

(Translation)

June 2, 2008

To whom it may concern:

Company name: SUMCO CORPORATION  
(Code No: 3436: First Section of TSE)  
Representative: Kenjiro Shigematsu  
President and Representative  
Director  
Contact: Hiroshi Shibuya  
General Manager of  
Public Relations & IR Dept.  
(Telephone: 03-5444-3915)

### **Re. Company Split of a Part of Business from Our Subsidiary into Ourselves**

We are pleased to announce as follows, that we have resolved at our board of directors' meeting dated June 2, 2008, to conduct a company split which on August 1, 2008 will split, from SUMCO TECHXIV CORPORATION into ourselves, the business of the Sales & Marketing Division (without the business regarding overseas bases), Discrete Silicon Division, Technology Division (without the business regarding the Taiwan Support Department), Manufacturing Engineering Department 1, Manufacturing Engineering Department 2 and Manufacturing Engineering Section of Manufacturing Department, and the conclusion of a company split agreement today.

#### **1. Purpose of the company split**

On October 18, 2006, we acquired 51.00% of the issued and outstanding shares of SUMCO TECHXIV CORPORATION (formerly known as "Komatsu Electronic Metals Co., Ltd") through a takeover bid, and as a result SUMCO TECHXIV CORPORATION became a subsidiary company of ourselves. After the takeover bid, we caused SUMCO TECHXIV CORPORATION to become a wholly owned subsidiary of ourselves by a share exchange on May 30, 2008. Now, as the third stage, we have resolved to conduct a company split which will split, from SUMCO TECHXIV CORPORATION into ourselves, the business of the Sales & Marketing Division (without the business regarding overseas bases), Discrete Silicon Division, Technology Division (without the business regarding the Taiwan Support Department), Manufacturing Engineering Department 1, Manufacturing Engineering Department 2 and Manufacturing Engineering Section of Production Department (hereinafter collectively the "Business").

Our group intends to utilize management resources in an even more effective manner, so that both companies can achieve maximization of corporate value, by implementing the above measures to integrate sales & marketing and technology functions with ourselves, and position SUMCO TECHXIV CORPORATION as a manufacturing subsidiary of ourselves.

#### **2. Summary of the company split**

##### **(1) Schedule of the company split**

Resolutions of the board of directors  
for the company split

June 2, 2008 (Monday)

Execution of the company split agreement

June 2, 2008 (Monday)

(The following are the expected dates.)

Public notice of the record date of the shareholders' meeting

Nothing falling under the company split since it will be implemented through a summary company split proceeding for which a resolution of the shareholders' meeting is not required

Record date of the shareholders' meeting

Nothing falling under the company split since it will be implemented through a summary company split proceeding for which a resolution of the shareholders' meeting is not required

Resolution of the shareholders' meeting for the company split

Nothing falling under the company split since it will be implemented through a summary company split proceeding for which a resolution of the shareholders' meeting is not required

Effective day of the company split

August 1, 2008 (Friday)

Due date of delivery of share certificates (proceeds)

We will not deliver shares (proceeds).

- (2) Type of the company split  
It is an absorption-type company split which will split the Business from SUMCO TECHXIV CORPORATION into ourselves.
- (3) Allotment through the company split  
There is no allotment because SUMCO TECHXIV CORPORATION is a wholly owned subsidiary of ourselves.
- (4) Reduction of capital, etc.  
Nothing falling under.
- (5) Handling of share options and bonds with share options of SUMCO TECHXIV CORPORATION  
SUMCO TECHXIV CORPORATION has no outstanding share options or bonds with share options.

- (6) The rights and obligations which we will receive through the company split  
We will receive the following rights and obligations with respect to the Business:
- (i) The rights and obligations which we will receive through the company split.
    - (a) The rights and obligations based on a sales agreement or other agreements belonging to the Business.
  - (ii) The rights and obligations which we will not receive through the company split.
    - (a) The employment agreement with the employees who engage in the Business.
    - (b) All the agreements which are necessary for the Manufacturing Division of SUMCO TECHXIV CORPORATION.
- (7) Possibility of performance of the debts of SUMCO TECHXIV CORPORATION and ourselves

We expect that SUMCO TECHXIV CORPORATION can pay their debts on and after the effective date of the company split. This is because it is assumed that the amount of the assets of SUMCO TECHXIV CORPORATION will fully exceed that of the liabilities of them on and after the company split, and that there are no affairs in the course of business which might adversely affect the performance of the debts by SUMCO TECHXIV CORPORATION.

