

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 31, 2022

Company Name: FUJIMI INCORPORATED
 Stock Exchange Listing: Tokyo, Nagoya
 Stock Code: 5384 URL <https://www.fujimiinc.co.jp/>
 Representative: President and CEO Keishi Seki
 Senior General Manager
 Inquiries: Finance Division Toshihiro Kawashima TEL 052-503-8181
 Scheduled Date of Ordinary General Shareholders' Meeting: June 29, 2022
 Scheduled Date to File Securities Report: June 29, 2022
 Scheduled Date to Commence Dividend Payments: June 30, 2022
 Preparation of Supplementary Material on Financial Results: Yes
 Holding of Financial Results Meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated Operating Results

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	%
Year ended March 31, 2022	51,731	23.3	12,059	57.9	12,490	62.0	9,156	63.3
Year ended March 31, 2021	41,956	9.2	7,639	27.2	7,709	24.8	5,607	31.3

	Earnings per Share	Diluted Earnings per Share	Profit Attributable to Owners of Parent/Equity	Ordinary Profit /Total Assets	Operating Profit /Net Sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	370.38	–	15.4	17.7	23.3
Year ended March 31, 2021	226.85	–	10.4	12.3	18.2

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	75,684	62,967	83.2	2,547.00
As of March 31, 2021	65,773	56,088	85.3	2,268.87

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	9,301	(1,097)	(3,825)	34,402
Year ended March 31, 2021	8,743	(42)	(2,481)	29,418

2. Cash Dividends

	Annual Dividends per Share					Total cash dividends(Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	50.00	–	65.00	115.00	2,878	50.7	5.3
Year ended March 31, 2022	–	85.00	–	100.00	185.00	4,654	49.9	7.7
Year ending March 31, 2023 (Forecast)	–	95.00	–	105.00	200.00		49.4	

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Six Months ending September 30, 2022	28,500	12.7	6,500	5.5	6,550	3.0	4,800	-0.1	194.16
Full Year	58,000	12.1	13,500	11.9	13,600	8.9	10,000	9.2	404.50

3. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2022	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 March 31, 2022	3,977,290 shares	As of March 31, 2021	3,978,451 shares
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Average number of shares during the period

Year ended March 31, 2022	24,721,861 shares	Year ended March 31, 2021	24,720,855 shares
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(Supplementary Materials)

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1. Overview of Business Results and Financial Position

(1) Overview of Business Results

1) Business Results of the Current Fiscal Year

In the FY2022 (April 2021 - March 2022), the world outlook became more fragmented due to the continuous tension between the US and China and the Ukraine-Russia conflict, while global economy has been affected by the spread of the novel coronavirus (COVID-19) variant. Consequently, global economic uncertainty increased due to global logistics disruption and the increasing upward pressure on prices led by soaring commodity and energy prices.

However, the global semiconductor market showed strong demand of semiconductor devices used for 5G, data centers, automobiles, industrial machineries and so forth, despite some supply chain constraints.

The consolidated results for this period are shown below.

Consolidated Results for Fiscal Year 2022:	Millions of JPY		
	FY ended March 31, 2021	FY ended March 31, 2022	Change YoY
Net Sales	41,956	51,731	23.3%
Operating Profit	7,639	12,059	57.9%
Ordinary Profit	7,709	12,490	62.0%
Profit Attributable to Owners of Parent	5,607	9,156	63.3%

On February 20, 2022, Fujimi Incorporated and its subsidiary, Fujimi Taiwan Limited (hereafter “FUJIMI”), detected a cyber-attack. FUJIMI would like to express FUJIMI’s deepest apologies to our business partners, shareholders, investors, and other stakeholders for the inconvenience and concern this incident has caused.

Segment Operating Results by Region

(i) Japan

Net sales in Japan increased by 28.7% to JPY 31,884 million compared with 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 45.2% to JPY 10,692 million. The increase was mainly due to sales increase and a favorable product mix.

(ii) North America

Net sales in North America increased by 11.5% to JPY 6,273 million compared with the previous fiscal year. The increase was mainly due to firm demand for products related to semiconductor devices and silicon wafers. Operating profit decreased by 12.6% to JPY 364 million. The decrease was mainly due to soaring materials prices and logistics costs.

