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September 27, 2024

Non-consolidated Financial Results for the Three Months Ended August 31, 2024 (Under Japanese GAAP)

Company name: MIMASU SEMICONDUCTOR INDUSTRY CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 8155
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 Scheduled date to commence dividend payment: –
 Preparation of supplementary material on financial results: None
 Holding of 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, 2024 (from June 1, 2024 to August 31, 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	%
Three months ended August 31, 2024	24,110	19.0	3,181	6.0	3,122	1.7	2,160	1.1
August 31, 2023	20,259	0.8	3,002	(6.3)	3,071	(4.6)	2,136	(4.3)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended August 31, 2024	67.27	–
August 31, 2023	66.51	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of August 31, 2024	121,174	83,779	69.1
May 31, 2024	121,181	81,589	67.3

Reference: Equity

As of August 31, 2024: ¥83,779 million
 As of May 31, 2024: ¥81,589 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, 2024	—	32.00	—	0.00	32.00
Fiscal year ending May 31, 2025	—				
Fiscal year ending May 31, 2025 (Forecast)		—	—	—	—

Note: As announced in “Announcement of Results of the Tender Offer for Shares of the Company by Shin-Etsu Chemical Co., Ltd. and Changes in the Parent Company and Other Affiliated Companies” dated August 6, 2024, the Company has not presented the dividend forecast for the fiscal year ending May 31, 2025 due to the planned delisting of the Company’s shares.

3. Non-consolidated earnings forecasts for the fiscal year ending May 31, 2025 (from June 1, 2024 to May 31, 2025)

As announced in “Announcement of Results of the Tender Offer for Shares of the Company by Shin-Etsu Chemical Co., Ltd. and Changes in the Parent Company and Other Affiliated Companies” dated August 6, 2024, the Company has not presented the earnings forecasts for the fiscal year ending May 31, 2025 due to the planned delisting of the Company’s shares.

*** 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 August 31, 2024	35,497,183 shares
As of May 31, 2024	35,497,183 shares

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

As of August 31, 2024	3,374,008 shares
As of May 31, 2024	3,373,565 shares

(iii) Average number of shares outstanding during the period

Three months ended August 31, 2024	32,123,379 shares
Three months ended August 31, 2023	32,123,953 shares

* Review of the Japanese-language originals of the quarterly non-consolidated financial statements by certified public accountants or an audit corporation: None

* Proper use of earnings forecasts, and other special matters

As announced in “Announcement of Results of the Tender Offer for Shares of the Company by Shin-Etsu Chemical Co., Ltd. and Changes in the Parent Company and Other Affiliated Companies” dated August 6, 2024, the Company has not presented the earnings forecasts for the fiscal year ending May 31, 2025 due to the planned delisting of the Company’s shares.

Attached Materials**Index**

1. Overview of operating results and others	2
(1) Overview of operating results for the three months ended August 31, 2024.....	2
(2) Overview of financial position for the three months ended August 31, 2024	3
(3) Explanation of earnings forecasts and other forward-looking statements	3
2. Quarterly non-consolidated financial statements and significant notes thereto	4
(1) Quarterly non-consolidated balance sheet.....	4
(2) Quarterly non-consolidated statement of income	5
(3) Notes to quarterly non-consolidated financial statements	6
Notes on segment information, etc.	6
Notes when there are significant changes in amounts of equity.....	7
Notes on premise of going concern	7
Notes on quarterly non-consolidated statement of cash flows	7
Notes on significant subsequent events	7

1. Overview of operating results and others

(1) Overview of operating results for the three months ended August 31, 2024

During the three months ended August 31, 2024, the Japanese economy followed a trend of moderate recovery due to factors that include steady personal consumption against the backdrop of improvement in the employment and income environment.

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 steady.

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, 2024 increased by 19.0% year on year to ¥24,110 million, operating profit was ¥3,181 million (up 6.0% year on year), ordinary profit was ¥3,122 million (up 1.7%), and profit was ¥2,160 million (up 1.1%).

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 ¥12,082 million (up 2.3% year on year), and segment profit (operating profit) was ¥2,168 million (down 12.4%).

