



Second Quarter FY2022
Financial Result

Summary briefing of Consolidated Financial Result for the second quarter of Fiscal year Ended March31, 2022
(Six Months Ended September 30, 2021)

Mipox Corporation

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01
Business Contents

mipox

Corporate Name Mipox Corporation

Founded November 21, 1925

Incorporated December 12, 1941

President & CEO Jun Watanabe

Address 16F, D-Tower Nishishinjuku, 6-11-3, Nishishinjuku,
Shinjuku-ku Tokyo, 160-0023 Japan

Stock Market Tokyo Stock Exchange JASDAQ

Stock Code 5381



Origin of the name Mipox

The name "Mipox" is derived from the first letters of both "MICRO POLISH" and "MIRROR POWER," which represent micro-polishing and the power of mirror finish, respectively, and the "X" which represents infinite possibilities.

MICRO POLISH

MIRROR POWER

X for infinite possibilities

X

1925

General partnership company

Spin-off pigment and foil department of L. Raybould office



1981

Japan Micro Coating Co. Ltd.,

Integrate product brands to "Mipox"

MIPOX



2013

Mipox Corporation

mipox

Change The World by Our Converting and Polishing Technology

Since our founding in 1925, we have developed along with our core technology "Coating," "Slitting," and "Polishing" cultivated over the years. Through this core technology, we will support the change of the world as our mission.

Management Policy

Add value to product business with engineering approach

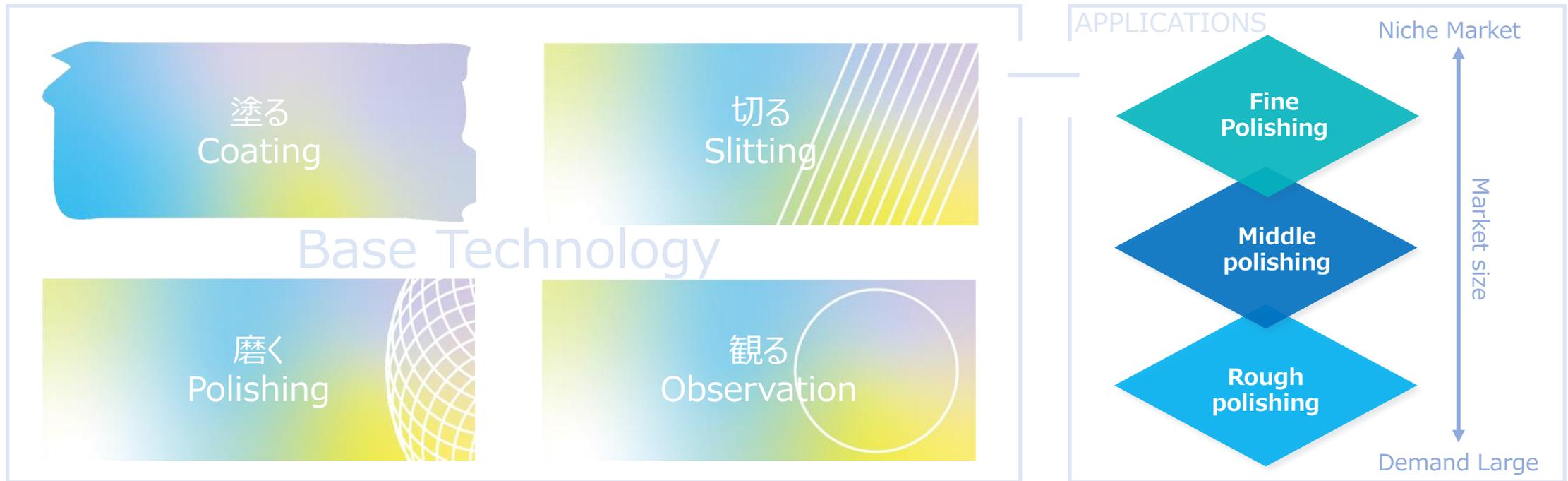
Change from OEM business to Engineering Service

Improvement to the Management base to support rapid changes and diversity

Coating, Slitting, Polishing, and Observation

By applying the foil manufacturing technology that has been in use since the company's founding, we have developed a business based on the core technologies of "Coating, Slitting, and Polishing."

In recent years, our polishing quality has reached a level where there is no equipment on the market that can inspect it. The expansion of inspection equipment has also helped, and now "observation" technology has been added to our core technologies.



Mipox not only manufactures products but is also involved in the Processing Service business. In regard to the global polishing industry, we hold a notable global share as a niche top converter.

Products Business

We develop, manufacture, and market abrasive materials. We provide our products for a wide range of applications worldwide from ultra-precision polishing to general polishing, equipment and reflective materials.



Polishing Film



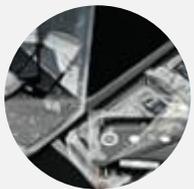
Polishing Slurry



Polishing related products



Abrasive Cloth and Paper



Functional Film



Polishing Machine



Inspection Equipment



Retroreflective Materials (Ref Lite)

Processing Service Business

For contract polishing, we receive wafers and other materials from customers, mainly for semiconductor applications, and provide polishing services that meet the customer's requirements using our own equipment (polishing equipment, cleaning equipment, inspection equipment) and our own polishing materials.

For contract coating and slitting, we receive base materials (films, etc.) and coating materials from customers and convert them into films using our own equipment (preparation, coating, slitting).



Coating



Polishing



Converting



room-temperature bonding

02 Financial Results

2Q FY2022

Six Months Ended September 30, 2021

Summary of Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2022. (Six Months Ended September 30, 2021)

Both sales and profit increased due to strong sales.

Net Sales (1H FY2022)

5,054 (million yen)

YoY for 1H FY2021
+1,576 (million yen)

Operating Income (1H FY2022)

840 (million yen)

YoY for 1H FY2021
+713 (million yen)

Ordinary Income (1H FY2022)

791 (million yen)

YoY for 1H FY2021
+761 (million yen)

Net Income* (1H FY2022)

*Profit attributable to owners of parent

652 (million yen)

YoY for 1H FY2021
+633 (million yen)

