September 12, 2006

To whom it may concern,

Company Name:	SUMCO CORPORATION
Position of Representative:	Kenjiro Shigematsu, President
Company Code:	3436 The 1st Section of the Tokyo Stock Exchange
Location of Principal Office:	1-2-1 Shibaura, Minato-ku, Tokyo
Contact Information:	
Position of Person in Charge:	General Manager of Public Relations & IR Dept.
Name:	Soichi Ishitoya
Tel.:	03-5444-3915

Announcement of Commencement of Tender Offer

We hereby announce that it was resolved at the meeting of our Board of Directors held on September 12, 2006 that we will obtain shares of Komatsu Electronic Metals Co., Ltd. (Company Code: 5977, The 2nd Section of the Tokyo Stock Exchange; hereinafter the "Target Company") by means of tender offer (hereinafter the "Tender Offer") as follows:

1. Purposes of the Tender Offer

Both our company and the Target Company are manufacturers specializing in silicon wafers covering a wide range of products, from those with a large diameter of 300mm to those with a small, special and extremely-precise diameter. Currently, both companies are actively pursuing investment activities in order to improve their production capacities and enrich their product lineups. Our company is determined to build a close relationship with the Target Company who is doing above-mentioned business to become connected with the Target Company by means of capital ties, by way of buying out the Target Company from Komatsu Ltd. (Company Code: 6301, The 1st Section of the Tokyo Stock Exchange and the Osaka Stock Exchange, respectively; hereinafter called "Komatsu").

The aim of the new SUMCO Group is to improve our customer satisfaction levels by sharing integrated business strategies between two companies specializing in manufacturing silicon wafers and having similar elemental technologies which are complementary to each other. Moreover, we intend to establish a solid base on which to operate our business as one of the top-class silicon wafer suppliers, both in name and reality. We will do this by gaining customers' trust through generating a multiplier and synergetic effect which includes cost reduction in each area such as research and development, technology, production and distribution, by dramatically improving the enriched product lineup, by enhancing our technical capabilities and by the enlargement of our capabilities to respond to customers.

At the meeting of the Board of Directors of the Target Company held on September 12, 2006, the Target Company resolved to consent to the Tender Offer.

Furthermore, in relation to the Tender Offer, we have obtained Komatsu's consent to apply to the Tender Offer for all the shares that it holds in the Target Company which are entitled to be offered for sale, the number of which is 18,702,900 shares (61.93% of the total number of issued shares).

The Target Company's share certificates are listed on the 2nd Section of the Tokyo Stock Exchange. However, the number of shares that we will tender for in the Tender Offer is limited to 15,402,000 Target Company's shares (51.00% of the total number of issued shares). Therefore, it is anticipated that some share certificates of the Target Company will remain listed even after the execution of the Tender Offer.

After the completion of the Tender Offer, we will consult with the Target Company and discuss the dispatch of directors to the Target Company, the change of firm name, the fiscal year of the Target Company, and other relevant matters.

2. Description of Tender Offer

(1) Description of Target Company (As of March 31, 2006)

(a) Firm name: Komatsu Electronic Metals Co., Ltd.
(b) Main business: Production and distribution of semiconductor silicon wafers
(c) Date of incorporation: April 18, 1960
(d) Location of principal office: 1324-2, Masuragahara-machi, Omura-shi, Nagasaki
(e) Representative: Takashi Abe, Representative Director
(f) Amount of capital: 11,636 million yen
(g) Large Shareholders and Ratio of Shareholding:

Komatsu Ltd.	61.93%
The Master Trust Bank of Japan, Ltd. (Trust Account)	2.07%
The Chase Manhattan Bank NA London SL Omnibus Account (Standing agent: Mizuho Corporate Bank, Ltd. Kabutocho Securities Clearance Office)	1.57%
Komatsu Electronic Metals Co., Ltd. Employee Stock Ownership Plan	1.52%
Millennium (Standing agent: The Bank of Tokyo-Mitsubishi UFJ, Ltd. Custody Service Division)	1.42%

JP Morgan Chase Bank 385067 (Standing agent: Mizuho Corporate Bank, Ltd. Kabutocho Securities Clearance Office)	1.41%
Credit Suisse Luxembourg SA Depositary Bank (Standing agent: The Bank of Tokyo-Mitsubishi UFJ, Ltd. Custody Service Division)	1.16%
Goldman Sachs International (Standing agent: The Goldman Sachs Group, Inc. Tokyo Branch)	0.94%
Komatsu Electronic Metals Co., Ltd. Cooperative Stock Ownership Plan	0.91%
Sumitomo Mitsui Banking Corporation	0.90%

(Note 1) The information on the details of the Target Company is based on the Annual Securities Report (*Yuka Shoken Hokokusho*) for the 61st fiscal term submitted by the Target Company on June 29, 2006.