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 ¥12,564 million (up 43.0% year on year), and segment profit (operating profit) was ¥866 million (up 89.3%).

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 ¥1,696 million (up 27.5% year on year), and segment profit (operating profit) was ¥218 million (up 9.5%).

(2) Overview of financial position for the three months ended August 31, 2024

Total assets as of August 31, 2024 were ¥121,174 million, down ¥7 million from the end of the previous fiscal year, mainly reflecting a decrease in cash and deposits, despite an increase in property, plant and equipment. Total liabilities were ¥37,394 million, down ¥2,197 million, mainly reflecting a decrease in trade payables. Total net assets were ¥83,779 million mainly reflecting an increase of ¥2,160 million in retained earnings.

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

As announced in “Announcement of Results of the Tender Offer for Shares of the Company by Shin-Etsu Chemical Co., Ltd. and Changes in the Parent Company and Other Affiliated Companies” dated August 6, 2024, the Company has not presented the earnings forecasts for the fiscal year ending May 31, 2025 due to the planned delisting of the Company’s shares.

2. Quarterly non-consolidated financial statements and significant notes thereto

(1) Quarterly non-consolidated balance sheet

(Millions of yen)

	As of May 31, 2024	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	20,478	11,621
Notes and accounts receivable - trade	35,186	36,017
Merchandise and finished goods	4,016	3,653
Work in process	2,368	1,697
Raw materials and supplies	5,158	5,327
Other	861	1,512
Allowance for doubtful accounts	(3)	(3)
Total current assets	68,066	59,826
Non-current assets		
Property, plant and equipment		
Buildings, net	20,997	20,599
Machinery and equipment, net	8,192	7,743
Construction in progress	12,862	22,321
Other, net	6,198	6,103
Total property, plant and equipment	48,252	56,768
Intangible assets	790	785
Investments and other assets	4,072	3,793
Total non-current assets	53,114	61,347
Total assets	121,181	121,174
Liabilities		
Current liabilities		
Notes and accounts payable - trade	30,603	28,983
Income taxes payable	–	866
Provisions	78	513
Other	7,806	5,942
Total current liabilities	38,488	36,306
Non-current liabilities	1,103	1,088
Total liabilities	39,592	37,394
Net assets		
Shareholders' equity		
Share capital	18,824	18,824
Capital surplus	18,778	18,778
Retained earnings	48,556	50,717
Treasury shares	(4,773)	(4,775)
Total shareholders' equity	81,385	83,544
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	256	206
Deferred gains or losses on hedges	(52)	28
Total valuation and translation adjustments	204	235
Total net assets	81,589	83,779
Total liabilities and net assets	121,181	121,174

(2) Quarterly non-consolidated statement of income

(Millions of yen)

	Three months ended August 31, 2023	Three months ended August 31, 2024
Net sales	20,259	24,110
Cost of sales	15,906	19,388
Gross profit	4,353	4,722
Selling, general and administrative expenses	1,350	1,540
Operating profit	3,002	3,181
Non-operating income		
Interest income	0	0
Dividend income	9	9
Foreign exchange gains	19	–
Surrender value of insurance policies	32	–
Other	18	26
Total non-operating income	80	36
Non-operating expenses		
Interest expenses	–	6
Foreign exchange losses	–	58
Loss on sale and retirement of non-current assets	11	20
Other	0	9
Total non-operating expenses	11	95
Ordinary profit	3,071	3,122
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	3,087	3,122
Income taxes - current	521	775
Income taxes - deferred	429	186
Total income taxes	950	961
Profit	2,136	2,160

(3) Notes to quarterly non-consolidated financial statements**Notes on segment information, etc.**

Three months ended August 31, 2023

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

(Millions of yen)

	Reportable segments				Adjustments (Note) 1	Amounts in the quarterly non- consolidated statement of income (Note) 2
	Semiconductor Division	Industrial Sales Division	Engineering Division	Total		
Net sales						
Sales from external customers	11,812	8,447	—	20,259	—	20,259
Intersegment sales or transfers	0	341	1,330	1,672	(1,672)	—
Total	11,812	8,789	1,330	21,932	(1,672)	20,259
Segment profit	2,475	457	199	3,133	(130)	3,002

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.”

