Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities Code: 3436
March 8, 2016

Dear Shareholders,

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

Notice of Convocation of the 17th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 17th 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 pages 3 and 4.

Details

1. Date and Time: Tuesday, March 29, 2016, at 10 a.m. (reception starts at 9 a.m.)

2. Place: Mielparque Hall
2-5-20 Shiba-koen, 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 17th Fiscal Year (from January 1, 2015 to December 31, 2015), as well as the Audit Reports of the Accounting Auditor and the Board of Corporate Auditors for Consolidated Financial Statements
2. Non-consolidated Financial Statements for the 17th Fiscal Year (from January 1, 2015 to December 31, 2015)

Agenda for resolutions:

Proposal 1: Dividends from Surplus

Proposal 2: Partial Amendments to the Articles of Incorporation

Proposal 3: Election of Eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members)

Proposal 4: Election of Six (6) Directors who are Audit and Supervisory Committee Members

Proposal 5: Determination of Remuneration Amount for Directors (excluding Directors who are Audit and Supervisory Committee Members)

Proposal 6: Determination of Remuneration Amount for Directors who are Audit and Supervisory Committee Members

---

* As provided for by laws and regulations and the provisions of Article 14 of the Company's Articles of Incorporation, the items below are posted on the Company's website and are not included in the accompanying material to this document. As a result, the accompanying material to this document includes only a part of the materials that are the object of the audit by the Corporate Auditors and the Accounting Auditors.
  1) Consolidated Statement of Changes in Equity in Consolidated Financial Statements and Notes to Consolidated Financial Statements
  2) Non-consolidated Statement of Changes in Equity in Non-consolidated Financial Statements and Notes to Non-consolidated Financial Statements
* 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.
* The Company's website: http://www.sumcosi.com/
* The contents of the Notice of Convocation have been disclosed through postings on the Company's website prior to dispatching the Notice of Convocation from the perspective of providing information at an early stage.

Instructions Concerning the Exercise of Voting Rights

You may exercise your voting rights by one of the following three methods:

By attending the General Meeting of Shareholders

Please submit the enclosed Form for the Exercise of Voting Right to the receptionist of the meeting. (A personal seal will not be required.)

Date and Time: Tuesday, March 29, 2016, at 10 a.m. (reception starts at 9 a.m.)
Place: Mielparque Hall, 2-5-20 Shiba-koen, Minato-ku, Tokyo

By submitting the Form for the Exercise of Voting Right by mail

Please indicate your approval or disapproval to each of the proposals on the Form for the Exercise of Voting Right and post it to the Company without a postage stamp.

Exercise due date: To be received no later than 5:45 p.m. on Monday, March 28, 2016

By the exercise of voting rights via the Internet, etc.

Use a personal computer, smartphone, or mobile phone to access the Website for the Exercise of Voting Rights (http://www.web54.net/). Login with the "Login ID" and "temporary password" printed on the enclosed Form for the Exercise of Voting Right. Follow the on-screen instructions to indicate your approval or disapproval to each of the proposals.

Exercise due date: No later than 5:45 p.m. on Monday, March 28, 2016

1) Please be aware that, in order to prevent illegal online access by third parties who are non-shareholders (spoofing) and vote tampering, you will be asked to change your temporary password on the aforementioned Website for the Exercise of Voting Rights.
2) You will be notified of a new "Login ID" and the "temporary password" every time a General Meeting of Shareholders is convened.

Cautions regarding the exercise of voting rights via the Internet, etc.

1) If you exercise your voting rights in duplicate both in writing and via the Internet, etc., your voting via the Internet, etc. shall prevail.
2) If you exercise your voting rights multiple times via the Internet, etc., only your last voting instructions will be counted as valid. Also, if you exercise your voting rights in duplicate using a PC, smartphone, or mobile phone, only your last voting instructions will be counted as valid.
3) You shall be responsible for any fees (including the Internet provider's connection fee and a telephone fee) incurred when accessing the Website for the Exercise of Voting Rights. Similarly, if voting via mobile phone, you will be responsible for any connection charges or other fees such as packet communication fees and other fees for mobile phone use, etc.
4) Voting rights exercised via the Internet are accepted until 5:45 p.m. on Monday, March 28, 2016; however, we request that you vote as early as possible.
Please contact our web support (details at the end of this instructions) with any questions.

Website for the Exercise of Voting Rights

1) You can only exercise your voting rights via the Internet by accessing and using the Company's designated Website for the Exercise of Voting Rights(http://www.web54.net/) from a personal computer, smartphone, or mobile phone (i-mode, EZweb, or Yahoo! Keitai).
   * 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) Please be aware that, depending on your Internet connection and usage environment, you may not be able to use your personal computer or smartphone to exercise your voting rights via the Internet (e.g. if you connect to the Internet via a firewall, have anti-virus software installed or use a proxy server, etc.).

3) When you exercise your voting rights via mobile phone, please use one of the following services: i-mode, EZweb or Yahoo! Keitai. For security purposes, voting rights cannot be exercised via models that do not allow encrypted communication (SSL communication) or transmission of the mobile phone information.

*"i-mode," "EZweb" and "Yahoo!" are trademarks or registered trademarks of NTT DOCOMO, INC., KDDI Corporation and U.S. Yahoo! Inc., respectively.

Electronic Voting Platform

Regarding the exercise of voting rights via electronic means at the Company's General Meeting of Shareholders, nominee shareholders such as trust and custody banks (including standing proxies) may, as an alternative to the voting via the Internet described above, use the Electronic Voting Platform organized by the Investor Communications Japan (ICJ) Inc., a joint venture company established by the Tokyo Stock Exchange, etc., provided that application for the use of the Electronic Voting Platform is made in advance.
Please check the availability for the Platform in each company.

(Web Support)

For inquiries about the system or other matters, please contact:
Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited
Phone: 0120-652-031 (from 9 a.m. to 9 p.m., toll free, only in Japan)

[Attached documents to the Notice of Convocation of the 17th Ordinary General Meeting of Shareholders]

Business Report

(From January 1, 2015 to December 31, 2015)

1. Business Progress and Achievement of the Corporate Group

(1) Business activities and results

Although the market of silicon wafers for semiconductor was steady in the first half of the consolidated fiscal year under review, demand adjustment started in the second half in response to slowing global economic growth and excessive inventory of smartphones for China that became apparent.

Demand for 300 mm wafers for logic and DRAM was affected by the inventory adjustment of smartphones, which started around summer, in addition to weak sales of PCs and tablets. On the other hand, demand for NAND was steady, supported by expanding demand for cloud services and data centers. Consequently, adjustment of 300 mm wafers was relatively minimal.

Demand for small-diameter wafers of 200 mm or less, mainly for consumer and industrial applications, was weak due to the downturn in the global economy, etc.

Under this environment, the SUMCO Group has strived to increase its presence among customers by developing technologies that respond to customers' demand for sophistication and product differentiation and to improve the break-even point through cost reduction, based on the policies of the SUMCO Vision. In addition, the SUMCO Group strengthened its financial base through the implementation of the Capital Increase and Restructuring Plan and achieved a structure that enables more flexible business management than ever.

As a result of the above, for the consolidated fiscal year under review, the SUMCO Group posted net sales of 236,826 million yen, operating income of 29,447 million yen, ordinary income of 25,538 million yen, and net income of 19,747 million yen.

<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 15,765 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 64,223 million yen through public equity offering and third-party allotment as follows.

Category	Number of issued shares	Issue price per share	Amount raised	Closing date
Public equity offering	33,903,800 shares	1807.40 yen	61,277 million yen	April 27, 2015
Third-party allotment	1,630,000 shares	1807.40 yen	2,946 million yen	May 25, 2015

(4) Issues to be dealt with

In the market of silicon wafers for semiconductors, sales are expected to continue to grow slowly, backed by demand for silicon wafers for smartphones, in-vehicle products, communications, industrial applications and others.

Under this environment, the SUMCO Group will continue its efforts to increase its presence among customers by developing technologies that respond to customers' demand for sophistication and product differentiation and to improve the break-even point through cost reduction, based on the policies of the SUMCO Vision.

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 12.2 billion yen from the end of the previous fiscal year to 134.2 billion yen.

We expect that, by the end of the fiscal year ending December 31, 2016, the balance of "raw materials and supplies" will have increased to approximately 150.0 billion yen. However, in the future, since the expirations of the long-term purchase contracts will gradually be reached, the balance is expected to start to decrease after reaching a peak around fiscal year 2016.

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	14th fiscal year (year ended January 31, 2013)	15th fiscal year (year ended December 31, 2013)	16th fiscal year (year ended December 31, 2014)	17th fiscal year (year ended December 31, 2015)
Net sales (millions of yen)	206,691	185,105	225,319	236,826
Ordinary income (millions of yen)	9,464	7,065	21,926	25,538
Net income (millions of yen)	3,426	715	16,289	19,747
Net income (loss) per share (yen)	8.93	(1.22)	58.84	70.06
Total assets (millions of yen)	493,334	498,522	510,570	489,842
Net assets (millions of yen)	180,325	194,836	216,725	244,540
Net assets per share (yen)	436.94	473.42	538.81	721.78

(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.

(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, 2015)

Manufacture and sales of silicon wafers for semiconductor

(8) Main offices and plants (as of December 31, 2015)

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, 2015)

1) Employees of the corporate group

Number of employees	Increase (decrease) from the previous consolidated fiscal year-end
7,480	Increased by 84

(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
3,489	Increased by 74	41.9 years old	17.5 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, 2015)

Creditor	Balance of borrowings
	millions of yen
Syndicated loan	26,500
Development Bank of Japan Inc.	19,230
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	13,168
Sumitomo Mitsui Banking Corporation	11,500
Mizuho Bank, Ltd.	10,381
Mitsubishi UFJ Trust and Banking Corporation	10,334
Sumitomo Mitsui Trust Bank, Limited	10,320

(Notes) 1. The syndicated loan 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. 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 89,300 million yen with multiple financial institutions (executed amount: 21,874 million yen).

2. Status of the Company's Shares (as of December 31, 2015)

(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 293,285,539
(including 6,766 shares of treasury stock)

(Note) The total number of issued shares increased by 35,533,800 shares due to the issuance of 33,903,800 new shares (common shares) on a public equity offering with April 27, 2015 as the closing date and 1,630,000 new shares (common shares) on a third-party allotment with May 25, 2015 as the closing date.

