

Financial Overview FY2019 2Q

Nov 15, 2019

FUJIMI INCORPORATED

Financial Overview

Financial Overview : Half - year

Millions of Yen	FY2019		FY2020				
	1 st H	2 nd H	1 st H Original Forecast @May 2019	1 st H	vs 1 st H FY2019	vs 2 nd H FY2019	vs 1 st H Forecast
Net Sales	19,163	18,231	18,000	18,884	(1.5%)	+3.6%	+4.9%
Operating Income Margin	2,813 14.7%	2,497 13.7%	2,000 11.1%	2,863 15.2%	+1.8% -	+14.7% -	+43.2% -
Ordinary Income Margin	3,056 15.9%	2,580 14.2%	2,050 11.4%	2,974 15.8%	(2.7%) -	+15.3% -	+45.1% -
Net Income Margin	2,339 12.2%	1,926 10.6%	1,550 8.6%	2,212 11.7%	(5.5%) -	+14.9% -	+42.7% -

- Operating Income up due to favorable product mix, offsetting sales down and SG&A up
- Ordinary Income down due to a decrease in foreign exchange gains from JPY 140 million to JPY 7 million compared with the 1st half FY2019

Financial Forecast : Full - year

Millions of Yen	FY2019	FY2020			
		Forecast			
		Original Forecast @May 2019	Revised Forecast @Nov 2019	vs FY2019	vs Original Forecast @May 2019
Net Sales	37,394	37,500	37,500	+0.3%	-
Operating Income Margin	5,310 14.2%	4,700 12.5%	4,700 12.5%	(11.5%) -	- -
Ordinary Income Margin	5,637 15.1%	4,800 12.8%	4,800 12.8%	(14.8%) -	- -
Net Income Margin	4,265 11.4%	3,600 9.6%	3,600 9.6%	(15.6%) -	- -

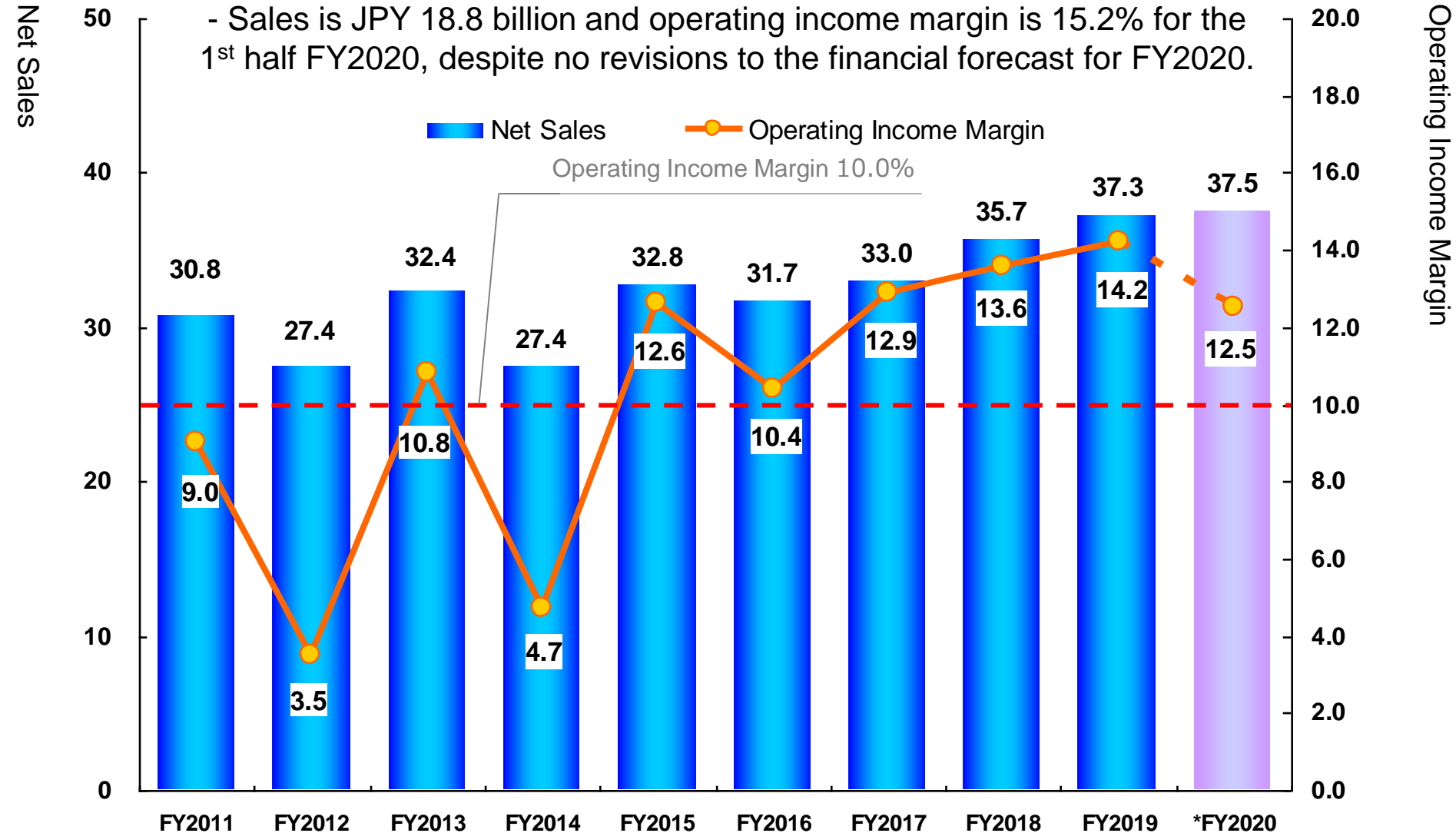
- No revisions were made concerning the financial forecast for FY2020 as reported in the “Summary of Consolidated Financial Results for the Year Ended March 31, 2019” released on May 10, 2019, due to uncertainty of the semiconductor market outlook.

Sales and Operating Income Margin : Full- year

Billions of Yen

%

- Sales is JPY 18.8 billion and operating income margin is 15.2% for the 1st half FY2020, despite no revisions to the financial forecast for FY2020.



*Forecast

Net Sales Breakdown by Application

Net Sales Breakdown : Half - year

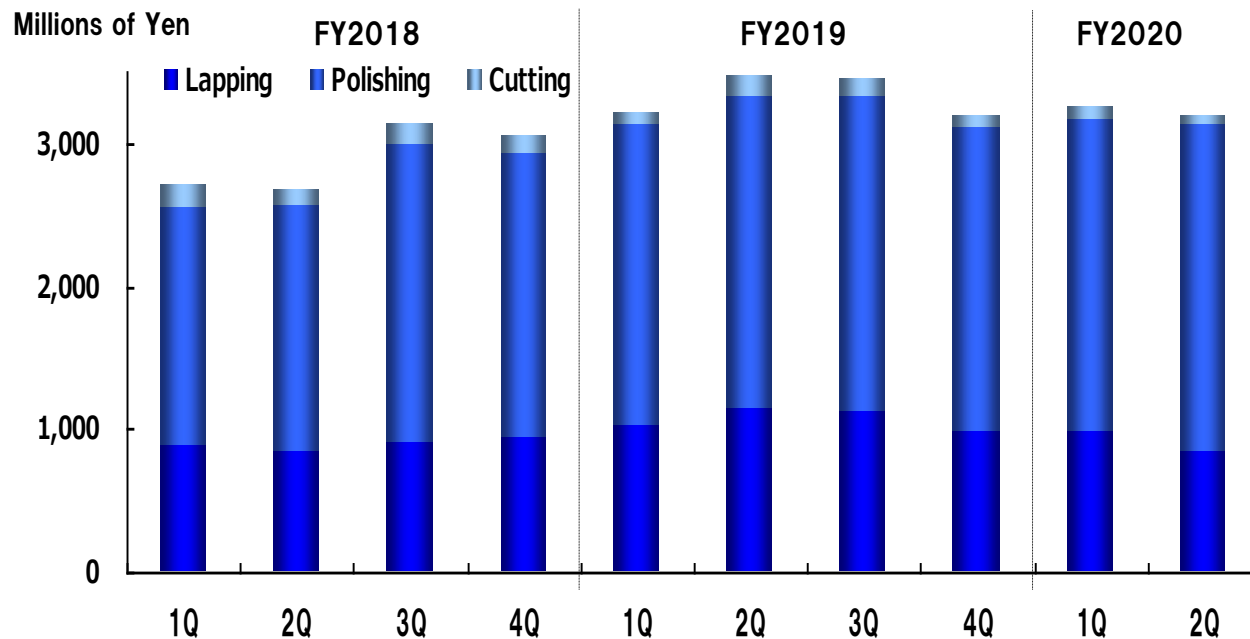
Millions of Yen	FY2019		FY2020				
	1 st H	2 nd H	1 st H Original Forecast	1 st H	vs 1 st H FY2019	vs 2 nd H FY2019	vs 1 st H Original Forecast
Silicon	6,706	6,666	6,800	6,458	(3.7%)	(3.1%)	(5.0%)
- Lapping	2,176	2,120	2,300	1,834	(15.7%)	(13.5%)	(20.3%)
- Polishing	4,301	4,319	4,350	4,487	+4.3%	+3.9%	+3.1%
- Cutting	228	225	150	137	(40.0%)	(39.3%)	(8.7%)
CMP	7,690	7,614	7,200	8,483	+10.3%	+11.4%	+17.8%
Hard Disk	1,276	991	900	1,094	(14.3%)	+10.4%	+21.5%
- for Aluminum Disk	1,225	946	830	983	(19.8%)	+3.9%	+18.4%
- for Glass Disk	51	45	70	111	+117.3%	+145.7%	+58.6%
SM / TS*	3,283	2,769	2,950	2,689	(18.1%)	(2.9%)	(8.9%)
- GI*; Abrasive	2,212	1,718	1,950	1,740	(21.4%)	+1.2%	(10.8%)
- GI; Non-Abrasive	1,070	1,051	1,000	949	(11.4%)	(9.7%)	(5.1%)
Fujimi Brand Products Total	18,957	18,042	17,850	18,724	(1.2%)	+3.8%	+4.9%
Others	206	189	150	160	(22.4%)	(15.5%)	+6.6%
Net Sales	19,163	18,231	18,000	18,884	(1.5%)	+3.6%	+4.9%

