Results for Fiscal Year 2014 (Ended December 31, 2014)

February 12, 2015
SUMCO Corporation
（Code：3436）

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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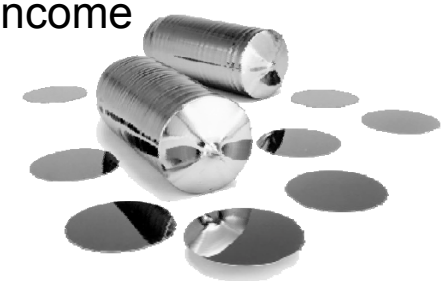


Summary and Market Environment

Mayuki Hashimoto,
President and CEO

1. Summary

FY2014 Consolidated Business Results

(Billions of yen)

	Year ended Dec-2013 <11 months>	Year ended Dec-2014	Change
Net Sales	185.1	225.3	+40.2
Operating Income	17.8	25.6	+7.8
Ordinary Income	7.0	21.9	+14.9
Net Income	0.7	16.2	+15.5
Dividend per share (Yen)	1	4	+3
Amount of dividend	0.2	1.0	+0.8
Consolidated dividend ratio	—	6.8%	—

(Note) Above figures show dividend for common stocks.

1Q-FY2015 Consolidated Business Forecasts

(Billions of Yen)

	1Q-2014 Actual	1Q-2015 Forecast	Change
Net Sales	50.9	59.5	+8.6
Operating Income	5.0	8.0	+3.0
Ordinary Income	4.0	6.5	+2.5
Net Income	2.8	4.0	+1.2

2-1. Market Environment

Market Environment in FY2014

- ✔ Silicon wafer market grew 11% YoY in 2014 on surface-area basis.
- ✔ Shipments of 300 mm wafers reached 4.66 million/month (up 16% YoY) compared to SUMCO's beginning-of-the-year forecast of 4.2–4.4 million/month (5–10% growth YoY).
- ✔ 4Q-2014 Market
  - Demand for 300 mm was firm due to customers' higher operating rates.
  - Demand for 200 mm and less underwent moderate adjustment as anticipate

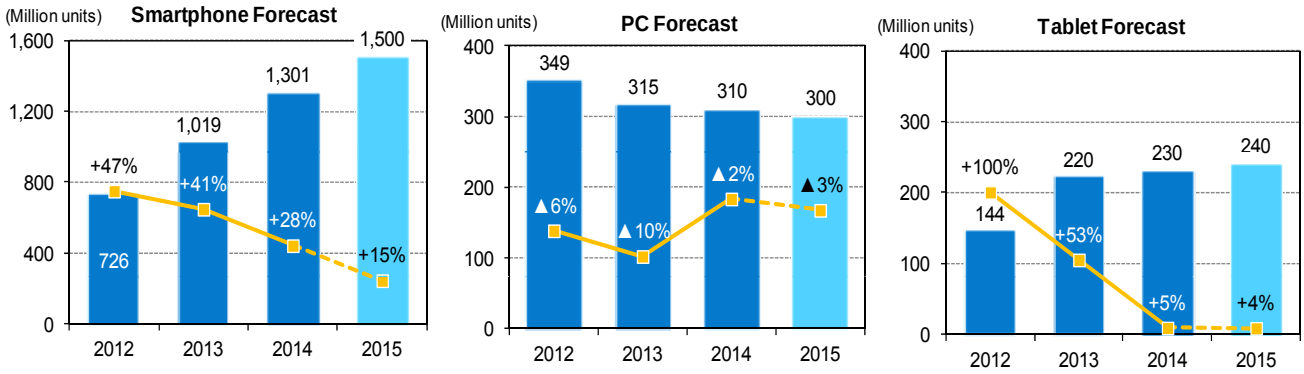
1Q-FY2015 Outlook

- ✔ Demand will remain strong without normal seasonal adjustment.

FY2015 Outlook

- ✔ Wafer market will expand led by continued smartphone growth, buoyant demand for data centers, and demand for automobiles and other consumer products.
- ✔ Wafer supply will tighten, particularly for advanced products, due to expansion of capacity for semiconductor products by some major customers.

2-2. Demand Forecasts for Mobile Handsets



(Source: SUMCO estimation)

