

(TRANSLATION)

This brief statement on FY2009 (ending January 31, 2010) is released pursuant to the requirements under the listing rules of, and reported to, the Tokyo Stock Exchange.

## Brief Statement on Consolidated Financial Results for the Second Quarter (ended July 31, 2009) of Fiscal Year 2009 (ending January 31, 2010)

September 4, 2009  
TSE First Section

Company name: SUMCO Corporation

Code: 3436 URL: <http://www.sumcosi.com/>

Representative: Yoichi Taguchi, President

Contact person: Hiroshi Shibuya, General Manager, Public Relations & IR Department (Tel: +81-3-5444-3915)

Scheduled date of filing of quarterly security report: September 14, 2009

Scheduled date of commencement of dividend payment: —

(Amounts smaller than one million yen are rounded down)

### 1. Consolidated Business Results for the Second Quarter (February 1, 2009–July 31, 2009) of Fiscal Year 2009 (ending January 31, 2010)

#### (1) Consolidated Financial and Operating Results (fiscal year-to-date)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
Q2 of FY2009	95,777	—	(48,832)	—	(61,201)	—	(52,921)	—
Q2 of FY2008	227,161	(0.9)	47,284	(31.4)	46,591	(29.6)	25,610	(31.2)

	Net income per share for quarter (yen)	Diluted net income per share for quarter (yen)
Q2 of FY2009	(205.32)	—
Q2 of FY2008	102.36	—

#### (2) Consolidated Financial Position

	Total assets (million yen)	Net assets (million yen)	Shareholders' equity ratio (%)	Net assets per share (yen)
Q2 of FY2009	721,415	334,108	43.2	1,210.17
FY2008	733,897	389,521	49.8	1,419.24

(Reference) Shareholders' equity: Q2 of FY2009: 311,919 million yen; FY2008: 365,807 million yen

### 2. Dividend Payments

(Record date)	Dividends per share				
	End of first quarter (yen)	End of second quarter (yen)	End of third quarter (yen)	End of fiscal year (yen)	Full year (yen)
FY2008	—	27.50	—	12.50	40.00
FY2009	—	0.00	—	—	—
FY2009 (Forecast)	—	—	—	0.00	0.00

(Note) Revision of dividend forecast in the quarter under review: Yes

**3. Consolidated Business Results Forecast for Fiscal Year 2009 (ending January 31, 2010)**

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income		Net income per share (yen)
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	
Full year	220,000	(43.9)	(80,000)	—	(110,000)	—	(100,000)	—	(387.97)

(Note) Revision of consolidated business results forecast in the quarter under review: Yes

**4. Others**

- (1) Changes in important subsidiaries during the period under review (changes in specific subsidiaries involving modifications to the scope of consolidation): No
- (2) Application of simplified or special accounting methods in preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting principles, procedures, and presentation methods for preparing quarterly consolidated financial statements (as described in “Modifications to Important Matters Forming the Basis of Preparation of Quarterly Consolidated Financial Statements”)
  - [1] Changes associated with revision of accounting standards, etc.: Yes
  - [2] Changes other than [1]: No
 (Note: For details, refer to “4. Others” under “Qualitative Information and Financial Statements” on page 4.)
- (4) Number of issued shares (common stock)
  - [1] Issued shares as of end of period (including treasury stock):  
257,751,739 shares as of end of second quarter of FY2009; 257,751,739 shares as of end of FY2008
  - [2] Treasury stock as of end of period:  
3,525 shares as of end of second quarter of FY2009; 3,113 shares as of end of FY2008
  - [3] Average number of shares during period (Fiscal year-to-date):  
257,748,400 shares during second quarter of FY2009; 250,201,944 shares during second quarter of FY2008

