

Financial Year Ending in March 2021 Financial Result

**F Y 2 0 2 1**  
**Financial**  
**R e s u l t**



Mipox Corporation

01

## **FY2021 Financial Result**

Sales were particularly affected particularly by the stagnant automobile industry during the first half of the year, however they gradually recovered.

02

## **FY2022 Financial Forecast**

Despite the uncertainty over future economic prospects due to current COVID-19 situation, sales from processing services business and high-tech business are mainly expected to remain strong in 2022.

03

## **Approach in FY2022**

Our approach is to provide new value to customers.

# **01** FY2021 Financial Result

## 01-1 Difference Between Forecast and Result

The FY2021 actual result largely differed from the forecast announced on February 12, 2021.

### Reason for Difference

[Unit: million JPY]

	FY2021 Previous Forecast	FY2021 Actual Result	Difference	
Sales	7,100	7,361	+261	+3.7%
Operating profit	300	359	+59	+19.8%
Ordinary profit	110	301	+191	+173.9%
Profit attributable to owners of parent	▲50	87	+137	—

#### (Sales)

- Sales growth in product business and processing service business.

#### (Profit)

- Operating profit increased by reducing fixed expenses.
- Ordinary profit increased due to foreign exchange gains.

### Extraordinary Losses

The company recorded an **extraordinary loss** of **60 million yen** due to the impairment of factory buildings, structures, and restoration costs owned by "MIPOX Malaysia Sdn. Bhd.", as we announced by the "Notice of Recording of Extraordinary Loss (Impairment Loss)" dated on February 9th, 2021.

In the same announcement, it recorded an **extraordinary loss** (impairment loss) of **75 million yen** to the replacement of the ERP system.

It also recorded an **extraordinary loss** of **23 million yen** as the resolution of selling off the plant site that had been acquired from Nagasaki Prefecture in March 2018.

### **Cancellation of the Nagasaki Plant Construction.**

The company acquired land in Nagasaki Prefecture for business expansion, to strengthen processing service business, as well as develop a management base to respond quickly to the changing market. Nevertheless, the construction of the plant has been postponed due to a change in the economic environment and as the business environment became increasingly uncertain.

As a result, it cancelled Nagasaki Plant construction by the revision of Nagasaki plant plans for a quick response to the change in the economic climate and the social environment due to the spread of COVID-19.

It is presently discussing with Nagasaki Prefecture for the buy-back of the land.

FY2021 Full-Year completed results show that sales increased, exceeding the previous year and turned profitable.

## FY2021 Full-Year Result Summary

[Unit: million JPY]

	FY2020 Actual Result	FY2021 Actual Result	Difference	
Sales	7,338	7,361	+23	+0.3%
Operating profit	▲170	359	+529	—
Ordinary profit	▲165	301	+466	—
Profit attributable to owners of parent	▲78	87	+165	—

### (Sales)

- Increased due to strong sales in high-tech related business and contract business.

### (Profit)

- Increased primarily from high-tech related products.
- Strong sales from processing service business
- Cost reduction and manufacturing cost improvement.

# 01-4 FY2021 Net Profit Analysis

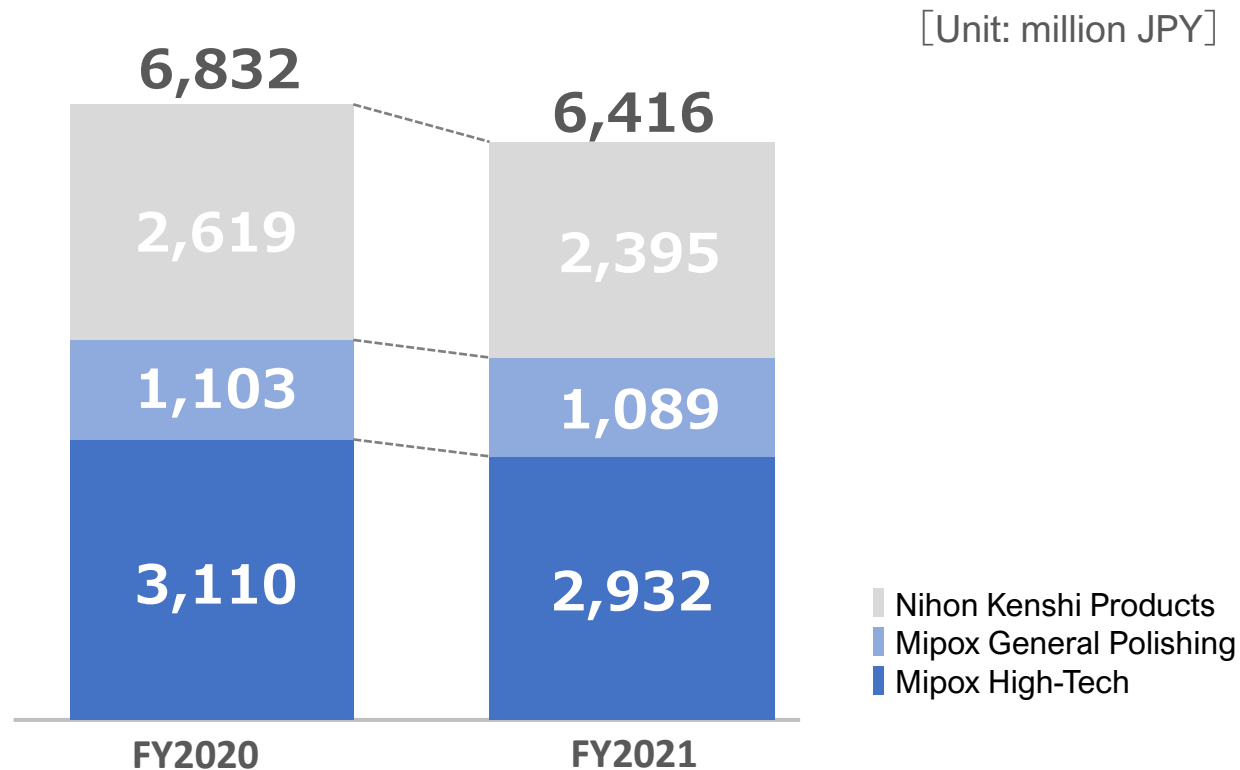
An improvement in gross profit was achieved due to an increase in sales of higher-margin products and cost reduction efforts .



