

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

August 2, 2018

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, 2018  
 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, 2018 (from April 1, 2018 to June 30, 2018)

(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, 2018	9,266	6.3	1,578	33.4	1,724	50.8	1,230	63.7
Three months ended June 30, 2017	8,720	11.3	1,183	29.9	1,143	25.8	751	7.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2018	49.93	–
Three months ended June 30, 2017	30.50	–

(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, 2018	55,455	48,278	87.1	1,958.71
As of March 31, 2018	55,439	47,848	86.3	1,941.26

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, 2018	–	25.00	–	38.00	63.00
Year ending March 31, 2019	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	40.00	–	40.00	80.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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, 2018	18,000	3.3	2,550	11.4	2,600	15.5	1,950	18.4	79.11
Full year	36,500	2.0	5,100	4.7	5,200	10.0	3,900	29.5	158.22

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018  
 (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, 2018	28,699,500 shares	As of March 31, 2018	28,699,500 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	4,051,320 shares	As of March 31, 2018	4,051,320 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, 2018	24,648,180 shares	Three months ended June 30, 2017	24,648,359 shares
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## 1. Information Concerning Consolidated Financial Results

### (1) Financial Results

In the first three months of FY2019 (April-June 2018), despite ongoing political uncertainty, the US economic recovery continued steadily, Japan and Europe experienced a gradual economic recovery. On the other hand, China's economy shows signs of slowdown of the slight recovery. Furthermore, the global semiconductor market grew due to increased demand for logic and memory devices.

The consolidated results for this period are shown below.

Consolidated Results for the First Three Months of Fiscal Year 2019: Millions of JPY

	FY ended June 30, 2017	FY ended June 30, 2018	Change YoY
Net Sales	8,720	9,266	6.3%
Operating Income	1,183	1,578	33.4%
Ordinary Income	1,143	1,724	50.8%
Net Income Attributable to Owners of Parent	751	1,230	63.7%

### (2) Segment Operating Results by Region

#### (i) Japan

Net sales in Japan increased by 14.0% to JPY 5,234 million compared with the same term last year. The increase was mainly due to strong demand from silicon wafers and semiconductor devices. Operating profit increased by 38.4% to JPY 1,484 million compared with the same term last year. The increase was mainly due to a favorable product mix.

#### (ii) North America

Net sales in North America increased by 3.4% to JPY 1,503 million compared with the same term last year. Operating profit decreased by 17.1% to JPY 189 million compared with the same term last year. The decrease was mainly due to changing product mix for CMP products related to the semiconductor devices.

#### (iii) Asia

Net sales in Asia decreased by 6.7% to JPY 2,133 million compared with the same term last year. The decrease was mainly due to weak demand for products related to the hard disks, despite strong demand for CMP products related to the semiconductor devices. Operating profit increased by 13.9% to JPY 361 million compared with the same term last year. The increase was mainly due to a favorable product mix.

(iv) Europe

Net sales in Europe increased by 1.1% to JPY 395 million compared with the same term last year. Operating profit increased by 8.0% to JPY 47 million compared with the same term last year.

**(3) Segment Operating Results by Application**

(i) Silicon Wafers

Regarding products for silicon wafers, net sales of lapping abrasive products increased by 14.4% to JPY 1,021 million compared with the same term last year and net sales of polishing slurry products increased by 27.3% to JPY 2,112 million compared with the same term last year. The increases in net sales of both product lines were mainly due to strong market demand and market share increase of polishing slurry products.

(ii) Semiconductor Devices

Regarding products for CMP process of semiconductor devices, net sales increased by 6.4% to JPY 3,720 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 decreased by 27.4% to JPY 656 million compared with the same term last year. The decrease in net sales was mainly due to market shrinkage caused by replacement with SSD (Solid State Drive) and a customer's manufacturing process change as a result of a merger.

(iv) General Industries

Regarding products for general industries, net sales decreased by 2.9% to JPY 1,048 million compared with the same term last year.

