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May 8, 2025

Consolidated Financial Results for the Three Months Ended March 31, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 3436
 URL: <https://www.sumcosi.com/english/>
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and security analysts)

(Yen amounts are rounded down to millions.)

1. Consolidated financial results for the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Mar. 31, 2025	102,472	9.6	5,990	(31.1)	4,892	(46.3)	3,047	(39.7)
Mar. 31, 2024	93,514	(14.9)	8,693	(66.5)	9,104	(66.8)	5,055	(86.6)

Note: Comprehensive income For the three months ended Mar. 31, 2025: ¥(6,764) million [—%]
 For the three months ended Mar. 31, 2024: ¥14,104 million [(65.2)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
Mar. 31, 2025	8.71	—
Mar. 31, 2024	14.46	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
Mar. 31, 2025	1,161,397	646,641	50.5
Dec. 31, 2024	1,172,683	657,236	50.5

Reference: Equity
 As of Mar. 31, 2025: ¥586,783 million
 As of Dec. 31, 2024: ¥592,115 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Dec. 31, 2024	—	15.00	—	6.00	21.00
Fiscal year ending Dec. 31, 2025	—				
Fiscal year ending Dec. 31, 2025 (Forecast)		10.00	—	—	—

Note: (1) Revisions to the forecast of cash dividends most recently announced: Yes
(2) Year-end dividend per share for the fiscal year ending Dec. 31, 2025 is not determined.

3. Consolidated financial results forecasts for the six months ending June 30, 2025 (from January 1, 2025 to June 30, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending Jun. 30, 2025	202,400	2.1	5,900	(71.7)	3,800	(81.4)	1,000	(92.1)	2.86

Note: (1) Revisions to consolidated financial results forecasts made during the quarter under review: Yes
(2) SUMCO discloses forecasts for the forthcoming quarter only. Please see “(3) Explanation of Financial Results Forecasts” on page 2 of Supplementary Materials.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: —

Excluded: —

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For more information, please see “(3) Notes to Consolidated Financial Statements (Notes to Changes in Accounting Policies)” on page 8 of Supplementary Materials.

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of Mar. 31, 2025	350,175,139 shares
As of Dec. 31, 2024	350,175,139 shares

(ii) Number of treasury shares at the end of the period

As of Mar. 31, 2025	467,118 shares
As of Dec. 31, 2024	467,118 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended Mar. 31, 2025	349,708,021 shares
Three months ended Mar. 31, 2024	349,687,397 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Proper use of earnings forecasts, and other special matters

Financial results forecasts and other forward-looking statements contained in this 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 financial results forecasts, please see “(3) Explanation of Financial Results Forecasts” on page 2 of Supplementary Materials.

Cash dividends per share for the fiscal year-ending December 31, 2025 is not determined, and the forecast will be disclosed as soon as the disclosure becomes possible.

A financial results briefing for institutional investors and security analysts is scheduled on May 8, 2025. Presentation materials for quarterly financial results are available in our website before starting the briefing.

(Supplementary Materials)

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1. Overview of Business Results and Financial Position

(1) Overview of Business Results

During the first quarter of fiscal year 2025 (January 1, 2025–March 31, 2025), the bifurcation of the semiconductor market continued, with strong demand for data center use to meet AI needs but slow demand recovery for consumer, industrial, and automotive uses.

In the market for 300 mm silicon wafers, solid demand continued for applications in leading-edge products, while demand for other uses was weak, so that shipments declined overall. Shipments remained slow for wafers of 200 mm and smaller.

In this environment, the SUMCO Group focused on maintaining its high market share of leading-edge products, carrying on with technology development aimed at meeting customer needs for higher precision and producing distinctive products. We further made efforts to boost our cost competitiveness, including by raising productivity with the use of AI.

As part of business structural reforms, we also began implementing plans to reorganize the production of wafers of 200 mm and smaller, for which demand remains sluggish, with the aim of improving efficiency and profitability.

As a result, for the period under review, the Group registered consolidated net sales of 102,472 million yen, operating profit of 5,990 million yen, ordinary profit of 4,892 million yen, and profit attributable to owners of parent of 3,047 million yen.

(2) Overview of Financial Position

(Assets)

At the end of the first quarter of fiscal year 2025 (March 31, 2025), total assets decreased by 11,286 million yen from the end of fiscal year 2024, to 1,161,397 million yen. The main factors were a decrease by 4,587 million yen in notes and accounts receivable - trade, and contract assets and a decrease by 3,661 million yen in property, plant and equipment.

