

Consolidated Business Results for FY 2014

May 12, 2014

Name of listed company: Mipox Corporation
 Stock Code: 5381 (URL <http://www.mipox.co.jp>)
 Representative: Jun Watanabe, President
 Inquiry to: Susumu Orito, General Manager Tel: +81-42-548-3730
 Expected date of the shareholders' meeting: June 26, 2014
 Expected date of the release of Asset Security Report: June 27, 2014

Stock Exchange: Tokyo Stock Exchange, Inc. JASDAQ

Expected start date of dividend payment: June 27, 2014

1. Consolidated Business Results for FY2014 (April 1, 2013 to March 31, 2014) (Figures are rounded down to the nearest million)

(1) Consolidated Operating Results (% implies the rate of increase/decrease year-on-year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2014	3,760	10.3	267	-2.7	300	-0.2	230	49.0
FY2013	3,409	12.0	275	—	300	—	154	—

Note: Comprehensive Income: 309 million yen (-3.2%) for FY2014, 319 million yen (—%) for FY2013

	Net income per share	Net income per share after latent share adjustment	Net income /capital equity	Ordinary income /total assets	Net income /net sales
	Yen	Yen	%	%	%
FY2014	23.41	22.96	5.6	5.4	7.1
FY2013	15.20	15.03	4.0	5.5	8.1

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
FY2014	5,884	4,292	72.3	432.05
FY2013	5,280	3,975	74.5	401.18

Note: Equity capital: 4,253 million yen for FY2014, 3,936 million yen for FY2013

(3) Consolidated Statement of Cash Flows

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Cash and cash equivalent at end of year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY2014	290	- 51	138	1,615
FY2013	419	507	-663	1,189

2. Status of Distribution

	Dividend per share			Total dividend (Year)	Dividend ratio (Consolidated)	Net asset dividend rate (Consolidated)
	Interim term end	Term end	Full Year			
	Yen	Yen	Yen	Millions of Yen	%	%
FY2013	0.00	0.00	0.00	0	—	—
FY2014	0.00	5.00	5.00	51	21.4	1.2
FY2015 (Expected)	0.00	5.00	5.00		25.5	

3. Forecast results for FY2015 (April 1, 2014 to March 31, 2015)

(% for full year and interim term implies the rate of increase/decrease year-on-year and term-on-term, respectively)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
1 st half, FY2015	1,885	8.0	122	3.9	118	-9.8	91	21.4	9.28
Full FY2015	3,926	4.4	247	-7.5	249	-16.9	192	-16.4	19.57

Forecasts are based on information available to the management at the time of an announcement. Forecasts contain the element of the uncertainty. Actual results may differ from the figures provided above due to changes in business conditions.

4. Other

(1) Changes to major subsidiaries during the current fiscal year: No

(2) Changes to accounting principles, procedures, and presentation when preparing consolidated financial statements.

① Changes accompanying the revision of accounting standards: No

② Changes other than ① : No

(3) Number of shares issued (common shares)

① The number of shares issued at the end of the fiscal year (including own shares)	FY2014	10,696,320 shares
	FY2013	10,696,320 shares
② The number of shares buybacks	FY2014	852,488 shares
	FY2013	884,708 shares
③ The average number of shares	FY2014	9,827,560 shares
	FY2013	10,153,035 shares

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Thousands of Yen)

	Full FY 2013 (March 31,2013)	Full FY 2014 (March 31,2014)
(Assets)		
Current assets		
Cash and deposits	1,341,964	1,769,037
Notes and accounts receivable-trade	810,947	1,064,526
Merchandise and finished goods	229,522	203,172
Work in process	380,382	365,148
Raw materials and supplies	123,167	121,831
Deferred tax assets	22,000	70,629
Others	44,677	77,996
Allowance for doubtful accounts	- 2,276	- 1,463
Total current assets	2,950,387	3,670,878
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,565,808	3,740,887
Machinery, equipment and vehicles	1,244,327	1,481,230
Tools, furniture and fixtures	230,956	182,831
Land	515,267	199,924
Lease assets	198,885	276,907
Construction in progress	63,451	—
Accumulated depreciation	- 4,573,579	- 3,822,416
Total property, plant and equipment	2,245,116	2,059,365
Intangible assets	36,539	97,624
Investments and other assets		
Deferred tax assets	112	99
Others	55,119	62,879
Allowance for doubtful accounts	- 6,644	- 6,819
Total investments and other assets	48,587	56,160
Total noncurrent assets	2,330,244	2,213,149
Total assets	5,280,631	5,884,027

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Thousands of Yen)

	Full FY 2013 (March 31,2013)	Full FY 2014 (March 31,2014)
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	147,632	175,704
Short-term loans payable	290,000	—
Current portion of bonds	—	68,200
Current portion of long-term loans payable	133,347	90,951
Lease obligations	16,548	26,046
Income taxes payable	35,213	30,069
Provision for bonuses	55,003	52,373
Others	128,982	125,465
Total current liabilities	806,728	568,810
Noncurrent liabilities		
Bonds payable	—	447,700
Long-term loans payable	304,503	299,359
Lease obligations	59,157	106,188
Deferred tax liabilities	2,543	20,001
Provision for retirement benefits	118,370	—
Net defined benefit liability	—	108,261
Provision for stocks payment	—	30,422
Others	13,597	10,774
Total noncurrent liabilities	498,172	1,022,707
Total liabilities	1,304,900	1,591,517
(Net assets)		
Shareholders' equity		
Capital stock	1,998,700	1,998,700
Capital surplus	2,948,262	1,861,052
Retained earnings	- 565,183	728,904
Treasury stock	- 574,239	- 543,966
Total shareholders' equity	3,807,540	4,044,690
Accumulated other comprehensive income		
Foreign currency translation adjustment	128,682	208,368
Total accumulated other comprehensive income	128,682	208,368
Subscription rights to shares	39,508	39,451
Total net assets	3,975,730	4,292,509
Total liabilities and net assets	5,280,631	5,884,027

