

Financial Statement for the Nine Months Ended December 31, 2018

February 14, 2019

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 14, 2019

Stock Exchange: Tokyo Stock Exchange, Inc. JASDAQ

1. Consolidated Financial Result for the Nine Months Ended December 31, 2019 (April 1, 2018 – December 31, 2018)

(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		Profit attributable to owners of parent		
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
December 31, 2018	5,759	△5.1	45	△89.3	78	△80.2	9	△97.0	
December 31, 2017	6,071	31.1	425	—	397	—	302	—	
Note: Comprehensive Income:		△45 million yen (—%) for the six months ended December 31, 2018 437 million yen (—%) for the six months ended December 31, 2017							

	Net Income or, Net loss (△) Per Share		Net Income or, Net loss (△) Per Share (diluted)	
	Yen		Yen	
December 31, 2018	0.80		0.80	
December 31, 2017	28.81		28.77	

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	
	Millions of Yen	Millions of Yen		%
December 31, 2018	13,996	5,402	38.6	
March 31, 2018	12,067	4,865	40.2	

(Note) Equity capital (Millions of Yen): As of December 31, 2018 5,398
 As of March 31, 2018 4,856

2. Status of Distribution

	Dividends per share					
	First quarter end	Second quarter end	Third quarter end	Year end	Full year	
	Yen		Yen		Yen	
FY2018	— —		— —		10.00	
FY2019	— —		— —		10.00	
FY2019 (Expected)	— —		— —		10.00	

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		Profit attributable to owners of parent		Net Income Per Share	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen	
Full FY2019	7,553	△3.5	△20	△94.7	54	△83.5	△17	△93.4	△1.52	

(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)

December 31, 2018	12,081,920	March 31, 2018	10,841,920
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2. Numbers of treasury stock

December 31, 2018	274,548	March 31, 2018	345,008
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3. Numbers of average shares outstanding (cumulative, consolidated at the end of the third quarter)

December 31, 2018	11,474,384	December 31, 2017	10,497,262
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Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	End of previous fiscal year (March 31, 2018)	End of third quarter of current fiscal year (December 31, 2018)
Assets		
Current assets		
Cash and deposits	3,165,583	4,288,676
Notes and accounts receivable - trade	1,893,426	1,901,696
Electronically recorded monetary claims - operating	179,367	156,836
Merchandise and finished goods	375,387	504,560
Work in process	1,274,953	1,547,665
Raw materials and supplies	412,317	507,475
Other	215,340	248,768
Allowance for doubtful accounts	-9,942	-5,823
Total current assets	7,506,434	9,149,856
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,782,396	4,923,327
Machinery, equipment and vehicles	3,075,420	3,087,571
Land	1,173,043	1,183,021
Other	709,012	1,076,444
Accumulated depreciation	-6,219,268	-6,418,638
Total property, plant and equipment	3,520,603	3,851,727
Intangible assets		
Goodwill	262,140	238,309
Other	217,523	201,046
Total intangible assets	479,664	439,355
Investments and other assets		
Investment securities	10,000	10,000
Net defined benefit asset	307,828	304,647
Deferred tax assets	64,308	66,204
Other	232,789	175,379
Allowance for doubtful accounts	-54,131	-1,149
Total investments and other assets	560,794	555,082
Total non-current assets	4,561,062	4,846,166
Total assets	12,067,496	13,996,022

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	End of previous fiscal year (March 31, 2018)	End of third quarter of current fiscal year (December 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	646,692	631,531
Short-term loans payable	400,000	600,000
Current portion of bonds	243,200	243,200
Current portion of long-term loans payable	642,225	821,446
Accounts payable - other	692,954	1,284,867
Income taxes payable	59,291	43,368
Provision for bonuses	122,565	68,834
Provision for directors' bonuses	-	3,890
Provision for stocks payment	19,162	-
Other	207,465	350,173
Total current liabilities	3,033,557	4,047,312
Non-current liabilities		
Bonds payable	764,900	563,300
Long-term loans payable	2,838,533	3,103,644
Deferred tax liabilities	204,490	205,112
Provision for stocks payment	-	11,500
Net defined benefit liability	133,517	132,974
Other	226,670	529,635
Total non-current liabilities	4,168,111	4,546,165
Total liabilities	7,201,669	8,593,478
Net assets		
Shareholders' equity		
Capital stock	2,028,693	2,365,898
Capital surplus	1,586,986	1,921,342
Retained earnings	1,337,886	1,241,347
Treasury shares	-160,129	-139,117
Total shareholders' equity	4,793,436	5,389,470
Accumulated other comprehensive income		
Foreign currency translation adjustment	63,238	8,638
Total accumulated other comprehensive income	63,238	8,638
Subscription rights to shares	9,152	4,435
Total net assets	4,865,827	5,402,544
Total liabilities and net assets	12,067,496	13,996,022

Consolidated Financial Statements

(2) Consolidated Income Statements & Comprehensive Income

(Thousands of Yen)

	First nine-month period of previous fiscal year (April 1, 2017 to December 31, 2017)	First nine-month period of current fiscal year (April 1, 2018 to December 31, 2018)
Net sales	6,071,777	5,759,328
Cost of sales	3,784,010	3,808,677
Gross profit	2,287,766	1,950,650
Selling, general and administrative expenses	1,862,316	1,905,071
Operating income (loss)	425,450	45,578
Non-operating income		
Interest income	4,566	6,825
Dividend income	657	360
Insurance income	3,108	-
Foreign exchange gains	-	18,630
Insurance premiums refunded cancellation	3,479	-
Reversal of allowance for doubtful accounts	45,304	53,135
Other	4,514	6,247
Total non-operating income	61,630	85,197
Non-operating expenses		
Interest expenses	21,485	25,415
Commission fee	9,480	21,973
Bond issuance cost	8,545	-
Foreign exchange losses	38,462	-
Guarantee commission	3,783	3,380
Share of loss of entities accounted for using equity method	6,070	-
Other	1,581	1,158
Total non-operating expenses	89,409	51,928
Ordinary income (loss)	397,671	78,848
Extraordinary income		
Gain on sales of non-current assets	-	1,211
Gain on sales of investment securities	1,512	-
Gain on liquidation of subsidiaries	-	3,070
Total extraordinary income	1,512	4,281
Extraordinary losses		
Loss on retirement of non-current assets	8,165	221
Total extraordinary losses	8,165	221
Profit (loss) before income taxes	401,018	82,907
Income taxes - current	92,748	75,528
Income taxes - deferred	5,824	-1,801
Total income taxes	98,572	73,727
Profit (loss)	302,446	9,180
Profit attributable to		
Profit (loss) attributable to owners of parent	302,446	9,180
Profit attributable to non-controlling interests	-	-
Other comprehensive income		
Valuation difference on available-for-sale securities	-1,506	-
Foreign currency translation adjustment	136,724	-54,611
Share of other comprehensive income of entities accounted for using e	297	12
Total other comprehensive income	135,516	-54,599
Comprehensive income	437,962	-45,418
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	437,962	-45,418
Comprehensive income attributable to non-controlling interests	-	-