,724,818	8,564,998
Accumulated depreciation	(3,781,155)	(4,339,166)
Buildings and structures, net	3,943,663	4,225,831
Machinery, equipment and vehicles	1,050,493	1,561,897
Accumulated depreciation	(668,354)	(1,075,852)
Machinery, equipment and vehicles, net	382,139	486,045
Tools, furniture and fixtures	7,572,060	8,095,364
Accumulated depreciation	(5,695,859)	(6,227,102)
Tools, furniture and fixtures, net	1,876,201	1,868,261
Land	2,799,435	3,262,745
Leased assets	1,209,227	1,673,981
Accumulated depreciation	(1,055,084)	(1,261,470)
Leased assets, net	154,143	412,510
Construction in progress	93,168	468,718
Total property, plant and equipment	9,248,751	10,724,112
Intangible assets		
Goodwill	1,445,817	1,441,724
Other	908,607	956,577
Total intangible assets	2,354,424	2,398,301
Investments and other assets		
Investment securities	117,566	69,552
Long-term loans receivable	–	31,021
Deferred tax assets	1,658,723	1,504,652
Other	1,698,684	2,057,803
Allowance for doubtful accounts	(245,573)	(443,665)
Total investments and other assets	3,229,400	3,219,364
Total non-current assets	14,832,576	16,341,777
Total assets	53,994,162	58,463,004

(Thousands of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,122,297	3,726,025
Electronically recorded obligations - operating	4,552,318	4,626,156
Short-term loans payable	7,344,770	11,054,710
Current portion of long-term loans payable	4,138,854	2,615,481
Lease obligations	74,670	101,157
Accounts payable - other	1,336,978	1,463,886
Income taxes payable	819,209	327,606
Provision for bonuses	766,213	881,035
Provision for bonuses for directors (and other officers)	38,406	40,673
Provision for product warranties	879,007	1,008,315
Other	3,216,690	3,046,404
Total current liabilities	27,289,415	28,891,454
Non-current liabilities		
Long-term loans payable	8,237,263	9,564,594
Lease obligations	85,083	338,609
Deferred tax liabilities	14,061	72,326
Retirement benefit liability	457,295	452,687
Asset retirement obligations	46,610	47,600
Other	86,343	85,094
Total non-current liabilities	8,926,658	10,560,911
Total liabilities	36,216,074	39,452,365
Net assets		
Shareholders' equity		
Capital stock	4,357,456	4,357,456
Capital surplus	4,269,686	4,617,040
Retained earnings	10,280,353	11,509,976
Treasury shares	(804,308)	(618,501)
Total shareholders' equity	18,103,187	19,865,971
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,403	977
Foreign currency translation adjustment	(574,895)	(1,068,880)
Remeasurements of defined benefit plans	33,843	30,617
Total accumulated other comprehensive income	(536,647)	(1,037,285)
Share acquisition rights	1,725	12,088
Non-controlling interests	209,822	169,864
Total net assets	17,778,087	19,010,639
Total liabilities and net assets	53,994,162	58,463,004

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	52,471,137	55,448,425
Cost of sales	27,549,961	29,418,210
Gross profit	24,921,175	26,030,215
Selling, general and administrative expenses	22,191,307	23,022,152
Operating profit	2,729,868	3,008,063
Non-operating income		
Interest income	49,334	35,026
Dividend income	700	948
Insurance income	9,204	8,679
Insurance return	25,217	521
ICMS Refund	9,704	46,784
Subsidy income	2,369	5,235
Other	45,808	84,640
Total non-operating income	142,339	181,835
Non-operating expenses		
Interest expenses	176,192	179,184
Sales discounts	92,241	90,603
Foreign exchange losses	177,432	233,444
Share of loss of entities accounted for using equity method	40,993	15,884
Other	25,805	27,616
Total non-operating expenses	512,665	546,734
Ordinary profit	2,359,542	2,643,164
Extraordinary income		
Gain on sales of non-current assets	28,012	23,693
Total extraordinary income	28,012	23,693
Extraordinary losses		
Loss on sales of non-current assets	4,209	1,562
Loss on step acquisitions	–	4,706
Total extraordinary losses	4,209	6,268
Profit before income taxes	2,383,345	2,660,589
Income taxes - current	1,113,173	873,474
Income taxes - deferred	(542,022)	138,180
Total income taxes	571,151	1,011,655
Profit	1,812,194	1,648,934
Loss attributable to non-controlling interests	(21,638)	(31,291)
Profit attributable to owners of parent	1,833,832	1,680,226

