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March 26, 2021

Non-consolidated Financial Results for the Nine Months Ended February 28, 2021 (Under Japanese GAAP)

Company name: MIMASU SEMICONDUCTOR INDUSTRY CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 8155
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 Scheduled date to file quarterly securities report: April 14, 2021
 Scheduled date to commence dividend payment: –
 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 nine months ended February 28, 2021 (from June 1, 2020 to February 28, 2021)

(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	%
Nine months ended								
February 28, 2021	63,678	(7.5)	4,856	1.2	4,813	6.3	3,296	5.8
February 29, 2020	68,822	(4.2)	4,797	6.0	4,528	1.3	3,114	0.2

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
February 28, 2021	102.61	–
February 29, 2020	96.95	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
February 28, 2021	90,229	65,840	73.0
May 31, 2020	101,576	63,541	62.6

Reference: Equity

As of February 28, 2021: ¥65,840 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: None

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: None

*** 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 February 28, 2021	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 February 28, 2021	3,372,163 shares
As of May 31, 2020	3,371,224 shares

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

Nine months ended February 28, 2021	32,125,523 shares
Nine months ended February 29, 2020	32,126,360 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 nine months ended February 28, 2021” on page 2 of the attached materials.

Attached Materials

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1. Qualitative information regarding financial results for the nine months ended February 28, 2021

(1) Explanation of operating results

During the nine months ended February 28, 2021, the Japanese economy continued to face challenging circumstances due to the impact of the novel coronavirus disease (COVID-19), yet production, exports and other areas have been showing improvement as economic activity has resumed.

Despite the trend of recovery in 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, rising demand for semiconductor devices gave rise to steady production of semiconductor silicon wafers despite the COVID-19 pandemic.

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 nine months ended February 28, 2021 decreased by 7.5% year on year to ¥63,678 million, operating profit was ¥4,856 million (up 1.2% year on year), ordinary profit was ¥4,813 million (up 6.3%), and profit was ¥3,296 million (up 5.8%).

Semiconductor Division

In this division, production was steady mainly for 300-millimeter wafers (including reclaimed wafers). 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

Total assets as of February 28, 2021 were ¥90,229 million, down ¥11,347 million from the end of the previous fiscal year, mainly reflecting a decrease in property, plant and equipment. Total liabilities were ¥24,388 million, down ¥13,646 million, mainly reflecting a decrease in trade payables. Total net assets were ¥65,840 million, mainly reflecting an increase of ¥2,268 million in retained earnings.

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

The earnings forecasts have not been changed from those announced on December 24, 2020.

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 February 28, 2021
Assets		
Current assets		
Cash and deposits	18,333	20,460
Notes and accounts receivable - trade	27,308	24,344
Merchandise and finished goods	1,053	283
Work in process	1,007	840
Raw materials and supplies	2,398	2,535
Other	1,029	354
Allowance for doubtful accounts	(4)	(2)
Total current assets	51,126	48,815
Non-current assets		
Property, plant and equipment		
Buildings, net	23,545	22,860
Machinery and equipment, net	16,397	11,684
Other, net	7,365	4,148
Total property, plant and equipment	47,308	38,692
Intangible assets	1,135	1,005
Investments and other assets		
Other	2,007	1,715
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	2,006	1,714
Total non-current assets	50,450	41,413
Total assets	101,576	90,229
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,284	17,404
Short-term borrowings	100	25
Income taxes payable	387	718
Provisions	151	566
Other	16,096	4,769
Total current liabilities	37,020	23,485
Non-current liabilities		
Provision for retirement benefits	849	737
Other	165	165
Total non-current liabilities	1,015	903
Total liabilities	38,035	24,388

(Millions of yen)

	As of May 31, 2020	As of February 28, 2021
Net assets		
Shareholders' equity		
Share capital	18,824	18,824
Capital surplus	18,778	18,778
Retained earnings	30,648	32,916
Treasury shares	(4,767)	(4,769)
Total shareholders' equity	63,482	65,748
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	58	98
Deferred gains or losses on hedges	0	(6)
Total valuation and translation adjustments	58	91
Total net assets	63,541	65,840
Total liabilities and net assets	101,576	90,229

(2) Quarterly non-consolidated statement of income

(Millions of yen)

	Nine months ended February 29, 2020	Nine months ended February 28, 2021
Net sales	68,822	63,678
Cost of sales	60,780	55,661
Gross profit	8,042	8,017
Selling, general and administrative expenses	3,244	3,161
Operating profit	4,797	4,856
Non-operating income		
Interest income	2	1
Dividend income	11	9
Gain on sale of non-current assets	1	20
Other	23	25
Total non-operating income	39	56
Non-operating expenses		
Interest expenses	0	0
Loss on sale and retirement of non-current assets	298	92
Other	9	5
Total non-operating expenses	308	98
Ordinary profit	4,528	4,813
Profit before income taxes	4,528	4,813
Income taxes - current	1,135	1,221
Income taxes - deferred	278	295
Total income taxes	1,414	1,517
Profit	3,114	3,296

(3) 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

Nine months ended February 29, 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	34,366	34,456	–	68,822	–	68,822
Intersegment sales or transfers	3	200	3,149	3,354	(3,354)	–
Total	34,369	34,657	3,149	72,176	(3,354)	68,822

Nine months ended February 28, 2021

(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	34,560	29,118	–	63,678	–	63,678
Intersegment sales or transfers	2	301	2,431	2,735	(2,735)	–
Total	34,562	29,420	2,431	66,414	(2,735)	63,678