

# Results for First Quarter of FY2024 (Ended March 31, 2024)

May 9, 2024  
SUMCO Corporation  
(Code: 3436)  
(LEI: 353800SUSRUOM0V6KU92)

## Notes Regarding the Forecasts

This material is prepared for the purpose of continuous disclosure to general shareholders and investors and will not constitute an offer or solicitation of securities of the Company in any states or jurisdictions.

The estimate, expectation, forecast and other future information is prepared based on the information which is available for the Company as of today and on certain assumptions and qualifications (which includes our subjective judgment) and the actual financial performance or result may be substantially different from such future information contained in the material due to risk factors including domestic and global economic conditions, trend of semiconductor market and foreign exchanges.



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## Summary and Market Environment

Mayuki Hashimoto

Representative Director,  
CEO & Chairman of the Board

## 1Q-2024 Consolidated Business Result

(Billions of Yen)

	1Q-2024 Forecast	1Q-2024 Actual	Change
Net Sales	87.0	93.5	+6.5
Operating Income	4.5	8.6	+4.1
Ordinary Income	4.0	9.1	+5.1
Net Income (Note)	2.0	5.0	+3.0
Exchange Rate (Yen/US\$)	145.0	147.0	+2.0

## 2Q-2024 Consolidated Business Forecast

(Billions of Yen)

	1Q-2024 Actual	2Q-2024 Forecast	Change
Net Sales	93.5	99.0	+5.5
Operating Income	8.6	9.0	+0.4
Ordinary Income	9.1	8.0	(1.1)
Net Income (Note)	5.0	5.0	0
Exchange Rate (Yen/US\$)	147.0	150.0	+3.0

(Note) Net income attributable to owners of the parent

## 1-2. Shareholder Return

		FY2019 (Dec-2019)	FY2020 (Dec-2020)	FY2021 (Dec-2021)	FY2022 (Dec-2022)	FY2023 (Dec-2023)	FY2024 (Dec-2024)
Dividends per share for common stocks (Yen)	Interim	25	18	17	36	42	10
	Year-end	10	9	24	45	13	-
	Total	35	27	41	81	55	-
Dividends payment (Billions of Yen)	Interim	7.3	5.2	4.9	12.6	14.7	3.5
	Year-end	2.9	2.6	8.4	15.7	4.5	-
	Total	10.2	7.8	13.3	28.3	19.2	-
Dividend ratio (%)	Total	31.0%	30.9%	30.2%	40.4%	31.0%	<sup>(*1)</sup> <sup>(*2)</sup> 35.4%
Share Buyback							
Amount (Billions of Yen)	Total	3.3	2.5	-	-	-	-
	Ratio (%)	10.0%	9.8%	-	-	-	-
Total Return Ratio (%)	Total	41.0%	40.7%	30.2%	40.4%	31.0%	-

\*1. Subsidy income after tax is excluded from dividends.

\*2. Dividend ratio for FY2024 is calculated by Interim dividend basis.

## 1Q-2024

- ✓ Volume - Overall demand for 300 mm wafers has bottomed out. Logic and DRAM for AI use increased, but customers continued with production adjustments for other uses.
  - Due to weak market conditions, a correction phase continued for 200 mm and smaller wafers and shipments declined.
- ✓ Pricing - Long-term contract prices were honored for both 300 mm and 200 mm wafers.

## 2Q-2024 Forecast

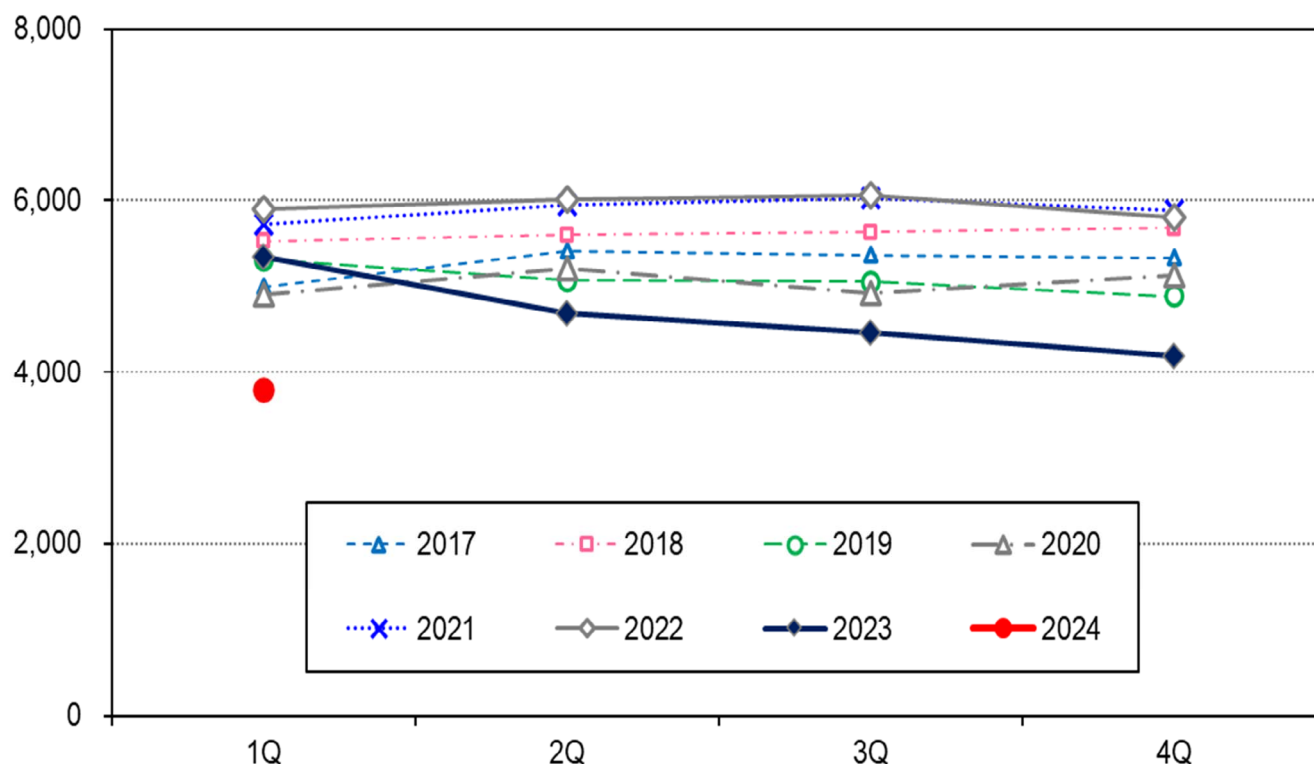
- ✓ Volume - 300 mm wafer demand has bottomed out, but recovery will remain gradual while customers adjust inventory.
  - As customers continue to adjust production, 200 mm wafer shipments are expected to remain at low levels.
- ✓ Pricing - Long-term contract prices are being honored for both 300 mm and 200 mm wafers.
  - Spot prices for smaller diameters vary widely by region and application.

