

Consolidated Business Result for FY 2020

May 26, 2020

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: Yuichiro Arita, Director Tel: +81-3-6911-2300

Expected date of the shareholders' meeting: June 29, 2020

Expected date of the release of Asset Security Report: June 30, 2020

1. Consolidated Business Result for FY 2020 (April 1, 2019 - March 31, 2020)

(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	%
FY 2020	7,338	△2.9	△170	—	△165	—
FY 2019	7,558	△3.4	△281	—	△253	—

Note: Comprehensive Income: △236million yen (—%) for FY2020, △981million yen (—%) for FY 2019

	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 2020	△6.67	—	△1.8	△1.4	△2.3
FY 2019	△83.74	—	△20.8	△2.1	△3.7

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
FY2020	11,033	4,107	37.2	348.09
FY2019	12,568	4,466	35.5	377.88

Note: Equity capital: 4,107 million yen for FY2020, 4,461 million yen for FY2019

(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
FY2020	673	△155	△1,516	2,580
FY2019	△44	△245	1,023	3,617

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
FY2019	—	—	—	10.00	10.00
FY2020				0.00	0.00
FY2021 (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, 2021 (April 1, 2020 – March 31, 2021)

(%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 FY2021	7,600	150	110	70	5.93

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)

March 31, 2020	12,081,920	March 31, 2019	12,081,920
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2. Numbers of treasury stock

March 31, 2020	281,706	March 31, 2019	274,548
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3. Numbers of average shares outstanding

March 31, 2020	11,805,683	March 31, 2019	11,551,227
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Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	Full FY2019 (March 31, 2019)	Full FY2020 (March 31, 2020)
Assets		
Current assets		
Cash and deposits	3,275,539	2,737,370
Notes and accounts receivable - trade	1,819,343	1,639,715
Electronically recorded monetary claims - operating	150,637	170,719
Securities	500,000	-
Merchandise and finished goods	431,052	628,984
Work in process	1,448,257	1,313,961
Raw materials and supplies	463,915	395,802
Other	560,023	275,116
Allowance for doubtful accounts	-5,804	-3,962
Total current assets	8,642,963	7,157,707
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,878,823	4,845,067
Machinery, equipment and vehicles	3,081,713	2,992,833
Tools, furniture and fixtures	377,921	366,321
Land	1,143,631	1,084,328
Leased assets	426,941	722,572
Construction in progress	79,120	66,412
Accumulated depreciation	-6,647,054	-6,739,972
Total property, plant and equipment	3,341,096	3,337,563
Intangible assets		
Software	107,086	120,112
Telephone subscription right	377	377
Total intangible assets	107,464	120,490
Investments and other assets		
Investment securities	10,000	10,000
Retirement benefit asset	320,543	295,568
Deferred tax assets	18,431	4,419
Other	129,387	108,968
Allowance for doubtful accounts	-1,149	△819
Total investments and other assets	477,213	418,136
Total non-current assets	3,925,774	3,876,190
Total assets	12,568,738	11,033,897

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	Full FY2019	Full FY2020
	(March 31, 2019)	(March 31, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	679,364	774,631
Short-term loans borrowings	700,000	400,000
Current portion of bonds payable	243,200	219,200
Current portion of long-term borrowings	887,085	871,918
Lease obligations	31,972	91,921
Accounts payable - other	640,472	498,597
Income taxes payable	24,721	85,131
Provision for bonuses	130,845	92,712
Provision for share-based remuneration	-	40,166
Provision for loss on liquidation of subsidiaries and associates	-	129,001
Other	695,685	407,254
Total current liabilities	4,033,348	3,610,535
Non-current liabilities		
Bonds payable	521,700	302,500
Long-term borrowings	3,025,585	2,251,332
Lease obligations	134,899	338,431
Deferred tax liabilities	226,947	284,718
Provision for share-based remuneration	23,000	-
Retirement benefit liability	122,221	124,581
Other	14,858	14,313
Total non-current liabilities	4,069,212	3,315,878
Total liabilities	8,102,560	6,926,413
Net assets		
Shareholders' equity		
Share capital	2,365,898	2,365,898
Capital surplus	1,921,342	1,912,110
Retained earnings	264,918	68,007
Treasury shares	-139,117	-129,910
Total shareholders' equity	4,413,041	4,216,105
Accumulated other comprehensive income		
Foreign currency translation adjustment	48,700	-108,621
Total accumulated other comprehensive income	48,700	-108,621
Share acquisition rights	4,435	-
Total net assets	4,466,177	4,107,484
Total liabilities and net assets	12,568,738	11,033,897

Consolidated Financial Statements

(2) Consolidated Income Statements & Comprehensive Income

(Thousands of Yen)