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

Silicon Wafer Business : Financial Overview

<Half-year>

Millions of Yen	FY2019			FY2020			
	1 st H	2 nd H	1 st H Original Forecast	1 st H	vs FY2019 1 st H	vs FY2019 2 nd H	vs 1 st H Original Forecast
Silicon	6,706	6,666	6,800	6,458	(3.7%)	(3.1%)	(5.0%)
- Lapping	2,176	2,120	2,300	1,834	(15.7%)	(13.5%)	(20.3%)
- Polishing	4,301	4,319	4,350	4,487	+4.3%	+3.9%	+3.1%
- Cutting	228	225	150	137	(40.0%)	(39.3%)	(8.7%)



Silicon wafers:

- Weak market

Lapping:

- Sales down due to weak demand for silicon wafers

Polishing:

- Sales up due to market share increase in stock polishing

Silicon Wafer Business : Financial Forecast

<Half-year>

Millions of Yen	FY2019		FY2020					
	1 st H	2 nd H	1 st H	2 nd H Original Forecast	2 nd H Revised Forecast	vs FY2019 2 nd H	vs FY2020 1 st H	vs 2 nd H Original Forecast
Silicon	6,706	6,666	6,458	7,400	7,342	+10.1%	+13.7%	(0.8%)
- Lapping	2,176	2,120	1,834	2,400	2,326	+9.7%	+26.8%	(3.1%)
- Polishing	4,301	4,319	4,487	4,850	4,853	+12.3%	+8.2%	+0.1%
- Cutting	228	225	137	150	163	(27.8%)	+19.0%	+8.6%

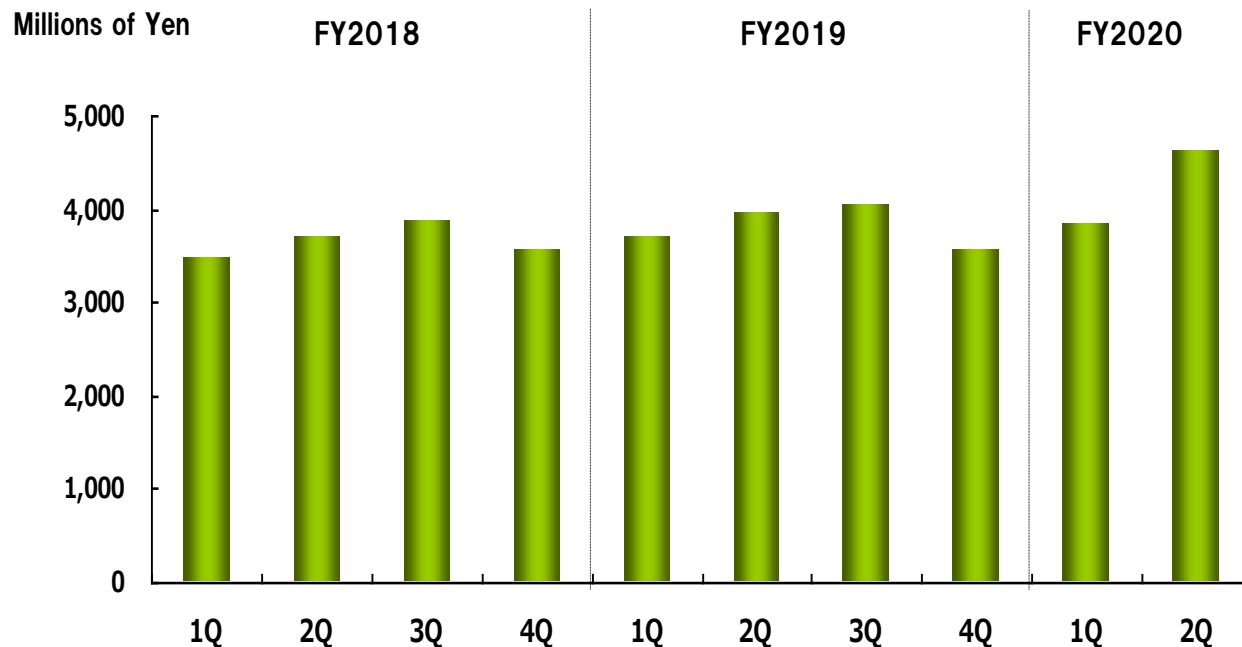
<Full-year>

Millions of Yen	FY2018	FY2019	FY2020			
			Original Forecast	Revised Forecast	vs FY2019	vs Original Forecast
Silicon	11,596	13,373	14,200	13,800	+3.2%	(2.8%)
- Lapping	3,588	4,297	4,700	4,160	(3.2%)	(11.5%)
- Polishing	7,472	8,621	9,200	9,340	+8.3%	+1.5%
- Cutting	535	453	300	300	(33.9%)	+0.0%

CMP Business : Financial Overview

<Half-year>

Millions of Yen	FY2019			FY2020			
	1 st H	2 nd H	1 st H Original Forecast	1 st H	vs FY2019 1 st H	vs FY2019 2 nd H	vs 1 st H Original Forecast
CMP	7,690	7,614	7,200	8,483	+10.3%	+11.4%	+17.8%



Memory devices:

- Strong demand for advanced devices, despite weak market

Logic devices:

- Market recovery in the 1st quarter of FY2020

CMP Business : Financial Forecast

<Half-year>

Millions of Yen	FY2019		FY2020					
	1 st H	2 nd H	1 st H	2 nd H Original Forecast	2 nd H Revised Forecast	vs FY2019 2 nd H	vs FY2020 1 st H	vs 2 nd H Original Forecast
CMP	7,690	7,614	8,483	7,600	7,117	(6.5%)	(16.1%)	(6.4%)

