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December 27, 2022

Non-consolidated Financial Results for the Six Months Ended November 30, 2022 (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 13, 2023
 Scheduled date to commence dividend payment: February 3, 2023
 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, 2022 (from June 1, 2022 to November 30, 2022)

(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, 2022	42,902	23.5	7,059	71.4	7,021	70.0	4,865	72.8
November 30, 2021	34,725	–	4,119	28.3	4,131	30.5	2,815	30.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
November 30, 2022	151.45	–
November 30, 2021	87.65	–

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 previous fiscal year, and each figure for the first six months of the fiscal year ended 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 for the first six months of the fiscal year ended May 31, 2022 because they were 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, 2022	112,458	74,683	66.4
May 31, 2022	104,280	70,602	67.7

Reference: Equity

As of November 30, 2022: ¥74,683 million

As of May 31, 2022: ¥70,602 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, 2022	–	19.00	–	26.00	45.00
Fiscal year ending May 31, 2023	–	32.00			
Fiscal year ending May 31, 2023 (Forecast)			–	32.00	64.00

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

3. Non-consolidated earnings forecasts for the fiscal year ending May 31, 2023 (from June 1, 2022 to May 31, 2023)

(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, 2023	85,000	14.2	11,000	45.6	11,000	45.4	7,500	46.3	233.47

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 November 30, 2022	35,497,183 shares
As of May 31, 2022	35,497,183 shares

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

As of November 30, 2022	3,372,890 shares
As of May 31, 2022	3,372,572 shares

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

Six months ended November 30, 2022	32,124,472 shares
Six months ended November 30, 2021	32,124,798 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, 2022” on page 3 of the attached materials.

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1. Qualitative information regarding financial results for the six months ended November 30, 2022

(1) Explanation of operating results

During the six months ended November 30, 2022, the Japanese economy followed a trend of moderate recovery overall as progress was made in the suppression of the novel coronavirus disease (COVID-19) and the normalization of social and economic activities, despite the impact of the worldwide surge in resource prices and other factors.

Capital investments among semiconductor-related companies, the primary users of the products of MIMASU SEMICONDUCTOR INDUSTRY CO., LTD. (the “Company”), were steady. In addition, production of semiconductor silicon wafers remained at a high level.

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, 2022 increased by 23.5% year on year to ¥42,902 million, operating profit was ¥7,059 million (up 71.4% year on year), ordinary profit was ¥7,021 million (up 70.0%), and profit was ¥4,865 million (up 72.8%).

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 strong 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 ¥27,335 million (up 18.2% year on year), and segment profit (operating profit) was ¥5,652 million (up 63.7%).

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.

As a result, sales of products developed in-house and other products handled by the division increased, net sales in this division amounted to ¥15,694 million (up 32.0% year on year), and segment profit (operating profit) was ¥1,089 million (up 120.2%).

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 ¥4,006 million (up 64.1% year on year), and segment profit (operating profit) was ¥498 million (up 61.9%).

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

Total assets as of November 30, 2022 were ¥112,458 million, up ¥8,177 million from the end of the previous fiscal year, mainly reflecting increases in cash and deposits and trade receivables. Total liabilities were ¥37,774 million, up ¥4,097 million, mainly reflecting an increase in trade payables. Total net assets were ¥74,683 million mainly reflecting an increase of ¥4,030 million in retained earnings.

(ii) Status of cash flows

Cash and cash equivalents (“cash”) as of November 30, 2022 amounted to ¥23,306 million, an increase of ¥3,979 million from the end of the previous fiscal year. Net cash provided by operating activities amounted to ¥8,540 million. This was mainly due to an increase in cash largely attributable to profit before income taxes of ¥7,021 million and depreciation of ¥4,726 million, despite a decrease in cash largely attributable to an increase in trade receivables of ¥3,885 million. Net cash used in investing activities amounted to ¥3,729 million. This was mainly due to purchase of property, plant and equipment of ¥3,591 million. Net cash used in financing activities amounted to ¥834 million. This was mainly due to dividends paid of ¥834 million.

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

The earnings forecasts have not been changed from those announced on September 30, 2022.

