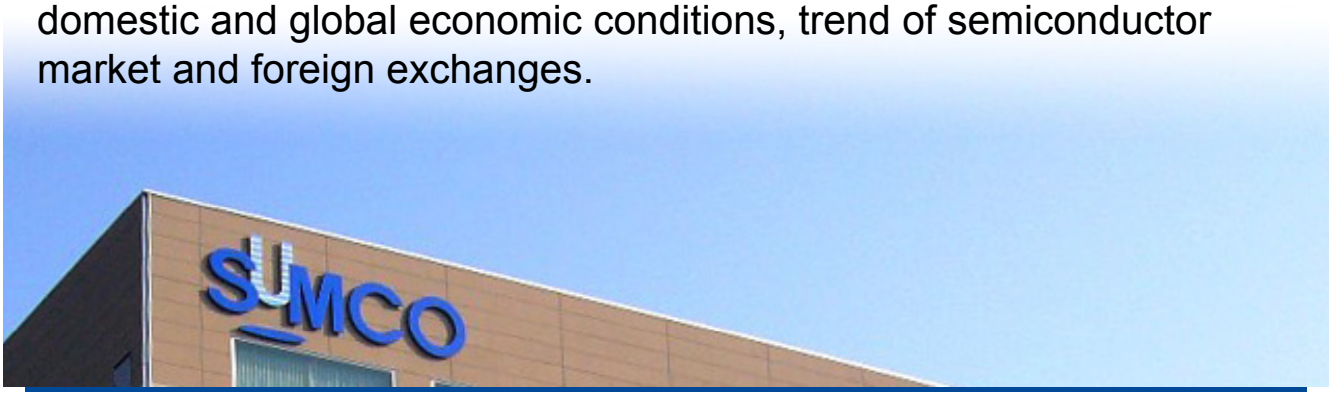
Results for Second Quarter of FY2015 (Ended June 30, 2015)

August 6, 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

1-1. Summary (1)

FY2015 Dividend Forecast

		FY2011 (Jan 12)	FY2012 (Jan 13)	FY2013 (Dec 13) (11months)	FY2014 (Dec 14)	FY2015 (Dec 15) Forecast
Dividends per share for common stocks (Yen)	Interim	-	-	-	-	**10.0**
	Year-end	-	2.0	1.0	4.0	**10.0**
	Total	-	2.0	1.0	4.0	**20.0**
Dividends payments (Billions of Yen)	Common stock	-	0.5	0.2	1.0	**5.8**
	Class A share	-	1.1	1.0	1.1	**-**
	Total	-	1.6	1.2	2.1	**5.8**
Dividend ratio	(%)	-	22.4%	(Note 1) -	6.8%	(Note 2) **[24.8%]**

(Note 1) Dividend ratio for FY2013 is not described due to net loss per share for common stocks.
(Note 2) Dividend ratio for FY2015 is calculated by interim dividend basis.

1-2. Summary (2)

1H-FY2015 Consolidated Business Results

(Billions of Yen)

	1H-2014 Actual	1H-2015 Actual	Change	%
Net Sales	109.0	123.0	+14.0	+12.9%
Operating Income	12.6	18.3	+5.7	+45.6%
Ordinary Income	10.3	15.3	+5.0	+48.2%
Net Income	7.8	10.9	+3.1	+39.5%
Exchange Rate (Yen/US)	102.7	120.2	+17.5	

3Q-FY2015 Consolidated Business Forecasts

(Billions of Yen)

	3Q-2014 ACT (9 months)	3Q-2015 FCT (9 months)	Change	%
Net Sales	167.4	181.0	+13.6	+8.1%
Operating Income	19.8	24.8	+5.0	+24.9%
Ordinary Income	16.7	21.3	+4.6	+26.8%
Net Income	12.7	14.9	+2.2	+16.8%
Exchange Rate (Yen/US)	102.7	121.1	+18.4	

