

(TRANSLATION)

This brief statements on the third quarter ended October 31 2006 is released pursuant to the requirements under the listing rules of, and reported to, the Tokyo Stock Exchange.

Brief Statement of Consolidated Financial Results for and at the End of the Third Quarter (ended October 31, 2006) of Fiscal Year 2006 (ending January 31, 2007)

Forward Looking Statement

The statements and figures contained in this Brief Statement of Consolidated Financial Results for and at the end of the Third Quarter (nine months ended October 31, 2006) for the fiscal year ending January 31, 2007 (the “Brief Statement”) with respect to SUMCO’s plans and strategies and other statements that are not historical facts but are forward-looking statements about the future performance of SUMCO are based on management’s assumptions and beliefs in light of the information currently available to it and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various facts. Potential risks and uncertainties include, without limitation, general economic conditions in SUMCO’s market, semiconductor device industry and other factors which may affect the financial position and results of operations of SUMCO in future.

November 22, 2006

Company Name: SUMCO CORPORATION

Listed on: Tokyo Stock Exchange

Code Number: 3436

Headquarters: Tokyo

(URL: <http://www.sumcosi.com/>)

Representative: Title and name: President, Kenjiro Shigematsu

Contact person: Title and name: Public Relations & IR Department General Manager, Soichi Ishitoya

Tel: (03) 5444-3915 (Public Relations & IR Department)

1. Preparation of Quarterly Financial Information

- ① Application of simplified accounting methods : Yes; the substance is as follows:
- Income taxes were calculated using the annual predicted effective tax rate.
- ② Any changes in accounting policies from the latest fiscal year: No
- ③ Any changes in scope of consolidation and equity method of accounting : Yes; the substance is as follows:
4 subsidiaries (Komatsu Electronic Metals Co., Ltd. and others) were newly consolidated.

2. Summary of Results of Operations for the Nine Months ended October 31, 2006

(February 1, 2006 through October 31, 2006)

(1) Financial and Operating Results (Consolidated)

(Amounts smaller than a million yen are rounded down)

	N e t S a l e s		O p e r a t i n g P r o f i t		O r d i n a r y P r o f i t		N e t I n c o m e	
	Million ¥	%	Million ¥	%	Million ¥	%	Million ¥	%
Q3 YTD, 2006	207,592	30.7	55,659	75.6	49,352	85.9	59,338	306.6
Q3 YTD, 2005	158,840	—	31,705	—	26,554	—	14,594	—
For the year ended January 31, 2006	220,526	14.2	44,340	40.9	36,554	43.3	20,486	88.5

	Net Income per Share for the current quarter	Diluted Net Income per Share for the current quarter
	Yen & Sen	Yen & Sen
Q3 YTD, 2006	495.73	—
Q3 YTD, 2005	145.21	—
For the year ended January 31, 2006	195.61	—

(2) Change in Financial Situation (Consolidated)

(Amounts smaller than a million yen are rounded down)

	Total Asset	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen & Sen
Q3 YTD, 2006	527,391	247,143	40.9	1,800.68
Q3 YTD, 2005	318,363	95,233	29.9	947.60
For the year ended January 31, 2006	351,934	161,680	45.9	1,350.41

(3) Cash Flow (Consolidated)

(Amounts smaller than a million yen are rounded down)

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalent at the end of the Quarter
	Million yen	Million yen	Million yen	Million yen
Q3 YTD, 2006	59,952	△76,717	△2,137	11,420
Q3 YTD, 2005	54,117	△39,161	△19,715	9,280
For the year ended January 31, 2006	62,895	△52,699	5,835	30,152

3. Business Result Forecast for Fiscal Year 2006 (Consolidated)

(February 1, 2006 through January 31, 2007)

Forecast for Consolidated Business Results for FY 2006 (February 1, 2006-January 31, 2007)

	Net Sales	Operating Profit	Ordinary Profit	Net Income
	Million yen	Million yen	Million yen	Million yen
Full-year	310,000	80,000	72,000	72,000

(Reference) Forecast for net income per share (full-year) 601.50 yen

[Qualitative Information etc. on Business Performance (Consolidated)]

During the current third quarter, the economy continued to ride high due to continued economic expansions in Southeast Asia and China and despite continued obstacles to growth (including soaring crude oil prices). Domestically, the economy was supported by improvements in corporate earnings, an increase in private capital investment, an improved employment situation and moderately increased consumer spending etc.

In addition, the semiconductor market, which supports the demand for silicon wafers, remained steady as a result of an increase in demand for digital appliances etc. (represented by LCD televisions and portable music players) as well as steady demand for personal computers and mobile phones.

Under these conditions, the demand for silicon wafers was anchored by the demand for 300mm wafers and continued to be high; it was supported by active demand for semiconductors.

In this context, the SUMCO group has been trying to aggressively enhance its revenue through continuously expanding its production capacity for 300mm wafers and by promoting sophistication of 200mm and smaller wafers to cope with customer demand.