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

(Millions of yen)

	As of May 31, 2022	As of November 30, 2022
Assets		
Current assets		
Cash and deposits	25,326	29,306
Notes and accounts receivable - trade	37,060	40,946
Merchandise and finished goods	1,101	1,398
Work in process	1,695	1,732
Raw materials and supplies	2,861	2,977
Other	1,668	1,165
Allowance for doubtful accounts	(4)	(4)
Total current assets	69,709	77,521
Non-current assets		
Property, plant and equipment		
Buildings, net	20,381	19,699
Machinery and equipment, net	4,794	3,296
Other, net	5,246	7,264
Total property, plant and equipment	30,422	30,261
Intangible assets	858	797
Investments and other assets	3,291	3,878
Total non-current assets	34,571	34,937
Total assets	104,280	112,458
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,122	26,317
Income taxes payable	2,930	2,954
Provisions	162	125
Other	5,911	7,894
Total current liabilities	33,126	37,292
Non-current liabilities		
Provision for retirement benefits	385	316
Other	165	165
Total non-current liabilities	551	482
Total liabilities	33,677	37,774

(Millions of yen)

	As of May 31, 2022	As of November 30, 2022
Net assets		
Shareholders' equity		
Share capital	18,824	18,824
Capital surplus	18,778	18,778
Retained earnings	37,710	41,740
Treasury shares	(4,770)	(4,771)
Total shareholders' equity	70,541	74,571
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	112	121
Deferred gains or losses on hedges	(51)	(8)
Total valuation and translation adjustments	61	112
Total net assets	70,602	74,683
Total liabilities and net assets	104,280	112,458

(2) Quarterly non-consolidated statement of income

(Millions of yen)

	Six months ended November 30, 2021	Six months ended November 30, 2022
Net sales	34,725	42,902
Cost of sales	28,274	32,489
Gross profit	6,451	10,412
Selling, general and administrative expenses	2,331	3,353
Operating profit	4,119	7,059
Non-operating income		
Interest income	0	0
Dividend income	8	9
Foreign exchange gains	10	48
Other	22	17
Total non-operating income	42	75
Non-operating expenses		
Interest expenses	0	0
Loss on sale and retirement of non-current assets	30	113
Other	0	0
Total non-operating expenses	30	113
Ordinary profit	4,131	7,021
Extraordinary losses		
Impairment losses	45	–
Total extraordinary losses	45	–
Profit before income taxes	4,086	7,021
Income taxes - current	1,497	2,724
Income taxes - deferred	(226)	(568)
Total income taxes	1,270	2,156
Profit	2,815	4,865

(3) Quarterly non-consolidated statement of cash flows

(Millions of yen)

	Six months ended November 30, 2021	Six months ended November 30, 2022
Cash flows from operating activities		
Profit before income taxes	4,086	7,021
Depreciation	6,588	4,726
Impairment losses	45	–
Interest and dividend income	(9)	(10)
Interest expenses	0	0
Foreign exchange losses (gains)	(0)	(3)
Decrease (increase) in trade receivables	(4,505)	(3,885)
Decrease (increase) in inventories	162	(450)
Increase (decrease) in trade payables	1,682	2,195
Other, net	(1,369)	1,638
Subtotal	6,679	11,232
Interest and dividends received	9	10
Interest paid	(0)	(0)
Income taxes paid	(1,309)	(2,702)
Net cash provided by (used in) operating activities	5,379	8,540
Cash flows from investing activities		
Payments into time deposits	(6,000)	(6,000)
Proceeds from withdrawal of time deposits	6,000	6,000
Purchase of property, plant and equipment	(2,424)	(3,591)
Proceeds from sale of property, plant and equipment	13	6
Purchase of intangible assets	(71)	(41)
Other, net	(26)	(102)
Net cash provided by (used in) investing activities	(2,509)	(3,729)
Cash flows from financing activities		
Dividends paid	(545)	(834)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(546)	(834)
Effect of exchange rate change on cash and cash equivalents	0	3
Net increase (decrease) in cash and cash equivalents	2,324	3,979
Cash and cash equivalents at beginning of period	17,121	19,326
Cash and cash equivalents at end of period	19,446	23,306

(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 and profit or loss for each reportable segment

Six months ended November 30, 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	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

- 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, 2022

(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	27,333	15,568	–	42,902	–	42,902
Intersegment sales or transfers	1	126	4,006	4,134	(4,134)	–
Total	27,335	15,694	4,006	47,036	(4,134)	42,902
Segment profit	5,652	1,089	498	7,240	(181)	7,059

- 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.