## Outlook

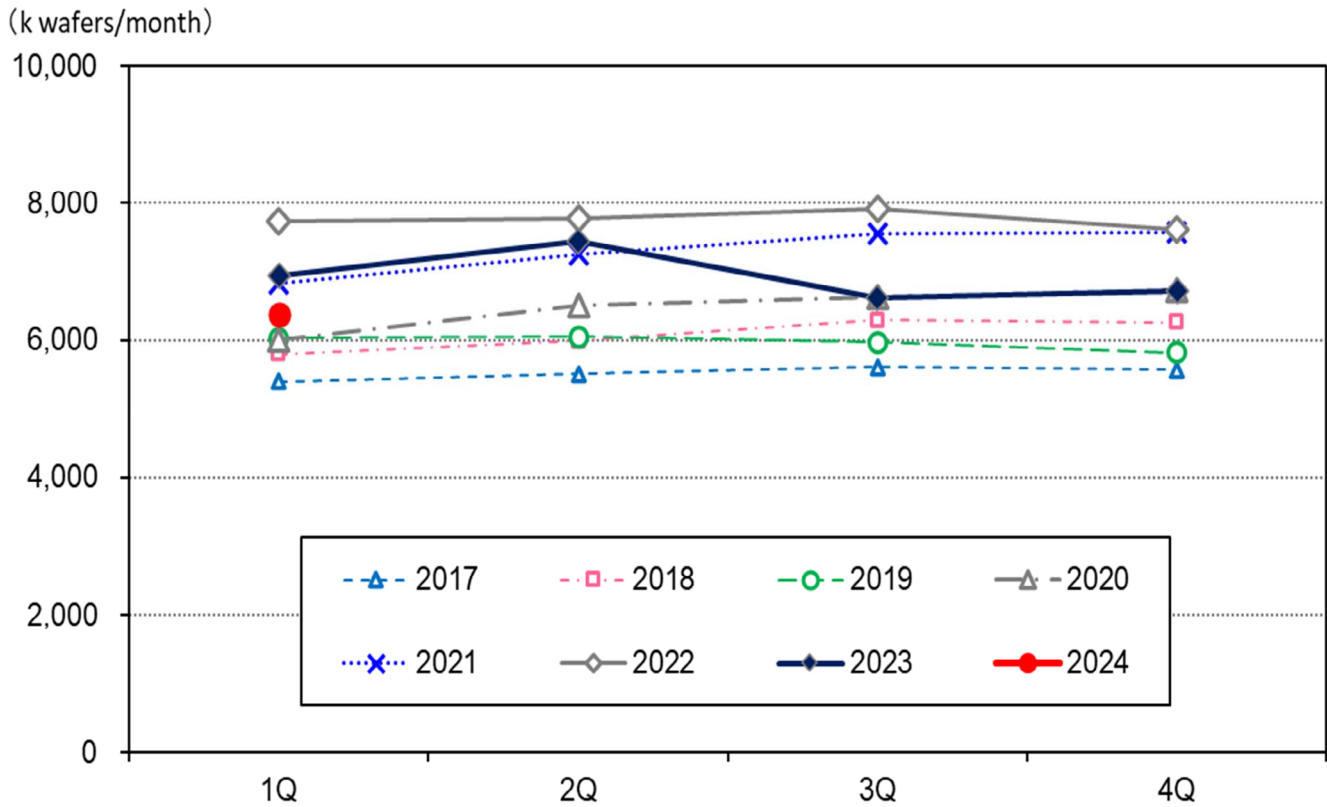
- ✓ The correction phase in semiconductor demand for industrial and automotive uses is expected to continue, but a gradual recovery is seen overall, due to strong AI-related demand and a recovery in demand for personal computer and smartphone use. In line with this, silicon wafer demand is expected to recover, but slowly due to the negative impact of inventory adjustments.

# 2-2. 200mm Wafer Trend

(k wafers/month)



(Source: SUMCO's estimation)

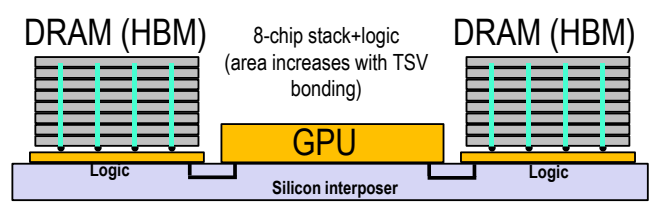
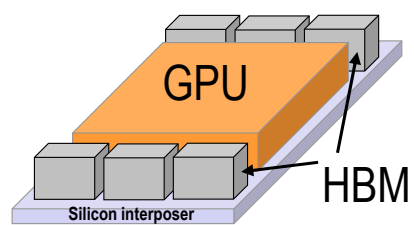
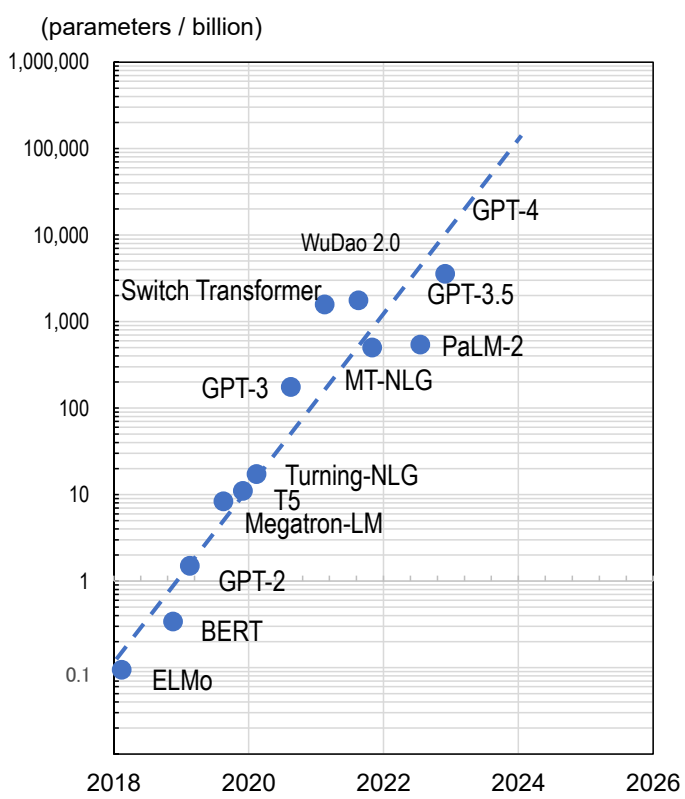


(Source: SUMCO's estimation)

