

# Financial Overview

## FY2018 2Q

November 17, 2017

**FUJIMI INCORPORATED**

# Financial Overview

# Financial Overview (First Half)

Millions of Yen	FY2017		FY2018						
	1H Actual	2H Actual	1H Forecast @ May 2017	1H Forecast @ Aug 2017	1H Actual	vs FY2017 1H Actual	vs FY2017 2H Actual	vs 1H Forecast @ May 2017	vs 1H Forecast @ Aug 2017
<b>Net Sales</b>	16,254	16,838	16,000	17,000	<b>17,417</b>	+7.2%	+3.4%	+8.9%	+2.5%
<b>Operating Profit</b>	2,100	2,178	1,700	2,000	<b>2,289</b>	+9.0%	+5.1%	+34.6%	+14.5%
<b>Operating Profit/ Net Sales</b>	12.9%	12.9%	10.6%	11.8%	<b>13.1%</b>	-	-	-	-
<b>Ordinary Profit</b>	2,171	2,348	1,750	2,050	<b>2,250</b>	+3.6%	(4.2%)	+28.6%	+9.8%
<b>Ordinary Profit/ Net Sales</b>	13.4%	13.9%	10.9%	12.1%	<b>12.9%</b>	-	-	-	-
<b>Profit Attributable to Owners of Parent</b>	1,710	1,640	1,250	1,450	<b>1,647</b>	(3.7%)	+0.4%	+31.8%	+13.6%

## VS FY2017 1H Actual:

Sales and profit were up due to strong semiconductor market demand.

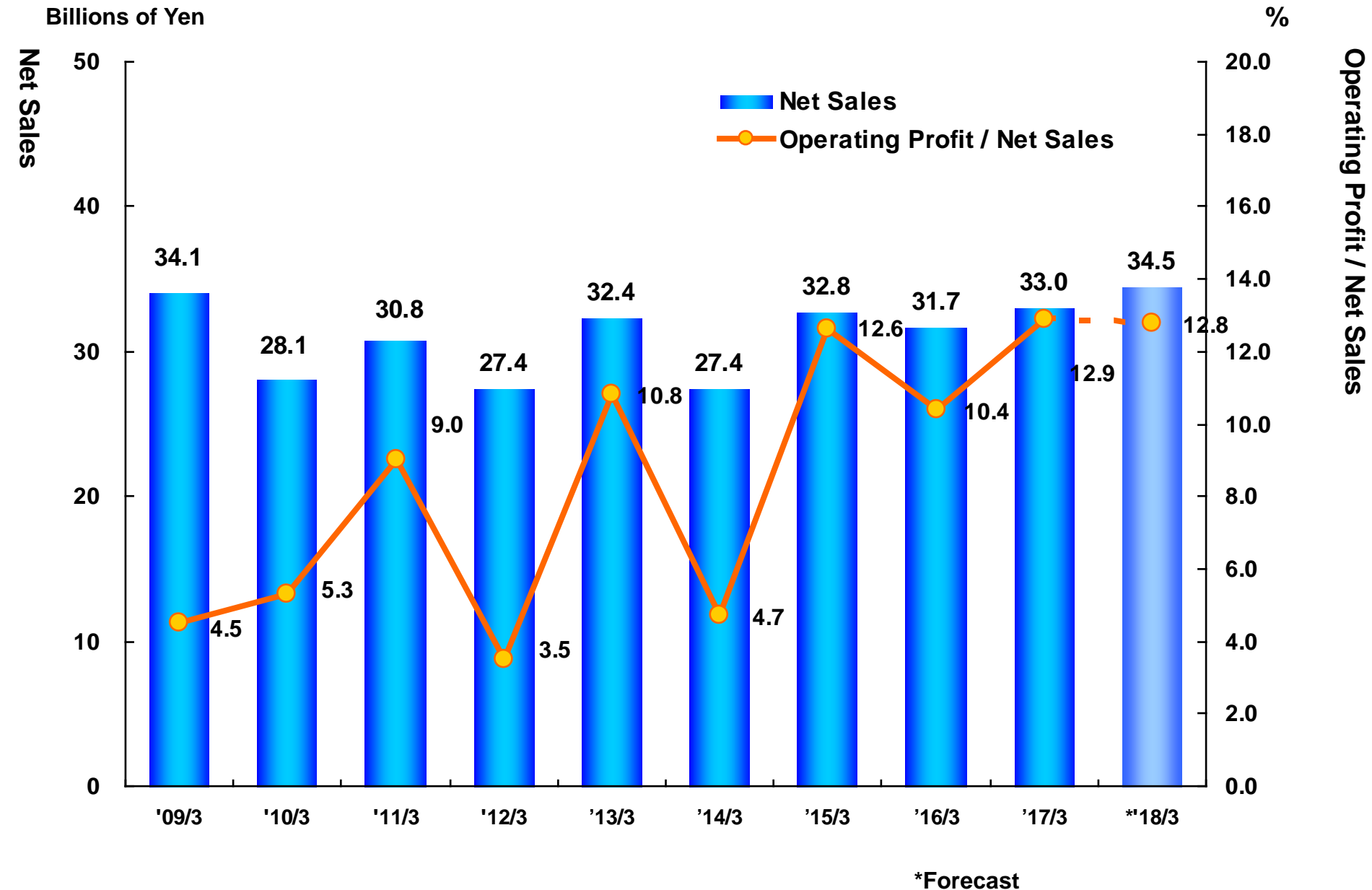
Profit attributable to owners of parent was down due to an increase in payments for income taxes.

# Financial Forecast (Full-year)

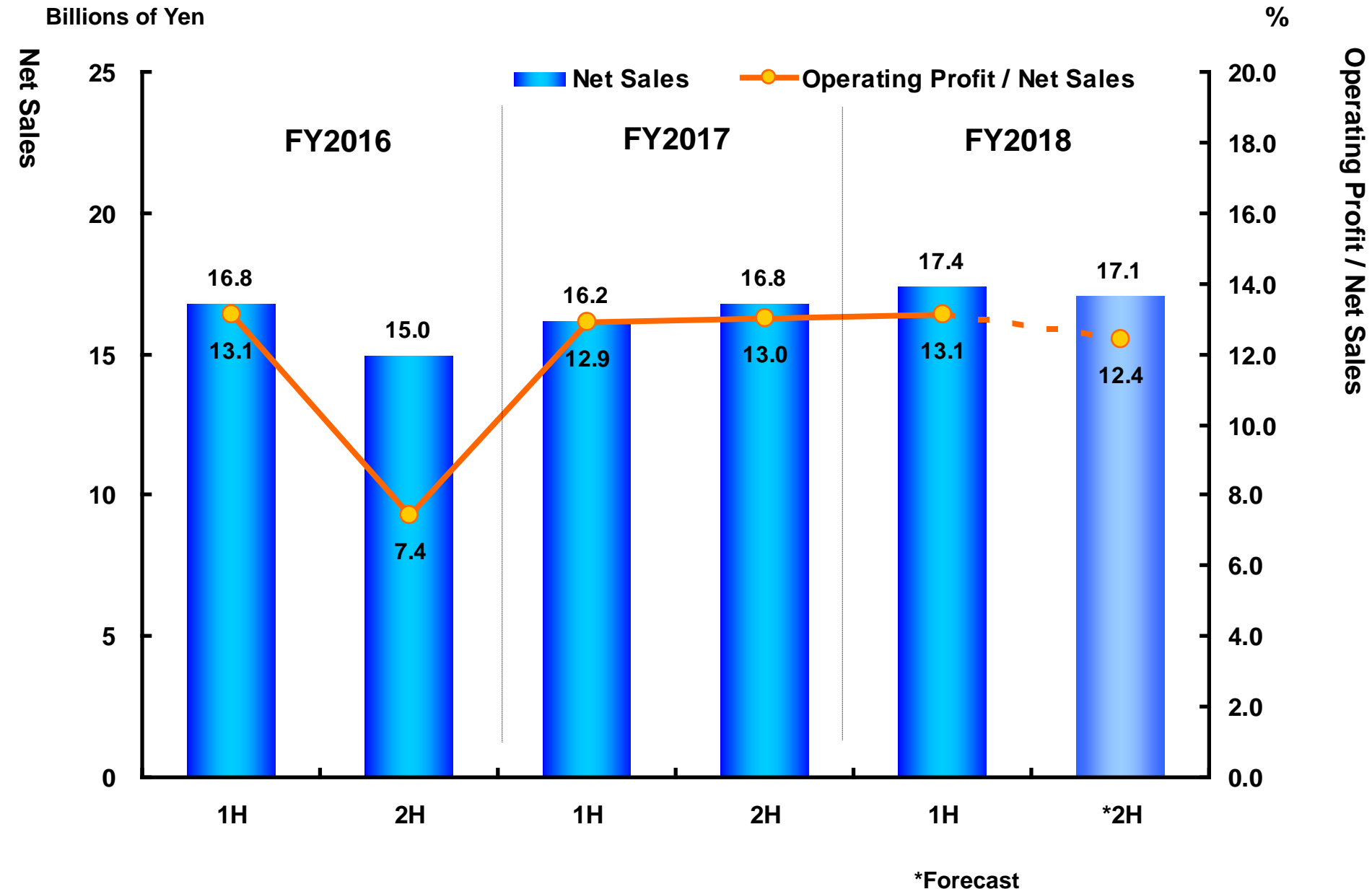
Millions of Yen	FY2017	FY2018					
	Actual	Forecast @ May 2017	Revised Forecast @ Aug 2017	Revised Forecast @ Dec 2017	vs FY2017 Actual	vs Forecast @ May 2017	vs Forecast @ Aug 2017
Net Sales	33,092	33,000	34,000	<b>34,500</b>	+4.3%	+4.5%	+1.5%
Operating Profit	4,278	3,800	4,100	<b>4,400</b>	+2.8%	+15.8%	+7.3%
Operating Profit/Net Sales	12.9%	11.5%	12.1%	<b>12.8%</b>	-	-	-
Ordinary Profit	4,519	3,900	4,200	<b>4,400</b>	(2.6%)	+12.8%	+4.8%
Ordinary Profit/Net Sales	13.7%	11.8%	12.4%	<b>12.8%</b>	-	-	-
Profit Attributable to Owners of Parent	3,350	2,800	3,000	<b>3,200</b>	(4.5%)	+14.3%	+6.7%

Financial forecast was revised upwards due to a strong demand for silicon wafers and semiconductor devices.