**\* Explanations regarding appropriate use of business results forecast and other special instructions:**

1. Business results forecasts for the fiscal year ending January 31, 2010 previously remained indeterminate. However, the Company has now disclosed its forecasts as shown in “Consolidated Business Results Forecast for Fiscal Year 2009” above. For details, refer to “Qualitative Information on Consolidated Business Results Forecast” on page 3.
2. Forecasts for year-end dividend payments per share for the fiscal year ending January 31, 2010 previously remained indeterminate. However, the Company has now disclosed its forecasts as shown in “Dividend Payments” appearing on page 1. For details, refer to “Announcement of Revision of Dividend Forecast for Fiscal Year 2009,” which has been separately announced.
3. Beginning with fiscal year 2009, the Company is applying *ASBJ Statement No. 12: Accounting Standard for Quarterly Financial Reporting* and *ASBJ Guidance No. 14: Guidance on Accounting Standard for Quarterly Financial Reporting*. Furthermore, the Company is preparing its quarterly consolidated financial statements in accordance to *Rules for Quarterly Consolidated Financial Reporting*.

Business results forecast and other forward-looking statements contained in this Brief Statement on Consolidated Financial Results are based on information currently available to the Company and on certain assumptions that the Company considers to be reasonable. Actual results may differ significantly from those projected in the forward-looking statements as a result of various factors.

## **Qualitative Information and Financial Statements**

### **1. Qualitative Information on Consolidated Financial and Operating Results**

During the quarter under review, economic conditions began to show signs of improvement. However, overall business conditions remained severe.

While demand for silicon wafers for semiconductors began to recover in the early spring, market conditions remained severe. Demand for silicon wafers for solar energy cells remained sluggish as severe market conditions persisted.

In this business environment, the SUMCO Group continued to implement management measures to scale back on capital investment, overhaul its operational structure, and reduce its labor costs and other expenses. Additionally, the SUMCO Group formulated and launched various activities for realizing its “Main Points in Business Restructuring Plan,” which is aimed at creating a more robust corporate foundation and ensuring sustained growth. The main features of the Plan include restructuring the Company’s small-diameter wafer manufacturing facilities, improving the Company’s competitive position in solar wafer businesses, and accelerating the depreciation of 300 mm wafer manufacturing equipment.

As a result, for the second quarter (February 1, 2009–July 31, 2009), the SUMCO Group registered consolidated net sales of 95,777 million yen, operating loss of 48,832 million yen, and ordinary loss of 61,201 million yen.

Following the decision to close the small-diameter wafer plant of a U.S. subsidiary, the projected liquidation value of fixed assets was registered as an estimated extraordinary loss for the quarter under review. Furthermore, the deferred tax assets of certain subsidiaries were drawn down. As a result, the SUMCO Group registered a net loss of 52,921 million yen for the quarter.

### **2. Qualitative Information on Consolidated Financial Position**

Total assets at the end of the quarter under review amounted to 721,415 million yen, a decrease of 12,481 million from the end of the previous fiscal year. This was mainly due to the following developments. Cash and time deposits, and securities increased by a total of 32,314 million yen. On the other hand, tangible fixed assets decreased by 38,216 million yen as a result of depreciation charges, and notes and accounts receivable decreased by 7,633 million yen.

Total liabilities at the end of the quarter under review amounted to 387,307 million yen, an increase of 42,931 million yen over the end of the previous fiscal year. The main contributing factors were a decrease of 15,026 million yen in notes and accounts payable, and a total increase of 59,090 million yen in short-term loans payable and long-term loans payable.

Net assets amounted to 334,108 million yen, down 55,413 million yen from the end of the previous fiscal year. This primarily reflected a net loss of 52,921 million yen and a decrease of 56,143 million yen in retained earnings due to dividend payments of 3,221 million yen made for the previous fiscal year.

### **3. Qualitative Information on Consolidated Business Results Forecast**

Economic conditions are expected to improve during the current fiscal year although they are expected to remain severe for some time to come.

Continued recovery is expected in demand for silicon wafers for semiconductors. However, the overall business environment is expected to remain severe.

