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Securities Code: 3436
March 10, 2015

Dear Shareholders,

1-2-1 Shibaura, Minato-ku, Tokyo
SUMCO CORPORATION
Mayuki Hashimoto,
Director and President

Notice of Convocation of the 16th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 16th Ordinary General Meeting of Shareholders of SUMCO CORPORATION. The meeting will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal voting or via the Internet, etc. Prior to voting, please examine the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights as outlined on the following page.

Details

1. Date and Time: Wednesday, March 25, 2015, at 10 a.m. (reception starts at 9 a.m.)

2. Place: SHINAGAWA INTERCITY HALL (Hall Tower)
2-15-4 Konan, Minato-ku, Tokyo
(the meeting place has changed from the previous meeting held last year)

3. Objectives of the Meeting

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 16th Fiscal Year (from January 1, 2014 to December 31, 2014), as well as the Audit Reports of the Accounting Auditor and the Audit & Supervisory Board for Consolidated Financial Statements
2. Non-consolidated Financial Statements for the 16th Fiscal Year (from January 1, 2014 to December 31, 2014)

Agenda for resolutions:

Proposal 1: Dividends from Surplus
Proposal 2: Reduction in Amount of Capital Reserve
Proposal 3: Acquisition of Own Shares (Class B Shares)
Proposal 4: Election of Two (2) Directors
Proposal 5: Election of Two (2) Audit & Supervisory Board Members

Exercising Voting Rights

(Exercising voting rights by postal voting)

Shareholders are requested to indicate for or against each proposal by filling in the enclosed Form for Exercising Voting Rights, and post it to us by mail so that your vote is received by 5:45 p.m. on Tuesday, March 24, 2015.

Please attach the enclosed information protection sticker on the Form for Exercising Voting Rights when returning it to us.

(Exercising voting rights via the Internet, etc.)

Shareholders are requested to review the Procedures for the Exercise of Voting Rights via the Internet, etc. on page 56, and exercise your voting rights by 5:45 p.m. on Tuesday, March 24, 2015.

If you vote multiple times via the Internet, the final vote shall be deemed to be valid.

If a vote is duplicated by being exercised both by postal voting and via the Internet, the vote received via the Internet shall be deemed to be valid.

You are kindly requested to present the enclosed Form for Exercising Voting Rights to the receptionist when you attend the meeting.

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* If any changes have been made to items in the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements that need to be amended by the day before the General Meeting of Shareholders, such changes will be posted to you by mail or on the Company's website (http://www.sumcosi.com/).

[Attached documents to the Notice of Convocation of the 16th Ordinary General Meeting of Shareholders]

Business Report

(From January 1, 2014 to December 31, 2014)

1. Business Progress and Achievement of the Corporate Group

(1) Business activities and results

During the consolidated fiscal year under review, the silicon wafer market for semiconductors was steady. It was initially expected to soften given that the market is normally sluggish during the fourth quarter and through the first part of the following year due to demand adjustment reflecting seasonal fluctuations. However, there were no significant seasonal fluctuations during the fourth quarter as production by semiconductor manufacturers remained firm due to strong demand for final products. Consequently, the firmness in demand that started in the second quarter of fiscal 2014 was maintained.

Demand for 300 mm silicon wafers was firm, supported by robust demand for smartphones, PC sales that bottomed out, and high demand for data centers.

Demand for small-diameter wafers of 200 mm or less remained generally firm, although moderate adjustment was seen in some areas of demand for consumer and industrial applications.

As a result of the above, for the consolidated fiscal year under review, the SUMCO Group posted net sales of 225,319 million yen, operating income of 25,642 million yen, ordinary income of 21,926 million yen, and net income of 16,289 million yen.

The consolidated fiscal year under review was the final year of the Business Reorganization Plan that was started in fiscal 2012. Under the Business Reorganization Plan, the SUMCO Group has steadily carried out various measures, such as withdrawal from the business of silicon wafers for use in solar energy cells, restructuring and consolidation of manufacturing bases for the business of silicon wafers for semiconductors, and reallocation of workforce in connection with re-establishment of the manufacturing structure, all aimed at reducing fixed costs and boosting earnings capabilities. Moreover, based on the SUMCO Vision, by carrying out advanced technology development for product differentiation, the SUMCO Group implemented business-structure reformation to enable it to respond flexibly to abrupt changes in the market environment. As a result, the SUMCO Group has stayed in the black with consolidated net incomes for the last three fiscal years. The SUMCO Group believes that it has obtained a position in which it has high levels of technological capabilities and profitability in the industry it belongs to.

<SUMCO Vision>

1. World's Best in Technology
2. Deficit-Resistant Even during Economic Downturns
3. Empower Employee Awareness of Profit
4. Competitiveness in Overseas Markets

(2) Status of capital investments

Capital investment for the SUMCO Group executed during the consolidated fiscal year under review totaled 11,496 million yen.

The principal items are attributed to investments related to 300 mm wafers and investments in the maintenance and renewal of facilities.

(3) Status of financing

During the consolidated fiscal year under review, the SUMCO Group raised a total of 66,900 million yen in long-term debt from multiple financial institutions in order to procure necessary funds for the SUMCO Group.

(4) Issues to be dealt with

In the market of silicon wafers for semiconductors, sales are being fueled by various applications including smartphones and cars, and we expect a robust environment of demand, particularly for high-precision products. In this view, we forecast that demand for the Group's products may exceed our production capacity, and, in such case, strive to be able to respond to demand and requests from customers by using our technologies.

Furthermore, with regard to polycrystalline silicon, which is the main raw material of silicon wafers, due to abrupt changes in the market, a disparity now exists between the demand forecasts upon entering into long-term purchase contracts and the near-term consumption forecasts. Consequently, we are now holding excess inventory, and the balance of "raw materials and supplies," including raw materials inventory, has increased 6.3 billion yen from the end of the previous fiscal year to 122.0 billion yen.

We expect that, by the end of the fiscal year ending December 2015, the balance of "raw materials and supplies" will have increased to approximately more than 130.0 billion yen. However, in the future, since the expirations of the long-term purchase contracts will gradually be reached, the yearly increase amount is on a downward trend. After reaching a peak around fiscal year 2016, the balance is expected to start to decrease.

Although we expect the raw materials inventory to recover to an appropriate level in the medium to long term, we will continue to strive toward having the inventory recover to an appropriate level as early as possible.

(5) Status of consolidated assets and operating results for the last 3 fiscal years

Category	13th fiscal year (year ended January 31, 2012)	14th fiscal year (year ended January 31, 2013)	15th fiscal year (year ended December 31, 2013)	16th fiscal year (year ended December 31, 2014)
Net sales (millions of yen)	247,177	206,691	185,105	225,319
Ordinary income (loss) (millions of yen)	(5,695)	9,464	7,065	21,926
Net income (loss) (millions of yen)	(84,369)	3,426	715	16,289
Net income (loss) per share (yen)	(327.33)	8.93	(1.22)	58.84
Total assets (millions of yen)	436,420	493,334	498,522	510,570
Net assets (millions of yen)	126,773	180,325	194,836	216,725
Net assets per share (yen)	424.47	436.94	473.42	538.81

(Notes) 1. ( ) signifies a loss.

2. Due to the change of the last day of the fiscal year, the 15th fiscal year is the 11-month period from February 1, 2013 to December 31, 2013.

3. Regarding the calculation of net income per share for the 16th fiscal year (the consolidated fiscal year under review), please refer to page 29, "V. 'Per Share' Information."

(6) Status of significant parent company and subsidiaries

1) Relation to parent company

N/A

2) Major subsidiaries

Company name	Capital	Equity ownership (includes indirect holdings)	Main business activities
SUMCO TECHXIV CORPORATION	100 million yen	100.00%	Manufacture of silicon wafers for semiconductor
SUMCO Phoenix Corporation	483 million US dollars	100.00%	Manufacture and sales of silicon wafers for semiconductor
FORMOSA SUMCO TECHNOLOGY CORPORATION	7,756 million NT dollars	48.85%	Manufacture and sales of silicon wafers for semiconductor

(7) Main business activities (as of December 31, 2014)

Manufacture and sales of silicon wafers for semiconductor

(8) Main offices and plants (as of December 31, 2014)

The Company	Head Office	Minato-ku, Tokyo
	Sales Offices	Minato-ku, Tokyo Yodogawa-ku, Osaka Hakata-ku, Fukuoka
	Factories and Plants	Kyushu Factory (Imari-shi, Saga and Kohoku-machi, Kishima-gun, Saga) Yonezawa Plant (Yonezawa-shi, Yamagata) Chitose Plant (Chitose-shi, Hokkaido) JSQ Division (Akita-shi, Akita)
Subsidiaries	Domestic Manufacturing Bases	SUMCO TECHXIV CORPORATION (Omura-shi, Nagasaki, etc.)
	Overseas Manufacturing Bases	SUMCO Phoenix Corporation (USA) FORMOSA SUMCO TECHNOLOGY CORPORATION (Taiwan)

(9) Status of employees (as of December 31, 2014)

1) Employees of the corporate group

Number of employees	Increase (decrease) from the previous consolidated fiscal year-end
7,396	Increased by 119

(Note) The number of employees represents the number of employees working in the SUMCO group, but does not include temporary workers.

2) Employees of the Company

Number of employees	Increase (decrease) from the previous fiscal year-end	Average age	Average service years
3,415	Decreased by 40	41.1 years old	16.9 years

(Note) The number of employees represents the number of employees working in the Company, but does not include temporary workers.

(10) Major creditors (as of December 31, 2014)

Creditor	Balance of borrowings
	millions of yen
Syndicated loan (1)	31,800
Development Bank of Japan Inc.	24,520
Syndicated loan (2)	23,607
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	15,000
Sumitomo Mitsui Trust Bank, Limited	14,000
Mitsubishi UFJ Trust and Banking Corporation	14,000
Mizuho Bank, Ltd.	14,000
Sumitomo Mitsui Banking Corporation	11,500

(Notes) 1. The syndicated loan (1) is joint-financing from The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Sumitomo Mitsui Banking Corporation as the lead managers as well as 16 other banks.

2. The syndicated loan (2) is joint-financing from The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Sumitomo Mitsui Banking Corporation as the lead managers as well as 11 other banks. Please note that, in this syndicated loan, a commitment line agreement with a borrowing limit of 19,350 million yen is included (executed amount: 4,257 million yen).

3. In order to stabilize its financial base, other than the amounts noted above, the Company has entered into a commitment line agreement with a borrowing limit of 10,300 million yen with multiple financial institutions (executed amount: 2,330 million yen). Furthermore, in order to raise operating funds in a flexible manner, other than the amounts noted above, the Company has entered into a commitment line agreement with a borrowing limit of 30,000 million yen with multiple financial institutions (executed amount: none).

2. Status of the Company's Shares (as of December 31, 2014)

(1) Total number of authorized shares: Common shares 803,999,100
Class A shares 450
Class B shares 450

(2) Total number of issued shares: Common shares 257,751,739
(including 6,246 shares of treasury stock)
Class A shares 450

(3) Number of shareholders: Common shares 37,272
(decrease of 9,181 from the previous fiscal year-end)
Class A shares 3

(4) Major shareholders (Top 10)

Name of shareholder	Number of shares held		Equity ownership
	Common shares	Class A shares	
	thousand shares	shares	%
NIPPON STEEL & SUMITOMO METAL CORPORATION	71,700	150	27.82
Mitsubishi Materials Corporation	71,700	150	27.82
The Master Trust Bank of Japan, Ltd. (Trust account)	6,388	–	2.48
MSCO CUSTOMER SECURITIES	5,419	–	2.10
STATE STREET BANK AND TRUST COMPANY	5,089	–	1.97
STATE STREET BANK AND TRUST COMPANY 505225	4,052	–	1.57
Japan Trustee Services Bank, Ltd. (Trust account)	3,857	–	1.50
JP MORGAN CHASE BANK 380055	3,535	–	1.37
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	2,759	–	1.07
JP MORGAN CHASE BANK 380084	2,293	–	0.89

(Note) The equity ownership is calculated after deducting treasury stock (6,246 shares).

