

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 2, 2022

Company Name: FUJIMI INCORPORATED
 Stock Exchange Listing: Tokyo, Nagoya
 Stock Code: 5384 URL <https://www.fujimiinc.co.jp/>
 Representative: President and CEO Keishi Seki
 Deputy Senior General Manager
 Inquiries: Finance Division Toshihiro Kawashima TEL 052-503-8181
 Scheduled date to file Quarterly Securities Report: February 4, 2022
 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, 2021 (from April 1, 2021 to December 31, 2021)

(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, 2021	38,654	24.2	9,473	59.5	9,749	64.4	7,270	62.1
Nine months ended December 31, 2020	31,111	8.9	5,939	32.9	5,932	29.7	4,485	34.6

	Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Nine months ended December 31, 2021	294.09	—
Nine months ended December 31, 2020	181.44	—

(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, 2021	71,674	60,353	84.2	2,441.28
As of March 31, 2021	65,773	56,088	85.3	2,268.87

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, 2021	—	50.00	—	65.00	115.00
Year ended March 31, 2022	—	85.00	—	—	—
Year ending March 31, 2022 (Forecast)	—	—	—	95.00	180.00

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	51,500	22.7	12,000	57.1	12,200	58.2	9,100	62.3	368.10

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021
(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: | Yes |
| 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, 2021	28,699,500 shares	As of March 31, 2021	28,699,500 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2021	3,977,290 shares	As of March 31, 2021	3,978,451 shares
-------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	24,721,747 shares	Nine months ended December 31, 2020	24,720,790 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

(Supplementary Materials)

Table of Contents

Contents	Page
1. Overview of Business Results and Financial Position.....	2
(1) Overview of Business Results.....	2
(2) Overview of Financial Position.....	3
(3) Financial Forecast.....	3
2. Consolidated Financial Statements.....	4
(1) Consolidated Balance Sheets.....	4
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income...	6

1. Overview of Business Results and Financial Position

(1) Overview of Business Results

In the first nine months of FY2022 (April 2021 - March 2022), global economic uncertainty increased due to the spread of the novel coronavirus (COVID-19) variant, shortage of shipping containers, soaring energy prices, and the increasing tensions over Ukraine and between the US and China, while the economic activities are seemed to be moving towards normalization in areas where vaccine rollout is progressing for COVID-19. However, despite some supply chain constraints including logistics, the global semiconductor market showed strong demand for advanced semiconductor devices that support the advancement of information and communication due to lifestyle changes, as well as continuous recovering demand of conventional semiconductor devices for automobiles and so forth.

The consolidated results for this period are shown below.

Consolidated Results for the First Nine Months of Fiscal Year 2022:			Millions of JPY
	FY ended December 31, 2020	FY ended December 31, 2021	Change YoY
Net Sales	31,111	38,654	24.2%
Operating Profit	5,939	9,473	59.5%
Ordinary Profit	5,932	9,749	64.4%
Profit Attributable to Owners of Parent	4,485	7,270	62.1%

Segment Operating Results by Region

(i) Japan

Net sales in Japan increased by 32.8% to JPY 24,087 million compared with the same term in the previous fiscal year. The increase was mainly due to firm demand for products related to semiconductor devices and silicon wafers. Operating profit increased by 53.8% to JPY 8,545 million. The increase was mainly due to sales increase and a favorable product mix.

(ii) North America

Net sales in North America increased by 9.9% to JPY 4,659 million compared with the same term of the previous fiscal year. The increase was mainly due to firm demand for products related to semiconductor devices and silicon wafers. Operating profit increased by 23.1% to JPY 477 million. The increase was mainly due to a favorable product mix.

(iii) Asia

Net sales in Asia increased by 13.8% to JPY 8,646 million compared with the same term in the previous fiscal year. Operating profit increased by 24.6% to JPY 1,994 million. The increases were mainly due to firm demand for CMP products related to advanced logic devices.

(iv) Europe

Net sales in Europe increased by 11.7% to JPY 1,261 million compared with the same term in the previous fiscal year. Operating profit increased by 14.2% to JPY 141 million. The increases were mainly due to firm demand for products related to semiconductor devices.

Segment Operating Results by Application

(i) Silicon Wafers

Regarding products for silicon wafers, net sales of lapping abrasive products increased by 40.6% to JPY 4,694 million compared with the same term in the previous fiscal year and net sales of polishing slurry products increased by 29.2% to JPY 9,069 million. The increases in net sales of both product lines were mainly due to high production levels in the semiconductor industry.

(ii) Semiconductor Devices

Regarding products for the CMP process of semiconductor devices, net sales increased by 23.2% to JPY 18,442 million compared with the same term in the previous fiscal year. The increase in net sales was mainly due to continuous firm demand from both logic and memory devices.

(iii) Hard Disks

Regarding products for hard disks, net sales decreased by 8.9% to JPY 1,285 million compared with the same term in the previous fiscal year. The decrease in net sales was mainly due to replacement with Solid State Drives (SSDs) and a customer's production termination because of business withdrawal.

