

November 29, 2006

To Whom It May Concern:

Company Name: SUMCO Corporation
Representative: Kenjiro Shigematsu,
President and Director
Code Number: 3436 (TSE 1st Section)
Address: 1-2-1 Shibaura,
Minato-ku, Tokyo
Contact:
Title: Public Relations & IR
Department,
General Manager
Name: Soichi Ishitoya
Tel: 03-5444-3915

Announcement Regarding Issuance and Sale of New Shares and Stock Split

SUMCO Corporation (the “Company”) hereby announces the following decisions concerning the issuance and sale of new shares and a stock split, resolved at the meeting of the Company’s Board of Directors, held on Wednesday, November 29, 2006:

1. Issuance of New Shares by Public Offering (Ordinary Public Offering)

- | | |
|--|--|
| (1) Number and type of shares to be offered | common stock: 6,850,000 shares |
| (2) Method for determination of purchase price | In accordance with the method set forth in Regulation 14, Article 7.2 of the Regulations of Fair Practice of the Japan Securities Dealers Association (“JSDA”), the price will be determined on a day falling between December 11, 2006 (Monday) and December 14, 2006 (Thursday) (the “Offer Price Determination Date”) |
| (3) Increase in capital and capital reserves | The amount of increase in capital shall be one half of the limit for increases in capital, etc., as calculated in accordance with Article 37.1 of the Corporate Calculation Regulations. Fractional amounts of less than one yen shall be rounded up. The amount of increase in capital reserves shall be determined by subtracting the amount of the increase in capital (referred to above) from the limit for increases in capital, etc. (referred to above). |
| (4) Method of sale | The Japanese Offering and the International Offering will be conducted concurrently.

A. The Japanese Offering
The Japanese offering (the “Japanese Offering”) is a public offering of shares with all shares underwritten by Mitsubishi UFJ Securities Co., Ltd., Daiwa Securities SMBC Co. Ltd., Goldman Sachs Japan Co., Ltd., Mizuho Securities Co., Ltd. and Monex, Inc. (collectively, the “Japanese Managers”). The bookrunners for the Japanese Offering are Mitsubishi UFJ Securities (the lead manager), Daiwa Securities SMBC Co., Ltd., and Goldman Sachs Japan Co., Ltd.

B. The International offering
The international offering (the “International Offering”) is a sale of shares |

Note: This release is not an offer for sale of securities in Japan or elsewhere. The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

in foreign markets, mainly in Europe (however, in the United States, the sale of shares is limited to qualified institutional buyers in accordance with Rule 144A of the U. S. Securities Act of 1933, as amended), underwritten severally, and not jointly, by the bookrunners: Mitsubishi UFJ Securities International plc, Daiwa Securities SMBC Europe Limited and Goldman Sachs International (collectively, “the international managers” and together with the Japanese underwriters “the underwriters”). Further, the number of shares planned for each of the sales described in A. and B. above is 4,600,000 shares for the Japanese Offering and 2,250,000 shares for the International Offering, although the final breakdown will be decided on the Offer Price Determination Date after taking into consideration demand and other conditions.

In addition, the offer price for the shares in the sales described in A. and B. above (the “offer price”) shall be decided on the Offer Price Determination Date in accordance with the method stipulated in Article 7.2 of Regulation 14 of the Regulations of Fair Practice issued by the JSDA and based on the price which is no less than 90% and no more than 100% (fractional amounts of less than one yen are truncated) of the closing price of the Company’s common stock on the Tokyo Stock Exchange as of the Offer Price Determination Date (if as of that date there is no closing price, then the closing price as of the immediately preceding business day) after considering demand and other conditions.

The Joint Global Coordinators for the sales in connection with the Japanese Offering, the International Offering and the over-allotment described in 2. below are Mitsubishi UFJ Securities and Daiwa Securities SMBC.