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	1,812,194	1,648,934
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,200)	(6,427)
Foreign currency translation adjustment	(32,257)	(513,268)
Remeasurements of defined benefit plans, net of tax	8,060	(3,226)
Share of other comprehensive income of entities accounted for using equity method	14,250	10,617
Total other comprehensive income	(11,146)	(512,305)
Comprehensive income	1,801,047	1,136,629
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,817,721	1,176,587
Comprehensive income attributable to non-controlling interests	(16,673)	(39,957)

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2019

(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	10,280,353	(804,308)	18,103,187
Changes of items during period					
Dividends of surplus			(450,603)		(450,603)
Profit attributable to owners of parent			1,680,226		1,680,226
Purchase of treasury shares				(175,498)	(175,498)
Changes by share exchanges		347,354		361,305	708,659
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	347,354	1,229,623	185,806	1,762,784
Balance at end of current period	4,357,456	4,617,040	11,509,976	(618,501)	19,865,971

	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	4,403	(574,895)	33,843	(536,647)	1,725	209,822	17,778,087
Changes of items during period							
Dividends of surplus							(450,603)
Profit attributable to owners of parent							1,680,226
Purchase of treasury shares							(175,498)
Changes by share exchanges							708,659
Net changes of items other than shareholders' equity	(3,426)	(493,984)	(3,226)	(500,637)	10,362	(39,957)	(530,232)
Total changes of items during period	(3,426)	(493,984)	(3,226)	(500,637)	10,362	(39,957)	1,232,551
Balance at end of current period	977	(1,068,880)	30,617	(1,037,285)	12,088	169,864	19,010,639

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	2,383,345	2,660,589
Depreciation	1,600,003	1,707,676
Amortization of goodwill	166,777	197,851
Increase (decrease) in allowance for doubtful accounts	52,152	(7,223)
Increase (decrease) in provision for bonuses	95,701	109,656
Increase (decrease) in provision for bonuses for directors (and other officers)	5,702	2,267
Increase (decrease) in provision for product warranties	409,301	60,135
Increase (decrease) in retirement benefit liability	12,355	(839)
Interest and dividend income	(50,034)	(35,975)
Insurance income	(9,204)	(3,168)
Interest expenses	176,192	179,184
Share of loss (profit) of entities accounted for using equity method	40,993	15,884
Foreign exchange losses (gains)	(92,665)	212,807
Loss (gain) on sales of fixed assets	(23,802)	(22,131)
Decrease (increase) in notes and accounts receivable - trade	(1,113,834)	40,701
Decrease (increase) in inventories	(1,594,693)	(629,782)
Increase (decrease) in notes and accounts payable - trade	1,279,366	(1,554,407)
Decrease (increase) in consumption taxes refund receivable	(120,688)	(23,461)
Increase (decrease) in accounts payable - other	64,641	(20,928)
Other, net	229,639	(211,320)
Subtotal	3,511,247	2,677,516
Interest and dividend income received	52,299	34,091
Proceeds from insurance income	9,204	3,168
Interest expenses paid	(177,601)	(179,477)
Income taxes paid	(495,026)	(1,622,879)
Income taxes refund	102,390	156,016
Net cash provided by (used in) operating activities	3,002,514	1,068,436
Cash flows from investing activities		
Payments into time deposits	–	(335,678)
Purchase of property, plant and equipment	(1,165,545)	(1,556,249)
Proceeds from sales of property, plant and equipment	105,777	35,408
Purchase of intangible assets	(407,638)	(269,956)
Payments for investments in capital	–	(2,510)
Proceeds from sales of investment securities	47,677	–
Other, net	(73,831)	(90,084)
Net cash provided by (used in) investing activities	(1,493,560)	(2,219,070)

(Thousands of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	428,208	2,979,266
Proceeds from long-term loans payable	3,000,000	4,250,000
Repayments of long-term loans payable	(3,007,547)	(6,336,157)
Purchase of treasury shares	–	(171,712)
Repayments of lease obligations	(82,587)	(77,468)
Cash dividends paid	(299,966)	(449,829)
Net cash provided by (used in) financing activities	38,107	194,097
Effect of exchange rate change on cash and cash equivalents	(71,377)	(111,752)
Net increase (decrease) in cash and cash equivalents	1,475,685	(1,068,288)
Cash and cash equivalents at beginning of period	10,010,484	11,486,169
Increase in cash and cash equivalents by the stock exchange	–	934,079
Cash and cash equivalents at end of period	11,486,169	11,351,960