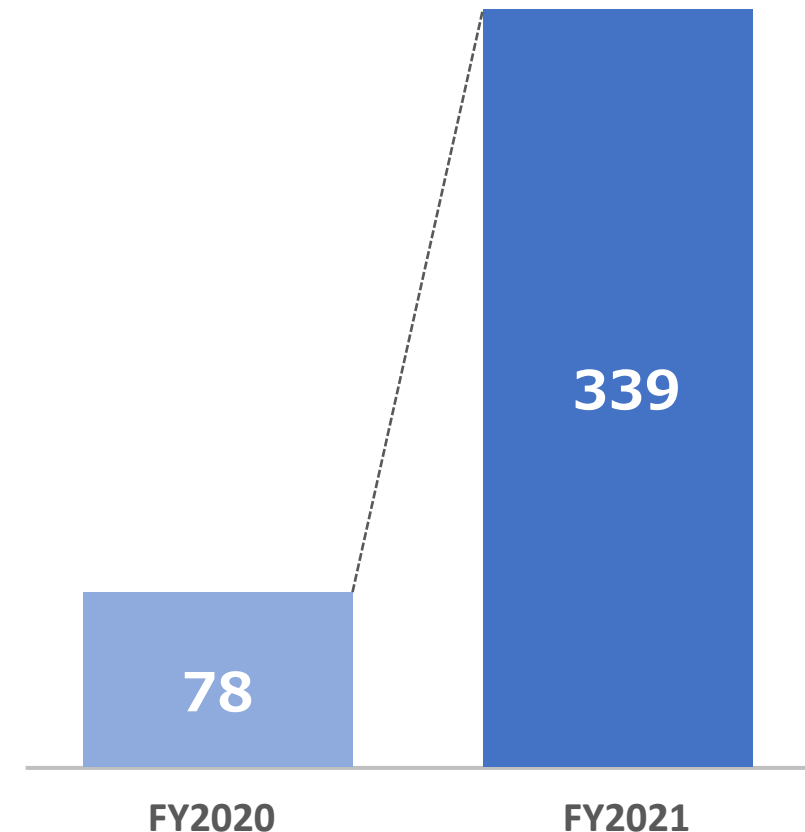


Overall sales fell compared to the previous year, but profit increased primarily due to high-tech related product sales and manufacturing cost reductions.