【Sales Factors】

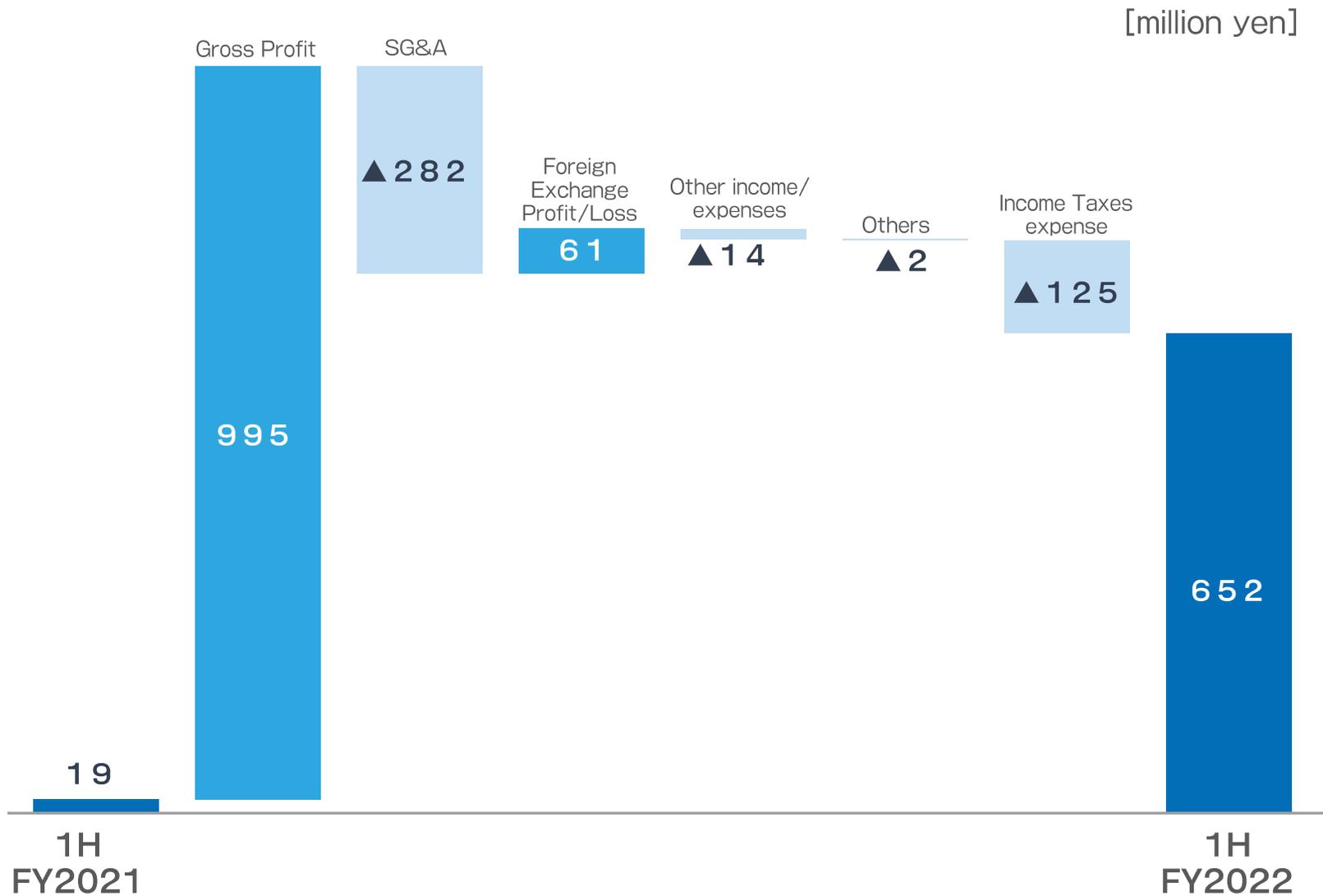
Sales in both the Product Business and the Processing Service Business were strong and significantly exceeded YoY.

Sales increased, especially in the high-tech related areas of the products business, as demand for data center increased due to the stay-at-home and telework.

Sales increased mainly due to the start of full-scale production of materials for next-generation displays.

02-2 Net Profit* Analysis (YoY Comparison)

* Profit attributable to owners of parent



Q2 FY2021
Profit (1H)
19 (million yen)

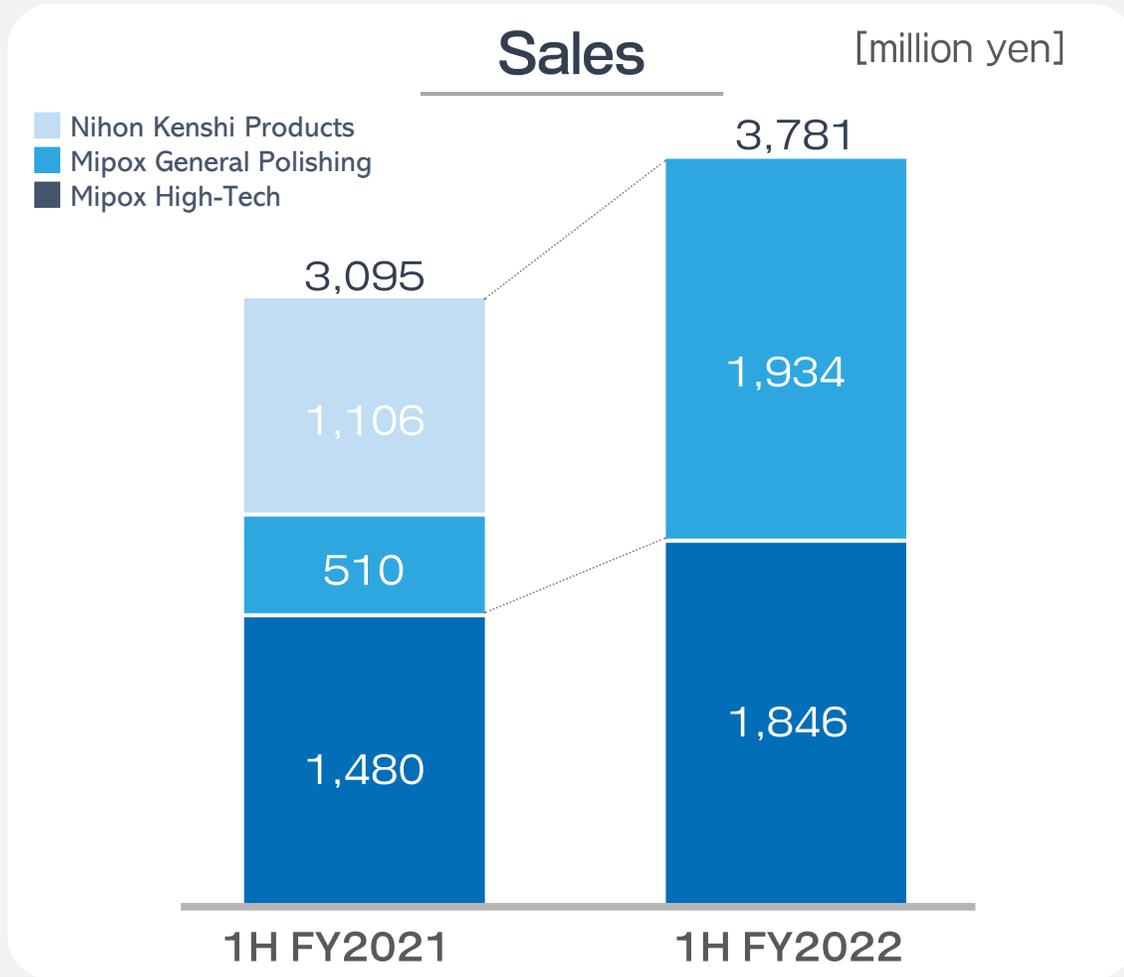
+633 (million yen)