## 3. Progress in AI and Wafer Demand

1. Increase in Silicon Area Due to Greater AI Performance and Computing Power
2. Demand Forecast for Leading-Edge Wafers for Servers
3. Increase in AI-Capable Devices
4. Increase in AI-Capable Devices and Demand Forecast for Leading-Edge Logic Wafers

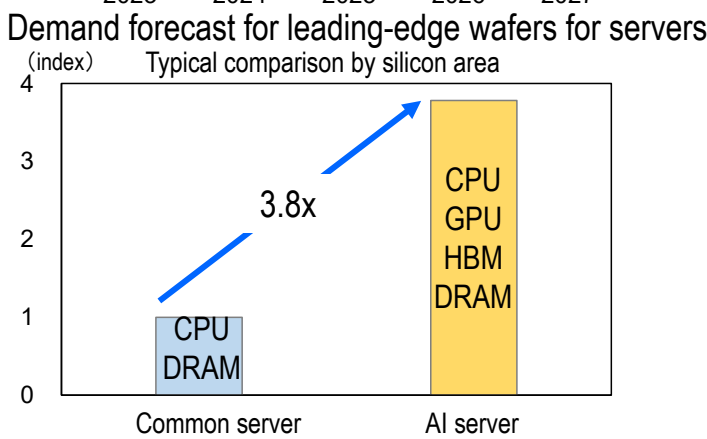
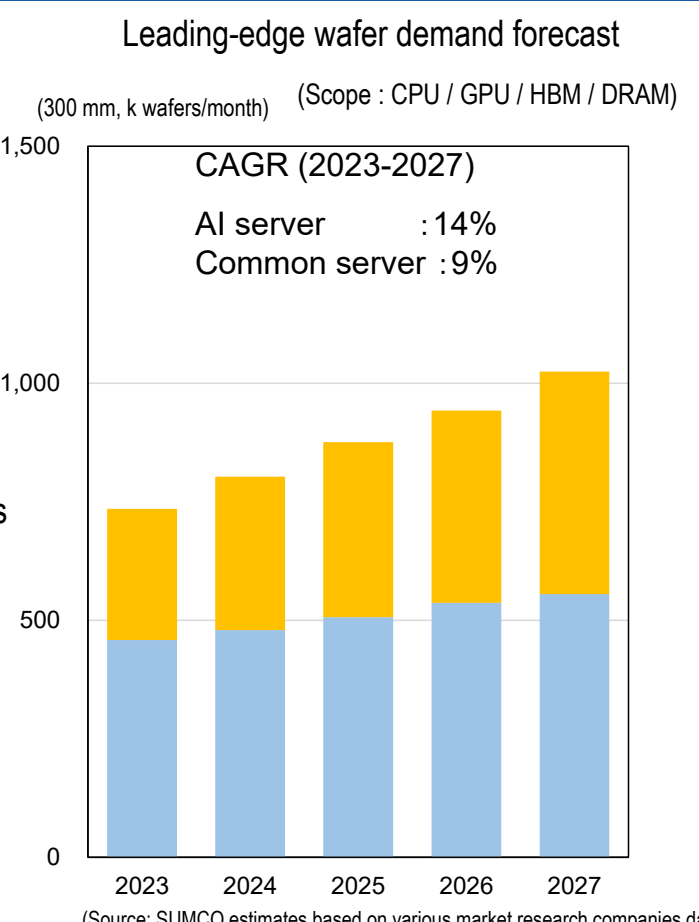
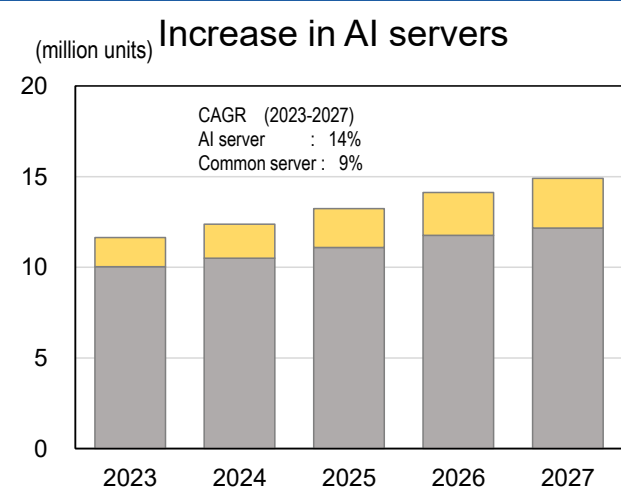
✓ Model parameters continue increasing 10-fold annually



- ✓ Increase in learning parameters leads to use of latest GPU/CPU for fast processing
- ✓ Logic chip area used is trending higher
- ✓ HBM adopted to meet need for fast processing DRAM stacking for huge capacity increases (expected to expand from 8 to 12 layers)

(Source: Prepared by SUMCO from publicly available information)

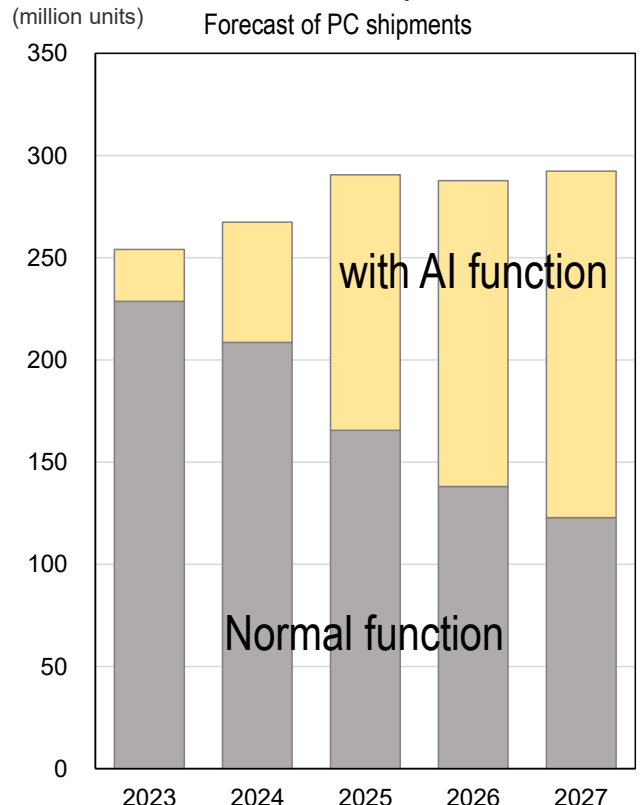
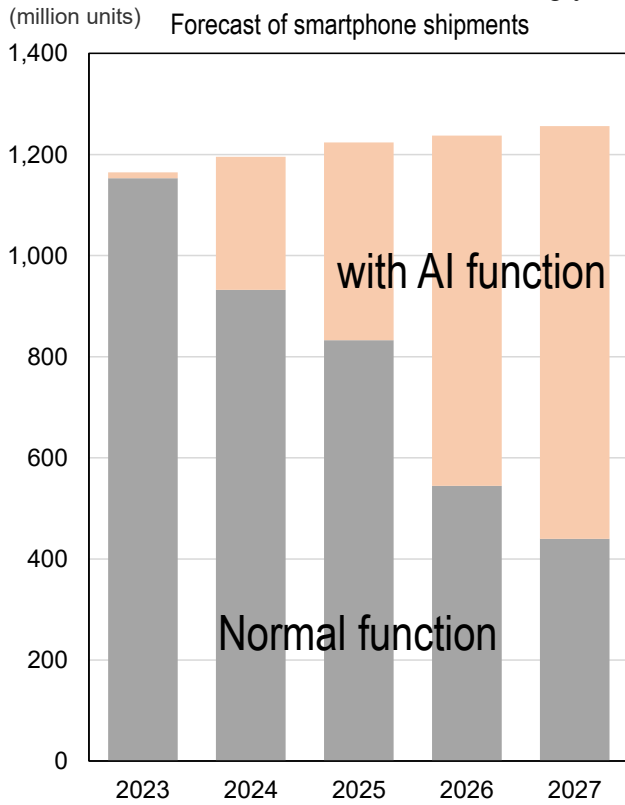
3-2. Demand Forecast for Leading-Edge Wafers for Servers **SUMCO**