### Product Sales



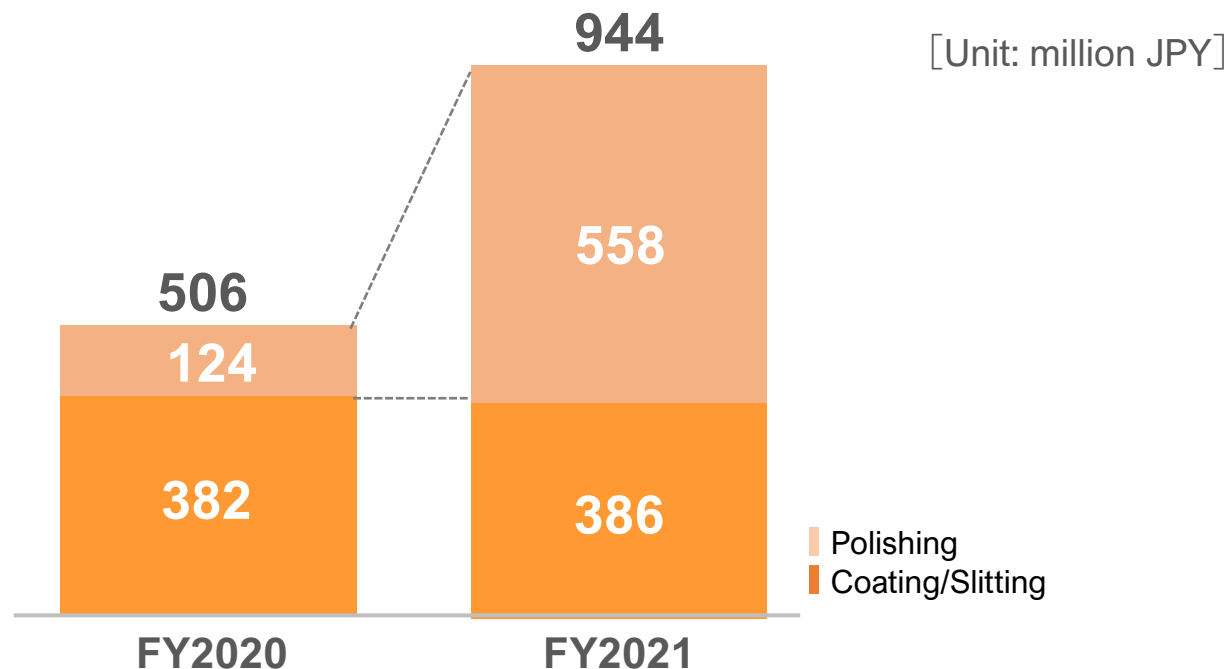
### Product Operating Profit



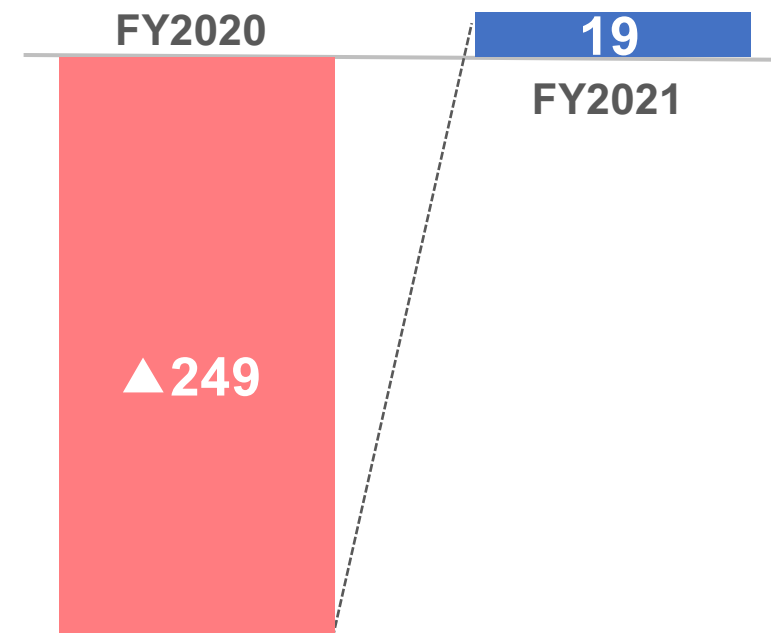
## 01-6 FY2021 Result by Segment - Processing Service Business

Profit increased by strong sales of contract polishing business, reducing fixed expenses, etc.

### Processing Service Business Sales



### Processing Service Operating Profit



# 01-7 Balance Sheet

[Unit: million JPY]

Section	Account Title	FY2020		FY2021		Difference
		Amount	Component Ratio	Amount	Component Ratio	
assets section	Current Assets	7,157	64.9%	7,802	69%	+645
	Cash and Deposits	2,737	24.8%	3,020	27%	+283
	Non-Current Assets	3,876	35.1%	3,498	31%	▲ 378
	Property, Plant and Equipment	3,337	30.2%	3,172	28%	▲ 165
	Intangible Assets	120	1.1%	18	0%	▲ 102
Total Assets		11,033	100%	11,300	100%	+267
liabilities section	Current Liabilities	3,610	32.7%	3,329	29%	▲ 281
	Short-term loans borrowings ( included corporate bond)	1,491	13.5%	1,684	15%	+193
	Non-Current Liabilities	3,315	30.0%	3,598	32%	+283
	Long-term borrowing ( included corporate bond)	2,553	23.1%	3,031	27%	+478
Total Liabilities		6,926	62.8%	6,928	61%	+1
Total Net Assets		4,107	37.2%	4,372	39%	+265
Total Liabilities and Net A		11,033	100%	11,300	100%	+267
Capital Adequacy Ratio		37.2%		38.7%		+1.5%
Total Loans Payable		4,044		4,715		+671

## 02 FY2022 Financial Forecast

## 02-1 FY2022 Financial Forecast

**Increased sales and operating profit are expected due to higher sales and manufacturing cost reductions.**

➤ This forecast is based on the data as of 14<sup>th</sup> May 2021. Actual results may differ significantly due to various factors.

[Unit: million JPY]	FY2021	FY2022	Difference	
	Actual Result	Forecast		
Sales	7,361	7,700	+339	+4.6%
Operating profit	359	400	+41	+11.4%
Ordinary profit	301	350	+49	+16.3%
Profit attributable to owners of parent	87	250	+163	+187.4%

### (Sales)

Product and contract business sales are also expected to be strong for both high-tech and optical fiber related industries.

