

# Results for Fiscal Year 2021 (Ended December 31, 2021)

February 9, 2022  
SUMCO Corporation  
(Code: 3436)  
(LEI: 353800SUSRUOM0V6KU92)

## 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

Representative Director,  
CEO & Chairman of the Board

## 4Q-2021 Consolidated Business Result

(Billions of Yen)

	4Q-2021 Forecast	4Q-2021 Actual	Change
Net Sales	88.5	91.2	+2.7
Operating Income	14.0	15.0	+1.0
Ordinary Income	12.5	16.0	+3.5
Net Income (Note)	9.0	14.2	+5.2
Exchange Rate (Yen/US\$)	113.0	113.2	+0.2

## 1Q-2022 Consolidated Business Forecast

(Billions of Yen)

	4Q-2021 Actual	1Q-2022 Forecast	Change
Net Sales	91.2	99.0	+7.8
Operating Income	15.0	21.0	+6.0
Ordinary Income	16.0	20.0	+4.0
Net Income (Note)	14.2	13.0	(1.2)
Exchange Rate (Yen/US\$)	113.2	115.0	+1.8

(Note) Net income attributable to owners of the parent

## 1-2. Shareholder Return (Forecast)

		FY2017 (Dec-2017)	FY2018 (Dec-2018)	FY2019 (Dec-2019)	FY2020 (Dec-2020)	FY2021 (Dec-2021)
Dividends per share for common stocks (Yen)	Interim	10	30	25	18	17
	Year-end	18	32	10	9	24
	Total	28	62	35	27	41
Dividends payment (Billions of Yen)	Interim	2.9	8.7	7.3	5.2	4.9
	Year-end	5.2	9.3	2.9	2.6	8.4
	Total	8.2	18.1	10.2	7.8	13.3
Dividend ratio (%)	Total	30.4%	31.0%	31.0%	30.9%	(*) 30.2%
Share Buyback						
Amount (Billions of Yen)	Total	-	-	3.3	2.5	(*) -
	Ratio (%)	Total	-	10.0%	9.8%	-
Total Return Ratio (%)	Total	30.4%	31.0%	41.0%	40.7%	30.2%

\*1. Dividend ratio for FY2021 is calculated by net income per share (135.86 yen) and dividend (41 yen).

\*2. Share buyback for FY2021 will not be implemented.

## 2-1. Market Environment

### 4Q-2021

- ✓ Volume - Strong demand for 300 mm wafers for both logic and memory, continuing to exceed supply capability
  - For wafers of 200 mm and smaller, as well, supply fell short of demand due to strong needs for automotive, consumer and industrial
- ✓ Pricing - Existing long-term agreement prices were unchanged, while spot prices for both 300 mm and 200 mm wafers continued to rise

### 1Q-2022 Forecast

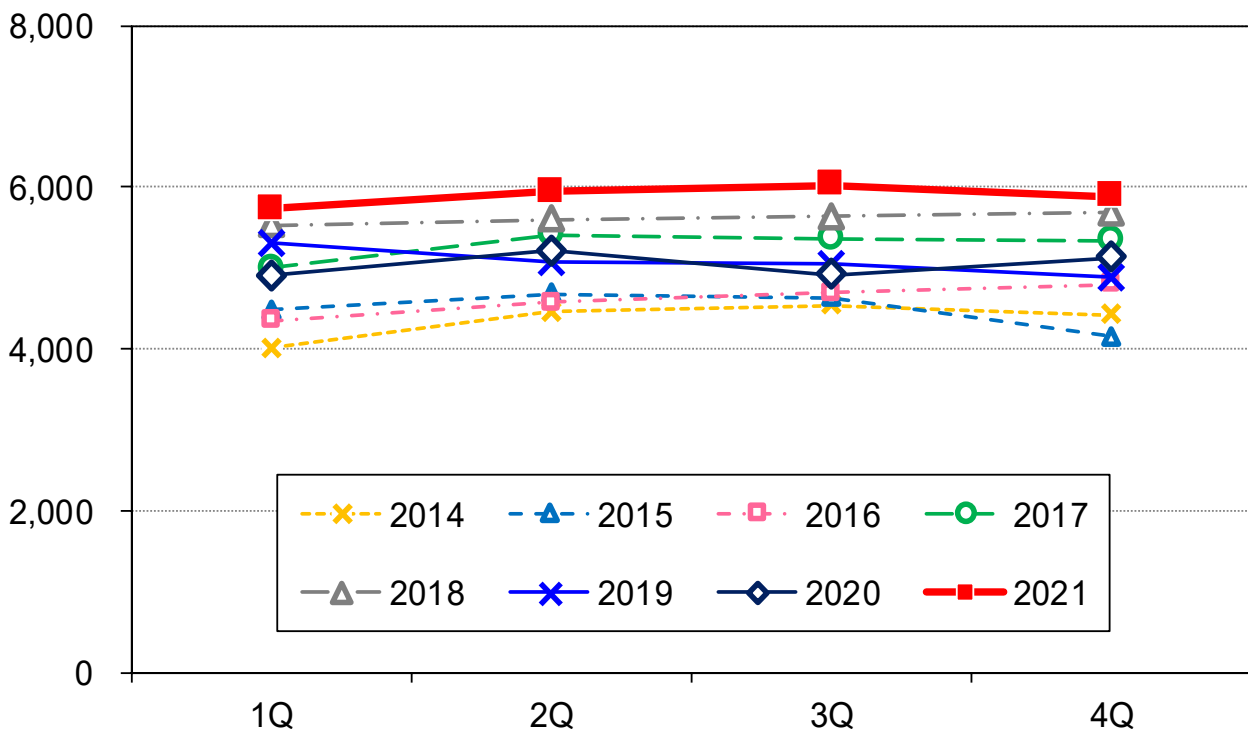
- ✓ Volume - While customer needs for 300 mm wafers for both logic and memory are increasingly strong, we will be unable to meet these
  - Supply of wafers 200 mm and smaller will continue falling short of demand
- ✓ Pricing - New long-term agreement prices kick in toward Green Field investment in 300 mm wafers
  - New agreement prices start being applied to 200 mm wafers as well

### Outlook

- ✓ Demand for 300 mm wafers for both logic and memory use is expected to continue growing, with the entire volume including the increase from new facilities to be covered by long-term contracts through fiscal 2026. Even with the increased production from Green Field investment, supply and demand tightness is expected to continue
- ✓ On Monday Jan. 17, SUMCO held a ceremony to offer prayers for safety at our new 300 mm wafer plant in Imari
- ✓ Strong demand is expected to continue also for 200 mm wafers

