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February 13, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 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
 Inquiries: Kenji Nakagawa, Director
 Telephone: +81-2-8999-9946
 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 nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2024	8,306	25.0	837	—	898	—	801	—
December 31, 2023	6,644	(14.3)	(462)	—	(322)	—	(348)	—

(Note) Comprehensive income: For the nine months ended December 31, 2024: ¥966 million [(— %)]
 For the nine months ended December 31, 2023: ¥(380) million [(— %)]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	56.27	—
December 31, 2023	(24.45)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	16,392	8,450	51.6
March 31, 2024	15,977	7,484	46.8

(Reference) Equity: As of December 31, 2024: ¥8,450 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	—	0.00	—		
Fiscal year ending March 31, 2025 (Forecast)				10.00	10.00

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

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	900	—	800	—	600	—	42.14

(Note) Revisions to the most recently announced performance forecast: None

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 December 31, 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 December 31, 2024	212,852 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)

Nine months ended December 31, 2024	14,239,144 shares
Nine months ended December 31, 2023	14,239,266 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 nine months ended December 31, 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.

Table of contents for attachments

1. Qualitative information on quarterly financial results	2
(1) Explanation of operating results	2
(2) Explanation of financial position	3
(3) Explanation of consolidated financial forecasts and other forward-looking information	3
2. Consolidated financial statements and key notes	4
(1) Consolidated balance sheet	4
(2) Consolidated income statements & comprehensive income	6
(3) Notes to quarterly consolidated financial statements	7
(Notes on going concern assumptions)	7
(Notes on significant changes in the amount of shareholders' equity)	7
(Notes on the statement of cash flows)	8
Independent Auditor's Report on Consolidated Financial Statements	9

1. Qualitative information on quarterly financial results

(1) Explanation of operating results

In the third quarter of fiscal year 2025, the Japanese economy saw recovery trends in prices and personal consumption due to price hikes and wage increases. The world economy, however, was burdened with concerns about the global impacts of U.S. political developments on supply chains, continued geopolitical risks, and a standstill of EVs in certain regions. Though differences exist in application, the semiconductor market expanded centered on generative AI in the electronics industry, which is the Group's primary market.

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 nine months ended December 31, 2024 showed sales of ¥8,306 million (up 25.0% year-on-year), operating profits of ¥837 million (compared to an operating loss of ¥462 million in the same period last year), ordinary profit of ¥898 million (compared to an ordinary loss of ¥322 million in the same period last year), and net profit attributable to owners of parent of ¥801 million (compared to a net loss of ¥348 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 ¥7,303 million (up 40.2% year-on-year).

The global AI server investment boom has resulted in a continued recovery in general data center investments, which had previously been restrained. This resurgence in the optic fiber and hard disk markets for data centers has enabled the company to maintain strong sales performance across its high-tech-related products. As a result, the segment profit was ¥1,096 million (compared to a segment loss of ¥161 million in the same period last year).

- **OEM Business**

Sales in the contract business were ¥1,003 million (down 30.1% year-on-year).

This segment primarily provides services for electronics-related products, including PCs, tablets, and smartphones, and in the third quarter, the company saw a decrease in sales due to changes in product specifications and other factors. On the other hand, efforts are being undertaken to reduce fixed costs by sharing facilities and human resources with the Product Business. As a result, the segment loss was ¥259 million (compared to a segment loss of ¥301 million in the same period last year).

(2) Explanation of financial position

(Assets)

As of the end of the consolidated third quarter accounting period, total assets increased by ¥414 million compared to the end of the previous consolidated fiscal year, reaching ¥16,392 million. Key items include an increase of ¥144 million in cash and deposits, an increase of ¥170 million in property, plant and equipment, and an increase of ¥107 million in investment securities.

