

FY2021 1st Half Financial Result



mipox

Mipox Corporation

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01 FY2021 1st Half Financial Result

- Although sales mainly related to automobiles declined, operating income was positive due to steady sales of high-tech related products such as hard disk, optical fiber, and semiconductor.

02 FY2021 Financial Forecast

- Although the forecast is uncertain due to the impact of the COVID-19, the forecast for business results remains unchanged in anticipation of new acquisition of Processing Service Business and market recovery.

03 Approach in FY2021 2nd Half

- Introducing activities to provide new value to customers and our new efforts.

01

FY2021 1st Half Financial Result

01-1 FY2021 1st Half Financial Result

Sales of FY2021 1st Half decreased, but profits exceeded the previous year.

FY2021 1st Half Result Summary

[Unit: one million yen]

	FY2020 1H	FY2021 1H	Difference	
Sales	3,716	3,478	▲238	▲6.4%
Operating Profit	▲92	127	+219	—
Ordinary Profit	▲102	30	+132	—
Profit attributable to owners of parent	▲137	19	+156	—

(Sales)

Sales of high-tech related products such as optical fiber, hard disk, and semiconductor, and polishing service exceeded the previous year's level, while sales of Nihon Kenshi products, mainly those related to automobile, decreased due to the impact of the COVID-19.

(Profit)

Profit was higher than the previous year due to an increase in the sales composition of products with relatively high profit margins, the effect of efforts to reduce manufacturing costs, and efficiency improvement through the consolidation of overseas manufacturing bases.

01-2 FY2021 1st Half Net Profit Analysis

Gross profit improved due to an increase in the sales composition of products with relatively high profit margins, the effect of efforts to reduce manufacturing costs, and efficiency improvement through the consolidation of overseas manufacturing bases.

In addition, Profit improved increased due to a decrease in SG&A expenses.