(Note 2) The Ratio of Shareholding was calculated on the basis of the total number of issued shares of the Target Company as of March 31, 2006 (30,200,000 shares).

(Note 3) All the shares held by The Master Trust Bank of Japan, Ltd. (Trust Account) are shares held in connection with their trust services.

(Note 4) Fidelity Investments Japan Limited submitted a Substantial Shareholding Report (*Taiyo Hoyu Hokokusho*) as of April 14, 2006, reporting that it held 1,761,200 Target Company shares as of March 31, 2006. However, since the Target Company is unable to confirm the number of shares held by that company as of such date, the company is not included in the list of the Large Shareholders above.

(h) Relationship with our company:

Capital ties: Not applicable.

Personal ties: Not applicable.

Transaction ties: Not applicable.

(2) Kind of share certificates for the Tender Offer: Common Shares

(3) Tender Offer Period (TOB Period): From September 13, 2006 (Wednesday) until October 11, 2006 (Wednesday) (both inclusive; total 29 days)

(4) Price of Tender Offer: 2,400 yen per share

(5) Basis for the calculation of the Price of Tender Offer

Our offer price for the Tender Offer (i.e., 2,400 yen per share) was determined upon comprehensive consideration of the market price of the common shares of the Target Company, the financial standing or assets and the estimated future profits of the Target Company and other relevant matters regarding the Target Company as of June 14, 2006, on which the basic agreement regarding the tender offer to common shares of the Target Company and the application thereto was concluded between Komatsu and our company. The above-mentioned price is equivalent to the average price of the closing prices of the common shares of the Target Company (including quotation display) calculated for every trading day of the 2nd Section of the Tokyo Stock Exchange during the six (6) month period prior to June 14, 2006, minus approximately 13% of such average price (this average price is 2,754 yen; that is the average of the prices of all days except the/those day(s) on which there was not a closing price as this/these day(s) were excluded from the calculation).

(6) Number of shares intended to be bought in the Tender Offer: 15,402,000 shares

(Note 1) If the total number of the share certificates offered for sale in the Tender Offer is less than the number of shares intended to be bought in the Tender Offer (15,402,000 shares), we will buy none of the share certificates offered for sale. If the total number of share certificates offered for sale in the Tender Offer exceeds the number of shares intended to be bought in the Tender Offer, we will not buy the whole or any part of such exceeding part, and we will conduct the delivery or other settlement of the buyout of the share certificates in through proportional distribution as set forth in Article 27-13, Paragraph 5 of the Securities and Exchange Law and Article 32 of the Cabinet Office Regulations Concerning Disclosure of a Tender Offer of Shares etc. by Persons Other Than the Issuer.

(Note 2) We have no plan to obtain the Target Company's treasury shares through the Tender Offer.

(Note 3) Odd shares (shares of less than 1 *tangen* unit) are excluded from the Tender Offer.

(7) Change in the number of shares held due to the Tender Offer

Number of shares held prior to the Tender Offer: 0 share
(Ratio of Shareholding: 0.00%)

Number of shares held after the Tender Offer: 15,402,000 shares
(Ratio of Shareholding: 51.00%)

(Note 1) The number of shares held after the Tender Offer assumes that all the shares intended to be bought in the Tender Offer (15,402,000 shares) are bought.

(Note 2) The Ratio of Shareholding was calculated on the basis of the total number of issued shares of the Target Company as of March 31, 2006 (30,200,000 shares).

(8) Date of public notice of the commencement of the Tender Offer: September 13, 2006 (Wednesday)

(9) Tender Offer Agent: Mitsubishi UFJ Securities Co., Ltd.