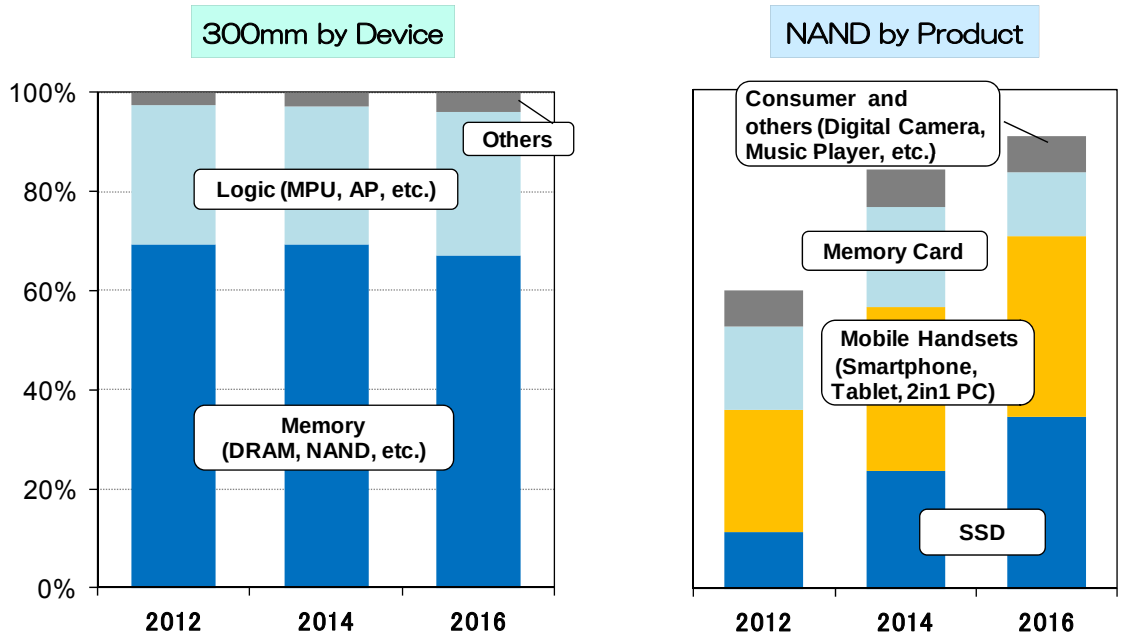
(Note) Percentage figures represent year-on-year changes.

- Smartphone ・Double-digit percentage growth in 2015
- PC ・Bottoming out of shipment
- Tablet ・Slight increase
- Data Center ・Demand increase for cloud computing and net-work



2-3. 300mm Demand (by Device, by Product)

1) 70% of 300mm wafer is used for memory
2) Drivers for NAND are SSD for data center and mobile handsets



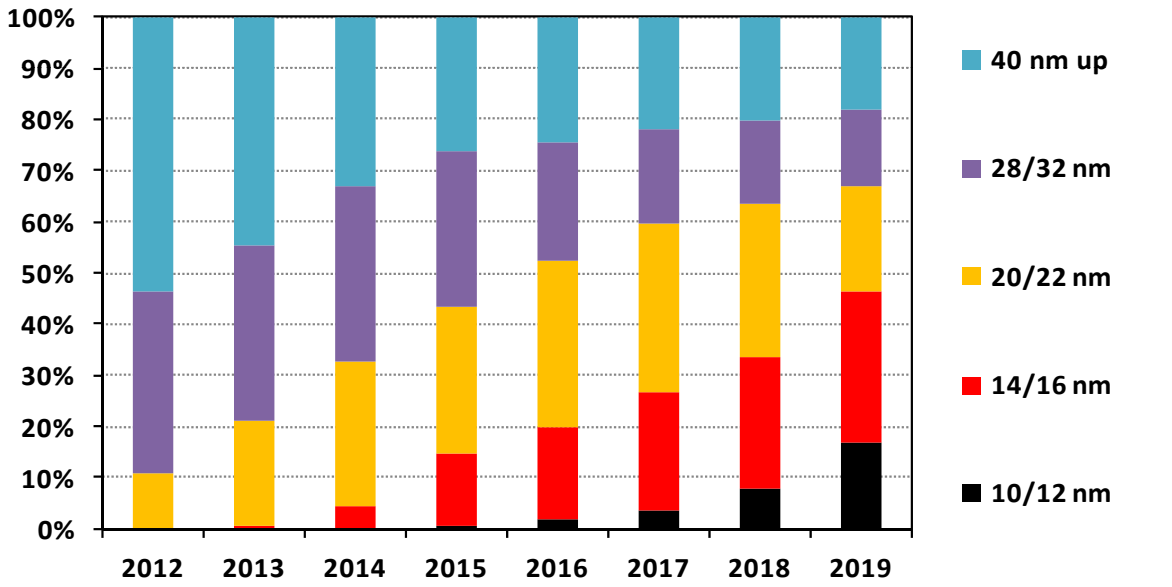
(Note) Excluding test wafer

(Source: SUMCO estimation)