2-1. Market Environment

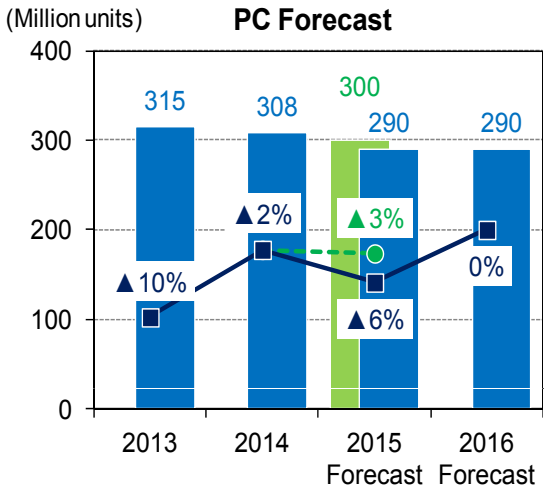
2Q-2015

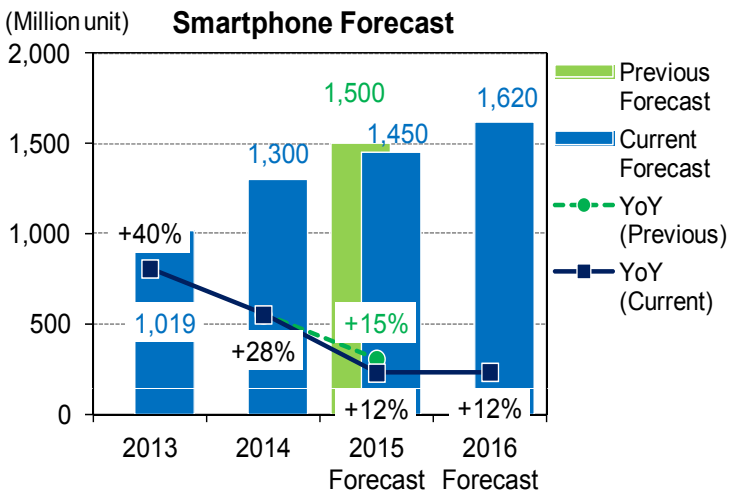
- ✔ **300mm** — Strong demand has been continued (Shipment: more than 5 million/month)
  - ・DRAM — Smartphone sales in the April-June quarter grew approx. 12% YoY to 66 million units. PC sales, meanwhile, dropped around 12% to 337 million units, as demand continued to decline
  - ・Logic — Solid performance, driven by smartphones described above
  - ・NAND — Solid performance, with SSD growth for data centers and larger memory size on smartphones
- ✔ **200mm** — Demand for all segments, primarily automobile and consumer, remained firm
- ✔ **150mm** — Downward

OUTLOOK

- ✔ **300mm**
  - ・DRAM — Mobile DRAM is affected by smartphone quantity adjustment, but the correction should be brief. The drop in PC demand, however, is a factor; and DRAM correction may last into 4Q
  - ・Logic — In correction phase affected by smartphone quantity adjustment, but correction is likely to be short-lived with rebound in 4Q
    Customer oligopoly is growing, however.
  - ・NAND — Solid performance, with SSD growth for data centers and larger memory size on smartphones, despite quantity adjustment
  - ・CIS — Doing well due to greater capacity per product
- ✔ **200mm** — Solid performance overall despite slight seasonal correction, as demand for automobile and consumer use remain strong
- ✔ **150mm** — Downward trend continues

2-2. Forecast of PC and Smartphone Shipment





Data Center



(Soure: SUMCO estimation)

2-3. Investment of Semiconductor, Price Forecast

Increase in production capacity of semiconductor

- ✔ Driven by communication equipments (smartphones and data centers)
- ✔ Progress of high-function and larger memory size on smartphones

(Thousand/month)

		2015	2016
300mm	Logic	50	95
	Memory	70	65
	Total	120	160
200mm		50	70

300mm Logic : Leading-edge investment
Memory: Investment for 3D-NAND and 20nmDRAM
200mm : Investment in Europe and Asia

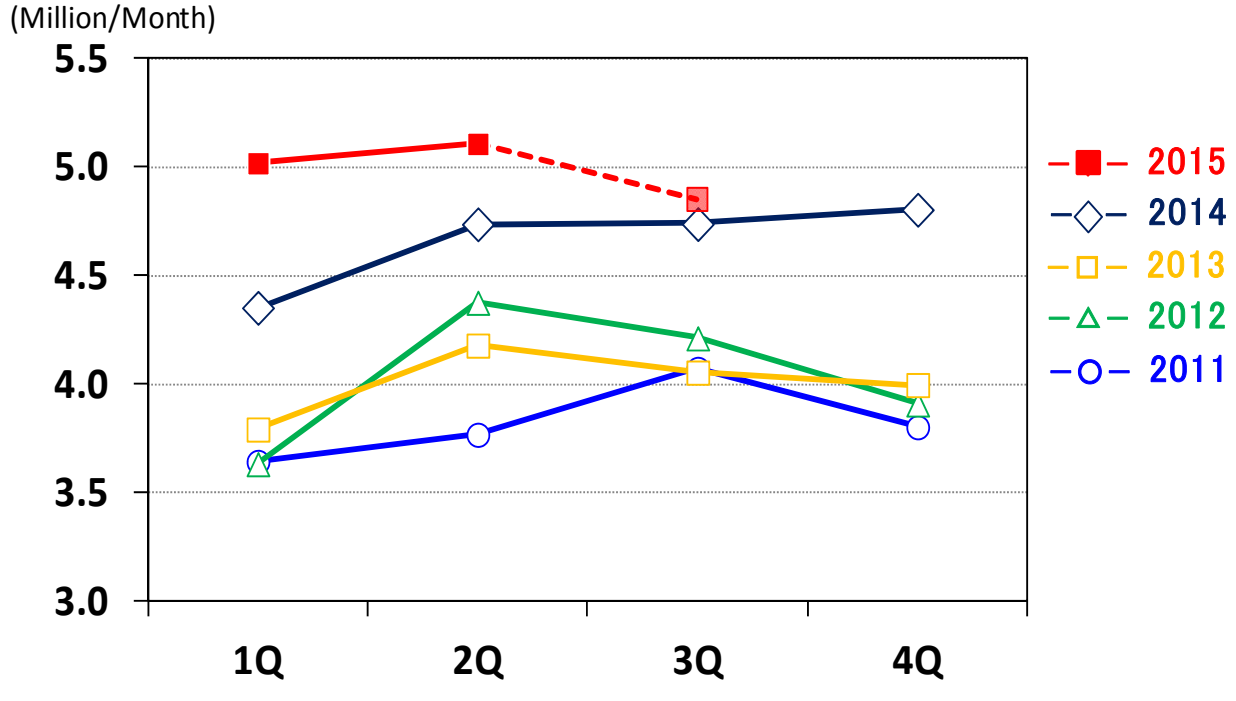
(Source: SUMCO estimation)