(Liabilities)

As of the end of the consolidated third quarter accounting period, liabilities decreased by ¥552 million compared to the end of the previous consolidated fiscal year, dropping to ¥7,941 million. Key items include an increase of ¥166 million in notes payable and accounts payable, an increase of ¥620 million in short-term borrowings, a decrease of ¥287 million in other accounts payable, and a decrease of ¥999 million in long-term borrowings.

(Net Assets)

As of the end of the consolidated third quarter accounting period, net assets increased by ¥966 million compared to the end of the previous consolidated fiscal year, reaching ¥8,450 million. Key items include a quarterly profit attributable to owners of parent of ¥801 million, and an increase of ¥165 million in foreign exchange translation adjustments.

As a result, the equity-to-asset ratio at the end of the third quarter consolidated accounting period was 51.6%.

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

There are no changes to the consolidated financial forecast for the fiscal year ending March 31, 2025 announced on November 14, 2024.

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 December 31, 2024)
Assets		
Current assets		
Cash and deposits	2,692,205	2,837,133
Notes receivable - trade	170,410	117,030
Accounts receivable – trade	2,492,203	2,202,535
Electronically recorded monetary claims operating	400,760	496,587
Merchandise and finished goods	746,988	822,246
Work in process	1,351,512	1,424,416
Raw materials and supplies	572,336	611,094
Other	347,085	413,545
Allowance for doubtful accounts	(80)	(82)
Total current assets	8,773,422	8,924,508
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,123,116	7,306,359
Machinery, equipment and vehicles	4,266,999	4,478,677
Tools, furniture and fixtures	512,259	617,995
Land	2,066,244	2,073,054
Leased assets	748,296	774,357
Construction in progress	53,922	201,207
Accumulated depreciation	(8,174,391)	(8,684,919)
Total property, plant and equipment	6,596,446	6,766,732
Intangible assets		
Goodwill	52,689	43,413
Software	37,645	43,883
Telephone subscription right	377	377
Total intangible assets	90,712	87,674
Investments and other assets		
Investment securities	55,000	162,560
Shares of subsidiaries and associates	38,102	41,367
Retirement benefit assets	276,176	281,468
Deferred tax assets	14,044	8,256
Other	133,489	119,667
Total investments and other assets	516,812	613,319
Total non-current assets	7,203,972	7,467,727
Total assets	15,977,394	16,392,235

(Unit: thousands of yen)

	Previous consolidated fiscal year (as of March 31, 2024)	Consolidated quarterly period (as of December 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	679,681	845,823
Short-term borrowings	1,649,960	2,270,920
Current portion of bonds payable	15,000	—
Current portion of long-term borrowings	1,367,172	1,366,409
Lease liabilities	75,113	39,524
Accounts payable – other	737,400	449,607
Income taxes payable	65,591	121,119
Advances received	48,081	2,277
Provision for bonuses	124,256	104,546
Provision for loss on liquidation of subsidiaries and associates	2,509	2,805
Other	165,606	220,073
Total current liabilities	4,930,373	5,423,107
Non-current liabilities		
Long-term borrowings	3,141,020	2,141,067
Lease liabilities	119,293	95,854
Deferred tax liabilities	275,261	211,056
Net defined benefit liability	17,536	8,082
Asset retirement obligations	—	52,402
Other	9,891	9,776
Total non-current liabilities	3,563,003	2,518,240
Total liabilities	8,493,377	7,941,348
Net assets		
Shareholders' equity		
Share capital	3,379,569	3,379,569
Capital surplus	2,925,782	2,927,441
Retained earnings	985,440	1,786,609
Treasury shares	(104,280)	(106,014)
Total shareholders' equity	7,186,512	7,987,605
Accumulated other comprehensive income		
Foreign currency translation adjustment	297,505	463,281
Total accumulated other comprehensive income	297,505	463,281
Total net assets	7,484,017	8,450,887
Total liabilities and net assets	15,977,394	16,392,235

(2) Consolidated income statements & comprehensive income

Statement of income for the cumulative consolidated nine months ended December 31, 2024