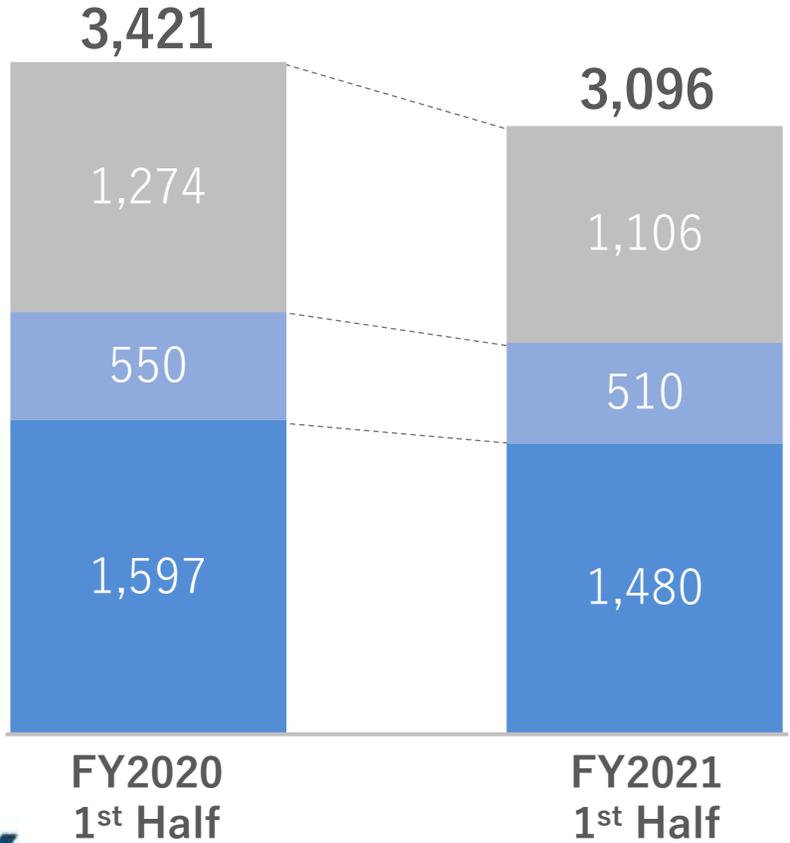


01-5 FY2021 1st Half Result by Segment – Product Business

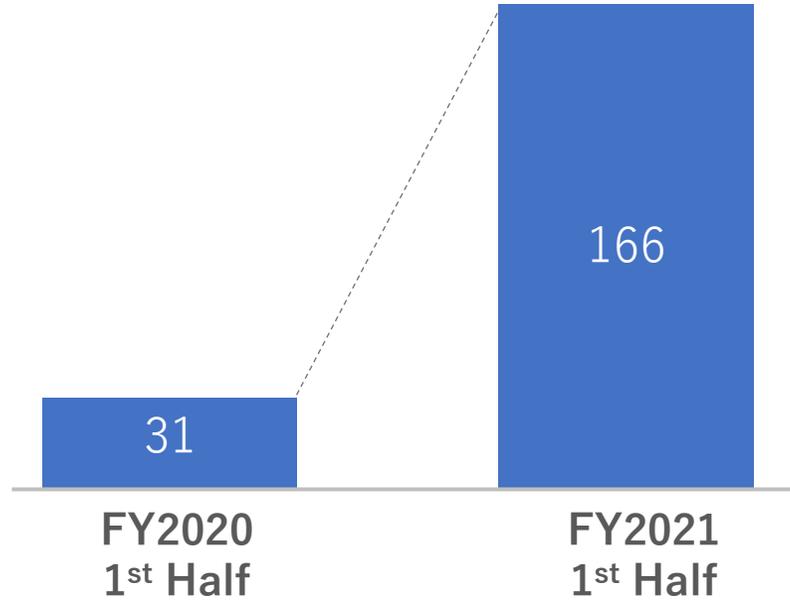
Overall sales declined, but profits exceeded the previous year.

[Unit: one million yen]

