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August 8, 2023

## Consolidated Financial Results for the Six Months Ended June 30, 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: August 10, 2023  
 Scheduled date to commence dividend payments: September 5, 2023  
 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 six months ended June 30, 2023 (from January 1, 2023 to June 30, 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	%
Six months ended								
Jun. 30, 2023	220,659	6.4	46,786	(6.0)	48,528	(4.7)	49,647	58.5
Jun. 30, 2022	207,412	31.5	49,751	129.0	50,929	142.9	31,324	91.3

Note: Comprehensive income For the six months ended Jun. 30, 2023: ¥66,222 million [ 24.6% ]  
 For the six months ended Jun. 30, 2022: ¥53,162 million [ 105.7% ]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
Jun. 30, 2023	141.82	—
Jun. 30, 2022	89.46	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
Jun. 30, 2023	990,905	633,823	57.9
Dec. 31, 2022	892,555	591,484	59.8

Reference: Equity  
 As of Jun. 30, 2023: ¥573,993 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	—	42.00			
Fiscal year ending Dec. 31, 2023 (Forecast)			—	—	—

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 nine months ending September 30, 2023 (from January 1, 2023 to September 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
Nine months ended Sep. 30, 2023	321,600	(0.6)	57,700	(27.7)	59,500	(28.6)	56,600	9.4	161.88

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 Jun. 30, 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 Jun. 30, 2023	487,941 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)

Six months ended Jun. 30, 2023	350,067,327 shares
Six months ended Jun. 30, 2022	350,167,244 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 August 8, 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 Second Quarter of Fiscal Year 2023

### (1) Explanation of Business Results

During the second quarter of fiscal year 2023 (April 1, 2023–June 30, 2023), the semiconductor market continued to see adjustments in logic and memory chip production, as demand for their end products including personal computers and smartphones remained weak.

Impacted by customers' production adjustments, 300 mm silicon wafer demand for logic and memory use declined as well. Demand for wafers of 200 mm and smaller was solid for automotive applications but otherwise continued to decline, 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 become more cost competitive by raising productivity with the use of AI.

As a result, for the period under review, the Group registered consolidated net sales of 220,659 million yen, operating income of 46,786 million yen, ordinary income of 48,528 million yen, and net income attributable to owners of the parent of 49,647 million yen.

### (2) Explanation of Business Forecasts

Looking at the outlook for the third quarter of fiscal year 2023 (July 1, 2023–September 30, 2023), while there are products with solid demand, such as in the AI, automotive, and energy fields, demand for personal computers, smartphones and other such products is expected to remain weak, with overall semiconductor production continuing in an adjustment phase. In this business climate, the correction phase in the silicon wafer market is forecast to continue.

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 high-end products with strong growth prospects, while seeking to raise productivity by 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 monetary policy in each country.

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 nine months ending Sep. 30, 2023 as follows.

#### Consolidated Business Forecasts for the nine months ending Sep. 30, 2023 (from Jan. 1, 2023 to Sep. 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)	Net income per share (yen)
Previous Forecasts (A)	—	—	—	—	—
Revised Forecasts (B)	321,600	57,700	59,500	56,600	161.88
Changes (B-A)	—	—	—	—	
Rate of changes (%)	—	—	—	—	
(Reference) Results for nine months ended Sep. 30, 2022	323,658	79,931	83,412	51,794	147.91

(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 Sep. 30, 2023 (from Jul. 1, 2023 to Sep. 30, 2023) was made assuming translation rates of one U.S. dollar to 138 yen.

## 2. Consolidated Financial Statements and Notes

### (1) Consolidated Balance Sheet

(millions of yen)

	As of Dec. 31, 2022	As of Jun. 30, 2023
<b>Assets</b>		
Current assets		
Cash and time deposits	250,505	199,642
Notes and accounts receivable - trade, and contract assets	89,991	90,745
Marketable securities	8,800	8,631
Finished products	20,839	24,475
Work in process	26,063	26,892
Raw materials and supplies	135,461	156,136
Other	11,957	10,214
Allowance for doubtful accounts	(13)	(14)
<b>Total current assets</b>	<b>543,605</b>	<b>516,723</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,759	89,007
Machinery, equipment and vehicles, net	93,957	112,100
Land	20,298	24,121
Construction in progress	110,264	195,865
Other, net	4,091	4,402
<b>Total property, plant and equipment</b>	<b>300,371</b>	<b>425,496</b>
Intangible assets		
Goodwill	157	-
Other	8,078	7,783
<b>Total intangible assets</b>	<b>8,235</b>	<b>7,783</b>
Investments and other assets		
Investment securities	88	1,910
Long-term advance payments	28,525	27,195
Deferred income tax assets	8,333	7,882
Other	3,668	4,197
Allowance for doubtful accounts	(272)	(285)
<b>Total investments and other assets</b>	<b>40,343</b>	<b>40,901</b>
<b>Total non-current assets</b>	<b>348,950</b>	<b>474,182</b>
<b>Total assets</b>	<b>892,555</b>	<b>990,905</b>