Price Forecast

- ✔ 300 mm supply and demand in 2015 are mostly balanced as initially expected.
- ✔ 300mm Price Forecast
  - ・Groundwork was laid for negotiating price restoration and talks began in 2015.
  - ・Except long-term contract customers, prices are starting to rebound.
  - ・This is the biggest change in the eight years since the Lehman Brothers collapse.

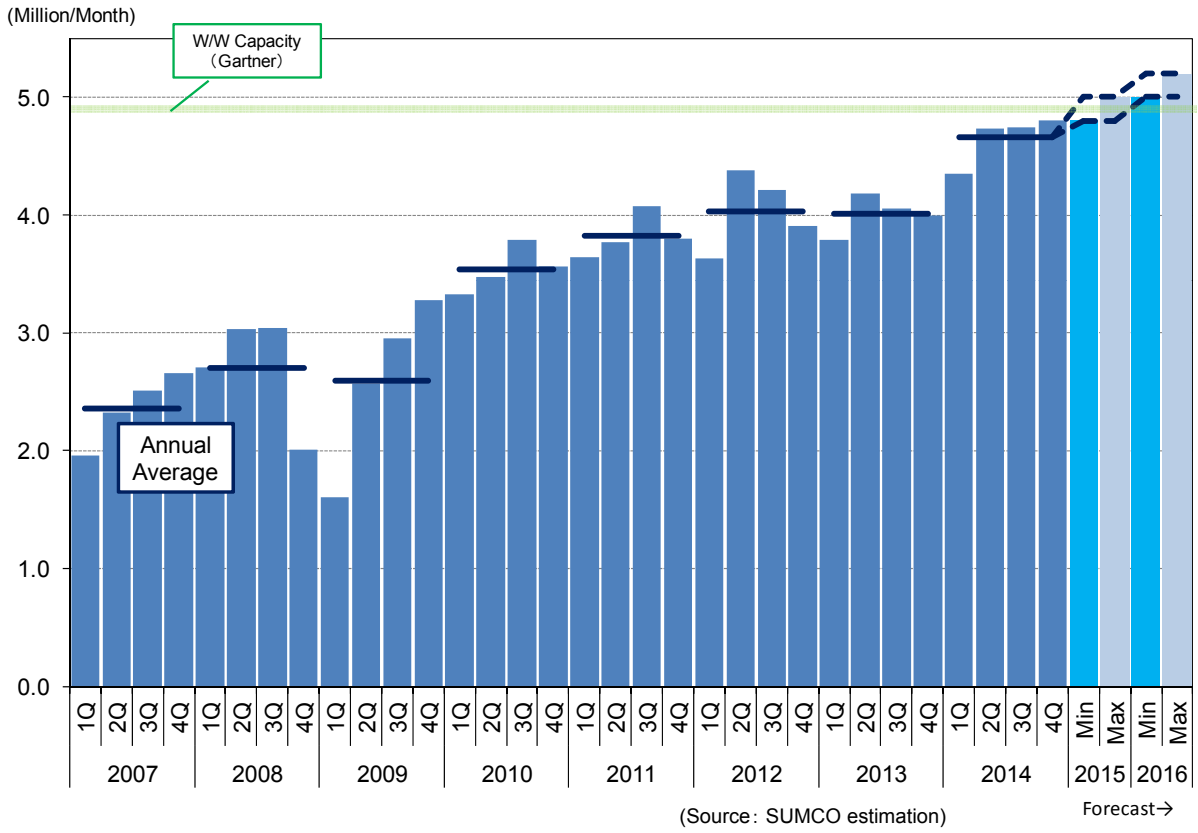
2-4. Seasonality (3Q-2015 Forecast)