Q2 FY2022
Profit (1H)
652 (million yen)

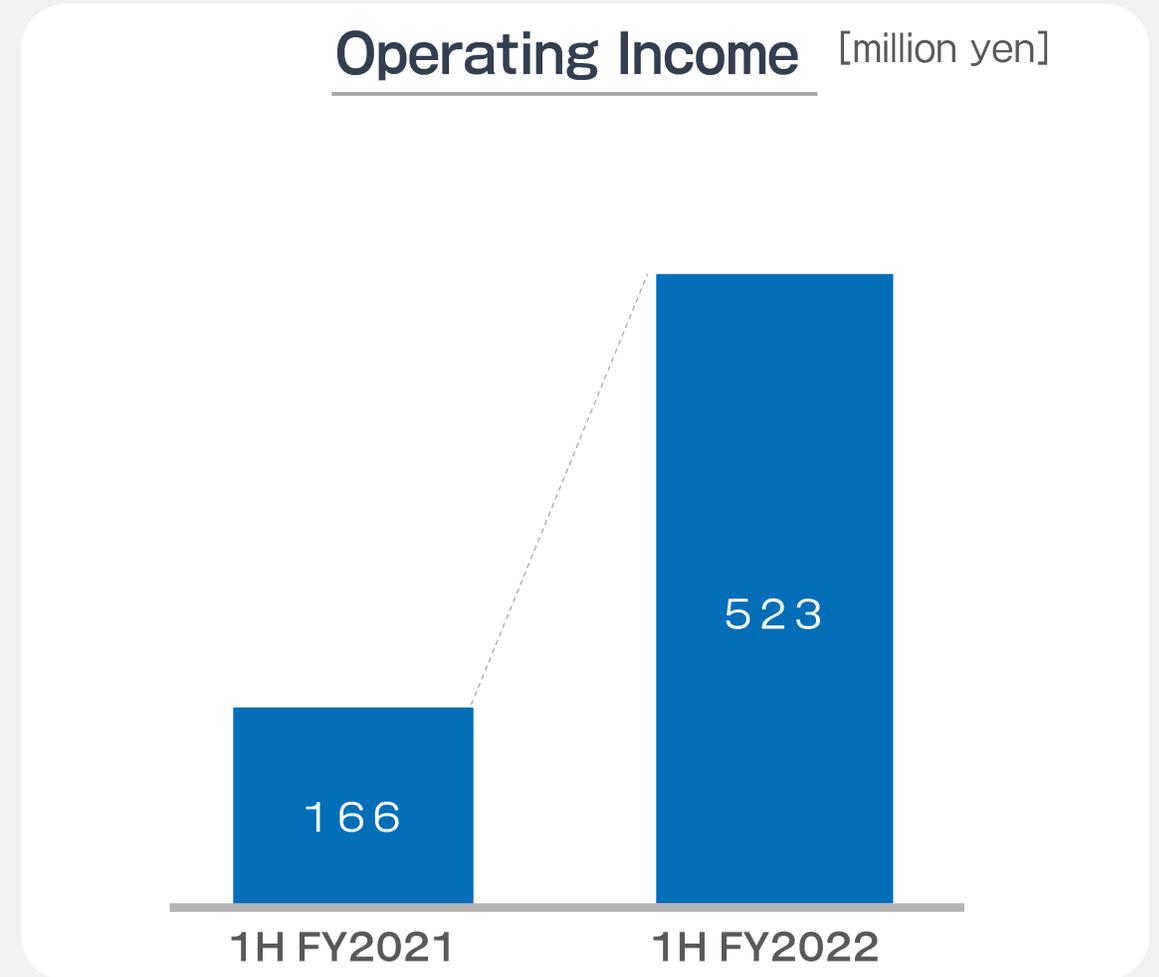
【 Profit factors 】

Increased due to higher sales composition of high-margin products and increased sales mainly of polishing services for semiconductor-related products.

Increase in both sales and operating income mainly due to higher sales mix of high-margin products

