

FY2020 1H Financial Result

December 2, 2019
Mipox Corporation

Mipox Way

Mission

Change The World by Our Converting and Polishing Technologies

Since our founding in 1925, we have developed along with our core technology "Coating," "Slitting," and "Polishing" cultivated over the years. Through this core technology, we will support the change of the world as our mission.

Vision

Japanese No.1 Abrasive Manufacturer and Niche Top Converter

As Japanese No. 1 abrasive manufacturer, we will continue to be trusted from all over the world. We will continue to be at the top in the niche area all the time.

Value

Ownership/One Step Forward/Connected

Manufacturing: "Safety first, then providing Reasonable products and services"

Sales: "Customer Success with our products and services"

Development: "Change Now and Creating New Value by our Technologies"

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03 Progress of Business

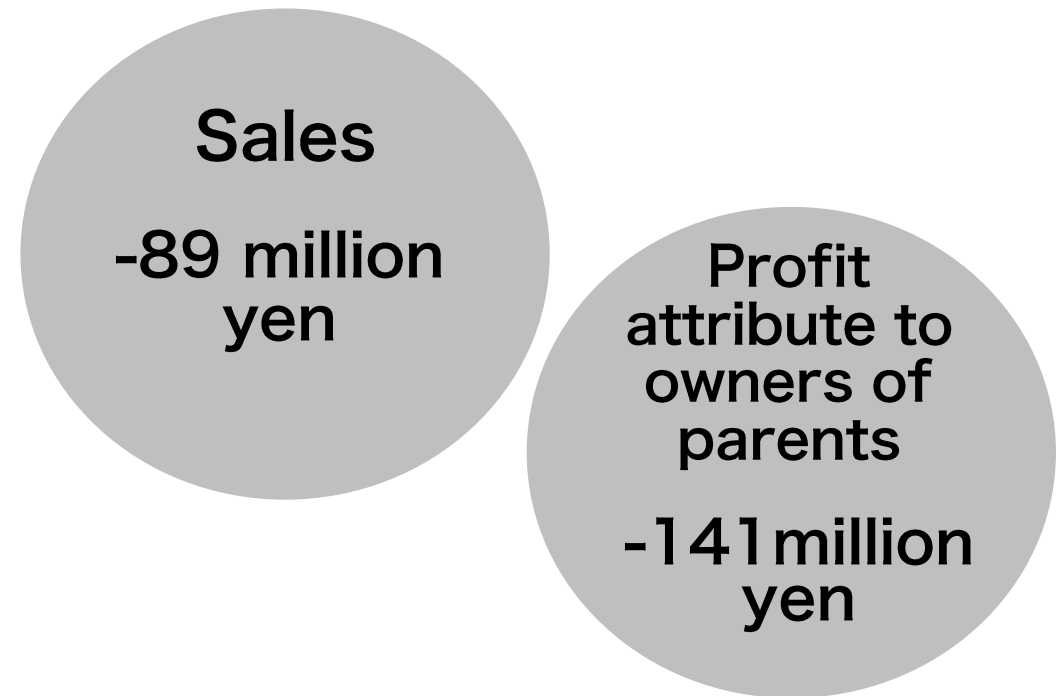
01 FY2020 1H Financial Result

Both sales and profits are below the same period last year

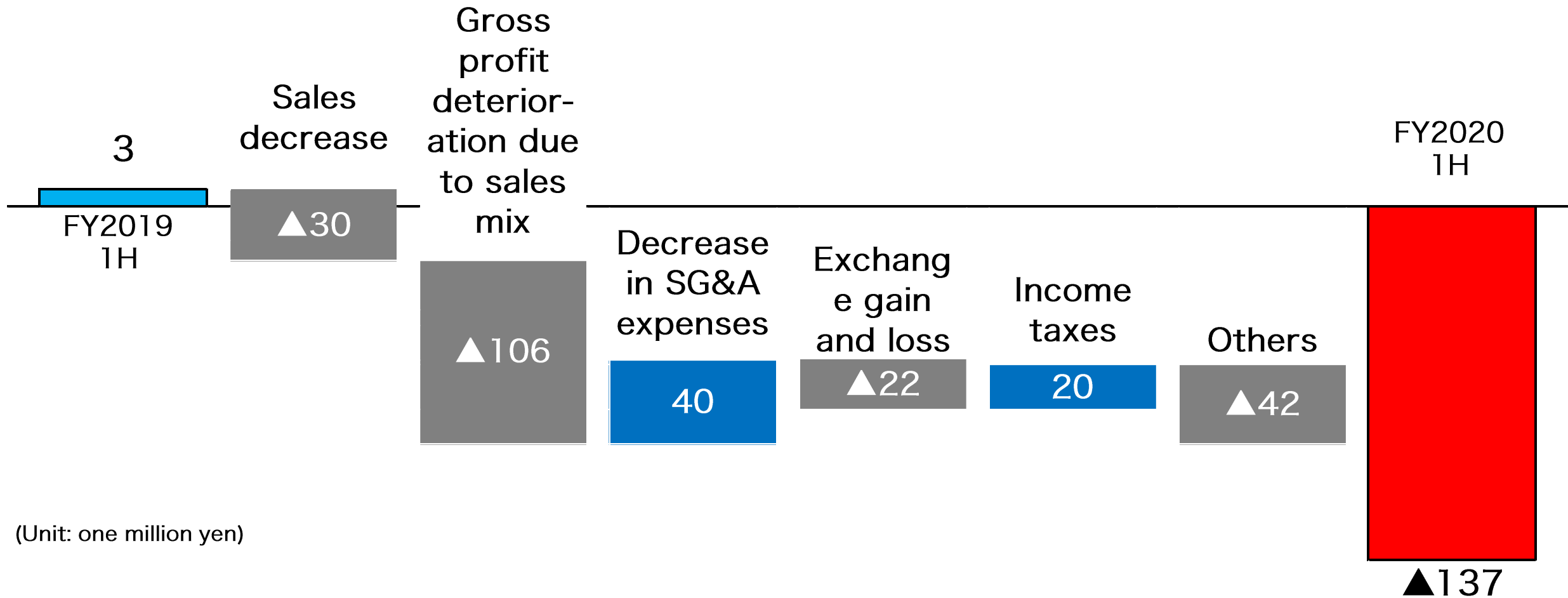
FY2020 1H Result Summary

(Unit: one million yen)	FY2019 1H	FY2020 1H
Sales	3,806	3,716
Operating profit	1	△92
Ordinary profit	54	△102
Profit attributable to owners of parent	3	△137

YoY change



Decreased from the previous year mainly due to a deterioration in gross margin by sales mix



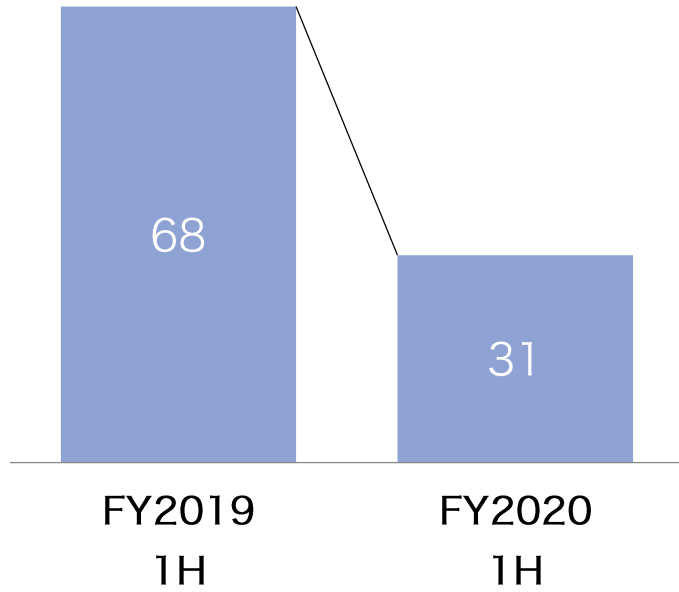
(Unit: one million yen)