2. Information on impairment losses on non-current assets, goodwill, etc. for each reportable segment

Not applicable.

Three months ended August 31, 2024

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

(Millions of yen)

	Reportable segments				Adjustments (Note) 1	Amounts in the quarterly non- consolidated statement of income (Note) 2
	Semiconductor Division	Industrial Sales Division	Engineering Division	Total		
Net sales						
Sales from external customers	12,081	12,028	—	24,110	—	24,110
Intersegment sales or transfers	0	535	1,696	2,232	(2,232)	—
Total	12,082	12,564	1,696	26,343	(2,232)	24,110
Segment profit	2,168	866	218	3,253	(72)	3,181

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.”

2. Information on impairment losses on non-current assets, goodwill, etc. for each reportable segment

Not applicable.

Notes when there are significant changes in amounts of equity

Not applicable.

Notes on premise of going concern

Not applicable.

Notes on quarterly non-consolidated statement of cash flows

Quarterly non-consolidated statement of cash flows for the three months ended August 31, 2024 has not been prepared. Depreciation (including amortization of intangible assets) for the three months ended August 31, 2024 is as follows.

	(Millions of yen)	
	Three months ended August 31, 2023	Three months ended August 31, 2024
Depreciation	2,014	2,174

Notes on significant subsequent events*Consolidation of shares, abolishment of the provisions for the number of shares per share unit, and partial amendments to the Articles of Incorporation*

At the Board of Directors meeting held on September 12, 2024, the Company resolved to submit proposals regarding consolidation of shares, abolishment of the provisions for the number of shares per share unit, and partial amendments to the Articles of Incorporation to the extraordinary general meeting of shareholders of the Company to be held on October 17, 2024 (“this extraordinary general meeting of shareholders”), as described below.

The common shares of the Company (the “Company Shares”) will fall under the delisting criteria set forth in the Securities Listing Regulations of Tokyo Stock Exchange, Inc. in the course of the above process. As a result, the Company Shares will be designated as a delisted issue from October 17, 2024 to November 11, 2024, and then delisted on November 12, 2024.

I. Consolidation of shares**1. Purpose and reason for consolidation of shares**

As announced by the Company in its news release “Announcement of Opinion in Support of the Commencement of the Tender Offer for Shares of the Company by the Company’s Affiliate Shin-Etsu Chemical Co., Ltd. and Recommendation to Tender” dated June 20, 2024 (the “Press Release on Announcement of the Company’s Opinion as of June 20, 2024”), Shin-Etsu Chemical Co., Ltd. (the “Tender Offeror”) acquired all the Company Shares (excluding the Company Shares held by the Tender Offeror and treasury shares held by the Company), and implemented the tender offer (the “Tender Offer”) for the Company Shares in the period of the tender offer, etc. from June 21, 2024 to August 5, 2024 as part of a series of transactions to make the Company a wholly-owned subsidiary of the Tender Offeror (the “Transactions”).

In addition, as announced by the Company in its news release “Announcement of Results of the Tender Offer for Shares of the Company by Shin-Etsu Chemical Co., Ltd. and Changes in the Parent Company and Other Affiliated Companies” dated August 6, 2024, as a result of the Tender Offer, the Tender Offeror came to own 28,387,866 shares of the Company Shares (ownership ratio (Note) 88.37%) as of August 13, 2024, the commencement date of settlement for the Tender Offer.

Note: “Ownership ratio” reflects the ratio (rounded off to two decimal places) against the number of shares (32,123,618 shares) derived by taking the Company’s total number of issued shares as of May 31, 2024 (35,497,183 shares) and deducting the number of treasury shares owned by the Company as of the same date (3,373,565 shares) stated in the “Non-consolidated

Financial Results for the Fiscal Year Ended May 31, 2024 (Under Japanese GAAP)
submitted by the Company on July 12, 2024.

