

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 2, 2021

Company name: FUJIMI INCORPORATED
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 5384 URL <https://www.fujimiinc.co.jp/>
 Representative: President and CEO Keishi Seki
 General Manager of Corporate Planning Keigo Ohashi
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 Scheduled date to file Quarterly Securities Report: February 5, 2021
 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, 2020 (from April 1, 2020 to December 31, 2020)

(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, 2020	31,111	8.9	5,939	32.9	5,932	29.7	4,485	34.6
Nine months ended December 31, 2019	28,574	(0.8)	4,469	(0.6)	4,572	(4.4)	3,332	(8.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	181.44	–
Nine months ended December 31, 2019	135.08	–

(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, 2020	62,140	54,196	87.2	2,192.31
As of March 31, 2020	59,496	52,079	87.5	2,106.74

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, 2020	–	40.00	–	47.00	87.00
Year ending March 31, 2021	–	50.00	–		
Year ending March 31, 2021 (Forecast)				60.00	110.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	41,000	6.7	7,350	22.3	7,350	19.0	5,500	28.8	222.48

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020
(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, 2020	28,699,500 shares	As of March 31, 2020	28,699,500 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	3,978,431 shares	As of March 31, 2020	3,979,111 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, 2020	24,720,790 shares	Nine months ended December 31, 2019	24,673,728 shares
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1. Information Concerning Consolidated Financial Results and Forecast

(1) Financial Results

In the first Nine months of FY2021 (April-December 2020), global economic uncertainty increased due to the world-wide spread of the novel coronavirus (COVID-19), and increasing concerns about the US-China trade friction as well as the Hong Kong matter and so forth.

In the first half, despite weak demand for smartphones and automobiles, the global semiconductor market showed firm demand for data centers, and inventory levels have increased due to concerns over the spread of the novel coronavirus (COVID-19). In the third quarter, the demand mainly for automobiles recovered, although a pause was seen in demand for data centers

The consolidated results for this period are shown below.

Consolidated Results for the First Nine Months of Fiscal Year 2021:			Millions of JPY
	FY ended December 31, 2019	FY ended December 31, 2020	Change YoY
Net Sales	28,574	31,111	8.9%
Operating Profit	4,469	5,939	32.9%
Ordinary Profit	4,572	5,932	29.7%
Profit Attributable to Owners of Parent	3,332	4,485	34.6%

(2) Segment Operating Results by Region

(i) Japan

Net sales in Japan increased by 11.1% to JPY 18,144 million. The increase was mainly due to firm demand for products related to semiconductor devices and silicon wafers. Operating profit increased by 36.0% to JPY 5,555 million. The increase was mainly due to sales increase and a favorable product mix.

(ii) North America

Net sales in North America decreased by 1.3% to JPY 4,241 million compared with the same term in the previous fiscal year. Operating profit increased by 67.0% to JPY 387 million. The increase was mainly due to a favorable product mix.

(iii) Asia

Net sales in Asia increased by 11.8% to JPY 7,596 million compared with the same term in the previous fiscal year. Operating profit increased by 19.1% to JPY 1,600 million. The increases were mainly due to firm demand for CMP products related to the advanced logic devices.

(iv) Europe

Net sales in Europe decreased by 2.4% to JPY 1,129 million compared with the same term in the previous fiscal year. Operating profit decreased by 22.3% to JPY 124 million. The decrease in operating profit was mainly due to foreign currency fluctuations.

(3) Segment Operating Results by Application

(i) Silicon Wafers

Regarding products for silicon wafers, net sales of lapping abrasive products increased by 16.9% to JPY 3,340 million compared with the same term in the previous fiscal year and net sales of polishing slurry products increased by 3.4% to JPY 7,017 million. The increases in net sales of both product lines were mainly due to high production levels in the semiconductor industry, however net sales of polishing slurry products remains almost unchanged due to some customers' increased inventory levels in the same term of the previous fiscal year.

(ii) Semiconductor Devices

Regarding products for the CMP process of semiconductor devices, net sales increased by 17.4% to JPY 14,971 million compared with the same term in the previous fiscal year. The increase in net sales was mainly due to continuous firm demand from logic devices, although a pause was seen in memory devices.

(iii) Hard Disks

Regarding products for hard disks, net sales decreased by 15.0% to JPY 1,410 million compared with the same term in the previous fiscal year. The decrease in net sales was mainly due to market shrinkage caused by replacement with Solid State Drives (SSDs) and customers' manufacturing process changes.

(iv) General Industries

Regarding products for general industries, net sales increased by 0.8% to JPY 2,716 million compared with the same term in the previous fiscal year.