(millions of yen)

	As of Dec. 31, 2022	As of Jun. 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	38,037	36,410
Short-term borrowings	30,432	33,143
Current portion of long-term lease obligations	231	97
Accrued income taxes	20,616	11,832
Reserve for bonuses	2,487	1,733
Other	65,430	96,788
Total current liabilities	157,235	180,006
Long-term liabilities		
Long-term debt	110,617	132,797
Long-term lease obligations	102	76
Provision for share-based payments	–	92
Retirement benefit liability	23,597	24,080
Other	9,518	20,030
Total long-term liabilities	143,836	177,075
<b>Total liabilities</b>	<b>301,071</b>	<b>357,082</b>
<b>Equity</b>		
Shareholders' equity		
Capital stock	199,034	199,034
Capital surplus	85,285	85,285
Retained earnings	234,319	268,209
Treasury stock	(19)	(964)
Total shareholders' equity	518,620	551,565
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	0	0
Deferred gain (loss) on derivatives under hedge accounting	961	(1,260)
Land revaluation surplus	2,885	2,885
Foreign currency translation adjustments	11,792	21,365
Remeasurements of defined benefit plans	(706)	(563)
Total accumulated other comprehensive loss	14,932	22,427
Non-controlling interests	57,931	59,830
<b>Total equity</b>	<b>591,484</b>	<b>633,823</b>
<b>Total liabilities and equity</b>	<b>892,555</b>	<b>990,905</b>

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

(millions of yen)

	Six months ended Jun. 30, 2022 (from Jan. 1, 2022 to Jun. 30, 2022)	Six months ended Jun. 30, 2023 (from Jan. 1, 2023 to Jun. 30, 2023)
Net sales	207,412	220,659
Cost of sales	141,667	156,370
Gross profit	65,745	64,289
Selling, general and administrative expenses	15,994	17,502
Operating income	49,751	46,786
Non-operating income		
Interest income	153	1,038
Dividend income	44	0
Subsidy income	1	2,145
Other	2,028	619
Total non-operating income	2,227	3,803
Non-operating expenses		
Interest expense	384	406
Loss on retirement of non-current assets	642	689
Loss on valuation of inventories	–	451
Commission expenses	2	435
Other	20	78
Total non-operating expenses	1,049	2,061
Ordinary income	50,929	48,528
Extraordinary income		
Gain on bargain purchase	–	20,084
Total extraordinary income	–	20,084
Income before income taxes	50,929	68,612
Income taxes	14,253	14,495
Net income	36,675	54,116
Net income attributable to non-controlling interests	5,351	4,468
Net income attributable to owners of the parent	31,324	49,647



## (Consolidated Statement of Comprehensive Income)

(millions of yen)

	Six months ended Jun. 30, 2022 (from Jan. 1, 2022 to Jun. 30, 2022)	Six months ended Jun. 30, 2023 (from Jan. 1, 2023 to Jun. 30, 2023)
Net income	36,675	54,116
Other comprehensive income		
Net unrealized gain on available-for-sale securities	0	0
Deferred loss on derivatives under hedge accounting	(8)	(2,222)
Foreign currency translation adjustments	16,333	14,180
Remeasurements of defined plans, net of tax	161	147
Total other comprehensive income	16,486	12,105
Comprehensive income	53,162	66,222
Total comprehensive income attributable to:		
Owners of the parent	42,670	57,142
Non-controlling interests	10,491	9,080

(3) Notes on Consolidated Financial Statements

(Notes regarding Going Concern Assumption)

Not applicable

(Notes regarding Significant Changes in Shareholders' Equity)

As resolved at the May 11, 2023 Board of Directors Meeting, the Company adopted a performance-linked stock remuneration plan; and in the second quarter of fiscal 2023, 480,000 shares of treasury stock were acquired by the trust established to implement this plan. The Company's shares held in the trust have been posted as treasury stock.

As a result, treasury stock during the second quarter consolidated cumulative period increased by 944 million yen, rising to 964 million yen at the end of the second quarter.