## 2-2. 200mm Wafer Trend

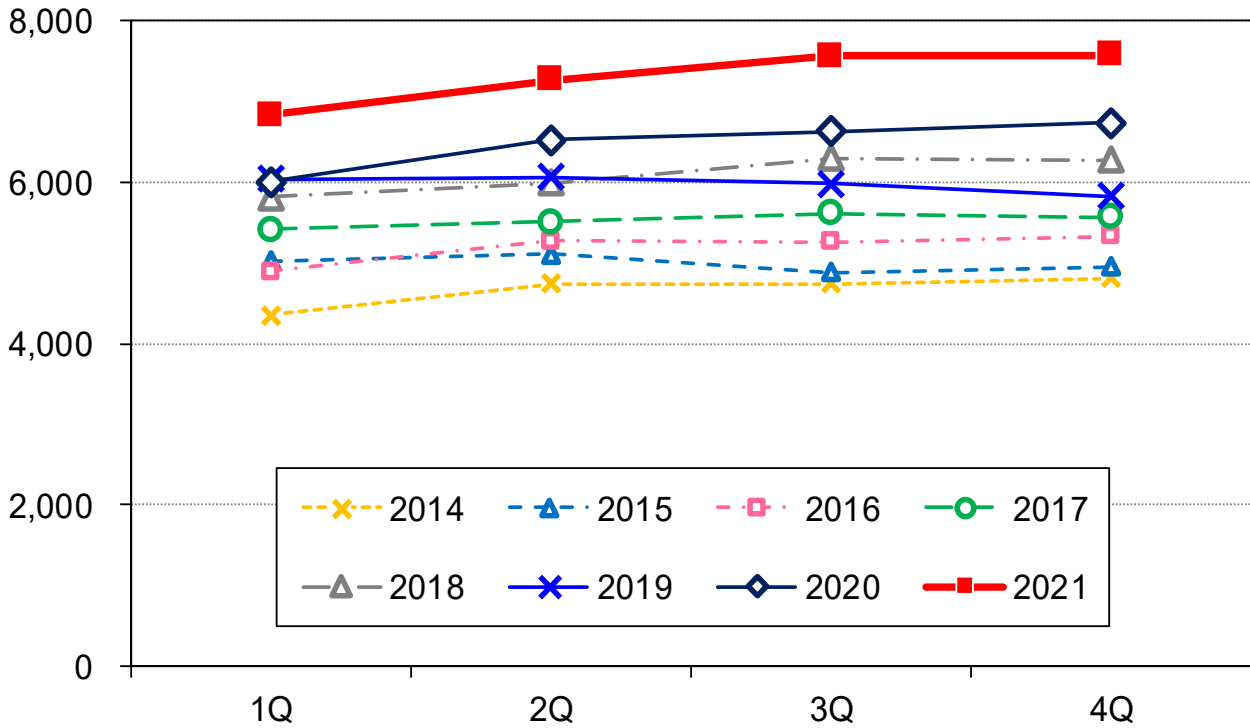
(K wafres/month)



(Source: SUMCO estimation)

## 2-3. 300mm Wafer Trend

(K wafers/month)

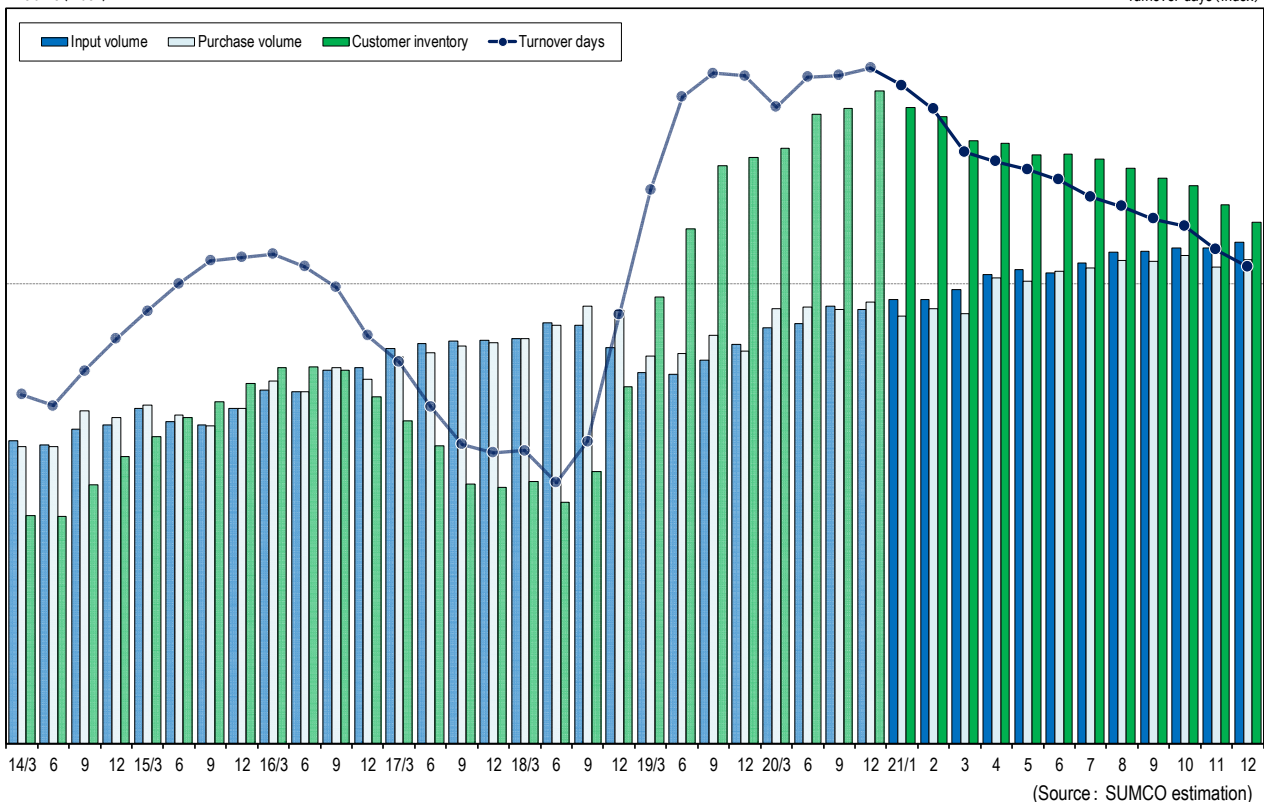


(Source: SUMCO estimation)

## 2-4. Customer 300mm Wafer Inventory Trend

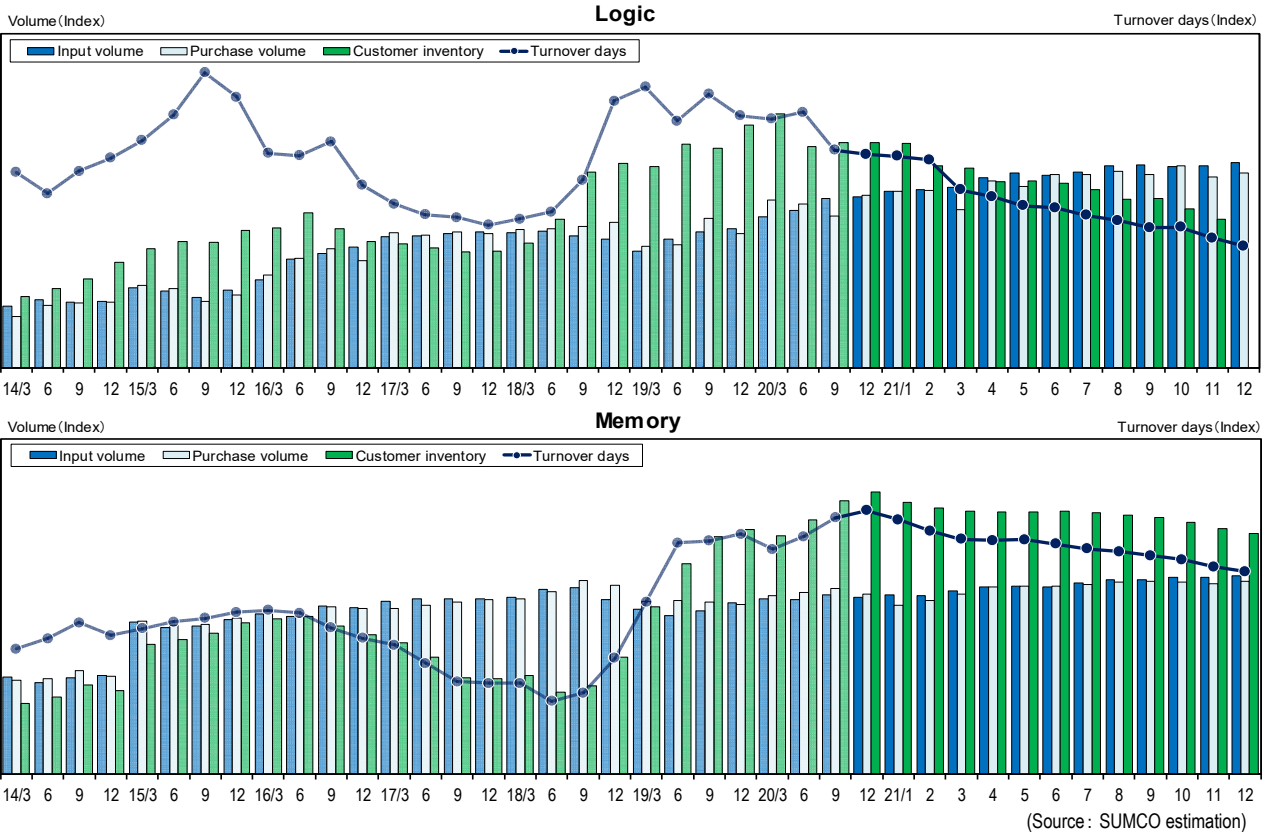
Volume (Index)