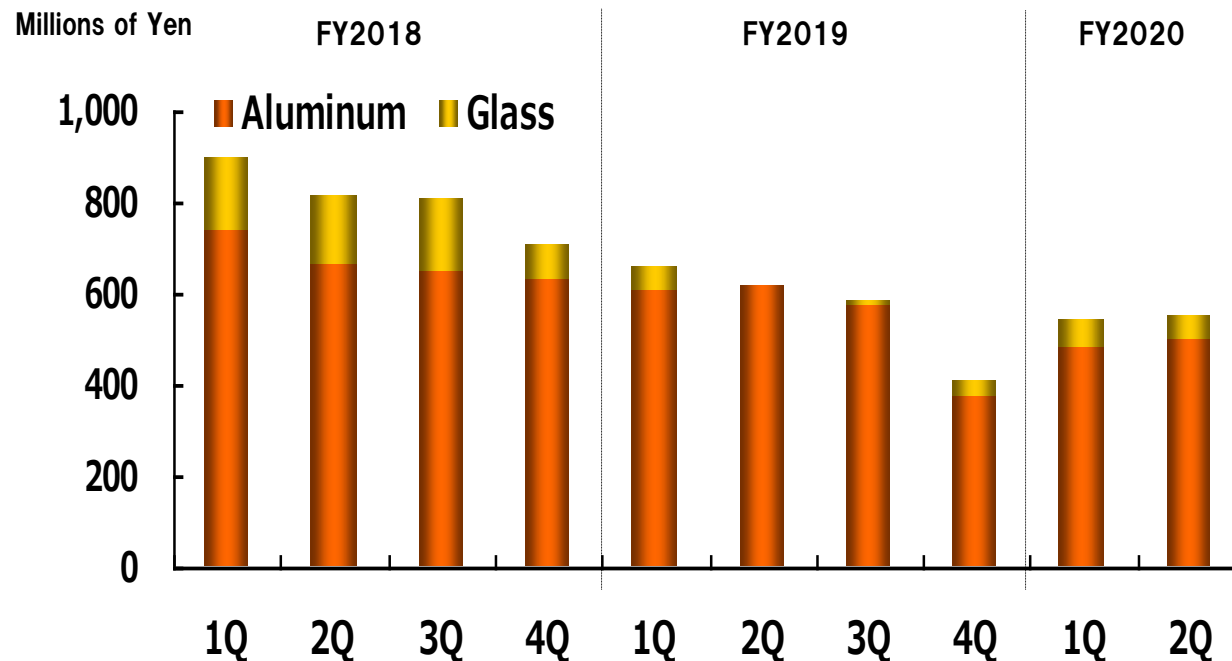
<Full-year>

Millions of Yen	FY2018	FY2019	FY2020			
			Original Forecast	Revised Forecast	vs FY2019	vs Original Forecast
CMP	14,621	15,305	14,800	15,600	+1.9%	+5.4%

Disk Business : Financial Overview

<Half-year>

Millions of Yen	FY2019			FY2020			
	1 st H	2 nd H	1 st H Original Forecast	1 st H	vs FY2019 1 st H	vs FY2019 2 nd H	vs 1H Original Forecast
Disk	1,276	991	900	1,094	(14.3%)	+10.4%	+21.5%
- For Aluminum Disk	1,225	946	830	983	(19.8%)	+3.9%	+18.4%
- For Glass Disk	51	45	70	111	+117.3%	+145.7%	+58.6%



Aluminum Disk:

- Sales down due to market shifting from HDD to SSD and customer's manufacturing process change
- Sales exceeded the 1st half forecast by 18% due to recovery for data center and PC demands

Disk Business : Financial Forecast

<Half-year>

Millions of Yen	FY2019		FY2020					
	1 st H	2 nd H	1 st H	2 nd H Original Forecast	2 nd H Revised Forecast	vs FY2019 2 nd H	vs FY2020 1 st H	vs 2 nd H Original Forecast
Disk	1,276	991	1,094	1,100	1,056	+6.5%	(3.5%)	(4.0%)
- For Aluminum Disk	1,225	946	983	1,070	917	(3.1%)	(6.7%)	(14.3%)
- For Glass Disk	51	45	111	30	139	+207.6%	+25.2%	+362.2%

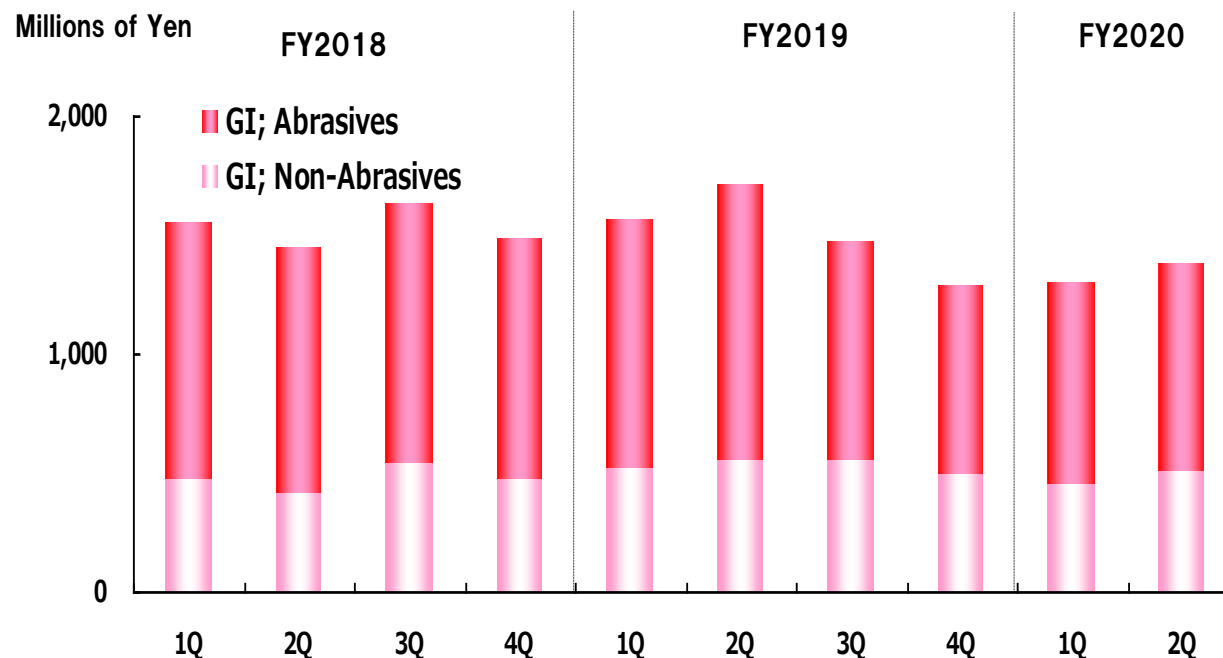
<Full-year>

Millions of Yen	FY2018	FY2019	FY2020			
			Original Forecast	Revised Forecast	vs FY2019	vs Original Forecast
Disk	3,236	2,268	2,000	2,150	(5.2%)	+7.5%
- For Aluminum Disk	2,694	2,171	1,900	1,900	(12.5%)	+0.0%
- For Glass Disk	542	96	100	250	+159.7%	+149.8%

General Industry Business : Financial Overview

<Half-year>

Millions of Yen	FY2019			FY2020			
	1st H	2nd H	1st H Original Forecast	1st H	vs FY2019 1st H	vs FY2019 2nd H	vs 1H Original Forecast
SM / TS*	3,283	2,769	2,950	2,689	(18.1%)	(2.9%)	(8.9%)
- GI*; Abrasives	2,212	1,718	1,950	1,740	(21.4%)	+1.2%	(10.8%)
- GI; Non-Abrasives	1,070	1,051	1,000	949	(11.4%)	(9.7%)	(5.1%)



Abrasives:

- Sales down due to weak demand caused by China's economic slowdown

Non-Abrasives:

- Sales down due to weak demand for thermal spray materials used for SPE and FPD production equipment

General Industry Business : Financial Forecast

<Half-year>

Millions of Yen	FY2019		FY2020					
	1 st H	2 nd H	1 st H	2 nd H Original Forecast	2 nd H Revised Forecast	vs FY2019 2 nd H	vs FY2020 1 st H	vs 2H Original Forecast
SM / TS*	3,283	2,769	2,689	3,250	2,961	+6.9%	+10.1%	(8.9%)
- GI*; Abrasive	2,212	1,718	1,740	2,050	1,810	+5.3%	+4.0%	(11.7%)
- GI; Non-Abrasive	1,070	1,051	949	1,200	1,151	+9.5%	+21.3%	(4.1%)

<Full-year>

Millions of Yen	FY2018	FY2019	FY2020			
			Original Forecast	Revised Forecast	vs FY2019	vs Original Forecast
SM / TS*	6,149	6,053	6,200	5,650	(6.7%)	(8.9%)
- GI*; Abrasive	4,244	3,931	4,000	3,550	(9.7%)	(11.3%)
- GI; Non-Abrasive	1,904	2,121	2,200	2,100	(1.0%)	(4.6%)