(iii) Asia

Net sales in Asia increased by 17.9% to JPY 11,845 million compared with the previous fiscal year. Operating profit increased by 32.1% to JPY 2,709 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 15.1% to JPY 1,728 million compared with the previous fiscal year. Operating profit increased by 19.4% to JPY 190 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 35.7% to JPY 6,249 million compared with the previous fiscal year and net sales of polishing slurry products increased by 26.3% to JPY 12,149 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 22.6% to JPY 24,571 million compared with 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 increased by 1.2% to JPY 1,725 million compared with the previous fiscal year, despite 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 16.7% to JPY 4,408 million compared with the previous fiscal year. The increase in net sales was mainly due to recovery of demand of products for automobiles and industrial machineries.

2) Financial Forecast of the Next Fiscal Year

The financial forecast for the next fiscal year shown below, is based on the assumption that the current strong demand from the semiconductor market mainly for servers will continue, while global economic uncertainty is increasing and the number of smartphone unit shipments in China is currently declining.

FY2023 Financial Forecast:	Millions of JPY	
	FY ending March 31, 2023	Change from FY2022
Net Sales	58,000	12.1%
Operating Profit	13,500	11.9%
Ordinary Profit	13,600	8.9%
Profit Attributable to Owners of Parent	10,000	9.2%

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) Overview of Financial Position**Summary of Total Assets, Total Liabilities and Net Assets as of March 31, 2022**

Total assets increased by JPY 9,911 million to JPY 75,684 million compared with the end of the previous fiscal year mainly due to increases of JPY 3,000 million in securities, of JPY 2,482 million in notes and accounts receivable – trade and of JPY 2,238 million in cash and deposit.

Total liabilities increased by JPY 3,032 million to JPY 12,717 million compared with the end of the previous fiscal year mainly due to increases of JPY 1,105 million in accounts payable – trade and of JPY 1,032 million in income taxes payable and.

Net assets increased by JPY 6,878 million to JPY 62,967 million compared with the end of the previous fiscal year mainly due to increases of JPY 5,401 million in retained earnings and of JPY 1,386 million in foreign currency translation adjustment.

Summary of Cash Flow for the Year Ended March 31, 2022

Cash and cash equivalents increased by JPY 4,984 million to JPY 34,402 million compared with the end of the previous fiscal year as follows.

(i) Cash Flow from Operating Activities

Net cash provided by operating activities increased by JPY 558 million to JPY 9,301 million compared with the end of the previous fiscal year mainly due to an increase in profit before income taxes.

(ii) Cash Flow from Investing Activities

Net cash used in investing activities increased by JPY 1,055 million to JPY 1,097 million compared with the end of the previous fiscal year mainly due to proceeds from redemption of securities in the previous fiscal year and an increase in purchase of property, plant and equipment.

(iii) Cash Flow from Financing Activities

Net cash used in financing activities increased by JPY 1,344 million to JPY 3,825 million compared with the end of the previous fiscal year mainly due to an increase in cash dividends paid.

(iv) Cash Flow Indicators and Trends

	FY2018	FY2019	FY2020	FY2021	FY2022
Equity Ratio on Book Value Basis (%)	86.3	86.8	87.5	85.3	83.2
Equity Ratio on Market Value Basis (%)	102.5	103.1	111.7	162.2	219.5
Debt Repayment Ratio (years)	-	-	-	-	0.0
Interest Coverage Ratio (times)	-	-	-	-	1,460.2

(Note)

Equity Ratio on Book Value Basis: Equity / Total assets

Equity Ratio on Market Value Basis: Market capitalization / Total assets

Debt Repayment Ratio: Interest-Bearing Liabilities / Cash Flows from Operating Activities

Interest Coverage Ratio: Cash Flows from Operating Activities / Interest Payments

- All indicators are calculated based on the consolidated financial figures.
- Market capitalization is calculated by multiplying the market price at the end of each fiscal year by the number of outstanding shares, excluding treasury share, at the end of each fiscal year.
- Interest-bearing liabilities include all liabilities on the consolidated balance sheets that incur interest.

