



1st Half FY2025 |

# Financial Summary

November 14, 2024

Mipox Corporation

Securities Code: 5381

# Refining innovation

Refining innovation

Sharpening the cutting edge

Paving the way for the next 100 years and  
reshaping the world's conventions

In Japan, there is a term called “tsuyuharai.”

It refers to going ahead of a line of people and clearing away obstacles.

Additionally, it signifies taking the lead and guiding others.

By extension, it implies being the first to take action or do something.

We remove the obstacles that stand in the way of our clients' futures.

We solve society's problems so that those who have yet to encounter them  
will not stumble.

For the past 100 years, we have been committed to providing solutions  
through our coating, slitting, and polishing technologies. Our mission is to  
refine the future for both our customers and society as a whole.

And while we work closely with you, we also focus on polishing our  
technology.

We will continue to polish with rigor and finesse to keep the future shining  
brightly for the next 100 years.

**mipox**

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Corporate Name	<b>Mipox Corporation</b>
Founded on	<b>November 21, 1925</b>
Incorporated on	<b>December 12, 1941</b>
Representative	<b>Jun Watanabe, President and CEO</b>
Address	<b>18 Satsuki-cho, Kanuma-shi, Tochigi, 322-0014</b>
Listed on	<b>Tokyo Stock Exchange Standard Market</b>
Securities Code	<b>5381</b>

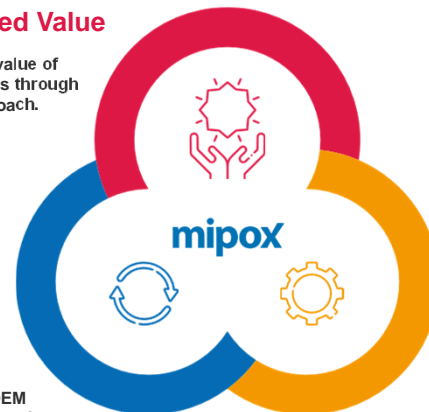
## [Management Policy]

### Increase Added Value

Enhance the added value of our Product Business through an engineering approach.

### Transform Business

Transition from an OEM business to an engineering services business.



### Improve a Management Foundation

Establish a management foundation that can adapt to rapid changes and diversity.

**mipox**

**Ref Lite**  
Color Your Style.

**MISUMI**

**Tikken**

**スガ コーディングス**

**ookubo**

**thomas**

## Perfected technical expertise in coating, slitting, and polishing

We have built our business around core coating, slitting, and polishing technologies, applying metal foil manufacturing techniques that have been practiced since our foundation.

We offer products and services that integrate our core technologies to enhance the added value we deliver for our customers' success.



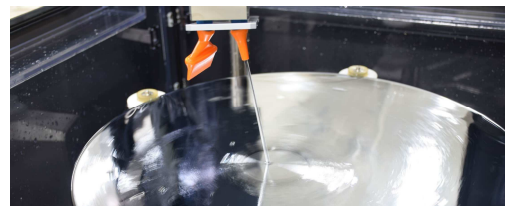
### Coating

We apply a uniform coating of formulated resins and other coating materials to PET film, copper foil, fabric, paper, and other base materials. In addition to our proprietary abrasive and reflective materials, our multiple coating machines can create functional films tailored to meet specific customer needs.



### Slitting

The product, made using coating technology, is slit to the desired size. By leveraging the technology developed in the production of polishing films for hard disk drives, which require a high level of precision, we can achieve highly accurate slitting and winding even for materials that are considered challenging to slit, allowing us to deliver high-quality products.



### Polishing

We are dedicated to continuously researching the polishing process utilizing our proprietary abrasives and unique polishing equipment to develop products from a comprehensive and detailed customer perspective. We aim to establish ourselves as trusted professionals in the polishing market by tackling the precision polishing of next-generation semiconductor wafers. To achieve this, we intend to leverage the high-precision polishing technology we have developed in the high-tech sector.

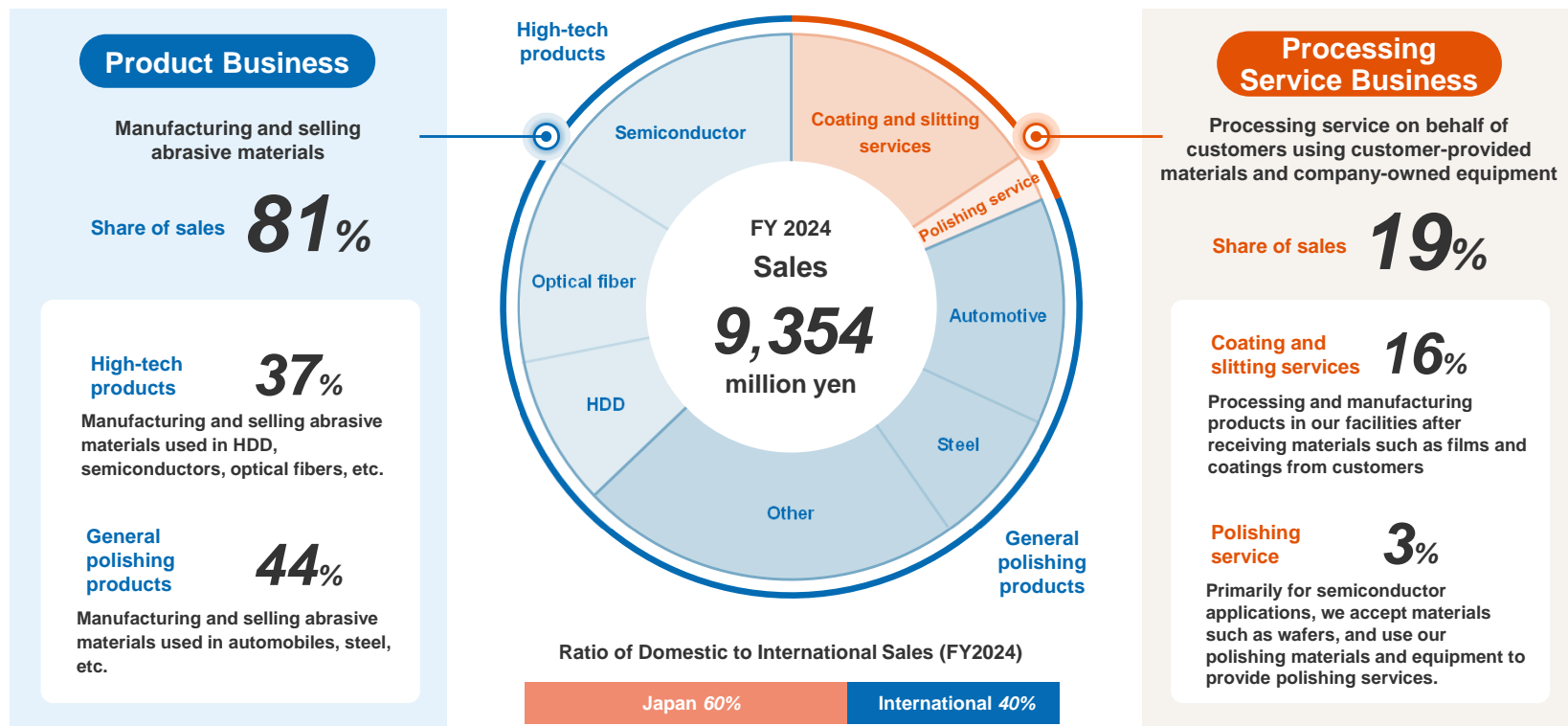
# 01 History

Mipox Corporation Financial Results for the 2nd Quarter of the  
Fiscal Year Ending in March 2025 (Securities Code: 5381)

New Business Sites		Business Areas	Sales (million yen)		Topics
1925	Founded in Kyobashi-ku, Tokyo	<div>Product Business</div> <div>Processing Service Business</div>			Established as an importer of pigments and colored foil with German capital (Germany Pigment Partnership)
1981					Company name changed to Japan Micro Coating Co., Ltd.
2001			6,858		Listed on the JASDAQ OTC Market
2002			4,439		
2003			4,949		
2004			7,197		
2005			10,799		
2006			8,966		
2007			8,329		
2008			6,083		
2009			3,238		Jun Watanabe became President and CEO (current position) in FY2009
2010			3,013		Strengthening the Processing Service Business
2011			3,157		
2012	India, China (Shanghai)		3,045		
2013	Philippines		2,815	594	Company name changed to Mipox Corporation; moved the headquarters to Tachikawa-shi, Tokyo
2014	Taiwan		3,202	558	
2015	Kyoto-shi, Kyoto		3,606	379	Nippon Ref-lite Industry Co. Ltd. became a subsidiary and Mipox Kyoto Corporation was established as a subsidiary
2016	Vietnam, Fukuyama-shi, Hiroshima		3,930	274	Nihon Kenshi Co., Ltd. became a subsidiary
2017			6,219	190	Absorbed Mipox Kyoto Corporation through a merger
2018			7,009	816	
2019			7,083	474	The sales functions of Nihon Kenshi Co., Ltd. was integrated
2020	China (Shenzhen)		6,832	506	Started rebranding Ref Lite
2021	Kure-shi, Hiroshima		6,416	944	Moved the head office to Hokuto-shi, Yamanashi, absorbed Nihon Kenshi Co., Ltd. through a merger, and absorbed the Omni and Carbonite businesses through an absorption-type split
2022	Kanuma-shi, Tochigi		7,570	2,879	Misumi Chemical Co., Ltd. became a subsidiary. Moved the headquarters to Yotsuya, Tokyo
2023			7,948	2,080	Moved the head office/headquarters to Kanuma-shi, Tochigi, acquired the powder coating business of Suga Codings Co., Ltd. and made Ookubo Ironwork Inc. a subsidiary
2024			7,618	1,735	Relocated the factory in India and invested in thomas Inc.

# 01 Sales Ratio by Segment

Mipox Corporation Financial Results for the 2nd Quarter of the Fiscal Year Ending in March 2025 (Securities Code: 5381)



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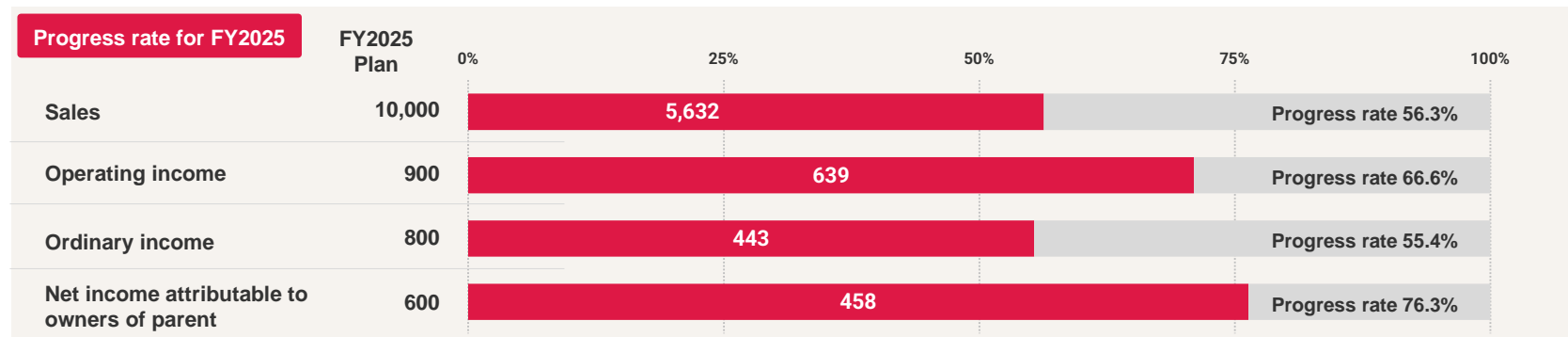


## 02 P&L Summary

Mipox Corporation Financial Results for the 2nd Quarter of the  
Fiscal Year Ending in March 2025 (Securities Code: 5381)

Sales have increased by 30% compared with the same period last year, and operating income showed a significant shift to profitability. This improvement is primarily attributed to the steady growth in sales of high-tech products within the Product Business, which has enhanced profit margins.