3. Directors and Audit & Supervisory Board Members of the Company

(1) Status of directors and audit & supervisory board members (as of December 31, 2014)

Position	Name	Significant concurrent occupations or positions
* Director and President	Mayuki Hashimoto	
* Director	Michiharu Takii	
Director	Yoichi Tsuchiya	
Director	Harumitsu Endo	
Director	Hisashi Furuya	
Director	Kazuo Hiramoto	
Director	Makoto Nakaoka	General Manager of Group Companies Planning Div., NIPPON STEEL & SUMITOMO METAL CORPORATION Outside Audit & Supervisory Board Member, KYOEI STEEL, Ltd.
Director	Hirotake Ohta	Chairman & CEO, Mitsubishi Polycrystalline Silicon America Corp.
Director	Masahiro Mitomi	Certified Public Accountant Representative Director, Value Create Inc.
Full-time Audit & Supervisory Board Member	Hiroshi Yoshikawa	
Full-time Audit & Supervisory Board Member	Hidemasa Hosaka	
Audit & Supervisory Board Member	Hitoshi Tanaka	Attorney at law Outside Director, TOKYO ENERGY & SYSTEMS INC.
Audit & Supervisory Board Member	Kitaro Yoshida	Advisor, NIPPON STEEL & SUMITOMO METAL CORPORATION
Audit & Supervisory Board Member	Keisuke Yamanobe	Full-time Audit & Supervisory Board Member, Mitsubishi Materials Corporation

(Notes) 1. The directors marked with * are the Representative Directors.

2. Directors Makoto Nakaoka, Hirotake Ohta and Masahiro Mitomi are outside directors.

3. Audit & Supervisory Board Members Hitoshi Tanaka, Kitaro Yoshida and Keisuke Yamanobe are outside audit & supervisory board members.

4. Audit & Supervisory Board Members Hidemasa Hosaka and Keisuke Yamanobe, who acquired experience in corporate accounting and finance over many years at Mitsubishi Materials Corporation and its corporate group, have considerable knowledge in finance and accounting.

5. The Company has appointed Director Masahiro Mitomi as an independent director and Audit & Supervisory Board Member Hitoshi Tanaka as an independent audit & supervisory board member as provided for in the regulations of the Tokyo Stock Exchange and notified the Exchange to that effect.

6. Directors and audit & supervisory board members who retired during the business year under review are as follows.

Position in the Company and significant concurrent occupations or positions	Name	Date of retirement	Reason for retirement
Director Executive Officer, Vice President of Electronic Materials & Components Company, Mitsubishi Materials Corporation	Hironori Miyahara	March 28, 2014	Expiration of term of office
Director Attorney at law Chairman and Director, Japan Industrial Solutions, Ltd.	Masahiro Sumita	March 28, 2014	Expiration of term of office
Audit & Supervisory Board Member Director, Japan Industrial Solutions, Ltd. Senior Manager, Sumitomo Mitsui Banking Corporation	Kazuomi Fukazawa	March 28, 2014	Resignation

(Note) "Position" and "significant concurrent occupations or positions" are those as of the time of retirement.

7. The Company adopts an executive officer system. The following is the list of executive officers as of December 31, 2014.

Title	Name	Area(s) of responsibility
* President	Mayuki Hashimoto	Overall control
* Executive Vice President	Michiharu Takii	Assistant to the President (all areas) General Manager of Corporate Strategy Div. Head of Public Relations & IR and Information Systems
* Senior Managing Executive Officer	Yoichi Tsuchiya	Head of General Affairs, Personnel & Industrial Relations, and Safety, Environment & Disaster Prevention Management In charge of Information Systems Dept. Chief Compliance Officer
* Senior Managing Executive Officer	Harumitsu Endo	General Manager of Sales & Marketing Div.
* Senior Managing Executive Officer	Hisashi Furuya	General Manager of Technology Div.
* Senior Managing Executive Officer	Kazuo Hiramoto	General Manager of Production Div. General Manager of Kyushu Factory
Managing Executive Officer	Fumio Inoue	General Manager of Finance Dept. In charge of Accounting & Budget Control Dept.
Managing Executive Officer	Keiichi Tanaka	Deputy General Manager of Technology Div. In charge of Customer Product Engineering Dept. and Quality Assurance Dept.
Managing Executive Officer	Kazuhiro Ikezawa	General Manager of JSQ Div.
Managing Executive Officer	Seiji Miyachi	Executive Vice President and Director of SUMCO TECHXIV CORPORATION

Title	Name	Area(s) of responsibility
Executive Officer	Makoto Itoh	Chief Executive Officer and Director, FORMOSA SUMCO TECHNOLOGY CORPORATION
Executive Officer	Jiro Ryuta	President of SUMCO Phoenix Corporation
Executive Officer	Takayuki Morikawa	General Manager of Corporate Planning Dept., General Manager of Domestic Sales & Marketing Dept.

(Note) Executive officers marked with * are also directors of the Company.

(2) Remuneration and other payments to directors and audit & supervisory board members

Category	Number of persons paid	Amount paid
		thousands of yen
Directors	10	242,800
(Outside Directors (inclusive in the above))	(4)	(6,900)
Audit & Supervisory Board Members	5	59,228
(Outside Audit & Supervisory Board Members (inclusive in the above))	(3)	(7,500)
Total	15	302,028
(Outside Directors and Audit & Supervisory Board Members (inclusive in the above))	(7)	(14,400)

(Notes) 1. The upper limit of the total remuneration for all the directors is 500,000 thousand yen annually (excluding employee salary) pursuant to the resolution at a general meeting of shareholders (resolution adopted at the 8th Ordinary General Meeting of Shareholders held on April 26, 2007).

2. The upper limit of the total remuneration for all the audit & supervisory board members is 5,900 thousand yen monthly pursuant to the resolution at a general meeting of shareholders (resolution adopted at the 6th Ordinary General Meeting of Shareholders held on April 26, 2005).

3. The aforementioned numbers of persons and amounts paid include two (2) directors who retired their posts upon the expiration of their term of office and one (1) audit & supervisory board member who resigned, at the conclusion of the 15th Ordinary General Meeting of Shareholders that was held on March 28, 2014, while excluding one (1) director and one (1) audit & supervisory board member who both served without remuneration.

4. As of the end of the business year under review, there were nine (9) directors and five (5) audit & supervisory board members.

(3) Matters concerning outside directors and audit & supervisory board members

1) Significant concurrent occupations or positions at other organizations and the Company's relationship with them

Category	Name	Company where concurrent service is provided	Concurrent position	Relationship
Outside Director	Makoto Nakaoka	NIPPON STEEL & SUMITOMO METAL CORPORATION	General Manager of Group Companies Planning Div.	NIPPON STEEL & SUMITOMO METAL CORPORATION is one of the major shareholders of the Company and holds Class A shares of the Company.
		KYOEI STEEL Ltd.	Outside Audit & Supervisory Board Member	–
Outside Director	Hirotake Ohta	Mitsubishi Polycrystalline Silicon America Corp.	Chairman & CEO	The Company has a transactional relationship with Mitsubishi Polycrystalline Silicon America Corp., which includes purchasing raw materials.
Outside Director	Masahiro Mitomi	Value Create Inc.	Representative Director	–
Outside Audit & Supervisory Board Member	Hitoshi Tanaka	TOKYO ENERGY & SYSTEMS INC.	Outside Director	–
Outside Audit & Supervisory Board Member	Kitaro Yoshida	NIPPON STEEL & SUMITOMO METAL CORPORATION	Advisor	NIPPON STEEL & SUMITOMO METAL CORPORATION is one of the major shareholders of the Company and holds Class A shares of the Company.
Outside Audit & Supervisory Board Member	Keisuke Yamanobe	Mitsubishi Materials Corporation	Full-time Audit & Supervisory Board Member	Mitsubishi Materials Corporation is one of the major shareholders of the Company and holds Class A shares of the Company. Furthermore, the Company has a transactional relationship, which includes purchasing raw materials, with Mitsubishi Materials Corporation and the Mitsubishi Materials Group.

2) Major activities during the business year under review

Category	Name	Status of major activities
Outside Director	Makoto Nakaoka	Having attended all 16 meetings of the Board of Directors held in the business year under review, Makoto Nakaoka speaks as a director who possesses knowledge mainly on the Company's business and insight into general management.
Outside Director	Hirotake Ohta	Having attended all 13 meetings of the Board of Directors held since assuming his post on March 28, 2014, Hirotake Ohta speaks as a director who possesses knowledge mainly on the Company's business and insight into general management.
Outside Director	Masahiro Mitomi	Having attended all 13 meetings of the Board of Directors held since assuming his post on March 28, 2014, Masahiro Mitomi speaks as a director who possesses expert knowledge mainly on corporate management, etc., which he has cultivated through working as a management consultant, and expert knowledge on finance and accounting, which he has cultivated through working as a certified public accountant.
Outside Audit & Supervisory Board Member	Hitoshi Tanaka	Having attended all 16 meetings of the Board of Directors and all 13 meetings of the Audit & Supervisory Board held in the business year under review, Hitoshi Tanaka speaks as an audit & supervisory board member who possesses expert knowledge mainly on laws and regulations, which he has cultivated through working as an attorney at law.
Outside Audit & Supervisory Board Member	Kitaro Yoshida	Having attended all 16 meetings of the Board of Directors and all 13 meetings of the Audit & Supervisory Board held in the business year under review, Kitaro Yoshida speaks as an audit & supervisory board member who possesses knowledge mainly on the Company's business and insight into general management.
Outside Audit & Supervisory Board Member	Keisuke Yamanobe	Having attended all 16 meetings of the Board of Directors and 12 of the 13 meetings of the Audit & Supervisory Board held in the business year under review, Keisuke Yamanobe speaks as an audit & supervisory board member who possesses knowledge mainly on the Company's business and finance and accounting.

3) Overview of contracts for limitation of liability

Pursuant to Article 427, Paragraph 1 of the Companies Act, it is prescribed in the Articles of Incorporation of the Company in effect that the Company may enter into contracts with outside directors and outside audit & supervisory board members with regard to limitation of liability for damages to the Company in an effort to attract competent individuals to the said posts and encourage them to perform their duties to the best of their ability. In accordance with the said provision, the Company has entered into contracts with three (3) outside directors and three (3) outside audit & supervisory board members to limit their liabilities. The outline of the contract is as follows.

- If outside directors and outside audit & supervisory board members are in good faith and without gross negligence in performing their duties, the liability for damages of the outside directors and outside audit & supervisory board members pursuant to Article 423, Paragraph 1 of the Companies Act shall be limited to the total amount specified in Article 425, Paragraph 1 of the said Act and they shall not be liable to the Company for any amount exceeding such limit.

4. Accounting Auditor

(1) Name of accounting auditor (Independent Auditor)

Deloitte Touche Tohmatsu LLC

(2) Amount of compensation, etc.

Contents of compensation	Amount paid
	millions of yen
(1) Total amount of compensation and other payments for the business year under review	81
(2) Total amount of monies and other property benefits payable by the Company and its subsidiaries to the accounting auditors (including the above (1))	111

(Notes) 1. In the audit contract between the Company and the accounting auditor, it is not possible to make a reasonable differentiation between audit compensation based on the Companies Act and that based on the Financial Instruments and Exchange Act. Therefore, the total agreement amount is shown in the figure (1) above.

2. SUMCO Phoenix Corporation and FORMOSA SUMCO TECHNOLOGY CORPORATION, major subsidiaries of the Company, are audited by accounting auditors other than that of the Company.

(3) Contents of non-audit services

The contents of the non-audit services are the service of preparing proofs of earnings for employees seconded to overseas subsidiaries.

