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November 4, 2021

## Consolidated Financial Results for the Nine Months Ended September 30, 2021 (Under Japanese GAAP)

Company name: SUMCO Corporation  
 Listing: Tokyo Stock Exchange (First Section)  
 Securities code: 3436  
 URL: <https://www.sumcosi.com>  
 Representative: Mayuki Hashimoto, Representative Director, CEO & Chairman of the Board  
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 Scheduled date to file quarterly securities report: November 12, 2021  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for institutional investors and security analysts)

(Yen amounts are rounded down to millions.)

### 1. Consolidated financial results for the nine months ended September 30, 2021 (from January 1, 2021 to September 30, 2021)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
Sep. 30, 2021	244,463	11.8	36,533	22.6	35,184	23.4	26,979	33.5
Sep. 30, 2020	218,745	(4.3)	29,794	(29.8)	28,508	(30.8)	20,209	(28.2)

Note: Comprehensive income For the nine months ended Sep. 30, 2021: ¥39,165 million [ 78.5% ]  
 For the nine months ended Sep. 30, 2020: ¥21,939 million [(24.4%)]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
Sep. 30, 2021	92.90	—
Sep. 30, 2020	69.29	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
Sep. 30, 2021	619,758	382,271	54.5
Dec. 31, 2020	593,443	355,003	53.1

Reference: Equity  
 As of Sep. 30, 2021: ¥338,068 million  
 As of Dec. 31, 2020: ¥315,114 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Dec. 31, 2020	—	18.00	—	9.00	27.00
Fiscal year ending Dec. 31, 2021	—	17.00	—		
Fiscal year ending Dec. 31, 2021 (Forecast)				19.00	36.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

## 3. Consolidated financial forecasts for the fiscal year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending Dec. 31, 2021	332,900	14.3	50,500	33.3	47,600	33.5	35,900	40.8	118.61

Note: (1) Revisions to consolidated business forecasts made during the quarter under review: Yes

(2) SUMCO discloses forecasts for the forthcoming quarter only. Please see “(2) Explanation of Business Forecasts” on page 2 of Supplementary Materials.

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: —

Excluded: —

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: Yes

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: Please see “(3) Notes on Consolidated Financial Statements (Changes in Accounting Policies)” on page 7 of Supplementary Materials.

(4) Number of issued shares (common shares)

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

As of Sep. 30, 2021	290,175,139 shares
As of Dec. 31, 2020	291,181,239 shares

(ii) Number of treasury shares at the end of the period

As of Sep. 30, 2021	7,835 shares
As of Dec. 31, 2020	7,715 shares

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

Nine months ended Sep. 30, 2021	290,404,500 shares
Nine months ended Sep. 30, 2020	291,670,197 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

Business forecasts and other forward-looking statements contained in this Brief Statement on Consolidated Financial Results are based on information currently available to the Company and on certain assumptions that the Company considers to be reasonable, and do not constitute guarantees of future performance. Actual results may differ significantly from those projected in the forward-looking statements as a result of various factors. Regarding the assumptions underlying business forecasts, please see “(2) Explanation of Business Forecasts” on page 2 of Supplementary Materials.

Quarterly results briefing for institutional investors and security analysts is scheduled on November 4, 2021. Supplementary materials for quarterly financial results are available in our website before starting the briefing.

**(Supplementary Materials)**

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## 1. Qualitative Information for the Third Quarter of Fiscal Year 2021

### (1) Explanation of Business Results

During the third quarter of fiscal year 2021 (July 1, 2021–September 30, 2021), demand for 300 mm semiconductor wafers for both logic and memory became even stronger, driven by PC, smartphone and data center, so that the supply/demand situation remained tight. For wafers of 200 mm and smaller, as well, supply continued to fall short of demand, with the strong needs for automotive, consumer and industrial.

In this environment, in line with the SUMCO Vision, the SUMCO Group sought to maintain our strong presence with customers through technology development aimed at meeting their needs for leading-edge, distinctive products, while endeavoring to raise productivity through AI introduction and to improve our profitability by reducing costs.

As a result, for the period under review, the Group registered consolidated net sales of 244,463 million yen, operating income of 36,533 million yen, ordinary income of 35,184 million yen, and net income attributable to owners of the parent of 26,979 million yen.

### (2) Explanation of Business Forecasts

The market for 300 mm semiconductor silicon wafers in the fourth quarter is expected to see even greater supply and demand tightness, as demand grows for memory in addition to logic. Supply and demand tightness is forecast to continue also for wafers of 200 mm and smaller, sustained by strong demand.

Given this market environment, the Group will continue seeking a competitive edge by developing technologies for state-of-the-art wafers for which continued demand growth is expected, while seeking to raise productivity by making greater use of AI. In addition, having run out of space for capacity expansions in our existing domestic plants, the Group has decided to implement capital investments in new buildings, utility equipment and manufacturing equipment that will make possible ongoing phased production increases, commensurate with market growth for 300 mm leading-edge silicon wafers.

