

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)



May 13, 2024

Company Name: FUJIMI INCORPORATED
 Stock Exchange Listing: Tokyo, Nagoya
 Stock Code: 5384 URL <https://www.fujimiinc.co.jp/>
 Representative: President and CEO Keishi Seki
 Senior General Manager
 Inquiries: Finance Division Toshihiro Kawashima TEL 052-503-8181
 Scheduled Date of Ordinary General Shareholders' Meeting: June 21, 2024
 Scheduled Date to File Securities Report: June 21, 2024
 Scheduled Date to Commence Dividend Payments: June 24, 2024
 Preparation of Supplementary Material on Financial Results: Yes
 Holding of Financial Results Meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results

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	%
Year ended March 31, 2024	51,423	(11.9)	8,251	(37.7)	8,958	(34.1)	6,499	(38.6)
Year ended March 31, 2023	58,394	12.9	13,243	9.8	13,595	8.8	10,594	15.7

	Earnings per Share	Diluted Earnings per Share	Profit Attributable to Owners of Parent/Equity	Ordinary Profit /Total Assets	Operating Profit /Net Sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	87.62	–	9.2	11.0	16.0
Year ended March 31, 2023	142.68	–	16.1	17.5	22.7

(Note) A 3 for 1 common stock split was conducted with an effective date of July 1, 2023. "Earnings per Share" have been calculated assuming the stock split was conducted at the beginning of the prior consolidated fiscal year.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	82,999	72,576	87.4	978.34
As of March 31, 2023	80,101	69,011	86.2	930.27

(Note) A 3 for 1 common stock split was conducted with an effective date of July 1, 2023. "Net Assets per Share" have been calculated assuming the stock split was conducted at the beginning of the prior consolidated fiscal year.

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	7,452	(5,311)	(5,636)	32,645
Year ended March 31, 2023	7,377	(822)	(6,139)	35,332

2. Cash Dividends

	Annual Dividends per Share					Total cash dividends(Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	110.00	–	110.00	220.00	5,546	51.4	8.2
Year ended March 31, 2024	–	36.67	–	36.67	73.34	5,533	83.7	7.7
Year ending March 31, 2025 (Forecast)	–	36.67	–	36.67	73.34		83.7	

(Note) A 3 for 1 common stock split was conducted with an effective date of July 1, 2023. Dividend for the fiscal year ending March 31, 2024 and March 31, 2025 (forecast) indicated above are based on the number of shares after the stock split.

Dividend for the fiscal year ending March 31, 2024 without considering the stock split are 110.01 yen for the 2nd quarter-end and 110.01 yen for the Fiscal year-end, totaling 220.02 yen.

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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
Six Months ending September 30, 2024	27,200	7.3	4,100	3.8	4,200	(5.2)	3,200	(5.3)	43.14
Full Year	54,700	6.4	8,500	3.0	8,700	(2.9)	6,500	0.0	87.62

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	80,098,500 shares	As of March 31, 2023	80,098,500 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	5,915,167 shares	As of March 31, 2023	5,914,392 shares
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Average number of shares during the period

Year ended March 31, 2024	74,183,457 shares	Year ended March 31, 2023	74,253,610 shares
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(Note) A 3 for 1 common stock split was conducted with an effective date of July 1, 2023. “Total number of issued shares at the end of the period (including treasury shares)”, “Number of treasury shares at the end of the period” and “Average number of shares during the period (cumulative from the beginning of the fiscal year)” have been calculated assuming the stock split was conducted at the beginning of the prior consolidated fiscal year.

(Supplementary Materials)

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1. Overview of Business Results and Financial Position

(1) Overview of Business Results

1) Business Results of the Current Fiscal Year

During the FY2024, the global economic uncertainty further increased due to intensified concerns about economic recessions and geopolitical risks. While the inflation rate which shows slowing trend but still remains high, the concern of global economy downturn has been continuing due to China's economic slowdown and the deteriorated Middle East situation.

