

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 4, 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 to file Quarterly Securities Report: November 8, 2022  
 Scheduled Date to Commence Dividend Payments: December 2, 2022  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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, 2022	31,097	23.0	7,819	27.0	8,293	30.5	6,155	28.1
Six months ended September 30, 2021	25,291	23.8	6,158	65.6	6,357	72.1	4,803	68.2

	Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Six months ended September 30, 2022	248.71	–
Six months ended September 30, 2021	194.30	–

(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, 2022	82,183	68,953	83.9	2,775.30
As of March 31, 2022	75,684	62,967	83.2	2,547.00

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, 2022	–	85.00	–	100.00	185.00
Year ended March 31, 2023	–	110.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	110.00	220.00

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
Full Year	62,200	20.2	14,800	22.7	15,300	22.5	11,500	25.6	464.63

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2022  
(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, 2022	26,699,500 shares	As of March 31, 2022	28,699,500 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2022	1,853,941 shares	As of March 31, 2022	3,977,290 shares
--------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	24,750,216 shares	Six months ended September 30, 2021	24,721,509 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

**(Supplementary Materials)**

**Table of Contents**

<b>Contents</b>	<b>Page</b>
<b>1. Overview of Business Results and Financial Position.....</b>	<b>2</b>
<b>(1) Overview of Business Results.....</b>	<b>2</b>
<b>(2) Overview of Financial Position.....</b>	<b>3</b>
<b>(3) Information Concerning Revision of Financial Forecast.....</b>	<b>3</b>
<b>2. Consolidated Financial Statements.....</b>	<b>4</b>
<b>(1) Consolidated Balance Sheets.....</b>	<b>4</b>
<b>(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income.....</b>	<b>6</b>
<b>(3) Consolidated Statements of Cash Flows.....</b>	<b>8</b>

## 1. Overview of Business Results and Financial Position

### (1) Overview of Business Results

During the first six months of our FY2023, the global economy was continuously affected by the spread of COVID-19 variant. The inflation pressure remained strong because of soaring resource and energy prices as a result of worsening international situation. The global economic uncertainty increased due to concerns about economic recessions caused by the consecutive interest rate rise in the US and the shift from zero interest rate policy in Europe.

In addition, the global semiconductor demand started softening and inventories increasing in both logic and memory sectors due to weak demand for PCs and smartphones. However, the advanced semiconductors for which Fujimi's products are mainly used still kept high level production.

The consolidated results for this period are shown below.

Consolidated Results for the First Six Months of Fiscal Year 2023:		Millions of JPY	
	FY ended September 30, 2021	FY ended September 30, 2022	Change YoY
Net Sales	25,291	31,097	23.0%
Operating Profit	6,158	7,819	27.0%
Ordinary Profit	6,357	8,293	30.5%
Profit Attributable to Owners of Parent	4,803	6,155	28.1%

On February 20, 2022, Fujimi Incorporated and its subsidiary, Fujimi Taiwan Limited (hereafter "FUJIMI"), detected a cyber-attack through an unauthorized access to FUJIMI's servers by an unknown third party, which resulted in a system failure followed by a suspension of production and shipments.

Immediately after the incident, FUJIMI has set up task force to conduct a thorough investigations and implement countermeasures for restorations and recurrence prevention. Accordingly, the systems returned to normal in August.

FUJIMI's group will further reinforce measures against cyber security.

### Segment Operating Results by Region

#### (i) Japan

Net sales in Japan increased by 18.2% to JPY 18,635 million compared with the same term in the previous fiscal year. Operating profit increased by 23.8% to JPY 6,859 million. The increases were mainly due to firm demand for products related to semiconductor devices and silicon wafers.

#### (ii) North America

Net sales in North America increased by 30.6% to JPY 4,118 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 74.3% to JPY 606 million. The increase was mainly due to sales increase, a favorable product mix and foreign currency fluctuations.