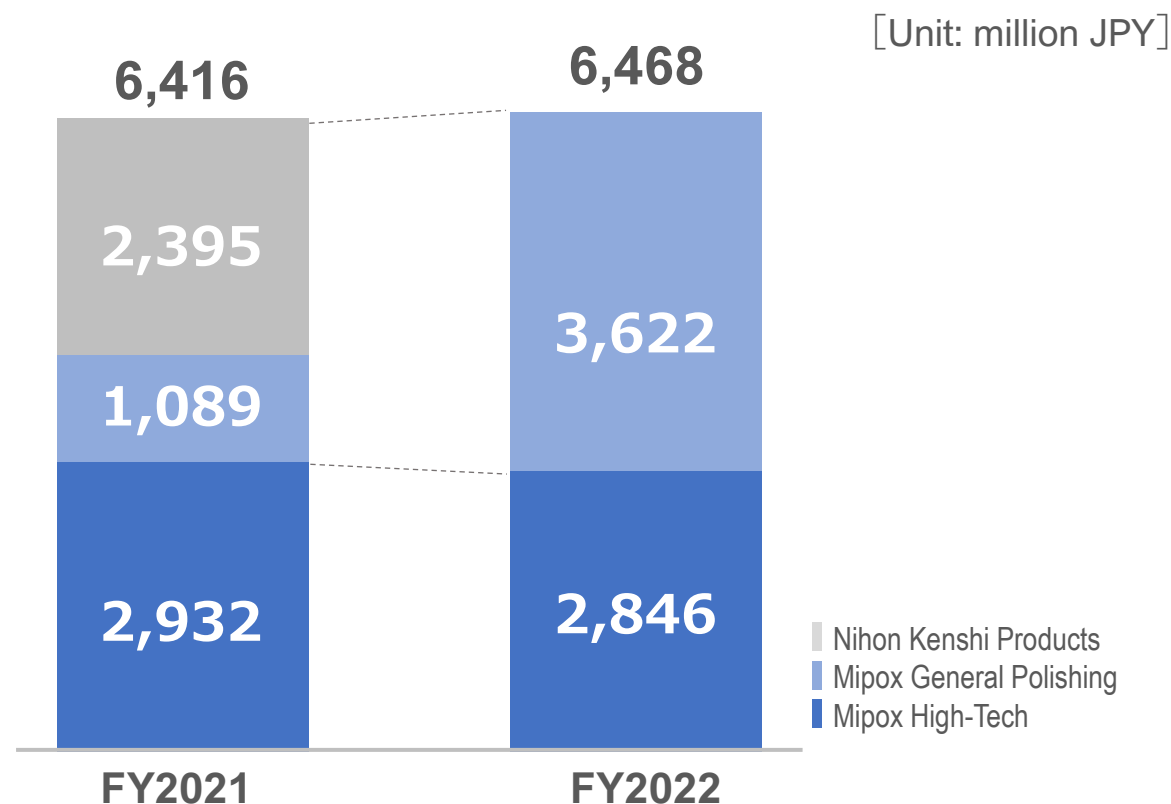
### (Profit)

Profit is also expected to increase due to higher sales, manufacturing cost reductions, and an increase in productivity from organizational changes.

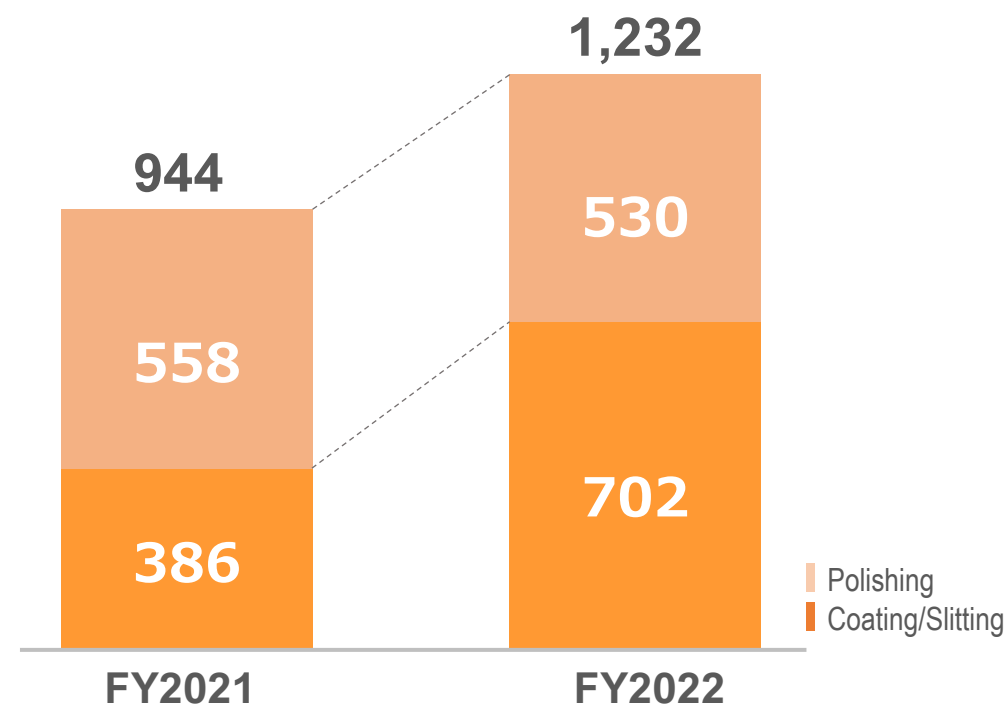
## 02-2 FY2022 Sales Forecast by Segment

Increased sales are expected in both product business and contract business.

