

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2017
(Based on Japanese GAAP)**

August 2, 2017

Company name: FUJIMI INCORPORATED
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 5384 URL <http://www.fujimiinc.co.jp/>
 Representative: President Keishi Seki
 Director, Senior General Manager of Finance Akira Suzuki
 Inquiries: Division TEL 052-503-8181
 Scheduled date to file Quarterly Securities Report: August 9, 2017
 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 three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(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	%
Three months ended June 30, 2017	8,720	11.3	1,183	29.9	1,143	25.8	751	7.9
Three months ended June 30, 2016	7,831	(7.7)	911	(26.6)	909	(30.5)	696	(25.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2017	30.50		–	
Three months ended June 30, 2016	28.14		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2017	53,299	46,376	87.0	1,881.52
As of March 31, 2017	53,699	46,164	86.0	1,872.91

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2017	–	25.00	–	28.00	53.00
Year ending March 31, 2018	–	–	–	–	–
Year ending March 31, 2018 (Forecast)	–	25.00	–	28.00	53.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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, 2017	17,000	4.6	2,000	(4.8)	2,050	(5.6)	1,450	(15.2)	58.83
Full year	34,000	2.7	4,100	(4.2)	4,200	(7.1)	3,000	(10.5)	121.71

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017
 (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 June 30, 2017	28,699,500 shares	As of March 31, 2017	28,699,500 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	4,051,141 shares	As of March 31, 2017	4,051,141 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2017	24,648,359 shares	Three months ended June 30, 2016	24,761,744 shares
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1. Information Concerning Consolidated Financial Results and Forecast

(1) Financial Results

In the first three months of FY2018, April-June 2017, despite ongoing political uncertainty, the US economic recovery continued, Japan and Europe experienced a gradual economic recovery, and China began seeing a slight recovery. Furthermore, the global semiconductor market grew due to increased demand for logic and memory devices.

Under these circumstances, group-wide efforts were made to increase sales and reduce costs, and the consolidated results for this period are as follows:

The first three months of FY2018 Consolidated Results:

	Millions of JPY		
	Three months ended June 30, 2016	Three months ended June 30, 2017	Change YoY
Net Sales	7,831	8,720	11.4%
Operating Profit	911	1,183	29.9%
Ordinary Profit	909	1,149	26.4%
Profit Attributable to Owners of Parent	696	757	8.8%

(2) Segment Operating Results by Region

(i) Japan

Net sales in Japan increased by 6.0% to JPY 4,589 million compared with the same term last year mainly due to strong demand for silicon wafers and semiconductor devices. Operating profit increased by 29.3% to JPY 1,072 million compared with the same term last year mainly due to increased sales and a better product mix.

(ii) North America

Net sales in North America increased by 24.4% to JPY 1,453 million compared with the same term last year. Operating profit increased by 75.6% to JPY 228 million compared with the same term last year. The increase was mainly due to strong demand for CMP products related to semiconductor devices.

(iii) Asia

Net sales in Asia increased by 13.2% to JPY 2,285 million compared with the same term last year. Operating profit increased by 13.8% to JPY 317 million compared with the same term last year. The increase was mainly due to strong demand for semiconductor devices and hard disk drives.

(iv) Europe

Net sales in Europe increased by 25.0% to JPY 391 million compared with the same term last year. Operating profit increased by 27.7% to JPY 43 million compared with the same term last year. The increase was mainly due to strong demand for silicon wafers.

(3) Segment Operating Results by Application

(i) Silicon Wafers

Regarding products for silicon wafers, net sales of lapping abrasive products increased by 8.3% to JPY 892 million compared with the same term last year and net sales of polishing slurry products increased by 11.9% to JPY 1,660 million compared with the same term last year. The increases in net sales of both product lines were mainly due to strong market demand.

(ii) Semiconductor Devices

Regarding products for the CMP process for semiconductor devices, net sales increased by 23.9% to JPY 3,495 million compared with the same term last year. The increase in net sales was mainly due to strong demand for both logic and memory devices.

(iii) Hard Disks

Regarding products for hard disks, net sales increased by 16.0% to JPY 903 million compared with the same term last year. The increase in net sales was mainly due to strong market demands.

(iv) General Industries

Regarding products for general industries, net sales decreased by 14.4% to JPY 1,079 million compared with the same term last year. The decrease in net sales was mainly due to influences from customer's manufacturing process changes.

2. Information Concerning Consolidated Financial Status

(1) Summary of Total Assets, Total Liabilities and Net Assets as of June 30, 2017

Total assets decreased by JPY 399 million to JPY 53,299 million compared with the end of previous fiscal year mainly due to decreases of JPY 670 million in cash and deposits and of JPY 94 million in other in current assets, offsetting an increase of JPY 406 million in notes and accounts receivable - trade.