The amount of the assets is JPY 512,807 million (separated) and that of the liabilities is JPY 180,728 million (separated) in our balance sheet at January 31, 2008, and therefore the amount of the assets is JPY 332,078 million more than that of the liabilities in such balance sheet. Taking into consideration the status of our assets and liabilities and the contemplated changes in them until the effective date of the company split, it can be assumed that the amount of our assets will fully exceed that of our liabilities. Also, we have not forecasted largely decreased receipts or a continuous loss which might adversely affect the performance of the debts by ourselves. Accordingly, we state that we can pay our debts on and after the effective date of the company split.

### 3. Summary of Information on SUMCO CORPORATION and SUMCO TECHXIV CORPORATION

(1)	Company Name	SUMCO CORPORATION	SUMCO TECHXIV CORPORATION
(2)	Description of Business	Manufacturing and sales of silicon wafers	Manufacturing and sales of silicon wafers
(3)	Date of Incorporation	July 30, 1999	April 18, 1960
(4)	Head Office	2-1, Shibaura 1-chome, Minato-ku, Tokyo	1324-2, Masuragaharamachi, Omura-shi, Nagasaki
(5)	Representative	Kenjiro Shigematsu President and Representative Director	Takashi Abe President and Representative Director
(6)	Capital Stock(as of May 31, 2008)	JPY 114,107,100,000	JPY 11,636,000,000
(7)	Shares Issued (as of May 31, 2008)	257,751,739 shares	30,200,000 shares
(8)	Total Equity (as of January 31, 2008)	JPY 415,510 Million (Consolidated)	JPY 85,036 Million (Consolidated)

(9)	Total Assets (as of January 31, 2008)	JPY 710,495 Million (Consolidated)	JPY 176,979 Million (Consolidated)
(10)	Fiscal Year-End	January 31	January 31
(11)	Employees (as of January 31, 2008)	9,526 (Consolidated)	3,117 (Consolidated)
(12)	Major Clients	Sumitomo Corporation Samsung Japan Corporation Intel Corporation and others	Komatsu Silicon America, INC. Toshiba Semiconductor Company NEC Electronics Corporation and others
(13)	Major Shareholders and their Shareholdings Ratio	Sumitomo Metal Industries, Ltd. (28.18%) Mitsubishi Materials Corporation (28.18%) (as of January 31, 2008)	SUMCO CORPORATION (100%) (as of May 31, 2008)
(14)	Main Financing Bank	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, LTD and others	Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation and others
(15)	Relationship between SUMCO CORPORATION and SUMCO TECHXIV CORPORATION	Capital Relationship	SUMCO CORPORATION owns 100% of the total number of issued shares of SUMCO TECHXIV CORPORATION.
		Personnel Relationship	One (1) director of SUMCO CORPORATION also assumes office as director of SUMCO TECHXIV CORPORATION. One (1) director and one (1) full-time statutory auditor of SUMCO CORPORATION also assume office as statutory auditors of SUMCO TECHXIV CORPORATION. One (1) director of SUMCO TECHXIV CORPORATION also assumes office as director of SUMCO CORPORATION. Two [2] statutory auditors of SUMCO TECHXIV CORPORATION also assume office as one (1) director and one (1) full-time statutory auditor of SUMCO CORPORATION.
		Business Connection	As part of its operation, SUMCO CORPORATION sells fabricated materials (monocrystalline ingots) to SUMCO TECHXIV CORPORATION. As part of its non-operating transactions, each company allows the other access to its own intellectual property. As a result, each company incurs royalties payable to the other.
		Applicability of Related Parties Relationship	SUMCO TECHXIV CORPORATION is a consolidated subsidiary of SUMCO CORPORATION.