- (5) Compensation for the underwriters In lieu of an underwriters’ commission, the underwriters shall receive the aggregate amount of the difference between the offer price and the purchase price for the Japanese Offering and the International Offering.
- (6) Subscription period (the Japanese Offering) From December 15, 2006 (Friday) until December 19, 2006 (Tuesday). However, due to demand and other conditions, the offering may be moved ahead in time, and in such case, the earliest it can be moved to will be from December 12, 2006 (Tuesday) until December 14 (Thursday).
- (7) Payment date Any date in the period from December 19, 2006 (Tuesday) until December 22, 2006 (Friday). If, as described in (6) above, due to demand and other conditions the subscription period is moved ahead in time, the payment date will be no earlier than December 19, 2006 (Tuesday).
- (8) Subscription unit 100 shares
- (9) The payment amount, issue price (offer price), amount of increases in capital and capital reserves, and all other matters pertaining to the issuance of new shares shall be decided by the Company’s representative directors and/or its appointed representatives.
- (10) The Japanese Offering shall be conditioned upon all filings under the Japanese Securities Exchange Act becoming effective.

2. Sale of the Company’s Shares (in connection with the over-allotment) (see Reference Note 1 below)

- (1) Type and number of shares 650,000 shares of the Company’s common stock
However, this number is the maximum number of shares to be offered and may decrease due to demand for the Japanese Offering, or alternatively the over-allotment itself may not take place.

Note: This release is not an offer for sale of securities in Japan or elsewhere. The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

- | | |
|---|--|
| (2) Seller and number of offered shares | Mitsubishi UFJ Securities
650,000 shares |
| (3) Selling price | Undecided (shall be decided on the Offer Price Determination Date and be the same as the issue price (offer price) for the Japanese Offering). |
| (4) Selling method | After considering demand and other conditions, Mitsubishi UFJ Securities shall sell in Japan up to 650,000 shares of common stock of the Company borrowed from the Company's shareholders. |
| (5) Subscription period | Same as the subscription period for the Japanese Offering. |
| (6) Delivery date | The business day immediately following the payment date for the Japanese Offering. |
| (7) Subscription unit | 100 shares |
- (8) The selling price and all other matters pertaining to the sale through over-allotment shall be approved by the Company's representative directors and/or their appointed representatives.
- (9) The Japanese Offering shall be conditioned upon all filings under the Japanese Securities Exchange Act becoming effective. However, if the Japanese Offering is cancelled, the over-allotment will also be cancelled.

3. Issuance of New Shares for Third Party Allotment (See Reference Note 1 below)

- | | |
|---|--|
| (1) Type and number of offered shares | 650,000 shares of the Company's common stock |
| (2) Method for determination of payment amount | Shall be decided in such a way that on the Offer Price Determination Date the amount shall be equal to the purchase price for the Japanese Offering. |
| (3) Increase in capital and capital reserves | The amount of increase in capital shall be one half of the limit for increases in capital, etc., as calculated in accordance with Article 37.1 of the Corporate Calculation Regulations. Fractional amounts of less than one yen shall be rounded up. The amount of increase in capital reserves shall be determined by subtracting the amount of the increase in capital (referred to above) from the limit for increases in capital, etc. (referred to above). |
| (4) Allocation and number of shares to be allocated | Mitsubishi UFJ Securities
650,000 shares |
| (5) Subscription period (Subscription date) | On any day in the period of January 12, 2007 (Friday) until January 18, 2007 (Thursday). However, such date shall fall on the 30th day (and if it is not a business day, then on the immediately preceding business day) calculated from the day following the final day of the subscription period for the Japanese Offering and the sale through over-allotment. |
| (6) Payment date | On any one day in the period of January 15, 2007 (Monday) until January 19, 2007 (Friday). However, such date shall fall on the 30th day (if not a business day, then on the immediately preceding business day) calculated from the day following the final day of the subscription period for the Japanese Offering and the sale through over-allotment. |
| (7) Subscription unit | 100 shares |

Note: This release is not an offer for sale of securities in Japan or elsewhere. The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

(8) Issuance of shares shall be aborted if there has been no subscription within the subscription period (subscription date) specified in (5) above.