## **2. Information Concerning Consolidated Financial Status**

### **(1) Summary of Total Assets, Total Liabilities and Net Assets as of June 30, 2018**

Total assets increased by JPY 15 million to JPY 55,455 million compared with the end of the previous fiscal year mainly due to increases of JPY 509 million in raw materials and supplies and of JPY 422 million in notes and accounts receivable-trade, offsetting decreases of JPY 432 million in cash and deposit and of JPY 403 million in other in current assets.

Total liabilities decreased by JPY 414 million to JPY 7,176 million compared with the end of the previous fiscal year mainly due to a decrease of JPY 664 million in provision for bonuses, offsetting an increase of JPY 192 million in other in current liabilities.

Net assets increased by JPY 430 million to JPY 48,278 million compared with the end of the previous fiscal year mainly due to increases of JPY 279 million in retained earnings and of JPY 134 million in foreign currency translation adjustment.

## **3. Information Concerning Revision of Financial Forecast**

No adjustments were made concerning the financial forecast for FY2019 as reported in the “Summary of Consolidated Financial Results for the Year Ended March 31, 2018” released on May 11, 2018.

**4. Quarterly Consolidated Financial Statements**  
**Consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	24,929	24,497
Notes and accounts receivable - trade	8,010	8,433
Securities	500	500
Merchandise and finished goods	3,244	3,407
Work in process	801	899
Raw materials and supplies	1,748	2,257
Other	772	368
Allowance for doubtful accounts	(23)	(26)
Total current assets	39,983	40,337
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,822	7,756
Other, net	5,527	5,471
Total property, plant and equipment	13,349	13,227
Intangible assets	479	488
Investments and other assets		
Investment securities	744	761
Deferred tax assets	749	513
Other	141	136
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	1,626	1,402
Total non-current assets	15,456	15,118
Total assets	55,439	55,455

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,269	3,415
Income taxes payable	429	288
Provision for bonuses	1,115	450
Provision for directors' bonuses	-	19
Other	1,952	2,145
<b>Total current liabilities</b>	<b>6,767</b>	<b>6,320</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	-	7
Net defined benefit liability	651	664
Provision for stocks payment	153	151
Other	18	32
<b>Total non-current liabilities</b>	<b>823</b>	<b>855</b>
<b>Total liabilities</b>	<b>7,591</b>	<b>7,176</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	4,753	4,753
Capital surplus	5,570	5,570
Retained earnings	42,718	42,998
Treasury shares	(5,641)	(5,641)
<b>Total shareholders' equity</b>	<b>47,401</b>	<b>47,681</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	202	211
Foreign currency translation adjustment	336	471
Remeasurements of defined benefit plans	(92)	(84)
<b>Total accumulated other comprehensive income</b>	<b>446</b>	<b>597</b>
<b>Total net assets</b>	<b>47,848</b>	<b>48,278</b>
<b>Total liabilities and net assets</b>	<b>55,439</b>	<b>55,455</b>



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

	(Millions of yen)	
	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	8,720	9,266
Cost of sales	5,279	5,387
Gross profit	3,440	3,879
Selling, general and administrative expenses	2,257	2,300
Operating profit	1,183	1,578
Non-operating income		
Interest income	8	28
Foreign exchange gains	-	102
Other	15	16
Total non-operating income	24	147
Non-operating expenses		
Foreign exchange losses	61	-
Other	2	1
Total non-operating expenses	63	1
Ordinary profit	1,143	1,724
Profit before income taxes	1,143	1,724
Income taxes - current	187	255
Income taxes - deferred	204	238
Total income taxes	391	493
Profit	751	1,230
Profit attributable to owners of parent	751	1,230

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

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	751	1,230
Other comprehensive income		
Valuation difference on available-for-sale securities	12	8
Foreign currency translation adjustment	119	134
Remeasurements of defined benefit plans, net of tax	12	7
Total other comprehensive income	144	150
Comprehensive income	896	1,381
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	896	1,381