

Consolidated Business Result for FY 2019

May 14, 2019

Name of listed company: Mipox Corporation

Stock Exchange: Tokyo Stock Exchange, Inc. JASDAQ

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, 2019

Expected start date of dividend payment: June 27, 2019

Expected date of the release of Asset Security Report: June 27, 2019

1. Consolidated Business Result for FY 2019 (April 1, 2018 - March 31, 2019)

(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	%
FY 2019	7,558	△3.4	△281	—	△253	—	△967	—
FY 2018	7,826	22.1	386	73.2	327	119.5	265	—

Note: Comprehensive Income: △981million yen (—%) for FY2019, 365 million yen (—%) for FY 2018

	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 2019	△83.74	—	△20.8	△2.1	△3.7
FY 2018	25.25	25.20	5.6	2.8	4.9

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
FY2019	12,568	4,466	35.5	377.88
FY2018	12,067	4,865	40.2	462.68

Note: Equity capital: 4,461 million yen for FY2019, 4,856 million yen for FY2018

(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
FY2019	△44	△245	1,023	3,617
FY2018	510	△678	275	2,875

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
FY2018	—	—	—	10.00	10.00
FY2019				10.00	10.00
FY2020 (Expected)				Under review	Under review

Note: Revisions to dividend forecasts published most recently: No

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2020 (April 1, 2019 – March 31, 2020)

(%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 FY2020	8,302	56	6	242	20.50

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, 2019	12,081,920	March 31, 2018	10,841,920
----------------	------------	----------------	------------

2. Numbers of treasury stock

March 31, 2019	274,548	March 31, 2018	345,008
----------------	---------	----------------	---------

3. Numbers of average shares outstanding

March 31, 2019	11,551,227	March 31, 2018	10,497,181
----------------	------------	----------------	------------

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	Full FY2018 (March 31, 2018)	Full FY2019 (March 31, 2019)
Assets		
Current assets		
Cash and deposits	3,165,583	3,275,539
Notes and accounts receivable - trade	1,893,426	1,819,343
Electronically recorded monetary claims - operating	179,367	150,637
Securities	-	500,000
Merchandise and finished goods	375,387	431,052
Work in process	1,274,953	1,448,257
Raw materials and supplies	412,317	463,915
Other	215,340	560,023
Allowance for doubtful accounts	-9,942	-5,804
Total current assets	7,506,434	8,642,963
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,782,396	4,878,823
Machinery, equipment and vehicles	3,075,420	3,081,713
Tools, furniture and fixtures	352,241	377,921
Land	1,173,043	1,143,631
Leased assets	282,571	426,941
Construction in progress	74,198	79,120
Accumulated depreciation	-6,219,268	-6,647,054
Total property, plant and equipment	3,520,603	3,341,096
Intangible assets		
Goodwill	262,140	-
Software	216,320	107,086
Telephone subscription right	1,202	377
Total intangible assets	479,664	107,464
Investments and other assets		
Investment securities	10,000	10,000
Retirement benefit asset	307,828	320,543
Deferred tax assets	64,308	18,431
Other	232,789	129,387
Allowance for doubtful accounts	-54,131	-1,149
Total investments and other assets	560,794	477,213
Total non-current assets	4,561,062	3,925,774
Total assets	12,067,496	12,568,738

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	Full FY2018	Full FY2019
	(March 31, 2018)	(March 31, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	646,692	679,364
Short-term loans payable	400,000	700,000
Current portion of bonds	243,200	243,200
Current portion of long-term loans payable	642,225	887,085
Lease obligations	23,960	31,972
Accounts payable - other	692,954	640,472
Income taxes payable	59,291	24,721
Provision for bonuses	122,565	130,845
Provision for stocks payment	19,162	-
Other	183,505	695,685
Total current liabilities	3,033,557	4,033,348
Non-current liabilities		
Bonds payable	764,900	521,700
Long-term loans payable	2,838,533	3,025,585
Lease obligations	28,347	134,899
Deferred tax liabilities	204,490	226,947
Provision for stocks payment	-	23,000
Retirement benefit liability	133,517	122,221
Other	198,323	14,858
Total non-current liabilities	4,168,111	4,069,212
Total liabilities	7,201,669	8,102,560
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	264,918
Treasury shares	-160,129	-139,117
Total shareholders' equity	4,793,436	4,413,041
Accumulated other comprehensive income		
Foreign currency translation adjustment	63,238	48,700
Total accumulated other comprehensive income	63,238	48,700
Subscription rights to shares	9,152	4,435
Total net assets	4,865,827	4,466,177
Total liabilities and net assets	12,067,496	12,568,738

(Thousands of Yen)