(4) Policy for making decisions regarding the dismissal or non-reappointment of accounting auditors

If an event that raises significant doubt about an accounting auditor's continuing to fulfill its duties occurs, or if, for reasons on the part of the Company, the Company does not reappoint an accounting auditor, a proposal regarding dismissal or non-reappointment shall be put on the agenda of the General Meeting of Shareholders with the consent or at the request of the Audit & Supervisory Board. In addition, in the event an accounting auditor becomes subject to the provisions established in Article 340, Paragraph 1 of the Companies Act resulting in the dismissal of the same by the Audit & Supervisory Board, an audit & supervisory board member selected by the Audit & Supervisory Board shall submit a report containing the purpose and reason of the dismissal to the General Meeting of Shareholders immediately following such dismissal.

5. Matters Relating to the Formulation of a System to Ensure Appropriate Corporate Actions

(1) System to ensure compliance with laws and regulations and the Articles of Incorporation of the Company by officers and employees when executing their duties

1) The Company shall enact the "SUMCO CHARTER" as the supreme code of conduct for officers and employees to ensure that their activities comply with laws and regulations and the Company's Articles of Incorporation and that the Company's actions are appropriate as a good corporate citizen. The Company shall also educate officers and employees to familiarize them with the "SUMCO CHARTER."

2) The Chief Compliance Officer shall be assigned as the supreme officer responsible for supervising compliance with the "SUMCO CHARTER." Each General Manager who is the head of an organization in the Company shall supervise compliance in his or her organization and submit regular reports on compliance with the CHARTER to the Chief Compliance Officer.

3) The Company shall establish an internal hotline for reporting violations or alleged violations of laws and regulations or the Articles of Incorporation as well as suspicious activities.

4) The Internal Auditing Department shall perform periodic audits to verify compliance in each department.

5) The Company shall further disseminate to its officers and employees the understanding of not having any connections with antisocial forces and refusing their improper solicitations as clearly stated in the "SUMCO CHARTER."

(2) System for the preservation and management of information regarding the execution of duties by directors

The Company shall appropriately preserve and manage information regarding the execution of duties by directors, in accordance with laws and regulations, the Articles of Incorporation and internal regulations under a system that enables the access to and duplication of the said information by directors, audit & supervisory board members, accounting auditors, etc.

(3) Regulations and other systems for managing the risk of loss

1) The Company shall establish the "Risk Management Basic Rules" that stipulate basic issues on risk management, and based on them, the Company shall set up an information distribution route to be used upon occurrence of major risks and develop a system for installing Emergency Headquarters.

2) To manage overall risks, the Company shall establish a "Business Security Committee (BSC)" to formulate a cross-sectional risk management policy and confirm the progress in addressing risks.

3) The Company shall establish internal regulations to appropriately manage individual risks related to information leakage, financial markets and product quality based on the Risk Management Basic Rules.

(4) System to ensure the effective execution of duties by directors

1) The Company shall employ the executive officer system under which management decision-making and supervisory functions are separated from executive functions. Under the system the Board of Directors shall carry out decision-making on important matters such as management policy and monitor the execution of duties by directors as well as the performance of duties by executive officers, while the executive officers shall perform their duties delegated by the Board of Directors.

2) Important matters relating to management shall be deliberated at Management Conferences whose members shall consist of individuals holding the position of managing executive officer or higher.

3) The Company shall stipulate and clarify the criteria for submitting proposals to the Board of Directors and stipulate the authority of executive officers in internal regulations clarifying the responsibilities and authority of the same.

4) The Board of Directors shall formulate medium-term management plans and annual budgets and the executive officers shall execute duties aimed at achieving the objectives set forth in the same.

Directors also serving as executive officers shall periodically report on their duties to the Board of Directors.

(5) System to ensure proper business practices by the corporate group comprised of the Company, its parent company, and its subsidiaries

1) By making every subsidiary of the Company establish its own CHARTER as the supreme code of conduct equivalent to the "SUMCO CHARTER," compliance in each subsidiary as a member of the corporate group shall be established.

2) The Company shall assign a department to manage subsidiaries and clarify subsidiary management standards in internal regulations in an effort to improve the soundness and effectiveness of management both in each subsidiary and in the SUMCO Group as a whole.

3) The Internal Auditing Department shall perform periodic internal audits of the subsidiaries.

(6) System for employees requested by audit & supervisory board members to assist in their duties and matters regarding the independence of those employees from directors

1) The Company shall establish the position of "Staff for Audit & Supervisory Board Member" for employees assisting audit & supervisory board members in their duties.

2) In order to ensure the independence of the aforementioned staff for audit & supervisory board members, prior approval of the Audit & Supervisory Board shall be required for personnel changes, and performance appraisals shall be conducted by a full-time audit & supervisory board member.

(7) System for reporting to audit & supervisory board members by directors and employees and other systems for reporting to audit & supervisory board members

Directors shall stipulate in internal regulations matters to be reported to audit & supervisory board members, such as matters that significantly affect the management and results of the Company, and do so appropriately.

(8) Other systems for ensuring effective audits by audit & supervisory board members

1) Audit & supervisory board members and the President shall exchange opinions periodically or whenever necessary.

2) The Company shall proactively create opportunities for audit & supervisory board members to attend Board of Directors meetings and other important meetings.

Consolidated Balance Sheet

(As of December 31, 2014)

(Millions of yen)

Category	Amount	Category	Amount
(Assets)		**(Liabilities)**	
Current assets	**265,787**	**Current liabilities**	**112,556**
Cash and time deposits	42,016	Notes and accounts payable – trade	29,602
Notes and accounts receivable – trade	42,522	Short-term borrowings	65,673
Marketable securities	23,700	Current portion of long-term lease obligations	954
Finished products	15,204	Accrued income taxes	1,060
Work in process	13,600	Reserve for bonuses	951
Raw materials and supplies	121,999	Notes and accounts payable – construction	2,766
Deferred income tax assets	142		
Other	6,609	Other	11,547
Allowance for doubtful accounts	(8)		
		Long-term liabilities	**181,288**
Non-current assets	**244,783**	Long-term debt	151,658
Property, plant and equipment	**169,025**	Long-term lease obligations	2,749
Buildings and structures	88,457	Deferred income tax liabilities	1,537
Machinery, equipment and vehicles	51,709	Deferred income tax liabilities on revaluation reserve for land	1,558
Land	20,321	Net defined benefit liability	21,677
Construction in progress	7,710	Other	2,107
Other	826		
		Total liabilities	**293,845**
Intangible assets	**14,651**	**(Equity)**	
Goodwill	11,915	**Shareholders' equity**	**183,220**
Software	2,569	Capital stock	136,607
Other	166	Capital surplus	15,676
		Retained earnings	30,946
Investments and other assets	**61,105**	Treasury stock	(10)
Investment securities	81		
Long-term advance payments	50,814	**Accumulated other comprehensive income**	**1,781**
Long-term prepaid expenses	4,105	Net unrealized gain on available-for-sale securities	0
Deferred income tax assets	5,092	Deferred loss on derivatives under hedge accounting	(1)
Other	1,396	Land revaluation surplus	2,670
Allowance for doubtful accounts	(385)	Foreign currency translation adjustments	2,600
		Remeasurements of defined benefit plans	(3,488)
		Minority interests	**31,723**
		Total equity	**216,725**
Total assets	**510,570**	**Total liabilities and equity**	**510,570**

Consolidated Statement of Income

(From January 1, 2014 to December 31, 2014)

(Millions of yen)

Category	Amount	
Net sales		**225,319**
Cost of sales		**175,485**
Gross profit		**49,833**
Selling, general and administrative expenses		**24,191**
Operating income		**25,642**
Non-operating income		
Interest and dividend income	65	
Gain on sales of materials	166	
Foreign exchange gain	161	
Insurance income	88	
Other	234	716
Non-operating expenses		
Interest expense	3,637	
Loss on sales and retirement of non-current assets	493	
Other	301	4,432
Ordinary income		**21,926**
Income before income taxes and minority interests		**21,926**
Income taxes – current	995	
Income taxes – deferred	1,584	2,579
Net income before minority interests		19,347
Minority interests		3,057
Net income		**16,289**

Consolidated Statement of Changes in Equity

(From January 1, 2014 to December 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	136,607	15,676	15,924	(9)	168,198
Changes during period					
Dividends of surplus			(1,287)		(1,287)
Net income			16,289		16,289
Reversal of land revaluation surplus			0		0
Increase due to purchase of treasury stock				(0)	(0)
Change of scope of consolidation			19		19
Net changes of items other than shareholders' equity					
Total changes during period	–	–	15,022	(0)	15,022
Balance at end of period	136,607	15,676	30,946	(10)	183,220

	Accumulated other comprehensive income							Minority interests	Total equity
	Net unrealized gain on available-for-sale securities	Deferred loss on derivatives under hedge accounting	Land revaluation surplus	Foreign currency translation adjustments	Post retirement liability adjustments for foreign consolidated subsidiaries	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	0	–	2,671	(2,675)	(143)	–	(147)	26,785	194,836
Changes during period									
Dividends of surplus									(1,287)
Net income									16,289
Reversal of land revaluation surplus			(0)				(0)		–
Increase due to purchase of treasury stock									(0)
Change of scope of consolidation									19
Net changes of items other than shareholders' equity	(0)	(1)		5,275	143	(3,488)	1,929	4,938	6,868
Total changes during period	(0)	(1)	(0)	5,275	143	(3,488)	1,928	4,938	21,889
Balance at end of period	0	(1)	2,670	2,600	–	(3,488)	1,781	31,723	216,725

I. Notes on Basic Matters of Importance for Preparing Consolidated Financial Statements

1. Scope of consolidation

(1) Number and names of consolidated subsidiaries

Number of consolidated subsidiaries: 15

Names of major consolidated subsidiaries:

SUMCO TECHXIV CORPORATION

SUMCO Phoenix Corporation

FORMOSA SUMCO TECHNOLOGY CORPORATION

Because the significance of SUMCO Taiwan Technology Corporation, which was a non-consolidated subsidiary in the previous consolidated fiscal year, increased, this subsidiary has been included in the scope of consolidation from the consolidated fiscal year under review.

(2) Number and names of non-consolidated subsidiaries

Number of non-consolidated subsidiaries: 4

Name of major non-consolidated subsidiary:

SUMCO Korea Corporation

[Reason for exclusion from the scope of consolidation]

All of these non-consolidated subsidiaries are exempt, as they are small in scale and none of the total of their total assets, net sales, net income (loss) (appropriate amount corresponding to equity ownership) and retained earnings (appropriate amount corresponding to equity ownership) significantly affect the consolidated financial statements.

2. Application of the equity method

(1) Number and names of non-consolidated subsidiaries and affiliates to which the equity method is applied

We do not have any non-consolidated subsidiary or affiliate to which the equity method is applied.

(2) Names of non-consolidated subsidiaries and affiliates to which the equity method is not applied

Name of major non-consolidated subsidiary or affiliate:

SUMCO Korea Corporation

[Reason for non-application of the equity method]

The number of non-consolidated subsidiaries and affiliates to which the equity method is not applied is 4. All 4 companies are exempt from application of the equity method as their influences on net income (appropriate amount corresponding to equity ownership) and retained earnings (appropriate amount corresponding to equity ownership) are minor, and basically insignificant as a whole.

3. Consolidated subsidiaries' business year-end, etc.

The business year of all the consolidated subsidiaries coincides with the Group's consolidated fiscal year.

4. Standards for accounting treatments

(1) Standards for and method of evaluation of major assets

(a) Marketable securities

Available-for-sale securities

Securities with market value:

We employ the market value method (using the "net assets" 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

We employ the market value method.

(c) Inventories

We mainly employ the cost method based on the periodic average method. (Balance sheet values are calculated using the devaluating book value method based on decreases in profitability.)

