

(TRANSLATION)

This brief statements on the FY2009 (Ended January 31, 2010) 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 Fiscal Year 2009 (ended January 31, 2010)

March 12, 2010

Company name: SUMCO CORPORATION

Listed on: First Section of the Tokyo Stock Exchange

Code Number: 3436

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

Representative: Title and name: President, Yoichi Taguchi

Contact person: Title and name: Public Relations & IR Department General Manager, Hiroshi Shibuya

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Scheduled date of ordinary general meeting of shareholders: April 28, 2010

Scheduled date of commencement of dividend payment: -

Scheduled date of filing of annual security report: April 28, 2010

(Amounts smaller than one million yen are rounded down)

### 1. Consolidated Business Results for Fiscal Year ended January 31, 2010 (February 1, 2009-January 31, 2010)

#### (1) Consolidated Business Results

(% indicates year to year comparison)

	Net Sales		Operating Profit		Ordinary Profit		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
YE January 31, 2010	218,217	-44.3	-86,502	—	-114,797	—	-100,472	—
YE January 31, 2009	391,928	-17.5	45,069	-67.9	39,371	-70.4	18,886	-74.8

(Rounded down to the nearest million yen.)

	Net Income per Share		Diluted Net Income per Share		Net Income as a Percentage of Shareholders' Equity	Ordinary Profit as a Percentage of Total Assets	Operating Profit as a Percentage of Net Sales
	Yen	Sen	Yen	Sen	%	%	%
YE January 31, 2010	-389.81	—	—	—	-31.9	-16.4	-39.6
YE January 31, 2009	74.36	—	—	—	5.2	5.5	11.5

(Reference) Investment loss/profit on equity method YE January 31, 2010 -million yen YE January 31, 2009 -million yen

#### (2) Financial Position (Consolidated)

	Total Assets		Net Assets	Shareholders' Equity Ratio	Net Assets per Share	
	Million yen		Million yen	%	Yen	Sen
YE January 31, 2010	662,882		284,923	39.9	1,025.35	
YE January 31, 2009	733,897		389,521	49.8	1,419.24	

(Reference) Shareholders' Equity: YE January 31, 2010 264,280 million yen YE January 31, 2009 365,807 million yen

#### (3) Cash Flow (Consolidated)

	Operating Activities	Investment Activities	Financing Activities	Cash and Cash Equivalent at the end of the period
	Million yen	Million yen	Million yen	Million yen
YE January 31, 2010	7,700	-75,968	86,844	71,776
YE January 31, 2009	93,334	-147,584	51,211	52,955

## 2. Status of Dividend Distribution

(Record Date)	Per-share Dividends					Total Dividend (Annual)	Dividend Payout Ratio (consolidated)	Dividend as a Percentage of Net Assets (consolidated)			
	First quarter		Interim		Third quarter				Year-end		Annual
YE January 31, 2009	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Million yen	%	%
	—	—	27.50	—	—	—	12.50	40.00	10,309	53.8	2.8
YE January 31, 2010	—	—	0.0	—	—	—	0.0	0.00	0	0.0	0.0
YE January 31, 2011 (Forecast)	—	—	0.00	—	—	—	—	—	—	—	—

(Note) A year-end dividend per share for the fiscal year ending January 2011 is uncertain as of the present time.

## 3. Forecast for Consolidated Business Results for FY 2010 (February 1, 2010-January 31, 2011)

(% indicates year to year comparison)

	Net Sales		Operating Profit		Ordinary Profit		Net Income		Net Income per Share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Sen
Interim Period	125,000	30.5	-14,000	—	-24,000	—	-20,000	—	-77.59	
Full year	280,000	28.3	0	—	-20,000	—	-20,000	—	-77.59	

## 4. Others

- (1) Changes in important subsidiaries during the fiscal year (changes in particular subsidiaries involving modifications to the scope of consolidation): Yes

[Newly added: - company (Name: ) Exclusion: One company (Name: SUMCO USA Sales Corporation)]

(Note) For details, please refer to page 8, "Situation of the corporate group."

- (2) Modifications to principles, procedures, representations, etc., of accounting concerning arrangement of consolidated financial statements (those described in "Modifications to important matters forming the basis of arrangement of consolidated financial statements")

[1] Modifications associated with revisions of accounting standards and the like

No

[2] Modifications other than [1]

Yes

(Note) For details, please refer to page 18, 'Changes in basic matters of importance for preparing consolidated financial statements.'

- (3) Number of issued shares (Common Stock)

[1] Number of issued shares at end of fiscal year (including treasury stock): 257,751,739 shares for the fiscal year 2009, ended January 31, 2010 and 257,751,739 shares for the fiscal year 2008 ended January 31, 2009

[2] Number of treasury stock at end of fiscal year: 3,911 shares for the fiscal year 2009, ended January 31, 2010 and 3,113 shares for the fiscal year 2008, ended January 31, 2009

(Note) For the number of shares forming the basis of calculation of the current fiscal year (consolidated), please refer to page 32 'Per-share Information'.

(Reference) Summary of non-consolidated business performance

1. Non Consolidated Business Results for Fiscal Year 2009, ended January 31, 2010 (February 1, 2009-January 31, 2010)

(1) Non Consolidated Business Results

(% indicates year-to-year comparison)

	Net Sales		Operating Profit		Ordinary Profit		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
YE January 31, 2010	183,222	-35.3	-53,203	—	-73,742	—	-48,760	—
YE January 31, 2009	283,265	-11.7	27,273	-72.5	23,897	-74.9	13,318	-76.4

	Net Income per Share		Diluted Net Income per Share	
	Yen	Sen	Yen	Sen
YE January 31, 2010	-189.18			—
YE January 31, 2009	52.44			—

(Note) The common stock of the Company was split two for one effective on February 1, 2007.

(2) Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share	
	Million yen	Million yen	%	Yen	Sen
YE January 31, 2010	642,497	291,378	45.4	1,130.48	
YE January 31, 2009	639,663	342,288	53.5	1,327.99	

(Reference) Shareholders' Equity: YE January 31, 2010 291,378million yen YE January 31, 2009 342,288 million yen

※Explanation regarding appropriate use of results forecasts and other special instructions

The per-share dividend for fiscal 2010 (ending January 31, 2011) is to be determined, and a forecast will be disclosed as soon as the disclosure becomes possible. (For more information about dividends, please refer to page 6 "Basic policy on profit distribution and dividends for the current term and the next term" in the "Business Results" section.)

Results forecasts and other forward-looking statements contained in this Brief Statement of Financial Results are based on assumptions that we consider to be reasonable based on information currently available to us, and our actual results may differ significantly from those projected in the forward-looking statements as a result of various factors.

## **1. Business Results**

### (1) Analysis of Business Results

#### ① Business Results for Fiscal Year 2009

Economic conditions during fiscal year 2009 ended January 31, 2010 continued to be affected by the prolonged economic downturn triggered by the financial crisis. Progress toward recovery was seen in some areas as a result of the emergency fiscal stimulation packages implemented by various countries and the economic growth achieved in China and other emerging economies. However, this was not enough to launch and sustain an autonomous recovery. Most notably, the employment environment remained strained and private-sector capital investment languished at low levels. Consequently, severe economic conditions generally persisted during the period under review.

The semiconductor market underwent a sharp recovery as the inventory adjustment phase that began with the economic downturn in 2008 came to an end. Furthermore, after the spring of 2009, orders for semiconductors received a strong boost from robust demand for personal computers, mobile phones, and other products equipped with semiconductor devices.

Demand for silicon wafers for semiconductors bottomed out during the early stages of fiscal year 2009. Thereafter, the volume of shipments turned positive as demand recovered, led by order for 300 mm wafers, our main product. However, difficult conditions persisted as prices remained at low levels. Demand for silicon wafers for solar energy cells began to recover in certain areas during the second half of fiscal year 2009. Nevertheless, severe conditions persisted in this sector as prices continued to decline.

In this business environment, the SUMCO Group responded to changes in demand for silicon wafers by improving its manufacturing efficiency, particularly in the production of 300 mm wafers. Continued efforts were also made in reducing labor cost and other expenses. With regard to the production of small-diameter wafers, the SUMCO Group steadily implemented its Business Restructuring Plan adopted at the start of fiscal year 2009. The SUMCO Group also pursued the reinforcement of its corporate foundations through continued efforts to enhance “product quality” and “technological capabilities,” which stand at the core of any manufacturing business.

As a result, for fiscal year 2009 (February 1, 2009–January 31, 2010), the SUMCO Group registered consolidated net sales of 218,217 million yen (down 44.3 percent from the previous fiscal year), operating loss of 86,502 million yen, and ordinary loss of 114,797 million yen.

Pursuant to the reorganization of small-diameter wafer production, the SUMCO Group registered an extraordinary loss of 15,092 million yen. As a result, a net loss of 100,472 million yen was registered for fiscal year 2009.

Regarding equipment and machinery used by SUMCO Corporation and its domestic consolidated subsidiaries in the manufacture of silicon wafers for semiconductors, the following change was made in service life beginning in fiscal year 2009. Pursuant to revisions in the Corporation Tax Act, service life was reduced from seven years to five years. Compared to the previous method, this change resulted in an increase of 15,511 million yen in depreciation charges at the operating profit level.

From the perspective of maintaining financial soundness, the depreciation of 300 mm wafer manufacturing equipment and facilities representing fixed assets in operational condition was also started in fiscal year 2009. This change resulted in depreciation charges of 23,990 million yen registered to non-operating expenses.

#### ② Outlook for Fiscal Year 2010

Supported by buoyant demand for semiconductors, we expect the market for silicon wafers for semiconductors to continue expanding in scale. We also expect demand for silicon wafers for solar energy cells to recover as a result of increased global environmental awareness and energy and environmental policies adopted in countries throughout the world.

In this business environment, the SUMCO Group will remain committed to the further reduction of costs and to the steady implementation of our Business Restructuring Plan. Additionally, efforts will be made to rectify and improve silicon wafer prices and to thereby accelerate the recovery in profits. Furthermore, the SUMCO Group will engage in initiatives aimed at strengthening its corporate foundations.

The Company’s forecast of consolidated business results for fiscal year 2010 ending January 31, 2011 is shown in “Consolidated Business Results Forecast for Fiscal Year 2010” appearing on page 2.

## (2) Analysis of Financial Position

## ① Analysis of situation of assets, liabilities, net assets and cash flows

Assets at the end of the current period declined 71,014 million yen from the end of the previous fiscal year, to 662,882 million yen. The main contributing factors to this change were an increase of 28,029 million yen in long-term deferred income tax assets due to the posting of deferred income tax assets in association with the loss in the current period and a decrease of 103,788 million yen in tangible fixed assets reflecting the reduction of capital investments and the progress of depreciation.