2-4. 300mm Demand by Technology

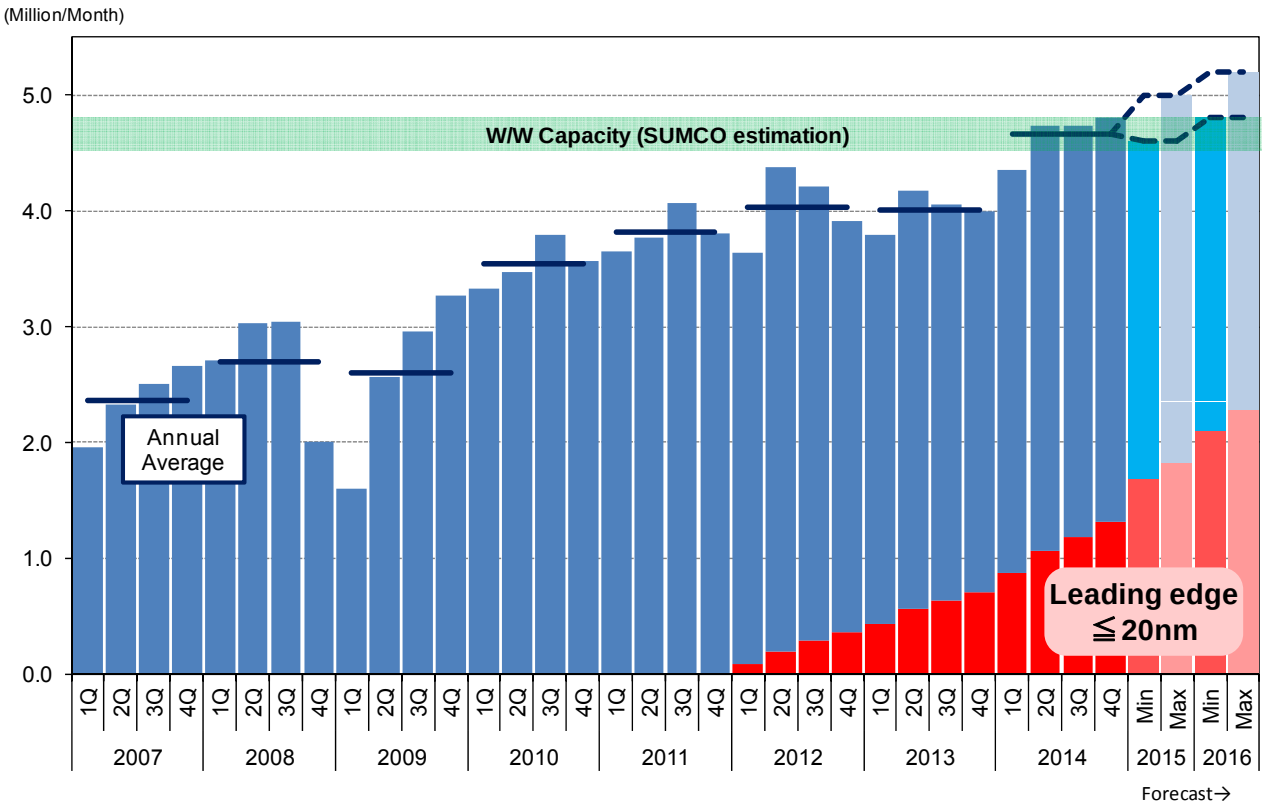
✔ World's best in technology (Leading edge technology for scaling)

- SUMCO's strength is collaboration with the leading edge technology with customers
- In 2014, SUMCO received Supplier Award from Intel, TSMC and Samsung



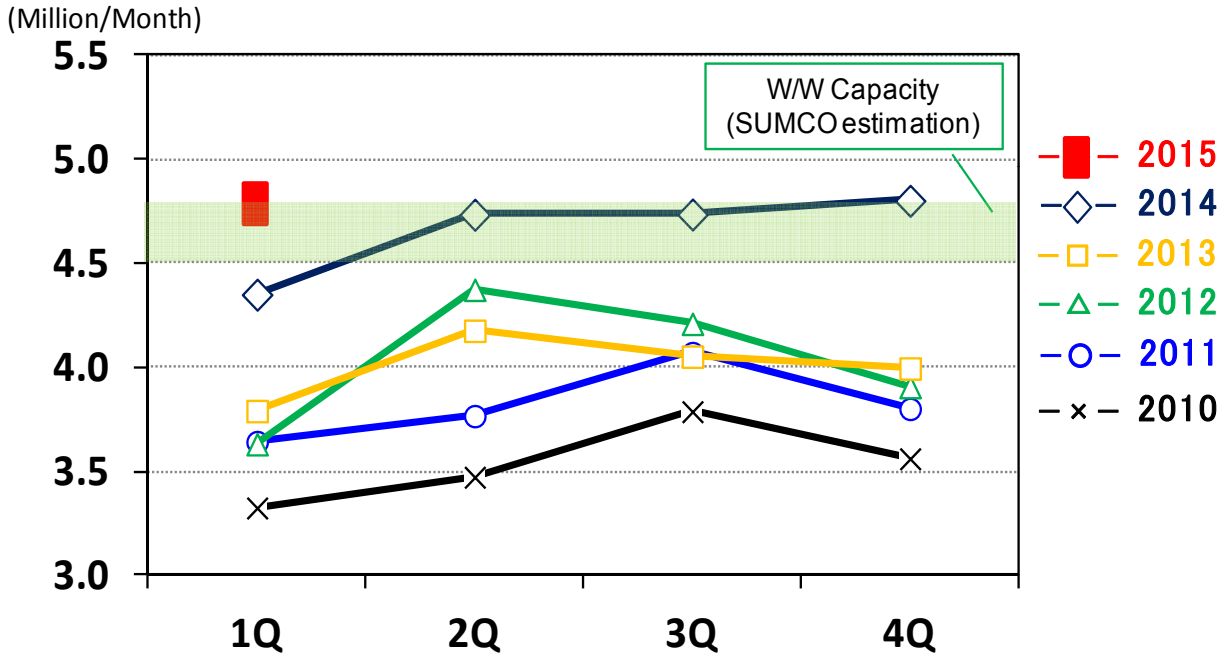
(Source: SUMCO estimation)