Sales



Operating Profit

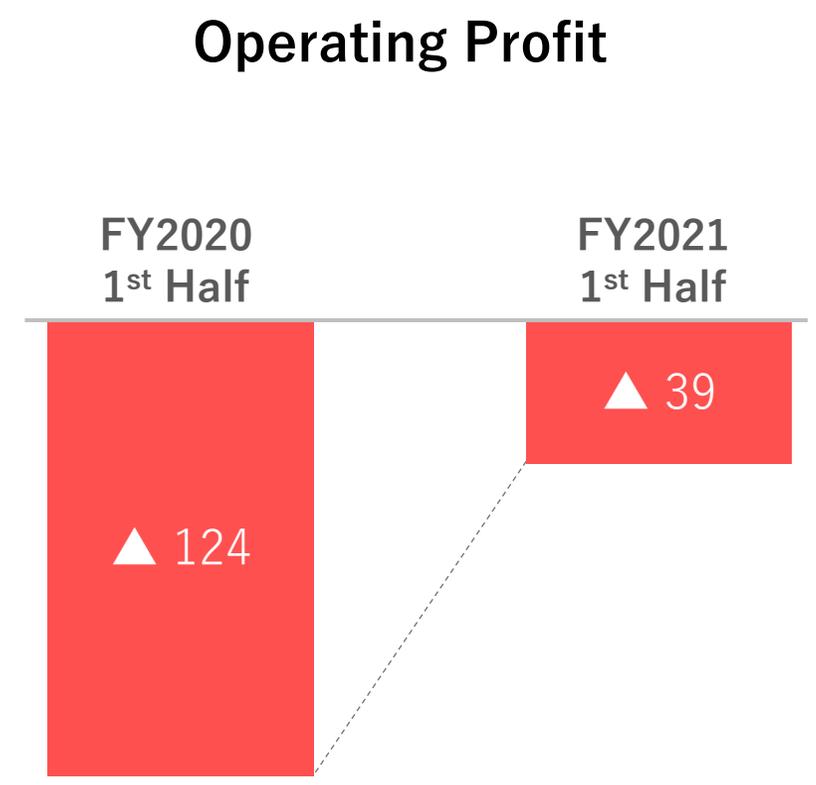
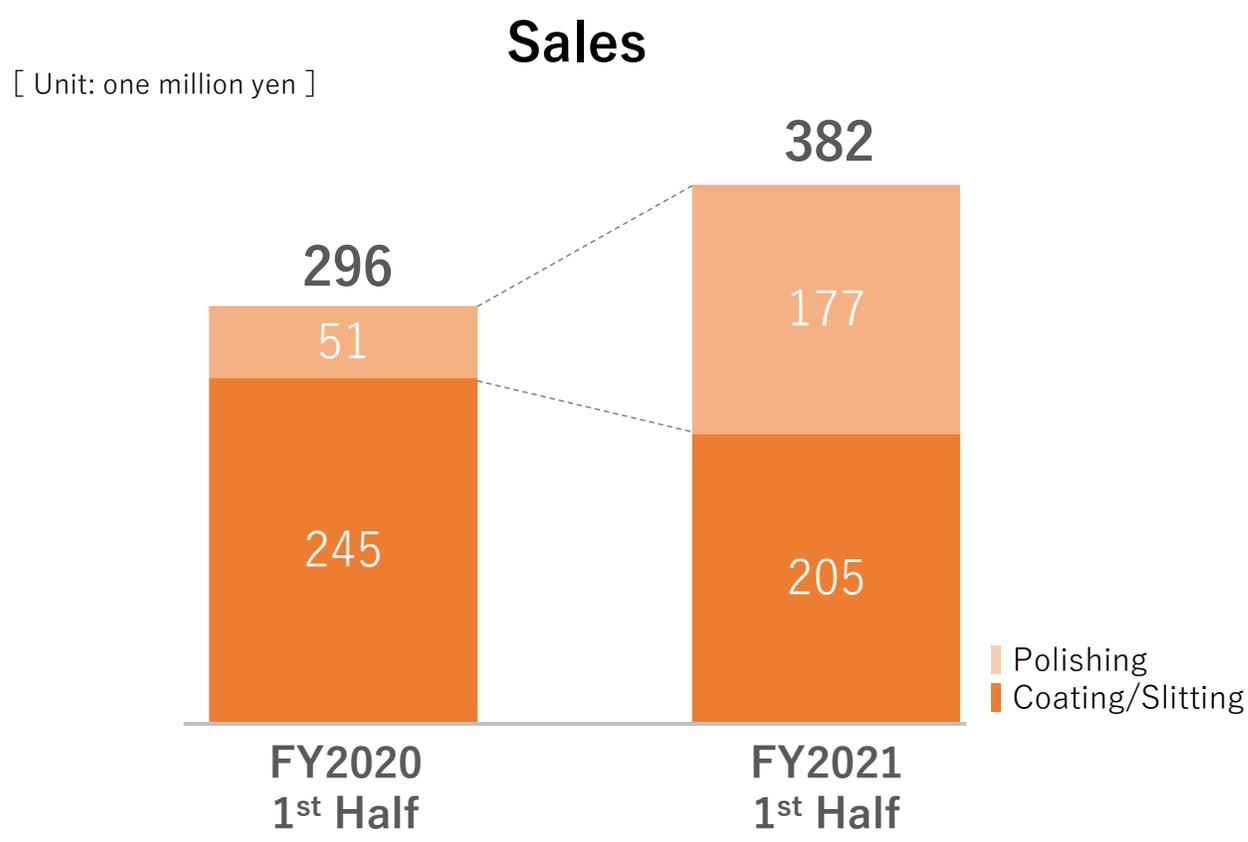


- Nihon Kenshi Product
- Mipox General Polishing
- Mipox High-tech



01-6 FY2021 1st Half Result by Segment – Processing Service Business

Although sales of processing coating service fell below the previous year's level, profits improved due to strong sales of polishing processing service.



