

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



December 24, 2020

## Non-consolidated Financial Results for the Six Months Ended November 30, 2020 (Under Japanese GAAP)

Company name: MIMASU SEMICONDUCTOR INDUSTRY CO., LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 8155  
 URL: <https://www.mimasu.co.jp/>  
 Representative: Nobuaki Hosoya, Representative Director and President  
 Inquiries: Tatsuro Yako, Senior Managing Director and in charge of Management headquarters  
 Telephone: +81-27-372-2011  
 Scheduled date to file quarterly securities report: January 14, 2021  
 Scheduled date to commence dividend payment: February 3, 2021  
 Preparation of supplementary material on quarterly financial results: None  
 Holding of quarterly financial results briefing: None

(Millions of yen with fractional amounts rounded down, unless otherwise noted)

### 1. Non-consolidated financial results for the six months ended November 30, 2020 (from June 1, 2020 to November 30, 2020)

#### (1) Non-consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
November 30, 2020	43,096	(8.7)	3,210	1.7	3,166	5.2	2,160	4.3
November 30, 2019	47,187	0.2	3,156	4.8	3,010	0.9	2,070	1.0

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
November 30, 2020	67.26	–
November 30, 2019	64.46	–

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
November 30, 2020	91,557	65,228	71.2
May 31, 2020	101,576	63,541	62.6

Reference: Equity

As of November 30, 2020: ¥65,228 million  
 As of May 31, 2020: ¥63,541 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 May 31, 2020	–	16.00	–	16.00	32.00
Fiscal year ending May 31, 2021	–	16.00			
Fiscal year ending May 31, 2021 (Forecast)			–	17.00	33.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

## 3. Non-consolidated earnings forecasts for the fiscal year ending May 31, 2021 (from June 1, 2020 to May 31, 2021)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending May 31, 2021	84,000	(8.8)	6,000	1.2	5,900	4.9	4,040	4.3	125.76

Note: Revisions to the earnings forecasts most recently announced: Yes

**\* Notes**

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

(3) Number of issued shares (common shares)

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

As of November 30, 2020	35,497,183 shares
As of May 31, 2020	35,497,183 shares

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

As of November 30, 2020	3,371,680 shares
As of May 31, 2020	3,371,224 shares

- (iii) Average number of shares outstanding during the period

Six months ended November 30, 2020	32,125,686 shares
Six months ended November 30, 2019	32,126,484 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

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

Forward-looking statements, including the earnings forecasts stated in these materials, are based on information currently available to the Company and assumptions deemed reasonable. Actual business and other results may differ materially from the earnings forecasts due to various factors. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use of earnings forecasts, please refer to “(3) Explanation of earnings forecasts and other forward-looking statements” of “1. Qualitative information regarding financial results for the six months ended November 30, 2020” on page 3 of the attached materials.

**Attached Materials**

**Index**

1. Qualitative information regarding financial results for the six months ended November 30, 2020 .....	2
(1) Explanation of operating results .....	2
(2) Explanation of financial position.....	2
(3) Explanation of earnings forecasts and other forward-looking statements .....	3
2. Quarterly non-consolidated financial statements and significant notes thereto .....	4
(1) Quarterly non-consolidated balance sheet.....	4
(2) Quarterly non-consolidated statement of income .....	6
(3) Quarterly non-consolidated statement of cash flows.....	7
(4) Notes to quarterly non-consolidated financial statements .....	8
Notes on premise of going concern .....	8
Notes when there are significant changes in amounts of equity.....	8
Segment information .....	8

## 1. Qualitative information regarding financial results for the six months ended November 30, 2020

### (1) Explanation of operating results

During the six months ended November 30, 2020, the Japanese economy continued to face challenging circumstances due to the impact of the novel coronavirus disease (COVID-19), yet production and personal consumption have been showing improvement as economic activity has resumed.

Despite rebounding capital investment among semiconductor-related companies, primary users of the products of MIMASU SEMICONDUCTOR INDUSTRY CO., LTD. (the “Company”), investment momentum overall remained sluggish, reflecting a cautious stance. On the other hand, even during the COVID-19 pandemic, production of semiconductor silicon wafers remained strong overall.

Amid such business environment, the Company engaged in concerted efforts to improve its operating results, which entailed striking a balance between promoting its cutting-edge processing technologies and lowering costs, while also actively proceeding to promote sales of products developed in-house.