Turnover days (Index)

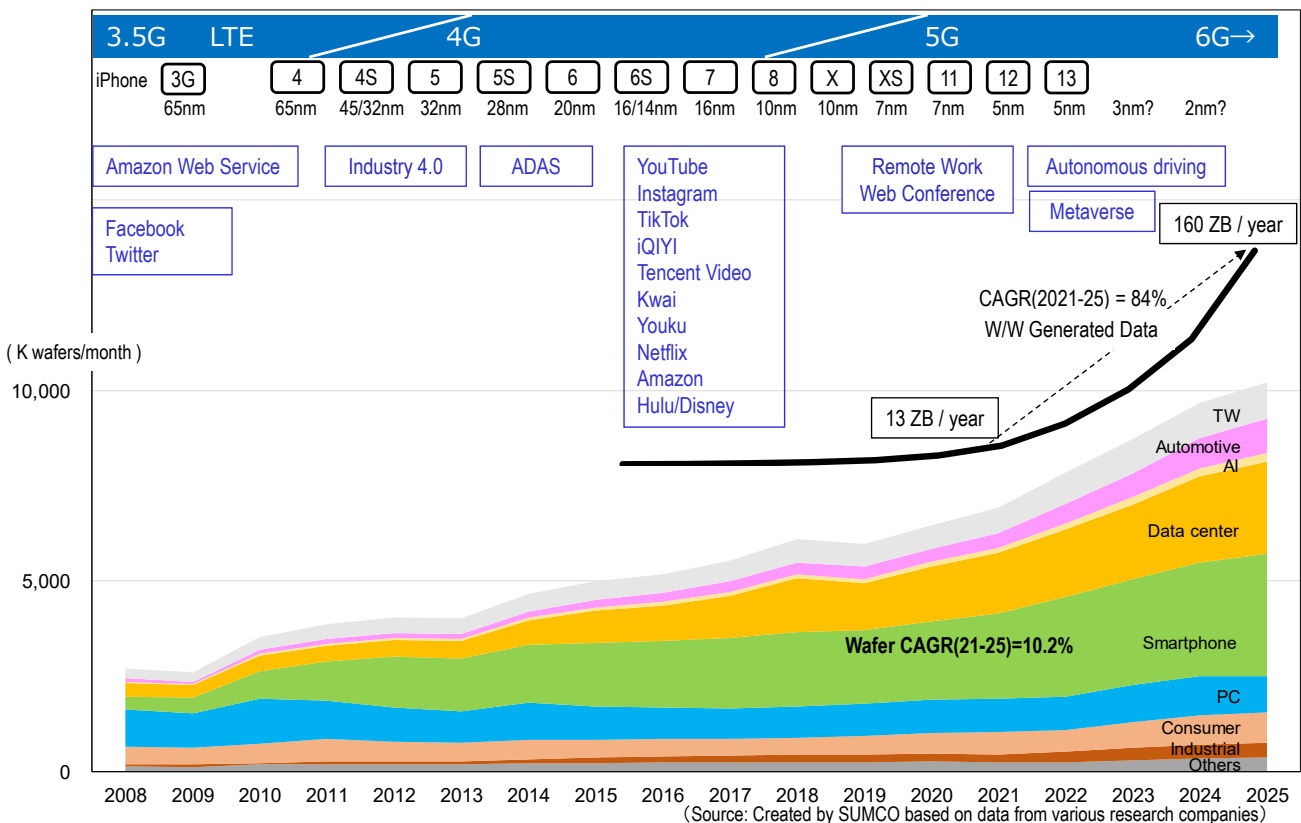


(Source: SUMCO estimation)

# 2-5. Customer 300mm Wafer Inventory (Logic/Memory)



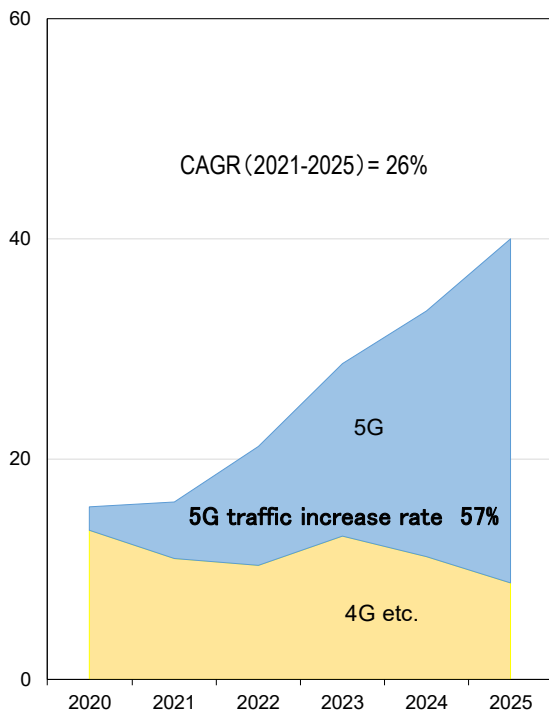
# 3-1. Growth Driver for 300 mm Wafer



### 3-2. Wafer Demand Forecast for Smartphone

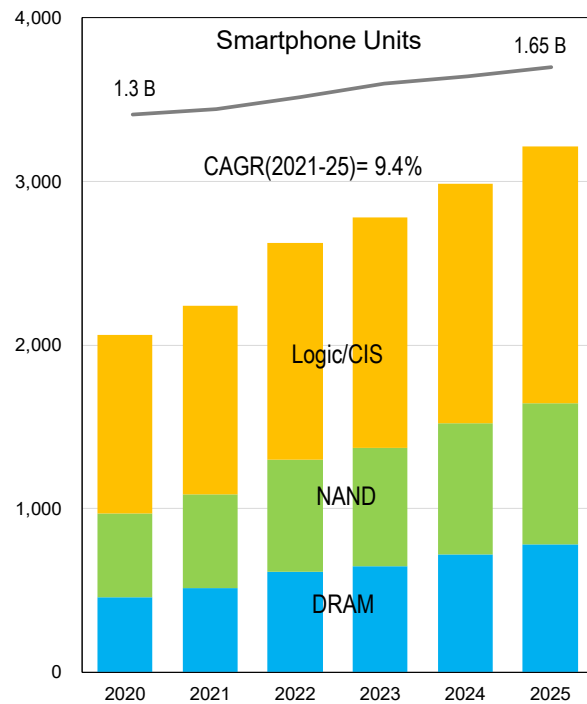


Mobile Data Traffic Increase Amount  
(EB/month)