### Product Sales



### Processing Service Business Sales



	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.

## **Approach to FY2022**

The section header consists of a blue square icon with the number "03" in white, followed by the text "Approach to FY2022" in a bold, blue, sans-serif font. A yellow outline of a square is positioned behind the blue icon.



## 03-1 High-Tech Area

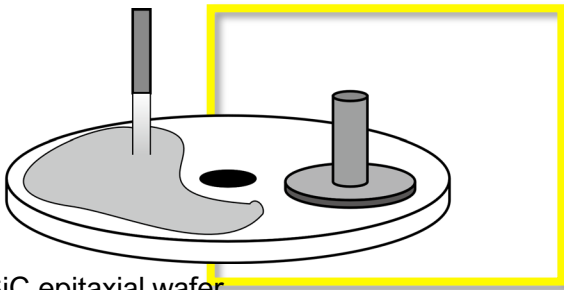
For various applications where next-generation semiconductors are required to solve the global circumstance, Mipox's core technology will be connected to accelerate **Engineering**.



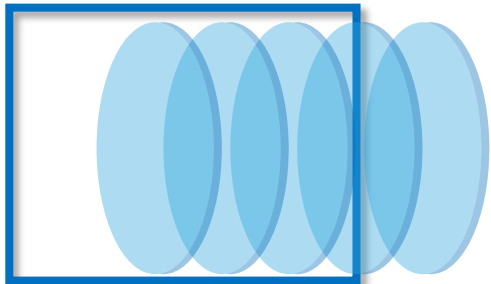
Increasing Mipox's existing value in the market, by Polishing Products, Polishing Equipment, and Processing Service Business, as well as the fusion of Room-Temperature Bonding technology based on Mipox's core technology "Polishing".

### Abrasive (Polishing Material)

Dedicated polishing material for semiconductor production.



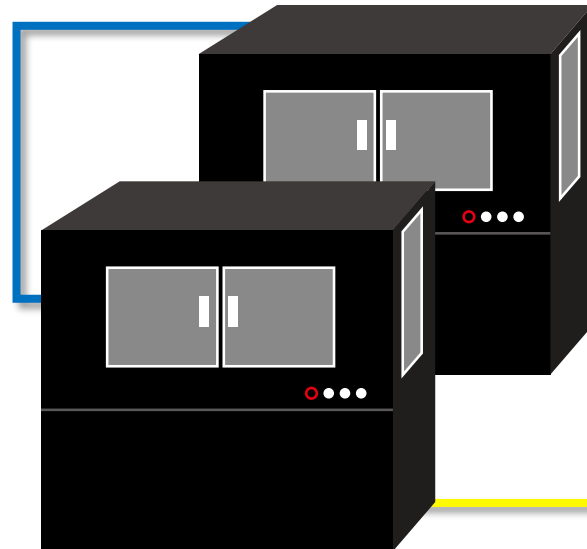
SiC epitaxial wafer



GaN bulk wafer

### Polishing Equipment

Customized polishing equipment for the next-generation semiconductor wafers.