2-5. 300mm Wafer Forecast



(Source: SUMCO estimation)

Seasonality of 300mm Wafer



(Source: SUMCO estimation)

FY2014
Consolidated Business Results

Michiharu Takii,
Executive Vice President and CFO

1. Summary of Consolidated Business Results

(Billions of Yen)

	FY2013 Actual (11 months)	FY2014 Actual 1Q	2Q	3Q	4Q	Total (12 months)	Change
Net Sales	185.1	50.9	58.1	58.4	57.9	225.3	+40.2
Operating Income	17.8	5.0	7.6	7.2	5.8	25.6	+7.8
Non-operating Income and Expenses	(10.8)	(1.0)	(1.3)	(0.8)	(0.6)	(3.7)	+7.1
Ordinary Income	7.0	4.0	6.3	6.4	5.2	21.9	+14.9
Extraordinary Income and Expenses (Note 1)	(2.6)	-	-	-	-	-	+2.6
Income Taxes and Minority Interests	(3.7)	(1.2)	(1.3)	(1.5)	(1.7)	(5.7)	(2.0)
Net Income	0.7	2.8	5.0	4.9	3.5	16.2	+15.5
Capital Expenditure (Acceptance basis)	7.2	2.5	2.0	3.4	3.5	11.4	+4.2
Depreciation	21.0	4.7	4.5	5.0	5.2	19.4	(1.6)
EBITDA (Note 2)	40.1	10.1	12.5	12.6	11.5	46.7	+6.6
Exchange Rate (¥/US$)	97.1	103.2	102.4	102.6	112.3	105.1	+8.0

(Note 1) Loss incurred from business restructuring
(Note 2) EBITDA = Operating Income + Depreciation + Amortization of Goodwill

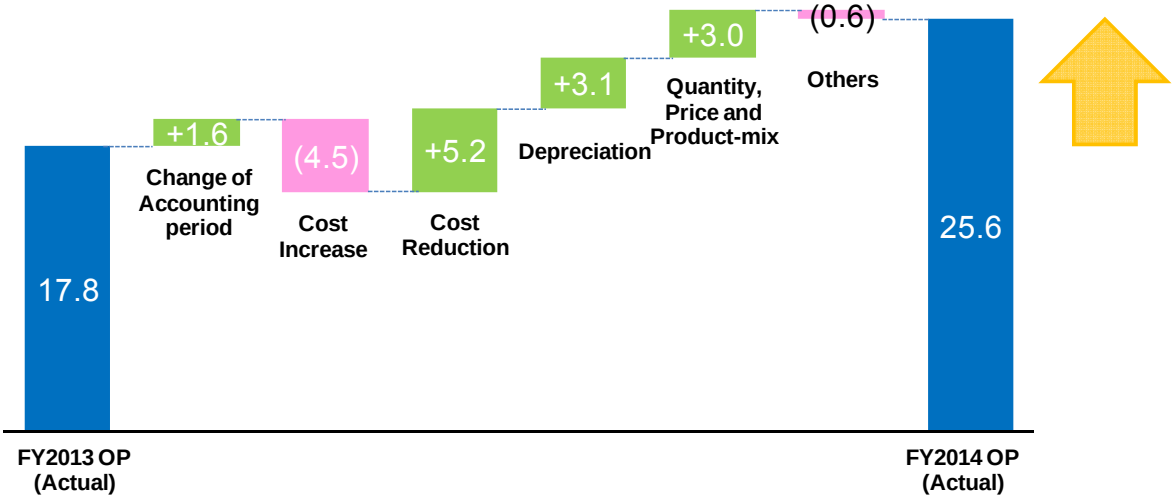
2-1. Analysis of Changes in Operating Income

■ FY2013 (11 months) → FY2014 (12 months)

(Billions of Yen)

	FY2013 (11 months)	FY2014 (12 months)	Change
Net Sales	185.1	225.3	+40.2
Operating Income	17.8	25.6	+7.8
Exchange Rate (¥/$)	97.1	105.1	+8.0