(9) The payment amount, amount of increase in capital and capital reserve as well as all other matters pertaining to the issuance of shares by Third Party Allotment shall be decided by the Company's representative directors and/or their appointed representatives.

(10) The Japanese Offering shall be conditioned upon all filings under the Japanese Securities Exchange Act becoming effective. However, if the Japanese Offering is cancelled, the over-allotment will also be cancelled.

4. Stock Split

(1) Purpose of the split To create more favorable investment conditions for investors by means of decreasing investment units of the Company's shares and thereby promoting increased liquidity and diversification of investors.

(2) Method of the split With January 31, 2007 (Wednesday) as the record date, shares of the common stock held by shareholders shall be split in 2 shares for 1 share.

(3) Increase of the aggregate number of issuable shares In accordance with Article 184.2 of the Japanese Company Law, effective on February 1, 2007 (Thursday), Article 6 of the Articles of Incorporation shall be revised to increase the aggregate number of issuable shares by 402,000,000 shares to 804,000,000 shares.

(4) Schedule

- | | |
|------------------------------------|------------------------------|
| 1. Record date | January 31, 2007 (Wednesday) |
| 2. Effective date | February 1, 2007 (Thursday) |
| 3. Stock certificate delivery date | End of March, 2007 |

(5) All other matters pertaining to the stock split shall be decided at subsequent meetings of the Board of Directors.

【Reference Notes】

1. Regarding the sale of the Company's shares (sale through over-allotment), etc.

The sale through over-allotment referred to in "2. Sale of the Shares of the Company (sale through over-allotment)" above denotes the sale of 650,000 shares of common stock of the Company under the Japanese Offering, which Mitsubishi UFJ Securities Co., Ltd., the lead manager of the Japanese Offering referred to in "1. Issuance of New Shares in the Japanese Offering (Ordinary Public Offering)", will borrow from shareholders of the Company, taking into consideration demand and other conditions at the time of the Public Offering. The maximum number of shares planned for sale through over-allotment is 650,000 shares.; however, demand and other conditions may cause such number to decrease or cause the sale through over-allotment to become unfeasible.

In order for Mitsubishi UFJ Securities Co., Ltd. to acquire shares of the Company necessary to return shares borrowed from shareholders of the Company (the "Borrowed Shares"), the Company resolved at the meeting of the Board of Directors held on November 29, 2006 (Wednesday) that 650,000 shares of common stock will be newly issued and allocated to Mitsubishi UFJ Securities Co., Ltd., as a capital increase by issuance of new shares through allotment to persons other than shareholders (the "Third Party Allotment"), and the date for delivery of payment (the "Payment Date") for such Third Party Allotment shall be any day of the period from January 15, 2007 (Monday) until January 19, 2007 (Friday) (however, such date shall fall on the 30th day from the day following the final day of the subscription period for the Japanese Offering and the sale through over-allotment (or, if such day is a non-business day, then the preceding business day)).

Note: This release is not an offer for sale of securities in Japan or elsewhere. The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Mitsubishi UFJ Securities Co., Ltd. may, during the period from the day following the final day of the subscription period for the Japanese Offering and the sale through over-allotment until three days prior to the Payment Date for Third Party Allotment (the “Syndicate Cover Transaction Period”), also purchase on the Tokyo Stock Exchange up to the number of shares of the common stock of the Company for sale through over-allotment for the purpose of returning the Borrowed Shares (the “Syndicate Cover Transactions”). The entire amount of shares acquired by Mitsubishi UFJ Securities Co., Ltd. through Syndicate Cover Transactions will be used to return the Borrowed Shares. It is possible that during the Syndicate Cover Transaction Period Mitsubishi UFJ Securities Co., Ltd. may not undertake any Syndicate Cover Transaction or may suspend Syndicate Cover Transactions without having reached the number of shares of common stock of the Company for sale through over-allotment.

