

(TRANSLATION)

This brief statement on the six months ended July 31, 2006 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 the six months ended July 31, 2006 of Fiscal Year 2006 (ending January 31, 2007)

Forward Looking Statement

The statements and figures contained in this Brief Statement of Consolidated Financial Results for the six months ended July 31, 2006 for the fiscal year ending January 31, 2007 (the "Brief Statement") with respect to SUMCO's plans and strategies and other statements that are not historical facts are forward-looking statements about the future performance of SUMCO based on management's assumptions and beliefs in light of the information currently available to it and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors. Potential risks and uncertainties include, without limitation, general economic conditions in SUMCO's market, semiconductor device industry and other factors which may affect the financial position and results of operations of SUMCO in future.

September 12, 2006

Company Name: SUMCO CORPORATION

Listed on: Tokyo Stock Exchange

Code Number: 3436

Headquarters: Tokyo

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

Representative: Title and name: President, Kenjiro Shigematsu

Contact person: Title and name: Public Relations & IR Department General Manager, Soichi Ishitoya

Tel:+81- (03)- 5444-3915 (Public Relations & IR Department)

Board resolution on the financial results adopted on: September 12, 2006

Parent company, etc.: Sumitomo Metal Industries, Ltd. (Code Number: 5405) and one another company

Voting stock owned by parent company, etc.: 29.9%

U.S.GAAP: Not applicable

1. Consolidated Business Results for the six months ended July, 2006 (February 1, 2006-July 31, 2006)

(1) Consolidated Business Results

(Rounded down to the nearest million yen)

	Net Sales		Operating Profit		Ordinary Profit	
	Million yen	%	Million yen	%	Million yen	%
Six months ended July 31, 2006	130,803	29.6	34,032	75.8	30,157	83.6
Six months ended July 31, 2005	100,906	4.4	19,354	22.0	16,428	28.2
YE January 31, 2006	220,526	14.2	44,340	40.9	36,554	43.3

	Net Income		Net Income pre Share		Diluted Net Income per Share	
	Million yen	%	Yen	Sen	Yen	Sen
Six months ended July 31, 2006	47,796	454.6	399.30			—
Six months ended July 31, 2005	8,618	75.2	85.75			—
YE January 31, 2006	20,486	88.5	195.61			—

(Note) 1) Investment loss/profit on equity method July 31, 2006 –million yen July 31, 2005–million yen YE January 2006–million yen

2) Average number of stocks in each period (consolidated) July31, 2006 119,699,953 stocks July 31, 2005 100,500,000 stocks

YE January 2006 104,550,410 stocks

3) Change in accounting method - no

4) "%" for sales, operating profit, ordinary profit and net income indicates year-to-year comparison.

(2) Financial Position (Consolidated)

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share	
	Million yen	Million yen	%	Yen	Sen
Six months ended July 31, 2006	392,693	207,096	52.7	1,727.80	
Six months ended July 31, 2005	318,482	89,142	28.0	886.99	
YE January 31, 2006	351,934	161,680	45.9	1,350.41	

(Note) Stocks issued at end of year (consolidated) July 31, 2006 119,700,000 stocks July 31, 2005 100,500,000 stocks
YE January 2006 119,700,000 stocks

(3) Cash Flow (Consolidated)

	Operating Activities	Investment Activities	Financing Activities	Cash and Cash Equivalent at End of the period	
	Million yen	Million yen	Million yen	Million yen	
Six months ended July 31, 2006	29,050	△25,044	△6,571	27,645	
Six months ended July 31, 2005	27,739	△23,000	△13,762	5,008	
YE January 31, 2006	62,895	△52,699	5,835	30,152	

(4) Scope of consolidation and equity method

Number of consolidated subsidiaries 17

Number of non-consolidated subsidiaries accounted for by the equity method —

Number of affiliates accounted for by the equity method —

(5) Changes in the scope of the consolidation and equity method

Consolidation (new): — (excluded): — Equity method (new): — (excluded): —

2. Forecast for Consolidated Business Results for FY 2006 (February 1, 2006-January 31, 2007)

	Net Sales	Operating Profit	Ordinary Profit	Net Income	
	Million yen	Million yen	Million yen	Million yen	
Full-year	270,000	69,000	62,000	67,000	

(Reference) Forecast for net income per share(full-year) 559.73 yen

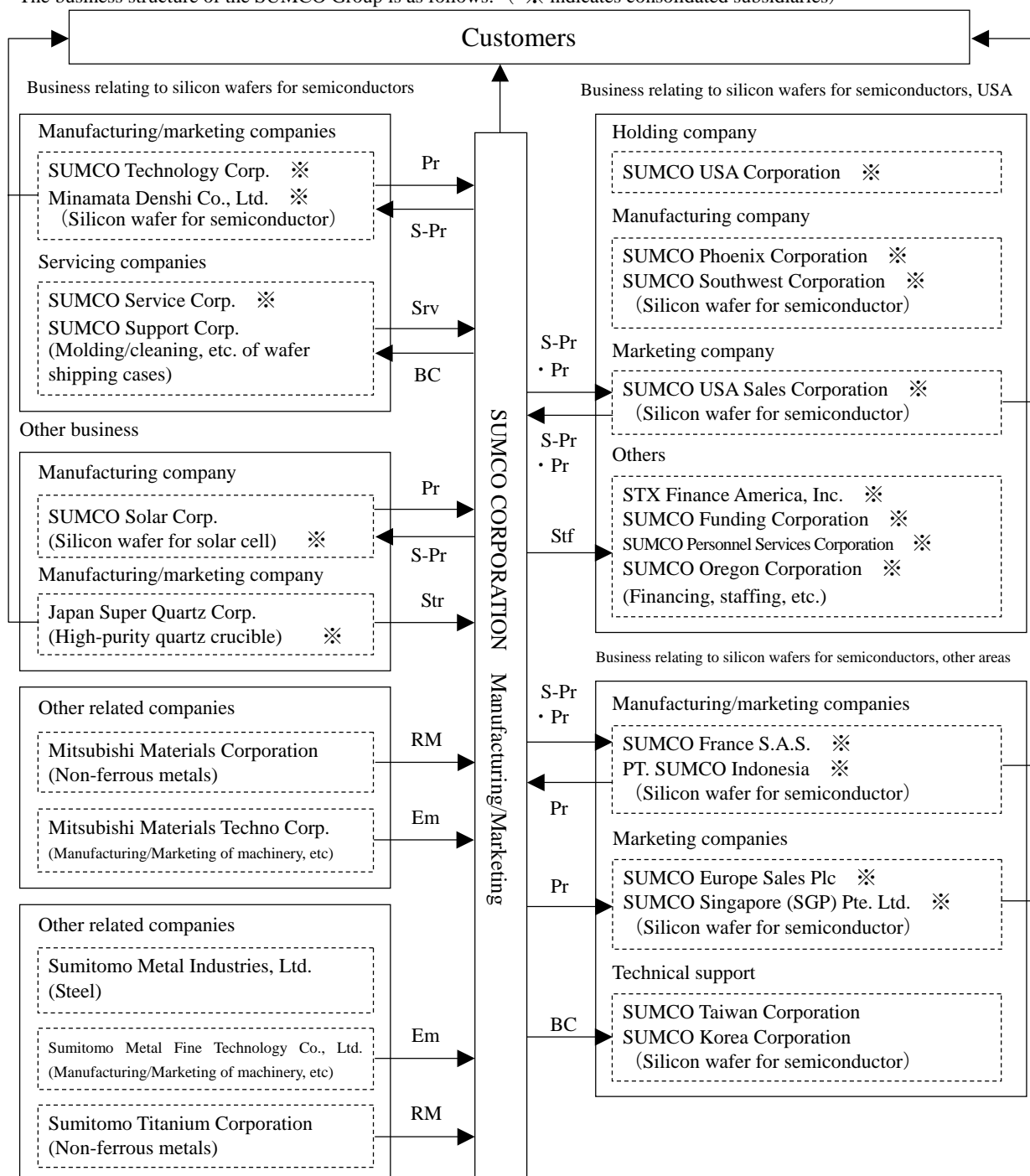
The above forecasts are based on information available as of the date of this announcement and the assumptions made are based on uncertain factors that could affect future business results. Actual business results may materially differ from those expressed in the forecast, subject to various factors that may arise in the future. Please refer to Page 6 of the attachment for more details of the assumptions that have formed the basis of the forecasts and notes on the use of the forecasts.