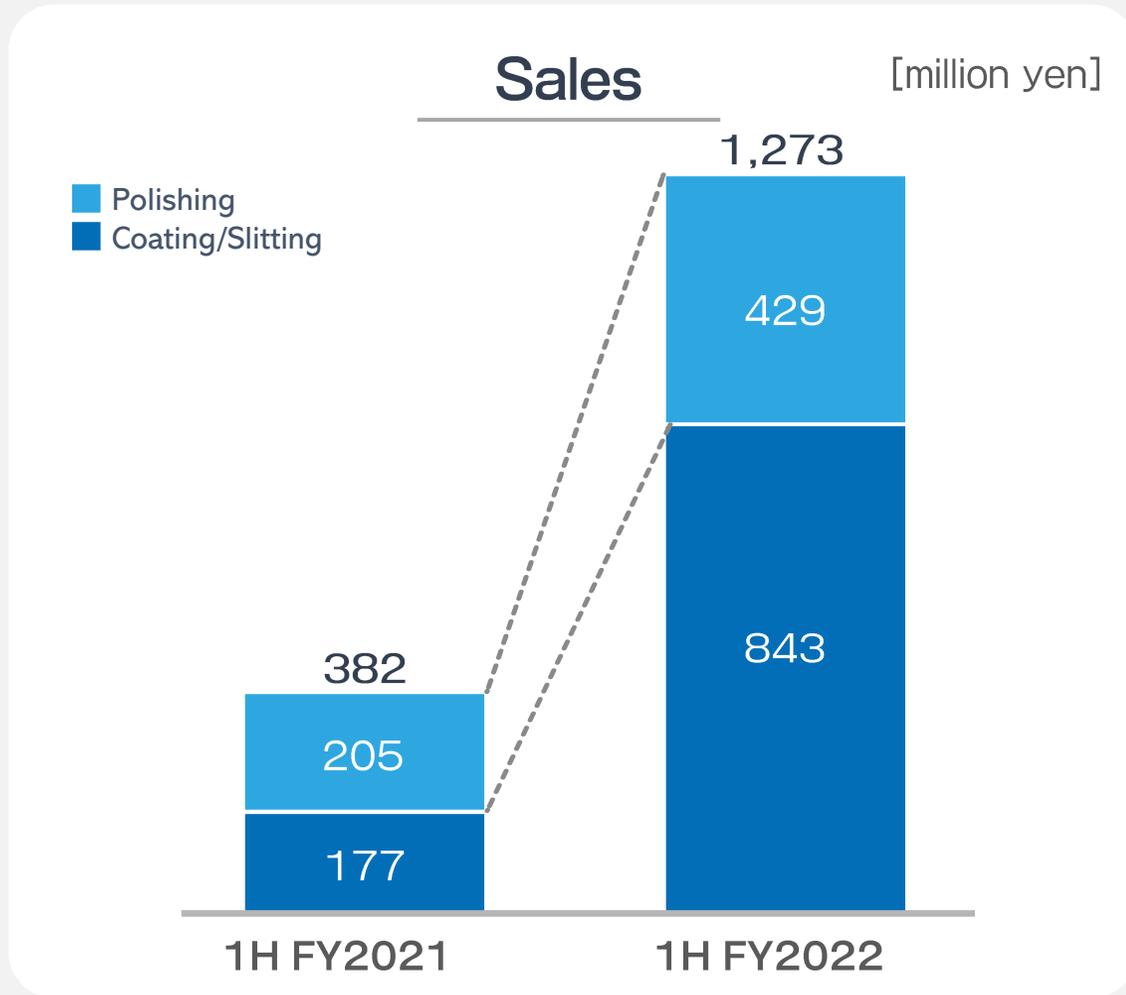


YoY comparison (1H)

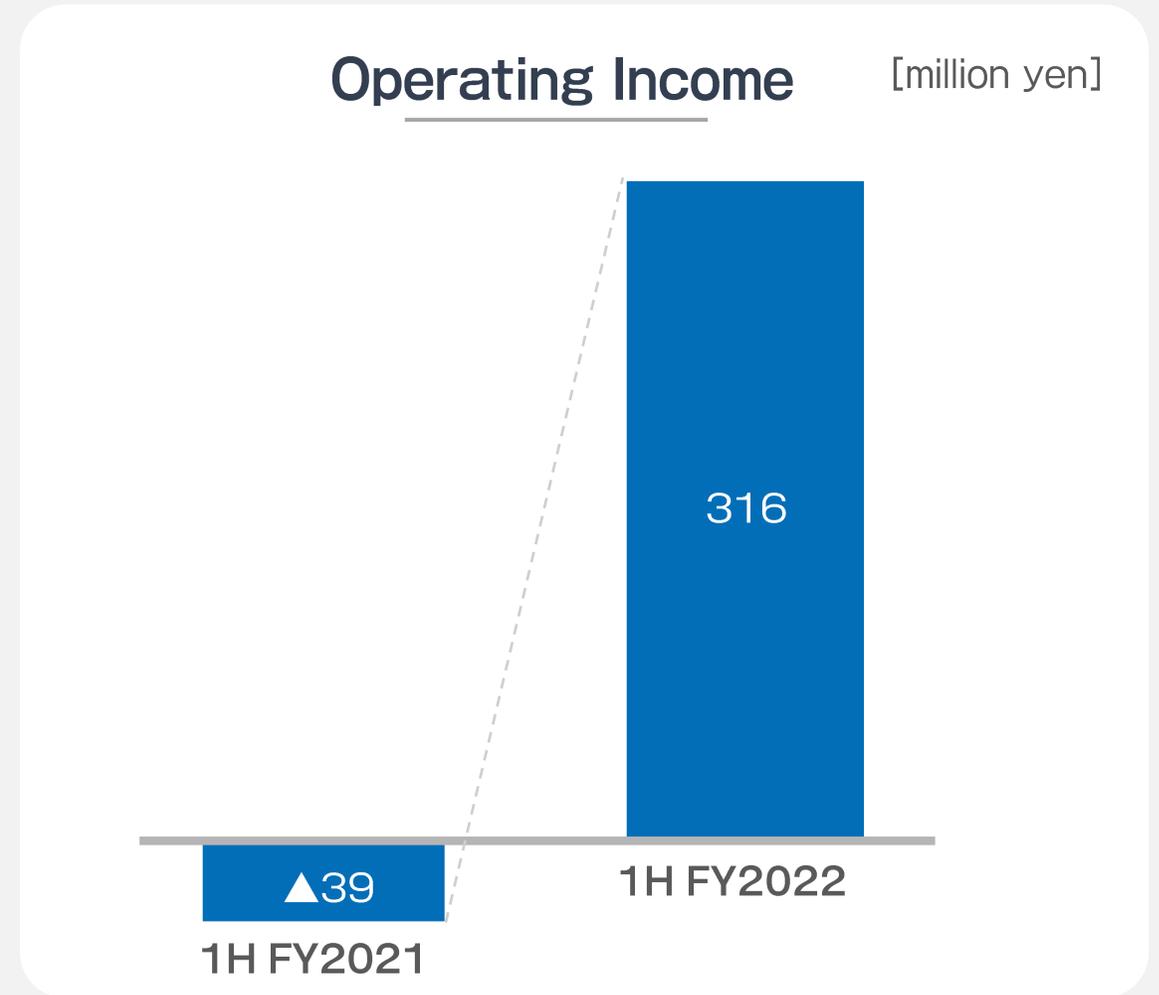


YoY comparison (1H)

Both sales and operating income increased due to strong sales in contract polishing and contract coating/slitting



YoY comparison



YoY comparison

02-5 Transition in the Balance Sheet

[million yen]	March 31, 2021	September 30, 2021	Difference
Current Assets	7,802	8,335	+532
Cash and Deposits	3,020	3,280	+259
Non-Current Assets	3,498	3,448	▲ 50
Property, Plant and Equipment	3,172	3,008	▲ 163
Total Assets	11,300	11,783	+482
Current Liabilities	3,329	3,604	+274
Short-term Loans Borrowings (included corporate bond)	1,684	1,670	▲ 14
Non-Current Liabilities	3,598	3,174	▲ 424
Long-term Borrowing (included corporate bond)	3,031	2,638	▲ 392
Total Liabilities	6,928	6,778	▲ 149
Total Net Assets	4,372	5,004	+631
Total Liabilities and Net Assets	11,300	11,783	+482
Total Loans Payable	4,716	4,309	▲ 407

2Q FY2022

Total Assets

11,783
(百万円)

Total Net Assets

5,004
(百万円)

Capital Adequacy Ratio

42.5%

03
Financial Forecast

**The Fiscal Year Ended
March 31, 2022**

Upward revision of forecast for FY2022

[million yen]	FY2021 Actual Result	FY2022 Forecast	Difference	Difference%
Sales	7,361	9,300	+1,939	+26.3%
Operating income	359	1,300	+941	+262.1%
Ordinary income	301	1,200	+899	+298.6%
Net Income <small>Profit attributable to owners of parent</small>	87	900	+813	+934.4%

These figures are based on information available as of November 12th and on certain assumptions deemed reasonable. Actual results will differ from these forecasts due to a variety of factors.

