



March 22, 2022

Name of listed company: Mipox Corporation

Representative: Jun Watanabe, President & CEO

(Stock code: 5381)

Contact: Kenji Nakagawa, Executive Director, General
Manager of Corporate Division

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Notice Regarding Liquidation of Consolidated Subsidiary and Closure of Plant

Mipox Corporation (hereinafter the “Company”) hereby announces the Company’s Board of Directors has resolved at a meeting held today to dissolve and liquidate Mipox (Thailand) Co., Ltd., a consolidated subsidiary of the Company, close the Kyoto Plant, and transfer the operations of both bases to the Kanuma Plant, as described below.

1. Summary

The Kanuma Plant will be transferred on April 1, 2022, as a result of the acquisition of non-current assets (plant), which was resolved at a meeting of the Board of Directors held on November 12, 2021. The Company will reorganize the production systems of the Mipox Group with a focus on this Kanuma Plant.

Since its establishment in 2018, Mipox (Thailand) Co., Ltd., a consolidated subsidiary of the Company, has manufactured and sold the Company’s polishing films, polishing discs, and polishing-related products in the Southeast Asia region, and performed contract converting services. However, in order to eliminate recent high transportation costs and the growing complexity of intra-group transactions, and perform integrated production in Japan, the Company has resolved to dissolve and liquidate this consolidated subsidiary.

The Kyoto Plant mainly manufactures and sells the Company’s reflective materials, but in recent years, the Company has also focused on rebranding, including the renewal of the brand logo for RefLite, a kind of retroreflective material, with the aim of expanding this business, including capturing a share of the apparel market. At the Kyoto Plant, there are limits on the volume of materials that can be handled and the potential for expansion. For this reason, the Company will transfer production to the Kanuma Plant and close the Kyoto Plant, in order to increase efficiency and improve earnings, including future production volumes and process improvements.

2. Summary of Consolidated Subsidiary to be Dissolved and Liquidated

(1) Name	Mipox (Thailand) Co., Ltd.		
(2) Location	Hi-Tech Industrial Estate, 72 Moo 2 Tambol Ban-Pho, Amphur Bangpa-In, Ayudhaya 13160, Thailand		
(3) Position and name of representative	Tetsuya Yoshida, President		
(4) Content of business	Manufacture and sale of polishing films, polishing discs, and polishing-related products, and contract converting services, etc.		
(5) Share capital	28,000 thousand Thai baht (97 million yen, when converted)		
(6) Date of establishment	January 23, 2018		
(7) Major shareholder and ownership ratio	The Company, 99%		
(8) Relationships between the listed company and the relevant company	Capital relationship	The relevant company is a consolidated subsidiary of the Company.	
	Personnel relationship	One officer or employee of the Company serves concurrently as a Director of the relevant company, and one employee has been seconded to the relevant company.	
	Transactional relationship	Transactions related to supply and sales	
	Status of classification as related party	The relevant company is a consolidated subsidiary of the Company, and is classified as a related party.	
(9) Business performance and financial position of the relevant consolidated subsidiary in the past three years			
Fiscal year	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Net assets	(150) million yen	(87) million yen	136 million yen
Total assets	542 million yen	1,369 million yen	1,604 million yen
Net sales	171 million yen	1,053 million yen	1,476 million yen
Operating income	(172) million yen	58 million yen	244 million yen
Ordinary income	(164) million yen	53 million yen	235 million yen
Net income	(164) million yen	53 million yen	223 million yen

3. Schedule of Dissolution and Liquidation

Date of resolution by Board of Directors:	March 22, 2022
Planned date of dissolution:	TBC
Loss accompanying dissolution and liquidation:	Disclosure is planned after confirmation.

Liquidation is expected to be completed in the future, when the necessary procedures have been completed in accordance with local laws and regulations.

4. Impact on Future Financial Results

The Company is currently examining the impact of this matter on financial results for the fiscal year ending March 31, 2022. In the event that any matters that require disclosure occur in the future in relation to this matter, the Company will promptly disclose related information.