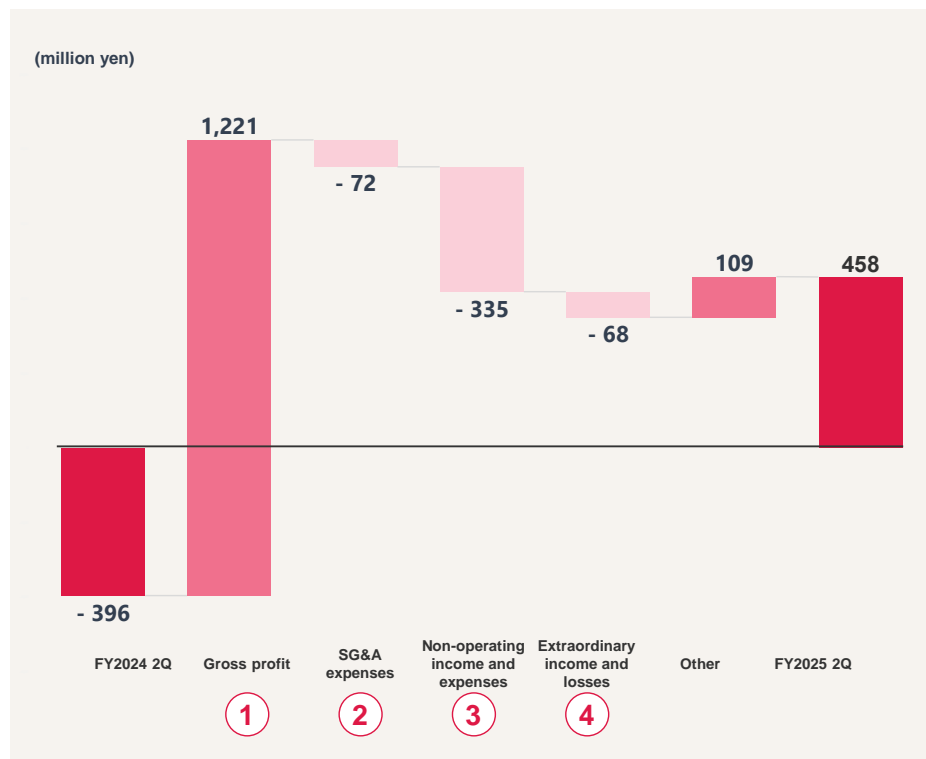
	(million yen)	FY2024 2Q	FY2025 2Q	Year-on-Year
Sales		4,326	5,632	30.2%
Gross profit		1,010	2,231	120.9%
Selling, general and administrative expenses		1,519	1,592	4.8%
Operating income		- 509	639	-
Foreign exchange gains		111	0	-
Ordinary income		- 369	443	-
Interim net income attributable to owners of parent		- 396	458	-



\* Please note that there may be slight discrepancies in the performance figures due to rounding down to the nearest million yen and how fractions of less than one million yen are treated.

## 02 Factors Affecting Changes in Net Income

Mipox Corporation Financial Results for the 2nd Quarter of the Fiscal Year Ending in March 2025 (Securities Code: 5381)



\* Amounts less than one million yen will be rounded down after calculating the increase or decrease.

### Factors affecting changes in profit

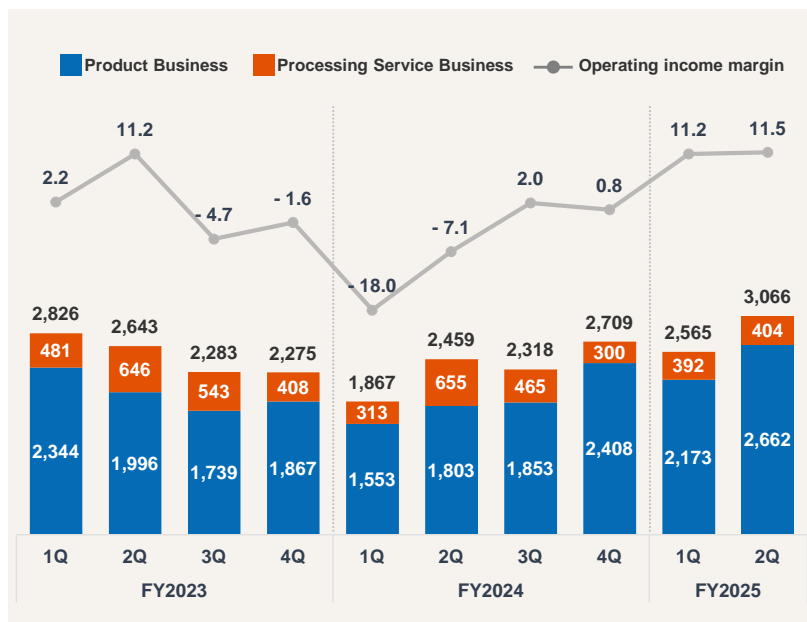
- ① Gross profit increased, driven by robust sales of high-tech products that have a relatively high margin in the Product Business.
- ② SG&A expenses increased due to the higher system and personnel costs.
- ③ In the corresponding period last year, the yen was trending downwards; however, it has shown strength in the first half of this fiscal year. A weak yen typically benefits our operations because our exports exceed our imports. While we recorded foreign exchange gains during the same period last year, we incurred foreign exchange losses in the first half of this fiscal year, leading to an increase in non-operating expenses.
- ④ In the same period of the previous year, there was a gain from the liquidation of subsidiaries and associates. However, there was no corresponding extraordinary income in the first half of this fiscal year.

## 02 Quarterly business results (consolidated)

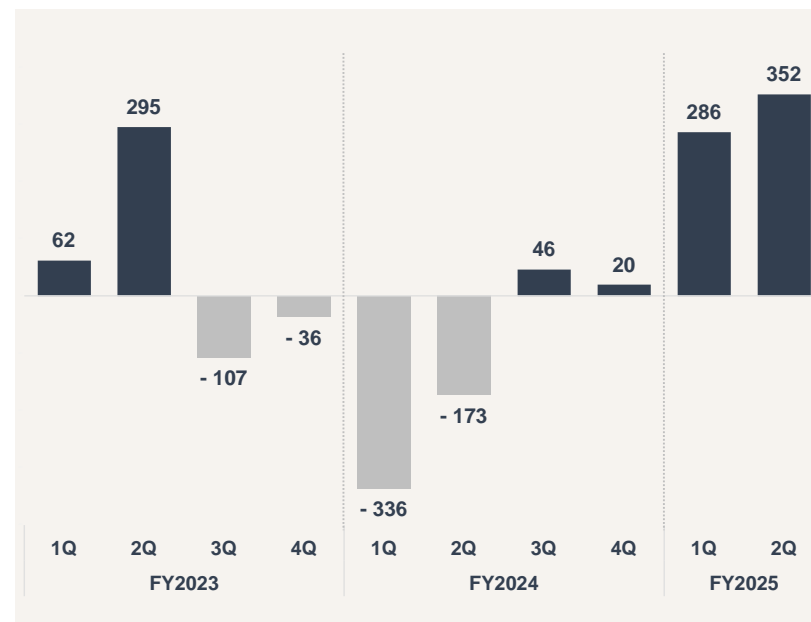
Mipox Corporation Financial Results for the 2nd Quarter of the Fiscal Year Ending in March 2025 (Securities Code: 5381)

Sales in the Product Business showed steady growth. In particular, sales of high-tech products were strong, driving up operating income. In the Processing Service Business, sales increased but a segment loss was recorded in 2Q. Sales are expected to be sluggish in the 2H.

**Sales & operating income margin** (million yen, %)



**Operating income** (million yen)



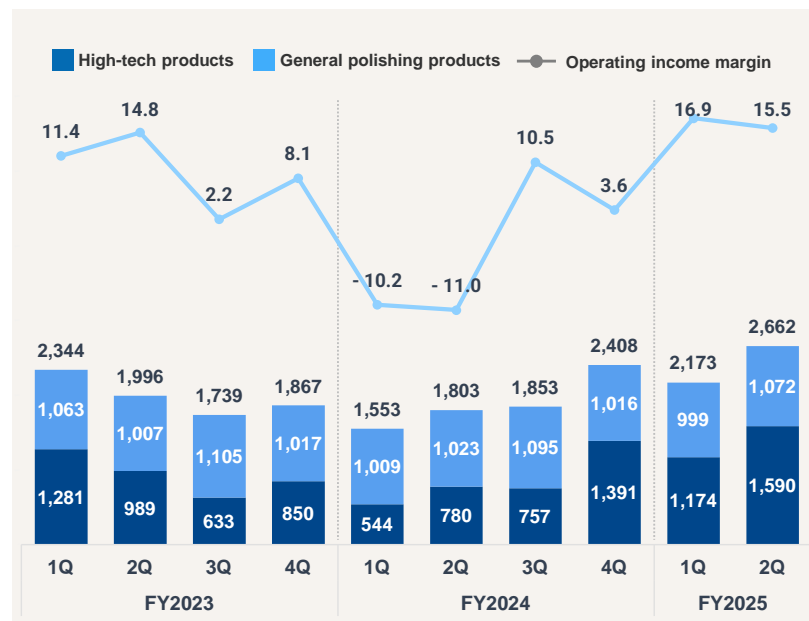
\* Please note that there may be slight discrepancies in the performance figures due to how fractions of less than one million yen are treated.

