

Brief Statement on Consolidated Financial Results for the First Quarter (ended April 30, 2010) of Fiscal Year 2010 (ending January 31, 2011)

June 4, 2010
TSE First Section

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Scheduled date of filing of quarterly security report: June 14, 2010
Scheduled date of commencement of dividend payment: --

(Amounts smaller than one million yen are rounded down)

1. Consolidated Business Results for First Quarter (February 1, 2010–April 30, 2010) of Fiscal Year 2010 (ending January 31, 2011)

(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)	(%)
Q1 of FY2010	67,151	70.4	(2,513)	—	(6,480)	—	(4,837)	—
Q1 of FY2009	39,398	—	(31,279)	—	(36,285)	—	(26,815)	—

	Net income per share for quarter (yen)	Diluted net income per share for quarter (yen)
Q1 of FY2010	(18.77)	—
Q1 of FY2009	(104.04)	—

(2) Consolidated Financial Position

	Total assets (million yen)	Net assets (million yen)	Shareholders' equity ratio (%)	Net assets per share (yen)
Q1 of FY2010	654,132	281,563	39.8	1,010.49
FY2009	662,882	284,923	39.9	1,025.35

(Reference) Shareholders' equity: Q1 of FY2010: 260,451 million yen; FY2009: 264,280 million yen

2. Dividend Payments

	Dividends per share				
	First quarter (yen)	Second quarter (yen)	Third quarter (yen)	Year-end (yen)	Full year (yen)
FY2009	—	0.00	—	0.00	0.00
FY2010	—				
FY2010 (Forecast)		0.00	—	—	—

(Notes)

(1) Revision made in forecast of dividend payments for the current quarter: No

(2) Dividends per share for the fiscal year ending January 31, 2011, are yet to be determined.

3. Consolidated Business Results Forecast for Fiscal Year 2010 (ending January 31, 2011)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income		Net income per share
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(yen)
First half	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)

(Notes)

(1) Revision made in consolidated business results forecast for the current quarter: No

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 arrangement of consolidated quarterly financial statements: No
- (3) Changes in accounting principles, procedures and representations in arrangement of consolidated quarterly financial statements (as described in “Modifications to Important Matters Forming the Basis of Arrangement of Consolidated Financial Statements”)
- [1] Changes associated with revision of accounting standards, etc.: No
- [2] Changes other than [1]: No
- (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 first quarter of FY2010; 257,751,739 shares as of end of FY2009
- [2] Treasury stock as of end of period:
4,071 shares as of end of first quarter of FY2010; 3,911 shares as of end of FY2009
- [3] Average number of shares during period (consolidated, fiscal year-to-date):
257,747,801 shares during first quarter of FY2010; 257,748,523 shares during first quarter of FY2009

*** Explanations regarding appropriate use of forecasts of results and other special instructions:**

Dividends per share for the fiscal year ending January 31, 2011, are yet to be determined. The Company will announce its forecast of dividends for the period as soon as it is in a position to do so.

Forecasts of results and other forward-looking statements contained in this Brief Statement on Consolidated Financial Results are based on assumptions that the Company considers to be reasonable based on information currently available to it. 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, the silicon wafer market staged a good recovery supported by buoyant demand for semiconductors, coming not only from personal computers, mobile phones, and other communication equipment but also from the surge in demand for power devices for regulating electric power consumption. Demand for silicon wafers for solar energy cells is also expanding due primarily to government policies in various countries promoting solar power generation.

In this business environment, the SUMCO Group successfully increased its sales in response to the market recovery. To ensure a full recovery in profitability, the SUMCO Group pushed for price improvement and continued to implement various measures centered on cost cutting and the reduction of fixed costs. To strengthen its competitive position, the SUMCO Group focused its energies on responding to leading-edge technology migration requirements for wafer products and on developing ultrafine flatness wafers and higher value-added products.

As a result, for the first quarter (February 1, 2010–April 30, 2010), the SUMCO Group registered consolidated net sales of 67,151 million yen, up 70.4% from the previous year. In addition to the increase in net sales, profit indicators also benefited from the decrease in depreciation charges following the accelerated depreciation of fixed assets centered on the Group's 300 mm wafer manufacturing facilities undertaken during the previous fiscal year. This resulted in the following improvements for the first quarter: consolidated operating loss amounted to 2,513 million yen, ordinary loss amounted to 6,480 million yen, and net loss came to 4,837 million yen.

2. Qualitative Information on Consolidated Financial Position

Total assets at the end of the quarter under review amounted to 654,132 million yen, a decrease of 8,750 million yen from the end of the previous fiscal year, due mainly to the following developments. While notes and accounts receivable increased by 6,943 million yen, tangible fixed assets decreased by 15,024 million yen owing to the progress made in depreciation and other factors.

