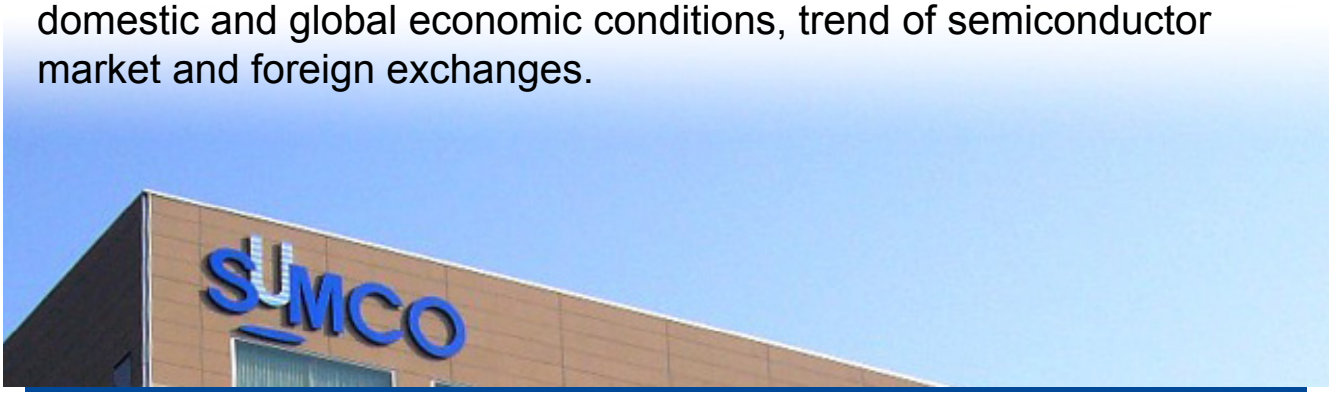
Results for Third Quarter of FY2015 (Ended September 30, 2015)

November 5, 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.



Contents

- Summary and Market Environment
- 3Q-2015 Consolidated Business Results
  1. Summary of Consolidated Business Results
  2. Analysis of Changes in Operating Income
  3. Consolidated Balance Sheet
  4. Consolidated Cash-Flow
- FY2015 Consolidated Business Forecasts
  1. Consolidated Business Forecasts
  2. Analysis of Changes in Operating Income
- Reference Materials



Summary and Market Environment

Mayuki Hashimoto,
President and CEO

1-1. Summary

3Q-2015 Consolidated Business Results

(Billions of Yen)

	3Q-2014 Act (9 months)	3Q-2015 Act (9 months)	Change	%
Net Sales	167.4	181.9	+14.5	+8.7%
Operating Income	19.8	25.5	+5.7	+28.6%
Ordinary Income	16.7	22.2	+5.5	+32.7%
Net Income	12.7	15.7	+3.0	+23.3%
Exchange Rate (Yen/US$)	102.7	120.9	+18.2	

FY2015 Consolidated Business Forecasts

(Billions of Yen)

	FY2014 Actual	FY2015 Forecast	Change	%
Net Sales	225.3	234.4	+9.1	+4.0%
Operating Income	25.6	28.5	+2.9	+11.1%
Ordinary Income	21.9	24.2	+2.3	+10.4%
Net Income	16.2	17.2	+1.0	+5.6%
Exchange Rate (Yen/US$)	105.1	120.7	+15.6	

1-2. Market Environment

3Q-2015

- ✔ 300mm: Correction starting in 3Q
  - ・DRAM: Sluggish demand, with PC sales decline
  - ・NAND: Solid performance, with SSD growth for data centers and larger memory size on smartphones
  - ・Logic: Decline in demand, due to PC and smartphone quantity adjustment
- ✔ 200mm: Flat demand, for all segments including automobile and consumer
- ✔ 150mm Downward

