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May 11, 2023

## Consolidated Financial Results for the Three Months Ended March 31, 2023 (Under Japanese GAAP)

Company name: SUMCO Corporation  
 Listing: Tokyo Stock Exchange  
 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: May 15, 2023  
 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 three months ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

#### (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	%
Three months ended								
Mar. 31, 2023	109,948	9.5	25,974	10.8	27,384	15.4	37,698	148.0
Mar. 31, 2022	100,449	32.3	23,452	150.3	23,734	150.5	15,202	106.1

Note: Comprehensive income For the three months ended Mar. 31, 2023: ¥40,518 million [ 80.2% ]  
 For the three months ended Mar. 31, 2022: ¥22,484 million [ 55.0% ]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
Mar. 31, 2023	107.66	—
Mar. 31, 2022	43.42	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
Mar. 31, 2023	946,652	609,495	58.7
Dec. 31, 2022	892,555	591,484	59.8

Reference: Equity  
 As of Mar. 31, 2023: ¥555,580 million  
 As of Dec. 31, 2022: ¥533,552 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, 2022	—	36.00	—	45.00	81.00
Fiscal year ending Dec. 31, 2023	—				
Fiscal year ending Dec. 31, 2023 (Forecast)		40.00	—	—	—

Note: (1) Revisions to the forecast of cash dividends most recently announced: Yes  
(2) Year-end dividend per share for the fiscal year ending Dec. 31, 2023 is not determined.

## 3. Consolidated financial forecasts for the six months ending June 30, 2023 (from January 1, 2023 to June 30, 2023)

(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
Six months ended Jun. 30, 2023	217,900	5.1	42,900	(13.8)	43,300	(15.0)	47,100	50.4	134.79

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: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of Mar. 31, 2023	350,175,139 shares
As of Dec. 31, 2022	350,175,139 shares

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

As of Mar. 31, 2023	7,940 shares
As of Dec. 31, 2022	7,940 shares

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

Three months ended Mar. 31, 2023	350,167,199 shares
Three months ended Mar. 31, 2022	350,167,249 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.

Year-end dividend per share for the fiscal year ending Dec. 31, 2023 is not determined, and a forecast will be disclosed as soon as the disclosure becomes possible.

Quarterly results briefing for institutional investors and security analysts is scheduled on May 11, 2023. 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 First Quarter of Fiscal Year 2023

### (1) Explanation of Business Results

During the first quarter of fiscal year 2023 (January 1, 2023–March 31, 2023), the semiconductor market saw a decline in production of logic and memory chips due to the slowdown in shipments of end products including personal computers and smartphones. Power semiconductor demand, on the other hand, trended strongly with EV growth. Demand for 300 mm silicon wafer declined for memory applications, while wafers for logic use saw varying demand among customers, with only a slight correction overall. Demand for smaller wafers of 200 mm and smaller was solid for automotive applications, but otherwise continued to drop mainly for consumer and industrial use.

In this environment, the SUMCO Group, toward realization of the SUMCO Vision, sought to maintain our high share of advanced products through technology development aimed at meeting customer needs for higher precision and making distinctive products, while endeavoring also to improve our profitability by raising productivity with the use of AI and becoming more cost competitive.

As a result, for the period under review, the Group registered net sales of 109,948 million yen, operating income of 25,974 million yen, ordinary income of 27,384 million yen, and net income attributable to owners of the parent of 37,698 million yen.

### (2) Explanation of Business Forecasts

During the second quarter of fiscal year 2023, semiconductor production adjustments and inventory drawdowns are expected to continue, impacted by reduced demand for personal computers, smartphones and other end products along with a slowing economy.

While solid demand is seen for automotive use, improvement in the silicon wafer supply and demand situation is expected to take time.

As decided in 2021, the SUMCO Group is carrying out capital expenditures on new plant buildings, utility equipment, and manufacturing equipment to meet increased silicon wafer demand in the medium to long term. Along with steadily implementing these investments, the Group will carry on with technology development for state-of-the-art wafers with strong growth prospects, while working to raise productivity making use of AI.

We will also be paying careful attention to the impacts on the global economy from recently heightening geopolitical risks, and from adjustments to monetary policy as affected by inflation measures and other factors.

It is difficult for the Group to formulate reasonable business forecasts for the full-year, 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 six months ending June 30, 2023 as follows.

#### Consolidated Business Forecasts for the six months ending Jun. 30, 2023 (from Jan. 1, 2023 to Jun. 30, 2023)

	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)	Basic earnings per share (yen)
Previous Forecasts (A)	—	—	—	—	—
Revised Forecasts (B)	217,900	42,900	43,300	47,100	134.79
Changes (B-A)	—	—	—	—	
Rate of changes (%)	—	—	—	—	
(Reference) Results for six months ended Jun. 30, 2022	207,412	49,751	50,929	31,324	89.46

(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 June 30, 2023 (from April 1, 2023 to June 30, 2023) was made assuming translation rates of one U.S. dollar to 134 yen.