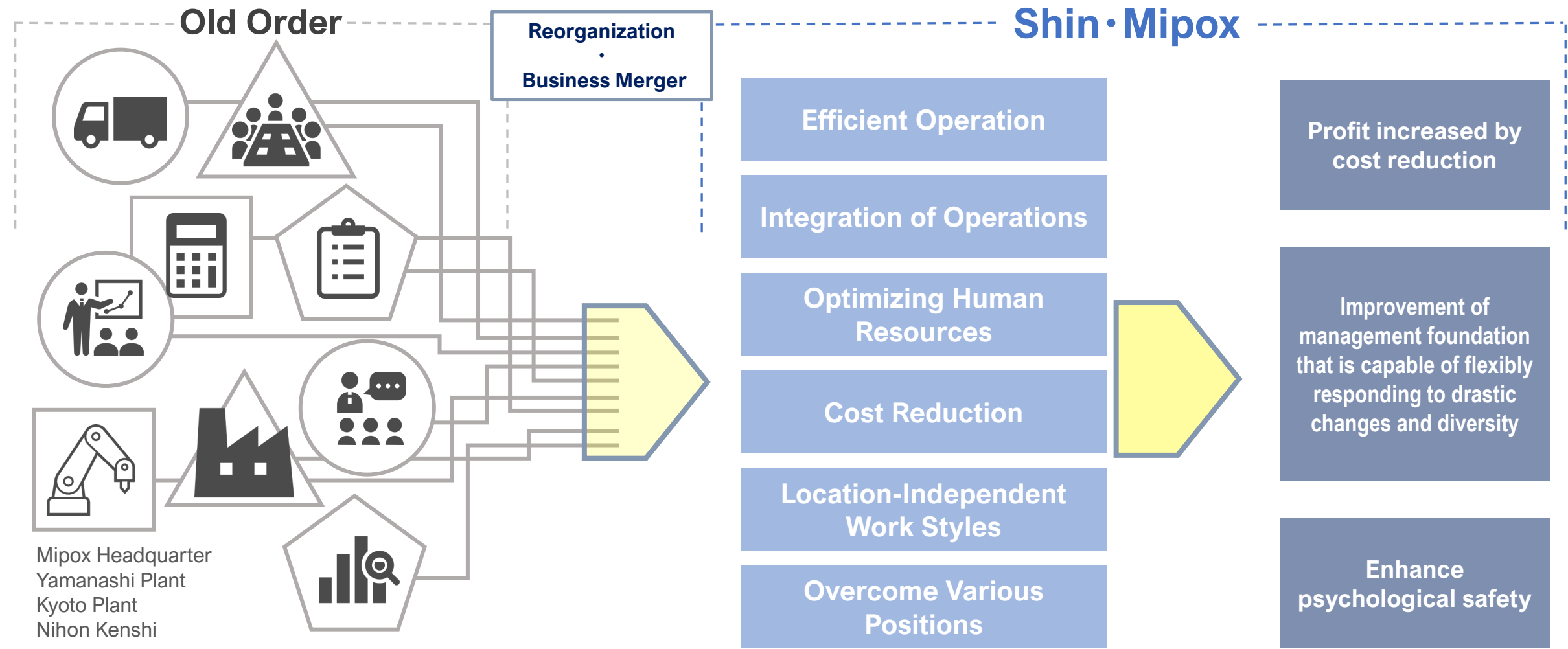
### Processing Service

To provide polishing service, room-temperature bonding service, and one-stop solution services.



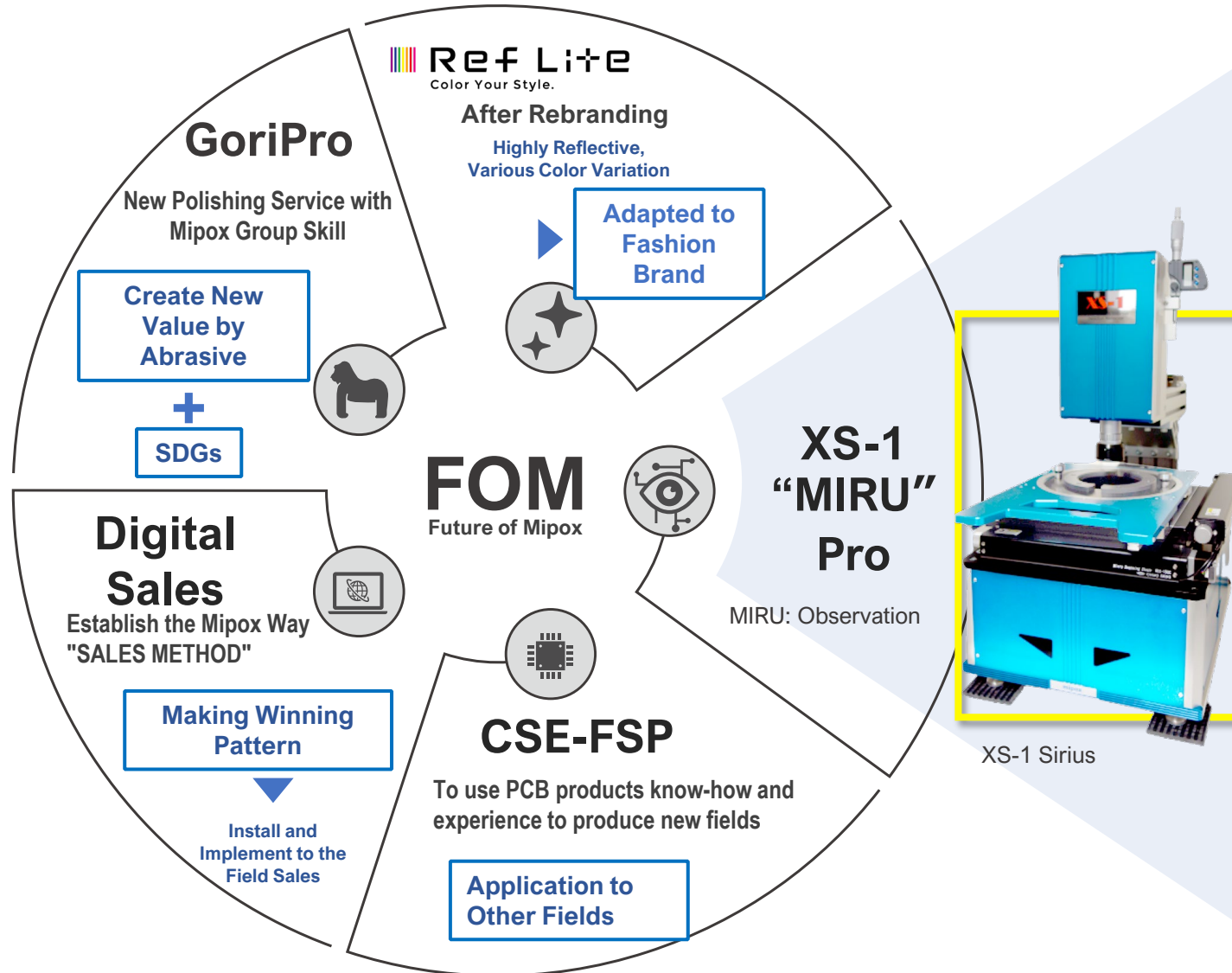
# 03-3 Shin(New)・Mipox

The company had huge reorganization due to subsidiaries' business mergers. Consequently, the company will implement an organizational structure reform, to elimination duplicate operations, human resource redistribution, and Location-Independent Work Styles etc..