As a result, year-to-date sales for the current third quarter reached 207,592 million yen with a ordinary profit of 49,352 million yen.

Also, because of the resolution of dissolution of SUMCO USA Corporation (the company supervising the SUMCO group's U.S. business) adopted in September, 2006, there will be no taxable income as the amount of company shares generated in the past fiscal year that have been written-off can be included in the tax expenses for the current fiscal year and the deferred tax asset is to be posted for the deficit amount. Consequently, year-to-date net income for the current third quarter was 59,338 million yen.

In addition, SUMCO acquired 51% of total outstanding shares of Komatsu Electronic Metals Co., Ltd. by means of a tender offer in October, 2006. Herewith, the company and its subsidiaries have been included in the scope of consolidation from the current third quarter but this did not have any influence on the consolidated statement of income for the current third quarter.

[Qualitative information etc. on Change in Financial Situation (Consolidated)]

①Change in Financial Situation

Komatsu Electronic Metals Co., Ltd. and its subsidiaries have been included in the scope of consolidation from the current third quarter. As a result, total assets for the current third quarter grew to 527,391 million yen, an increase of 175,457 million yen over the end of the previous consolidated fiscal year, mainly due to the addition of total assets of 126,676 million yen from Komatsu Electronic Metals Co., Ltd. and its subsidiaries. Total liabilities rose to 280,248 million yen, an increase of 90,164 million yen in comparison with the end of previous consolidated fiscal year, mainly due to the addition of liabilities of 77,375 million yen from Komatsu Electronic Metals Co., Ltd. and its subsidiaries.

②Cash Flow

Cash and cash equivalents for the current third quarter dropped to 11,420 million yen, a decrease of 18,732 million yen from the end of the previous fiscal year. The reason for this decline is that the cash flow from operating activities was 59,952 million yen, mainly thanks to strong trend in business performance, while the cash flow from investment activities was negative 76,717 million yen due to spending required for the acquisition of shares in Komatsu Electronic Metals, expenditures on property to expand the production capacity for 300mm wafers etc. and the cash flow from financing activities was negative 2,137 million yen due to the payment of dividends etc.

[Reason for Revision of Business Forecast]

As for the forecast business results for the fiscal year ending January 31, 2007, the business forecast announced on September 12, 2006 is hereby revised due to prospects of increased sales and profits, both for consolidated and individual accounting, thanks to strong trends in production and shipment anchored by 300mm wafers and the fact that Komatsu Electronic Metals Co., Ltd. and its subsidiaries have been consolidated from the third quarter.

[Reference: Forecast Business Results]

Forecast for Consolidated Business Results for FY 2006 (February 1, 2006-January 31, 2007)

(millions of yen)

	Net Sales	Operating Profit	Ordinary Profit	Net Income
Previous (A)	270,000	69,000	62,000	67,000
Revised (B)	310,000	80,000	72,000	72,000
Amount Change (B - A)	40,000	11,000	10,000	5,000
Change in percent (%)	14.8%	15.9%	16.1%	7.5%

(Reference) Forecast for net income per share (full-year) 601.50 yen

Forecast for Non-Consolidated Business Results for FY 2006 (February 1, 2006-January 31, 2007)

(millions of yen)

	Net Sales	Operating Profit	Ordinary Profit	Net Income
Previous (A)	240,000	59,000	55,000	59,000
Revised (B)	250,000	67,000	61,000	63,000
Amount Change (B - A)	10,000	8,000	6,000	4,000
Change in percent (%)	4.2%	13.6%	10.9%	6.8%

(Reference) Forecast for net income per share (full-year) 526.32 yen

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(SUMMARY)

THIRD QUARTER CONSOLIDATED BALANCE SHEETS (UNAUDITED)

January 31, October 31, 2006 and October 31, 2005

(millions of yen)

	October 31, 2005	October 31, 2006	January 31, 2006
(Assets)			
I Current assets	(94,576)	(190,431)	(126,771)
Cash and Time deposits	10,280	12,420	31,152
Notes and accounts receivable, trade	41,398	79,260	51,283
Inventories	38,727	60,927	40,015
Other current assets	4,169	37,823	4,320
II Fixed assets	(223,786)	(336,959)	(225,162)
Tangible fixed assets	189,390	286,456	194,147
Intangible fixed assets	22,136	39,252	20,492
Investments and other assets	12,259	11,251	10,521
Total assets	318,363	527,391	351,934
(Liabilities)			
I Current liabilities	(133,438)	(195,939)	(113,725)
Notes and accounts payable, trade	14,986	35,247	16,609
Short-term borrowings	80,862	96,618	60,569
Commercial paper	—	10,000	—
Current portion of long-term payable for capital lease	4,243	2,054	3,691
Accounts payable for equipment	14,218	28,022	13,496
Others current liabilities	19,127	23,997	19,359
II Fixed liabilities	(89,546)	(84,308)	(76,358)
Long-term borrowings	67,271	58,510	54,462
Long-term payable for capital lease	9,072	7,182	8,536
Other long-term liabilities	13,202	18,615	13,359
Total liabilities	222,984	280,248	190,083
(Minority interests)			
Minority interests	144	—	170
(Shareholders' Equity)			
Capital stock	58,500		82,173
Capital surplus	9,858		46,376
Retained earnings	26,593		32,486
Revaluation reserve for land	2,252		2,252
Net unrealized gain on available-for-sale securities	24		46
Foreign currency translation adjustments	△1,996		△1,656
Treasury stock	—		△0
Total Shareholders' equity	95,233		161,680
Total liabilities, minority interests and shareholders' equity	318,363		351,934