(3) Number of shareholders: Common shares 56,264
(increase of 18,992 from the previous fiscal year-end)

(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	53,933	–	18.39
Mitsubishi Materials Corporation	53,933	–	18.39
STATE STREET BANK AND TRUST COMPANY	9,683	–	3.30
The Master Trust Bank of Japan, Ltd. (Trust account)	8,803	–	3.00
Japan Trustee Services Bank, Ltd. (Trust account)	5,956	–	2.03
STATE STREET BANK AND TRUST COMPANY 505225	4,678	–	1.60
MSCO CUSTOMER SECURITIES	3,967	–	1.35
STATE STREET BANK AND TRUST COMPANY 505223	3,468	–	1.18
Trust & Custody Services Bank, Ltd. (Pension in trust)	3,137	–	1.07
STATE STREET BANK AND TRUST COMPANY 505001	2,920	–	1.00

(Note) The equity ownership is calculated after deducting treasury stock (6,766 shares).

3. Directors and Corporate Auditors of the Company

(1) Status of Directors and Corporate Auditors (as of December 31, 2015)

Position	Name	Significant concurrent occupations or positions
* Director and President	Mayuki Hashimoto	
* Director	Michiharu Takii	
Director	Harumitsu Endo	
Director	Hisashi Furuya	
Director	Kazuo Hiramoto	
Director	Fumio Inoue	
Director	Makoto Nakaoka	General Manager of Group Companies Planning Div., Nippon Steel & Sumitomo Metal Corporation Outside Corporate Auditor, KYOEI STEEL, Ltd.
Director	Masahiro Mitomi	Certified Public Accountant Representative Director, Value Create Inc.
Director	Shiro Mokudai	General Manager of Sales and R&D Strategy Dept., Electronic Materials & Components Company, Mitsubishi Materials Corporation
Full-time Corporate Auditor	Hiroshi Yoshikawa	
Full-time Corporate Auditor	Hisashi Katahama	
Corporate Auditor	Hitoshi Tanaka	Attorney at law (Representative of Marunouchi Minami Law Office) Outside Director, TOKYO ENERGY & SYSTEMS INC.
Corporate Auditor	Keisuke Yamanobe	Full-time Corporate Auditor, Mitsubishi Materials Corporation
Corporate Auditor	Manabu Uehara	General Manager of Corporate Planning Div., Nippon Steel & Sumitomo Metal Corporation Outside Corporate Auditor, NIPPON DENKO CO., LTD.

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

2. Directors Makoto Nakaoka, Masahiro Mitomi and Shiro Mokudai are Outside Directors.

3. Corporate Auditors Hitoshi Tanaka, Keisuke Yamanobe and Manabu Uehara are Outside Corporate Auditors.

4. Corporate Auditor Keisuke Yamanobe, who acquired experience in corporate accounting and finance over many years at Mitsubishi Materials Corporation and its corporate group, has considerable knowledge in finance and accounting.

5. Corporate Auditor Manabu Uehara, who acquired experience in corporate accounting and finance over many years at Nippon Steel & Sumitomo Metal Corporation, has considerable knowledge in finance and accounting.

6. The Company has appointed Director Masahiro Mitomi as an Independent Director and Corporate Auditor Hitoshi Tanaka as an Independent Corporate Auditor as provided for in the regulations of the Tokyo Stock Exchange and notified the Exchange to that effect.

7. 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 Corporate Auditors 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 for limitation of liability with Outside Directors Makoto Nakaoka, Masahiro Mitomi and Shiro Mokudai and Outside Corporate Auditors Hitoshi Tanaka, Keisuke Yamanobe and Manabu Uehara, respectively. The outline of the contract is as follows.
   - If Outside Directors and Outside Corporate Auditors have acted in good faith and without gross negligence in performing their duties, the liability for damages of the Outside Directors and Outside Corporate Auditors 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.

8. Directors and Corporate Auditors 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	Yoichi Tsuchiya	March 25, 2015	Resignation
Director Chairman & CEO, Mitsubishi Polycrystalline Silicon America Corp.	Hirotake Ohta	March 25, 2015	Resignation
Full-time Corporate Auditor	Hidemasa Hosaka	March 25, 2015	Resignation
Corporate Auditor Advisor, Nippon Steel & Sumitomo Metal Corporation	Kitaro Yoshida	March 25, 2015	Resignation

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

9. The Company adopts an executive officer system. The following is the list of executive officers as of December 31, 2015.

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.
* Senior Managing Executive Officer	Harumitsu Endo	General Manager of Sales & Marketing Div.
* Senior Managing Executive Officer	Hisashi Furuya	General Manager of Technology Div. Head of Information Systems
* Senior Managing Executive Officer	Kazuo Hiramoto	General Manager of Production Div. General Manager of Kyushu Factory
* Managing Executive Officer	Fumio Inoue	General Manager of Corporate Planning Dept., Corporate Strategy Div. In charge of Accounting & Budget Control Dept. and Finance Dept., Corporate Strategy Div.
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. General Manager of General Affairs Dept., JSQ Div.
Managing Executive Officer	Seiji Miyachi	Executive Vice President and Director of SUMCO TECHXIV CORPORATION
Executive Officer	Makoto Itoh	Deputy General Manager of Production Div. In charge of Saga Plant and Yonezawa Plant
Executive Officer	Jiro Ryuta	President of SUMCO Phoenix Corporation
Executive Officer	Takayuki Morikawa	In charge of General Affairs Dept., Personnel & Industrial Relations Dept. and Safety, Environment & Disaster Prevention Management Dept.
Executive Officer	Hiroshi Shibuya	General Manager of Public Relations & IR Dept.
Executive Officer	Hiroshi Shinyashiki	General Manager of Chitose Plant
Executive Officer	Toshihiro Awa	Deputy General Manager of Sales & Marketing Div. General Manager of International Sales & Marketing Dept. In charge of Domestic Sales & Marketing Dept.

Title	Name	Area(s) of responsibility
Executive Officer	Takashi Fukushima	Chief Executive Officer and Director of FORMOSA SUMCO TECHNOLOGY CORPORATION

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

(2) Remuneration and other payments to Directors and Corporate Auditors

Category	Number of persons paid	Amount paid
		thousands of yen
Directors	10	266,897
(Outside Directors (inclusive in the above))	(3)	(8,400)
Corporate Auditors	5	63,908
(Outside Corporate Auditors (inclusive in the above))	(2)	(7,200)
Total	15	330,805
(Outside Directors and Corporate Auditors (inclusive in the above))	(5)	(15,600)

(Notes) 1. The upper limit of the total remuneration for all 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 Corporate Auditors 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 and one (1) Corporate Auditor who resigned at the conclusion of the 16th Ordinary General Meeting of Shareholders that was held on March 25, 2015, while excluding one (1) Director and one (1) Corporate Auditor who both served without remuneration.

4. As of the end of the business year under review, there were nine (9) Directors and five (5) Corporate Auditors.

(3) Matters concerning Outside Directors and Corporate Auditors

1) Significant concurrent occupations or positions in 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.
		KYOEI STEEL Ltd.	Outside Corporate Auditor	–
Outside Director	Masahiro Mitomi	Value Create Inc.	Representative Director	–
Outside Director	Shiro Mokudai	Mitsubishi Materials Corporation	General Manager of Sales and R&D Strategy Dept., Electronic Materials & Components Company	Mitsubishi Materials Corporation is one of the major shareholders of the Company and the Company has a transactional relationship with Mitsubishi Materials Corporation and its group companies, which includes purchasing raw materials.
Outside Corporate Auditor	Hitoshi Tanaka	Attorney at law (Marunouchi Minami Law Office)	Representative	–
		TOKYO ENERGY & SYSTEMS INC.	Outside Director	–
Outside Corporate Auditor	Keisuke Yamanobe	Mitsubishi Materials Corporation	Full-time Corporate Auditor	Mitsubishi Materials Corporation is one of the major shareholders of the Company and the Company has a transactional relationship with Mitsubishi Materials Corporation and its group companies, which includes purchasing raw materials.
Outside Corporate Auditor	Manabu Uehara	Nippon Steel & Sumitomo Metal Corporation	General Manager of Corporate Planning Div.	Nippon Steel & Sumitomo Metal Corporation is one of the major shareholders of the Company.
		NIPPON DENKO CO., LTD.	Outside Corporate Auditor	–

2) Major activities during the business year under review

Category	Name	Status of major activities
Outside Director	Makoto Nakaoka	Having attended 15 of the 18 meetings of a 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	Masahiro Mitomi	Having attended all the18 meetings of a Board of Directors held in the business year under review, 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 Director	Shiro Mokudai	Having attended all the 14 meetings of a Board of Directors held since assuming his post on March 25, 2015, Shiro Mokudai speaks as a Director who possesses knowledge mainly on the Company's business and insight into general management.
Outside Corporate Auditor	Hitoshi Tanaka	Having attended all the18 meetings of a Board of Directors and all the 14 meetings of a Board of Corporate Auditors held in the business year under review, Hitoshi Tanaka speaks as a Corporate Auditor who possesses expert knowledge mainly on laws and regulations, which he has cultivated through working as an attorney at law.
Outside Corporate Auditor	Keisuke Yamanobe	Having attended 16 of the 18 meetings of a Board of Directors and 13 of the 14 meetings of a Board of Corporate Auditors held in the business year under review, Keisuke Yamanobe speaks as a Corporate Auditor who possesses knowledge mainly on the Company's business and finance and accounting.
Outside Corporate Auditor	Manabu Uehara	Having attended 13 of the 14 meetings of a Board of Directors and all the 10 meetings of a Board of Corporate Auditors held since assuming his post on March 25, 2015, Manabu Uehara speaks as a Corporate Auditor who possesses knowledge mainly on the Company's business and finance and accounting.

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	76
(2) Total amount of monies and other property benefits payable by the Company and its subsidiaries to the Accounting Auditors (including the above (1))	131

(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. A Board of Corporate Auditors agreed on the compensation, etc., of the Accounting Auditors, pursuant to Article 399, Paragraph 1 of the Companies Act after verifying and examining auditing methods, the contents of audits, etc., in consideration of "Practical Guidelines for Coordination with Accounting Auditors," publicized by the Japan Corporate Auditors Association.

3. 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 operations

The operations include the preparation of comfort letters in connection with public equity offering and third-party allotments.

(4) Policy for making decisions regarding the dismissal or non-reappointment of Accounting Auditors

A Board of Corporate Auditors shall decide the content of a proposal for dismissal or non-reappointment of the Accounting Auditor, which is to be submitted to a General Meeting of Shareholders, when it recognizes necessity for doing so, including a case in which performance of duties by the Accounting Auditor is hindered. When the Accounting Auditor falls under any of the items stipulated in Article 340, Paragraph 1 of the Companies Act, a Board of Corporate Auditors shall dismiss the Accounting Auditor based on the consent of all Corporate Auditors. In this case, a Corporate Auditor selected by a Board of Corporate Auditors shall report the dismissal of the Accounting Auditor and the reason for the dismissal at the first General Meeting of Shareholders to be held after the dismissal.

