

Consolidated Business Results for FY 2016

May 11, 2016

Name of listed company: Mipox Corporation
 Stock Code: 5381 (URL <http://www.mipox.co.jp>)
 Representative: Jun Watanabe, President
 Inquiry to: Munehisa Uetani, General Manager Tel: +81-42-548-3730
 Expected date of the shareholders' meeting: June 28, 2016
 Expected date of the release of Asset Security Report: June 29, 2016

Stock Exchange: Tokyo Stock Exchange, Inc. JASDAQ

Expected start date of dividend payment: June 29, 2016

1. Consolidated Business Results for FY2016 (April 1, 2015 to March 31, 2016) (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	%
FY2016	4,204	5.5	508	38.1	513	(6.1)	323	(36.4)
FY2015	3,985	6.0	367	37.3	546	82.1	508	121.3

Note: Comprehensive Income: 128 million yen /(79.0)% for FY2016, 612 million yen /97.9% for FY2015

	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	%	%	%
FY2016	31.79	31.53	6.6	7.2	12.1
FY2015	51.43	50.60	11.2	8.6	9.2

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
FY2016	7,316	4,956	67.7	484.90
FY2015	6,882	4,894	70.8	481.54

Note: Equity capital: 4,952 million yen for FY2016, 4,871 million yen for FY2015

(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
FY2016	647	(601)	185	2,166
FY2015	696	(533)	77	1,991

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	%	%
FY2015	0.00	7.50	7.50	78	14.6	1.6
FY2016	0.00	10.00	10.00	105	31.5	2.1
FY2017 (Expected)	0.00	10.00	10.00		25.2	

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

3. Forecast results for FY2017 (April 1, 2016 to March 31, 2017)

(% 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, FY2017	2,287	0.3	196	(44.0)	189	(57.2)	148	(60.3)	14.57
Full FY2017	4,692	11.6	529	4.1	515	0.4	404	24.8	39.67

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: Yes

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)	FY2016	10,696,320 shares
	FY2015	10,696,320 shares
② The number of shares buybacks	FY2016	483,028 shares
	FY2015	579,188 shares
③ The average number of shares	FY2016	10,186,015 shares
	FY2015	9,896,547 shares

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	Full FY 2015 (March 31, 2015)	Full FY 2016 (March 31, 2016)
Assets		
Current assets		
Cash and deposits	2,144,787	2,381,742
Notes and accounts receivable - trade	1,067,491	947,841
Electronically recorded monetary claims - operatir	32,810	110,054
Merchandise and finished goods	220,214	307,523
Work in process	395,274	411,908
Raw materials and supplies	133,734	159,520
Deferred tax assets	155,010	124,031
Other	134,473	161,912
Allowance for doubtful accounts	(1,710)	(1,535)
Total current assets	4,282,086	4,602,999
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,896,471	3,907,551
Machinery, equipment and vehicles	1,689,011	1,734,548
Tools, furniture and fixtures	198,809	204,497
Land	186,890	186,890
Leased assets	298,446	280,174
Construction in progress	2,121	95,315
Accumulated depreciation	(3,984,181)	(4,057,301)
Total property, plant and equipment	2,287,570	2,351,676
Intangible assets		
Goodwill	-	100,645
Other	214,028	170,133
Total intangible assets	214,028	270,778
Investments and other assets		
Investment securities	32,722	32,722
Deferred tax assets	89	4,954
Other	72,385	60,584
Allowance for doubtful accounts	(6,819)	(6,819)
Total investments and other assets	98,377	91,441
Total non-current assets	2,599,976	2,713,895
Total assets	6,882,062	7,316,895

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	Full FY 2015 (March 31, 2015)	Full FY 2016 (March 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	232,592	231,206
Short-term loans payable	30,000	-
Current portion of bonds	83,200	123,200
Current portion of long-term loans payable	100,898	146,440
Lease obligations	29,478	31,474
Income taxes payable	76,014	30,413
Provision for bonuses	53,537	73,411
Provision for stocks payment	-	89,997
Other	269,296	384,897
Total current liabilities	875,018	1,111,041
Non-current liabilities		
Bonds payable	514,500	591,300
Long-term loans payable	295,406	437,400
Lease obligations	93,825	69,319
Deferred tax liabilities	24,922	34,967
Provision for stocks payment	60,079	-
Net defined benefit liability	112,975	110,789
Other	11,194	5,301
Total non-current liabilities	1,112,904	1,249,078
Total liabilities	1,987,922	2,360,119
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	1,431,860
Treasury shares	(288,677)	(198,856)
Total shareholders' equity	4,559,438	4,835,048
Accumulated other comprehensive income		
Foreign currency translation adjustment	312,346	117,382
Total accumulated other comprehensive income	312,346	117,382
Subscription rights to shares	22,354	4,345
Total net assets	4,894,139	4,956,776
Total liabilities and net assets	6,882,062	7,316,895

Consolidated Financial Statements
(2) Consolidated Income Statements & Comprehensive Income

(Thousands of Yen)

