

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2017 (Based on Japanese GAAP)

November 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: November 7, 2017  
 Scheduled date to commence dividend payments: December 5, 2017  
 Preparation of supplementary material on quarterly financial results: No  
 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, 2017 (from April 1, 2017 to September 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	%
Six months ended September 30, 2017	17,417	7.2	2,289	9.0	2,250	3.6	1,647	(3.7)
Six months ended September 30, 2016	16,254	(3.0)	2,100	(4.0)	2,171	(11.1)	1,710	(1.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2017	66.82		-	
Six months ended September 30, 2016	69.22		-	

(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, 2017	55,103	47,399	86.0	1,923.05
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	-	25.00	-	-	-
Year ending March 31, 2018 (Forecast)	-	-	-	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
Full year	34,500	4.3	4,400	2.8	4,400	(2.6)	3,200	(4.5)	129.83

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2017	4,051,320 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)

Six months ended September 30, 2017	24,648,333 shares	Six months ended September 30, 2016	24,704,795 shares
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## 1. Information Concerning Consolidated Financial Results and Forecast

### (1) Financial Results

In the first six months of FY2018, April-September 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 six months for FY2018 Consolidated Results:

	Millions of JPY		
	Six months ended September 30, 2016	Six months ended September 30, 2017	Change YoY
Net Sales	16,254	17,417	7.2%
Operating Profit	2,100	2,289	9.0%
Ordinary Profit	2,171	2,250	3.6%
Profit Attributable to Owners of Parent	1,710	1,647	(3.7%)

### (2) Segment Operating Results by Region

#### (i) Japan

Net sales in Japan increased by 0.9% to JPY 9,170 million compared with the same term last year mainly due to strong demand from silicon wafers and semiconductor devices, while sales of products for general industries decreased. Operating profit increased by 10.5% to JPY 2,099 million compared with the same term last year mainly due to a favorable product mix.

#### (ii) North America

Net sales in North America increased by 30.1% to JPY 2,927 million compared with the same term last year. Operating profit increased by 151.8% to JPY 502 million compared with the same term last year. The increase was mainly due to strong demand for CMP products related to the semiconductor devices.

#### (iii) Asia

Net sales in Asia increased by 6.7% to JPY 4,568 million compared with the same term last year. The increase was mainly due to foreign currency fluctuations. Operating profit decreased by 14.9% to JPY 541 million compared with the same term last year. The decrease was mainly due to an unfavorable product mix.

#### (iv) Europe

Net sales in Europe increased by 17.7% to JPY 751 million compared with the same term last year. Operating profit increased by 2.3% to JPY 76 million compared with the same term last year. The increase was

mainly due to strong demand from 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 CMP process of semiconductor devices, net sales increased by 24.5% to JPY 7,200 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 2.5% to JPY 1,719 million compared with the same term last year.

#### **(iv) General Industries**

Regarding products for general industries, net sales decreased by 25.8% to JPY 2,116 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 September 30, 2017**

Total assets increased by JPY 1,404 million to JPY 55,103 million compared with the end of previous fiscal year mainly due to increases of JPY 696 million in notes and accounts receivable - trade and of JPY 127 million in other in current assets and of JPY 456 million in property, plant and equipment.

Total liabilities increased by JPY 169 million to JPY 7,704 million compared with the end of previous fiscal year mainly due to increases of JPY 322 million in notes and accounts payable - trade and of JPY 300 million in other in current liabilities, offsetting decreases of JPY 434 million in income taxes payable.

Net assets increased by JPY 1,235 million to JPY 47,399 million compared with the end of previous fiscal year mainly due to increases of JPY 956 million in retained earnings and of JPY 253 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 six months ended September 30, 2017.

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

Financial Forecast for Fiscal Year 2018:

Millions of JPY

	Revised Forecast	Previous Forecast	Increase or Decrease	Change Ratio	Reference FY2017 Actual
Net Sales	34,500	34,000	500	1.5%	33,092
Operating Profit	4,400	4,100	300	7.3%	4,278
Ordinary Profit	4,400	4,200	200	4.8%	4,519
Profit Attributable to Owners of Parent	3,200	3,000	200	6.7%	3,350
Earnings Per Share (JPY)	129.83	121.71	-	-	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 September 30, 2017
Assets		
Current assets		
Cash and deposits	24,332	24,310
Notes and accounts receivable - trade	7,239	7,935
Securities	500	500
Merchandise and finished goods	3,275	3,365
Work in process	847	869
Raw materials and supplies	1,598	1,667
Deferred tax assets	544	575
Other	302	430
Allowance for doubtful accounts	(17)	(19)
Total current assets	38,623	39,636
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,262	7,756
Other, net	6,372	6,334
Total property, plant and equipment	13,635	14,091
Intangible assets	509	459
Investments and other assets		
Investment securities	709	691
Deferred tax assets	120	87
Other	109	145
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	930	915
Total non-current assets	15,075	15,467
Total assets	53,699	55,103