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

The Company has set out the "Basic Policy on Developing an Internal Control System" pursuant to the Companies Act, and made revisions to the Policy in consideration of the Amended Companies Act, which came into force on May 1, 2015. The contents of the Policy are as below.

(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, Corporate Auditors, 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) The Company shall establish a "Business Security Committee (BSC)", the organization that supervises overall risk management, 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 a 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 a Board of Directors and stipulate the authority of executive officers in internal regulations clarifying the responsibilities and authority of the same.

4) A 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 a 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. Respective subsidiaries are requested to periodically report on their compliance with their CHARTERs.

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 of them and in the SUMCO Group as a whole. In addition, respective subsidiaries are requested to report on violations of laws and regulations and Articles of Incorporation or a probability of such violations, or matters that can cause serious losses to them, besides the performance, financial conditions and other important management information, etc.

3) Respective subsidiaries are requested to formulate basic policies related to risk management and promote their response to risks. They are requested to report on the state of the implementation of risk management at the "Business Security Committee (BSC)." In addition, respective subsidiaries are requested to establish a communication route in case that a serious risk occurs.

4) The Company shall establish an internal hotline which is independent from the executive office of the Company to allow employees of the subsidiaries to directly report violations or alleged violations of laws and regulations or the Articles of Incorporation as well as suspicious activities, etc.

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

(6) System for employees requested by Corporate Auditors to assist their duties, matters regarding the independence of those employees from Directors, and matters relating to ensuring the effectiveness of instructions of Corporate Auditors to such employees

1) The Company shall establish the position of "Staff for Corporate Auditor" for employees assisting Corporate Auditors in their duties.

2) In order to ensure the independence of the staff for Corporate Auditors, prior approval of a Board of Corporate Auditors shall be required for personnel changes, and performance appraisals shall be conducted by a full-time Corporate Auditor.

3) The staff for Corporate Auditors shall follow only the instructions of Corporate Auditors when executing their duties.

(7) System for reporting to Corporate Auditors by Directors and employees and other systems for reporting to Corporate Auditors

1) Directors shall stipulate in internal regulations matters to be reported to Corporate Auditors, such as matters that significantly affect the management and results of the Company, and do so appropriately.

2) Subsidiaries shall establish a system for reporting in which Directors or employees of subsidiaries report to the department responsible for the management of subsidiaries and Corporate Auditors of the Company in case that a violation of laws and regulations and Articles of Incorporation or a probability of such a violation, or a matter that can cause a serious loss to subsidiaries occurs in subsidiaries. In addition, the department responsible for the management of subsidiaries that received reports from Directors or employees of the subsidiary shall report to Corporate Auditors.

3) Directors and employees of the Company, and Directors, Corporate Auditors and employees of subsidiaries may report to Corporate Auditors of the Company, if they recognize the necessity.

4) Corporate Auditors of the Company may directly seek reports from Directors and employees of the Company, and Directors, Corporate Auditors and employees of subsidiaries, when necessary.

5) The Company shall clearly stipulate in the regulations, etc. employees will not be subject to disadvantageous treatment for their reporting to Corporate Auditors.

(8) Matters relating to the procedure for advance payment or redemption of the cost incurred by the execution of duties by Corporate Auditors, and other policies for treating the costs or liabilities incurred by the execution of the said duties

When Corporate Auditors claim the advance payment of the costs incurred by the execution of their duties or its redemption and others, the Company shall respond to the said claim without delay.

(9) Other systems for ensuring effective audits by Corporate Auditors

1) Corporate Auditors and the President shall exchange opinions periodically or whenever necessary.

2) The Company shall proactively create opportunities for Corporate Auditors to attend meetings of a Board of Directors and other important meetings.

6. Overview of the State of the Operations of a System to Ensure Appropriate Corporate Actions

The outline of the state of the operations of a system to ensure appropriate corporate actions executed during the consolidated fiscal year under review is as below.

1) During the consolidated fiscal year under review, meetings of a Board of Directors were held 18 times, which determined matters stipulated by laws and regulations and other important matters regarding management including the formulation of the budget. Directors who serve as executive officers concurrently reported on the state of execution of duties regularly.

2) During the consolidated fiscal year under review, meetings of a Board of Corporate Auditors were held 14 times to discuss and determine audit policies and audit plans. Respective Corporate Auditors reported on the state of execution of duties and compliance with laws and regulations by Directors, which were understood through attending important internal meetings and auditing the state of duties and properties.

3) The Company established the "SUMCO CHARTER" as the supreme code of conduct to ensure the execution of duties by officers and employees complies with laws and regulations and Articles of Incorporation and fulfills social responsibilities. The Company educated officers and employees to familiarize them with the CHARTER, and confirmed the state of compliance in the corporate group including subsidiaries during the consolidated fiscal year under review.

4) The progress of risk management in the Company and subsidiaries was confirmed in the "Business Security Committee (BSC)," the organization that supervises all risk management.

5) Based on the disaster response manual, simulation trainings were held to confirm the communication system and the initial response system in case of a large natural disaster.

6) The Company revised the Rules of a Board of Directors in response to a revision of the Companies Act concerning the authority to determine the proposal for the election, dismissal, etc., of Accounting Auditors.

7) In line with the Amended Companies Act stipulating the enhancement of internal control in the corporate group and other matters, which came into force on May 1, 2015, the Company revised the "Basic Policy on Developing an Internal Control System" and the Company and subsidiaries revised related rules.

8) Seminars on the corporate governance code, etc., were held for Directors and Corporate Auditors.

Consolidated Balance Sheet

(As of December 31, 2015)

(Millions of yen)

Category	Amount	Category	Amount
(Assets)		**(Liabilities)**	
Current assets	**258,818**	**Current liabilities**	**111,550**
Cash and time deposits	41,913	Notes and accounts payable – trade	22,884
Notes and accounts receivable – trade	41,002	Short-term borrowings	70,235
Marketable securities	5,000	Current portion of long-term lease obligations	1,254
Finished products	16,158	Accrued income taxes	1,451
Work in process	13,229	Reserve for bonuses	1,231
Raw materials and supplies	134,224	Notes and accounts payable – construction	5,708
Deferred income tax assets	266		
Other	7,035	Other	8,785
Allowance for doubtful accounts	(11)		
		Long-term liabilities	**133,751**
Non-current assets	**231,024**	Long-term debt	105,988
Property, plant and equipment	**158,585**	Long-term lease obligations	2,887
Buildings and structures	82,800	Deferred income tax liabilities	1,800
Machinery, equipment and vehicles	49,362	Deferred income tax liabilities on revaluation reserve for land	1,413
Land	20,286	Net defined benefit liability	20,058
Construction in progress	5,077	Other	1,604
Other	1,057		
		Total liabilities	**245,301**
Intangible assets	**13,959**	**(Equity)**	
Goodwill	10,063	**Shareholders' equity**	**210,594**
Software	2,709	**Capital stock**	**138,718**
Other	1,186	**Capital surplus**	**23,384**
		Retained earnings	**48,502**
Investments and other assets	**58,479**	**Treasury stock**	**(11)**
Investment securities	81		
Long-term advance payments	47,370	**Accumulated other comprehensive income**	**1,088**
Long-term prepaid expenses	3,676	**Net unrealized gain on available-for-sale securities**	**0**
Deferred income tax assets	6,494	**Deferred loss on derivatives under hedge accounting**	**(0)**
Other	1,241	**Land revaluation surplus**	**2,816**
Allowance for doubtful accounts	(385)	**Foreign currency translation adjustments**	**1,753**
		Remeasurements of defined benefit plans	**(3,481)**
		Minority interests	**32,857**
		Total equity	**244,540**
Total assets	**489,842**	**Total liabilities and equity**	**489,842**

Consolidated Statement of Income

(From January 1, 2015 to December 31, 2015)

(Millions of yen)

Category	Amount	
Net sales		**236,826**
Cost of sales		**182,272**
Gross profit		**54,553**
Selling, general and administrative expenses		**25,106**
Operating income		**29,447**
Non-operating income		
Interest and dividend income	115	
Subsidy income	389	
Compensation income	131	
Other	316	952
Non-operating expenses		
Interest expense	3,297	
Other	1,564	4,861
Ordinary income		**25,538**
Extraordinary income		
Gain on sales of fixed assets	323	323
Extraordinary loss		
Impairment loss	2,043	2,043
Income before income taxes and minority interests		**23,818**
Income taxes – current	1,745	
Income taxes – deferred	(1,328)	416
Net income before minority interests		23,401
Minority interests		3,653
Net income		**19,747**

Non-consolidated Balance Sheet

(As of December 31, 2015)

(Millions of yen)

Category	Amount	Category	Amount
(Assets)		**(Liabilities)**	
Current assets	**214,950**	**Current liabilities**	**124,418**
Cash and time deposits	27,252	Accounts payable – trade	29,408
Accounts receivable – trade	41,750	Short-term borrowings	83,259
Marketable securities	5,000	Current portion of long-term lease obligations	1,226
Finished products	5,434		
Work in process	8,378	Accrued liabilities	3,597
Raw materials and supplies	116,405	Accrued expenses	560
Advance payments	2,710	Accounts payable – construction	4,642
Prepaid expenses	360	Advances received	483
Short-term loans	4,062	Other	1,239
Accounts receivable – other	2,184	**Long-term liabilities**	**118,995**
Other	1,415	Long-term debt	105,988
Allowance for doubtful accounts	(3)	Long-term lease obligations	2,794
Non-current assets	**217,618**	Deferred income tax liabilities	123
Property, plant and equipment	**99,280**	Deferred income tax liabilities on revaluation reserve for land	1,413
Buildings	61,106		
Structures	2,167	Liability for retirement benefits	8,152
Machinery	16,525	Asset retirement obligations	495
Motor vehicles and transport equipment	35	Other	27
Tools, appliances and furniture	351	**Total liabilities**	**243,413**
Land	15,322	**(Equity)**	
Lease assets	51	**Shareholders' equity**	**186,339**
Construction in progress	3,719	**Capital stock**	**138,718**
Intangible assets	**3,498**	**Capital surplus**	**23,384**
Software	2,388	Capital reserve	3,611
Other	1,109	Others	19,772
Investments and other assets	**114,839**	**Retained earnings**	**24,247**
Investment securities	3	Retained earnings reserve	801
Stocks of subsidiaries and affiliates	27,057	Other retained earnings	23,445
Investments in subsidiaries and affiliates	55	Retained earnings carried forward	23,445
		Treasury stock	**(11)**
Long-term loans receivable from subsidiaries and affiliates	38,474		
Long-term advance payments	45,639	**Variance of valuation/translation, etc.**	**2,815**
Long-term prepaid expenses	2,210	**Deferred loss on derivatives under hedge accounting**	**(0)**
Prepaid pension cost	380		
Other	1,214	**Land revaluation surplus**	**2,816**
Allowance for doubtful accounts	(196)		
		Total equity	**189,155**
Total assets	**432,569**	**Total liabilities and equity**	**432,569**

Non-consolidated Statement of Income

(From January 1, 2015 to December 31, 2015)

(Millions of yen)

Category	Amount	
Net sales		**187,395**
Cost of sales		**154,358**
Gross profit		**33,037**
Selling, general and administrative expenses		**17,895**
Operating income		**15,141**
Non-operating income		
Interest income	595	
Dividend income	109	
Subsidy income	369	
Other	401	1,476
Non-operating expenses		
Interest expense	3,333	
Loss on sales and retirement of non-current assets	145	
Stock issuance cost	470	
Other	683	4,633
Ordinary income		**11,984**
Extraordinary income		
Gain on sales of fixed assets	764	764
Extraordinary loss		
Impairment loss	881	881
Net income before taxes		**11,868**
Income taxes – current	432	
Income taxes – deferred	(12)	419
Net income		**11,448**

[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, 2016

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 and Notes to Consolidated Financial Statements of SUMCO CORPORATION ("the Company") for the fiscal year from January 1, 2015 to December 31, 2015.