## 02 Quarterly Business Results (Product Business)

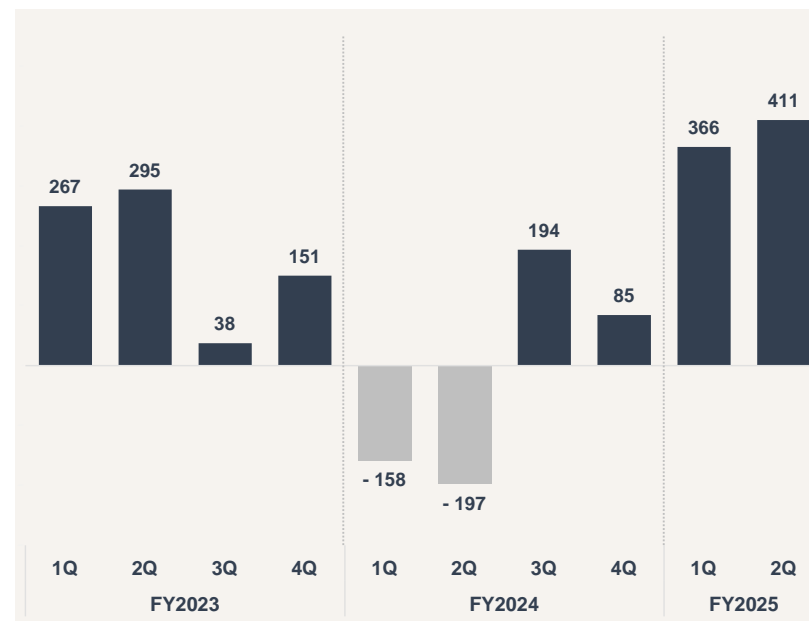
Mipox Corporation Financial Results for the 2nd Quarter of the Fiscal Year Ending in March 2025 (Securities Code: 5381)

Sales of high-tech products are on the rise, while sales of general polishing products have remained stable. The profit margin for high-tech products is relatively higher, making it a critical factor in boosting the overall profit for the segment.

### Sales & operating income margin (million yen, %)



### Operating income (million yen)



\* Please note that there may be slight discrepancies in the performance figures due to how fractions of less than one million yen are treated.

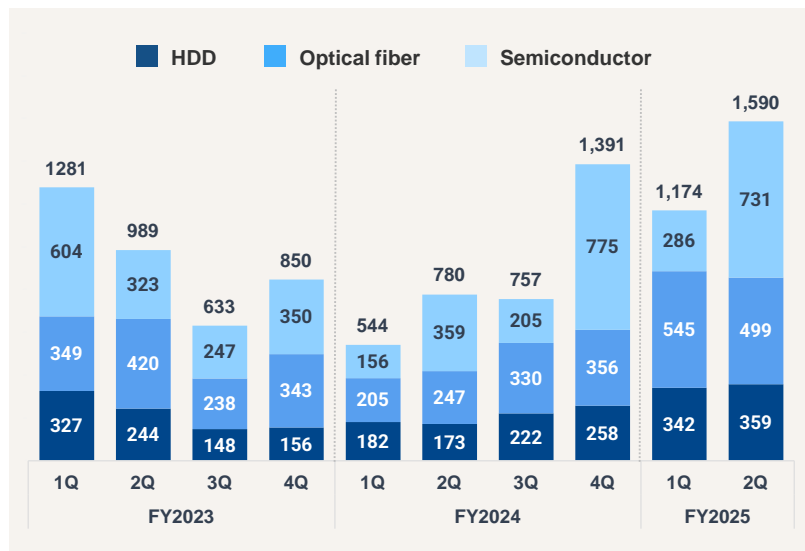
## 02 Quarterly Business Results (by Product Business Unit)

Mipox Corporation Financial Results for the 2nd Quarter of the  
Fiscal Year Ending in March 2025 (Securities Code: 5381)

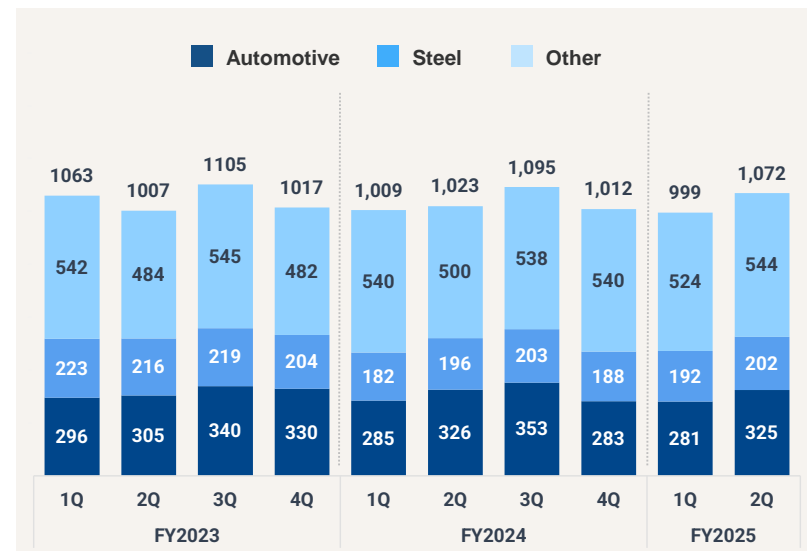
Sales of high-tech products remain strong across all applications, including HDD, optical fibers, and semiconductors. While the sales of semiconductor-related products can vary significantly depending on sales of wafer polishing equipment, there has been an uptick in the sales of consumables, such as cleaning sheets for probe cards and polishing films for SiC wafers.

Sales of general polishing products increased, particularly for automobiles.

### High-tech products (million yen)



### General polishing products (million yen)



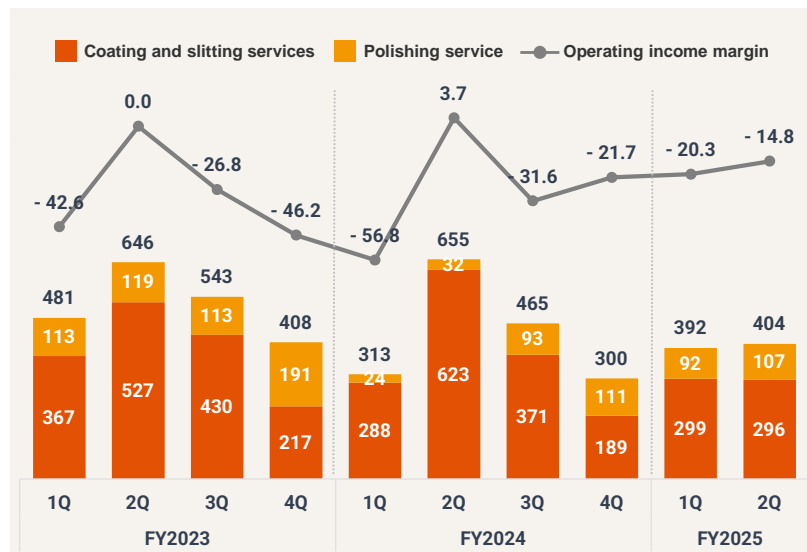
\* Please note that there may be slight discrepancies in the performance figures due to how fractions of less than one million yen are treated.

## 02 Quarterly Business Results (Processing Service Business)

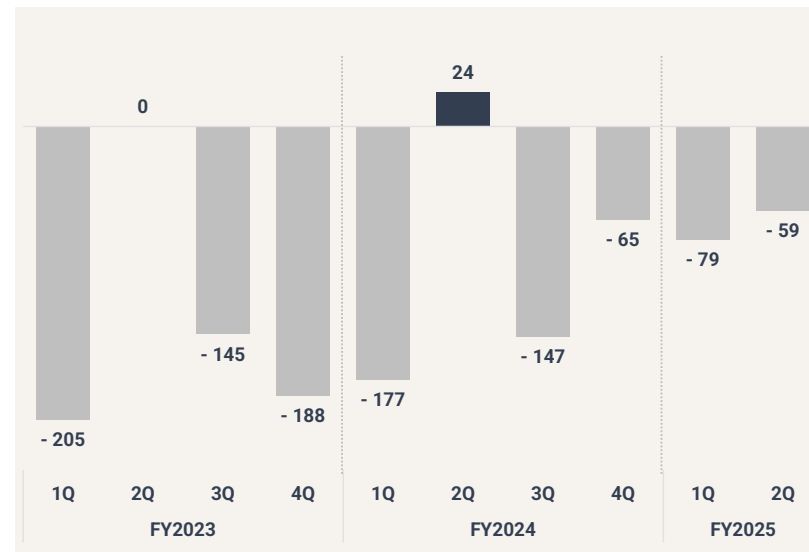
Mipox Corporation Financial Results for the 2nd Quarter of the  
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The Processing Service Business usually experiences peak sales around 2Q, but this fiscal year, sales were in line with 1Q. We recorded a segment loss attributable to fixed costs. In the 2H, our operations will likely concentrate on prototyping, and we anticipate a decline in sales. To reduce the fixed costs, we will continue to share personnel and equipment across various segments and locations.

Sales & operating income margin (million yen, %)



Operating income (million yen)



\* Please note that there may be slight discrepancies in the performance figures due to how fractions of less than one million yen are treated.

## 02 Balance Sheet Summary

Mipox Corporation Financial Results for the 2nd Quarter of the  
Fiscal Year Ending in March 2025 (Securities Code: 5381)

(million yen)	End of FY2024	End of September, FY2025	Change	Remarks
<b>Total current assets</b>	<b>8,773</b>	<b>8,391</b>	<b>-382</b>	
Cash and deposits	2,692	2,475	-216	
Trade receivables*	3,063	2,779	-284	Decrease mainly due to timing of collections from major customers
Inventories	2,670	2,719	48	
Other	347	417	70	
<b>Total non-current assets</b>	<b>7,203</b>	<b>7,311</b>	<b>107</b>	
Property, plant and equipment	6,596	6,708	111	Including interiors and furnishings of the Tokyo office
<b>Total assets</b>	<b>15,977</b>	<b>15,703</b>	<b>-274</b>	
<b>Total current liabilities</b>	<b>4,930</b>	<b>4,793</b>	<b>-136</b>	
Notes and accounts payable - trade	679	692	12	
Short-term borrowings (including current portion of bonds payable)	3,032	3,147	115	
Other	165	141	-24	
<b>Total non-current liabilities</b>	<b>3,563</b>	<b>2,851</b>	<b>-711</b>	
Long-term borrowings (including bonds payable)	3,141	2,474	-666	Contractual repayment of borrowings
<b>Total liabilities</b>	<b>8,493</b>	<b>7,644</b>	<b>-848</b>	
<b>Total net assets</b>	<b>7,484</b>	<b>8,058</b>	<b>574</b>	As borrowings decrease and profits grow, the equity ratio reaches 50%
<b>Total liabilities and net assets</b>	<b>15,977</b>	<b>15,703</b>	<b>-274</b>	

\* Trade receivables are the total of notes receivable-trade, accounts receivable-trade, and electronically recorded monetary claims-operating, while inventories are the total of merchandise and finished goods, work in process, raw materials and supplies.

\* Amounts less than one million yen will be rounded down after calculating the increase or decrease.