Consolidated Financial Statements

(2) Consolidated Income Statements & Comprehensive Income

(Thousands of Yen)

	FY 2013 (April 1, 2012 to March 31, 2013)	FY 2014 (April 1, 2013 to March 31, 2014)
Net sales	3,409,789	3,760,971
Cost of sales	1,965,829	2,199,778
Gross profit	1,443,960	1,560,893
Selling, general and administrative expenses		
Directors' compensations	90,580	100,337
Salaries and bonuses	407,986	408,487
Provision for bonuses	19,929	24,916
Retirement benefit expenses	18,977	19,259
Provision for stocks payment	—	13,462
Packing and transportation expenses	56,967	60,169
Depreciation	53,908	80,938
Research and development expenses	26,522	14,249
Provision of allowance for doubtful accounts	—	174
Others	493,839	570,953
Total selling, general and administrative expenses	1,168,711	1,292,948
Operating income	275,248	267,944
Non-operating income		
Interest income	1,394	1,034
Rent income	23,699	18,896
Foreign exchange gains	29,102	57,697
Others	4,686	9,516
Total non-operating income	58,882	87,144
Non-operating expenses		
Interest expenses	24,598	20,707
Bond issuance cost	—	24,187
Rent expenses	6,170	5,357
Others	2,781	4,816
Total non-operating expenses	33,550	55,069
Ordinary income (loss)	300,580	300,019
Extraordinary income		
Gain on sales of noncurrent assets	39,460	126,359
Gain on reversal of subscription rights to shares	1,286	1,925
Total extraordinary income	40,746	128,285
Extraordinary loss		
Loss on retirement of noncurrent assets	6,584	114,491
Impairment loss	116,522	33,186
Loss on sale of membership	1,166	—
Others	—	8,213
Total extraordinary losses	124,273	155,891
Income (loss) before income taxes	217,053	272,413
Income taxes-current	69,192	72,310
Income taxes-deferred	- 6,484	- 29,918
Total income taxes	62,708	42,392
Net income (loss)	154,345	230,021
Other comprehensive income		
Foreign currency translation adjustment	165,459	79,686
Total other comprehensive income	165,459	79,686
Comprehensive income	319,804	309,707

Consolidated Financial Statements
(3) Consolidated Statements of Cash Flows

(Thousands of Yen)

	FY 2013 (April 1, 2012 to March 31, 2013)	FY 2014 (April 1, 2013 to March 31, 2014)
Cash flows from operating activities		
Income (loss) before income taxes	217,053	272,413
Depreciation and amortization	188,448	223,820
Impairment loss	116,522	33,186
Increase (decrease) in allowance for doubtful accounts	- 428	- 826
Increase (decrease) in provision for bonuses	2,475	- 3,372
Increase (decrease) in provision for retirement benefits	3,692	—
Increase (decrease) net defined benefit liability	—	- 10,109
Increase (decrease) in provision for stocks payment	—	30,422
Interest and dividends income	- 1,394	- 1,034
Interest expenses	24,598	20,707
Bond issuance cost	—	24,187
Loss (gain) on sales of noncurrent assets	- 39,460	- 126,359
Loss on retirement of noncurrent assets	6,584	114,491
Loss (gain) on sale of membership	1,166	—
Office transfer expense	—	2,347
Loss on cancel of lease contract	—	5,866
Decrease (increase) in notes and accounts receivable-trade	36,617	- 228,595
Decrease (increase) in inventories	52,882	64,243
Increase (decrease) in notes and accounts payable-trade	- 45,134	26,710
Others	- 59,830	- 55,381
Sub total	503,793	392,717
Interest and dividends income received	1,394	1,034
Interest expenses paid	- 23,760	- 19,351
Payment for office transfer expense	—	- 2,347
Payment for cancel of lease contract	—	- 5,866
Income taxes paid	- 62,345	- 75,904
Net cash provided by operating activities	419,082	290,102
Cash flows from investing activities		
Payments into time deposits	- 765	—
Purchases of property, plant and equipment	- 131,689	- 362,149
Proceeds from sales of property, plant and equipment	638,029	442,959
Removal loss of property, plant and equipment	-	- 28,000
Purchases of intangible assets	- 3,828	- 91,775
Proceeds from sales of intangible assets	-	550
Proceeds from sale of membership	12,333	—
Others	- 6,770	- 12,961
Net cash usde in investing activities	507,310	- 51,378
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	- 568,000	- 290,000
Proceeds from long-term loans payable	130,000	360,000
Repayment of long-term loans payable	- 121,102	- 409,536
Proceeds from issuance of bonds	—	525,812
Redemption of bonds	—	- 34,100
Purchases of treasury stock	- 99,915	- 78
Proceeds from disposal of treasury stock	1,095	5,228
Repayments of lease obligations	- 5,236	- 18,723
Cash dividends paid	- 127	-0
Net cash used in financing activities	- 663,286	138,601
Effect of exchange rate change on cash and cash equivalents	67,994	48,572
Net increase (decrease) in cash and cash equivalents	331,101	425,899
Cash and cash equivalents at beginning of period	858,350	1,189,451
Cash and cash equivalents at end of period	1,189,451	1,615,350