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, 2015, 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, 2016

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 to Non-Consolidated Financial Statements, and their supporting schedules of SUMCO CORPORATION ("the Company") for the 17th business year from January 1, 2015 to December 31, 2015.

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, 2015 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 Board of Corporate Auditors>

AUDIT REPORT

Regarding the execution of duties by the Directors for the 17th business year from January 1, 2015 to December 31, 2015, a Board of Corporate Auditor hereby submits its audit report, which has been prepared through discussions based on the audit reports prepared by each Corporate Auditor.

1. Auditing Methods Employed by Corporate Auditors and a Board of Corporate Auditors and Details of Such Methods

A Board of Corporate Auditors established auditing policies, auditing plan, and other relevant matters, and received reports from each Corporate Auditor regarding his or her audits and results thereof, as well as received reports from Directors, other relevant personnel, and Accounting Auditors regarding performance of their duties, and sought explanations as necessary.

Each Corporate Auditor complied with the auditing standards of Corporate Auditors established by a Board of Corporate Auditors, followed the auditing policies, auditing plan, and other relevant matters, communicated with 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 conducted an audit by following the methods described below:

I. We participated in meetings of a Board of Directors and other important meetings, received reports from 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. With respect to subsidiaries, we communicated and exchanged information with Directors, Corporate Auditors, and other relevant personnel of the subsidiaries, and received business reports from the subsidiaries as necessary.

II. We periodically received reports from Directors, employees and other relevant personnel, sought explanations as necessary, and expressed our opinions regarding the contents of resolutions by a 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 the corporate group comprised of the stock company and its subsidiaries, 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).

III. 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 business report and its supporting schedules, Non-consolidated Financial Statements (Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Equity, Notes to Non-consolidated Financial Statements) and their supporting schedules, as well as the Consolidated Financial Statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Equity, Notes to Consolidated Financial Statements) 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 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 a 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, 2016

Board of Corporate Auditors, SUMCO CORPORATION

Full-time Corporate Auditor	Hiroshi Yoshikawa	(Seal)
Full-time Corporate Auditor	Hisashi Katahama	(Seal)
Outside Corporate Auditor	Hitoshi Tanaka	(Seal)
Outside Corporate Auditor	Keisuke Yamanobe	(Seal)
Outside Corporate Auditor	Manabu Uehara	(Seal)

Reference Documents for the General Meeting of Shareholders

Proposal 1: Dividends from Surplus

From the perspective of further improving returns to shareholders, having comprehensively taken into account the profit level in the relevant business year, the outlook for subsequent business years, financial requirements for capital investment, the status of internal reserves and other factors, 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 10 yen per share.

	Dividend per share	Total amount of dividends
Common shares	10 yen	2,932,787,730 yen

(3) Effective date for the payment of dividends from surplus:
March 30, 2016

Please be noted that the full-year dividends will be 20 yen including the interim dividend of 10 yen.

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

(1) Subject to the "Act for Partial Revision of the Companies Act" (Act No. 90 of 2014) (the "Amended Companies Act"), it becomes possible to transfer to a Company with Audit and Supervisory Committee. The Company intends to transfer to a Company with Audit and Supervisory Committee comprising a majority of Outside Directors for the purpose of further strengthening the auditing function of a Board of Directors. Therefore, we are to establish the provisions concerning an Audit and Supervisory Committee and Audit and Supervisory Committee Members, to delete the provisions concerning Corporate Auditors and a Board of Corporate Auditors and to revise the provisions concerning Directors and a Board of Directors, etc., for the purpose of such transition.

(2) In order to further improve the efficiency of the execution of operations amid the increasingly globalized business environment, we are to delete or otherwise deal with the provisions concerning Directors with Titles.

(3) Subject to the Amended Companies Act, the scope of Corporate Officers who can enter into contracts for limitation of liability has been revised, following which, we are to amend a part of the provisions to enable the Company to enter into contracts for limitation of liability with Directors who do not execute operations so that such Directors can fulfill their expected roles. Please be noted that each of Corporate Auditor have consented to the amendments to the Articles of Incorporation pertaining to contracts for limitation of liability.

(4) We are to amend or otherwise deal with the provisions concerning the dividends from surplus, etc., so that dividends from surplus, etc. may be made by a resolution of a Board of Directors in order to implement our capital policies and dividend policies flexibly.

(5) According to the exercise of put options in Class A Shares, the consideration for which is cash and Class B Shares, by Nippon Steel & Sumitomo Metal Corporation, Mitsubishi Materials

Corporation, and Japan Industrial Solutions Fund I, the acquisition of Class A Shares by the Company has been completed, and the acquisition of Class B Shares and the cancellation of Class A Shares and Class B Shares by the Company have been completed. Accordingly, we are to delete the provisions concerning such class shares.

(6) Other than the above, we are to make the necessary amendments including the amendments of the number of articles in accordance with the foregoing amendments. Please be noted that effectiveness of the amendments proposed in this Proposal shall be effective upon the closing of this Ordinary General Meeting of Shareholders.

2. Details of the amendments

The details of the amendments are as follows:

(Underlining denotes change)

Current Text	Proposed Text
Article 4. (Corporate Organization) The Company shall, in addition to a General Meeting of Shareholders and Directors, have a Board of Directors, Corporate Auditors, a Board of Corporate Auditors and Accounting Auditors.	Article 4. (Corporate Organization) The Company shall, in addition to a General Meeting of Shareholders and Directors, have a Board of Directors, an Audit and Supervisory Committee and Accounting Auditors.
Article 5. (Provision omitted)	Article 5. (Unchanged)
Chapter 2. Shares	Chapter 2. Shares
Article 6. (Total number of authorized shares) The total number of shares authorized to be issued by the Company shall be 804,000,000 shares, and the total numbers of shares of each class authorized to be issued by the Company shall be 803,999,100 common shares, 450 Class A Shares, and 450 Class B Shares.	Article 6. (Total number of authorized shares) The total number of shares authorized to be issued by the Company shall be 804,000,000 shares.
Article 7. (Number of shares constituting one share unit) The number of shares constituting one share unit of the Company shall be one hundred (100) for common shares, one (1) for Class A Shares, and one (1) for Class B Shares.	Article 7. (Number of shares constituting one share unit) The number of shares constituting one share unit of the Company shall be one hundred (100).
Article 8. to Article 10. (Provisions omitted)	Article 8. to Article 10. (Unchanged)
Chapter 2-2. Class A Shares	(Deleted)
Article 10-2. (Class A Shares) The details of the Class A Shares issued by the Company shall be as follows.	(Deleted)
1. Dividends from surplus	(Deleted)
(1) Class A Year-End Dividend If the Company is to pay a yearend dividend from surplus, it shall pay the dividend to shareholders who hold Class A Shares and registered pledgees of the Class A Shares entered or recorded in the final shareholder registry as at the record date pertaining to the dividend from surplus (such shareholders, the "Class A Shareholders"; the Class A Shareholders and such pledgees collectively, the	

Current Text	Proposed Text
"Class A Shareholders, Etc.") before paying any dividend to shareholders who hold common shares (in this chapter, the "Common Shareholders"), registered pledgees of common shares (together with the Common Shareholders, in this chapter, the "Common Shareholders, Etc."), and shareholders who hold Class B Shares and registered pledgees of Class B Shares (collectively, in this chapter, the "Class B Shareholders, Etc.") in the cash amount for each Class A Share held calculated by multiplying the amount equal to the amount to be paid in for each Class A Share (however, if the Class A Shares have been subject to a share split, gratis allotment, share consolidation, or any other similar event, that amount is to be appropriately adjusted) by the annual dividend rate provided for in Item (2) below (the "Preferred Annual Dividend Rate"; the amount to be so paid, the "Class A Year-End Dividend"). Any fraction of a yen that arises in the amount calculated by multiplying the Class A Year-End Dividend by the number of Class A Shares held by a Class A Shareholder, Etc., is to be disregarded. (2) Preferred Annual Dividend Rate The Preferred Annual Dividend Rate shall be 2.50%. (3) Nonparticipation clause Dividends from surplus exceeding the amount of Class A Year-End Dividend shall not be paid to Class A Shareholders, Etc. (4) Accumulation clause If in a business year the amount of dividends from surplus paid to Class A Shareholders, Etc., does not reach the amount of the Class A Year-End Dividend, the amount of the shortfall shall be carried over into subsequent business years. The Company shall pay the shortfall amounts so accumulated (the accumulated unpaid dividend per share, the "Amount Equal to Class A Accumulated Unpaid Dividends") to Class A Shareholders, Etc., in the next or subsequent business years before paying any Class A Year-End Dividend or dividend from surplus to Common Shareholders, Etc., and Class B Shareholders, Etc.	
2. Distribution of residual assets	(Deleted)
(1) Distribution of residual assets If the Company is to distribute residual assets, it shall pay, for each Class A Share, the cash amount calculated by adding the Amount Equal to Class A Accumulated Unpaid Dividends and	