*SM / TS : Specialty Materials / Thermal Spray

*GI : General Industry

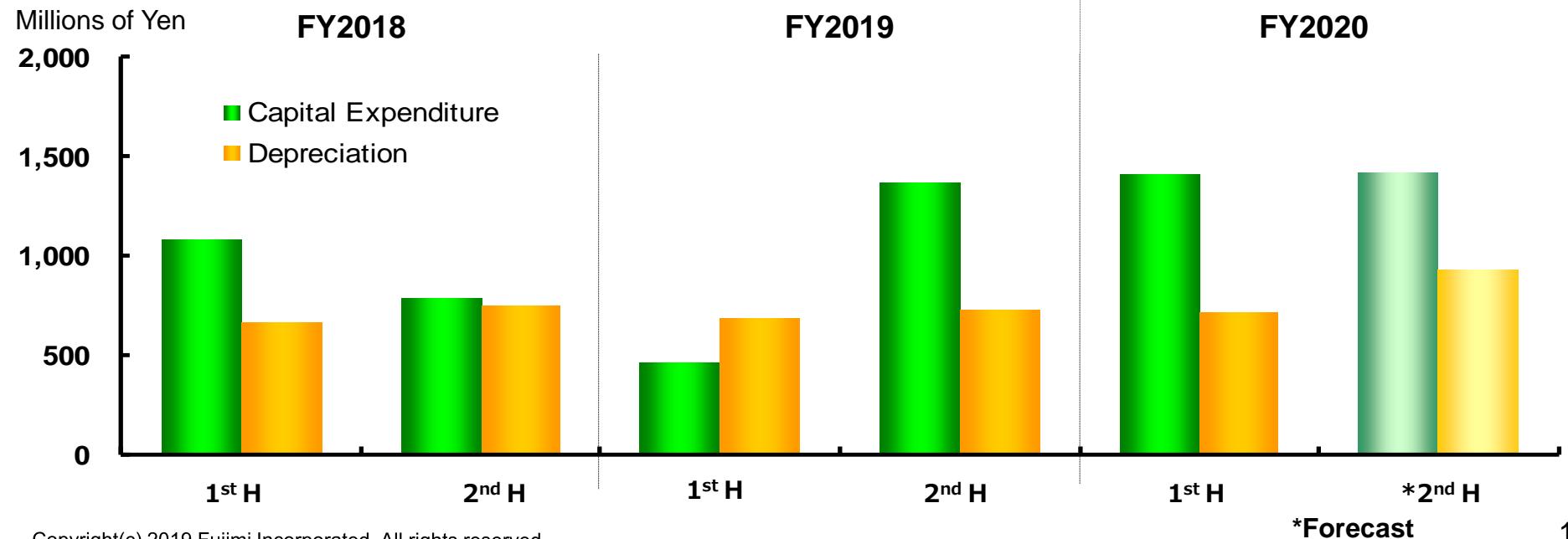
Capital Expenditure

Depreciation

R&D Expense

Capital Expenditure / Depreciation (Half – year)

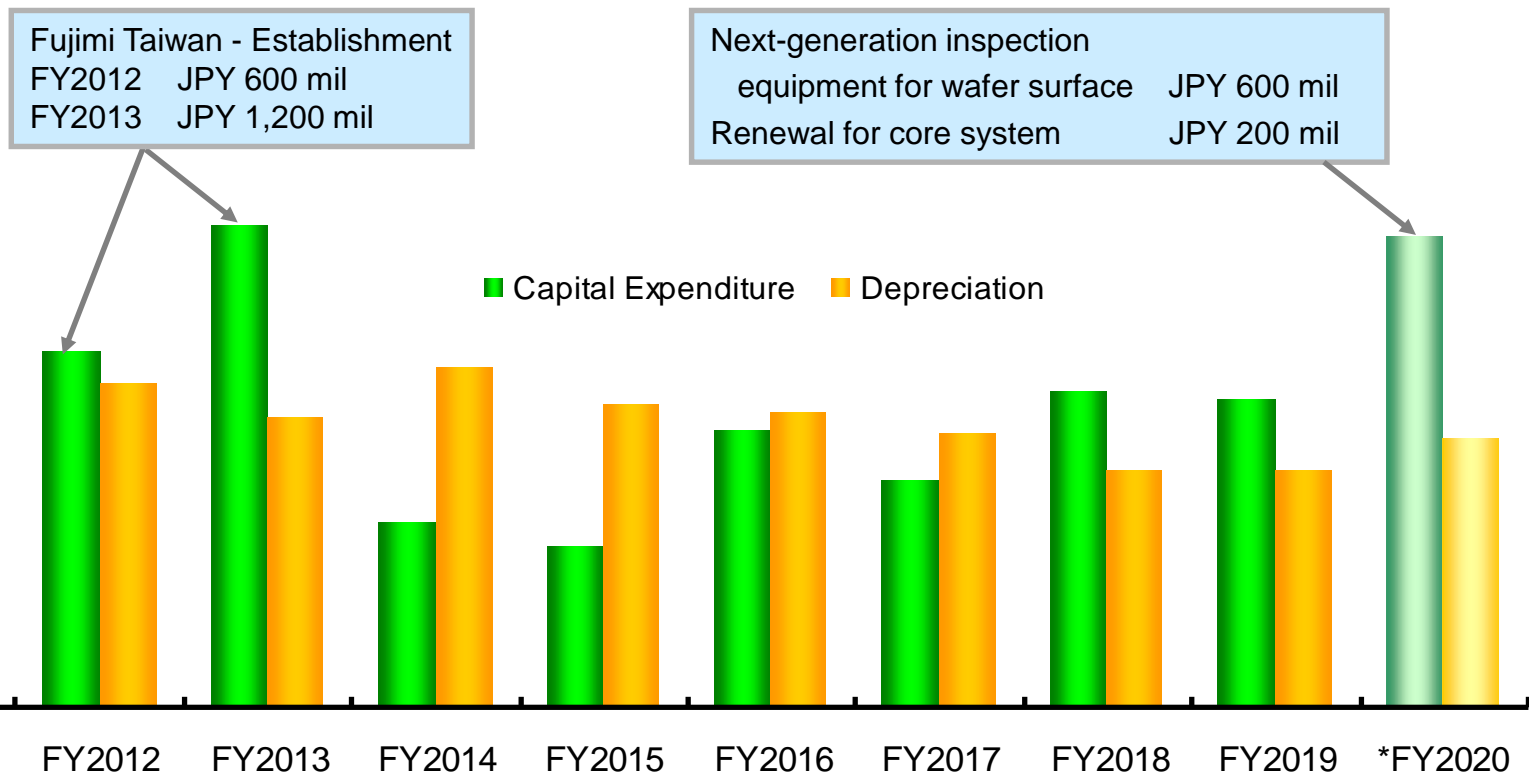
	FY2019		FY2020									
	1 st H	2 nd H	1 st H Original Forecast	1H	vs 1 st H FY2019	vs 2 nd H FY2019	vs Original Forecast	2 nd H Original Forecast	2 nd H Revised Forecast	vs FY2019 2 nd H	vs FY2020 1 st H	vs Original Forecast
Capital Expenditure	461	1,368	1,500	1,409	+205.6%	+3.0%	(6.1%)	1,600	1,391	+1.7%	(1.3%)	(13.1%)
Depreciation	684	729	800	715	+4.5%	(1.9%)	(10.6%)	1,000	885	+21.4%	+23.8%	(11.5%)



Capital Expenditure / Depreciation (Full – year)

Millions of Yen	FY2019	FY2020			
		Original Forecast	Revised Forecast	vs FY2019	vs Original Forecast
Capital Expenditure	1,829	3,100	2,800	+53.1%	(9.7%)
Depreciation	1,413	1,800	1,600	+13.2%	(11.1%)

