

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 4, 2021

Company Name: FUJIMI INCORPORATED
 Stock Exchange Listing: Tokyo, Nagoya
 Stock Code: 5384 URL <https://www.fujimiinc.co.jp/>
 Representative: President and CEO Keishi Seki
 Deputy Senior General Manager
 Inquiries: Finance Division Toshihiro Kawashima TEL 052-503-8181
 Scheduled date to file Quarterly Securities Report: November 4, 2021
 Scheduled date to Commence Dividend Payments: December 3, 2021
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(1) Consolidated Operating Results (cumulative)

Percentages indicate year-on-year changes

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	25,291	23.8	6,158	65.6	6,357	72.1	4,803	68.2
Six months ended September 30, 2020	20,427	8.2	3,718	29.9	3,694	24.2	2,855	29.1

	Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Six months ended September 30, 2021	194.30	—
Six months ended September 30, 2020	115.49	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	70,539	59,619	84.5	2,411.59
As of March 31, 2021	65,773	56,088	85.3	2,268.87

2. Cash Dividends

	Annual Dividends per Share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	—	50.00	—	65.00	115.00
Year ended March 31, 2022	—	85.00	—	—	—
Year ending March 31, 2022 (Forecast)	—	—	—	85.00	170.00

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	50,000	19.2	11,500	50.5	11,750	52.4	8,800	56.9	355.97

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2021	28,699,500 shares	As of March 31, 2021	28,699,500 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	3,977,259 shares	As of March 31, 2021	3,978,451 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	24,721,509 shares	Six months ended September 30, 2020	24,720,650 shares
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(Supplementary Materials)

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1. Overview of Business Results and Financial Position

(1) Overview of Business Results

In the first six months of FY2022 (April 2021 - March 2022), global economic uncertainty increased due to concerns about the spread of the novel coronavirus (COVID-19) variant, soaring energy prices, and the continuous tensions between the US and China, while the economic activities are seemed to be moving towards normalization in areas where vaccine rollout is progressing for COVID-19. However, the global semiconductor market showed firm demand for advanced semiconductor devices that support the advancement of information and communication due to lifestyle changes after the spread of COVID-19, as well as recovering demand of conventional semiconductor devices for automobiles and so forth.

The consolidated results for this period are shown below.

Consolidated Results for the First Six Months of Fiscal Year 2022:			Millions of JPY
	FY ended September 30, 2020	FY ended September 30, 2021	Change YoY
Net Sales	20,427	25,291	23.8%
Operating Profit	3,718	6,158	65.6%
Ordinary Profit	3,694	6,357	72.1%
Profit Attributable to Owners of Parent	2,855	4,803	68.2%

Segment Operating Results by Region

(i) Japan

Net sales in Japan increased by 33.2% to JPY 15,766 million compared with the same term in the previous fiscal year. The increase was mainly due to firm demand for products related to semiconductor devices and silicon wafers. Operating profit increased by 59.3% to JPY 5,555 million. The increase was mainly due to sales increase and a favorable product mix.

(ii) North America

Net sales in North America increased by 12.7% to JPY 3,153 million compared with the same term of the previous fiscal year. The increase was mainly due to firm demand for products related to semiconductor devices and silicon wafers. Operating profit increased by 55.2% to JPY 348 million. The increase was mainly due to a favorable product mix.

(iii) Asia

Net sales in Asia increased by 10.0% to JPY 5,537 million compared with the same term in the previous fiscal year. Operating profit increased by 17.6% to JPY 1,226 million. The increases were mainly due to firm demand for CMP products related to advanced logic devices.

(iv) Europe

Net sales in Europe increased by 10.5% to JPY 835 million compared with the same term in the previous fiscal year. Operating profit increased by 12.6% to JPY 93 million. The increases were mainly due to firm demand for products related to semiconductor devices.