Polishing equipment in semiconductor related market increase, but others fall below last year

Sales

Operating Profit

- Nihon Kenshi Product
- Mipox Product General Polishing
- Mipox Product High-tech

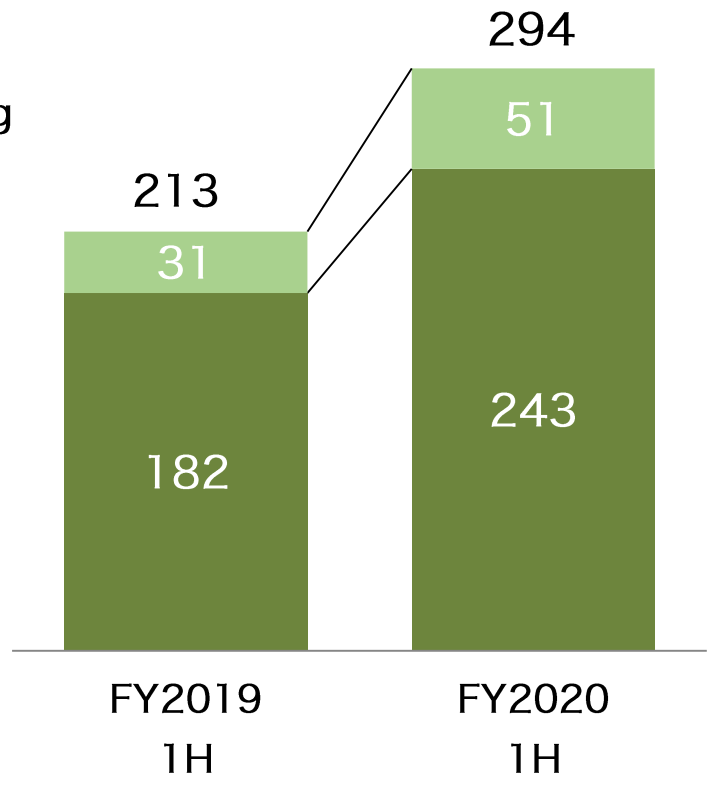


(Unit: one million yen)

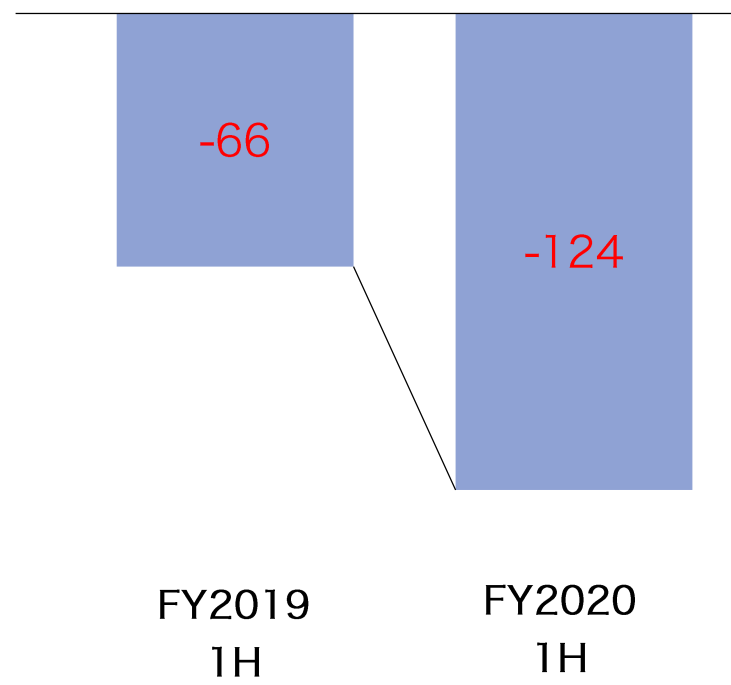
Decrease in profit due to worsening gross margin and increased fixed costs

