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December 26, 2023

Non-consolidated Financial Results for the Six Months Ended November 30, 2023 (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: January 12, 2024
 Scheduled date to commence dividend payment: February 2, 2024
 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, 2023 (from June 1, 2023 to November 30, 2023)

(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, 2023	44,018	2.6	6,670	(5.5)	6,713	(4.4)	4,658	(4.3)
November 30, 2022	42,902	23.5	7,059	71.4	7,021	70.0	4,865	72.8

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
November 30, 2023	145.02	-
November 30, 2022	151.45	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
November 30, 2023	119,602	80,073	66.9
May 31, 2023	124,339	76,396	61.4

Reference: Equity

As of November 30, 2023: ¥80,073 million
 As of May 31, 2023: ¥76,396 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, 2023	–	32.00	–	32.00	64.00
Fiscal year ending May 31, 2024	–	32.00			
Fiscal year ending May 31, 2024 (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, 2024 (from June 1, 2023 to May 31, 2024)

(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, 2024	86,000	(5.4)	10,300	(7.8)	10,150	(7.7)	7,030	(7.7)	218.84

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, 2023	35,497,183 shares
As of May 31, 2023	35,497,183 shares

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

As of November 30, 2023	3,373,230 shares
As of May 31, 2023	3,373,211 shares

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

Six months ended November 30, 2023	32,123,953 shares
Six months ended November 30, 2022	32,124,472 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, 2023” on page 3 of the attached materials.

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1. Qualitative information regarding financial results for the six months ended November 30, 2023

(1) Explanation of operating results

During the six months ended November 30, 2023, the Japanese economy continued to follow a trend of moderate recovery overall due to factors that include improvements in capital investments and personal consumption despite the impact of the worldwide surge in resource prices, a downswing in the global economy and other factors.

Production of semiconductor silicon wafers was continuously affected by inventory adjustments in the device market. However capital investments among semiconductor-related companies, the primary users of the products of MIMASU SEMICONDUCTOR INDUSTRY CO., LTD. (the “Company”), were firm.

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, 2023 increased by 2.6% year on year to ¥44,018 million, while operating profit was ¥6,670 million (down 5.5% year on year), ordinary profit was ¥6,713 million (down 4.4%), and profit was ¥4,658 million (down 4.3%).

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

The division was affected by inventory adjustments in the device market.

As a result, net sales in this division amounted to ¥23,826 million (down 12.8% year on year), and segment profit (operating profit) was ¥5,338 million (down 5.6%).

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 other products handled by the division increased, net sales in this division amounted to ¥21,049 million (up 34.1% year on year), and segment profit (operating profit) was ¥1,146 million (up 5.2%).

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 ¥2,708 million (down 32.4% year on year), and segment profit (operating profit) was ¥394 million (down 20.8%), however this was an increase in quarterly revenue (September 1 to November 30, 2023) compared with the preceding quarter (June 1 to August 31, 2023).

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

Total assets as of November 30, 2023 were ¥119,602 million, down ¥4,737 million from the end of the previous fiscal year, mainly reflecting a decrease in cash and deposits. Total liabilities were ¥39,529 million, down ¥8,413 million, mainly reflecting a decrease in trade payables. Total net assets were ¥ 80,073 million mainly reflecting an increase of ¥ 3,630 million in retained earnings.

(ii) Status of cash flows

Cash and cash equivalents (“cash”) as of November 30, 2023 amounted to ¥17,232 million, a decrease of ¥4,008 million from the end of the previous fiscal year. Net cash provided by operating activities amounted to ¥8,869 million. This was mainly due to an increase in cash largely attributable to profit before income taxes of ¥6,729 million and depreciation of ¥4,143 million, despite a decrease in cash largely attributable to a decrease in trade payables of ¥4,166 million. Net cash used in investing activities amounted to ¥11,847 million. This was mainly due to purchase of property, plant and equipment of ¥16,812 million. Net cash used in financing activities amounted to ¥1,035 million. This was mainly due to dividends paid of ¥1,028 million.

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

The earnings forecasts have not been changed from those announced on September 29, 2023.