(4) Financial Forecast

Financial forecast is revised as below due to improved results for the nine months ended December 31, 2020. The change is primarily due to firm demand for semiconductor devices and silicon wafers.

FY2021 Financial Forecast:	Millions of JPY				
	Revised Forecast	Previous Forecast	Increase or Decrease	Change Ratio	Reference FY2020 Actual
Net Sales	41,000	39,500	1,500	3.8%	38,408
Operating Profit	7,350	6,800	550	8.1%	6,007
Ordinary Profit	7,350	6,850	500	7.3%	6,177
Profit Attributable to Owners of Parent	5,500	5,200	300	5.8%	4,270
Earnings Per Share (JPY)	222.48	210.35	12.13	5.8%	172.98

The financial forecast and other forward-looking statements are based on information available to the management at the present time and on certain assumptions judged by the management to be reasonable. Due to various factors, actual performance and financial results in future periods may differ materially from the forecast.

2. Information Concerning Consolidated Financial Status

(1) Summary of Total Assets, Total Liabilities and Net Assets as of December 31, 2020

Total assets increased by JPY 2,644 million to JPY 62,140 million compared with the end of the previous fiscal year mainly due to increases of JPY 1,538 million in cash and deposit and of JPY 1,293 million in notes and accounts receivable - trade, offsetting a decrease of JPY 294 million in other in current assets.

Total liabilities increased by JPY 527 million to JPY 7,944 million compared with the end of the previous fiscal year mainly due to increases of JPY 685 million in other in current liabilities and of JPY 299 million in notes and accounts payable - trade, offsetting a decrease of JPY 609 million in provision for employee bonuses.

Net assets increased by JPY 2,117 million to JPY 54,196 million compared with the end of the previous fiscal year mainly due to increases of JPY 2,057 million in retained earnings and of JPY 125 in valuation difference on available-for-sale securities, offsetting a decrease of JPY 86 million in foreign currency translation adjustment.

Quarterly Consolidated Financial Statements
Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	23,769	25,307
Notes and accounts receivable - trade	8,228	9,522
Securities	1,499	1,900
Merchandise and finished goods	3,695	3,819
Work in process	988	1,003
Raw materials and supplies	2,610	2,489
Other	503	208
Allowance for doubtful accounts	(18)	(20)
Total current assets	41,279	44,230
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,788	6,559
Other, net	7,144	7,115
Total property, plant and equipment	13,933	13,674
Intangible assets	437	379
Investments and other assets		
Investment securities	2,939	3,118
Deferred tax assets	787	630
Other	129	115
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	3,846	3,855
Total non-current assets	18,217	17,909
Total assets	59,496	62,140

FUJIMI INCORPORATED
FY2021 Third Quarter Financial Summary

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,499	2,799
Income taxes payable	767	599
Provision for bonuses	1,242	633
Provision for bonuses for directors (and other officers)	–	80
Other	1,886	2,571
Total current liabilities	6,395	6,684
Non-current liabilities		
Deferred tax liabilities	0	–
Retirement benefit liability	752	773
Provision for share-based remuneration	157	329
Other	110	157
Total non-current liabilities	1,021	1,260
Total liabilities	7,416	7,944
Net assets		
Shareholders' equity		
Share capital	4,753	4,753
Capital surplus	5,570	5,570
Retained earnings	47,124	49,181
Treasury shares	(5,449)	(5,448)
Total shareholders' equity	51,998	54,057
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	94	219
Foreign currency translation adjustment	30	(56)
Remeasurements of defined benefit plans	(44)	(24)
Total accumulated other comprehensive income	80	138
Total net assets	52,079	54,196
Total liabilities and net assets	59,496	62,140

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, 2019	Nine months ended December 31, 2020
Net sales	28,574	31,111
Cost of sales	16,174	16,847
Gross profit	12,400	14,263
Selling, general and administrative expenses	7,930	8,323
Operating profit	4,469	5,939
Non-operating income		
Interest income	89	56
Insurance claim income	1	47
Other	76	86
Total non-operating income	166	190
Non-operating expenses		
Foreign exchange losses	50	179
Other	12	18
Total non-operating expenses	63	197
Ordinary profit	4,572	5,932
Profit before income taxes	4,572	5,932
Income taxes - current	998	1,355
Income taxes - deferred	241	91
Total income taxes	1,239	1,446
Profit	3,332	4,485
Profit attributable to owners of parent	3,332	4,485

Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	3,332	4,485
Other comprehensive income		
Valuation difference on available-for-sale securities	98	125
Foreign currency translation adjustment	(149)	(86)
Remeasurements of defined benefit plans, net of tax	21	19
Total other comprehensive income	(29)	58
Comprehensive income	3,303	4,543
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,303	4,543