

FY2009 Interim Business Results

February 1, 2009—July 31, 2009

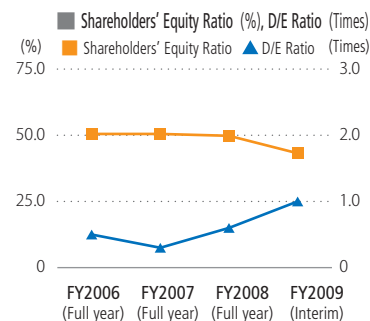
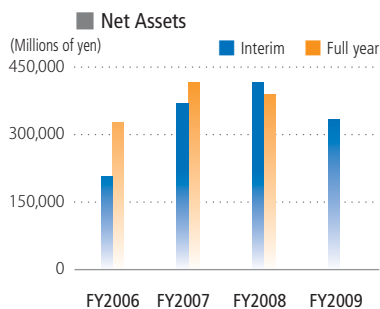
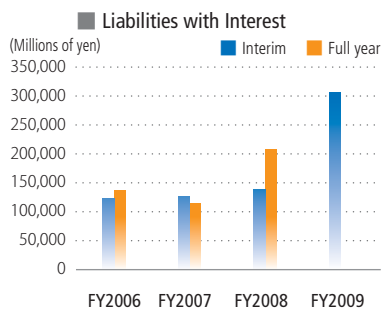
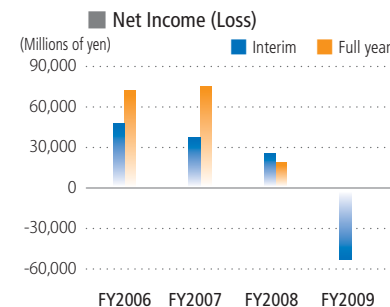
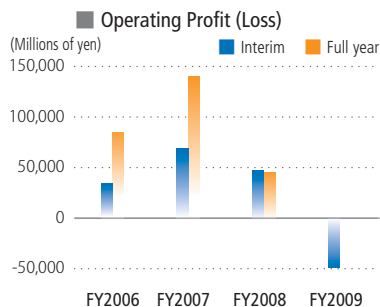
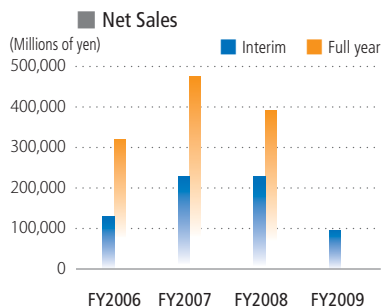
Message to Shareholders and Investors



Consolidated Financial Highlights

(Millions of yen)

	FY2006		FY2007		FY2008		FY2009
	Year ended January 2007		Year ended January 2008		Year ended January 2009		Year ending January 2010
	Interim	Full year	Interim	Full year	Interim	Full year	Interim
Net sales	130,803	319,385	229,184	474,951	227,161	391,928	95,777
Operating profit (loss)	34,032	84,390	68,920	140,385	47,284	45,069	(48,832)
Ordinary profit (loss)	30,157	75,835	66,189	133,028	46,591	39,371	(61,201)
Net income (loss)	47,796	72,051	37,246	74,879	25,610	18,886	(52,921)
Total assets	392,693	578,854	623,046	710,495	709,776	733,897	721,415
Liabilities with interest	122,636	136,249	125,718	114,188	137,640	208,094	305,744
Net assets	207,096	327,318	368,417	415,510	416,113	389,521	334,108
Shareholders' equity ratio (%)	52.7	50.5	52.6	50.5	54.6	49.8	43.2
D/E ratio: Liabilities with interest/ Net assets (times)	0.6	0.5	0.4	0.3	0.4	0.6	1.0



To Our Shareholders

Having taken office as President of SUMCO Corporation on May 29, 2009, I take this opportunity to extend my special thanks to you, our shareholders, for your continued support and understanding. I would like to briefly outline our position as we publish our interim financial statements for the fiscal year ending January 31, 2010.

The global economy took a sharp downturn in the fall of 2008, resulting in drastically reduced demand for semiconductors and a serious deterioration in market conditions for silicon wafers. As a result, the SUMCO Group has gone through the most severe management environment it had ever experienced.