## 2. Consolidated Financial Statements and Notes

### (1) Consolidated Balance Sheet

(millions of yen)

	As of Dec. 31, 2022	As of Mar. 31, 2023
<b>Assets</b>		
Current assets		
Cash and time deposits	250,505	205,046
Notes and accounts receivable - trade, and contract assets	89,991	90,397
Marketable securities	8,800	8,800
Finished products	20,839	22,968
Work in process	26,063	26,564
Raw materials and supplies	135,461	151,248
Other	11,957	12,085
Allowance for doubtful accounts	(13)	(13)
<b>Total current assets</b>	<b>543,605</b>	<b>517,097</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,759	76,237
Machinery, equipment and vehicles, net	93,957	101,713
Land	20,298	20,305
Construction in progress	110,264	176,360
Other, net	4,091	4,141
<b>Total property, plant and equipment</b>	<b>300,371</b>	<b>378,758</b>
Intangible assets		
Goodwill	157	78
Other	8,078	7,931
<b>Total intangible assets</b>	<b>8,235</b>	<b>8,010</b>
Investments and other assets		
Investment securities	88	1,846
Long-term advance payments	28,525	27,859
Deferred income tax assets	8,333	9,192
Other	3,668	4,161
Allowance for doubtful accounts	(272)	(273)
<b>Total investments and other assets</b>	<b>40,343</b>	<b>42,786</b>
<b>Total non-current assets</b>	<b>348,950</b>	<b>429,555</b>
<b>Total assets</b>	<b>892,555</b>	<b>946,652</b>

(millions of yen)

	As of Dec. 31, 2022	As of Mar. 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	38,037	36,485
Short-term borrowings	30,432	40,301
Current portion of long-term lease obligations	231	96
Accrued income taxes	20,616	11,876
Reserve for bonuses	2,487	4,924
Other	65,430	99,515
Total current liabilities	157,235	193,198
Long-term liabilities		
Long-term debt	110,617	100,764
Long-term lease obligations	102	87
Retirement benefit liability	23,597	23,628
Other	9,518	19,479
Total long-term liabilities	143,836	143,958
Total liabilities	301,071	337,157
<b>Equity</b>		
Shareholders' equity		
Capital stock	199,034	199,034
Capital surplus	85,285	85,285
Retained earnings	234,319	256,260
Treasury stock	(19)	(19)
Total shareholders' equity	518,620	540,561
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	0	0
Deferred loss on derivatives under hedge accounting	961	(0)
Land revaluation surplus	2,885	2,885
Foreign currency translation adjustments	11,792	12,720
Remeasurements of defined benefit plans	(706)	(586)
Total accumulated other comprehensive loss	14,932	15,019
Non-controlling interests	57,931	53,915
Total equity	591,484	609,495
<b>Total liabilities and equity</b>	<b>892,555</b>	<b>946,652</b>

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

(millions of yen)

	Three months ended Mar. 31, 2022 (from Jan. 1, 2022 to Mar. 31, 2022)	Three months ended Mar. 31, 2023 (from Jan. 1, 2023 to Mar. 31, 2023)
Net sales	100,449	109,948
Cost of sales	69,253	75,343
Gross profit	31,196	34,605
Selling, general and administrative expenses	7,743	8,630
Operating income	23,452	25,974
Non-operating income		
Interest income	37	421
Subsidy income	1	2,142
Exchange gain	629	273
Other	24	71
Total non-operating income	693	2,908
Non-operating expenses		
Interest expense	203	189
Loss on valuation of inventories	–	451
Commission expenses	2	424
Loss on retirement of non-current assets	203	416
Other	3	17
Total non-operating expenses	412	1,498
Ordinary income	23,734	27,384
Extraordinary income		
Gain on bargain purchase	–	20,084
Total extraordinary income	–	20,084
Income before income taxes	23,734	47,468
Income taxes	6,264	7,714
Net income	17,469	39,753
Net income attributable to non-controlling interests	2,267	2,055
Net income attributable to owners of the parent	15,202	37,698



## (Consolidated Statement of Comprehensive Income)

(millions of yen)

	Three months ended Mar. 31, 2022 (from Jan. 1, 2022 to Mar. 31, 2022)	Three months ended Mar. 31, 2023 (from Jan. 1, 2023 to Mar. 31, 2023)
Net income	17,469	39,753
Other comprehensive income		
Net unrealized gain on available-for-sale securities	0	0
Deferred gain on derivatives under hedge accounting	0	(962)
Foreign currency translation adjustments	4,927	1,603
Remeasurements of defined plans, net of tax	86	123
Total other comprehensive income	5,014	764
Comprehensive income	22,484	40,518
Total comprehensive income attributable to:		
Owners of the parent	18,811	37,785
Non-controlling interests	3,672	2,733

- (3) Notes on Consolidated Financial Statements
  - (Notes regarding Going Concern Assumption)
    - Not applicable
  - (Notes regarding Significant Changes in Shareholders' Equity)
    - Not applicable