# 03-4 Future of Mipox

**Incubation** business department FOM(Future of Mipox) will create new products・services・value.



## Development of SiC Wafer Manufacturing Technology

Crystal Growth  
Mass Production of Wafers

High Quality  
Low Cost

- Mipox has joined the Tsukuba Power-Electronics Constellations (TPEC) established by AIST
- TPEC launches a major joint research project to establish a new mass production technology for SiC wafers for next generation power semiconductors.

Collaborate with 16  
private companies  
+  
3 public institutions

Some results are released as  
new products

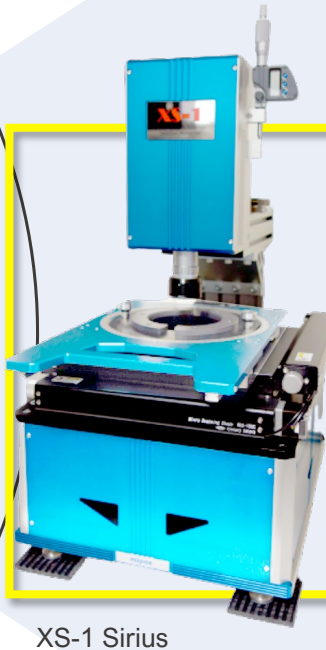
Original

Visible Light  
Polarization Technology

Real-Time Phase  
Processing

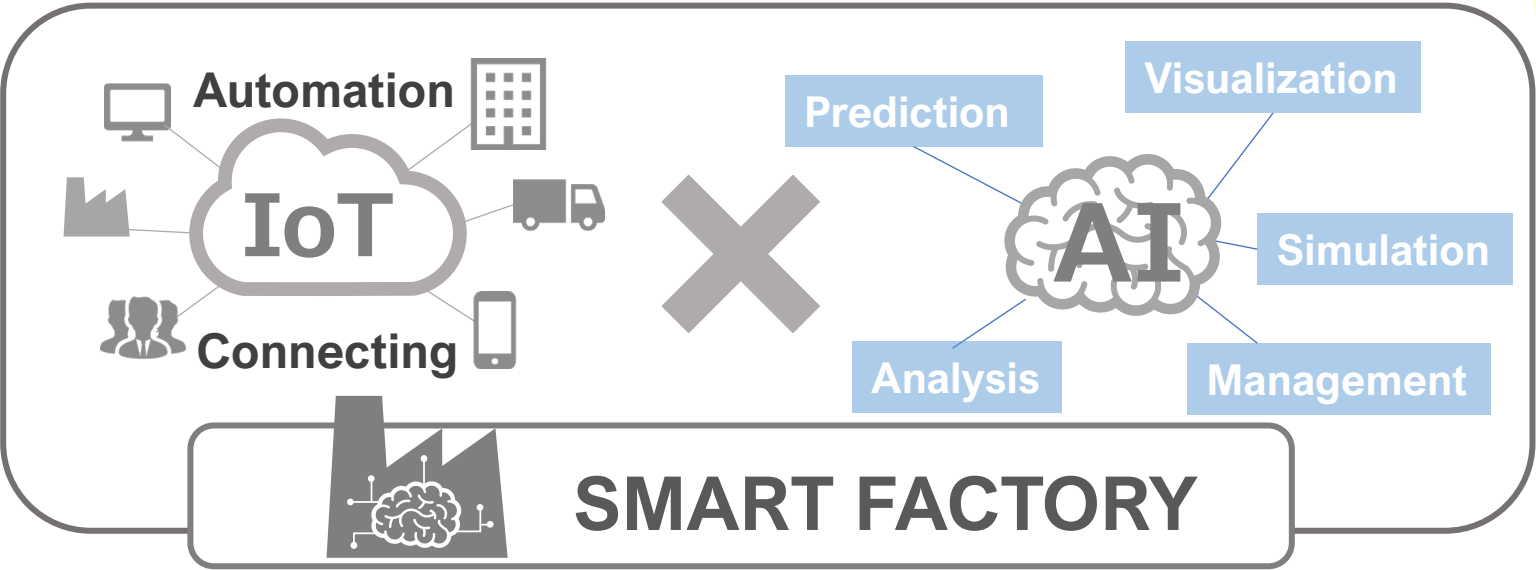
**Mipox developed new crystal defect visualizer “XS-1 Sirius”**

- Immediate visualization of threading-dislocations in semiconductor wafers
- Very fast observation of the whole wafer. (E.g., 4-inch size: 7min.)