# Net Sales and Operating Profit / Net Sales (Full-year)



# Net Sales and Operating Profit / Net Sales (Half-year)



# **Net Sales Breakdown by Application**

# Net Sales Breakdown by Application (First Half)

Millions of Yen		FY2017		FY2018				
		1H Actual	2H Actual	1H Forecast @ May 2017	1H Actual	vs FY2017 1H Actual	vs FY2017 2H Actual	vs 1H Forecast @ May 2017
Silicon wafer	Lapping	1,600	1,592	1,630	1,735	+8.4%	+9.0%	+6.6%
	Polishing	3,088	3,157	3,100	3,392	+9.8%	+7.4%	+9.4%
	Cutting	306	348	350	274	(10.4%)	(21.3%)	(21.3%)
	Total	4,995	5,099	5,080	5,402	+8.1%	+5.9%	+6.4%
CMP		5,781	6,488	6,150	7,200	+24.5%	+11.0%	+17.1%
Disk	Polishing(Aluminum)	1,475	1,719	1,470	1,408	(4.6%)	(18.1%)	(4.2%)
	Polishing(Glass)	200	253	150	311	+54.8%	+22.8%	+100.8%
	Total	1,676	1,973	1,620	1,719	+2.5%	(12.9%)	+5.8%
Specialty Materials / Thermal Spray	General Industry Products(Abrasives)	2,852	2,298	2,180	2,116	(25.8%)	(7.9%)	(2.9%)
	General Industry Products(Non-Abrasives)	848	889	880	890	+5.0%	+0.2%	+1.6%
	Total	3,701	3,187	3,060	3,007	(18.7%)	(5.7%)	(1.6%)
Total of Fujimi Products		16,155	16,748	15,910	17,329	+7.3%	+3.5%	+8.9%
Others		99	89	90	87	(11.5%)	(1.6%)	(2.8%)
Net Sales		16,254	16,838	16,000	17,417	+7.2%	+3.4%	+8.9%

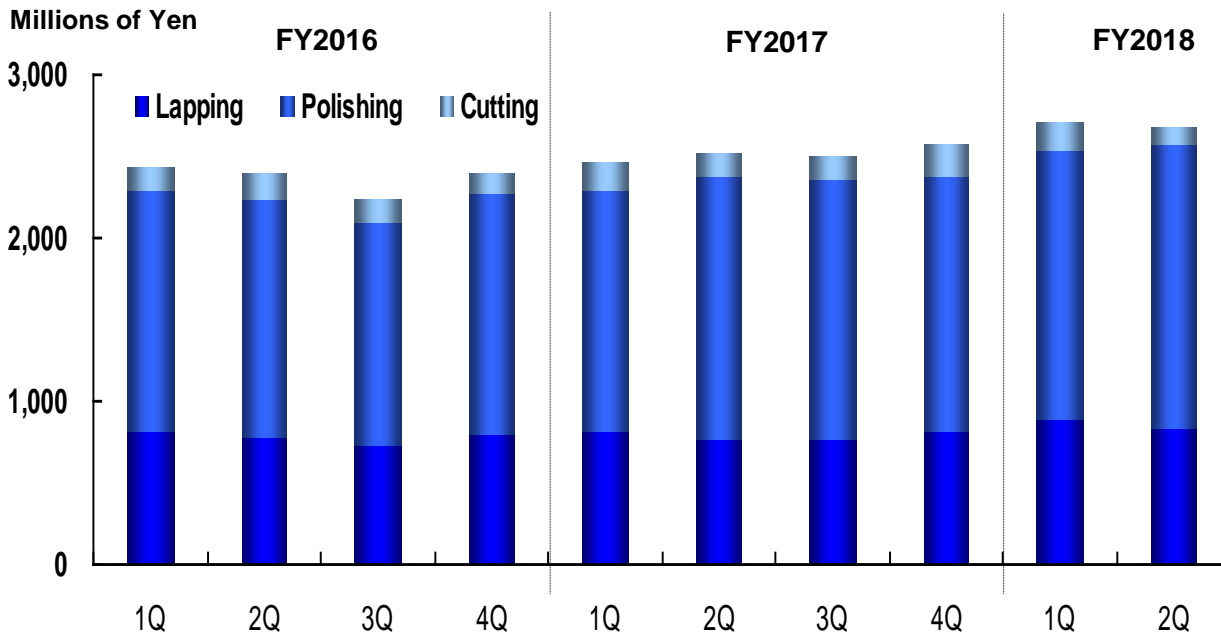


# Silicon wafer Business

<<1H>>

Millions of Yen

		FY2017		FY2018				
		1H Actual	2H Actual	1H Forecast @ May 2017	1H Actual	vs FY2017 1H Actual	vs FY2017 2H Actual	vs 1H Forecast @ May 2017
Silicon wafer	Lapping	1,600	1,592	1,630	<b>1,735</b>	+8.4%	+9.0%	+6.6%
	Polishing	3,088	3,157	3,100	<b>3,392</b>	+9.8%	+7.4%	+9.4%
	Cutting	306	348	350	<b>274</b>	(10.4%)	(21.3%)	(21.3%)
	Total	4,995	5,099	5,080	<b>5,402</b>	+8.1%	+5.9%	+6.4%



Sales for lapping and polishing products were up due to strong demand for semiconductor devices.

# Silicon wafer Business

<<2H>>

Millions of Yen

		FY2017		FY2018					
		1H Actual	2H Actual	1H Actual	2H Forecast @ May 2017	2H Revised Forecast @ Dec 2017	vs FY2017 2H Actual	vs FY2018 1H Actual	vs 2H Forecast @ May 2017
Silicon wafer	Lapping	1,600	1,592	1,735	1,580	<b>1,655</b>	+3.9%	(4.7%)	+5.0%
	Polishing	3,088	3,157	3,392	3,260	<b>3,538</b>	+12.1%	+4.3%	+8.4%
	Cutting	306	348	274	320	<b>256</b>	(26.6%)	(6.8%)	(19.1%)
	Total	4,995	5,099	5,402	5,160	<b>5,448</b>	+6.8%	+0.8%	+5.7%

<<Full-year>>

Millions of Yen

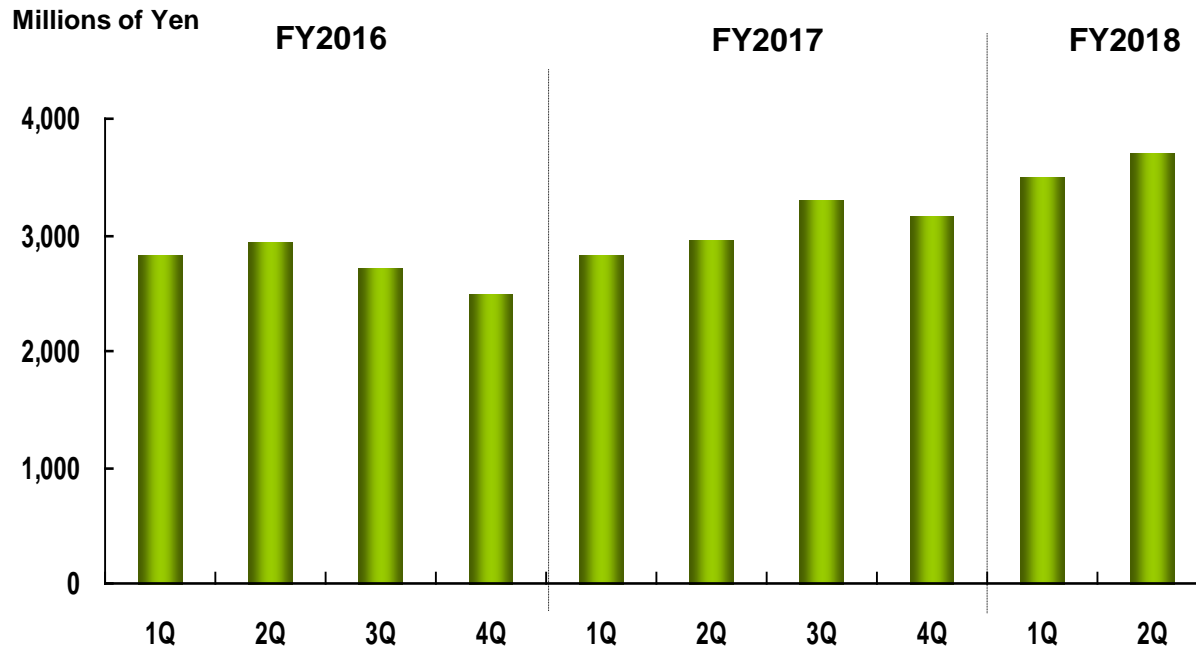
		FY2016	FY2017	FY2018			
		Actual	Actual	Forecast @ May 2017	Revised Forecast @ Dec 2017	vs FY2017 Actual	vs Forecast @ May 2017
Silicon wafer	Lapping	3,171	3,193	3,210	<b>3,390</b>	+6.2%	+5.8%
	Polishing	5,753	6,245	6,360	<b>6,930</b>	+11.0%	+8.9%
	Cutting	572	655	670	<b>530</b>	(19.1%)	(20.3%)
	Total	9,498	10,094	10,240	<b>10,850</b>	+7.5%	+6.0%

# CMP Business

<<1H>>

Millions of Yen

	FY2017		FY2018				
	1H Actual	2H Actual	1H Forecast @ May 2017	1H Actual	vs FY2017 1H Actual	vs FY2017 2H Actual	vs 1H Forecast @ May 2017
CMP	5,781	6,488	6,150	<b>7,200</b>	+24.5%	+11.0%	+17.1%



Sales were up due to strong demand for advanced logic and memory devices.

