

# Quarterly Securities Report

(As required by Article 24-4-7, paragraph 1, of the Financial  
Instruments and Exchange Act)

For the second quarter of the fiscal year ending December 31, 2021  
(April 1, 2021–June 30, 2021)

**SUMCO Corporation**

1-2-1 Shibaura, Minato-ku, Tokyo

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## Cover

Submitted document:	Quarterly securities report
Relevant legislation:	Article 24-4-7, paragraph 1, of the Financial Instruments and Exchange Act
Submitted to:	Director-General, Kanto Local Finance Bureau
Date of submission:	August 12, 2021
Quarterly accounting period:	Second quarter of fiscal year ending December 31, 2021 (April 1, 2021–June 30, 2021)
Company name (English):	SUMCO Corporation
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Place for public inspection:	Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

## Section 1: Corporate Information

### I. Overview of the Company

#### 1. Trends in major management indicators

Term	2Q-2020 (6 months)	2Q-2021 (6 months)	FY2020 (12 months)
Accounting period	January 1, 2020 to June 30, 2020	January 1, 2021 to June 30, 2021	January 1, 2020 to December 31, 2020
Net sales (¥million)	147,142	157,778	291,333
Ordinary income (¥million)	22,650	20,964	35,650
Net income attributable to owners of the parent (¥million)	16,821	16,373	25,505
Comprehensive income (¥million)	18,706	25,850	27,965
Equity (¥million)	350,919	373,878	355,003
Total assets (¥million)	592,637	609,931	593,443
Net income per share (¥)	57.62	56.36	87.48
Diluted net income per share (¥)	—	—	—
Shareholders' equity ratio (%)	52.8	54.3	53.1
Net cash provided by (used in) operating activities (¥million)	40,522	46,404	84,188
Net cash provided by (used in) investing activities (¥million)	(31,070)	(31,628)	(55,193)
Net cash provided by (used in) financing activities (¥million)	(6,209)	(9,670)	(16,236)
Cash and cash equivalents at end of period (¥million)	73,149	90,450	81,864

Term	2Q-2020 (3 months)	2Q-2021 (3 months)
Accounting period	April 1, 2020 to June 30, 2020	April 1, 2021 to June 30, 2021
Net income per share (¥)	28.61	31.01

- Notes: 1. Since the Company publishes quarterly consolidated financial statements, trends in major management indicators are not shown for the reporting company.
2. Net sales do not include consumption tax or other taxes collected.
3. Diluted net income per share is not described since dilutive shares did not exist.

#### 2. Scope of business

In the second quarter of fiscal year 2021 (January 1, 2021–June 30, 2021), there were no significant changes in the scope of business of the Group (the Company and its affiliates), and no changes in the Company's major affiliates.

## II. State of Business

### 1. Business and other risks

In the second quarter of fiscal year 2021 (January 1, 2021–June 30, 2021), no new business and other risks emerged.

There were no significant changes in the business and other risks described in the annual securities report for the fiscal year 2020.

### 2. Management analysis of financial position, business results, and cash flow

#### (1) Financial Position and Business Results Status

##### (i) Business results

During the second quarter of fiscal year 2021 (January 1, 2021–June 30, 2021), supply and demand continued to be tight for 300 mm semiconductor wafers for logic, with demand being driven by PC, smartphone, and data center. Supply and demand tightness began to affect wafers for memory as well, as NAND followed DRAM in entering a demand recovery phase. For wafers of 200 mm and smaller, likewise, supply and demand tightness continued, with expanding needs for automotive, consumer product, and industrial.

In this environment, in line with the SUMCO Vision, the SUMCO Group sought to maintain our strong presence with customers through technology development aimed at meeting their needs for leading-edge, distinctive products, while endeavoring also to improve our profitability by cost reduction.

As a result, for the second quarter of fiscal year 2021 (January 1, 2021–June 30, 2021), the Group registered consolidated net sales of ¥157,778 million (up 7.2% year on year), operating income of ¥21,720 million (down 6.3% year on year), ordinary income of ¥20,964 million (down 7.4% year on year), and quarterly net income attributable to owners of the parent of ¥16,373 million (down 2.7% year on year).