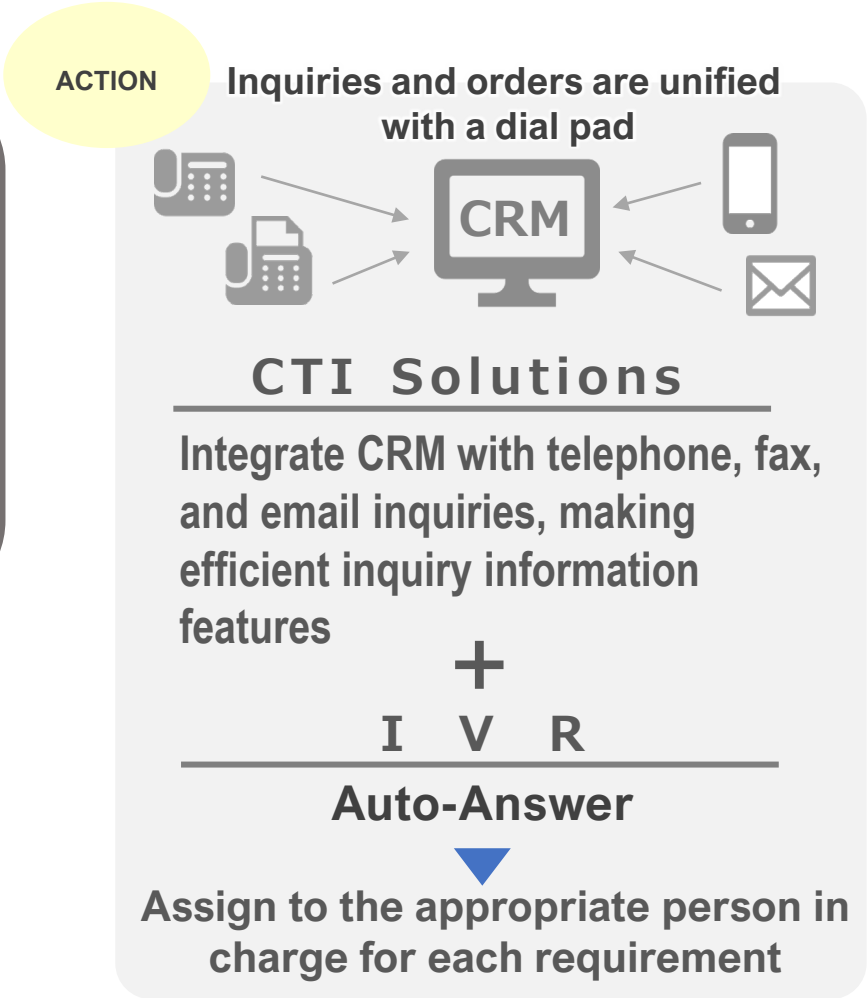
XS-1 Sirius

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.



The optimized factory that is automated, autonomous, and energy-saving

To connect people, things, and information by IoT, and analyze the collected information by AI



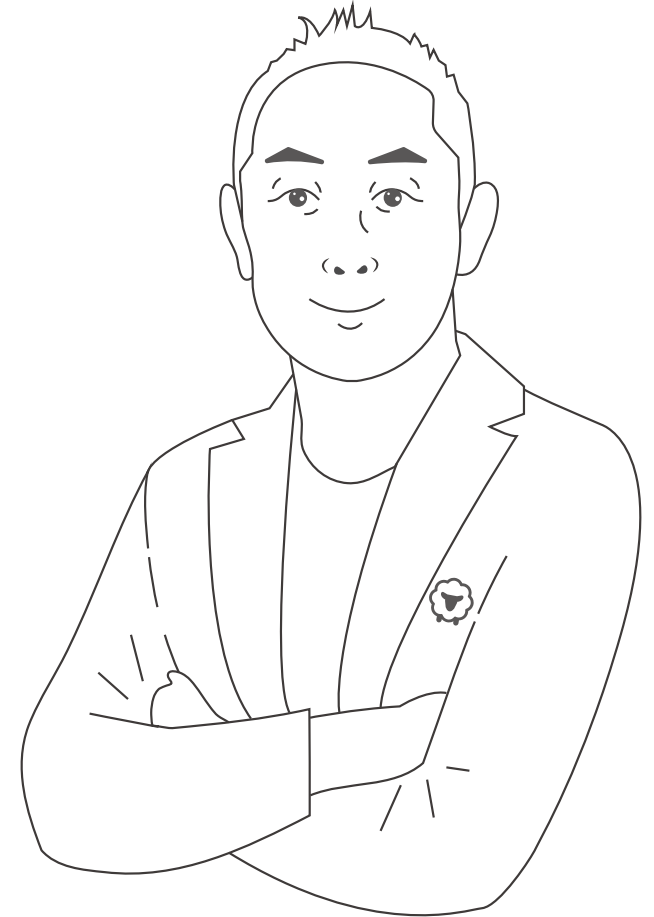
A different style of a new normal from the current situation will come after COVID-19 has ended.

More than now, it will be a time where communication is of more high value.

Communication's meaning is not just only the connecting of "people and people", but it also means connecting in a variety of ways such as "things and objects" and "information and people".

By our products and services, we will support various industries that contribute to essential communication for our society.

We will change internal communication, keep challenging as professionals in our field, assist the realization of society and our customer's will to accomplish, and change the world to a "new normal" by way of Our Converting and Polishing Technology and additionally by Observation.



# Change The World by Our Converting and Polishing Technology

## Contact for Investor Relations.

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