



## TRANSLATION

NOTICE ; *The following report is an English translation of Japanese language original.*

*This press release is made pursuant to the requirements under the listing rules of, and reported to the Tokyo Stock Exchange.*

September 12, 2006

To whom it may concern

## SUMCO CORPORATION

Representative: Kenjiro Shigematsu, President  
(Code No.3436, First Section of Tokyo Stock Exchange)

Contact person: Shoichi Ishitoya, General Manager  
Public Relations & IR Dept

Tel: (03)5444-3915

### **Notice of Dissolution and Liquidation of Our Subsidiary**

Please be informed that our extraordinary board meeting held on September 12, 2006 passed a resolution to dissolve our subsidiary, SUMCO USA Corporation as of September 12, 2006, as follows

#### 1. Background to dissolution and liquidation

SUMCO USA Corporation was established as a holding company for our Group's US businesses with responsibility for controlling two companies, SUMCO Phoenix Corporation and SUMCO Orange Corporation, together with supervision and payment of consolidated taxes of our businesses in the U.S. However, as a result of the dissolution of SUMCO Orange Corporation, which was a dormant company, SUMCO USA Corporation was left controlling only SUMCO Phoenix Corporation. Recognizing that it is no longer meaningful to operate SUMCO USA Corporation, we decided to dissolve the company.

#### 2. Overview of SUMCO USA Corporation

- |                                   |   |
|-----------------------------------|---|
| (1) Location:                     | 49090 Milmont Drive, Fremont, CA 94538 U.S.A. |
| (2) Name(s) of representative(s): | Shigenori Shibuya                             |

- |                              |                  |
|------------------------------|------------------|
| (3) Description of business: | Holding company  |
| (4) Date of foundation:      | January 2002     |
| (5) Amount of capital:       | US\$ 498,652,000 |
| (6) Share ownership:         | The Company 100% |

### 3. Schedule of dissolution

The resolution to dissolve the company was passed at our extraordinary board meeting and also at the company's board and shareholders' general meetings held on September 12, 2006. The liquidation is expected to be completed by the last day of December 2006; however, this may be postponed to January 1, 2007 depending on consolidated accounting closing and payment of consolidated taxes in the U.S.

### 4. Effect on the Company's business results

- (1) Interim consolidated accounting period ending January 2007 (from February 1, 2006 to July 31, 2006)

We wrote down the shares of SUMCO USA Corporation during the past fiscal year and the amount written off comprises the temporary difference for deduction in future years. Formerly, while the timing for dissolving such temporary differences was as yet unclear, we did not post any deferred tax assets to provide for such temporary differences. However, the timing of dissolution has since been clarified as a result of the company completing the settlement, and the amount written off the company's shares is to be included in expenses for tax purposes during the fiscal year. Therefore, after calculating the amount written off, assuming it is included in expenses during the interim accounting period, we found that there is no taxable income and basically there was no posting of corporate taxes. Consequently, we decided to post deferred tax assets against the amount of deficit.

As a result, interim net income increased by JPY29,771 million during the interim consolidated accounting period.

- (2) Interim non-consolidated accounting period ending January 2007 (from February 1, 2006 to July 31, 2006)

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We posted the difference between the amount of the company's shares on the balance sheet and the amount of distribution of residual property due to the company's dissolution as extraordinary losses for the interim term. As a result, interim net income before tax reduced by JPY3,550 million and interim net income increased by JPY26,221 million during the interim accounting period.

(Note) *The above business forecasts are the figures based on available information as of the date of announcement and actual business results may be different from the forecasts depending on the future market environment, sales trend and other factors.*

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