Since our public listing, SUMCO Corporation and our group companies have endeavored to expand with a focus on silicon wafers for use in semiconductors. However, faced with the challenges that emerged from the global economic downturn, we announced our Business Restructuring Plan aimed at overcoming our difficulties, building a more resilient corporate structure, bringing our finances into the black as soon as possible, and laying the foundation for sustained growth. The main points of the Plan include “reorganization of small-diameter silicon wafer production,” “strengthening the competitiveness of our solar wafer operations” in a world that is increasingly conscious of the importance of global environmental preservation, and “accelerating the depreciation of 300 mm wafer production facilities.”

Demand for silicon wafers for semiconductors bottomed out in the spring of 2009, and we are beginning to see some encouraging signs. However, we expect that the SUMCO Group will continue to face severe business conditions for some time to come. On the other hand, we expect our business domains to register strong medium- to long-term growth. Looking beyond the difficult conditions that prevail today, we shall do everything in our power to overcome our business challenges and to achieve sound growth.

In light of the deterioration in our business performance, we have decided to forego the payment of dividends for the interim period under review. Turning to the future, the SUMCO Group will redouble its efforts to regain profitability as soon as possible. Meanwhile, we appeal to you, our shareholders, for your continued support and cooperation.



October 2009

Yoichi Taguchi
President

Implementing the Business Restructuring Plan a Robust Corporate Structure and to Achieve

Three months have passed since President Yoichi Taguchi took office on May 29, 2009. During this period, the SUMCO Group has grappled with the most difficult business environment that it has ever experienced. President Taguchi speaks of the initiatives he has pursued while heading the Business Restructuring Plan and touches on some directions for the future.



Yoichi Taguchi President

First Three Months in Office

Since taking office three months ago, I have focused on our highest management priority: the speedy implementation of our business restructuring program. The goal of these initiatives is to realize stable growth in our businesses and to make fundamental changes in our corporate and cost structures. The most critical challenge is to achieve and maintain profitability in the next fiscal year and beyond.

To achieve the speedy restructuring of our businesses in a rapidly deteriorating business environment, the entire SUMCO Group needed to appreciate the current situation, the goals, and feasibility of the proposed reforms, and to arrive at a common management philosophy. For this purpose, since taking office, I have concentrated on visiting our plants and offices in Japan and abroad. In the course of these visits, I have spent many hours discussing the Business Restructuring Plan with our managers and frontline staff. This has helped create a shared awareness of our management thinking and policies, and a deeper understanding of the challenges before us and the measures we are endeavoring to implement.

Objectives of the Business Restructuring Plan

Considering the sharp economic downturn starting in the fall of 2008, the shift in demand structure, and the position in which the SUMCO Group finds itself in this environment, there is an urgent need to implement the Business Restructuring Plan.

A key element of the Plan is the reorganization of small-diameter silicon wafer production. This strategy responds to the rapid shift to large-diameter

to Build Sustained Growth

silicon wafers in global markets and is essential in improving our profit structure. This reorganization required the understanding of our customers, which was obtained through extensive discussions. We are now implementing the reorganization with full speed.

We are committed to improving our competitive position in solar wafers, an area with strong growth potential. Responding to growing demand for crystalline solar wafers, we have added monocrystalline products to our traditional lineup of multicrystalline silicon wafers. We believe we can boost our competitiveness by positioning ourselves to produce both types of products.

We are also accelerating the depreciation of 300 mm wafer production facilities.

While we expect severe business conditions to prevail for some time to come, we believe these measures must be speedily implemented to improve the future profitability of our businesses.

Achieving Sustained Growth

To overcome the current difficulties, it is clear that we must fully implement the Business Restructuring Plan. Not only will this improve our profit structure but it will also help create a more powerful human-resource base in the SUMCO Group. We are confident that the achievement of these two goals will enhance corporate competences that are essential to our success as a manufacturer, such as manufacturing capabilities and development and technological capabilities.

We will enhance our customers' trust and confidence in us by paying close attention to their needs and by supplying truly satisfying products supported by the best available technologies.

We believe the combination of the corporate competences of the SUMCO Group and our partnership with customers will serve as a foundation for creating a company capable of achieving sustained growth and maintaining a robust structure.

We eagerly look forward to the continued support of our shareholders.



What is silicon?

