Brief Statement on Consolidated Financial Results for the First Quarter (ended March 31, 2015) of Fiscal Year 2015 (ending December 31, 2015) [Japanese Accounting Standards]

May 14, 2015

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Scheduled date of filing of quarterly security report: May 14, 2015
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 First Quarter (January 1, 2015 – March 31, 2015) of Fiscal Year 2015 (ending December 31, 2015)

(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)	(%)
1Q of FY2015	60,415	18.6	8,855	74.9	7,471	85.3	5,148	83.3
1Q of FY2014	50,931	—	5,063	—	4,031	—	2,808	—

(Note) Comprehensive income
1Q of FY2015: 7,464 million yen (769.1%); 1Q of FY2014: 858 million yen (—%)

	Net income per share for quarter (yen)	Diluted net income per share for quarter (yen)
1Q of FY2015	18.90	18.10
1Q of FY2014	9.82	9.17

(Note) The period of the first quarter of fiscal year 2014 (January 1, 2014 – March 31, 2014) was changed from that of fiscal year 2013 (February 1, 2013 – April 30, 2013). Therefore year-on-year changes of 1Q of FY2014 are not shown.

(2) Consolidated Financial Position

	Total assets (millions of yen)	Equity (millions of yen)	Shareholders' equity ratio (%)
1Q of FY2015	516,272	224,929	37.1
FY2014	510,570	216,725	36.2

(Reference) Shareholders' equity: 1Q of FY2015: 191,569 million yen; FY2014: 185,001 million yen

2. Dividend Payments

	Yearly dividend per share				
	First quarter (yen)	Second quarter (yen)	Third quarter (yen)	Year-end (yen)	Full year (yen)
FY2014	—	0.00	—	4.00	4.00
FY2015	—				
FY2015 (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, 2015 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 the Second Quarter of Fiscal Year 2015 (January 1, 2015 – June 30, 2015)

(Percentage figures represent changes from previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(yen)
Second Quarter (6 months)	123,000	12.8	17,800	41.2	15,000	44.9	10,500	34.2	38.93

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.

(3) Net income per share is calculated by considering "Issuance of Common Stock through a Public Offering" on April 27, 2015 and "Acquisition and Cancellation of Treasury Stock" on May 11, 2015, and by non-considering "Issuance of Common Stock by way of Third-Party Allotment which may be implemented in relation to the Secondary Offering through Over-Allotment" until May 25, 2015. Please see "Subsequent Events" on page 7 of Supplementary Materials.

* Notes

(1) Changes in important subsidiaries during the quarter under review: No
New Company: ― Exclusion: ―

(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: Yes
[2] Changes in accounting policies other than [1]: No
[3] Changes in accounting estimates: No
[4] Corrections of prior-period errors: No
(Note) Please see "(1) Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Prior-Periods Errors" on page 3 of Supplementary Materials.

(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 first quarter of FY2015; 257,751,739 shares as of end of FY2014
[2] Treasury stock as of the end of period:
6,506 shares as of the end of first quarter of FY2015; 6,246 shares as of end of FY2014
[3] Average number of shares during period (fiscal year-to-date):
257,745,319 shares during the first quarter of FY2015; 257,745,895 shares during the first quarter of FY2014

* 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 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, 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.

Dividends per share for the fiscal year-ending December 31, 2015 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 May 14, 2015. 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)
FY2014	—	—	—	2,500,000,000	2,500,000,000
FY2015	—				
FY2015 (Forecast)		—	—	—	—

(Note) SUMCO has acquired and cancelled all class A shares on May 11, 2015, so dividend for class A shares will not be paid from FY2015.

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1. Qualitative Information for the First Quarter of Fiscal Year 2015

(1) Explanation of Business Results

During the first quarter of fiscal year 2015 (January 1, 2015, to March 31, 2015), worldwide shipments of personal computers were slightly weaker than initial forecasts. However, the silicon wafer market remained brisk as semiconductor manufacturers maintained high operating levels. In particular, demand for cutting-edge 300 mm wafers for high-end smartphones and the expanding data center market grew strongly. Demand for small-diameter wafers of 200 mm or less was also firm due to demand from automobile and communication applications.