We will also be paying close attention to changes in the market environment including the impact of COVID-19 and US-China trade friction.

It is difficult for the Group to formulate reasonable business forecasts for the long-term, since the semiconductor industry to which the Group belongs is characterized by drastic and short-term changes in the business environment. Therefore, the Group has adopted the policy of disclosing business forecasts for the forthcoming quarter only.

SUMCO announces its consolidated business forecasts for the fiscal year ending Dec. 31, 2021 as follows.

#### Consolidated Business Forecasts for the fiscal year ending Dec. 31, 2021 (from Jan. 1, 2021 to Dec. 31, 2021)

	Net sales (millions of yen)	Operating income (millions of yen)	Ordinary income (millions of yen)	Net income attributable to owners of the parent (millions of yen)	Net income per share (yen)
Previous Forecasts (A)	—	—	—	—	—
Revised Forecasts (B)	332,900	50,500	47,600	35,900	118.61
Changes (B-A)	—	—	—	—	
Rate of changes (%)	—	—	—	—	
(Reference) Results for the fiscal year ended Dec. 31, 2020	291,333	37,897	36,650	25,505	87.48

(Notes) (1) Business forecasts and other forward-looking statements contained in this Brief Statement on Consolidated Financial Results are based on information currently available to the Company and on certain assumptions that the Company considers to be reasonable, and do not constitute guarantees of future performance. Actual results may differ significantly from those projected in the forward-looking statements as a result of various factors.

(2) The above forecasts for the three months ending Dec. 31, 2021 (from Oct. 1, 2021 to Dec. 31, 2021) was made assuming translation rates of one U.S. dollar to 113 yen.

**2. Consolidated Financial Statements and Notes****(1) Consolidated Balance Sheet**

(millions of yen)

	As of Dec. 31, 2020	As of Sep. 30, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	82,968	94,488
Notes and accounts receivable – trade	60,405	68,501
Finished products	18,645	17,604
Work in process	19,642	20,980
Raw materials and supplies	142,185	136,056
Other current assets	7,222	6,708
Allowance for doubtful accounts	(9)	(10)
Total current assets	331,061	344,328
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	68,443	69,621
Machinery, equipment and vehicles, net	82,693	88,960
Land	20,261	20,164
Construction in progress	30,732	38,321
Other, net	1,921	2,372
Total property, plant and equipment	204,052	219,440
Intangible assets		
Goodwill	1,936	757
Other	8,183	8,124
Total intangible assets	10,120	8,882
Investments and other assets		
Investment securities	101	88
Long-term advance payments	33,511	31,689
Deferred tax assets	10,468	11,402
Other assets	4,403	4,175
Allowance for doubtful accounts	(275)	(249)
Total investments and other assets	48,209	47,106
Total fixed assets	262,381	275,429
Total assets	593,443	619,758

(millions of yen)

	As of Dec. 31, 2020	As of Sep. 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	25,615	28,512
Short-term borrowings	38,180	38,982
Current portion of long-term lease obligations	192	78
Accrued income taxes	3,392	3,130
Reserve for bonuses	1,308	4,360
Other current liabilities	28,491	27,913
Total current liabilities	97,180	102,978
Long-term liabilities		
Long-term debt	111,383	104,007
Long-term lease obligations	141	96
Retirement benefit liability	24,851	25,051
Other long-term liabilities	4,882	5,353
Total long-term liabilities	141,259	134,508
Total liabilities	238,439	237,486
<b>Equity</b>		
Shareholders' equity		
Capital stock	138,718	138,718
Capital surplus	27,463	24,970
Retained earnings	151,559	170,927
Treasury stock	(12)	(19)
Total shareholders' equity	317,729	334,597
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	0	0
Deferred loss on derivatives under hedge accounting	(0)	(0)
Land revaluation surplus	2,885	2,885
Foreign currency translation adjustments	(3,224)	2,546
Defined retirement benefit plans	(2,277)	(1,961)
Total accumulated other comprehensive loss	(2,615)	3,471
Non-controlling interests	39,888	44,202
Total equity	355,003	382,271
<b>Total liabilities and equity</b>	593,443	619,758

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income  
(Consolidated Statement of Income)

(millions of yen)

	Nine months ended Sep. 30, 2020 (from Jan. 1, 2020 to Sep. 30, 2020)	Nine months ended Sep. 30, 2021 (from Jan. 1, 2021 to Sep. 30, 2021)
Net sales	218,745	244,463
Cost of sales	168,886	187,308
Gross profit	49,859	57,154
Selling, general and administrative expenses	20,065	20,620
Operating income	29,794	36,533
Non-operating income		
Interest income	265	84
Dividend income	52	46
Subsidy income	623	464
Other	162	65
Total non-operating income	1,103	661
Non-operating expenses		
Interest expense	727	652
Loss on sales and disposals of fixed assets	317	681
Foreign exchange loss	1,112	481
Other	230	196
Total non-operating expenses	2,388	2,011
Ordinary income	28,508	35,184
Income before income taxes	28,508	35,184
Income taxes	5,867	5,790
Net income	22,641	29,393
Net income attributable to non-controlling interests	2,431	2,414
Net income attributable to owners of the parent	20,209	26,979