<<2H>>

Millions of Yen

	FY2017		FY2018					
	1H Actual	2H Actual	1H Actual	2H Forecast @ May 2017	2H Revised Forecast @ Dec 2017	vs FY2017 2H Actual	vs FY2018 1H Actual	vs 2H Forecast @ May 2017
CMP	5,781	6,488	7,200	6,390	<b>6,800</b>	+4.8%	(5.6%)	+6.5%

<<Full-year>>

Millions of Yen

	FY2016	FY2017	FY2018			
	Actual	Actual	Forecast @ May 2017	Revised Forecast @ Dec 2017	vs FY2017 Actual	vs Forecast @ May 2017
CMP	10,980	12,270	12,540	<b>14,000</b>	+14.1%	+11.7%

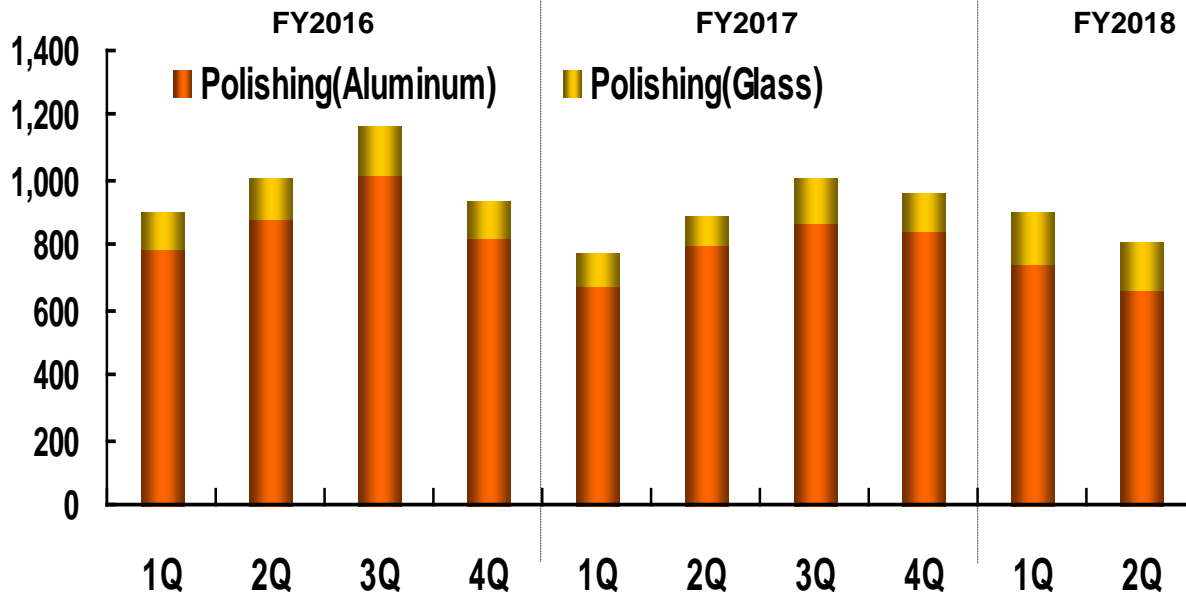
# Disk Business

<<1H>>

Millions of Yen

		FY2017		FY2018				
		1H Actual	2H Actual	1H Forecast @ May 2017	1H Actual	vs FY2017 1H Actual	vs FY2017 2H Actual	vs 1H Forecast @ May 2017
Disk	Polishing (Aluminum)	1,475	1,719	1,470	<b>1,408</b>	(4.6%)	(18.1%)	(4.2%)
	Polishing (Glass)	200	253	150	<b>311</b>	+54.8%	+22.8%	+100.8%
	Total	1,676	1,973	1,620	<b>1,719</b>	+2.5%	(12.9%)	+5.8%

Millions of Yen



### Polishing (Aluminum):

Sales were down due to the HDD market shrinkage and resulting lower production rates of key customers.

### Polishing (Glass):

Sales were up due to production increases at key customers.

# Disk Business

<<2H>>

Millions of Yen

		FY2017		FY2018					
		1H Actual	2H Actual	1H Actual	2H Forecast @ May 2017	2H Revised Forecast @ Dec 2017	vs FY2017 2H Actual	vs FY2018 1H Actual	vs 2H Forecast @ May 2017
Disk	Polishing (Aluminum)	1,475	1,719	1,408	1,900	1,260	(26.7%)	(10.5%)	(33.6%)
	Polishing (Glass)	200	253	311	100	331	+30.7%	+6.4%	+229.3%
	Total	1,676	1,973	1,719	2,000	1,591	(19.4%)	(7.5%)	(20.4%)

<<Full-year>>

Millions of Yen

		FY2016	FY2017	FY2018			
		Actual	Actual	Forecast @ May 2017	Revised Forecast @ Dec 2017	vs FY2017 Actual	vs Forecast @ May 2017
Disk	Polishing (Aluminum)	3,523	3,195	3,370	2,668	(16.5%)	(20.8%)
	Polishing (Glass)	518	454	250	642	+41.4%	+151.3%
	Total	4,041	3,650	3,620	3,310	(9.3%)	(8.6%)

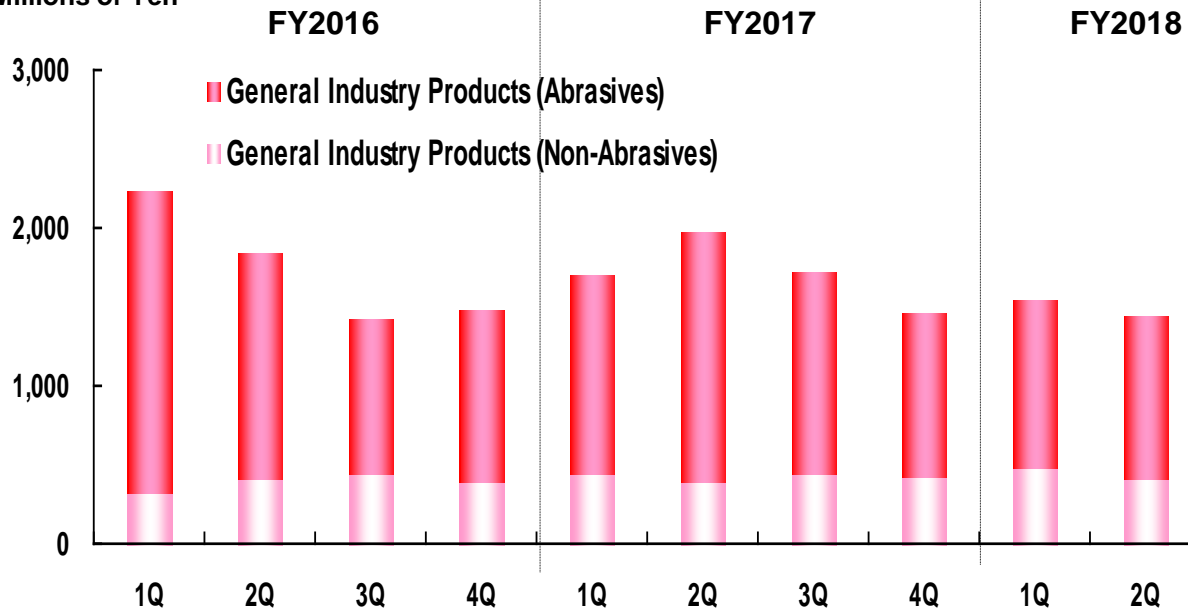
# Specialty Materials / Thermal Spray Business

<<1H>>

Millions of Yen

		FY2017		FY2018				
		1H Actual	2H Actual	1H Forecast @ May 2017	1H Actual	vs FY2017 1H Actual	vs FY2017 2H Actual	vs 1H Forecast @ May 2017
						(25.8%)	(7.9%)	(2.9%)
Specialty Materials / Thermal Spray	General Industry Products (Abrasives)	2,852	2,298	2,180	<b>2,116</b>	(25.8%)	(7.9%)	(2.9%)
	General Industry Products (Non-Abrasives)	848	889	880	<b>890</b>	+5.0%	+0.2%	+1.6%
	Total	3,701	3,187	3,060	<b>3,007</b>	(18.7%)	(5.7%)	(1.6%)

Millions of Yen



**General Industry Products(Abrasives) :**  
Sales were down due to customer's manufacturing process change.

**General Industry Products(Non-Abrasives) :**  
Sales were up due to strong market demands in semiconductor and LCD processing equipment.