(10) Funds required for the Tender Offer: 36,964,800 thousand yen

(Note) The above-mentioned amount is calculated by multiplying the amount of the tender offer price by the number of shares intended to be bought in the Tender Offer (15,402,000 shares).

(11) Commencement date of settlement: October 18, 2006 (Wednesday)

3. Target Company's Consent to the Tender Offer

We have already obtained the Target Company's Board's consent to the Tender Offer.

4. Future prospects

As a result of the Tender Offer, the Target Company will become our consolidated subsidiary.

The influence of the Tender Offer on our business results for the fiscal year ending January, 2007 will be formally reported after the completion of the Tender Offer.

END

This Press Release is for the announcement of the Tender Offer to the public and is not prepared for the purpose of sales solicitation. If you would like to offer for sale your shares in the Tender Offer, please ensure that you review the Tender Offer Statement (*kokai kaitsuke setsumeisho*) prepared by us in advance and offer your shares for sale at your own discretion as a shareholder. This Press Release does not fall under the categories of an offer to purchase securities or solicitation of the sale of securities, or solicitation of an offer for purchase of securities, nor does it constitute a part of such solicitation. This Press Release (or any part of it) or the distribution thereof shall not constitute grounds for any agreement in connection with the Tender Offer, and no agreement may be concluded on the basis of this Press Release (or a part of it) or the distribution thereof. The Tender Offer will not be conducted in or target the United States, either directly or indirectly, and will not be conducted by way of using the U.S. postal system nor by use of any other interstate or international commercial manner/method (including, but not limited to, telephone, telex, facsimile, email or internet communication), and will not be conducted through any stock exchange in the United States. An offer for sale of shares in the Tender Offer by means of the above-mentioned manners/methods, through the above-mentioned facilities, or from the United States is not permitted.

In addition, the Press Releases or other related documents regarding the Tender Offer will not, and cannot, be sent or distributed in or target the United States, or sent or distributed from the United States by way of post or other manners. Any offer for sale of shares in the Tender Offer violating, either directly or indirectly, the above-mentioned restrictions will not be accepted. Any solicitation to buy the securities or any equivalent from residents of the United States will not be conducted and any such solicitation will not be conducted in the United States; and securities or any equivalent sent by residents of the United States, or sent from the United States, will not be accepted. There may be some nations or regions which legally restrict the announcement, issuance or distribution of this Press Release. In such case, please pay attention to and comply with those restrictions. In the nations or regions where the execution of the Tender Offer is illegal, even if this Press Release is received, it shall not be deemed as a solicitation to apply to buy or to sell share certificates in connection with the Tender Offer, and it shall be deemed to be distribution of materials for reference purposes only.

【Attachment】

Press Release of KEM and KOMATSU are attached below.

Attachment

News Release:

September 12, 2006
To Whom It May Concern:

Company Name: Komatsu Electronic Metals Co., Ltd. (hereinafter referred to as "KEM")
Name of Representative :
Takashi Abe, President and Representative Director
(Code No. 5977 of the Tokyo Stock Exchange, 2nd Section)
Contact:
Mitsuo Yokokawa, Director and Executive Officer, General Manager of Planning and Controlling Department
(Telephone: +81 (0)3-5561-3361)

Notice of Supporting Opinion for Tender Offer

KEM hereby announces that a resolution was passed, at its board of directors meeting held on September 12, 2006, to the effect that KEM expresses its support of the tender offer for the shares of KEM which will be made by SUMCO Corporation (Code: 3436 of the Tokyo Stock Exchange, 1st Section; hereinafter referred to as "SUMCO").

1. Profile of the Tender Offeror

(1) Corporate name: SUMCO Corporation
(2) Main business activities: Manufacture and sale of silicon wafers
(3) Date of establishment: July 30, 1999
(4) Head office: 1-2-1, Shibaura, Minato-ku, Tokyo
(5) Representative Director: Kenjiro Shigematsu
(6) Capital: JPY82.173 billion (as of January 31, 2006)
(7) Main shareholders and percentage of shares held (as of January 31, 2006)

Sumitomo Metal Industries, Ltd.	29.95%
Mitsubishi Materials Corporation	29.95%
The Master Trust Bank of Japan, Ltd. (trust account)	5.85%
Japan Trustee Services Bank, Ltd. (trust account)	3.80%
The Chase Manhattan Bank 385036 (Standing proxy: Mizuho Corporate Bank, Ltd., Kabuto-cho Securities Settlement Office)	2.65%

