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August 9, 2024

## Consolidated Financial Results for the Three Months Ended June 30, 2024 (Under Japanese GAAP)

Company name: Mipox Corporation  
 Listing: Tokyo Stock Exchange  
 Securities code: 5381  
 URL: <http://www.mipox.co.jp/>  
 Representative: Jun Watanabe, President  
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 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	2,565	37.4	286	—	382	—	405	—
June 30, 2023	1,867	(33.9)	(336)	—	(231)	—	(175)	—

(Note) Comprehensive income: For the three months ended June 30, 2024: ¥535 million [(— %)]  
 For the three months ended June 30, 2023: ¥(195) million [(— %)]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	28.47	—
June 30, 2023	(12.32)	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	16,572	8,019	48.4
March 31, 2024	15,977	7,484	46.8

(Reference) Equity: As of June 30, 2024: ¥8,019 million  
 As of March 31, 2024: ¥7,484 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecast)		0.00	—	—	—

(Note) Revisions to the forecast of cash dividends most recently announced: None

Dividends for the fiscal year ending March 31, 2025 (forecast) have not yet been determined.

## 3. Consolidated earnings forecast for the fiscal year ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	10,000	6.9	700	—	800	—	600	—	42.14

(Note) Revisions to the most recently announced performance forecast: Yes

For details, please refer to the “Notice on the full-year performance forecast for the fiscal year ending March 31, 2025,” which was announced today (August 9, 2024).

## Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: — (Company name: — )

Excluded: — (Company name: — )

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2024	14,451,920 shares
As of March 31, 2024	14,451,920 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2024	212,732 shares
As of March 31, 2024	212,732 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	14,239,188 shares
Three months ended June 30, 2023	14,239,290 shares

(Note) The number of treasury shares includes 23,300 shares held in trust for the fiscal year ended March 31, 2024 and 183,300 shares for the three months ended June 30, 2024.

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

\* Proper use of earnings forecasts, and other special matters

- The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the company and certain assumptions deemed reasonable. Actual results may vary significantly due to various factors.

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## 1. Qualitative information on quarterly financial results

### (1) Explanation of operating results

In the first quarter of fiscal year 2025, the Japanese economy continued to experience rising prices due to the depreciation of the yen. Alongside widespread wage increases, the economic environment has transitioned into an inflationary phase. These macroeconomic changes have also led to an increase in market interest rates, signaling significant shifts in the broader economic landscape.

Amid these conditions, we have remained focused on its core management policies: enhancing the added value of its product business through an engineering-driven approach, transitioning from a contract-based business model to an engineering services business, and strengthening its management foundation to better respond to rapid changes and increasing market diversity. In alignment with its corporate mission— “Changing the World Through Coating, Cutting, and Polishing” —we continue to implement strategic initiatives to drive sustainable growth.

As a result, the Group’s performance for the three months ended June 30, 2024 showed sales of ¥2,565 million (up 37.4% year-on-year), operating profits of ¥286 million (compared to an operating loss of ¥336 million in the same period last year), ordinary profit of ¥382 million (compared to an ordinary loss of ¥231 million in the same period last year), and net profit attributable to owners of parent of ¥405 million (compared to a net loss of ¥175 million attributable to owners of parent in the same period last year).

The financial performance of each business segment is outlined below.

#### • Product Business

Net sales in the product business amounted to ¥2,173 million (up 39.9% year-on-year).

The global AI server investment boom has led to a recovery in general data center investments, which had previously been restrained. This resurgence in the semiconductor and hard disk markets has driven strong sales performance across the company’s high-tech-related products. As a result, the segment profit was ¥366 million (compared to a segment loss of ¥158 million in the same period last year).

#### • OEM Business

Sales in the contract business were ¥392 million (up 25.1% year-on-year).

This segment primarily provides services for electronics-related products, including PCs, tablets, and smartphones, making it highly susceptible to fluctuations in demand for these end products. In the first quarter, demand increased earlier than usual, leading to higher sales. As a result, the segment loss was ¥79 million (compared to a segment loss of ¥177 million in the same period last year).

### (2) Explanation of financial position

#### (Assets)

As of the end of the consolidated first quarter accounting period, total assets increased by ¥594 million compared to the end of the previous consolidated fiscal year, reaching ¥16,572 million. Key items include an increase of ¥56 million in electronic receivables, an increase of ¥223 million in goods and products, an increase of ¥60 million in work in process, an increase of ¥52 million in raw materials and supplies, and an increase of ¥180 million in other current assets.