Segment information is not described since the Group has only one segment.

##### (ii) Financial Position

At the end of the second quarter of fiscal year 2021 (June 30, 2021), total assets were ¥609,931 million (up ¥16,488 million from the end of fiscal year 2020), total liabilities were ¥236,053 million (down ¥2,386 million from the end of fiscal year 2020), and equity was ¥373,878 million (up ¥18,874 million from the end of fiscal year 2020).

##### (iii) Cash flows

Cash and cash equivalents at the end of the second quarter of fiscal year 2021 (June 30, 2021) increased ¥8,585 million from the end of fiscal year 2020 to ¥90,450 million. By types, net cash provided by operating activities was ¥46,404 million, net cash used in investing activities was (¥31,628) million, net cash used in financing activities was (¥9,670) million, and foreign currency translation adjustments on cash and cash equivalents came to ¥3,480 million.

Each of the cash flows in the second quarter of fiscal year 2021 (January 1, 2021–June 30, 2021) and the factors affecting them are as follows.

#### (Cash flows from operating activities)

Net cash provided by operating activities in the second quarter of fiscal year 2021 (January 1, 2021–June 30, 2021) was ¥46,404 million as compared with ¥40,522 million a year earlier. The main factors were income before income taxes of ¥20,964 million and depreciation and amortization of ¥23,052 million.

(Cash flows from investing activities)

Net cash used in investing activities in the second quarter of fiscal year 2021 (January 1, 2021–June 30, 2021) was (¥31,628) million as compared with (¥31,070) million a year earlier. The main factor was payments for purchases of tangible and intangible assets amounting to (¥27,504) million.

(Cash flows from financing activities)

Net cash used in financing activities in the second quarter of fiscal year 2021 (January 1, 2021–June 30, 2021) was (¥9,670) million as compared with (¥6,209) million a year earlier. While proceeds from long-term debt was ¥14,000 million, this was offset by (¥19,601) million in expenditures for repayment of long-term debt, (¥2,620) million in expenditures for dividend payments, and (¥2,499) million for purchase of treasure stocks.

## **(2) Accounting Estimates and Assumptions**

There are no material changes to the accounting estimates and the assumptions used therein to prepare the “Management analysis of financial position, business results, and cash flow” in the Securities Reports for the previous fiscal year.

## **(3) Management policies, the business environment, and issues requiring management attention**

In the second quarter of fiscal year 2021 (January 1, 2021–June 30, 2021), there were no significant changes in the Group’s management policies, in the business environment, or in issues requiring management attention.

## **(4) Research and development activities**

In the second quarter of fiscal year 2021 (January 1, 2021–June 30, 2021), research and development expenses totaled ¥2,577 million, equivalent to 1.6% of consolidated net sales. There were no significant changes in the Group’s research and development activities during the period.

## **(5) Major facilities**

Between the end of fiscal year 2020 and the end of the second quarter of fiscal year 2021, there were no significant changes to the construction of major facilities and other plans.

## **3. Important business contracts, etc.**

In the second quarter of fiscal year 2021 (April 1, 2021–June 30, 2021), no new important business contracts, etc. were agreed to or concluded.

### III. Status of the Reporting Company

#### 1. Shares

**(1) Total number of shares, etc.**

(i) Total number of shares

Class	Total number of authorized shares
Common stock	804,000,000
Total	804,000,000

(ii) Shares issued

Class	Number of shares issued as of the end of the second quarter (June 30, 2021)	Number of shares issued as of the date of submission of this report (August 12, 2021)	Name of listing financial instruments exchange or name of authorized financial instruments firms association registered	Details
Common stock	290,175,139	290,175,139	Tokyo Stock Exchange, Inc. (First Section)	Share trading unit: 100 shares
Total	290,175,139	290,175,139	—	—

**(2) Share options, etc.**

(i) Stock option

Not applicable.

(ii) Other share option, etc.

Not applicable

**(3) Conversion of moving strike convertible bonds, etc.**

Not applicable.