Based on the above, the Company has disclosed its full-year forecast of business results as shown in “Consolidated Business Results Forecast for Fiscal Year 2009” appearing on page 2.

#### 4. Others

- (1) Changes in important subsidiaries during the period under review (changes in specific subsidiaries involving modifications to the scope of consolidation): No
- (2) Changes in accounting principles, procedures, and presentation methods for preparing quarterly consolidated financial statements

*Application of Accounting Standard for Quarterly Financial Reporting and Guidance on Accounting Standard for Quarterly Financial Reporting*

Beginning with fiscal year 2009, the Company is applying *ASBJ Statement No. 12: Accounting Standard for Quarterly Financial Reporting* and *ASBJ Guidance No. 14: Guidance on Accounting Standard for Quarterly Financial Reporting*. Furthermore, the Company is preparing its quarterly consolidated financial statements in accordance with *Rules for Quarterly Consolidated Financial Reporting*.

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheet

(million yen)

	End of Q2 of FY2009 (July 31, 2009)	End of FY2008 (January 31, 2009)
<b>Assets</b>		
Current assets		
Cash and time deposits	24,769	53,955
Notes and accounts receivable	37,981	45,614
Securities	61,500	—
Merchandise and finished goods	17,268	20,775
Work in process	20,364	17,696
Raw materials and supplies	41,803	45,072
Others	13,264	19,948
Allowance for doubtful accounts	(2,018)	(3,134)
Total current assets	214,932	199,928
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	136,501	125,598
Machinery and transportation equipment (net)	218,791	195,461
Land	20,604	20,574
Construction in progress	20,585	92,869
Others (net)	2,639	2,836
Total tangible fixed assets	399,123	437,339
Intangible fixed assets		
Goodwill	38,797	40,315
Others	7,833	7,130
Total intangible fixed assets	46,630	47,445
Investments and other assets		
Investment securities	1,630	845
Others	60,695	48,338
Allowance for doubtful accounts	(1,597)	(1)
Total investments and other assets	60,729	49,183
Total fixed assets	506,483	533,968
Total assets	721,415	733,897

(million yen)

	End of Q2 of FY2009 (July 31, 2009)	End of FY2008 (January 31, 2009)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	17,881	32,908
Short-term loans payable	100,060	106,112
Income taxes, etc. payable	1,232	4,048
Allowances	4,095	5,041
Others	35,796	63,832
Total current liabilities	159,065	211,944
Fixed liabilities		
Long-term loans payable	162,663	97,520
Allowance for employee retirement benefits	17,145	16,555
Other allowances	61	280
Others	48,371	18,075
Total fixed liabilities	228,241	132,431
Total liabilities	387,307	344,375
<b>Net assets</b>		
Shareholders' equity		
Capital	114,107	114,107
Capital surplus	89,291	89,291
Retained earnings	115,043	171,186
Treasury stock	(6)	(6)
Total shareholders' equity	318,435	374,578
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities	459	(7)
Deferred gains and losses on hedges	(3)	(1)
Revaluation reserves for land	2,252	2,252
Foreign currency translation adjustments	(9,223)	(11,014)
Total valuation and translation adjustments	(6,515)	(8,770)
Minority interests	22,188	23,713
Total net assets	334,108	389,521
<b>Total liabilities and net assets</b>	<b>721,415</b>	<b>733,897</b>

## (2) Consolidated Income Statement

(million yen)

	Q2 of FY2009 (February 1, 2009–July 31, 2009)
Net sales	95,777
Cost of sales	129,117
Gross profit	(33,340)
Selling, general and administrative expenses	15,492
Operating profit	(48,832)
Non-operating income	
Interest received	60
Dividends received	21
Foreign-exchange gains	335
Subsidies received	425
Others	442
Total non-operating income	1,284
Non-operating expenses	
Interest paid	1,957
Depreciation charges	11,213
Others	483
Total non-operating expenses	13,653
Ordinary profit	(61,201)
Extraordinary loss	
Business restructuring expenses	2,697
Total extraordinary loss	2,697
Net income before income taxes and minority interests	(63,898)
Income taxes, etc.	(9,291)
Minority interests	(1,685)
Net income	(52,921)

