

Financial Statement for the Six Months Ended September 30, 2015

November 6, 2015

Name of listed company: Mipox Corporation
 Stock Code: 5381 (URL <http://www.mipox.co.jp>)
 Name and Title of Representative: Jun Watanabe, President
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 Quarterly Report Filing Date (as planned): November 6, 2015

Stock Exchange: Tokyo Stock Exchange, Inc. JASDAQ

1. Consolidated Financial Result for the Six Months Ended September 30, 2015 (April 1, 2015 – September 30, 2015)

(1) Consolidated Operating Result	(Figures are rounded down to the nearest million) (% 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	%	Millions of yen	%	%	
September 30, 2015	2,280	21.4	351	87.0	442	85.9	373	93.6				
September 30, 2014	1,877	7.5	187	59.8	237	81.3	193	157.1				
Note: Comprehensive Income:	176 million yen (-35.1%) for the six months ended September 30, 2015 271 million yen (219.8%) for the six months ended September 30, 2014											

	Net Income or, Net loss (△) Per Share		Net Income or, Net loss (△) Per Share(diluted)	
	Yen		Yen	
September 30, 2015	36.78		36.37	
September 30, 2014	19.62		19.34	

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
September 30, 2015	6,806	5,004	73.5
March 31, 2015	6,882	4,894	70.8

(Note) Equity capital (Millions of Yen): As of September 30, 2015 4,999
 As of March 31, 2015 4,871

2. Status of Distribution

	Dividends per share				
	First quarter end	Second quarter end	Third quarter end	Year end	Full year
	Yen	Yen	Yen	Yen	Yen
FY2015	—	0.00	—	7.50	7.50
FY2016	—	0.00	—	—	—
FY2016 (Expected)	—	—	—	10.00	10.00

Note: Revisions to dividend forecasts published most recently: None

Note: Dividend for Term end of FY2016 (Expected) is composed of ordinary dividend (7.50 yen) and commemorative dividend (2.50 yen).

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(%changes as compared with the previous fiscal year and the corresponding period of the previous fiscal year)

	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
FY2016	4,418	10.9	565	53.8	650	19.0	505	△0.6	49.79

(Note) Revision of forecast for dividends published most recently: None

Notes: Request for appropriate use of the business outlook and other special remarks

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

4.Others

(1)Change in important subsidiaries during the period (Changes in certain specified subsidiaries resulting in revised scope of consolidation): None

(2)Adoptions of simplified accounting methods and accounting methods particular to the presentation of quarterly financial statements: None

(3)Changes in accounting principles, presentation methods, etc., pertaining to preparation of consolidated financial statements

(Those to be stated as significant accounting policies)

1. Changes associated with revision in accounting standards: Yes

2. Others changes: None

(4)Shares outstanding

1. Numbers of shares outstanding (including treasury stock)

September 30, 2015	10,696,320	March 31, 2015	10,696,320
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2. Numbers of treasury stock

September 30, 2015	482,948	March 31, 2015	579,188
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3. Numbers of average shares outstanding (cumulative, consolidated at the end of the second quarter)

September 30, 2015	10,162,578	September 30, 2014	9,844,232
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Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	End of previous fiscal year (March 31, 2015)	End of second quarter of current fiscal year (September 30, 2015)
Assets		
Current assets		
Cash and deposits	2,144,787	1,945,253
Notes and accounts receivable - trade	1,067,491	1,165,424
Electronically recorded monetary claims - operating	32,810	97,221
Merchandise and finished goods	220,214	212,906
Work in process	395,274	395,329
Raw materials and supplies	133,734	136,731
Deferred tax assets	155,010	165,504
Other	134,473	186,168
Allowance for doubtful accounts	-1,710	-1,674
Total current assets	4,282,086	4,302,864
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,896,471	3,871,058
Machinery, equipment and vehicles	1,689,011	1,670,483
Land	186,890	186,890
Other	499,377	480,780
Accumulated depreciation	-3,984,181	-4,000,596
Total property, plant and equipment	2,287,570	2,208,616
Intangible assets	214,028	213,809
Investments and other assets		
Investment securities	32,722	32,722
Deferred tax assets	89	85
Other	72,385	55,504
Allowance for doubtful accounts	-6,819	-6,819
Total investments and other assets	98,377	81,492
Total non-current assets	2,599,976	2,503,919
Total assets	6,882,062	6,806,783

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	End of previous fiscal year (March 31, 2015)	End of second quarter of current fiscal year (September 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	232,592	186,842
Short-term loans payable	30,000	-
Current portion of bonds	83,200	83,200
Current portion of long-term loans payable	100,898	88,035
Income taxes payable	76,014	69,499
Provision for bonuses	53,537	76,101
Provision for directors' bonuses	-	19,459
Provision for stocks payment	-	76,278
Other	298,775	245,776
Total current liabilities	875,018	845,194
Non-current liabilities		
Bonds payable	514,500	472,900
Long-term loans payable	295,406	251,982
Deferred tax liabilities	24,922	32,771
Provision for stocks payment	60,079	-
Provision for retirement benefits	112,975	108,345
Other	105,020	91,314
Total non-current liabilities	1,112,904	957,313
Total liabilities	1,987,922	1,802,507
Net assets		
Shareholders' equity		
Capital stock	1,998,700	1,998,700
Capital surplus	1,662,623	1,603,343
Retained earnings	1,186,792	1,481,860
Treasury shares	-288,677	-198,831
Total shareholders' equity	4,559,438	4,885,073
Accumulated other comprehensive income		
Foreign currency translation adjustment	312,346	114,857
Total accumulated other comprehensive income	312,346	114,857
Subscription rights to shares	22,354	4,345
Total net assets	4,894,139	5,004,276
Total liabilities and net assets	6,882,062	6,806,783