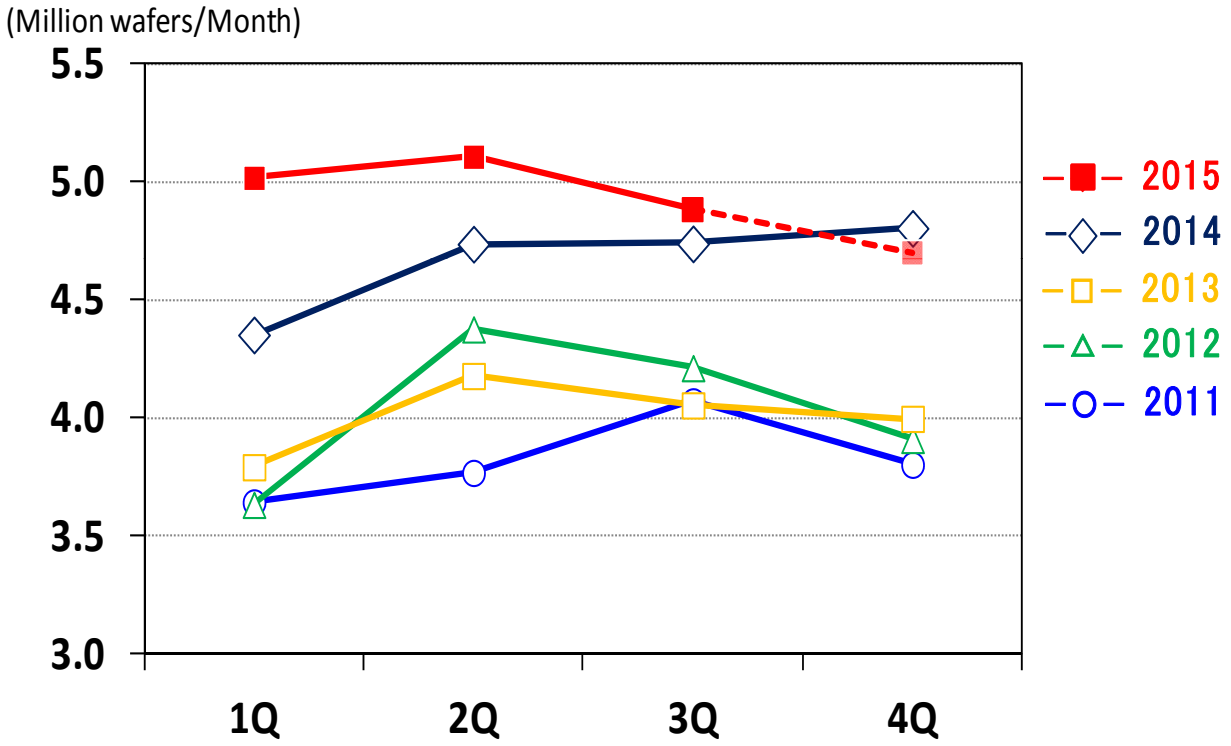
OUTLOOK

- ✔ 300mm:
  - ・DRAM: Demand to continue sluggish due to weak PC sales
  - ・NAND: Solid performance, with SSD growth for data centers and high functionality on smartphones
  - ・Logic: Impact of PC and smartphone quantity adjustment to continue
- ✔ 200mm: Softening of demand, especially for consumer and industrial use in spite of firm demand for automobile
- ✔ 150mm: Further weakness
- ✔ Correction to end in 1Q-2016, on way to demand recovery

PRICE OUTLOOK

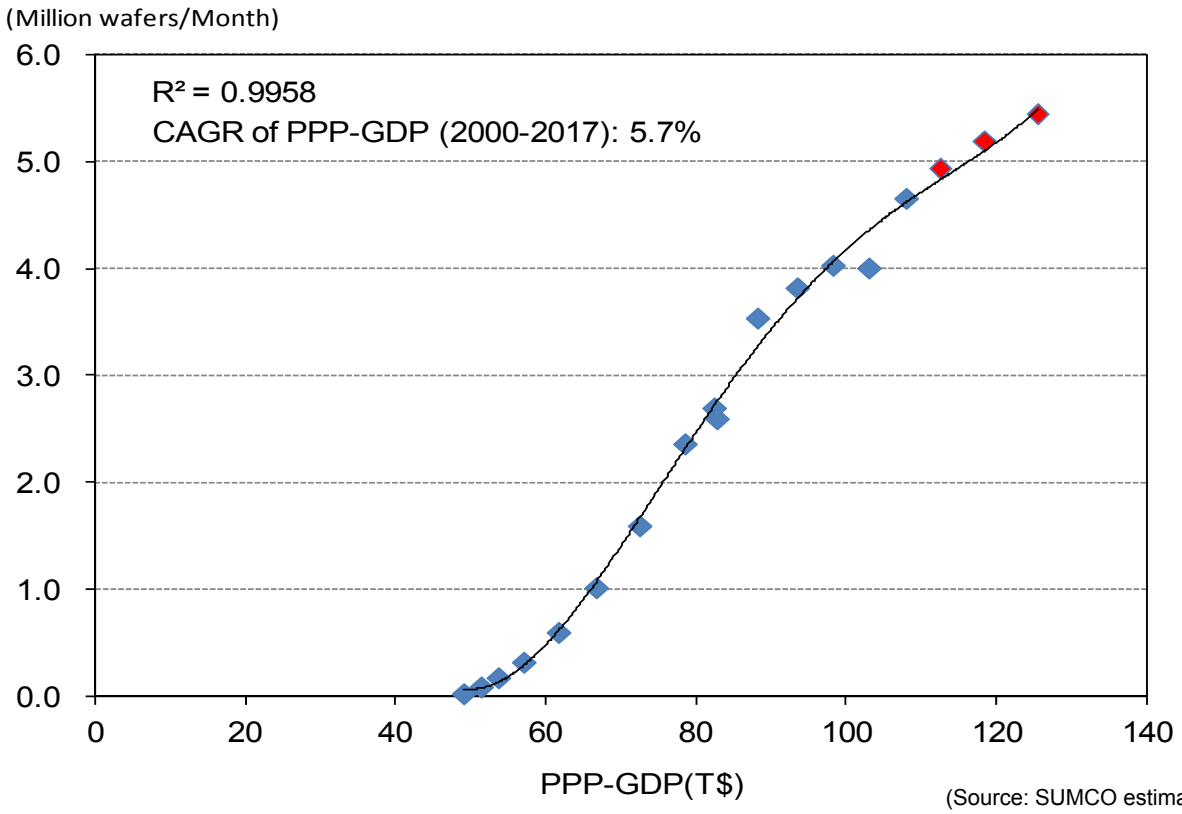
- ✔ Demand softening will make it hard to negotiate price hikes

1-3. Seasonality of 300mm Wafer Trend



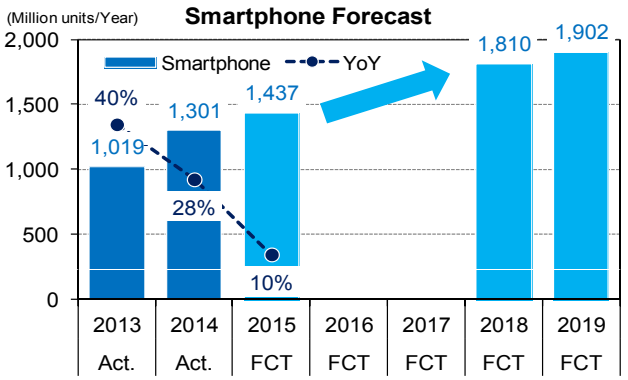
(Source: SUMCO estimation)

2-1. 300mm Wafer Growth and PPP-GDP

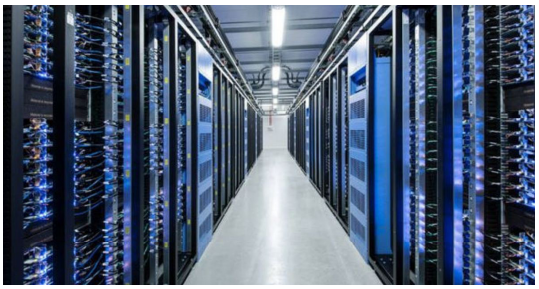


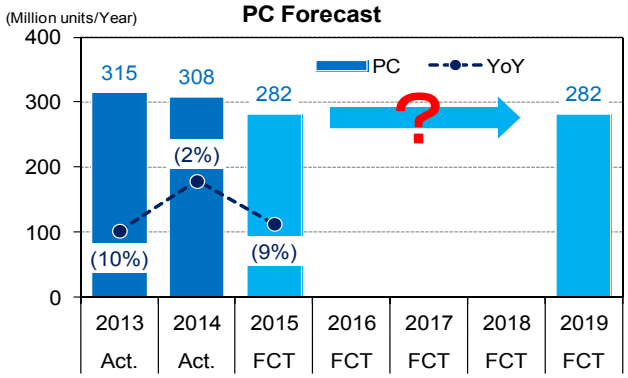
(Source: SUMCO estimation)