# Specialty Materials / Thermal Spray Business

<<2H>>

Millions of Yen

		FY2017		FY2018					
		1H Actual	2H Actual	1H Actual	2H Forecast @ May 2017	2H Revised Forecast @ Dec 2017	vs FY2017 2H Actual	vs FY2018 1H Actual	vs 2H Forecast @ May 2017
Thermal Spray Specialty Materials /	General Industry Products (Abrasives)	2,852	2,298	2,116	2,380	<b>2,152</b>	(6.4%)	+1.7%	(9.7%)
	General Industry Products (Non-Abrasives)	848	889	890	970	<b>1,001</b>	+12.5%	+12.3%	+3.1%
	Total	3,701	3,187	3,007	3,350	<b>3,153</b>	(1.1%)	+4.8%	(6.0%)

<<Full-year>>

Millions of Yen

		FY2016	FY2017	FY2018			
		Actual	Actual	Forecast @ May 2017	Revised Forecast @ Dec 2017	vs FY2017 Actual	vs Forecast @ May 2017
Thermal Spray Specialty Materials /	General Industry Products (Abrasives)	5,403	5,150	4,560	<b>4,270</b>	(17.1%)	(6.4%)
	General Industry Products (Non-Abrasives)	1,588	1,738	1,850	<b>1,890</b>	+8.7%	+2.3%
	Total	6,991	6,888	6,410	<b>6,160</b>	(10.6%)	(3.9%)



# **Capital Expenditure**

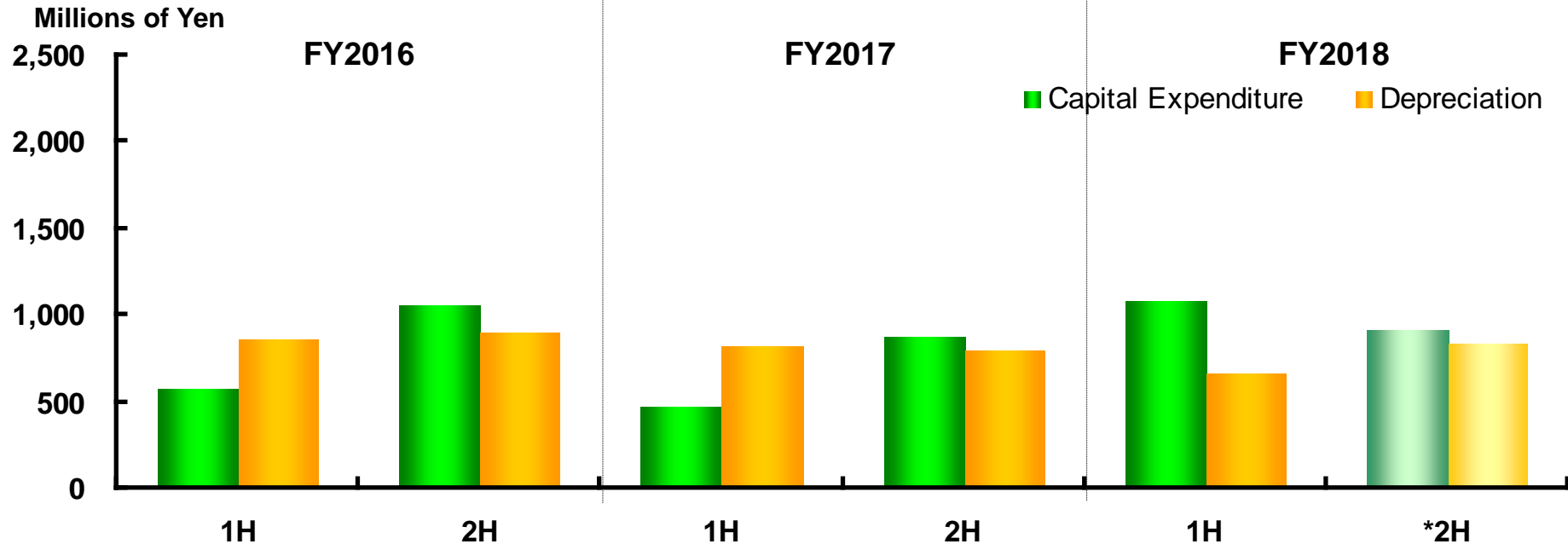
## **Depreciation**

### **R & D Expense**

# Capital Expenditure/ Depreciation

Millions of Yen

	FY2017		FY2018									
	1H Actual	2H Actual	1H Forecast @ May 2017	1H Actual	vs FY2017			2H Forecast @ May 2017	2H Revised Forecast @ Dec 2017	vs FY2017 2H Actual	vs FY2018 1H Actual	vs Forecast @ May 2017
					vs FY2017 1H Actual	vs FY2017 2H Actual	vs Forecast @ May 2017					
Capital Expenditure	469	867	1,400	<b>1,083</b>	+131.0%	+24.8%	(22.6%)	1,100	<b>917</b>	+5.7%	(15.3%)	(16.7%)
Depreciation	826	797	700	<b>665</b>	(19.5%)	(16.6%)	(5.0%)	900	<b>835</b>	+4.7%	+25.5%	(7.2%)



# Capital Expenditure/ Depreciation

Millions of Yen

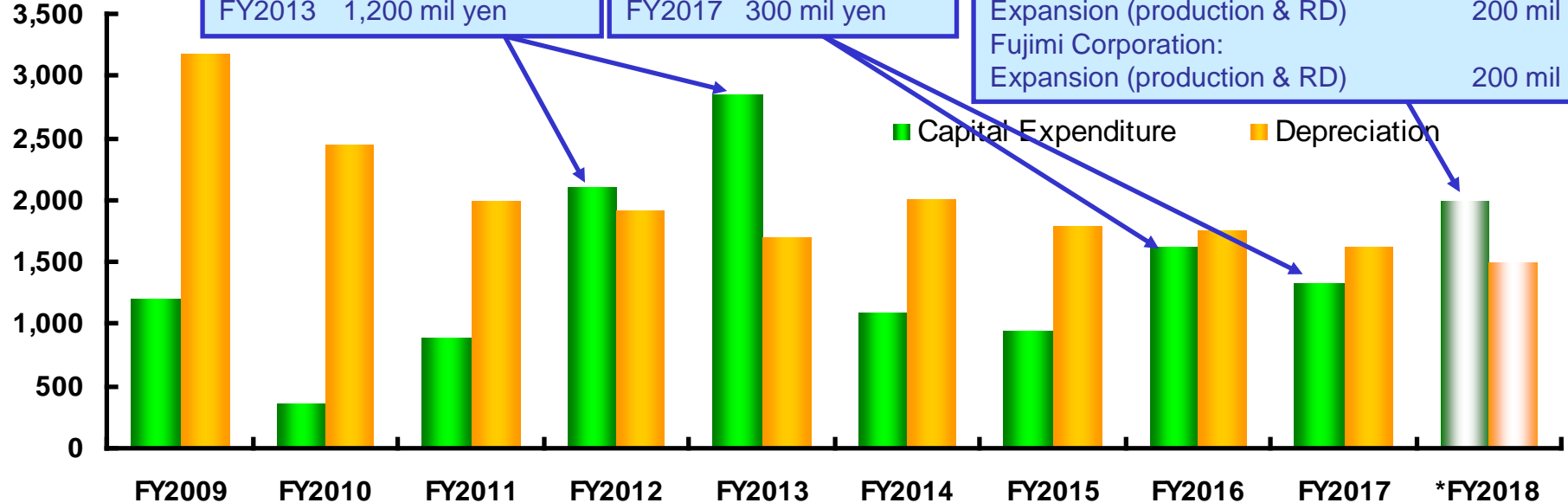
	FY2017	FY2018			
	Actual	Forecast @ May 2017	Revised Forecast @ Dec 2017	vs FY2017 Actual	vs Forecast @ May 2017
			2,000	+49.6%	(20.0%)
Capital Expenditure	1,336	2,500			
Depreciation	1,623	1,600	1,500	(7.6%)	(6.3%)

Millions of Yen

Fujimi Taiwan -Establishment  
 FY2012 600 mil yen  
 FY2013 1,200 mil yen

Fujimi Taiwan -Expansion  
 FY2016 400 mil yen  
 FY2017 300 mil yen

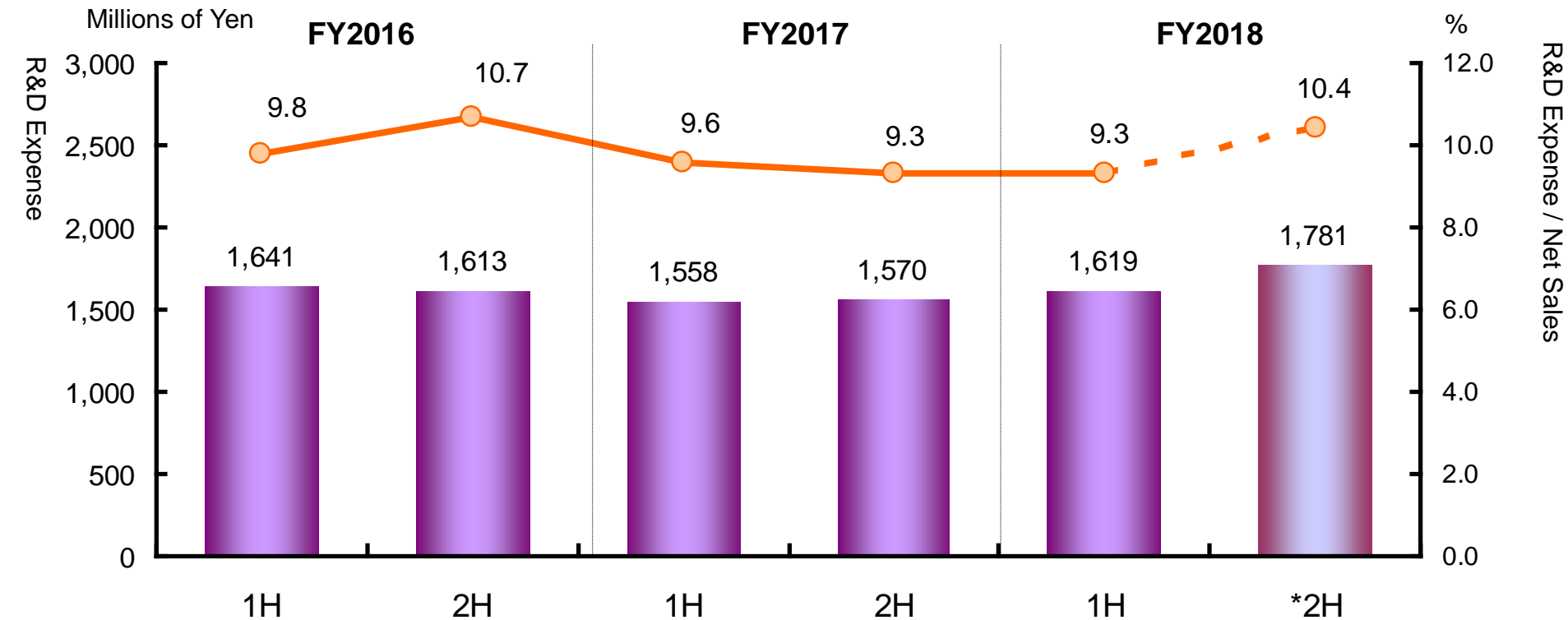
Headquarters: IT System replacement 300 mil yen  
 Fujimi Taiwan:  
 Expansion (production & RD) 200 mil yen  
 Fujimi Corporation:  
 Expansion (production & RD) 200 mil yen