Liabilities increased 33,584 million yen, to 377,959 million yen. The main factors were a decrease in facilities-related notes payable and accounts payable of 45,799 million yen and declines in short-term borrowings and commercial paper of 10,973 million yen and 8,000 million yen, respectively, as well as increases in long-term borrowings and long-term lease liabilities of 75,730 million yen and 26,236 million yen, respectively.

Net assets fell 104,598 million yen, to 284,923 million yen. The main factor was a decrease in retained earnings of 103,694 million yen, attributable to the posting of a net loss.

Cash and cash equivalents at the end of the current period rose 18,820 million yen over the figure for the end of the previous fiscal year to 71,776 million yen. The increase reflects the fact that net cash provided by operating activities was 7,700 million yen, net cash used in investing activities was -75,968 million yen, and net cash provided by financing activities was 86,844 million yen.

The situations for each type of cash flow and contributing factors are as follows:

## (Cash flow from operating activities)

Net cash provided by operating activities for the current period decreased by 85,634 million yen over the previous period to 7,700 million yen. The main contributing factor was a decrease in net income before income taxes and interest, offsetting increased cash associated with a rise in depreciation and amortization and a fall in corporate income tax, etc. paid.

## (Cash flow from investing activities)

Net cash used in investing activities for the current period was -75,968 million yen due to a decrease in expenditures of 71,616 million yen over the previous period. The main reason for the result was the decreased acquisition of tangible and intangible fixed assets.

## (Cash flow from financing activities)

Net cash provided by financing activities for the current period was 86,844 million yen, reflecting increases in long-term borrowings and revenue from sale-and-leaseback transactions on the one hand and a decrease in short-term borrowings on the other.

## ② Trends in cash flow indices for the SUMCO Group are as follows

	FY ended January 31, 2006	FY ended January 31, 2007	FY ended January 31, 2008	FY ended January 31, 2009	FY ended January 31, 2010
Equity ratio (%)	45.9	50.5	50.5	49.8	39.9
Market-value based equity ratio (%)	215.6	191.6	83.2	41.9	60.6
Cash flow to interest-bearing debt ratio (Yr)	2.0	1.6	0.6	2.2	38.9
Interest coverage ratio (Times)	17.7	26.1	69.2	47.2	1.9

Shareholders' equity ratio: shareholders' equity/total assets

Market value-based shareholders' equity ratio: total market value of shares/total assets

Cash flow to interest-bearing debt ratio: interest-bearing debt/cash flow

Interest coverage ratio: cash flow /interest paid

(Note 1) All figures are calculated using consolidation-based financial numerical values.

(Note 2) Total market value of shares was calculated using the number of outstanding shares excluding treasury stock.

(Note 3) Cash flows from operating activities are referred to as "cash flows".

(Note 4) Interest-bearing debts cover all debts out of liabilities posted in consolidated balance sheets that are subject to interest payment.

(3) Basic policy on profit distribution and dividends for the current term and the next term

SUMCO's basic policy on distribution of surplus is determined through overall consideration of profit levels for each fiscal year, the outlook for subsequent terms, financial requirements for capital spending, the status of internal reserves and other factors.

The year-end dividend for the current period has been set at zero yen per share, reflecting the results for the current fiscal year, and will be proposed at the ordinary general meeting of shareholders to be held on April 28 this year.

We will pay no dividends at the end of the first half of the fiscal year ending January 2011. The year-end dividend for the fiscal year is yet to be determined.

(4) Business Risk

The following is a discussion of the major factors thought to have an impact on the business and business results of the SUMCO Group. Cognizant of the potential risks described below, the SUMCO Group takes steps to prevent these risks from materializing and to respond promptly when problems arise.

Forward-looking statements contained in the following text are based upon assessments made as of the date of publication and involve uncertainties. Actual results may differ from those projected in the forward-looking statements.

① Business environment

The SUMCO Group may be affected by the characteristics of the semiconductor and related industries because it manufactures and sells silicon wafers used for semiconductor substrates. Industrial factors that might impact on the business results of the SUMCO Group include a sudden downturn in the semiconductor market, rapid progress of technical innovations in the semiconductor and related industries, the rapid obsolescence of products, a sudden change in product lineup, decline in product prices, overconcentration of transactions with a specific client and drastic fluctuation in orders received from any such specific client, a change in the Group's competitiveness as a result of a shift in competitive advantage over rivals, and a dramatic swing in customer demand. The SUMCO Group was formed by the integration of silicon wafer divisions at Sumitomo Metal Industries Ltd. and Mitsubishi Materials Group, and these two companies are still SUMCO's main shareholders. The SUMCO Group might be affected in the future by a change in its relationship with these two companies.

② Products of the SUMCO Group

The products offered by the SUMCO Group are used to manufacture semiconductors. Prices of semiconductors generally trend downward following a product launch, reflecting expansion in sales volume resulting from more widespread use. The SUMCO Group formulates its business projections based upon the assumption of decline in product prices offset by expansion in sales volume through a move into mass production and rationalization efforts in areas such as the manufacturing process, including enhancement of yield ratio, but in the event that a sudden market downturn or other factor caused selling prices to fall more sharply than anticipated, the SUMCO Group's business results might be affected. Besides the foregoing, quality non-compliance (more specifically, the risk that products delivered to customers by the SUMCO Group fail to meet or are non-compliant with customer requirements, specifications or other standards, giving rise to a major quality claim) and the failure to achieve productivity improvements (more specifically, the risk that failure to achieve continuous improvement in production efficiency squeezes profits, or that a breakdown of production equipment or other factor causes production to be suspended or significantly delayed, diminishing the SUMCO Group's overall production capacity or making it difficult to supply specific products) might impact on the SUMCO Group's performance and financial position.

③ Concerning stable procurement of key manufacturing equipment

Some of SUMCO's key manufacturing equipment such as the double-sided polishing machine co-developed by SUMCO and an equipment manufacturer cannot be sourced from elsewhere. If it were difficult to procure such equipment, the SUMCO Group's business results might be affected.

④ Risk regarding customers and suppliers (business failure, shutdown, etc.)

The SUMCO Group takes all possible steps to control customer credit, but in the event that a customer goes bankrupt and a large amount of receivables become uncollectable, this situation might impact on the SUMCO Group's business results. SUMCO also takes steps to avoid the risk of interruption in the supply of materials by, for example, entering into long-term contracts with more than one manufacturer, but in the event that a supplier shuts down or goes bankrupt due to the rapid worsening of economic circumstances or equipment breakdown, or is otherwise prevented from supplying various materials, etc., the SUMCO Group's performance or financial position might be affected.

⑤ Capital investment

The SUMCO Group is making capital investments in accordance with its medium- to long-term demand forecasts. If the demand forecasts change drastically due to a change in economic trends or the environment surrounding the semiconductor and solar energy cell industries, that may affect the SUMCO Group's business and business results.

## ⑥Technology and R&amp;D

The semiconductor industry is characterized by rapid technological innovation, and customer technical requirements for the silicon wafers provided by the SUMCO Group are wide ranging and ever more sophisticated, including the integration and miniaturization of semiconductors, the diversification and sophistication of semiconductor applications, and improvement of production efficiency. With the aim of expanding its share of the silicon wafer market, the SUMCO Group is involved in R&D activities in strategic areas such as technology related to 300mm wafers, which are expected to show growth in the medium-to-long term, technology related to high value added wafers such as epitaxial wafers and annealed wafers, and technology related to next-generation wafer products. However, in the event that the SUMCO Group was prevented from adapting to technological advances in the silicon wafer industry, it became difficult to meet customer requirements and R&D activities failed to achieve the envisaged results, this situation might impact on the SUMCO Group's business and business results.

## ⑦Intellectual property

Recognizing that the acquisition of patents and other intellectual property rights is extremely important to compete with rivals in the silicon wafer industry, the SUMCO Group holds the rights to a large number of patents and patent applications both in Japan and overseas. The Group holds basic patents relating to the manufacture of crystals grown from a larger charge size, low defect crystals and high precision double-sided polishing technology, and also has patents pending for technologies developed from these patents and peripheral technologies. However, in the event that a third party filed an action for injunction and compensation of damages, etc. on the grounds of infringement of a third party patent that the SUMCO Group did not know existed, the SUMCO Group's business and business results might be affected.

## ⑧Overseas operations

The SUMCO Group is a silicon wafer supplier to the leaders of the global semiconductor industry, with production and sales bases not only in Japan but also in North America, Europe and Asia. The production and sales activities of the SUMCO Group are exposed to foreign exchange rate risk and might also be affected by changes in each country and each region, etc. including changes in the economic situation, political situation, laws and regulations, the tax system and foreign exchange control, and by local conditions including the occurrence of conflict, terrorist attacks and disasters, epidemics, differences in social customs and labor practices, and poor social infrastructure.

## ⑨Environmental regulations, etc.

The operations of the SUMCO Group, at manufacturing bases and elsewhere, are governed by many laws and regulations in Japan and other countries concerning environmental matters such as the use of energy, exhaust emissions, waste water, the use and storage of hazardous substances, the disposal of industrial waste, and the investigation and clean-up of soil and groundwater contamination, and the SUMCO Group might incur certain expenses or bear an obligation of compensation or other legal responsibility pursuant to such regulations. Also, in recent years, there has been a general tendency towards tighter environmental regulation. The possibility of new environmental laws and regulations being enacted in Japan and other countries in the future cannot be denied, and in this event the SUMCO Group is likely to incur further expenditure to comply with such laws and regulations, which might impact on the SUMCO Group's business and business results.

## ⑩Risk of natural disasters, accidents, etc.

In the event that an earthquake, typhoon, tidal wave, volcanic activity or other natural disaster or an accident, fire, terrorist attack or other man-made disaster caused an unforeseen situation such as the suspension of production, equipment damage, or the restriction of the water or power supply at one of the SUMCO Group's manufacturing bases, the SUMCO Group's business and business results might be affected.

Particularly if the aforementioned natural disaster, accident, fire or other man-made disaster occurred at a manufacturing base that fabricates 300mm wafers, the SUMCO Group's core product, this situation might prevent the manufacture and sale of 300 mm wafers and might impact on the SUMCO Group's business and business results.

## ⑪Risk regarding corporate takeover

When undertaking a corporate acquisition, SUMCO endeavors to avoid risk by performing due diligence to understand the financial position and other aspects of the enterprise in question, but if a sudden change in the business environment or other unforeseen situation were to occur, the SUMCO Group's business and business results might be affected

## ⑫Risks besides the foregoing

If, due to a change in the business environment or other cause, a situation such as the following were to arise, the SUMCO Group's business results and financial position might be affected.