(Source : SUMCO estimation based on "Ericsson mobility-report (November 2021)")

300 mm Wafer Demand Forecast  
(K wafers/month)



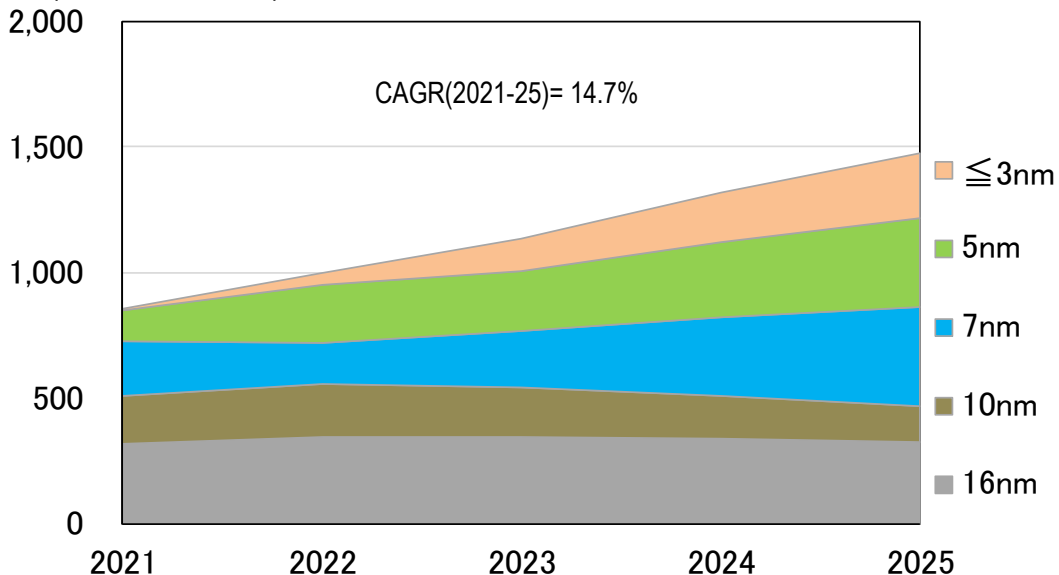
(Source: SUMCO estimation based on data from research companies)

### 3-3. Leading Edge Epi-Wafer for High-Performance Computing



- ✓ Increase in the Computed Data (CAGR(2021-2025) = 84%)
- ✓ CPU / AI Chips for Data Centers
- ✓ AP chip for 5G / Smartphone
- ✓ CPU for Autonomous Driving

(K wafers/month)

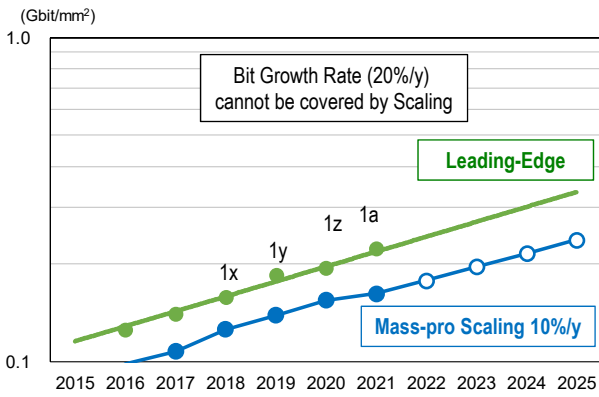


(Source: SUMCO estimation)

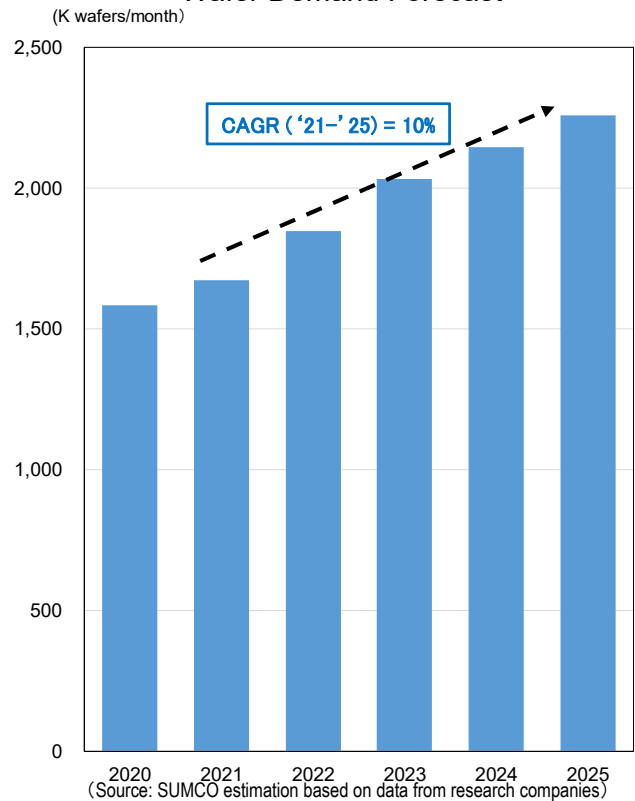
# 3-4. DRAM: Bit Growth and Wafer Demand Forecast