(Source: SUMCO estimates based on various market research companies data)

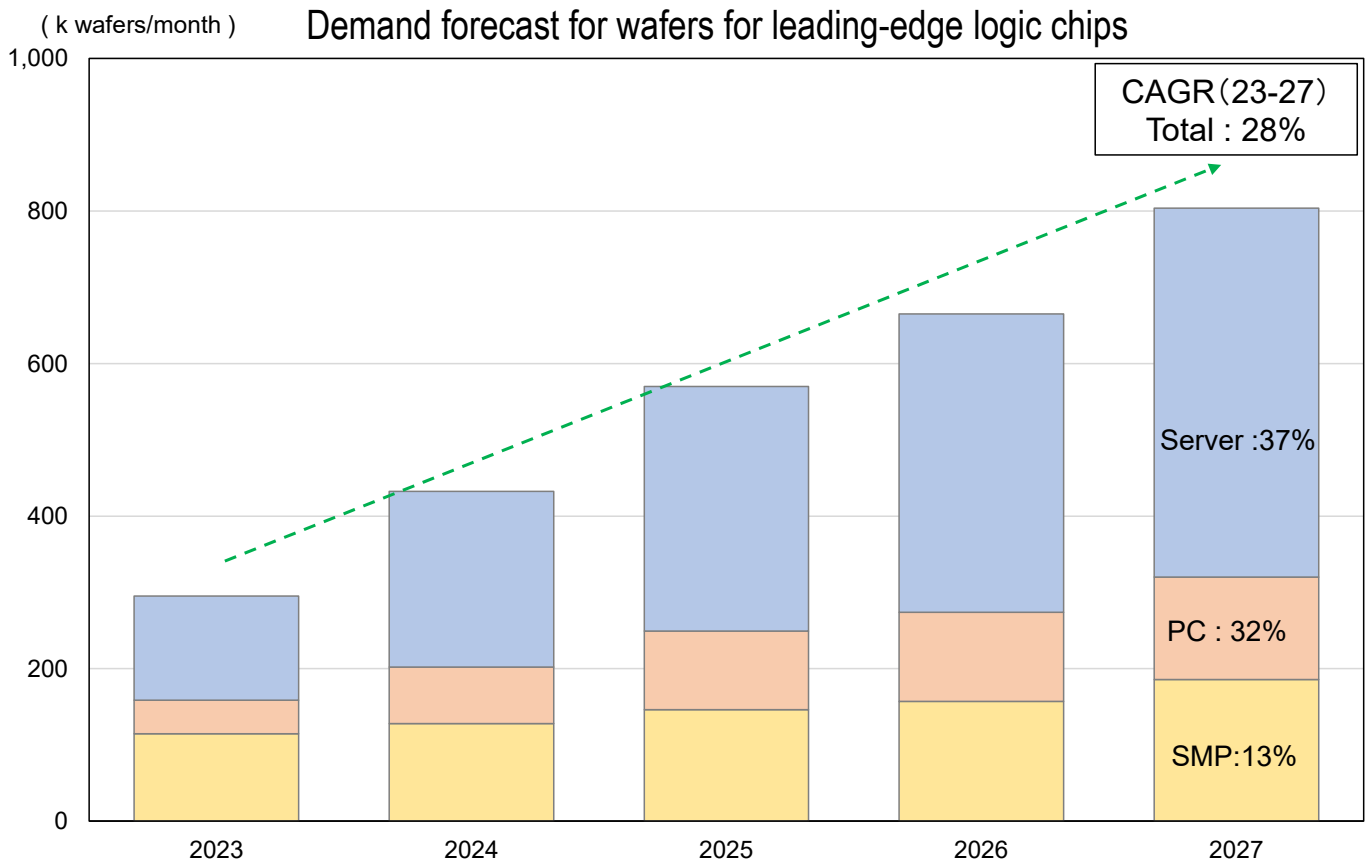
### 3-3. Increase in AI-Capable Devices

✓ With rapid progress in generative AI, devices are increasingly being equipped with AI functionality