Sales

- Polishing
- Coating & Slitting



Operating Profit



(Unit: one million yen)

01-5 Balance Sheet

(Unit: one million yen)	Mar-19		Sep-19		Increase/ Decrease
	Amount	Component Ratio	Amount	Component Ratio	
Cash and deposits	3,275	26.1%	2,923	25.6%	-352
Inventory	2,343	18.6%	2,302	20.2%	-41
Current assets	8,642	68.8%	7,563	66.3%	-1,079
Tangible fixed assets	3,341	26.6%	3,251	28.5%	-90
Non-current assets	3,925	31.2%	3,839	33.7%	-86
Total assets	12,568	100.0%	11,403	100.0%	-1,165
Short-term loans payable	1,830	14.6%	1,606	14.1%	-224
Current liabilities	4,033	32.1%	3,754	32.9%	-279
Long-term loans payable	3,547	28.2%	2,996	26.3%	-551
Non-current liabilities	4,069	32.4%	3,547	31.1%	-522
Net asset	4,466	35.5%	4,101	36.0%	-365
Total liabilities and net assets	12,568	100.0%	11,403	100.0%	-1,165
Capital adequacy ratio		35.5%		35.9%	+0.4%
Total loans payable		5,377		4,602	-775

02 FY2020 Financial Forecast

Product business is on a recovery trend and processing service business is expected to be flat

Product Business

- Equipment sales in semiconductor-related market expected to grow further.
- The hard disk market is gradually recovering.
- Nihon Kenshi products are expected to increase from the first half.

Processing Service Business

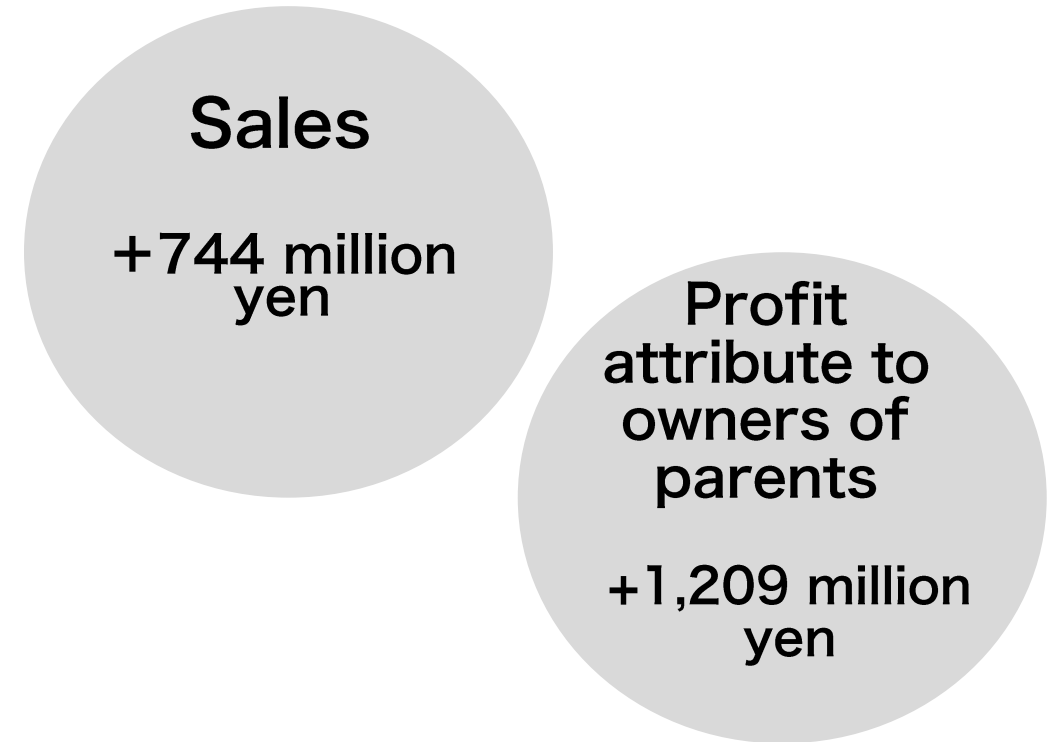
- Coating & Slitting are flat.
- In the area of polishing service, a steady increase is expected mainly in the next-generation semiconductor field.