	(Unit: thousands of yen)	
	Previous cumulative consolidated nine months (from April 1, 2023 to December 31, 2023)	Current cumulative consolidated nine months (from April 1, 2024 to December 31, 2024)
Net sales	6,644,928	8,306,877
Cost of sales	4,811,140	5,023,873
Gross profit	1,833,787	3,283,004
Selling, general and administrative expenses	2,296,601	2,445,844
Operating income	(462,814)	837,159
Non-operating income		
Interest income	10,908	30,646
Dividend income	360	360
Rental income	136,670	135,963
Foreign exchange gains	48,565	—
Subsidy income	51,741	—
Other	5,053	3,721
Total non-operating income	253,297	170,691
Non-operating expenses		
Interest expenses	52,041	52,818
Commission expenses	8,903	2,957
Rental expenses	51,520	51,198
Foreign exchange losses	—	1,344
Guarantee commission	128	30
Other	348	612
Total non-operating expenses	112,942	108,961
Ordinary income	(322,458)	898,889
Extraordinary income		
Gain on sale of non-current assets	77,534	843
Gain on liquidation of subsidiaries and associates	74,250	—
Total extraordinary losses	151,785	843
Extraordinary losses		
Loss on retirement of non-current assets	6,422	315
Total extraordinary losses	6,422	315
Profit before income taxes	(177,095)	899,417
Income taxes - current	52,114	158,729
Income taxes - deferred	118,942	(60,481)
Total income taxes	171,057	98,248
Profit	(348,152)	801,168
Profit attributable to		
Profit attributable to owners of parent	(348,152)	801,168
Profit attributable to non-controlling interests	—	—
Other comprehensive income		
Foreign currency translation adjustments	(31,967)	165,775
Total other comprehensive income	(31,967)	165,775
Comprehensive income	(380,120)	966,944
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(380,120)	966,944
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 nine months (from April 1, 2023 to December 31, 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	2,656,720	1,413,201	4,069,922	4,069,922
Asia	1,815,928	605	1,816,533	1,816,533
North America	657,834	19,764	677,598	677,598
Europe	71,472	1,224	72,697	72,697
Other regions	8,176	—	8,176	8,176
Revenue from contracts with customers	5,210,131	1,434,796	6,644,928	6,644,928
Sales to external customers	5,210,131	1,434,796	6,644,928	6,644,928
Intersegment sales or transfers	—	—	—	—
Total	5,210,131	1,434,796	6,644,928	6,644,928
Segment loss	(161,534)	(301,279)	(462,814)	(462,814)

(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 nine months (from April 1, 2024 to December 31, 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	2,724,926	949,418	3,674,344	3,674,344
Asia	3,175,337	1,322	3,176,659	3,176,659
North America	1,224,252	49,680	1,273,932	1,273,932
Europe	163,910	3,015	166,926	166,926
Other regions	15,014	—	15,014	15,014
Revenue from contracts with customers	7,303,440	1,003,436	8,306,877	8,306,877
Sales to external customers	7,303,440	1,003,436	8,306,877	8,306,877
Intersegment sales or transfers	—	—	—	—
Total	7,303,440	1,003,436	8,306,877	8,306,877
Segment profit (loss)	1,096,673	(259,513)	837,159	837,159

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

(Notes on the statement of cash flows)

A statement of cash flows for the cumulative consolidated nine months ended December 31, 2024 has not been prepared. However, depreciation expenses (including amortization of intangible fixed assets excluding goodwill) and goodwill amortization for the cumulative consolidated nine months ended December 31, 2024 are as follows.

(Unit: thousands of yen)

	Cumulative consolidated nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	Cumulative consolidated nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Depreciation expenses	466,930	464,591
Goodwill amortization	19,057	9,276

Independent Auditor's Report on Consolidated Financial Statements

February 13, 2025

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 third quarter accounting period (from October 1, 2024 to December 31, 2024) and cumulative third quarter (from April 1, 2024 to December 31, 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.

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.