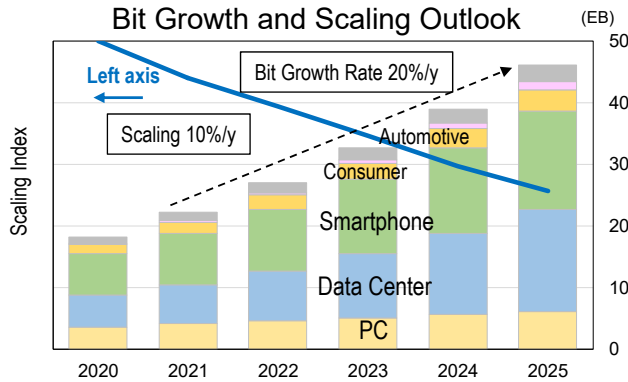
Bit Density Growth by Scaling



Wafer Demand Forecast



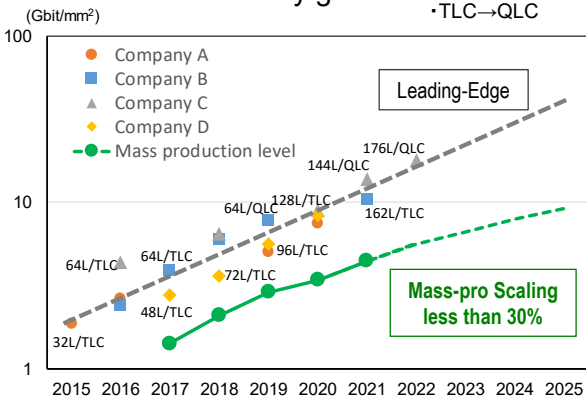
Bit Growth and Scaling Outlook



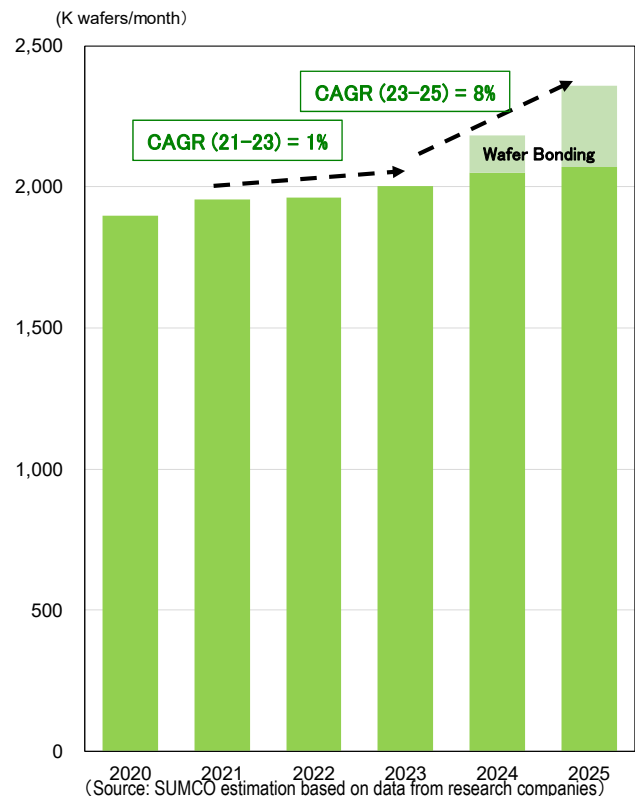
# 3-5. NAND: Bit Growth and Wafer Demand Forecast



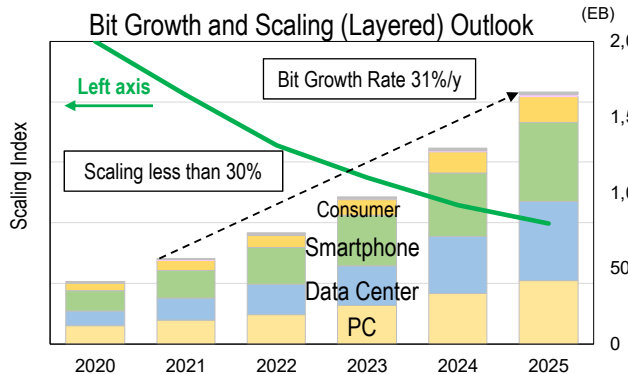
Bit density growth



Wafer Demand Forecast

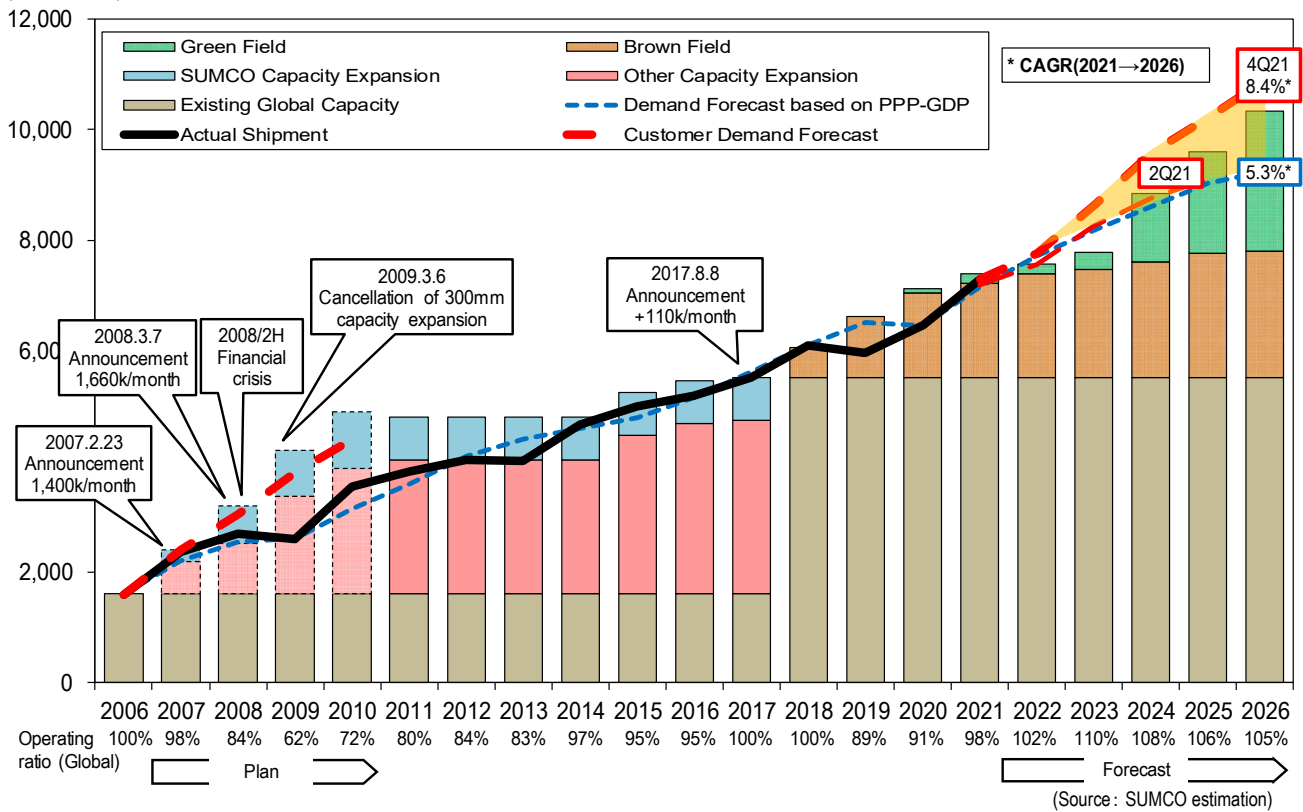


Bit Growth and Scaling (Layered) Outlook





(K wafers/month)



**SUMCO CORPORATION**

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## FY2021 Consolidated Business Result

**Michiharu Takii**  
Representative Director,  
Vice Chairman,  
Chief Financial Officer

## 4-1. Summary of Consolidated Business Result



	FY2020 Actual	FY2021 Actual				Total	Change
		1Q	2Q	3Q	4Q		
Net sales	291.3	75.9	81.8	86.7	91.2	335.6	+44.3
Operating income	37.8	9.3	12.4	14.8	15.0	51.5	+13.7
Non-operating income and expenses	(2.2)	0.1	(0.9)	(0.6)	1.0	(0.4)	+1.8
Ordinary income	35.6	9.4	11.5	14.2	16.0	51.1	+15.5
Extraordinary income and expenses	-	-	-	-	-	-	-
Income taxes	(7.0)	(1.3)	(1.9)	(2.6)	(0.9)	(6.7)	+0.3
Net income attributable to non-controlling interests	(3.1)	(0.8)	(0.6)	(1.0)	(0.9)	(3.3)	(0.2)
Net income attributable to owners of the parent	25.5	7.3	9.0	10.6	14.2	41.1	+15.6
Capital expenditure (Acceptance basis)	53.3	11.2	14.8	22.7	20.8	69.5	+16.2
Depreciation	45.1	11.0	12.0	13.3	15.0	51.3	+6.2
EBITDA <sup>(*)</sup>	84.6	20.8	24.7	28.5	30.3	104.3	+19.7
Exchange rate (Yen/US\$) <sup>(*)</sup>	106.9	104.8	109.8	110.0	113.2	109.6	+2.7
Operating margin (%)	13.0%	12.3%	15.1%	17.1%	16.5%	15.4%	+2.4%
EBITDA margin (%)	29.1%	27.4%	30.3%	32.8%	33.2%	31.1%	+2.0%
ROE (%)	8.3%	9.3%	11.0%	12.7%	13.9%	10.4%	+2.1%
Net income per share (Yen)	87.48	25.35	31.01	36.55	41.71	135.86	+48.38

\*1. EBITDA = Operating Income + Depreciation + Amortization of Goodwill

\*2. If the yen appreciate by 1 yen against the US dollar, operating income of SUMCO will decrease by 1.0 billion yen per year.

