

Financial Overview FY2019 2Q

Nov 16, 2018

FUJIMI INCORPORATED

Table of Contents

✓ Financial Overview	P. 2
✓ Net Sales Breakdown by Application	P. 7
✓ Capital Expenditure / Depreciation / R&D Expense	P. 19
✓ Operating Income Analysis	P. 24
✓ Supplementary Data	P. 28

Financial Overview

Financial Overview : Half - year

(Millions of Yen)	FY2018		FY2019				
	1H Actual	2H Actual	1H Forecast @May 2018	Actual			
				1H Actual	vs 1H 2018	vs 2H 2018	vs 1H Forecast
Net Sales	17,417	18,371	18,000	19,163	+10.0%	+4.3%	+6.5%
Operating Income Margin	2,289 13.1%	2,583 14.1%	2,550 14.2%	2,813 14.7%	+22.9% -	+8.9% -	+10.3% -
Ordinary Income Margin	2,250 12.9%	2,478 13.5%	2,600 14.4%	3,056 15.9%	+35.8% -	+23.4% -	+17.6% -
Net Income Margin	1,647 9.5%	1,364 7.4%	1,950 10.8%	2,339 12.2%	+42.1% -	+71.5% -	+20.0% -

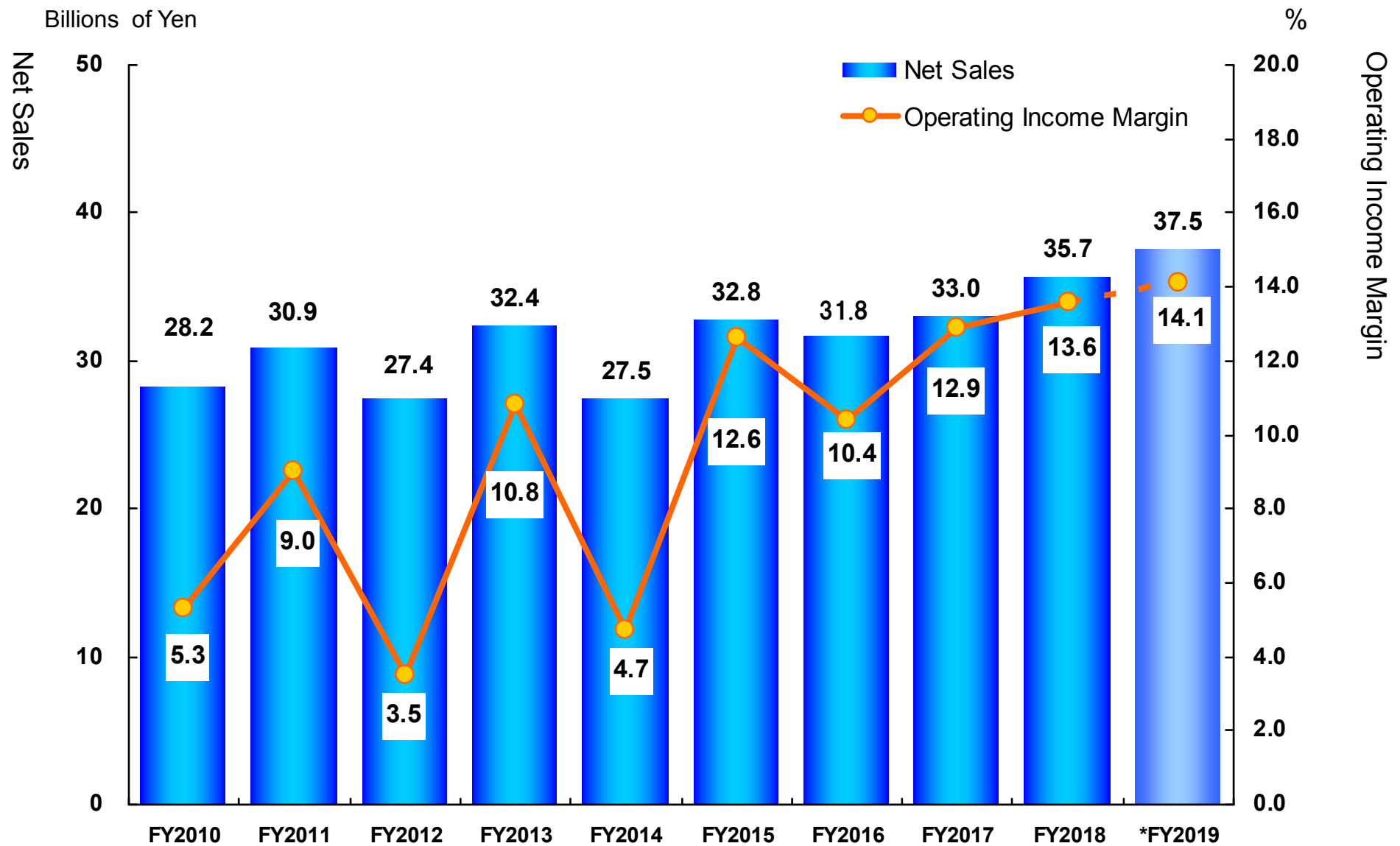
- Sales and Profits up due to strong demand from semiconductor devices.
- Net income JPY 2,339 mil is a new record high. (for the first time since FY2007)

Financial Forecast : Full - year

(Millions of Yen)	FY2018	FY2019			
	Actual	Forecast			
	Actual	Forecast @May 2018	Revised Forecast @Nov 2018	vs FY2018 Actual	vs Forecast @May 2018
Net Sales	35,788	36,500	37,500	+4.8%	+2.7%
Operating Income Margin	4,872 13.6%	5,100 14.0%	5,300 14.1%	+8.8% -	+3.9% -
Ordinary Income Margin	4,728 13.2%	5,200 14.2%	5,600 14.9%	+18.4% -	+7.7% -
Net Income Margin	3,011 8.4%	3,900 10.7%	4,200 11.2%	+39.5% -	+7.7% -

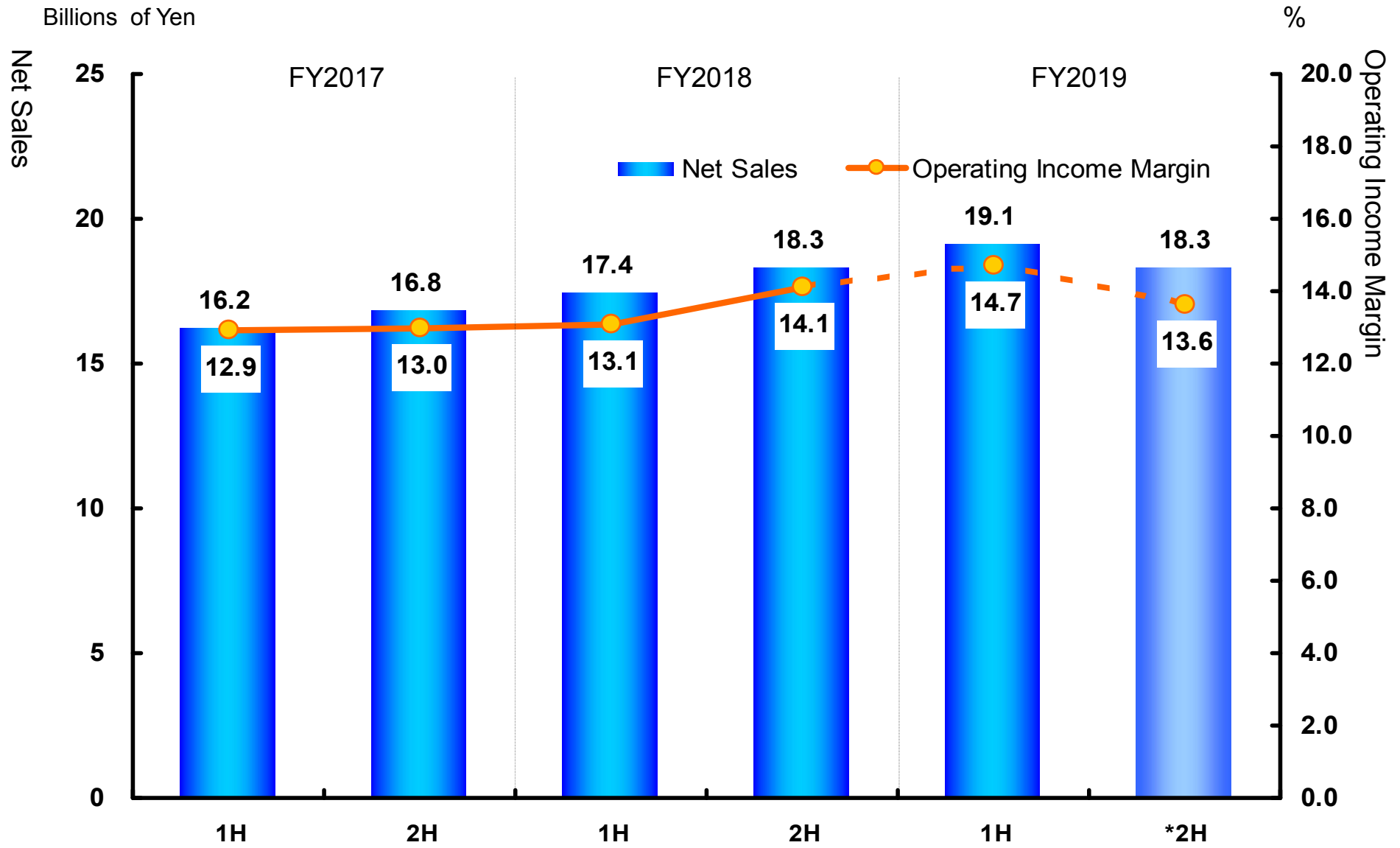
- Sales and income forecasts are revised up due to strong demand from semiconductor devices.
- 2nd half forecast remains unchanged.