As a result, although net sales for the six months ended November 30, 2020 decreased by 8.7% year on year to ¥43,096 million, operating profit was ¥3,210 million (up 1.7% year on year), ordinary profit was ¥3,166 million (up 5.2%), and profit was ¥2,160 million (up 4.3%).

#### Semiconductor Division

In this division, production as a whole was steady, mainly for 300-millimeter wafers (including reclaimed wafers), and sales in this division have been on an upward trend since bottoming out in the fourth quarter of the previous fiscal year. Under these circumstances, we have further promoted quality improvement and cost reduction.

#### Industrial Sales Division

In this division, we actively engaged in sales promotions of products developed in-house and other products handled by the division. However, sales for both products decreased.

#### Engineering Division

This division specifically assumes the role of development and as such has been actively developing in-house products and selling them through the Industrial Sales Division.

In addition, the division has been actively engaged in developing, designing and manufacturing devices for use in the Semiconductor Division.

### (2) Explanation of financial position

#### (i) Status of assets, liabilities, and net assets

Total assets as of November 30, 2020 were ¥91,557 million, down ¥10,019 million from the end of the previous fiscal year, mainly reflecting a decrease in property, plant and equipment. Total liabilities were ¥26,328 million, down ¥11,706 million, mainly reflecting a decrease in trade payables. Total net assets were ¥65,228 million, mainly reflecting an increase of ¥1,646 million in retained earnings.

#### (ii) Status of cash flows

Cash and cash equivalents (“cash”) as of November 30, 2020 amounted to ¥11,734 million, a decrease of ¥598 million from the end of the previous fiscal year. Net cash provided by operating activities amounted to ¥11,698 million. This was mainly due to an increase in cash largely attributable to profit before income taxes of ¥3,166 million and depreciation of ¥8,319 million, despite a decrease in cash largely attributable to a decrease in trade payables of ¥3,130 million. Net cash used in investing activities amounted to ¥11,731 million. This was mainly due to

purchase of property, plant and equipment of ¥11,661 million. Net cash used in financing activities amounted to ¥564 million. This was mainly due to dividends paid of ¥513 million.

**(3) Explanation of earnings forecasts and other forward-looking statements**

As for the outlook ahead, despite concerns of the spread of COVID-19 affecting the global economy, the Japanese economy is likely to continue its gradual recovery due to factors including resumption of economic activity and various economic measures taking hold.

Under such circumstances, the semiconductor industry is expected to see an increase in demand for semiconductors over the medium to long term in association with the penetration of artificial intelligence (AI) and next-generation telecommunication standard (5G).

In this business environment, the Company will strive to improve its operating results by actively proceeding to promote sales particularly of in-house products, while endeavoring to enhance its competitive strengths by establishing fabrication processes featuring greater precision and substantial productivity.

The previously pending earnings and cash dividend forecasts for the fiscal year ending May 31, 2021, have been separately disclosed today in the “Notice Regarding Earnings and Cash Dividend Forecasts.” With respect to the full-year operating results, we forecast net sales of ¥84.0 billion, operating profit of ¥6.0 billion, ordinary profit of ¥5.9 billion, and profit of ¥4.04 billion.

In addition, the Company intends to pay a year-end dividend of ¥17 per share, which is ¥1 per share higher than the interim dividend. Therefore, annual dividends will amount to ¥33 per share, an increase of ¥1 per share in comparison with the previous fiscal year.

**2. Quarterly non-consolidated financial statements and significant notes thereto****(1) Quarterly non-consolidated balance sheet**

(Millions of yen)

	As of May 31, 2020	As of November 30, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	18,333	17,734
Notes and accounts receivable - trade	27,308	24,729
Merchandise and finished goods	1,053	263
Work in process	1,007	656
Raw materials and supplies	2,398	2,332
Other	1,029	521
Allowance for doubtful accounts	(4)	(2)
Total current assets	51,126	46,234
Non-current assets		
Property, plant and equipment		
Buildings, net	23,545	23,260
Machinery and equipment, net	16,397	14,807
Other, net	7,365	4,261
Total property, plant and equipment	47,308	42,329
Intangible assets	1,135	1,049
Investments and other assets		
Other	2,007	1,944
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	2,006	1,944
Total non-current assets	50,450	45,322
Total assets	101,576	91,557
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	20,284	17,154
Short-term borrowings	100	50
Income taxes payable	387	1,106
Provisions	151	111
Other	16,096	6,964
Total current liabilities	37,020	25,387
Non-current liabilities		
Provision for retirement benefits	849	775
Other	165	165
Total non-current liabilities	1,015	941
Total liabilities	38,035	26,328