【Analysis of Changes in Operating Income】



¥7.8 billion Increase

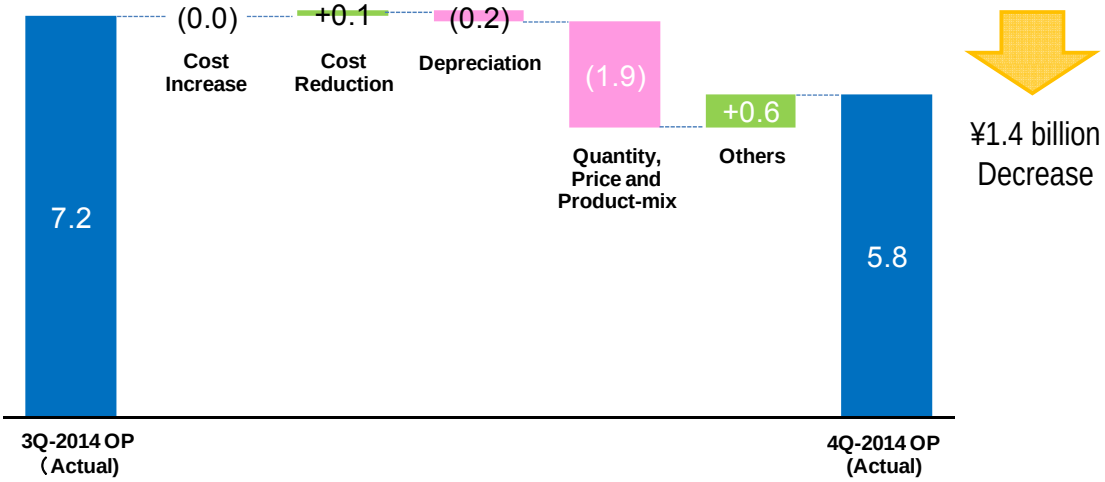
2-2. Analysis of Changes in Operating Income

■ 3Q-2014 → 4Q-2014

(Billions of Yen)

	3Q-2014	4Q-2014	Change
Net Sales	58.4	57.9	(0.5)
Operating Income	7.2	5.8	(1.4)
Exchange Rate (¥/$)	102.6	112.3	+9.7

【Analysis of Changes in Operating Income】



3. Consolidated Balance Sheet

(Billions of Yen)

	End of Dec-2013	End of Dec-2014	Change
Cash and time deposits	62.8	65.7	+2.9
Inventories	142.6	150.8	+8.2
Tangible and intangible assets	189.6	183.6	(6.0)
Deferred income tax assets	5.7	5.2	(0.5)
Other assets	97.8	105.2	+7.4
Total Assets	498.5	510.5	+12.0
Debt and borrowings	238.8	221.0	(17.8)
Other liabilities	64.9	72.8	+7.9
Liabilities	303.7	293.8	(9.9)
Capital stock	136.6	136.6	-
Capital surplus	15.6	15.6	-
Retained earnings	15.9	30.9	+15.0
Others	26.7	33.6	+6.9
Equity	194.8	216.7	+21.9
Shareholders' equity ratio	33.7%	36.2%	+2.5%
Equity per share (¥)	473.4	538.8	+65.4
D/E ratio (gross)	1.4	1.2	(0.2)
D/E ratio (net)	1.0	0.8	(0.2)

4. Consolidated Cash-Flow

(Billions of Yen)

	FY2014
Income before income taxes and minority interests	21.9
Depreciation	19.4
Subtotal	41.3
Increase in inventories	(2.9)
Changes in working capital, etc.	(8.6)
Net cash provided by operating activities	29.8
Capital expenditure (Acceptance basis)	(11.4)
Others, net	1.6
Net cash used in investing activities	(9.8)
Free cash-flow	20.0

1Q-FY2015
Consolidated Business Forecasts

1. 1Q-2015 Consolidated Business Forecasts

(Billions of Yen)

	1Q-2014 Actual	4Q-2014 Actual	1Q-2015 Forecast
Net Sales	50.9	57.9	59.5
Operating Income	5.0	5.8	8.0
Non-operating Income and Expenses	(1.0)	(0.6)	(1.5)
Ordinary Income	4.0	5.2	6.5
Extraordinary Income and Expenses	0.0	-	-
Income Taxes and Minority Interests	(1.2)	(1.7)	(2.5)
Net Income	2.8	3.5	4.0
Capital Expenditure (Acceptance basis)	2.5	3.5	3.5
Depreciation	4.7	5.2	5.0
EBITDA (Note)	10.1	11.5	13.5
Exchange Rate (¥/US$)	103.2	112.3	118.0