(millions of yen)

	October 31, 2005	October 31, 2006	January 31, 2006
(Net assets)			
I Shareholders' equity			
Capital		82,173	
Capital surplus		46,376	
Retained earnings		86,402	
Treasury stock		△0	
Total Shareholders' equity		214,952	
II Variance of valuation/translation etc			
Net unrealized gain on available-for-sale securities		26	
Gains and losses of deferred hedge		△53	
Revaluation reserve for land		2,252	
Foreign currency translation adjustments		△1,637	
Total Shareholders' equity		588	
III Minority interests		31,602	
Total net assets		247,143	
Total liabilities and net assets		527,391	

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(SUMMARY)

THIRD QUARTER CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

Year ended January 31, nine months ended October 31, 2006 and nine months ended October 31, 2005

(millions of yen)

	Nine months Ended October 31, <u>2005</u>	Nine months Ended October 31, <u>2006</u>	Year Ended January 31, <u>2006</u>
I Net Sales	158,840	207,592	220,526
II Cost of sales	112,849	133,364	156,414
Gross profit	45,990	74,227	64,112
III Selling, general and administrative expenses	14,285	18,568	19,771
Operating profit	31,705	55,659	44,340
IV Non-operating income	(399)	(357)	(472)
Interest and dividend income	57	151	86
Other	342	205	385
V Non-operating income	(5,550)	(6,664)	(8,258)
Interest expense	2,713	2,302	3,484
Foreign exchange loss	—	1,921	1,905
Other	2,836	2,440	2,867
Ordinary income	26,554	49,352	36,554
VI Extraordinary gain	—	—	—
VII Extraordinary loss	1,452	—	1,514
Income before income taxes and minority interests	25,102	49,352	35,039
Income taxes	10,429	△10,168	14,448
Minority interests	78	181	103
Net income	14,594	59,338	20,486

(3)

(SUMMARY)

THIRD QUARTER CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Year ended January 31, nine months ended October 31, 2006 and nine months ended October 31, 2005

(millions of yen)

	Nine months Ended October 31, <u>2005</u>	Nine months Ended October 31, <u>2006</u>	Year Ended January 31, <u>2006</u>
I Operating activities			
Income before income taxes and minority interests	25,102	49,352	35,039
Depreciation and amortization	25,492	28,332	35,251
Amortization of consolidation goodwill	703	703	938
Increase or decrease in notes and accounts receivable, trade (increase is shown with Δ)	2,075	Δ 6,968	Δ 7,575
Increase or decrease in inventories (increase is shown with Δ)	Δ 479	Δ 4,484	Δ 1,305
Increase or decrease in notes and accounts payable, trade (decrease is shown with Δ)	Δ 2,601	3,620	Δ 1,530
Other	6,903	1,611	6,845
Sub total	57,195	72,166	67,663
Interest and dividend received	55	152	85
Interest paid	Δ 2,374	Δ 2,114	Δ 3,556
Income taxes paid	Δ 759	Δ 10,252	Δ 1,296
Net cash provided by operating activities	54,117	59,952	62,895
II Investing activities			
Payments for purchases of tangible and intangible fixed assets	Δ 40,261	Δ 43,394	Δ 53,615
Expenditures for acquisition of shares of subsidiaries due to change in scope of consolidation	—	Δ 35,890	—
Other	1,099	2,567	915
Net cash used in investing activities	Δ 39,161	Δ 76,717	Δ 52,699
III Financing activities			
Net increase or decrease in short-term borrowings (decrease is shown with Δ)	3,207	9,862	Δ 18,739
Commercial paper	—	10,000	—
Proceeds from long-term borrowings	1,000	4,716	1,000
Repayments of long-term borrowings	Δ 21,821	Δ 18,410	Δ 33,097
Repayments of long-term payable for capital lease	Δ 2,101	Δ 2,918	Δ 3,519
Proceeds from issuance of capital stock	—	—	60,192
Dividend paid	—	Δ 5,386	—
Payments for purchase of treasury stock	—	Δ 0	Δ 0
Net cash provided by (used in) financing activities	Δ 19,715	Δ 2,137	5,835
IV Foreign currency translation adjustments on cash and cash equivalents	38	170	120
V Increase or decrease in cash and cash equivalents (decrease is shown with Δ)	Δ 4,720	Δ 18,732	16,150
VI Cash and cash equivalents at beginning of period	14,001	30,152	14,001
VII Cash and cash equivalents at end of period	9,280	11,420	30,152