# R&D Expense

Millions of Yen

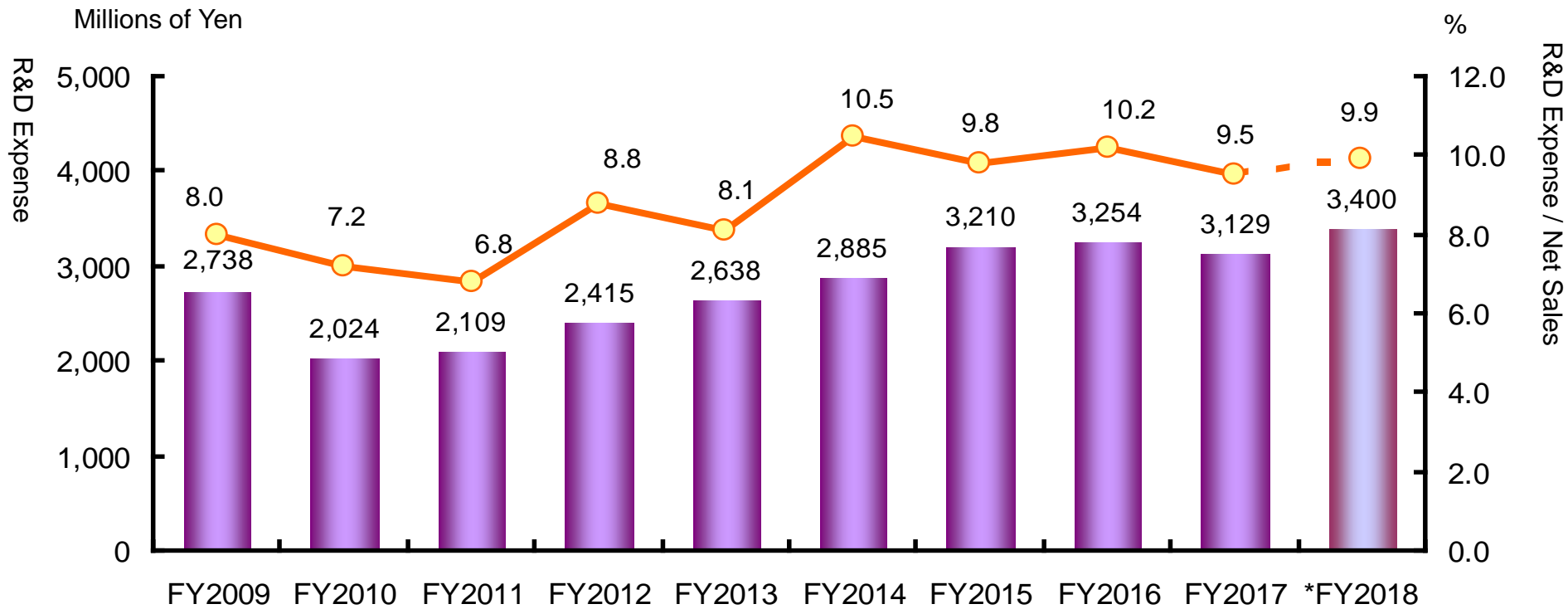
	FY2017		FY2018									
	1H Actual	2H Actual	1H Forecast @ May 2017	1H Actual	vs			2H Forecast @ May 2017	2H Revised Forecast @ Dec 2017	vs		
					FY2017 1H Actual	FY2017 2H Actual	Forecast @ May 2017			FY2017 2H Actual	FY2018 1H Actual	Forecast @ May 2017
R&D Expense	1,558	1,570	1,700	<b>1,619</b>	+3.9%	+3.1%	(4.8%)	1,700	<b>1,781</b>	+13.4%	+10.0%	+4.8%



# R&D Expense

Millions of Yen

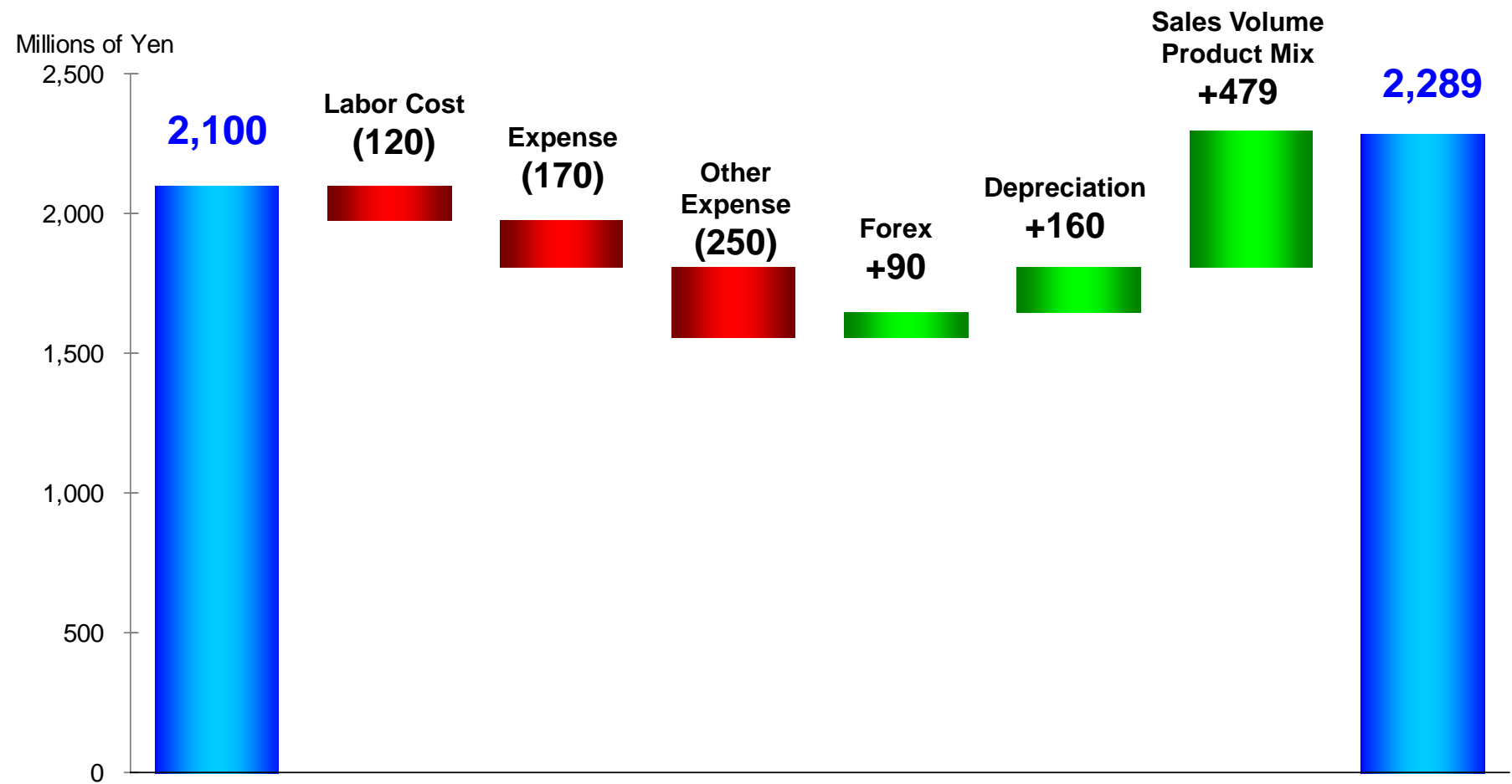
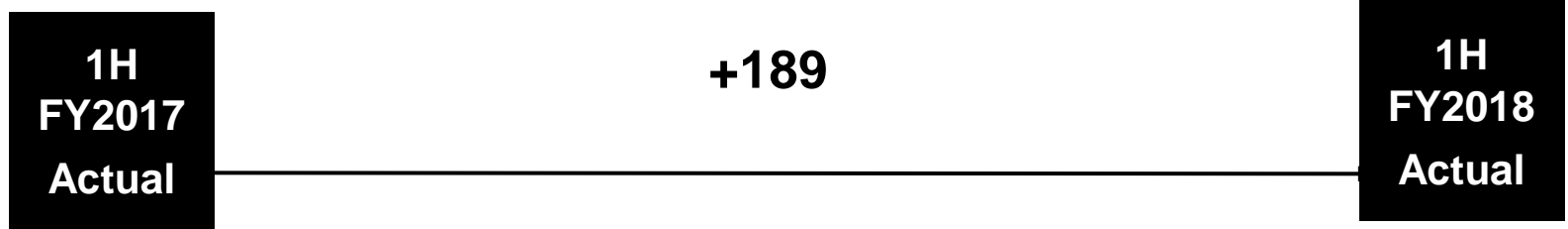
	FY2017	FY2018		
	Actual	Forecast @ May 2017	Revised Forecast @ Dec 2017	vs FY2017 Actual
R&D Expense	3,129	3,400	<b>3,400</b>	<b>+8.7%</b>



