

Financial Statement for the Three Months Ended June 30, 2017

August 9, 2017

Name of listed company: Mipox Corporation
 Stock Code: 5381 (URL http://www.mipox.co.jp)
 Name and Title of Representative: Jun Watanabe, President
 Inquiry to: Hisatomo Harada, Director Tel: +81-3-6911-2300
 Quarterly Report Filing Date (as planned): August 9, 2017

Stock Exchange: Tokyo Stock Exchange, Inc. JASDAQ

1. Consolidated Financial Result for the Three Months Ended June 30, 2017 (April 1, 2017 – June 30, 2017)

(1) Consolidated Operating Result		(Figures are rounded down to the nearest million) (% implies the rate of increase/decrease year-on-year)									
		Net Sales		Operating Income		Ordinary Income		Net Income			
		Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	yen	%	
June 30, 2017		1,920	83.5	188	—	162	—	110		—	
June 30, 2016		1,046	Δ7.0	7	Δ95.7	Δ59	—	Δ67		—	
Note: Comprehensive Income:		144 million yen (—%) for the three months ended July 30, 2017 Δ242 million yen (—%) for the three months ended July 30, 2016									

	Net Income or, Net loss (Δ) Per Share		Net Income or, Net loss (Δ) Per Share(diluted)	
		Yen		Yen
June 30, 2017		10.48		10.45
June 30, 2016		Δ6.56		—

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
June 30, 2017	11,106	4,668	42.0
March 31, 2017	11,347	4,630	40.8

(Note) Equity capital (Millions of Yen): As of June 30, 2017 4,666
 As of March 31, 2017 4,628

2. Status of Distribution

	Dividends per share				
	First quarter end	Second quarter end	Third quarter end	Year end	Full year
	Yen	Yen	Yen	Yen	Yen
FY2017	—	—	—	10.00	10.00
FY2018	—	—	—	—	—
FY2018 (Expected)	—	—	—	10.00	10.00

Note: Revisions to dividend forecasts published most recently: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(%changes as compared with the previous fiscal year and the corresponding period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
1 st half, FY2018	3,943	43.5	234	—	205	—	138	—	13.17
Full FY2018	8,000	24.8	448	100.9	417	179.9	306	—	29.31

(Note)Revision of forecast for dividends published most recently: Yes

Notes: Request for appropriate use of the business outlook and other special remarks

Forecasts are based on information available to the management at the time of an announcement. Forecasts contain a lot of the element of the uncertainty. Actual results may differ from the figures provided above due to changes in business conditions.

4. Others

(1) Change in important subsidiaries during the period (Changes in certain specified subsidiaries resulting in revised scope of consolidation): None

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(2) Adoptions of simplified accounting methods and accounting methods particular to the presentation of quarterly financial statements: None

(3) Changes in accounting principles, presentation methods, etc., pertaining to preparation of consolidated financial statements

(Those to be stated as significant accounting policies)

1. Changes associated with revision in accounting standards: None

2. Others changes: None

(4) Shares outstanding

1. Numbers of shares outstanding (including treasury stock)

June 30, 2017	10,696,320	March 31, 2017	10,696,320
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2. Numbers of treasury stock

June 30, 2017	161,508	March 31, 2017	161,508
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3. Numbers of average shares outstanding (cumulative, consolidated at the end of the first quarter)

June 30, 2017	10,534,812	June 30, 2016	10,213,242
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Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	End of previous fiscal year (March 31, 2017)	End of first quarter of current fiscal year (June 30, 2017)
Assets		
Current assets		
Cash and deposits	2,997,113	2,554,924
Notes and accounts receivable - trade	1,782,528	1,823,073
Electronically recorded monetary claims - operating	177,982	206,542
Merchandise and finished goods	387,145	324,460
Work in process	1,250,637	1,421,491
Raw materials and supplies	410,907	424,132
Deferred tax assets	72,451	81,208
Other	189,731	230,052
Allowance for doubtful accounts	-9,698	-9,857
Total current assets	7,258,799	7,056,028
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,707,091	4,721,149
Machinery, equipment and vehicles	2,959,546	2,974,096
Land	933,754	933,754
Other	575,473	577,136
Accumulated depreciation	-6,021,721	-6,104,155
Total property, plant and equipment	3,154,144	3,101,980
Intangible assets		
Goodwill	293,915	285,971
Other	199,706	217,185
Total intangible assets	493,621	503,157
Investments and other assets		
Investment securities	39,790	36,171
Net defined benefit asset	256,924	253,860
Deferred tax assets	14,184	8,249
Other	311,043	329,773
Allowance for doubtful accounts	-180,986	-182,238
Total investments and other assets	440,957	445,815
Total non-current assets	4,088,723	4,050,953
Total assets	11,347,522	11,106,982