Although the Tender Offer was successfully completed as described above, the Tender Offeror was unable to acquire all of the Company's shares, etc. (excluding the Company Shares held by the Tender Offeror and treasury shares held by the Company) through the Tender Offer. Therefore, as described in the Press Release on Announcement of the Company's Opinion as of June 20, 2024, the Company, at the request of the Tender Offeror, resolved to submit a proposal to consolidate 3,735,310 shares of the Company Shares into one share (the "Share Consolidation") as stated in "(2) Details of consolidation of shares" under "2. Overview of consolidation of shares" below, to this extraordinary general meeting of shareholders in order to make the Tender Offeror the sole shareholder of the Company.

The Share Consolidation is expected to result in fractions of less than one share with respect to the Company Shares held by shareholders other than the Tender Offeror.

2. Overview of consolidation of shares

(1) Schedule of consolidation of shares

Date of public notice of record date of extraordinary general meeting of shareholders	Friday, July 26, 2024
Record date of extraordinary general meeting of shareholders	Wednesday, August 14, 2024
Date of resolution by the Board of Directors	Thursday, September 12, 2024
Date of this extraordinary general meeting of shareholders	Thursday, October 17, 2024 (scheduled)
Date of designation of delisted issue	Thursday, October 17, 2024 (scheduled)
Date of final trading	Monday, November 11, 2024 (scheduled)
Date of delisting	Tuesday, November 12, 2024 (scheduled)
Effective date of the Share Consolidation	Thursday, November 14, 2024 (scheduled)

(2) Details of consolidation of shares

(i) Class of shares to be consolidated

Common shares

(ii) Share consolidation ratio

The Company will consolidate 3,735,310 shares of the Company Shares into one share.

(iii) Total number of issued shares to be decreased

32,123,167 shares

(iv) Total number of issued shares before the effective date of consolidation

32,123,175 shares

Note: At the Board of Directors meeting held on September 12, 2024, the Company determined to cancel 3,374,008 treasury shares of the Company on November 13, 2024, and therefore the total number of issued shares to be decreased is based on the total number of issued shares after this cancellation.

(v) Total number of issued shares after the effective date of consolidation

8 shares

(vi) Total number of authorized shares as of the effective date

12 shares

- (vii) Method of handling fractions less than one share and amount of money expected to be paid to shareholders as a result

As stated in “1. Purpose and reason for consolidation of shares” above, the Share Consolidation is expected to result in fractions of less than one share with respect to the Company Shares held by shareholders other than the Tender Offeror. With regard to the fractions of less than one share resulting from the Share Consolidation, the number of shares equivalent to the total sum of these fractional shares (with fractional amounts being rounded down) will be sold and the proceeds obtained from the sale will be distributed to the shareholders in proportion to the number of fractional shares they hold. For this sale, the Company plans to obtain permission from the court to sell the fractional shares to the Tender Offeror pursuant to the provisions of Article 234, paragraph (2) of the Companies Act as it applies mutatis mutandis to Article 235, paragraph (2) of the Companies Act (Act No. 86 of 2005; including subsequent amendments; hereafter the same), given that the Share Consolidation is conducted as part of the Transactions aimed at making the Tender Offeror the sole shareholder of the Company, and that the Company Shares will be delisted as of November 12, 2024 and will have no market price, and thus it is unlikely that a purchaser will appear through an auction.

If the aforementioned court permission is obtained as planned, the sale price will be set so that the money distributed will be equivalent to ¥3,700, the same as the price of the Tender Offer, multiplied by the number of Company Shares held by the shareholders shown on the Company’s final shareholders register as of the day before the effective date of the Share Consolidation, which is November 13, 2024.

II. Abolishment of the provisions for the number of shares per share unit

1. Reason for abolishment

This is because if the Share Consolidation comes into effect, the Company’s total number of issued shares will be eight shares and there will be no need to determine the number of shares constituting one unit.

2. Scheduled date of abolishment

November 14, 2024 (scheduled)

3. Conditions for abolishment

The abolishment is subject to the approval and adoption of the proposal on the Share Consolidation and the proposal on partial amendments to the Articles of Incorporation regarding the abolishment of the provisions for the number of shares per share unit at this extraordinary general meeting of shareholders as originally proposed, and the effectuation of the Share Consolidation.