【 Reason for revision 】

Based on the results of the 2nd quarter of the current fiscal year, and as a result of a close examination of the current order and other factors, the company was able to secure sales that exceeded our expectations in both the Product Business and the Processing Service Business.

The results were significantly higher than the previous forecast mainly due to the start of full-scale production of contract coating and slitting services in the Processing Service Business.

Profits expect to increase in line with sales in the Processing Service Business sales.

Sales expect to increase in both the products business and the Processing Service Business

Product Business

General Polishing
High-Tech

Sales expect to continue to perform well, with a high-margin composition of high-tech related products for data centers due to stay-at-home and telework.

In the automotive sector, production volume expects to recover from the second half of the fiscal year, despite concerns about the impact of semiconductor shortages and other factors.

Sales expect to increase with the introduction of new products mainly for heavy-duty grinding.

Processing Service Business

Polishing
Coating/Slitting

Sales of Contract Coating and Slitting expect to increase steadily, including large orders.

Sales of Contract Polishing expect to increase steadily due to many inquiries for new projects in response to growing domestic and overseas demand for next-generation semiconductors.

Sales expect to increase with the launch of a new contract polishing service.

	Annual Dividend
FY2021	No Dividend
FY2022	Under Review

For FY2022, plans for paying dividends is under review. It will be decided based on comprehensive consideration of business performance trends and financial conditions in the future.

04 Approach

The Second Half of FY2022

Respond with "Creation" x "Engineering" by combining Mipox's core technologies to the growing need for solutions to the "challenges" of next-generation semiconductors.



Data Center

Acceleration of comms infrastructure enhancement, Increase in cloud services, Increase in information processing volume

Energy Saving Society

Decarbonized society, practical application of electric vehicles, electrification and automated driving, low fuel consumption, power generation-related, high-intensity lighting

High Speed Comms Network 5G · 6G

Remote and work style reform, automatic and unmanned driving, large capacity, high speed, recording, AI, smart agriculture, creation of educational (learning) opportunities, virtual space communication

Safe and Secure

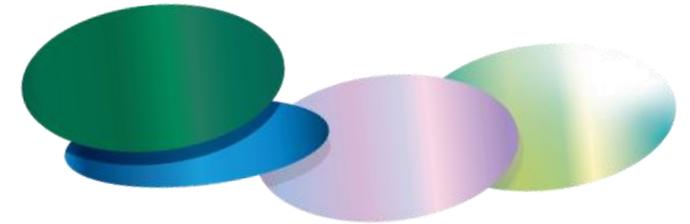
Next-generation light source "Deep UV LED"

Based on Mipox's core technology of "polishing," We will develop various abrasive products, polishing equipment, and polishing services as well as integrate it with room-temperature bonding technology for next-generation hybrid wafers.

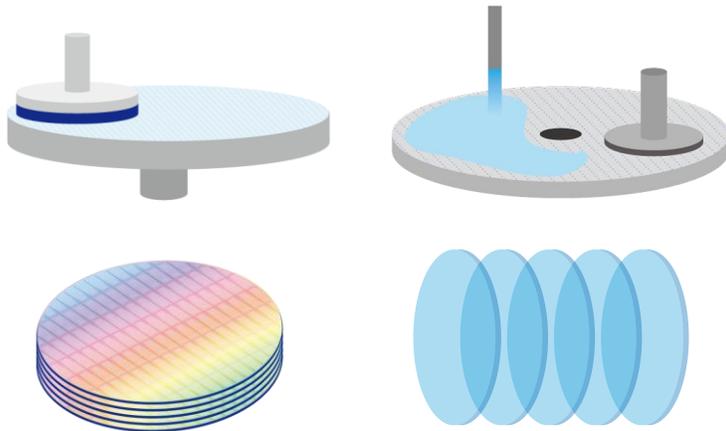
We will further enhance the value of Mipox's presence as an "ENABLER" in the market.

Creation of Next-Generation Hybrid Wafers "Engineered Substrate"

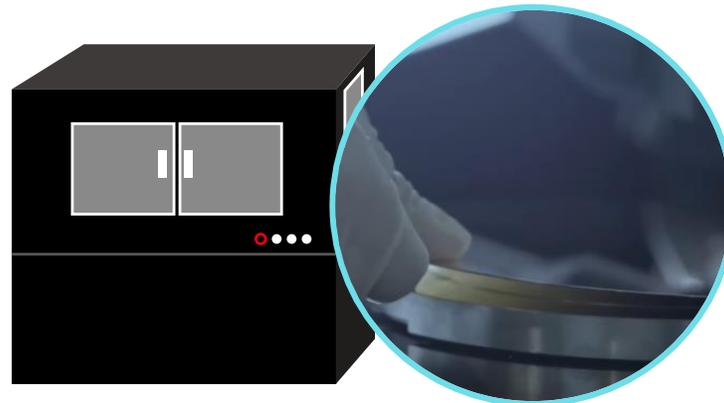
The key to next-generation semiconductors
Heat resistance and Durability



Chemical mechanical planarization for high precision planarization to any materials



Development of dedicated polishing equipment for next-generation semiconductor wafers



Polishing Process (CMP), room-temperature bonding development of one-stop solutions



Multifaceted approaches to new services, businesses, and strengthened organization.

New Edge Polishing Service Launched

The company has established a method to perform stable edge treatment processing (chamfering, mirroring, etc.) on diamond wafers, which expects to be the ultimate next-generation power semiconductor material. Mipox has included and begun providing this as one of its offered polishing services.

