Brief Statement on Consolidated Financial Results for the Third Quarter (ended October 31, 2013) of Fiscal Year 2013 (ending December 31, 2013) [Japanese Accounting Standards]

December 6, 2013
TSE First Section

Company name: SUMCO Corporation
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Scheduled date of filing of quarterly security report: December 13, 2013
Scheduled date of commencement of dividend payment: —
Supplementary materials for quarterly financial results: Yes
Quarterly results briefing: Yes (For institutional investors and security analysts)

(Amounts smaller than one million yen are rounded down)

1. Consolidated Business Results for the Third Quarter (February 1, 2013–October 31, 2013) of Fiscal Year 2013 (ending December 31, 2013)

(1) Consolidated Financial and Operating Results (fiscal year-to-date)

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
3Q of FY2013	147,365	(8.0)	15,573	61.7	5,685	(25.6)	382	137.8
3Q of FY2012	160,245	(18.8)	9,629	50.2	7,639	519.6	160	—

Note: Comprehensive income

3Q of FY2013: 11,147 million yen (383.9%); 3Q of FY2012: 2,303 million yen (—%)

	Net income per share for quarter (yen)	Diluted net income per share for quarter (yen)
3Q of FY2013	(1.78)	—
3Q of FY2012	(2.23)	—

(2) Consolidated Financial Position

	Total assets (millions of yen)	Equity (millions of yen)	Shareholders' equity ratio (%)
3Q of FY2013	474,575	189,701	34.7
FY2012	493,334	180,325	32.2

(Reference) Shareholders' equity: 3Q of FY2013: 164,902 million yen; FY2012: 158,746 million yen

2. Dividend Payments

	Yearly dividend per share				
	First quarter (yen)	Second quarter (yen)	Third quarter (yen)	Year-end (yen)	Full year (yen)
FY2012	—	0.00	—	2.00	2.00
FY2013	—	0.00	—		
FY2013 (Forecast)				—	—

Note: (1) Revisions to dividend forecasts made during the quarter under review: No
(2) Dividends per share for the fiscal year-ending December 31, 2013 are not determined.
(3) The above "Dividend Payments" is the status of dividend related to common stock. As for the status of dividend for class shares (unlisted) with different rights from those of the company's common stock, please see "(Reference) Dividend Payments for class A shares" on page 3.

3. Consolidated Business Forecasts for Fiscal Year 2013 (ending December 31, 2013)

(Percentage figures represent changes from previous year)

	Net sales (millions of yen)	(%)	Operating income (millions of yen)	(%)	Ordinary income (millions of yen)	(%)	Net income (millions of yen)	(%)	Net income per share (yen)
Full year	183,000	—	17,000	—	6,000	—	500	—	(2.05)

Note: (1) Revisions to consolidated business forecasts made during the quarter under review: Yes
(2) SUMCO changed its fiscal year-end from January 31 to December 31 because "Proposal for Partial amendment to Article of Incorporation" was approved at its general meeting of shareholders on April 25, 2013. Fiscal year 2013 is the eleven month transitional period (February 1, 2013 - December 31, 2013), so changes from previous year are not shown.

* Notes

(1) Changes in important subsidiaries during the quarter under review: No
New Company: Not applicable Exclusion: Not applicable

(2) Application of accounting methods specific to the preparation of quarterly consolidated financial statement: No

(3) Changes in accounting policies, changes in accounting estimates and corrections of prior-period errors
[1] Changes in accounting policies applied with revisions of accounting standards: No
[2] Changes in accounting policies other than [1]: No
[3] Changes in accounting estimates: No
[4] Corrections of prior-period errors: No

(4) Number of issued shares (common stock)
[1] Issued shares as of the end of period (including treasury stock):
257,751,739 shares as of the end of third quarter of FY2013; 257,751,739 shares as of end of FY2012
[2] Treasury stock as of the end of period:
5,806 shares as of the end of third quarter of FY2013; 5,166 shares as of end of FY2012
[3] Average number of shares during period (fiscal year-to-date):
257,746,183 shares during third quarter of FY2013; 257,746,813 shares during third quarter of FY2012

* Note on implementation of quarterly review procedures:

This Brief Statement on Consolidated Financial Results is not subject to quarterly review procedures pursuant to the Financial Instruments and Exchange Act. Review procedures for quarterly financial statements pursuant to the Financial Instruments and Exchange Act had not been completed at the time of the disclosure of this Brief Statement on Consolidated Financial Results.