Seasonality of 300mm Wafer



(Source: SUMCO estimation)

2-5. 300mm Wafer Forecast



2Q-FY2015
Consolidated Business Results

Michiharu Takii,
Executive Vice President and CFO

3-1. Summary of Consolidated Business Results

(Billions of Yen)

	1H-2014 Actual	1H-2015 Actual			Change
		1Q	2Q	Total	
Net Sales	109.0	60.4	62.6	123.0	+14.0
Operating Income	12.6	8.8	9.5	18.3	+5.7
Non-operating Income and Expenses	(2.3)	(1.4)	(1.6)	(3.0)	(0.7)
Ordinary Income	10.3	7.4	7.9	15.3	+5.0
Extraordinary Income and Expenses	-	-	-	-	-
Income Taxes and Minority Interests	(2.5)	(2.3)	(2.1)	(4.4)	(1.9)
Net Income	7.8	5.1	5.8	10.9	+3.1
Capital Expenditure (Acceptance basis)	4.5	2.8	2.9	5.7	+1.2
Depreciation	9.2	5.0	5.4	10.4	+1.2
EBITDA (Note)	22.6	14.2	15.4	29.6	+7.0
Exchange Rate (Yen/US$)	102.7	119.4	121.0	120.2	+17.5
Operating Margin (%)	11.6%	14.7%	15.2%	14.9%	+3.3%
EBITDA Margin (%)	20.8%	23.6%	24.5%	24.1%	+3.3%
ROE (%)	9.2%	10.9%	11.5%	11.1%	+1.9%
Net Income per Share (Yen)	28.19	18.90	-	40.38	+12.19

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

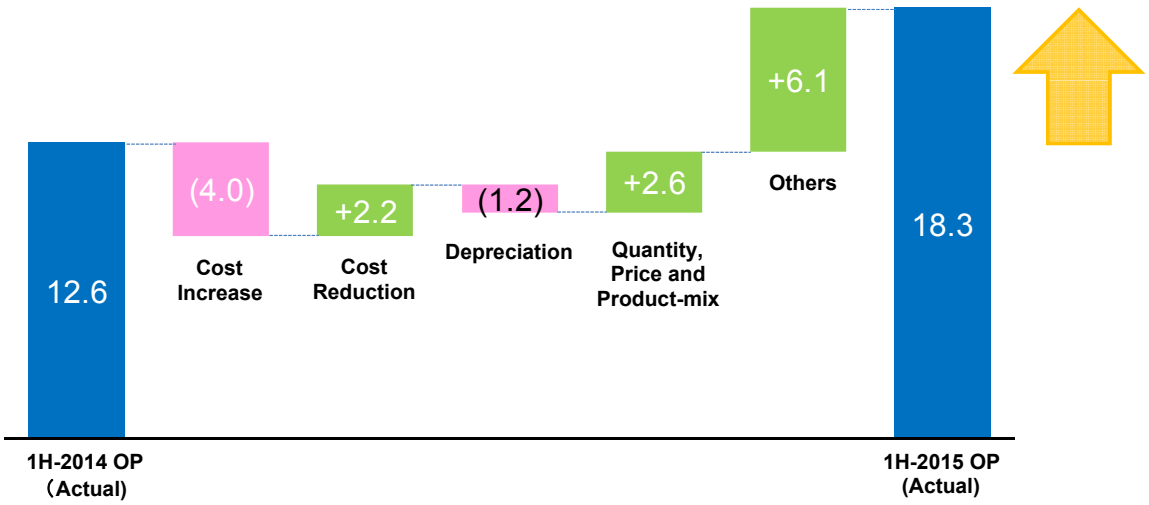
3-2. Analysis of Changes in Operating Income

■ 1H-2014 Actual → 1H-2015 Actual

(Billions of Yen)

	1H-2014 Actual	1H-2015 Actual	Change
Net Sales	109.0	123.0	+14.0
Operating Income	12.6	18.3	+5.7
Exchange Rate (Yen/US)	102.7	120.2	+17.5