Current Text	Proposed Text
the Amount Equal to Accrued Class A Dividends provided for in Item (3) below to the amount equal to the amount to be paid in for each Class A Share (however, if the Class A Shares have been subject to a share split, gratis allotment, share consolidation, or any other similar event, the amount equal to the amount to be paid in for each Class A Share is to be adjusted to a value that the Company judges appropriate) (the "Class A Residual Assets Distribution Amount") to Class A Shareholders, Etc. before Common Shareholders, Etc. and Class B Shareholders, Etc. Any fraction of a yen that arises in the amount calculated by multiplying the Class A Residual Assets Distribution Amount by the number of Class A Shares held by a Class A Shareholder is to be disregarded. (2) Nonparticipation clause No distribution of residual assets shall be made to Class A Shareholders, Etc. other than as provided for in Item (1) above. (3) Amount Equal to Accrued Class A Dividends The Amount Equal to Accrued Class A Dividends for each Class A Share means the amount, as at the day when the residual assets are distributed (the "Distribution Date"), calculated by multiplying the amount of the Class A Year-End Dividend by the number of days in the period from the first day (inclusive) of the business year of the Distribution Date to the Distribution Date (inclusive) and then dividing that product by 365.	
3. Voting rights Class A Shareholders do not have voting rights at General Meetings of Shareholders.	(Deleted)
4. Put option the consideration for which is common shares (1) Stock-consideration put option Each Class A Shareholder is entitled to request the Company any date on or after May 11, 2015 (the "Put Option Exercise Period Start Date") to acquire, in accordance with laws and regulations, all or some of the Class A Shares held by the Class A Shareholder in exchange for delivery of the number of common shares provided for in Item (2) below (the "Common Shares Subject to Acquisition"; such request, in this paragraph, the "Stock-Consideration Acquisition Request"). If a Stock- Consideration Acquisition Request is made, the Company shall deliver to the requesting Class A Shareholder	(Deleted)

Current Text	Proposed Text
the Common Shares Subject to Acquisition to the extent permissible under laws and regulations in exchange for the Company's acquiring the Class A Shares subject to the Stock-Consideration Acquisition Request. (2) Number of common shares to be delivered in exchange for acquiring the Class A Shares The number of common shares to be delivered in exchange for the Company's acquiring the Class A Shares shall be the number calculated by multiplying the number of Class A Shares subject to the Stock-Consideration Acquisition Request by the aggregate of the amount equal to the amount to be paid in (however, if the Class A Shares have been subject to a share split, gratis allotment, share consolidation, or any other similar event, that amount is to be adjusted to a value that the Company judges appropriate), the Amount Equal to Class A Accumulated Unpaid Dividends and the Amount Equal to Accrued Class A Dividends, and then dividing that product by the acquisition price provided for in Items (3) through (5) below. In this Item (2), the Amount Equal to Accrued Class A Dividends is to be calculated by reading both "day when the residual assets are distributed" and "Distribution Date" in the calculation of the Amount Equal to Accrued Class A Dividends provided for in 2. (3) above as "day when the Stock- Consideration Acquisition Request took effect" (the "Stock-Consideration Acquisition Request Date"). Any fraction of a share that arises in the total number of common shares to be delivered in exchange for the Company's acquiring the Class A Shares subject to the Stock-Consideration Acquisition Request is to be disregarded, and if such a case occurs, there shall be no payment of money as provided for in Article 167, Paragraph 3 of the Companies Act. (3) Initial acquisition price The acquisition price shall initially be the average VWAP (calculated to the second decimal place and then rounded to the first decimal place) of the Company's common shares in regular trading published by the Tokyo Stock Exchange, Inc. ("TSE") over the period of twenty (20) consecutive Trading Days preceding the Put Option Exercise Period Start Date (in this Item (3), the "Initial Acquisition Price Calculation Period") (in this paragraph, such average price, the "Initial Acquisition Price"). However, if the Initial Acquisition Price falls below the Minimum Acquisition Price provided	

Current Text	Proposed Text
for in Item (4) below, then the Initial Acquisition Price shall be the Minimum Acquisition Price. If during the Initial Acquisition Price Calculation Period an event provided for in Item (5) below occurs, then the average VWAP above shall be adjusted to a value that the Company judges appropriate in accordance with Item (5) below. "Trading Day" means a day on which regular trade in the Company's common shares is conducted on the TSE, and it does not include days where there is no VWAP (the same applies below). (4) Revising the acquisition price On and after the Put Option Exercise Period Start Date, the acquisition price shall be revised to an amount equal to the Market Price on the Stock-Consideration Acquisition Request Date (defined below) (such acquisition price so revised, in this Item (4), the "Revised Acquisition Price"). However, if the Revised Acquisition Price falls below 700 yen (in this paragraph, the "Minimum Acquisition Price"), then the Revised Acquisition Price shall be the Minimum Acquisition Price. "Market Price on the Stock-Consideration Acquisition Request Date" means the average VWAP (calculated to the second decimal place and then rounded to the first decimal place) of the Company's common shares in regular trading published by the TSE over the period of twenty (20) consecutive Trading Days preceding a Stock-Consideration Acquisition Request Date (in this Item (4), the "Acquisition Price Calculation Period"). If during the Acquisition Price Calculation Period an event provided for in Item (5) below occurs, then the average VWAP above shall be adjusted to a value that the Company judges appropriate in accordance with Item (5) below. (5) Adjustment of acquisition price (i) If the common shares of the Company are subject to a share split or gratis allotment, (ii) if the common shares of the Company are subject to a share consolidation, (iii) if the Company issues common shares, or disposes of common shares held by the Company, (iv) if the Company issues or disposes of shares that, by causing the Company to acquire or by being acquired by the Company, entitle their holder to receive delivery of common shares, (v) if the Company issues share acquisition rights that, by being exercised or by being acquired by the	

Current Text	Proposed Text
Company, entitle their holder to receive delivery of common shares, (vi) if adjustment to the acquisition price becomes necessary because of a merger; share exchange; acquisition of all issued shares of another company through a share exchange; share transfer; absorption-type split; succession to all or some of the rights and obligations held by another company in relation to that company's business through an absorption-type split; or incorporation-type split, (vii) if two or more events necessitating an adjustment to the acquisition price occur in connection with each other and in calculating the acquisition price after adjustment because of one of the events, and it becomes necessary to consider the effect of the other event on the market price that ought to be used in that calculation, or (viii) if it otherwise becomes necessary to adjust the acquisition price because of the occurrence of an event that changes or has the possibility of changing the number of issued common shares (however, this shall be limited to certain cases determined by resolution of a Board of Directors on the issuance of Class A Shares for any of the items from (i) through (viii)), the acquisition price (which includes the Minimum Acquisition Price) shall be adjusted by a calculation method determined by resolution of a Board of Directors on the issuance of Class A Shares. (6) Condition for exercising the put options If the acquisition price is revised in accordance with Item (4) above during the six-month period before the Stock-Consideration Acquisition Request Date, then that Stock-Consideration Acquisition Request shall not be permitted. 5. Put option the consideration for which is cash and Class B Shares (1) Cash-and-stock-consideration put option Each Class A Shareholder is entitled to request the Company any date on or after the Put Option Exercise Period Start Date to acquire, in accordance with laws and regulations, all or some of the Class A Shares held by the Class A Shareholder in exchange for a cash payment and Class B Shares (that request, the "Cash-and-Stock-Consideration Acquisition Request"), and if a Cash-and-Stock-Consideration Acquisition Request is made, the Company shall, to the extent permissible under laws and regulations, deliver to the requesting Class A Shareholder (i) the amount calculated by multiplying the number of Class A Shares subject to the Cash-	(Deleted)

Current Text	Proposed Text
and-Stock- Consideration Acquisition Request by the aggregate of the amount equal to the amount to be paid in (however, if the Class A Shares have been subject to a share split, gratis allotment, share consolidation, or any other similar event, that amount is to be adjusted to a value that the Company judges appropriate), the Amount Equal to Class A Accumulated Unpaid Dividends, and the Amount Equal to Accrued Class A Dividends and (ii) the number of Class B Shares provided for in Item (2) below in exchange for the Company's acquiring the Class A Shares subject to the Cash-and-Stock-Consideration Acquisition Request by the Class A Shareholder. In this Item (1), the Amount Equal to Accrued Class A Dividends is to be calculated by reading both "day when the residual assets are distributed" and "Distribution Date" in the calculation of the Amount Equal to Accrued Class A Dividends provided for in 2. (3) above as "day when the Cash-and-Stock-Consideration Acquisition Request took effect" (the "Cash-and-Stock-Consideration Acquisition Request Date"). However, if the cash payment to be made in exchange for acquiring the Class A Shares subject to the Cash-and-Stock-Consideration Acquisition Request might exceed the distributable amount (which means the amount provided for in Article 461, Paragraph 2 of the Companies Act the same applies below) on the Cash-and-Stock-Consideration Acquisition Request Date, then the Company shall acquire a prorated number of the Class A Shares subject to the Cash-and-Stock-Consideration Acquisition Request or shall acquire some of the Class A Shares subject to the Cash-and-Stock-Consideration Acquisition Request in accordance with another method determined by the Company's Board of Directors, and the Class A Shares that are not so acquired shall be deemed not to have been subject to the Cash-and-Stock-Consideration Acquisition Request. (2) Number of Class B Shares to be delivered in exchange for acquiring the Class A Shares The number of Class B Shares to be delivered in exchange for the Company's acquiring the Class A Shares shall be the number calculated by multiplying the number of Class A Shares subject to the Cash-and-Stock- Consideration Acquisition Request by 1.0. Any fraction of a share that arises in the total number of Class B Shares to be delivered in exchange for the Company's acquiring the Class A Shares subject	

Current Text	Proposed Text
to the Cash-and-Stock-Consideration Acquisition Request is to be disregarded, and if such a case occurs, there shall be no payment of money as provided for in Article 167, Paragraph 3 of the Companies Act.	
6. Call option the consideration for which is cash At any date on and after May 11, 2016, the Company may, by giving public notice at least sixty (60) Trading Days in advance of the Compulsory Redemption Date (defined below), acquire in accordance with laws and regulations all or some of the Class A Shares to the extent permissible under laws and regulations on the coming of the day to be separately determined by the Company's Board of Directors (in this paragraph, the "Compulsory Redemption Date"), and if it is to do so, then for each Class A Share the Company shall in exchange for acquiring the Class A Shares pay the cash amount calculated by adding the Amount Equal to Class A Accumulated Unpaid Dividends and the Amount Equal to Accrued Class A Dividends to the cash amount equal to the amount to be paid in for each Class A Share (however, if the Class A Shares have been subject to a share split, gratis allotment, share consolidation, or any other similar event, the amount equal to the amount to be paid in for each Class A Share is to be adjusted to a value that the Company judges appropriate). However, if the Company is to acquire only some of the Class A Shares, the Company's Board of Directors shall determine the Class A Shares to be acquired using a pro-rata method. In this paragraph, the Amount Equal to Accrued Class A Dividends is to be calculated by reading both "day when the residual assets are distributed" and "Distribution Date" in the calculation of the Amount Equal to Accrued Class A Dividends provided for in 2. (3) above as "Compulsory Redemption Date."	(Deleted)
7. Restrictions on assignment Any acquisition of Class A Shares by assignment requires the approval of the Company's Board of Directors.	(Deleted)
Chapter 2-3. Class B Shares	(Deleted)
Article 10-3. (Class B Shares) The details of the Class B Shares issued by the Company shall be as follows.	(Deleted)
1. Dividends from surplus	(Deleted)
(1) Class B Year-End Dividend If the Company is to pay a yearend dividend	