(Liabilities)

At the end of the first quarter of fiscal year 2025 (March 31, 2025), total liabilities decreased by 690 million yen from the end of fiscal year 2024, to 514,756 million yen. While long-term borrowings increased by 14,890 million yen and notes and accounts payable - trade increased by 1,729 million yen, the decrease in liabilities resulted mainly from a decrease in other current liabilities by 9,212 million yen, a decrease in short-term borrowings by 4,918 million yen, and a decrease in income taxes payable by 2,855 million yen.

(Net assets)

At the end of the first quarter of fiscal year 2025 (March 31, 2025), total net assets decreased by 10,595 million yen from the end of fiscal year 2024, to 646,641 million yen. Among the main factors for the decrease, foreign currency translation adjustment declined by 7,688 million yen and non-controlling interests declined by 5,264 million yen.

(3) Explanation of Financial Results Forecasts

In the second quarter of fiscal year 2025 (April 1, 2025–June 30, 2025), demand for 300 mm silicon wafers for leading-edge products, notably for AI use, is expected to remain strong. Customers continue, however, to draw down their inventories of wafers other than those for leading-edge products, and demand recovery for such wafers is likely to take time. Shipments of wafers of 200 mm and smaller are forecast to continue at a slow pace due to weak demand for their end products.

In the uncertain business environment, the Group will go ahead with business structural reforms. We will move to modernize manufacturing equipment in existing plants to strengthen our capacity to supply 300 mm leading-edge wafers, for which demand is expected to grow with the accelerating pace of technology innovation. At the same time, we will strengthen initiatives for ensuring profitability by reorganizing wafer production and employing AI to raise productivity, among other ways.

Meanwhile, the impact on the global economy of recent tariff policy moves by the U.S. government remains uncertain. We will continue closely watching the impact on demand for end products containing semiconductors and on silicon wafer demand.

Since the semiconductor industry to which the Group belongs is characterized by drastic and short-term changes in the business environment, the Group has adopted the policy of disclosing financial results forecasts for the forthcoming quarter only.

SUMCO announces its consolidated financial results forecasts for the six months ending June 30, 2025 as follows.

Consolidated Financial Results Forecasts for the six months ending Jun. 30, 2025 (from Jan. 1, 2025 to Jun. 30, 2025)

	Net sales (millions of yen)	Operating profit (millions of yen)	Ordinary profit (millions of yen)	Profit attributable to owners of parent (millions of yen)	Basic earnings per share (yen)
Previous Forecasts (A)	—	—	—	—	—
Revised Forecasts (B)	202,400	5,900	3,800	1,000	2.86
Changes (B-A)	—	—	—	—	
Rate of changes (%)	—	—	—	—	
(Reference) Results for six months ended Jun. 30, 2024	198,273	20,822	20,441	12,614	36.07

(Notes) (1) Financial results forecasts and other forward-looking statements contained in this 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 are made based on an assumed exchange rate for the three months ending June 30, 2025 (from April 1, 2025 to June 30, 2025) of one U.S. dollar to 145 yen.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	87,181	73,760
Notes and accounts receivable - trade, and contract assets	92,549	87,962
Securities	8,490	20,000
Merchandise and finished goods	25,750	25,314
Work in process	28,959	27,996
Raw materials and supplies	178,559	180,684
Other	13,665	13,317
Allowance for doubtful accounts	(12)	(11)
Total current assets	435,143	429,023
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	145,623	155,267
Machinery, equipment and vehicles, net	140,561	179,907
Land	22,549	22,256
Construction in progress	378,007	325,364
Other, net	5,607	5,892
Total property, plant and equipment	692,350	688,688
Intangible assets		
Other	7,333	7,111
Total intangible assets	7,333	7,111
Investments and other assets		
Investment securities	2,453	2,587
Long-term advance payments	22,262	21,229
Deferred tax assets	9,303	9,022
Other	4,137	4,025
Allowance for doubtful accounts	(299)	(290)
Total investments and other assets	37,856	36,573
Total non-current assets	737,540	732,374
Total assets	1,172,683	1,161,397