(2) Method of depreciation of major depreciable assets

(a) Property, plant and equipment (excluding lease assets pertaining to non-ownership-transfer finance lease transactions)

We mainly employ the straight-line method for buildings and the constant percentage method for other non-current assets.

Service life for buildings and structures is mainly set at 31 years and service life for machinery and transport equipment is mainly set at 5 years.

(b) Intangible assets (excluding lease assets pertaining to non-ownership-transfer finance lease transactions)

As for software, we employ the straight-line method based on the usable period (5 years) set within the Company.

(c) Lease assets (lease assets pertaining to non-ownership-transfer finance lease transactions)

We employ the straight-line method in which the lease period is used as the service life and residual value of the relevant asset falls to zero at the end of the service life.

(3) Standard for provision of major allowances

(a) Allowance for doubtful accounts

In anticipation of potential losses from bad debts, the estimated irrecoverable amount is provided in accordance with the loan loss ratio for general credits and through the individual examination of recoverability for particular credits such as claims to obligors with high possibility of business failure.

(b) Reserve for bonuses

Reserve for bonuses is provided for payment of bonuses to employees in the amount of estimated bonuses, which is attributable to the current fiscal year.

(c) Allowance for director bonuses

To provide for bonuses to be paid to directors, the estimated obligatory amount is posted.

(4) Other important matters for the preparation of consolidated financial statements

(a) Accounting method for retirement benefits

As net defined benefit liability, the difference between retirement benefit obligations and plan assets is recorded based on the estimated amounts as of the end of the consolidated fiscal year under review to provide for payment of retirement benefits to employees. If the amount of plan assets exceeds retirement benefit obligations, the difference is recorded as net defined benefit asset.

In the calculation of retirement benefit obligations, the straight-line attribution method is principally used to attribute the estimated amount of retirement benefits to the period up to the end of the consolidated fiscal year under review.

Past service cost is mainly amortized from the time of accrual using the straight-line method over a fixed number of years (10 years) within the employee's average remaining service period at incurrence.

Actuarial difference is mainly amortized using the straight-line method over a fixed number of years (10 years) within the employee's average remaining service period at incurrence, commencing from the next fiscal year of incurrence.

Unrecognized actuarial difference and unrecognized past service cost are recorded as remeasurements of defined benefit plans under accumulated other comprehensive income in equity section after adjusting for tax effects.

(b) Standards for translation of major foreign currency-denominated assets and liabilities into Japanese yen

Values of foreign currency-denominated receivables and payables are translated into Japanese yen at the spot rates of foreign exchange markets on the closing dates of accounting for the respective companies, and translation differences are charged to income. Values of assets and liabilities of overseas subsidiaries are translated into Japanese yen at the spot rates of foreign exchange markets on the closing dates of accounting for the respective companies; revenues and expenses are converted to Japanese yen at the average market rates during the periods. Translation differences are inclusively posted in the foreign currency translation adjustments account and minority interests in the equity section.

(c) Major hedge accounting

(Method of hedge accounting)

Deferred hedge processing is performed. Special processing is adopted for interest rate swaps that satisfy the requirements for special processing.

(Hedging instrument and hedged item)

Interest rate swaps are used to avert a risk of fluctuations in market interest rates for borrowed funds and currency forward contracts are used to avert a risk of currency fluctuations associated with anticipated transactions denominated in foreign currencies.

(Hedging policy)

Mainly based on our own risk management policy, we hedge against a risk of fluctuations in market interest rates and a risk of currency fluctuations. As for a risk of fluctuations in market interest rates, we maintain the ratio of borrowings with fixed interest rates to total borrowings above a certain level. Also, as for a risk of currency fluctuations, we arrange currency forward contracts within the scope of anticipated sales.

(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.

(d) Method and period for amortization of goodwill

Goodwill is evenly amortized over a period of between 15 and 20 years.

(e) Accounting for consumption taxes

The tax exclusion method is adopted for accounting for consumption taxes and local consumption taxes.

5. Changes in accounting policies

Adoption of Accounting Standard for Retirement Benefits

SUMCO has adopted the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 issued on May 17, 2012, hereinafter "Retirement Benefits Accounting Standard") and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 issued on May 17, 2012, hereinafter "Retirement Benefits Guidance") from the end of the consolidated fiscal year under review (with the exception of the main clause of Article 35 of the Retirement Benefits Accounting Standard and the main clause of Article 67 of the Retirement Benefits Guidance), thus changing to the method of recording the difference between retirement benefit obligations and plan assets as net defined benefit liability, and has recorded unrecognized actuarial difference and unrecognized past service cost as net defined benefit liability.

The Retirement Benefits Accounting Standard and Retirement Benefits Guidance have been applied in accordance with the transitional handling set forth in Article 37 of the Retirement Benefits Accounting Standard, and the impact of the change was an adjustment to remeasurements of defined benefit plans under accumulated other comprehensive income as of December 31, 2014. As a result, as of the end of the consolidated fiscal year under review, SUMCO recorded net defined benefit liability of 3,361 million yen. In addition, accumulated other comprehensive income decreased by 3,361 million yen.

Previously "Postretirement liability adjustments for foreign consolidated subsidiaries" was separately presented in the consolidated balance sheet and consolidated statement of changes in equity. However, due to the adoption of the Retirement Benefits Accounting Standard and Retirement Benefits Guidance, those adjustments have been included in "Remeasurements of defined benefit plans" from the end of the consolidated fiscal year under review. As of the end of the consolidated fiscal year under review, "Postretirement liability adjustments for foreign consolidated subsidiaries" was negative 127 million yen.

Net assets per share decreased by 13.05 yen.

6. Changes to presentations

(1) Since the materiality of "Gain on sales of materials," which had been included in "Other" under non-operating income on the consolidated statement of income for the previous consolidated fiscal year, increased in the consolidated fiscal year under review, it is now presented separately. Please note that "Gain on sales of materials" included in "Other" in the previous consolidated fiscal year is 8 million yen.

(2) Since the materiality of "Insurance income," which had been included in "Other" under non-operating income on the consolidated statement of income for the previous consolidated fiscal year, increased in the consolidated fiscal year under review, it is now presented separately. Please note that "Insurance income" included in "Other" in the previous consolidated fiscal year is 41 million yen.

(3) Since the materiality of the items that had been presented separately as "Gain on sales of fixed assets" under non-operating income on the consolidated statement of income for the previous consolidated fiscal year decreased in the consolidated fiscal year under review, they are now included in "Other."
Please note that "Gain on sales of fixed assets" included in "Other" in the consolidated fiscal year under review is 14 million yen.

(4) Since the materiality of the items that had been presented separately as "Subsidy income" under non-operating income on the consolidated statement of income for the previous consolidated fiscal year decreased in the consolidated fiscal year under review, they are now included in "Other."

Please note that "Subsidy income" included in "Other" in the consolidated fiscal year under review is 6 million yen.

(5) Since the materiality of "Loss on sales and retirement of non-current assets," which had been included in "Other" under non-operating expenses on the consolidated statement of income for the previous consolidated fiscal year, increased in the consolidated fiscal year under review, it is now presented separately.
Please note that "Loss on sales and retirement of non-current assets" included in "Other" in the previous consolidated fiscal year is 278 million yen.

(6) Since the materiality of the items that had been presented separately as "Commission for syndicate loan" under non-operating expenses on the consolidated statement of income for the previous consolidated fiscal year decreased in the consolidated fiscal year under review, they are now included in "Other."
Please note that "Commission for syndicate loan" included in "Other" in the consolidated fiscal year under review is 16 million yen.

II. Notes to Consolidated Balance Sheet

1. Hypothecated assets and corresponding liabilities

(1) Hypothecated assets

Buildings and structures	6,072 million yen
Machinery, equipment and vehicles	2,459 million yen
Total	8,531 million yen

(2) Corresponding liabilities

Long-term debt	2,618 million yen
(Repayment of above scheduled within one year)	(1,309 million yen)

2. Accumulated depreciation of property, plant and equipment

791,312 million yen

3. Guarantee obligation

Guarantee for employee borrowings from financial institution	528 million yen

4. Land revaluation

We carried out a revaluation of the land owned by the merged company for business use based on the Land Revaluation Law (Law No. 34 of March 31, 1998) and posted the tax equivalent amount on the relevant revaluation difference to the liabilities section as "Deferred income tax liabilities on revaluation reserve for land," and at the same time posted the amount with the tax equivalent portion deducted to the net assets section as "Land revaluation surplus."

Method of revaluation

A revaluation was carried out with a reasonable adjustment made for the assessed value of non-current assets as stipulated in Article 2, Item 3 of the Enforcement Order for the Land Revaluation Law (Cabinet Order No. 119 of March 31, 1998).

Date of revaluation: March 31, 2000

Difference between market value of land at end of year of revaluation and book value after revaluation: (3,732) million yen

5. Long- and short-term borrowings

(1) The Company and its consolidated subsidiary FORMOSA SUMCO TECHNOLOGY CORPORATION have borrowings, which are subject to certain financial covenants, from financial institutions. The amount borrowed as of the end of the consolidated fiscal year under review is as follows.

Long-term debt	71,968 million yen
(Repayment of above scheduled within one year)	(38,891 million yen)

(2) In order to obtain flexible financing for operating funds, the Company has entered into a commitment line agreement with financial institutions. Financial covenants are attached to the agreement that require net assets in the Company's consolidated and non-consolidated balance sheet and the cash flows from operating activities in the Company's consolidated statement of cash flows to be maintained at certain levels.
The unexecuted loan commitment associated with the commitment line agreement as of December 31, 2014 is as follows.

Total loan commitment	59,650 million yen
Used commitment	6,587 million yen
Unexecuted loan commitment	53,063 million yen

6. Others

(1) In order for the Company and some of its consolidated subsidiaries to secure polycrystalline silicon, which is the main raw material of silicon wafers, they entered into long-term purchase contracts with polycrystalline silicon producers. In accordance with the contracts, the Company and some of its consolidated subsidiaries have made advance payments to some of the producers.

(2) In order to control the growth of its polycrystalline silicon inventory and diversify its financing, for some of the long-term purchase contracts for polycrystalline silicon, within a maximum amount of 10,000 million yen, the Company has entered into contracts, etc. (hereinafter, transfer contracts, etc.) to transfer to the transferees the Company's status as purchaser in those long-term contracts.
Under these transfer contracts, etc., in either of the following cases, the Company will pay the remaining amount (the amount equivalent to the unsold inventory held by the transferee) to the transferees and, at the same time, take back the inventory.
The first case is where, within a given period, the transferee cannot dispose of the inventory purchased under the transfer contracts, etc. by selling it to the Company or a third party. The second case is where the Company violates a cancellation clause such as violating certain financial covenants.
Please note that, in accordance with the transfer contracts, etc., the amount equivalent to the remaining amount as of the end of the consolidated fiscal year under review is 9,280 million yen.
In January 2015, the maximum amount was increased to 20,000 million yen.

III. Notes to Consolidated Statement of Changes in Equity

1. Class and total number of shares issued as of December 31, 2014

Common stock	257,751,739 shares
Class A shares	450 shares

2. Particulars concerning dividends from surplus

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on March 28, 2014	Common shares	257	1.00	December 31, 2013	March 31, 2014
Ordinary General Meeting of Shareholders on March 28, 2014	Class A shares	1,029	2,287,671.23	December 31, 2013	March 31, 2014

(2) Dividends with the record date in the current fiscal year, and effectiveness of which falls in the next fiscal year

Resolution expected	Dividend resource	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on March 25, 2015	Retained earnings	Common shares	1,030	4.00	December 31, 2014	March 26, 2015
Ordinary General Meeting of Shareholders on March 25, 2015	Retained earnings	Class A shares	1,125	2,500,000.00	December 31, 2014	March 26, 2015

IV. Notes Regarding Financial Instruments

1. Status of financial instruments

(1) Policy for measures relating to financial instruments

The Group limits the fund investments to short-term deposits at financial institutions or the like. It raises funds through borrowings from banks, in particular. It uses derivatives to avert the below-mentioned risk and does not conduct speculative transactions.