In this environment, following the direction set by the SUMCO Vision, the SUMCO Group has strived to bolster its market presence by developing technologies that meet customers' demands for high levels of precision and product differentiation, while simultaneously reducing costs to lower its break-even point.

As a result, for the period under review, the Group registered consolidated net sales of 60,415 million yen, operating income of 8,855 million yen, ordinary income of 7,471 million yen and net income of 5,148 million yen.

(2) Explanation of Business Forecasts

For the quarter ending on June 30, 2015, we expect that production of 300 mm wafers will continue at full capacity, driven by demand for advanced products with high scaling requirements. Demand for 200 mm wafers is also expected to remain firm.

In this market environment, the SUMCO Group has reinforced its financial base and realized a more flexible management structure by implementing its Capital Increase and Restructuring Plan. Building on these, the SUMCO Group will continue to pursue the development of cutting-edge technologies and to strengthen its profit base through cost rationalization, with greater resolve.

It is difficult for the SUMCO Group to formulate reasonable business forecasts for the full-year, since the semiconductor industry to which the SUMCO Group belongs is characterized by drastic and short-term changes in the business environment. Therefore, SUMCO has adopted the policy of disclosing business forecasts for the forthcoming quarter only.

SUMCO announces its consolidated business forecasts for the second quarter of fiscal year 2015 as follows.

Consolidated Business Forecasts for the Second Quarter of fiscal year 2015 (January 1, 2015 – June 30, 2015)

	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)
Previous Forecasts (A)	—	—	—	—	—
Revised Forecasts (B)	123,000	17,800	15,000	10,500	38.93
Changes (B-A)	—	—	—	—	—
Rate of changes (%)	—	—	—	—	—
(Reference) Results for 2Q-FY2014 (6 months)	109,022	12,607	10,353	7,823	28.19

(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 second quarter of fiscal year 2015 (April 1, 2015 – June 30, 2015) was made assuming translation rates of one U.S. dollar to 120 yen.

(3) Forecast of net income per share is calculated by considering "Issuance of Common Stock through a Public Offering" on April 27, 2015 and "Acquisition and Cancellation of Treasury Stock" on May 11, 2015, and by non-considering "Issuance of Common Stock by way of Third-Party Allotment which may be implemented in relation to the Secondary Offering through Over-Allotment" until May 25, 2015. Please see "Subsequent Events" on page 7 of Supplementary Materials.

2. Matters regarding Summary Information (Notes)

(1) Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Prior-Period Errors

Changes in Accounting Policies

(Adoption of Accounting Standard for Retirement Benefits)

We have adopted "Accounting Standard for Retirement Benefits" (Corporate Accounting Standards No. 26 of May 17, 2012, hereinafter referred to as "Retirement Benefits Accounting Standards") and "Implementation Guidance on Accounting Standard for Retirement Benefits" (Corporate Accounting Standard No. 25 of March 26, 2015, hereinafter referred to as "Implementation Guidance on Retirement Benefits") in the consolidated first quarter under the previous stipulated in the texts of the Section 35 of the Retirement Benefits Accounting Standards and of the Section 67 of the Implementation Guidance on Retirement Benefits: we have revised the accounting method for retirement benefit obligations and service cost, and have changed our method of attributing projected retirement benefits from a straight-line basis to a benefit formula basis along with changing the method of discount determination to a method that uses single-weighted average discount rate reflecting the estimated timing and amounts, either than the discount rate based on the average remaining year of service.

To apply the Retirement Benefits Accounting Standards, We comply with the transitional handling stipulated in the Section 37 of Retirement Benefits Accounting Standards, and effect of the revision of the method for calculation of retirement benefit obligations and service cost, financial effects are added to or subtracted from retained earnings at the beginning of this consolidated first quarter.