(Millions of yen)

	As of May 31, 2020	As of November 30, 2020
Net assets		
Shareholders' equity		
Share capital	18,824	18,824
Capital surplus	18,778	18,778
Retained earnings	30,648	32,294
Treasury shares	(4,767)	(4,768)
Total shareholders' equity	63,482	65,128
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	58	86
Deferred gains or losses on hedges	0	13
Total valuation and translation adjustments	58	100
Total net assets	63,541	65,228
Total liabilities and net assets	101,576	91,557



**(2) Quarterly non-consolidated statement of income**

(Millions of yen)

	Six months ended November 30, 2019	Six months ended November 30, 2020
Net sales	47,187	43,096
Cost of sales	41,749	37,832
Gross profit	5,438	5,263
Selling, general and administrative expenses	2,281	2,053
Operating profit	3,156	3,210
Non-operating income		
Interest income	1	1
Dividend income	8	7
Gain on sale of non-current assets	1	20
Other	14	17
Total non-operating income	26	45
Non-operating expenses		
Interest expenses	0	0
Loss on sale and retirement of non-current assets	163	75
Other	8	14
Total non-operating expenses	172	89
Ordinary profit	3,010	3,166
Profit before income taxes	3,010	3,166
Income taxes - current	1,192	949
Income taxes - deferred	(253)	56
Total income taxes	939	1,005
Profit	2,070	2,160

**(3) Quarterly non-consolidated statement of cash flows**

(Millions of yen)

	Six months ended November 30, 2019	Six months ended November 30, 2020
<b>Cash flows from operating activities</b>		
Profit before income taxes	3,010	3,166
Depreciation	9,411	8,319
Interest and dividend income	(10)	(8)
Interest expenses	0	0
Foreign exchange losses (gains)	0	1
Decrease (increase) in trade receivables	(1,609)	2,579
Decrease (increase) in inventories	2,121	1,207
Increase (decrease) in trade payables	(1,507)	(3,130)
Other, net	566	(188)
Subtotal	11,983	11,945
Interest and dividends received	10	8
Interest paid	(0)	(0)
Income taxes paid	(1,038)	(255)
Net cash provided by (used in) operating activities	10,955	11,698
<b>Cash flows from investing activities</b>		
Payments into time deposits	(6,000)	(6,000)
Proceeds from withdrawal of time deposits	6,000	6,000
Purchase of property, plant and equipment	(10,125)	(11,661)
Proceeds from sale of property, plant and equipment	13	19
Purchase of intangible assets	(120)	(32)
Other, net	(111)	(57)
Net cash provided by (used in) investing activities	(10,342)	(11,731)
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(50)	(50)
Dividends paid	(481)	(513)
Other, net	(0)	(1)
Net cash provided by (used in) financing activities	(532)	(564)
Effect of exchange rate change on cash and cash equivalents	(0)	(1)
Net increase (decrease) in cash and cash equivalents	79	(598)
Cash and cash equivalents at beginning of period	11,415	12,333
Cash and cash equivalents at end of period	11,494	11,734

**(4) Notes to quarterly non-consolidated financial statements****Notes on premise of going concern**

Not applicable.

**Notes when there are significant changes in amounts of equity**

Not applicable.

**Segment information**

Information on the amounts of net sales for each reportable segment

Six months ended November 30, 2019

(Millions of yen)

	Reportable segments				Adjustments	Amounts in the quarterly non-consolidated statement of income
	Semiconductor Division	Industrial Sales Division	Engineering Division	Total		
Net sales						
Sales from external customers	23,122	24,064	–	47,187	–	47,187
Intersegment sales or transfers	2	66	2,285	2,354	(2,354)	–
Total	23,124	24,130	2,285	49,541	(2,354)	47,187

Six months ended November 30, 2020

(Millions of yen)

	Reportable segments				Adjustments	Amounts in the quarterly non-consolidated statement of income
	Semiconductor Division	Industrial Sales Division	Engineering Division	Total		
Net sales						
Sales from external customers	23,000	20,095	–	43,096	–	43,096
Intersegment sales or transfers	1	296	1,950	2,248	(2,248)	–
Total	23,002	20,392	1,950	45,345	(2,248)	43,096