The global semiconductor market showed the various directions depending on the application, while demand for AI semiconductor devices increases, demand in the PC and smartphone markets are still conversely weak as a backlash against previous strong demand related COVID, because of which the semiconductor production and inventory adjustment that include silicon wafer production adjustment still continue.

The consolidated results for this period are shown below.

Consolidated Results for Fiscal Year 2024:	Millions of JPY		
	FY ended March 31, 2023	FY ended March 31, 2024	Change YoY
Net Sales	58,394	51,423	(11.9%)
Operating Profit	13,243	8,251	(37.7%)
Ordinary Profit	13,595	8,958	(34.1%)
Profit Attributable to Owners of Parent	10,594	6,499	(38.6%)

Segment Operating Results by Region

(i) Japan

Net sales in Japan decreased by 19.5% to JPY 28,989 million compared with the previous fiscal year. The decrease was mainly due to weak demand for products related to advanced memory semiconductor devices and silicon wafers. Operating profit decreased by 37.7% to JPY 7,332 million. The decrease was mainly due to sales decrease and soaring material prices.

(ii) North America

Net sales in North America decreased by 5.7% to JPY 7,087 million compared with the same term in the previous fiscal year. Operating profit decreased by 70.3% to JPY 222 million. The decreases were mainly due to weak demand for products related to semiconductor devices and silicon wafers.

(iii) Asia

Net sales in Asia increased by 4.8% to JPY 13,568 million compared with the previous fiscal year. Operating profit increased by 7.6% to JPY 3,325 million. The increases were mainly due to firm demand for CMP related product for advanced logic semiconductor devices, offsetting weak demand for products related to hard disk substrates and silicon wafers.

(iv) Europe

Net sales in Europe decreased by 8.1% to JPY 1,777 million compared with the same term in the previous fiscal year. Operating profit decreased by 25.7% to JPY 137 million. The decreases were mainly due to weak demand for products related to semiconductor devices and silicon wafers.

Segment Operating Results by Application

(i) Silicon Wafers

Regarding products for silicon wafers, net sales of lapping abrasive products decreased by 22.4% to JPY 5,474 million compared with the previous fiscal year and net sales of polishing slurry products decreased by 27.2% to JPY 9,909 million. The decreases were mainly due to a continuing production adjustment of silicon wafers.

(ii) Semiconductor Devices

Regarding products for the CMP process of semiconductor devices, net sales decreased by 4.4% to JPY 27,401 million compared with the previous fiscal year. The decrease was mainly due to a semiconductor market adjustment especially for mature node logic semiconductor devices and memory semiconductor devices in the first half of the fiscal year.

(iii) Hard Disk Substrates

Regarding products for hard disk substrates, net sales decreased by 8.1% to JPY 1,383 million compared with the previous fiscal year. The Hard Disk Drives (HDD) market experienced a production and inventory adjustment in the first half of the fiscal year, despite customers' production recovery in the second half.

(iv) General Industries

Regarding products for general industries, net sales decreased by 2.8% to JPY 4,479 million compared with the previous fiscal year.

2) Financial Forecast of the Next Fiscal Year

The financial forecast for the next fiscal year shown below, is based on the assumption that a full recovery in semiconductor production still takes time due to a remaining sluggish demand in the PC and smartphone markets while semiconductor shipments are showing improvement due to high-priced AI semiconductor.

FY2025 Financial Forecast:	Millions of JPY	
	FY ending March 31, 2025	Change from FY2024
Net Sales	54,700	6.4%
Operating Profit	8,500	3.0%
Ordinary Profit	8,700	(2.9%)
Profit Attributable to Owners of Parent	6,500	0.0%

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) Overview of Financial Position**Summary of Total Assets, Total Liabilities and Net Assets as of March 31, 2024**

Total assets increased by JPY 2,898 million to JPY 82,999 million compared with the end of the previous fiscal year mainly due to increases of JPY 1,455 million in land, of JPY 967 million in notes and accounts receivable - trade, of JPY 950 million in investment securities and of JPY 524 million in other, net in property, plant and equipment, offsetting a decrease of JPY 1,812 million in cash and deposits.