Total liabilities at the end of the quarter under review amounted to 372,569 million yen, a decrease of 5,390 million yen from the end of the previous fiscal year. The main contributing factors were the following. While notes and accounts payable increased by 3,617 million yen, this was more than offset by the 8,719 million yen decrease in long-term loans payable.

Net assets amounted to 281,563 million yen, down 3,360 million yen from the end of the previous fiscal year. This primarily reflected a net loss of 4,837 million yen for the quarter under review, which reduced retained earnings by 4,857 million yen.

3. Qualitative Information on Consolidated Business Results Forecast

At this point in time, the Company's consolidated business results forecasts for the first half and full year of the fiscal year 2010 remain unchanged from the forecasts disclosed on March 12, 2010.

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:
 - [1] Application of simplified accounting methods: No
 - [2] Application of 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: No

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(million yen)

	End of Q1 of FY2010 (April 30, 2010)	End of FY2009 (January 31, 2010)
Assets		
Current assets		
Cash and time deposits	62,645	71,776
Notes and accounts receivable	47,162	40,218
Merchandise and finished goods	17,904	16,841
Work in process	19,383	17,263
Raw materials and supplies	42,111	40,015
Others	14,806	16,298
Allowance for doubtful accounts	(2,404)	(2,032)
Total current assets	201,609	200,381
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	126,717	128,426
Machinery and transportation equipment (net)	150,499	164,508
Land	20,599	20,587
Construction in progress	18,780	17,938
Others (net)	1,930	2,089
Total tangible fixed assets	318,526	333,550
Intangible fixed assets		
Goodwill	36,519	37,278
Others	6,297	6,696
Total intangible fixed assets	42,817	43,975
Investments and other assets		
Investment securities	2,422	1,927
Deferred tax assets	44,405	42,011
Long-term advance payments	37,601	34,081
Others	8,099	8,554
Allowance for doubtful accounts	(1,348)	(1,599)
Total investments and other assets	91,179	84,975
Total fixed assets	452,522	462,501
Total assets	654,132	662,882

(million yen)

	End of Q1 of FY2010 (April 30, 2010)	End of FY2009 (January 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable	27,515	23,898
Short-term loans payable	88,239	87,139
Lease obligations	9,847	10,210
Income taxes, etc. payable	450	467
Allowances	4,552	3,277
Others	17,450	18,259
Total current liabilities	148,056	143,252
Fixed liabilities		
Long-term loans payable	164,532	173,251
Lease obligations	27,565	29,018
Allowance for employee retirement benefits	18,233	17,979
Others	14,181	14,456
Total fixed liabilities	224,513	234,706
Total liabilities	372,569	377,959
Net assets		
Shareholders' equity		
Capital	114,107	114,107
Capital surplus	89,291	89,291
Retained earnings	62,634	67,492
Treasury stock	(7)	(7)
Total shareholders' equity	266,025	270,883
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities	1,447	1,079
Deferred gains and losses on hedges	(0)	—
Revaluation reserves for land	2,252	2,252
Foreign currency translation adjustments	(9,272)	(9,934)
Total valuation and translation adjustments	(5,573)	(6,602)
Minority interests	21,111	20,642
Total net assets	281,563	284,923
Total liabilities and net assets	654,132	662,882

(2) Consolidated Income Statement

(million yen)

	Q1 of FY2009 (February 1, 2009– April 30, 2009)	Q1 of FY2010 (February 1, 2010– April 30, 2010)
Net sales	39,398	67,151
Cost of sales	63,104	61,720
Gross profit (loss)	(23,705)	5,431
Selling, general and administrative expenses	7,573	7,945
Operating profit (loss)	(31,279)	(2,513)
Non-operating income		
Interest received	31	22
Dividends received	20	20
Foreign exchange gains	—	339
Insurance income	156	—
Subsidies received	153	—
Reversal of allowance for doubtful accounts	—	238
Others	45	130
Total non-operating income	407	752
Non-operating expenses		
Interest paid	809	1,226
Depreciation charges	4,362	3,351
Foreign exchange losses	33	—
Others	207	141
Total non-operating expenses	5,413	4,719
Ordinary profit (loss)	(36,285)	(6,480)
Extraordinary loss		
Business restructuring expenses	—	105
Total extraordinary loss	—	105
Net income (loss) before income taxes and minority interests	(36,285)	(6,585)
Income taxes, etc.	(8,691)	(1,669)
Minority interests in income (loss)	(778)	(79)
Net income (loss)	(26,815)	(4,837)