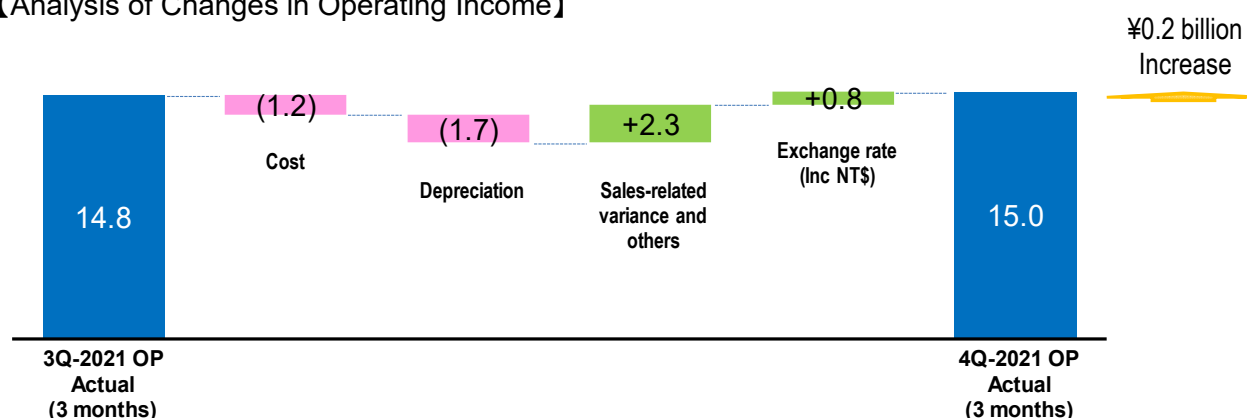
## 4-2. Analysis of Changes in Operating Income



### ■ 3Q-2021 Actual → 4Q-2021 Actual

	3Q-2021 Actual	4Q-2021 Actual	Change
Net Sales	86.7	91.2	+4.5
Operating Income	14.8	15.0	+0.2
Exchange Rate (Yen/US\$)	110.0	113.2	+3.2

### 【Analysis of Changes in Operating Income】



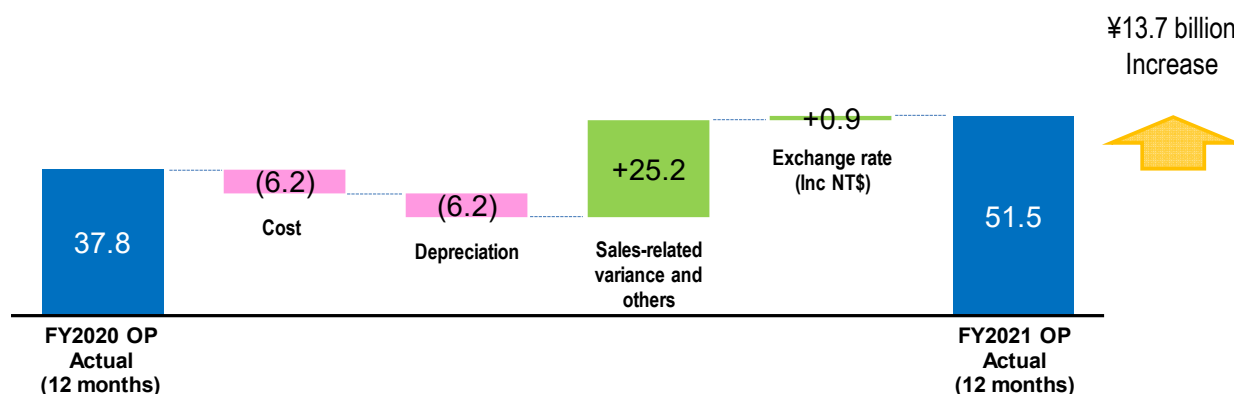
## 4-3. Analysis of Changes in Operating Income



■ FY2020 Actual (12 months) → FY2021 Actual (12 months)

	(Billions of Yen)		
	FY2020 Actual	FY2021 Actual	Change
Net Sales	291.3	335.6	+44.3
Operating Income	37.8	51.5	+13.7
Exchange Rate (Yen/US\$)	106.9	109.6	+2.7

【Analysis of Changes in Operating Income】



## 4-4. Consolidated Balance Sheet



	(Billions of Yen)		
	End of Dec-2020	End of Dec-2021	Change
Cash and time deposits	82.9	224.6	+141.7
Notes and accounts receivable	60.4	75.8	+15.4
Finished products and WIP	38.3	39.8	+1.5
Raw materials and supplies	142.1	134.9	(7.2)
Tangible and intangible assets	214.1	235.1	+21.0
Deferred income tax assets	10.4	12.5	+2.1
Other assets	45.2	42.1	(3.1)
<b>Total Assets</b>	<b>593.4</b>	<b>764.8</b>	<b>+171.4</b>
Debt and borrowings	149.8	141.0	(8.8)
Other liabilities	88.6	101.0	+12.4
<b>Liabilities</b>	<b>238.4</b>	<b>242.0</b>	<b>+3.6</b>
Capital stock	138.7	199.0	+60.3
Capital surplus	27.4	85.2	+57.8
Retained earnings	151.5	185.0	+33.5
Others	37.4	53.6	+16.2
<b>Equity</b>	<b>355.0</b>	<b>522.8</b>	<b>+167.8</b>
Shareholders' equity ratio	53.1%	62.3%	+9.2%
Equity per share (Yen)	1,082.2	1,359.8	+277.6
D/E ratio (gross)	0.48x	0.30x	(0.18)x
D/E ratio (net)	0.21x	(0.18)x	(0.39)x

		(Billions of Yen)
		FY2021 (12 months)
	Income before income taxes	51.1
	Depreciation	51.3
	Subtotal	102.4
	Decrease in inventories	11.1
	Changes in working capital, etc.	(8.8)
	<b>Net cash provided by operating activities</b>	<b>104.7</b>
	Capital expenditure (Acceptance basis)	(69.5)
	Others, net	2.2
	<b>Net cash used in investing activities</b>	<b>(67.3)</b>
	<b>Free cash-flow</b>	<b>37.4</b>
Cash flow from financing activities, etc.	Proceeds from issuance of new shares	119.8
	Dividends paid & payments for purchases of treasury stock	(11.8)
	Repayments of debt	(8.8)
	Foreign currency translation adjustments and others	5.1
	<b>Net increase in cash and time deposits</b>	<b>141.7</b>

# 1 Q-2022 Consolidated Business Forecast

## 5-1. 1Q-2022 Consolidated Business Forecast

(Billions of Yen)

	1Q-2021	4Q-2021	1Q-2022	Change	
	Actual	Actual	Forecast	YoY	QoQ
Net sales	75.9	91.2	99.0	+23.1	+7.8
Operating income	9.3	15.0	21.0	+11.7	+6.0
Non-operating income and expenses	0.1	1.0	(1.0)	(1.1)	(2.0)
Ordinary income	9.4	16.0	20.0	+10.6	+4.0
Extraordinary income and expenses	-	-	-	-	-
Income taxes	(1.3)	(0.9)	(5.5)	(4.2)	(4.6)
Net income attributable to non-controlling interests	(0.8)	(0.9)	(1.5)	(0.7)	(0.6)
Net income attributable to owners of the parent	7.3	14.2	13.0	+5.7	(1.2)
Exchange rate (Yen/US\$) (*1)	104.8	113.2	115.0	+10.2	+1.8
Operating margin (%)	12.3%	16.5%	21.2%	+8.9%	+4.7%
EBITDA margin (%)	27.4%	33.2%	35.2%	+7.8%	+2.0%
ROE (%)	9.3%	13.9%	10.9%	+1.6%	(3.0%)
Net income per share (Yen)	25.35	41.71	37.13	+11.78	(4.58)

\*1. If the yen appreciate by 1 yen against the US dollar, operating income of SUMCO will decrease by 1.3 billion yen per year.

