

Financial Statement for the Nine Months Ended December 31, 2017

February 13, 2018

Name of listed company: Mipox Corporation
 Stock Code: 5381 (URL <http://www.mipox.co.jp>)
 Name and Title of Representative: Jun Watanabe, President
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 Quarterly Report Filing Date (as planned): February 13, 2018

Stock Exchange: Tokyo Stock Exchange, Inc. JASDAQ

1. Consolidated Financial Result for the Nine Months Ended December 31, 2017 (April 1, 2017 - December 31, 2017)

(Figures are rounded down to the nearest million)

(1) Consolidated Operating Result

(% 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	%
December 31, 2017	6,071	31.1	425	—	397	—	302	—
December 31, 2016	4,630	43.4	17	—	△8	—	△115	—

Note: Comprehensive Income: 437 million yen (—%) for the nine months ended December 31, 2017
 △241 million yen (—%) for the nine months ended December 31, 2016

	Net Income or, Net loss (△) Per Share	Net Income or, Net loss (△) Per Share(diluted)
	Yen	Yen
December 31, 2017	28.81	28.77
December 31, 2016	△11.07	—

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
December 31, 2017	11,580	4,929	42.6
March 31, 2017	11,347	4,630	40.8

(Note) Equity capital (Millions of Yen): As of December 31, 2017 4,928
 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
Full FY2018	8,000	24.8	448	100.9	417	179.9	306	—	29.31

(Note) Revision of forecast for dividends published most recently: No

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

(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)

December 31, 2017	10,841,920	March 31, 2017	10,696,320
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2. Numbers of treasury stock

December 31, 2017	345,008	March 31, 2017	161,508
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3. Numbers of average shares outstanding (cumulative, consolidated at the end of the second quarter)

December 31, 2017	10,497,262	December 31, 2016	10,410,686
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Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	End of previous fiscal year (March 31, 2017)	End of third quarter of current fiscal year (December 31, 2017)
Assets		
Current assets		
Cash and deposits	2,997,113	2,934,947
Notes and accounts receivable - trade	1,782,528	2,004,557
Electronically recorded monetary claims - operating	177,982	216,899
Merchandise and finished goods	387,145	353,882
Work in process	1,250,637	1,279,896
Raw materials and supplies	410,907	424,607
Deferred tax assets	72,451	66,775
Other	189,731	171,805
Allowance for doubtful accounts	-9,698	-18,406
Total current assets	7,258,799	7,434,965
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,707,091	4,823,992
Machinery, equipment and vehicles	2,959,546	3,019,311
Land	933,754	933,754
Other	575,473	677,095
Accumulated depreciation	-6,021,721	-6,257,441
Total property, plant and equipment	3,154,144	3,196,712
Intangible assets		
Goodwill	293,915	270,084
Other	199,706	226,380
Total intangible assets	493,621	496,465
Investments and other assets		
Investment securities	39,790	12,941
Net defined benefit asset	256,924	255,156
Deferred tax assets	14,184	16,482
Other	311,043	227,131
Allowance for doubtful accounts	-180,986	-59,219
Total investments and other assets	440,957	452,492
Total non-current assets	4,088,723	4,145,670
Total assets	11,347,522	11,580,636

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	End of previous fiscal year (March 31, 2017)	End of third quarter of current fiscal year (December 31, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	776,132	515,329
Short-term loans payable	1,460,000	400,000
Current portion of bonds	123,200	243,200
Current portion of long-term loans payable	344,774	534,344
Income taxes payable	18,215	79,732
Provision for bonuses	90,944	63,029
Provision for directors' bonuses	-	22,464
Provision for stocks payment	-	14,371
Other	993,527	1,049,297
Total current liabilities	3,806,793	2,921,768
Non-current liabilities		
Bonds payable	468,100	806,500
Long-term loans payable	1,992,626	2,486,535
Deferred tax liabilities	267,529	269,634
Net defined benefit liability	131,200	131,316
Other	50,573	35,773
Total non-current liabilities	2,910,029	3,729,759
Total liabilities	6,716,823	6,651,528
Net assets		
Shareholders' equity		
Capital stock	1,998,700	2,028,693
Capital surplus	1,588,734	1,586,986
Retained earnings	1,178,922	1,375,268
Treasury shares	-100,706	-160,129
Total shareholders' equity	4,665,649	4,830,819
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,506	-
Foreign currency translation adjustment	-39,085	97,937
Total accumulated other comprehensive income	-37,578	97,937
Subscription rights to shares	2,628	352
Total net assets	4,630,699	4,929,108
Total liabilities and net assets	11,347,522	11,580,636

Consolidated Financial Statements

(2) Consolidated Income Statements & Comprehensive Income

(Thousands of Yen)

	First nine-month period of previous fiscal year (April 1, 2016 to December 31, 2016)	First nine-month period of current fiscal year (April 1, 2017 to December 31, 2017)
Net sales	4,630,477	6,071,777
Cost of sales	2,969,277	3,784,010
Gross profit	1,661,200	2,287,766
Selling, general and administrative expenses	1,644,031	1,862,316
Operating income (loss)	17,168	425,450
Non-operating income		
Interest income	3,021	4,566
Dividend income	1,256	657
Insurance income	-	3,108
Foreign exchange gains	57,034	-
Insurance premiums refunded cancellation	-	3,479
Reversal of allowance for doubtful accounts	-	45,304
Other	7,115	4,514
Total non-operating income	68,427	61,630
Non-operating expenses		
Interest expenses	23,489	21,485
Commission fee	51,869	9,480
Foreign exchange losses	-	38,462
Bond issuance cost	-	8,545
Guarantee commission	3,501	3,783
Share of loss of entities accounted for using equity method	14,328	6,070
Other	854	1,581
Total non-operating expenses	94,043	89,409
Ordinary income (loss)	-8,447	397,671
Extraordinary income		
Gain on sales of non-current assets	2,524	-
Gain on sales of investment securities	5,777	11,512
Gain on reversal of subscription rights to shares	541	-
Total extraordinary income	8,843	11,512
Extraordinary losses		
Loss on retirement of non-current assets	8,192	8,165
Impairment loss	25,300	-
Loss on sales of investment securities	6,799	-
Total extraordinary losses	40,292	8,165
Profit (loss) before income taxes	-39,895	401,018
Income taxes - current	38,944	92,748
Income taxes - deferred	31,776	5,824
Total income taxes	70,721	98,572
Profit (loss)	-110,617	302,446
Profit attributable to		
Profit (loss) attributable to owners of parent	-115,248	302,446
Profit attributable to non-controlling interests	4,631	-
Other comprehensive income		
Valuation difference on available-for-sale securities	1,186	-1,506
Foreign currency translation adjustment	-132,304	136,724
Share of other comprehensive income of entities accounted for using equity method	297	297
Total other comprehensive income	-130,820	135,516
Comprehensive income	-241,438	437,962
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-246,603	437,962
Comprehensive income attributable to non-controlling interests	5,165	-