01-7 Balance Sheet

[Unit: one million yen]

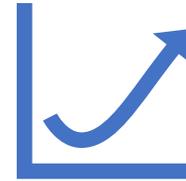
	Account title	Mar-2020		Sep-2020		Difference
		Amount	Component ratio	Amount	Component ratio	
Assets	Current assets	7,157	64.9%	6,317	62.6%	▲ 840
	Cash and deposits	2,737	24.8%	1,754	17.3%	▲ 982
	Non-current assets	3,876	35.1%	3,773	37.3%	▲ 103
	Property, plant and equipment	3,337	30.2%	3,353	33.2%	+16
	Intangible assets	120	0.1%	105	1.0%	▲ 15
Total assets		11,033	100.0%	10,091	100.0%	▲ 942
Liabilities	Current liabilities	3,610	32.7%	3,142	31.1%	▲ 468
	Short-term loans borrowings (included corporate bond)	1,491	13.5%	1,627	16.1%	+136
	Non-current liabilities	3,315	30.1%	2,737	27.1%	▲ 578
	Long-term borrowings (included corporate bond)	2,553	23.1%	2,161	21.4%	▲ 392
Total liabilities		6,926	62.8%	5,879	58.2%	▲ 1,046
Total net assets		4,107	37.2%	4,211	41.7%	+103
Total liabilities and net assets		11,033	100.0%	10,091	100.0%	▲ 942
Capital adequacy ratio		37.2%		41.7%		+4.5%
Total loans payable		4,044		3,788		▲ 256

02

FY2021 Financial Forecast

Expected to increase sales in both product business and processing business.

Product Business



- High-tech-related sales are expected to exceed the previous year's level.
- Sales are expected to increase due to the launch of the new product "Smart Sanding System" and OEM production.

Processing service Business



- We will start a new business related to coating and slit service, and it is expected to be about the same as last year.
- Polishing service business are expected to increase steadily, mainly in the next-generation semiconductor field.

02-2 FY2021 Financial Forecast

The forecast for business results remains unchanged from the last time.

- This forecast is based on the data as of 13th November 2020. Actual results may differ significantly due to COVID-19 factors.

[Unit: one million yen]

	FY2020 Actual Result	FY2021 Forecast	Defference	
Sales	7,338	7,600	+262	+3.5%
Operating Profit	▲170	150	+320	—
Ordinary Profit	▲165	110	+275	—
Profit attributable to owners of parent	▲78	70	+148	—

(Sales)

High-tech related and polishing processing service business are expected to drive sales, resulting in higher sales than the previous year.

(Profit)

Profit expected to recover due to an increase in the sales composition of products with relatively high profit margins, the effect of efforts to reduce manufacturing costs, and efficiency improvement through the consolidation of overseas manufacturing bases.

03

Approach in FY2021 2nd Half

03-1 High-tech related fields



Energy saving society



Next-generation semiconductor



High speed communication network 5G · 6G

Our products and technologies support the world.

We will strengthen our efforts in the high-tech field by adding the new technology "Observing" to the core technologies "Coating", "Slitting", and "Polishing".



