

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 2, 2024

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
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 Scheduled date to file Quarterly Securities Report: February 6, 2024
 Scheduled Date to Commence Dividend Payments: -
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(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	%
Nine months ended December 31, 2023	37,778	△16.4	6,109	△45.7	6,455	△44.2	4,797	△43.7
Nine months ended December 31, 2022	45,216	17.0	11,246	18.7	11,559	18.6	8,523	17.2

	Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Nine months ended December 31, 2023	64.67	-
Nine months ended December 31, 2022	114.75	-

(Note) A 3 for 1 common stock split was conducted with an effective date of July 1, 2023. "Earnings per Share" have been calculated assuming the stock split was conducted at the beginning of the prior consolidated fiscal year.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	78,883	69,595	88.2	938.16
As of March 31, 2023	80,101	69,011	86.2	930.27

(Note) A 3 for 1 common stock split was conducted with an effective date of July 1, 2023. "Net Assets per Share" have been calculated assuming the stock split was conducted at the beginning of the prior consolidated fiscal year.

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, 2023	-	110.00	-	110.00	220.00
Year ended March 31, 2024	-	36.67	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	36.67	73.34

(Note) A 3 for 1 common stock split was conducted with an effective date of July 1, 2023. The annual dividend forecast for the fiscal year ending March 31, 2024 and March 31, 2024 (forecast) indicated above are based on the number of shares after the stock split.

The annual dividend forecast for the fiscal year ending March 31, 2024 without considering the stock split are 110.01 yen for the 2nd quarter-end and for the fiscal year ending March 31, 2024 (forecast) without considering the stock split 110.01 yen for the Fiscal year-end, totaling 220.02 yen.

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

Full Year	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
	49,500	△15.2	7,100	△46.4	7,650	△43.7	5,800	△45.3	78.18

(Note) A 3 for 1 common stock split was conducted with an effective date of July 1, 2023. The full-year profit per share in the consolidated financial results forecast for the fiscal year ending March 31, 2024 is based on the number of shares after the stock split. Earnings per share of the forecast of consolidated financial results for the year ending March 31, 2024 without considering the stock split is 234.55 yen for the full year.

4. Notes

- (1) Changes in significant subsidiaries during the Nine months ended December 31, 2023
(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: No
- 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 December 31, 2023	∴	80,098,500 shares	As of March 31, 2023	∴	80,098,500 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	∴	5,915,121 shares	As of March 31, 2023	∴	5,914,392 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	∴	74,183,494 shares	Nine months ended December 31, 2022	∴	74,276,324 shares
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(Note) A 3 for 1 common stock split was conducted with an effective date of July 1, 2023. “Total number of issued shares at the end of the period (including treasury shares)”, “Number of treasury shares at the end of the period” and “Average number of shares during the period (cumulative from the beginning of the fiscal year)” have been calculated assuming the stock split was conducted at the beginning of the prior consolidated fiscal year.

(Supplementary Materials)

Table of Contents

Contents	Page
1. Overview of Business Results and Financial Position.....	2
(1) Overview of Business Results.....	2
(2) Overview of Financial Position.....	3
(3) Information Concerning Revision of Financial Forecast.....	3
2. Consolidated Financial Statements.....	4
(1) Consolidated Balance Sheets.....	4
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income...	6

1. Overview of Business Results and Financial Position

(1) Overview of Business Results

During the first nine months of our FY2024, the global economic uncertainty further increased due to intensified concerns about economic recessions and geopolitical risks. While the inflation rate which shows slowing trend but still remains high, the risk of global economy downturn is increasing due to China's economic slowdown and the intensified Middle East situation.

The global semiconductor market showed the various directions depending on the application, while demand for AI semiconductor devices increases, demand in the PC and smartphone markets are still conversely weak since the autumn of 2022, because of which the semiconductor production and inventory adjustment that include silicon wafer production adjustment still continue.

The consolidated results for this period are shown below.

Consolidated Results for the First Nine Months of Fiscal Year 2024:			Millions of JPY
	FY ended December 31, 2022	FY ended December 31, 2023	Change YoY
Net Sales	45,216	37,778	(16.4%)
Operating Profit	11,246	6,109	(45.7%)
Ordinary Profit	11,559	6,455	(44.2%)
Profit Attributable to Owners of Parent	8,523	4,797	(43.7%)

Segment Operating Results by Region

(i) Japan

Net sales in Japan decreased by 22.1% to JPY 21,511 million compared with the same term in the previous fiscal year. The decrease was mainly due to weak demand for products related to advanced memory semiconductor devices and silicon wafers. Operating profit decreased by 45.0% to JPY 5,457 million. The decrease was mainly due to sales decrease and soaring material prices.

(ii) North America

Net sales in North America decreased by 13.7% to JPY 5,265 million compared with the same term in the previous fiscal year. Operating profit decreased by 72.9% to JPY 232 million. The decreases were mainly due to weak demand for products related to semiconductor devices and silicon wafers.

(iii) Asia

Net sales in Asia decreased by 2.9% to JPY 9,711 million compared with the same term in the previous fiscal year. Operating profit decreased by 6.1% to JPY 2,355 million. The decreases were mainly due to weak demand for products related to hard disks and silicon wafers. On the other hand, sales for the CMP related product for semiconductor devices remained at the same level as the previous fiscal year, mainly due to firm demand for the advanced logic semiconductor devices while demand for the mature node logic were decreasing.