- a. If, due to a drastic change in the business environment, a situation requiring measures such as business reconstruction and restructuring were to arise.
- b. If, with respect to retirement benefit obligations, there were a fall in the market value of SUMCO's pension assets, a decrease in investment return, or a major change in the actuarial assumptions used to calculate retirement benefit obligations.

- c. If, due to changes in the economic environment, future earnings estimates were to fluctuate significantly, or in other cases, requiring accounting adjustments.
- d. If, due to a change in the external environment etc., the SUMCO Group were to need more funding than anticipated, or if all the SUMCO Group's obligations under a contract with financial institutions became accelerated, or if, due to factors such as the level of interest rates or market conditions, the SUMCO Group were unable to raise funds as desired (timing, conditions).

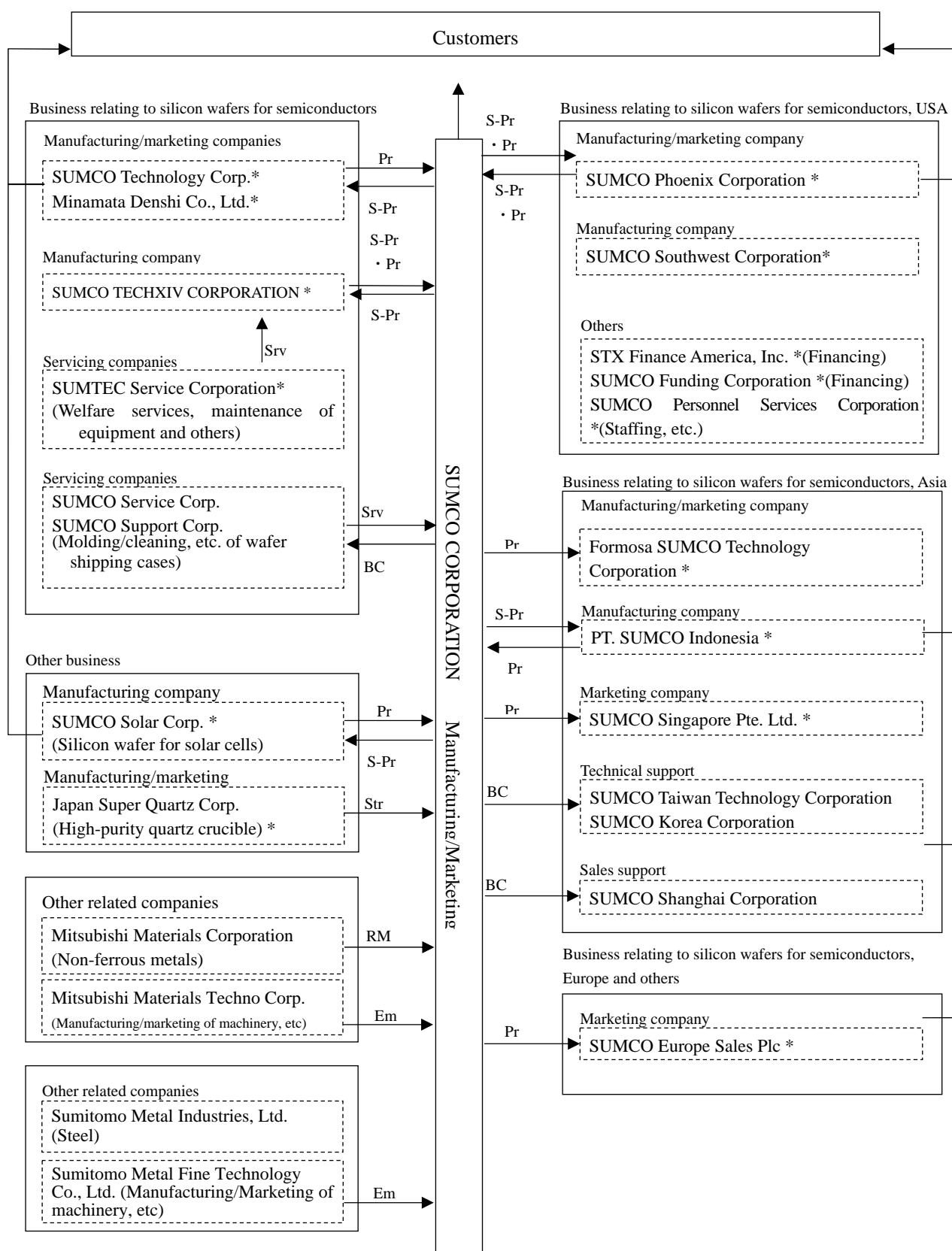
## **2. Situation of the corporate group**

SUMCO has 9 domestic subsidiaries (7 consolidated and 2 unconsolidated), 14 overseas subsidiaries (10 consolidated and 4 unconsolidated). Two other companies related to SUMCO are Sumitomo Metal Industries, Ltd. and Mitsubishi Materials Corporation. SUMCO belongs to each group of these two companies.

SUMCO and its subsidiaries (the "SUMCO Group") conduct business that relates solely to "high-purity silicon". It is largely divided into two areas: "business relating to silicon wafers for semiconductors" (which includes the manufacturing and marketing of silicon wafers for semiconductor manufacturers) and "other business" (which involves the manufacturing and marketing of silicon wafers for solar cell, and the manufacturing and marketing of high-purity quartz crucibles used for the production of silicon wafers).

[Business Structure]

The business structure of the SUMCO Group is as follows: ( ※ indicates consolidated subsidiaries)



Pr=product, S-Pr=semi-finished product, Srv=service, BC=business consignment, Str=storage, RM=raw materials Em=equipment, Stf=staffing, LT= licensing of technology, Mt=materials

(Note) SUMCO merged SUMCO Phoenix Corporation with SUMCO USA Sales Corporation on August 31, 2009.

### **3.Management Policies**

#### (1) Basic Policies of Corporate Management

The SUMCO Group strives to contribute to the development of society by ensuring a stable supply of high quality silicon wafers used in semiconductor devices, an objective it is committed to achieving through the maximum utilization of its product development and technological capabilities in a broad range of large-diameter and small-diameter silicon wafer manufacturing activities. In particular, the SUMCO Group is focused on constantly improving its technological capabilities in order to successfully respond to the extremely demanding quality and cost requirements of customers, and to thereby maintain and improve its position in the silicon wafer industry. These commitments are underscored in the mission statement of the SUMCO Group, which is "To be the world's No. 1 silicon wafer supplier by exceeding the expectation of our customers and stockholders, by recognizing the value of our employees and by being good neighbors in communities."

Guided by these basic policies, the SUMCO Group will continue to strengthen its business foundations, aim to achieve sustained growth, and respond to the expectations of its stakeholders.

#### (2) Medium- to Long-Term Management Strategies

Continued growth in general demand for silicon wafers for semiconductors can be expected. In fact, with the recovery in demand in the semiconductor market, manufacturing capacity for 300 mm wafers is already moving toward expansion. On the other hand, demand for 200 mm and smaller diameter silicon wafers is expected to gradually decline as the market shifts to 300 mm wafers.

Under these conditions, the SUMCO Group will pursue the following direction with regard to its main product, the 300 mm silicon wafers. While responding appropriately to growth in demand and increasingly higher precision and fineness requirements, constant efforts will be made to rectify and improve the price level of our products. In the area of small-diameter silicon wafers of 200 mm and less, the Business Restructuring Plan will be steadily implemented to reduce excess manufacturing capacity and to realize centralized and highly efficient operations. Continued efforts will also be made in improving profitability by strengthening our cost competitiveness and responding to higher quality requirements.

In the area of silicon wafers for solar energy cells, a market where steady medium- to long-term growth is expected, the SUMCO Group will endeavor to further bolster its technological strengths. At the same time, we will work to improve the quality of our products while reducing costs in order to enhance our competitive advantage.

#### (3) Challenges Facing SUMCO Group

The SUMCO Group will steadily implement the following measures.

##### [1] Responding to Changing Business Environment

Demand for semiconductor devices was hit hard by the recession that started in 2008, but began to show signs of recovery after bottoming out in the early spring of 2009. Although continued growth in demand is expected, the market for silicon wafers for semiconductors has yet to emerge from the steep decline in product prices. Consequently, severe conditions continue to prevail in this market.

In this business environment, the SUMCO Group will make every effort to rectify silicon wafer prices as soon as possible. On the manufacturing front, we will endeavor to improve the efficient operation of our manufacturing facilities by continuing to implement the Business Restructuring Plan. In the area of cost rationalization, the program launched last year primarily for reducing fixed costs and cutting material procurement expenses will be continued in full force. The SUMCO Group will also engage in various initiatives for enhancing technological capabilities and achieving operational improvements.

The SUMCO Group is committed to steadily implementing the above measures in order to strengthen its corporate foundations and to thereby sustain its profit levels even under severe business conditions.

##### [2] Further Development of Technological Foundations

The SUMCO Group is committed to responding effectively and speedily to increasingly higher precision requirements for silicon wafer products. At the same time, the SUMCO Group will focus its energies on developing production technologies that will yield significant reductions in manufacturing costs. We will also continue to engage in future-oriented technological challenges, including R&D for the development of next-generation wafers and the development of wafers that will achieve higher conversion rates in solar energy cells. We will also strive to further strengthen our R&D foundations and to maximize corporate value through the efficient allocation and use of the management resources of the entire SUMCO Group.

