

Regarding the Difference Between the Full-year Forecast and the Actual Result for the Fiscal Year Ending March 31, 2020 and Recording of Extraordinary Income and Extraordinary Losses

Mipox Corporation (hereafter the “Company”) announced today the difference between the full-year consolidated financial forecast, announced on February 14, 2020, and the actual result. The Company also announced that it recorded extraordinary income and extraordinary losses. Details are provided below.

1. Consolidated business result for the fiscal year ending March 31, 2020 (April 1, 2019 to March 31, 2020)

	Net sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Net Income (loss) per share
Previous forecast (A)	Million yen 7,531	Million yen △131	Million yen △154	Million yen 47	Yen 3.98
Actual result (B)	7,338	△170	△165	△78	△6.67
Change (B-A)	△193	△39	△11	△125	
Change (%)	△2.6	—	—	—	
(Reference) Actual consolidated totals for previous fiscal year (April 1, 2018 to March 31, 2019)	7,558	△281	△253	△967	△83.74

2. Reasons for the difference:

Demand for the products with high profit margin related to optical fiber markets further decreased, and demand for processing service business also decreased, which resulted in lower factory utilization and low profit. In addition, provision for loss on liquidation of affiliated companies due to liquidation resolution of consolidated subsidiary was recorded. Mainly based on these factors, the actual business result was far below the previous forecast.

3. Recording of extraordinary income and extraordinary losses:

421 million yen in compensation for expropriation was recorded as extraordinary income due to completion of land transfer from the consolidated subsidiary, Nihon Kenshi Co., Ltd., to Fukuyama-city. Also, extraordinary loss of 131 million yen in provision for loss on liquidation of subsidiaries and associates was recorded as expected liquidation loss regarding the liquidation of consolidated subsidiary, MIPOX Precision Polishing Product (Shanghai) Co., Ltd as announced on March 17, 2020.