## (3) Consolidated Cash Flow Statement

(million yen)

Q2 of FY2009  
(February 1, 2009–July 31, 2009)

Cash flows from operating activities	
Net income before income taxes and minority interests	(63,898)
Depreciation and amortization	59,061
Amortization of goodwill	1,518
Increase (decrease) in allowance for doubtful accounts	465
Interest and dividends received	(81)
Interest paid	1,957
Decrease (increase) in notes and accounts receivable	6,569
Decrease (increase) in inventories	5,056
Increase (decrease) in notes and accounts payable	(15,742)
Others	7,590
Subtotal	2,497
Interest and dividends received	79
Interest paid	(1,669)
Income taxes, etc. paid	(3,520)
Net cash provided by (used in) operating activities	(2,612)
Cash flows from investing activities	
Expenditures on acquisition of tangible and intangible fixed assets	(57,724)
Others	849
Net cash provided by (used in) investing activities	(56,875)
Cash flows from financing activities	
Net increase (decrease) in short-term loans payable	2,755
Increase (decrease) in commercial paper	(8,000)
Proceeds from long-term loans payable	76,500
Repayments of long-term loans payable	(12,690)
Proceeds from sell-and-lease-back transactions	42,107
Dividends paid	(3,221)
Dividends paid to minority shareholders	(1,006)
Others	(3,800)
Net cash provided by (used in) financing activities	92,643
Foreign currency translation adjustment on cash and cash equivalents	158
Net increase (decrease) in cash and cash equivalents	33,314
Cash and cash equivalents at beginning of period	52,955
Cash and cash equivalents at end of period	86,269

Beginning with fiscal year 2009, the Company is applying *ASBJ Statement No. 12: Accounting Standard for Quarterly Financial Reporting* and *ASBJ Guidance No. 14: Guidance on Accounting Standard for Quarterly Financial Reporting*. Furthermore, the Company is preparing its quarterly consolidated financial statements in accordance to *Rules for Quarterly Consolidated Financial Reporting*.

(4) Notes regarding the going concern assumption: None

(5) Segment Information

[1] Segment Information by Type of Business

During the second quarter (February 1, 2009–July 31, 2009) of FY2009, the SUMCO Group engaged in business activities solely in the “high-purity silicon” segment. Therefore, segment information by type of business is herein omitted.

[2] Geographic Segment Information

Second quarter (February 1, 2009–July 31, 2009) of FY2009

(million yen)

	Japan	North America	Asia	Europe	Total	Elimination or corporate	Consolidated
Sales and Operating Profit/Loss							
Net sales							
(1) Net sales to external customers	68,368	11,669	10,688	5,050	95,777	—	95,777
(2) Net internal sales or transfers between segments	37,970	3,943	2,144	22	44,081	(44,081)	—
Total	106,338	15,612	12,833	5,073	139,858	(44,081)	95,777
Operating profit (loss)	(39,418)	(4,172)	(3,119)	(69)	(46,780)	(2,052)	(48,832)

Notes:

- Country and regional categories are based on geographic proximity.
- Coverage of regional categories, other than Japan, is as follows:
  - North America: United States
  - Asia: Indonesia, Singapore, and Taiwan
  - Europe: United Kingdom and Belgium

[3] Overseas Sales

Second quarter (February 1, 2009–July 31, 2009) of FY2009

	North America	Asia	Europe and others	Total
I. Overseas sales (million yen)	14,562	33,612	7,871	56,045
II. Consolidated sales (million yen)	—	—	—	—
III. Share of overseas sales in consolidated sales (%)	15.2	35.1	8.2	58.5

Notes:

- Country and regional categories are based on geographic proximity.
- Coverage of regional categories is as follows:
  - North America: United States and others
  - Asia: South Korea, Singapore, Taiwan, China, Malaysia, and others
  - Europe and others: Ireland, Israel, Italy, Germany, France, and others
- Overseas sales are sales of the Company and its consolidated subsidiaries in countries and regions other than Japan.