(2) Detail of financial instruments and associated risk and risk management system

Notes and accounts receivable are exposed to customer credit risk. For such risk, the Group has systems enabling the management of due dates and balances of each trading partner as well as the constant monitoring of operating status thereof. Such accounts denominated in foreign currencies are exposed to currency fluctuation risk. In order to mitigate such risk, we use currency forward contracts as a hedging instrument. Marketable securities consist of negotiable certificates of deposit with maturities of within three months that are readily convertible into cash and have an immaterial risk of price fluctuation. Investment securities are primarily the shares in companies with which we have business relationships, and are exposed to market price fluctuation risk. We consistently review the holding status of such shares taking into account the market condition and the relationships with each trading partner.

Basically, notes and accounts payable and accrued income taxes, as well as notes and accounts payable – construction, have due dates arriving within six months. Borrowings with floating interest rates are exposed to interest rate fluctuation risk in accordance with the future interest rate hike in the interest rate market. In order to avert such risk and fix interest expenses, we use interest rate swaps for each of a portion of long-term borrowings as a hedging instrument.

The execution and management of derivative transactions are conducted by the department responsible for financing upon approval of approval authority, pursuant to the internal rules governing authority and maximum amounts of such transactions. In order to mitigate relevant credit risk, counterparties of derivative transactions are limited to financial institutions with high credit ratings. The outline of hedge accounting is as shown in “4. Standards for accounting treatments, (4) Other important matters for the preparation of consolidated financial statements, (c) Major hedge accounting” under “I. Notes on Basic Matters of Importance for Preparing Consolidated Financial Statements.”

We manage liquidity risk in association with financing (risk of failure to execute payment on due date) by means of preparing financial plans every month or by other means.

(3) Supplementary explanation about fair values of financial instruments

The fair values of financial instruments include values based on market prices, or, if there are no market prices, they include reasonably estimated values. Because estimations of such values incorporate changeable factors, applying different assumptions can in some cases change such values. The contracted amounts of derivatives referred to in “2. Fair values of financial instruments” below should not be in themselves considered indicative of the volume of market risk associated with the derivative transactions.

2. Fair values of financial instruments

Amounts on consolidated balance sheet and fair values as of December 31, 2014 and the differences between them are as follows.

Items whose fair value is deemed to be extremely difficult to determine are not included in the following table (Please refer to Note 2.).

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Cash and time deposits	42,016	42,016	–
(2) Notes and accounts receivable – trade	42,522	42,522	–
(3) Marketable securities and investment securities	23,700	23,700	–
Total assets	108,240	108,240	–
(1) Notes and accounts payable – trade	29,602	29,602	–
(2) Short-term borrowings (*1)	6,587	6,587	–
(3) Accrued income taxes	1,060	1,060	–
(4) Notes and accounts payable – construction	2,766	2,766	–
(5) Long-term debt (*1)	210,744	211,492	747
(6) Lease obligations	3,703	3,664	(39)
Total liabilities	254,464	255,172	708
Derivative transactions (*2)			
(i) Those to which hedge accounting is not applied	(1,282)	(1,282)	–
(ii) Those to which hedge accounting is applied	(1)	(1)	–
Total derivative transactions	(1,283)	(1,283)	–

(*1) Current portion of long-term debt is not included in (2) Short-term borrowings, but included in (5) Long-term debt.

(*2) Receivables and payables arising out of derivative transactions are shown on the net basis. The items that are net debt in total are shown in parentheses.

(Notes) 1. Measurement of fair values of financial instruments

Assets

(1) Cash and time deposits, and (2) Notes and accounts receivable – trade

Because the settlement periods of the above items are short and their fair values are almost the same as their book values, the relevant book values are used.

(3) Marketable securities and investment securities

Marketable securities consist of negotiable certificates of deposit. Because their settlement periods are short and their fair values are almost the same as their book values, the relevant book values are used. Investment securities consist of stocks. Their fair values are based on the prices on stock exchanges.

Liabilities

(1) Notes and accounts payable – trade, (2) Short-term borrowings, (3) Accrued income taxes and (4) Notes and accounts payable – construction

Because the settlement periods of the above items are short and their fair values are almost the same as their book values, the relevant book values are used.

(5) Long-term debt, and (6) Lease obligations

The fair values of these items are measured based on the present value of future cash flows of the total of principal and interest for the residual period, discounted at an interest rate that would be charged for a new similar borrowing or lease.

Derivative transactions

Currency forward contracts are used for currency-related transactions and interest rate swaps are used for interest rate-related transactions.

The fair value of derivatives is based on the assessed value presented to the Company by counterparty financial institutions. Because interest rate swaps that are accounted for by special processing are incorporated, when accounting, with long-term debt that are the hedged items, the fair value of such items is included in the fair value of such long-term debt.

2. Because unlisted stocks, etc. (amount on consolidated balance sheet: 80 million yen) have no market prices and their fair values are deemed to be extremely difficult to determine, the amount is not included in "Assets (3) Marketable securities and investment securities."

V. 'Per Share' Information

1. Net assets per share: 538.81 yen

2. Net income per share: 58.84 yen

(Note) The calculation basis of net income per share is as follows.

Net income (millions of yen)	16,289
Amount not attributed to common shareholders (millions of yen)	1,125
Net income attributed to common shares (millions of yen)	15,164
Average number of common shares outstanding during the period (shares)	257,745,816

Non-consolidated Balance Sheet

(As of December 31, 2014)

(Millions of yen)

Category	Amount	Category	Amount
(Assets)		**(Liabilities)**	
Current assets	**228,114**	**Current liabilities**	**122,603**
Cash and time deposits	29,498	Accounts payable – trade	36,792
Accounts receivable – trade	44,508	Short-term borrowings	75,804
Marketable securities	23,700	Current portion of long-term lease obligations	949
Finished products	5,183		
Work in process	8,479	Accrued liabilities	4,461
Raw materials and supplies	105,293	Accrued expenses	653
Advance payments	3,205	Accounts payable – construction	1,885
Prepaid expenses	553	Forward exchange contracts	1,283
Short-term loans	4,016	Other	772
Accounts receivable – other	2,479		
Other	1,196	**Long-term liabilities**	**165,979**
		Long-term debt	150,349
Non-current assets	**229,757**	Long-term lease obligations	2,737
Property, plant and equipment	**104,062**	Deferred income tax liabilities	136
Buildings	65,004	Deferred income tax liabilities on revaluation reserve for land	1,558
Structures	2,327		
Machinery	15,455	Liability for retirement benefits	10,641
Motor vehicles and transport equipment	33	Asset retirement obligations	495
		Other	60
Tools, appliances and furniture	239		
Land	15,322	**Total liabilities**	**288,583**
Lease assets	60	**(Equity)**	
Construction in progress	5,619	**Shareholders' equity**	**166,618**
		Capital stock	**136,607**
Intangible assets	**2,505**	**Capital surplus**	**15,676**
Software	2,343	Capital reserve	10,500
Other	161	Others	5,176
		Retained earnings	**14,345**
Investments and other assets	**123,189**	Retained earnings reserve	292
Investment securities	3	Other retained earnings	14,052
Stocks of subsidiaries and affiliates	27,057	Retained earnings carried forward	14,052
Investments in subsidiaries and affiliates	55	**Treasury stock**	**(10)**
Long-term loans receivable from subsidiaries and affiliates	44,616		
Long-term advance payments	48,138	**Variance of valuation/translation, etc.**	**2,669**
Long-term prepaid expenses	2,495	**Deferred loss on derivatives under hedge accounting**	**(1)**
Other	1,020		
Allowance for doubtful accounts	(196)	**Land revaluation surplus**	**2,670**
		Total equity	**169,288**
Total assets	**457,871**	**Total liabilities and equity**	**457,871**

Non-consolidated Statement of Income

(From January 1, 2014 to December 31, 2014)

(Millions of yen)

Category	Amount	
Net sales		**177,426**
Cost of sales		**148,802**
Gross profit		**28,623**
Selling, general and administrative expenses		**17,035**
Operating income		**11,587**
Non-operating income		
Interest income	558	
Dividend income	256	
Gain on sales of non-current assets	363	
Foreign exchange gain	174	
Other	383	1,736
Non-operating expenses		
Interest expense	3,624	
Loss on sales and retirement of non-current assets	430	
Other	237	4,293
Ordinary income		**9,030**
Extraordinary income		
Reversal of allowance for doubtful accounts for subsidiaries and affiliates	734	734
Net income before taxes		**9,765**
Income taxes – current	53	
Income taxes – deferred	(0)	52
Net income		**9,712**

Non-consolidated Statement of Changes in Equity

(From January 1, 2014 to December 31, 2014)

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Capital reserve	Others	Total capital surplus	Retained earnings reserve	Other retained earnings: Retained earnings carried forward	Total retained earnings		
Balance at beginning of period	136,607	10,500	5,176	15,676	164	5,755	5,919	(9)	158,193
Changes during period									
Accumulation of retained earnings reserve					128	(128)	–		–
Dividends of surplus						(1,287)	(1,287)		(1,287)
Net income						9,712	9,712		9,712
Reversal of land revaluation surplus						0	0		0
Increase due to purchase of treasury stock								(0)	(0)
Net changes of items other than shareholders' equity									
Total changes during period	–	–	–	–	128	8,297	8,425	(0)	8,425
Balance at end of period	136,607	10,500	5,176	15,676	292	14,052	14,345	(10)	166,618

	Variance of valuation/translation, etc.			Total equity
	Deferred loss on derivatives under hedge accounting	Land revaluation surplus	Total variance of valuation/translation, etc.	
Balance at beginning of period	–	2,671	2,671	160,864
Changes during period				
Accumulation of retained earnings reserve				–
Dividends of surplus				(1,287)
Net income				9,712
Reversal of land revaluation surplus		(0)	(0)	–
Increase due to purchase of treasury stock				(0)
Net changes of items other than shareholders' equity	(1)		(1)	(1)
Total changes during period	(1)	(0)	(1)	8,423
Balance at end of period	(1)	2,670	2,669	169,288

I. Notes on Major Accounting Policies

1. Standards for and method of evaluation of assets

(1) Marketable securities

(a) Stocks of subsidiaries and affiliates

We employ the cost method based on the "moving average cost" method.

(b) Available-for-sale securities

Securities with market value:

We employ the market value method (using the "net assets" 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 employ the cost method based on the "moving average cost" method.

(2) Derivatives

We employ the market value method.

(3) Inventories

We employ the cost method based on the periodic average method. (Balance sheet values are calculated using the devaluating book value method based on decreases in profitability.)

2. Method of depreciation of non-current assets

(1) Property, plant and equipment (excluding lease assets pertaining to non-ownership-transfer finance lease transactions)

We employ the straight-line method (service life is mainly set at 31 years) for buildings and the constant percentage method (service life is mainly set at 5 years) for other property, plant and equipment.

(2) Intangible assets (excluding lease assets pertaining to non-ownership-transfer finance lease transactions)

Software

We employ the straight-line method based on the usable period (5 years) set within the Company.

Other intangible assets

We employ the straight-line method.

(3) Lease assets (lease assets pertaining to non-ownership-transfer finance lease transactions)

We employ the straight-line method in which the lease period is used as the service life and residual value of the relevant asset falls to zero at the end of the service life.

3. Standard for provision of allowances

(1) Allowance for doubtful accounts

In anticipation of potential losses from bad debts, the estimated irrecoverable amount is provided in accordance with the loan loss ratio for general credits and through the individual examination of recoverability for particular credits such as claims to obligors with high possibility of business failure.

(2) Reserve for bonuses

Reserve for bonuses is provided for payment of bonuses to employees in the amount of estimated bonuses, which is attributable to the current business year.