1. Structure of Group and Related Companies

SUMCO has 6 domestic subsidiaries (5 consolidated and 1 unconsolidated), 14 overseas subsidiaries (12 consolidated and 2 unconsolidated) and 1 domestic affiliate (not accounted for by the equity method). 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,

(Note) Kashiwara Machine Mfg. Co., Ltd. was renamed to Sumitomo Metal Fine Technology Co., Ltd. (SF Tech) at June 1, 2006.

2. Management Policy

I. Basic Management Policy

Following the mission statement “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 our communities”, the SUMCO Group is determined to contribute to the development of industries and the enhancement of quality of life by ensuring a stable supply of high quality silicon wafers, which is referred to as “rice for the industry” in Japan and is the real foundation material for semiconductor devices.

II. Basic Profit Sharing Policy

We make it a rule to develop our profit sharing policy taking into consideration such factors as profit level for each business year, forecasts of future business results, financing needs for capital investment, and the condition of internal reserves. We would like to propose an interim dividend of 25 yen for this period.

III. Attitude, Policy, etc. on Reduction of Minimum Equity Investment Unit

Although we do not intend to reduce the minimum equity investment unit for our company at this stage, we will continue to carefully investigate the requirement and timing of any such reduction, taking market trends and other factors into account.

IV. Mid to Long-term Management Strategy

In future, the SUMCO Group will continue to strengthen its competitiveness by increasing the injection of management resources into the 300mm wafer business, which is the core revenue generator for the Group. The demand for 300mm wafers is expected to expand rapidly. The Group also intends to become more competitive through the steady implementation of the following measures.

In addition, we shall continue to work on the early realization of the synergistic effects of the stock acquisition of Komatsu Electronic Metals Co., Ltd., which is currently in process. This will enable us to increase customer confidence and establish a firm business base as the leading supplier of silicon wafers.

(1) Strengthening business activities relating to 300 mm wafers, etc.

In order to cope with rapid technological changes in the semiconductor industry, it is our strategy to reinforce our profitability by actively injecting funds into research and development activities and capital investment and by focusing on developing competitive products with high added value, such as those listed below.

1) Injection of resources into businesses relating to 300 mm wafers

Mass production of 300 mm wafers commenced in October 2001, and has since expanded steadily, supported by a continuous and aggressive input of resources. Carefully watching demand trends, the SUMCO Group has so far invested aggressively in plant and equipment for developing the mass production of this type of wafer. At the end of this period, our production capacity will have expanded to 430 thousand wafers per month. Consequently, sales of 300 mm wafers now occupy about 40 % of the consolidated sales for the consolidated account period ended July 31, 2006, and, coupled with a successful reduction in manufacturing costs, 300mm wafers have become a major generator of profits for the SUMCO Group.

We will continue to consider 300 mm wafers as the core business of our Group and will develop a proactive business by concentrating capital investment in this important product.

2) Dealing with high precision 200 mm wafers

As the design specifications of semiconductor manufacturers require increasingly minute and precise semiconductors, there is an increasing demand for a high precision 200mm wafer with a low-defect crystal and high flatness. The SUMCO Group has a policy of intensive involvement in this market and we need to fully utilize our unique and high level technological know-how, such as that regarding low-defect crystallization and DSP (double-sided polishing), to actively expand sales.

3) Aggressive R & D

The SUMCO Group boasts a number of excellent technologies used for both the manufacturing and processing of silicon wafers, such as monocrystalline manufacturing (including low-defect crystallization and double-sided polishing technology). We will further strengthen and utilize these technological competitive edges to differentiate ourselves from our competitors.

(2) Reinforcement of marketing system

The customer base of the SUMCO Group covers almost all the top-ranking manufacturers in the semiconductor industry. We maintain either the highest or a high market share as a supplier for these customers. We will promote further reinforcement of our marketing system based on an integrated strategy for technology, product and customers, making full use of our abilities as a specialized manufacturer of silicon wafers

(3) Reinforcement of global management structure and promotion of streamlining group management

The SUMCO Group has both manufacturing and marketing bases in Japan, US, Asia and Europe, and its basic policy for

business development is to establish efficient management and profit making systems by realizing the most opportune production allocation among the group of companies from a global business management perspective.

(4) Averting risks associated with business continuity

We have installed a “Business Security Committee” at the core of the group structure to deal with the overall risks associated with business continuity. This committee evaluates risks, prevents rash risk taking and ensures appropriate measures are taken if problems occur. In particular, our attention is focused on ensuring a stable supply of important raw materials [for silicon wafer manufacture], such as polycrystalline silicon, and stabilizing factory operations. We will also take any necessary measures to minimize the effect of risks such as natural disasters and accidents

(5) Reinforcement of other business fields

1) Silicon wafers for use in solar energy cells

Demand for solar power generation equipment is rapidly increasing, strongly supported by enhanced awareness in recent times of environmental and energy issues.

In the SUMCO Group, SUMCO Solar Corporation invested in capital to enhance its production capacity at the beginning of the year and aims to continue its aggressive expansion of the business in the future.

2) High-purity quartz crucible

Japan Super Quartz Corporation, a member of the SUMCO Group, manufactures and markets high-purity quartz crucible, which is used as a vessel for molten silicon liquid during the process of synthesizing monocrystalline silicon for wafers (ingot), and now has the largest share of the world market. We will aggressively invest in mass production and R & D activities to meet the increasing demand for silicon wafers and the need to improve their quality, thus contributing to the enhancement of the Group’s capability of manufacturing silicon wafers for semiconductors, and at the same time increasing sales to external customers, which will then improve our profitability.

V. Parent Companies

Relationships with the Sumitomo Metals Group and the Mitsubishi Materials Group.