Segment Operating Results by Application

(i) Silicon Wafers

Regarding products for silicon wafers, net sales of lapping abrasive products increased by 38.3% to JPY 2,985 million compared with the same term in the previous fiscal year and net sales of polishing slurry products increased by 32.9% to JPY 6,007 million. The increases in net sales of both product lines were mainly due to high production levels in the semiconductor industry.

(ii) Semiconductor Devices

Regarding products for the CMP process of semiconductor devices, net sales increased by 20.9% to JPY 12,155 million compared with the same term in the previous fiscal year. The increase in net sales was mainly due to continuous firm demand from both logic and memory devices.

(iii) Hard Disks

Regarding products for hard disks, net sales decreased by 15.7% to JPY 790 million compared with the same term in the previous fiscal year. The decrease in net sales was mainly due to replacement with Solid State Drives (SSDs) and a customer's production termination because of business withdrawal.

(iv) General Industries

Regarding products for general industries, net sales increased by 26.0% to JPY 2,140 million compared with the same term in the previous fiscal year. The increase in net sales was mainly due to recovery of demand of products for automobiles and industrial machineries.

(2) Overview of Financial Position

Summary of Total Assets, Total Liabilities and Net Assets as of September 30, 2021

Total assets increased by JPY 4,765 million to JPY 70,539 million compared with the end of the previous fiscal year mainly due to increases of JPY 2,400 million in securities, of JPY 1,451 million in notes and accounts receivable – trade and of JPY 641 million in cash and deposits, offsetting a decrease of JPY 620 million in investment securities.

Total liabilities increased by JPY 1,234 million to JPY 10,919 million compared with the end of the previous fiscal year mainly due to increases of JPY 600 million in accounts payable – trade, of JPY 374 million in income taxes payable and of JPY 170 million in provision for share-based remuneration.

Net assets increased by JPY 3,530 million to JPY 59,619 million compared with the end of the previous fiscal year mainly due to increases of JPY 3,176 million in retained earnings and of JPY 215 million in foreign currency translation adjustment.

(3) Financial Forecast

Net sales and profits for the first six months ended September 30, 2021 exceeded the earlier forecast primarily due to firm demand for the advanced semiconductor devices and silicon wafers. Financial forecast for the fiscal year ending March 31, 2022 is revised reflecting the recent trends of business performance as well as raw material prices.

The financial forecast for the current fiscal year is shown below.

Financial Forecast for Fiscal Year 2022:	Millions of JPY	
	FY ending March 31, 2022	Change from FY2021
Net Sales	50,000	19.2%
Operating Profit	11,500	50.5%
Ordinary Profit	11,750	52.4%
Profit Attributable to Owners of Parent	8,800	56.9%

The financial forecast and other forward-looking statements are based on information available to the management at the present time and on certain assumptions judged by the management to be reasonable. Due to various factors, actual performance and financial results in future periods may differ materially from the forecast.

2. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	29,424	30,066
Notes and accounts receivable - trade	9,098	10,549
Securities	1,900	4,300
Merchandise and finished goods	4,048	4,260
Work in process	999	1,018
Raw materials and supplies	2,278	2,650
Other	231	374
Allowance for doubtful accounts	(13)	(13)
Total current assets	47,967	53,207
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,553	6,432
Other, net	7,022	7,247
Total property, plant and equipment	13,575	13,679
Intangible assets	440	399
Investments and other assets		
Investment securities	2,562	1,941
Deferred tax assets	1,117	1,192
Other	119	128
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	3,789	3,253
Total non-current assets	17,806	17,332
Total assets	65,773	70,539

