

Consolidated Business Result for FY 2018

May 14, 2018

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
 Expected date of the shareholders' meeting: June 26, 2018
 Expected date of the release of Asset Security Report: June 27, 2018

Stock Exchange: Tokyo Stock Exchange, Inc. JASDAQ

Expected start date of dividend payment: June 27, 2018

1. Consolidated Business Result for FY 2018 (April 1, 2017 - March 31, 2018)

(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	%
FY 2018	7,826	22.1	386	73.2	327	119.5	265	—
FY 2017	6,410	52.5	223	Δ56.1	149	Δ70.9	Δ147	—

Note: Comprehensive Income: 365 million yen (—%) for FY2018, Δ297 million yen (—%) for FY 2017

	Net income per share	Net income per share after latent share adjustment	Net income /capital equity	Ordinary income /total assets	Operating income /net sales
	Yen	Yen	%	%	%
FY 2018	25.25	25.20	5.6	2.8	4.9
FY 2017	Δ14.08	—	Δ3.1	1.6	3.5

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
FY2018	12,136	4,865	40.0	462.68
FY2017	11,347	4,630	40.8	439.31

Note: Equity capital: 4,856 million yen for FY2018, 4,628 million yen for FY2017

(3) Consolidated Statement of Cash Flows

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Cash and cash equivalent at end of year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY2018	510	Δ678	275	2,875
FY2017	555	Δ674	735	2,783

2. Status of Distribution

	Dividend per share			Total dividend (Year)	Dividend ratio (Consolidated)	Net asset dividend rate (Consolidated)
	Interim term end	Term end	Full Year			
	Yen	Yen	Yen	Millions of Yen	%	%
FY2017	0.00	10.00	10.00	106	—	2.2
FY2018	0.00	10.00	10.00	105	39.6	2.2
FY2019 (Expected)	0.00	10.00	10.00		30.3	

Note: Revisions to dividend forecasts published most recently: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2019 (April 1, 2018 – March 31, 2019)

(%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 FY2019	8,400	7.3	417	8.0	429	31.2	346	30.6	32.97

(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)

March 31, 2018	10,841,920	March 31, 2017	10,696,320
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2. Numbers of treasury stock

March 31, 2018	345,008	March 31, 2017	161,508
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3. Numbers of average shares outstanding

March 31, 2018	10,497,181	March 31, 2017	10,440,823
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Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	Full FY2017 (March 31, 2017)	Full FY2018 (March 31, 2018)
Assets		
Current assets		
Cash and deposits	2,997,113	3,165,583
Notes and accounts receivable - trade	1,782,528	1,893,426
Electronically recorded monetary claims - operating	177,982	179,367
Merchandise and finished goods	387,145	375,387
Work in process	1,250,637	1,274,953
Raw materials and supplies	410,907	412,317
Deferred tax assets	72,451	123,811
Other	189,731	215,340
Allowance for doubtful accounts	-9,698	-9,942
Total current assets	7,258,799	7,630,246
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,707,091	4,782,396
Machinery, equipment and vehicles	2,959,546	3,075,420
Tools, furniture and fixtures	299,005	352,241
Land	933,754	1,173,043
Leased assets	257,626	282,571
Construction in progress	18,841	74,198
Accumulated depreciation	-6,021,721	-6,219,268
Total property, plant and equipment	3,154,144	3,520,603
Intangible assets		
Goodwill	293,915	262,140
Other	199,706	217,523
Total intangible assets	493,621	479,664
Investments and other assets		
Investment securities	39,790	10,000
Net defined benefit asset	256,924	307,828
Deferred tax assets	14,184	9,298
Other	311,043	232,789
Allowance for doubtful accounts	-180,986	-54,131
Total investments and other assets	440,957	505,784
Total non-current assets	4,088,723	4,506,052
Total assets	11,347,522	12,136,298