* Explanations regarding appropriate use of business forecasts and other special instructions:

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. 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 "Qualitative Information on Consolidated Business Forecasts" on page 2 of Supplementary Materials.

SUMCO changed its fiscal year-end from January 31 to December 31 because "Proposal for Partial amendment to Article of Incorporation" was approved at its general meeting of shareholders on April 25, 2013. Fiscal year 2013 is the eleven month transitional period (February 1, 2013 - December 31, 2013).

Dividends per share for the fiscal year-ending December 31, 2013 are not determined, and a forecast will be disclosed as soon as the disclosure becomes possible.

Quarterly results briefing for institutional investors and security analysts are scheduled on December 6, 2013. Supplementary materials for quarterly financial results are available in our web site after starting the briefing.

(Reference) Dividend Payments for class A shares

Dividend per share related to class shares (unlisted) with different rights from those of the company's common stock

Class A shares	Yearly dividend per share				
	First quarter (yen)	Second quarter (yen)	Third quarter (yen)	Year-end (yen)	Full year (yen)
FY2012	—	—	—	2,500,000.00	2,500,000.00
FY2013	—	—	—		
FY2013 (Forecast)				—	—

Note: Dividends per share for the fiscal year-ending December 31, 2013 are not determined.

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1. Qualitative Information for the Third Quarter of Fiscal Year 2013

(1) Qualitative Information on Consolidated Business Results

During the third quarter of FY2013, the market environment featured growing demand for tablet PC coupled with a continued slowdown in demand for personal computer. Coming into the August-October quarter, demand for smartphone, previously the leading driving force in the market, shifted from high-end products to low-end products.

Reflecting these changes in demand structure, foundries adjusted their production volume. As a result, demand for semiconductor silicon wafer decreased during the August-October quarter.

In this environment, following the direction set by the SUMCO Vision, the SUMCO Group has strived to develop technologies that will differentiate current products, reduce costs and lower our break-even point.

<SUMCO Vision>

1. World's best in technology
2. Deficit-resistant even during economic downturns
3. Lively, vigorous business activities with a keen awareness of profit
4. Competitiveness in overseas markets

As a result, for the period under review (February 1–Octorber 31, 2013), the Group registered consolidated net sales of 147,365 million yen, operating income of 15,573 million yen, ordinary income of 5,685 million yen. As the Group registered loss incurred from business restructuring of 2,658 million yen in the extraordinary loss section, net income came to 382 million yen.

(2) Qualitative Information on Consolidated Business Forecasts

While the adjustment phase that started in the August-October quarter has been somewhat milder than our forecast, adjustment is expected to continue during the following quarter.

In light of this business forecast, the Group continues to reduce its total costs and strengthen its revenue base to ensure earnings even in an economic downturn.

SUMCO has revised its consolidated business forecasts for fiscal year 2013 disclosed on September 6 as follows.

Please refer "Announcement of Revision of Business Forecasts for Fiscal Year 2013" disclosed today for the details.

Consolidated Business Forecasts (February 1, 2013 – December 31, 2013)

	Net Sales (millions of yen)	Operating Income (millions of yen)	Ordinary Income (millions of yen)	Net Income (millions of yen)
Previous Forecasts (A)	180,000	15,000	5,000	500
Revised Forecasts (B)	183,000	17,000	6,000	500
Change (B-A)	3,000	2,000	1,000	0

(Note) Business forecasts and other forward-looking statements contained in this Brief Statement of Financial Results are based on assumptions that we consider to be reasonable based on information currently available to us, and our actual results may differ significantly from those projection in the forward-looking statement as a result of various factors.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of yen)