	FY2015 (April 1, 2014 to March 31, 2015)	FY2016 (April 1, 2015 to March 31, 2016)
Net sales	3,985,724	4,204,751
Cost of sales	2,235,085	2,077,085
Gross profit	1,750,639	2,127,665
Selling, general and administrative expenses		
Directors' compensations	98,465	123,934
Salaries and bonuses	408,767	413,246
Provision for bonuses	23,761	31,929
Retirement benefit expenses	20,458	10,184
Provision for stocks payment	12,248	11,852
Packing and transportation expenses	71,886	64,376
Depreciation	79,763	86,160
Research and development expenses	19,104	14,144
Provision of allowance for doubtful accounts	759	123
Other	647,477	863,650
Total selling, general and administrative expenses	1,382,692	1,619,602
Operating income	367,947	508,062
Non-operating income		
Interest income	869	480
Rent income	14,914	6,628
Foreign exchange gains	167,666	312
Insurance income	6,287	4,124
Subsidy income	6,604	13,522
Other	4,815	1,778
Total non-operating income	201,158	26,845
Non-operating expenses		
Interest expenses	11,214	10,173
Bond issuance cost	2,188	4,517
Rent expenses	4,563	1,916
Guarantee commission	4,567	4,597
Other	204	441
Total non-operating expenses	22,738	21,645
Ordinary income	546,367	513,263
Extraordinary income		
Gain on sales of non-current assets	610	9,648
Gain on reversal of subscription rights to shares	2,209	9,522
Total extraordinary income	2,819	19,170
Extraordinary losses		
Loss on retirement of non-current assets	6,506	53,438
Loss on valuation of membership	-	2,200
Loss on cancellation of contracts	-	28,326
Total extraordinary losses	6,506	83,964
Profit before income taxes	542,681	448,469
Income taxes - current	111,327	88,775
Income taxes - deferred	(77,638)	35,920
Total income taxes	33,688	124,696
Profit	508,992	323,773
Profit attributable to		
Profit attributable to owners of parent	508,992	323,773
Profit attributable to non-controlling interests	-	-
Other comprehensive income		
Foreign currency translation adjustment	103,978	(194,964)
Total other comprehensive income	103,978	(194,964)
Comprehensive income	612,970	128,809
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	612,970	128,809
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Financial Statements
(3) Consolidated Statements of Cash Flows

(Thousands of Yen)

	FY2015 (April 1, 2014 to March 31, 2015)	FY2016 (April 1, 2015 to March 31, 2016)
Cash flows from operating activities		
Profit before income taxes	542,681	448,469
Depreciation	260,616	335,429
Amortization of goodwill	-	3,470
Increase (decrease) in provision for bonuses	168	19,796
Increase (decrease) in provision for stocks payment	29,657	29,918
Increase (decrease) in net defined benefit liability	4,714	(2,186)
Interest and dividend income	(869)	(480)
Interest expenses	11,214	10,173
Bond issuance cost	2,188	4,517
Loss on valuation of membership	-	2,200
Insurance income	(6,287)	(4,124)
Subsidy income	(6,604)	(13,522)
Loss (gain) on sales of non-current assets	(610)	(9,648)
Loss on retirement of non-current assets	6,506	53,438
Gain on reversal of subscription rights to shares	(2,209)	(9,522)
Loss on cancellation of contracts	-	28,326
Decrease (increase) in notes and accounts receivable - trade	10,029	(29,105)
Decrease (increase) in inventories	(27,029)	(110,300)
Decrease (increase) in accounts receivable - other	(53,975)	14,505
Increase (decrease) in notes and accounts payable - trade	54,953	2,380
Other, net	(64,642)	(342)
Subtotal	760,500	773,392
Interest and dividend income received	869	480
Proceeds from insurance income	6,287	4,124
Proceeds from subsidy income	6,604	13,522
Interest expenses paid	(10,933)	(10,035)
Income taxes paid	(67,222)	(134,171)
Net cash provided by (used in) operating activities	696,107	647,312
Cash flows from investing activities		
Payments into time deposits	-	(65,998)
Proceeds from withdrawal of time deposits	971	-
Purchase of property, plant and equipment	(380,055)	(375,609)
Proceeds from sales of property, plant and equipment	22,932	9,917
Payments for retirement of property, plant and equipment	(1,650)	(16,722)
Purchase of intangible assets	(137,676)	(25,652)
Purchase of investment securities	(32,722)	-
Payments for transfer of business	-	(116,716)
Other, net	(4,890)	(11,059)
Net cash provided by (used in) investing activities	(533,090)	(601,841)

Consolidated Financial Statements
(3) Consolidated Statements of Cash Flows

(Thousands of Yen)

	FY2015 (April 1, 2014 to March 31, 2015)	FY2016 (April 1, 2015 to March 31, 2016)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	30,000	(30,000)
Proceeds from long-term loans payable	100,000	300,000
Repayments of long-term loans payable	(95,257)	(111,338)
Proceeds from issuance of bonds	147,811	195,482
Redemption of bonds	(68,200)	(83,200)
Purchase of treasury shares	(68)	(49)
Proceeds from disposal of treasury shares	41,125	22,104
Repayments of lease obligations	(27,758)	(29,478)
Cash dividends paid	(50,567)	(78,328)
Net cash provided by (used in) financing activities	77,085	185,191
Effect of exchange rate change on cash and cash equivalents	135,714	(55,529)
Net increase (decrease) in cash and cash equivalents	375,816	175,132
Cash and cash equivalents at beginning of period	1,615,350	1,991,166
Cash and cash equivalents at end of period	1,991,166	2,166,299