Sales and Operating Income Margin : Full- year



*Forecast

Sales and Operating Income Margin : Half- year



*Forecast

Net Sales Breakdown by Application

Net Sales Breakdown : Half - year

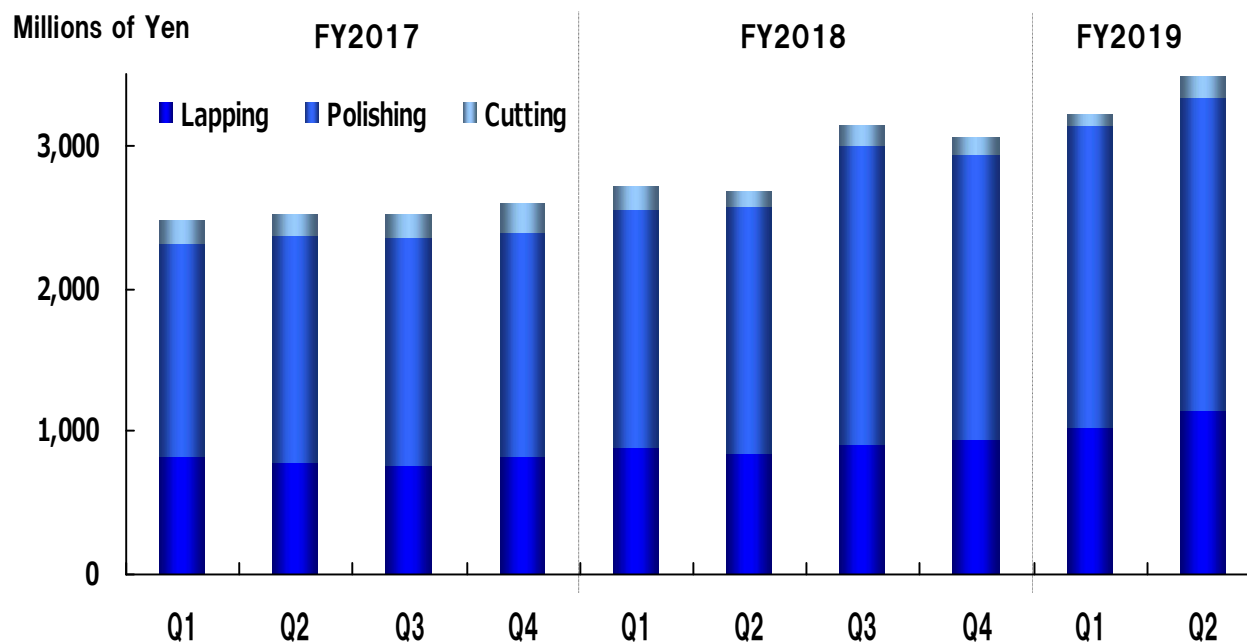
(Millions of Yen)	FY2018		FY2018				
	1H	2H	1H Forecast @ May 2018	1H Actual	vs 1H FY2018	vs 2H FY2018	vs 1H Forecast @ May FY2018
Silicon	5,402	6,193	6,060	6,706	+24.1%	+8.3%	+10.6%
- Lapping	1,735	1,852	1,840	2,176	+25.4%	+17.5%	+18.1%
- Polishing	3,392	4,080	4,070	4,301	+26.8%	+5.4%	+5.7%
- Cutting	274	260	150	228	(16.9%)	(12.5%)	+51.8%
CMP	7,200	7,420	7,460	7,690	+6.8%	+3.6%	+3.1%
Hard Disk	1,719	1,517	1,180	1,276	(25.7%)	(15.8%)	+8.6%
- for Aluminum Disk	1,408	1,285	1,060	1,225	(13.0%)	(4.7%)	+15.9%
- for Glass Disk	311	231	120	51	(83.6%)	(77.9%)	(56.8%)
SM / TS*	3,007	3,142	3,200	3,283	+9.2%	+4.5%	+2.6%
- GI*(Abrasive)	2,116	2,128	2,230	2,212	+4.5%	+3.9%	(0.9%)
- GI (Non-Abrasive)	890	1,013	970	1,070	+20.2%	+5.6%	+10.9%
Fujimi Brand Products Total	17,329	18,273	17,900	18,957	+9.4%	+3.7%	+5.9%
Others	87	97	100	206	+134.4%	+111.9%	+105.7%
Net Sales	17,417	18,371	18,000	19,163	+10.0%	+4.3%	+6.5%

*SM / TS : Specialty Materials / Thermal Spray *GI : General Industry

Silicon Wafer Business

<Half-year>

(Millions of Yen)	FY2018			FY2019			
	1H Actual	2H Actual	1H Forecast @May 2018	1H Actual	vs FY2018 1H Actual	vs FY2018 2H Actual	vs 1H Forecast @May 2018
Silicon	5,402	6,193	6,060	6,706	+24.1%	+8.3%	+10.6%
- Lapping	1,735	1,852	1,840	2,176	+25.4%	+17.5%	+18.1%
- Polishing	3,392	4,080	4,070	4,301	+26.8%	+5.4%	+5.7%
- Cutting	274	260	150	228	(16.9%)	(12.5%)	+51.8%



Sales up due to strong market demand and market share increase

Silicon Wafer Business

<Half-year>

(Millions of Yen)	FY2018		FY2019					
	1H Actual	2H Actual	1H Actual	2H Forecast @May 2018	2H Revised Forecast @Nov 2018	vs FY2018 2H Actual	vs FY2019 1H Actual	vs 2H Forecast @May 2018
Silicon	5,402	6,193	6,706	6,140	6,694	+8.1%	(0.2%)	+9.1%
- Lapping	1,735	1,852	2,176	1,930	2,173	+17.3%	(0.2%)	+12.5%
- Polishing	3,392	4,080	4,301	4,080	4,299	+5.4%	(0.1%)	+5.4%
- Cutting	274	260	228	130	222	(14.9%)	(2.7%)	+70.3%

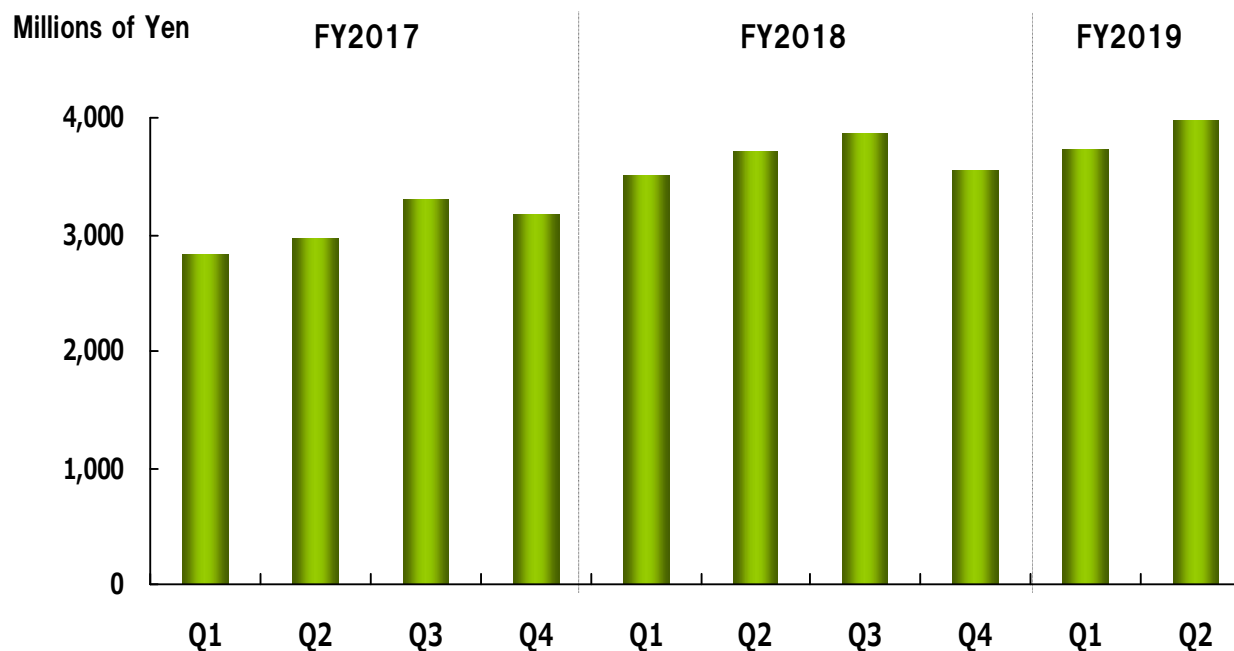
<Full-year>

(Millions of Yen)	FY2017	FY2018	FY2019			
	Actual	Actual	Forecast @May 2018	Revised Forecast @Nov 2018	vs FY2018 Actual	vs Forecast @May 2018
Silicon	10,094	11,596	12,200	13,400	+15.6%	+9.8%
- Lapping	3,193	3,588	3,770	4,350	+21.2%	+15.3%
- Polishing	6,245	7,472	8,150	8,600	+15.1%	+5.6%
- Cutting	665	535	280	450	(15.9%)	+60.4%

CMP Business

<Half-year>

(Millions of Yen)	FY2018			FY2019			
	1H Actual	2H Actual	1H Forecast May '18	1H Actual	vs FY2018 1H Actual	vs FY2018 2H Actual	vs 1H Forecast May '18
CMP	7,200	7,420	7,460	7,690	+6.8%	+3.6%	+3.1%



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

CMP Business

<Half-year>

(Millions of Yen)	FY2018		FY2019					
	1H Actual	2H Actual	1H Actual	2H Forecast @May 2018	2H Revised Forecast @Nov 2018	vs FY2018 2H Actual	vs FY2019 1H Actual	vs 2H Forecast @May 2018
CMP	7,200	7,420	7,690	7,540	7,510	+1.2%	(2.4%)	(0.4%)

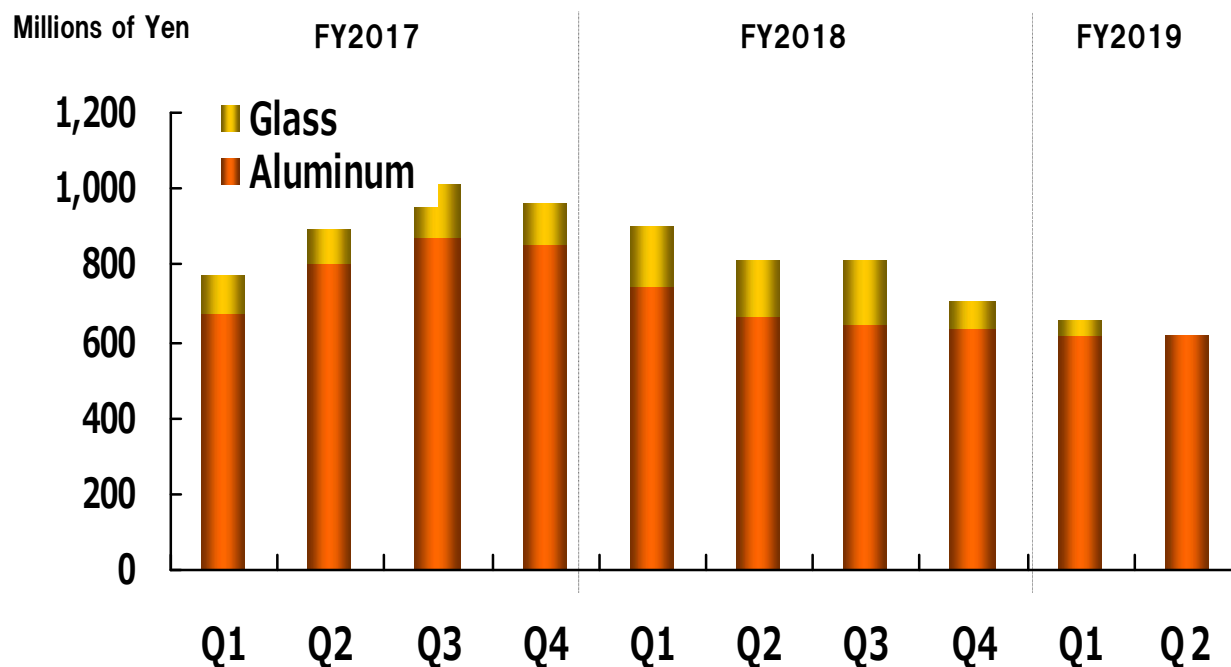
<Full-year>

(Millions of Yen)	FY2017	FY2018	FY2019			
	Actual	Actual	Forecast @May 2018	Revised Forecast @Nov 2018	vs FY2018 Actual	vs Forecast @May 2018
CMP	12,270	14,621	15,000	15,200	+4.0%	+1.3%