**(4) Trends in total number of shares issued, changes in capital stock, etc.**

Period	Change in total number of shares issued	Total number of shares outstanding	Change in capital stock (¥million)	Capital stock balance (¥million)	Change in legal capital surplus (¥million)	Legal capital surplus balance (¥million)
April 14, 2021 (Note)	(1,006,100)	290,175,139	—	138,718	—	3,611

Note: Decreased due to cancellation of common stock.

**(5) Major shareholders**

As of June 30, 2021

Shareholder Name	Address	Number of Shares Held (thousand shares)	Percentage of total number of shares issued (excluding treasury stock)
Mitsubishi Materials Corporation	3-2-3 Marunouchi, Chiyoda-ku, Tokyo, Japan	28,846	9.94
The Master Trust Bank of Japan, Ltd. (trust account)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo, Japan	23,671	8.16
Custody Bank of Japan, Ltd. (trust account)	1-8-12 Harumi, Chuo-ku, Tokyo, Japan	17,249	5.94
SMBC Nikko Securities Inc.	3-3-1 Marunouchi, Chiyoda-ku, Tokyo, Japan	9,569	3.30
SSBTC CLIENT OMNIBUS ACCOUNT (standing proxy: Custody and Clearing, Tokyo Branch of Hongkong & Shanghai Banking Corporation)	One Lincoln Street, Boston MA USA 02111 (3-11-1 Nihombashi, Chuo-ku, Tokyo, Japan)	8,353	2.88
MSCO CUSTOMER SECURITIES (standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	1585 Broadway, New York, New York 10036, USA (Otemachi Financial City South Tower, 1-9-7 Otemachi, Chiyoda-ku, Tokyo, Japan)	6,016	2.07
STATE STREET BANK AND TRUST COMPANY 505001 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	P.O.Box 351 Boston Massachusetts 02101 USA (Shinagawa Intercity Tower A, 2-15-1 Konan, Minato-ku, Tokyo, Japan)	5,074	1.75
JPMorgan Securities Japan Co., Ltd.	Tokyo Building, 2-7-3 Marunouchi, Chiyoda-ku, Tokyo, Japan	4,790	1.65
STATE STREET BANK WEST CLIENT - TREATY 505234 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1776 Heritage Drive, North Quincy, MA 02171, USA (Shinagawa Intercity Tower A, 2-15-1 Konan, Minato-ku, Tokyo, Japan)	4,162	1.43
THE BANK OF NEW YORK 133972 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	Rue Montoyerstraat 46, 1000 Brussels, Belgium (Shinagawa Intercity Tower A, 2-15-1 Konan, Minato-ku, Tokyo, Japan)	3,976	1.37
Total	—	111,709	38.50

- Notes: 1. Since the Company is unable to fully ascertain the numbers of shares at trust banks and numbers of other trust-related shares, these shares are reported as given in the shareholder registry.
2. The Large Shareholding Report presented for public inspection on June 4, 2021 indicates that the following shares are held by BlackRock Japan Co., Ltd. and six joint shareholders as of May 31, 2021; but since SUMCO is unable to confirm the effective numbers of shares held as of the end of the second quarter of fiscal year 2021, these are not included in the above status report on major shareholders. Details of the Large Shareholding Report are as follows.

Shareholder Name	Address	Number of Shares (thousand shares)	Percentage of All Shares (%)
BlackRock Japan Co., Ltd.	1-8-3 Marunouchi, Chiyoda-ku, Tokyo, Japan	3,425	1.18
BlackRock (Netherlands) BV	Amstelplein 1, HA1096 Amsterdam, Kingdom of the Netherlands	569	0.20
BlackRock Fund Managers Limited	12 Throgmorton Avenue, London, UK	535	0.18
BlackRock Asset Management Ireland Limited	2 Ballsbridge Park 1F, Ballsbridge, Dublin, Ireland	1,592	0.55
BlackRock Fund Advisors	400 Howard Street, San Francisco, California, USA	4,006	1.38
BlackRock Institutional Trust Company, N.A.	400 Howard Street, San Francisco, California, USA	3,776	1.30
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue, London, UK	643	0.22

**(6) Voting rights**

(i) Shares issued

As of June 30, 2021

Category	Number of shares	Number of votes	Details
Nonvoting shares	—	—	—
Shares with restricted voting rights (treasury stock, etc.)	—	—	—
Shares with restricted voting rights (others)	—	—	—
Shares with full voting rights (treasury stock, etc.)	Common stock 7,700	—	Share trading unit: 100 shares
Shares with full voting rights (others)	Common stock 290,076,300	2,900,763	Same as above
Shares less than one unit	Common stock 91,139	—	Same as above
Total number of shares issued	290,175,139	—	—
Voting rights of all shareholders	—	2,900,763	—

Notes: 1. Common stock under “Shares with full voting rights (others)” includes 200 shares in the name of Japan Securities Depository Center, Inc.