#### (Liabilities)

As of the end of the consolidated first quarter accounting period, liabilities increased by ¥59 million compared to the end of the previous consolidated fiscal year, reaching ¥8,552 million. Key items include an increase of ¥190 million in notes payable and accounts payable, an increase of ¥204 million in short-term borrowings, and a decrease of ¥327 million in long-term borrowings.

#### (Net Assets)

As of the end of the consolidated first quarter accounting period, net assets increased by ¥535 million compared to the end of the previous consolidated fiscal year, reaching ¥8,019 million. Key items include a quarterly

profit attributable to owners of parent of ¥405 million, and an increase of ¥130 million in foreign exchange translation adjustments.

As a result, the equity-to-asset ratio at the end of the first quarter consolidated accounting period was 48.4%.

### (3) Explanation of consolidated financial forecasts and other forward-looking information

The consolidated financial forecast for the fiscal year ending March 31, 2025, which was announced on May 15, 2024, has been revised as follows. For details, please refer to the “Notice on the full-year performance forecast for the fiscal year ending March 31, 2025” announced today (August 9, 2024).

	Net sales	Operating profit	Ordinary profit	Net income attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	10,000	300	300	200	14.05
Revised forecast (B)	10,000	700	800	600	42.14
Difference (B – A)	0	400	500	400	—
Change rate (%)	0.0	133.3	166.7	200.0	—
(Reference) Results for the fiscal year ended March 31, 2024	9,354	(442)	(186)	(408)	(28.70)

This forecast is based on information available as of the date of this release. Actual results may differ from the projected figures due to various factors.

## 2. Consolidated financial statements and key notes

### (1) Consolidated balance sheet

(Unit: thousands of yen)

	Previous consolidated fiscal year (as of March 31, 2024)	Consolidated quarterly period (as of June 30, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	2,692,205	2,722,444
Notes receivable - trade	170,410	117,543
Accounts receivable - trade	2,492,203	2,500,987
Electronically recorded monetary claims operating	400,760	457,176
Merchandise and finished goods	746,988	970,128
Work in process	1,351,512	1,412,366
Raw materials and supplies	572,336	624,681
Other	347,085	527,504
Allowance for doubtful accounts	(80)	(85)
Total current assets	8,773,422	9,332,748
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,123,116	7,146,226
Machinery, equipment and vehicles	4,266,999	4,341,955
Tools, furniture and fixtures	512,259	536,628
Land	2,066,244	2,075,815
Leased assets	748,296	764,696
Construction in progress	53,922	144,003
Accumulated depreciation	(8,174,391)	(8,361,484)
Total property, plant and equipment	6,596,446	6,647,842
Intangible assets		
Goodwill	52,689	49,597
Software	37,645	40,978
Telephone subscription right	377	377
Total intangible assets	90,712	90,953
Investments and other assets		
Investment securities	55,000	55,000
Shares of subsidiaries and associates	38,102	38,102
Retirement benefit assets	276,176	272,613
Deferred tax assets	14,044	9,344
Other	133,489	125,608
Total investments and other assets	516,812	500,668
Total non-current assets	7,203,972	7,239,464
Total assets	15,977,394	16,572,212

(Unit: thousands of yen)

	Previous consolidated fiscal year (as of March 31, 2024)	Consolidated quarterly period (as of June 30, 2024)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	679,681	870,108
Short-term borrowings	1,649,960	1,854,340
Current portion of bonds payable	15,000	7,500
Current portion of long-term borrowings	1,367,172	1,369,330
Lease liabilities	75,113	63,540
Accounts payable - other	737,400	728,128
Income taxes payable	65,591	81,821
Advances received	48,081	46,848
Provision for bonuses	124,256	217,717
Provision for loss on liquidation of subsidiaries and associates	2,509	2,630
Other	165,606	175,769
Total current liabilities	4,930,373	5,417,734
Non-current liabilities		
Long-term borrowings	3,141,020	2,813,638
Lease liabilities	119,293	111,339
Deferred tax liabilities	275,261	182,075
Net defined benefit liability	17,536	17,935
Other	9,891	9,852
Total non-current liabilities	3,563,003	3,134,840
Total liabilities	8,493,377	8,552,575
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,379,569	3,379,569
Capital surplus	2,925,782	2,927,441
Retained earnings	985,440	1,390,798
Treasury shares	(104,280)	(105,939)
Total shareholders' equity	7,186,512	7,591,870
Accumulated other comprehensive income		
Foreign currency translation adjustment	297,505	427,766
Total accumulated other comprehensive income	297,505	427,766
Total net assets	7,484,017	8,019,637
Total liabilities and net assets	15,977,394	16,572,212