Disk Business

<Half-year>

(Millions of Yen)	FY2018			FY2019			
	1H Actual	2H Actual	1H Forecast @May 2018	1H Actual	vs FY2018 1H Actual	vs FY2018 2H Actual	vs 1H Forecast @May 2018
Disk	1,719	1,517	1,180	1,276	(25.7%)	(15.8%)	+8.6%
- Polishing(Aluminum)	1,408	1,285	1,060	1,225	(13.0%)	(4.7%)	+15.9%
- Polishing(Glass)	311	231	120	51	(83.6%)	(77.9%)	(56.8%)



Sales down due to market shrinkage caused by replacement with SSD and a customer's manufacturing process change

Disk Business

<Half-year>

(Millions of Yen)	FY2018		FY2019					
	1H Actual	2H Actual	1H Actual	2H Forecast @May 2018	2H Revised Forecast @Nov 2018	vs FY2018 2H Actual	vs FY2019 1H Actual	vs 2H Forecast @May 2018
Disk	1,719	1,517	1,276	1,220	1,022	(32.6%)	(19.9%)	(16.1%)
- Polishing(Aluminum)	1,408	1,285	1,225	1,080	1,004	(21.9%)	(18.1%)	(7.1%)
- Polishing(Glass)	311	231	51	140	18	(92.0%)	(63.8%)	(86.6%)

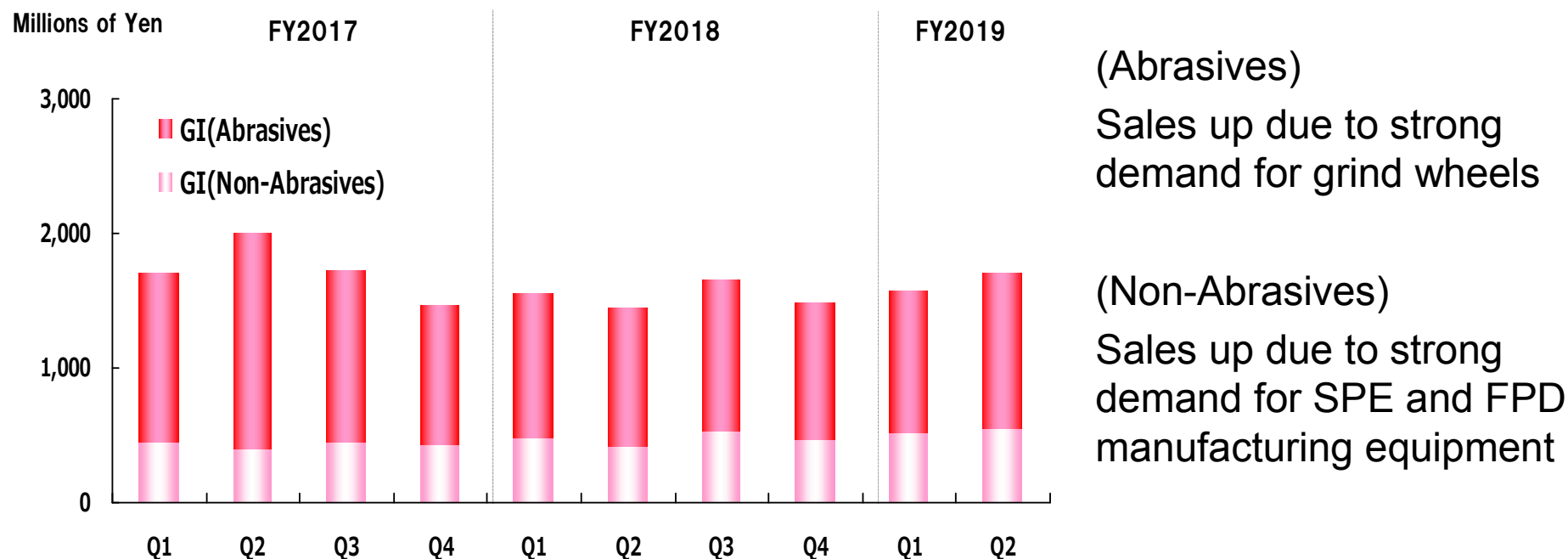
<Full-year>

(Millions of Yen)	FY2017	FY2018	FY2019			
	Actual	Actual	Forecast @May 2018	Revised Forecast @Nov 2018	vs FY2018 Actual	vs Forecast @May 2018
Disk	3,650	3,236	2,400	2,300	(28.9%)	(4.0%)
- Polishing(Aluminum)	3,195	2,694	2,140	2,230	(17.2%)	+4.3%
- Polishing(Glass)	454	542	260	70	(87.2%)	(72.9%)

General Industry Business

<Half-year>

(Millions of Yen)	FY2018			FY2019			
	1H Actual	2H Actual	1H Forecast @May 2018	1H Actual	vs FY2018 1H Actual	vs FY2018 2H Actual	vs 1H Forecast @May 2018
SM / TS*	3,007	3,142	3,200	3,283	+9.2%	+4.5%	+2.6%
- GI(Abrasives)	2,116	2,128	2,230	2,212	+4.5%	+3.9%	(0.9%)
- GI(Non-Abrasives)	890	1,013	970	1,070	+20.2%	+5.6%	+10.9%



(Abrasives)

Sales up due to strong demand for grind wheels

(Non-Abrasives)

Sales up due to strong demand for SPE and FPD manufacturing equipment

General Industry Business

<Half-year>

(Millions of Yen)	FY2018		FY2019					
	1H Actual	2H Actual	1H Actual	2H Forecast @May 2018	2H Revised Forecast @Nov 2018	vs FY2018 2H Actual	vs FY2019 1H Actual	vs 2H Forecast @May 2018
SM / TS*	3,007	3,142	3,283	3,500	2,967	(5.6%)	(9.6%)	(15.2%)
- GI(Abrasives)	2,116	2,128	2,212	2,370	1,917	(9.9%)	(13.3%)	(18.9%)
- GI(Non-Abrasives)	890	1,013	1,070	1,130	1,050	+3.5%	(2.0%)	(7.5%)

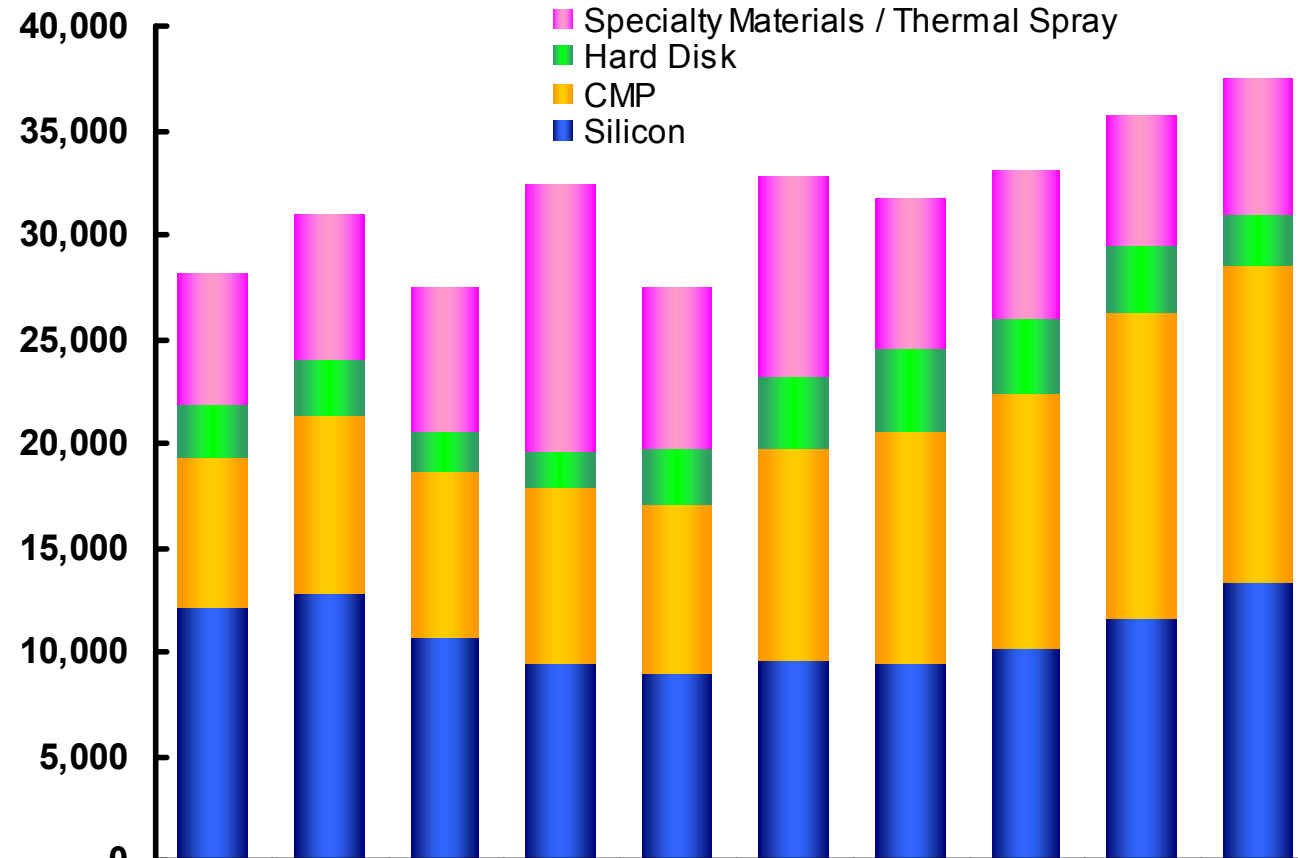
<Full-year>

(Millions of Yen)	FY2017	FY2018	FY2019			
	Actual	Actual	Forecast @May 2018	Revised Forecast @Nov 2018	vs FY2018 Actual	vs Forecast @May 2018
SM / TS*	6,889	6,149	6,700	6,250	+1.6%	(6.7%)
- GI(Abrasives)	5,150	4,244	4,600	4,130	(2.7%)	(10.2%)
- GI(Non-Abrasives)	1,738	1,904	2,100	2,120	+11.3%	+0.9%

