

# FY2012 First-half Financial Results (Japanese GAAP) (Consolidated)

November 1, 2011

## FUJIMI INCORPORATED

Stock exchanges on which the shares are listed: Tokyo, Nagoya

Code: #5384; URL: <http://www.fujimiinc.co.jp>

Representative: Keishi Seki, President

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Scheduled date for the submission of quarterly securities report: November 8, 2011

Scheduled date for the commencement of dividend payments: December 5, 2011

Supplementary materials explaining quarterly financial results: Yes

Possibility of meeting to explain quarterly financial results: Yes (for analysts)

### 1. Consolidated Financial Results for First-half FY2012 (April 1, 2011 – September 30, 2011)

(1) Consolidated Financial Results (Fractions are rounded down to millions of yen.)  
(% indicates the increase/decrease compared to the same half of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First-half FY2012	14,631	(9.3)	1,001	(40.8)	1,022	(40.9)	688	(39.3)
First-half FY2011	16,137	26.7	1,691	—	1,729	860.7	1,134	—

(Note) Comprehensive income: First-half FY2012: 94 million yen (89.5%) First-half FY2011: 901 million yen —%

	Net income per share		Net income per share (diluted)	
	Yen	Yen	Yen	Yen
First-half FY2012	24.68	—	—	—
First-half FY2011	39.48	—	—	—

### (2) Consolidated Financial Position

	Total assets		Net assets		Shareholders' equity ratio	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	%
First-half FY2012	46,315	40,220	40,220	40,802	86.2	86.7
FY2011	46,734	40,802	40,802	40,802	86.7	86.7

(Reference) Shareholders' equity: (First-half FY2012) 39,962 million yen (FY2011) 40,535 million yen

### 2. Dividends

	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Yearly
	Yen	Yen	Yen	Yen	Yen
FY2011	—	15.00	—	20.00	35.00
FY2012	—	15.00	—	—	—
FY2012 (Forecast)	—	—	—	15.00	30.00

Note: Revision of the most recently announced dividend forecast: None

### 3. Consolidated Financial Forecast for FY2012 (April 1, 2011 – March 31, 2012)

(% indicates the increase/decrease compared to the previous term.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year	31,200	1.1	1,800	(35.2)	1,900	(32.6)	1,300	(28.6)	46.53

Note: Revision of the most recently announced Consolidated Financial Forecast: None

### 4. Others

(1) Changes in significant subsidiaries during first half of FY2012: Yes

New: 1 company; Company name: Fujimi Taiwan Limited

Established as a 100% subsidiary of Fujimi Incorporated on August 10, 2011, and included in the scope of consolidation.

(2) Simplified or special accounting methods applied: None

(3) Changes in accounting standards or processes, and notation methods for accounting procedures

① Changes due to accounting standard revisions: None

② Changes other than ①: None

None

③ Changes in accounting estimates: None

④ Reissue revised statement: None

None

(4) Number of shares issued (common stock)

① Number of shares issued at the end of the term (incl. treasury stock)

2Q FY2012	30,699,500	FY2011	30,699,500
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② Number of treasury stock held at the end of the term

2Q FY2012	3,175,908	FY2011	2,760,146
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③ Average number of shares during the term (cumulative)

2Q FY2012	27,891,039	2Q FY2011	28,739,460
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\* Note regarding appropriate use of the forecast

The information contained in this documentation is based on data available to the company and certain assumptions judged to be reasonable. It should not be construed as an assurance or guarantee of future performance.

## 5. First-half Consolidated Financial Statement

### (1) First-half Consolidated Balance Sheet

(Millions of yen)

	FY2011 (as of March 31, 2011)	First-half FY2012 (as of September 30, 2011)
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	12,468	10,847
Notes and accounts receivable	6,820	7,093
Marketable securities	5,303	5,300
Merchandise and finished goods	2,647	2,912
Products in process	1,033	1,204
Raw materials and inventory	1,367	1,650
Deferred tax assets	632	582
Other	280	892
Allowance for doubtful accounts	(157)	(160)
Total current assets	30,396	30,324
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	6,963	6,666
Other (net)	6,955	6,914
Total tangible fixed assets	13,919	13,581
Intangible fixed assets	305	298
Investments and other assets		
Investment in securities	98	93
Deferred tax assets	95	92
Other	1,929	1,934
Allowance for doubtful accounts	(9)	(8)
Total investments and other assets	2,113	2,111
Total fixed assets	16,338	15,991
Total assets	46,734	46,315

## (1) First-half Consolidated Balance Sheet (cont.)

(Millions of yen)

	FY2011 (as of March 31, 2011)	First-half FY2012 (as of September 30, 2011)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable	2,905	3,519
Short-term loans payable	81	76
Corporate tax payable	476	216
Allowance for bonuses payable	595	622
Allowance for directors' bonuses payable	—	22
Other	1,655	1,464
<b>Total current liabilities</b>	<b>5,714</b>	<b>5,922</b>
Fixed liabilities		
Long-term borrowing	61	—
Deferred tax liabilities	8	5
Allowance for employees' retirement benefits	120	131
Other	27	35
<b>Total fixed liabilities</b>	<b>217</b>	<b>172</b>
<b>Total liabilities</b>	<b>5,932</b>	<b>6,095</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Paid-in capital	4,753	4,753
Capital surplus	5,069	5,069
Retained earnings	36,069	36,274
Treasury stock	(3,792)	(4,166)
<b>Total shareholders' equity</b>	<b>42,100</b>	<b>41,931</b>
Other comprehensive accumulated profits		
Gain/Loss on valuation of other marketable securities	31	27
Foreign currency transaction adjustment	(1,597)	(1,996)
<b>Total other comprehensive accumulated profits</b>	<b>(1,565)</b>	<b>(1,968)</b>
Stock acquisition rights	61	60
Minority shareholders' interest	205	198
<b>Total net assets</b>	<b>40,802</b>	<b>40,220</b>
<b>Total liabilities and net assets</b>	<b>46,734</b>	<b>46,315</b>