(1) Capital and other relationships with Sumitomo Metal Industries, Ltd. and Mitsubishi Materials Corporation

SUMCO is an affiliate of Sumitomo Metal Industries, Ltd. and Mitsubishi Materials Corporation, accounted for by the equity method. However, it has its own management responsibilities, manages its business independently, and will continue to use its current management approach

Parent Company, etc.	Attribute	Voting Stock Owned (%)	Stock Exchange Where Parent Company’s Stocks are Listed
Sumitomo Metal Industries, Ltd.	‘Other company’ as in the case where a listed company is an affiliate of another company.	29.9	The 1 st Section of the Tokyo Stock Exchange, Inc., and others
Mitsubishi Materials Corporation	‘Other company’ as in the case where a listed company is an affiliate of another company.	29.9	The 1 st Section of the Tokyo Stock Exchange, Inc., and others

(2) Business relationships with the Sumitomo Metals Group and the Mitsubishi Materials Group

The SUMCO Group purchases polycrystalline silicon, a major raw material used in the production of silicon wafers, and silicon wafer manufacturing equipment from the Sumitomo Metals Group and the Mitsubishi Materials Group. These transactions are all based on the ordinary terms and conditions of commercial transactions. Sumitomo Metal Industries, Ltd. and Mitsubishi Materials Corporation act as guarantors for some of our lease agreements, but our policy is to raise funds based on the Group’s own creditworthiness from now on.

(3) Managerial relationships with Sumitomo Metal Industries, Ltd. and Mitsubishi Materials Corporation

Of 13 SUMCO directors, 2 (1 director, 1 statutory auditor) belong to Sumitomo Metal Industries, Ltd. as management personnel and 2 (1 director, 1 statutory auditor) belong to Mitsubishi Materials Corporation as management personnel.

We have no employee secondment arrangements with these two company groups.

3. Business Results and Financial Position

I. Business Results

(1) Overview of the current interim consolidated accounting period

The economy during the current interim accounting period remained generally strong with a clear upward trend due to the continued economic expansions in the U.S.A., Southeast Asia and China despite continued obstacles to growth, including soaring crude oil prices. Domestically, improvements in corporate earnings, moderately increased consumer spending, an increase in private capital investment, and an improved employment situation etc. were all positive influences on the economy.

Also, the global semiconductor market, which supports the demand for silicon wafers, increased by about 7% in monetary terms over the corresponding period last year. This increase was a result of the steady expansion of demand for semiconductors represented by digital appliances such as LCD televisions and portable music players as well as a steady increase in consumer demand for personal computers and mobile phones.

Under such conditions, the demand for silicon wafers continued to be high, supported by active demand for semiconductors, and grew by over 20% on a year-to-year basis in terms of area.

In this context, the SUMCO Group has been trying to aggressively enhance its revenue through continuously expanding its production capacity for 300mm wafers and by upgrading its promotion of high precision 200mm and smaller wafers to cope with customer demand.

In addition, during the past fiscal year, SUMCO wrote down the shares of SUMCO USA Corporation (a consolidated subsidiary company of SUMCO), the holding company responsible for supervision of the U.S. business of the SUMCO Group. The relevant written-off amount comprises the temporary difference for future deduction. As the timing of elimination of the relevant temporary difference was not certain, the deferred tax asset for the relevant temporary difference was not posted. Since then, the timing of elimination has become clear and the written-off amount of company shares may be included in the tax expenses for the current fiscal year as a result of the completion of the liquidation of the company that will follow the resolution of dissolution adopted by the extraordinary board meeting of SUMCO as well as the board and general shareholders meeting of the company held on September 12, 2006. Consequently, as a result of calculations made on the assumption that the written-off amount can be included in the tax expenses of SUMCO for the current interim accounting period, there was no taxable income and basically no posting of corporate taxes either; hence the deferred tax asset was posted for the deficit amount.

Accordingly, for the current interim consolidated accounting period sales grew 29.6% (on a year-to-year basis) to 130,803 million yen, ordinary profit rose 83.6% (on a year-to-year basis) to 30,157 million yen and interim net income reached 47,796 million yen with a significant increase of 454.6% over the corresponding period last year.

Segment by business type

As the SUMCO Group concentrates on producing the “high-purity silicon” (i.e. a single segment), this section is not applicable to our situation.

Business results for the segment by region are as follows.

① Japan

Domestically, we have aggressively enhanced production capacity for 300mm wafers, the demand for which continues to increase. We have also endeavored to expand sales of 300mm wafers; consequently, sales grew 31.4% (on a year-to-year basis) to 128,381 million yen and the operating profit rose 54.5% (on a year-to-year basis) to 35,734 million yen.

② North America

In the U.S.A., sales grew 20.8% (on a year-to-year basis) to 33,741 million yen due to the expansion of sales of 300mm wafers and favorable foreign exchange rates. As a result, the operating profit was significantly improved at 1,051 million yen (compared with an operating loss of 604 million yen for the corresponding period last year).

③ Other regions

In Europe and other regions, sales grew 44.0% (on a year-to-year basis) to 13,027 million yen with an operating profit of 240 million yen (compared with an operating loss of 38 million yen for the corresponding period last year).

(2) Outlook for the whole fiscal year

As for the future outlook, the domestic economy is expected to pick up due to a steady increase in private capital investment and consumer spending associated with the recovery of corporate business performance. On the other hand, a continued high crude oil price and an escalation in costs of various materials are of concern. Also, there is increasing uncertainty as to the future of the Chinese and U.S. economies.

The semiconductor industry, which is the major customer of the SUMCO Group, is expected to grow continuously, mainly due to demand for mobile phones and LCD televisions. However, there is some uncertainty for some of the semiconductor products, to which some adjustment is being made.

Under such circumstances, the SUMCO Group intends to address the enhancement of its revenue through moving up the expansion of its production capacity and enhancing the quality for its 300mm wafers as well as developing and fostering competitive, high precision products for 200mm and smaller wafers in order to meet customer demand.

Based on the above outlook, the following forecasted business results are shown in “Forecasts of Business Results for the Fiscal Year ending January 31, 2007” on the front page of the Interim Financial Summary (consolidated/non-consolidated).

	Consolidated		Non-Consolidated	
	million yen (on a year to year basis)		million yen (on a year to year basis)	
Net sales	270,000	(122.4%)	240,000	(126.1%)
Operating profit	69,000	(155.6%)	59,000	(142.7%)
Ordinary profit	62,000	(169.6%)	55,000	(160.9%)

Net income	67,000	(327.1%)	59,000	(284.1%)
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The above “outlook for the whole fiscal year” is based on information available as of the date of this announcement and the assumptions made are based on uncertain factors that could affect future business results. Actual business results may materially differ from those expressed in the forecast, depending on various factors that may arise in the future.

II. Financial Condition

Cash flows for the current interim consolidated accounting period

Cash and cash equivalents dropped to 27,645 million yen, a decrease of 2,507 million yen from the corresponding interim consolidated accounting period last year. The reason for this decrease is that the cash flow from operating activities was 29,050 million yen while the cash flow from investment activities was negative 25,044 million yen and the cash flow from financing activities was negative 6,571 million yen.