(iv) General Industries

Regarding products for general industries, net sales increased by 20.3% to JPY 3,268 million compared with the same term in the previous fiscal year. The increase in net sales was mainly due to recovery of demand of products for automobiles and industrial machineries.

(2) Overview of Financial Position

Summary of Total Assets, Total Liabilities and Net Assets as of December 31, 2021

Total assets increased by JPY 5,901 million to JPY 71,674 million compared with the end of the previous fiscal year mainly due to increases of JPY 3,000 million in securities and of JPY 2,556 million in notes and accounts receivable – trade, offsetting a decrease of JPY 771 million in investment securities.

Total liabilities increased by JPY 1,636 million to JPY 11,321 million compared with the end of the previous fiscal year mainly due to increases of JPY 883 million in accounts payable – trade, of JPY 683 million in other in current liabilities and of JPY 507 million in provision for share-based remuneration, offsetting a decrease of JPY 772 million in provision for bonuses.

Net assets increased by JPY 4,264 million to JPY 60,353 million compared with the end of the previous fiscal year mainly due to increases of JPY 3,515 million in retained earnings, of JPY 1,308 million in capital surplus and of JPY 627 million in foreign currency translation adjustment, offsetting an increase of JPY 1,305 million in treasury shares.

(3) Financial Forecast

Net sales and profits for the first nine months ended December 31, 2021 exceeded the earlier forecast primarily due to firm demand for the advanced semiconductor devices and silicon wafers. Financial forecast for the fiscal year ending March 31, 2022 is revised reflecting the recent trends of business performance as well as raw material prices and logistic costs.

The financial forecast for the current fiscal year is shown below.

Financial Forecast for Fiscal Year 2022:	Millions of JPY	
	FY ending March 31, 2022	Change from FY2021
Net Sales	51,500	22.7%
Operating Profit	12,000	57.1%
Ordinary Profit	12,200	58.2%
Profit Attributable to Owners of Parent	9,100	62.3%

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. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	29,424	28,750
Notes and accounts receivable - trade	9,098	11,654
Securities	1,900	4,900
Merchandise and finished goods	4,048	4,545
Work in process	999	1,015
Raw materials and supplies	2,278	3,203
Other	231	494
Allowance for doubtful accounts	(13)	(17)
Total current assets	47,967	54,547
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,553	6,430
Other, net	7,022	7,478
Total property, plant and equipment	13,575	13,909
Intangible assets	440	376
Investments and other assets		
Investment securities	2,562	1,790
Deferred tax assets	1,117	930
Other	119	128
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	3,789	2,841
Total non-current assets	17,806	17,127
Total assets	65,773	71,674

FUJIMI INCORPORATED
FY2022 Third Quarter Financial Results

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	2,880	3,764
Income taxes payable	1,274	1,387
Provision for bonuses	1,438	666
Provision for bonuses for directors (and other officers)	-	69
Provision for share-based remuneration	-	794
Other	2,714	3,398
Total current liabilities	8,309	10,081
Non-current liabilities		
Deferred tax liabilities	0	4
Retirement benefit liability	901	897
Provision for share-based remuneration	329	43
Other	144	294
Total non-current liabilities	1,375	1,239
Total liabilities	9,684	11,321
Net assets		
Shareholders' equity		
Share capital	4,753	4,753
Capital surplus	5,570	6,878
Retained earnings	50,303	53,819
Treasury shares	(5,448)	(6,753)
Total shareholders' equity	55,179	58,697
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	321	423
Foreign currency translation adjustment	685	1,313
Remeasurements of defined benefit plans	(97)	(80)
Total accumulated other comprehensive income	908	1,655
Total net assets	56,088	60,353
Total liabilities and net assets	65,773	71,674

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

(i) Consolidated Statements of Income (cumulative)

	(Millions of yen)	
	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	31,111	38,654
Cost of sales	16,847	19,929
Gross profit	14,263	18,725
Selling, general and administrative expenses	8,323	9,251
Operating profit	5,939	9,473
Non-operating income		
Interest income	56	38
Dividend income	30	31
Foreign exchange gains	-	38
Gain on sales of property	1	81
Other	102	117
Total non-operating income	190	307
Non-operating expenses		
Interest expenses	3	4
Foreign exchange losses	179	-
Other	14	26
Total non-operating expenses	197	31
Ordinary profit	5,932	9,749
Profit before income taxes	5,932	9,749
Income taxes - current	1,355	2,339
Income taxes - deferred	91	139
Total income taxes	1,446	2,479
Profit	4,485	7,270
Profit attributable to owners of parent	4,485	7,270

(ii) Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	4,485	7,270
Other comprehensive income		
Valuation difference on available-for-sale securities	125	102
Foreign currency translation adjustment	(86)	627
Remeasurements of defined benefit plans, net of tax	19	17
Total other comprehensive income	58	747
Comprehensive income	4,543	8,017
(Breakdown)		
Comprehensive income attributable to owners of parent	4,543	8,017