Silicon: An Abundantly Available Raw Material

Silicon (Si) is the world's second most abundant element, oxygen being the first. In nature, silicon binds with oxygen to form silicon dioxide (SiO_2), the main component of rocks and sand. Silicon dioxide is found in particularly high concentrations in silica stone, the raw material for the manufacture of glass.

Silica also serves as the raw material in the manufacture of silicon wafers. To achieve the extremely high purities required for semiconductors, silica is put through a series of processes,

such as reduction, chlorination, and distillation. This yields the ultra-high purity silicon (multicrystalline silicon) that is used to manufacture silicon wafers.



Silicon Wafers

Manufacturing Monocrystalline Silicon

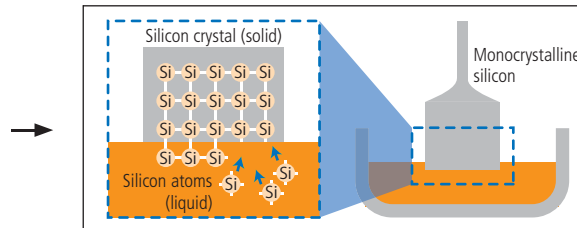
Viewed under an electron microscope, multicrystalline silicon appears as aggregation of small crystals. Silicon in this form cannot be used in ICs and LSIs. To accurately control the movement of electrons, the individual atoms must be aligned to form a single monocrystal.

First, multicrystalline silicon is melted in a quartz crucible. Next, a small monocrystalline seed is placed in the crucible, spun and slowly extracted. As the

molten silicon attaches to this seed, the silicon atoms line up to form a lattice structure. The process is successful only when the seed is extracted at the right speed. This extremely delicate process of manipulating atoms that are invisible to the eye requires a combination of advanced technologies and know-how. Maintaining optimal conditions, the process eventually yields a monocrystalline ingot, which is then thinly sliced to produce silicon wafers.



Multicrystalline silicon



Multicrystalline silicon process

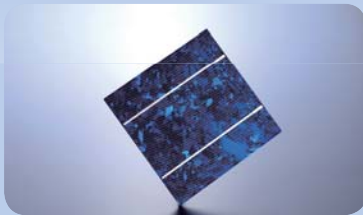


Monocrystalline ingot

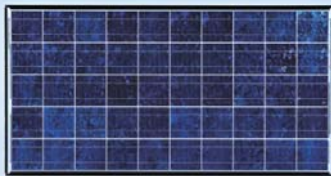
Silicon Wafers Support Solar Power Generation



Supply



Solar cell



module



Solar power generating system installed on factory roof

Solar energy cells have become commonplace both in homes and factories as growing concern for the global environment drives their proliferation worldwide.

The most widely used solar energy cells are based on crystalline silicon. To prepare for growing global demand, SUMCO has added monocrystalline silicon solar wafers to its lineup of multicrystalline silicon solar wafers for solar energy cells.

Crystalline Silicon Used in Solar Energy Cells

Solar cells function to convert sunlight into electricity. When light strikes silicon, it generates a positive hole and a negative electron. A cell is created by linking the positive and negative sides to electrodes.

Multicrystalline silicon wafers are widely used in solar energy cells and are able to achieve conversion efficiencies of 15–20 percent (rate at which light energy is converted into electricity).

Growing Use as Source of Green Natural Energy

The first silicon solar energy cells were developed in the 1950s as a power source for satellites. As technology advanced, these came to be widely used in calculators and watches. Helped by government subsidy programs worldwide, silicon solar energy cells are being increasingly used in residential buildings and elsewhere since the start of the 21st century.

More recently, large-scale solar power generation stations are being constructed in various areas, pointing to the positive use of this technology as a new source of electric power.



Further Developments in Monocrystalline Silicon Wafers

SUMCO manufactures and supplies multicrystalline silicon solar wafers throughout the world. Capitalizing on its manufacturing technologies for monocrystalline silicon wafers for semiconductors, SUMCO also supplies monocrystalline silicon solar wafers for use in solar energy cells.