# Operating Profit Analysis

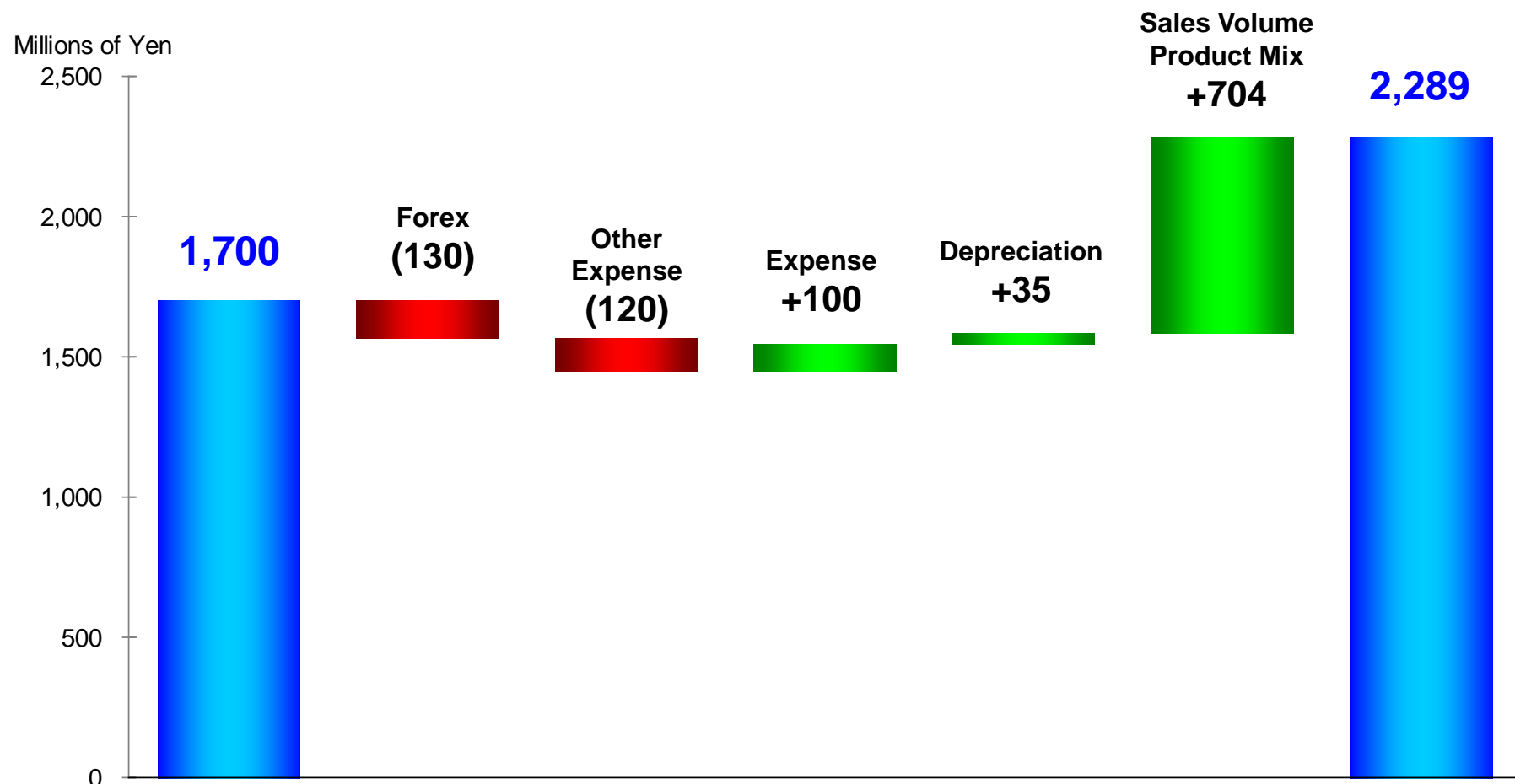
# Operating Profit Analysis

## 1H FY2018 Actual vs 1H FY2017 Actual



# Operating Profit Analysis

## 1H FY2018 Forecast vs 1H FY2018 Actual





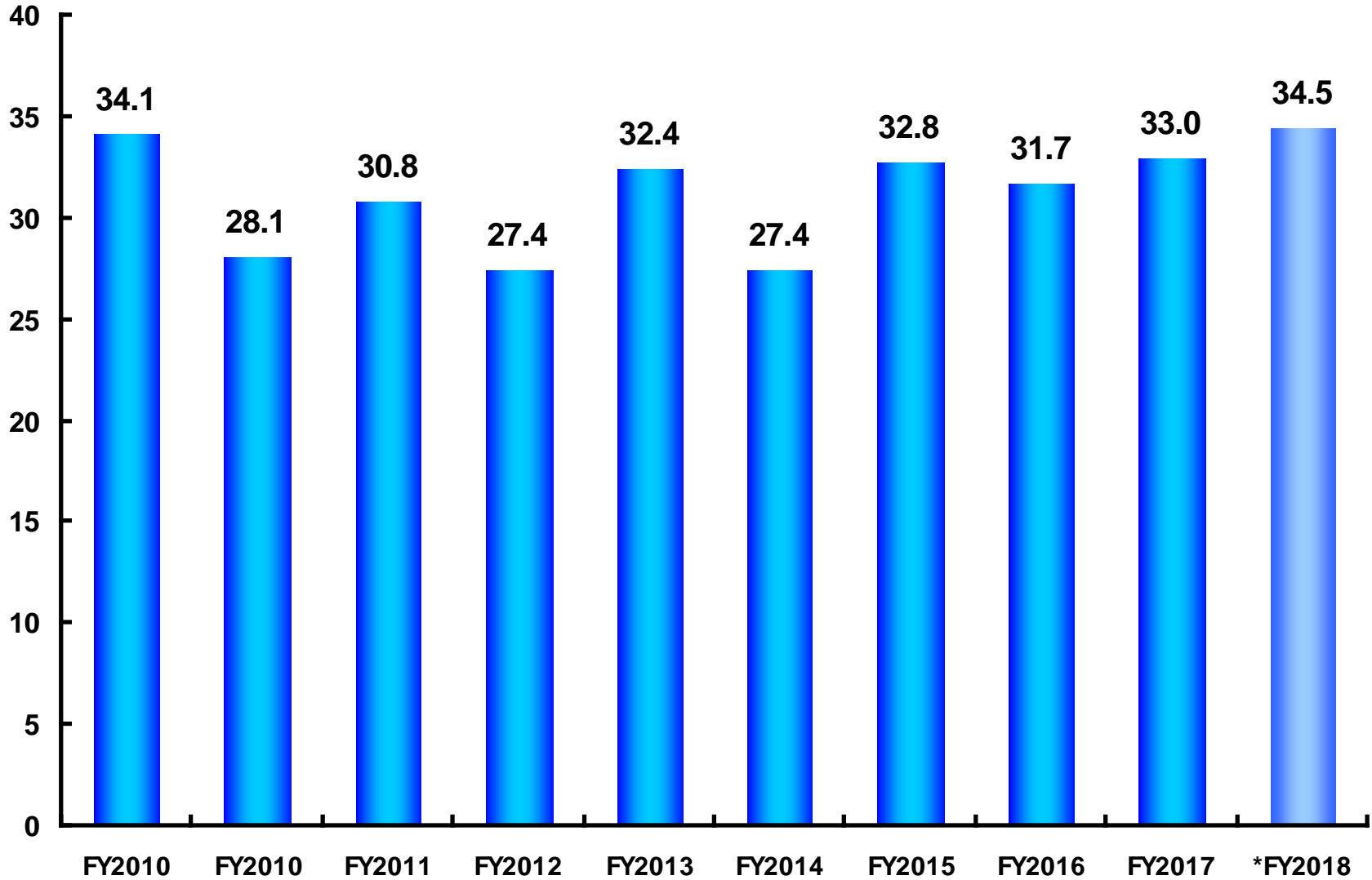
# Supplementary Data

# Number of Employee

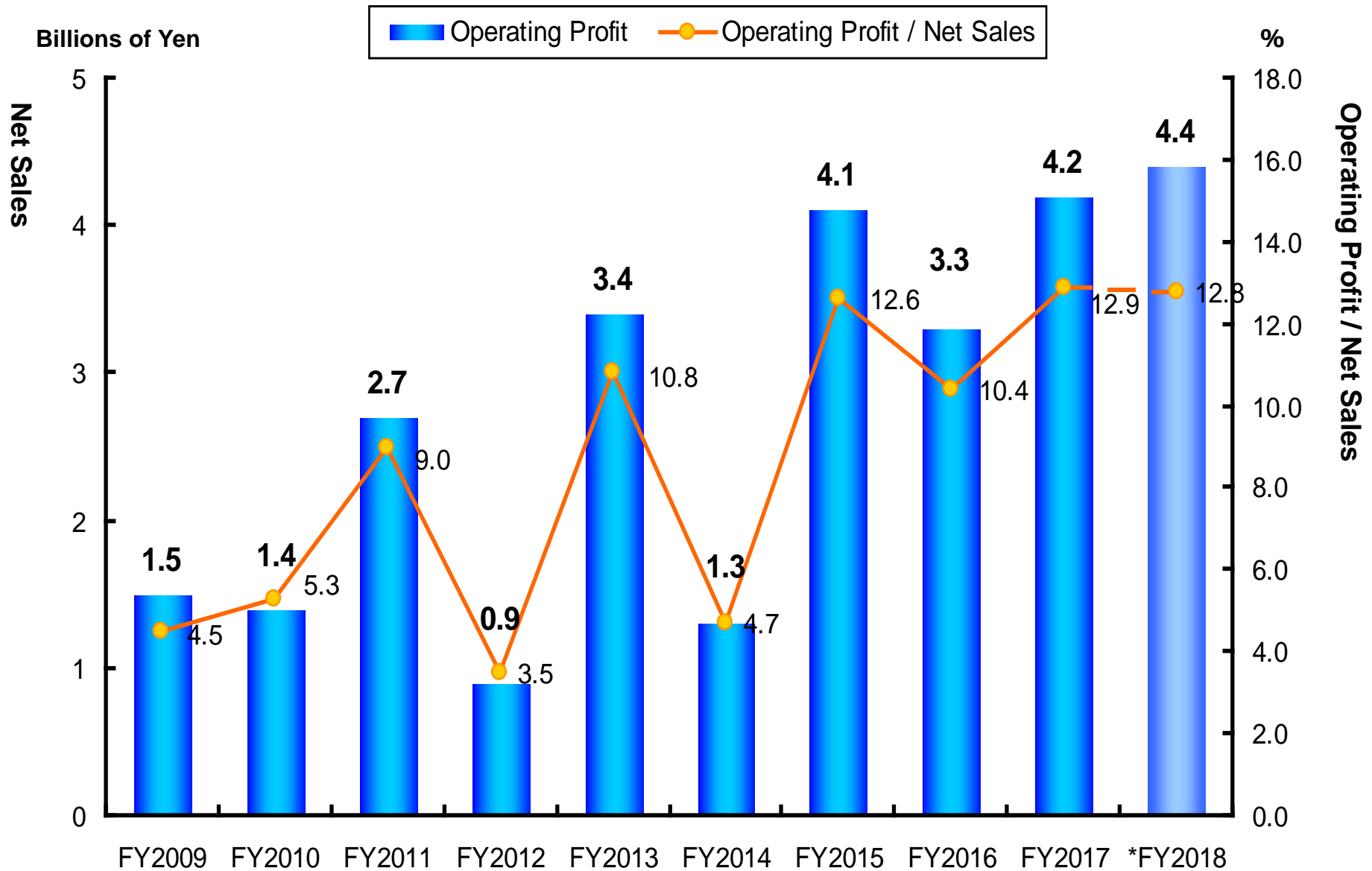
	FY2017 @ 31 Mar 2017		FY2018 @ 30 Sep 2017			
	Full-time	*Temporary	Full-time	*Temporary	vs FY2017	
					Full-time	*Temporary
