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December 24, 2021

## Non-consolidated Financial Results for the Six Months Ended November 30, 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  
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 Scheduled date to file quarterly securities report: January 14, 2022  
 Scheduled date to commence dividend payment: February 3, 2022  
 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, 2021 (from June 1, 2021 to November 30, 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	%
Six months ended								
November 30, 2021	34,725	–	4,119	28.3	4,131	30.5	2,815	30.3
November 30, 2020	43,096	(8.7)	3,210	1.7	3,166	5.2	2,160	4.3

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
November 30, 2021	87.65	–
November 30, 2020	67.26	–

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 six 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
As of	Millions of yen	Millions of yen	%
November 30, 2021	96,497	68,939	71.4
May 31, 2021	94,135	66,680	70.8

Reference: Equity

As of November 30, 2021: ¥68,939 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	–	19.00			
Fiscal year ending May 31, 2022 (Forecast)			–	19.00	38.00

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

## 3. Non-consolidated earnings forecasts for the fiscal year ending May 31, 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: None

\* 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 “(4) Notes to quarterly non-consolidated financial statements” of “2. Quarterly non-consolidated financial statements and significant notes thereto” on pages 8 and 9 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 November 30, 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 November 30, 2021	3,372,509 shares
As of May 31, 2021	3,372,221 shares

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

Six months ended November 30, 2021	32,124,798 shares
Six months ended November 30, 2020	32,125,686 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, 2021” on page 3 of the attached materials.

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## 1. Qualitative information regarding financial results for the six months ended November 30, 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 six 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 six months ended November 30, 2021, the Japanese economy continued to follow a trend of recovery overall given factors that include the effects of various economic policies and more upbeat overseas economies, despite the persisting effects of the novel coronavirus disease (COVID-19).

Capital investments among semiconductor-related companies, the primary users of the Company’s products, were vigorous. In addition, production of semiconductor silicon wafers remained at a high level, driven by strong demand for semiconductor devices.

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 six months ended November 30, 2021 amounted to ¥34,725 million, operating profit was ¥4,119 million (up 28.3% year on year), ordinary profit was ¥4,131 million (up 30.5%), and profit was ¥2,815 million (up 30.3%).

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 favorable 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 ¥23,125 million, and segment profit (operating profit) was ¥3,453 million (up 35.3% 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 ¥11,892 million, and segment profit (operating profit) was ¥494 million (down 8.1% 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 ¥2,442 million, and segment profit (operating profit) was ¥307 million (down 11.8% year on year).

**(2) Explanation of financial position****(i) Status of assets, liabilities, and net assets**

Total assets as of November 30, 2021 were ¥96,497 million, up ¥2,362 million from the end of the previous fiscal year, mainly reflecting an increase in trade receivables. Total liabilities were ¥27,557 million, up ¥103 million, mainly reflecting an increase in trade payables. Total net assets were ¥68,939 million, mainly reflecting an increase of ¥2,255 million in retained earnings.

**(ii) Status of cash flows**

Cash and cash equivalents (“cash”) as of November 30, 2021 amounted to ¥19,446 million, an increase of ¥2,324 million from the end of the previous fiscal year. Net cash provided by operating activities amounted to ¥5,379 million. This was mainly due to an increase in cash largely attributable to profit before income taxes of ¥4,086 million and depreciation of ¥6,588 million, despite a decrease in cash largely attributable to an increase in trade receivables of ¥4,505 million. Net cash used in investing activities amounted to ¥2,509 million. This was mainly due to purchase of property, plant and equipment of ¥2,424 million. Net cash used in financing activities amounted to ¥546 million. This was mainly due to dividends paid of ¥545 million.

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

The earnings forecasts have not been changed from those announced on September 24, 2021.