In addition, Mitsubishi UFJ Securities may conduct stabilization operations associated with the Japanese Offering and over-allotment, and may use all or a part of the shares of the Company purchased through such stabilization operations to return the Borrowed Shares.

The difference in the number of shares of common stock of the Company for sale through over-allotment and the number of shares purchased through Syndicate Cover Transactions and the stabilization operations may be acquired by Mitsubishi UFJ Securities Co., Ltd. by means of the above-described Third Party Allotment. In such case, the right to subscribe in whole or in part for the Third Party Allotment may be forfeited, and as a result the number of shares issued under the Third Party Allotment may be reduced or such Third Party Allotment may not be carried out at all.

2. Change in the Total Number of Outstanding Shares in Connection with Increases in the Shares Acquired through the Public Offering and Third Party Allotment

Total Number of Outstanding Shares	119,700,000 shares (currently, as of October 31 st , 2006)
Increase in Shares Acquired in the Public Offering	6,850,000 shares
Total Number of Outstanding Shares after the Increase in the Public Offering	126,550,000 shares
Increase in Shares Acquired through Third Party Allotment	650,000 shares*
Total Number of Outstanding Shares after Third Party Allotment	127,200,000 shares*
Increase in Shares due to the Stock Split	127,200,000 shares*
Total Number of Outstanding Shares after the Stock Split	254,400,000 shares*

* The numbers indicate the shares to be issued in the event that Mitsubishi UFJ Securities Co., Ltd. subscribes for new shares under “Issuance of New Shares for Third Party Allotment” (see 3 above).

3. Use of Proceeds

(1) Use of Proceeds with respect to this Offering

Out of up to JPY 59,783,500,000 in proceeds from this Public Offering and the Third Party Allotment, JPY 49,783,500,000 will be used to fund capital expenditures and JPY 10,000,000,000 for the repayment of commercial paper. The commercial paper was issued on October 18, 2006 in connection with acquisition by the Company of 51% of the aggregate outstanding shares of Komatsu Electronic Metals Co. Ltd. (“KEM”) to fund part of the JPY 36.9 billion used for the acquisition.

In addition, the following table summarizes as of October 31, 2006 capital expenditure plans as described in the Company’s Annual Securities Report (*yuka shoken hokokusho*) (for Period 7, from February 1, 2005 to January 31, 2006) under “Part I. Company Information, Section 3. Facility Conditions, No. 3 Plans for Facility Establishment, Removal, etc., (1) Establishment of Material Facilities”:

Name of Company and Facility	Location	Business	Amount for Planned Investment Amounts in JPY Millions		Method of Procurement of Funds	Date of Intended Start of Construction/Completion of Facility		Increase in Capacity after Completion
			Aggregate	Paid		Start	Completion	
Kyushu Facility of the Company	Saga Prefecture Imari City	300mm silicon wafers; 5 th stage of production	34,180	14,749	Proceeds from equity issuance and cash on	04/2005	04/2007	25% increase (100,000 wafers increase in

Note: This release is not an offer for sale of securities in Japan or elsewhere. The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

		capacity increase			hand			production per month)
Kyushu Facility of the Company	Saga Prefecture Imari City	300mm silicon wafers; 6 th stage of production capacity increase	37,290	1,242	Proceeds from equity issuance and cash on hand	11/2005	07/2007	20% increase (increase of 100,000 monthly)
Kyushu Facility of the Company	Saga Prefecture Imari City	300mm silicon wafers; 7 th stage of production capacity increase	59,260	8,699	Proceeds from equity issuance and cash on hand	07/2006	06/2008	15% increase
KEM, Headquarters Nagasaki Facility	Nagasaki Prefecture, Oomura City	silicon wafer production facility	8,699	4,176	Cash on hand	05/2005	03/2007	5% increase
Formosa Komatsu Silicon Corporation, Mailiao Facility	Yunlin County, Taiwan	300 mm silicon wafer production facility	22,757	18,979	Cash on hand	02/2004	03/2007	50% increase
KEM Headquarters, Nagasaki	Nagasaki Prefecture, Oomura City	300mm silicon wafer production facility	21,000	—	Cash on hand	06/2007	03/2008	50% increase (300mm silicon wafers)
Formosa Komatsu Silicon Corporation, Mailiao Facility	Yunlin County, Taiwan	300mm silicon wafer production facility	17,000	—	Cash on hand	01/2007	03/2008	100% increase (300mm silicon wafers)