## 4. Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Million yen)

	Previous Fiscal Year (As of January 31, 2009)	Current Fiscal Year (As of January 31, 2010)
<b>Assets</b>		
Current assets		
Cash and time deposits	53,955	71,776
Notes and accounts receivable	45,614	40,218
Inventories	83,544	-
Merchandise and finished goods	-	16,841
Work in process	-	17,263
Raw materials and supplies	-	40,015
Deferred income tax assets	7,673	6,206
Others	12,275	10,091
Allowance for doubtful accounts	-3,134	-2,032
Total current assets	199,928	200,381
Fixed assets		
Tangible fixed assets		
Buildings and structures	192,159	204,861
Accumulated depreciation	-66,561	-76,435
Buildings and structures (net)	125,598	128,426
Machinery and transportation equipment	701,418	776,697
Accumulated depreciation	-505,957	-612,188
Machinery and transportation equipment (net)	195,461	164,508
Land	20,574	20,587
Construction in progress	92,869	17,938
Others	15,367	15,145
Accumulated depreciation	-12,531	-13,055
Others (net)	2,836	2,089
Total tangible fixed assets	437,339	333,550
Intangible fixed assets		
Goodwill	40,315	37,278
Software	6,625	6,231
Others	504	464
Total intangible fixed assets	47,445	43,975
Investments and other assets		
Investment securities	845	1,927
Long-term prepaid expenses	5,358	5,322
Deferred income tax assets	13,982	42,012
Long-term advances	-	34,081
Others	28,997	3,232
Allowance for doubtful accounts	-1	-1,599
Total investments and other assets	49,183	84,976
Total fixed assets	533,968	462,501
<b>Total assets</b>	<b>733,897</b>	<b>662,882</b>

(Million yen)

	Previous Fiscal Year (As of January 31, 2009)	Current Fiscal Year (As of January 31, 2010)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	32,908	23,898
Short-term loans payable	98,112	87,139
Commercial paper	8,000	-
Lease liabilities	1,681	10,210
Income taxes, etc. payable	4,048	467
Allowance for employee bonuses	5,013	3,277
Allowance for directors' bonuses	28	-
Facilities related notes payable and accounts payable	50,127	4,327
Others	12,023	13,931
Total current liabilities	211,944	143,252
Fixed liabilities		
Long-term loans payable	97,520	173,251
Lease liabilities	2,781	29,018
Deferred income tax liabilities	161	172
Deferred tax liabilities for land evaluation	1,784	1,784
Allowance for employee retirement benefits	16,555	17,979
Allowance for directors' retirement bonuses	280	-
Others	13,347	12,500
Total fixed liabilities	132,431	234,707
Total liabilities	344,375	377,959
<b>Net assets</b>		
Shareholders' equity		
Capital	114,107	114,107
Capital surplus	89,291	89,291
Retained earnings	171,186	67,492
Treasury stock	-6	-7
Total shareholders' equity	374,578	270,883
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities	-7	1,079
Deferred gains and losses on hedges	-1	-
Revaluation reserves for land	2,252	2,252
Foreign currency translation adjustments	-11,014	-9,934
Total valuation and translation adjustments	-8,770	-6,602
Minority interests	23,713	20,642
Total net assets	389,521	284,923
Total liabilities and net assets	733,897	662,882

## (2) Consolidated Income Statement

(Million yen)

	Previous Fiscal Year (From February 1, 2008 to January 31, 2009)	Current Fiscal Year (From February 1, 2009 to January 31, 2010)
Net sales	391,928	218,217
Cost of sales	306,063	273,836
Gross profit (loss)	85,864	-55,619
Selling, general and administrative expenses	40,795	30,883
Operating profit (loss)	45,069	-86,502
Non-operating income		
Interest received	216	109
Dividends received	30	21
Foreign-exchange gains	-	199
Gain on sales of noncurrent assets	21	14
Investment promotion subsidies	341	-
Subsidies received	-	951
Insurance income	448	163
Others	542	439
Total non-operating income	1,600	1,900
Non-operating expenses		
Interest paid	2,417	4,496
Foreign-exchange loss	1,793	-
Depreciation charges	-	23,990
Loss on sales and retirement of noncurrent assets	1,028	597
Loss on revaluation of investments in securities	656	-
Others	1,403	1,111
Total non-operating expenses	7,298	30,195
Ordinary profit (loss)	39,371	-114,797
Extraordinary loss		
Business restructuring expenses	3,469	15,092
Total extraordinary loss	3,469	15,092
Net income (loss) before income taxes and minority interests	35,901	-129,889
Corporate income tax, local resident tax and business tax	13,828	695
Refund of income taxes	-	-154
Adjustment of corporate income tax, etc	-423	-27,162
Total corporate income tax, etc.	13,404	-26,622
Minority interests in income (loss)	3,610	-2,795
Net income (loss)	18,886	-100,472

## (3) Consolidated Statement of Change in net assets

(Million yen)

	Previous Fiscal Year (From February 1, 2008 to January 31, 2009)	Current Fiscal Year (From February 1, 2009 to January 31, 2010)
<b>Shareholders' equity</b>		
<b>Capital</b>		
Balance at end of previous fiscal year	114,107	114,107
Changes during current fiscal year		
Total changes during current fiscal year	-	-
Balance at end of current fiscal year	114,107	114,107
<b>Capital surplus</b>		
Balance at end of previous fiscal year	78,310	89,291
Changes during current fiscal year		
Disposal of treasury stock	-0	-
Increase(decrease)due to share exchange	10,981	-
Total changes during current fiscal year	10,981	-
Balance at end of current fiscal year	89,291	89,291
<b>Retained earnings</b>		
Balance at end of previous fiscal year	166,246	171,186
Changes during current fiscal year		
Dividends from surplus	-14,084	-3,221
Net income (loss)	18,886	-100,472
Increase due to exclusion from scope of consolidation	404	-
Decrease of retained earnings due to early application of ASBJ Practical Issues Task Force No.18	-267	-
Total changes during current fiscal year	4,939	-103,694
Balance at end of current fiscal year	171,186	67,492
<b>Treasury stock</b>		
Balance at end of previous fiscal year	-2	-6
Changes during current fiscal year		
Acquisition of treasury stock	-30,006	-1
Disposal of treasury stock	0	-
Increase(decrease)due to share exchange	30,002	-
Total changes during current fiscal year	-3	-1
Balance at end of current fiscal year	-6	-7
<b>Total shareholders' equity</b>		
Balance at end of previous fiscal year	358,661	374,578
Changes during current fiscal year		
Dividends from surplus	-14,084	-3,221
Net income (loss)	18,886	-100,472
Acquisition of treasury stock	-30,006	-1
Disposal of treasury stock	0	-
Increase(decrease)due to share exchange	40,984	-
Increase due to exclusion from scope of consolidation	404	-
Decrease of retained earnings due to early application of ASBJ Practical Issues Task Force No.18	-267	-
Total changes during current fiscal year	15,917	-103,695
Balance at end of current fiscal year	374,578	270,883
<b>Valuation and translation adjustments</b>		
Net unrealized gain on available-for-sale securities		
Balance at end of previous fiscal year	-37	-7
Changes during current fiscal year		
Changes (net) in items other than shareholders' equity during current fiscal year	29	1,086
Total changes during current fiscal year	29	1,086
Balance at end of current fiscal year	-7	1,079

(Million yen)

	Previous Fiscal Year (From February 1, 2008 to January 31, 2009)	Current Fiscal Year (From February 1, 2009 to January 31, 2010)
<b>Deferred gains and losses on hedges</b>		
Balance at end of previous fiscal year	-2	-1
<b>Changes during current fiscal year</b>		
Changes (net) in items other than shareholders' equity during the current fiscal year	0	1
Total changes during current fiscal year	0	1
Balance at end of current fiscal year	-1	-
<b>Revaluation reserves for land</b>		
Balance at end of previous fiscal year	2,252	2,252
<b>Changes during current fiscal year</b>		
Changes (net) in items other than shareholders' equity during the current fiscal year	-	-
Total changes during current fiscal year	-	-
Balance at end of current fiscal year	2,252	2,252
<b>Foreign currency translation adjustments</b>		
Balance at end of previous fiscal year	-2,276	-11,014
<b>Changes during current fiscal year</b>		
Changes (net) in items other than shareholders' equity during the current fiscal year	-8,737	1,080
Total changes during current fiscal year	-8,737	1,080
Balance at end of current fiscal year	-11,014	-9,934
<b>Total valuation and translation adjustments</b>		
Balance at end of previous fiscal year	-63	-8,770
<b>Changes during current fiscal year</b>		
Changes (net) in items other than shareholders' equity during the current fiscal year	-8,707	2,168
Total changes during current fiscal year	-8,707	2,168
Balance at end of current fiscal year	-8,770	-6,602
<b>Minority interests</b>		
Balance at end of previous fiscal year	56,913	23,713
<b>Changes during current fiscal year</b>		
Changes (net) in items other than shareholders' equity during the current fiscal year	-33,199	-3,071
Total changes during current fiscal year	-33,199	-3,071
Balance at end of current fiscal year	23,713	20,642
<b>Total net assets</b>		
Balance at end of previous fiscal year	415,510	389,521
<b>Changes during current fiscal year</b>		
Dividends from surplus	-14,084	-3,221
Net income (loss)	18,886	-100,472
Acquisition of treasury stock	-30,006	-1
Disposal of treasury stock	0	-
Increase(decrease)due to share exchange	40,984	-
Increase due to exclusion from scope of consolidation	404	-
Decrease of retained earnings due to early application of ASBJ Practical Issues Task Force No.18	-267	-
Changes (net) in items other than shareholders' equity during the current fiscal year	-41,906	-903
Total changes during current fiscal year	-25,989	-104,598
Balance at end of current fiscal year	389,521	284,923

## (4) Consolidated Cash Flow Statement

(Million yen)

	Previous Fiscal Year (From February 1, 2008 to January 31, 2009)	Current Fiscal Year (From February 1, 2009 to January 31, 2010)
<b>Cash flows from operating activities</b>		
Net income (loss) before income taxes and interest	35,901	-129,889
Depreciation and amortization	89,863	122,868
Amortization of goodwill	2,621	3,037
Business restructuring expense	-	15,092
Increase (decrease) in allowance for doubtful accounts	1,282	503
Increase (decrease) in provision for bonuses	-5,948	-1,747
Increase (decrease) in provision for retirement benefits	797	1,359
Interest and dividends received	-247	-131
Interest paid	2,417	4,496
Loss (gain) on sales and retirement of noncurrent assets	1,006	586
Decrease (increase) in notes and accounts receivable	39,924	4,941
Decrease (increase) in inventories	-13,236	9,191
Decrease (increase) in other current assets	-4,828	3,814
Increase (decrease) in notes and accounts payable	-1,892	-9,178
Increase (decrease) in other current liabilities	152	-81
Others	-2,618	-8,907
Subtotal	145,196	15,956
Interest and dividends received	248	131
Interest paid	-1,977	-4,140
Income taxes paid	-50,133	-4,401
Income taxes refund	-	154
Net cash provided by (used in) operating activities	93,334	7,700
<b>Cash flows from investing activities</b>		
Expenditures on acquisition of tangible and intangible fixed assets	-146,789	-75,565
Proceeds from sales of property, plant and equipment	83	88
Purchase of investments in subsidiaries	-328	-
Others	-551	-491
Net cash provided by (used in) investing activities	-147,584	-75,968
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	28,660	-20,005
Increase (decrease) in commercial paper	8,000	-8,000
Proceeds from long-term loans payable	85,000	139,896
Repayments of long-term loans payable	-22,924	-55,382
Proceeds from sell-and-lease-back transactions	-	43,100
Expenditure as payment against lease liabilities	-1,355	-8,533
Expenditure on acquisition of treasury stock	-30,005	-1
Dividends paid	-14,084	-3,221
Dividends paid to minority shareholders	-2,078	-1,006
Others	0	-
Net cash provided by (used in) financing activities	51,211	86,844
Foreign currency translation adjustment on cash and cash equivalents	-677	244
Net increase (decrease) in cash and cash equivalents	-3,715	18,820
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-1,084	-
Cash and cash equivalents at beginning of period	57,755	52,955
Cash and cash equivalents at end of period	52,955	71,776

Event or Situation Raising Significant Questions about the Going Concern Assumption

Not applicable.