Millions of Yen

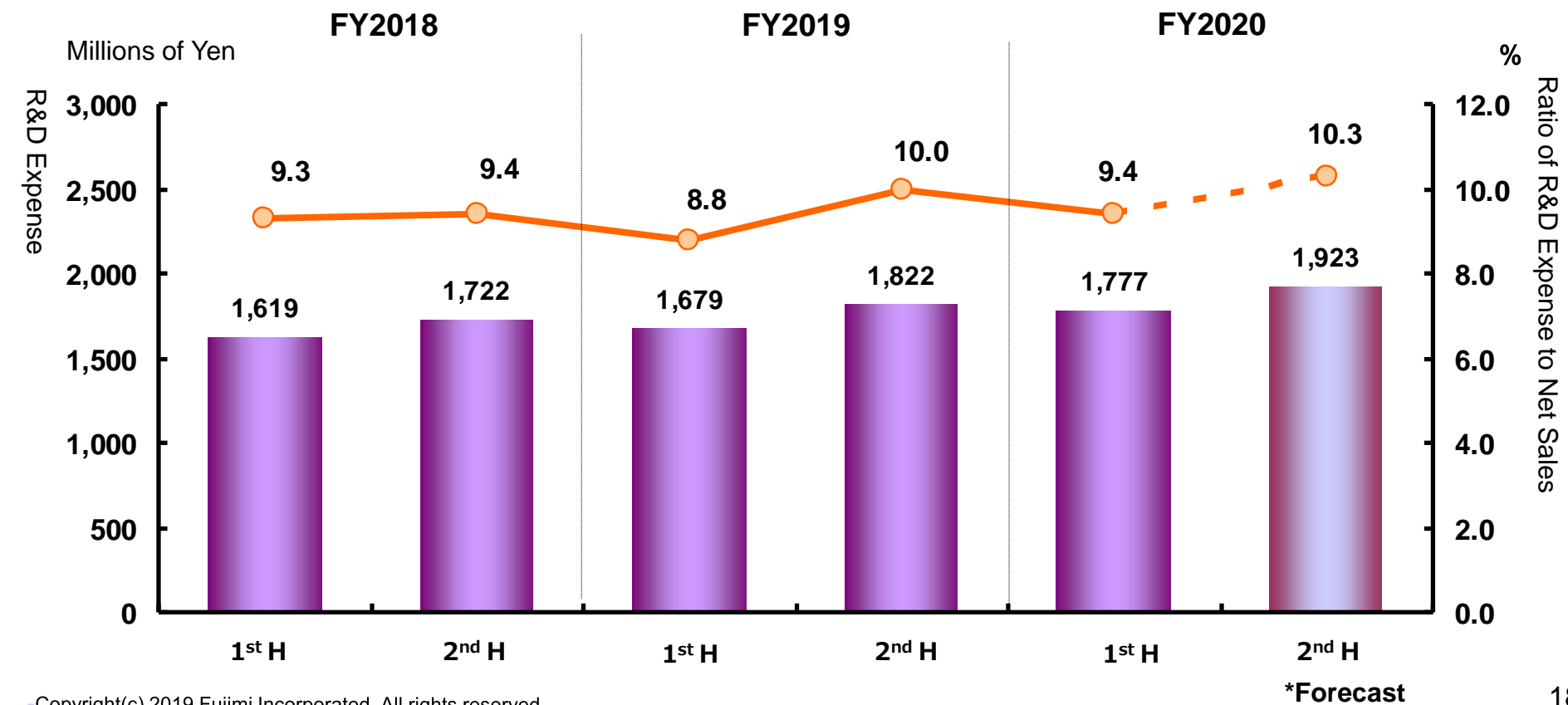


Fujimi Taiwan - Establishment
 FY2012 JPY 600 mil
 FY2013 JPY 1,200 mil

Next-generation inspection
 equipment for wafer surface JPY 600 mil
 Renewal for core system JPY 200 mil

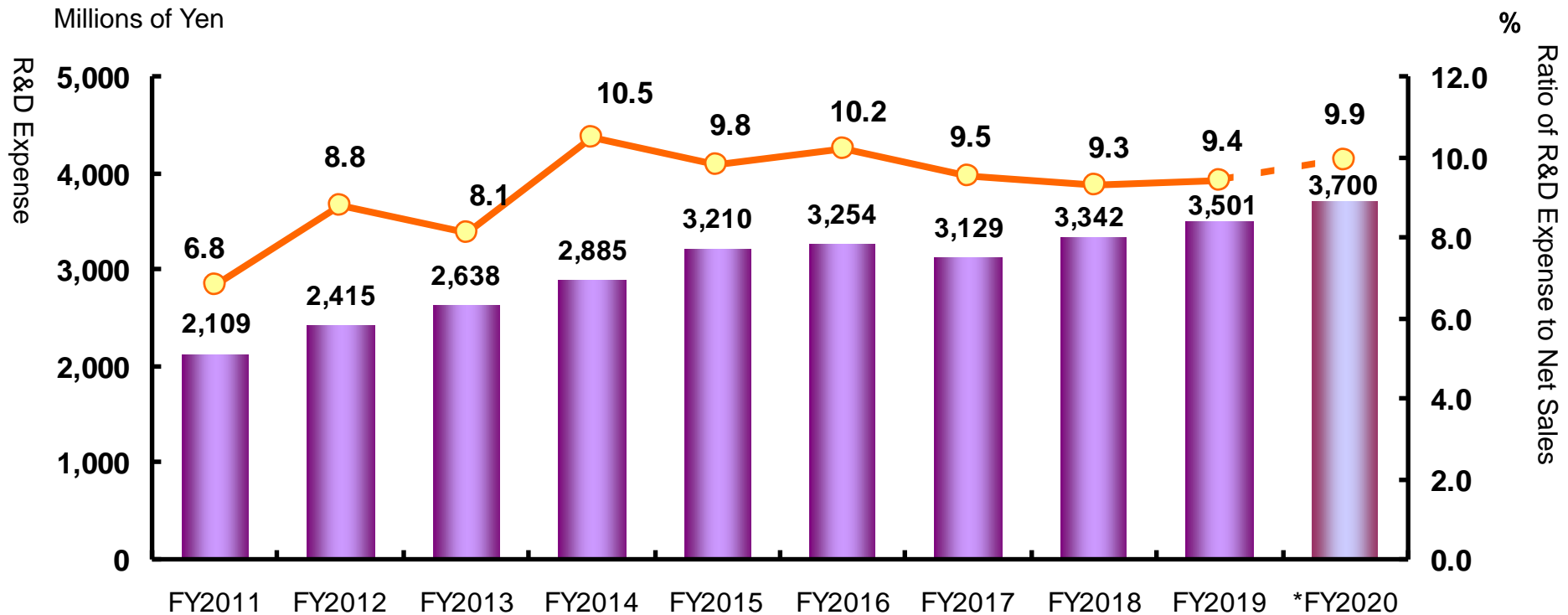
R&D Expense (Half – year)

	FY2019		FY2020									
	1st H	2nd H	1st H Original Forecast	1st H	VS 1st H FY2019	VS 2nd H FY2019	VS Original Forecast	2nd H Original Forecast	2nd H Revised Forecast	VS FY2019 2nd H	VS FY2020 1st H	VS Original Forecast
R&D Expense	1,679	1,822	1,800	1,777	+5.8%	(2.5%)	(1.3%)	1,900	1,923	+5.5%	+8.2%	+1.2%



R&D Expense (Full – year)

Millions of Yen	FY2019	FY2020		
		Original Forecast	Revised Forecast	vs FY2019
R&D Expense	3,501	3,700	3,700	+5.7%