【Analysis of Changes in Operating Income】



¥5.7 billion Increase

3-3. Analysis of Changes in Operating Income

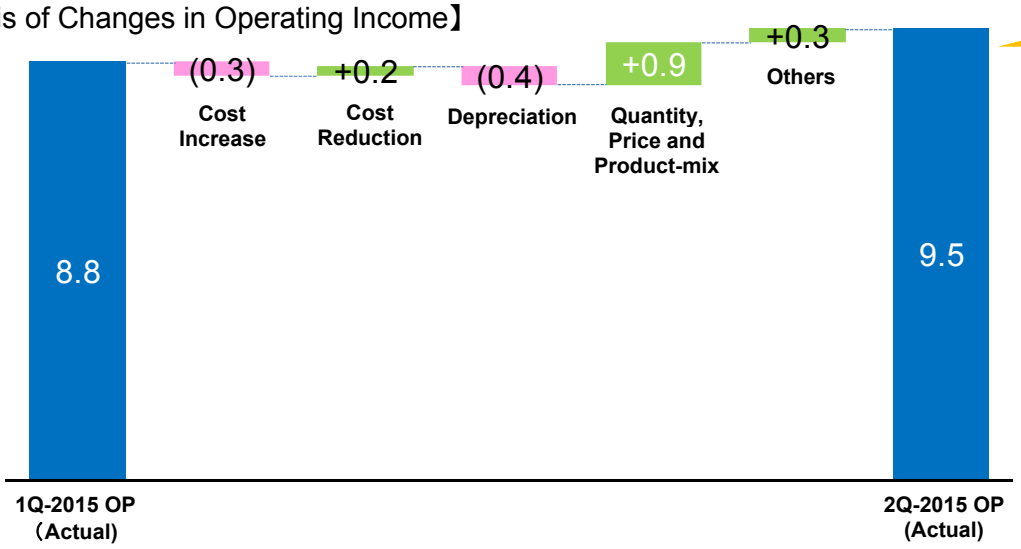
■ 1Q-2015 Actual → 2Q-2015 Actual

(Billions of Yen)

	1Q-2015 Actual	2Q-2015 Actual	Change
Net Sales	60.4	62.6	+2.2
Operating Income	8.8	9.5	+0.7
Exchange Rate (Yen/US)	119.4	121.0	+1.6

¥0.7 billion Increase

【Analysis of Changes in Operating Income】



3-4. Consolidated Balance Sheet

(Billions of Yen)

	End of Dec-2014	End of Jun-2015	Change
Cash and time deposits	65.7	51.4	(14.3)
Inventories	150.8	157.6	+6.8
Tangible and intangible assets	183.6	180.3	(3.3)
Deferred income tax assets	5.2	4.4	(0.8)
Other assets	105.2	106.4	+1.2
Total Assets	510.5	500.1	(10.4)
Debt and borrowings	221.0	189.2	(31.8)
Other liabilities	72.8	68.4	(4.4)
Liabilities	293.8	257.6	(36.2)
Capital stock	136.6	138.7	2.1
Capital surplus	15.6	23.3	7.7
Retained earnings	30.9	42.6	+11.7
Others	33.6	37.9	+4.3
Equity	216.7	242.5	+25.8
Shareholders' equity ratio	36.2%	41.7%	+5.5%
Equity per share (¥)	538.8	711.7	+172.9
D/E ratio (gross)	1.2	0.9	(0.3)
D/E ratio (net)	0.8	0.7	(0.1)

3-5. Consolidated Cash-Flow

(Billions of Yen)

	1H-2015
Income before income taxes and minority interests	15.3
Depreciation	10.4
Subtotal	25.7
Increase in inventories	(4.3)
Changes in working capital, etc.	(6.1)
Net cash provided by operating activities	15.3
Capital expenditure (Acceptance basis)	(5.7)
Others, net	(0.1)
Net cash used in investing activities	(5.8)
Free cash-flow	9.5