(3) Allowance for director bonuses

To provide for bonuses to be paid to directors, the estimated obligatory amount is posted.

(4) Liability for retirement benefits

Liability for retirement benefits is provided for payment of retirement benefits to employees in the amount deemed accrued at the current business year-end, based on the projected retirement benefit obligation and the fair value of plan assets at the current business year-end.

Past service cost is amortized from the time of accrual using the straight-line method over a fixed number of years (10 years) within the employee's 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 employee's average remaining service period at incurrence, commencing from the next business year of incurrence.

4. Other important matters for the preparation of non-consolidated financial statements

(1) Hedge accounting

(Method of hedge accounting)

Deferred hedge processing is performed. Special processing is adopted for interest rate swaps that satisfy the requirements for special processing.

(Hedging instrument and hedged item)

Interest rate swaps are used to avert a risk of fluctuations in market interest rates for borrowed funds and currency forward contracts are used to avert a risk of currency fluctuations associated with anticipated transactions denominated in foreign currencies.

(Hedging policy)

Based on our own risk management policy, we hedge against a risk of fluctuations in market interest rates and a risk of currency fluctuations. As for a risk of fluctuations in market interest rates, we maintain the ratio of borrowings with fixed interest rates to total borrowings above a certain level. Also, as for a risk of currency fluctuations, we arrange currency forward contracts within the scope of anticipated sales.

(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.

(2) Accounting for retirement benefits

The accounting method for the remaining amounts of unrecognized actuarial difference and unrecognized past service cost in relation to retirement benefits is different from the accounting method for those amounts in the consolidated financial statements.

(3) Accounting for consumption taxes

The tax exclusion method is adopted for accounting for consumption taxes and local consumption taxes.

5. Changes to presentations

(1) Since the materiality of "Gain on sales of non-current assets," which had been included in "Other" under non-operating income on the non-consolidated statement of income for the previous business year, increased in the business year under review, it is now presented separately.

Please note that "Gain on sales of non-current assets" included in "Other" in the previous business year is 50 million yen.

(2) Since the materiality of the items that had been presented separately as "Subsidy income" under non-operating income on the non-consolidated statement of income for the previous business year decreased in the business year under review, they are now included in "Other."

Please note that "Subsidy income" included in "Other" in the business year under review is 0 million yen.

(3) Since the materiality of the items that had been presented separately as "Commission for syndicate loan" under non-operating expenses on the non-consolidated statement of income for the previous business year decreased in the business year under review, they are now included in "Other."

Please note that "Commission for syndicate loan" included in "Other" in the business year under review is 16 million yen.

II. Notes to Non-consolidated Balance Sheet

1. Accumulated depreciation of property, plant and equipment

455,490 million yen

2. Guarantee obligation

Guarantee for employee borrowings from financial institution	528 million yen

3. Accounts receivable from and payable to subsidiaries and affiliates

Short-term accounts receivable	20,252 million yen
Long-term accounts receivable	44,616 million yen
Short-term accounts payable	25,616 million yen

4. Land revaluation

We carried out a revaluation of the land owned by the merged company for business use based on the Land Revaluation Law (Law No. 34 of March 31, 1998) and posted the tax equivalent amount on the relevant revaluation difference to the liabilities section as "Deferred income tax liabilities revaluation reserve for land," and at the same time posted the amount with the tax equivalent portion deducted to the net assets section as "Land revaluation surplus."

Method of revaluation:

A revaluation was carried out with a reasonable adjustment made for the assessed value of non-current assets as stipulated in Article 2, Item 3 of the Enforcement Order for the Land Revaluation Law (Cabinet Order No. 119 of March 31, 1998).

Date of revaluation: March 31, 2000

Difference between market value of land at end of year of revaluation and book value after revaluation: (3,732) million yen

5. Long- and short-term borrowings

(1) The Company has borrowings from financial institutions that are subject to financial covenants. These covenants require that the net assets on the Company's consolidated and non-consolidated balance sheet, as well as the cash flows from operating activities on the Company's consolidated statements of cash flows, be maintained at certain levels. The amount borrowed as of the end of the business year under review is as follows.

Long-term debt	69,350 million yen
(Repayment of above scheduled within one year)	(37,582 million yen)

(2) In order to obtain flexible financing for operating funds, the Company has entered into a commitment line agreement with financial institutions. Financial covenants are attached to the agreement that require net assets in the Company's consolidated and non-consolidated balance sheet and the cash flows from operating activities in the Company's consolidated statement of cash flows to be maintained at certain levels.
The unexecuted loan commitment associated with the commitment line agreement as of December 31, 2014 is as follows.

Total loan commitment	59,650 million yen
Used commitment	6,587 million yen
Unexecuted loan commitment	53,063 million yen

6. Others

(1) In order for the Company to secure polycrystalline silicon, which is the main raw material of silicon wafers, it entered into long-term purchase contracts with polycrystalline silicon producers. In accordance with the contracts, the Company has made advance payments to some of the producers.

(2) In order to control the growth of its polycrystalline silicon inventory and diversify its financing, for some of the long-term purchase contracts for polycrystalline silicon, within a maximum amount of 10,000 million yen, the Company has entered into contracts, etc. (hereinafter, transfer contracts, etc.) to transfer to the transferees the Company's status as purchaser in those long-term contracts.
Under these transfer contracts, etc., in either of the following cases, the Company will pay the remaining amount (the amount equivalent to the unsold inventory held by the transferee) to the transferees and, at the same time, take back the inventory. The first case is where, within a given period, the transferee cannot dispose of the inventory purchased under the transfer contracts, etc. by selling it to the Company or a third party. The second case is where the Company violates a cancellation clause such as violating certain financial covenants.
Please note that, in accordance with the transfer contracts, etc., the amount equivalent to the remaining amount as of the end of the business year under review is 9,280 million yen.
In January 2015, the maximum amount was increased to 20,000 million yen.

III. Notes to Non-consolidated Statement of Income

Volume of transactions with subsidiaries and affiliates

Amount of sales	50,967	million yen
Amount of purchase	49,969	million yen
Transactions other than operational transactions	1,276	million yen

IV. Note to Non-consolidated Statement of Changes in Equity

Class and total number of treasury shares as of December 31, 2014

Common stock	6,246	shares

V. Notes Regarding Deferred Tax Accounting

1. Details on main causes of deferred tax assets and deferred tax liabilities

Deferred tax assets

Loss carried forward	46,241	million yen
Stocks of subsidiaries and affiliates	30,320	million yen
Non-current assets	8,456	million yen
Liability for retirement benefits	3,756	million yen
Inventories	306	million yen
Other	1,419	million yen
Subtotal deferred tax assets	90,501	million yen
Valuation allowance	(90,501)	million yen
Total deferred tax assets	−	million yen

Deferred tax liabilities

Non-current assets	(136)	million yen
Total deferred tax liabilities	(136)	million yen

Net deferred tax liabilities	(136)	million yen
Deferred tax liabilities for land revaluation reserve	(1,558)	million yen

2. Details of main items causing a difference between the effective statutory tax rate and the actual effective tax rate for corporate income tax, etc. after the application of deferred tax accounting

Effective statutory tax rate	37.8%
(Adjustment)	
Valuation allowance	(37.2)%
Other	(0.1)%
Actual effective tax rate for corporate income tax, etc. after the application of deferred tax accounting	0.5%

VI. Note Regarding Related Party Transactions

Major corporate shareholders, etc.

Category	Company name	Voting interest (%)	Relationship with the party	Transaction contents	Transaction amount (millions of yen)	Account title	Balance at end of business year (millions of yen)
Subsidiary of other associated company	MITSUBISHI MATERIALS TRADING CORPORATION	–	Seller of raw materials, etc.	Purchase of raw materials, etc.	4,831	Accounts payable	4,631
						Long-term advance payments	2,898
						(current portion)	(1,200)

(Notes) 1. Transaction amount excludes consumption taxes.

2. Trade conditions and policy on decision-making of trade conditions
Prices of trades with MITSUBISHI MATERIALS TRADING CORPORATION are determined under the same conditions as general trades taking market prices into consideration.

3. MITSUBISHI MATERIALS TRADING CORPORATION changed its trade name from Ryoko Sangyo Corporation to the current name as of July 1, 2014.

Subsidiaries

Category	Company name	Voting interest (%)	Relationship with the party	Transaction contents	Transaction amount (millions of yen)	Account title	Balance at end of business year (millions of yen)
Subsidiary	SUMCO TECHXIV CORPORATION	100 (direct ownership)	Manufacturer of products, etc.	Purchase of products, etc.	44,607	Accounts payable	12,169
				Collection of funds	4,310	Long-term loans receivable from subsidiaries and affiliates	48,616
						(current portion)	(4,000)
Subsidiary	SUMCO Phoenix Corporation	100 (direct ownership)	Sales destination of products, etc.	Selling of products	22,899	Accounts receivable	4,578
				Borrowing of funds	2,477	Short-term borrowings	9,644
Subsidiary	SUMCO Europe Sales Plc	100 (direct ownership)	Sales destination of products, etc.	Selling of products	12,275	Accounts receivable	4,816

(Notes) 1. Transaction amount excludes consumption taxes.

2. Trade conditions and policy on decision-making of trade conditions
Prices of trades with SUMCO TECHXIV CORPORATION, SUMCO Phoenix Corporation, and SUMCO Europe Sales Plc are determined under the same conditions as general trades taking market prices into consideration.
Interest rates for the lending of funds to SUMCO TECHXIV CORPORATION and for the borrowing of funds from SUMCO Phoenix Corporation are determined rationally by taking market interest rates into consideration.

3. For the long-term loans receivable for SUMCO TECHXIV CORPORATION, we recorded 734 million yen of reversal of allowance for doubtful accounts in extraordinary income in the business year under review.

VII. 'Per Share' Information

1. Net assets per share: 477.85 yen

2. Net income per share: 33.32 yen

(Note) The calculation basis of net income per share is as follows.

Net income (millions of yen)	9,712
Amount not attributed to common shareholders (millions of yen)	1,125
Net income attributed to common shares (millions of yen)	8,587
Average number of common shares outstanding during the period (shares)	257,745,816

[English Translation of the Independent Auditors' Report Originally Issued in the Japanese Language]

Accounting audit report on Consolidated Financial Statements

Independent Auditors' Report

February 17, 2015

SUMCO CORPORATION
The Board of Directors

Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner and Engagement Partner	Certified Public Accountant Mitsuru Hirano	(Seal)
Designated Limited Liability Partner and Engagement Partner	Certified Public Accountant Yosuke Naganuma	(Seal)

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements, namely, the Consolidated Balance Sheet, the Consolidated Statement of Income, the Consolidated Statement of Changes in Equity, Notes on Basic Matters of Importance for Preparing Consolidated Financial Statements and Other Notes of SUMCO CORPORATION ("the Company") for the fiscal year from January 1, 2014 to December 31, 2014.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit as independent auditors. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of

accounting policies used, the method of their application and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of December 31, 2014, and the results of their operations for the fiscal year then ended in conformity with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

[English Translation of the Independent Auditors' Report Originally Issued in the Japanese Language]

Accounting audit report on Non-consolidated Financial Statements

Independent Auditors' Report

February 17, 2015

SUMCO CORPORATION
The Board of Directors

Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner and Engagement Partner	Certified Public Accountant Mitsuru Hirano	(Seal)
Designated Limited Liability Partner and Engagement Partner	Certified Public Accountant Yosuke Naganuma	(Seal)

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the non-consolidated financial statements, namely, the Non-consolidated Balance Sheet, the Non-consolidated Statement of Income, the Non-consolidated Statement of Changes in Equity, Notes on Major Accounting Policies and Other Notes, and their supporting schedules of SUMCO CORPORATION ("the Company") for the 16th business year from January 1, 2014 to December 31, 2014.