<Reference>
Annual Forecast
20.0

(Note) EBITDA = Operating Income + Depreciation + Amortization of Goodwill

2-1. Analysis of Changes in Operating Income

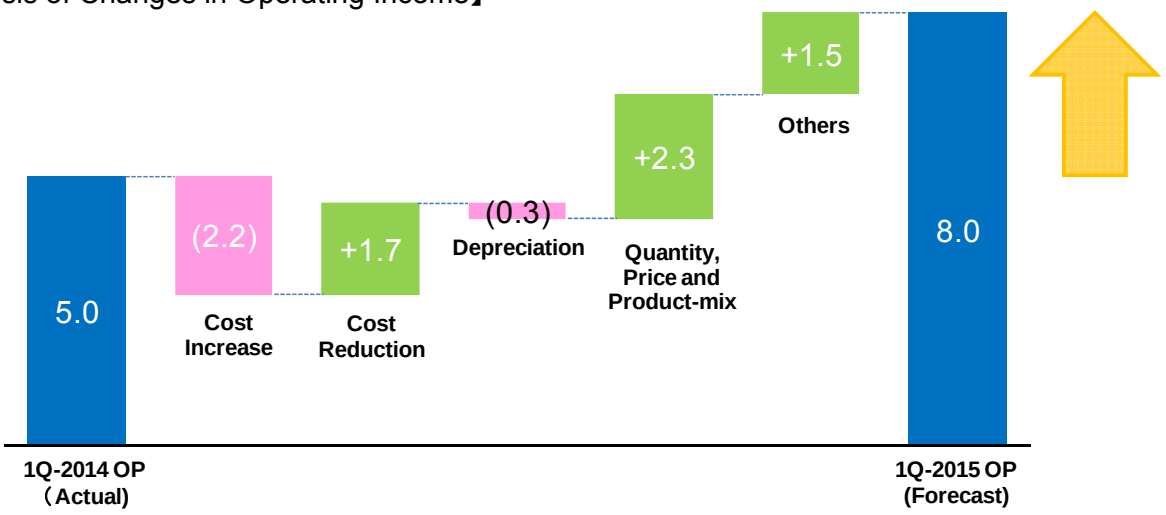
■ 1Q-2014 Actual → 1Q-2015 Forecast

(Billions of Yen)

	1Q-2014 Actual	1Q-2015 Forecast	Change
Net Sales	50.9	59.5	+8.6
Operating Income	5.0	8.0	+3.0
Exchange Rate (¥/$)	103.2	118.0	+14.8

¥3.0 billion Increase

【Analysis of Changes in Operating Income】



2-2. Analysis of Changes in Operating Income

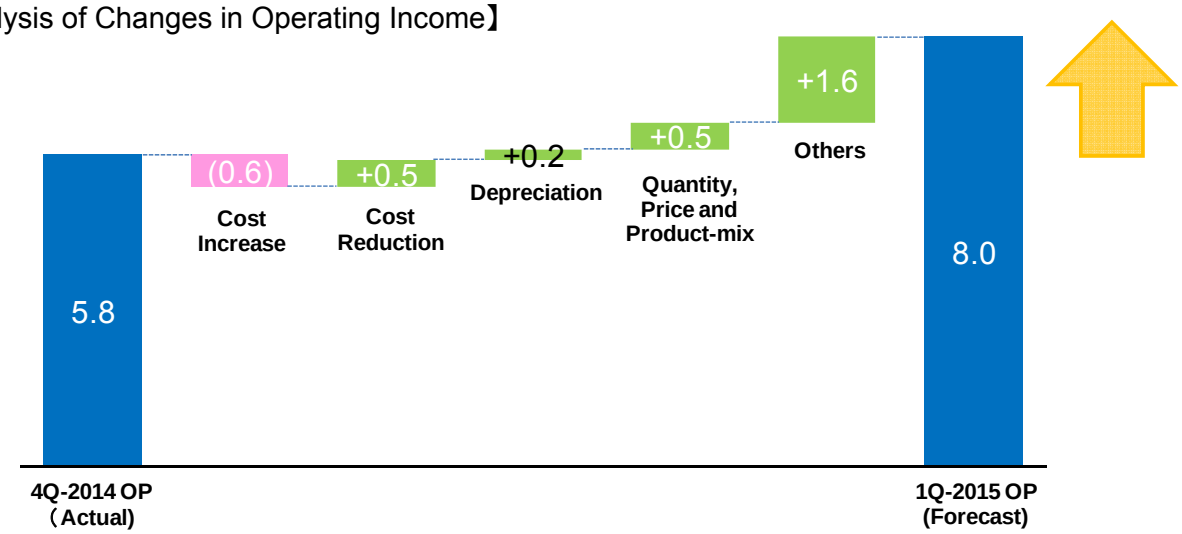
■ 4Q-2013 Actual → 1Q-2015 Forecast

(Billions of Yen)

