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September 24, 2021

## Non-consolidated Financial Results for the Three Months Ended August 31, 2021 (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: October 15, 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 three months ended August 31, 2021 (from June 1, 2021 to August 31, 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	%
Three months ended August 31, 2021	17,069	–	1,823	14.5	1,843	19.0	1,280	19.9
August 31, 2020	22,913	(3.8)	1,593	0.5	1,549	2.9	1,067	3.0

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended August 31, 2021	39.86	–
August 31, 2020	33.24	–

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter of the current fiscal year, and each figure for the first three months of the fiscal year ending May 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations. Year-on-year changes have not been stated with respect to net sales that are significantly affected by application of said accounting standard and relevant ASBJ regulations.

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

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of August 31, 2021	93,779	67,434	71.9
May 31, 2021	94,135	66,680	70.8

Reference: Equity

As of August 31, 2021: ¥67,434 million  
 As of May 31, 2021: ¥66,680 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, 2021	–	16.00	–	17.00	33.00
Fiscal year ending May 31, 2022	–				
Fiscal year ending May 31, 2022 (Forecast)		19.00	–	19.00	38.00

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

## 3. Non-consolidated earnings forecasts for the fiscal year ending May 31, 2022 (from June 1, 2021 to May 31, 2022)

(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, 2022	73,000	–	7,300	20.0	7,300	21.1	5,000	21.0	155.64

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

\* The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter of the current fiscal year, and each figure of the earnings forecasts for the fiscal year ending May 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations. Year-on-year changes have not been stated with respect to net sales that are significantly affected by application of said accounting standard and relevant ASBJ regulations.

**\* 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: Yes
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: Yes
  - (iv) Restatement: None

Note: For details, please refer to “Changes in accounting policies” and “Changes in accounting estimates” under “(3) Notes to quarterly non-consolidated financial statements” of “2. Quarterly non-consolidated financial statements and significant notes thereto” on pages 7 and 8 of the attached materials of this quarterly financial results report.

- (3) Number of issued shares (common shares)

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

As of August 31, 2021	35,497,183 shares
As of May 31, 2021	35,497,183 shares

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

As of August 31, 2021	3,372,411 shares
As of May 31, 2021	3,372,221 shares

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

Three months ended August 31, 2021	32,124,899 shares
Three months ended August 31, 2020	32,125,841 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 three months ended August 31, 2021” on page 3 of the attached materials.

**Attached Materials**

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## 1. Qualitative information regarding financial results for the three months ended August 31, 2021

MIMASU SEMICONDUCTOR INDUSTRY CO., LTD. (the “Company”) has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter of the current fiscal year, and each figure for the first three months of the fiscal year ending May 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations. Year-on-year changes have not been stated with respect to net sales that are significantly affected by application of said accounting standard and relevant ASBJ regulations.

### (1) Explanation of operating results

During the three months ended August 31, 2021, the Japanese economy exhibited signs of improvement particularly with respect to production and exports given factors that include effects of various economic policies and more upbeat overseas economies, even amid persisting effects of the novel coronavirus disease (COVID-19).

Investment momentum overall also mounted a recovery amid vigorous activity with respect to capital investment among semiconductor-related companies, primary users of the Company’s products. In addition, production of semiconductor silicon wafers remained strong.

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, net sales for the three months ended August 31, 2021 amounted to ¥17,069 million, operating profit was ¥1,823 million (up 14.5% year on year), ordinary profit was ¥1,843 million (up 19.0%), and profit was ¥1,280 million (up 19.9%).

Operating results by segment are as follows. Note that the amounts of net sales and profit include the amounts related to intersegment transactions.

#### 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.

As a result, net sales in this division amounted to ¥11,099 million, and segment profit (operating profit) was ¥1,403 million (up 25.3% year on year).

#### Industrial Sales Division

In this division, we actively engaged in sales promotions of products developed in-house as well as other products handled by the division.

Nevertheless, sales of other products handled by the division decreased due to application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations. As a result, net sales in this division amounted to ¥6,157 million, and segment profit (operating profit) was ¥294 million (down 22.6% year on year).

#### 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.

As a result, net sales in this division amounted to ¥1,768 million, and segment profit (operating profit) was ¥240 million (up 14.3% year on year).

**(2) Explanation of financial position**

Total assets as of August 31, 2021 were ¥93,779 million, down ¥355 million from the end of the previous fiscal year, mainly reflecting a decrease in property, plant and equipment. Total liabilities were ¥26,344 million, down ¥1,110 million, mainly reflecting a decrease in income taxes payable. Total net assets were ¥67,434 million mainly reflecting an increase of ¥720 million in retained earnings.

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

As for the outlook ahead, despite ongoing concerns regarding ramifications of infectious disease, the Japanese economy is likely to encounter persisting momentum toward recovery due to factors including resumption of economic activity in line with proliferation of vaccinations, and various economic measures taking hold.

Under such circumstances, the semiconductor industry is likely to encounter persistently escalating semiconductor demand in various sectors.

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, 2022, 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 ¥73.0 billion, operating profit of ¥7.3 billion, ordinary profit of ¥7.3 billion, and profit of ¥5.0 billion.

In addition, the Company intends to pay annual dividends of ¥38 per share, which is ¥5 per share higher than in the previous fiscal year, consisting of an interim dividend and a year-end dividend each amounting to ¥19 per share.