#### (iii) Asia

Net sales in Asia increased by 32.4% to JPY 7,331 million compared with the same term in the previous fiscal year. Operating profit increased by 55.9% to JPY 1,911 million. The increases were mainly due to firm demand for CMP products related to advanced logic devices, a favorable product mix and foreign currency fluctuations.

#### (iv) Europe

Net sales in Europe increased by 21.1% to JPY 1,011 million compared with the same term in the previous fiscal year. Operating profit increased by 1.6% to JPY 94 million. The increases were mainly due to firm demand for products related to semiconductor devices and silicon wafers.

### Segment Operating Results by Application

#### (i) Silicon Wafers

Regarding products for silicon wafers, net sales of lapping abrasive products increased by 18.5% to JPY 3,538 million compared with the same term in the previous fiscal year and net sales of polishing slurry products increased by 16.7% to JPY 7,013 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 29.8% to JPY 15,771 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 and exchange currency fluctuations.

(iii) Hard Disks

Regarding products for hard disks, net sales increased by 26.8% to JPY 1,002 million compared with the same term in the previous fiscal year. The increase in net sales was mainly due to firm demand from Hard Disk Drives (HDD) for servers and exchange currency fluctuations, despite replacement with Solid State Drives (SSDs).

(iv) General Industries

Regarding products for general industries, net sales increased by 9.2% to JPY 2,338 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, 2022**

Total assets increased by JPY 6,498 million to JPY 82,183 million compared with the end of the previous fiscal year mainly due to increases of JPY 2,680 million in notes and accounts receivable – trade, of JPY 1,884 million in cash and deposits and of JPY 1,310 million in raw materials and supplies, offsetting a decrease of JPY 1,900 million in securities.

Total liabilities increased by JPY 512 million to JPY 13,229 million compared with the end of the previous fiscal year mainly due to increases of JPY 679 million in provision for bonuses and of JPY 412 million in accounts payable - trade, offsetting a decrease of JPY 781 million in provision for share-based remuneration.

Net assets increased by JPY 5,986 million to JPY 68,953 million compared with the end of the previous fiscal year mainly due to a decrease of JPY 3,068 million in treasury shares and increases of JPY 2,945 million in retained earnings and of JPY 1,870 million in foreign currency translation adjustment, offsetting a decrease of JPY 1,840 million in capital surplus.

**(3) Information Concerning Revision of Financial Forecast**

Net sales and profits for the first six months ended September 30, 2022 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, 2023 is revised reflecting the recent trends of business performance.

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

Financial Forecast for Fiscal Year 2023:	Millions of JPY	
	FY ending March 31, 2023	Change from FY2022
Net Sales	62,200	20.2%
Operating Profit	14,800	22.7%
Ordinary Profit	15,300	22.5%
Profit Attributable to Owners of Parent	11,500	25.6%

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, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	31,662	33,547
Notes and accounts receivable - trade	11,581	14,261
Securities	4,900	3,000
Merchandise and finished goods	4,569	5,395
Work in process	1,041	1,268
Raw materials and supplies	3,714	5,025
Other	595	501
Allowance for doubtful accounts	(15)	(20)
Total current assets	58,049	62,980
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,528	6,845
Other, net	7,697	8,393
Total property, plant and equipment	14,225	15,239
Intangible assets	349	301
Investments and other assets		
Investment securities	1,844	2,203
Deferred tax assets	1,108	1,350
Other	116	118
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	3,059	3,663
Total non-current assets	17,634	19,203
Total assets	75,684	82,183

	(Millions of yen)	
	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	3,986	4,399
Income taxes payable	2,307	2,031
Provision for bonuses	1,395	2,074
Provision for bonuses for directors (and other officers)	-	46
Provision for share-based remuneration	796	14
Other	2,999	3,374
Total current liabilities	11,484	11,940
Non-current liabilities		
Deferred tax liabilities	3	6
Retirement benefit liability	903	898
Provision for share-based remuneration	43	43
Other	282	341
Total non-current liabilities	1,232	1,289
Total liabilities	12,717	13,229
Net assets		
Shareholders' equity		
Share capital	4,753	4,753
Capital surplus	6,878	5,038
Retained earnings	55,705	58,651
Treasury shares	(6,753)	(3,685)
Total shareholders' equity	60,584	64,757
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	390	321
Foreign currency translation adjustment	2,072	3,943
Remeasurements of defined benefit plans	(79)	(68)
Total accumulated other comprehensive income	2,383	4,196
Total net assets	62,967	68,953
Total liabilities and net assets	75,684	82,183