(Cash flow from operating activities)

The cash flow from operating activities for the current interim consolidated accounting period was recorded at 29,050 million yen, an increase of 1,310 million yen from the corresponding interim consolidated accounting period last year. The main reason for this increase is that the interim income before income taxes and minority interests increased by 15,044 million yen in comparison with the corresponding interim consolidated accounting period last year while the payment of corporate tax and others increased by 8,845 million yen.

(Cash flow from investing activities)

The cash flow from investing activities for the current interim consolidated accounting period was negative 25,044 million yen due to an increase in spending of 2,044 million yen in comparison with the corresponding interim consolidated accounting period last year. The main reason for this increase in spending was the acquisition of tangible and intangible fixed assets.

(Cash flow from financing activities)

The cash flow from financing activities was negative 6,571 million yen, a decrease in spending of 7,190 million yen in comparison with the corresponding interim consolidated accounting period last year. The main reason for this decrease in spending was the repayment of long-term borrowings.

Trends for cash flow indices for the SUMCO Group are as follows (YE=Year ended)

	FY ended January 31, 2005		FY ended January 31, 2006		FY ending January 31, 2007
	Interim	YE	Interim	YE	Interim
Equity ratio (%)	22.9	25.3	28.0	45.9	52.7
Market-value based equity ratio (%)	—	—	—	215.6	203.0
Years of debt redemption (Yr)	5.0	3.7	3.0	2.0	2.1
Interest coverage ratio	10.3	12.3	15.6	17.7	19.7

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

Years of debt redemption: interest-bearing debts/cash flow from operating activities

Interest coverage ratio: cash flow from operating activities/interest payments

(1) Each index is calculated from consolidation-based financial figures.

(2) Cash flow from operating activities is used as the cash flow amount. Interest-bearing debt covers all obligations with interest payments out of liabilities posted in the consolidated (interim consolidated) balance sheet.

Years of debt redemption are doubled for the interim consolidated accounting period in order to convert cash flow from operating activities to a yearly amount.

(3) The main reason for the increase in the market-value based equity ratio was the capital increase implemented on November 17, 2005 for listing of stock on the Tokyo Stock Exchange.

III. Risks Associated with Business, etc

At present, the following issues have been identified as risk factors involved with the management and business performance of the SUMCO Group. SUMCO has a policy of avoiding the occurrence of such risks and of identifying and implementing suitable countermeasures in the case of occurrence but there is a possibility that the business and operating results of the SUMCO Group may

be materially affected by these factors.

(1) Business environment

Cyclical changes in the semiconductor market conditions (so-called silicon cycle) may affect the business results of the SUMCO Group in the future.

(2) Our products, etc.

Such factors as fluctuations in market prices for our products, quality nonconformance and incomplete enhancement of our productivity may affect our business results.

(3) Future Capital investment

Business results and financial position may be affected if: demand for 300 mm wafers fails to increase as projected; our capital investment fails to meet the growth in product demand; there are delays in completion of works under plant/equipment planning.

(4) Technology and R & D

Business plans and results and financial position may be affected if research and development activities fail to bring about expected results.

(5) Intellectual property rights

There is no guarantee that the patents owned by SUMCO are sufficient to protect the intellectual property rights of the SUMCO Group. Also, in a case where a third party whom the SUMCO Group is not aware of has been granted a patent, such a third party may take action for suspension of usage and damages, etc. alleging that our products infringe on his/her intellectual property right.

(6) Developments in overseas markets

Production and marketing activities of the SUMCO Group involve a risk associated with the fluctuation of exchange rates, and may be affected by changes in such additional factors as economic and political situations, legislative restrictions, taxation systems and regulations covering foreign exchanges in each country and area, as well as by disputes, occurrence of terrorism or natural disasters, breakout of infectious diseases, differences in social and labor practices, and the degree of development of infrastructures in those countries and areas.

(7) Environmental restrictions

There may be new requirements for expenditures to achieve compliance with a number of domestic and international legal restrictions concerning environmental protection in terms of such matters as discharge of air and water, use and storage of hazardous materials, disposal of industrial wastes, and checks and clean-ups associated with contamination of soil and underground water

(8) Natural disasters and accidents

Each manufacturing base may be affected by unexpected contingencies, including cease of production, damages to production facilities and equipment, and restricted supply of water/power caused by such natural disasters as earthquakes, typhoons, tsunamis and volcanic activities, and any other unforeseen factors, such as accidents, fire and terrorism.

(9) Risk associated with acquisition of business

At implementation of corporate acquisitions, SUMCO will try to avoid any risk in advance by conducting due diligence on financial conditions and details of concerned businesses but there is a possibility the company will still be affected by an unexpected change in the business environment and other unpredictable factors.

(10) Business results and financial position

Although we believe that operational restructuring within the SUMCO Group has largely been completed, our business results and financial position may be affected by the emergence of a situation where further business restructuring is required due to a substantial change within our business environment, etc.

4. Consolidated Financial Statements

I. Consolidated Balance Sheets

Category	Six months ended July 31, 2005		Six months ended July 31, 2006		Previous Fiscal Year (Year ended January 31, 2006)	
	Amount (million yen)	Composition Ratio (%)	Amount (million yen)	Composition Ratio (%)	Amount (million yen)	Composition Ratio (%)
(Assets)						
I Current assets						
1. Cash and deposits	6,008		28,645		31,152	
2. Notes receivable and accounts receivable	48,371		60,343		51,283	
3. Inventories	39,681		41,967		40,015	
4. Deferred tax assets	2,028		22,363		2,841	
5. Others	1,543		2,986		1,500	
6. Allowance for bad debts	△18		△22		△21	
Total current assets	97,614	30.6	156,283	39.8	126,771	36.0
II Fixed assets						
1. Tangible fixed assets						
(1) Buildings and structures	67,077		72,187		69,810	
(2) Machinery and transport equipment	87,775		106,211		96,708	
(3) Tools, appliances and furniture	2,079		1,572		1,772	
(4) Land	15,570		17,408		15,661	
(5) Construction in progress	14,928		10,024		10,195	
Total tangible fixed assets	187,431	58.9	207,404	52.8	194,147	55.2
2. Intangible fixed assets						
(1) Consolidated reconciliation account	15,491		14,552		15,022	
(2) Software	5,337		4,719		5,157	
(3) Others	769		155		313	
Intangible fixed assets	21,597	6.8	19,427	5.0	20,492	5.8
3. Investments and other assets						
(1) Investment securities	461		200		423	
(2) Long-term prepaid expenses	338		155		249	
(3) Deferred tax assets	9,044		7,131		7,442	
(4) Others	1,994		2,090		2,405	
Total investments and other assets	11,839	3.7	9,578	2.4	10,521	3.0
Total fixed assets	220,868	69.4	236,409	60.2	225,162	64.0
Total assets	318,482	100.0	392,693	100.0	351,934	100.0