*SM / TS : Specialty Materials / Thermal Spray *GI : General Industry

Net Sales by Application

Millions of Yen

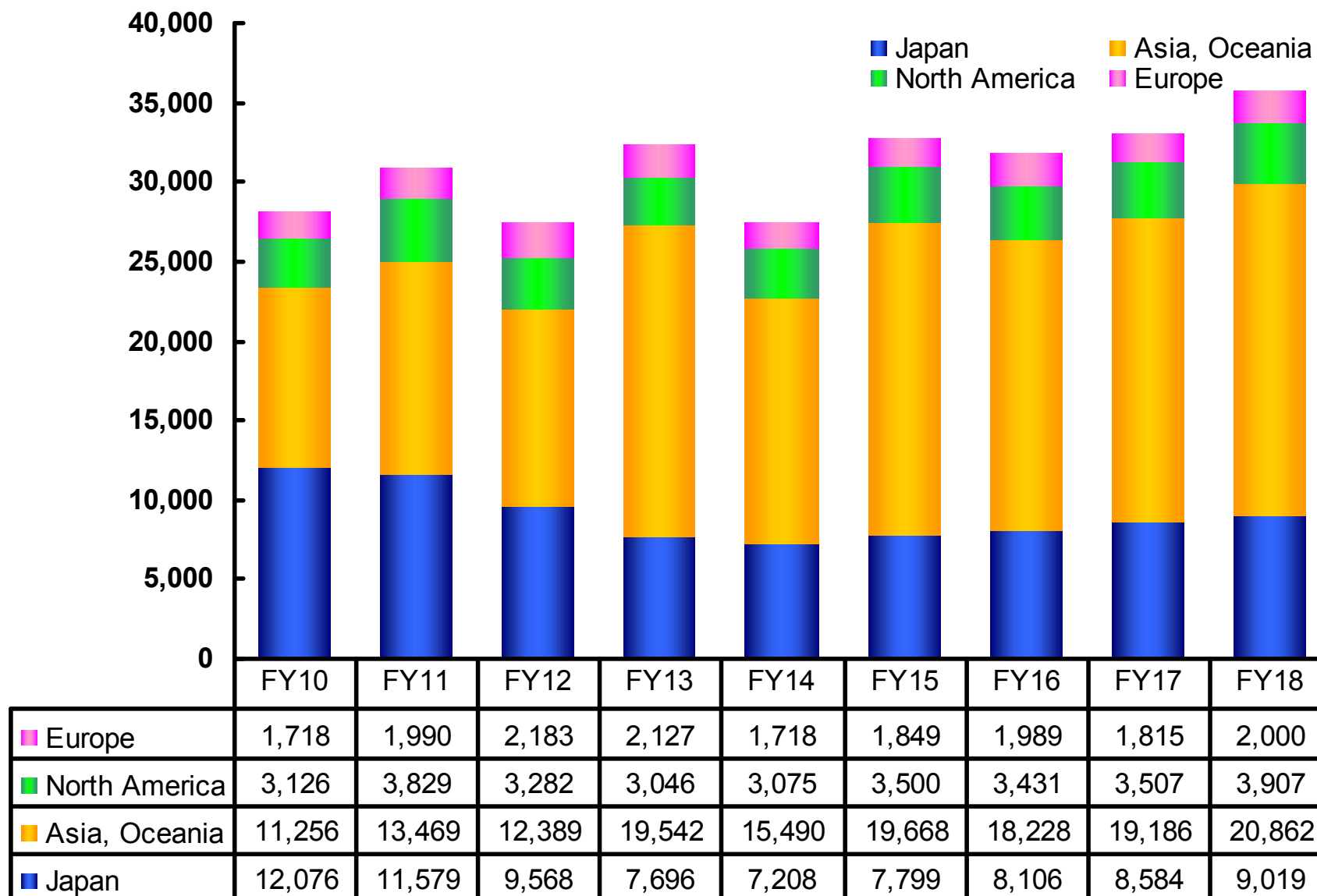


	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	*FY 19
Specialty Materials / Thermal Spray	6,257	6,854	6,915	12,776	7,742	9,640	7,235	7,077	6,335	6,600
Hard Disk	2,570	2,689	1,788	1,826	2,658	3,478	4,041	3,650	3,236	2,300
CMP	7,262	8,532	8,029	8,323	8,224	10,143	10,980	12,270	14,621	15,200
Silicon	12,088	12,794	10,690	9,484	8,868	9,552	9,498	10,094	11,596	13,400

*Forecast

Net Sales by Region

Millions of Yen



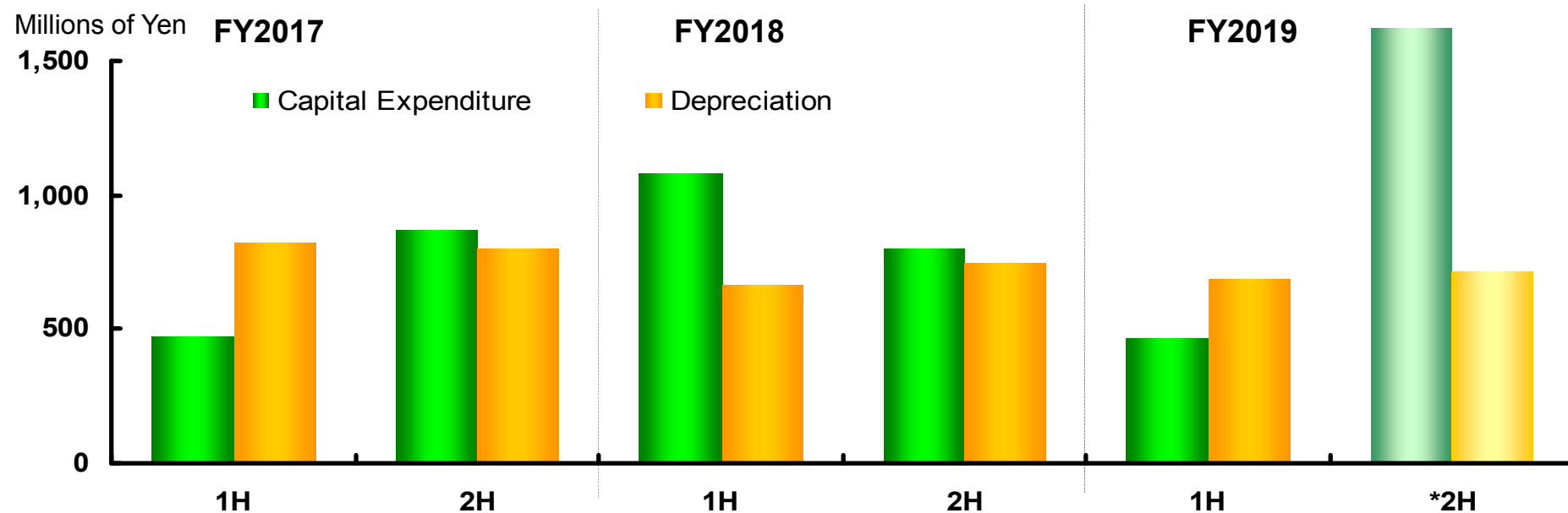
Capital Expenditure

Depreciation

R&D Expense

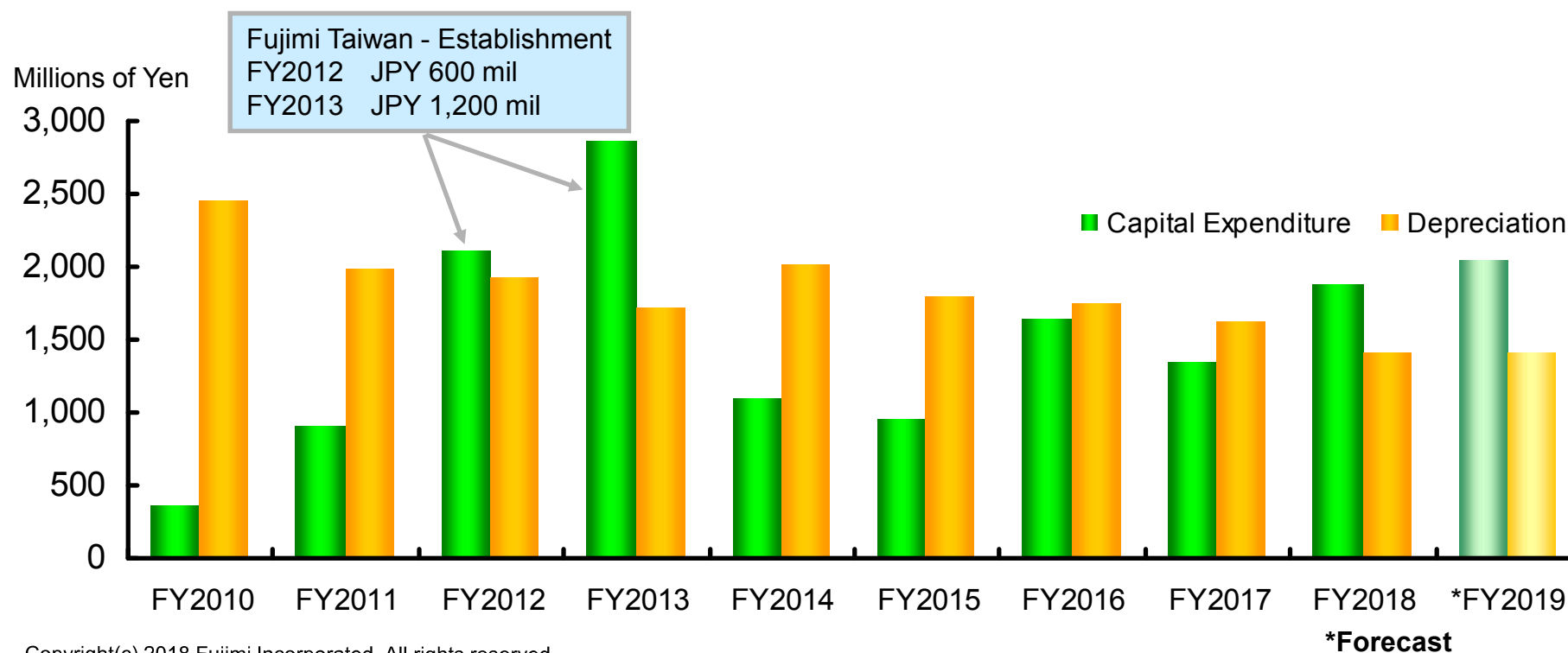
Capital Expenditure/ Depreciation (Half – year)

	FY2018		FY2019									
	1H	2H	1H @May 2018	1H	vs 1H FY2018	vs 2H FY2018	Vs Forecast @May	2H Forecast @May 2018	2H Revised Forecast @Nov 2018	vs FY2018 2H Actual	vs FY2019 1H Actual	Vs Forecast @May 2018
Capital Expenditure	1,083	788	1,400	461	(57.4%)	(41.5%)	(67.1%)	1,000	1,739	+120.5%	+277.2 %	+73.9%
Depreciation	665	746	700	684	+2.8%	(8.4%)	(2.3%)	900	716	(4.1%)	+4.7%	(20.4%)