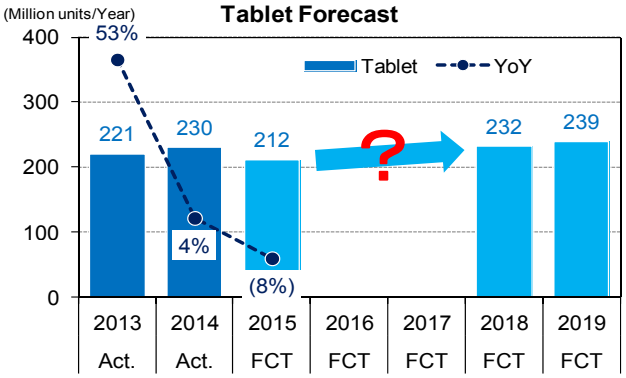
2-2. Smartphone, PC, Tablet and Data Center



Data Center

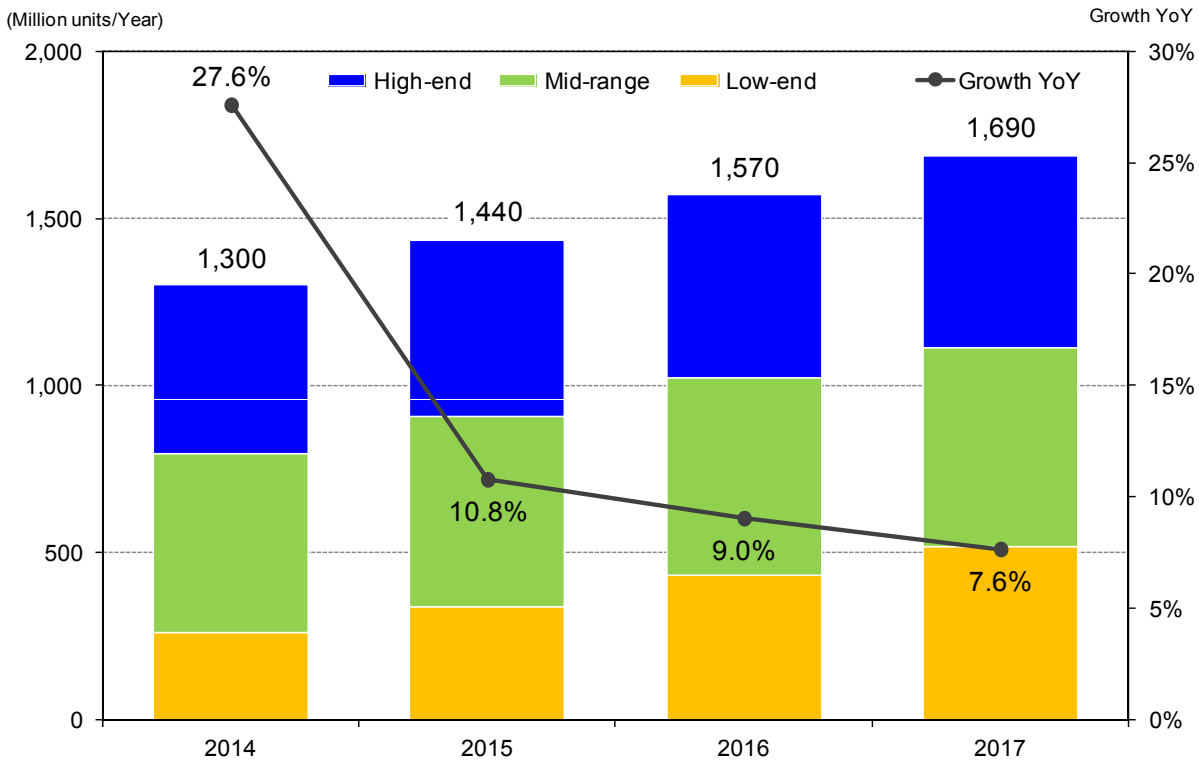






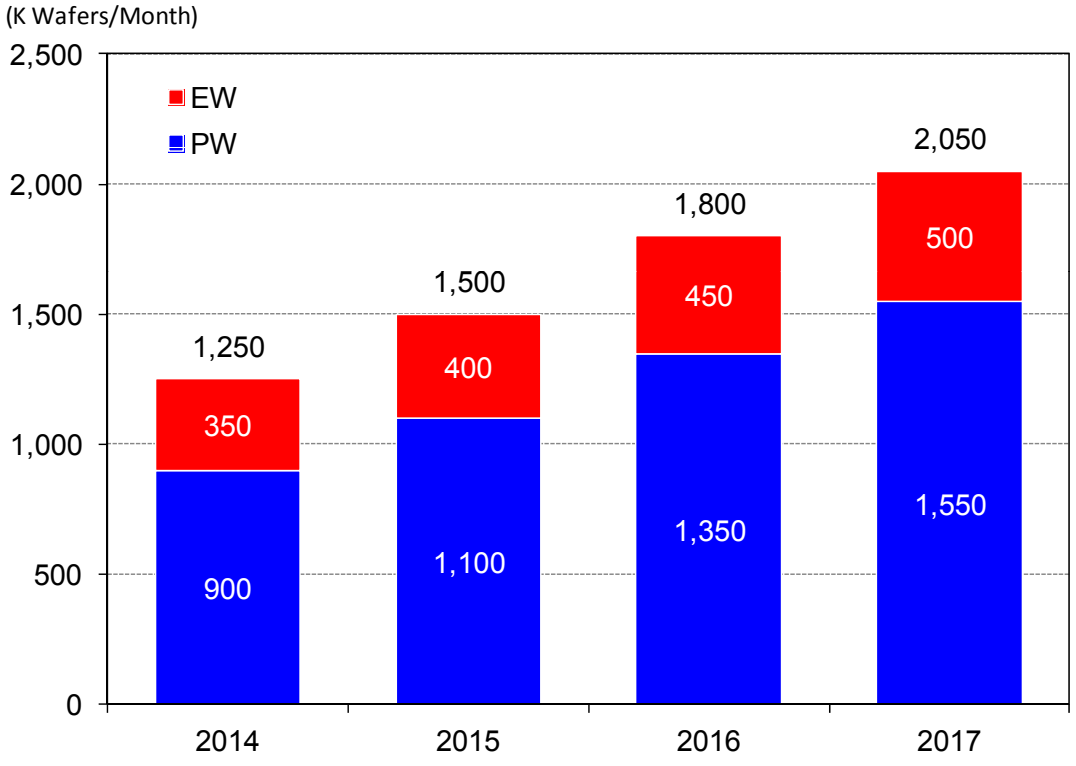
(Source: SUMCO estimation based on IDC)