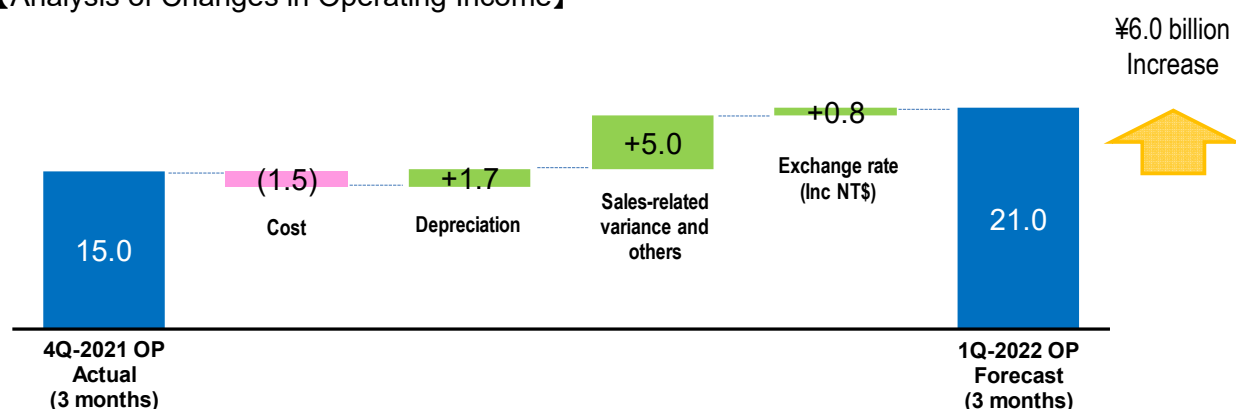
## 5-2. Analysis of Changes in Operating Income

### ■ 4Q-2021 Actual → 1Q-2022 Forecast

(Billions of Yen)

	4Q-2021 Actual	1Q-2022 Forecast	Change
Net Sales	91.2	99.0	+7.8
Operating Income	15.0	21.0	+6.0
Exchange Rate (Yen/US\$)	113.2	115.0	+1.8

### 【Analysis of Changes in Operating Income】



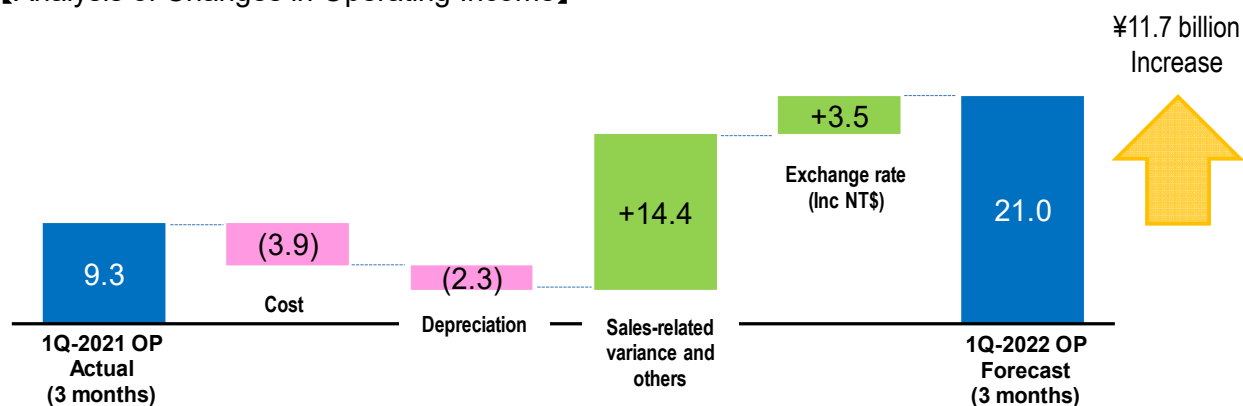
## 5-3. Analysis of Changes in Operating Income

■ 1Q-2021 Actual (3 months) → 1Q-2022 Forecast (3 months)

	1Q-2021 Actual	1Q-2022 Forecast	Change
Net Sales	75.9	99.0	+23.1
Operating Income	9.3	21.0	+11.7
Exchange Rate (Yen/US\$)	104.8	115.0	+10.2

(Billions of Yen)

【Analysis of Changes in Operating Income】



## Reference Materials

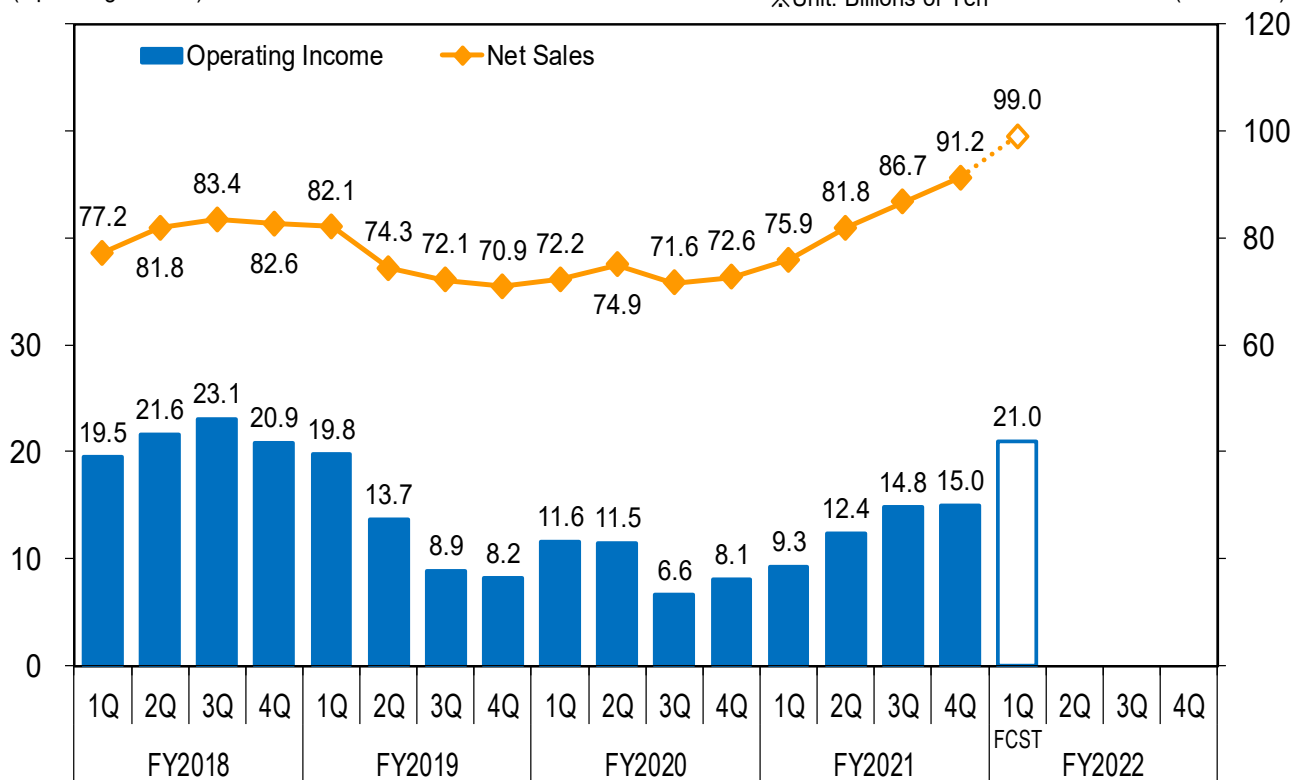
# Reference Materials: Quarterly Trend



(Operating Income)