(3) Policy for Distribution of Income and Dividends for the Year Ended March 31, 2022 and the Year Ending March 31, 2023

Fujimi Incorporated recognizes the appropriate distribution of income to shareholders as the most important management issue. Regarding dividend payments, Fujimi Incorporated has a policy of striving to live up to shareholder's expectations by continuously providing stable dividend payments targeting a consolidated payment ratio of over 50%. Regarding retained earnings, Fujimi Incorporated strives to reinforce R&D and production systems to meet customers' satisfaction, to execute global business strategies and to expand the business domain in order to deal with changing business environments.

For FY2022, Fujimi Incorporated proposes to pay a year-end cash dividend of JPY 100 per share, and the total annual dividend will be JPY 185 per share including an interim cash dividend of JPY 85 per share.

For FY2023, Fujimi Incorporated proposes to pay a cash dividend of JPY 200 per share, comprising an interim cash dividend of JPY 95 per share and a year-end cash dividend of JPY 105 per share.

2. Basic Policy for the Selection of Accounting Standards

While Fujimi Incorporated has paid close attention to other companies' adoption trends regarding the IFRS, the consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Japan due to considering the burden of establishing a system for preparing consolidated financial statements in accordance with international accounting standards.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	29,424	31,662
Notes and accounts receivable - trade	9,098	11,581
Securities	1,900	4,900
Merchandise and finished goods	4,048	4,569
Work in process	999	1,041
Raw materials and supplies	2,278	3,714
Other	231	595
Allowance for doubtful accounts	(13)	(15)
Total current assets	47,967	58,049
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,348	20,050
Accumulated depreciation	(12,794)	(13,521)
Buildings and structures, net	6,553	6,528
Machinery, equipment and vehicles	21,937	22,590
Accumulated depreciation	(20,330)	(20,857)
Machinery, equipment and vehicles, net	1,606	1,732
Land	3,527	3,585
Construction in progress	613	1,102
Other	10,371	10,297
Accumulated depreciation	(9,096)	(9,020)
Other, net	1,274	1,276
Total property, plant and equipment	13,575	14,225
Intangible assets		
Software	394	316
Other	46	33
Total intangible assets	440	349
Investments and other assets		
Investment securities	2,562	1,844
Deferred tax assets	1,117	1,108
Other	119	116
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	3,789	3,059
Total non-current assets	17,806	17,634
Total assets	65,773	75,684

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	2,880	3,986
Income taxes payable	1,274	2,307
Provision for bonuses	1,438	1,395
Provision for share-based remuneration	—	796
Other	2,714	2,999
Total current liabilities	8,309	11,484
Non-current liabilities		
Deferred tax liabilities	0	3
Retirement benefit liability	901	903
Provision for share-based remuneration	329	43
Other	144	282
Total non-current liabilities	1,375	1,232
Total liabilities	9,684	12,717
Net assets		
Shareholders' equity		
Share capital	4,753	4,753
Capital surplus	5,570	6,878
Retained earnings	50,303	55,705
Treasury shares	(5,448)	(6,753)
Total shareholders' equity	55,179	60,584
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	321	390
Foreign currency translation adjustment	685	2,072
Remeasurements of defined benefit plans	(97)	(79)
Total accumulated other comprehensive income	908	2,383
Total net assets	56,088	62,967
Total liabilities and net assets	65,773	75,684

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**(i) Consolidated Statements of Income**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	41,956	51,731
Cost of sales	22,951	27,343
Gross profit	19,005	24,388
Selling, general and administrative expenses	11,366	12,328
Operating profit	7,639	12,059
Non-operating income		
Interest income	70	49
Dividend income	30	31
Foreign exchange gains	-	183
Gain on sales of property	1	82
Other	113	127
Total non-operating income	214	473
Non-operating expenses		
Interest expenses	4	6
Foreign exchange losses	122	-
Loss on retirement of non-current assets	6	12
Other	10	23
Total non-operating expenses	144	42
Ordinary profit	7,709	12,490
Extraordinary losses		
Impairment losses	467	-
System failure response costs	-	103
Other	-	4
Total extraordinary losses	467	108
Profit before income taxes	7,242	12,382
Income taxes - current	2,037	3,247
Income taxes - deferred	(402)	(21)
Total income taxes	1,634	3,225
Profit	5,607	9,156
Profit attributable to owners of parent	5,607	9,156