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	End of previous fiscal year (March 31, 2017)	End of first quarter of current fiscal year (June 30, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	776,132	802,294
Short-term loans payable	1,460,000	-
Current portion of bonds	123,200	243,200
Current portion of long-term loans payable	344,774	463,155
Income taxes payable	18,215	44,942
Provision for bonuses	90,944	143,081
Provision for directors' bonuses	-	9,975
Provision for stocks payment	-	4,790
Other	993,527	964,507
Total current liabilities	<u>3,806,793</u>	<u>2,675,945</u>
Non-current liabilities		
Bonds payable	468,100	928,100
Long-term loans payable	1,992,626	2,387,635
Deferred tax liabilities	267,529	272,251
Net defined benefit liability	131,200	129,642
Other	50,573	44,462
Total non-current liabilities	<u>2,910,029</u>	<u>3,762,091</u>
Total liabilities	<u>6,716,823</u>	<u>6,438,036</u>
Net assets		
Shareholders' equity		
Capital stock	1,998,700	1,998,700
Capital surplus	1,588,734	1,588,734
Retained earnings	1,178,922	1,183,205
Treasury shares	-100,706	-100,706
Total shareholders' equity	<u>4,665,649</u>	<u>4,669,933</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,506	-
Foreign currency translation adjustment	-39,085	-3,616
Total accumulated other comprehensive income	<u>-37,578</u>	<u>-3,616</u>
Subscription rights to shares	2,628	2,628
Total net assets	<u>4,630,699</u>	<u>4,668,945</u>
Total liabilities and net assets	<u>11,347,522</u>	<u>11,106,982</u>

Consolidated Financial Statements

(2) Consolidated Income Statements & Comprehensive Income

(Thousands of Yen)

	First three-month period of previous fiscal year (April 1, 2016 to June 30, 2016)	First three-month period of current fiscal year (April 1, 2017 to June 30, 2017)
Net sales	1,046,750	1,920,413
Cost of sales	673,017	1,160,378
Gross profit	373,732	760,035
Selling, general and administrative expenses	366,375	571,523
Operating income (loss)	7,357	188,511
Non-operating income		
Interest income	494	717
Dividend income	-	657
Insurance income	-	3,108
Insurance premiums refunded cancellation	-	3,479
Other	446	2,177
Total non-operating income	941	10,139
Non-operating expenses		
Interest expenses	2,849	7,778
Commission fee	14,000	4,457
Foreign exchange losses	50,143	8,830
Bond issuance cost	-	8,545
Guarantee commission	1,208	1,003
Share of loss of entities accounted for using equity method	-	2,536
Other	54	2,540
Total non-operating expenses	68,256	35,693
Ordinary income (loss)	-59,958	162,958
Extraordinary income		
Gain on sales of investment securities	-	1,499
Total extraordinary income	-	1,499
Extraordinary losses		
Loss on retirement of non-current assets	7,243	5,343
Total extraordinary losses	7,243	5,343
Profit (loss) before income taxes	-67,201	159,113
Income taxes - current	325	46,771
Income taxes - deferred	-507	1,959
Total income taxes	-181	48,730
Profit (loss)	-67,109	110,382
Profit attributable to		
Profit (loss) attributable to owners of parent	-67,109	110,382
Profit attributable to non-controlling interests	-	-
Other comprehensive income		
Valuation difference on available-for-sale securities	-	-1,506
Foreign currency translation adjustment	-175,932	35,476
Share of other comprehensive income of entities accounted for using equity method	-	-7
Total other comprehensive income	-175,932	33,962
Comprehensive income	-242,951	144,345
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-242,951	144,345
Comprehensive income attributable to non-controlling interests	-	-