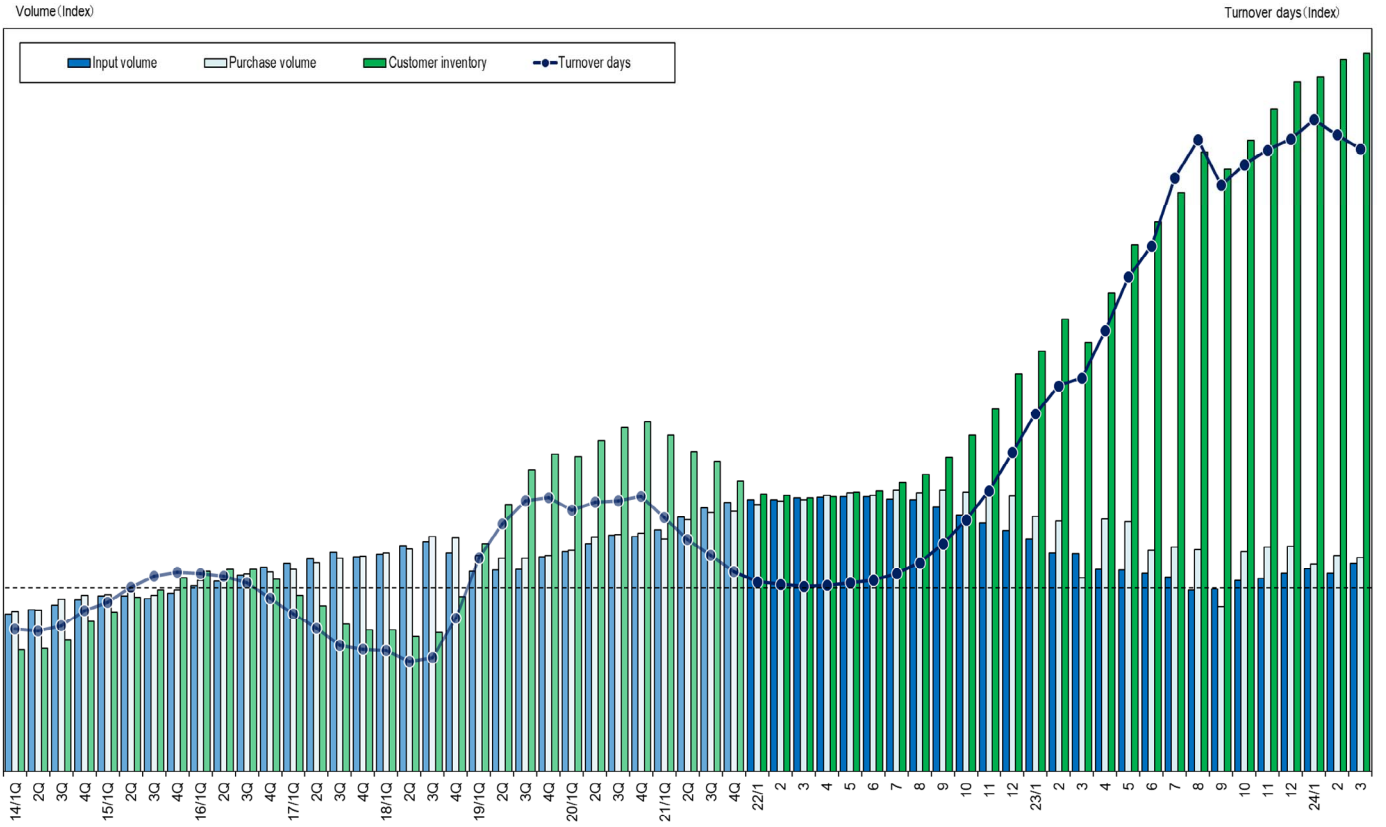
(Source: SUMCO estimates based on various market research companies data)

### 3-4. Increase in AI Devices and Demand Forecast for Leading-Edge Logic Wafers



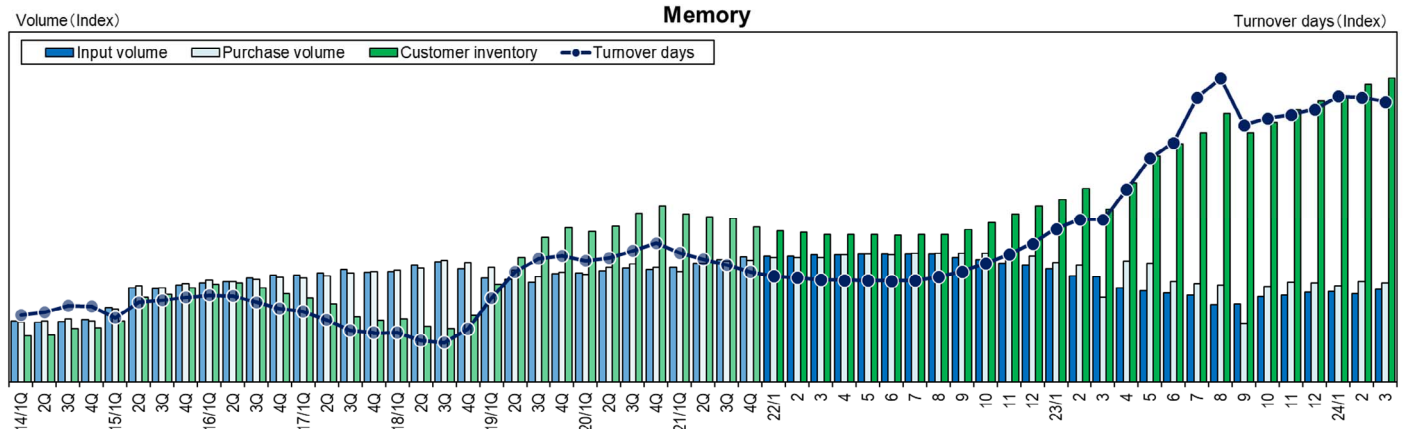
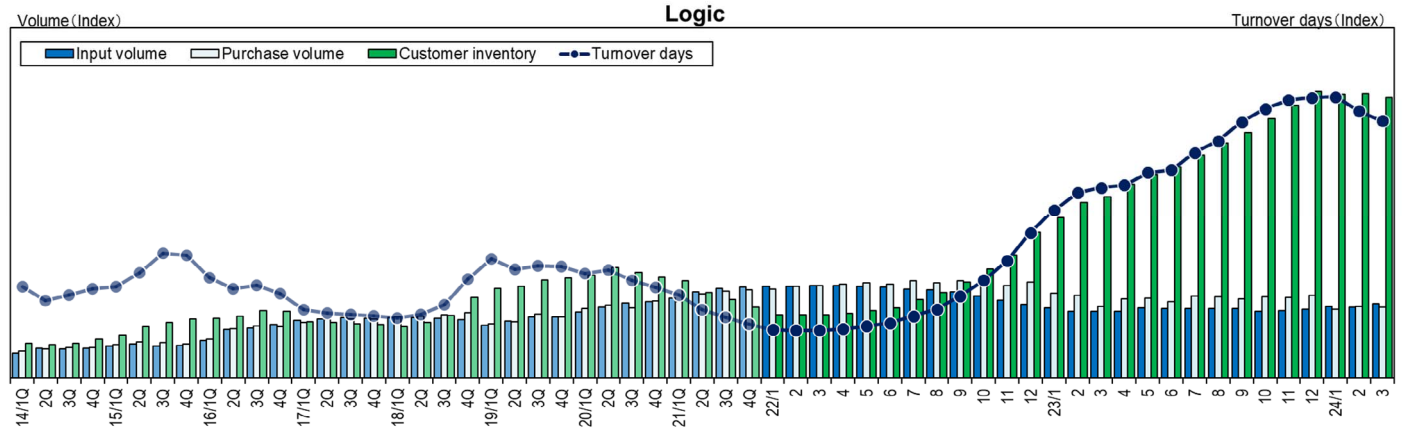
(Source: SUMCO estimates based on various market research companies data)