2-3. Forecast Smartphone Shipment



(Source: SUMCO estimation)

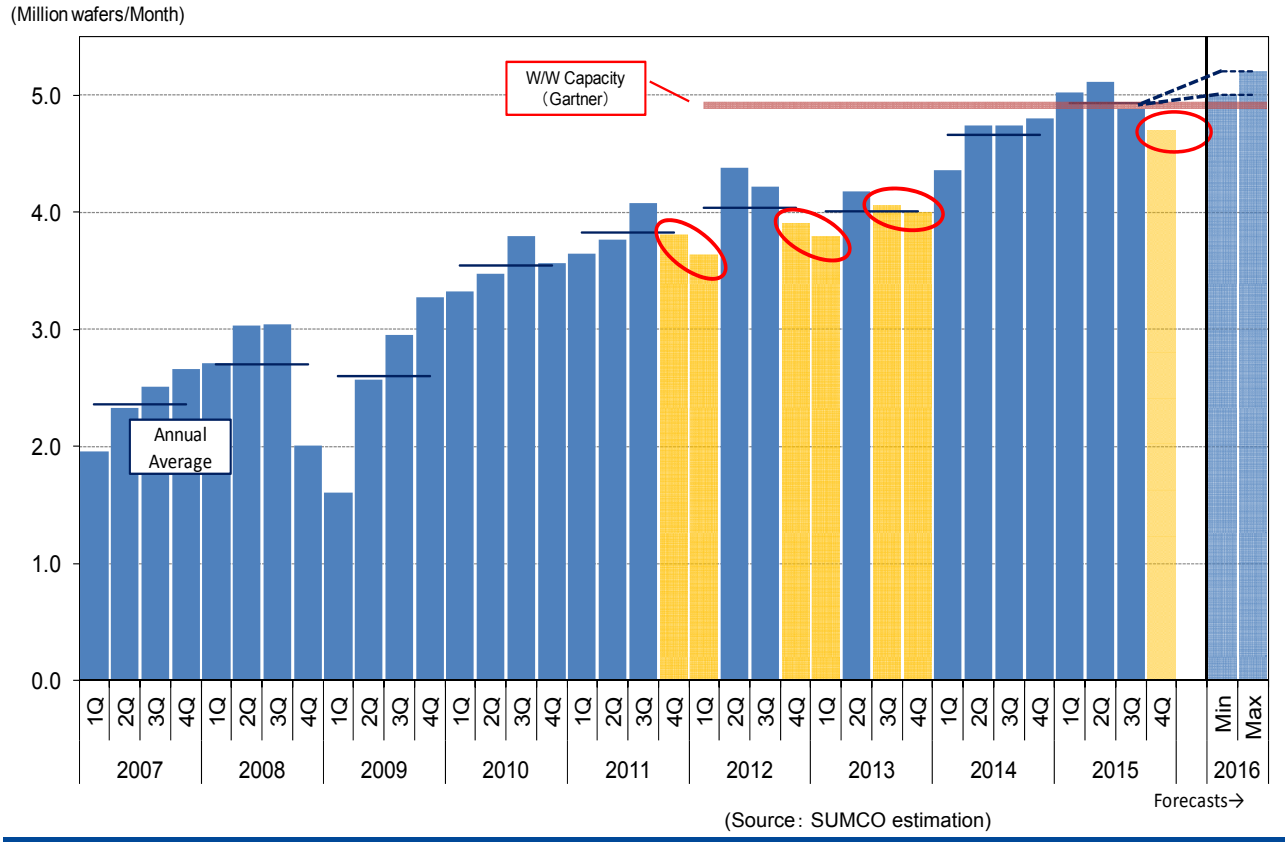
2-4. Forecast 300mm Wafer for Smartphone



(Note) Excluding test wafer

(Source: SUMCO estimation)

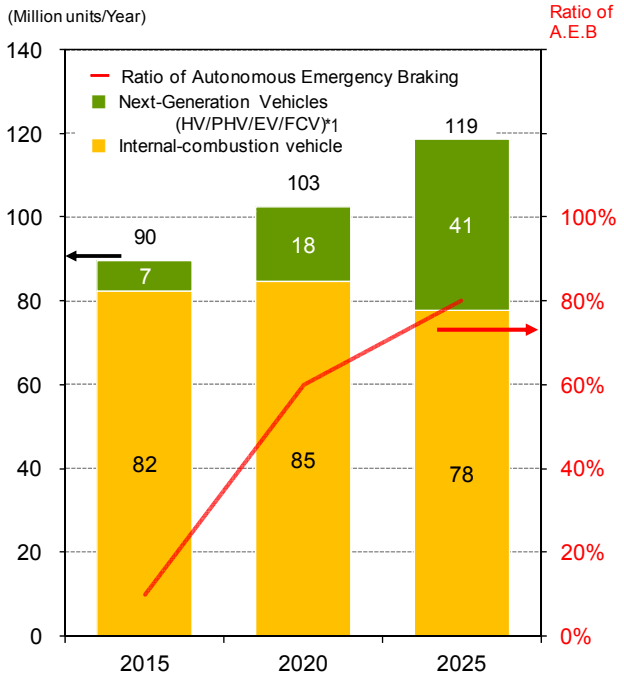
2-5. Forecast 300mm Wafer



(Source: SUMCO estimation)