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	Full FY2017 (March 31, 2017)	Full FY2018 (March 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	776,132	646,692
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	642,225
Lease obligations	22,509	23,960
Accounts payable - other	813,591	692,954
Income taxes payable	18,215	59,291
Provision for bonuses	90,944	122,565
Provision for stocks payment	-	19,162
Other	157,426	183,590
Total current liabilities	3,806,793	3,033,642
Non-current liabilities		
Bonds payable	468,100	764,900
Long-term loans payable	1,992,626	2,838,533
Lease obligations	36,104	28,347
Deferred tax liabilities	267,529	273,206
Net defined benefit liability	131,200	133,517
Other	14,469	198,323
Total non-current liabilities	2,910,029	4,236,828
Total liabilities	6,716,823	7,270,471
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	1,337,886
Treasury shares	-100,706	-160,129
Total shareholders' equity	4,665,649	4,793,436
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,506	-
Foreign currency translation adjustment	-39,085	63,238
Total accumulated other comprehensive income	-37,578	63,238
Subscription rights to shares	2,628	9,152
Total net assets	4,630,699	4,865,827
Total liabilities and net assets	11,347,522	12,136,298

(Thousands of Yen)

	FY2017 (April 1, 2016 to March 31, 2017)	FY2018 (April 1, 2017 to March 31, 2018)
Net sales	6,410,539	7,826,382
Cost of sales	3,962,139	5,013,143
Gross profit	2,448,399	2,813,238
Selling, general and administrative expenses		
Directors' compensations	147,704	122,967
Salaries and bonuses	557,716	737,062
Provision for bonuses	33,720	54,078
Retirement benefit expenses	-19,993	12,284
Provision for stocks payment	-4,293	11,741
Packing and transportation expenses	110,370	139,932
Depreciation	123,890	130,846
Research and development expenses	54,105	33,681
Provision of allowance for doubtful accounts	2,249	243
Other	1,219,644	1,183,596
Total selling, general and administrative expenses	2,225,114	2,426,434
Operating income (loss)	223,284	386,804
Non-operating income		
Interest income	3,993	6,296
Dividend income	1,381	657
Insurance income	-	6,174
Share of profit of entities accounted for using equity method	-	1,240
Foreign exchange gains	42,248	-
Insurance premiums refunded cancellation	-	3,479
Reversal of allowance for doubtful accounts	651	57,344
Other	9,329	7,809
Total non-operating income	57,605	83,002
Non-operating expenses		
Interest expenses	31,616	28,964
Commission fee	54,097	11,738
Bond issuance cost	-	8,545
Foreign exchange losses	-	86,373
Guarantee commission	4,562	5,059
Share of loss of entities accounted for using equity method	36,586	-
Other	4,902	1,853
Total non-operating expenses	131,764	142,535
Ordinary income (loss)	149,125	327,270
Extraordinary income		
Gain on sales of non-current assets	2,589	-
Gain on sales of investment securities	5,777	11,512
Gain on reversal of subscription rights to shares	541	-
Total extraordinary income	8,908	11,512
Extraordinary losses		
Loss on retirement of non-current assets	13,861	25,466
Impairment loss	165,367	-
Loss on sales of investment securities	6,803	-
Loss on valuation of shares of subsidiaries and associates	-	10,344
Other	6,563	-
Total extraordinary losses	192,596	35,810
Profit (loss) before income taxes	-34,562	302,972
Income taxes - current	61,514	78,194
Income taxes - deferred	46,328	-40,286
Total income taxes	107,843	37,908
Profit (loss)	-142,405	265,063
Profit attributable to		
Profit (loss) attributable to owners of parent	-147,036	265,063
Profit attributable to non-controlling interests	4,631	-
Other comprehensive income		
Valuation difference on available-for-sale securities	1,506	-1,506
Foreign currency translation adjustment	-156,765	101,934
Share of other comprehensive income of entities accounted for using equity method	297	389
Total other comprehensive income	-154,961	100,817
Comprehensive income	-297,366	365,881
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-302,532	365,881
Comprehensive income attributable to non-controlling interests	5,165	-

Consolidated Financial Statements

(3) Consolidated Statements of Cash Flows

(Thousands of Yen)