Release date	Applicable quarter	Title	Details
October 1, 2024	3Q	Notice Concerning Investment in thomas Inc.	<a href="#"><u>P20</u></a> <a href="#"><u>For details</u></a>
September 26, 2024	2Q	Laser equipment for coating removal on hanger jigs selected for the “Subsidy for Energy Efficiency Investment Promotion & Demand Structure Transformation Support Program”	<a href="#"><u>P19</u></a> <a href="#"><u>For details</u></a>
September 24, 2024	2Q	Notice Concerning the Kanazawa Office	<a href="#"><u>P21</u></a> <a href="#"><u>For details</u></a>
August 27, 2024	2Q	Notice Concerning the Sendai Office	<a href="#"><u>P21</u></a> <a href="#"><u>For details</u></a>
July 10, 2024	2Q	Relocation of the Tokyo Office	<a href="#"><u>P21</u></a> <a href="#"><u>For details</u></a>
July 4, 2024	2Q	Notice of Publication of Project Review Report and Business Strategy Vision for the “Green Innovation Fund Project; Construction of Next-Generation Digital Infrastructure; Development of Wafer Technology for Use in Next-Generation Power Semiconductors; Development of Ultra-High-Quality, 8-inch, Low-Cost SiC Wafers” Project	<a href="#"><u>P18</u></a> <a href="#"><u>For details</u></a>

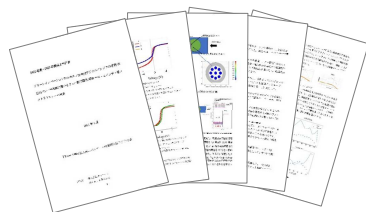


Release date	Applicable quarter	Title	Details
June 5, 2024	1Q	Notice of relocation of Shenzhen office in China	<a href="#">For details</a>
May 30, 2024	1Q	Mipox's IH (high-frequency induction heating) powder coating system selected for the "Subsidy for Energy Efficiency Investment Promotion & Demand Structure Transformation Support Program"	<a href="#">For details</a>
May 21, 2024	1Q	Notice of the new site Kumamoto Satellite	<a href="#">P21 For details</a>
May 15, 2024	1Q	Notice concerning the new product launch: Dedicated 8-inch SiC (Silicon Carbide) Wafer Polishing System	<a href="#">For details</a>
April 26, 2024	1Q	Announcement of sponsorship agreement with racing driver Yuki Nemoto	<a href="#">For details</a>

**The project review report and business strategy vision for the “Green Innovation Fund Project; Construction of Next-Generation Digital Infrastructure; Development of Wafer Technology for Use in Next-Generation Power Semiconductors; Development of Ultra-High-Quality, 8-inch, Low-Cost SiC Wafers Project” was released**

Release date: July 4, 2024

We are pleased to announce that an updated version of our project review report and business strategy vision for the “Green Innovation Fund Project; Construction of Next-Generation Digital Infrastructure; Development of Wafer Technology for Use in Next-Generation Power Semiconductors; Development of Ultra-High-Quality, 8-inch, Low-Cost SiC Wafers Project” commissioned by the New Energy and Industrial Technology Development Organization (NEDO) has been posted on the NEDO website.


[Click here for details](https://www.mipox.co.jp/dcms_media/other/ir_20240704.pdf)
[https://www.mipox.co.jp/dcms\\_media/other/ir\\_20240704.pdf](https://www.mipox.co.jp/dcms_media/other/ir_20240704.pdf)

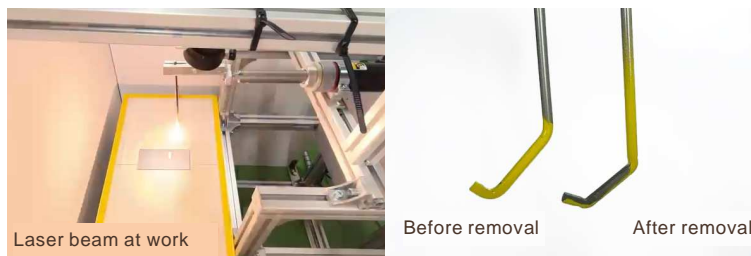
[Research and Development Items]	[Summary of Project Review Report]
Development of large-diameter wafer processing line	<ul style="list-style-type: none"> <li>Once we finalized the specifications for each piece of equipment, we conducted test processing to verify those specifications. We then installed the purchased equipment in a layout that followed the detailed process flow.</li> </ul>
Development of technology to reduce the number of wafer processes	<ul style="list-style-type: none"> <li>We have identified the possibility to reduce the number of wafer processes by three.</li> <li>We developed a machine learning model and utilized it to create a cascade optimization algorithm.</li> </ul>
Establishment of evaluation technology for solution-grown crystals	<ul style="list-style-type: none"> <li>Through the polarized light observation of small-diameter, solution-grown SiC wafers, we confirmed that we can observe strains and dislocations in the wafers, similar to the observations made with PVT SiC crystals. We established the optical system specifications for solution-grown SiC crystals and successfully developed an optical observation system.</li> <li>We developed new filter processing and phase calculation algorithms and succeeded in obtaining good contrast.</li> <li>We selected an 8-inch-compatible automatic stage and developed a device for proof-of-principle testing. In the process, we constructed both an upright and an inverted type of instrument housing. Our findings confirmed that the upright design offered better serviceability, while the inverted design excelled in observation stability.</li> </ul>

Release date: September 26, 2024

## Laser equipment for coating removal on hanger jigs selected for the “Subsidy for Energy Efficiency Investment Promotion & Demand Structure Transformation Support Program”

Our laser equipment designed for coating removal on hanger jigs has been recognized as advanced energy-saving equipment and system and selected for the “Subsidy for Energy Efficiency Investment Promotion & Demand Structure Transformation Support Program” in the supplementary budget for FY2023.

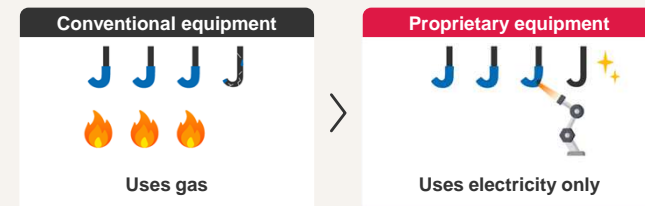
Amid the growing urgency of environmental issues, the system can save energy and space and pave the way for a decarbonized society. We will continue to promote eco-friendly manufacturing processes and contribute to building a sustainable future.



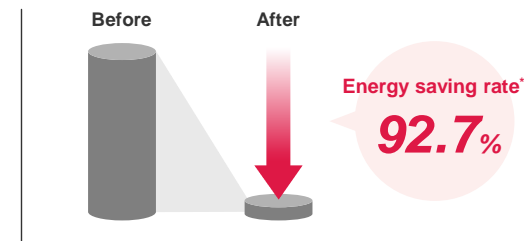
### [Outline of the Subsidy]

The “Energy Efficiency Subsidy” program aims to support the adoption of energy-efficient equipment and equipment for electrification and decarbonization. Our system has been recognized as a high-performance type according to the national screening criteria. Consequently, customers who install this system can receive a subsidy to help cover part of the costs.

### [Coating removal process on hanger jigs]



### [Benefits of the implementation]



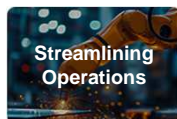
- ✓ Reduce CO<sub>2</sub> emissions
- ✓ Improve the quality of removal
- ✓ Longer life of hanger jigs
- ✓ Automation of the removal process

\* Energy savings are calculated for a factory that processes approximately 5.8 million hanger jigs each year.



At a meeting of the Board of Directors held on October 1, 2024, we resolved to enter into a capital and business alliance agreement with thomas Inc. This partnership will help us enhance our digital transformation (DX) initiatives, improve operational efficiency and productivity, and further boost our competitiveness.

mipox × thomas



### [Outline of the Company Invested In]

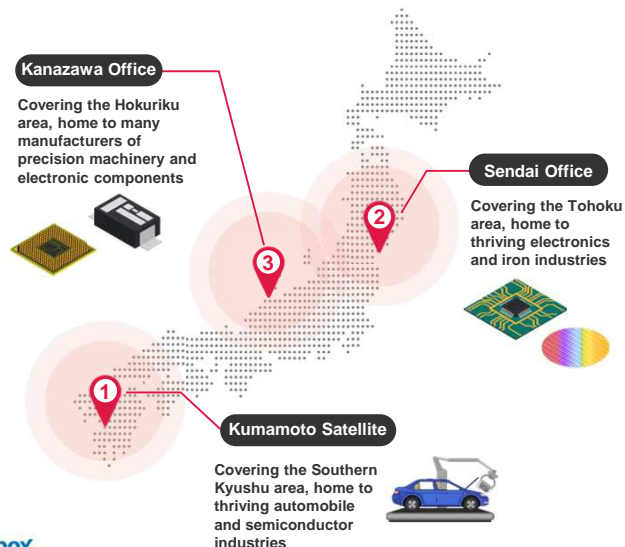
Corporate Name	thomas Inc.
Address	2nd Floor, THE MODULE roppongi, 7-21-24 Roppongi, Minato-ku, Tokyo 106-0032
Representative	Kazuyuki Hirose, Representative Director
Our Business	<ul style="list-style-type: none"> <li>• System/Cloud Integration Business</li> <li>• Enterprise IT Services Business</li> <li>• Mobile Virtual Network Operator (MVNO) Business for Enterprises</li> </ul>
Capital	20 million yen
Incorporated in	June 2018

### [Business Partnership Timeline]

2024	October 1	Date of Board Resolution Date of Conclusion of Capital and Business Alliance Agreement
	October 7	Date of Share Acquisition

## Opening of new sales offices in Kumamoto, Sendai, and Kanazawa

We have opened sales offices in Kumamoto, Sendai, and Kanazawa to expand our sales network and improve customer support. By providing products and services that contribute to local industries, we aim to create new business opportunities and reinforce our sales structure.



Release date: May 21, 2024

Site name	Kumamoto Satellite
Address	860-0803 6th & 7th Floors, THE PLACE Hanabatake Bldg., 1-28 Shinshigai, Chuo-ku, Kumamoto-shi, Kumamoto
Opening Date	June 1, 2024



Release date: August 27, 2024

Site name	Sendai Office
Address	980-8485 19th Floor, Sendai Mark One, 1-2-3 Chuo, Aoba-ku, Sendai-shi, Miyagi
Opening Date	September 1, 2024



Release date: September 24, 2024

Site name	Kanazawa Office
Address	920-0031 8th Floor, Kanazawa Park Bldg., 3-1-1 Hirooka, Kanazawa-shi, Ishikawa
Opening Date	October 1, 2024



To accommodate the expansion of office space due to the shift towards in-office work system, the Marunouchi Office was relocated from a shared office to a dedicated office on July 29, 2024.

The office houses the administration and the Eastern Japan sales divisions. The location is strategically chosen to act as a hub connecting the headquarters with each plant. We are committed to fostering employee communication and accelerating the further growth of organization.

## [Outline of the Office]

Site name	Marunouchi Office
New Address	12th Floor, JP Tower, 2-7-2 Marunouchi, Chiyoda-ku, Tokyo 100-7012
Start Date of Operations	July 29, 2024

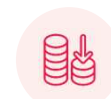
## [Purpose of Office Relocation]



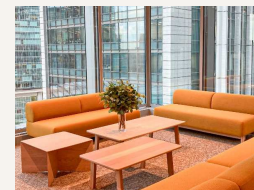
To create a work environment suitable for the number of employees



To promote communication



To reduce costs



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## 03 Revised earnings forecast for FY2025 (released on November 14, 2024)

Mipox Corporation Financial Results for the 2nd Quarter of the Fiscal Year Ending in March 2025 (Securities Code: 5381)

(million yen)	Release date	Sales	Operating income	Ordinary income	Net income attributable to owners of parent
Initial Forecast (A)	May 15, 2024	10,000	300	300	200
Revised forecast (1) (B)	August 19, 2024	10,000	700	800	600
Revised forecast (2) (C)	November 14, 2024	10,000	900	800	600
Actual results for FY2024		9,354	-442	-186	-409
Change (C – B)		0	+200	0	0
Percentage change		-	+28.6%	-	-

\* Amounts less than one million yen will be rounded down after calculating the increase or decrease.