Basic Matters of Importance for Preparing Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 17

Names of major consolidated subsidiaries

SUMCO TECHXIV CORPORATION

Japan Super Quartz Corporation

SUMCO Solar Corporation

SUMCO Phoenix Corporation

SUMCO Europe Sales Plc

PT. SUMCO Indonesia

FORMOSA SUMCO TECHNOLOGY CORPORATION

SUMCO USA Sales Corporation, which was a consolidated subsidiary of the Company in the previous fiscal year, has been merged with SUMCO Phoenix Corporation, a consolidated subsidiary of the Company, in the current fiscal year.

(2) Number of non-consolidated subsidiaries: 6

All of these non-consolidated subsidiaries are exempt, as they are small in scale and none of their total gross assets, sales, net income (amounts proportional to SUMCO's interests) and retained earnings (amounts proportional to SUMCO's interests) will significantly affect the consolidated financial statements.

2. Application of the equity method

We do not have any unconsolidated subsidiary or affiliate company to which the equity method is applied.

The number of unconsolidated subsidiaries and affiliate companies to which the equity method is not applied is six. All six companies are exempt from application as their influences on net income (appropriate amount to equity) and their combined retained earnings (appropriate amount to equity) are minor, and basically insignificant as a whole

3. Consolidated subsidiaries' business year, etc.

The balance sheet date of the 10 overseas consolidated subsidiaries is December 31, which is different from the date used in the consolidated accounting.

Financial data as of the above balance sheet date is used for the preparation of consolidated financial statements for those companies. However, necessary adjustments required for consolidation are made to data relating to business transactions of significance that have taken place between the two balance sheet dates.

4. Standards for accounting treatment

(1) Standards for and method of evaluation of major assets

(a) Securities

Other securities

Securities with market value

We employ the market value method (using the "all included directly in capital" method of accounting for valuation differences, and working out the cost by the "moving average cost" method) based on the market price at the balance sheet date, etc.

Securities without market value

We mainly employ the cost method based on the "moving average cost" method.

(b) Derivatives

Market value method

(c) Inventories

We mainly employ the cost method based on the periodic average method. (Balance sheet values are calculated using the devaluating book value method based on decrease in profitability.)

(2) Method of depreciation of major depreciable assets

(a) Property, plant and equipment (excluding leased assets)

SUMCO and its consolidated domestic subsidiaries mainly employ the straight-line method for buildings and the constant percentage method for other fixed assets.

Service life for buildings and structures is set at 31 years and for machinery and transport equipment at 5 years.

(b) Intangible fixed assets

As for software, we employ the straight-line method based on the usable period (5 years) set within the company.

(c) Leased assets

For assets leased under finance lease transactions that do not involve a transfer of new ownership, we employ the straight-line method in which the lease period is used as the service life and it is assumed that residual value of the relevant asset falls to zero at the end of the leased period.

However, finance lease transaction executed on or before January 31, 2008 that do not involve a transfer of ownership are accounted for using the same method as operating leases.

(3) Standard for provision of major allowances

(a) Allowance for doubtful debt

In anticipation of potential losses from doubtful debts, the estimated irrecoverable amount is provided in accordance with the loan loss ratio for general debts and through the individual examination of recoverability for particular debts such as doubtful debts.

(b) Allowance for employee bonuses

At SUMCO and its consolidated domestic subsidiaries, allowance for employee bonuses is provided for payment of bonuses to employees in the amount of estimated bonuses, which is attributable to the current period.

(c) Allowance for directors' bonuses

To provide for bonuses to be paid to directors, the obligatory amount for the current consolidated accounting period is posted out of the estimated total annual amount of payment.

(d) Allowance for employee retirement benefits

Allowance for employee retirement benefits is provided for payment of retirement benefits to employees in the amount deemed accrued at the current period, based on the projected retirement benefit obligation and the fair value of plan assets at the current fiscal year end.

Past service liability is amortized from the time of accrual using the straight-line method over a fixed number of years (10 years) within the employees' average remaining service period at incurrence.

Actuarial difference is amortized using the straight-line method over a fixed number of years (10 years) within the employees' average remaining service period at incurrence, commencing from the next fiscal year of incurrence.

(4) Standards for translation of major foreign currency-denominated assets and liabilities into Japanese yen

Values of assets and liabilities of foreign subsidiaries are translated into Japanese yen at the spot rates of foreign exchange markets on the closing dates of accounting for the respective companies, revenues and expenses are converted to Japanese yen at the average market rates during the periods. Translation differences are inclusively posted in the foreign exchange translation adjustment account, and minority interests are posted in the net assets section

(5) Major hedge accounting

(a) Method of hedge accounting

Deferred hedge processing is performed. Special processing is adopted for interest-rate swaps that meet the requirements for special processing

(b) Hedging instrument and hedged item

Interest rate swaps are used to avert a risk of fluctuations in market interest rates for borrowed funds and the currency forward is used to avert a risk of currency fluctuations associated with anticipated transactions denominated in foreign currencies.

(c) Hedging policy

Based on our own risk management policy, we hedge against market interest rate risk and currency risk. As for market interest rate risk, we maintain the ratio of borrowings with fixed interest rates to total borrowings above a certain level. Also, we arrange currency forward contracts within the scope of anticipated sales.

(d) Method of assessment of effectiveness of hedges

In terms of hedging instruments and hedged items, we verify the effectiveness of the hedges based on individual transactions. However, the effectiveness assessment process is curtailed when important conditions such as the principal, interest rate, period and currency are identical in the hedging instrument and the hedged item as, in such a case, it is obvious that the particular hedge is highly effective.

(6) Other important matters for the preparation of consolidated financial statements

Accounting for consumption tax and other taxes

The tax exclusion method is adopted.

5. Matters concerning the evaluation of assets and liabilities of consolidated subsidiaries

The total assessment method by current value is adopted for the evaluation of assets and liabilities of consolidated subsidiaries.

6. Matters concerning amortization of goodwill and negative goodwill

Goodwill is evenly amortized over a period of between 15 and 20 years.

7. The scope of cash in the consolidated statements of cash flows

Cash and cash equivalents consist of cash in hand, deposits that can be withdrawn as needed, and short-term investments that are readily convertible into cash, being exposed only to an insignificant risk of changes in value, whose date of maturity or redemption is due within three months of the date of acquisition

Changes in basic matters of importance for preparing consolidated financial statements

Modifications to representations

(Consolidated Balance Sheets)

With the application of the Cabinet Office Ordinance to Amend a Part of the Regulations Concerning Terminology, Forms, and Preparation Methods of Financial Statements, Etc. (Cabinet Office Ordinance No. 50 of August 7, 2008), assets presented as "Inventories" in the previous fiscal year are presented as "Merchandise and finished goods," "Work in process," or "Raw materials

and supplies” in the fiscal year under review.

“Long-term advance payments” included in “Others” in investments and other assets in the previous fiscal year is presented as an individual item in the fiscal year under review, since long-term advance payments exceeded 5% of total assets.

“Long-term advance payments” at the end of the previous fiscal year were 27,565 million yen.

(Consolidated Statements of Income)

With the introduction of XBRL in EDINET, non-operating profit that was presented as “Investment promotion subsidies” and “Others” in the previous fiscal year is presented as “Subsidy income” in the fiscal year under review to improve the comparability of consolidated financial statements.

“Subsidy income” included in “Investment promotion subsidies” and “Others” in the previous fiscal year was 341 million yen and 133 million yen, respectively.

“Loss on revaluation of investments in securities” (13 million yen for the fiscal year under review) posted in non-operating expense in the previous fiscal year is included in “Others” in the fiscal year under review, since the loss was 10% or less of total non-operating expense.

(Consolidated Statements of Cash Flows)

Starting the fiscal year under review, “Restructuring expense” is posted as an individual item.

[Additional Information]

The service life of machinery of SUMCO and its consolidated domestic subsidiaries have been reviewed and changed in the fiscal year under review in association with the revision of the Corporation Tax Act.

As a result of the change, the operating loss, and ordinary loss and net loss before taxes and interest rose 15,511 million yen and 22,367 million yen, respectively.

Looking at geographical information, this change caused the operating loss, ordinary loss and the net loss before income taxes and interest in Japan to rise by 15,511 million yen and 22,367 million yen, respectively, but had no impact in other regions.

Notes

(Regarding consolidated balance sheets)

(Unit: million yen)

	Previous Fiscal Year (Year ended January 31, 2009)	Current Fiscal Year (Year ended January 31, 2010)
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## 1. The following figures are for non-consolidated subsidiaries and affiliated companies.

## Investments and other assets

Investment securities (Equity)	87	87
Others (Investment)	55	55

2. Accumulated depreciation of fixed assets	585,050	701,679
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## 3. Hypothecated assets

Buildings and structures	18,798	6,167
Machinery and transport equipment	27,324	6,169
Land	6,920	-

## Corresponding liabilities

Long-term borrowings	5,005	5,415
(Repayment scheduled within one year)	(1,620)	(-)

## 4. Contingent liability

## Debt guarantee

Employees	1,699	1,523
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## 5. Land revaluation

SUMCO carried out a revaluation of the land owned by the merged company for business use based on the Land Revaluation Law (March 31, 1998, Law No.34) and posted the tax equivalent amount on the relevant revaluation difference to the liabilities section as 'deferred tax liabilities related to revaluation', and at the same time posted the amount with the tax equivalent portion deducted to the net assets section as 'land revaluation difference'.

Method of revaluation	A revaluation was carried out with a reasonable adjustment made for the assessed value of fixed assets as stipulated in Paragraph 3 of Article 2 of the 'Enforcement Ordinance for the Land Revaluation Law (March 31, 1998, Ordinance No.119).	
Date of revaluation	March 31, 2000	
Difference between fair value of land at end of year of revaluation and book value after revaluation	-3,033	-3,204

## 6. Accounting treatment of notes receivable/payable maturing on the balance sheet date

Notes receivable/payable maturing on the balance sheet date are treated as if they were settled at the clearing date of notes. Consequently, as the balance sheet date was a bank holiday, the following notes receivable/payable maturing on the balance sheet date are included in the ending balance.