# 4-1. Customer 300mm Wafer Inventory Trend



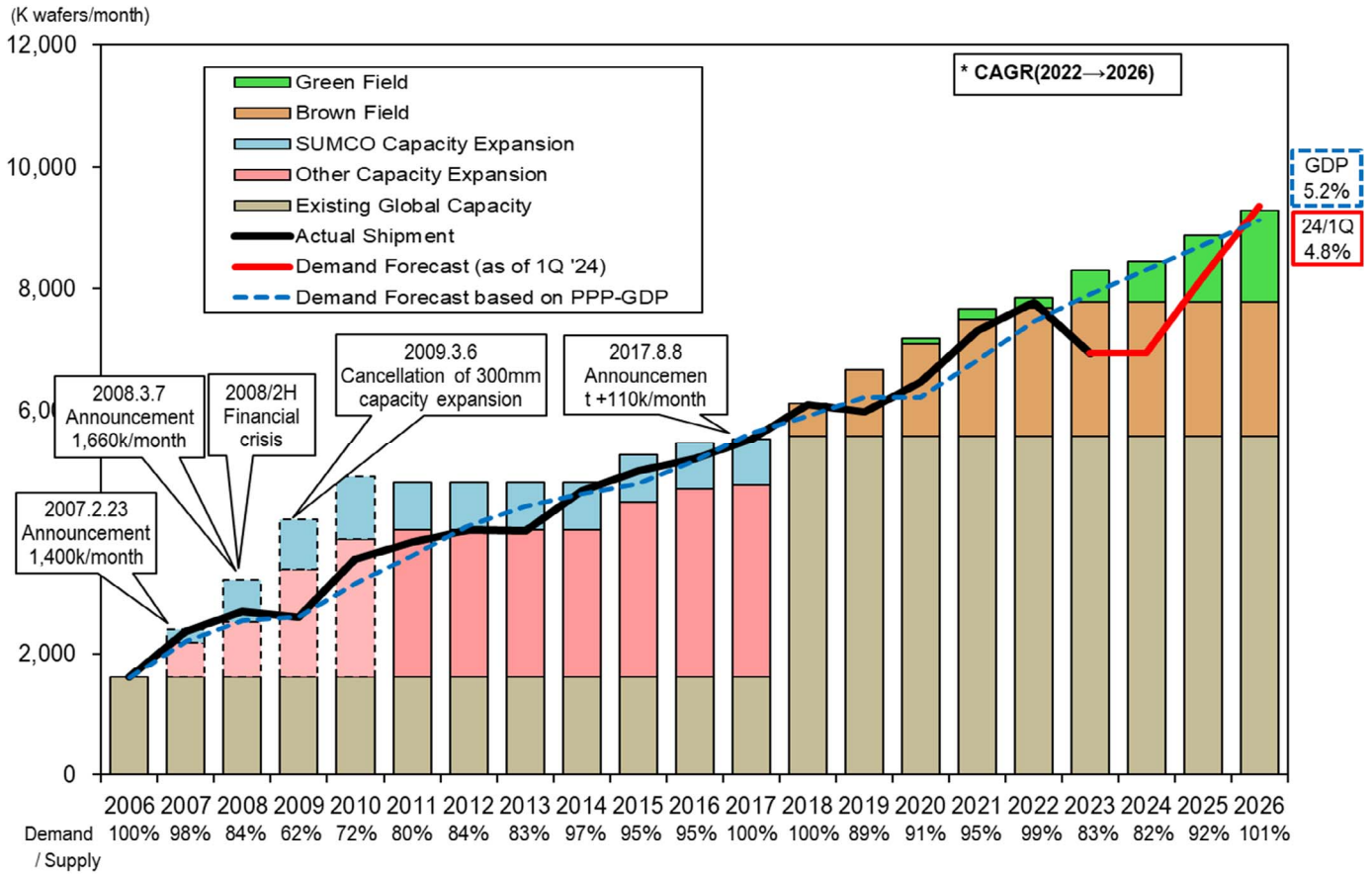
(Source: SUMCO's estimation)

# 4-2. Customer 300mm Wafer Inventory (Logic/Memory)



(Source: SUMCO's estimation)





(Source: SUMCO's estimation)

# 1Q-2024 Consolidated Business Result

**Shinichi Kubozoe**  
Representative Director,  
Executive Vice President,  
Chief Financial Officer

# 6-1. Summary of Consolidated Business Result

(Billions of Yen)

	1Q-2023	4Q-2023	1Q-2024	Change	
	Actual	Actual	Actual	YoY	QoQ
Net sales	109.9	105.1	93.5	(16.4)	(11.6)
Operating income	25.9	11.2	8.6	(17.3)	(2.6)
Non-operating income and expenses	1.4	(2.5)	0.5	(0.9)	+3.0
Ordinary income	27.3	8.7	9.1	(18.2)	+0.4
Extraordinary income	20.1	-	-	(20.1)	-
Income taxes	(7.7)	(2.0)	(3.0)	+4.7	(1.0)
Net income attributable to non-controlling interests	(2.1)	(1.8)	(1.1)	+1.0	+0.7
Net income attributable to owners of the parent	37.6	4.9	5.0	(32.6)	+0.1
Capital expenditure (Acceptance basis)	91.6	90.1	76.2	(15.4)	(13.9)
Depreciation	14.0	21.7	17.8	+3.8	(3.9)
EBITDA <sup>(*1)</sup>	40.1	32.9	26.1	(14.0)	(6.8)
Exchange rate (Yen/US\$) <sup>(*2)</sup>	133.2	148.7	147.0	+13.8	(1.7)
Operating margin (%)	23.6%	10.7%	9.3%	(14.3%)	(1.4%)
EBITDA margin (%)	36.5%	31.3%	27.9%	(8.6%)	(3.4%)
ROE (%)	15.8%	3.4%	3.1%	(12.7%)	(0.3%)
Basic Earnings per share (Yen)	107.66	14.15	14.46	(93.20)	+0.31

\*1. EBITDA = Operating Income + Operating Depreciation + Amortization of Goodwill

\*2. If the yen appreciate by 1 yen against the US dollar, operating income of SUMCO will decrease by 1.2 billion yen per year

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# 6-2. Analysis of Changes in Operating Income