Management's Responsibility for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements and their supporting schedules in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation and fair presentation of non-consolidated financial statements and their supporting schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements and their supporting schedules based on our audit as independent auditors. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and their supporting schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and their supporting schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and their supporting schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation and fair presentation of the non-consolidated financial statements and their supporting schedules in order

to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used, the method of their application and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and their supporting schedules.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the non-consolidated financial statements and their supporting schedules referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2014 and the results of its operations for the business year then ended in conformity with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

<Audit report of the Audit & Supervisory Board>

AUDIT REPORT

Regarding the execution of duties by the directors for the 16th business year from January 1, 2014 to December 31, 2014, the Audit & Supervisory Board hereby submits its audit report, which has been prepared through discussions based on the audit reports prepared by each audit & supervisory board member.

1. Auditing Methods Employed by the Audit & Supervisory Board Members and Audit & Supervisory Board and Details of Such Methods

The Audit & Supervisory Board established auditing policies, auditing plan, and other relevant matters, and received reports from each audit & supervisory board member regarding his or her audits and results thereof, as well as received reports from the directors, other relevant personnel, and accounting auditors regarding performance of their duties, and sought explanations as necessary.

Each audit & supervisory board member complied with the auditing standards of audit & supervisory board members established by the Audit & Supervisory Board, followed the auditing policies, auditing plan, and other relevant matters, communicated with the directors, the internal auditing department, other employees, and any other relevant personnel, and made efforts to optimize the environment for information collection and audit, and participated in the Board of Directors meetings and other important meetings, received reports from the directors, employees, and other relevant personnel regarding performance of their duties, sought explanations as necessary, examined important authorized documents and associated information, and studied the operations and financial positions at the head office and principal offices. In addition, we periodically received reports from the directors, employees and other relevant personnel, sought explanations as necessary, and expressed our opinions regarding the contents of resolutions by the Board of Directors concerning the development of systems necessary to ensure that directors' performance of their duties is in conformity with laws and regulations and the Articles of Incorporation of the Company, and other systems stipulated in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act necessary to ensure the appropriateness of operations of a stock company, as described in the business report, as well as the status of the building and management of the system developed pursuant to such resolutions (internal control system). With respect to subsidiaries, we communicated and exchanged information with the directors, audit & supervisory board members, and other relevant personnel of the subsidiaries, and received business reports from the subsidiaries as necessary. Based on the above methods, we examined the business report and its supporting schedules related to the relevant business year.

Furthermore, we monitored and verified whether the accounting auditors maintained their independence and implemented appropriate audits, and we received reports from the accounting auditors regarding the performance of their duties and sought explanations as necessary. In addition, we received notice from the accounting auditors that "the system for ensuring that duties are performed properly" (matters set forth in each Item of Article 131 of the Corporate Accounting Rules) is organized in accordance with the "product quality management standards regarding audits" (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations as necessary. Based on the above methods, we examined the Non-consolidated Financial Statements (Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Equity) and their supporting schedules, as well as the Consolidated Financial Statements (Consolidated Balance Sheet,

Consolidated Statement of Income, Consolidated Statement of Changes in Equity) related to the relevant business year.

2. Audit Results

(1) Results of Audit of Business Report and Other Relevant Documents

I. In our opinion, the business report and its supporting schedules are in accordance with the related laws and regulations and the Articles of Incorporation, and fairly represent the Company's condition.

II. With regard to the performance of duties by the directors, we have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation.

III. In our opinion, resolutions of the Board of Directors for the internal control system are fair and reasonable. Moreover, we have found no matters that need to be raised regarding items in the internal control system section of the business report or the performance of duties by directors.

(2) Results of Audit of Non-consolidated Financial Statements and their supporting schedules

In our opinion, the methods and results employed and rendered by the accounting auditors, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results employed and rendered by the accounting auditors, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

February 19, 2015

Audit & Supervisory Board, SUMCO CORPORATION

Full-time Audit & Supervisory Board Member	Hiroshi Yoshikawa	(Seal)
Full-time Audit & Supervisory Board Member	Hidemasa Hosaka	(Seal)
Outside Audit & Supervisory Board Member	Hitoshi Tanaka	(Seal)
Outside Audit & Supervisory Board Member	Kitaro Yoshida	(Seal)
Outside Audit & Supervisory Board Member	Keisuke Yamanobe	(Seal)

Reference Documents for the General Meeting of Shareholders

Proposal 1: Dividends from Surplus

Having comprehensively taken into account the Company's performance in the relevant business year and the prospects for the business environment, the Company proposes the year-end dividend for the relevant business year as below.

(1) Type of dividend property:
Money

(2) Dividend property allotment and total amount thereof:
For common shares, the Company proposes to pay a dividend of 4 yen per share.
For Class A shares, the Company proposes to pay a dividend of 2,500,000 yen per share in accordance with the provision of the Articles of Incorporation.

	Dividend per share	Total amount of dividends
Common shares	4 yen	1,030,981,972 yen
Class A shares	2,500,000 yen	1,125,000,000 yen
Total	–	2,155,981,972 yen

(3) Effective date for the payment of dividends from surplus:
March 26, 2015

Background of Presenting Proposal 2 and Proposal 3

1. Background and aims of the "Capital Increase and Restructuring Plan"

Having steadily executed various measures incorporated in its Business Reorganization Plan started in fiscal year 2012, the SUMCO Group believes that it has established a high level of profitability in the industry it belongs to in the fiscal year ended December 31, 2014. However, because the demand for semiconductor silicon wafers has been weaker than anticipated at the time of the formulation of the Business Reorganization Plan, the Group has not been able to improve its balance sheet as originally anticipated. On the other hand, the put option with respect to Class A shares issued upon the formulation of the Business Reorganization Plan, the consideration for which is cash and Class B shares, will become exercisable from May of this year. Due to this condition, it is expected that the shareholders of class shares of the Company will exercise their put option from time to time and the capital and cash of the Company will be reduced thereby. Taking into account these current conditions, and as the Company recognizes a widening of the growth opportunity in the current favorable business environment for the Group, the Company has resolved, at the Board of Directors Meeting held on March 3, 2015, its "New Medium-Term Management Strategy," which is a strategic roadmap for the new growth stage following the Business Reorganization Plan, and its "Capital Increase and Restructuring Plan" which focuses on the strengthening of the Company's financial base and raising funds for growth through the issuance of common shares of the Company through a public equity offering and acquisition and cancellation of class shares of the Company (the "Plan"). In order to support the business/investment strategy described in "New Medium-Term Management Strategy," the Company determined that the exchange of its class shares, which are entitled to preferred dividends and whose put option is anticipated to be exercised, for common shares, which is a more stable form of capital, and a further infusion of capital under the Plan will help the Company to (i) strengthen its financial base and establish the ability to make disciplined capital expenditure and (ii) establish a basis for realizing flexible shareholder returns, which the Company believes will become a foundation for medium-to-long-term earnings growth and contribute to enhancing shareholder value.

2. Content of the Plan

In order to implement the Plan, on March 3, 2015, the Company has executed the "Memorandum of Understanding Concerning the Treatment of Class Shares" (hereinafter the "MOU") with NIPPON STEEL & SUMITOMO METAL CORPORATION, Mitsubishi Materials Corporation and Japan Industrial Solutions Investment Limited Partnership I (hereinafter together the "Three Class A Shareholders"). In accordance with the MOU, the Company intends to acquire and cancel all of its Class A shares and Class B shares in order to avoid the dilution of its common shares.

(1) Acquisition of Class A shares and Class B shares

A. Acquisition on May 11, 2015

On May 11, 2015, using a portion of the Company's existing distributable amount, the Three Class A Shareholders will each exercise the put options attached to 50 shares of Class A shares (150 shares in total) of the 150 shares held by each of them (450 shares in total), the consideration for which is cash (100 million yen per share plus the amount equal to accrued Class A share dividends stated in the Article of Incorporation of the Company) and Class B share (1 share per 1 share of Class A share). On the same date, the Company intends to acquire 150 shares of Class B shares to be delivered above for a total of 3 billion yen (20 million yen per share) as the consideration.

B. Acquisition on the later of the effective date of the capital increase through public equity offering and simultaneous deduction in the amount of capital stock and capital reserve or May 11, 2015

On March 3, 2015, the Company filed a shelf registration statement stating that the scheduled amount of shares to be issued is an amount up to 60 billion yen, and intends to conduct a public equity offering of its common shares (hereinafter the "Offering") during the period

from the scheduled effective date of the shelf registration to the date that is one year from such scheduled effective date (from March 11, 2015 through March 10, 2016); provided, however, that the details regarding the issue date, method of issuance, terms and conditions of issuance, the total issue amount and other matters of the Offering have not yet been determined, and that the Company will determine those matters by comprehensively taking into consideration market trends and other factors and promptly disclose these matters upon determination.

If the proceeds from the Offering are received, the Company will reduce the amount of capital stock and capital reserve in the same amount of capital stock and capital reserve to be increased by the Offering on the same day as the closing date of the Offering, up to the amount scheduled to be issued stated in the shelf registration statement (60 billion yen), and transfer such amount to other capital surplus (such reduction in the amount of capital stock and capital reserve is hereinafter referred to as the "Reduction in the Amount of Capital Stock and Capital Reserve"). In preparation for the exercise of the put options attached to Class A shares, the Company will secure a distributable amount from the amount of other capital surplus to be increased thereby. The Three Class A Shareholders will exercise the put options attached to all Class A shares held by them (300 remaining shares, which excludes the 150 shares of Class A shares as stated in "A" above), the consideration for which is cash (100 million yen per share plus the amount equal to accrued Class A share dividends stated in the Articles of Incorporation of the Company) and Class B share (1 share per 1 share of Class A share), on the effective date of the Reduction in the Amount of Capital Stock and Capital Reserve or May 11, 2015, whichever is later.

C. Cancellation of Class A shares and Class B shares to be acquired

The Class A shares and Class B shares to be acquired are planned to be cancelled promptly after the acquisition thereof.

(2) Reduction in the amount of capital reserve

As a part of the Plan, in order to secure the distributable amount to be applied to the acquisition of Class B shares as stated in (1) above, the Company will reduce the amount of capital reserve in the amount of 9 billion yen with the effective date of April 14, 2015 and transfer such amount to other capital surplus.

Proposal 2: Reduction in Amount of Capital Reserve

1. Reasons for the proposal

The Company requests that shareholders approve the reduction in amount of capital reserve and the transfer of the amount to other capital surplus in accordance with Article 448, Paragraph 1 of the Companies Act, with the aim of acquiring the Class B shares to be delivered upon the acquisition of Class A shares under the aforementioned Plan to avoid dilution of the Company's common shares that would occur in the event that the put options attached to Class B shares, the consideration of which is common shares of the Company, are exercised. Please be noted that effectiveness of this Proposal 2 is conditional upon the approval of Proposal 3.

2. Details of proposal

(1) Amount of capital reserve to be reduced

Capital reserve 9,000,000,000 yen out of 10,500,000,000 yen

(2) Effective date of reduction in amount of capital reserve

April 14, 2015

Proposal 3: Acquisition of Own Shares (Class B Shares)

1. Reasons for the proposal

The Company requests that shareholders approve the acquisition of Class B shares to be delivered upon the acquisition of Class A shares under the aforementioned Plan, in accordance with Article 156, Paragraph 1 of the Companies Act, with the aim of avoiding dilution of the Company's common shares that would occur in the event that the put options attached to Class B shares, the consideration of which is common shares of the Company, are exercised. Please be noted that the presenting of this Proposal 3 is conditional upon the approval of Proposal 2.