IoT



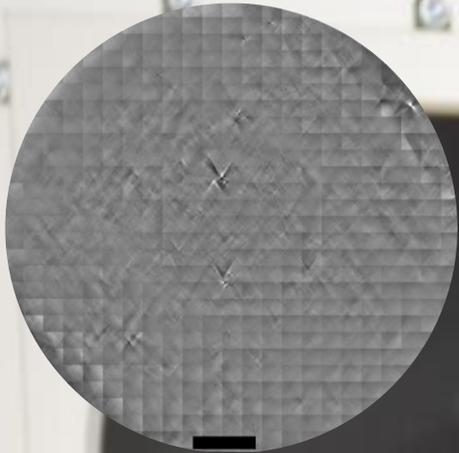
Data center



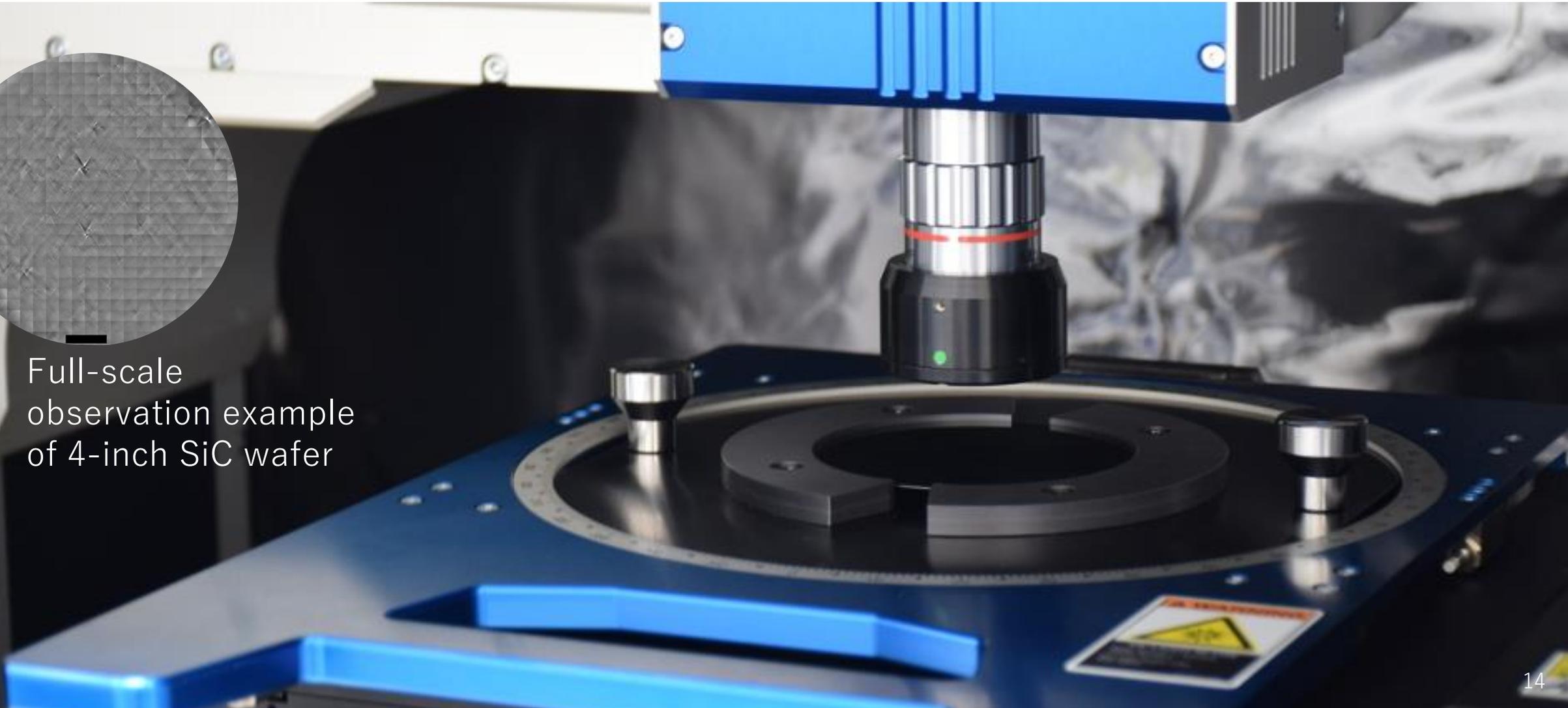
03-2 Technology of "Observing"

World-class dislocation visualization technology realizes **visualization of dislocations inside crystals** at **high speed, high accuracy,** and **low cost.**

XS-1 Sirius



Full-scale
observation example
of 4-inch SiC wafer



03-3 Smart Sanding System

To improve the automobile repair process that has been used in the past, we will **create added value for our customers** with technical proposals that we can only make as an abrasive manufacturer.