(3) Consolidated Cash Flow Statement

(million yen)

	Q1 of FY2009 (February 1, 2009– April 30, 2009)	Q1 of FY2010 (February 1, 2010– April 30, 2010)
Cash flows from operating activities		
Net income (loss) before income taxes and minority interests	(36,285)	(6,585)
Depreciation and amortization	27,888	19,833
Amortization of goodwill	759	759
Increase (decrease) in allowance for doubtful accounts	236	114
Interest and dividends received	(52)	(43)
Interest paid	809	1,226
Decrease (increase) in notes and accounts receivable	12,561	(6,672)
Decrease (increase) in inventories	5,821	(5,038)
Increase (decrease) in notes and accounts payable	(16,451)	3,409
Others	2,507	(2,015)
Subtotal	(2,206)	4,987
Interest and dividends received	51	43
Interest paid	(970)	(1,780)
Income taxes, etc. paid	(3,459)	(237)
Net cash provided by (used in) operating activities	(6,584)	3,012
Cash flows from investing activities		
Expenditures on acquisition of tangible and intangible fixed assets	(39,407)	(3,455)
Others	983	1,019
Net cash provided by (used in) investing activities	(38,424)	(2,435)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	5,374	(556)
Increase (decrease) in commercial paper	(3,000)	—
Proceeds from long-term loans payable	63,500	—
Repayments of long-term loans payable	(5,990)	(7,246)
Proceeds from sell-and-lease-back transactions	18,986	1,002
Repayments of lease obligations	—	(2,817)
Dividends paid	(3,221)	—
Dividends paid to minority shareholders	(16)	—
Others	(1,545)	(0)
Net cash provided by (used in) financing activities	74,086	(9,617)
Foreign currency translation adjustment on cash and cash equivalents	121	36
Net increase (decrease) in cash and cash equivalents	29,199	(9,004)
Cash and cash equivalents at beginning of period	52,955	71,776
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(126)
Cash and cash equivalents at end of period	82,154	62,645

(4) Notes regarding the Going Concern Assumption: None

(5) Segment Information

[1] Segment Information by Type of Business

During the first quarter of FY2009 (February 1, 2009–April 30, 2009) and the first quarter of FY2010 (February 1, 2010–April 30, 2010), 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

First quarter of FY2009 (February 1, 2009–April 30, 2009)

(million yen)

	Japan	North America	Asia	Europe	Total	Elimination or corporate	Consolidated
Net sales							
(1) Net sales to external customers	28,681	5,339	3,159	2,218	39,398	—	39,398
(2) Net internal sales or transfers between segments	14,354	1,561	602	21	16,540	(16,540)	—
Total	43,036	6,900	3,762	2,240	55,939	(16,540)	39,398
Operating profit (loss)	(26,390)	(2,809)	(2,041)	(54)	(31,295)	16	(31,279)

Notes:

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

First quarter of FY2010 (February 1, 2010–April 30, 2010)

(million yen)

	Japan	North America	Asia	Europe	Total	Elimination or corporate	Consolidated
Net sales							
(1) Net sales to external customers	47,354	7,235	8,276	4,285	67,151	—	67,151
(2) Net internal sales or transfers between segments	27,470	3,522	1,510	—	32,503	(32,503)	—
Total	74,825	10,758	9,786	4,285	99,655	(32,503)	67,151
Operating profit (loss)	(98)	141	(421)	43	(336)	(2,176)	(2,513)

Notes:

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

Note that SUMCO TECHXIV EUROPE N.V. was excluded from the scope of consolidation in the first quarter of FY2010. As a result, Belgium has been removed from the geographic segment of Europe.

[3] Overseas Sales

First quarter of FY2009 (February 1, 2009–April 30, 2009)

	North America	Asia	Europe and others	Total
I. Overseas sales (million yen)	6,639	11,849	4,045	22,534
II. Consolidated sales (million yen)	—	—	—	39,398
III. Share of overseas sales in consolidated sales (%)	16.8	30.1	10.3	57.2

First quarter of FY2010 (February 1, 2010–April 30, 2010)

	North America	Asia	Europe and others	Total
I. Overseas sales (million yen)	8,576	28,750	5,472	42,798
II. Consolidated sales (million yen)	—	—	—	67,151
III. Share of overseas sales in consolidated sales (%)	12.8	42.8	8.1	63.7

Notes:

1. Country and regional categories are based on geographic proximity.
2. Coverage of regional categories is as follows:
 - (1) North America: United States and others
 - (2) Asia: South Korea, Singapore, Taiwan, China, Malaysia, and others
 - (3) Europe and others: Ireland, Israel, Italy, Germany, France, and others
3. 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: None