Notes receivable	1	0
Notes payable	408	154
Notes payable relating to facilities	2,498	12

(Regarding consolidated statements of income)

(Unit: million yen)

Previous Fiscal Year  
(From February 1, 2008 to  
January 31, 2009)

Current Fiscal Year  
(From February 1, 2009 to  
January 31, 2010)

## 1. Major items and amounts of selling, general and administrative expenses

Delivery of products	4,935	3,524
Sales commission	2,747	1,805
Allowance for salaries and bonuses	7,293	5,723
Depreciation and amortization	1,145	1,271
Research and development	9,893	7,642
Lease/rental payment	1,278	1,099
Amortization of goodwill	2,621	3,037
Provision of allowance for doubtful accounts	1,277	547

## 2. Details of non-operating expense

(Depreciation and amortization)

Machinery, especially 300mm wafer manufacturing equipment, that was able to be operated but that was not operated was depreciated.

## 3. Details of extraordinary loss

(Restructuring expense)

Previous fiscal year (from February 1, 2008 to January 31, 2009)

Restructuring expense includes a loss on discontinued speciality products manufacturing processes at the Yonezawa Office and expenditure on the restructuring of technical divisions, and consists of a loss on the removal of equipment of 3,393 million yen and inventory losses of 75 million yen.

Current fiscal year (from February 1, 2009 to January 31, 2010)

Restructuring expense is primarily expense generated from the restructuring of the small-diameter wafers manufacturing system specified in the Business Structure Restructuring Plan, and consists of the extraordinary depreciation of assets to be scrapped of 6,702 million yen associated with the reduction in production capacity in accordance with the downsizing of the market, impairment losses of 4,698 million yen on buildings and machinery becoming idle in association with the restructuring of production systems, and estimated expenses for the removal of assets to be scrapped of 3,691 million yen. The details of impairment losses are as follows:

## (1) Outline of groups of assets that have recorded impairment losses

Company	Place	Use	Category
SUMCO CORPORATION	Kishima-gun, Saga	Idle assets	Buildings and structures Machinery and transport equipment Software Other
	Imari, Saga		
	Yonezawa, Yamagata		
SUMCO TECHXIV CORPORATION	Omura, Nagasaki		
	Kiyotake-cho, Miyazaki		

## (2) Background of the posting of impairment losses

The business assets of the Group are grouped in accordance with classification for management accounting, and each idle asset is treated as a group.

The idle assets have become idle based on the Business Structure Restructuring Plan, and the book value has been written down to a recoverable value.

The recoverable value of each idle asset is measured by its use value. Since future cash flows are not expected from the idle assets, the recoverable value is deemed to be zero.

## (3) Amount of impairment loss

Category	Impairment loss (million yen)
Buildings and structures	2,491
Machinery and transport equipment	2,188
Software	4
Other	14

(Regarding statement of variation for consolidated shareholders' equity)

Previous Fiscal Year (From February 1, 2008 to January 31, 2009)

## 1. Particulars concerning class and total number of issued shares and also class and number of treasury stocks

Class of shares outstanding	Number of shares during the previous fiscal year (thousands shares)	Increase in the number of shares during the current fiscal year (thousands shares)	Decrease in the number of shares during the current fiscal year (thousands shares)	Number of shares at the end of the current fiscal year (thousands shares)
Issued stocks				
Common stock (Note) 1	254,400	3,351	-	257,751
Total	254,400	3,351	-	257,751
Type of treasury stock				
Common stock (Note) 2	0	14,408	14,406	3
Total	0	14,408	14,406	3

(Note) 1. The increase in the number of outstanding shares of common stock by 3,351,000 shares is a result of the issuance of new shares for allotment to the shareholders of SUMCO TECHXIV CORPORATION through the share exchange effective May 30, 2008.

2. The increase in the number of treasury stocks and common stocks by 14,408,000 is largely due to open-market purchases and the purchase of shares of less than one unit, and the decrease in the number of treasury stocks and common stocks by 14,406,000 shares is due to their appropriation for allotment to the shareholders of SUMCO TECHXIV CORPORATION through the share exchange effective May 30, 2008, and their sale.

## 2. Matters concerning stock acquisition rights and treasury stock acquisition rights.

There is no applicable matter.

## 3. Particulars concerning dividends

## (1) Dividends paid

Resolution	Class of Shares	Total Amount of Dividends (million yen)	Dividend per Share (yen)	Record Date	Effective Date
April 25, 2008 Annual meeting of shareholders	Common stock	6,995	27.50	January 31, 2008	April 28, 2008
September 4, 2008 Meeting of Board of Directors	Common stock	7,088	27.50	July 31, 2008	October 10, 2008

## (2) Dividends with the record date in the current fiscal year but the effective date for dividend distribution in the following fiscal year

Resolution	Class of Shares	Total Amount of Dividends (million yen)	Resource of Dividends	Dividend per Share (yen)	Record Date	Effective Date
April 28, 2009 Annual meeting of shareholders	Common stock	3,221	Retained earnings	12.50	January 31, 2009	April 30, 2009

Current fiscal year (From February 1, 2009 to January 31, 2010)

1. Particulars concerning class and total number of issued shares and also class and number of treasury stocks

Class of shares outstanding	Number of shares during the previous fiscal year (thousands shares)	Increase in the number of shares during the current fiscal year (thousands shares)	Decrease in the number of shares during the current fiscal year (thousands shares)	Number of shares at the end of the current fiscal year (thousands shares)
Issued stocks				
Common stock (Note) 1	257,751	-	-	257,751
Total	257,751	-	-	257,751
Type of treasury stock				
Common stock (Note) 2	3	0	-	3
Total	3	0	-	3

(Note) The 1 thousand increase in the number of own shares of common stock is due to the purchase of odd stock.

2. Matters concerning stock acquisition rights and treasury stock acquisition rights.

There is no applicable matter.

3. Particulars concerning dividends

(1) Dividends paid

Resolution	Class of Shares	Total Amount of Dividends (million yen)	Dividend per Share (yen)	Record Date	Effective Date
April 28, 2009 Annual meeting of shareholders	Common stock	3,221	12.50	January 31, 2009	April 30, 2009

(2) Dividends with the record date in the current fiscal year but the effective date for dividend distribution in the following fiscal year

No dividends will be paid.

(Regarding consolidated statements of cash flows)

(Unit: million yen)

	Previous Fiscal Year (From February 1, 2008 to January 31, 2009)	Current Fiscal Year (From February 1, 2009 to January 31, 2010)
1. Relationship between cash and cash equivalents as of year-end balance and the amount of items indicated on the consolidated balance sheets		
Cash and Deposit Account	53,955	71,776
Term deposits with over three month maturity	-1,000	-
Cash and cash equivalents	52,955	71,776

## 2. Details of major nonfund transaction

During the current fiscal year SUMCO made its consolidated subsidiary SUMCOTECHXIV into a wholly owned subsidiary through a share exchange. Accordingly, capital surplus increased by 10,981 million yen, and treasury stock decreased by 30,002 million yen.

(Regarding securities)

## 1. Other securities with market value

	Type	Previous Fiscal Year (Year ended January 31, 2009)			Current Fiscal Year (Year ended January 31, 2010)		
		Acquisition Cost (million yen)	Amount on the Consolidated Balance Sheet (million yen)	Balance (million yen)	Acquisition Cost (million yen)	Amount on the Consolidated Balance Sheet (million yen)	Balance (million yen)
With value on the consolidated balance sheet higher than acquisition cost	(1) Stocks	5	14	9	664	1,748	1,084
	(2) Bonds						
	1) Government bonds, municipal bonds, etc.	-	-	-	-	-	-
	2) Corporate bonds	-	-	-	-	-	-
	3) Others	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Sub total	5	14	9	664	1,748	1,084
With value on the consolidated balance sheet lower than acquisition cost	(1) Stocks	706	685	-21	51	34	-16
	(2) Bonds						
	1) Government bonds, municipal bonds, etc.	-	-	-	-	-	-
	2) Corporate bonds	-	-	-	-	-	-
	3) Others	-	-	-	-	-	-
	(3) Others	-	-	-	-	-	-
	Sub total	706	685	-21	51	34	-16
	Total	712	700	-12	715	1,782	1,067

(Note) In the previous fiscal year, the SUMCO Group recognized impairment losses on securities of 656 million yen (other securities with market value).

In the current fiscal year, the SUMCO Group recognized impairment losses on securities of 12 million yen (other securities with market value).

## 2. Bonds held to maturity sold in previous fiscal year and current fiscal year

	Previous Fiscal Year (From February 1, 2008 to January 31, 2009)			Current Fiscal Year (From February 1, 2009 to January 31, 2010)		
	Cost of bonds sold (million yen)	Amount sold (million yen)	Gain/loss on sale (million yen)	Cost of bonds sold (million yen)	Amount sold (million yen)	Gain/loss on sale (million yen)
Other	500	500	—	—	—	—
Reason for decrease	In the current consolidated fiscal year, held-to-maturity bonds decreased by 500 million yen because they became subject to accelerated redemption as a result of the exercise of call option by the issuer.					

## 3. Major securities not marked to market

	Previous Fiscal Year (Year ended January 31, 2009)	Current Fiscal Year (Year ended January 31, 2010)
	Amount on the Consolidated Balance Sheet (million yen)	Amount on the Consolidated Balance Sheet (million yen)
(1) Stocks of subsidiaries and affiliates	87	87
(2) Other securities		
Unlisted stocks	57	56

(Note) In the current fiscal year, the SUMCO Group recognized impairment losses of 1 million yen on other securities (unlisted shares).

(Regarding retirement benefits)

## 1. Outline of the retirement benefit scheme adopted

SUMCO and certain consolidated subsidiaries have established retirement lump-sum benefit and retirement pension plans as a retirement benefit scheme.

In addition, special severance payments may be paid to employees on retirement.

## 2. Retirement benefit obligations and details

	Previous Fiscal Year (Year ended January 31, 2009)	Current Fiscal Year (Year ended January 31, 2010)
(1) Retirement benefit obligations (million yen)	-33,534	-35,152
(2) Pension assets (million yen)	11,847	13,549
(3) Unreserved retirement benefit obligations (1) + (2) (million yen)	-21,686	-21,603
(4) Unrecognized actuarial loss (million yen)	4,572	3,199
(5) Unrecognized prior service obligations (million yen)	558	424
(6) Retirement benefit allowance (3) + (4) + (5) (million yen)	-16,555	-17,979

(Note) Certain consolidated subsidiaries have adopted the compendium method for the calculation of retirement benefit obligations

## 3. Retirement benefit cost details

	Previous Fiscal Year (From February 1, 2008 to January 31, 2009)	Current Fiscal Year (From February 1, 2009 to January 31, 2010)
(1) Service costs (million yen)	1,970	2,339
(2) Interest costs (million yen)	630	662
(3) Expected return on plan assets (million yen)	-335	-293
(4) Disposition of actuarial loss to costs (million yen)	270	557
(5) Disposition of prior service obligations to costs (million yen)	133	133
(6) Other (million yen)	564	253
(7) Retirement benefit costs (1)+(2)+(3)+(4)+(5)+(6) (million yen)	3,235	3,653

Previous Consolidated Fiscal Year  
(Notes)

1. Retirement benefit costs of consolidated subsidiaries adopting the compendium method are posted to '(1) Service costs'.
2. "(6) Other" consists mainly of contributions to defined contribution pension.