(ii) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	5,607	9,156
Other comprehensive income		
Valuation difference on available-for-sale securities	226	69
Foreign currency translation adjustment	655	1,386
Remeasurements of defined benefit plans, net of tax	(53)	18
Total other comprehensive income	828	1,474
Comprehensive income	6,435	10,631
(Breakdown)		
Comprehensive income attributable to owners of parent	6,435	10,631

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,753	5,570	47,124	(5,449)	51,998
Changes during period					
Dividends of surplus			(2,428)		(2,428)
Profit attributable to owners of parent			5,607		5,607
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				1	1
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,179	1	3,181
Balance at end of period	4,753	5,570	50,303	(5,448)	55,179

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	94	30	(44)	80	52,079
Changes during period					
Dividends of surplus					(2,428)
Profit attributable to owners of parent					5,607
Purchase of treasury shares					(0)
Disposal of treasury shares					1
Net changes in items other than shareholders' equity	226	655	(53)	828	828
Total changes during period	226	655	(53)	828	4,009
Balance at end of period	321	685	(97)	908	56,088

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,753	5,570	50,303	(5,448)	55,179
Changes during period					
Dividends of surplus			(3,754)		(3,754)
Profit attributable to owners of parent			9,156		9,156
Purchase of treasury shares				(1,612)	(1,612)
Disposal of treasury shares		1,308		306	1,614
Net changes in items other than shareholders' equity					
Total changes during period	–	1,308	5,401	(1,305)	5,404
Balance at end of period	4,753	6,878	55,705	(6,753)	60,584

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	321	685	(97)	908	56,088
Changes during period					
Dividends of surplus					(3,754)
Profit attributable to owners of parent					9,156
Purchase of treasury shares					(1,612)
Disposal of treasury shares					1,614
Net changes in items other than shareholders' equity	69	1,386	18	1,474	1,474
Total changes during period	69	1,386	18	1,474	6,878
Balance at end of period	390	2,072	(79)	2,383	62,967

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	7,242	12,382
Depreciation	1,687	1,661
Amortization of long-term prepaid expenses	0	0
Impairment losses	467	-
System failure response costs	-	103
Increase (decrease) in provision for bonuses	182	(63)
Increase (decrease) in allowance for doubtful accounts	(5)	1
Increase (decrease) in retirement benefit liability	71	28
Increase (decrease) in provision for share-based remuneration	171	509
Interest income	(70)	(49)
Dividend income	(30)	(31)
Interest expenses	4	6
Foreign exchange losses (gains)	(1)	(39)
Loss (gain) on sale and retirement of non-current assets	5	(69)
Decrease (increase) in trade receivables	(724)	(2,123)
Decrease (increase) in inventories	128	(1,701)
Increase (decrease) in trade payables	221	826
Increase (decrease) in accounts payable - other	157	21
Other, net	714	95
Subtotal	10,223	11,558
Interest and dividends received	103	82
Income taxes paid	(1,620)	(2,360)
Income taxes refund	37	77
System failure response costs paid	-	(56)
Net cash provided by (used in) operating activities	8,743	9,301
Cash flows from investing activities		
Payments into time deposits	(8,174)	(4,011)
Proceeds from withdrawal of time deposits	8,320	4,461
Purchase of securities	(500)	-
Proceeds from redemption of securities	999	100
Purchase of investment securities	-	(101)
Proceeds from sale and redemption of investment securities	600	-
Purchase of property, plant and equipment	(1,197)	(1,562)
Proceeds from sale of property, plant and equipment	1	82
Purchase of intangible assets	(90)	(54)
Other, net	(1)	(12)
Net cash provided by (used in) investing activities	(42)	(1,097)
Cash flows from financing activities		
Dividends paid	(2,428)	(3,754)
Purchase of treasury shares	(0)	(1,612)
Proceeds from disposal of treasury shares	-	1,610
Other, net	(52)	(69)
Net cash provided by (used in) financing activities	(2,481)	(3,825)
Effect of exchange rate change on cash and cash equivalents	279	606
Net increase (decrease) in cash and cash equivalents	6,499	4,984
Cash and cash equivalents at beginning of period	22,919	29,418
Cash and cash equivalents at end of period	29,418	34,402

4. Others

Change of Officers

(1) Change of the Representative Director

None

(2) Change of other Officers (Effective Date: June 29, 2022)

Candidate for Director
the Outside Director: Atsuko Yoshimura