### Comment

In 2Q of FY2025, global investment in data centers remained strong, just as it was in 1Q. As a result, both the optical fiber and hard disk drive markets performed well, leading to a steady increase in sales of our high-tech products within the Product Business. These products have relatively high profit margins, and our operating income has significantly exceeded our earlier forecasts. Accordingly, we have decided to revise our full-year consolidated earnings forecast as described above. Please note that we anticipate a significant decline in sales in the coating business in 2H FY2025, which is expected to affect both sales and profits during the period.



### High-tech products



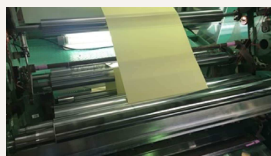
- Optical fiber products have remained strong since FY2024 due to the development of optical network infrastructure in the United States and the strengthening of data network facilities related to generative AI.
- With the completion of the HDD inventory adjustment cycle and the recovery of investment in general-purpose data centers, sales of our related products are also trending strongly.
- In semiconductor products, although the capacity utilization rate of semiconductor factories remains low, sales of cleaning products for probe cards and polishing films for SiC wafers are rising with a recovery starting from FY2024.

### General polishing products



- Sales of general polishing products are expected to be flat compared with the previous year, driven by steady demand for the products in their applications. For example, the automotive industry is gradually recovering now that the semiconductor shortage has been resolved. Although the slump in the construction industry market is persistent, we are effectively leveraging digital tools such as Salesforce to enhance our sales efforts. As a result, our general polishing products business achieved results in excess of 100% year-over-year.
- Raw material and energy costs remain high, and although they have peaked, the situation is still severe. To counter this, we are working to reduce costs in our plants and raise product prices.
- As part of our decarbonization efforts, we are developing solvent-free general polishing products and aim to launch a trial production line by the end of FY2025.
- To grow our market share consistently, we will establish and staff new sales offices while developing a structure that better serves our customers.

### Coating and slitting services



- For existing businesses, the main application of services related to electronic devices is anticipated to peak during the latter half of 1H. In 2H, we expect a notable decline in sales as the focus shifts toward prototyping for mass production, set to commence in the upcoming fiscal year.
- We are diligently working to attract new customers for the upcoming fiscal year and beyond, which has led to an increase in the number of prototypes. However, it is expected to take some time before mass production can begin, depending on market trends and the development stage of the final product. To improve the utilization rate of the facilities, we are also developing in-house products using the same facilities.

### Polishing service



- We have received more orders since we started exhibiting at the semiconductor trade show SEMICON. Still, most of these orders are for prototypes, so it will likely take some time before we receive orders for mass production.
- As a result of our accumulated experience in highly challenging processing technologies for advanced materials, we are seeing an increase in orders for substrate polishing services for next-generation power devices, such as GaN and diamond substrates.
- There is also a growing demand for polishing services related to the SiC substrate notch and edge polishing equipment we have introduced as a new product, as well as the need for equipment installation.

### Annual Dividend

**FY2024**

**No dividend**

**FY2025**

**10 yen (expected)**

We aim to secure the internal reserves necessary for future business development and strengthening of the management structure, while aiming to pay stable dividends to our shareholders and striving for appropriate profit distribution in consideration of our business performance. In light of the results for the second quarter of FY2025 announced today, as well as future business developments and other factors, we have decided to pay a year-end dividend of 10 yen per share, which was previously undecided, and we plan to resume dividend payments.

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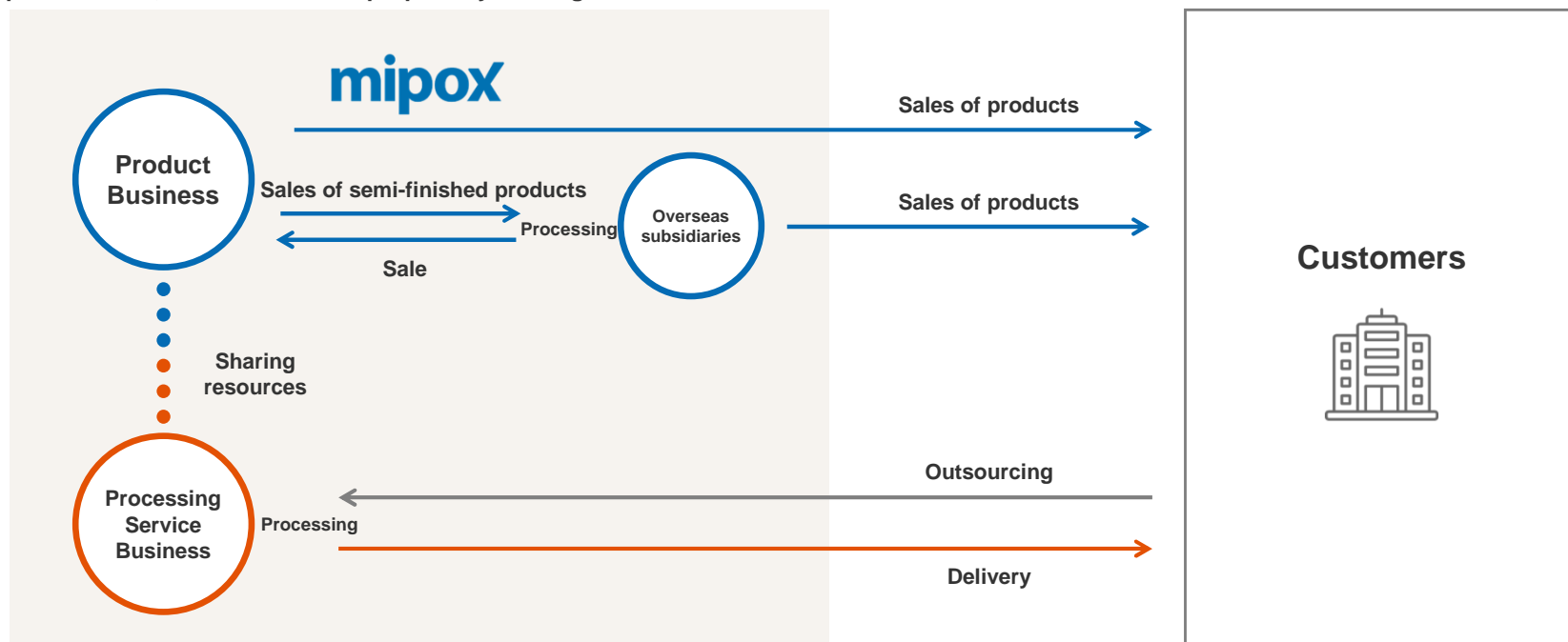
Appendix

## 04 Business Structure Chart

Mipox Corporation Financial Results for the 2nd Quarter of the  
Fiscal Year Ending in March 2025 (Securities Code: 5381)

By processing in overseas factories, we are able to manufacture a wider variety of products more efficiently than if we solely relied on our facilities in Japan. We also sell these products overseas.

Furthermore, we provide processing services for our customers, ensuring that we deliver customized services and products that cater to their specific needs, in addition to our proprietary offerings.



## Product Business

We develop, manufacture, and market abrasive materials. From ultra-precision polishing to general polishing, equipment, and reflective materials, we provide our products for a wide range of applications around the world.



Polishing film



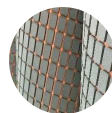
Polishing slurry



Polishing products



Abrasive cloth and paper



Grinding wheel products



Polishing machine



Inspection equipment



Retroreflective materials (Ref Lite)



Files



IH powder coating

## Processing Service Business

### [Polishing service]

We work with materials such as semiconductor wafers provided by our customers. Using our equipment (polishing, cleaning, inspection equipment), along with our unique polishing materials, we offer tailored polishing services to meet the specific needs of our customers.

### [Coating and slitting services]

We work with our customers' base (films, etc.) and coating materials and use our equipment (mixing, coating, slitting) to create and cut films.



Coating



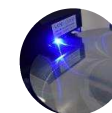
Polishing



Slitting



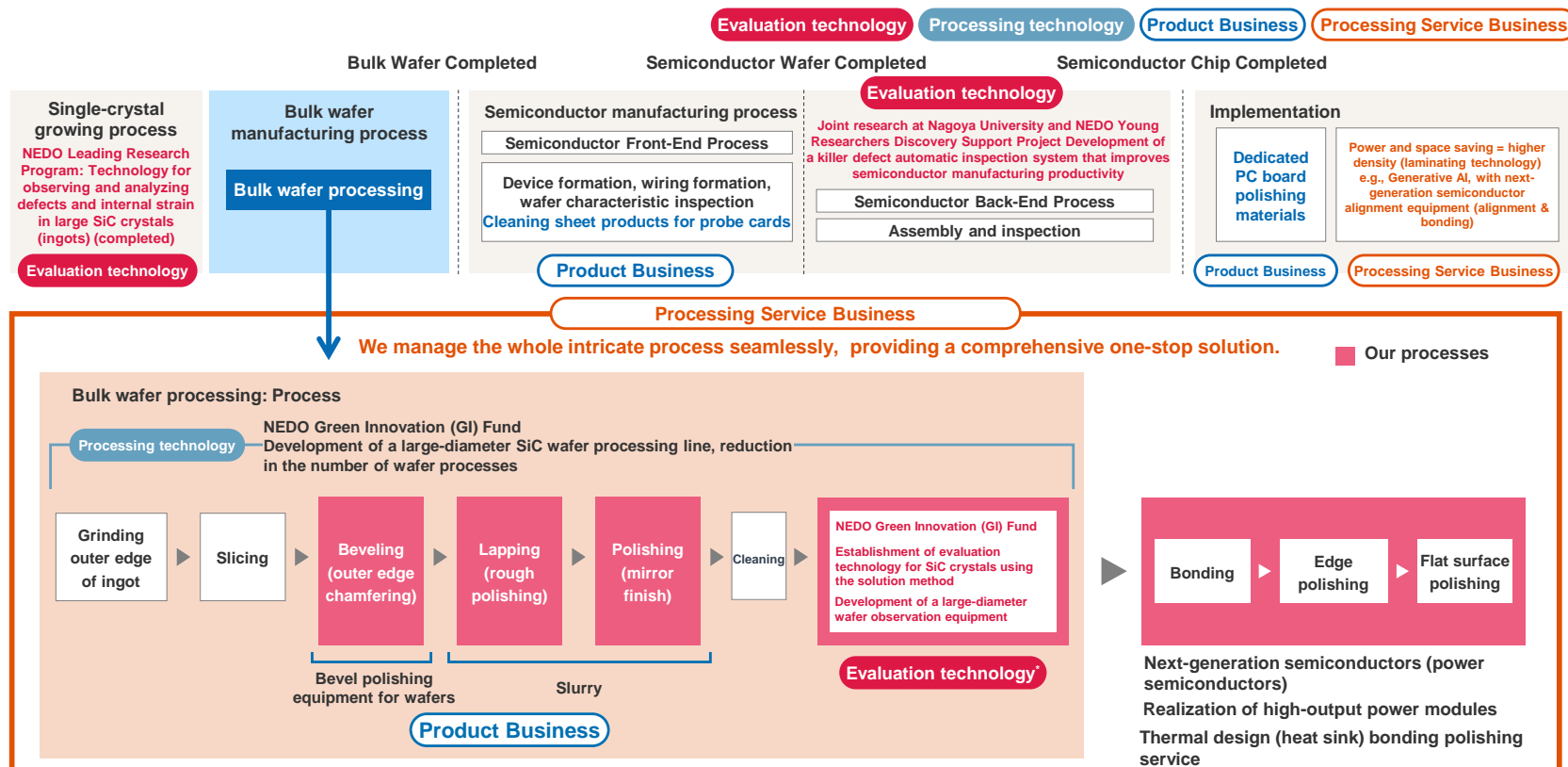
Room-temperature bonding



Inspection

# 04 Our Technology and Business Segments in the Semiconductor Supply Chain

Mipox Corporation Financial Results for the 2nd Quarter of the Fiscal Year Ending in March 2025 (Securities Code: 5381)