Current Consolidated Fiscal Year  
(Notes)

1. Retirement benefit costs of consolidated subsidiaries adopting the compendium method are posted to '(1) Service costs'.
2. "(6) Other" consists mainly of contributions to defined contribution pension.
3. In addition to the above retirement benefit costs, 254 million yen of premium retirement benefits have been included in 'Restructuring expense' in the extraordinary loss on the consolidated statement of income.

4. Matters concerning the basis for calculating retirement benefit obligations, etc.

	Previous Fiscal Year (Year ended January 31, 2009)	Current Fiscal Year (Year ended January 31, 2010)
Periodic distribution method for anticipated cost of retirement benefits	Periodic flat-rate basis	Periodic flat-rate basis
Discount rate	2.0%	2.0%
Rate of expected return on plan assets	2.5%	2.5%
Number of processing years for prior service obligations	10 years	10 years
Number of processing years for actuarial calculation of loss	10 years	10 years

(Regarding deferred tax accounting)

Previous Fiscal Year (Year ended January 31, 2009)	Current Fiscal Year (Year ended January 31, 2010)
1. Details of main causes of deferred income tax assets and deferred tax liabilities	1. Details of main causes of deferred income tax assets and deferred tax liabilities
Deferred income tax assets	Deferred income tax assets
Loss carried forward for tax 7,529 million yen	Loss carried forward for tax 42,526 million yen
Allowance for employee retirement benefits 6,518	Fixed assets 19,180
Excess depreciation 4,774	Allowance for employee retirement benefits 7,142
Allowance for employee bonuses 1,924	Inventories 4,479
Taiwan tax investment allowance 1,845	Allowance for employee bonuses 1,116
Business tax payable 1,818	Taiwan tax investment allowance 1,921
Others 8,451	Others 5,013
Deferred income tax assets 32,862 million yen	Deferred income tax assets 81,381 million yen
Sub-total	Sub-total
Allowance account -9,615	Allowance account -32,101
Deferred income tax assets Total 23,246 million yen	Deferred income tax assets Total 49,279 million yen
Deferred tax liabilities	Deferred tax liabilities
Stocks of subsidiaries -1,114 million yen	Stocks of subsidiaries -1,114 million yen
Others -637	Others -118
Deferred tax liabilities Total -1,752 million yen	Deferred tax liabilities Total -1,233 million yen
Net deferred income tax assets (liabilities) 21,494 million yen	Net deferred income tax assets (liabilities) 48,046 million yen
Deferred tax liabilities on revaluation -1,784 million yen	Deferred tax liabilities on revaluation -1,784 million yen
2. Details of main items caused a difference between the legal effective tax rate and the contribution rate for corporation tax, etc., after the application of deferred tax accounting	2. Details of main items caused a difference between the legal effective tax rate and the contribution rate for corporation tax, etc., after the application of deferred tax accounting
Legal effective tax rate (Adjustment) 40.1%	Legal effective tax rate (Adjustment) -40.1%
Items not permanently qualified for deduction such as entertainment expenses 0.6	Items not permanently qualified for deduction such as entertainment expenses 0.1
Amortization of consolidation goodwill 2.9	Amortization of consolidation goodwill 0.9
Allowance account -1.5	Allowance account 16.6
Tax credit -5.2	Difference in tax rate with foreign subsidiaries 1.4
Others 0.4	Others 0.5
Contribution rate for corporation tax, etc., after the application of deferred tax accounting 37.3%	Contribution rate for corporation tax, etc., after the application of deferred tax accounting -20.5%

(Omission Disclosure)

Disclosure is omitted for notes regarding leases, information on related parties, and derivative trading in consideration that the necessity of its disclosure is low.

(Segment information)

## 1. Segment information by type of business

The business of the SUMCO Group concentrates on “high-purity silicon”, i.e. a single segment, in the previous consolidated period (from February 1, 2008 to January 31, 2009) and in the current consolidated fiscal year (from February 1, 2009 to January 31, 2010). Therefore, this section is not applicable for our situation.

## 2. Geographic segment information

Previous Consolidated Fiscal Year (From February 1, 2008 to January 31, 2009)

	Japan (million yen)	North America (million yen)	Asia (million yen)	Europe (million yen)	Total (million yen)	Elimination or Corporate (million yen)	Consolidated (million yen)
I. Sales and operating profit/loss							
Sales							
(1) Sales to external customers	291,194	42,065	38,685	19,983	391,928	-	391,928
(2) Intersegment sales or transfers	112,165	16,443	6,402	-	135,011	-135,011	-
Total	403,360	58,508	45,087	19,983	526,939	-135,011	391,928
Operating expense	354,314	56,624	40,925	20,232	472,096	-125,237	346,859
Operating profit (or loss)	49,045	1,884	4,162	-249	54,843	-9,774	45,069
II. Assets	600,172	35,660	69,205	4,321	709,358	24,538	733,897

(Note) 1. Countries or areas are classified by geographic closeness.

2. Breakdown of countries or areas other than Japan is as follows:

- (1) North America   USA
- (2) Asia            Indonesia, Singapore, Taiwan
- (3) Europe         UK, Belgium

3. The amount of operating expense that cannot be allocated and is included in “Elimination or corporate” is 11,036 million yen. Its major component is R &amp; D expenses.

4. The amount of asset that is corporate asset and is included in “Elimination or Corporate” is 52,493 million yen. Its major components are cash and deposit.

## Current Consolidated Fiscal Year (From February 1, 2009 to January 31, 2010)

	Japan (million yen)	North America (million yen)	Asia (million yen)	Europe (million yen)	Total (million yen)	Elimination or Corporate (million yen)	Consolidated (million yen)
I. Sales and operating profit/loss							
Sales							
(1) Sales to external customers	152,717	25,458	26,897	13,144	218,217	-	218,217
(2) Intersegment sales or transfers	87,810	9,486	4,951	23	102,271	-102,271	-
Total	240,527	34,944	31,848	13,167	320,489	-102,271	218,217
Operating expense	310,770	39,328	37,150	13,146	400,396	-95,676	304,719
Operating profit (or loss)	-70,242	-4,383	-5,301	21	-79,907	-6,595	-86,502
II. Assets	520,204	31,607	66,198	5,266	623,276	39,606	662,882

- (Note) 1. Countries or areas are classified by geographic closeness.  
2. Breakdown of countries or areas other than Japan is as follows:  
(1) North America USA  
(2) Asia Indonesia, Singapore, Taiwan  
(3) Europe UK, Belgium  
SUMCO TECHXIV EUROPE N.V. (Belgium) is in the process of being liquidated and is not presently operating.  
3. The amount of operating expense that cannot be allocated and is included in "Elimination or corporate" is 8,569 million yen. Its major component is R & D expenses.  
4. The amount of asset that is corporate asset and is included in "Elimination or Corporate" is 64,897 million yen. Its major components are cash and deposit.

## 3. Overseas sales

## Previous Consolidated Fiscal Year (From February 1, 2008 to January 31, 2009)

	North America	Asia	Europe and others	Total
I. Overseas sales (million yen)	61,011	154,190	27,032	242,234
II. Consolidated sales (million yen)	-	-	-	391,928
III. Ratio of overseas sales to consolidated sales (%)	15.6	39.3	6.9	61.8

- (Note) 1. Countries or areas are classified by geographic closeness.  
2. Breakdown of countries or areas other than Japan is as follows:  
(1) North America USA and others  
(2) Asia Korea, Singapore, Taiwan, China, Malaysia, etc.  
(3) Europe and others Ireland, Israel, Italy, Germany, France, etc.  
3. 'Overseas sales' means the sales made by SUMCO and its consolidated subsidiaries in the countries and areas excluding Japan.

## Current Consolidated Fiscal Year (From February 1, 2009 to January 31, 2010)

	North America	Asia	Europe and others	Total
I. Overseas sales (million yen)	31,954	82,878	17,612	132,445
II. Consolidated sales (million yen)	-	-	-	218,217
III. Ratio of overseas sales to consolidated sales (%)	14.6	38.0	8.1	60.7

- (Note) 1. Countries or areas are classified by geographic closeness.  
2. Breakdown of countries or areas other than Japan is as follows:  
(1) North America USA and others  
(2) Asia Korea, Singapore, Taiwan, China, Malaysia, etc.  
(3) Europe and others Ireland, Israel, Italy, Germany, France, etc.  
3. 'Overseas sales' means the sales made by SUMCO and its consolidated subsidiaries in the countries and areas excluding Japan.

(Per-share information)

Previous Fiscal Year (From February 1, 2008 to January 31, 2009)		Current Fiscal Year (From February 1, 2009 to January 31, 2010)	
Net assets per share	1,419.24 yen	Net assets per share	1,025.35 yen
Current net income per share	74.36 yen	Current net income per share	-389.81 yen
Current net income per diluted share (after adjustment of latent shares) is not described as no such shares exist.		Current net income per diluted share (after adjustment of latent shares) is not described, since a net loss was posted and no such shares exist.	

(Note) The following is the basis for calculation of current net income per share.