FUJIMI INCORPORATED	568	155	581	169	+13	+14
FUJIMI CORPORATION	102	0	104	5	+2	+5
FUJIMI TAIWAN LIMITED	80	2	77	0	(3)	(2)
FUJIMI-MICRO TECHNOLOGY SDN.BHD	64	8	64	9	—	+1
FUJIMI EUROPE GmbH	4	1	4	2	—	+1
FUJIMI KOREA LIMITED	3	1	5	0	+2	(1)
FUJIMI SHENZHEN TECHNOLOGY. CO.,LTD	6	0	6	0	—	—
Total	827	167	841	185	+14	+18

# Net Sales (Full-year)

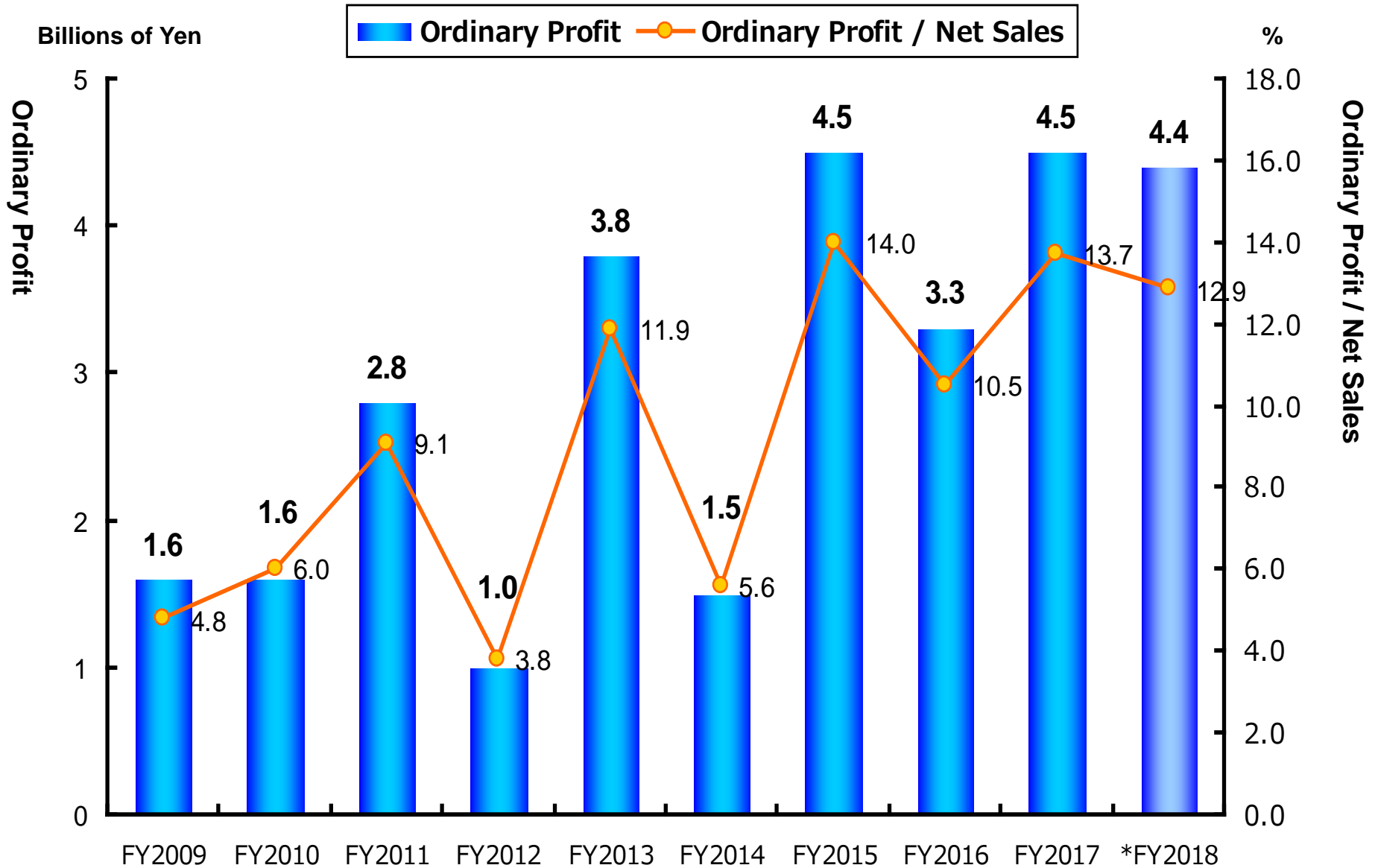
Billions of Yen



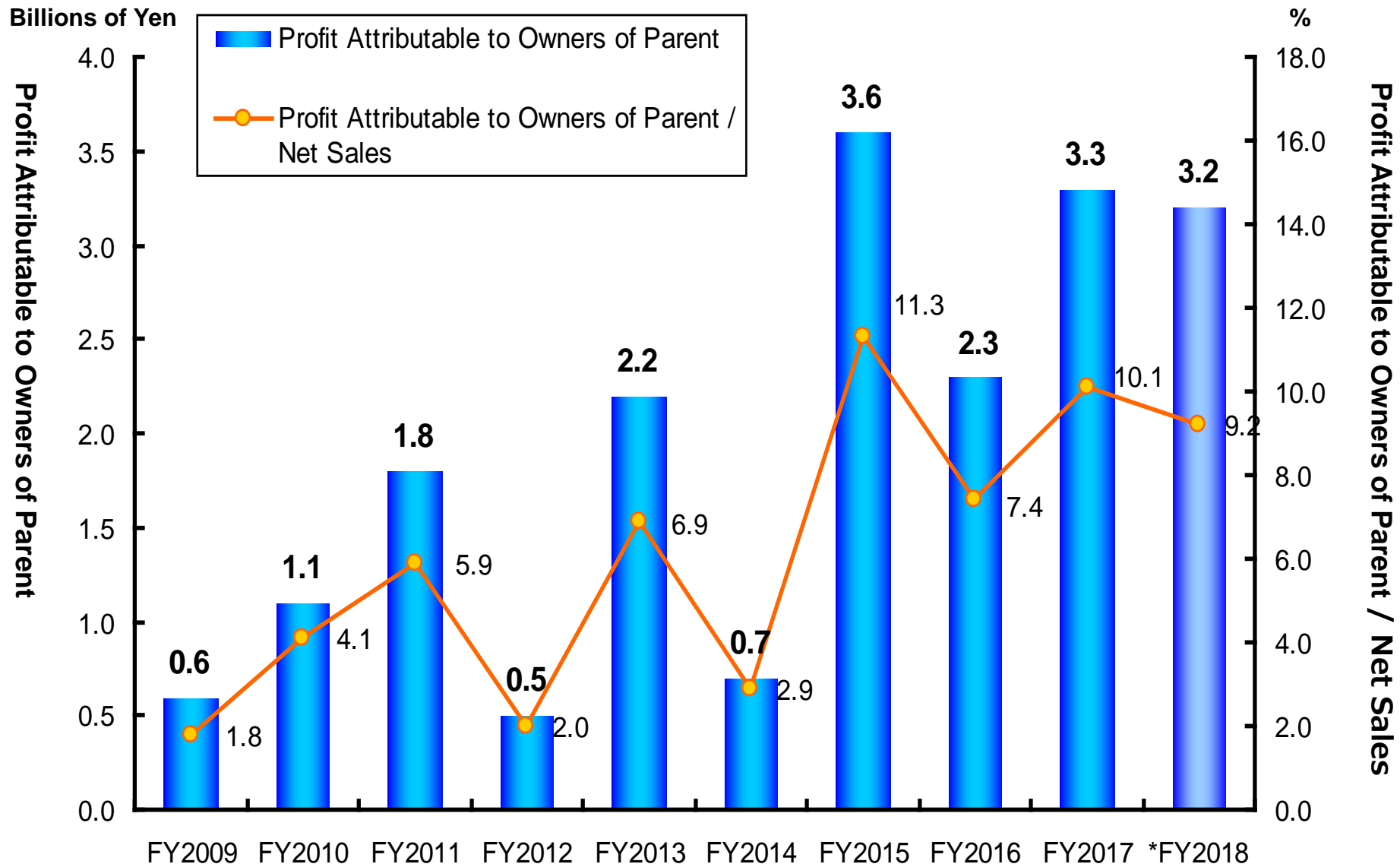
# Operating Profit (Full-year)