Total liabilities decreased by JPY 611 million to JPY 6,923 million compared with the end of previous fiscal year mainly due to decreases of JPY 549 million in provision for bonuses and of JPY 605 million in income taxes payable, offsetting increases of JPY 152 million in notes and accounts payable - trade and of JPY 358 million in other in current liabilities.

Net assets increased by JPY 212 million to JPY 46,376 million compared with the end of previous fiscal year mainly due to increases of JPY 67 million in retained earnings and of JPY 119 million in foreign currency translation adjustment.

3. Information Concerning Revision of Financial Forecast

Financial forecast is revised as below due to improved results for the three months ended June 30, 2017.

The change is primarily due to strong demand for silicon wafers and semiconductor devices.

Financial Forecast for the First Six Months of Fiscal Year 2018:

Millions of JPY

	Revised Forecast	Previous Forecast	Increase or Decrease	Change Ratio	Reference FY2017 Actual
Net Sales	17,000	16,000	1,000	6.3%	16,254
Operating Profit	2,000	1,700	300	17.6%	2,100
Ordinary Profit	2,050	1,750	300	17.1%	2,171
Profit Attributable to Owners of Parent	1,450	1,250	200	16.0%	1,710
Earnings Per Share (JPY)	58.83	50.71	-	-	69.22

Financial Forecast for Fiscal Year 2018:

Millions of JPY

	Revised Forecast	Previous Forecast	Increase or Decrease	Change Ratio	Reference FY2017 Actual
Net Sales	34,000	33,000	1,000	3.0%	33,092
Operating Profit	4,100	3,800	300	7.9%	4,278
Ordinary Profit	4,200	3,900	300	7.7%	4,519
Profit Attributable to Owners of Parent	3,000	2,800	200	7.1%	3,350
Earnings Per Share (JPY)	121.71	113.60	-	-	135.77

The financial forecast and other forward-looking statements are based on information available to the Company at the present time and on certain assumptions judged by the Company to be reasonable. Due to a variety of factors, actuals may differ materially from the forecast.

Quarterly Consolidated Financial Statements
Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	24,332	23,661
Notes and accounts receivable - trade	7,239	7,645
Securities	500	500
Merchandise and finished goods	3,275	3,184
Work in process	847	813
Raw materials and supplies	1,598	1,604
Deferred tax assets	544	330
Other	302	208
Allowance for doubtful accounts	(17)	(18)
Total current assets	38,623	37,931
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,262	7,165
Other, net	6,372	6,755
Total property, plant and equipment	13,635	13,921
Intangible assets	509	501
Investments and other assets		
Investment securities	709	727
Deferred tax assets	120	117
Other	109	109
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	930	944
Total non-current assets	15,075	15,367
Total assets	53,699	53,299

FUJIMI INCORPORATED
FY2018 First Quarter Financial Summary

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,226	3,379
Income taxes payable	866	261
Provision for bonuses	1,002	452
Provision for directors' bonuses	-	19
Other	1,815	2,173
Total current liabilities	<u>6,911</u>	<u>6,286</u>
Non-current liabilities		
Deferred tax liabilities	7	6
Net defined benefit liability	579	592
Other	37	37
Total non-current liabilities	<u>623</u>	<u>636</u>
Total liabilities	<u>7,535</u>	<u>6,923</u>
Net assets		
Shareholders' equity		
Capital stock	4,753	4,753
Capital surplus	5,038	5,038
Retained earnings	41,013	41,081
Treasury shares	(5,108)	(5,108)
Total shareholders' equity	<u>45,697</u>	<u>45,764</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	254	267
Foreign currency translation adjustment	344	464
Remeasurements of defined benefit plans	(132)	(119)
Total accumulated other comprehensive income	<u>466</u>	<u>611</u>
Total net assets	<u>46,164</u>	<u>46,376</u>
Total liabilities and net assets	<u>53,699</u>	<u>53,299</u>

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	7,831	8,720
Cost of sales	4,724	5,279
Gross profit	3,107	3,440
Selling, general and administrative expenses	2,196	2,257
Operating profit	911	1,183
Non-operating income		
Interest income	6	8
Waste disposal profit	10	7
Other	6	7
Total non-operating income	23	24
Non-operating expenses		
Foreign exchange losses	12	61
Other	12	2
Total non-operating expenses	25	63
Ordinary profit	909	1,143
Profit before income taxes	909	1,143
Income taxes - current	137	187
Income taxes - deferred	75	204
Total income taxes	212	391
Profit	696	751
Profit attributable to owners of parent	696	751

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	696	751
Other comprehensive income		
Valuation difference on available-for-sale securities	(14)	12
Foreign currency translation adjustment	(1,071)	119
Remeasurements of defined benefit plans, net of tax	12	12
Total other comprehensive income	(1,074)	144
Comprehensive income	(377)	896
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(377)	896