	End of FY2012 (January 31, 2013)	End of 3Q of FY2013 (October 31, 2013)
Assets		
Current assets		
Cash and time deposits	35,103	20,354
Notes and accounts receivable	32,457	29,353
Marketable securities	37,000	24,500
Finished products	17,030	14,898
Work in process	11,229	11,491
Raw materials and supplies	84,798	110,263
Others	9,253	8,432
Allowance for doubtful accounts	(131)	(11)
Total current assets	226,741	219,283
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	95,488	92,967
Machinery and transportation equipment (net)	46,549	51,570
Land	20,235	20,245
Construction in progress	16,328	8,133
Others (net)	759	604
Total tangible fixed assets	179,360	173,520
Intangible fixed assets		
Goodwill	15,231	13,987
Others	2,613	2,358
Total intangible fixed assets	17,844	16,346
Investments and other assets		
Investment securities	118	119
Long-term advance payments	58,094	55,007
Deferred income tax assets	5,925	5,736
Others	5,619	4,946
Allowance for doubtful accounts	(370)	(384)
Total investments and other assets	69,387	65,425
Total fixed assets	266,592	255,292
Total assets	493,334	474,575

(millions of yen)

	End of FY2012 (January 31, 2013)	End of 3Q of FY2013 (October 31, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable	28,658	24,140
Short-term borrowings	125,308	90,370
Current portion of long-term lease obligations	9,074	5,205
Accrued income taxes	236	348
Reserve for bonuses	2,171	1,382
Others	19,838	9,189
Total current liabilities	185,287	130,636
Long-term liabilities		
Long-term debt	103,150	129,730
Long-term lease obligations	2,410	2,292
Liability for employee retirement benefits	17,544	17,360
Others	4,614	4,853
Total long-term liabilities	127,721	154,237
Total liabilities	313,008	284,874
Equity		
Shareholders' equity		
Capital stock	136,607	136,607
Capital surplus	15,676	15,676
Retained earnings	16,849	15,591
Treasury stock	(8)	(9)
Total shareholders' equity	169,124	167,865
Accumulated other comprehensive loss		
Net unrealized gain on available-for-sale securities	0	0
Deferred gain (loss) on derivatives under hedge accounting	(3,431)	84
Land revaluation surplus	2,671	2,671
Post retirement liability adjustments for foreign consolidated subsidiaries	—	(135)
Foreign currency translation adjustments	(9,618)	(5,583)
Total accumulated other comprehensive loss	(10,378)	(2,963)
Minority interests	21,579	24,799
Total equity	180,325	189,701
Total liabilities and equity	493,334	474,575

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

(Consolidated Statements of Income)

(millions of yen)

	3Q of FY2012 (February 1, 2012– October 31, 2012)	3Q of FY2013 (February 1, 2013– October 31, 2013)
Net sales	160,245	147,365
Cost of sales	132,431	116,298
Gross profit	27,813	31,067
Selling, general and administrative expenses	18,183	15,494
Operating income	9,629	15,573
Non-operating income		
Interest income	19	25
Dividend income	41	16
Foreign exchange gain	300	—
Subsidy income	735	167
Compensation income	14	63
Others	281	163
Total non-operating income	1,393	435
Non-operating expenses		
Interest expense	2,451	2,570
Foreign exchange loss	—	5,847
Others	932	1,905
Total non-operating expenses	3,383	10,323
Ordinary income	7,639	5,685
Extraordinary income		
Compensation income	1,057	—
Gain on contribution of securities to retirement benefit trust	319	—
Total extraordinary income	1,377	—
Extraordinary loss		
Loss incurred from business restructuring	7,263	2,658
Total extraordinary loss	7,263	2,658
Income before income taxes and minority interests	1,754	3,027
Income taxes	521	1,460
Net income before minority interests	1,232	1,566
Minority interests	1,071	1,183
Net income	160	382

(Consolidated Statement of Comprehensive Income)

(millions of yen)

	3Q of FY2012 (February 1, 2012– October 31, 2012)	3Q of FY2013 (February 1, 2013– October 31, 2013)
Net income before minority interests	1,232	1,566
Other comprehensive income		
Net unrealized loss on available-for-sale securities	(149)	(0)
Deferred gain on derivatives under hedge accounting	116	3,515
Post retirement liability adjustments for foreign consolidated subsidiaries	—	(277)
Foreign currency translation adjustments	1,104	6,343
Total other comprehensive income	1,071	9,581
Comprehensive income	2,303	11,147
Total comprehensive income attributable to		
Owners of the parent	701	7,797
Minority interests	1,601	3,350

(3) Notes regarding Going Concern Assumption
Not applicable

(4) Notes regarding Significant Changes in Shareholders' Equity
Not applicable