Category	Six months ended July 31, 2005		Six months ended July 31, 2006		Previous Fiscal Year (Year ended January 31, 2006)	
	Amount (million yen)	Composition Ratio (%)	Amount (million yen)	Composition Ratio (%)	Amount (million yen)	Composition Ratio (%)
(Liabilities)						
I Current liabilities						
1. Notes payable and accounts payable	16,614		17,819		16,609	
2. Short-term borrowings	81,949		72,174		60,569	
3. Current portion of capital lease accounts payable	4,175		2,619		3,691	
4. Income taxes, etc. payable	2,807		1,677		9,733	
5. Allowance for employee bonuses	2,245		3,005		2,876	
6. Facilities related notes payable and accounts payable	18,888		20,821		13,496	
7. Others	8,489		6,299		6,749	
Total current liabilities	135,169	42.5	124,417	31.7	113,725	32.4
II Fixed liabilities						
1. Long-term borrowings	71,209		40,387		54,462	
2. Capital lease accounts payable	9,841		7,454		8,536	
3. Deferred tax liabilities	413		480		477	
4. Deferred tax liabilities for land revaluation	1,784		1,784		1,784	
5. Allowance for employee retirement benefits	8,939		9,733		9,418	
6. Allowance for directors' retirement bonuses	321		333		379	
7. Others	1,542		1,006		1,299	
Total fixed liabilities	94,051	29.5	61,179	15.6	76,358	21.7
Total liabilities	229,221	72.0	185,597	47.3	190,083	54.1
(Minority interests)						
Minority interests	118	0.0	—	—	170	0.0

Category	Six months ended July 31, 2005		Six months ended July 31, 2006		Previous Fiscal Year (Year ended January 31, 2006)	
	Amount (million yen)	Composition Ratio (%)	Amount (million yen)	Composition Ratio (%)	Amount (million yen)	Composition Ratio (%)
(Shareholders' equity)						
I Capital stock	58,500	18.4	—	—	82,173	23.4
II Capital surplus	9,858	3.1	—	—	46,376	13.2
III Retained earnings	20,618	6.5	—	—	32,486	9.2
IV Revaluation reserve for land	2,252	0.7	—	—	2,252	0.6
V Net unrealized gain on available-for-sale securities	24	0.0	—	—	46	0.0
VI Foreign currency translation adjustments	△2,111	△0.7	—	—	△1,656	△0.5
VII Treasury stock	—	—	—	—	△0	△0.0
Total shareholders' equity	89,142	28.0	—	—	161,680	45.9

Total liabilities, minority interests and shareholders' equity	318,482	100.0	—	—	351,934	100.0
(Net assets)						
I Shareholders' equity						
1. Capital	—	—	82,173	20.9	—	—
2. Capital surplus	—	—	46,376	11.8	—	—
3. Retained earnings	—	—	77,853	19.8	—	—
4. Treasury stock	—	—	△0	△0.0	—	—
Total shareholders' equity	—	—	206,403	52.5	—	—
II Variance of valuation/translation etc						
1. Net unrealized gain on available-for-sale securities	—	—	26	0.0	—	—
2. Gains and losses of deferred hedge	—	—	△105	△0.0	—	—
3. Revaluation reserve for land	—	—	2,252	0.6	—	—
4. Foreign currency translation adjustments	—	—	△1,759	△0.5	—	—
Total variance of valuation/translation etc.	—	—	414	0.1	—	—
III Minority interests	—	—	278	0.1	—	—
Total net assets	—	—	207,096	52.7	—	—
Total liabilities and net assets	—	—	392,693	100.0	—	—

II. Consolidated Statements of Income

	Six months ended July 31, 2005 (From February 1, 2005 to July 31, 2005)		Six months ended July 31, 2006 (From February 1, 2006 to July 31, 2006)		Previous Fiscal Year (Year ended January 31, 2006) (From February 1, 2005 to January 31, 2006)	
	Amount (million yen)	Composition Ratio (%)	Amount (million yen)	Composition Ratio (%)	Amount (million yen)	Composition Ratio (%)
I Net sales	100,906	100.0	130,803	100.0	220,526	100.0
II Cost of sales	72,136	71.5	84,916	64.9	156,414	70.9
Gross profit	28,769	28.5	45,887	35.1	64,112	29.1
III Selling, general and administrative expenses	9,415	9.3	11,855	9.1	19,771	9.0
Operating profit	19,354	19.2	34,032	26.0	44,340	20.1
IV Non-operating profit	(353)	(0.3)	(270)	(0.2)	(472)	(0.2)
1. Interest and dividends income	35		103		86	
2. Others	317		166		385	
V Non-operating expenses	(3,279)	(3.2)	(4,145)	(3.1)	(8,258)	(3.7)
1. Interest expense	1,816		1,545		3,484	
2. Foreign-exchange losses	474		593		1,905	
3. Others	987		2,006		2,867	
Ordinary profit	16,428	16.3	30,157	23.1	36,554	16.6
VI Extraordinary losses	(1,316)	(1.3)	(—)	(—)	(1,514)	(0.7)
Business wind-up related loss	1,316		—		1,514	
Net income before taxes and interest	15,112	15.0	30,157	23.1	35,039	15.9
Corporate income tax, local resident tax and business tax	2,543		1,365		9,740	
Adjustment of corporate income tax, etc	3,898		△19,113		4,708	
Minority interests	52		108		103	
Net income	8,618	8.5	47,796	36.5	20,486	9.3

III. Consolidated Statements of Capital Surplus and Retained earnings and Consolidated Statement of Change in net assets
Consolidated Statements of Capital surplus and Retained earnings

Category	Six months ended July 31, 2005 (From February 1, 2005 to July 31, 2005)		Previous Fiscal Year (Year ended January 31, 2006) (From February 1, 2005 to January 31, 2006)	
	Amount (million yen)	Amount (million yen)	Amount (million yen)	Amount (million yen)
(Capital surplus)				
I Capital surplus balance at beginning of year		9,858		9,858
II Capital surplus increase				
Capital increase through issue of new stocks	—	—	36,518	36,518
III Capital surplus balance at end of period		9,858		46,376
(Retained earnings)				
I Retained earnings balance at beginning of year		11,999		11,999
II Retained earnings increase				
Net income	8,618	8,618	20,486	20,486
III Retained earnings balance at end of period		20,618		32,486

Consolidated Statement of Change in net assets
(Six months ended July 31, 2006)

(million yen)

	Shareholders' equity				
	Capital	Capital Surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance as of February 1, 2006	82,173	46,376	32,486	△0	161,036
Changes of items during the interim accounting period					
Dividends from surplus			△2,393		△2,393
Directors bonuses from appropriation			△35		△35
Net income			47,796		47,796
Acquisition of treasury stock				△0	△0
Net change of items other than shareholders' equity					
Total changes of items during the interim accounting period	—	—	45,366	△0	45,366
Balance as of July 31, 2006	82,173	46,376	77,853	△0	206,403

(million yen)

	Valuation and translation adjustments					Minority interests	Total Net assets
	Net unrealized holding gains on securities	Deferred gains or losses on hedge	Land revaluation difference	Foreign currency translation adjustment	Total valuation and translation adjustments ·		
Balance as of February 1, 2006	46	—	2,252	△1,656	643	170	161,850
Changes of items during the interim accounting period							
Dividends from surplus							△2,393
Directors bonuses from appropriation							△35
Net income							47,796
Acquisition of treasury stock							△0
Net change of items other than shareholders' equity	△19	△105	—	△103	△228	108	△120
Total changes of items during the interim accounting period	△19	△105	—	△103	△228	108	45,245
Balance as of July 31, 2006	26	△105	2,252	△1,759	414	278	207,096