FUJIMI INCORPORATED  
FY2018 Second Quarter Financial Summary

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,226	3,549
Income taxes payable	866	431
Provision for bonuses	1,002	911
Provision for directors' bonuses	-	41
Other	1,815	2,116
<b>Total current liabilities</b>	<b>6,911</b>	<b>7,050</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	7	9
Net defined benefit liability	579	607
Other	37	37
<b>Total non-current liabilities</b>	<b>623</b>	<b>653</b>
<b>Total liabilities</b>	<b>7,535</b>	<b>7,704</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	4,753	4,753
Capital surplus	5,038	5,038
Retained earnings	41,013	41,970
Treasury shares	(5,108)	(5,108)
<b>Total shareholders' equity</b>	<b>45,697</b>	<b>46,653</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	254	255
Foreign currency translation adjustment	344	597
Remeasurements of defined benefit plans	(132)	(107)
<b>Total accumulated other comprehensive income</b>	<b>466</b>	<b>746</b>
<b>Total net assets</b>	<b>46,164</b>	<b>47,399</b>
<b>Total liabilities and net assets</b>	<b>53,699</b>	<b>55,103</b>



FUJIMI INCORPORATED  
FY2018 Second Quarter Financial Summary

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

**Consolidated Statements of Income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Net sales	16,254	17,417
Cost of sales	9,595	10,384
Gross profit	6,658	7,033
Selling, general and administrative expenses	4,557	4,743
Operating profit	2,100	2,289
Non-operating income		
Interest income	11	20
Waste disposal profit	18	18
Other	88	23
Total non-operating income	118	62
Non-operating expenses		
Foreign exchange losses	32	95
Other	15	6
Total non-operating expenses	47	101
Ordinary profit	2,171	2,250
Extraordinary losses		
Loss on abolishment of retirement benefit plan	18	-
Total extraordinary losses	18	-
Profit before income taxes	2,152	2,250
Income taxes - current	527	610
Income taxes - deferred	(84)	(7)
Total income taxes	442	603
Profit	1,710	1,647
Profit attributable to owners of parent	1,710	1,647

FUJIMI INCORPORATED  
FY2018 Second Quarter Financial Summary

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

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	1,710	1,647
Other comprehensive income		
Valuation difference on available-for-sale securities	28	0
Foreign currency translation adjustment	(1,243)	253
Remeasurements of defined benefit plans, net of tax	25	25
Total other comprehensive income	(1,190)	279
Comprehensive income	519	1,926
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	519	1,926

FUJIMI INCORPORATED  
FY2018 Second Quarter Financial Summary

**Consolidated Statements of Cash Flows**

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from operating activities		
Profit before income taxes	2,152	2,250
Depreciation	826	665
Amortization of long-term prepaid expenses	1	1
Increase (decrease) in allowance for doubtful accounts	1	2
Increase (decrease) in provision for directors' bonuses	39	41
Increase (decrease) in provision for bonuses	97	(91)
Increase (decrease) in net defined benefit liability	56	64
Interest income	(11)	(20)
Foreign exchange losses (gains)	44	(2)
Loss (gain) on sales and retirement of non-current assets	(52)	4
Decrease (increase) in notes and accounts receivable - trade	(902)	(615)
Increase (decrease) in notes and accounts payable - trade	584	236
Decrease (increase) in inventories	(89)	(109)
Increase (decrease) in accounts payable - other	77	6
Other, net	224	(163)
Subtotal	3,049	2,272
Interest and dividend income received	15	19
Income taxes paid	(362)	(1,021)
Income taxes refund	258	33
Net cash provided by (used in) operating activities	2,961	1,303
Cash flows from investing activities		
Payments into time deposits	-	(557)
Proceeds from redemption of securities	1,500	-
Proceeds from sales of investment securities	2	26
Purchase of property, plant and equipment	(869)	(791)
Purchase of intangible assets	(55)	(39)
Other, net	61	(6)
Net cash provided by (used in) investing activities	638	(1,368)
Cash flows from financing activities		
Cash dividends paid	(501)	(690)
RefundOfDepositToPurchaseOfTreasuryShares	1,156	-
Other, net	(645)	(1)
Net cash provided by (used in) financing activities	9	(691)
Effect of exchange rate change on cash and cash equivalents	(656)	170
Net increase (decrease) in cash and cash equivalents	2,952	(585)
Cash and cash equivalents at beginning of period	19,820	24,832
Cash and cash equivalents at end of period	22,773	24,246