Expecting recovery in 2H, and the forecast remain unchanged from the one on May 14, 2019.

FY2020 Financial Forecast

(Unit: one million yen)	FY2019	FY2020
Sales	7,558	8,302
Operating profit	△92	56
Ordinary profit	△253	6
Profit attributable to	△967	242

YoY change

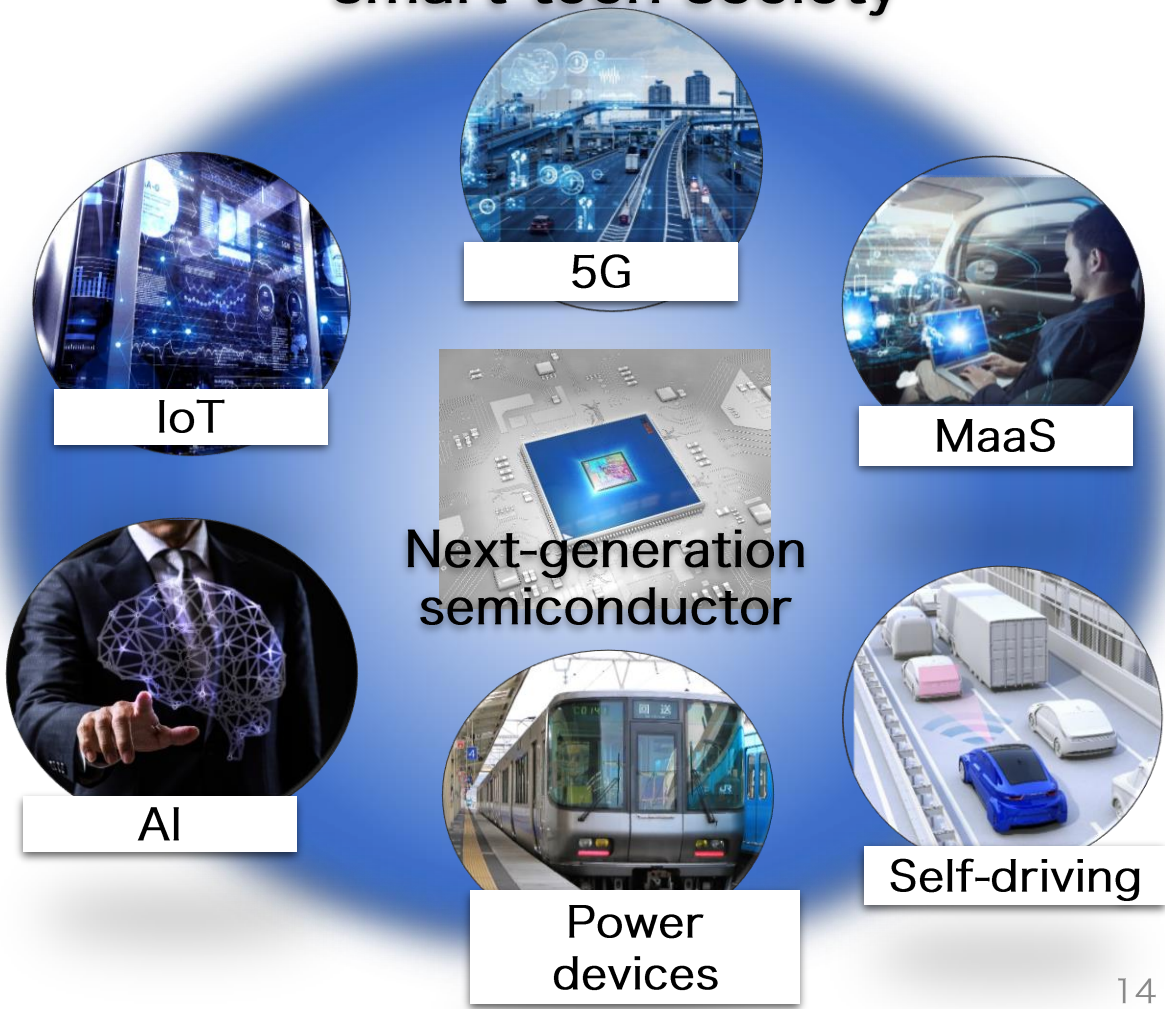
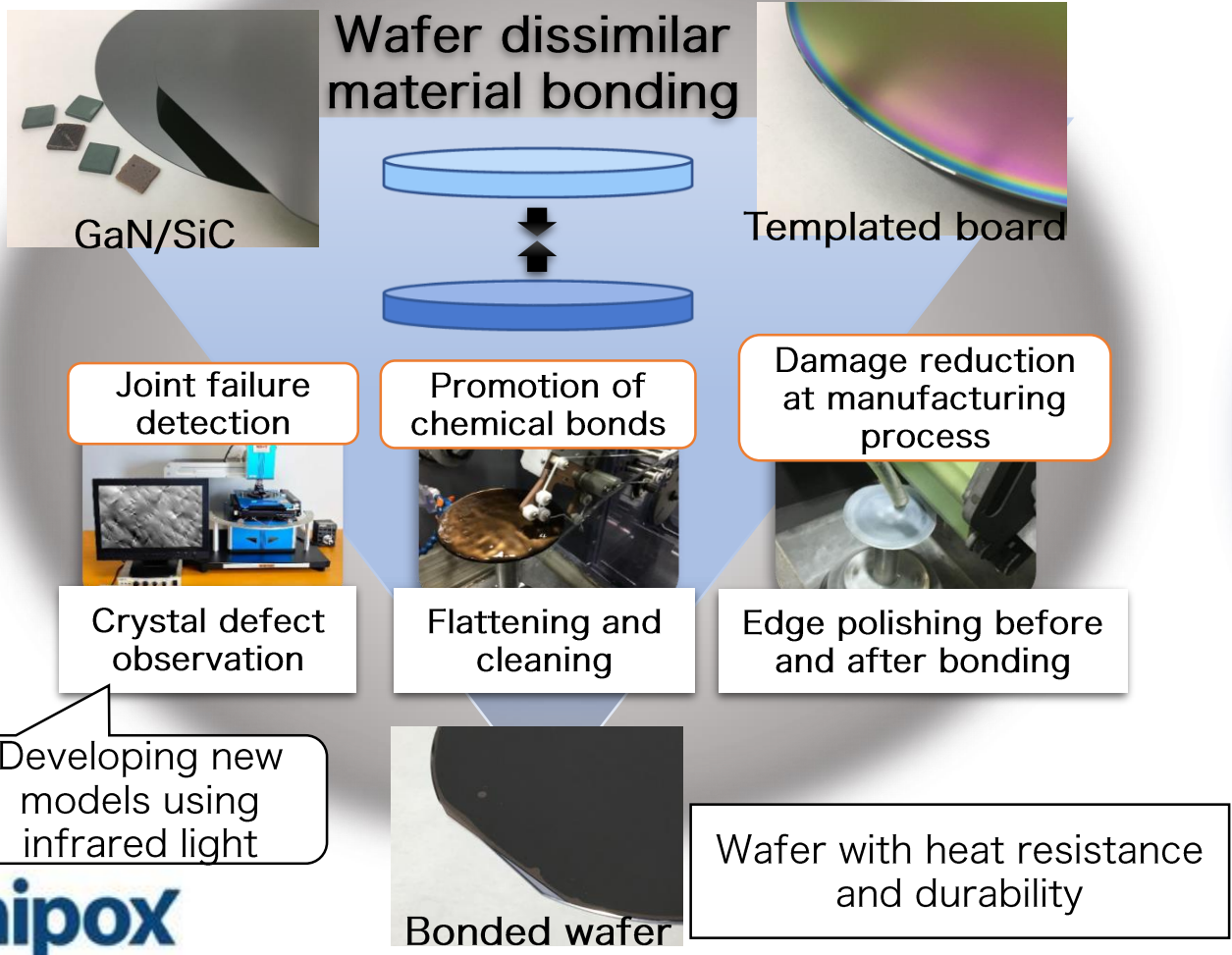