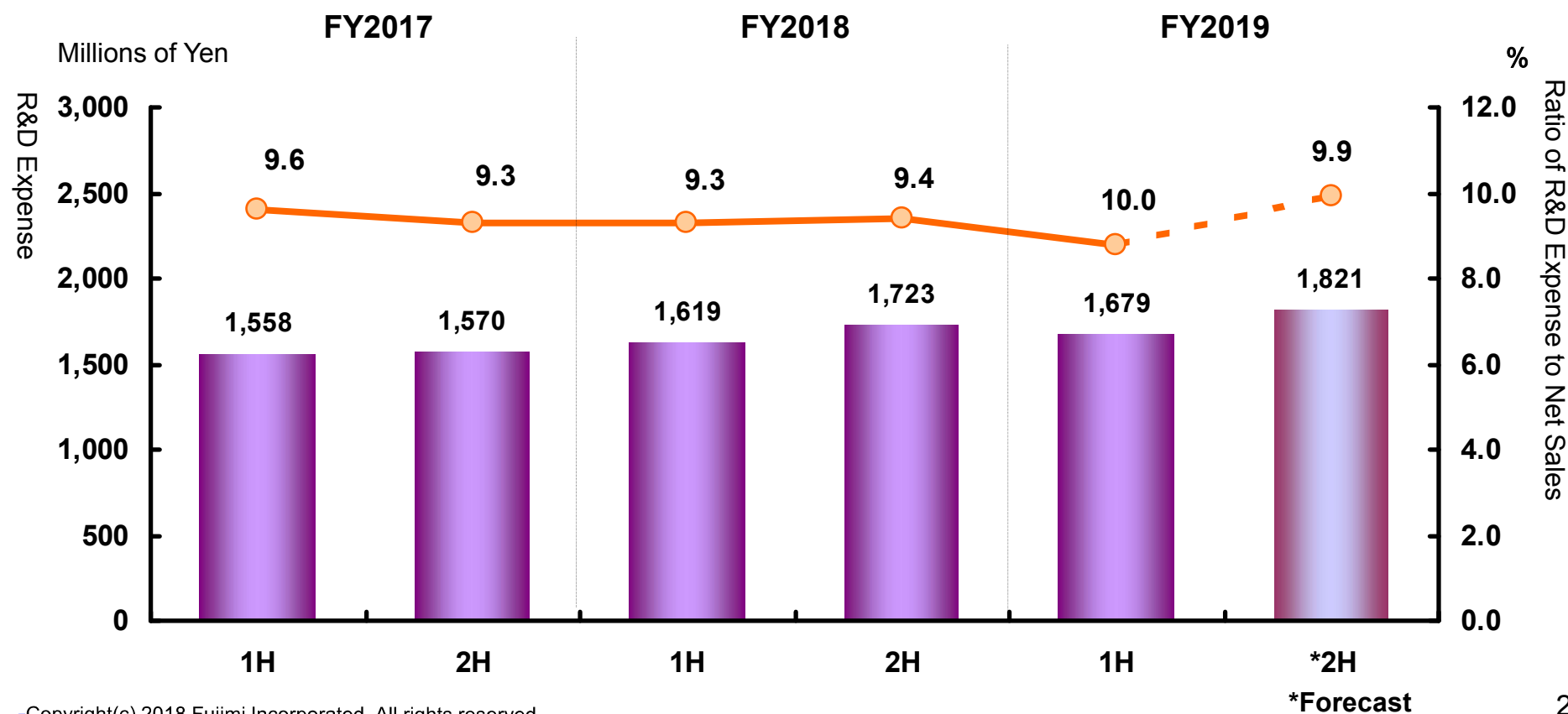
Capital Expenditure/ Depreciation (Full – year)

Millions of Yen	FY2018	FY2019			
		Forecast @May 2018	Revised Forecast @Nov 2018	vs FY2018	vs Forecast @May 2018
Capital Expenditure	1,871	2,400	2,200	+17.6%	(8.3%)
Depreciation	1,411	1,600	1,400	(0.8%)	(12.5%)



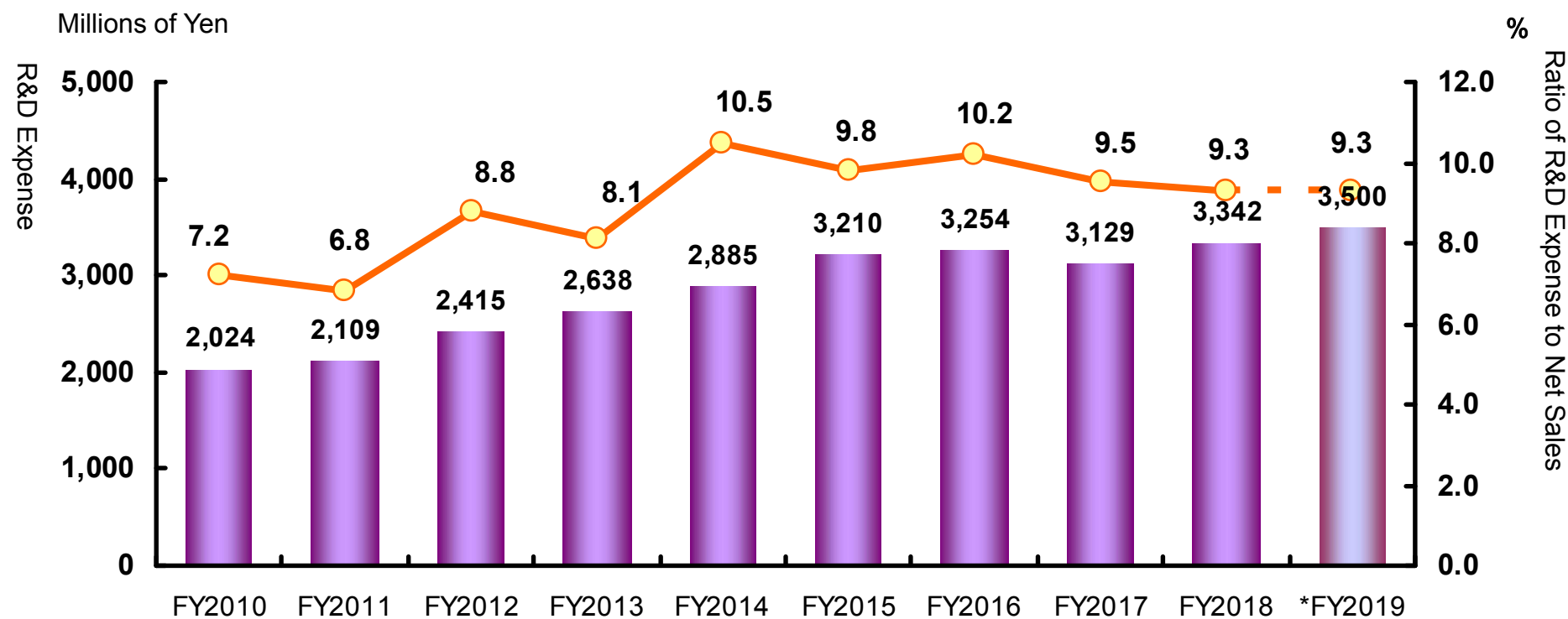
R&D Expense (Half – year)

	FY2018		FY2019									
	1H	2H	1H @May 2018	1H Actual	vs 1H FY2018	vs 2H FY2018	Vs Forecast @May	2H Forecast @May 2018	2H Revised Forecast @Nov 2018	vs FY2018 2H Actual	Vs FY2019 1H Actual	Vs Forecast @May 2018
R&D Expense	1,619	1,722	1,800	1,679	+3.7%	(2.5%)	(6.7%)	1,800	1,821	+5.7%	+8.4%	+1.2%



R&D Expense (Full – year)

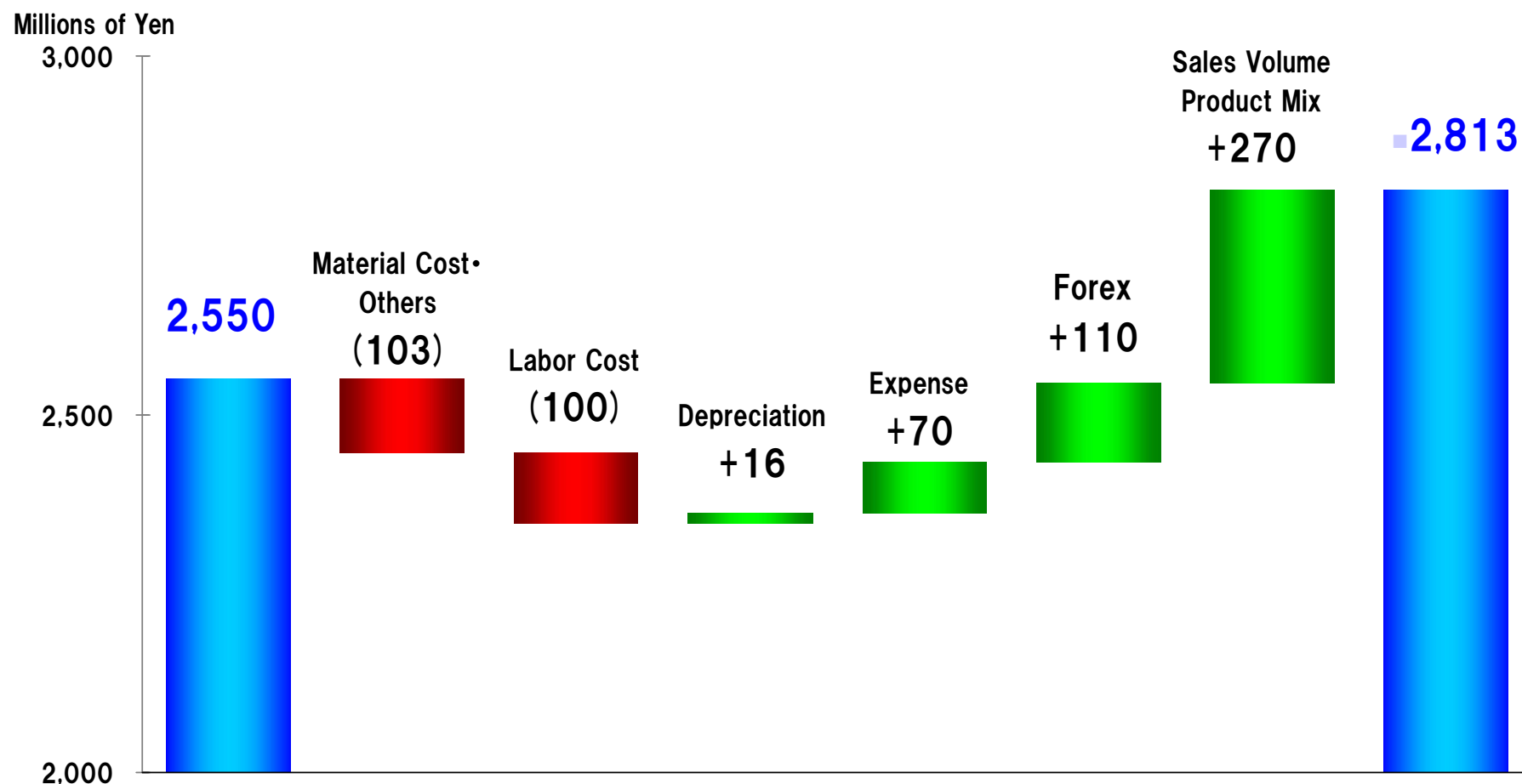
Millions of Yen	FY2018	FY2019		
	Actual	Forecast May '18	Revised Forecast Nov '18	vs FY2018
Capital Expenditure	3,342	3,600	3,500	+4.6%