IV. Consolidated Statements of Cash flows

Category	Six months ended July 31, 2005 (From February 1, 2005 to July 31, 2005)	Six months ended July 31, 2006 (From February 1, 2006 to July 31, 2006)	Previous Fiscal Year (Year ended January 31, 2006) (From February 1, 2005 to January 31, 2006)
	Amount (million yen)	Amount (million yen)	Amount (million yen)
I Cash flows from operating activities			
Net income before income taxes and interest	15,112	30,157	35,039
Depreciation and amortization	16,159	17,969	35,251
Depreciation of consolidated reconciliation account	469	469	938
Interest and dividend received	△35	△103	△86
Interest paid	1,816	1,545	3,484
Increase or decrease in sales receivables (increase is shown with △)	△4,982	△9,061	△7,575
Increase or decrease in inventories (increase is shown with △)	△1,649	△2,127	△1,305
Increase or decrease in purchase liabilities (decrease is shown with △)	△786	1,142	△1,530
Others	4,128	32	3,447

Sub total	30,232	40,023	67,663
Interest and dividends income	35	105	85
Interest paid	△1,772	△1,477	△3,556
Corporate income tax, etc. paid	△755	△9,600	△1,296
Net cash provided by operating activities	27,739	29,050	62,895
II Cash flows from investing activities			
Expenditure on acquisition of tangible and intangible fixed assets	△23,987	△26,152	△53,615
Others	986	1,107	915
Net cash used in investing activities	△23,000	△25,044	△52,699
III Cash flows from financing activities			
Net increase/decrease in short-term borrowings (decrease is shown with△)	4,636	7,771	△18,739
Revenue from long-term borrowings	1,000	4,609	1,000
Expenditure on repayment of long-term borrowings	△18,158	△14,628	△33,097
Revenue from sales of property based on capital lease contract	△1,241	△1,930	△3,519
Revenue from capital increase	—	—	60,192
Revenue from capital increase	—	△0	△0
Cash dividend paid	—	△2,393	—
Net cash provided by (used in) financing activities	△13,762	△6,571	5,835
IV Conversion difference of cash and cash equivalents	29	59	120
V Increase or (decrease) in cash and cash equivalents (decrease is shown with△)	△8,993	△2,507	16,150
VI Cash and cash equivalents at beginning of year	14,001	30,152	14,001
VII Cash and cash equivalents at end of period	5,008	27,645	30,152

Basic Matters of Importance for Preparing Consolidated Financial Statements

1. Scope of consolidation

- (1) Number of consolidated subsidiaries 17
- Japan Super Quartz Corporation
 - SUMCO Solar Corporation
 - SUMCO Technology Corporation
 - SUMCO Service Corporation
 - Minamata Denshi Co., Ltd.
 - SUMCO USA Corporation
 - SUMCO USA Sales Corporation
 - SUMCO Oregon Corporation
 - SUMCO Phoenix Corporation
 - SUMCO Southwest Corporation
 - STX Finance America, Inc.
 - SUMCO Funding Corporation
 - SUMCO Personnel Services Corporation
 - SUMCO Europe Sales Plc
 - SUMCO France S.A.S.
 - PT. SUMCO Indonesia
 - SUMCO Singapore (SGP) Pte. Ltd.

(2) Names, etc. of major non-consolidated subsidiaries

- SUMCO Support Corporation
- SUMCO Korea Corporation
- SUMCO Taiwan Corporation
- (Reason of exclusion from the scope of consolidation)

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

2. Application of the equity method

There are no unconsolidated subsidiaries and affiliates to which the equity method is applied.

The influence of unconsolidated subsidiaries and affiliates to which the equity method is not applied against net income (comparable to equity) and retained earnings (comparable to equity) is so minor and is so insignificant as a whole that they are excluded from the scope of consolidation.

The following four companies are the unconsolidated subsidiaries and affiliates to which the equity method is not applied:

SUMCO Support Corporation
SUMCO Korea Corporation
SUMCO Taiwan Corporation
Super Silicon Crystal Research Institute, Corporation.

3. Consolidated subsidiaries' business year, etc.

The balance sheet date of the twelve overseas consolidated subsidiaries is June 30, 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.

(2) Method of depreciation of major depreciable assets

(a) Property, plant and equipment

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

Service life for buildings and structures is set at 31 years and for machinery and transport equipment at 7 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

(3) Standard for provision of major allowances

(a) Allowance for bad debt

To cope with possible losses on claims, the amount deemed uncollectible is provided.

(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 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.

(d) Allowance for directors' retirement bonuses

The amount payable at the period according to the company regulations is provided for payment of directors' retirement bonuses.

(4) Standard for translation of major foreign currency assets or liabilities into Japanese yen

Assets, liabilities, profits and expenses of our overseas subsidiaries are translated into Japanese yen at the spot exchange rate prevailing at each company's balance sheet date. The translation difference is included in the translation adjustments within the shareholders' equity section.

(5) Accounting for major lease transactions

Financing leases of SUMCO and its consolidated domestic subsidiaries, excluding those in which the ownership of the property is transferred to the lessee, are accounted for using the same method as operating leases.

- (6) Major hedge accounting
- (a) Hedge accounting method
Deferred hedge accounting is applied. The short-cut method is applied to interest rate swaps that satisfy the requirements for the method.
- (b) Hedging instrument and hedged item
Interest rate swaps are used to avert a risk of fluctuations in market interest rates for the 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.
- (7) Other important matters for the preparation of consolidated financial statements
Accounting for consumption tax and other taxes
The tax exclusion method is adopted.

5. 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

[Change in accounting policy]

(Accounting standards concerning representation of the net worth section of the balance sheet)

“Accounting Standards concerning representation of the net worth section of the balance sheet” (Corporate Accounting Standards No.5 dated December 9, 2005) and “Application Guidelines for Accounting Standards for representation of the net worth section of the balance sheet” (Corporate Application Guideline No.8 for Accounting Standards concerning representation of net worth section of balance sheet dated December 9, 2005) are and will be applied in practice from the current interim consolidated accounting period.

The comparable total amount of traditional shareholders' equity is 206,923 million yen.

The net worth section of the interim consolidated balance sheet for the current interim consolidated accounting period has been prepared in accordance with the revisions of the regulations relating to the interim consolidated financial statements.

[Additional information]

Resolution of dissolution of SUMCO USA Corporation

SUMCO's board adopted the resolution on August 31, 2006 to dissolve SUMCO Oregon Corporation, one of the Group's manufacturing companies in the U.S.A., which had been in a dormant state. As a result, SUMCO USA Corporation, the holding company responsible for the supervision of the U.S. business, lost its raison d'être and thereby the dissolution of the company was resolved on September 12, 2006. SUMCO wrote down the shares of SUMCO USA Corporation during the past fiscal year and the relevant written-off amount comprises the temporary difference for future deduction. As the timing of elimination of the relevant temporary difference was not certain, the deferred tax asset for the relevant temporary difference was not posted. However, the timing of elimination has since become clear and the written-off amount of company shares may be included in the tax expenses for the current fiscal year as a result of the completion of the liquidation of the company. Consequently, as a result of calculations made on the assumption that the relevant written-off amount can be included in SUMCO's tax expenses for the current interim accounting period, there was no taxable income and basically no posting of corporate taxes either; hence, the deferred tax asset was posted for the deficit amount. Accordingly, the interim net income increased by 29,771 million yen.