Current Text	Proposed Text
from surplus, it shall pay the dividend to shareholders who hold Class B Shares and registered pledgees of the Class B Shares entered or recorded in the final shareholder registry as at the record date pertaining to the dividend from surplus (such shareholders, in this chapter, the "Class B Shareholders"; the Class B Shareholders and such pledgees collectively, in this chapter, the "Class B Shareholders, Etc."; such record date, the "Class B Year-End Dividend Record Date") at the same priority as shareholders who hold common shares (in this chapter, the "Common Shareholders") and registered pledgees of common shares (together with the Common Shareholders, in this chapter, the "Common Shareholders, Etc.") in the cash amount for each Class B Share held calculated by multiplying the Class B Residual Assets Distribution Amount provided for in 2. (1) below (however, if the Class A Shares or the Class B Shares have been subject to a share split, gratis allotment, share consolidation, or any other similar event, that amount is to be appropriately adjusted) by the annual dividend rate provided for in Item (2) below (the "Class B Annual Dividend Rate"; the amount to be so paid, the "Class B Year-End Dividend"). Any fraction of a yen that arises in the amount calculated by multiplying the Class B Year-End Dividend by the number of Class B Shares held by a Class B Shareholder, Etc., is to be disregarded. (2) Class B Annual Dividend Rate The Class B Annual Dividend Rate shall be the rate calculated by taking a day in the business year in which the Class B Year-End Dividend Record Date falls as the record date and dividing the total amount of the dividend from surplus per common share to be paid on each common share by the average VWAP (calculated to the second decimal place and then rounded to the first decimal place) of the Company's common shares in regular trading published by the TSE over the period of twenty (20) consecutive Trading Days preceding the day (inclusive) that is three (3) Trading Days before the Class B Year-End Dividend Record Date (in this Item (2), the "Class B Annual Dividend Rate Calculation Period"). If during the Class B Annual Dividend Rate Calculation Period an event provided for in 4. (5) below occurs, then the average VWAP above shall be adjusted to a value that the Company judges appropriate in accordance with 4. (5) below.	

Current Text	Proposed Text
(3) Nonparticipation clause Dividends from surplus exceeding the amount of Class B Year-End Dividend shall not be paid to Class B Shareholders, Etc. (4) Nonaccumulation clause If in a business year the amount of dividends from surplus paid to Class B Shareholders, Etc., does not reach the amount of the Class B Year-End Dividend, the amount of the shortfall shall not be carried over into subsequent business years.	
2. Distribution of residual assets	(Deleted)
(1) Distribution of residual assets If the Company is to distribute residual assets, it shall pay 20,000,000 yen for each Class B Share (however, if the Class A Shares or the Class B Shares have been subject to a share split, gratis allotment, share consolidation, or any other similar event, that amount is to be adjusted to a value that the Company judges appropriate) (the "Class B Residual Assets Distribution Amount") to Class B Shareholders, Etc., at the same priority as Common Shareholders, Etc. Any fraction of a yen that arises in the amount calculated by multiplying the Class B Residual Assets Distribution Amount by the number of Class B Shares held by a Class B Shareholder, Etc., is to be disregarded. (2) Nonparticipation clause No distribution of residual assets shall be made to Class B Shareholders, Etc. other than as provided for in Item (1) above.	
3. Voting rights Class B Shareholders do not have voting rights at General Meetings of Shareholders.	(Deleted)
4. Put option the consideration for which is common shares	(Deleted)
(1) Stock-consideration put option Each Class B Shareholder is entitled to request the Company any date to acquire, in accordance with laws and regulations, all or some of the Class B Shares held by the Class B Shareholder in exchange for delivery of the number of common shares provided for in Item (2) below (the "Common Shares Subject to Acquisition"; such request, in this paragraph, the "Stock-Consideration Acquisition Request"). If a Stock-Consideration Acquisition Request is made, the Company shall deliver to the requesting Class B Shareholder the Common Shares Subject to Acquisition to the extent permissible under laws	

Current Text	Proposed Text
and regulations in exchange for the Company's acquiring the Class B Shares subject to the Stock-Consideration Acquisition Request. (2) Number of common shares to be delivered in exchange for acquiring the Class B Shares The number of common shares to be delivered in exchange for the Company's acquiring the Class B Shares shall be the number calculated by multiplying the number of Class B Shares subject to the Stock-Consideration Acquisition Request by the Class B Residual Assets Distribution Amount (however, if the Class A Shares or the Class B Shares have been subject to a share split, gratis allotment, share consolidation, or any other similar event, that amount is to be adjusted to a value that the Company judges appropriate) and then dividing that product by the acquisition price provided for in Items (3) through (5) below. Any fraction of a share that arises in the total number of common shares to be delivered in exchange for the Company's acquiring the Class B Shares subject to the Stock-Consideration Acquisition Request is to be disregarded, and if such a case occurs, there shall be no payment of money as provided for in Article 167, Paragraph 3 of the Companies Act. (3) Initial acquisition price The acquisition price shall initially be the average VWAP (calculated to the second decimal place and then rounded to the first decimal place) of the Company's common shares in regular trading published by the TSE over the period of twelve (12) consecutive Trading Days preceding May 11, 2012 (in this Item (3), the "Initial Acquisition Price Calculation Period") (in this paragraph, such average price, the "Initial Acquisition Price"). However, if the Initial Acquisition Price falls below the Minimum Acquisition Price provided for in Item (4) below, then the Initial Acquisition Price shall be the Minimum Acquisition Price. If during the Initial Acquisition Price Calculation Period an event provided for in Item (5) below occurs, then the average VWAP above shall be adjusted to a value that the Company judges appropriate in accordance with Item (5) below. (4) Revising the acquisition price On and after the Class B Shares issuance date, the acquisition price shall be revised to an amount equal to the Market Price on the Stock-Consideration Acquisition Request Date	

Current Text	Proposed Text
(defined below) (in this Item (4), such acquisition price so revised, the "Revised Acquisition Price"). However, if the Revised Acquisition Price falls below 200 yen (in this paragraph, the "Minimum Acquisition Price"), then the Revised Acquisition Price shall be the Minimum Acquisition Price. "Market Price on the Stock-Consideration Acquisition Request Date" means the average VWAP (calculated to the second decimal place and then rounded to the first decimal place) of the Company's common shares in regular trading published by the TSE over the period of twelve (12) consecutive Trading Days preceding a Stock-Consideration Acquisition Request Date (in this Item (4), the "Acquisition Price Calculation Period"). If during the Acquisition Price Calculation Period an event provided for in Item (5) below occurs, then the average VWAP above shall be adjusted to a value that the Company judges appropriate in accordance with Item (5) below. (5) Adjustment of acquisition price (i) If the common shares of the Company are subject to a share split or gratis allotment, (ii) if the common shares of the Company are subject to a share consolidation, (iii) if the Company issues common shares, or disposes of common shares held by the Company, (iv) if the Company issues or disposes of shares that, by causing the Company to acquire or by being acquired by the Company, entitle their holder to receive delivery of common shares, (v) if the Company issues share acquisition rights that, by being exercised or by being acquired by the Company, entitle their holder to receive delivery of common shares, (vi) if adjustment to the acquisition price becomes necessary because of a merger; share exchange; acquisition of all issued shares of another company through a share exchange; share transfer; absorption-type split; succession to all or some of the rights and obligations held by another company in relation to that company's business through an absorption-type split; or incorporation-type split, (vii) if two or more events necessitating an adjustment to the acquisition price occur in connection with each other and in calculating the acquisition price after adjustment because of one of the events, and it becomes necessary to consider the effect of the other event on the market price that ought to be used in that calculation, or (viii) if it otherwise becomes necessary to adjust the acquisition price because	

Current Text	Proposed Text
of the occurrence of an event that changes or has the possibility of changing the number of issued common shares (however, this shall be limited to certain cases determined by resolution of a Board of Directors on the issuance of Class B Shares for any of the items from (i) through (viii)), the acquisition price shall be adjusted by a calculation method determined by resolution of a Board of Directors on the issuance of Class B Shares. However, if an event provided for in this Item (5) occurs on or after May 11, 2012, the Minimum Acquisition Price shall be adjusted.	
(6) Condition for exercising the put options If the acquisition price is revised in accordance with Item (4) above during the six-month period before the Stock-Consideration Acquisition Request Date, then that Stock-Consideration Acquisition Request shall not be permitted.	
5. Call option the consideration for which is cash At any date on and after May 11, 2016, the Company may, by giving public notice at least sixty (60) Trading Days in advance of the Compulsory Redemption Date (defined below), acquire in accordance with laws and regulations all or some of the Class B Shares to the extent permissible under laws and regulations on the coming of the day to be separately determined by the Company's Board of Directors (in this paragraph, the "Compulsory Redemption Date"), and if it is to do so, then for each Class B Share the Company shall in exchange for acquiring the Class B Shares pay the Class B Residual Assets Distribution Amount for each Class B Share (however, if the Class A Shares or the Class B Shares have been subject to a share split, gratis allotment, share consolidation, or any other similar event, that amount is to be adjusted to a value that the Company judges appropriate). However, if a partial acquisition is to be made, then the number of Class B Shares to be acquired shall be determined by the Company's Board of Directors.	(Deleted)
6. Restrictions on assignment Any acquisition of Class B Shares by assignment requires the approval of the Company's Board of Directors.	(Deleted)
Chapter 3. General Meeting of Shareholders	Chapter 3. General Meeting of Shareholders
Article 11. to Article 12. (Provisions omitted)	Article 11. to Article 12. (Unchanged)
Article 13. (Person Authorized to Convene	Article 13. (Person Authorized to Convene