III. Partial amendments to the Articles of Incorporation

1. Purpose of the amendments to the Articles of Incorporation

- (1) If the proposal on the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation comes into effect, the total number of authorized shares of the Company will decrease to 12 shares in accordance with the provisions of Article 182, paragraph (2) of the Companies Act. To clarify this point, Article 6 (Total number of authorized shares) of the Articles of Incorporation will be amended on the condition that the Share Consolidation comes into effect.
- (2) If the proposal on the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation comes into effect, the Company’s total number of issued shares will be eight shares and there will be no need to determine the number of shares constituting one unit. Accordingly, on the condition that the Share Consolidation comes into effect, the entire text of Article 8 (Number of shares per share unit) and Article 9 (Rights regarding

shares less than one unit) of the Articles of Incorporation will be deleted in order to abolish the provisions for the number of shares per unit, which is currently set at 100. The article numbers in the Articles of Incorporation will be adjusted accordingly.

- (3) If the proposal on the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation comes into effect, the Company Shares will be delisted and the Tender Offeror will become the Company's sole shareholder, and thus the provisions regarding a system of electronic provision of materials for general meetings of shareholders will no longer be required. Therefore, on the condition that the Share Consolidation comes into effect, the entire text of Article 18 (Measures, etc. for providing information in electronic format) of the Articles of Incorporation will be deleted, and the article numbers in the Articles of Incorporation will be adjusted accordingly.

2. Details of amendments to the Articles of Incorporation

Details of the amendments are as follows. The amendments to the Articles of Incorporation on this proposal will become effective on November 14, 2024, the effective date of the Share Consolidation, on the condition that the proposal on the Share Consolidation is approved and adopted as originally proposed at this extraordinary general meeting of shareholders and the Share Consolidation comes into effect.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed amendments
Article 6 (Total number of authorized shares) The total number of shares authorized to be issued by the Company shall be <u>47,000,000</u> .	Article 6 (Total number of authorized shares) The total number of shares authorized to be issued by the Company shall be <u>12</u> .
<u>Article 8 (Number of shares per share unit)</u> <u>The number of shares per share unit of the Company shall be 100.</u>	<Deleted>
<u>Article 9 (Rights regarding shares less than one unit)</u> <u>A shareholder of the Company may not exercise any rights other than the rights listed below regarding shares less than one unit held by the shareholder:</u> <u>1. Rights set forth in items of Article 189, paragraph (2) of the Companies Act;</u> <u>2. Right to make a request pursuant to the provisions of Article 166, paragraph (1) of the Companies Act; and</u> <u>3. Right to receive an allotment of offered shares and offered share acquisition rights in proportion to the number of shares held by the shareholder.</u>	<Deleted>
Article <u>10</u> to Article <u>17</u> (Omitted)	Article <u>8</u> to Article <u>15</u> (Unchanged)
<u>Article 18 (Measures, etc. for providing information in electronic format)</u> <u>(1) When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u>	<Deleted>

Current Articles of Incorporation	Proposed amendments
<p><u>(2) Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p> <p>Article 19 to Article 41 (Omitted)</p>	<p>Article 16 to Article 38 (Unchanged)</p>

3. Schedule of amendments to the Articles of Incorporation

November 14, 2024 (scheduled)

Cancellation of treasury shares

At the Board of Directors meeting held on September 12, 2024, the Company resolved to cancel treasury shares pursuant to the provisions of Article of 178 of the Companies Act (Act No. 86 of 2005; including subsequent amendments).

This cancellation of treasury shares is subject to the approval and adoption of the proposal on the Share Consolidation at the extraordinary general meeting of shareholders to be held on October 17, 2024, as originally proposed.

- | | |
|---|------------------------------|
| 1. Class of shares to be cancelled | Common shares of the Company |
| 2. Number of shares to be cancelled
(Ratio to the total number of issued shares before cancellation: 9.51%; rounded off to two decimal places) | 3,374,008 shares |
| 3. Scheduled date of cancellation | November 13, 2024 |
| 4. Total number of issued shares after cancellation | 32,123,175 shares |