# Ordinary Profit (Full-year)

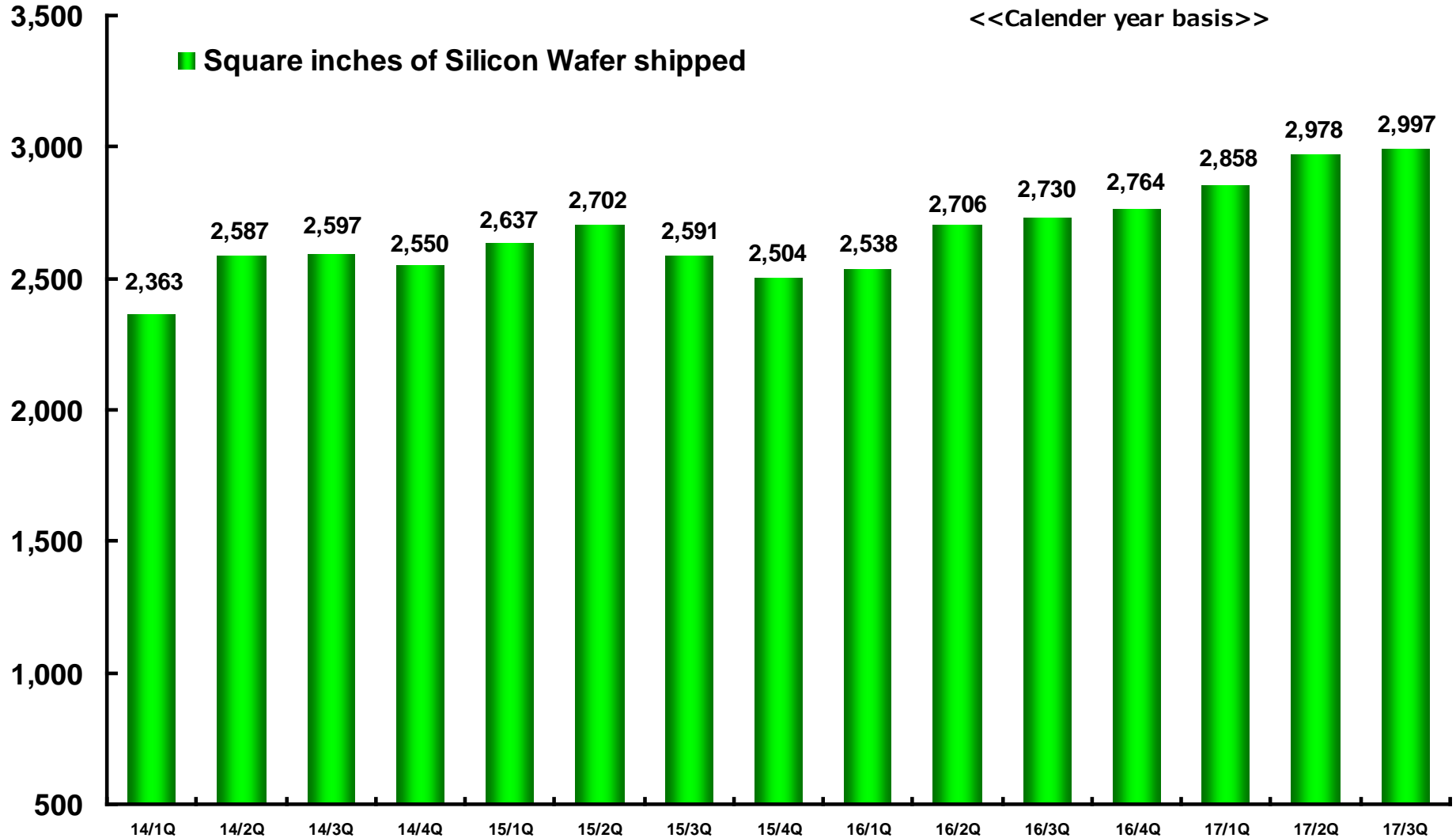


# Profit Attributable to Owners of Parent (Full-year)



# Quarterly Shipments of Silicon Wafers – Worldwide – in MSI

Millions of square inches (MSI)

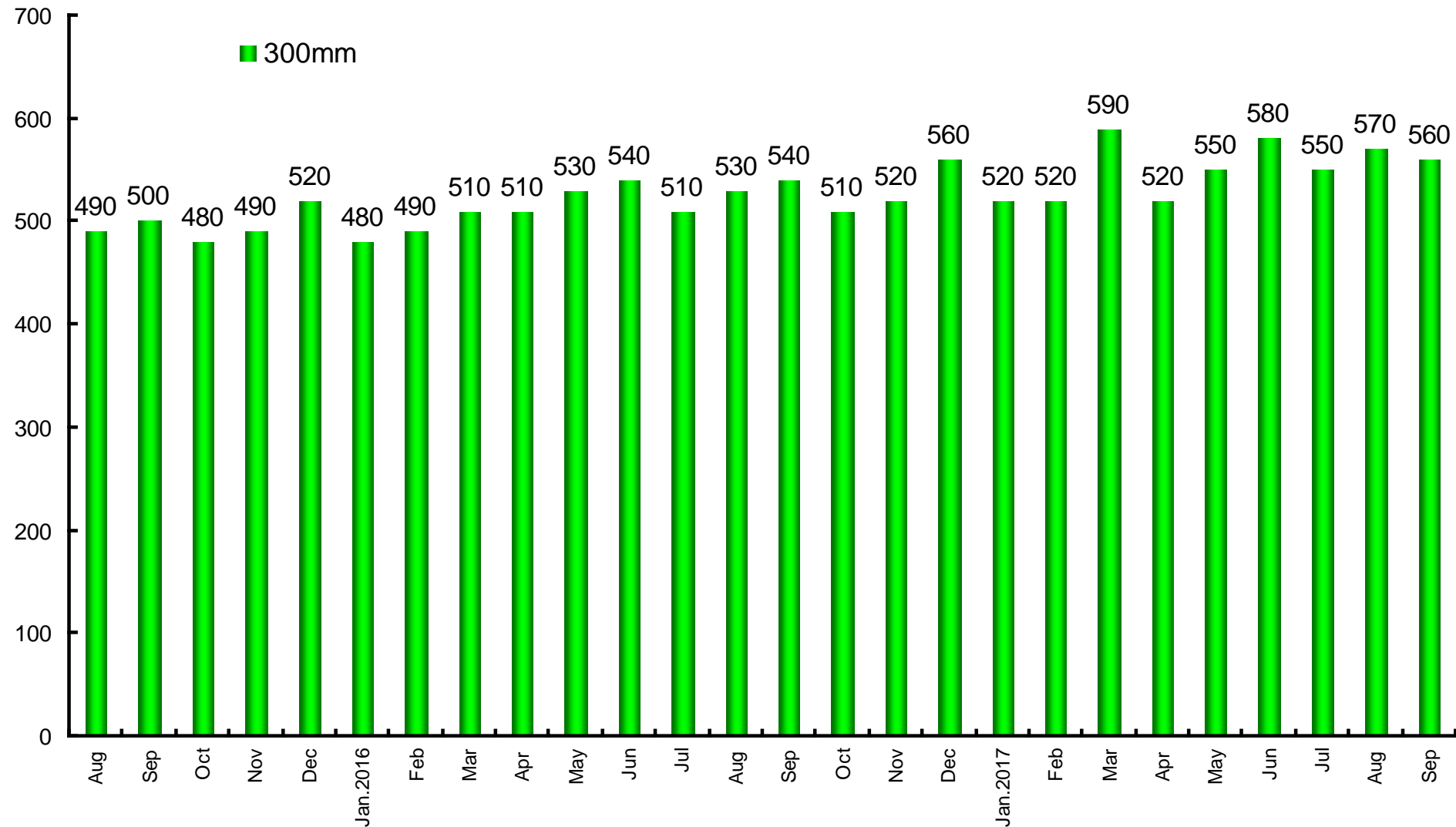


Source : SEMI (Semiconductor Equipment and Materials International)

# Monthly Shipments of 300mm Silicon Wafers – Worldwide – in wafer number

Source : Fujimi Estimate

Millions of Wafer





# Semiconductor Market Scale by Region

Billions of dollars