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

(Millions of yen)

	As of May 31, 2021	As of August 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	23,121	23,367
Notes and accounts receivable - trade	24,209	25,938
Merchandise and finished goods	774	825
Work in process	1,405	1,077
Raw materials and supplies	2,623	2,543
Other	949	1,036
Allowance for doubtful accounts	(2)	(5)
Total current assets	53,081	54,783
Non-current assets		
Property, plant and equipment		
Buildings, net	22,593	21,569
Machinery and equipment, net	8,782	9,640
Other, net	6,725	4,912
Total property, plant and equipment	38,100	36,122
Intangible assets	936	891
Investments and other assets		
Other	2,017	1,981
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	2,016	1,981
Total non-current assets	41,054	38,995
Total assets	94,135	93,779
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	18,266	19,442
Income taxes payable	1,472	572
Provisions	155	532
Other	6,695	4,970
Total current liabilities	26,590	25,518
Non-current liabilities		
Provision for retirement benefits	698	659
Other	165	165
Total non-current liabilities	864	825
Total liabilities	27,454	26,344

(Millions of yen)

	As of May 31, 2021	As of August 31, 2021
Net assets		
Shareholders' equity		
Share capital	18,824	18,824
Capital surplus	18,778	18,778
Retained earnings	33,754	34,474
Treasury shares	(4,770)	(4,770)
Total shareholders' equity	66,585	67,306
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	109	132
Deferred gains or losses on hedges	(14)	(3)
Total valuation and translation adjustments	94	128
Total net assets	66,680	67,434
Total liabilities and net assets	94,135	93,779



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

(Millions of yen)

	Three months ended August 31, 2020	Three months ended August 31, 2021
Net sales	22,913	17,069
Cost of sales	20,180	14,125
Gross profit	2,732	2,944
Selling, general and administrative expenses	1,139	1,120
Operating profit	1,593	1,823
Non-operating income		
Interest income	0	0
Dividend income	6	7
Gain on sale of non-current assets	0	7
Other	9	8
Total non-operating income	17	23
Non-operating expenses		
Interest expenses	0	–
Loss on sale and retirement of non-current assets	53	4
Other	7	0
Total non-operating expenses	61	4
Ordinary profit	1,549	1,843
Profit before income taxes	1,549	1,843
Income taxes - current	351	493
Income taxes - deferred	129	69
Total income taxes	481	562
Profit	1,067	1,280

**(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.

**Changes in accounting policies**

*Application of Accounting Standard for Revenue Recognition, etc.*

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter of the current fiscal year, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

Major changes due to the application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations are as follows:

- Whereas revenue from export sales was previously recognized primarily at the shipping date, the Company has changed this method such that revenue is to be recognized at the point in time when assumption of risk transfers to the customer pursuant to the Incoterms and other trade terms.
- For transactions in which the Company acts as an agent, the full amount of the consideration received from customers was previously recognized as revenue, but the Company has changed this method such that revenue is to be recognized at the net consideration amount.
- For some sales in which revenue has been recognized at a certain point in time, the Company has changed its method of recognizing revenue such that revenue is to be recognized over time in accordance with progress made in satisfying performance obligations.

The application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the first quarter of the current fiscal year was added to or deducted from the opening balance of retained earnings of the first quarter of the current fiscal year, and thus the new accounting policy was applied from such opening balance.

As a result of this change, for the three months ended August 31, 2021, net sales decreased by ¥4,853 million, cost of sales decreased by ¥4,846 million, and operating profit, ordinary profit and profit before income taxes each decreased by ¥7 million. In addition, the balance of retained earnings at beginning of period decreased by ¥13 million.

*Application of Accounting Standard for Fair Value Measurement, etc.*

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the first quarter of the current fiscal year, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional measures provided for in paragraph 19 of the Accounting Standard For Fair Value Measurement, and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). There is no effect on the quarterly non-consolidated financial statements.

**Changes in accounting estimates***Changes in useful lives*

Having reviewed the usage conditions, etc. of some air-conditioning facilities, the Company has found that there are differences between numbers of years of useful life applied in the past and expected economic life with respect to such facilities. Accordingly, from the first quarter of the current fiscal year, the Company has revised figures for useful life and has applied the change prospectively.

Following this change, for the first three months of the current fiscal year, depreciation increased by ¥597 million relative to the previous approach, while operating profit, ordinary profit and profit before income taxes each decreased by ¥567 million.

**Segment information**

Information on the amounts of net sales and profit or loss for each reportable segment

Three months ended August 31, 2020

	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	11,317	11,595	–	22,913	–	22,913
Intersegment sales or transfers	1	136	1,096	1,234	(1,234)	–
Total	11,319	11,732	1,096	24,147	(1,234)	22,913
Segment profit	1,119	380	210	1,710	(117)	1,593

- Notes: 1. The figure of “Adjustments” in “Segment profit” indicates the elimination of intersegment transactions.  
 2. Segment profit is adjusted with operating profit in the quarterly non-consolidated statement of income.  
 3. Because the Engineering Division specifically assumes the role of development it does not generate net sales through business with external customers. Instead, sales with respect to the Engineering Division are conducted through the Industrial Sales Division.

Three months ended August 31, 2021

	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	11,099	5,969	–	17,069	–	17,069
Intersegment sales or transfers	0	187	1,768	1,955	(1,955)	–
Total	11,099	6,157	1,768	19,025	(1,955)	17,069
Segment profit	1,403	294	240	1,937	(114)	1,823

- Notes: 1. The figure of “Adjustments” in “Segment profit” indicates the elimination of intersegment transactions.  
 2. Segment profit is adjusted with operating profit in the quarterly non-consolidated statement of income.  
 3. Because the Engineering Division specifically assumes the role of development it does not generate net sales through business with external customers. Instead, sales with respect to the Engineering Division are conducted through the Industrial Sales Division.