Monocrystalline silicon solar wafer

Review of Operations (Consolidated)

■ Business Performance

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

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

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

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

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

■ Financial Position

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

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

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

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	FY2008 Q2 (July 31, 2008)	FY2009 Q2 (July 31, 2009)	FY2008 Year-end (January 31, 2009)
(Assets)			
Current assets	191,297	214,932	199,928
Fixed assets	518,479	506,483	533,968
Tangible fixed assets	432,214	399,123	437,339
Intangible fixed assets	48,388	46,630	47,445
Investments and other assets	37,877	60,729	49,183
Total assets	709,776	721,415	733,897
(Liabilities)			
Current liabilities	228,518	159,065	211,944
Fixed liabilities	65,143	228,241	132,431
Total liabilities	293,662	387,307	344,375
(Net Assets)			
Shareholders' equity	388,394	318,435	374,578
Total valuation and translation adjustments	(1,017)	(6,515)	(8,770)
Minority interests	28,737	22,188	23,713
Total net assets	416,113	334,108	389,521
Total liabilities and net assets	709,776	721,415	733,897

Consolidated Statements of Income

(Millions of yen)

	FY2008 Q2 (February 1, 2008– July 31, 2008)	FY2009 Q2 (February 1, 2008– July 31, 2009)	FY2008 Full-year (February 1, 2008– January 31, 2009)
Net sales	227,161	95,777	391,928
Cost of Sales	157,034	129,117	306,063
Gross profit (loss)	70,127	(33,340)	85,864
Selling, general and administrative expenses	22,842	15,492	40,795
Operating profit (loss)	47,284	(48,832)	45,069
Non-operating profit	1,189	1,284	1,600
Non-operating expense	1,881	13,653	7,298
Ordinary profit (loss)	46,591	(61,201)	39,371
Extraordinary loss	1,318	2,697	3,469
Net income before income taxes and minority interests	45,273	(63,898)	35,901
Income taxes, etc.	17,001	(9,291)	13,404
Minority interest	2,661	(1,685)	3,610
Net income (loss)	25,610	(52,921)	18,886

Consolidated Statements of Cash Flows

(Millions of yen)

	FY2008 Q2 (February 1, 2008– July 31, 2008)	FY2009 Q2 (February 1, 2008– July 31, 2009)	FY2008 Full-year (February 1, 2008– January 31, 2009)
Cash flows from operating activities	57,482	(2,612)	93,334
Cash flows from investing activities	(81,527)	(56,875)	(147,584)
Cash flows from financing activities	(14,945)	92,643	51,211
Foreign currency translation adjustment on cash and cash equivalents	(155)	158	(677)
Net increase (decrease) in cash and cash equivalents	(39,146)	33,314	(3,715)
Decrease in cash and cash equivalents due to exclusion of a closing company from consolidated accounting	(1,084)	—	(1,084)
Cash and cash equivalents at beginning of year	57,755	52,955	57,755
Cash and cash equivalents at end of period	17,525	86,269	52,955

Corporate Profile (As of July 31, 2009)

Stock Information

Total number of shares authorized	804,000,000 shares
Total number of issued and outstanding shares	257,751,739 shares
Number of Shareholders	66,841

Major Shareholders

	Number of Shares (thousand shares)	% of total shares
Sumitomo Metal Industries, Ltd.	71,700	27.82
Mitsubishi Materials Corporation	71,700	27.82
The Japan Trustee Services Bank, Ltd. (Trust Account)	6,877	2.67
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,586	2.56
The Japan Trustee Services Bank, Ltd. (Trust Account 4G)	6,436	2.50
Komatsu Ltd.	3,961	1.54
NikkoCiti Trust and Banking Corporation (Trust Account)	3,392	1.32
THE CHASE MANHATTAN BANK, N.A. LONDON SECS LENDING OMNIBUS ACCOUNT	2,410	0.94
THE BANK OF NEW YORK – JASDECTREATY ACCOUNT	2,177	0.84
MELLON BANK ABN AMRO GLOBAL CUSTODY N. V.	1,561	0.61

Offices and Plants

Head Office	Tokyo
Offices	Tokyo, Osaka, Fukuoka
Plants	Imari Plant
	Saga Plant
	Kansai Plant (Ikuno)
	Kansai Plant (Amagasaki)
	Yonezawa Plant
	Chitose Plant
	Noda Plant