Operating Income Analysis

Operating Income Analysis

1st Half FY2020 vs 1st Half FY2020 Forecast

Net Sales **18,000**

**1st H
FY2020
Forecast**

Sales up +884

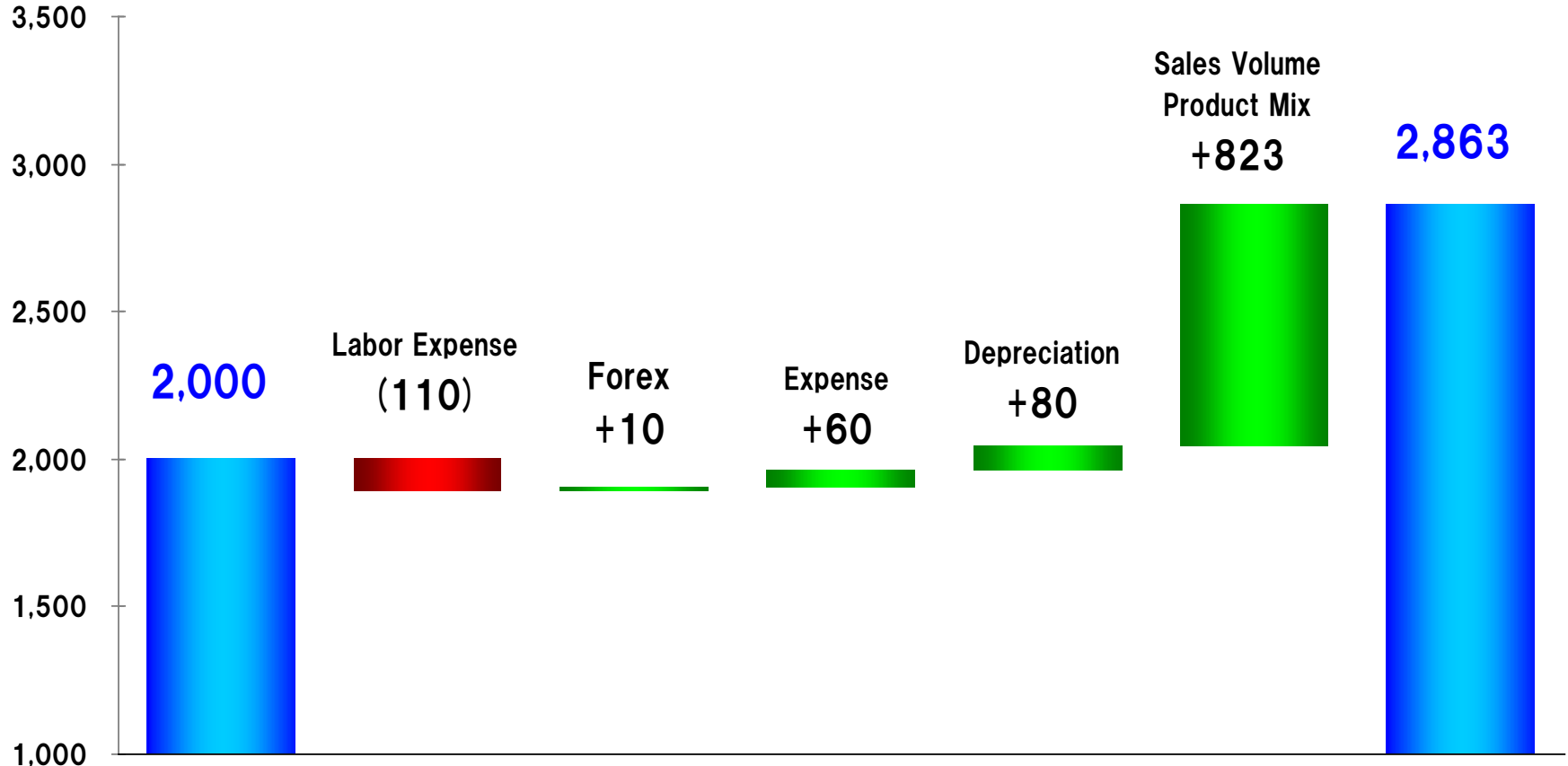
Millions of Yen

Income up +863

18,884

**1st H
FY2020**

Millions of Yen



Operating Income Analysis

1st Half FY2020 vs 1st Half FY2019

Net Sales 19,163

**1st H
FY2019**

Sales up +279

Millions of Yen

18,884

**1st H
FY2020**

Income up +50

Millions of Yen

3,500

2,813

**Expense
(190)**

**Labor Expense
(25)**

**Depreciation
(30)**

**Forex
(20)**

**Sales Volume
Product Mix
+315**

2,863

2,500

2,000

1,500

1,000

Supplementary Data

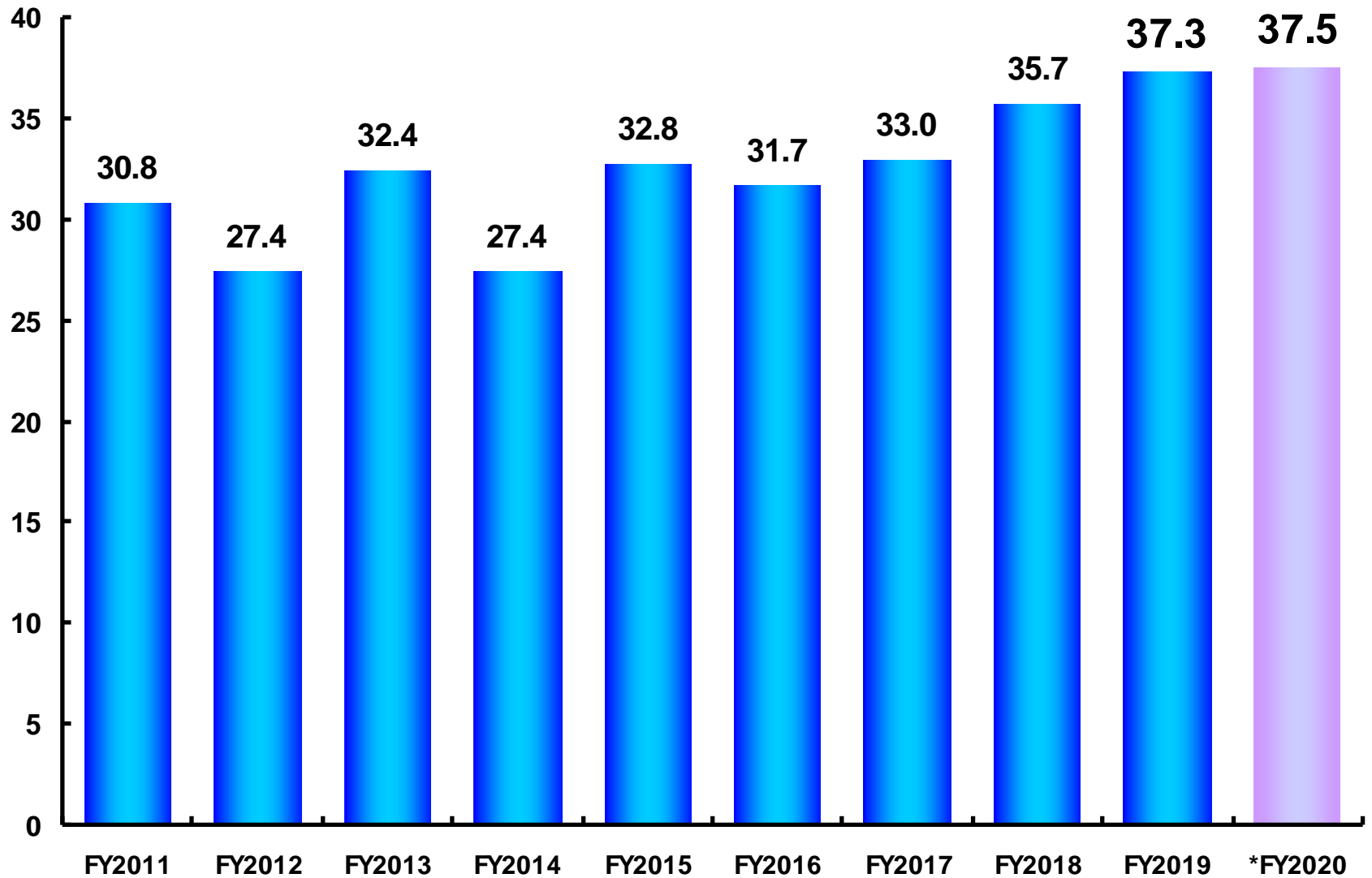
Number of Employee

	FY2019		FY2020			
	As of 31 Mar 2019		As of 31 Sep 2019			
	Full-time	*Temporary	Full-time	*Temporary	vs FY2019	
Full-time					*Temporary	
FUJIMI INCORPORATED	588	193	616	195	+28	+2
FUJIMI CORPORATION	114	3	110	1	(4)	(2)
FUJIMI TAIWAN LIMITED	77	1	83	2	+6	+1
FUJIMI-MICRO TECHNOLOGY SDN.BHD	66	7	66	5	—	(2)
FUJIMI EUROPE GmbH	5	1	5	2	—	+1
FUJIMI KOREA LIMITED	6	0	4	1	(2)	+1
FUJIMI SHENZHEN TECHNOLOGY. CO.,LTD	5	1	4	0	(1)	(1)
Total	861	206	888	206	+27	—

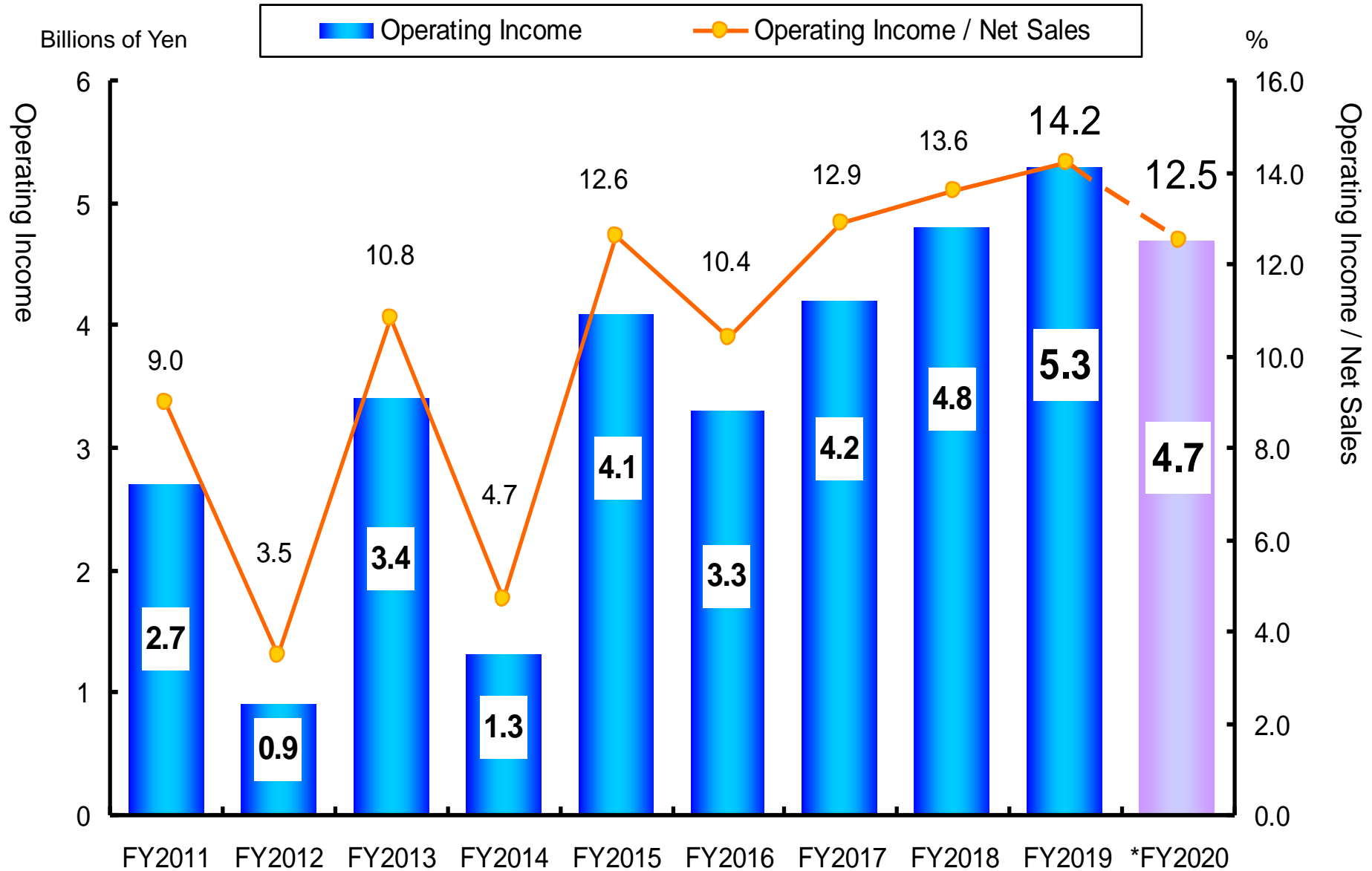
* Temporary: average number of employee(s) for the term