“Number of votes” includes two votes attributable to shares with full voting rights in the name of Japan Securities Depository Center, Incorporated.

2. Common stock in “Shares less than one unit” includes 75 shares in the name of the Company.

(ii) Treasury stock, etc.

As of June 30, 2021

Name or title of shareholder	Shareholder address	Number of shares held in own name	Number of shares held in other names	Total number of shares held	Percentage of total number of shares issued
SUMCO Corporation	1-2-1 Shibaura, Minato-ku, Tokyo	7,700	—	7,700	0.00
Total	—	7,700	—	7,700	0.00

## **2. Directors**

At the end of the second quarter of fiscal year 2021 (June 30, 2021), there were no changes in directors from those as of the date of submission of the annual securities report for fiscal year 2020.

## **IV. Accounting**

### **1. Method of preparing quarterly consolidated financial statements**

The Company's quarterly consolidated financial statements have been prepared in compliance with the Order on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Order No. 64 of 2007).

### **2. Audit certification**

As required by provisions of Article 193-2, paragraph 1, of the Financial Instruments and Exchange Act, the Company's consolidated financial statements for the second quarter of fiscal year 2021 (April 1, 2021–June 30, 2021) and for the second quarter consolidated cumulative period (January 1, 2021–June 30, 2021) have undergone quarterly review by Deloitte Touche Tohmatsu LLC.

# 1. Quarterly consolidated financial statements

## (1) Consolidated balance sheet

(¥million)

	End of FY2020 (December 31, 2020)	End of 2Q of FY2021 (June 30, 2021)
<b>Assets</b>		
Current assets		
Cash and time deposits	82,968	95,598
Notes and accounts receivable–trade	60,405	65,423
Finished products	18,645	16,702
Work in process	19,642	20,953
Raw materials and supplies	142,185	138,217
Other	* <sup>3</sup> 7,222	* <sup>3</sup> 6,863
Allowance for doubtful accounts	(9)	(10)
Total current assets	331,061	343,749
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	68,443	70,183
Machinery, equipment and vehicles, net	82,693	85,874
Land	20,261	20,155
Construction in progress	30,732	31,194
Other, net	1,921	2,113
Total property, plant and equipment	204,052	209,522
Intangible assets		
Goodwill	1,936	1,124
Other	8,183	8,022
Total intangible assets	10,120	9,146
Investments and other assets		
Investment securities	101	88
Long-term advance payments	* <sup>3</sup> 33,511	* <sup>3</sup> 32,296
Deferred income tax assets	10,468	11,117
Other	4,403	4,278
Allowance for doubtful accounts	(275)	(268)
Total investments and other assets	48,209	47,512
Total non-current assets	262,381	266,182
<b>Total assets</b>	<b>593,443</b>	<b>609,931</b>

(¥million)

	End of FY2020 (December 31, 2020)	End of 2Q of FY2021 (June 30, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable–trade	25,615	27,737
Short-term borrowings	*2 38,180	*1, *2 39,459
Current portion of long-term lease obligations	192	84
Accrued income taxes	3,392	2,871
Reserve for bonuses	1,308	1,296
Other	28,491	28,629
Total current liabilities	97,180	100,078
Long-term liabilities		
Long-term debt	*1 111,383	*1 105,703
Long-term lease obligations	141	112
Retirement benefit liability	24,851	24,973
Other	4,882	5,185
Total long-term liabilities	141,259	135,974
Total liabilities	238,439	236,053
<b>Equity</b>		
Shareholders' equity		
Capital stock	138,718	138,718
Capital surplus	27,463	24,970
Retained earnings	151,559	165,254
Treasury stock	(12)	(19)
Total shareholders' equity	317,729	328,924
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	0	0
Deferred loss on derivatives under hedge accounting	(0)	(0)
Land revaluation surplus	2,885	2,885
Foreign currency translation adjustments	(3,224)	1,570
Remeasurements of defined benefit plans	(2,277)	(2,069)
Total accumulated other comprehensive loss	(2,615)	2,386
Non-controlling interests	39,888	42,567
Total equity	355,003	373,878
<b>Total liabilities and equity</b>	<b>593,443</b>	<b>609,931</b>