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	32,028	33,758
Short-term borrowings	41,628	36,709
Lease liabilities	112	105
Income taxes payable	5,316	2,461
Provision for bonuses	2,176	3,427
Other	82,372	73,160
Total current liabilities	163,636	149,622
Non-current liabilities		
Long-term borrowings	312,043	326,933
Lease liabilities	170	139
Provision for share-based payments	131	131
Retirement benefit liability	23,278	22,823
Other	16,187	15,106
Total non-current liabilities	351,810	365,133
Total liabilities	515,447	514,756
Net assets		
Shareholders' equity		
Share capital	199,034	199,034
Capital surplus	85,543	85,543
Retained earnings	277,812	278,758
Treasury shares	(923)	(923)
Total shareholders' equity	561,467	562,413
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Deferred gains or losses on hedges	(1,170)	248
Revaluation reserve for land	2,885	2,846
Foreign currency translation adjustment	28,988	21,300
Remeasurements of defined benefit plans	(56)	(24)
Total accumulated other comprehensive income	30,647	24,370
Non-controlling interests	65,121	59,857
Total net assets	657,236	646,641
Total liabilities and net assets	1,172,683	1,161,397

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

(Millions of yen)

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Net sales	93,514	102,472
Cost of sales	76,340	83,462
Gross profit	17,174	19,010
Selling, general and administrative expenses	8,481	13,019
Operating profit	8,693	5,990
Non-operating income		
Interest income	475	448
Dividend income	-	0
Subsidy income	246	714
Other	942	177
Total non-operating income	1,664	1,340
Non-operating expenses		
Interest expenses	410	627
Foreign exchange losses	-	1,571
Other	843	239
Total non-operating expenses	1,253	2,438
Ordinary profit	9,104	4,892
Profit before income taxes	9,104	4,892
Income taxes	3,010	1,228
Profit	6,093	3,664
Profit attributable to non-controlling interests	1,037	617
Profit attributable to owners of parent	5,055	3,047

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Profit	6,093	3,664
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	0
Deferred gains or losses on hedges	(0)	1,419
Revaluation reserve for land	-	(39)
Foreign currency translation adjustment	7,492	(11,841)
Remeasurements of defined benefit plans, net of tax	518	33
Total other comprehensive income	8,010	(10,428)
Comprehensive income	14,104	(6,764)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,435	(3,230)
Comprehensive income attributable to non-controlling interests	2,668	(3,533)

(3) Notes to Consolidated Financial Statements

(Material Matters that Serve as the Basis for Preparation of Quarterly Consolidated Financial Statements)

These quarterly consolidated financial statements have been prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc. and the accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan (provided, however, that the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. are applied).

(Notes to Going Concern Assumption)

Not applicable

(Notes to Significant Changes in Shareholders' Equity)

Not applicable

(Notes to Changes in Accounting Policies)

(Application of Accounting Standard for Current Income Taxes and other regulations)

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27 of October 28, 2022; hereinafter, "Revised Accounting Standard of 2022") and other relevant regulations as of the beginning of the first quarter of fiscal year 2025.

Revisions concerning the categories for recording current income taxes (taxes on other comprehensive income) are subject to the transitional treatment stipulated in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment stipulated in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28 of October 28, 2022; hereinafter, "Revised Guidance of 2022"). There is no impact from this change on the quarterly consolidated financial statements.

Regarding revisions related to changes in the accounting treatment for consolidated financial statements when gains or losses arising from the sale of subsidiary shares, etc. between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Revised Guidance of 2022 from the beginning of this first quarter. There is no impact from this change on the consolidated financial statements for the first quarter of the previous fiscal year or for the entire previous fiscal year.

(Application of Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules)

The Company has applied the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules (ASBJ Practical Solution No. 46 of March 22, 2024) and other relevant regulations as of the beginning of the first quarter of fiscal year 2025.

In accordance with the measure in paragraph 7 of the Practical Solution, the Company has not recorded any current taxes related to the Global Minimum Tax Rules for the first quarter of fiscal year 2025.

(Notes to Segment Information)

I January 1, 2024-March 31, 2024

Segment information is not described since the Group has only one segment which is "Crystalline silicon."

II January 1, 2025-March 31, 2025

Segment information is not described since the Group has only one segment which is "Crystalline silicon."

(Notes to Consolidated Statement of Cash Flows)

No consolidated statement of cash flows was prepared for the three-month period ended March 31, 2025.

Depreciation amounts (including amortization of intangible assets) for the three-month period ended March 31, 2024 and 2025 were as follows:

	(million yen)	
	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Depreciation	17,842	22,788