The Nomura Trust and Banking Co., Ltd.
(investment trust account) 0.96%

Mitsubishi UFJ Trust and Banking Corporation
(trust account) 0.92%

The Chase Manhattan Bank, N.A. London, S.L. Omnibus Account (Standing proxy: Mizuho Corporate Bank, Ltd., Kabuto-cho Securities Settlement Office) 0.74%

The Chase Manhattan Bank, N.A. London
(Standing proxy: Mizuho Corporate Bank, Ltd. Kabuto-cho Securities Settlement Office) 0.72%

State Street Bank and Trust Company
(Standing proxy: Mizuho Corporate Bank, Ltd., Kabuto-cho Securities Settlement Office) 0.63%

(8) Relationship with KEM N/A

2. KEM's Opinion and its Reasons concerning the Tender Offer

SUMCO is a specialized producer of silicon wafers that include a broad range of products such as large diameter 300mm, special small diameter and high precision silicon wafers, as is KEM. At present, SUMCO is proactively engaged in investiment activities in order to increase its production capacity and to expand its product lines. By becoming a member of the SUMCO group as a result of tender offer, KEM expects to achieve greater customer satisfaction and the further development of its business. By sharing an integrated business strategy among the SUMCO group, KEM will enjoy great synergies, including in terms of efficient capital investments in 300mm and other silicon wafer production capacity and as a result of technical collaboration. The synergies will benefit KEM by resuling in cost reduction in areas including research and development, technology, production and sales.

Accordingly, in the belief that the tender offer will furher enhance the corporate value of KEM, and contribute to the the increased benefit of shareholders, employees, and the other stakeholders of KEM, its board of directors has adopted a resolution to support the tender offer by SUMCO.

(Reference) Outline of SUMCO's tender offer for the shares of KEM

(1) Type of shares to be purchased: common shares

(2) Tender offer period:

The 29-day period from September 13, 2006 to October 11, 2006

(3) Purchase price: JPY2,400 per share

(4) Basis for calculation of the tender offer price:

The purchase price was determined on June 14, 2006, in view of the overall conditions including the market price of the common share, the financial standing, assets and future profits of KEM as of the date the 14th of June, 2006 when Komatsu and SUMCO executed their basic agreement with respect to the tender offer of common shares of KEM. Such purchase price corresponds to approximately 13% discount against the average daily closing price (JPY 2,754, calculated excluding any date without a closing price, and including quotation indication) of regular transactions involving the common shares of KEM in the 2nd Section of the Tokyo Stock Exchange for the period beginning six (6) months prior to June 14, 2006.

(5) Number of shares to be purchased: 15,402,000 shares (representing 51% of total issued shares)

Note: If the total number of tendered shares is less than the number of shares to be purchased, no purchase will be made. If, on the other hand, the total number of shares is greater than the number of shares to be purchased, the excess portion will not be purchased, and shares will be purchased in proportion from the subscribing shareholders in accordance with the number of subscribing shares pursuant to the applicable rules of law.

(6) Change in the number of shares owned by SUMCO as a result of the Tender Offer

Number of shares owned before purchase : 0 (Ownership ratio: 0.00%)

Number of shares owned after purchase : 15,402,000 (Ownership ratio: 51.00%)

(7) Public notice of commencement of the Tender Offer: September 13, 2006

(8) Tender Offer Agent: Mitsubishi UFJ Securities Co., Ltd.

(9) Funds necessary for the purchase: JPY 36,987,600,000 (tentative)

[End of Press Release]

Attachment

[TRANSLATION]

Press Release

September 12, 2006

Komatsu Ltd.
(Company code: 6301)
Corporate Communications Department
Tel: +81-(0)3-5561-2616