Total liabilities decreased by JPY 666 million to JPY 10,423 million compared with the end of the previous fiscal year mainly due to a decrease of JPY 932 million in accounts payable - trade, offsetting an increase of JPY 247 million in provision for bonuses.

Net assets increased by JPY 3,564 million to JPY 72,576 million compared with the end of the previous fiscal year mainly due to increases of JPY 1,831 million in foreign currency translation adjustment and of JPY 966 million in retained earnings.

Summary of Cash Flow for the Year Ended March 31, 2024

Cash and cash equivalents decreased by JPY 2,686 million to JPY 32,645 million compared with the end of the previous fiscal year as follows.

(i) Cash Flow from Operating Activities

Net cash provided by operating activities increased by JPY 74 million to JPY 7,452 million compared with the previous fiscal year mainly due to a decrease in inventories, offsetting a decrease in profit before income taxes.

(ii) Cash Flow from Investing Activities

Net cash used in investing activities increased by JPY 4,489 million to JPY 5,311 million compared with the previous fiscal year mainly due to increases in purchase of property, plant and equipment and in payments into time deposits.

(iii) Cash Flow from Financing Activities

Net cash used in financing activities decreased by JPY 503 million to JPY 5,636 million compared with the previous fiscal year mainly due to a decrease in purchase of treasury shares.

(iv) Cash Flow Indicators and Trends

	FY2020	FY2021	FY2022	FY2023	FY2024
Equity Ratio on Book Value Basis (%)	87.5	85.3	83.2	86.2	87.4
Equity Ratio on Market Value Basis (%)	111.7	162.2	219.5	225.4	339.7
Debt Repayment Ratio (years)	-	0.0	0.0	0.0	0.0
Interest Coverage Ratio (times)	-	1,960.2	1,460.2	1,010.7	1,334.6

(Note)

Equity Ratio on Book Value Basis: Equity / Total Assets

Equity Ratio on Market Value Basis: Market capitalization / Total Assets

Debt Repayment Ratio: Interest-Bearing Liabilities / Cash Flows from Operating Activities

Interest Coverage Ratio: Cash Flows from Operating Activities / Interest Payments

- All indicators are calculated based on the consolidated financial figures.
- Market capitalization is calculated by multiplying the market price at the end of each fiscal year by the number of outstanding shares, excluding treasury share, at the end of each fiscal year.
- Interest-bearing liabilities include all liabilities on the consolidated balance sheets that incur interest.

(3) Policy for Distribution of Income and Dividends for the Year Ended March 31, 2024 and the Year Ending March 31, 2025

The Company recognizes the appropriate distribution of income to shareholders as the most important management issue. Regarding dividend payments, the Company has a policy of striving to live up to shareholder's expectations by continuously providing stable dividend payments targeting a consolidated payment ratio of 50% or more. The Company had been examining an addition of DOE (dividend on equity) related policies, but such examination is still ongoing in light of the business environment in the semiconductor market and other factors.

Regarding retained earnings, the Company strives to reinforce R&D and production systems to meet customers' satisfaction, to execute global business strategies and to expand the business domain in order to deal with changing business environments.

For FY2024, the Company proposes to pay a year-end cash dividend of JPY 36.67 per share, and the total annual dividend will be JPY 73.34 per share including an interim cash dividend of JPY 36.67 per share.

For FY2025, the Company proposes to pay a cash dividend of JPY 73.34 per share, comprising an interim cash dividend of JPY 36.67 per share and a year-end cash dividend of JPY 36.67 per share.

The annual dividend amount based on the assumption of no stock split will be JPY 220.02 per share, comprising an interim cash dividend of JPY 110.01 per share and a year-end cash dividend of JPY 110.01 per share.