**(2) Consolidated income statements & comprehensive income**

Statement of income for the cumulative consolidated three months ended June 30, 2024

(Unit: thousands of yen)

	Previous cumulative consolidated three months (from April 1, 2023 to June 30, 2023)	Current cumulative consolidated three months (from April 1, 2024 to June 30, 2024)
Net sales	1,867,179	2,565,938
Cost of sales	1,457,236	1,502,856
Gross profit	409,943	1,063,081
Selling, general and administrative expenses	746,155	776,103
Operating income	(336,211)	286,978
Non-operating income		
Interest income	1,883	9,362
Dividend income	360	360
Rental income	45,666	45,321
Foreign exchange gains	90,888	75,320
Other	1,153	1,386
Total non-operating income	139,950	131,750
Non-operating expenses		
Interest expenses	17,553	17,481
Commission expenses	250	1,485
Rental expenses	17,173	17,066
Guarantee commission	68	14
Other	50	385
Total non-operating expenses	35,095	36,433
Ordinary Income	(231,356)	382,295
Extraordinary income		
Gain on liquidation of subsidiaries and associates	74,250	—
Total extraordinary income	74,250	—
Extraordinary losses		
Loss on retirement of non-current assets	3,321	0
Total extraordinary losses	3,321	0
Profit before income taxes	(160,427)	382,295
Income taxes - current	20,060	66,544
Income taxes - deferred	(5,022)	(89,607)
Total income taxes	15,038	(23,062)
Profit	(175,466)	405,357
Profit attributable to		
Profit attributable to owners of parent	(175,466)	405,357
Profit attributable to non-controlling interests	—	—
Other comprehensive income		
Foreign currency translation adjustments	(19,735)	130,261
Total other comprehensive income	(19,735)	130,261
Comprehensive income	(195,201)	535,619
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(195,201)	535,619
Comprehensive income attributable to non-controlling interests	—	—

### (3)Notes to quarterly consolidated financial statements

(Notes on going concern assumptions)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Segment information, etc.)

#### Segment information

##### I Previous cumulative consolidated three months (from April 1, 2023 to June 30, 2023)

Information on net sales, profit, or loss by reportable segment and breakdown of revenue

(Unit: thousands of yen)

	Reportable segments			Consolidated quarterly profit and comprehensive income
	Product Business	OEM Business	Total	
Net Sales				
Japan	872,304	312,108	1,184,412	1,184,412
Asia	513,735	—	513,735	513,735
North America	163,166	549	163,715	163,715
Europe	4,713	602	5,316	5,316
Other regions	—	—	—	—
Revenue from contracts with customers	1,553,919	313,260	1,867,179	1,867,179
Sales to external customers	1,553,919	313,260	1,867,179	1,867,179
Intersegment sales or transfers	—	—	—	—
Total	1,553,919	313,260	1,867,179	1,867,179
Segment loss	(158,231)	(177,980)	(336,211)	(336,211)

(Note) The total amount of segment loss corresponds to operating loss as reported in the consolidated quarterly income statements and comprehensive income.

II Current cumulative consolidated three months (from April 1, 2024 to June 30, 2024)  
Information on net sales, profit, or loss by reportable segment and breakdown of revenue

(Unit: thousands of yen)

	Reportable segments			Consolidated quarterly profit and comprehensive income
	Product Business	OEM Business	Total	
Net Sales				
Japan	828,108	386,767	1,214,875	1,214,875
Asia	859,183	115	859,298	859,298
North America	426,151	5,132	431,284	431,284
Europe	57,928	—	57,928	57,928
Other regions	2,551	—	2,551	2,551
Revenue from contracts with customers	2,173,922	392,015	2,565,938	2,565,938
Sales to external customers	2,173,922	392,015	2,565,938	2,565,938
Intersegment sales or transfers	—	—	—	—
Total	2,173,922	392,015	2,565,938	2,565,938
Segment profit (loss)	366,618	(79,639)	286,978	286,978

(Notes) The total amount of segment profit or loss corresponds to operating profit as reported in the consolidated interim income statements & comprehensive income.

(Notes on the statement of cash flows)

A statement of cash flows for the cumulative consolidated three months ended June 30, 2024 has not been prepared. However, depreciation expenses (including amortization of intangible fixed assets excluding goodwill) and goodwill amortization for the cumulative consolidated three months ended June 30, 2024 are as follows.