## (2) First-half Consolidated Statement of Income

(Millions of yen)

	First-half FY2011 (April 1, 2010 – September 30, 2010)	First-half FY2012 (April 1, 2011 – September 30, 2011)
Net sales	16,137	14,631
Cost of sales	11,085	10,254
Gross profit on sales	5,052	4,376
Selling and general administrative expenses	3,360	3,375
Operating income	1,691	1,001
Non-operating income		
Interest received	29	29
Income from waste disposal	19	22
Other	16	25
Total non-operating income	65	77
Non-operating expenses		
Interest paid	7	3
Foreign exchange loss	10	45
Other	11	7
Total non-operating expenses	28	57
Ordinary income	1,729	1,022
Extraordinary profit		
Profit from sales of fixed assets	2	1
Profit from sales of investment securities	38	—
Profit from reversal of stock acquisition rights	1	0
Other	10	—
Total extraordinary profit	53	2
Extraordinary loss		
Loss from disposal of fixed assets	2	2
Loss from sales of investment securities	9	—
Effect of applying standards of accounting for asset retirement obligations	9	—
Total extraordinary loss	22	2
Net income before taxes	1,760	1,022
Corporate tax, inhabitant tax, and business tax	455	299
Corporate tax adjustment	160	25
Total corporate tax, etc.	615	325
Net profit for current period before adjustments to minority shareholders' profit/loss	1,145	696
Minority shareholders' interest	10	8
Net income	1,134	688
Net profit for current period before adjustments to minority shareholders' profit/loss	1,145	696
Other comprehensive income		
Gain/Loss on valuation of other marketable securities	(58)	(4)
Foreign currency transaction adjustment	(184)	(597)
Total other comprehensive income	(243)	(602)
Comprehensive income	901	94
(Breakdown)		
Parent company shareholders' comprehensive income	889	113
Minority shareholders' comprehensive income	12	(19)

## (3) First-half Consolidated Cashflow Statement

(Millions of yen)

	First-half FY2011 (April 1, 2010 – September 30, 2010)	First-half FY2012 (April 1, 2011 – September 30, 2011)
<b>Cashflow from operating activities</b>		
Net income before taxes	1,760	1,022
Depreciation expense	962	909
Amortization for long-term prepaid expense	6	1
Profit/Loss from adjustments to previous term	(10)	—
Effect of applying standards of accounting for asset retirement obligations	9	—
Increase/Decrease in allowance for doubtful accounts	9	2
Increase/Decrease in allowance for employees' retirement benefits	10	10
Increase/Decrease in allowance for directors' bonus payable	10	18
Increase/Decrease in allowance for bonuses payable	73	8
Interest and dividends received	(31)	(31)
Interest paid	7	3
Foreign exchange gain/loss	25	37
Profit/Loss from sales of investment securities	(28)	—
Increase/Decrease in receivables	(62)	(229)
Increase/Decrease in payables	397	632
Increase/Decrease in inventories	(327)	(857)
Increase/Decrease in accrued amount payable	74	(171)
Other	(146)	(651)
Subtotal	2,740	705
Income from interests and dividends	38	29
Interest paid	(8)	(4)
Corporate tax, etc. paid	(500)	(540)
Corporate tax refunded	9	—
<b>Cashflow from operating activities</b>	<b>2,278</b>	<b>189</b>
<b>Cashflow from investing activities</b>		
Proceeds from payment of time deposits	1,000	1,505
Payments for time deposits	(501)	(2,008)
Payment for acquisition of tangible fixed assets	(205)	(617)
Income from sales of investment securities	108	—
Payment for acquisition of intangible fixed assets	(42)	(48)
Other	(4)	1
<b>Cashflow from investing activities</b>	<b>354</b>	<b>(1,167)</b>
<b>Cashflow from financing activities</b>		
Net increase/decrease in short-term borrowing	(91)	—
Expense for reimbursement of long-term borrowing	(45)	(39)
Expense for acquisition of treasury stock	(0)	(373)
Payment of dividends	(431)	(558)
Other	(3)	(5)
<b>Cashflow from financing activities</b>	<b>(571)</b>	<b>(977)</b>
<b>Profit/Loss on cash/cash-equivalent transactions</b>	<b>(78)</b>	<b>(327)</b>
Increase/Decrease in cash/cash-equivalent transactions	1,983	(2,282)
Balance of cash/cash-equivalent transactions at beginning of term	14,639	16,265
Increase/Decrease in cash/cash-equivalent transactions resulting from changes to the accounting term at affiliated companies	—	155
<b>Balance of cash/cash-equivalent transactions at end of term</b>	<b>16,623</b>	<b>14,139</b>

## 6. Supplementary Information

Information for important facilities newly finalized during the first half of the fiscal year is as follows.

Company/ Business name	Location	Segment	Facility details	Scheduled investment amount		Financing method	Scheduled start/completion dates	
				Total	Payments made		Start	Completion
				(Millions of yen)	(Millions of yen)			
Fujimi Taiwan Limited	Taiwan	Asia	Manufacturing facilities for abrasives (capacity for first term)	1,900	—	Self-financed	Nov. 2011	Oct. 2012