	4Q-2014 Actual	1Q-2015 Forecast	Change
Net Sales	57.9	59.5	+1.6
Operating Income	5.8	8.0	+2.2
Exchange Rate (¥/$)	112.3	118.0	+5.7

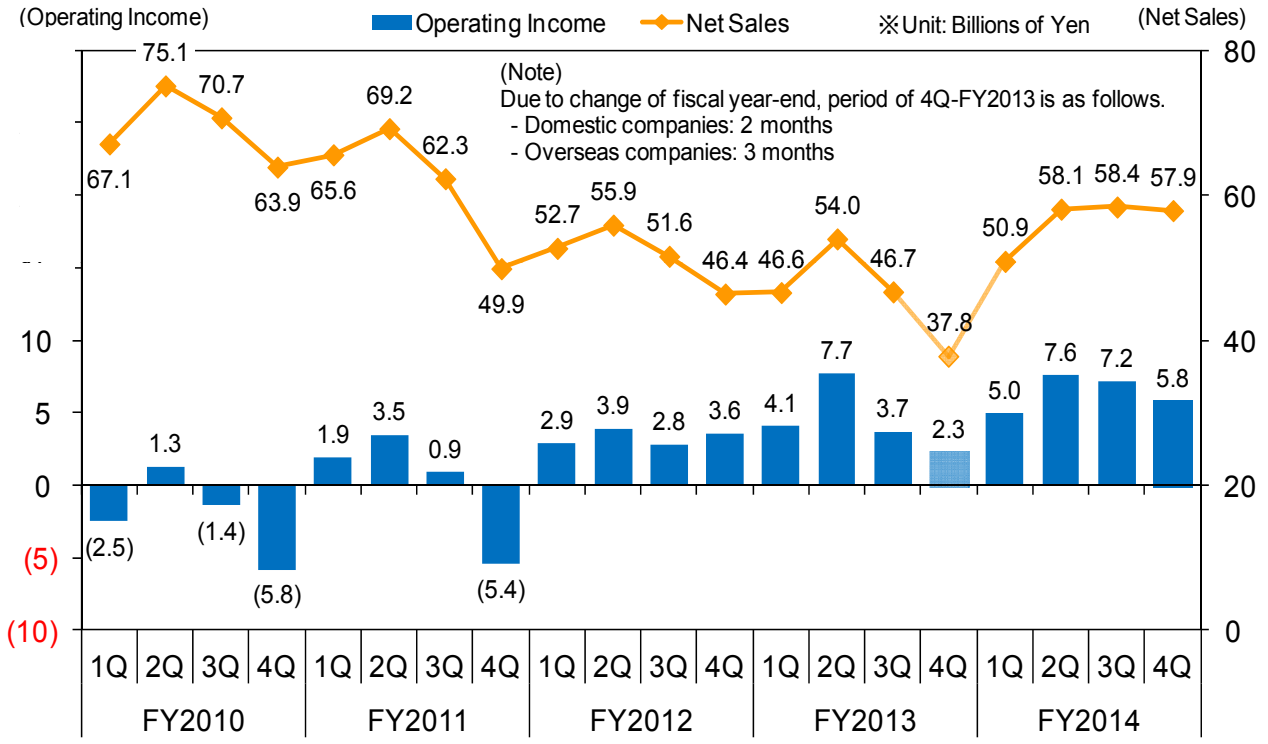
¥2.2 billion Decrease

【Analysis of Changes in Operating Income】

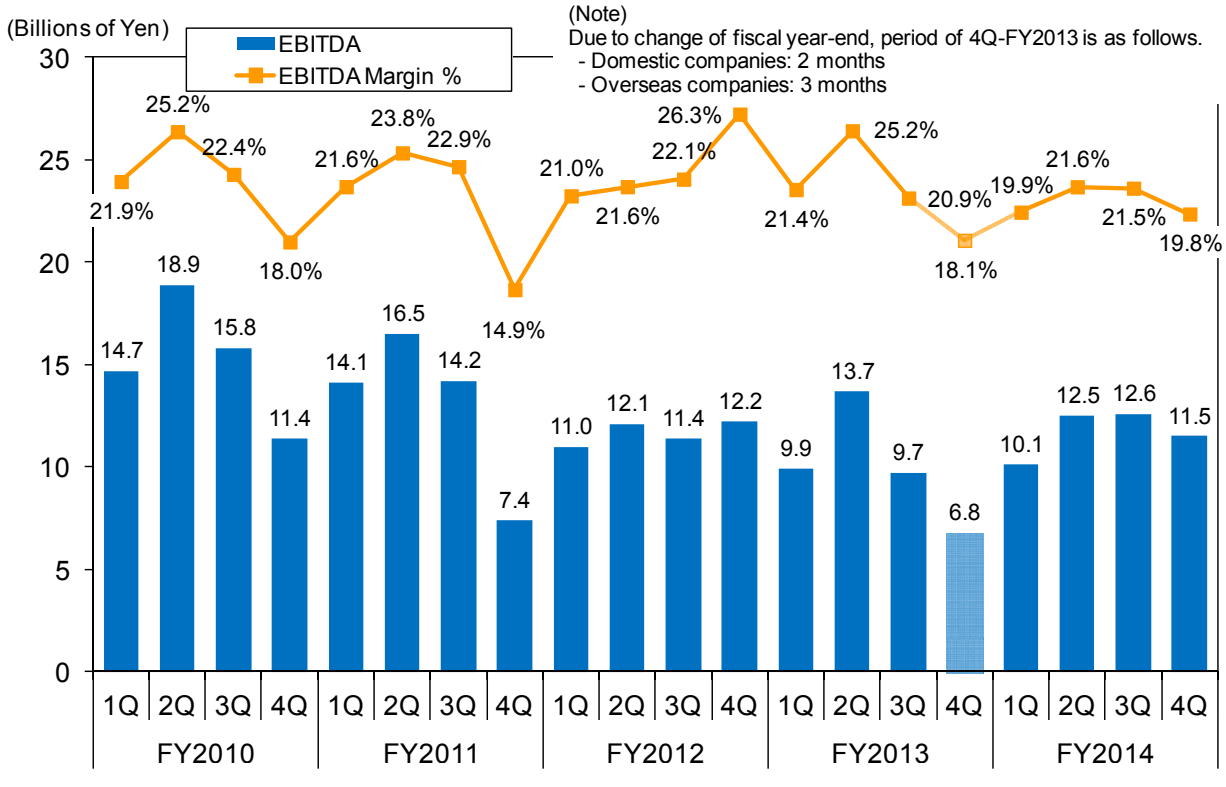


Reference Materials

Reference Materials: Quarterly Results



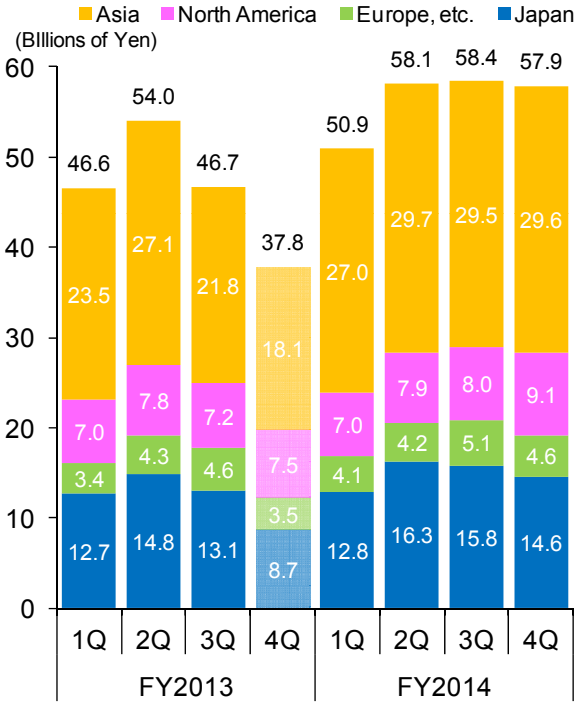