3Q-FY2015
Consolidated Business Forecasts

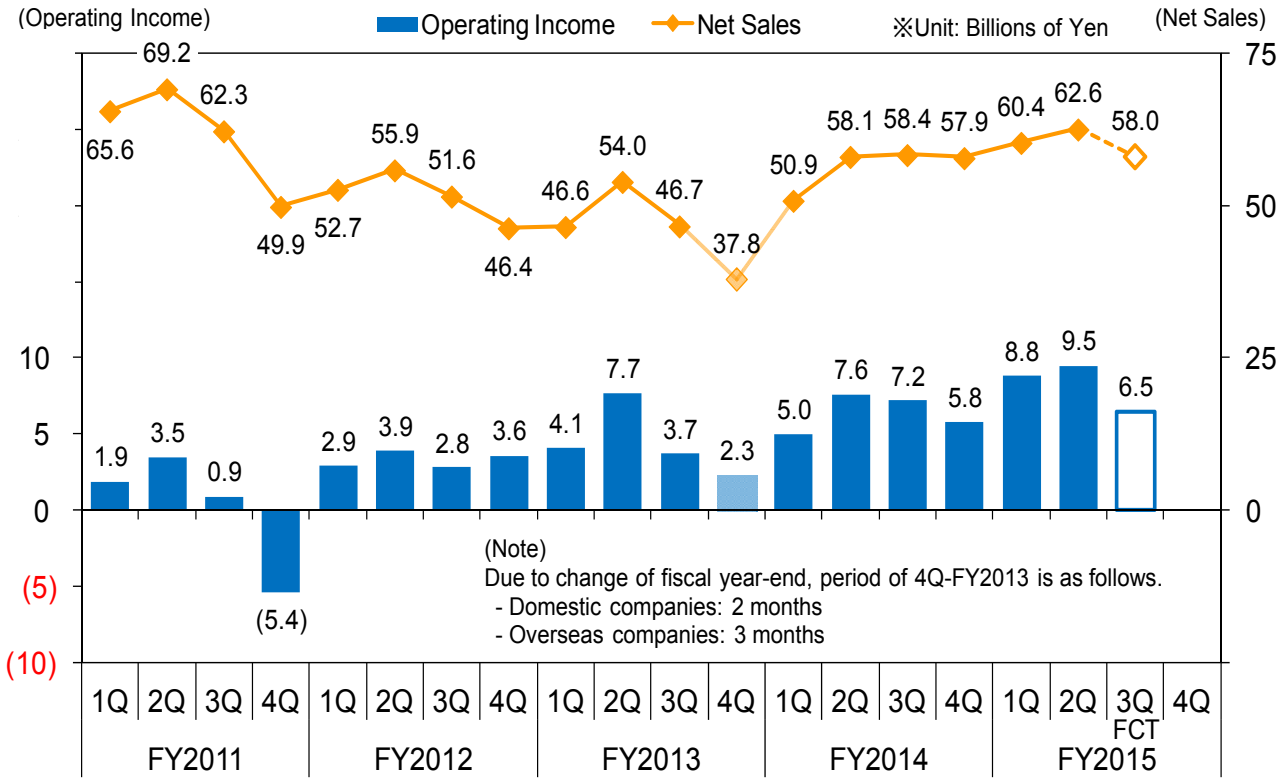
4-1. 3Q-2015 Consolidated Business Forecasts

(Billions of Yen)

	3Q-2014 Actual (9 months)	3Q-2015 Forecast 1Q Actual	2Q Actual	3Q FCT	Total (9 months)	Change
Net Sales	167.4	60.4	62.6	58.0	181.0	13.6
Operating Income	19.8	8.8	9.5	6.5	24.8	5.0
Non-operating Income and Expenses	(3.1)	(1.4)	(1.6)	(0.5)	(3.5)	(0.4)
Ordinary Income	16.7	7.4	7.9	6.0	21.3	4.6
Extraordinary Income and Expenses	-	-	-	-	-	-
Income Taxes and Minority Interests	(4.0)	(2.3)	(2.1)	(2.0)	(6.4)	(2.4)
Net Income	12.7	5.1	5.8	4.0	14.9	2.2
Capital Expenditure (Acceptance basis)	7.9	2.8	2.9	6.0	11.7	3.8
Depreciation	14.2	5.0	5.4	5.6	16.0	1.8
EBITDA (Note)	35.2	14.2	15.4	12.4	42.0	6.8
Exchange Rate (Yen/US$)	102.7	119.4	121.0	123.0	121.1	18.4
Operating Margin (%)	11.9%	14.7%	15.2%	11.2%	13.7%	+1.8%
EBITDA Margin (%)	21.1%	23.6%	24.5%	21.4%	23.2%	+2.1%
ROE (%)	9.7%	10.9%	11.5%	7.6%	10.1%	+0.4%
Net Income per Share (Yen)	46.21	18.90	-	-	53.59	+7.38

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

4-2. Quarterly Trend



4-3. Analysis of Changes in Operating Income

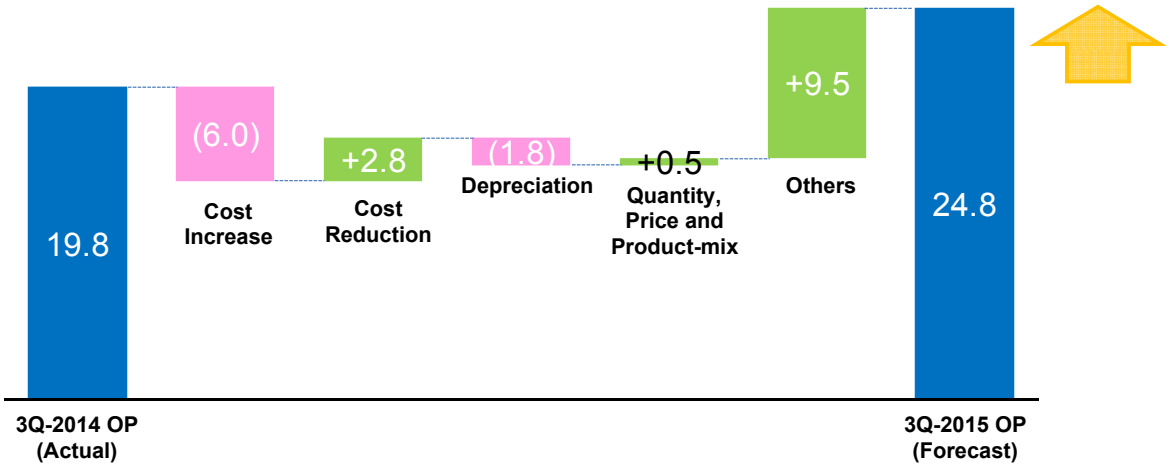
■ 3Q-2014 Actual → 3Q-2015 Forecast

(Billions of Yen)