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**1** Synergies between businesses

**2** Delivering high-quality products tailored to customer needs

**3** Smart Factory



## 05 Competitive Advantage #1 Synergies between businesses

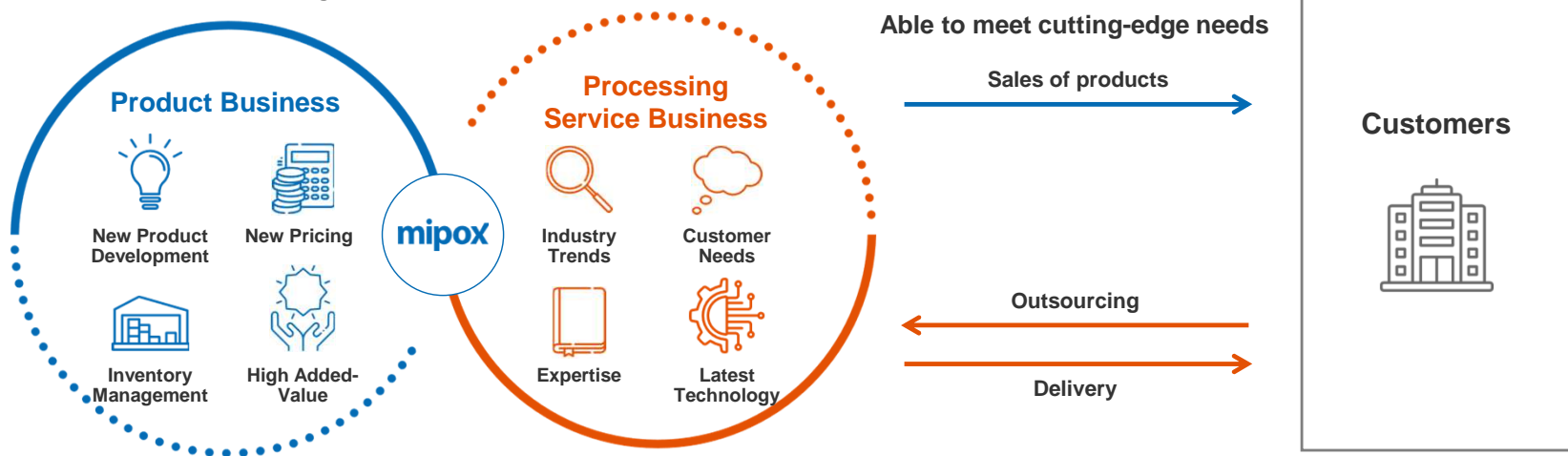
Mipox Corporation Financial Results for the 2nd Quarter of the  
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The Product Business and Processing Service Business operate in tandem, sharing facilities and human resources. This collaboration enables us to pool our technology and expertise.

The resulting accumulation of knowledge and expertise aids in the creation of high-value-added products and services, allowing us to meet the diverse needs of our customers.

### Shared resources for the Product Business and Processing Service Business

Sharing facilities and human resources



Creating a model for virtuous growth cycles

Given our capability to manufacture products and offer processing services, we can create products that precisely meet our customers' challenging requirements while delivering services with meticulous attention to detail.

Our one-stop service simplifies the process by eliminating the need for complicated communications with various partners involved in each manufacturing process. This means all of our customers' requests can be managed through a single point of contact.



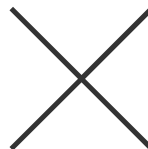
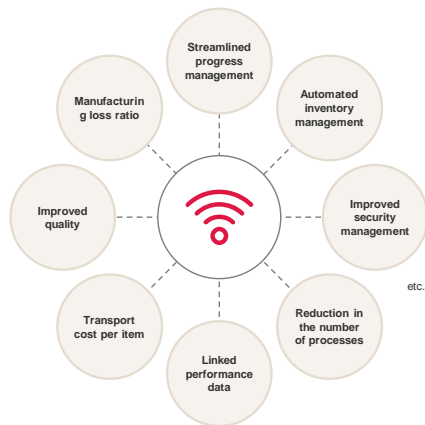
## 05 Competitive Advantage #3 Smart Factory

Mipox Corporation Financial Results for the 2nd Quarter of the  
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By leveraging and connecting the IoT and AI, we collect valuable data to improve areas that are difficult to visualize.  
We aim to further improve efficiency and quality by digitally transforming our factories.

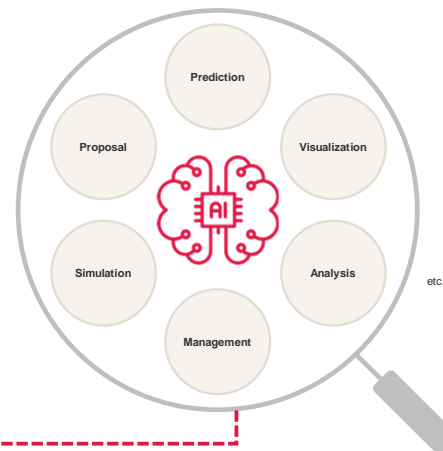
### IoT

Connecting various types of devices to collect and store a wide range of data



### AI

Analyzing data collected through the IoT to help visualize and identify problems



Reforming business processes

Improving quality and productivity

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**1** Expansion of Product and Processing  
Service Business areas

**2** Establishment of the mass production  
system at Kanuma Plant

**3** Participation in industry-government-  
academia projects

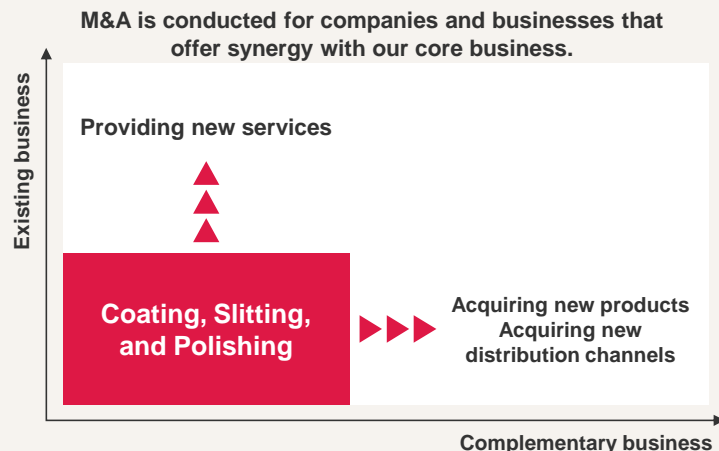


## 06 Growth Strategy #1 Expansion of Product and Processing Service Business areas

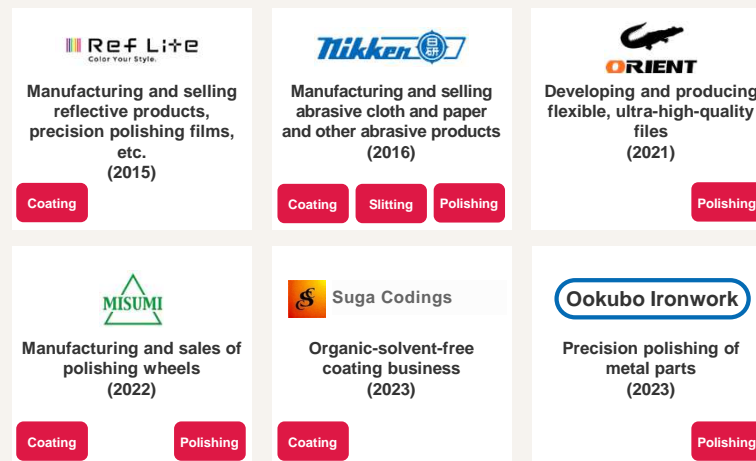
Mipox Corporation Financial Results for the 2nd Quarter of the  
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We have pursued M&A as a means of expanding the business areas that apply our core coating, slitting, and polishing technologies\*. We will continue to expand our Product and Processing Service Business areas.

### [Basic Approach to M&A]



### [Past M&A Results]



Developing a system that can quickly and accurately address diversifying needs

## Growth Strategy #1 Expansion of Product and Processing Service Business areas: New coating line with IH powder coating system

Mipox Corporation Financial Results for the 2nd Quarter of the  
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We will develop our business using IH powder coating technology related to coating, one of our core technologies. In addition to actively utilizing the demonstration laboratory we have established at the Kanuma Plant, we are also introducing equipment to develop proprietary products using IH powder coating technology.

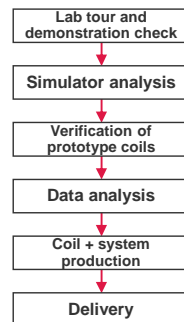
[IH powder coating system in the demonstration lab]

JP Patent pending: 2022-021618



Tour of the demonstration lab

We engage in planning, designing, developing, and selling coating lines using IH, which we acquired from Suga Codings Co., Ltd. in March 2023, to facilitate the implementation of solvent-free coating technology. In October 2023, we established a demonstration lab at our Kanuma Plant. Using this facility, we are proposing a coating process line that saves energy and space by replacing the gas-powered hot air drying furnace, the most energy-intensive equipment in the manufacturing process, with an IH powder coating system that uses electric heating through IH technology.