	FY2019 (April 1, 2018 to March 31, 2019)	FY2020 (April 1, 2019 to March 31, 2020)
Net sales	7,558,091	7,338,502
Cost of sales	5,261,950	5,109,021
Gross profit	2,296,140	2,229,480
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	97,800	83,475
Salaries and bonuses	809,371	791,948
Provision for bonuses	57,883	46,464
Retirement benefit expenses	28,043	53,640
Provision for stocks payment	8,827	6,000
Packing and transportation expenses	153,359	149,215
Depreciation	132,900	110,390
Research and development expenses	81,768	55,508
Provision of allowance for doubtful accounts	1,625	-1,485
Other	1,205,722	1,105,318
Total selling, general and administrative expenses	2,577,301	2,400,475
Operating income (loss)	-281,160	-170,995
Non-operating income		
Interest income	7,820	8,467
Dividend income	360	360
Foreign exchange gains	21,116	28,563
Reversal of allowance for doubtful accounts	53,135	-
Compensation for transfer	-	2,720
Subsidy income	3,076	6,310
Other	6,425	8,589
Total non-operating income	91,934	55,010
Non-operating expenses		
Interest expenses	34,373	38,812
Commission expenses	24,323	6,473
Guarantee commission	4,360	3,197
Other	1,450	1,212
Total non-operating expenses	64,507	49,696
Ordinary income (loss)	-253,733	-165,681
Extraordinary income		
Gain on sales of non-current assets	7,778	421
Gain on liquidation of subsidiaries and associates	7,077	-
Compensation for expropriation	-	421,265
Total extraordinary income	14,856	421,686
Extraordinary losses		
Loss on sales of non-current assets	7,977	-
Loss on retirement of non-current assets	2,404	1,620
Impairment loss	592,561	16,234
Provision for loss on liquidation of subsidiaries and associates	-	131,531
Total extraordinary losses	602,943	149,386
Profit (loss) before income taxes	-841,820	106,618
Income taxes - current	57,426	114,101
Income taxes - deferred	68,000	71,229
Total income taxes	125,427	185,330
Profit (loss)	-967,247	-78,711
Profit attributable to		
Profit (loss) attributable to owners of parent	-967,247	-78,711
Profit attributable to non-controlling interests	-	-
Other comprehensive income		
Foreign currency translation adjustment	-14,538	-157,321
Total other comprehensive income	-14,538	-157,321
Comprehensive income	-981,786	-236,033
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-981,786	-236,033
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Financial Statements
(3) Consolidated Statements of Cash Flows

(Thousands of Yen)

	FY2019 (April 1, 2018 to March 31, 2019)	FY2020 (April 1, 2019 to March 31, 2020)
Cash flows from operating activities		
Profit (loss) before income taxes	-841,820	106,618
Depreciation	408,859	352,378
Amortization of goodwill	31,774	-
Impairment loss	592,561	16,234
Increase (decrease) in allowance for doubtful accounts	-3,918	-1,838
Increase (decrease) in provision for bonuses	8,496	-37,234
Increase (decrease) in provision for share-based remuneration	20,723	17,166
Decrease (increase) in retirement benefit asset	-12,715	24,975
Increase (decrease) in retirement benefit liability	-11,295	2,360
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	-	131,531
Interest and dividend income	-8,180	-8,827
Interest expenses	34,373	38,812
Commission expenses	24,323	6,473
Compensation for expropriation	-	-421,265
Compensation for forced relocation	-	-2,720
Subsidy income	-3,076	-6,310
Loss (gain) on sales of non-current assets	199	-421
Loss on retirement of non-current assets	2,404	1,620
Loss (gain) on liquidation of subsidiaries and associates	-7,077	-
Decrease (increase) in trade receivables	90,189	79,107
Decrease (increase) in inventories	-293,719	-72,645
Decrease (increase) in accounts receivable - other	-317,945	201,171
Increase (decrease) in trade payables	41,953	172,863
Increase (decrease) in accounts payable - other	41,901	-138,247
Increase (decrease) in advances received	99,726	117,029
Other, net	-39,338	-31,101
Subtotal	-141,602	547,732
Interest and dividend income received	9,376	8,827
Proceeds from compensation for expropriation	243,000	194,644
Proceeds from compensation for forced relocation	-	2,720
Subsidies received	3,076	6,310
Interest paid	-34,765	-38,911
Commission fee paid	-24,323	-6,473
Income taxes paid	-99,362	-41,821
Net cash provided by operating activities	-44,599	673,027
Cash flows from investing activities		
Payments into time deposits	-6,074	-
Proceeds from withdrawal of time deposits	135,743	-
Purchase of property, plant and equipment	-426,619	-111,736
Proceeds from sales of property, plant and equipment	47,591	6,867
Purchase of intangible assets	-52,314	-48,869
Collection of long-term loans receivable	54,639	-
Other, net	1,176	-2,146
Net cash used in investing activities	-245,857	-155,885

Consolidated Financial Statements
(3) Consolidated Statements of Cash Flows

(Thousands of Yen)

	FY2019 (April 1, 2018 to March 31, 2019)	FY2020 (April 1, 2019 to March 31, 2020)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	300,000	-300,000
Proceeds from long-term loans borrowings	1,200,000	100,000
Repayments of long-term loans borrowings	-768,088	-887,085
Redemption of bonds	-243,200	-243,200
Purchase of treasury shares	-17	-24
Proceeds from disposal of treasury shares	944	-
Proceeds from issuance of shares	670,044	-
Repayments of lease obligations	-30,612	-64,731
Dividends paid	-105,146	-117,213
Other, net	-	-4,435
Net cash provided by financing activities	1,023,923	-1,516,690
Effect of exchange rate change on cash and cash equivalents	7,795	-37,264
Net increase (decrease) in cash and cash equivalents	741,262	-1,036,812
Cash and cash equivalents at beginning of period	2,875,892	3,617,155
Cash and cash equivalents at end of period	3,617,155	2,580,343