Net Sales : Full-year

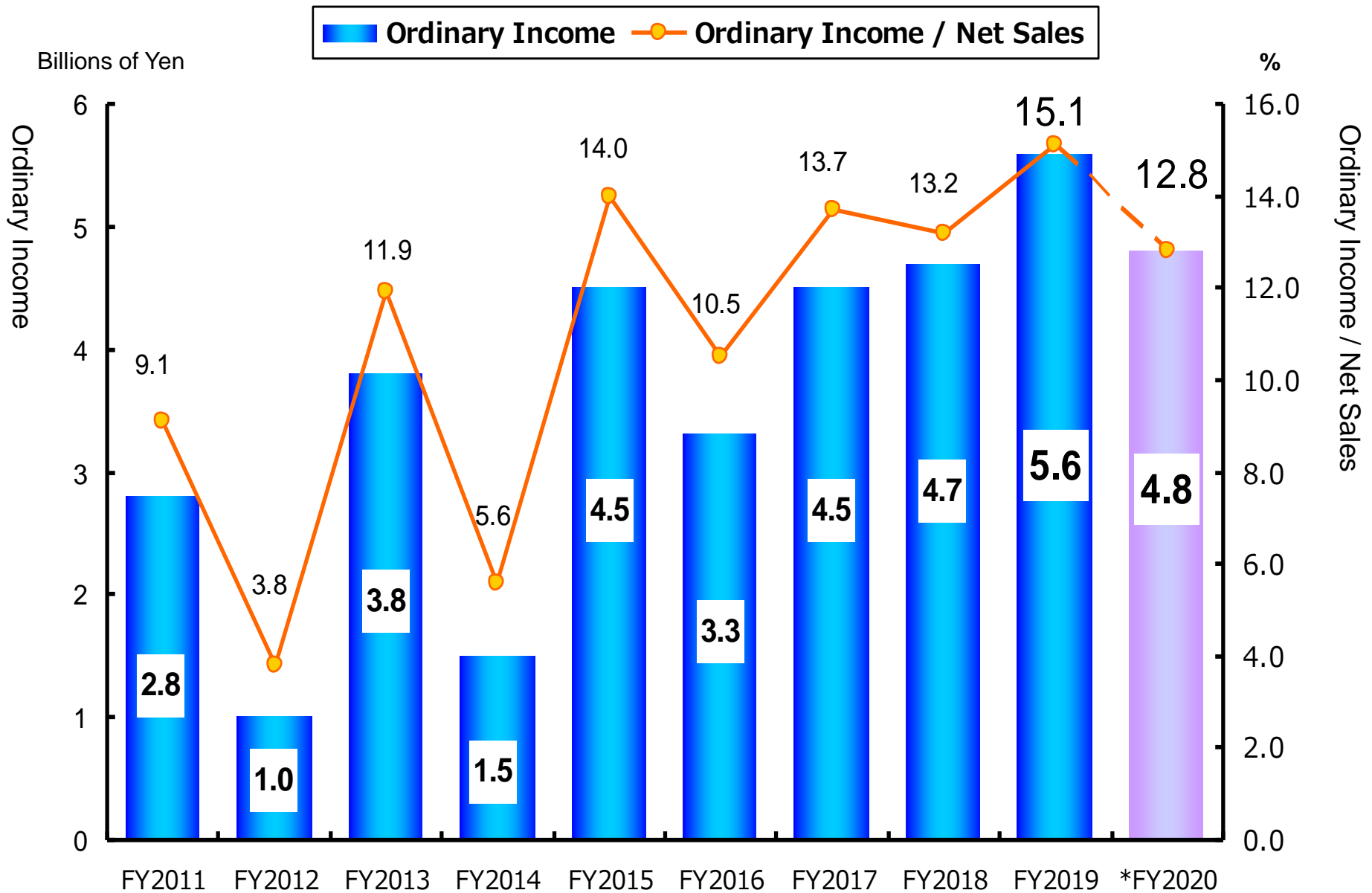
Billions of Yen



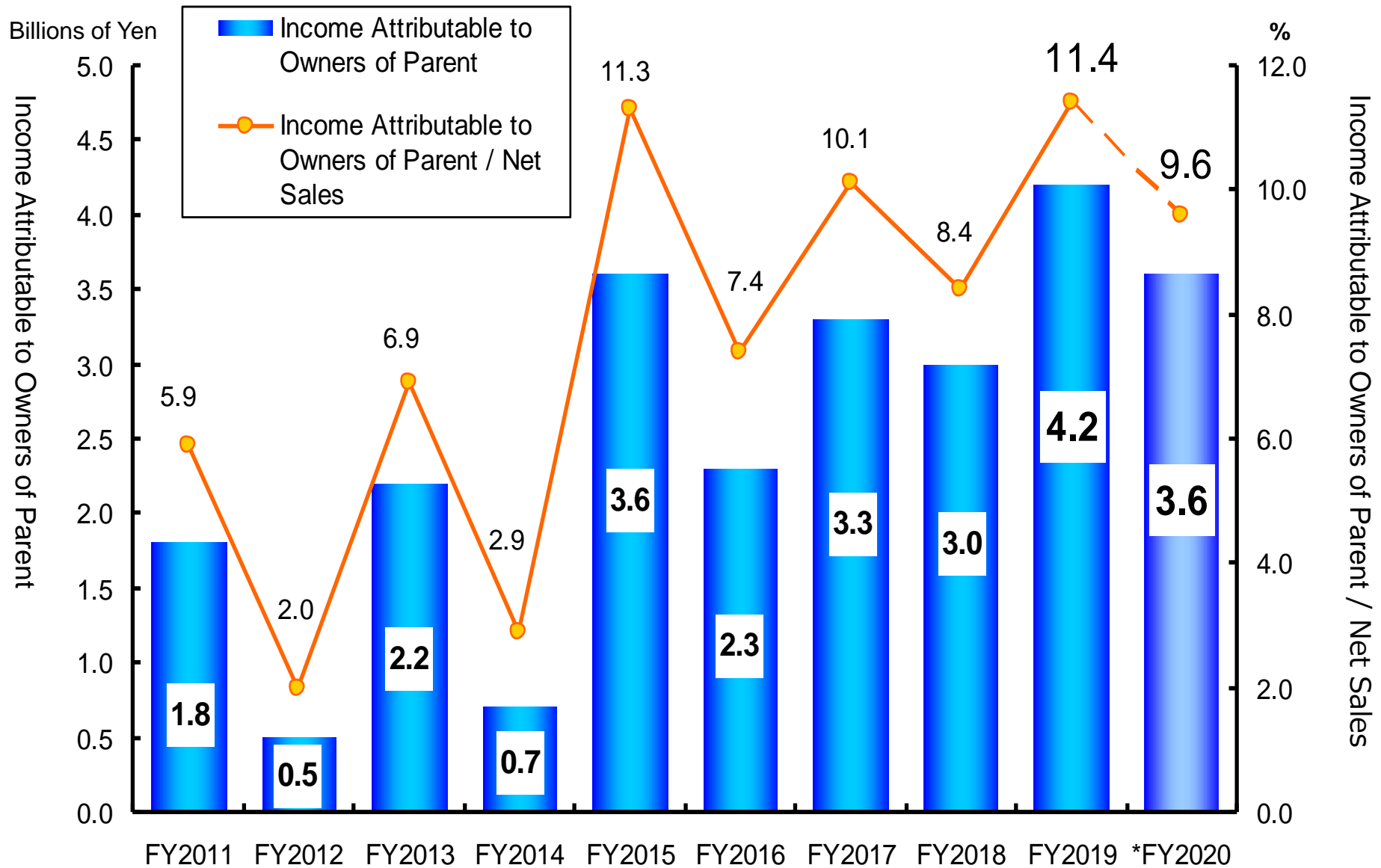
Operating Income : Full-year



Ordinary Income : Full-year

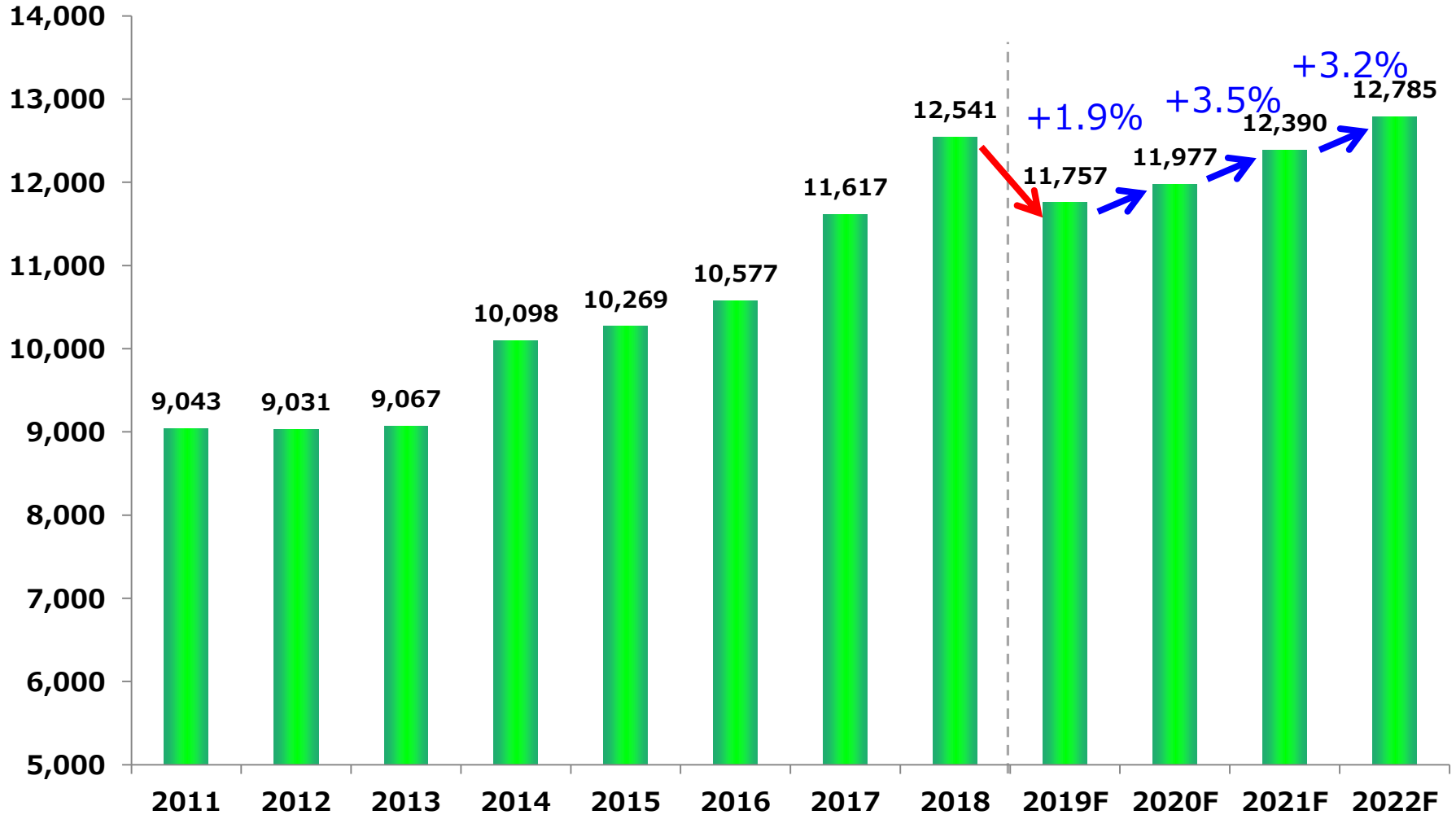


Income Attributable to Owners of Parent : Full-year



Annual Shipments of Silicon Wafers - Worldwide