	FY2017 (April 1, 2016 to March 31, 2017)	FY2018 (April 1, 2017 to March 31, 2018)
Cash flows from operating activities		
Profit (loss) before income taxes	-34,562	302,972
Depreciation	385,389	389,573
Amortization of goodwill	44,654	31,774
Impairment loss	165,367	-
Increase (decrease) in allowance for doubtful accounts	9,357	-59,405
Increase (decrease) in provision for bonuses	18,555	31,012
Increase (decrease) in provision for stocks payment	-89,997	19,162
Decrease (increase) in net defined benefit asset	-112,847	-50,903
Increase (decrease) in net defined benefit liability	-13,039	2,316
Interest and dividend income	-5,375	-6,953
Interest expenses	31,616	28,964
Commission fee	54,097	11,738
Share of (profit) loss of entities accounted for using equity method	36,586	-1,240
Bond issuance cost	-	8,545
Insurance income	-	-6,174
Loss (gain) on sales of non-current assets	-2,589	-
Loss on retirement of non-current assets	13,861	25,466
Loss on valuation of shares of subsidiaries and associates	-	10,344
Loss (gain) on sales of investment securities	1,026	-11,512
Gain on reversal of subscription rights to shares	-541	-
Decrease (increase) in notes and accounts receivable - trade	-122,343	-90,753
Decrease (increase) in inventories	-252,391	4,504
Decrease (increase) in accounts receivable - other	8,614	45,843
Increase (decrease) in notes and accounts payable - trade	27,748	-136,046
Increase (decrease) in advances received	419,931	-213,009
Other, net	132,939	54,320
Subtotal	716,058	390,539
Interest and dividend income received	5,457	9,017
Proceeds from insurance income	-	6,174
Proceeds from compensation for expropriation	-	183,428
Interest expenses paid	-28,082	-30,190
Commission fee paid	-53,608	-11,738
Income taxes paid	-84,383	-37,158
Net cash provided by operating activities	555,441	510,074
Cash flows from investing activities		
Payments into time deposits	-	-98,494
Proceeds from withdrawal of time deposits	-	31,411
Payments for lease and guarantee deposits	-47,445	-41,499
Proceeds from collection of lease and guarantee deposits	-	16,356
Proceeds from sales of investment securities	196,949	31,082
Purchase of property, plant and equipment	-550,344	-583,021
Proceeds from sales of property, plant and equipment	4,707	-
Payments for retirement of property, plant and equipment	-6,231	-410
Purchase of intangible assets	-74,331	-89,240
Proceeds from sales of intangible assets	174,905	-
Payments of short-term loans receivable	-	-8,429
Collection of short-term loans receivable	-	8,429
Collection of long-term loans receivable	182,056	56,280
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-552,976	-
Other, net	-1,672	-464
Net cash used in investing activities	-674,383	-678,000

Consolidated Financial Statements

(3) Consolidated Statements of Cash Flows

(Thousands of Yen)

	FY2017 (April 1, 2016 to March 31, 2017)	FY2018 (April 1, 2017 to March 31, 2018)
Cash flows from financing activities		
Net increase(decrease) in short-term loans payable	441,995	-1,060,000
Proceeds from long-term loans payable	2,000,000	1,600,000
Repayments of long-term loans payable	-1,385,557	-456,642
Proceeds from issuance of bonds	-	590,770
Redemption of bonds	-163,200	-183,200
Purchase of treasury shares	-3,031	-99,992
Proceeds from disposal of treasury shares	2,848	6,551
Proceeds from issuance of share acquisition rights	-	8,800
Repayments of lease obligations	-47,179	-25,522
Cash dividends paid	-105,199	-105,312
Other, net	-4,870	-
Net cash provided by financing activities	735,806	275,452
Effect of exchange rate change on cash and cash equivalents	-146	-14,650
Net increase (decrease) in cash and cash equivalents	616,717	92,875
Cash and cash equivalents at beginning of period	2,166,299	2,783,016
Cash and cash equivalents at end of period	2,783,016	2,875,892