2. Basic Policy for the Selection of Accounting Standards

While the Company has paid close attention to other companies' adoption trends regarding the IFRS, the consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Japan due to considering the burden of establishing a system for preparing consolidated financial statements in accordance with international accounting standards.

3.Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	33,538	31,726
Notes and accounts receivable - trade	11,246	12,214
Securities	2,700	3,200
Merchandise and finished goods	5,820	5,691
Work in process	1,451	1,494
Raw materials and supplies	6,329	6,814
Other	552	730
Allowance for doubtful accounts	(16)	(16)
Total current assets	61,623	61,885
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,777	21,678
Accumulated depreciation	(14,115)	(14,880)
Buildings and structures, net	6,661	6,797
Machinery, equipment and vehicles	23,426	24,312
Accumulated depreciation	(21,622)	(22,738)
Machinery, equipment and vehicles, net	1,803	1,574
Land	3,598	5,053
Construction in progress	1,137	1,261
Other	11,094	11,845
Accumulated depreciation	(9,468)	(9,695)
Other, net	1,626	2,150
Total property, plant and equipment	14,827	16,837
Intangible assets		
Software	215	172
Other	26	31
Total intangible assets	241	204
Investments and other assets		
Investment securities	2,282	3,232
Deferred tax assets	987	708
Other	149	171
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	3,409	4,102
Total non-current assets	18,478	21,144
Total assets	80,101	82,999

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	4,247	3,315
Income taxes payable	891	954
Provision for bonuses	1,354	1,601
Other	3,154	3,394
Total current liabilities	9,648	9,264
Non-current liabilities		
Deferred tax liabilities	3	3
Retirement benefit liability	925	615
Provision for share-based remuneration	191	188
Other	321	351
Total non-current liabilities	1,441	1,158
Total liabilities	11,089	10,423
Net assets		
Shareholders' equity		
Share capital	4,753	4,753
Capital surplus	5,038	5,038
Retained earnings	60,310	61,277
Treasury shares	(4,414)	(4,416)
Total shareholders' equity	65,688	66,652
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	410	935
Foreign currency translation adjustment	2,998	4,830
Remeasurements of defined benefit plans	(85)	158
Total accumulated other comprehensive income	3,323	5,923
Total net assets	69,011	72,576
Total liabilities and net assets	80,101	82,999

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	58,394	51,423
Cost of sales	31,206	29,078
Gross profit	27,187	22,345
Selling, general and administrative expenses	13,944	14,093
Operating profit	13,243	8,251
Non-operating income		
Interest income	95	198
Dividend income	46	74
Foreign exchange gains	322	375
Other	85	79
Total non-operating income	550	728
Non-operating expenses		
Interest expenses	7	5
Depreciation	0	2
Loss on retirement of non-current assets	6	7
Loss on valuation of investment securities	42	-
Loss on investments in partnership	138	4
Other	3	1
Total non-operating expenses	198	21
Ordinary profit	13,595	8,958
Extraordinary losses		
Impairment losses	-	245
System failure response costs	88	-
Total extraordinary losses	88	245
Profit before income taxes	13,507	8,713
Income taxes - current	2,797	2,243
Income taxes - deferred	115	(29)
Total income taxes	2,912	2,213
Profit	10,594	6,499
Profit attributable to owners of parent	10,594	6,499

(ii) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	10,594	6,499
Other comprehensive income		
Valuation difference on available-for-sale securities	19	524
Foreign currency translation adjustment	925	1,831
Remeasurements of defined benefit plans, net of tax	(5)	243
Total other comprehensive income	939	2,600
Comprehensive income	11,534	9,100
(Breakdown)		
Comprehensive income attributable to owners of parent	11,534	9,100