**(2) Consolidated statement of income and consolidated statement of comprehensive income****Consolidated statement of income**

2Q of FY2021 (January 1, 2021 to June 30, 2021)

(¥million)

	2Q of FY2020 (January 1, 2020 to June 30, 2020)	2Q of FY2021 (January 1, 2021 to June 30, 2021)
Net sales	147,142	157,778
Cost of sales	110,443	122,517
Gross profit	36,699	35,261
Selling, general and administrative expenses	* 13,528	* 13,540
Operating income	23,170	21,720
Non-operating income		
Interest income	225	57
Dividend income	52	46
Subsidy income	618	462
Other	141	41
Total non-operating income	1,037	608
Non-operating expenses		
Interest expense	483	434
Loss on retirement of non-current assets	185	441
Foreign exchange loss	739	302
Other	148	186
Total non-operating expenses	1,556	1,364
Ordinary income	22,650	20,964
Income before income taxes	22,650	20,964
Income taxes	4,039	3,152
Net income	18,611	17,812
Net income attributable to non-controlling interests	1,790	1,439
Net income attributable to owners of the parent	16,821	16,373

**Consolidated statement of comprehensive income**  
**2Q of FY2021 (January 1, 2021 to June 30, 2021)**

(¥million)

	2Q of FY2020 (January 1, 2020 to June 30, 2020)	2Q of FY2021 (January 1, 2021 to June 30, 2021)
Net income	18,611	17,812
Other comprehensive income		
Net unrealized gain (loss) on available-for-sale securities	(0)	0
Deferred loss on derivatives under hedge accounting	(2)	(0)
Foreign currency translation adjustments	(131)	7,821
Remeasurements of defined plans, net of tax	229	216
Total other comprehensive income	94	8,038
Comprehensive income	18,706	25,850
Total comprehensive income attributable to:		
Owners of the parent	16,666	21,375
Non-controlling interests	2,039	4,475

**(3) Consolidated statement of cash flows**

(¥million)

	2Q of FY2020 (January 1, 2020 to June 30, 2020)	2Q of FY2021 (January 1, 2021 to June 30, 2021)
<b>Cash flow from operating activities</b>		
Income before income taxes	22,650	20,964
Depreciation and amortization	20,461	23,052
Amortization of goodwill	812	812
Decrease (increase) in allowance for doubtful accounts	0	(15)
Interest and dividend income	(277)	(104)
Interest expense	483	434
Increase in notes and accounts receivable–trade	(3,052)	(4,726)
Decrease in inventories	1,869	6,818
Increase (decrease) in notes and accounts payable–trade	(482)	1,085
Other	2,549	2,952
Subtotal	45,014	51,274
Interest and dividends received	285	105
Interest paid	(516)	(473)
Income taxes paid	(4,260)	(4,503)
Net cash provided by operating activities	40,522	46,404
<b>Cash flow from investing activities</b>		
Payments for purchases of tangible and intangible assets	(29,837)	(27,504)
Other	(1,232)	(4,124)
Net cash used in investing activities	(31,070)	(31,628)
<b>Cash flow from financing activities</b>		
Increase (decrease) in short-term borrowings, net	(1,100)	1,200
Proceeds from long-term debt	14,500	14,000
Repayments of long-term debt	(13,040)	(19,601)
Repayments of lease obligations	(336)	(148)
Payments for purchases of treasury stock	(3,300)	(2,499)
Dividends paid	(2,932)	(2,620)
Net cash used in financing activities	(6,209)	(9,670)
Foreign currency translation adjustments on cash and cash equivalents	(114)	3,480
Net increase in cash and cash equivalents	3,128	8,585
Cash and cash equivalents at beginning of year	70,020	81,864
Cash and cash equivalents at end of period	* 73,149	* 90,450