Consolidated Subsidiaries

7 Domestic Subsidiaries	SUMCO TECHXIV CORPORATION SUMCO Solar Corporation Japan Super Quartz Corporation Minamata Denshi Co., Ltd. SUMCO Technology Corporation SUMCO Service Corporation SUMTEC SERVICE CORPORATION
11 Overseas Subsidiaries	SUMCO Phoenix Corporation SUMCO Southwest Corporation SUMCO USA Sales Corporation SUMCO Funding Corporation STX Finance America, Inc. SUMCO Personnel Services Corporation SUMCO Europe Sales Plc. SUMCO TECHXIV EUROPE N.V. (in liquidation) PT. SUMCO Indonesia SUMCO Singapore Pte. Ltd. FORMOSA SUMCO TECHNOLOGY CORPORATION

Directors and Corporate Auditors

Representative Director	Yoichi Taguchi *1
Director	Yutaka Hirose
Director	Takashi Abe
Director	Kazufumi Yanaga
Director	Kimihito Matsuo
Director	Yukihiro Saeki
Director	Michiharu Takii *2
Director	Hiroshi Kanemoto
Full-time Corporate Auditor	Katsutoshi Fukushima
Full-time Corporate Auditor	Tamio Kobayashi
Corporate Auditor	Hitoshi Tanaka *3
Corporate Auditor	Mayuki Hashimoto *3
Corporate Auditor	Kitaro Yoshida *3

*1 Representative director *2 Outside director *3 Outside auditors

Corporate Data (As of July 31, 2009)

Corporate Name SUMCO CORPORATION
Legal Headquarters 1-2-1 Shibaura, Minato-ku, Tokyo 105-8634
TEL 03-5444-3915 FAX 03-5444-3929
<http://www.sumcosi.com/>

Foundation July 30, 1999
Capital 114.1 billion yen
Number of Employees Consolidated: 9,689
Non-consolidated: 4,982

Information for Shareholders

Business year February 1 to January 31 of the following year
Annual shareholders' meeting Held in April of every year
Base dates Annual shareholders' meeting: January 31 of every year
Year-end dividends: January 31 of every year
Interim dividends: July 31 of every year
Other days as needed, to be designated subject to prior public announcement.

Share unit 100 shares
Methods of announcement Official announcements shall be made electronically and shall appear in the company website (<http://www.sumcosi.com>). When an announcement cannot be made electronically due to systems failure or for any other unavoidable reasons, the announcement shall appear in the Nihon Keizai Shimbun.
Market of listing Tokyo Stock Exchange, First Section

Transfer agent and manager of special accounts: The Sumitomo Trust & Banking Co., Ltd.
5-33, Kitahama 4-chome, Chuo-ku, Osaka
Administrative office of transfer agent: Stock Transfer Agency Department
The Sumitomo Trust & Banking Co., Ltd.
3-1, Yaesu 2-chome, Chuo-ku, Tokyo
(Mailing address) Stock Transfer Agency Department
The Sumitomo Trust & Banking Co., Ltd.
1-10, Nikko-cho, Fuchu-shi, Tokyo 183-8701, Japan
(Tel)  0120-176-417
(URL) <http://www.sumitomotrust.co.jp/STA/retail/service/daiko/index.html>

■ Notification of Change of Address and Inquiries

Shareholders who have accounts with securities should address their notification of change of address and inquiries to the securities company with whom they have an account. Shareholders who do not have accounts with securities companies can contact the telephone inquiry desk indicated above.

■ Notification of Change of Address and Inquiries

For shareholders who were not using Japan Securities Depository Center, Inc. prior to the dematerialization of shares, accounts (special accounts) were established with the above noted transfer agent, the Sumitomo Trust & Banking Co., Ltd. Inquiries concerning special accounts and notification of change of address should be addressed to the contact points indicated on the left.

■ Elimination of Fees on Purchase of Odd Lot Shares

SUMCO has adopted a purchasing arrangement for odd lot shares (less than 100 shares) that cannot be traded on the market. The Company has now eliminated the fees that shareholders previously had to pay in the sale of odd lot shares*.

For details of purchasing procedures, please inquire with your securities company or with SUMCO's transfer agent, the Sumitomo Trust & Banking Co., Ltd.

* Please inquire with your securities company regarding fees payable to the securities company in the sale of odd lot shares.



株式会社 **SUMCO**
SUMCO CORPORATION

1-2-1 Shibaura, Minato-ku, Tokyo 105-8634

TEL 03-5444-3915 FAX 03-5444-3929

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