	3Q-14 ACT (9 months)	3Q-15 FCT (9 months)	Change
Net Sales	167.4	181.0	+13.6
Operating Income	19.8	24.8	+5.0
Exchange Rate (Yen/US)	102.7	121.1	+18.4

【Analysis of Changes in Operating Income】

¥5.0 billion Increase



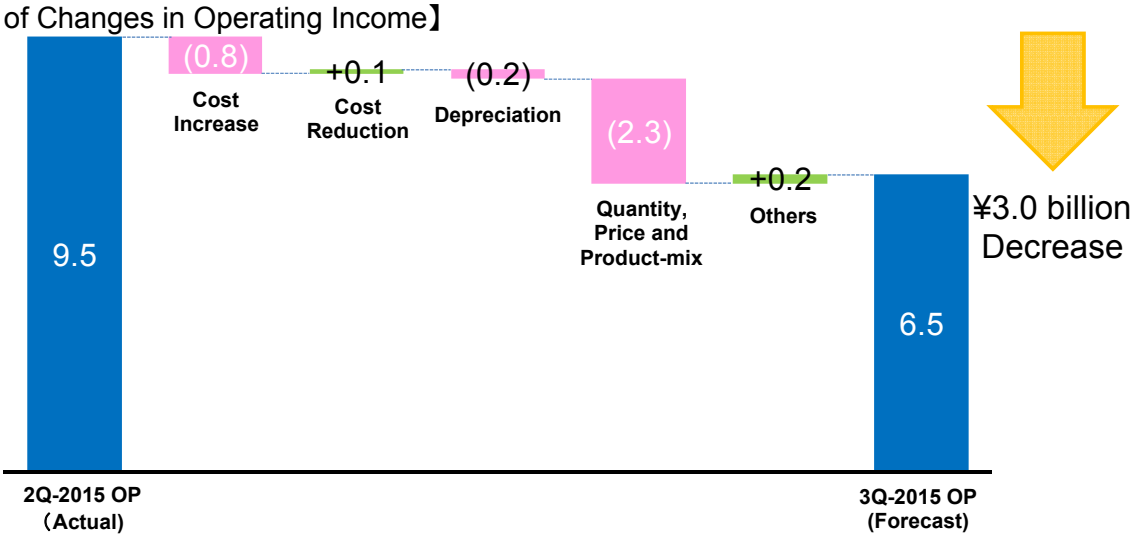
4-4. Analysis of Changes in Operating Income

■ 2Q-2015 Actual → 3Q-2015 Forecast

(Billions of Yen)

	2Q-2015 Actual	3Q-2015 Forecast	Change
Net Sales	62.6	58.0	(4.6)
Operating Income	9.5	6.5	(3.0)
Exchange Rate (Yen/US)	121.0	123.0	+2.0

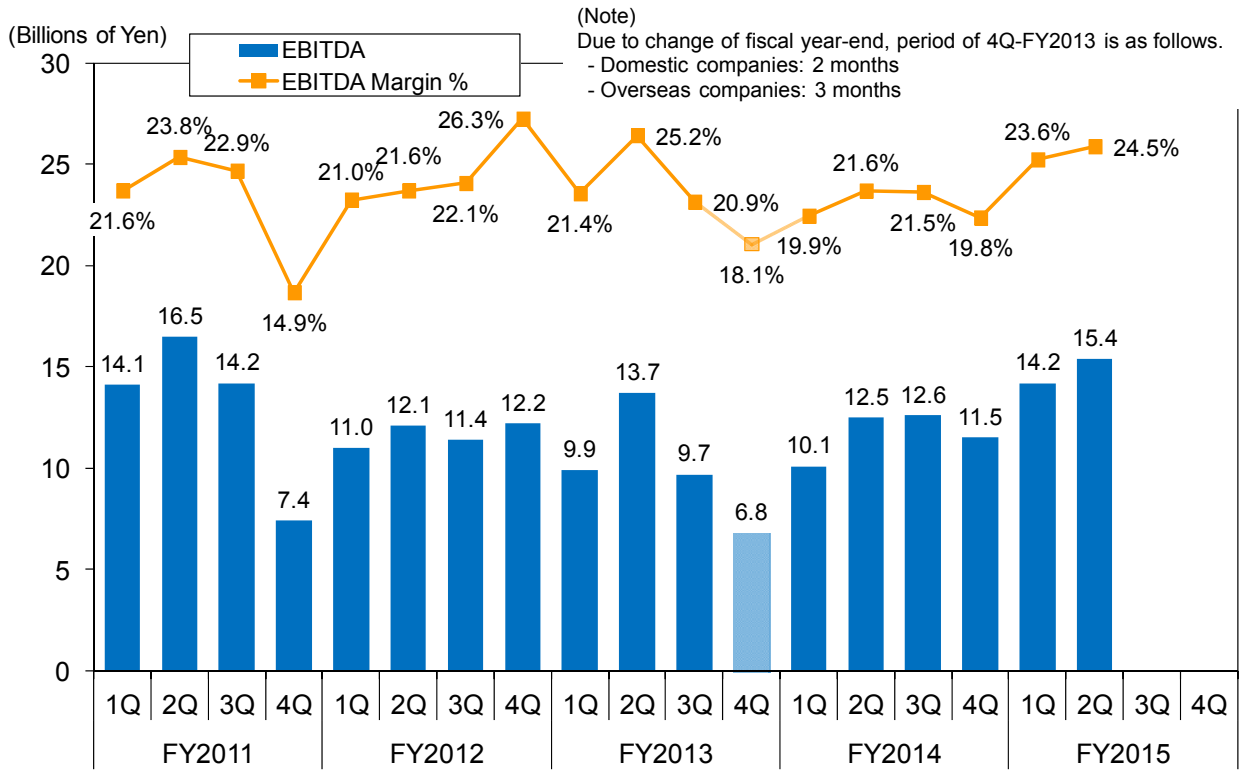
【Analysis of Changes in Operating Income】