(6) Notes regarding significant changes in shareholders' equity

In April 2009, the amount of 3,221 million yen was withdrawn from retained earnings for use in payment of dividends.

[Reference]

## Consolidated Financial Statements for the Second Quarter of Fiscal Year 2008

## (1) (Summary) Consolidated Income Statement

Second quarter (February 1, 2008–July 31, 2008) of FY2008

(million yen)

Category	Q2 of FY2008
	Amount
I. Net sales	227,161
II. Cost of sales	157,034
Gross profit	70,127
III. Selling, general and administrative expenses	22,842
Operating profit	47,284
IV. Non-operating income	(1,189)
Interest and dividends received	117
Foreign-exchange gains	186
Others	886
V. Non-operating expenses	(1,881)
Interest paid	1,045
Others	836
Ordinary profit	46,591
VI. Extraordinary profit	—
VII. Extraordinary loss	(1,318)
Business restructuring expenses	1,318
Net income before income taxes and minority interests	45,273
Income taxes, etc.	17,001
Minority interests	2,661
Net income	25,610

(2) (Summary) Consolidated Cash Flow Statement  
 Second quarter (February 1, 2008–July 31, 2008) of FY2008

(million yen)

Category	Q2 of FY2008
	Amount
I. Cash flows from operating activities	
Net income before income taxes and minority interests	45,273
Depreciation and amortization	42,453
Amortization of goodwill	1,102
Interest and dividend received	(117)
Interest paid	1,045
Decrease (increase) in notes and accounts receivable	5,967
Decrease (increase) in inventories	(3,636)
Increase (decrease) in notes and accounts payable	(576)
Others	7,236
Subtotal	98,750
Interest and dividends received	117
Interest paid	(1,089)
Income taxes, etc. paid	(40,295)
Net cash provided by (used in) operating activities	57,482
II. Cash flows from investing activities	
Expenditures on acquisition of tangible and intangible fixed assets	(80,622)
Others	(904)
Net cash provided by (used in) investing activities	(81,527)
III. Cash flows from financing activities	
Net increase (decrease) in short-term loans payable	3,943
Net increase (decrease) in commercial paper	35,000
Repayments of long-term loans payable	(14,044)
Proceeds from sale of assets related to finance lease agreements	167
Repayments of lease obligations	(930)
Expenditure for acquisition of treasury stock	(30,001)
Dividends paid	(6,995)
Dividends paid to minority shareholders	(2,083)
Net cash provided by (used in) financing activities	(14,945)
IV. Foreign currency translation adjustment on cash and cash equivalents	(155)
V. Net increase (decrease) in cash and cash equivalents	(39,146)
VI. Decrease in cash and cash equivalents due to exclusion from consolidation	(1,084)
VII. Cash and cash equivalents at beginning of period	57,755
VIII. Cash and cash equivalents at end of period	17,525

## (3) Segment Information

## [1] Segment Information by Type of Business

During the second quarter (February 1, 2008–July 31, 2008) of FY2008, the SUMCO Group engaged in business activities solely in the “high-purity silicon” segment. Therefore, segment information by type of business is herein omitted.

## [2] Geographic Segment Information

Second quarter (February 1, 2008–July 31, 2008) of FY2008

(million yen)

	Japan	North America	Asia	Europe	Total	Elimination or corporate	Consolidated
Net sales	221,789	29,549	23,870	10,209	285,419	(58,257)	227,161
Operating expenses	173,481	28,088	20,625	10,253	232,448	(52,571)	179,877
Operating profit (loss)	48,308	1,460	3,244	(44)	52,970	(5,685)	47,284