2-6. Growth of Automotive Device

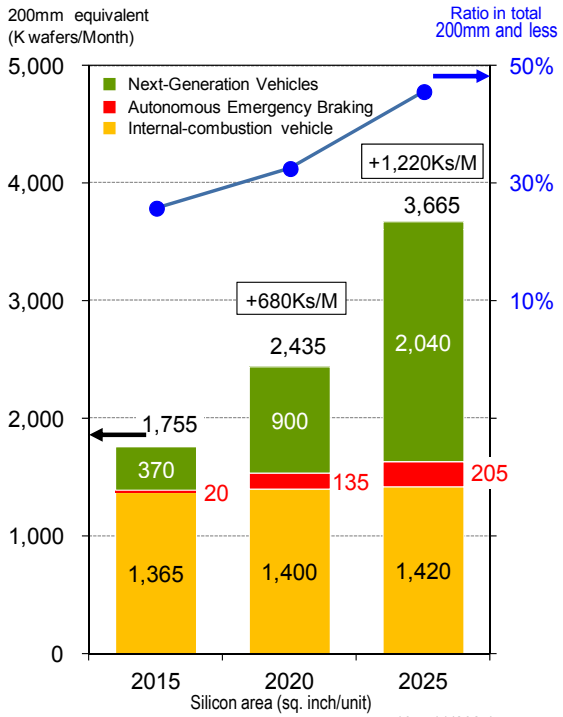
Forecast World car shipment number



Source: SUMCO Estimation based on IEA/ETP 2012

Note 1 ; HV: **H**ybrid **V**ehicle, PHV: **P**lug-in **H**ybrid **V**ehicle, EV: **E**lectric **V**ehicle, FCV: **F**uel **C**ell **V**ehicle

Forecast 200mm equivalent



Silicon area (sq. inch/unit)
Internal-combustion vehicle : 10→11(2025),
Next-Generation Vehicles: 30
Autonomous Emergency Braking: 1.3

(Source: SUMCO estimation)

3Q-2015
Consolidated Business Results

Michiharu Takii,
Executive Vice President and CFO

3-1. Summary of Consolidated Business Results

(Billions of Yen)

	3Q-2014 Actual	3Q-2015 Actual				Change
		1Q	2Q	3Q	Total	
Net Sales	167.4	60.4	62.6	58.9	181.9	+14.5
Operating Income	19.8	8.8	9.5	7.2	25.5	+5.7
Non-operating Income and Expenses	(3.1)	(1.4)	(1.6)	(0.3)	(3.3)	(0.2)
Ordinary Income	16.7	7.4	7.9	6.9	22.2	+5.5
Extraordinary Income and Expenses	-	-	-	-	-	-
Income Taxes and Minority Interests	(4.0)	(2.3)	(2.1)	(2.1)	(6.5)	(2.5)
Net Income	12.7	5.1	5.8	4.8	15.7	+3.0
Capital Expenditure (Acceptance basis)	7.9	2.8	2.9	4.7	10.4	+2.5
Depreciation	14.2	5.0	5.4	5.6	16.0	+1.8
EBITDA (Note)	35.2	14.2	15.4	13.1	42.7	+7.5
Exchange Rate (Yen/US$)	102.7	119.4	121.0	122.5	120.9	+18.2
Operating Margin (%)	11.9%	14.7%	15.2%	12.2%	14.0%	+2.1%
EBITDA Margin (%)	21.1%	23.6%	24.5%	22.3%	23.5%	+2.4%
ROE (%)	9.7%	10.9%	11.5%	9.3%	10.7%	+1.0%
Net Income per Share (Yen)	46.21	-	-	-	56.56	+10.35

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

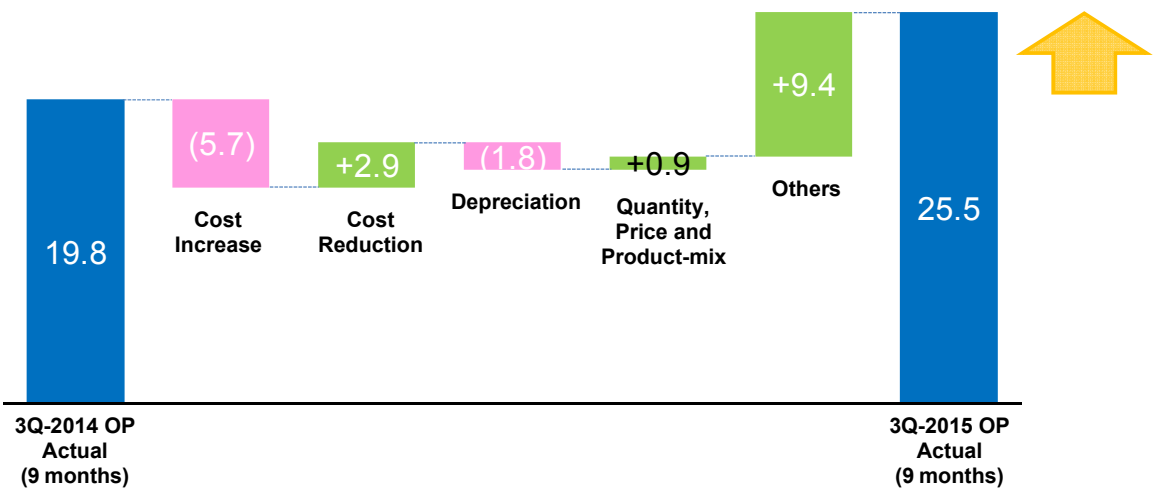
3-2. Analysis of Changes in Operating Income

■ 3Q-2014 Actual → 3Q-2015 Actual

(Billions of Yen)

	3Q-2014 Act (9 months)	3Q-2015 Act (9 months)	Change
Net Sales	167.4	181.9	+14.5
Operating Income	19.8	25.5	+5.7
Exchange Rate (Yen/US$)	102.7	120.9	+18.2