As the result, net defined benefit liability decreased by 2,896 million yen while retained earnings increased by 2,896 million yen as of the beginning of this consolidated first quarter. Please take note that the expected effect this change has on our operating income, ordinary income and income before income taxes during this consolidated first quarter ended March 31, 2015, is negligible.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(millions of yen)

	End of FY2014 (December 31, 2014)	End of 1Q of FY2015 (March 31, 2015)
Assets		
Current assets		
Cash and time deposits	42,016	56,252
Notes and accounts receivable – trade	42,522	40,506
Marketable securities	23,700	17,200
Finished products	15,204	15,470
Work in process	13,600	13,746
Raw materials and supplies	121,999	124,410
Other	6,751	7,273
Allowance for doubtful accounts	(8)	(8)
Total current assets	265,787	274,851
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	88,457	87,163
Machinery, equipment and vehicles, net	51,709	54,051
Land	20,321	20,306
Construction in progress	7,710	5,117
Other, net	826	846
Total property, plant and equipment	169,025	167,484
Intangible assets		
Goodwill	11,915	11,501
Other	2,736	2,775
Total intangible assets	14,651	14,276
Investments and other assets		
Investment securities	81	81
Long-term advance payments	50,814	49,793
Deferred income tax assets	5,092	4,800
Other	5,502	5,368
Allowance for doubtful accounts	(385)	(385)
Total investments and other assets	61,105	59,659
Total non-current assets	244,783	241,420
Total assets	510,570	516,272

(millions of yen)

	End of FY2014 (December 31, 2014)	End of 1Q of FY2015 (March 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	29,602	26,040
Short-term borrowings	65,673	83,792
Current portion of long-term lease obligations	954	1,220
Accrued income taxes	1,060	1,361
Reserve for bonuses	951	2,133
Other	14,313	11,421
Total current liabilities	112,556	125,970
Long-term liabilities		
Long-term debt	151,658	137,630
Long-term lease obligations	2,749	3,716
Net defined benefit liability	21,677	19,032
Other	5,203	4,992
Total long-term liabilities	181,288	165,372
Total liabilities	293,845	291,342
Equity		
Shareholders' equity		
Capital stock	136,607	136,607
Capital surplus	15,676	15,676
Retained earnings	30,946	36,836
Treasury stock	(10)	(10)
Total shareholders' equity	183,220	189,109
Accumulated other comprehensive income (loss)		
Net unrealized gain on available-for-sale securities	0	0
Deferred loss on derivatives under hedge accounting	(1)	(0)
Land revaluation surplus	2,670	2,816
Foreign currency translation adjustments	2,600	3,030
Remeasurements of defined benefit plans	(3,488)	(3,385)
Total accumulated other comprehensive income	1,781	2,460
Minority interests	31,723	33,360
Total equity	216,725	224,929
Total liabilities and equity	510,570	516,272

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

(Consolidated Statement of Income)

(millions of yen)

	1Q of FY2014 (January 1, 2014– March 31, 2014)	1Q of FY2015 (January 1, 2015– Mach 31, 2015)
Net sales	50,931	60,415
Cost of sales	40,353	45,361
Gross profit	10,577	15,053
Selling, general and administrative expenses	5,513	6,198
Operating income	5,063	8,855
Non-operating income		
Interest income	8	23
Foreign exchange gain	—	135
Other	144	107
Total non-operating income	152	265
Non-operating expenses		
Interest expense	925	876
Commission for syndicate loan	2	389
Other	256	384
Total non-operating expenses	1,184	1,650
Ordinary income	4,031	7,471
Income before income taxes and minority interests	4,031	7,471
Income taxes	625	1,207
Net income before minority interests	3,406	6,263
Minority interests	598	1,114
Net income	2,808	5,148

(Consolidated Statement of Comprehensive Income)

(millions of yen)

	1Q of FY2014 (January 1, 2014– March 31, 2014)	1Q of FY2015 (January 1, 2015– March 31, 2015)
Net income before minority interests	3,406	6,263
Other comprehensive income		
Net unrealized gain (loss) on available-for-sale securities	(0)	0
Deferred gain on derivatives under hedge accounting	—	0
Revaluation reserve for land	—	145
Foreign currency translation adjustments	(2,566)	954
Remeasurements of defined plans, net of tax	19	99
Total other comprehensive income	(2,547)	1,200
Comprehensive income	858	7,464
Total comprehensive income attributable to:		
Owners of the parent	1,326	5,827
Minority interests	(467)	1,636

(3) Notes on Consolidated Financial Statements

(Notes regarding Going Concern Assumption)

Not applicable

(Notes regarding Significant Changes in Shareholders' Equity)

Not applicable

(Subsequent Events)

SUMCO has resolved, at the board of directors meeting held on March 3, 2015, its "New Medium-Term Management Strategy", which is a strategic roadmap for the new growth stage following the Business Reorganization Plan, and its "Capital Increase and Restructuring Plan" which focuses on the strengthening of the Company's financial base and raising funds for growth through the issuance of common stock of the Company through a public equity offering and acquisition and cancellation of class stock of the Company (the "Plan") .