Current Text	Proposed Text
Meetings and Chairperson)	Meetings and Chairperson)
1. Except as otherwise provided by laws, General Meetings of Shareholders shall be convened and presided over by the President in accordance with a resolution of a Board of Directors.	1. Except as otherwise provided by laws, General Meetings of Shareholders shall be convened and presided over by Representative Director prescribed in advance by a Board of Directors in accordance with a resolution of a Board of Directors.
2. Should the President fail or be unable to convene or preside over any General Meeting of Shareholders, one of the other Directors shall act in his/her place in accordance with the order determined in advance by a Board of Directors.	2. Should such Representative Director fail or be unable to convene or preside over any General Meeting of Shareholders, one of the other Directors shall act in his/her place in accordance with the order determined in advance by a Board of Directors.
Article 14. to Article 16. (Provisions omitted)	Article 14. to Article 16. (Unchanged)
Article 16-2. (General Meeting of Class Shareholders)	(Deleted)
1. The provisions of Articles 13, 14 and 16 hereof shall apply *mutatis mutandis* to the General Meeting of Class Shareholders.	
2. The provisions of Article 15, Paragraph 1 hereof shall apply *mutatis mutandis* to resolutions of the General Meeting of Class Shareholders to be made pursuant to the provisions of Article 324, Paragraph 1 of the Companies Act.	
3. The provisions of Article 15, Paragraph 2 hereof shall apply *mutatis mutandis* to resolutions of the General Meeting of Class Shareholders to be made pursuant to the provisions of Article 324, Paragraph 2 of the Companies Act.	
Chapter 4. Directors and Board of Directors	Chapter 4. Directors and Board of Directors
Article 17. (Number of Directors)	Article 17. (Number of Directors)
The Company shall have not more than fourteen (14) Directors.	1. The Company shall have not more than fourteen (14) Directors (excluding Directors who are Audit and Supervisory Committee Members).
(Newly added)	2. The Company shall have not more than six (6) Directors who are Audit and Supervisory Committee Members
Article 18. (Election)	Article 18. (Election)
1. (Provisions omitted)	1. (Unchanged)
(Newly added)	2. In relation to the election of Directors under the provisions in the preceding paragraph, the election of Directors (excluding Directors who are Audit and Supervisory Committee Members) and that of Directors who are Audit and Supervisory Committee Member shall be made separately.

Current Text	Proposed Text
2. No cumulative voting shall be used for the election of Directors.	3. No cumulative voting shall be used for the election of Directors.
Article 19. (Term of Office)	Article 19. (Term of Office)
1. The term of office of a Director shall expire upon the closing of the Ordinary General Meeting of Shareholders for the last business year ending within two (2) years after his/her election.	1. The term of office of a Director (excluding Director who is an Audit and Supervisory Committee Member) shall expire upon the closing of the Ordinary General Meeting of Shareholders for the last business year ending within one (1) year after his/her election.
2. The term of office of a Director elected to fill a vacancy or to increase the number of Directors shall expire when the term of office of the other Directors then in office expires.	2. The term of office of a Director (excluding Director who is an Audit and Supervisory Committee Member) elected to fill a vacancy or to increase the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall expire when the term of office of the other Directors then in office (excluding Directors who are Audit and Supervisory Committee Members) expires.
(Newly added)	3. The term of office of a Director who is an Audit and Supervisory Committee Member shall expire upon the closing of the Ordinary General Meeting of Shareholders for the last business year ending within two (2) years after his/her election.
(Newly added)	4. The term of office of a Director who is an Audit and Supervisory Committee Member elected to fill a vacancy of a Director who was an Audit and Supervisory Committee Member and retired from office before the expiration of his/her term of office shall expire when the original term of a Director who was an Audit and Supervisory Committee Member and retired from office should expire.

Current Text	Proposed Text
Article 20. (Directors with Titles and Representative Directors)	Article 20. (Representative Directors)
1. A Board of Directors shall, by its resolution, appoint one (1) President.	(Deleted)
2. A Board of Directors shall appoint one (1) or more Representative Director(s) from among Directors.	A Board of Directors shall appoint one (1) or more Representative Director(s) from among Directors (excluding Directors who are Audit and Supervisory Committee Members).
Article 21. (Convocation of Meetings of a Board of Directors)	Article 21. (Convocation of Meetings of a Board of Directors)
1. Except as otherwise provided by laws, Meetings of a Board of Directors shall be convened and presided over by the President.	1. Except as otherwise provided by laws, Meetings of a Board of Directors shall be convened and presided over by Director prescribed in advance by a Board of Directors.
2. Should the President fail or be unable to convene or preside over any meetings of a Board of Directors, one of the other Directors shall act in his/her place in accordance with the order determined in advance by a Board of Directors.	2. Should such Director fail or be unable to convene or preside over any meetings of a Board of Directors, one of the other Directors shall act in his/her place in accordance with the order determined in advance by a Board of Directors.
3. Notice of convocation of a Meeting of a Board of Directors shall be dispatched to each Director and each Corporate Auditor at least four (4) days prior to the date of such meeting; provided, however, that in the case of an emergency, such notice period may be shortened.	3. Notice of convocation of a Meeting of a Board of Directors shall be dispatched to each Director at least four (4) days prior to the date of such meeting; provided, however, that in the case of an emergency, such notice period may be shortened.
Article 22. (Provision omitted)	Article 22. (Unchanged)
Article 23. (Deemed Resolutions of a Board of Directors) In the case that a Director submits a proposal with respect to matters to be resolved by a Board of Directors, a resolution of a Board of Directors to approve such proposal shall be deemed to be adopted if all Directors who are entitled to vote express their consent to such proposal, in writing or digitally, unless any Corporate Auditor expresses any objection.	Article 23. (Deemed Resolutions of a Board of Directors) In the case that a Director submits a proposal with respect to matters to be resolved by a Board of Directors, a resolution of a Board of Directors to approve such proposal shall be deemed to be adopted if all Directors who are entitled to vote express their consent to such proposal, in writing or digitally.
(Newly added)	Article 24. (Rules of a Board of Directors) Any matters concerning a Board of Directors shall be governed by, in addition to laws and the Articles of Incorporation, the Rules of a Board of Directors set out by a Board of Directors.
Article 24. (Remuneration, etc.) Remuneration, bonuses and other financial benefits given by the Company in consideration of the performance of duties (the "Remuneration, etc."; hereinafter the same being applicable) to Directors shall be determined at a General Meeting of	Article 25. (Remuneration, etc.) Remuneration, bonuses and other financial benefits given by the Company in consideration of the performance of duties (the "Remuneration, etc."; hereinafter the same being applicable) to Directors shall be determined at a General Meeting of

Current Text	Proposed Text
Shareholders.	Shareholders; provided, however, that the Remuneration, etc. of Directors (excluding Directors who are Audit and Supervisory Committee Members) and the Remuneration, etc. of Directors who are Audit and Supervisory Committee Members shall be determined separately by resolutions of a General Meeting of Shareholders.
(Newly added)	Article 26. (Contracts for limitation of liability) Subject to the provision of Article 427, Paragraph 1 of the Companies Act, the Company may enter into contracts with Directors (excluding those who are Executive Directors, etc.) to limit the amount in relation to the liability under Article 423, Paragraph 1 of the said Act to the amount specified by laws.
Chapter 5. Corporate Auditors and Board of Corporate Auditors	Chapter 5. Audit and Supervisory Committee
(Newly added)	Article 27. (Full-time Audit and Supervisory Committee Members) An Audit and Supervisory Committee may appoint full-time Audit and Supervisory Committee Members by its resolution.
(Newly added)	Article 28. (Convocation of Meetings of an Audit and Supervisory Committee) 1. Meetings of an Audit and Supervisory Committee shall be convened by each Audit and Supervisory Committee Member. 2. Notice of convocation of a Meeting of an Audit and Supervisory Committee shall be dispatched to each Audit and Supervisory Committee Member at least four (4) days prior to the date of such meeting; provided, however, that in the case of any emergency, such notice period may be shortened.
(Newly added)	Article 29. (Method of Adopting Resolutions of an Audit and Supervisory Committee) Resolutions of an Audit and Supervisory Committee shall be adopted by a majority vote of Audit and Supervisory Committee Members present at the meeting, at which a majority of all Audit and Supervisory Committee Members who are entitled to vote are present.
(Newly added)	Article 30. (Rules of an Audit and Supervisory Committee) Any matters concerning an Audit and Supervisory Committee shall be governed by, in addition to laws and the Articles of Incorporation, the Rules of an Audit and Supervisory Committee set out by an Audit and Supervisory Committee.

Current Text	Proposed Text
Article 25. (Number of Corporate Auditors) The Company shall have six (6) or less Corporate Auditors.	(Deleted)
Article 26. (Election) A resolution to elect Corporate Auditors shall be adopted by a majority of the voting rights owned by the shareholders present at a General Meeting of Shareholders, at which shareholders holding not less than one-third (1/3) of the voting rights of all the shareholders entitled to exercise their voting rights are present.	(Deleted)
Article 27. (Term of Office) 1. The term of office of a Corporate Auditor shall expire upon the closing of the Ordinary General Meeting of Shareholders for the last business year ending within four (4) years after his/her election. 2. The term of office of a Corporate Auditor elected to fill a vacancy shall expire when the term of office of his/her predecessor would expire.	(Deleted)
Article 28. (Full-time Corporate Auditors) The Company shall have one (1) or more Full-time Corporate Auditor(s). The Full-time Corporate Auditors shall be appointed by a Board of Corporate Auditors from among Corporate Auditors.	(Deleted)
Article 29. (Convocation of Meetings of a Board of Corporate Auditors) 1. Meetings of a Board of Corporate Auditors shall be convened by each Corporate Auditor. 2. Meetings of a Board of Corporate Auditors shall be presided over by the convent referred to in the preceding paragraph. 3. Notice of convocation of a Meeting of a Board of Corporate Auditors shall be dispatched to each Corporate Auditor at least four (4) days prior to the date of such meeting; provided, however, that in the case of an emergency, such notice period may be shortened.	
Article 30. (Method of Adopting Resolutions at Meetings of a Board of Corporate Auditors) Except as otherwise provided by laws, resolutions of a Board of Corporate Auditors shall be adopted by a majority vote of a Corporate Auditors.	(Deleted)
Article 31. (Remuneration, etc.) Remuneration, etc. to Corporate Auditors shall be determined at a General Meeting of Shareholders.	(Deleted)

Current Text	Proposed Text
Chapter 6. Exemption of Liability of Outside Directors, Outside Corporate Auditors	(Deleted)
Article 32. (Partial exemption of liability for damages) Subject to the provision of Article 427, Paragraph 1 of the Companies Act, the Company may enter into a contract with Outside Directors and Outside Corporate Auditors to limit the amount in relation to the liability under Article 423, Paragraph 1 of the said Act to the amount specified by laws.	(Deleted)
Chapter 7. Accounting	Chapter 6. Accounting, etc.
Article 33. (Provisions omitted)	Article 31. (Unchanged)
(Newly added)	Article 32. (Forum for determining dividends from surplus, etc.) Except as otherwise provided by laws and regulations, the Company may determine, by a resolution of a Board of Directors, the matters stipulated in each Item of Article 459, Paragraph 1 of the Companies Act including dividends from surplus and acquisition of the Company's Own Shares, etc.
Article 34. (Dividends from surplus)	Article 33. (Record dates of dividends from surplus)
1. The Company may, by a resolution of a General Meeting of Shareholders, pay year-end dividends to the shareholders or the registered share pledgees whose names appear on the register of shareholders, in writing or digitally, as of the last day of each business year.	1. The Company may pay year-end dividends to the shareholders or the registered share pledgees whose names appear on the register of shareholders, in writing or digitally, as of the last day of each business year.
2. In addition to the preceding paragraph, the Company may, by a resolution of a Board of Directors, pay interim dividends to the shareholders or the registered share pledgees whose names appear on the register of shareholders, in writing or digitally, as of the 31st day of July of each year.	2. In addition to the preceding paragraph, the Company may pay interim dividends to the shareholders or the registered share pledgees whose names appear on the register of shareholders, in writing or digitally, as of the 31st day of July of each year.