	Previous Fiscal Year (From February 1, 2008 to January 31, 2009)	Current Fiscal Year (From February 1, 2009 to January 31, 2010)
Net income/loss (million yen)	18,886	-100,472
Amount not belonging to common shareholders (million yen)	-	-
Current net income/loss for common stock (million yen)	18,886	-100,472
Average number of shares during the fiscal year (shares)	253,996,054	257,748,187
Summary of residual securities not included in calculation of current net income per share after adjusting residual securities due to lack of dilutive effect	_____	_____

## 5. Non-consolidated Financial Statements

## (1) Balance Sheets

(Million yen)

	Previous Fiscal Year (As of January 31, 2009)	Current Fiscal Year (As of January 31, 2010)
<b>Assets</b>		
<b>Current assets</b>		
Cash and time deposits	48,808	61,759
Notes receivable	102	-
Accounts receivable	44,246	39,680
Finished goods	6,879	-
Merchandise and finished goods	-	6,516
Raw materials	13,360	-
Work in process	9,970	10,449
Supplies	12,012	-
Raw materials and supplies	-	23,167
Advance payments-trade	718	2,847
Prepaid expenses	597	645
Deferred income tax assets	5,981	6,055
Short-term loans	42,254	69,210
Accounts receivable-other	6,067	1,634
Others	2,118	801
Allowance for doubtful accounts	-2,391	-2,014
<b>Total current assets</b>	<b>190,727</b>	<b>220,753</b>
<b>Fixed assets</b>		
<b>Tangible fixed assets</b>		
Buildings	120,488	132,643
Accumulated depreciation	-30,338	-36,078
Buildings (net)	90,149	96,565
Structures	6,920	7,346
Accumulated depreciation	-3,254	-3,600
Structures (net)	3,666	3,745
Machinery and equipment	391,194	447,858
Accumulated depreciation	-268,612	-342,616
Machinery and equipment (net)	122,582	105,241
Motor vehicles and transport equipment	927	1,068
Accumulated depreciation	-608	-843
Motor vehicles and transport equipment (net)	319	225
Tools, furniture and fixtures	5,108	4,910
Accumulated depreciation	-4,146	-4,159
Tools, furniture and fixtures (net)	961	750
Land	15,752	15,752
Lease assets	503	622
Accumulated depreciation	-50	-165
Lease assets (net)	452	457
Construction in progress	67,187	10,683
<b>Total tangible fixed assets</b>	<b>301,072</b>	<b>233,423</b>
<b>Intangible fixed assets</b>		
Software	4,960	4,882
Others	217	219
<b>Total intangible fixed assets</b>	<b>5,177</b>	<b>5,101</b>

(Million yen)

	Previous Fiscal Year (As of January 31, 2009)	Current Fiscal Year (As of January 31, 2010)
<b>Investments and other assets</b>		
Investment securities	633	1,706
Stocks of affiliated companies	102,547	109,797
Investments of affiliated companies	55	55
Long-term loans receivable from employees	14	8
Long-term loans receivable from subsidiaries and affiliates	10,000	3,000
Long-term prepaid expenses	4,616	4,559
Long-term advances	19,709	27,398
Deferred income tax assets	4,172	35,818
Others	937	1,442
Allowance for doubtful accounts	-	-566
Total investments and other assets	142,686	183,219
Total fixed assets	448,936	421,744
Total assets	639,663	642,497
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	21,919	22,157
Short-term borrowings	98,057	86,003
Commercial paper	8,000	-
Lease liabilities	103	8,426
Allowance for employee bonuses	3,749	2,138
Allowance for directors bonuses	27	-
Accrued liabilities	4,528	4,119
Accrued expenses	1,543	2,586
Income taxes, etc. payable	-	159
Advances received	-	11
Deposits received	260	279
Guarantee deposits received	847	1,503
Facilities related notes payable and accounts payable	36,956	3555
Others	2	-
Total current liabilities	175,996	130,941
<b>Fixed liabilities</b>		
Long-term borrowings	96,428	167,468
Lease liabilities	367	28,350
Long-term guarantee deposited	12,124	11,196
Deferred income tax liabilities	-	0
Deferred tax liabilities for land evaluation	1,784	1,784
Allowance for employee retirement benefits	10,438	11,265
Allowance for directors' retirement bonuses	225	-
Others	9	112
Total fixed liabilities	121,378	220,177
Total liabilities	297,375	351,119
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital	114,107	114,107
Capital surplus		
Capital reserves	86,046	86,046
Other capital surplus	3,245	3,245
Total capital surplus	89,292	89,292

(Million yen)

	Previous Fiscal Year (As of January 31, 2009)	Current Fiscal Year (As of January 31, 2010)
Retained earnings		
Other retained earnings		
Retained earnings carried forward	136,643	84,661
Total retained earnings	136,643	84,661
Treasury stock	-5	-7
Total shareholders' equity	340,037	288,053
Variance of valuation/translation etc		
Net unrealized gain on available-for-sale securities	0	1,072
Gains and losses of deferred hedge	-1	-
Revaluation reserve for land	2,252	2,252
Total variance of valuation/translation etc.	2,251	3,325
Total net assets	342,288	291,378
Total liabilities and net assets	639,663	642,497

## (2) Statements of Income

(Million yen)

	Previous Fiscal Year (From February 1, 2008 to January 31, 2009)	Current Fiscal Year (From February 1, 2009 to January 31, 2010)
Net sales	283,265	183,222
Cost of sales		
Beginning finished goods	7,658	6,879
Cost of products manufactured	173,814	166,571
Purchase of finished goods	60,333	49,526
Total	241,805	222,977
Transfer to other account	1,634	1,183
Ending finished goods	6,879	6,516
Cost of finished goods sold	233,290	215,277
Gross profit (loss)	49,974	-32,055
Selling, general and administrative expenses	22,701	21,148
Operating profit (loss)	27,273	-53,203
Non-operating income		
Interest received	534	871
Dividends received	1,406	1,562
Foreign-exchange gains	-	305
Subsidies received	-	590
Others	288	519
Total non-operating income	2,229	3,849
Non-operating expenses		
Interest paid	1,714	4,207
Foreign-exchange loss	1,782	-
Loss on sales and retirement of noncurrent assets	654	525
Loss on revaluation of investments in securities	655	-
Depreciation charges	-	18,778
Others	799	878
Total non-operating expenses	5,606	24,389
Ordinary profit (loss)	23,897	-73,742
Extraordinary loss		
Business restructuring expenses	3,469	7,628
Total extraordinary loss	3,469	7,628
Net income (loss) before taxes and interest	20,427	-81,371
Corporate income tax, local resident tax and business tax	6,400	49
Refund of income taxes	-	-154
Adjustment of corporate income tax, etc	709	-32,506
Total corporate income tax, etc.	7,109	-32,610
Net income (loss)	13,318	-48,760

## (3) Statement of Change in net assets

(Million yen)

	Previous Fiscal Year (From February 1, 2008 to January 31, 2009)	Current Fiscal Year (From February 1, 2009 to January 31, 2010)
<b>Shareholders' equity</b>		
Capital		
Balance at end of previous fiscal year	114,107	114,107
Changes during current fiscal year		
Total changes during current fiscal year	-	-
Balance at end of current fiscal year	114,107	114,107
Capital surplus		
Capital reserves		
Balance at end of previous fiscal year	78,310	86,046
Changes during current fiscal year		
Increase(decrease)due to share exchange	7,735	-
Total changes during current fiscal year	7,735	-
Balance at end of current fiscal year	86,046	86,046
Other capital surplus		
Balance at end of previous fiscal year	-	3,245
Changes during current fiscal year		
Increase(decrease)due to share exchange	3,245	-
Total changes during current fiscal year	3,245	-
Balance at end of current fiscal year	3,245	3,245
Total capital surplus		
Balance at end of previous fiscal year	78,310	89,292
Changes during current fiscal year		
Increase(decrease)due to share exchange	10,981	-
Total changes during current fiscal year	10,981	-
Balance at end of current fiscal year	89,292	89,292
Retained earnings		
Other retained earnings		
Retained earnings carried forward		
Balance at end of previous fiscal year	137,409	136,643
Changes during current fiscal year		
Dividends from surplus	-14,084	-3,221
Net income (loss)	13,318	-48,760
Total changes during current fiscal year	-765	-51,982
Balance at end of current fiscal year	136,643	84,661
Treasury stock		
Balance at end of previous fiscal year	-2	-5
Changes during current fiscal year		
Acquisition of treasury stock	-30,005	-1
Increase(decrease)due to share exchange	30,002	-
Total changes during current fiscal year	-3	-1
Balance at end of current fiscal year	-5	-7

(Million yen)

	Previous Fiscal Year (From February 1, 2008 to January 31, 2009)	Current Fiscal Year (From February 1, 2009 to January 31, 2010)
<b>Total shareholders' equity</b>		
Balance at end of previous fiscal year	329,823	340,037
<b>Changes during current fiscal year</b>		
Dividends from surplus	-14,084	-3,221
Net income (loss)	13,318	-48,760
Acquisition of treasury stock	-30,005	-1
Increase(decrease)due to share exchange	40,984	-
Total changes during current fiscal year	10,213	-51,984
Balance at end of current fiscal year	340,037	288,053
<b>Valuation and translation adjustments</b>		
<b>Net unrealized gain on available-for-sale securities</b>		
Balance at end of previous fiscal year	10	0
<b>Changes during current fiscal year</b>		
Changes (net) in items other than shareholders' equity during current fiscal year	-9	1,072
Total changes during current fiscal year	-9	1,072
Balance at end of current fiscal year	0	1,072
<b>Gains and losses of deferred hedge</b>		
Balance at end of previous fiscal year	-8	-1
<b>Changes during current fiscal year</b>		
Changes (net) in items other than shareholders' equity during current fiscal year	6	1
Total changes during current fiscal year	6	1
Balance at end of current fiscal year	-1	-
<b>Revaluation reserve for land</b>		
Balance at end of previous fiscal year	2,252	2,252
<b>Changes during current fiscal year</b>		
Changes (net) in items other than shareholders' equity during current fiscal year	-	-
Total changes during current fiscal year	-	-
Balance at end of current fiscal year	2,252	2,252
<b>Total variance of valuation/translation etc.</b>		
Balance at end of previous fiscal year	2,254	2,251
<b>Changes during current fiscal year</b>		
Changes (net) in items other than shareholders' equity during current fiscal year	-3	1,074
Total changes during current fiscal year	-3	1,074
Balance at end of current fiscal year	2,251	3,325
<b>Total net assets</b>		
Balance at end of previous fiscal year	332,078	342,288
<b>Changes during current fiscal year</b>		
Dividends from surplus	-14,084	-3,221
Net income (loss)	13,318	-48,760
Acquisition of treasury stock	-30,005	-1
Increase(decrease)due to share exchange	40,984	-
Changes (net) in items other than shareholders' equity during current fiscal year	-3	1,074
Total changes during current fiscal year	10,210	-50,909
Balance at end of current fiscal year	342,288	291,378

6. Other

(1) Changes in officers

SUMCO Corporation determined the following changes in officers at a meeting of its Board of Directors meeting held today:

1) Changes in directors and corporate auditors (to be proposed at the ordinary general meeting of shareholders to be held on April 28)

① Changes in directors (the posts in parentheses are current posts)

<Director nominees>

- Mayuki Hashimoto (Outside Auditor)

- Kenji Takahashi (General Manager of Corporate Planning Department of Sumitomo Metal Industries)

Messrs. Mayuki Hashimoto and Kenji Takahashi are outside director nominees.

<Retiring directors>

- Michiharu Takii (Outside Director)

- Hiroshi Kanemoto (Director [part-time])

② Changes in corporate auditors (the posts in parentheses are current posts)

<Corporate auditor nominee>

- Keisuke Yamanobe (Executive Officer of Mitsubishi Materials Corporation)

Mr. Keisuke Yamanobe is an outside auditor nominee.

<Retiring corporate auditor>

- Mayuki Hashimoto (Outside Auditor)