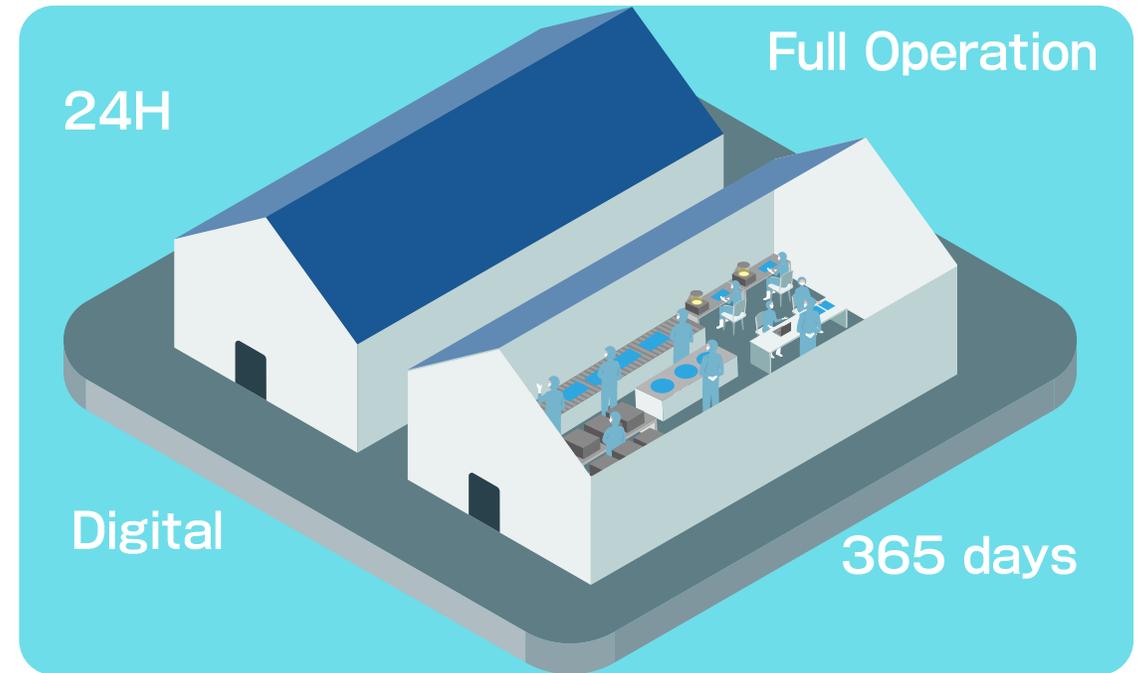


Start of new business for mass production of single-crystal Silicon Carbide (SiC)



Partnered with UJ-Crystal to conduct R&D for the mass production of single-crystal SiC, with the aim of establishing a system that enables integrated development from crystal growth, substrate to polishing, processing and inspection.

Strengthening the Production System of the Yamanashi Plant Capable of 24-hour, 365-day production with integrated production system

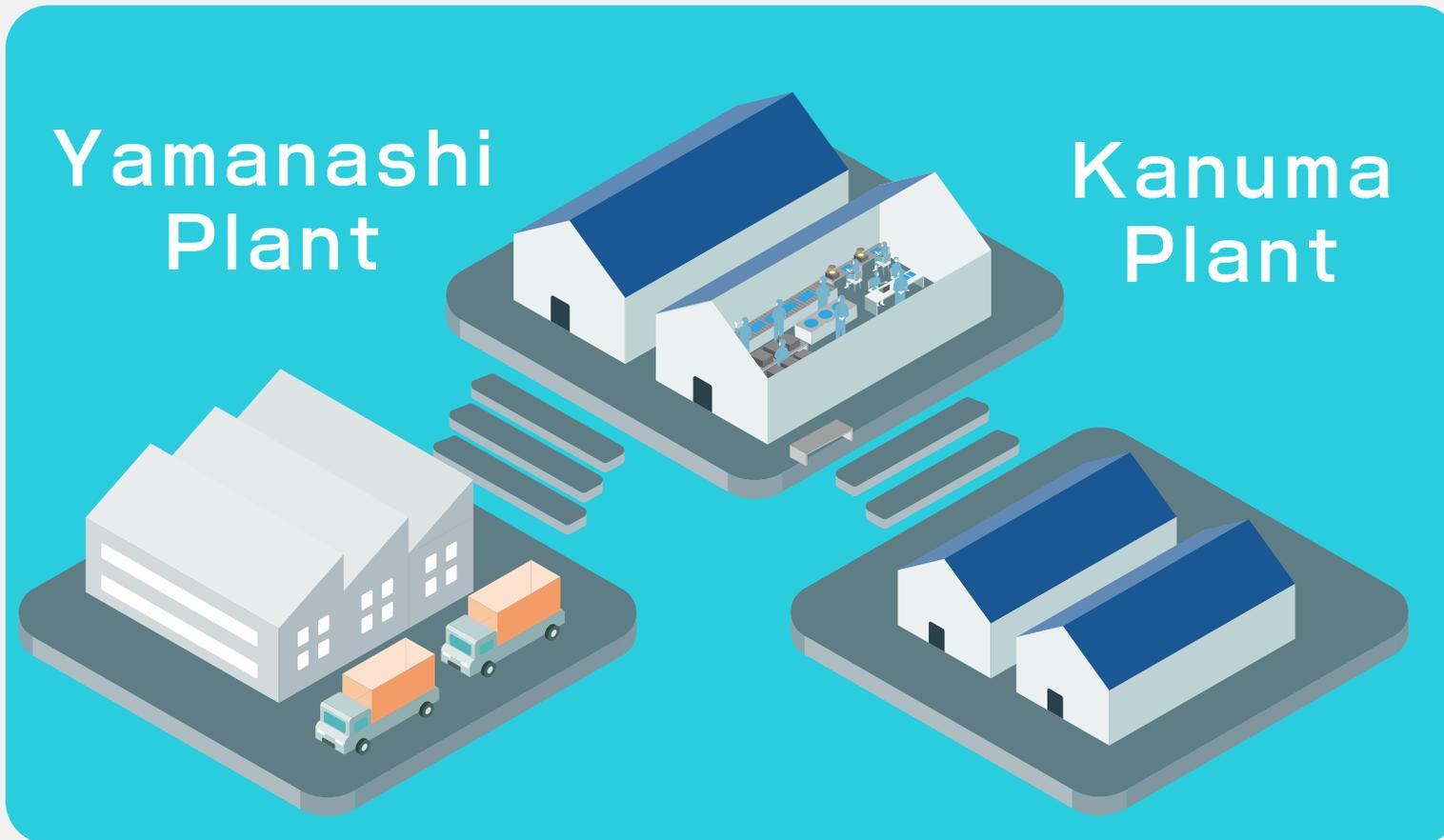


Digitalization of factories in addition to manufacturing facilities and development of real-time monitoring systems is underway.

Responding to increased orders in the Processing Service Business and efforts to increase production capacity.