The Company has executed the followings based on the Plan.

1. Reduction in the Amount of Capital Reserve

The Company, pursuant to the provisions of Article 448, Paragraph 1 of the Companies Act, has implemented the reduction in the amount of capital reserve and transferred such amount to other capital surplus.

- Amount of capital reserve to be decreased: 9,000,000,000 yen
  (Total capital reserve: 10,500,000,000 yen)
- Effective date: April 14, 2015

2. Issuance of New Shares and Reduction in the Amount of Capital Stock and Capital Reserve Concurrently with the Issuance of New Shares

(1) Issuance of New Shares

The Company has resolved, at the board of directors meeting held on April 2, 2015, to issue the common stock and issued it on April 27, 2015.

- Number of shares to be issued: 33,903,800 shares
- Total amount of offer price: 63,942,566,800 yen (1,886 yen per share)
- Total amount of subscription price: 61,277,728,120 yen (1,807.40 yen per share)

- Amount of capital stock to be increased: 30,638,864,060 yen (903.70 yen per share)
- Amount of capital reserve to be increased: 30,638,864,060 yen (903.70 yen per share)
- Closing date: April 27, 2015

(2) Reduction in the Amount of Capital Stock and Capital Reserve Concurrently with the Issuance of New Shares

The Company, pursuant to the provisions of Article 447, Paragraphs 1 and 3 and Article 448, Paragraphs 1 and 3 of the Companies Act, has implemented the reduction in the amount of capital stock and capital reserve concurrently with the payment of issuance of new shares described above (1).

- Transferred amount from capital stock: 30,000,000,000 yen
- Transferred amount from capital reserve: 30,000,000,000 yen
- Effective date: April 27, 2015

The Company has resolved, at the board of directors meeting held on April 2, 2015, its issuance of common stock by way of third-party allotment which may be implemented in relation to the secondary offering through over-allotment.

- Third party: SMBC NIKKO SECURITIES INC.
- Number of shares (maximum): 2,620,200 shares
- Total amount of subscription price (maximum): 4,735,749,480 yen (1,807.40 yen per share)
- Amount of capital stock to be increased (maximum): 2,367,874,740 yen (903.70 yen per share)
- Amount of capital reserve to be increased (maximum): 2,367,874,740 yen (903.70 yen per share)
- Subscription date: May 22, 2015
- Closing date: May 25, 2015

3. Acquisition of Treasury Stock (Class A Stock and Class B Stock)

On May 11, 2015, the Company, pursuant to the provisions of Article 167 of the Companies Act, has acquired all class A stocks by cash of 100,897,260.27 yen per share (acquired price of 100,000,000 yen per share and accrued dividend of 897,260.27 yen per share) and class B stocks from Nippon Steal & Sumitomo Metal corporation, Mitsubishi Materials Corporation and Japan Industrial Solutions Investment limited Partnership I. In addition, the Company, pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act, has acquired all class B stocks by cash of 20,000,000 yen per share.

(1) Acquisition of Class A Stock

- Total number of shares acquired: 450 shares
- Total amount of cash paid: 45,403,767,123 yen (100,897,260.27 yen per share)
- Total number of Class B Stock delivered: 450 shares
- Acquisition date: May 11, 2015

(2) Acquisition of Class B Stock

- Total number of shares acquired: 450 shares
- Total amount of cash paid: 9,000,000,000 yen (20,000,000 yen per share)
- Acquisition date: May 11, 2015

4. Cancellation of Treasury Stock (Class A Stock and Class B Stock)

The Company, pursuant to the provisions of Article 178 of the Companies Act, has resolved cancellation of treasury stock of all class A stock and Class B stock at the board of directors meeting held on April 2, 2015, and implemented it on May 11, 2015.

- Total number of shares cancelled and total amount:
  - Class A Stock: 450 shares 45,403,767,123 yen
  - Class B Stock: 450 shares 9,000,000,000 yen
- Cancellation date: May 11, 2015