## (Consolidated Statement of Comprehensive Income)

(millions of yen)

	Nine months ended Sep. 30, 2020 (from Jan. 1, 2020 to Sep. 30, 2020)	Nine months ended Sep. 30, 2021 (from Jan. 1, 2021 to Sep. 30, 2021)
Net income	22,641	29,393
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	(0)	0
Deferred gain (loss) on derivatives under hedge accounting	(0)	0
Foreign currency translation adjustments	(1,052)	9,438
Defined retirement benefit plans	351	332
Total other comprehensive income (loss)	(701)	9,771
Comprehensive income	21,939	39,165
Total comprehensive income attributable to:		
Owners of the parent	19,418	33,066
Non-controlling interests	2,521	6,099

## (3) Notes on Consolidated Financial Statements

(Notes regarding Going Concern Assumption)

Not applicable

(Notes regarding Significant Changes in Shareholders' Equity)

As resolved at the February 19, 2021 Board of Directors Meeting, the Company repurchased and cancelled 1,006,100 shares of treasury stock.

Total amount of repurchase of treasury stock	2,499 million yen
Total amount of cancellation of treasury stock	2,492 million yen
Treasury stock at the end of third quarter of fiscal year 2021	(19) million yen

## (Changes in Accounting Policies)

(Adoption of Accounting Standard for Revenue Recognition, etc.)

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 of March 30, 2018) (hereinafter, "Revenue Recognition Standard") and Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30 of March 2018) having become applicable to a consolidated fiscal year starting prior to March 31, 2021, we have applied this Revenue Recognition Standard and Guidance from the beginning of the first quarter of the fiscal year, recognizing as revenue the amount expected to be received in exchange for goods or services at the time control of the promised good or service is transferred to the customer.

Accordingly, the Company and its Japanese consolidated subsidiaries, with the exception of consignment products, has changed from recognizing revenue at the point of shipment in the case of domestic sales, and at the point of export clearance in the case of export sales, to recognizing revenue for domestic sales at the time of arrival of the goods at the customer's, and for export sales upon arrival of the goods at the place agreed with the customer, deeming our performance obligation to have been satisfied.

In the case of sales to certain customers where the transfer of control of assets to the customer takes place over a fixed period of time, the time of revenue recognition is changed to the fixed period of time based on manufacturing progress.

In addition, sales commissions and other considerations payable to a customer, which were previously accounted for as selling, general and administrative expenses, are now accounted for by deducting them from the transaction price.

Implementation of the Revenue Recognition Standard and Guidance is in line with the transitional measures provided in the proviso to Article 84 of the Revenue Recognition Standard. Accordingly, the cumulative impact of the change when the new accounting policy is applied retroactively prior to the beginning of the first quarter is reflected in retained earnings at the beginning of the first quarter, while the new policy is not retroactively applied to contracts for which all or most revenue was recognized prior to the beginning of the first quarter in accordance with the previous policy.

In addition, the method specified in Paragraph 86 item (1) of the Revenue Recognition Standard is applied for contract changes made prior to the beginning of the first quarter, such that accounting is performed based on the contract provisions after all changes have been reflected, and the cumulative impact is reflected in retained earnings at the beginning of the first quarter.

As a result, the impact on retained earnings balance at the beginning of the first quarter is not material.

The impact of these changes on the quarterly consolidated financial statements in the third quarter (January 1, 2021–September 30, 2021) is not material.

## (Significant Subsequent Events)

At the meeting of the board of directors held on September 30, 2021, a resolution was passed to issue new shares through a public offering. The payment has been completed on October 18, 2021.

## Issuance of new shares through a public offering

- |                                        |                                                                                                                                                                  |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Class and number of shares offered | 60,000,000 shares of common stock of the Company, being the aggregate of (i) through (iii) described below:                                                      |
|                                        | (i) 10,800,000 shares of common stock of the Company, issued for purchase and underwriting by the Japanese Underwriters in the Japanese Offering;                |
|                                        | (ii) 41,374,000 shares of common stock of the Company, issued for purchase and underwriting by the International Underwriters in the International Offering; and |

	(iii) 7,826,000 shares of common stock of the Company, additionally issued for acquisition by the International Underwriters in the International Offering upon exercise of the option.
(2) Issue price (offer price)	¥2,097 per share
(3) Total amount of issue price	¥125,820,000,000
(4) Amount paid in	¥2,010.52 per share
(5) Total amount of paid in	¥120,631,200,000
(6) Amount of stated capital increased	¥60,315,600,000
(7) Amount of capital reserves increased	¥60,315,600,000
(8) Payment date	October 18, 2021
(9) Use of proceeds procured	Capital investments