## Notes

### Changes in accounting policy

#### Application of Accounting Standard for Revenue Recognition

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 of March 30, 2018) (hereinafter, “Revenue Recognition Standard”) and Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30 of March 2018) having become applicable to a consolidated fiscal year starting prior to March 31, 2021, we have applied this Revenue Recognition Standard and Guidance from the beginning of the first quarter of the current fiscal year, recognizing as revenue the amount expected to be received in exchange for goods or services at the time control of the promised good or service is transferred to the customer.

Accordingly, the Company and its Japanese consolidated subsidiaries, with the exception of consignment products, has changed from recognizing revenue at the point of shipment in the case of domestic sales, and at the point of export clearance in the case of export sales, to recognizing revenue for domestic sales at the time of arrival of the goods at the customer’s, and for export sales upon arrival of the goods at the place agreed with the customer, deeming our performance obligation to have been satisfied.

In the case of sales to certain customers where the transfer of assets to the customer takes place over a fixed period of time, the time of revenue recognition is changed to the fixed period of time based on manufacturing progress.

In addition, sales commissions and other considerations payable to a customer, which were previously accounted for as selling, general and administrative expenses, are now accounted for by deducting them from the transaction price.

Implementation of the Revenue Recognition Standard and Guidance is in line with the transitional measures provided in the proviso to Article 84 of the Revenue Recognition Standard. Accordingly, the cumulative impact of the change when the new accounting policy is applied retroactively prior to the beginning of the first quarter is reflected in retained earnings at the beginning of the first quarter, while the new policy is not retroactively applied to contracts for which all or most revenue was recognized prior to the beginning of the first quarter in accordance with the previous policy.

In addition, the method specified in Paragraph 86 item (1) of the Revenue Recognition Standard is applied for contract changes made prior to the beginning of the first quarter, such that accounting is performed based on the contract provisions after all changes have been reflected, and the cumulative impact is reflected in retained earnings at the beginning of the first quarter.

As a result, the impact on earned surplus balance at the beginning of the first quarter is minor.

The impact of these changes on the quarterly consolidated financial statements in the second quarter (January 1, 2021–June 30, 2021) is minor.

### Additional information

#### (Accounting Estimates)

There are no material changes to the assumptions regarding the COVID-19 pandemic as indicated under “Additional information (Accounting Estimates)” in the Securities Reports for the previous consolidated fiscal year.

### Notes to consolidated balance sheet

- \*1. The Company's borrowings from financial institutions have financial covenants that require the Company to maintain certain levels of equity on its consolidated and nonconsolidated balance sheets. Relevant outstanding borrowings are as shown in the table below.

	(¥million)	
	FY2020 (December 31, 2020)	2Q of FY2021 (June 30, 2021)
Long-term debt	2,500	2,500
(of which, current portion)	(—)	(312)

- \*2. In order to allow flexible procurement of working capital, the Company has entered into commitment line agreements with financial institutions. These agreements include financial covenants that require the Company to maintain certain levels of equity on its consolidated and nonconsolidated balance sheets and of net cash provided by operating activities on its consolidated statement of cash flows.

Unexercised borrowing under commitment line agreements is as shown in the table below.

	(¥million)	
	FY2020 (December 31, 2020)	2Q of FY2021 (June 30, 2021)
Total available commitment lines	30,000	30,000
Actual borrowings	900	2,100
Difference	29,100	27,900

- \*3. In order to procure polycrystalline silicon, the main raw material for silicon wafer production, the Company has entered into long-term purchase contracts with polycrystalline silicon producers, and made advance payments for some purchases in accordance with these contracts.

### Notes to consolidated statement of income

- \*Major items in selling, general and administrative expenses and values for these items are given in the table below.