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	2,880	3,481
Income taxes payable	1,274	1,649
Provision for bonuses	1,438	1,555
Provision for bonuses for directors (and other officers)	-	57
Provision for share-based remuneration	-	474
Other	2,714	2,554
Total current liabilities	8,309	9,771
Non-current liabilities		
Deferred tax liabilities	0	1
Retirement benefit liability	901	898
Provision for share-based remuneration	329	25
Other	144	222
Total non-current liabilities	1,375	1,148
Total liabilities	9,684	10,919
Net assets		
Shareholders' equity		
Share capital	4,753	4,753
Capital surplus	5,570	5,570
Retained earnings	50,303	53,480
Treasury shares	(5,448)	(5,445)
Total shareholders' equity	55,179	58,358
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	321	445
Foreign currency translation adjustment	685	901
Remeasurements of defined benefit plans	(97)	(86)
Total accumulated other comprehensive income	908	1,260
Total net assets	56,088	59,619
Total liabilities and net assets	65,773	70,539

(2) Consolidated Statements of Income (cumulative) and Consolidated Statements of Comprehensive Income (cumulative)

(i) Consolidated Statements of Income (cumulative)

	(Millions of yen)	
	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	20,427	25,291
Cost of sales	10,985	12,959
Gross profit	9,441	12,332
Selling, general and administrative expenses	5,722	6,173
Operating profit	3,718	6,158
Non-operating income		
Interest income	42	27
Dividend income	14	15
Gain on sales of property	1	81
Other	42	82
Total non-operating income	101	207
Non-operating expenses		
Interest expenses	2	2
Foreign exchange losses	107	-
Loss on retirement of non-current assets	0	2
Other	15	4
Total non-operating expenses	125	9
Ordinary profit	3,694	6,357
Profit before income taxes	3,694	6,357
Income taxes - current	1,000	1,686
Income taxes - deferred	(160)	(133)
Total income taxes	839	1,553
Profit	2,855	4,803
Profit attributable to owners of parent	2,855	4,803

(ii) Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	2,855	4,803
Other comprehensive income		
Valuation difference on available-for-sale securities	109	124
Foreign currency translation adjustment	(55)	215
Remeasurements of defined benefit plans, net of tax	11	11
Total other comprehensive income	65	351
Comprehensive income	2,920	5,155
(Breakdown)		
Comprehensive income attributable to owners of parent	2,920	5,155

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	3,694	6,357
Depreciation	815	802
Amortization of long-term prepaid expenses	0	0
Increase (decrease) in provision for bonuses for directors (and other officers)	57	56
Increase (decrease) in provision for bonuses	143	111
Increase (decrease) in retirement benefit liability	32	13
Increase (decrease) in provision for share-based remuneration	139	170
Interest income	(42)	(27)
Dividend income	(14)	(15)
Interest expenses	2	2
Foreign exchange losses (gains)	7	(2)
Loss (gain) on sale and retirement of non-current assets	(0)	(79)
Decrease (increase) in trade receivables	107	(1,398)
Decrease (increase) in inventories	(214)	(543)
Increase (decrease) in trade payables	179	544
Increase (decrease) in accounts payable - other	281	47
Other, net	346	(205)
Subtotal	5,535	5,833
Interest and dividends received	57	44
Income taxes paid	(857)	(1,423)
Income taxes refund	37	76
Net cash provided by (used in) operating activities	4,773	4,530
Cash flows from investing activities		
Payments into time deposits	(5,313)	(1,811)
Proceeds from withdrawal of time deposits	2,934	2,532
Purchase of securities	(500)	-
Proceeds from redemption of securities	99	100
Purchase of property, plant and equipment	(601)	(764)
Proceeds from sale of property, plant and equipment	1	81
Purchase of intangible assets	(16)	(26)
Other, net	0	(9)
Net cash provided by (used in) investing activities	(3,395)	103
Cash flows from financing activities		
Dividends paid	(1,176)	(1,627)
Purchase of treasury shares	(0)	(1)
Other, net	(25)	(31)
Net cash provided by (used in) financing activities	(1,202)	(1,660)
Effect of exchange rate change on cash and cash equivalents	(31)	91
Net increase (decrease) in cash and cash equivalents	145	3,066
Cash and cash equivalents at beginning of period	22,919	29,418
Cash and cash equivalents at end of period	23,064	32,484