(16) Financial results of the past 3 fiscal years

	SUMCO CORPORATION (Receiving company) (Consolidated)			SUMCO TECHXIV CORPORATION (splitted company) (Consolidated)		
Fiscal Year-End	January 2006	January 2007	January 2008	March 2006	January 2007	January 2008

Net Sales (Million Yen)	220,526	319,385	474,951	86,667	84,257	117,132
Operating Profit (Million Yen)	44,340	84,390	140,385	8,970	14,179	20,980
Ordinary Profit (Million Yen)	36,554	75,835	133,028	9,945	15,128	23,190
Net Income (Million Yen)	20,486	72,051	74,879	5,598	8,857	14,139
Net Income Per Share (yen)	195.61	597.66	294.34	185.38	293.30	468.18
Cash Dividends Per Share (yen)	20.00	50.00	55.00	12.00	16.00	50.00
Shareholders' Equity Per Share (yen)	1,350.41	2,297.90	1,409.59	1,018.94	1,300.09	1,886.89

Note 1: On December 19, 2006, we newly issued 6,850,000 shares of common stock through a public offering.

Note 2: On January 15, 2007, we newly issued 650,000 shares of common stock through private placement.

Note 3: On February 1, 2007, we implemented a two-for-one share split.

Note 4: Due to the change in the fiscal year end, SUMCO TECHXIV CORPORATION's fiscal year that ended January 31, 2007 lasted for a period of ten (10) months from April 1, 2006 to January 31, 2007.

Note 5: On May 30, 2008, SUMCO TECHXIV CORPORATION and we conducted a share exchange through which SUMCO TECHXIV CORPORATION became a wholly owned subsidiary company of ourselves. By the share exchange, 1.20 shares of common stock of ourselves was allotted and delivered in exchange for each share of SUMCO TECHXIV CORPORATION.

#### 4. Summary of the Business

##### (1) Summary of the Business

We will receive the following rights and obligations with respect to the Business:

- (i) The rights and obligations which we will receive through the company split.
  - (a) The rights and obligations based on a sales agreement or other agreements belonging to the Business.
- (ii) The rights and obligations which we will not receive through the company split.
  - (a) The employment agreement with the employees who engage in the Business.
  - (b) All the agreements which are necessary to the Manufacturing Division of SUMCO TECHXIV CORPORATION.

##### (2) The financial results of the Business as of January 31, 2008

	The Financial Results of the Business (a)	The Financial Results of SUMCO TECHXIV CORPORATION as of January 31, 2008 (b)	Ratio (a/b)
Net Sales (Million Yen)	89,514	90,452	98.96%

NOTE: SUMCO TECHXIV CORPORATION does not prepare financial statements representing the profit from the Business.

- (3) The subject and amount of the assets and liabilities (as of April 30, 2008)  
(Million Yen)

The Assets		The Liabilities	
The Subject	The Book Value	The Subject	The Book Value
Current Assets	20,058	Current Liabilities	22,379
Property, Plant and Equipment and Investments and Other Assets	2,320		
The Amount	22,379	The Amount	22,379

**5. Our Status after the company split**

(1)	Company Name	There is no change
(2)	Description of Business	There is no change
(3)	Head Office	There is no change
(4)	Representative	There is no change
(5)	Capital Stock	There is no change
(6)	Total Equity	To be determined
(7)	Total Assets	To be determined
(8)	Fiscal Year-End	There is no change

- (9) Overview of accounting treatment

Because SUMCO TECHXIV CORPORATION is a wholly owned subsidiary of ourselves and therefore the transaction contemplated herein will fall under “common control transactions,” the amount of the assets and that of the liabilities of SUMCO TECHXIV CORPORATION are estimated by the appreciated book value when we estimate such amounts.

- (10) Impact on financial results

SUMCO TECHXIV CORPORATION will be positioned as a manufacturing subsidiary after the company split, and will continuously take a role as an important strongpoint for manufacturing. Also, we plan to start examining a variety of matters, including the merger between SUMCO TECHXIV CORPORATION and ourselves.

In addition, the impact of the company split on ourselves is expected to be insignificant on a consolidated basis.

We are trying to estimate the impact on a separate account, and will disclose it as soon as we have finished such estimation.

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