	FY2018 (April 1, 2017 to March 31, 2018)	FY2019 (April 1, 2018 to March 31, 2019)
Net sales	7,826,382	7,558,091
Cost of sales	5,013,143	5,261,950
Gross profit	2,813,238	2,296,140
Selling, general and administrative expenses		
Directors' compensations	122,967	97,800
Salaries and bonuses	737,062	809,371
Provision for bonuses	54,078	57,883
Retirement benefit expenses	12,284	28,043
Provision for stocks payment	11,741	8,827
Packing and transportation expenses	139,932	153,359
Depreciation	130,846	132,900
Research and development expenses	33,681	81,768
Provision of allowance for doubtful accounts	243	1,625
Other	1,183,596	1,205,722
Total selling, general and administrative expenses	2,426,434	2,577,301
Operating income (loss)	386,804	-281,160
Non-operating income		
Interest income	6,296	7,820
Dividend income	657	360
Insurance income	6,174	-
Share of profit of entities accounted for using equity method	1,240	-
Foreign exchange gains	-	21,116
Insurance premiums refunded cancellation	3,479	-
Reversal of allowance for doubtful accounts	57,344	53,135
Other	7,809	9,502
Total non-operating income	83,002	91,934
Non-operating expenses		
Interest expenses	28,964	34,373
Commission fee	11,738	24,323
Bond issuance cost	8,545	-
Foreign exchange losses	86,373	-
Guarantee commission	5,059	4,360
Other	1,853	1,450
Total non-operating expenses	142,535	64,507
Ordinary income (loss)	327,270	-253,733
Extraordinary income		
Gain on sales of non-current assets	-	7,778
Gain on sales of investment securities	11,512	-
Gain on liquidation of subsidiaries and associates	-	7,077
Total extraordinary income	11,512	14,856
Extraordinary losses		
Loss on sales of non-current assets	-	7,977
Loss on retirement of non-current assets	25,466	2,404
Impairment loss	-	592,561
Loss on valuation of shares of subsidiaries and associates	10,344	-
Total extraordinary losses	35,810	602,943
Profit (loss) before income taxes	302,972	-841,820
Income taxes - current	78,194	57,426
Income taxes - deferred	-40,286	68,000
Total income taxes	37,908	125,427
Profit (loss)	265,063	-967,247
Profit attributable to		
Profit (loss) attributable to owners of parent	265,063	-967,247
Profit attributable to non-controlling interests	-	-
Other comprehensive income		
Valuation difference on available-for-sale securities	-1,506	-
Foreign currency translation adjustment	101,934	-14,538
Share of other comprehensive income of entities accounted for using equity method	389	-
Total other comprehensive income	100,817	-14,538
Comprehensive income	365,881	-981,786
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	365,881	-981,786
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Financial Statements

(3) Consolidated Statements of Cash Flows

(Thousands of Yen)

	FY2018 (April 1, 2017 to March 31, 2018)	FY2019 (April 1, 2018 to March 31, 2019)
Cash flows from operating activities		
Profit (loss) before income taxes	302,972	-841,820
Depreciation	389,573	408,859
Amortization of goodwill	31,774	31,774
Impairment loss	-	592,561
Increase (decrease) in allowance for doubtful accounts	-2,060	-3,918
Increase (decrease) in provision for bonuses	31,012	8,496
Increase (decrease) in provision for stocks payment	19,162	20,723
Decrease (increase) in net defined benefit asset	-50,903	-12,715
Increase (decrease) in net defined benefit liability	2,316	-11,295
Interest and dividend income	-6,953	-8,180
Interest expenses	28,964	34,373
Commission fee	11,738	24,323
Share of loss (profit) of entities accounted for using equity method	-1,240	-
Bond issuance cost	8,545	-
Insurance income	-6,174	-
Loss (gain) on sales of non-current assets	-	199
Loss on retirement of non-current assets	25,466	2,404
Loss on valuation of shares of subsidiaries and associates	10,344	-
Loss (gain) on liquidation of subsidiaries and associates	-	-7,077
Loss (gain) on sales of investment securities	-11,512	-
Decrease (increase) in notes and accounts receivable - trade	-90,753	90,189
Decrease (increase) in inventories	4,504	-293,719
Decrease (increase) in accounts receivable - other	45,843	-317,945
Increase (decrease) in notes and accounts payable - trade	-136,046	41,953
Increase (decrease) in accounts payable - other	-213,009	41,901
Increase (decrease) in advances received	9,483	99,726
Other, net	-12,508	-39,338
Subtotal	390,539	-138,525
Interest and dividend income received	9,017	9,376
Proceeds from insurance income	6,174	-
Proceeds from compensation for expropriation	183,428	243,000
Interest expenses paid	-30,190	-34,765
Commission fee paid	-11,738	-24,323
Income taxes paid	-37,158	-99,362
Net cash provided by operating activities	510,074	-44,599
Cash flows from investing activities		
Payments into time deposits	-98,494	-6,074
Proceeds from withdrawal of time deposits	31,411	135,743
Proceeds from sales of investment securities	31,082	-
Purchase of property, plant and equipment	-583,021	-426,619
Proceeds from sales of property, plant and equipment	-	47,591
Payments for retirement of property, plant and equipment	-410	-
Purchase of intangible assets	-89,240	-52,314
Payments of short-term loans receivable	-8,429	-
Collection of short-term loans receivable	8,429	-
Collection of long-term loans receivable	56,280	54,639
Other, net	-25,608	1,176
Net cash used in investing activities	-678,000	-245,857

Consolidated Financial Statements

(3) Consolidated Statements of Cash Flows

(Thousands of Yen)

	FY2018 (April 1, 2017 to March 31, 2018)	FY2019 (April 1, 2018 to March 31, 2019)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-1,060,000	300,000
Proceeds from long-term loans payable	1,600,000	1,200,000
Repayments of long-term loans payable	-456,642	-768,088
Proceeds from issuance of bonds	590,770	-
Redemption of bonds	-183,200	-243,200
Purchase of treasury shares	-99,992	-17
Proceeds from disposal of treasury shares	6,551	944
Proceeds from issuance of common shares	-	670,044
Proceeds from issuance of share acquisition rights	8,800	-
Repayments of lease obligations	-25,522	-30,612
Cash dividends paid	-105,312	-105,146
Net cash provided by financing activities	275,452	1,023,923
Effect of exchange rate change on cash and cash equivalents	-14,650	7,795
Net increase (decrease) in cash and cash equivalents	92,875	741,262
Cash and cash equivalents at beginning of period	2,783,016	2,875,892
Cash and cash equivalents at end of period	2,875,892	3,617,155