【Analysis of Changes in Operating Income】



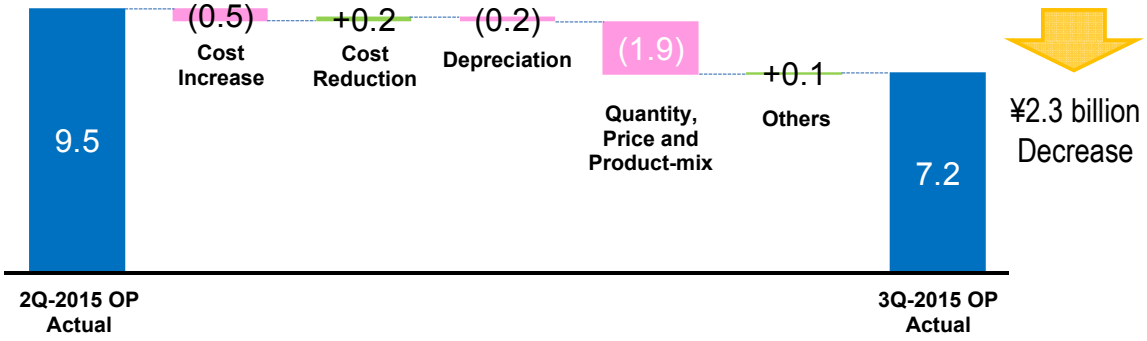
3-3. Analysis of Changes in Operating Income

■ 2Q-2015 Actual → 3Q-2015 Actual

(Billions of Yen)

	2Q-2015 Actual	3Q-2015 Actual	Change
Net Sales	62.6	58.9	(3.7)
Operating Income	9.5	7.2	(2.3)
Exchange Rate (Yen/US$)	121.0	122.5	+1.5

【Analysis of Changes in Operating Income】



3-4. Consolidated Balance Sheet

(Billions of Yen)

	End of Dec-2014	End of Sep-2015	Change
Cash and time deposits	65.7	49.3	(16.4)
Finished products and WIP	28.8	30.0	+1.2
Raw materials and supplies	122.0	130.0	+8.0
Tangible and intangible assets	183.6	174.8	(8.8)
Deferred income tax assets	5.2	3.8	(1.4)
Other assets	105.2	102.9	(2.3)
Total Assets	510.5	490.8	(19.7)
Debt and borrowings	221.0	184.5	(36.5)
Other liabilities	72.8	67.0	(5.8)
Liabilities	293.8	251.5	(42.3)
Capital stock	136.6	138.7	+2.1
Capital surplus	15.6	23.3	+7.7
Retained earnings	30.9	44.4	+13.5
Others	33.6	32.9	(0.7)
Equity	216.7	239.3	+22.6
Shareholders' equity ratio	36.2%	42.3%	+6.1%
Equity per share (¥)	538.8	707.2	+168.4
D/E ratio (gross)	1.2x	0.9x	(0.3)x
D/E ratio (net)	0.8x	0.7x	(0.1)x

3-5. Consolidated Cash-Flow

(Billions of Yen)

	3Q-2015 (9 months)
Income before income taxes and minority interests	22.2
Depreciation	16.0
Subtotal	38.2
Increase in inventories	(6.7)
Changes in working capital, etc.	(5.2)
Net cash provided by operating activities	26.3
Capital expenditure (Acceptance basis)	(10.4)
Others, net	0.8
Net cash used in investing activities	(9.6)
Free cash-flow	16.7

FY2015
Consolidated Business Forecasts

4-1. FY2015 Consolidated Business Forecasts

(Billions of Yen)

	FY2014 Actual	FY2015 Forecast 1Q Actual	2Q Actual	3Q Actual	4Q FCT	Total	Change
Net Sales	225.3	60.4	62.6	58.9	52.5	234.4	+9.1
Operating Income	25.6	8.8	9.5	7.2	3.0	28.5	+2.9
Non-operating Income and Expenses	(3.7)	(1.4)	(1.6)	(0.3)	(1.0)	(4.3)	(0.6)
Ordinary Income	21.9	7.4	7.9	6.9	2.0	24.2	+2.3
Extraordinary Income and Expenses	-	-	-	-	-	-	-
Income Taxes and Minority Interests	(5.7)	(2.3)	(2.1)	(2.1)	(0.5)	(7.0)	(1.3)
Net Income	16.2	5.1	5.8	4.8	1.5	17.2	+1.0
Capital Expenditure (Acceptance basis)	11.4	2.8	2.9	4.7	7.6	18.0	+6.6
Depreciation	19.4	5.0	5.4	5.6	6.0	22.0	+2.6
EBITDA (Note)	46.7	14.2	15.4	13.1	9.3	52.0	+5.3
Exchange Rate (Yen/US$)	105.1	119.4	121.0	122.5	120.0	120.7	+15.6
Operating Margin (%)	11.4%	14.7%	15.2%	12.2%	5.7%	12.2%	+0.8%
EBITDA Margin (%)	20.7%	23.6%	24.5%	22.3%	17.7%	22.2%	+1.5%
ROE (%)	9.2%	10.9%	11.5%	9.3%	2.8%	8.7%	(0.5%)
Net Income per Share (Yen)	58.84	-	-	-	-	61.02	+2.18