(iv) Europe

Net sales in Europe decreased by 13.0% to JPY 1,290 million compared with the same term in the previous fiscal year. Operating profit decreased by 39.8% to JPY 87 million. The decreases were mainly due to weak 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 decreased by 26.0% to JPY 3,936 million compared with the previous fiscal year and net sales of polishing slurry products decreased by 25.3% to JPY 7,717 million. The decreases were mainly due to a continuing production adjustment of silicon wafers.

(ii) Semiconductor Devices

Regarding products for the CMP process of semiconductor devices, net sales decreased by 12.1% to JPY 19,802 million compared with the same term in the previous fiscal year. The decrease was mainly due to a semiconductor market adjustment especially for mature node logic semiconductor devices and memory semiconductor devices in the first half of the fiscal year. Meanwhile, net sales increased by 3.9% on a quarter-on-quarter basis as memory

semiconductor device inventory adjustment seemed making progress.

(iii) Hard Disks

Regarding products for hard disks, net sales decreased by 17.3% to JPY 911 million compared with the same term in the previous fiscal year. The Hard Disk Drives (HDD) market experienced a production and inventory adjustment in the first half of the fiscal year. Meanwhile, net sales increased by 105.6% on a quarter-on-quarter basis due to customers' production recovery.

(iv) General Industries

Regarding products for general industries, net sales decreased by 6.8% to JPY 3,365 million compared with the same term in the previous fiscal year.

(2) Overview of Financial Position

Summary of Total Assets, Total Liabilities and Net Assets as of December 31, 2023

Total assets at the end of the third quarter decreased by JPY 1,217 million to JPY 78,883 million compared with the end of the previous fiscal year mainly due to a decrease of JPY 4,836 million in cash and deposits, offsetting increases of JPY 1,949 million in other in property, plant and equipment, of JPY 687 million in securities and of JPY 658 million in raw materials and supplies.

Total liabilities decreased by JPY 1,802 million to JPY 9,287 million compared with the end of the previous fiscal year mainly due to decreases of JPY 901 million in accounts payable - trade and of JPY 765 million in provision for bonuses.

Net assets increased by JPY 584 million to JPY 69,595 million compared with the end of the previous fiscal year mainly due to increases of JPY 960 million in foreign currency translation adjustment and of JPY 342 million in valuation difference on available-for-sale securities, offsetting a decrease of JPY 736 million in retained earnings.

(3) Information Concerning Revision of Financial Forecast

No adjustments were made concerning the financial forecast for FY2024 as reported in the "Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023" released on November 2, 2023.

2. Consolidated Financial Statements
(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	33,538	28,702
Notes and accounts receivable - trade	11,246	11,282
Securities	2,700	3,200
Merchandise and finished goods	5,820	5,585
Work in process	1,451	1,433
Raw materials and supplies	6,329	6,987
Other	552	744
Allowance for doubtful accounts	(16)	(16)
Total current assets	61,623	57,920
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,661	6,798
Other, net	8,165	10,115
Total property, plant and equipment	14,827	16,913
Intangible assets	241	188
Investments and other assets		
Investment securities	2,282	2,970
Deferred tax assets	987	753
Other	149	146
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	3,409	3,861
Total non-current assets	18,478	20,962
Total assets	80,101	78,883

	(Millions of yen)	
	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	4,247	3,346
Income taxes payable	891	264
Provision for bonuses	1,354	588
Provision for bonuses for directors (and other officers)	-	58
Other	3,154	3,548
Total current liabilities	9,648	7,807
Non-current liabilities		
Deferred tax liabilities	3	4
Retirement benefit liability	925	928
Provision for share-based remuneration	191	188
Other	321	359
Total non-current liabilities	1,441	1,480
Total liabilities	11,089	9,287
Net assets		
Shareholders' equity		
Share capital	4,753	4,753
Capital surplus	5,038	5,038
Retained earnings	60,310	59,574
Treasury shares	(4,414)	(4,415)
Total shareholders' equity	65,688	64,950
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	410	752
Foreign currency translation adjustment	2,998	3,958
Remeasurements of defined benefit plans	(85)	(65)
Total accumulated other comprehensive income	3,323	4,645
Total net assets	69,011	69,595
Total liabilities and net assets	80,101	78,883

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

(i) Consolidated Statements of Income (cumulative)

	(Millions of yen)	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	45,216	37,778
Cost of sales	23,824	21,571
Gross profit	21,392	16,206
Selling, general and administrative expenses	10,145	10,096
Operating profit	11,246	6,109
Non-operating income		
Interest income	65	149
Dividend income	46	74
Foreign exchange gains	320	75
Other	73	64
Total non-operating income	506	362
Non-operating expenses		
Interest expenses	5	4
Loss on sale and retirement of non-current assets	4	7
Loss on valuation of investment securities	42	-
Loss on investments in partnership	137	3
Other	3	2
Total non-operating expenses	193	17
Ordinary profit	11,559	6,455
Extraordinary losses		
System failure response costs	77	-
Total extraordinary losses	77	-
Profit before income taxes	11,481	6,455
Income taxes - current	2,602	1,569
Income taxes - deferred	355	88
Total income taxes	2,957	1,657
Profit	8,523	4,797
Profit attributable to owners of parent	8,523	4,797

(ii) Consolidated Statements of Comprehensive Income (cumulative)

	(Millions of yen)	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	8,523	4,797
Other comprehensive income		
Valuation difference on available-for-sale securities	(19)	342
Foreign currency translation adjustment	759	960
Remeasurements of defined benefit plans, net of tax	16	19
Total other comprehensive income	756	1,322
Comprehensive income	9,280	6,119
(Breakdown)		
Comprehensive income attributable to owners of parent	9,280	6,119