Operating Income Analysis

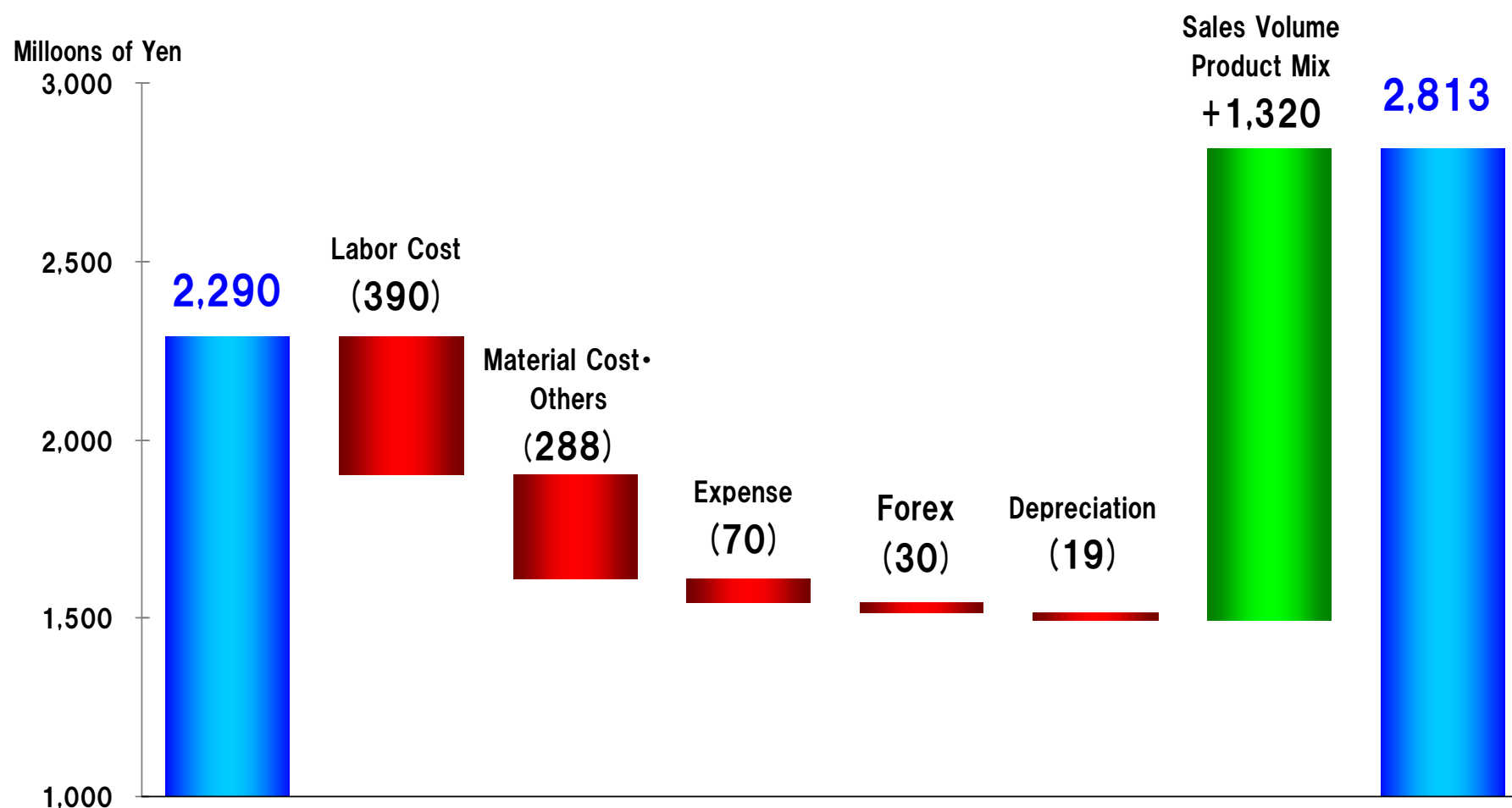
Operating Income Analysis

1H FY2019 Forecast vs 1H FY2019 Actual



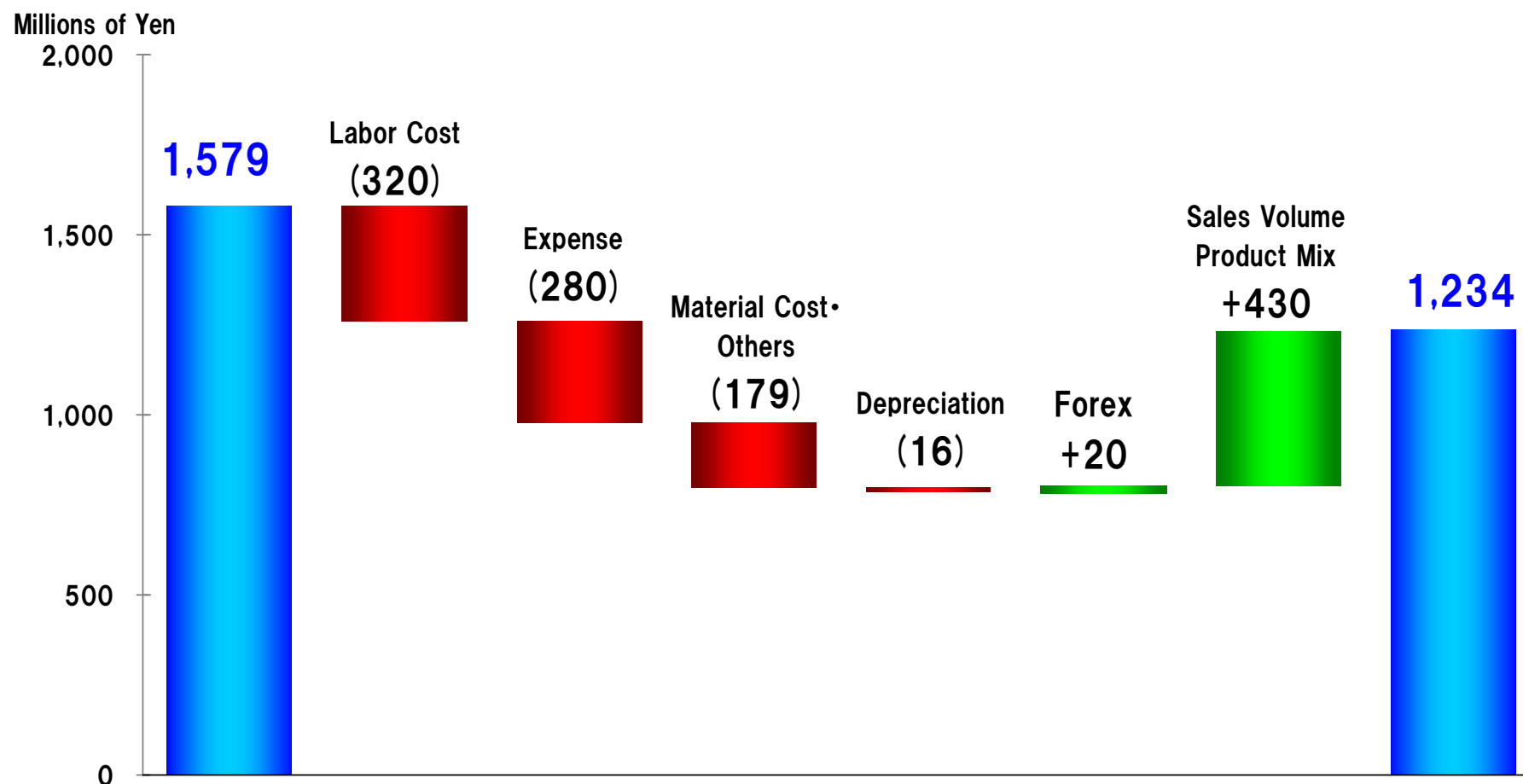
Operating Income Analysis

1H FY2018 Actual vs 1H FY2017 Actual



Operating Income Analysis

Q1 FY2019 Actual vs Q2 FY2019 Actual



Supplementary Data

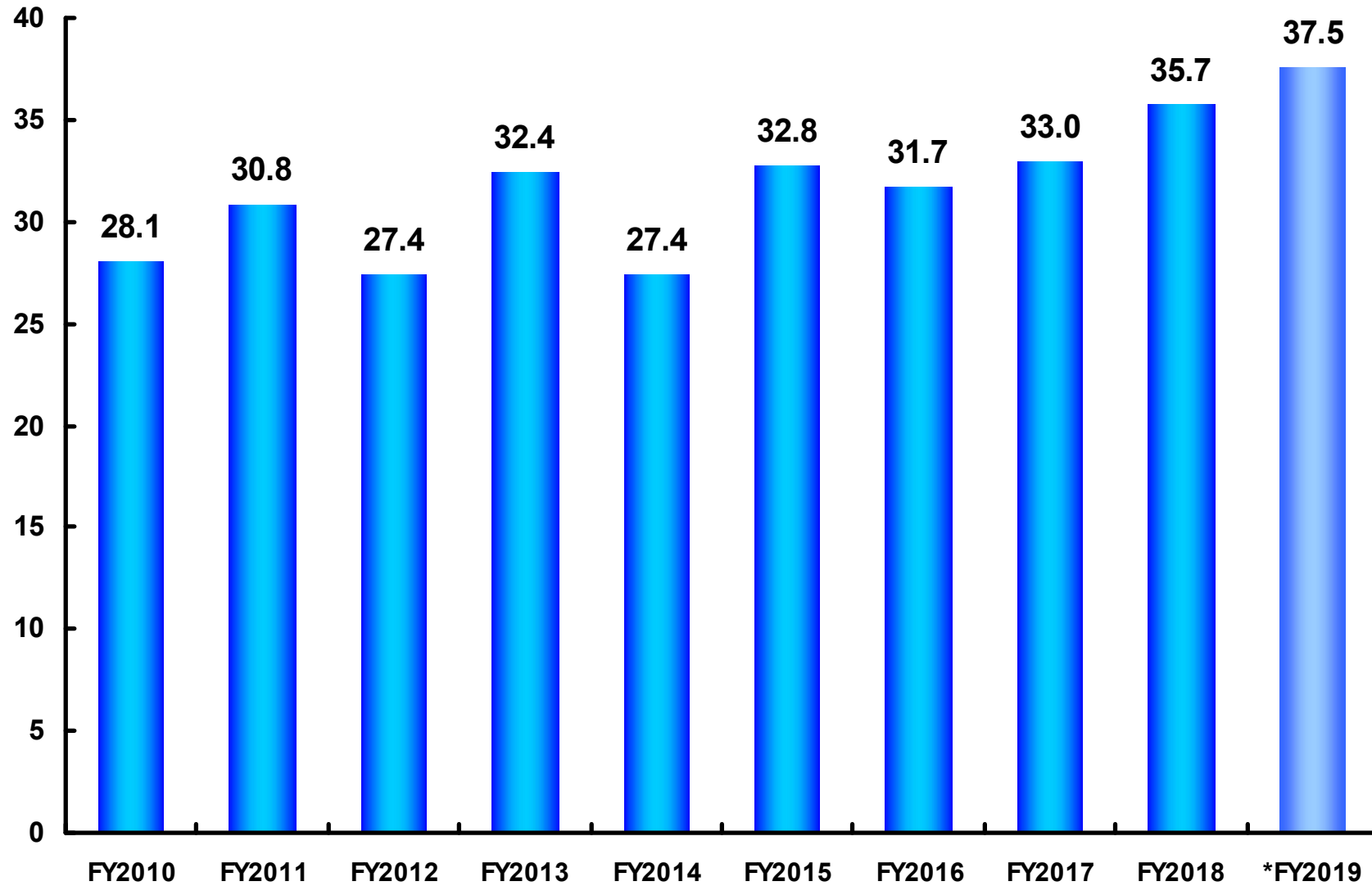
Number of Employee

	FY2018		FY2019			
	As of 31 Mar 2018		As of 31 Sep 2018			