(Unit: thousands of yen)

	Cumulative consolidated three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Cumulative consolidated three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)
Depreciation expenses	149,425	146,995
Goodwill amortization	5,998	3,092

# Independent Auditor's Report on Consolidated Financial Statements

August 9, 2024

To the Board of Directors of Mipox Corporation

KOA Audit Corporation  
Chiyoda-ku, Tokyo

Designated Engagement Partner  
Managing Member

Certified Public Accountant    Yasushi Ito

Designated Engagement Partner  
Managing Member

Certified Public Accountant    Takashi Matsumura

## Auditor's conclusion

We have conducted an interim review of the quarterly financial statements, namely, the quarterly balance sheets, quarterly income Statements, and notes, for the first quarter accounting period (from April 1, 2024 to June 30, 2024) and cumulative first quarter (from April 1, 2024 to June 30, 2024) of the fiscal year from April 1, 2024 to March 31, 2025 of Mipox Corporation, which are listed in the "Attached Documents" of the summary of quarterly financial results. In the interim review that we conducted, we found no instances that would lead us to believe that the above quarterly financial statements were not prepared in all material respects in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for Preparation of Quarterly Financial Statements and accounting standards for quarterly financial statements that are generally accepted in Japan (however, omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements apply).

## Basis for auditor's conclusion

We conducted our interim review in accordance with the interim review standards that are generally accepted in Japan. Our responsibilities under the interim review standards are described in "Auditor's Responsibilities in Interim Review of Quarterly Financial Statements." Pursuant to the rules on professional ethics in Japan, we are independent from the company, and we have fulfilled our other ethical responsibilities as an auditor. We believe that we have obtained the evidence to form a basis for our conclusion.

## Responsibilities of management, audit and supervisory board members, and audit and supervisory boards with respect to quarterly financial statements

Management is responsible for the preparation of the quarterly financial statements in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange and accounting standards for quarterly financial statements that are generally accepted in Japan (provided, however, that the abridged disclosure stipulated in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements is applied). This includes establishing and operating the internal control that management deems necessary to enable the preparation of quarterly financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly financial statements, management is responsible for evaluating whether it is appropriate to prepare the quarterly financial statements based on the premise of a going concern and, if necessary, for disclosing matters related to going concern in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange and accounting standards for quarterly financial statements that are generally accepted in Japan (provided, however, that the abridged disclosure stipulated in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements is applied).

Corporate Auditors and the Board of Corporate Auditors are responsible for overseeing the execution of the Directors' duties in establishing and operating the financial reporting process.

## Auditor's responsibilities for the interim review of the quarterly financial statements

The auditor's responsibility is to express a conclusion on the quarterly financial statements in the interim review report from an independent standpoint based on the interim review performed.

In accordance with interim review standards generally accepted in Japan, the auditor exercises professional judgment and maintains professional skepticism throughout the interim review process. The auditor also:

- Performs inquiries, primarily of management and persons responsible for financial and accounting matters, analytical procedures, and other interim review procedures. Interim review procedures are substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan for annual

financial statements.

- If the auditor determines that there is a material uncertainty regarding events or conditions that may cast significant doubt on the Company's ability to continue as going concern, the auditor shall, based on the evidence obtained, conclude whether anything has come to the auditor's attention that causes the auditor to believe that the quarterly financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange and accounting standards for quarterly financial statements that are generally accepted in Japan (provided, however, that the abridged disclosure stipulated in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements is applied). If a material uncertainty related to going concern is identified, the auditor is required to draw attention in the interim review report to the related disclosures in the quarterly financial statements or, if such disclosures are inadequate, to express a qualified conclusion or an adverse conclusion on the quarterly financial statements. The auditor's conclusion is based on the evidence obtained up to the date of the interim review report; however, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluates whether anything has come to the auditor's attention that causes the auditor to believe that the presentation and disclosures of the quarterly financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange and accounting standards for quarterly financial statements that are generally accepted in Japan (provided, however, that the abridged disclosure stipulated in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements is applied).

- Obtains sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the consolidated financial statements. We remain solely responsible for our opinion.

We report to the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

The auditor also reports to Corporate Auditors and the Board of Corporate Auditors on compliance with the provisions of professional ethics in Japan regarding independence and any matters that may reasonably be thought to bear on the auditor's independence, including any actions taken to eliminate threats to independence or safeguards applied to reduce them to an acceptable level.

### **Conflicts of interest**

There are no conflicts of interest between the company and our audit firm or managing partners to be disclosed pursuant to the provisions of the Certified Public Accountants Act. We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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(Notes)

1. The original copy of the above interim review report is maintained separately by our company (company disclosing summary of quarterly financial results).

2. XBRL and HTML data are not included in the interim review.