Smart factory using IoT devices and sensors

Environmentally friendly factories that save energy, use low-carbon energy, and recycle resources



Acquired Kanuma Plant

Land, buildings, facilities



Expansion of production capacity in Processing Service Business

Securing a location for business growth

From a BCP perspective, decentralize production system risks

The company aims for a SMART FACTORY which connects all people, things, and information. The company strives for a factory that makes sustainable development for an improvement in the business process, and an increase in quality and productivity by utilizing digital data.

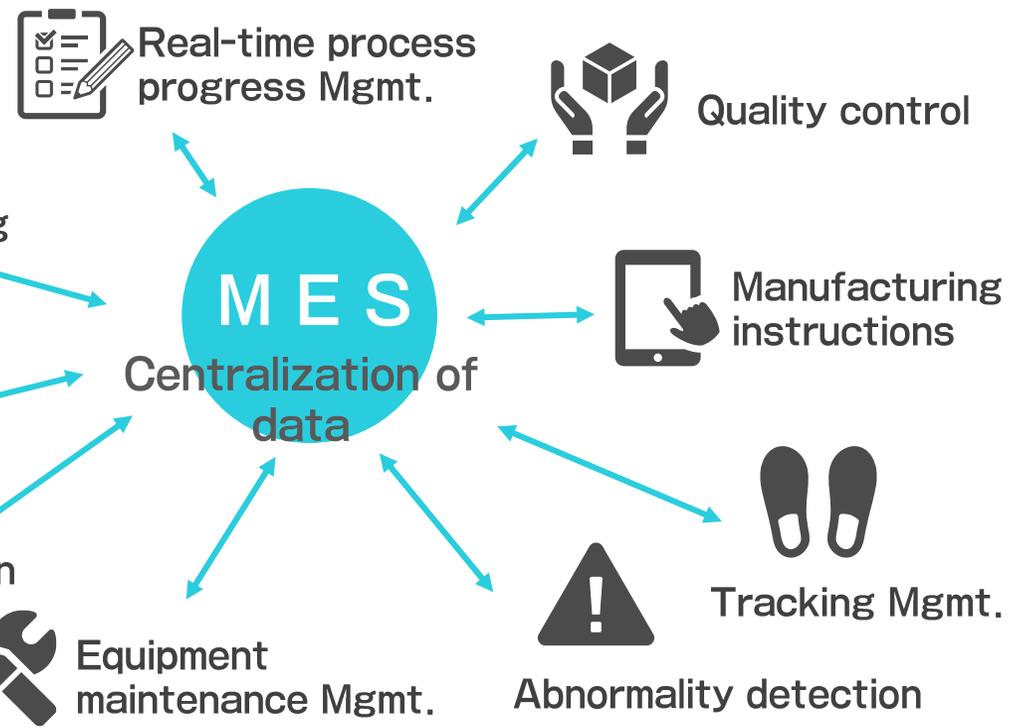
Introduction of MES

Unstoppable

Visible

Connected

Facilitates centralized data management between various processes and each factory.

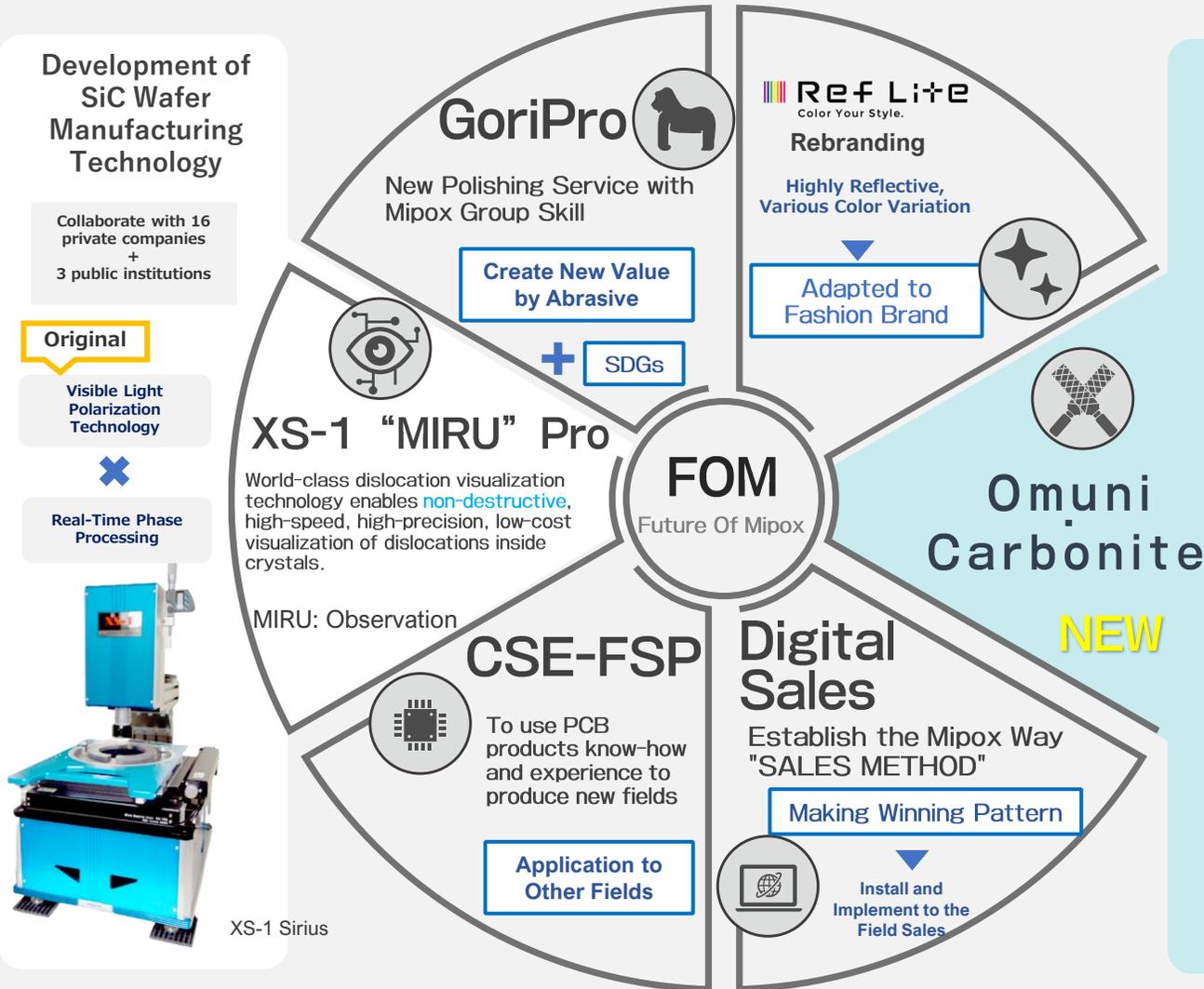


Further improve efficiency by linking with existing ERP

ERP

- Production control (Laptop icon)
- Sales Mgmt. (Storefront icon)
- Inventory Control (Stack of boxes icon)
- Accounting Control (Banknote icon)

Omuni Carbonite Business joins the incubation organization FOM. We will "create" new products, services, experiences, and values.



