

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 4, 2019

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: February 7, 2019  
 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 nine months ended December 31, 2018 (from April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	28,795	6.9	4,494	15.1	4,784	24.9	3,628	32.6
Nine months ended December 31, 2017	26,931	8.4	3,904	12.3	3,831	0.8	2,736	(1.8)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2018	147.22	–
Nine months ended December 31, 2017	111.02	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2018	56,923	49,541	87.0	2,009.97
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	–	40.00	–		
Year ending March 31, 2019 (Forecast)				45.00	85.00

### 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
Full year	37,500	4.8	5,300	8.8	5,600	18.4	4,200	39.5	170.40

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2018	4,051,423 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)

Nine months ended December 31, 2018	24,648,152 shares	Nine months ended December 31, 2017	24,648,282 shares
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## 1. Information Concerning Consolidated Financial Results

### (1) Financial Results

In the first nine months of FY2019 (April-December 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 showed trends of a slowdown due to debt reduction policies and the ongoing trade friction. Furthermore, the global semiconductor market showed slower growth in sales due to declining prices in memory devices, while still maintaining high production levels.

The consolidated results for this period are shown below.

Consolidated Results for the First Nine Months of Fiscal Year 2019:

Millions of JPY

	FY ended December 31, 2017	FY ended December 31, 2018	Change YoY
Net Sales	26,931	28,795	6.9%
Operating Income	3,904	4,494	15.1%
Ordinary Income	3,831	4,784	24.9%
Net Income Attributable to Owners of Parent	2,736	3,628	32.6%

### (2) Segment Operating Results by Region

#### (i) Japan

Net sales in Japan increased by 15.0% to JPY 16,651 million compared with the same term last year. The increase was mainly due to firm demand from silicon wafers and semiconductor devices. Operating profit increased by 20.6% to JPY 4,264 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 1.4% to JPY 4,541 million compared with the same term last year. Operating profit decreased by 37.8% to JPY 512 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 7.3% to JPY 6,363 million compared with the same term last year. The decrease was mainly due to weak demand for products related to the hard disks, despite firm demand for CMP products related to the semiconductor devices. Operating profit increased by 29.1% to JPY 1,063 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 12.0% to JPY 1,239 million compared with the same term last year. Operating profit increased by 59.5% to JPY 160 million compared with the same term last year. The increase was mainly due to firm 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 24.9% to JPY 3,304 million compared with the same term last year and net sales of polishing slurry products increased by 18.7% to JPY 6,505 million compared with the same term last year. The increases in net sales of both product lines were mainly due to market share increase and high production levels in the semiconductor industry.

(ii) Semiconductor Devices

Regarding products for CMP process of semiconductor devices, net sales increased by 6.0% to JPY 11,728 million compared with the same term last year. The increase in net sales was mainly due to firm demand from both logic and memory devices due to the high production levels in the semiconductor industry.

(iii) Hard Disks

Regarding products for hard disks, net sales decreased by 26.4% to JPY 1,862 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 customers' manufacturing process changes.

(iv) General Industries

Regarding products for general industries, net sales decreased by 3.0% to JPY 3,137 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 December 31, 2018**

Total assets increased by JPY 1,483 million to JPY 56,923 million compared with the end of the previous fiscal year mainly due to increases of JPY 893 million in notes and accounts receivable-trade, JPY 813 million in other in current assets, JPY 572 million in raw materials and supplies and JPY 442 million in merchandise and finished goods, offsetting a decrease of JPY 1,227 million in cash and deposit.

Total liabilities decreased by JPY 209 million to JPY 7,382 million compared with the end of the previous fiscal year mainly due to a decrease of JPY 584 million in provision for bonuses, offsetting increases of JPY 157 million in provision for stocks payment and JPY 90 million in other in current liabilities.

Net assets increased by JPY 1,693 million to JPY 49,541 million compared with the end of the previous fiscal year mainly due to an increase of JPY 1,676 million in retained earnings.

## **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 Six Months Ended September 30, 2018” released on November 2, 2018.

**4. Quarterly Consolidated Financial Statements**  
**(1) Consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	24,929	23,702
Notes and accounts receivable - trade	8,010	8,904
Securities	500	500
Merchandise and finished goods	3,244	3,686
Work in process	801	1,018
Raw materials and supplies	1,748	2,320
Other	772	1,585
Allowance for doubtful accounts	(23)	(29)
Total current assets	39,983	41,689
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,822	7,576
Other, net	5,527	5,787
Total property, plant and equipment	13,349	13,364
Intangible assets	479	419
Investments and other assets		
Investment securities	744	678
Deferred tax assets	749	651
Other	141	130
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	1,626	1,451
Total non-current assets	15,456	15,234
Total assets	55,439	56,923

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,269	3,228
Income taxes payable	429	449
Provision for bonuses	1,115	530
Provision for directors' bonuses	-	71
Other	1,952	2,042
<b>Total current liabilities</b>	<b>6,767</b>	<b>6,323</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	-	1
Net defined benefit liability	651	691
Provision for stocks payment	153	310
Other	18	55
<b>Total non-current liabilities</b>	<b>823</b>	<b>1,058</b>
<b>Total liabilities</b>	<b>7,591</b>	<b>7,382</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	44,394
Treasury shares	(5,641)	(5,641)
<b>Total shareholders' equity</b>	<b>47,401</b>	<b>49,077</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	202	153
Foreign currency translation adjustment	336	380
Remeasurements of defined benefit plans	(92)	(69)
<b>Total accumulated other comprehensive income</b>	<b>446</b>	<b>464</b>
<b>Total net assets</b>	<b>47,848</b>	<b>49,541</b>
<b>Total liabilities and net assets</b>	<b>55,439</b>	<b>56,923</b>



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

**Consolidated Statements of Income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	26,931	28,795
Cost of sales	15,794	16,741
Gross profit	11,137	12,054
Selling, general and administrative expenses	7,232	7,559
Operating profit	3,904	4,494
Non-operating income		
Interest income	38	86
Foreign exchange gains	-	130
Other	61	85
Total non-operating income	99	301
Non-operating expenses		
Foreign exchange losses	164	-
Loss on retirement of non-current assets	5	7
Other	3	4
Total non-operating expenses	172	11
Ordinary profit	3,831	4,784
Profit before income taxes	3,831	4,784
Income taxes - current	933	1,042
Income taxes - deferred	161	113
Total income taxes	1,095	1,156
Profit	2,736	3,628
Profit attributable to owners of parent	2,736	3,628

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

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	2,736	3,628
Other comprehensive income		
Valuation difference on available-for-sale securities	(27)	(49)
Foreign currency translation adjustment	488	43
Remeasurements of defined benefit plans, net of tax	37	23
Total other comprehensive income	499	17
Comprehensive income	3,235	3,646
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,235	3,646