## 1. 4Q-2023 Actual → 1Q-2024 Actual

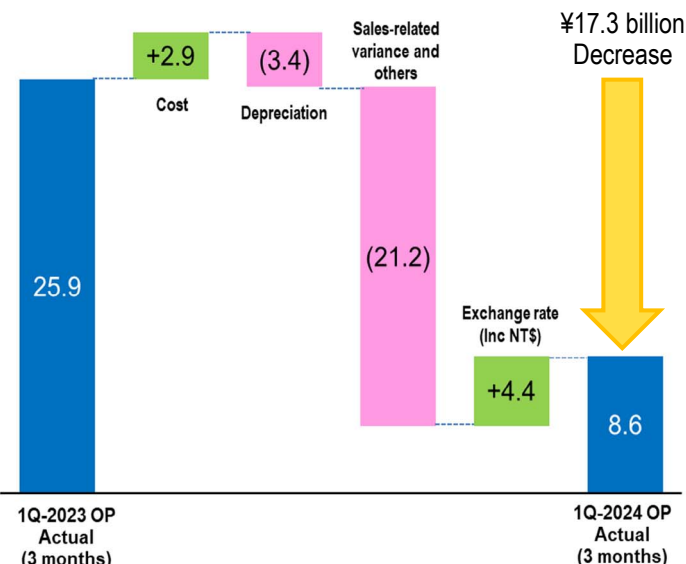
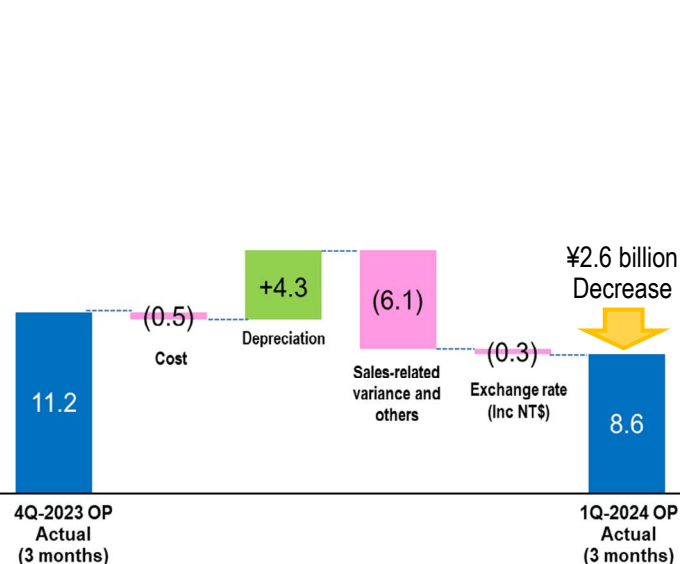
(Billions of Yen)

	4Q-2023	1Q-2024	Change
	Actual	Actual	
Net Sales	105.1	93.5	(11.6)
Operating Income	11.2	8.6	(2.6)
Exchange Rate (Yen/US\$)	148.7	147.0	(1.7)

## 2. 1Q-2023 Actual → 1Q-2024 Actual

(Billions of Yen)

	1Q-2023	1Q-2024	Change
	Actual	Actual	
Net Sales	109.9	93.5	(16.4)
Operating Income	25.9	8.6	(17.3)
Exchange Rate (Yen/US\$)	133.2	147.0	+13.8



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# 6-3. Balance Sheet and Cash-Flow (Consolidated)

## 1. Consolidated Balance Sheet

(Billions of Yen)

	End of Dec-2023	End of Mar-2024	Change
Cash and time deposits	156.3	198.6	+42.3
Notes and accounts receivable	82.8	81.1	(1.7)
Finished products and WIP	52.0	53.9	+1.9
Raw materials and supplies	166.3	169.5	+3.2
Tangible and intangible assets	559.6	623.0	+63.4
Deferred income tax assets	7.3	7.1	(0.2)
Other assets	48.7	47.2	(1.5)
<b>Total Assets</b>	<b>1,073.0</b>	<b>1,180.4</b>	<b>+107.4</b>
Debt and borrowings	224.4	329.5	+105.1
Other liabilities	213.1	210.9	(2.2)
<b>Liabilities</b>	<b>437.5</b>	<b>540.4</b>	<b>+102.9</b>
Capital stock	199.0	199.0	-
Capital surplus	85.2	85.2	-
Retained earnings	267.7	268.2	+0.5
Non-controlling interests etc.	83.6	87.6	+4.0
<b>Equity</b>	<b>635.5</b>	<b>640.0</b>	<b>+4.5</b>
Shareholders' equity ratio	53.3%	49.1%	(4.2%)
Equity per share (Yen)	1,636.2	1,655.9	+19.7
D/E ratio (gross)	0.39x	0.57x	+0.18x
D/E ratio (net)	0.12x	0.23x	+0.11x

## 2. Consolidated Cash-Flow

(Billions of Yen)

	1Q-2024 (3months)
Income before income taxes	9.1
Depreciation	17.8
Subtotal	26.9
Increase in inventories	(2.7)
Others, net	(5.1)
<b>Net cash provided by operating activities</b>	<b>19.1</b>
Capital expenditure (Acceptance basis)	(76.2)
Others, net	(3.1)
<b>Net cash used in investing activities</b>	<b>(79.3)</b>
<b>Free cash-flow</b>	<b>(60.2)</b>
Cash flow from financing activities, etc.	
Dividends paid	(4.5)
Proceeds from debt	103.6
Foreign currency translation adjustments and others	3.4
<b>Net Increase in cash and time deposits</b>	<b>42.3</b>

# 2Q-2024 Consolidated Business Forecast

# 7-1. 2Q-2024 Consolidated Business Forecast



(Billions of Yen)

	2Q-2023 Actual (6 months)	2Q-2024		Total (6months)	Change
		1Q ACT (3 months)	2Q FCST (3 months)		
Net sales	220.6	93.5	99.0	192.5	(28.1)
Operating income	46.7	8.6	9.0	17.6	(29.1)
Non-operating income and expenses	1.8	0.5	(1.0)	(0.5)	(2.3)
Ordinary income	48.5	9.1	8.0	17.1	(31.4)
Extraordinary income	20.1	-	-	-	(20.1)
Income taxes	(14.4)	(3.0)	(2.5)	(5.5)	+8.9
Net income attributable to non-controlling interests	(4.6)	(1.1)	(0.5)	(1.6)	+3.0
Net income attributable to owners of the parent	49.6	5.0	5.0	10.0	(39.6)
Depreciation	30.5	17.8	18.3	36.1	+5.6
EBITDA	77.5	26.1	26.9	53.0	(24.5)
Exchange rate (Yen/US\$) (*1)	134.5	147.0	150.0	148.5	+14.0
Operating margin (%)	21.2%	9.3%	9.1%	9.1%	(12.1%)
EBITDA margin (%)	35.1%	27.9%	27.2%	27.5%	(7.6%)
ROE (%)	14.0%	3.1%	3.4%	3.3%	(10.7%)
Basic Earnings per share (Yen)	141.82	14.46	14.30	28.76	(113.06)

\*1 . If the yen appreciate by 1 yen against the US dollar, operating income of SUMCO will decrease by 1.2 billion yen per year.