**(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, 2021	Six months ended September 30, 2022
Net sales	25,291	31,097
Cost of sales	12,959	16,302
Gross profit	12,332	14,795
Selling, general and administrative expenses	6,173	6,975
Operating profit	6,158	7,819
Non-operating income		
Interest income	27	35
Dividend income	15	22
Foreign exchange gains	6	526
Other	158	48
Total non-operating income	207	633
Non-operating expenses		
Interest expenses	2	3
Loss on valuation of investment securities	-	42
Loss on investments in partnership	0	109
Other	6	2
Total non-operating expenses	9	159
Ordinary profit	6,357	8,293
Extraordinary losses		
System failure response costs	-	66
Total extraordinary losses	-	66
Profit before income taxes	6,357	8,226
Income taxes - current	1,686	2,270
Income taxes - deferred	(133)	(199)
Total income taxes	1,553	2,071
Profit	4,803	6,155
Profit attributable to owners of parent	4,803	6,155



**( ii ) Consolidated Statements of Comprehensive Income (cumulative)**

	(Millions of yen)	
	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	4,803	6,155
Other comprehensive income		
Valuation difference on available-for-sale securities	124	(68)
Foreign currency translation adjustment	215	1,870
Remeasurements of defined benefit plans, net of tax	11	11
Total other comprehensive income	351	1,812
Comprehensive income	5,155	7,968
(Breakdown)		
Comprehensive income attributable to owners of parent	5,155	7,968

**(3) Consolidated Statements of Cash Flows**

	(Millions of yen)	
	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	6,357	8,226
Depreciation	802	826
Amortization of long-term prepaid expenses	0	0
System failure response costs	-	66
Increase (decrease) in allowance for doubtful accounts	-	5
Increase (decrease) in provision for directors bonuses	56	45
Increase (decrease) in provision for bonuses	111	655
Increase (decrease) in retirement benefit liability	13	11
Increase (decrease) in provision for share-based remuneration	170	(781)
Interest income	(27)	(35)
Dividend income	(15)	(22)
Interest expenses	2	3
Foreign exchange losses (gains)	(2)	(100)
Loss (gain) on valuation of investment securities	-	42
Loss (gain) on investments in partnership	0	109
Decrease (increase) in trade receivables	(1,398)	(2,225)
Decrease (increase) in inventories	(543)	(1,912)
Increase (decrease) in trade payables	544	108
Increase (decrease) in accounts payable - other	47	105
Other, net	(284)	216
Subtotal	5,833	5,346
Interest and dividends received	44	58
Income taxes paid	(1,423)	(2,642)
Income taxes refund	76	84
System failure response costs paid	-	(34)
Net cash provided by (used in) operating activities	4,530	2,811
Cash flows from investing activities		
Payments into time deposits	(1,811)	(1,813)
Proceeds from withdrawal of time deposits	2,532	2,558
Proceeds from redemption of securities	100	801
Purchase of property, plant and equipment	(764)	(890)
Purchase of investment securities	-	(610)
Purchase of intangible assets	(26)	(6)
Other, net	72	0
Net cash provided by (used in) investing activities	103	38
Cash flows from financing activities		
Dividends paid	(1,627)	(2,527)
Purchase of treasury shares	(1)	(0)
Other, net	(31)	(45)
Net cash provided by (used in) financing activities	(1,660)	(2,573)
Effect of exchange rate change on cash and cash equivalents	91	946
Net increase (decrease) in cash and cash equivalents	3,066	1,223
Cash and cash equivalents at beginning of period	29,418	34,402
Cash and cash equivalents at end of period	32,484	35,626