Ease customer concerns about new technology. Help ensure a smooth system implementation

Strengthening the system for using IH powder coating technology

Sharing technology and know-how

**Fukuyama Plant**  
Research and development of proprietary products

**Kanuma Plant (Headquarters)**  
Demonstration Lab  
Research and development of processing service products

**Hokuto Plant**  
Research and development of proprietary products

NEW

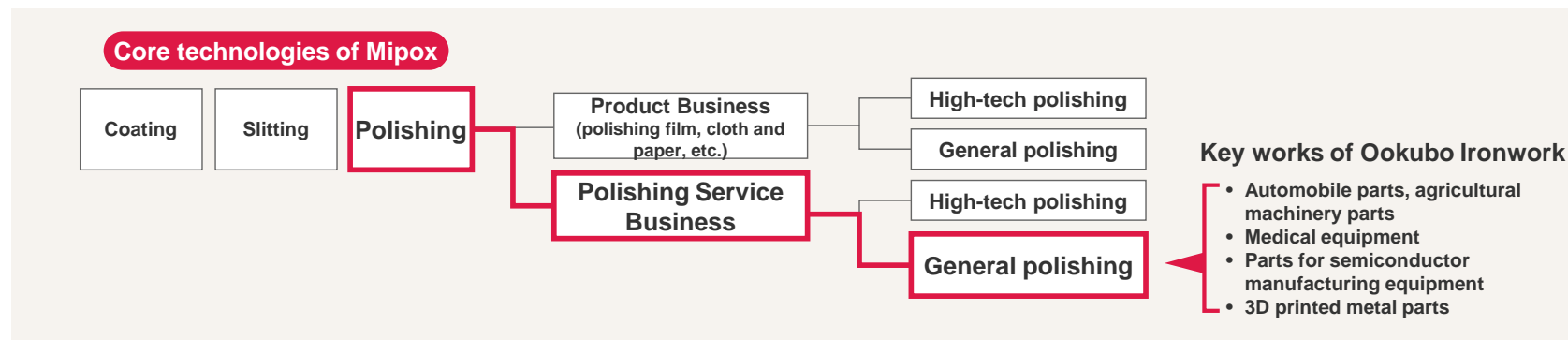
In addition to the Fukuyama Plant, we are also introducing the IH powder coating system at the Hokuto Plant. We will continue to develop proprietary products by utilizing the technology and know-how gained from the demonstration laboratory and each plant.



Polishing products made with IH powder coating technology



On October 31, 2023, we acquired Ookubo Ironwork through an M&A, which allowed us to enter the general polishing applications market within all our core businesses. We anticipate that this expansion will not only broaden our target markets but also help us attract new customers.



## [Synergies with Mipox]



- 01** Proximity to the Kanuma Plant, which makes it easy to allocate personnel flexibly and expand space (investments)
- 02** High technological competitiveness and profitability
- 03** Robust pipelines with material suppliers and customers (abrasive cloth and paper industry and leading automotive parts manufacturers)

## [Future Prospects]

- Expanding the target market for the Polishing Service Business (automotive, agricultural machinery, medical, 3D printer industries, etc.)
- Acquisition of new customers through the Mipox sales network



## 06 Growth Strategy #2 Establishment of the mass production system at Kanuma Plant

Mipox Corporation Financial Results for the 2nd Quarter of the  
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In April 2023, the headquarters was relocated from the Tokyo Office to the Kanuma Plant and began full-scale operations. We will continue to expand our production capacity by strategically increasing our staff, equipment, and machinery.

### [Kanuma Plant]

Site area: approx. 60,000 m<sup>2</sup>  
Floor space: approx. 46,000 m<sup>2</sup>

Date of acquisition  
April 1, 2022

#### Purpose of acquisition

- To expand production capacity for the Processing Service Business
- To secure a site for business growth
- To diversify the risk of the production system from a BCP point of view



Polishing  
service

Slitting process

Coating  
process

Eco-friendly  
facilities

Die cutting  
process

Logistics

### Operating Status of Kanuma Plant

- Started operation of coating and slitting service
- Transferred production from the Kyoto Plant and the Thai subsidiary
- Started operation of the IH coating business acquired from Suga Codings Co., Ltd.
- Consolidation of functions as a logistics base for the eastern region of Japan
- Area available for expansion (unused area currently leased to other companies)

### Polishing Laboratory Utilization

- We are in the process of establishing a system to collaborate with customers, advancing both the polishing process and product development. The system will enable us to identify initial needs and deliver high-value-added products swiftly.



We have been participating in three NEDO projects (one of which has been completed).

We work with a range of organizations to develop processing and evaluation technologies while promoting government-led projects.

## PROJECT 01 NEDO Green Innovation Fund Project: Construction of Next-Generation Digital Infrastructure

With Oxide Corporation as the lead company, UJ-Crystal Inc., Tokai National Higher Education and Research System, Nagoya University, Aixtal Corporation, and the National Institute of Advanced Industrial Science and Technology (AIST) have joined the project.

- The first two years of the consignment project have been successfully completed, achieving results that align with our initial expectations. From this year, the project has entered the grant period.
- During this fiscal year, our goals include launching each device on the pilot line, reducing the number of processes, and establishing the simulation technology. We will also explore the potential for mass production of inspection devices.

### Processing technology

#### Development of large-diameter SiC wafer processing line

Processing of 8-inch SiC wafers and the construction of pilot line

#### Reduction of the number of wafer processes

Examination of process simulation and extraction of potential processes to eliminate

### Evaluation technology

#### Establishment of evaluation technology for SiC crystals using the solution method

The optimization of the optical system designed for solution-grown SiC and the design of equipment tailored to this system

#### Development of a large-diameter wafer observation equipment

Study and design of equipment to be used for 8-inch wafers

## PROJECT 02 NEDO Public-Private Young Researchers Discovery Support Program

Nagoya University (Associate Professor Shunta Harada)

- By collaborating with device manufacturers to identify correlations with device defects, we aim to develop mass-production equipment that can detect device killer defects or screen wafer quality.

### Evaluation technology

#### Development of a killer defect automatic inspection system to improve semiconductor manufacturing productivity

[Research Paper presented in August 2023](#)

## PROJECT 03 NEDO Materials Innovation Technology Leading Research Program

Central Research Institute of Electric Power Industry, Nagoya University (Professor Toru Ujiyama), RIKEN

- The project was completed at the end of FY2022, and development for commercialization continues.
- On September 30, 2024, we presented our joint research, "Development of a Killer Defect Automatic Inspection System to Improve Productivity in Semiconductor Manufacturing" at an International Conference on Semiconductor Manufacturing (ICSCRM 2024).

The program concludes at the end of FY2022

### Evaluation technology

#### Technology for observing and analyzing defects and internal strain in large SiC crystals

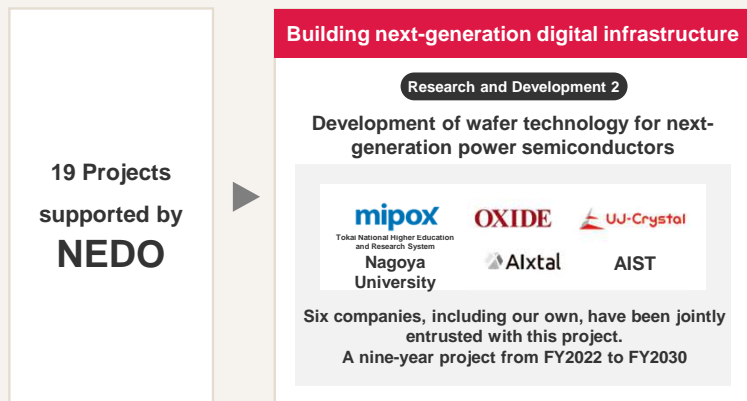
Development of SiC ingot inspection equipment

Achieving carbon neutrality calls for a transformation in our energy and industrial structures and the creation of innovation through bold investment.

We participate in projects of the Green Innovation Fund, created to achieve ambitious goals that transcend the conventional frameworks of our society.

## [NEDO\*1 Green Innovation Fund]

- Fund for achieving the “2050 Carbon Neutral” declaration led by the Japanese government
- Project budget of 2 trillion yen
- Support companies working on research and development, demonstration, and social implementation toward carbon neutrality for up to 10 years

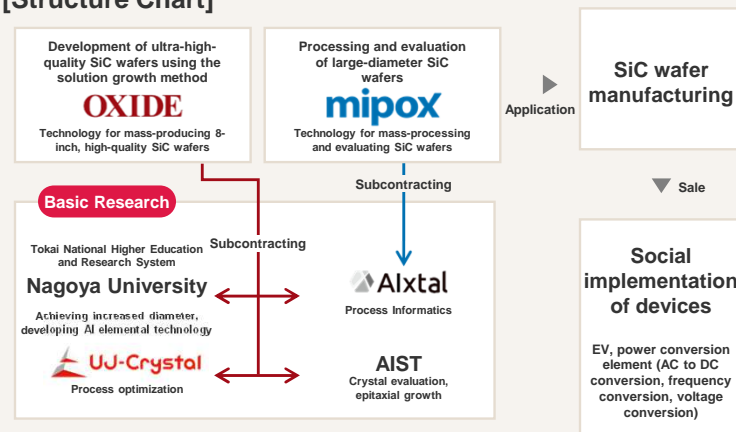


\*1: New Energy and Industrial Technology Development Organization

## [Purpose of the Project]

Development and sales of ultra-high-quality, 8-inch, low-cost SiC wafers

## [Structure Chart]



\* The projects funded by the NEDO Green Innovation Fund become profitable only after they are implemented in society, with monetization following their successful integration into society.

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# A 100-year-old Venture that Never Forgets to Change

Founded in 1925 as a subsidiary of German L. Raybould Mercantile Establishment, we engaged mainly in the production of colored foil used in publications while selling imported pigments. Based on the “Coating” and “Slitting” techniques nurtured through production of colored foil since the latter 1960s, we developed a polishing film for use in the manufacturing process of precision parts, establishing three core technologies of “Coating,” “Slitting,” and “Polishing.”

After developing as a manufacturer specializing in precision abrasives, an engineering service (commissioned coating) was launched in early 2000 to offer our core technology of coating as a service. After overcoming a crisis that plagued the company for the first time since its founding between 2008 and 2010, we launched a wafer process (commissioned polishing) that offers polishing as a service and worked to “Change The World by Our Converting and Polishing Technologies.” In 2016, Nihon Kenshi, a manufacturer of coated abrasives, joined us, and we expanded our lineups in the Product Business.

It will be almost 100 years since the company’s founding. In order to sustain our business for a long time, we must adapt to change while being sensitive to rapidly changing technologies and values in the world. So as to meet the needs of these times, we will further enhance the core technologies we have developed, while aggressively taking on new business challenges and aiming to become the partner of choice for customers around the world through products and services that are needed in the world.

Mipox will continue to be a group that keeps on making changes with an aim to become a 100-year-old venture that never forgets to change.

We would appreciate your continued support and patronage.

Jun Watanabe, CEO



01



**President and CEO Jun Watanabe** WATANABE Jun

He joined Mipox in 1994 after studying at universities in both Japan and the United States. He began his career in manufacturing and moved through various roles, including production engineering, domestic sales, and overseas sales. His experience included being stationed in Malaysia and working at a subsidiary in the U.S. He later became the head of the semiconductor division and the head of the overseas support division. In 2007, he was appointed Executive Director; in 2008, he assumed the position of President and CEO from his predecessor. Upon taking on this leadership role, he guided the company through a recovery from losses by exiting unprofitable businesses and consolidating and closing specific sites. Once the company's performance improved, he focused on promoting IT and establishing digital technology as a pillar of corporate reform alongside the existing pillars of technology and quality that are vital to the manufacturing sector.

