

To Our Shareholders and Investors

Message from the President on Revisions to the Full-Year Business Forecasts

Prior to the announcement of revisions to the full-year business forecasts, I would like to explain the business environment we currently face. In this, I would be grateful for your understanding.

Following the financial crisis in the United States, economic conditions have changed radically, and the global economy is now entering a recessionary phase. The semiconductor industry, in which our customers operate, is facing a severe business environment, with weak orders and production cuts. This situation is expected to continue for at least a year.

However, there is no doubt at all that information technology will continue to develop worldwide, albeit with some twists and turns along the way. Consequently, we expect that demand for the silicon wafers for high-performance semiconductors that we handle will grow steadily over the medium and long terms. So although we face difficulties at present, I believe that the situation will ultimately turn around in our favor.

To respond to this difficult environment, we will take all possible initiatives in all operations, including production, sales, and procurement.

Meanwhile, the market for the silicon wafers business for solar energy cells, another area of focus for the Company, has been expanding rapidly. In response, we will begin production early next spring at a new plant, which is presently under construction in Imari City and which will join our existing production base in Kainan City, Wakayama (SUMCO Solar Corporation). We will also aim to achieve in the near term a global share of 10% of the rapidly growing solar cells market, and we will continue to aggressively develop these businesses as a high-profile global supplier.

In light of the prevailing factors, we have decided to lower our forecasts. We are committed to achieving our targets, and we respectfully ask our shareholders and investors for their continued support in the future.

October 21, 2008

SUMCO Corporation
President
Kenjiro Shigematsu