# 7-2. Analysis of Changes in Operating Income



## 1. 1Q-2024 Actual → 2Q-2024 Forecast

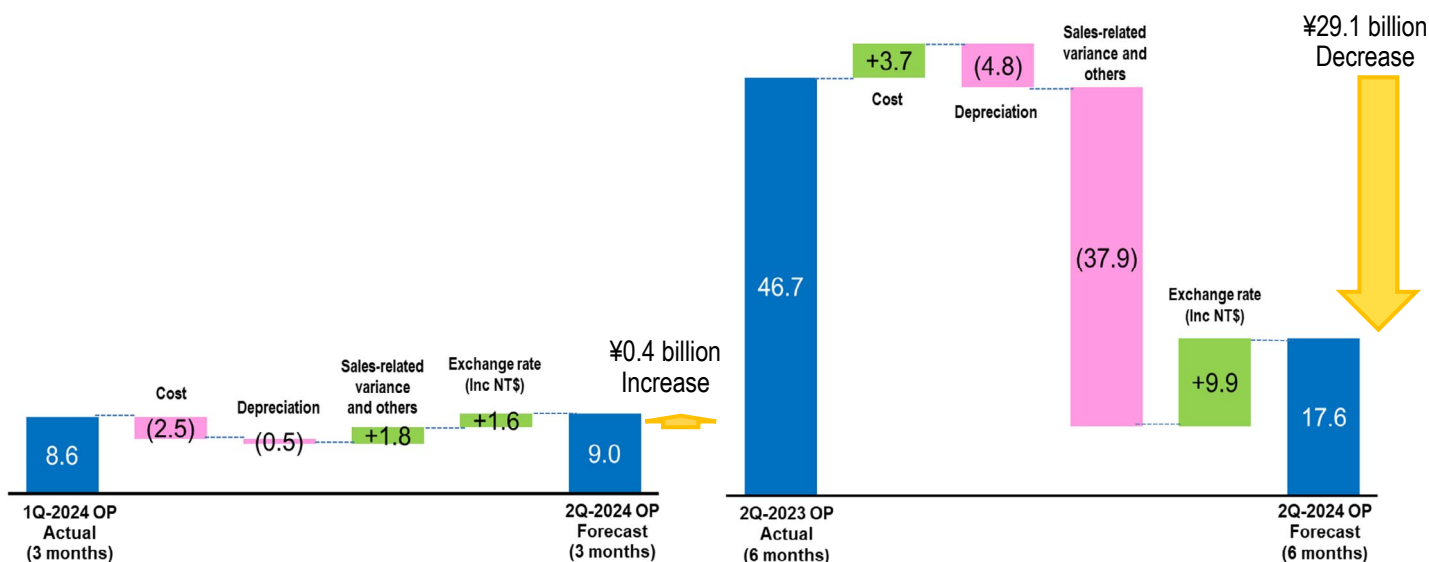
(Billions of Yen)

	1Q-2024 Actual	2Q-2024 Forecast	Change
Net Sales	93.5	99.0	+5.5
Operating Income	8.6	9.0	+0.4
Exchange Rate (Yen/US\$)	147.0	150.0	+3.0

## 2. 2Q-2023 Actual (6 months) → 2Q-2024 Forecast (6 months)

(Billions of Yen)

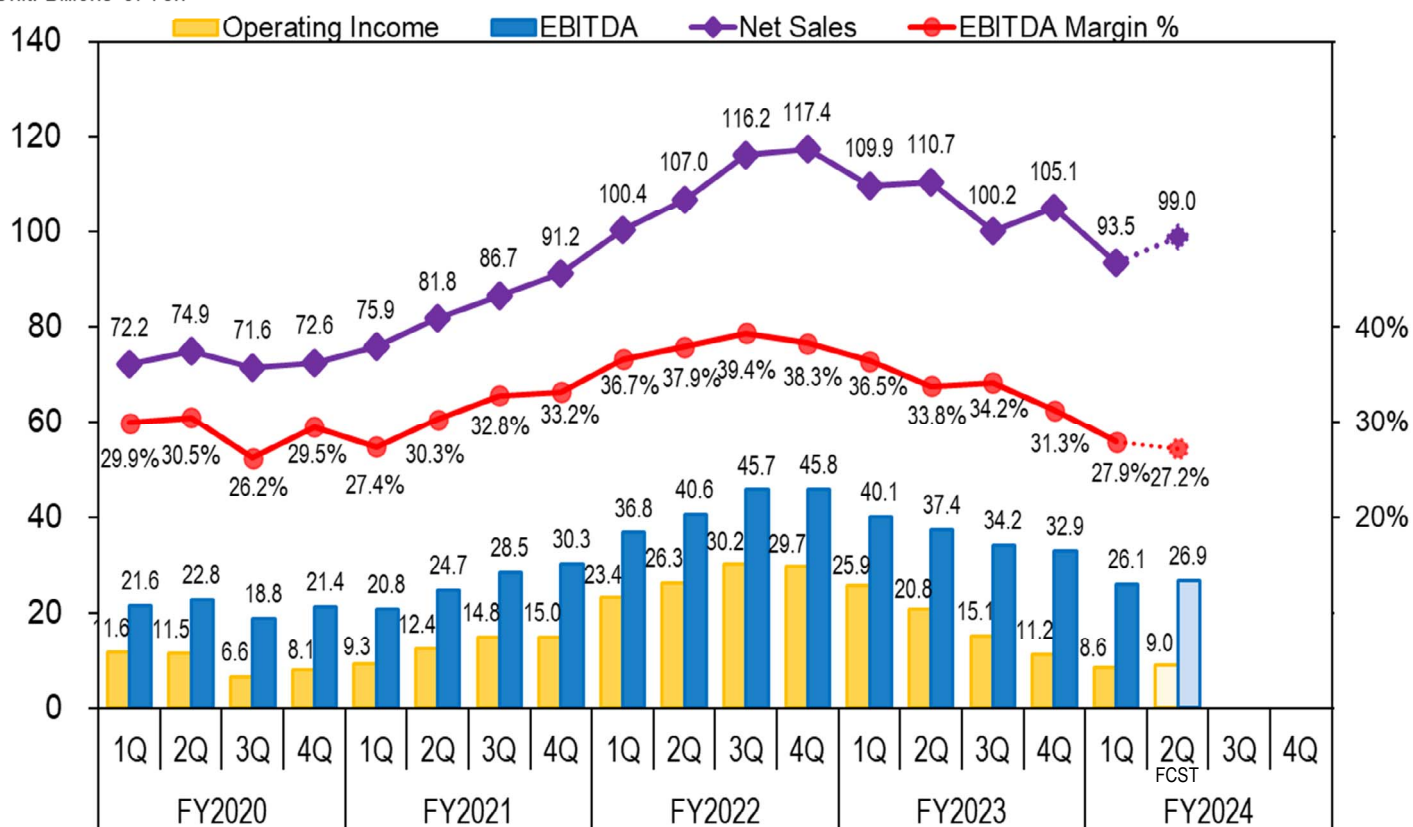
	2Q-2023 Act (6 months)	2Q-2024 Fcst (6 months)	Change
Net Sales	220.6	192.5	(28.1)
Operating Income	46.7	17.6	(29.1)
Exchange Rate (Yen/US\$)	134.5	148.5	+14.0



# Reference Materials

## Quarterly Trend

Unit: Billions of Yen





URL <https://www.sumcosi.com/>