	Full-time	*Temporary	Full-time	*Temporary	vs FY2018	
Full-time					*Temporary	
FUJIMI INCORPORATED	580	173	594	174	+14	+1
FUJIMI CORPORATION	111	0	107	4	(4)	+1
FUJIMI TAIWAN LIMITED	73	0	79	0	+6	—
FUJIMI-MICRO TECHNOLOGY SDN.BHD	65	8	66	8	+1	—
FUJIMI EUROPE GmbH	4	2	5	1	+1	(1)
FUJIMI KOREA LIMITED	5	0	5	0	—	—
FUJIMI SHENZHEN TECHNOLOGY. CO.,LTD	6	1	5	1	(1)	+1
Total	844	186	861	188	+17	+2

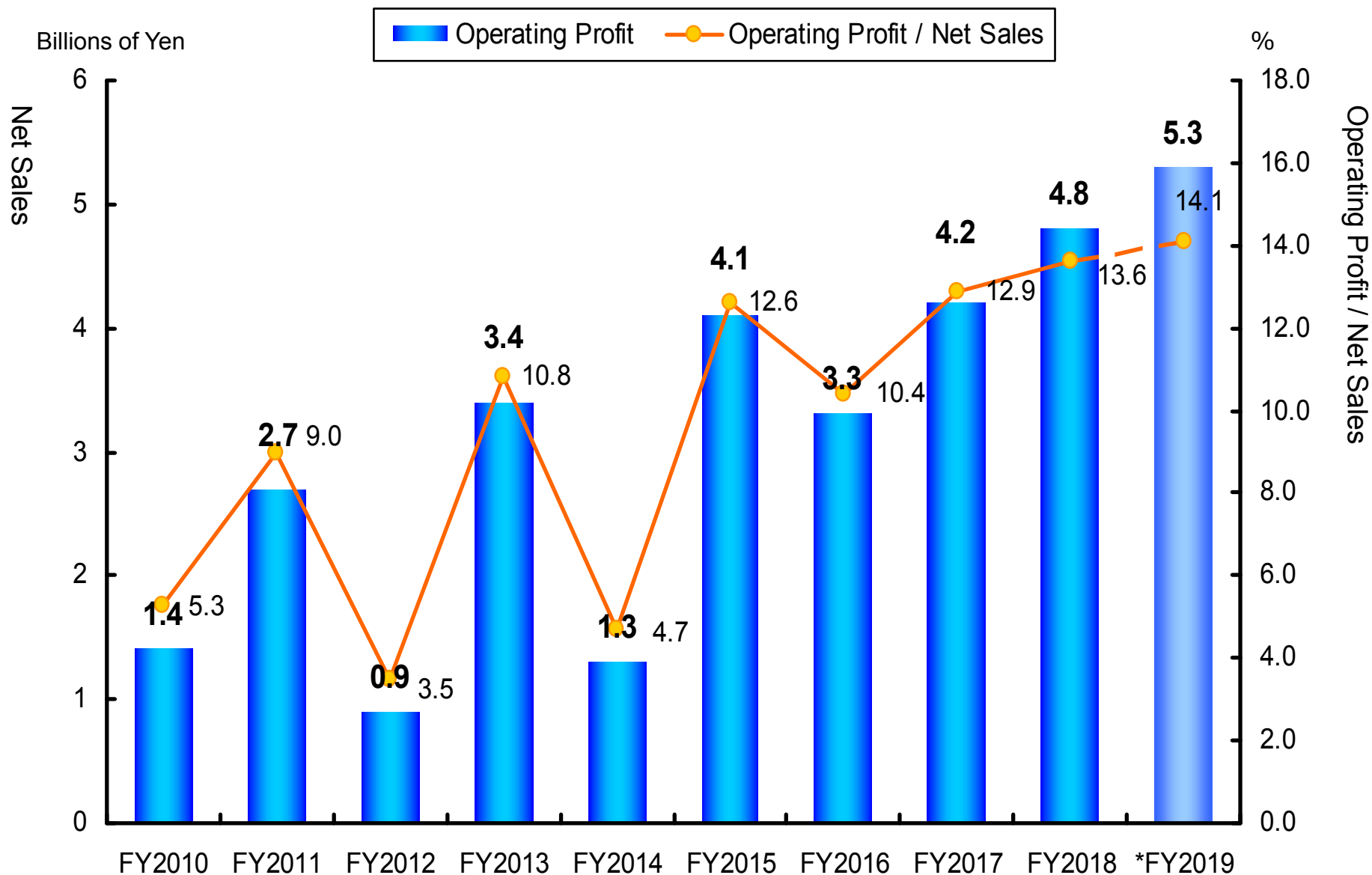
* Temporary: average number of employee(s) for the term