Consolidated Financial Statements

(2) Consolidated Income Statements & Comprehensive Income

	(Thousands of Yen)	
	First six-month period of previous fiscal year (April 1, 2014 to September 30, 2014)	First six-month period of current fiscal year (April 1, 2015 to September 30, 2015)
Net sales	1,877,767	2,280,355
Cost of sales	1,023,159	1,079,984
Gross profit	854,608	1,200,371
Selling, general and administrative expenses	666,726	849,040
Operating income	187,881	351,330
Non-operating income		
Interest income	257	278
Rent income	7,457	6,628
Foreign exchange gains	45,048	90,079
Insurance income	4,987	3,401
Other	2,415	13
Total non-operating income	60,166	100,401
Non-operating expenses		
Interest expenses	5,654	5,191
Rent expense	2,281	1,916
Guarantee commission	2,199	2,350
Other	106	157
Total non-operating expenses	10,242	9,615
Ordinary income (loss)	237,804	442,117
Extraordinary income		
Gain on sales of non-current assets	610	10,225
Gain on reversal of subscription rights to shares	188	9,522
Total extraordinary income	798	19,747
Extraordinary losses		
Loss on retirement of non-current assets	927	6,978
Loss on valuation of membership	-	2,200
Total extraordinary losses	927	9,178
Income (loss) before income taxes	237,676	452,686
Income taxes - current	41,016	77,121
Income taxes - deferred	3,562	1,791
Total income taxes	44,578	78,913
Net income (loss)	193,097	373,772
Other comprehensive income		
Foreign currency translation adjustment	78,709	-197,488
Total other comprehensive income	78,709	-197,488
Comprehensive income	271,806	176,283

Consolidated Financial Statements

(3) Consolidated Statements of Cash Flows

	(Thousands of Yen)	
	First six-month period of previous fiscal year (April 1, 2014 to September 30, 2014)	First six-month period of current fiscal year (April 1, 2015 to September 30, 2015)
Cash flows from operating activities		
Income (loss) before income taxes	237,676	452,686
Depreciation and amortization	116,872	164,055
Increase (decrease) in provision for bonuses	10,600	24,946
Increase (decrease) in provision for directors' benefits	-	19,459
Increase (decrease) in provision for stocks payment	14,305	16,199
Increase (decrease) in provision for retirement benefits	6,560	-4,630
Interest and dividends income	-257	-278
Interest expenses	5,654	5,191
Loss on valuation of membership	-	2,200
Loss (gain) on sales of non-current assets	-610	-10,225
Loss on retirement of non-current assets	927	6,978
Decrease (increase) in notes and accounts receivable-trade	2,748	-243,939
Decrease (increase) in inventories	-79,949	-23,609
Decrease (increase) in notes and accounts receivable-others	-2,209	-34,280
Increase (decrease) in notes and accounts payable-trade	23,607	-40,865
Others	-14,040	-11,925
Sub total	321,886	321,961
Interest and dividends income received	257	278
Interest expenses paid	-5,644	-5,224
Income taxes paid	-37,089	-74,844
Net cash provided by operating activities	279,409	242,171
Cash flows from investing activities		
Purchases of property, plant and equipment	-65,075	-178,672
Proceeds from sales of property, plant and equipment	13,432	10,494
Expenditure on retirement of non - current assets	-	-3,823
Purchases of intangible assets	-101,971	-19,645
Others	-3,405	-3,477
Net cash used in investing activities	-157,018	-195,125

Consolidated Financial Statements

(3) Consolidated Statements of Cash Flows

	(Thousands of Yen)	
	First six-month period of previous fiscal year (April 1, 2014 to September 30, 2014)	First six-month period of current fiscal year (April 1, 2015 to September 30, 2015)
Cash flows from financing activities		
Proceeds from short-term loans payable	-	-30,000
Repayment of long-term loans payable	-45,426	-55,772
Redemption of bonds	-34,100	-41,600
Purchases of treasury stock	-26	-24
Proceeds from disposal of treasury stock	354	22,104
Repayments of lease obligations	-13,824	-14,733
Cash dividends paid	-50,337	-77,946
Net cash provided by financing activities	-143,360	-197,972
Effect of exchange rate change on cash and cash equivalents	45,011	-46,395
Net increase (decrease) in cash and cash equivalents	24,041	-197,322
Cash and cash equivalents at beginning of period	1,615,350	1,991,166
Cash and cash equivalents at end of period	1,639,392	1,793,844