※Unit: Billions of Yen

(Net Sales)



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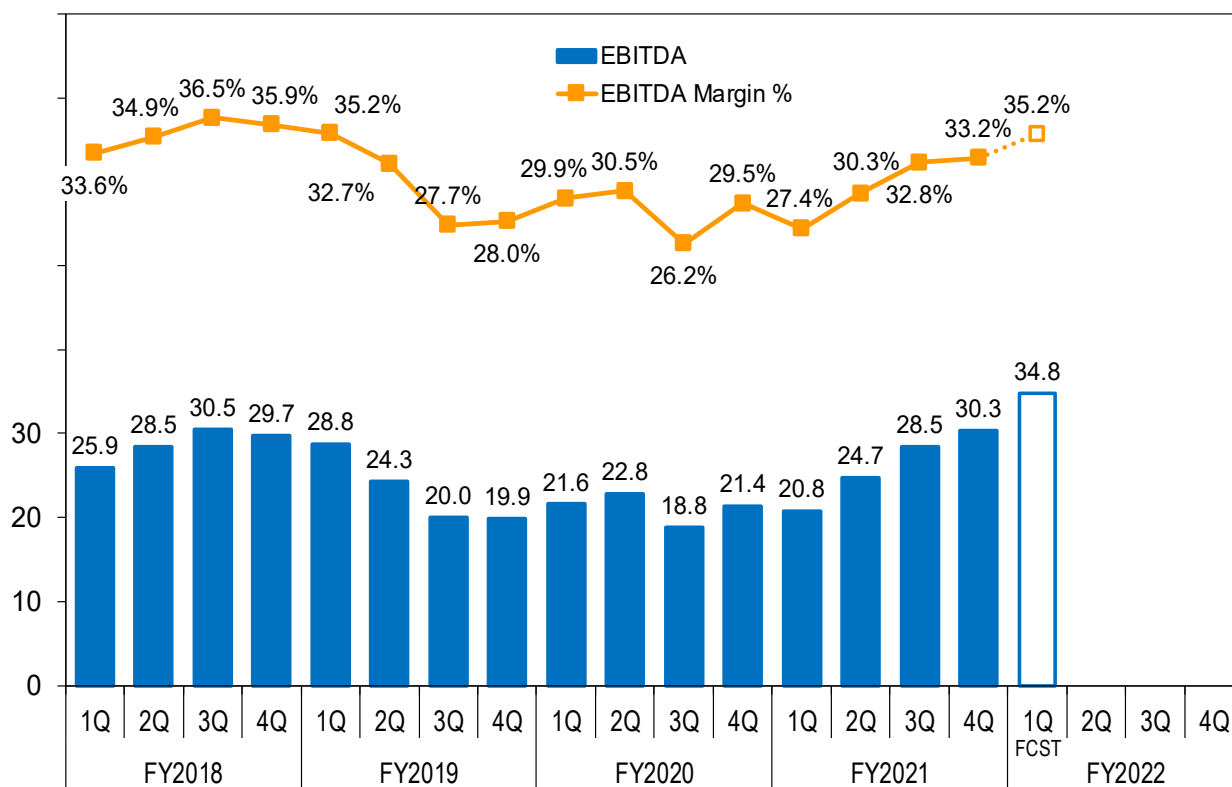
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# Reference Materials: EBITDA



(Billions of Yen)

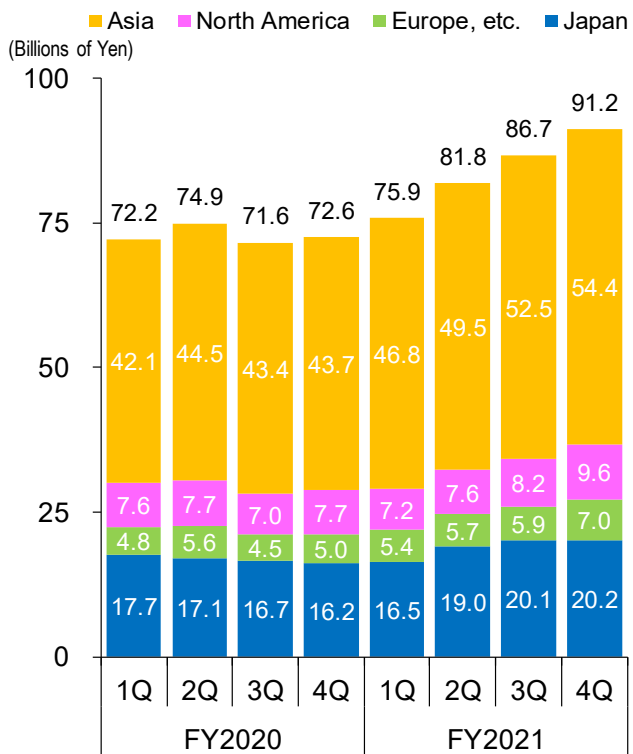


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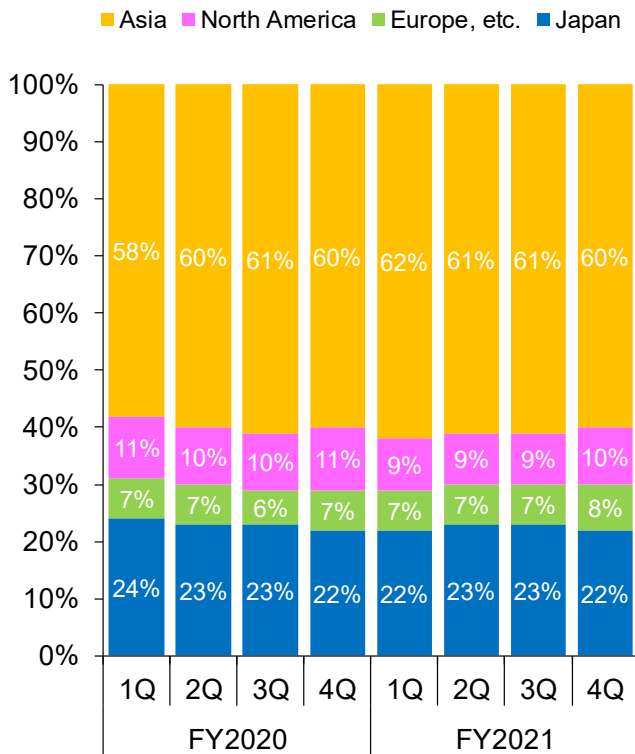
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## Changes in Sales



## Sales by Region



URL <https://www.sumcosi.com/>