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

4-2. Analysis of Changes in Operating Income

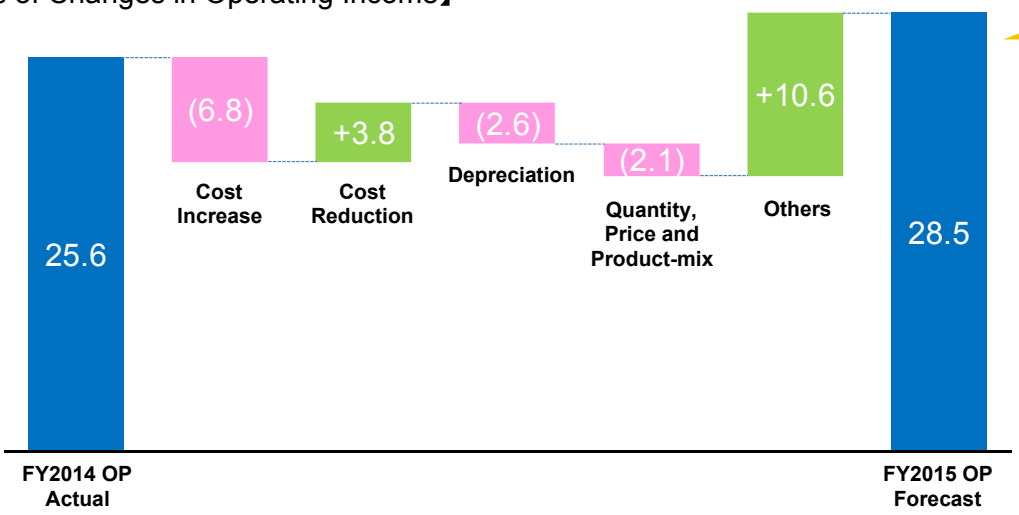
■ FY2014 Actual → FY2015 Forecast

(Billions of Yen)

	FY2014 Actual	FY2015 Forecast	Change
Net Sales	225.3	234.4	+9.1
Operating Income	25.6	28.5	+2.9
Exchange Rate (Yen/US$)	105.1	120.7	+15.6

【Analysis of Changes in Operating Income】

¥2.9 billion Increase



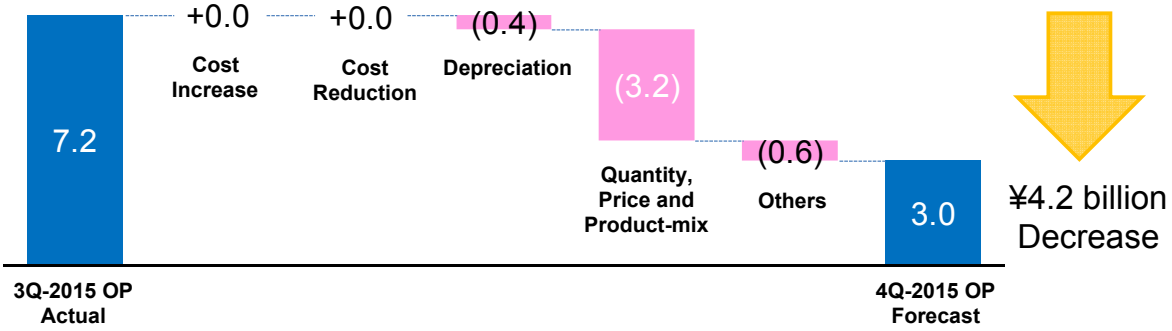
4-3. Analysis of Changes in Operating Income

■ 3Q-2015 Actual → 4Q-2015 Forecast

(Billions of Yen)

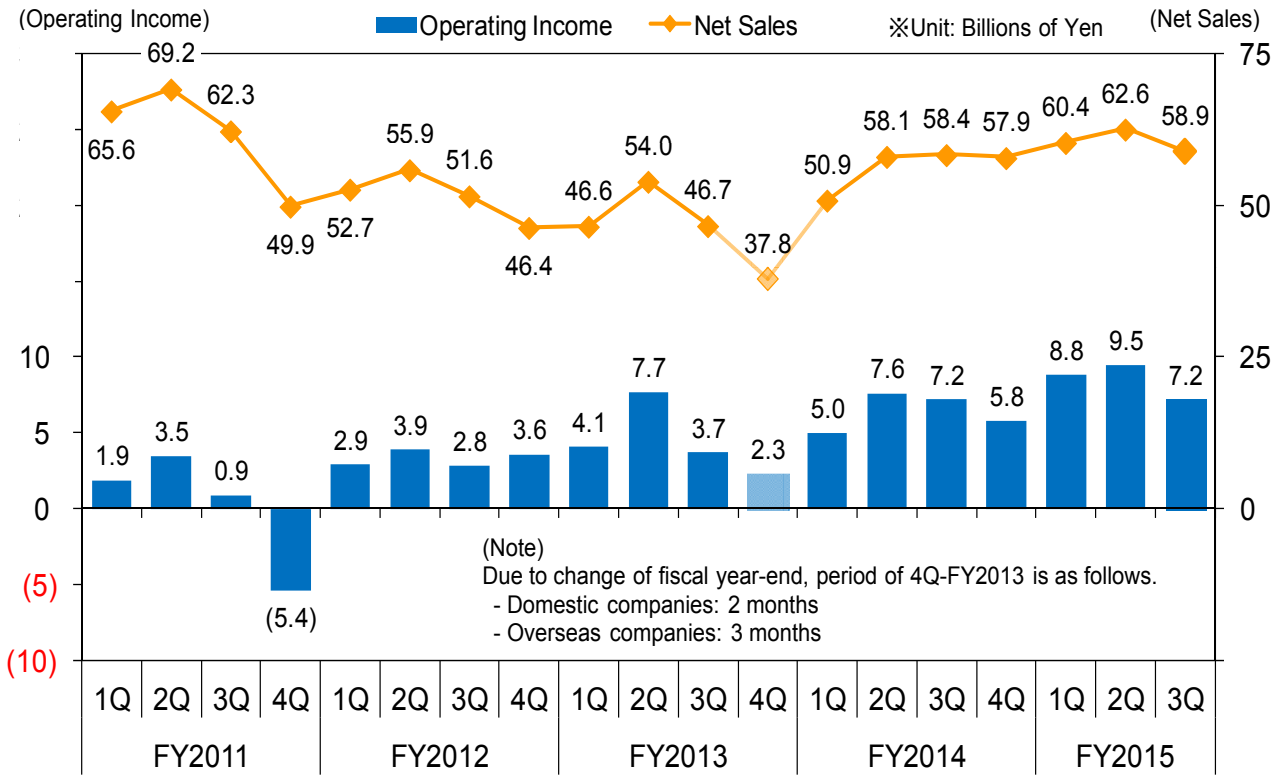
	3Q-2015 Actual	4Q-2015 Forecast	Change
Net Sales	58.9	52.5	(6.4)
Operating Income	7.2	3.0	(4.2)
Exchange Rate (Yen/US$)	122.5	120.0	(2.5)