**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 November 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	23,121	25,446
Notes and accounts receivable - trade	24,209	28,691
Merchandise and finished goods	774	901
Work in process	1,405	1,034
Raw materials and supplies	2,623	2,720
Other	949	1,267
Allowance for doubtful accounts	(2)	(4)
Total current assets	53,081	60,056
Non-current assets		
Property, plant and equipment		
Buildings, net	22,593	20,517
Machinery and equipment, net	8,782	7,772
Other, net	6,725	5,031
Total property, plant and equipment	38,100	33,322
Intangible assets	936	837
Investments and other assets		
Other	2,017	2,281
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	2,016	2,281
Total non-current assets	41,054	36,441
Total assets	94,135	96,497
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	18,266	19,948
Income taxes payable	1,472	1,676
Provisions	155	113
Other	6,695	5,030
Total current liabilities	26,590	26,770
Non-current liabilities		
Provision for retirement benefits	698	621
Other	165	165
Total non-current liabilities	864	787
Total liabilities	27,454	27,557

(Millions of yen)

	As of May 31, 2021	As of November 30, 2021
Net assets		
Shareholders' equity		
Share capital	18,824	18,824
Capital surplus	18,778	18,778
Retained earnings	33,754	36,009
Treasury shares	(4,770)	(4,770)
Total shareholders' equity	66,585	68,841
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	109	121
Deferred gains or losses on hedges	(14)	(22)
Total valuation and translation adjustments	94	98
Total net assets	66,680	68,939
Total liabilities and net assets	94,135	96,497



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

(Millions of yen)

	Six months ended November 30, 2020	Six months ended November 30, 2021
Net sales	43,096	34,725
Cost of sales	37,832	28,274
Gross profit	5,263	6,451
Selling, general and administrative expenses	2,053	2,331
Operating profit	3,210	4,119
Non-operating income		
Interest income	1	0
Dividend income	7	8
Foreign exchange gains	–	10
Other	37	22
Total non-operating income	45	42
Non-operating expenses		
Interest expenses	0	0
Loss on sale and retirement of non-current assets	75	30
Other	14	0
Total non-operating expenses	89	30
Ordinary profit	3,166	4,131
Extraordinary losses		
Impairment losses	–	45
Total extraordinary losses	–	45
Profit before income taxes	3,166	4,086
Income taxes - current	949	1,497
Income taxes - deferred	56	(226)
Total income taxes	1,005	1,270
Profit	2,160	2,815

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

(Millions of yen)

	Six months ended November 30, 2020	Six months ended November 30, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	3,166	4,086
Depreciation	8,319	6,588
Impairment losses	–	45
Interest and dividend income	(8)	(9)
Interest expenses	0	0
Foreign exchange losses (gains)	1	(0)
Decrease (increase) in trade receivables	2,579	(4,505)
Decrease (increase) in inventories	1,207	162
Increase (decrease) in trade payables	(3,130)	1,682
Other, net	(188)	(1,369)
Subtotal	11,945	6,679
Interest and dividends received	8	9
Interest paid	(0)	(0)
Income taxes paid	(255)	(1,309)
Net cash provided by (used in) operating activities	11,698	5,379
<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	(11,661)	(2,424)
Proceeds from sale of property, plant and equipment	19	13
Purchase of intangible assets	(32)	(71)
Other, net	(57)	(26)
Net cash provided by (used in) investing activities	(11,731)	(2,509)
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(50)	–
Dividends paid	(513)	(545)
Other, net	(1)	(0)
Net cash provided by (used in) financing activities	(564)	(546)
Effect of exchange rate change on cash and cash equivalents	(1)	0
Net increase (decrease) in cash and cash equivalents	(598)	2,324
Cash and cash equivalents at beginning of period	12,333	17,121
Cash and cash equivalents at end of period	11,734	19,446

**(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.

**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 six months ended November 30, 2021, net sales decreased by ¥9,547 million, cost of sales decreased by ¥9,540 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 six months of the current fiscal year, depreciation increased by ¥1,195 million relative to the previous approach, while operating profit, ordinary profit and profit before income taxes each decreased by ¥1,166 million.

**Segment information**

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

Six months ended November 30, 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	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
Segment profit	2,552	538	348	3,439	(229)	3,210

(Millions of yen)

- 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.

Six months ended November 30, 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	23,125	11,600	–	34,725	–	34,725
Intersegment sales or transfers	0	291	2,442	2,734	(2,734)	–
Total	23,125	11,892	2,442	37,459	(2,734)	34,725
Segment profit	3,453	494	307	4,256	(136)	4,119

(Millions of yen)

- 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.