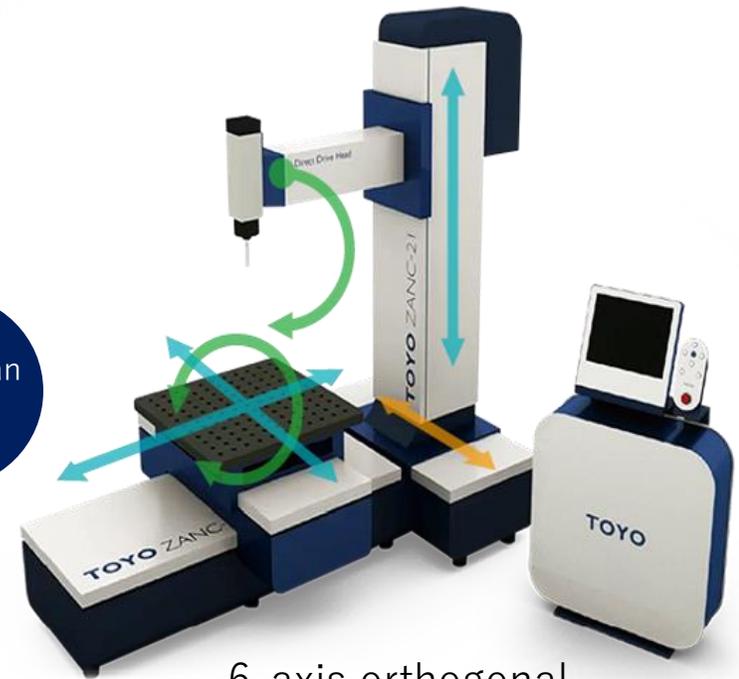


03-4 New development-Proposal for automation of polishing

In order to support the succession of craftsmanship that supports Japan's pride in technology and quality, we will **support the future of manufacturing** by proposing automation of polishing suitable for customers from the perspective of an abrasive material manufacturer.



Articulated deburring robot



6-axis orthogonal machine tool

03-5 Approach for new work styles

We aim to be an **autonomous self-propelled organization** by fostering an environment in which they can select various work styles while flexibly responding to changes and trends of the times.



Community-based workspace 「WeWork」 「Regus」



Regus in Osaka



WeWork in Nishi-Shinjuku

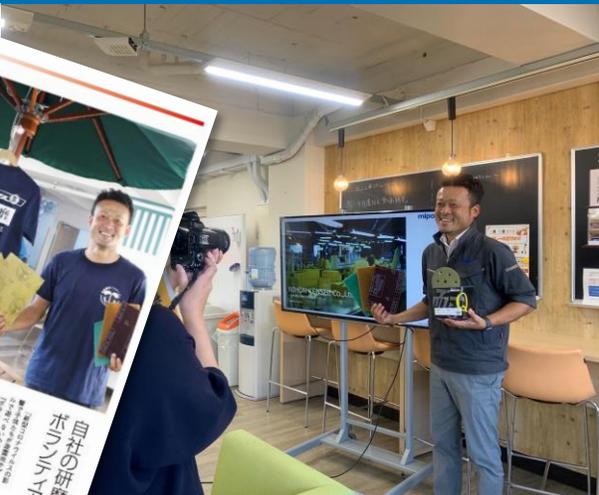


Regus in Nagoya



Regus in Fukuoka

03-6 Community Contribution Project ~Park Beautification Activities~



Connecting to the smiles
of Community residents through social contribution



"Change The World by Our Converting and Polishing Technologies."

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