03 Progress of Business

Further added value in the next-generation semiconductor field

Value added by Mipox

Accelerate the realization of a smart tech society



Develop new fields in both domestic and overseas with customer solutions



Magic tack paper

Abrasive paper improving work efficiency for automobiles and construction machinery.

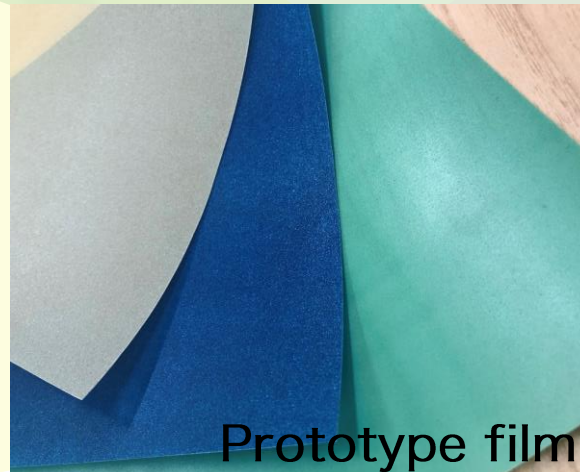


New product
"TaiQ"



Diamond polishing film

Abrasive film with diamonds created in collaboration with Mipox used for shaft polishing.



Prototype film

Flexible polishing film

Abrasive film utilizing flexibility to fit even complex shapes for automobile repair painting finish.



“Rebranding” to develop new areas different from conventional safety field.



Ref-lite[®]