02



**Executive Director NAKAGAWA Kenji** NAKAGAWA Kenji

He has experience in the development of fully automatic washing machines and post-CMP cleaning equipment for semiconductors, as well as technical sales of polishing tapes for hard disk media and optical inspection equipment. After launching his own business, he engaged in various roles including marketing, technology, sales, and the trading of optical inspection equipment. He became independent in 2002, and in 2016, he was appointed head of the technology division. In 2019, he took on responsibilities as head of the management planning and administration departments. He has actively participated in all management functions, with a particular emphasis on enhancing the company's internal organizational structure and leading Ref Lite rebranding initiatives. Since 2021, he has been involved in new business development and oversees the development of large-diameter SiC wafer processing for the GI Fund.

03



**Executive Director UETANI Munehisa** UETANI Munehisa

He joined our company in 2000. After serving as the Taiwan branch manager and the president of an overseas subsidiary, he was appointed executive director and head of the sales division in 2012. He was responsible for the operation of production bases, M&A of competitors, and business succession of companies that had undergone civil rehabilitation. He left Mipox in 2017, and after gaining experience as a director and COO of an IT venture company and serving as a business development manager of an engineering company, he returned to the company in April 2022. He also serves as an external director of thomas Inc. as part of his external activities.

04



**Outside External Director (independent) NAGAI Masakazu** NAGAI Masakazu

For 25 years, starting in 1973, he was engaged in the overseas sales of precision electronic circuit manufacturing equipment, with a focus on semiconductors, at Nagase & Co., Ltd. From 1988, he was stationed in Silicon Valley for six years, promoting cooperation between Japanese and U.S. companies in the field of 3D semiconductor packaging design technology. In 2003, he became independent and has been engaged in technology and marketing consulting, mainly for semiconductors and circuit boards, as a representative of TransEdge.

05








**Outside External Director (independent) KATO Hiromi** KATO Hiromi

She was admitted to the bar in December 2007 and joined Hibiya Law Firm. Since then, she has been practicing law and was appointed the firm's head in April 2021. She continues to perform her duties as the head of the firm. In addition, she has served as an auditor of KOIWAI FARM, LTD. since April 2021 and was appointed an auditor of Koikai Farm Dining Co., Ltd. in April 2023, where she continues to serve in the same position.

## 07 Skill Matrix

Mipox Corporation Financial Results for the 2nd Quarter of the  
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		General Management	Global Management	ESG	DX Strategy	Finance and Accounting	Research and Technological Development	M&A	Marketing and Sales	Manufacturing and Production Engineering	Legal and Risk Management
01	 President and CEO <b>Jun Watanabe</b>	●	●	●	●			●		●	
02	 Executive Director <b>Kenji Nakagawa</b>						●		●	●	
03	 Executive Director <b>Munehisa Uetani</b>		●		●			●	●		
04	 Outside External Director (independent) <b>Masakazu Nagai</b>	●	●				●		●		
05	 Outside External Director (independent) <b>Hiromi Kato</b>										●



We are committed to fostering the talent that will lead the next generation and supporting long-term career development. To this end, we are engaged in a wide range of initiatives outlined below.

### Initiatives related to recruitment and training

#### [Factory Tour and Internship]

We offer high school students the chance to gain insights into actual operations through factory tours and internships that provide hands-on experience. The initiative generates interest among young people and leads to future recruitment.

#### [OJT and Training System]

Our training program emphasizes on-the-job training (OJT). New hires gain practical skills through workplace experience. We also provide follow-up training for each department and individual career path to support continued growth. Specific training includes onboarding training, cross-site training, and business skills training (outsourced training programs).

#### [New Graduate Retention Rate]

We boast a **retention rate of 83.3%** for new graduates\*. This high percentage demonstrates the effective training system and the positive work environment we have built. We provide a support system designed to ensure that new employees can thrive and feel comfortable in their roles for the long term.

\* The retention rate of new graduates hired in the past five years. Based on domestic data.

\* As of the end of March 2024



New graduate  
retention rate **83.3%**

We encourage flexible and diverse work styles so that each employee can perform to the best of their ability.



Average overtime hours  
**15–17** hours per month

Percentage of male  
employees taking  
parental leave **16.7%**

### Work style initiatives

#### [Working from Home and Super-Flexible Working Hours]

Allowing flexibility in where and when people work gives employees the freedom to choose a work style that fits their lifestyles.

#### [HARE Hour System]

This vacation system allows employees to take time off in one-hour increments to recharge and strengthen their connections with colleagues. Examples of specific activities could include all members of a department or section gathering to cheer on a professional sports team, hosting a cherry blossom viewing party or a summer heat relief party, or going bowling together after a meeting. The purpose of the system is to refresh all employees and foster positive relationships among team members.

#### [Community Contribution Activities]

We are dedicated to making a positive impact in our local community. For instance, we organize polishing workshops for elementary and junior high school students and regularly hold park clean-up events.

#### [Company Events]

As part of our work style reform initiatives, we actively hold company events to embody our “fostering harmony among all” motto. These gatherings promote more profound communication among employees and enhance teamwork.

#### [Management of Overtime]

Our employees work **an average of 15 to 17 hours\* of overtime each month**. Although we do not set specific numerical targets, we prioritize maintaining a balanced work-life dynamic.

#### [Paid Leave Utilization Rate]

We have set an **80% target** for paid leave utilization, and it is currently at **83.3%\***. The aim of this target is to improve the work-life balance of our employees. Additionally, **the percentage of male employees taking parental leave stands at 16.7%\***.

We take the following actions to increase employee engagement and create a rewarding work environment.

### Engagement-related initiatives

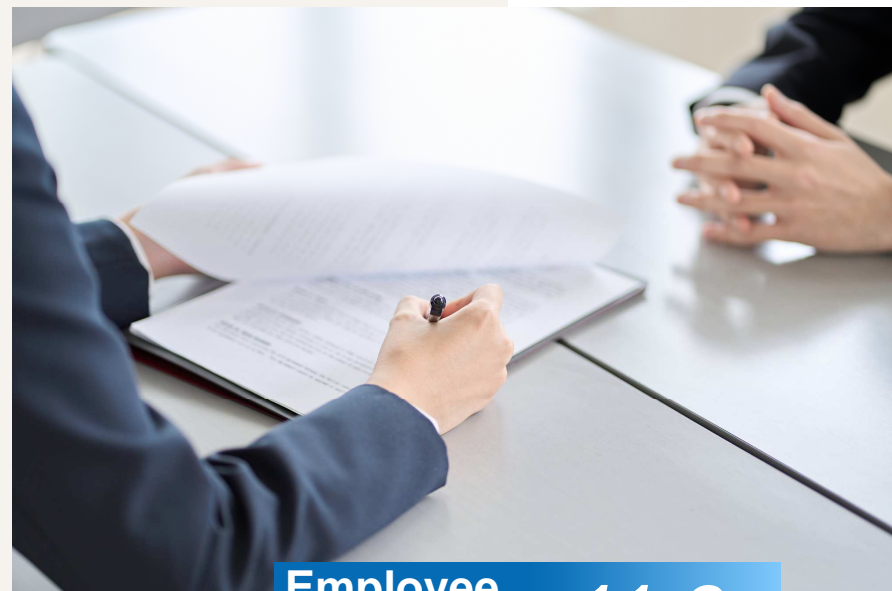
#### [Creation of COMPASS]

We have created a set of guiding principles called “**COMPASS**” and shared it with all employees. These principles clarify our corporate philosophy, vision, and code of conduct and provide a foundation for employees to share common goals and values in their day-to-day work.

#### [Periodic Survey]

We regularly conduct employee surveys (Well-being Survey) to reflect our employees' opinions directly. These surveys gather information on both employee satisfaction and areas of concern, allowing us to take concrete action based on the feedback. We are committed to creating a positive work environment and improving employee engagement by actively incorporating our employees' insights.

Thanks to these initiatives, our **employee turnover rate is 11.6% (worldwide)**. We have created an environment where employees feel optimistic about building long-term relationships with us. Moving forward, we will prioritize valuing our employees' opinions and strive to enhance their engagement further.



Employee  
turnover rate **11.6%**

We prioritize safety and appropriateness and actively work to optimize the workplace environment.



### 5S Activities

#### Health and safety initiatives

##### [5S Activities]

We promote 5S activities, which consist of five elements. This initiative helps to improve workplace safety and create an efficient work environment.

##### ◆ What is 5S?

<b>Organize</b>	Seiri	: dispose of unnecessary items
<b>Arrange</b>	Seiton	: organize and store things for easy access
<b>Clean</b>	Seisou	: keep areas clean
<b>Maintain</b>	Seiketsu	: practice Organize, Arrange, Clean (3S) regularly to ensure workplace hygiene
<b>Discipline</b>	Shitsuke	: follow the rules and procedures consistently and make it a regular practice

We are streamlining our operations to enhance productivity.

Our goal is to establish a safe and comfortable factory for employees. We are committed to cultivating a culture where everyone adheres to the rules spontaneously. This approach will enhance credibility of the company and ultimately boost profitability.

We are dedicated to maintaining and improving a safe and secure working environment.

We value diversity and strive to foster an inclusive work environment where everyone can actively participate.

### Diversity initiatives

#### [Ratio of Male to Female Employees]

The ratio of **male to female employees is 3.5:1 (worldwide)**. In response, we are working to increase female recruitment and promotion opportunities.

#### [Gender Wage Gap]

**The gender wage gap is 61.1% (Japan only)**. It should be noted that there is no difference in wages between male and female workers who possess the same attributes, such as years of service and job position.

#### [Female Manager Ratio]

**The ratio of female managers is 11.6% (worldwide)**. We have implemented programs to develop female leaders and established a mentoring system. Our goal is to foster an environment where women can play an active role as managers.

#### [Disabled Employee Ratio]

**The ratio of employees with disabilities currently stands at 1.8% (Japan only)**, and we are working toward our target of 2.7% (by 2026). To achieve this, we are focused on creating a more comfortable work environment by enhancing workplace accessibility and tailoring jobs for individuals with disabilities.



Gender wage gap **61.1%**

Female manager ratio **11.6%**

Disabled employee ratio **1.8%**



## Environment



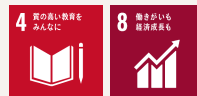
- Promoting the introduction of solar panels
- IH powder coating system
- VOC reduction through the use of RTO
- Introducing LNG boilers
- Developing products using recycled materials
- Green innovation initiatives
- Reducing environmental impact based on ISO 14001



## Social



- Enhancing internal training with e-learning
- Introducing super-flexible working hours
- Establishing an employee evaluation system
- Promoting the attainment of qualifications and enhancing the benefits that follow
- Preventing work-related accidents
- Improving the retention rate of young employees
- Increasing the percentage of female employees



## Governance



- Transparent information disclosure
- Outsourcing of internal reporting channel
- Compliance training for all employees
- Strengthening governance and monitoring systems for each Group company



## 07 Main locations of Mipox Group

Mipox Corporation Financial Results for the 2nd Quarter of the  
Fiscal Year Ending in March 2025 (Securities Code: 5381)



## IR Inquiries

From the perspective of fair disclosure, we do not respond to investor relations inquiries by phone. This policy ensures that we maintain an equitable information disclosure system, allowing us to respond fairly to all inquiries from shareholders and investors.

Please use the inquiry form on our website.

Contact us from here >

<https://www.mipox.co.jp/en/inquiry/>



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