¥3.0 billion Decrease

Reference Materials

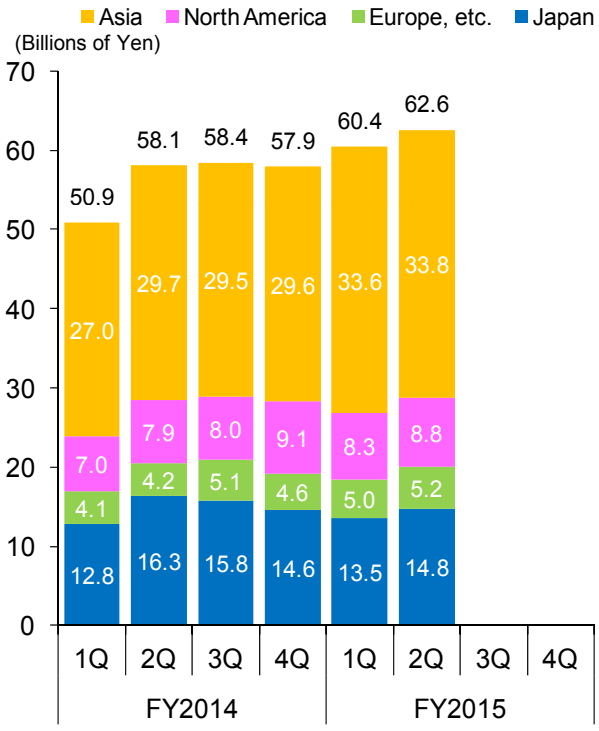
Reference Materials: EBITDA



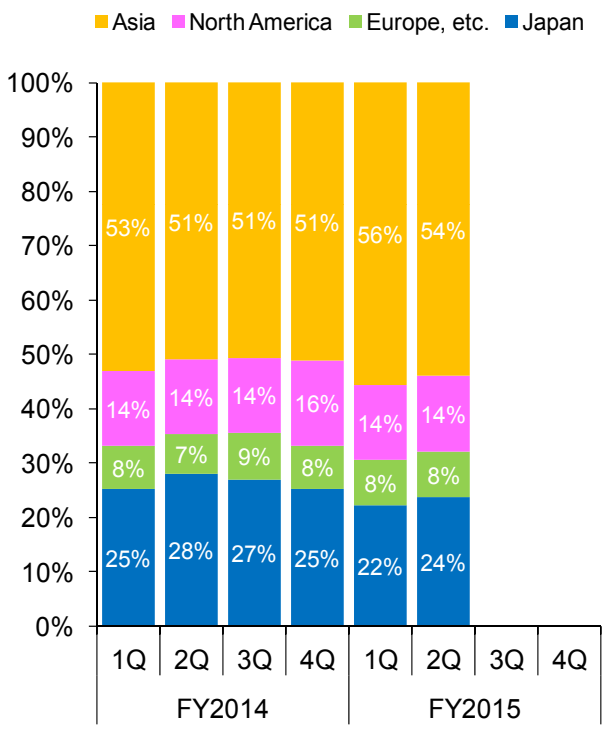
（Note）EBITDA = Operating Income + Depreciation + Amortization of goodwill

Reference Materials: Sales Results

Changes of Sales



Sales by Region



URL http://www.sumcosi.com/