(2) Use of Proceeds from the Last Offering

Part of the proceeds from the Public Offering in November, 2005 were used as temporary capital for the acquisition of the KEM shares. However, since the proceeds from this offering will be sufficient to make up for the funding that was used in the share acquisition, the proceeds from the last offering will be used to finance the capital expenditures for production capacity increase in 300mm silicon wafers as initially planned.

(3) Business performance forecast

Mainly due to improved 300mm silicon wafer facility capacity and other factors, net sales and profit are expected to increase.

4. Distribution of Profits, etc. to Shareholders

(1) Basic Guidelines Regarding the Profit Distribution

The Company considers proper profit distribution to its shareholders as one of its main management priorities, and its dividend policies for the current and future fiscal years will be based upon an overall consideration of the profit level for each business year, the forecasts for subsequent years, funding needs in connection with capital expenditures, level of retained earnings, and other factors.

(2) Decision-making Process regarding Profit Distribution

The decision-making process regarding profit distribution is as described in (1) above.

(3) Use of Retained Earnings

Retained earnings allocated for capital expenditures targeted at improving productivity and cost competitiveness, etc.

(4) Distribution Conditions for the Past 3 Fiscal Periods

Note: This release is not an offer for sale of securities in Japan or elsewhere. The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

	Period ending in January, 2004	Period ending in January, 2005	Period ending in January, 2006
Net profit and loss per share	— JPY 2,730,577.08	JPY 222,942.27	JPY 198.37
Dividend per share (interim dividend per share)	— (—)	— (—)	20.00 (—)
Historical dividend rate	—	—	10.1%
Ratio of net income to shareholders' equity	—	15.2%	16.9%
Ratio of dividends to shareholders' equity	—	—	2.0%

Notes: 1. As of May 12, 2005 the Company split its stock into 1,500 shares per 1 share.
2. Indicates the amount of dividend per share divided by the net profit per share.
3. Indicates the amount of the net profit for this fiscal year divided by shareholders' equity (the average of the total equity at the beginning of the fiscal year and that at the end of the fiscal year). Ratio of dividends to shareholders' equity indicates the amount of the total dividends per year divided by shareholders' equity.

5. Other

(1) Designation of distributees.

There are no applicable items.

(2) Information on Dilution due to Latent Shares

There are no applicable items.

(3) Past Equity Financings, etc.

1. Equity financings conducted over the past 3 years

Capital Increase (when newly listed)

Number of Issued Shares 19,200,000 shares

Issue Price JPY 3,300

Subscription Price JPY 3,135

Aggregate Payment Amount JPY 60,192,000,000

Payment Date November 16, 2005

2. Changes in the share price, etc. during and immediately preceding the past three fiscal periods.

	Period ending in January, 2004	Period ending in January, 2005	Period ending in January, 2006	Period ending in January, 2007
Opening price	—	—	JPY 3,720	JPY 6,240
Highest price	—	—	JPY 6,790	JPY 9,730
Lowest price	—	—	JPY 3,720	JPY 5,050
Closing price	—	—	JPY 6,340	JPY 8,360
Price earning ratio	—	—	32.0 times	—

Notes:

1. Since the Company was listed on the Tokyo Stock Exchange on November 17, 2005, there is no information on its prior share prices.

2. The share price for the period ending in January, 2007 is indicated as of November 28, 2006.

3. The Price earning ratio is the amount equals to the closing price as of the end of this fiscal year divided by the net profit per share for the fiscal year.

(4) Other

There are no applicable items.