Announcement Concerning Acceptance of Tender Offer

As announced in the June 14, 2006 press release, entitled "Basic Agreement with respect to Share Transfer", Komatsu Ltd. (President: Masahiro Sakane; hereinafter referred to as "Komatsu") has executed a basic agreement with SUMCO Corporation (President: Kenjiro Shigematsu; hereinafter referred to as "SUMCO") concerning SUMCO's tender offer for Komatsu Electronic Metals Co., Ltd. (President: Takashi Abe; hereinafter referred to as "KEM") and Komatsu's acceptance of such offer (hereinafter referred to as the "Basic Agreement"). SUMCO has since completed due diligence and the competition authorities of the relevant countries have approved the transaction, provided that Komatsu understands that the waiting period under the competition law of the People's Republic of China will expire by the day before the last day of the tender offer period. Therefore, in accordance with the Basic Agreement, a resolution on the conclusion of an agreement concerning the tender offer and Komatsu's acceptance of the tender offer was passed at the board of directors meeting of Komatsu held today. Thus Komatsu hereby announces the following.

Reasons for Accepting the Tender Offer

Komatsu's core focus is the comprehensive "industrial machinery business," such as construction and mining machinery and industrial machinery. With respect to the electronics business, including the silicon wafer business operated by KEM, Komatsu's objectives have been to maintain the independent management of such business, and to seek to develop the business based on an alliance with a leading industrial partner.

KEM incorporated a joint venture company (Formosa Komatsu Silicon Corporation) with Taiwan Plastics Group in 1995, which has established a position as a top supplier of 200mm silicon wafers in Taiwan. Employing its dual manufacturing site system, in Japan and Taiwan, KEM has worked to strengthen its business and increase profitability.

Komatsu believes that KEM can expect further development of its business by becoming a member of the SUMCO Group through both an acceleration of capital investment in 300mm silicon wafers in Taiwan and synergy in the area of technology.

In addition, the transfer of the KEM shares to SUMCO will enable Komatsu to concentrate its management resources on its core focus of the comprehensive "industrial machinery business." Komatsu will strengthen the operating base of its core focus even further and aims to actively expand its business.

Number of Shares that will be Applied for under the Tender Offer

18,702,900 common shares of KEM (61.93% of the issued and outstanding shares of KEM, representing all of the shares of KEM held by Komatsu).

However, because SUMCO only plans to acquire 15,402,000 common shares (that is, 51% of the issued and outstanding shares) through the tender offer, Komatsu will continue to hold at least 3,300,900 common shares of KEM (that is, 10.93% of the issued and outstanding shares of KEM) after the completion of the tender offer.

Tender Offer Price

JPY2,400 per common share of KEM

Schedule

September 12, 2006	Announcement of the tender offer
September 13, 2006	Public notice of commencement of the tender offer
October 11, 2006	Last day of the tender offer period
October 18, 2006	Settlement commencement date

[Komatsu Electronic Metals Profile]

Corporate name:	Komatsu Electronic Metals Co., Ltd.
Date of establishment:	April 18, 1960
Head office:	1324-2, Masuragahara, Omura, Nagasaki
Representative Director:	Takashi Abe
Business activities:	Manufacture and sale of silicon wafers
Main shareholder:	Komatsu Ltd. (61.93%)
Manufacturing bases:	Nagasaki, Miyazaki, Taiwan (Formosa Komatsu Silicon Corp.)
Number of employees:	2,758
Net sales:	JPY86.6 billion (for the fiscal year ended March 31, 2006)

Recent results (consolidated) (Million JPY)

	Fiscal Year ended March 31, 2005	Fiscal Year ended March 31, 2006
Net sales	74,908	86,667
Operating profit	6,032	8,970
Ordinary Profit	5,964	9,945
Total assets	95,161	108,282
Shareholders' equity	25,134	30,771

[SUMCO Profile]

Corporate name:	SUMCO Corporation
Date of establishment:	July 30, 1999
Head office:	1-2-1, Shibaura, Minato-ku, Tokyo
Representative Director:	Kenjiro Shigematsu
Business activities:	Manufacture and sale of silicon wafers
Main shareholders:	Sumitomo Metal Industries, Ltd. (29.9%), Mitsubishi Materials Corporation (29.9%)
Manufacturing bases:	Saga, Imari, Yonezawa and other locations
Number of employees:	5,554
Net sales:	JPY220.5 billion (for the fiscal year ended January 31, 2006)

Future Outlook

As a result of the completion of the tender offer, KEM will no longer be a consolidated subsidiary of Komatsu. After the completion of the tender offer, Komotsu will make an announcement concerning the projections for the fiscal year ending March 31, 2007.

(end)

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