Notes

(Regarding consolidated balance sheets)

	million yen		
	Six months ended July 31, 2005 (From February 1, 2005 to July 31, 2005)	Six months ended July 31, 2006 (From February 1, 2006 to July 31, 2006)	Previous Fiscal Year (Year ended January 31, 2006) (From February 1, 2005
1. Accumulated depreciation of fixed assets	299,485	331,480	321,916
2. Hypothecated assets			
Bills and accounts receivable	52	—	60
Buildings and structures	17,092	16,372	16,853
Machinery and transport equipment	19,169	21,523	20,130
Land	6,845	6,802	6,802
Investment securities	179	—	190

Corresponding liabilities			
Short-term borrowings	222	—	224
Long-term borrowings	19,811	15,418	17,466
(Repayment scheduled within one year)	(4,243)	(6,695)	(3,948)
<hr/>			
3. Contingent liability			
Debt guarantee			
Employees	2,314	2,144	2,232

(Regarding consolidated statements of income)

(Unit million yen)
 Previous Fiscal Year
 (Year ended January 31,
 2006) (From February 1,
 2005
 to January 31, 2006)

	Six months ended July 31, 2005 (From February 1, 2005 to July 31, 2005)	Six months ended July 31, 2006 (From February 1, 2006 to July 31, 2006)	Previous Fiscal Year (Year ended January 31, 2006) (From February 1, 2005 to January 31, 2006)
<hr/>			
Major items and amounts of selling, general and administrative expenses			
Delivery of products	923	1,244	2,100
Sales commission *	360	1,800	710
Allowance for salaries and bonuses	1,880	2,135	4,166
Depreciation and amortization	250	239	605
Research and development	2,184	2,356	4,549
Lease/rental payment	322	320	646
Depreciation of consolidated reconciliation account	469	469	938

* Conventionally, sales commissions have been partially deducted directly from sales but they are and will be posted as selling, general and administrative expenses from the current interim consolidated accounting period. As a result, sales, gross profit and selling, general and administrative expenses increase by 1,411 million yen compared with values obtained using the conventional method of calculation. This change does not affect items after operating profit

(Regarding statement of variation for an interim consolidated shareholders' equity)

(From February 1, 2006 to July 31, 2006)

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 of January 31, 2006 (thousands share)	Increase in the number of shares during the current interim consolidated accounting period (thousand shares)	Decrease in the number of shares during the current interim consolidated accounting periods (thousand shares)	Number of shares at the end of the current interim consolidated accounting period (thousand shares)
Issued stocks				
Common stock	119,700	—	—	119,700
Total	119,700	—	—	119,700
Type of treasury stock				
Common stock 1	0	0	—	0
Total	0	0	—	0

(Note) 1. The increase in the number of treasury stocks and common stocks by 0 thousand is due to increased purchase of odd stocks

2. 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 27, 2006		2,393	20.00	January 31, 2006	April 27, 2006

Annual meeting of shareholders	Common stock				
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(2) Dividends with a record date belonging to the current interim period but an effective date that occurs after the end of the interim period

Resolution	Class of shares	Total amount of dividends (million yen)	Resource of dividends	Dividend amount per share (yen)	Record date	Effective date
September 12, 2006 Meeting of Board of Directors	Common stock	2,992	Retained earnings	25.00	July 31, 2006	October 10, 2006

(Regarding consolidated statements of cash flows)

	Six months ended July 31, 2005 (From February 1, 2005 to July 31, 2005)	Six months ended July 31, 2006 (From February 1, 2006 to July 31, 2006)	(Unit: million yen) Previous Fiscal Year (Year ended January 31, 2006) (From February 1, 2005 to January 31, 2006)
Relationship between cash and cash equivalents as of period-end and the amount and item indicated on the consolidated balance sheets			
Cash and cash equivalents	6,008	28,645	31,152
Term deposits with over three month maturity	△1,000	△1,000	△1,000
Cash and cash equivalents	5,008	27,645	30,152

(Regarding lease transactions)

Omitted as disclosure being arranged through EDINET.

(Regarding securities)

1. Other securities with market value

Type	Six months ended July 31, 2005			Six months ended July 31, 2006			Previous Fiscal Year (Year ended January 31, 2006)		
	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)	Acquisition cost (million yen)	Amount on the consolidated balance sheet (million yen)	Balance (million yen)
(1) Stocks	56	98	41	59	104	44	57	137	79
(2) Bonds									
1) Government bonds, municipal bonds, etc.	—	—	—	—	—	—	—	—	—
2) Corporate bonds	—	—	—	—	—	—	—	—	—
3) Others	252	252	—	—	—	—	190	190	—
(3) Others	—	—	—	—	—	—	—	—	—
Sub-total	309	350	41	59	104	44	248	327	79

2. Major securities not marked to market

	Six months ended July 31, 2005	Six months ended July 31, 2006	Previous Fiscal Year (Year ended January 31, 2006)
	Amount on the consolidated balance sheet (million yen)	Amount on the consolidated balance sheet (million yen)	Amount on the consolidated balance sheet (million yen)
(1) Stocks of subsidiaries and affiliates	87	87	87
(2) Other securities			
Unlisted stocks	22	7	7

(Regarding derivatives transactions)

Omitted as disclosure being arranged through EDINET.

(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, 2005 to July 31, 2005), in the current consolidated fiscal year (from February 1, 2006 to July 31, 2006) and in the current consolidated fiscal year (from February 1, 2005 to January 31, 2006). Therefore, this section is not applicable for our situation.

2. Geographic segment information

Previous consolidated period (from February 1, 2005 to July 31, 2005)

	Japan (million yen)	North America (million yen)	Others (million yen)	Total (million yen)	Elimination or corporate (million yen)	Consolidated (million yen)
Sales and operating profit/loss						
Sales						
(1) Sales to external customers	71,527	22,262	7,116	100,906	—	100,906
(2) Intersegment sales or transfers	26,171	5,660	1,929	33,762	△33,762	—
Total	97,699	27,923	9,046	134,668	△33,762	100,906
Operating expense	74,570	28,527	9,084	112,183	△30,630	81,552
Operating profit (or loss)	23,128	△604	△38	22,485	△3,131	19,354

- (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) Others UK, France, Indonesia
 3. The amount of operating expense that cannot be allocated and is included in “Elimination or corporate” is 2,671 million yen. Its major component is R & D expenses.