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,753	6,878	55,705	(6,753)	60,584
Changes during period					
Dividends of surplus			(5,306)		(5,306)
Profit attributable to owners of parent			10,594		10,594
Purchase of treasury shares				(740)	(740)
Disposal of treasury shares				557	557
Retirement of treasury shares		(2,523)		2,523	-
Transfer to capital surplus from retained earnings		683	(683)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	(1,840)	4,604	2,339	5,104
Balance at end of period	4,753	5,038	60,310	(4,414)	65,688

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	390	2,072	(79)	2,383	62,967
Changes during period					
Dividends of surplus					(5,306)
Profit attributable to owners of parent					10,594
Purchase of treasury shares					(740)
Disposal of treasury shares					557
Retirement of treasury shares					-
Transfer to capital surplus from retained earnings					-
Net changes in items other than shareholders' equity	19	925	(5)	939	939
Total changes during period	19	925	(5)	939	6,044
Balance at end of period	410	2,998	(85)	3,323	69,011

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,753	5,038	60,310	(4,414)	65,688
Changes during period					
Dividends of surplus			(5,533)		(5,533)
Profit attributable to owners of parent			6,499		6,499
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	966	(1)	964
Balance at end of period	4,753	5,038	61,277	(4,416)	66,652

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	410	2,998	(85)	3,323	69,011
Changes during period					
Dividends of surplus					(5,533)
Profit attributable to owners of parent					6,499
Purchase of treasury shares					(1)
Net changes in items other than shareholders' equity	524	1,831	243	2,600	2,600
Total changes during period	524	1,831	243	2,600	3,564
Balance at end of period	935	4,830	158	5,923	72,576

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	13,507	8,713
Depreciation	1,729	2,053
Amortization of long-term prepaid expenses	1	8
System failure response costs	88	-
Impairment losses	-	245
Increase (decrease) in provision for bonuses	(50)	221
Increase (decrease) in allowance for doubtful accounts	1	-
Increase (decrease) in retirement benefit liability	14	40
Increase (decrease) in provision for share-based remuneration	(647)	(3)
Interest income	(95)	(198)
Dividend income	(46)	(74)
Interest expenses	7	5
Foreign exchange losses (gains)	(74)	(46)
Loss (gain) on sale and retirement of non-current assets	6	4
Loss (gain) on valuation of investment securities	42	-
Loss (gain) on investments in partnership	138	4
Decrease (increase) in trade receivables	572	(607)
Decrease (increase) in inventories	(4,077)	141
Increase (decrease) in trade payables	97	(1,199)
Increase (decrease) in accounts payable - other	208	171
Other, net	63	11
Subtotal	11,489	9,491
Interest and dividends received	141	267
Income taxes paid	(4,299)	(2,426)
Income taxes refund	84	119
System failure response costs paid	(38)	-
Net cash provided by (used in) operating activities	7,377	7,452
Cash flows from investing activities		
Payments into time deposits	(3,006)	(4,364)
Proceeds from withdrawal of time deposits	3,647	3,564
Purchase of securities	-	(500)
Proceeds from redemption of securities	901	-
Purchase of investment securities	(614)	(198)
Purchase of property, plant and equipment	(1,751)	(3,682)
Purchase of intangible assets	(11)	(56)
Other, net	13	(74)
Net cash provided by (used in) investing activities	(822)	(5,311)
Cash flows from financing activities		
Dividends paid	(5,306)	(5,533)
Purchase of treasury shares	(740)	(1)
Other, net	(91)	(101)
Net cash provided by (used in) financing activities	(6,139)	(5,636)
Effect of exchange rate change on cash and cash equivalents	513	809
Net increase (decrease) in cash and cash equivalents	929	(2,686)
Cash and cash equivalents at beginning of period	34,402	35,332
Cash and cash equivalents at end of period	35,332	32,645

4. Others

Change of Officers

(1) Change of the Representative Director

None

(2) Change of other Officers (Effective Date: June 21, 2024)

Candidate for Director
the Outside Director: Naoko Yamazaki