Omuni - Carbonite




Focusing on the new base- Kure Base-, we aim to increase the potential and added value of new files.

Omuni Business

DIY~ Aerospace Materials

Development and manufacturing of flexible files that change the concept of conventional files with our patented and unique manufacturing method

Carbonite

Ultra-high quality files

Development and manufacturing of ultra-high quality files that are used for WorldSkills Olympics, a national level completion.

Really Just Can Grind Faster

NEW
Qseries
岡Q GoQ

The combination of Nikken's "original method" and "abrasive grain arrangement" provides
研削性に優れたマジック研磨紙
 An abrasive paper with excellent grinding performance
 Short and easy tool that shortens the work time by far

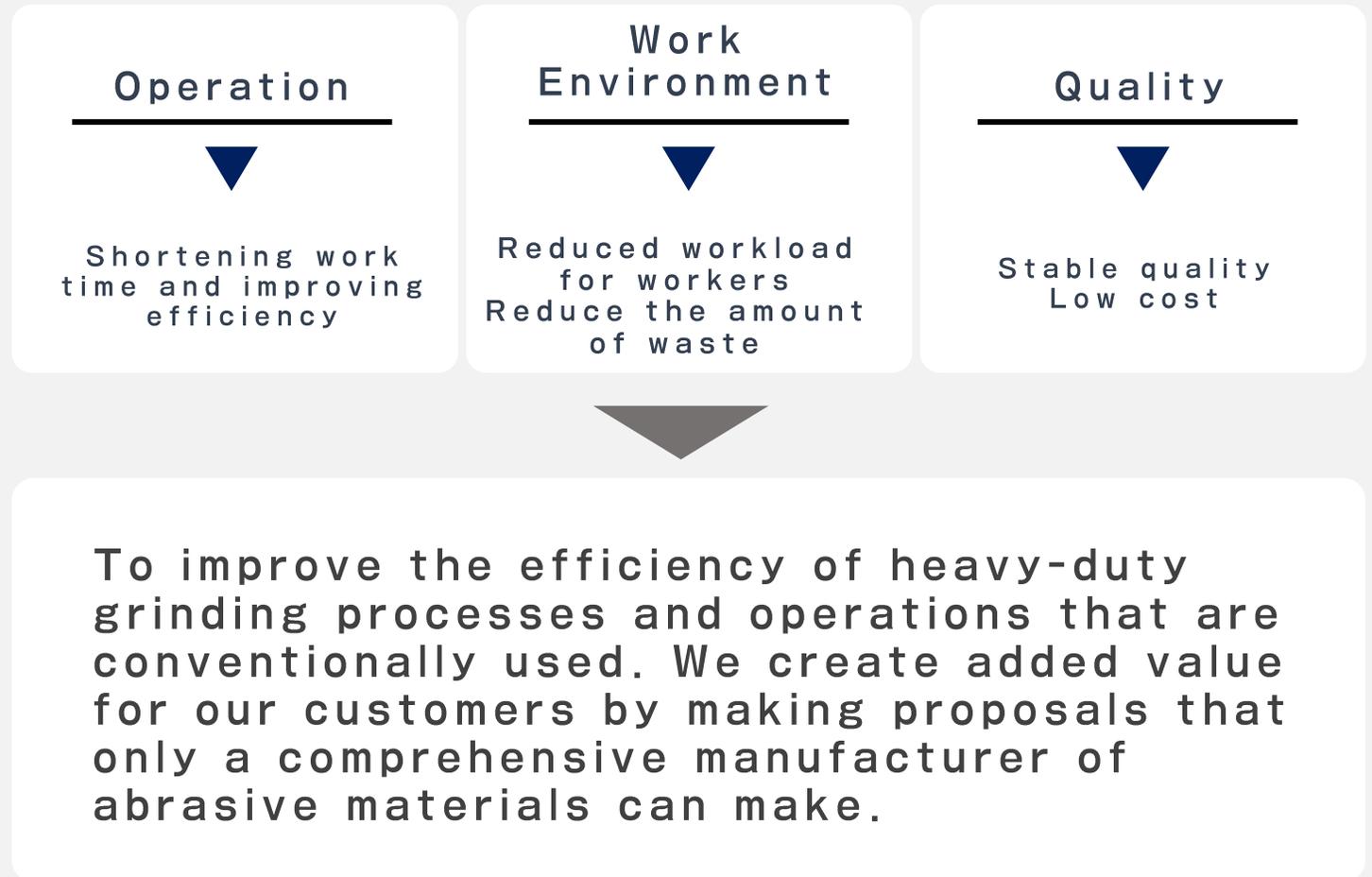
Go9 Sander 岡Q GoQ

Go9 orbit 9mm DA Sander

MADE IN JAPAN

Launch of "GoQ" for Q series heavy-duty grinding!

We will "create" further added value of "shortening time and reducing burden".



As a long-established manufacturer, As a venture that always continues to take on challenges

On November 21, 2021, we celebrated our 96th year in business.

The company was founded as a trading company importing and selling pigments and colored foils, and since then we have always moved along with changes in the world.

The company succeeded in manufacturing polishing films by applying foil coating technology and established ourselves as a manufacturer of abrasives from the mid-1960s, and as a comprehensive abrasive manufacturer handling precision abrasives and polishing equipment from the 1980s.

We promoted globalization advanced into the field of ultra-precision polishing fields, since 2004, we have further expanded our business fields and promoted the introduction of IT within the company.

The economy is shifting from "entity-oriented to situation-oriented".

We are strongly aware of this, and as a manufacturer, we will continue to transform our business from one of "making and selling products" to one of "providing value" .



1925

Spin-off pigment and foil department of L. Raybould office
Establish general partnership company
Import and sales of pigment · gold-foil · gold dust



1967

Commence polishing film (polishing material) development
Succeed in polishing film commercialization



1981

Company name change to Japan Micro Coating Co. Ltd.,
Rapid increase in overseas business
Integrate product brands to "Mipox"
Target overseas market



2001

List on JASDAQ as Japan Micro Coating Co. Ltd.,



2013

Change company name to "Mipox"



2025

100 years in business
Aiming to achieve sales of 30 billion yen

Change The World by Our Converting and Polishing Technology

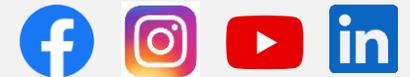
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