Current consolidated period (from February 1, 2006 to July 31, 2006)

	Japan (million yen)	North America (million yen)	Others (million yen)	Total (million yen)	Elimination or corporate (million yen)	Consolidated (million yen)
Sales and operating profit/loss						
Sales						
(1) Sales to external customers	94,304	26,371	10,126	130,803	—	130,803
(3) Intersegment sales or transfers	34,076	7,369	2,900	44,346	△44,346	—
Total	128,381	33,741	13,027	175,150	△44,346	130,803
Operating expense	92,646	32,690	12,786	138,123	△41,351	96,771
Operating profit (or loss)	35,734	1,051	240	37,027	△2,994	34,032

- (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) Others UK, France, Indonesia
 3. The amount of operating expense that cannot be allocated and is included in “Elimination or corporate” is 2,925 million yen. Its major component is R & D expenses.

Previous consolidated fiscal year (from February 1, 2005 to January 31, 2006)

	Japan (million yen)	North America (million yen)	Others (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	153,837	50,514	16,174	220,526	—	220,526
(2) Intersegment sales or transfers	56,332	12,289	4,562	73,184	△73,184	—
Total	210,169	62,804	20,737	293,711	△73,184	220,526
Operating expense	159,584	63,229	20,592	243,406	△67,220	176,186
Operating profit (or loss)	50,585	△424	145	50,305	△5,964	44,340

- (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) Others UK, France, Indonesia
3. The amount of operating expense that cannot be allocated and is included in “Elimination or corporate” is 5,465 million yen. Its major component is R & D expenses.

3. Overseas sales

Previous consolidated period (from February 1, 2005 to July 31, 2005)

	North America	Asia	Europe and others	Total
I Overseas sales (million yen)	19,490	28,890	7,866	56,247
II Consolidated sales (million yen)	—	—	—	100,906
III Ratio of overseas sales to consolidated sales (%)	19.3	28.6	7.8	55.7

- (Note) 1. Countries or areas are classified by geographic closeness.
2. Breakdown of countries or areas 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 period (from February 1, 2006 to July 31, 2006)

	North America	Asia	Europe and others	Total
I Overseas sales (million yen)	22,746	41,809	11,856	76,412
II Consolidated sales (million yen)	—	—	—	130,803
III Ratio of overseas sales to consolidated sales (%)	17.4	32.0	9.0	58.4

- (Note) 1. Countries or areas are classified by geographic closeness.
2. Breakdown of countries or areas 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

Previous consolidated fiscal year (from February 1, 2005 to January 31, 2006)

	North America	Asia	Europe and others	Total
I Overseas sales (million yen)	43,671	64,617	18,220	126,509
II Consolidated sales (million yen)	—	—	—	220,526
III Ratio of overseas sales to consolidated sales (%)	19.8	29.3	8.3	57.4

- (Note)
1. Countries or areas are classified by geographic closeness.
 2. Breakdown of countries or areas 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

(Important post-balance sheet events)

Acquisition of shares by tender offer

SUMCO has resolved at the meeting of the Board of Directors held on September 12, 2006 to acquire shares of Komatsu Electronic Metals Co., Ltd by means of a tender offer.

The information of this tender-offer is contained in the announcement of the company, released on September 12, 2006.

(TRANSLATION)

This brief statement on the six months ended July 31, 2006 is released pursuant to the requirements under the listing rules of, and reported to, the Tokyo Stock Exchange.

Brief Statement of Non-Consolidated Financial Results for the six months ended July 31, 2006 of Fiscal Year 2006 (ending January 31, 2007)

Forward Looking Statement

The statements and figures contained in this Brief Statement of Consolidated Financial Results for the six months ended July 31, 2006 for the fiscal year ending January 31, 2007 (the "Brief Statement") with respect to SUMCO's plans and strategies and other statements that are not historical facts are forward-looking statements about the future performance of SUMCO based on management's assumptions and beliefs in light of the information currently available to it and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various facts. Potential risks and uncertainties include, without limitation, general economic conditions in SUMCO's market, semiconductor device industry and other factors which may affect the financial position and results of operations of SUMCO in future.

September 12, 2006

Company Name: SUMCO CORPORATION

Listed on: Tokyo Stock Exchange

Code Number: 3436

Headquarters: Tokyo

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

Representative: Title and name: President, Kenjiro Shigematsu

Contact person: Title and name: Public Relations & IR Department General Manager, Soichi Ishitoya

Tel: +81-(03)-5444-3915 (Public Relations & IR Department)

Board resolution on the financial results adopted on: September 12, 2006

Stating date for dividend payment: Oct 10, 2006

Unit share system: 100 shares per unit

U.S.GAAP; Not applicable

1. Non Consolidated Business Results for the six months ended July, 2006 (February 1, 2006-July 31, 2006)

(1) Non Consolidated Business Results

(Rounded down to the nearest million yen)

	Net Sales		Operating Profit		Ordinary Profit	
	Million yen	%	Million yen	%	Million yen	%
Six months ended July 31, 2006	114,973	29.9	29,728	59.9	27,242	72.3
Six months ended July 31, 2005	88,529	8.3	18,588	25.4	15,812	31.9
YE January 31, 2006	190,312	15.3	41,338	33.3	34,188	34.1

	Net Income		Net Income per Share
	Million yen	%	yen sen
Six months ended July 31, 2006	42,749	347.6	357.14
Six months ended July 31, 2005	9,550	60.6	95.02
YE January 31, 2006	20,766	78.8	198.37

(Notes) 1) Average number of stocks in each period ; July 31, 2006 119,699,953 stocks ; July 31, 2005 100,500,000 stocks
January 31, 2006 104,550,410 stocks

2) Changing in accounting method - No

3) "%" for sales, operating profit, ordinary profit and net income indicates year-to-year comparison.

(2) Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share	
	Million yen	Million yen	%	Yen	Sen
Six months ended July 31, 2006	364,260	203,427	55.8	1,699.48	
Six months ended July 31, 2005	300,239	91,793	30.6	913.37	
YE January 31, 2006	333,259	163,223	49.0	1,363.38	

(Note)

1) Stocks issued at end of period July 31, 2006 119,700,000 stocks July 31, 2005 100,500,000 stocks YE January, 2006 119,700,000 stocks

2) Number of treasury stocks at the end of period ; July 31, 2006 62 stocks ; July 31, 2005 None ; YE January, 2006 8 stocks

2. Forecast for Non Consolidated Business Result for Fiscal Year 2007(Feburuay1, 2006-January 31m 2007)

	Net Sales	Operating Profit	Ordinary Profit	Net Income
	Million yen	Million yen	Million yen	Million yen
Full-year	240,000	59,000	55,000	59,000

(Reference) Forecast for net income per share(full-year) 492.90 yen

3. Cash Dividend

	Cash dividen per share (yen)		
	Interim	Year-end	Annual
YE January 31, 2006	—	20.00	20.00
YE January 31, 2007 (actual)	25.00	—	50.00
YE January 31, 2007 (forecast)	—	25.00	

The above forecasts are based on information available as of the date of this announcement and the assumptions made are based on uncertain factors that could affect future business results. Actual business results may materially differ from those expressed in the forecast, subject to various factors that may arise in the future. Please refer to Page 6 of the attachment for more details of the assumptions that have formed the basis of the forecasts and notes on the use of the forecasts.

END