Net Sales : Full-year

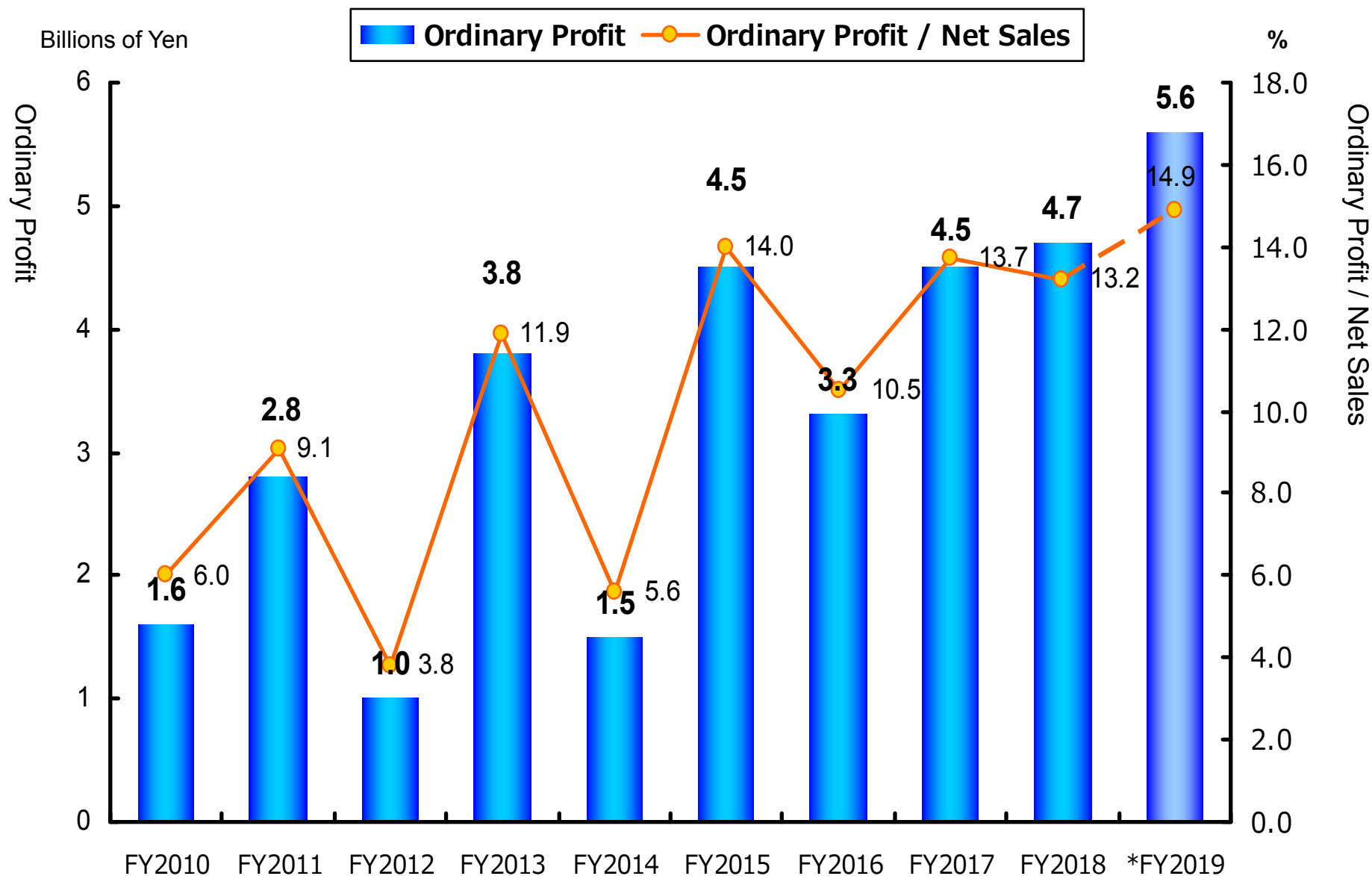
Billions of Yen



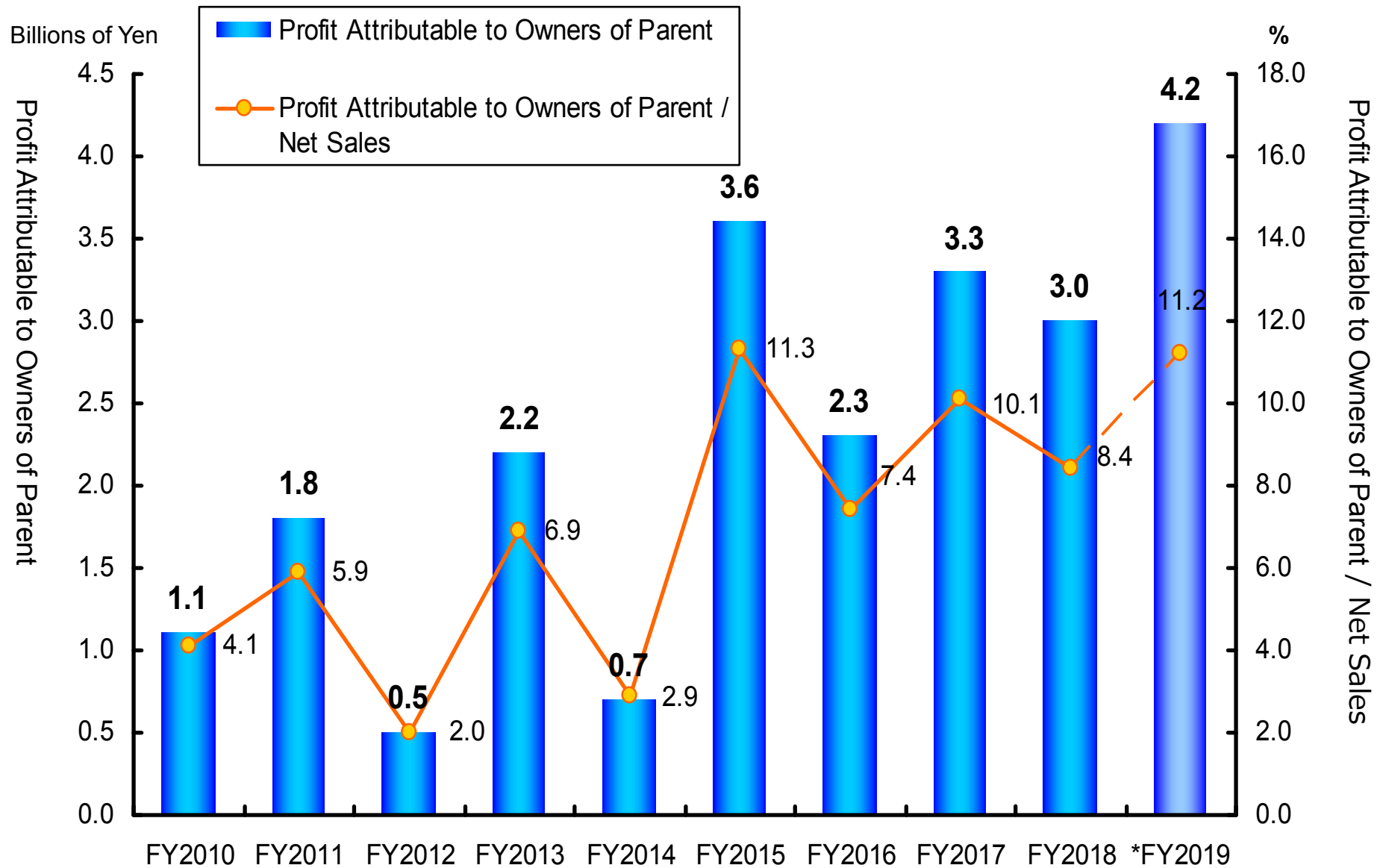
Operating Profit : Full-year



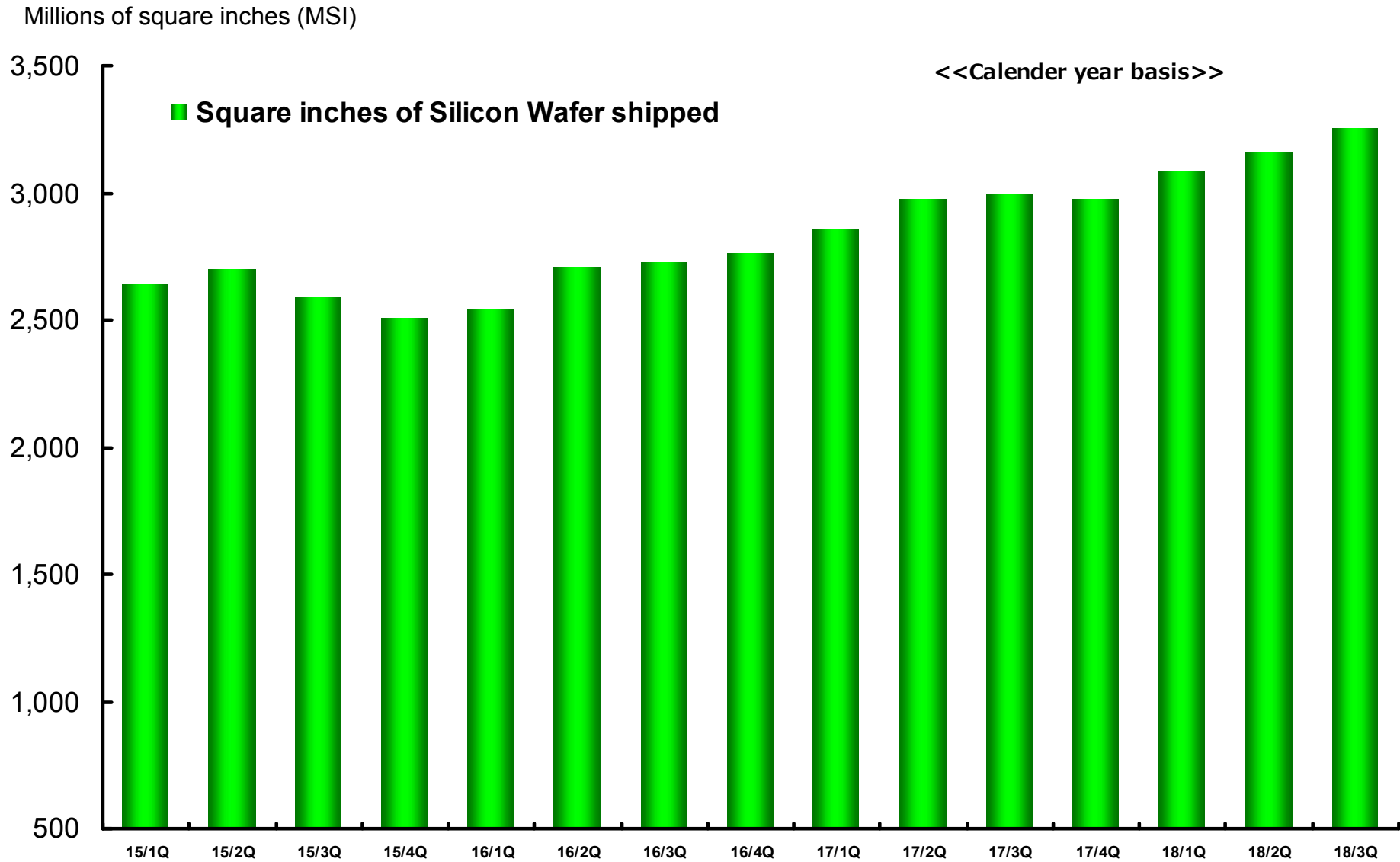
Ordinary Profit : Full-year



Profit Attributable to Owners of Parent : Full-year



Quarterly Shipments of Silicon Wafers – Worldwide – in MSI



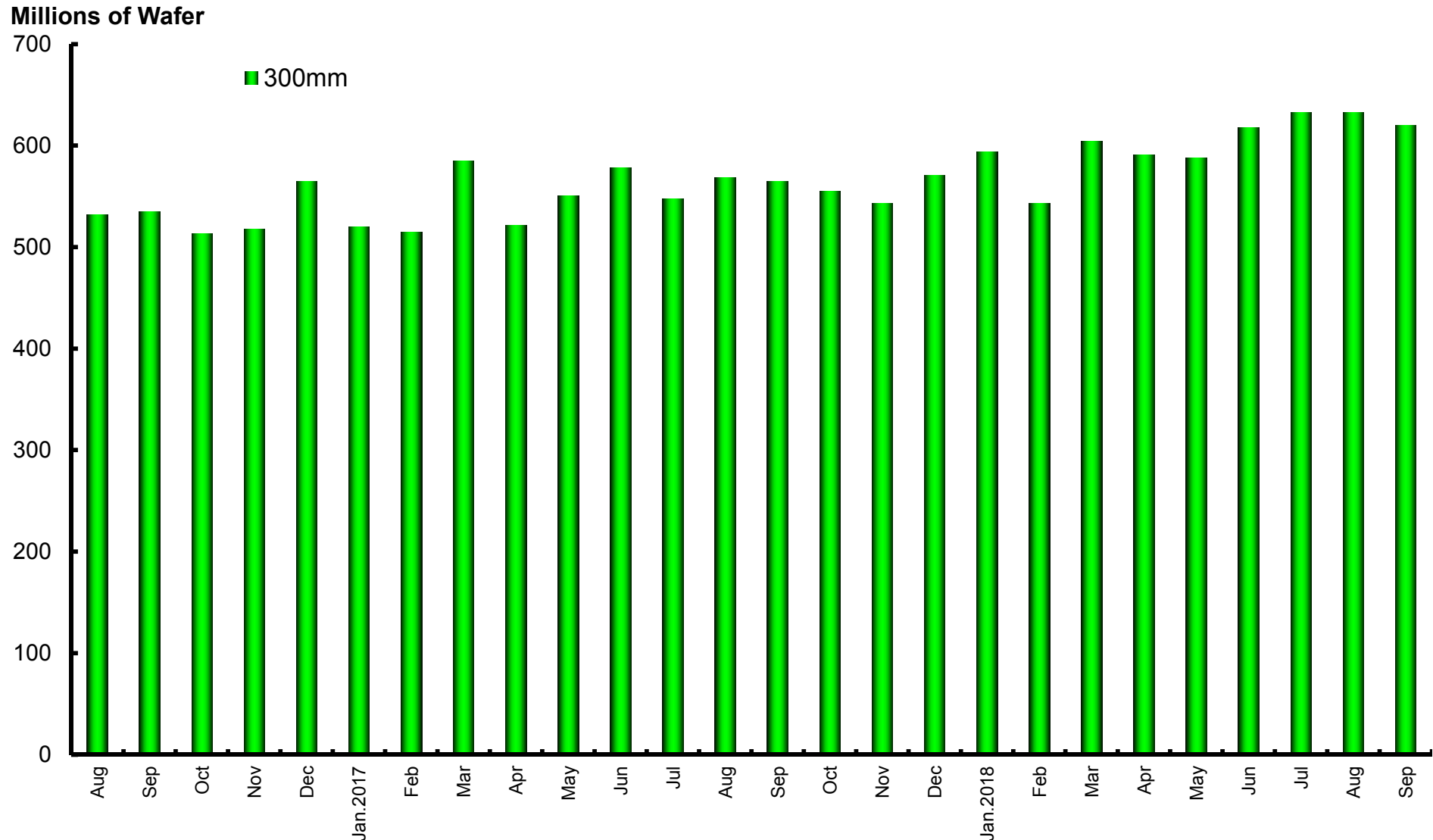
Source : SEMI (Semiconductor Equipment and Materials International)

Monthly Shipments of 300mm Silicon Wafers – Worldwide – FUJIMI

in wafer number



Source : Fujimi Estimate



Semiconductor Market Scale by Region