Reference Materials: EBITDA



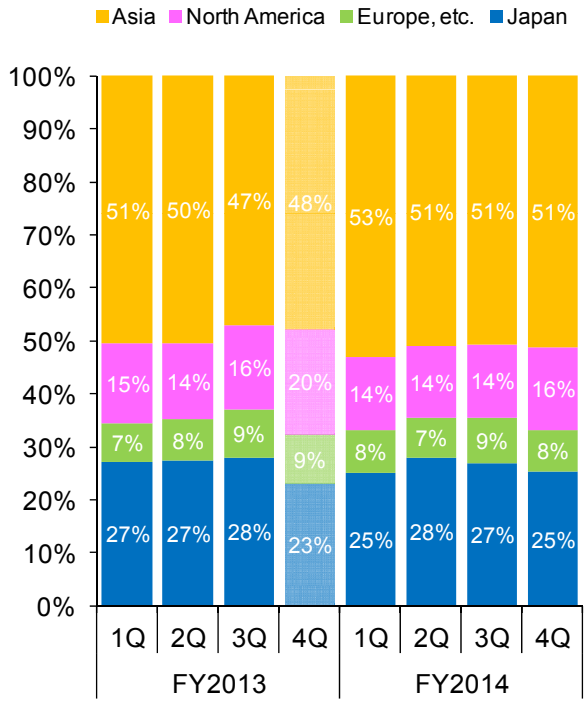
（Note） EBITDA = Operating Income + Depreciation + Amortization of goodwill

Reference Materials: Sales Results

Changes of Sales



Sales by Region



(Note) Due to change of fiscal year-end, period of 4Q-FY2013 is as follows.
- Domestic companies: 2 months
- Overseas companies: 3 months

URL http://www.sumcosi.com/