	(¥million)	
	2Q of FY2020 (January 1, 2020 to June 30, 2020)	2Q of FY2021 (January 1, 2021 to June 30, 2021)
Salaries, allowances and bonuses	2,846	3,062
Research and development expenses	2,289	2,577

### Notes to consolidated statement of cash flows

- \*Relationship between cash and cash equivalents at end of period and the amounts in items on the consolidated balance sheet

	(¥million)	
	2Q of FY2020 (January 1, 2020 to June 30, 2020)	2Q of FY2021 (January 1, 2021 to June 30, 2021)
Cash and time deposits	74,247	95,598
Time deposits that mature in more than three months from date of deposition	(1,098)	(5,148)
Cash and cash equivalents	73,149	90,450

Notes to shareholders' equity, etc.

I. Second quarter of FY2020 (January 1, 2020–June 30, 2020)

1. Dividends paid

Resolution	Class of shares	Total dividend (¥million)	Per-share dividend (¥)	Base date	Effective date	Source of dividends
Board of Directors meeting of February 18, 2020	Common stock	2,932	10.00	December 31, 2019	March 6, 2020	Retained earnings

2. Dividends for which the base date fell in the second quarter of FY2020 and the effective date falls after the last day of the period

Resolution	Class of shares	Total dividend (¥million)	Per-share dividend (¥)	Base date	Effective date	Source of dividends
Board of Directors meeting of August 6, 2020	Common stock	5,241	18.00	June 30, 2020	September 4, 2020	Retained earnings

3. Significant changes in shareholders' equity

As resolved at the February 18, 2020 Board of Directors meeting, the Company acquired and cancelled 2,104,300 shares of treasury stock.

Acquisition of treasury stock ¥3,299 million

Cancellation of treasury stock ¥3,300 million

Treasury stock at the end of 2Q of FY2020 (¥12) million

II. Second quarter of FY2021 (January 1, 2021–June 30, 2021)

1. Dividends paid

Resolution	Class of shares	Total dividend (¥million)	Per-share dividend (¥)	Base date	Effective date	Source of dividends
Board of Directors meeting of February 19, 2021	Common stock	2,620	9.00	December 31, 2020	March 5, 2021	Retained earnings

2. Dividends for which the base date fell in the second quarter of FY2021 and the effective date falls after the last day of the period

Resolution	Class of shares	Total dividend (¥million)	Per-share dividend (¥)	Base date	Effective date	Source of dividends
Board of Directors meeting of August 5, 2021	Common stock	4,932	17.00	June 30, 2021	September 3, 2021	Retained earnings

3. Significant changes in shareholders' equity

As resolved at the February 19, 2021 Board of Directors Meeting, the Company acquired and cancelled 1,006,100 shares of treasury stock.

Acquisition of treasury stock ¥2,499 million

Cancellation of treasury stock ¥2,492 million

Treasury stock at the end of 2Q of FY2021 (¥19) million

Segment information, etc.

*Segment information*

I. Second quarter of fiscal year 2020 (January 1, 2020–June 30, 2020)

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

II. Second quarter of FY2021 (January 1, 2021–June 30, 2021)

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

Per-share information

Net income per share and the basis for the calculation thereof are as follows.

	2Q-2020 (6 months) (January 1, 2020 to June 30, 2020)	2Q-2021 (6 months) (January 1, 2021 to June 30, 2021)
Net income per share (¥)	57.62	56.36
<i>Basis for calculation</i>		
Net income attributable to owners of the parent (¥million)	16,821	16,373
Amount not attributable to common stockholders (¥million)	—	—
Net income attributable to owners of the parent related to common stock (¥million)	16,821	16,373
Average number of shares of common stock during period	291,921,253	290,525,050

Note: Diluted net income per share is not described since dilutive shares did not exist.

Significant subsequent events

Not applicable.

**2. Others**

The Board of Directors Meeting held on August 5, 2021, passed a resolution that the interim dividend for fiscal year 2021 be paid as follows.

(a) Total dividends .....¥4,932 million

(b) Per-share dividend.....¥17.00

(c) Effective date of payment request and start date of payment ....September 3, 2021

Note: Dividends are payable to shareholders entered or recorded on the shareholder registry as of June 30, 2021.

## **Section 2: Information about Guarantors of the Reporting Company**

Not applicable.