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

(Millions of yen)

	As of May 31, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	27,240	18,232
Notes and accounts receivable - trade	40,063	36,764
Merchandise and finished goods	4,692	3,057
Work in process	1,370	1,436
Raw materials and supplies	4,347	4,916
Other	3,349	877
Allowance for doubtful accounts	(4)	(3)
Total current assets	81,059	65,281
Non-current assets		
Property, plant and equipment		
Buildings, net	21,502	20,755
Machinery and equipment, net	8,461	8,270
Construction in progress	3,298	14,968
Other, net	4,521	5,339
Total property, plant and equipment	37,783	49,333
Intangible assets	809	797
Investments and other assets	4,687	4,190
Total non-current assets	43,280	54,321
Total assets	124,339	119,602
Liabilities		
Current liabilities		
Notes and accounts payable - trade	30,919	26,752
Income taxes payable	3,172	1,755
Provisions	110	50
Other	13,533	10,363
Total current liabilities	47,735	38,923
Non-current liabilities		
Provision for retirement benefits	41	-
Other	166	606
Total non-current liabilities	207	606
Total liabilities	47,943	39,529

(Millions of yen)

	As of May 31, 2023	As of November 30, 2023
Net assets		
Shareholders' equity		
Share capital	18,824	18,824
Capital surplus	18,778	18,778
Retained earnings	43,466	47,096
Treasury shares	(4,772)	(4,772)
Total shareholders' equity	76,295	79,926
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	140	178
Deferred gains or losses on hedges	(39)	(31)
Total valuation and translation adjustments	100	146
Total net assets	76,396	80,073
Total liabilities and net assets	124,339	119,602

(2) Quarterly non-consolidated statement of income

(Millions of yen)

	Six months ended November 30, 2022	Six months ended November 30, 2023
Net sales	42,902	44,018
Cost of sales	32,489	34,827
Gross profit	10,412	9,191
Selling, general and administrative expenses	3,353	2,520
Operating profit	7,059	6,670
Non-operating income		
Interest income	0	0
Dividend income	9	12
Surrender value of insurance policies	–	32
Other	65	52
Total non-operating income	75	96
Non-operating expenses		
Interest expenses	0	3
Loss on sale and retirement of non-current assets	113	50
Other	0	0
Total non-operating expenses	113	53
Ordinary profit	7,021	6,713
Extraordinary income		
Gain on sale of investment securities	–	18
Total extraordinary income	–	18
Extraordinary losses		
Loss on sale of investment securities	–	2
Total extraordinary losses	–	2
Profit before income taxes	7,021	6,729
Income taxes - current	2,724	1,571
Income taxes - deferred	(568)	499
Total income taxes	2,156	2,071
Profit	4,865	4,658

(3) Quarterly non-consolidated statement of cash flows

(Millions of yen)

	Six months ended November 30, 2022	Six months ended November 30, 2023
Cash flows from operating activities		
Profit before income taxes	7,021	6,729
Depreciation	4,726	4,143
Interest and dividend income	(10)	(12)
Interest expenses	0	3
Foreign exchange losses (gains)	(3)	(4)
Decrease (increase) in trade receivables	(3,885)	3,299
Decrease (increase) in inventories	(450)	999
Increase (decrease) in trade payables	2,195	(4,166)
Other, net	1,638	804
Subtotal	11,232	11,795
Interest and dividends received	10	12
Interest paid	(0)	(3)
Income taxes paid	(2,702)	(2,935)
Net cash provided by (used in) operating activities	8,540	8,869
Cash flows from investing activities		
Payments into time deposits	(6,000)	(2,000)
Proceeds from withdrawal of time deposits	6,000	7,000
Purchase of property, plant and equipment	(3,591)	(16,812)
Proceeds from sale of property, plant and equipment	6	1
Purchase of intangible assets	(41)	(126)
Other, net	(102)	90
Net cash provided by (used in) investing activities	(3,729)	(11,847)
Cash flows from financing activities		
Dividends paid	(834)	(1,028)
Other, net	(0)	(7)
Net cash provided by (used in) financing activities	(834)	(1,035)
Effect of exchange rate change on cash and cash equivalents	3	4
Net increase (decrease) in cash and cash equivalents	3,979	(4,008)
Cash and cash equivalents at beginning of period	19,326	21,240
Cash and cash equivalents at end of period	23,306	17,232

(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, 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 and its sales are conducted through the Industrial Sales Division, it does not generate “Sales from external customers.”

Six months ended November 30, 2023

(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	23,826	20,192	–	44,018	–	44,018
Intersegment sales or transfers	0	857	2,708	3,566	(3,566)	–
Total	23,826	21,049	2,708	47,585	(3,566)	44,018
Segment profit	5,338	1,146	394	6,879	(209)	6,670

- 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 and its sales are conducted through the Industrial Sales Division, it does not generate “Sales from external customers.”