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March 29, 2024

Non-consolidated Financial Results for the Nine Months Ended February 29, 2024 (Under Japanese GAAP)

Company name: MIMASU SEMICONDUCTOR INDUSTRY CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 8155
 URL: <https://www.mimasu.co.jp/>
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 Scheduled date to file quarterly securities report: April 12, 2024
 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 29, 2024 (from June 1, 2023 to February 29, 2024)

(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 29, 2024 | 64,703 | (6.5) | 9,054 | (7.7) | 9,057 | (6.8) | 6,347 | (5.7) |
| February 28, 2023 | 69,199 | 27.0 | 9,812 | 49.4 | 9,721 | 47.4 | 6,731 | 49.0 |

| | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Nine months ended | Yen | Yen |
| February 29, 2024 | 197.58 | – |
| February 28, 2023 | 209.54 | – |

(2) Non-consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|-------------------|-----------------|-----------------|-----------------------|
| As of | Millions of yen | Millions of yen | % |
| February 29, 2024 | 116,331 | 80,754 | 69.4 |
| May 31, 2023 | 124,339 | 76,396 | 61.4 |

Reference: Equity

As of February 29, 2024: ¥80,754 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 February 29, 2024 | 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 February 29, 2024 | 3,373,302 shares |
| As of May 31, 2023 | 3,373,211 shares |

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

| | |
|-------------------------------------|-------------------|
| Nine Months ended February 29, 2024 | 32,123,945 shares |
| Nine Months ended February 28, 2023 | 32,124,373 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 29, 2024” on page 3 of the attached materials.

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1. Qualitative information regarding financial results for the nine months ended February 29, 2024

(1) Explanation of operating results

During the nine months ended February 29, 2024, 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 nine months ended February 29, 2024 decreased by 6.5% year on year to ¥64,703 million, operating profit was ¥9,054 million (down 7.7% year on year), ordinary profit was ¥9,057 million (down 6.8%), and profit was ¥6,347 million (down 5.7%).

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 ¥35,262 million (down 14.9% year on year), and segment profit (operating profit) was ¥6,984 million (down 9.0%).

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 ¥30,745 million (up 8.9% year on year), and segment profit (operating profit) was ¥1,806 million (up 6.8%).

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 ¥4,007 million (down 29.8% year on year), and segment profit (operating profit) was ¥561 million (down 25.5%).

(2) Explanation of financial position

Total assets as of February 29, 2024 were ¥116,331 million, down ¥8,008 million from the end of the previous fiscal year, mainly reflecting a decrease in trade receivables. Total liabilities were ¥35,577 million, down ¥12,365 million, mainly reflecting a decrease in trade payables. Total net assets were ¥80,754 million, mainly reflecting an increase of ¥4,291 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 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 February 29, 2024 |
|---------------------------------------|--------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 27,240 | 21,223 |
| Notes and accounts receivable - trade | 40,063 | 31,770 |
| Merchandise and finished goods | 4,692 | 3,410 |
| Work in process | 1,370 | 1,218 |
| Raw materials and supplies | 4,347 | 4,944 |
| Other | 3,349 | 965 |
| Allowance for doubtful accounts | (4) | (3) |
| Total current assets | 81,059 | 63,529 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings, net | 21,502 | 20,375 |
| Machinery and equipment, net | 8,461 | 8,721 |
| Construction in progress | 3,298 | 13,743 |
| Other, net | 4,521 | 5,333 |
| Total property, plant and equipment | 37,783 | 48,173 |
| Intangible assets | 809 | 807 |
| Investments and other assets | 4,687 | 3,821 |
| Total non-current assets | 43,280 | 52,802 |
| Total assets | 124,339 | 116,331 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 30,919 | 26,657 |
| Income taxes payable | 3,172 | - |
| Provisions | 110 | 528 |
| Other | 13,533 | 7,793 |
| Total current liabilities | 47,735 | 34,978 |
| Non-current liabilities | | |
| Provision for retirement benefits | 41 | - |
| Other | 166 | 598 |
| Total non-current liabilities | 207 | 598 |
| Total liabilities | 47,943 | 35,577 |

(Millions of yen)

| | As of May 31, 2023 | As of February 29, 2024 |
|-------------------------------------------------------|--------------------|-------------------------|
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 18,824 | 18,824 |
| Capital surplus | 18,778 | 18,778 |
| Retained earnings | 43,466 | 47,757 |
| Treasury shares | (4,772) | (4,772) |
| Total shareholders' equity | 76,295 | 80,586 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 140 | 203 |
| Deferred gains or losses on hedges | (39) | (36) |
| Total valuation and translation adjustments | 100 | 167 |
| Total net assets | 76,396 | 80,754 |
| Total liabilities and net assets | 124,339 | 116,331 |

(2) Quarterly non-consolidated statement of income

(Millions of yen)

| | Nine months ended February 28, 2023 | Nine months ended February 29, 2024 |
|---------------------------------------------------|----------------------------------------|----------------------------------------|
| Net sales | 69,199 | 64,703 |
| Cost of sales | 52,346 | 51,943 |
| Gross profit | 16,853 | 12,760 |
| Selling, general and administrative expenses | 7,040 | 3,705 |
| Operating profit | 9,812 | 9,054 |
| Non-operating income | | |
| Interest income | 1 | 0 |
| Dividend income | 12 | 15 |
| Surrender value of insurance policies | - | 32 |
| Other | 64 | 54 |
| Total non-operating income | 77 | 102 |
| Non-operating expenses | | |
| Interest expenses | 0 | 5 |
| Loss on sale and retirement of non-current assets | 168 | 93 |
| Other | 0 | 0 |
| Total non-operating expenses | 168 | 99 |
| Ordinary profit | 9,721 | 9,057 |
| Extraordinary income | | |
| Subsidy income | - | 100 |
| Other | - | 18 |
| Total extraordinary income | - | 118 |
| Extraordinary losses | | |
| Loss on sale of investment securities | - | 2 |
| Total extraordinary losses | - | 2 |
| Profit before income taxes | 9,721 | 9,173 |
| Income taxes - current | 3,947 | 1,884 |
| Income taxes - deferred | (956) | 942 |
| Total income taxes | 2,990 | 2,826 |
| Profit | 6,731 | 6,347 |

(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 and profit or loss for each reportable segment

Nine months ended February 28, 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 | 41,419 | 27,779 | – | 69,199 | – | 69,199 |
| Intersegment sales or transfers | 2 | 454 | 5,707 | 6,165 | (6,165) | – |
| Total | 41,422 | 28,234 | 5,707 | 75,364 | (6,165) | 69,199 |
| Segment profit | 7,671 | 1,691 | 753 | 10,117 | (304) | 9,812 |

- Notes: 1. The figure of “Adjustments” in “Segment profit” is the amount related to 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.”

Nine months ended February 29, 2024

(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 | 35,261 | 29,442 | – | 64,703 | – | 64,703 |
| Intersegment sales or transfers | 0 | 1,303 | 4,007 | 5,312 | (5,312) | – |
| Total | 35,262 | 30,745 | 4,007 | 70,016 | (5,312) | 64,703 |
| Segment profit | 6,984 | 1,806 | 561 | 9,352 | (297) | 9,054 |

- Notes: 1. The figure of “Adjustments” in “Segment profit” is the amount related to 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.”