2. Details of proposal

(1) Class of shares to be acquired:
Class B shares

(2) Number of shares to be acquired:
Maximum of 450 shares

(3) Content and total amount of cash, etc. to be delivered in exchange for acquisition of shares:
Maximum of 9,000,000,000 yen

(4) Period during which the Company can acquire shares:
From the conclusion of this Ordinary General Meeting of Shareholders to March 10, 2016
(Of the 450 shares to be acquired pursuant to the Plan, the Company plans to acquire 150 shares on May 11, 2015, and acquire the remaining 300 shares on the effective date of the deductions in the amount of capital stock and capital reserve to be conducted concurrently with the capital increase through public equity offering or on May 11, 2015, whichever is later.)

(5) Condition of the acquisition:
The number of Class B shares issued and outstanding at the time of acquisition must equal or exceed the number of shares to be acquired in the acquisition.

Proposal 4: Election of Two (2) Directors

Directors Yoichi Tsuchiya and Hirotake Ohta will resign at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, it is proposed that two (2) directors be elected as their substitutes. The Company proposes the election of candidate for director Fumio Inoue to replace the retiring Director Yoichi Tsuchiya, and the election of candidate for director Shiro Mokudai to replace the retiring Director Hirotake Ohta. Pursuant to the Company's Articles of Incorporation, the terms of office for these appointments will both expire upon the expiry of the terms of office of the other currently serving directors.

The candidates for substitute directors are as follows.

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company, and significant concurrent occupations or positions	Number of the Company's common shares held
1	Fumio Inoue (August 22, 1957)	Apr. 1981 Joined Sumitomo Metal Industries, Ltd. (the current NIPPON STEEL & SUMITOMO METAL CORPORATION) Apr. 2007 General Manager of Corporate Controller & Group Companies Management Dept., the Company Apr. 2009 General Manager of Corporate Controller & Group Companies Management Dept., General Manager of Corporate Planning Dept., the Company Feb. 2010 General Manager of Corporate Strategy Dept., General Manager of Corporate Controller & Group Companies Management Dept., the Company Apr. 2011 Executive Officer, General Manager of Corporate Strategy Div., General Manager of Corporate Controller & Group Companies Management Dept., the Company Oct. 2012 Executive Officer, General Manager of Corporate Planning Dept., Corporate Strategy Div., the Company Mar. 2014 Managing Executive Officer, In charge of Accounting & Budget Control Dept., General Manager of Finance Dept., Corporate Strategy Div., the Company (present post)	3,300 shares

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company, and significant concurrent occupations or positions	Number of the Company's common shares held
2	Shiro Mokudai (June 22, 1958)	Apr. 1982 Joined Mitsubishi Metal Corporation (the current Mitsubishi Materials Corporation) Jun. 2007 General Manager of Technology & Administration Dept., Advanced Materials Div., Electronic Materials & Components Company, Mitsubishi Materials Corporation Jun. 2010 General Manager of Marketing Dept., Advanced Materials Div., Electronic Materials & Components Company, Mitsubishi Materials Corporation Nov. 2011 Deputy General Manager of Advanced Materials Div., Electronic Materials & Components Company, Mitsubishi Materials Corporation Apr. 2013 General Manager of Sales and R&D Strategy Dept., Electronic Materials & Components Company, Mitsubishi Materials Corporation Apr. 2014 General Manager of Silicon Div., Electronic Materials & Components Company, Mitsubishi Materials Corporation (present post) <Significant concurrent occupations or positions> General Manager of Silicon Div., Electronic Materials & Components Company, Mitsubishi Materials Corporation	—

(Notes) 1. Special interests between the director candidates and the Company

(1) Shiro Mokudai is General Manager of Silicon Division, Electronic Materials & Components Company, Mitsubishi Materials Corporation. The Company has a business relationship with Mitsubishi Materials Corporation and its group companies, which includes purchasing of raw materials.

(2) The other candidate for director has no special interests with the Company.

2. Shiro Mokudai is a candidate for outside director.

3. Special notes regarding the candidate for outside director are as follows.

(1) Reasons for nomination as a candidate for outside director

Although Shiro Mokudai has no past experience directly associated with company management, he has knowledge of the Company's business as well as excellent insight into general management. Therefore, since the Company can expect him to be able to show his management oversight ability to the fullest, it proposes his election as outside director.

(2) Limited liability contracts

Pursuant to Article 427, Paragraph 1 of the Companies Act, it is prescribed in the Articles of Incorporation in effect that the Company may enter into contracts with outside directors with regard to limitation of liability for damages to the Company in an effort to attract competent individuals to the said posts and encourage them to perform their duties to the best of their ability. Consequently, as Shiro Mokudai is a candidate for outside director, the Company plans to conclude a limited liability contract with him should he be elected.

The outline of the contract is as follows:

- If the outside director is in good faith and without gross negligence in performing his duties, the liability for damages of the outside director pursuant to Article 423, Paragraph 1 of the Companies Act shall be limited to the total amount specified in Article 425, Paragraph 1 of the said Act and he shall not be liable to the Company for any amount exceeding such limit.

Proposal 5: Election of Two (2) Audit & Supervisory Board Members

Audit & Supervisory Board Members Hidemasa Hosaka and Kitaro Yoshida will resign at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, it is proposed that two (2) audit & supervisory board members be elected as their substitutes.
The Company proposes the election of candidate for audit & supervisory board member Hisashi Katahama to replace the retiring Audit & Supervisory Board Member Hidemasa Hosaka, and the election of candidate for audit & supervisory board member Manabu Uehara to replace the retiring Audit & Supervisory Board Member Kitaro Yoshida. Pursuant to the Company's Articles of Incorporation, the terms of office of these appointments will be the time remaining of the respective terms of office of the audit & supervisory board members being replaced.

The Audit & Supervisory Board has consented to this proposal.

The candidates for substitute audit & supervisory board members are as follows.

No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent occupations or positions	Number of the Company's common shares held
1	Hisashi Katahama (September 18, 1956)	Apr. 1985 Joined Sumitomo Metal Industries, Ltd. (the current NIPPON STEEL & SUMITOMO METAL CORPORATION) Mar. 2006 General Manager of Quality Assurance Dept., the Company Apr. 2009 General Manager of Engineering Planning Dept., the Company Feb. 2010 Assistant General Manager of Production & Technology Div., the Company Apr. 2011 Executive Officer of the Company Feb. 2013 Executive Officer, Technology of the Company (present post)	3,100 shares

No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent occupations or positions	Number of the Company's common shares held
2	Manabu Uehara (May 4, 1962)	Apr. 1986 Joined Sumitomo Metal Industries, Ltd. (the current NIPPON STEEL & SUMITOMO METAL CORPORATION) Apr. 2006 General Manager of Accounting Office, Accounting Dept., Sumitomo Metal Industries, Ltd. Jan. 2009 General Manager of Corporate Planning Dept., Steel Sheet, Plate & Structural Steel Company, Sumitomo Metal Industries, Ltd. Oct. 2012 General Manager of Operation Dept., Kashima Works, NIPPON STEEL & SUMITOMO METAL CORPORATION Apr. 2014 General Manager of Corporate Planning Div. and Group Companies Planning Div., NIPPON STEEL & SUMITOMO METAL CORPORATION (present post) Jun. 2014 Outside Audit & Supervisory Board Member of NIPPON COKE & ENGINEERING Co., Ltd. (present post) <Significant concurrent occupations or positions> General Manager of Corporate Planning Div. and Group Companies Planning Div., NIPPON STEEL & SUMITOMO METAL CORPORATION Outside Audit & Supervisory Board Member of NIPPON COKE & ENGINEERING Co., Ltd.	—

(Notes) 1. The candidates for audit & supervisory board member have no special interests with the Company.

2. Manabu Uehara is a candidate for outside audit & supervisory board member.

3. It is planned that Manabu Uehara will be elected as outside audit & supervisory board member of NIPPON DENKO CO., LTD. at that company's ordinary general meeting of shareholders to be held in March 2015.

4. Special notes regarding the candidate for outside audit & supervisory board member are as follows.

(1) Reasons for nomination as a candidate for outside audit & supervisory board member

Although Manabu Uehara has no past experience directly associated with company management, he has many years' experience in corporate accounting at NIPPON STEEL & SUMITOMO METAL CORPORATION, and possesses considerable knowledge in finance and accounting. Therefore, the Company proposes his election as outside audit & supervisory board member.

(2) Limited liability contracts

Pursuant to Article 427, Paragraph 1 of the Companies Act, it is prescribed in the Articles of Incorporation in effect that the Company may enter into contracts with outside audit & supervisory board members with regard to limitation of liability for damages to the Company in an effort to attract competent individuals to the said posts and encourage them to perform their duties to the best of their ability. Consequently, as Manabu Uehara is a candidate for outside audit & supervisory board member, the Company plans to conclude a limited liability contract with him should he be elected.

The outline of the contract is as follows:

- If the outside audit & supervisory board member is in good faith and without gross negligence in performing his duties, the liability for damages of the outside audit & supervisory board member pursuant to Article 423, Paragraph 1 of the Companies Act shall be limited to the total amount specified in Article 425, Paragraph 1 of the said Act and he shall not be liable to the Company for any amount exceeding such limit.

Procedures for the Exercise of Voting Rights via the Internet, etc.

1. Shareholders exercising their voting rights via the Internet can only do so via the website designated by the Company (shown below). They can also exercise their voting rights via Internet by mobile phone.

   (Website URL for the exercise of voting rights) **http://www.web54.net**

   * You may also access the website for the exercise of voting rights by using a mobile phone with a barcode reading function to read the "QR code®" to the right. Please refer to your mobile phone manual for your phone's detailed operating instructions.
   * QR code is a registered trademark of DENSO WAVE INCORPORATED.

2. If you are exercising your voting rights via the Internet, please enter the code and the password for the exercise of voting rights indicated in the enclosed Form for Exercising Voting Rights and follow the instructions on the screen to register whether you are for or against each proposal. Please acknowledge that the code and the password indicated in the enclosed Form for Exercising Voting Rights (including a new password you have selected) will only be valid for this Ordinary General Meeting of Shareholders. As this password is important for authenticating the identity of shareholders, please keep this password safe and secure until the conclusion of this Ordinary General Meeting of Shareholders.

3. Connection fees payable to the providers and communication expenses payable to telecommunication carriers (including telephone charges) when accessing the website for the exercise of voting rights will be borne by the shareholders.

4. If you are exercising your voting rights using your PC, Microsoft® Internet Explorer 5.01 SP2 (or later) must be installed as your browser. Any PC hardware capable of supporting these browsers will be adequate.

   * Microsoft is a registered trademark of U.S. Microsoft Corporation in the U.S. and other countries.

5. If you are exercising your voting rights by mobile phone, the device must be capable of 128bit SSL telecommunication (encrypted communication). You may also exercise your voting rights by using a mobile phone, including a smartphone, equipped with full browser function. Depending on the model of your mobile phone, however, you may not be able to use this method.

6. If you apply in advance to use the "Electronic Voting Platform for Institutional Investors" (the "TSE Platform") managed by ICJ Inc., you may use the TSE Platform as an alternative to the conventional method of voting via the Internet described above.

7. Contact for inquiries on the exercise of voting rights via the Internet, etc.

   (1) If you have any inquiries about the operation of your PC, mobile phone, or similar device regarding the exercise of voting rights via the website, please direct your inquiry to the following contact point:

   Sumitomo Mitsui Trust Bank, Limited
   Stock Transfer Agency Web Support
   Dedicated line:
   [Tel] 0120-652-031 (toll-free and available from 9 a.m. - 9 p.m.; within Japan only)

   (2) Please direct any other inquiries to the following contact points:

   (a) Shareholders with an account at a securities company
   Please contact the securities company with which you trade.

   (b) Shareholders without an account at a securities company (shareholders with a special account)
   Sumitomo Mitsui Trust Bank, Limited
   Stock Transfer Agency Center
   [Tel] 0120-782-031 (toll-free and available from 9 a.m. - 5 p.m. except for Saturdays, Sundays and Japanese national holidays; within Japan only)