New logo coming soon

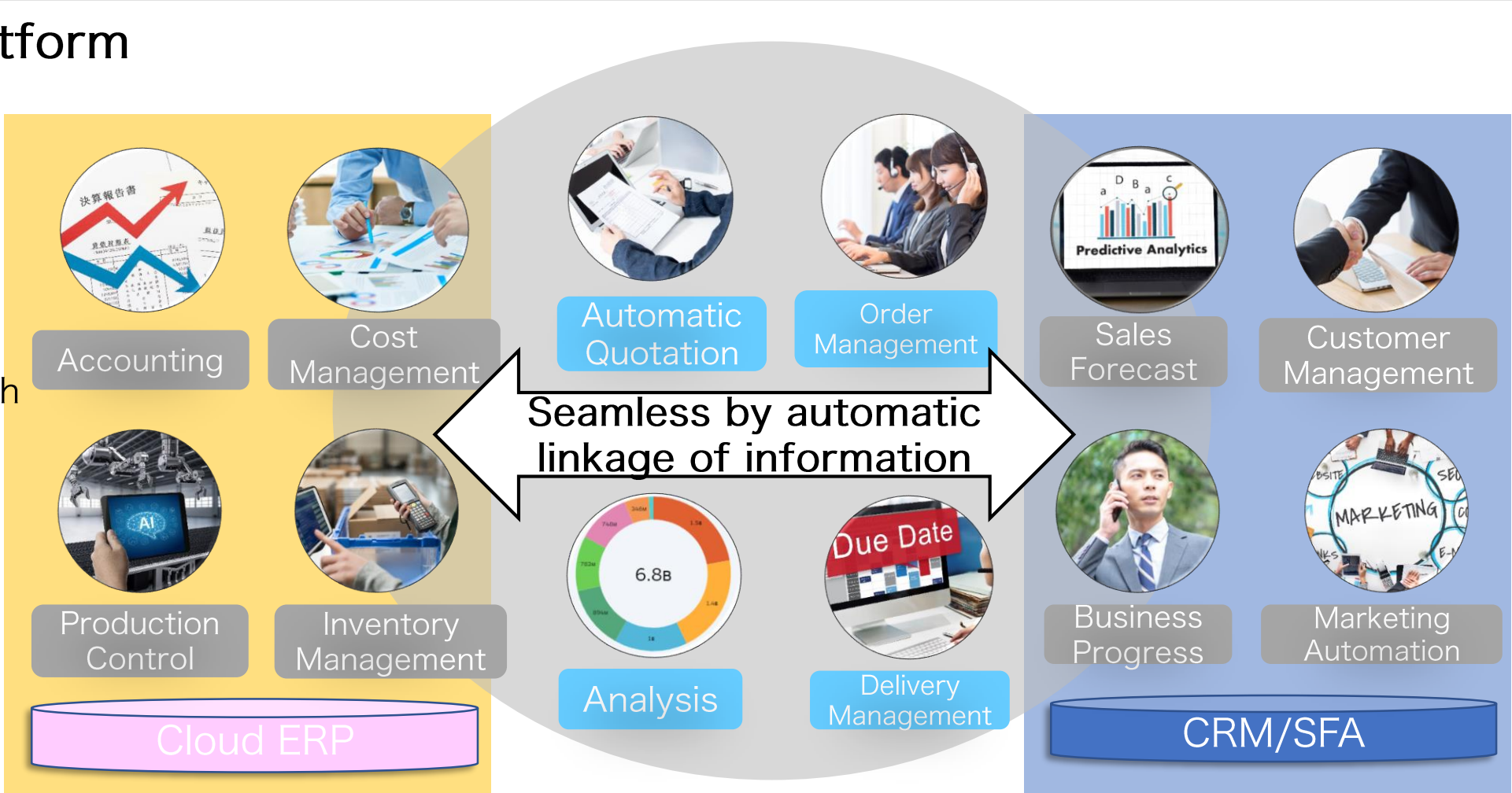
世界に一つの輝きをつくる

無限のカラーバリエーション

Part of Cloud ERP has started operation and DX accelerates

Salesforce Platform

Started Cloud ERP “rootstock” with high affinity with Salesforce. The logistic function started operating, and the remaining functions will be added sequentially.



Contact

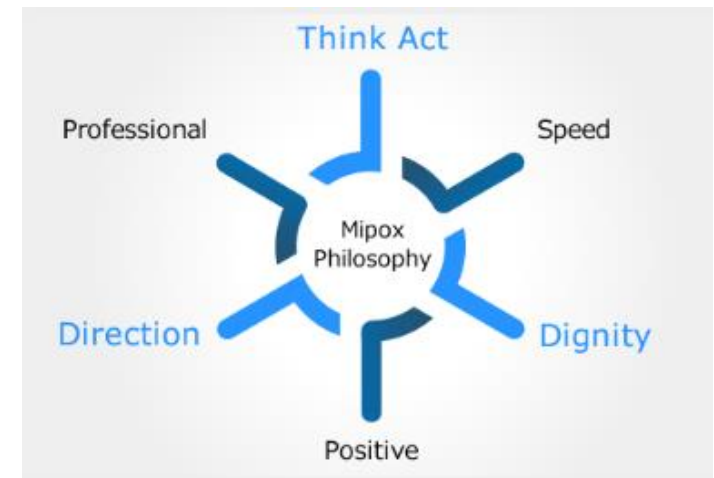
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