【Analysis of Changes in Operating Income】

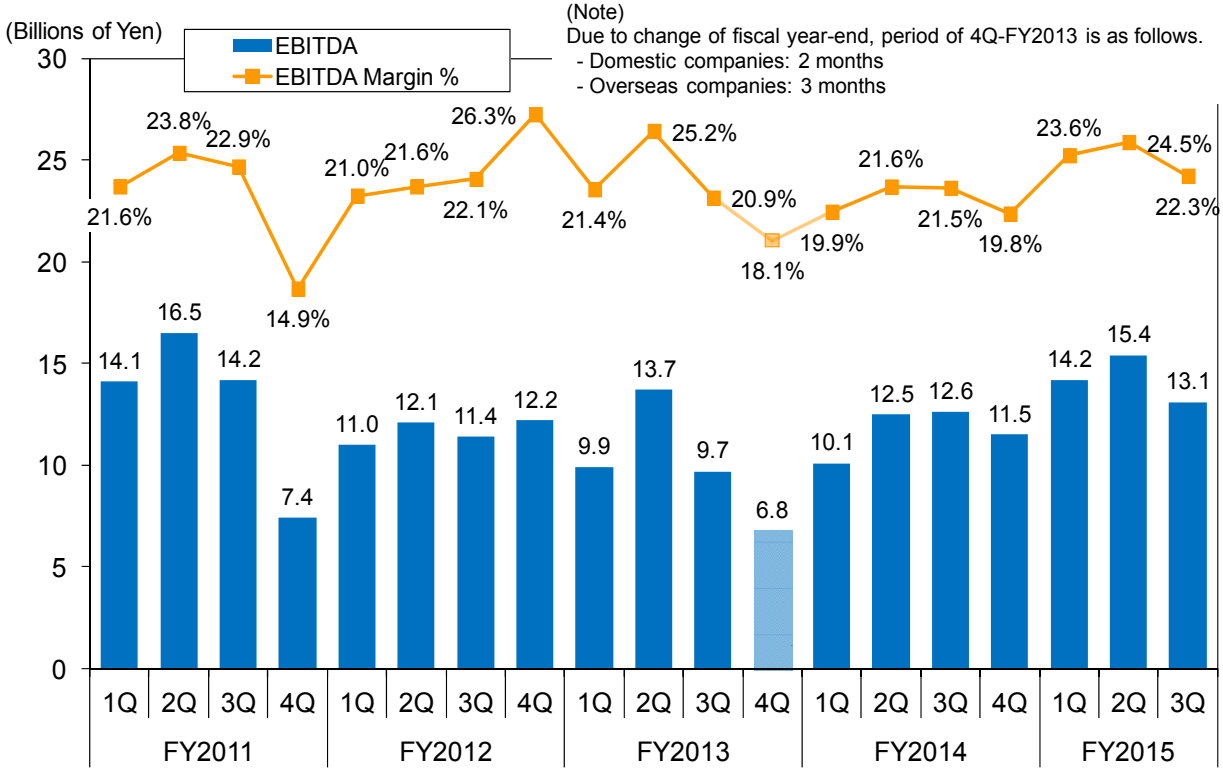


Reference Materials

Reference Materials: Quarterly Trend



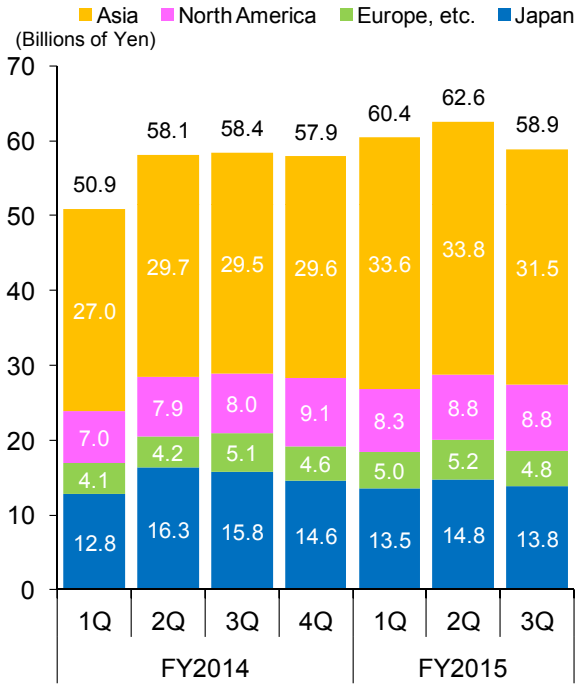
Reference Materials: EBITDA



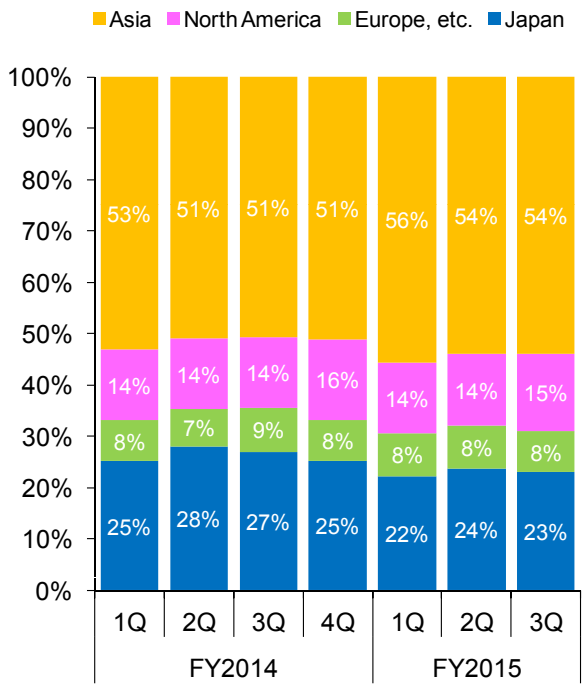
（Note）EBITDA = Operating Income + Depreciation + Amortization of goodwill

Reference Materials: Sales Results

Changes of Sales



Sales by Region



URL http://www.sumcosi.com/