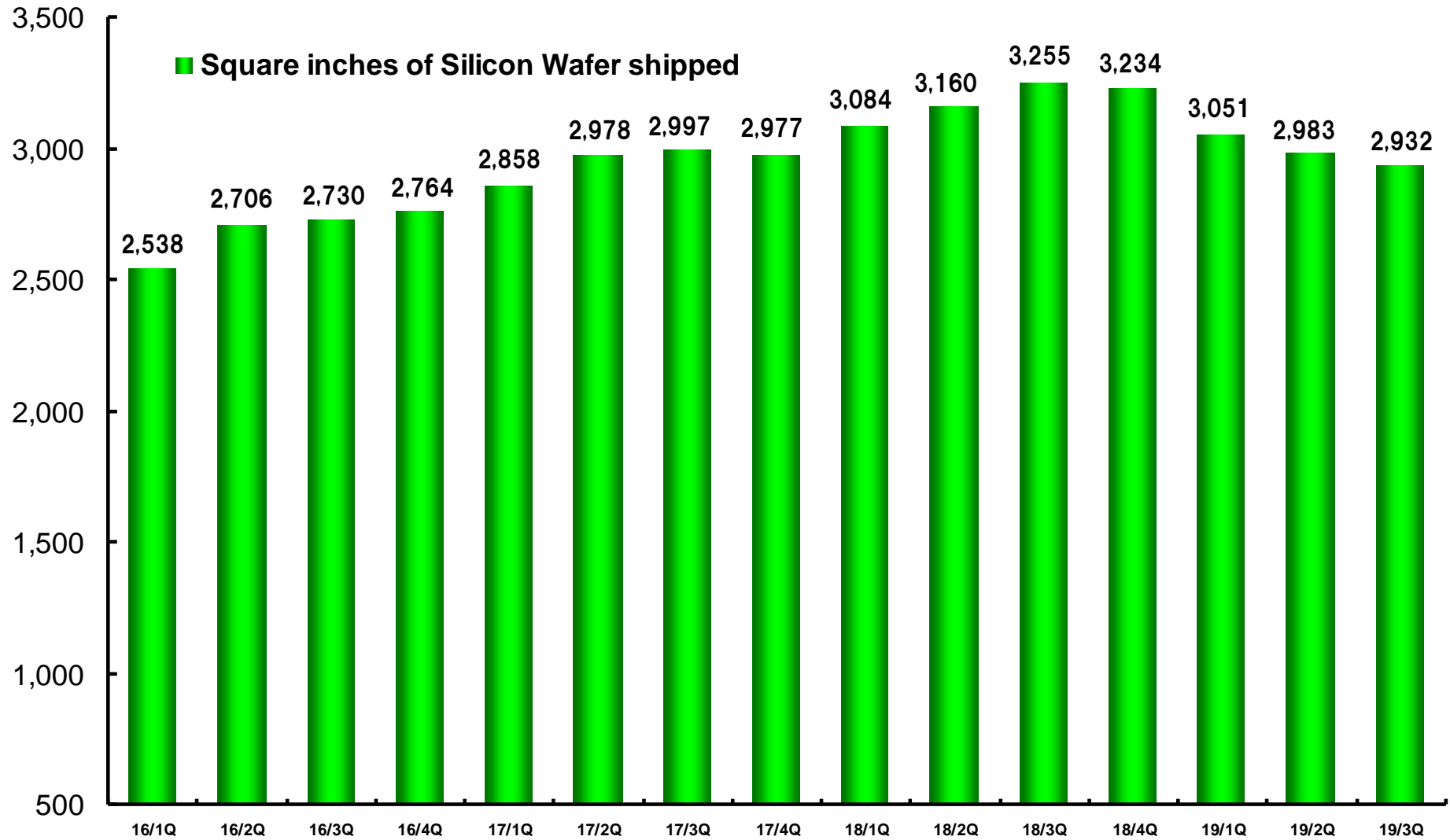
Millions of square inches (MSI)



Source : SEMI (Semiconductor Equipment and Materials International)

Quarterly Shipments of Silicon Wafers - Worldwide

Millions of square inches (MSI)



Source : SEMI (Semiconductor Equipment and Materials International)

Semiconductor Market Scale by Region

Billions of dollars