Current Text	Proposed Text
Article 35. (Acquisition of the Company's Own Shares) The Company may, by a resolution of a Board of Directors, acquire its own shares through market transactions or by other methods.	(Deleted)
Article 36. (Provision omitted)	Article 34. (Unchanged)
Article 36-2. (Period of exclusion for Class A Year-End Dividend) The provisions of Article 36 shall apply *mutatis mutandis* to payments of the Class A Year-End Dividend.	(Deleted)
Article 36-3. (Period of exclusion for Class B Year-End Dividend) The provisions of Article 36 shall apply *mutatis mutandis* to payments of the Class B Year-End Dividend.	(Deleted)
(Newly added)	Supplementary Provisions Article 1. (Interim measures concerning contracts for limitation of liability of Outside Corporate Auditors) With regard to contracts to limit the liability under Article 423, Paragraph 1 of the Companies Act in connection with acts of Outside Corporate Auditors (including former Outside Corporate Auditors) prior to the closing of the 17th Ordinary General Meeting of Shareholders, the provisions then in force shall remain applicable.

Proposal 3: Election of Eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all nine (9) Directors will expire as of the conclusion of this Ordinary General Meeting of Shareholders, and provided that Proposal 2 "Partial Amendments to the Articles of Incorporation" is approved as originally proposed, the Company will transfer to a Company with Audit and Supervisory Committee. Therefore, the Company requests the election of eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members).
Please be noted that effectiveness of this Proposal 3 is conditional upon the approval of Proposal 2 "Partial Amendments to the Articles of Incorporation".

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) 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	Mayuki Hashimoto (January 10, 1951)	Apr. 1976 Joined Mitsubishi Metal Corporation (the current Mitsubishi Materials Corporation) Apr. 2005 General Manager of Silicon Div., Electronic Materials & Components Company, Mitsubishi Materials Corporation Jun. 2005 Executive Officer, General Manager of Corporate Strategy Dept., Mitsubishi Materials Corporation Jun. 2006 Senior Executive Officer, President of Electronic Materials & Components Company, Mitsubishi Materials Corporation Jun. 2007 Managing Director (Representative Director), President of Electronic Materials & Components Company, Mitsubishi Materials Corporation Apr. 2010 Director of the Company Jun. 2011 Executive Vice President (Representative Director) of Mitsubishi Materials Corporation Apr. 2012 President (Representative Director) of the Company (present post) <Areas of responsibility in the Company> Overall control	10,500 shares
	<Reasons for nomination as a candidate for Director> He has abundant experiences and a satisfactory result of many years in the electronic materials business as well as excellent business execution capabilities as a management of the Company. He has served as President (Representative Director) since 2012. Because he can be expected to strengthen the function of a Board of Directors with his abundant experiences in the electronic materials business and the Company's businesses as well as knowledge about general management, the Company nominates him again as a candidate for Director.		

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, position and areas of responsibility in the Company, and significant concurrent occupations or positions</th><th>Number of the Company's common shares held</th></tr>
<tr><td rowspan="2">2</td><td>Michiharu Takii
(February 10, 1950)</td><td>Apr. 1974 Joined Sumitomo Metal Industries, Ltd. (the current Nippon Steel & Sumitomo Metal Corporation)
Apr. 2005 Managing Executive Officer, Assistant General Manager of Wakayama Steel Works, Sumitomo Metal Industries, Ltd.
Oct. 2005 Managing Executive Officer, General Manager of Corporate Planning Dept., Sumitomo Metal Industries, Ltd.
Apr. 2006 Director of the Company
Apr. 2009 Senior Managing Executive Officer of Sumitomo Metal Industries, Ltd.
Jun. 2009 Director, Senior Managing Executive Officer of Sumitomo Metal Industries, Ltd.
Apr. 2012 Executive Vice President (Representative Director) of the Company (present post)
<Areas of responsibility in the Company>
Assistant to the President (all areas)
General Manager of Corporate Strategy Div.</td><td>9,200 shares</td></tr>
<tr><td colspan="3"><Reasons for nomination as a candidate for Director>
He has abundant experiences and a satisfactory result of many years in the administration section as well as excellent business execution capabilities as a management of the Company. He has served as Representative Director and Executive Vice President of the Company since 2012. Because he can be expected to strengthen the function of a Board of Directors with his abundant experiences in the administration section and knowledge about general management, the Company nominates him again as a candidate for Director.</td></tr>
<tr><td rowspan="2">3</td><td>Harumitsu Endo
(January 12, 1953)</td><td>Apr. 1975 Joined Mitsubishi Metal Corporation (the current Mitsubishi Materials Corporation)
Apr. 2004 General Manager of Chitose Plant, Production & Technology Div., the Company
Nov. 2005 General Manager of Sales & Marketing Dept. II, Sales & Marketing Div., the Company
Mar. 2006 Executive Officer, General Manager of Sales & Marketing Dept. I, Sales & Marketing Div., the Company
Apr. 2008 Managing Executive Officer, Deputy General Manager of Sales & Marketing Div., the Company
Jan. 2012 Managing Executive Officer, General Manager of Sales & Marketing Div., the Company
Apr. 2012 Director, Senior Managing Executive Officer, General Manager of Sales & Marketing Div., the Company (present post)
<Areas of responsibility in the Company>
General Manager of Sales & Marketing Div.</td><td>8,400 shares</td></tr>
<tr><td colspan="3"><Reasons for nomination as a candidate for Director>
He has been engaged in operations of the manufacturing section and the sales & marketing section for many years, and has abundant experiences and a satisfactory result. He has served as General Manager of Sales & Marketing Division since 2012. Because he can be expected to strengthen the function of a Board of Directors based on his abundant experiences and satisfactory result, the Company nominates him again as a candidate for Director.</td></tr>
</table>

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
4	Hisashi Furuya (October 30, 1954)	Apr. 1983 Joined Mitsubishi Metal Corporation (the current Mitsubishi Materials Corporation) Apr. 2005 General Manager of Crystal Engineering Dept., Production & Technology Div., the Company Apr. 2007 General Manager of Yonezawa Plant, Production & Technology Div., the Company Apr. 2008 Executive Officer, General Manager of Yonezawa Plant, Production & Technology Div., the Company Apr. 2011 Managing Executive Officer, General Manager of Solar Div., the Company Apr. 2012 Managing Executive Officer, Deputy General Manager of Production & Technology Div., the Company Oct. 2012 Managing Executive Officer, General Manager of Technology Div., the Company Apr. 2013 Director, Managing Executive Officer, General Manager of Technology Div., the Company Mar. 2014 Director, Senior Managing Executive Officer, General Manager of Technology Div., the Company (present post) <Areas of responsibility in the Company> General Manager of Technology Div. Head of Information Systems	4,300 shares
	<Reasons for nomination as a candidate for Director> He has been engaged in operations of the technology section for many years, and has abundant experiences and a satisfactory result. He has served as General Manager of Technology Division since 2012. Because he can be expected to strengthen the function of a Board of Directors based on his abundant experiences and satisfactory result, the Company nominates him again as a candidate for Director.		

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
5	Kazuo Hiramoto (September 13, 1956)	Apr. 1982 Joined Sumitomo Metal Industries, Ltd. (the current Nippon Steel & Sumitomo Metal Corporation) Apr. 2005 General Manager of Wafer Engineering Dept., Production & Technology Div., the Company Apr. 2007 General Manager of Kansai Factory, Production & Technology Div., the Company Apr. 2008 Executive Officer, General Manager of Kansai Factory, Production & Technology Div., the Company Feb. 2011 Executive Officer, Deputy General Manager of Production & Technology Div., the Company Apr. 2011 Director, Managing Executive Officer, Deputy General Manager of Production & Technology Div., the Company Oct. 2012 Director, Managing Executive Officer, General Manager of Production Div., the Company Mar. 2014 Director, Senior Managing Executive Officer, General Manager of Production Div., the Company (present post) <Areas of responsibility in the Company> General Manager of Production Div. General Manager of Kyushu Factory	3,800 shares
	<Reasons for nomination as a candidate for Director> He has been engaged in operations of the technology section and the manufacturing section for many years, and has abundant experiences and a satisfactory result. He has served as General Manager of Production Division since 2012. Because he can be expected to strengthen the function of a Board of Directors based on his abundant experiences and satisfactory result, the Company nominates him again as a candidate for Director.		

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
6	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 Mar. 2015 Director, Managing Executive Officer, General Manager of Corporate Planning Dept., Corporate Strategy Div., the Company (present post) <Areas of responsibility in the Company> General Manager of Corporate Planning Dept., Corporate Strategy Div. In charge of Accounting & Budget Control Dept. and Finance Dept.	3,800 shares
	<Reasons for nomination as a candidate for Director> He has been engaged in the operations of the administration section for many years, and has abundant experiences and a satisfactory result. He has served as General Manager of Corporate Planning Department, Corporate Strategy Division since 2015. Because he can be expected to strengthen the function of a Board of Directors based on his abundant experiences and satisfactory result, the Company nominates him again as a candidate for Director.		

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
7	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 Mar. 2015 Director of the Company (present post) Apr. 2015 General Manager of Sales and R&D Strategy Dept., Electronic Materials & Components Company, Mitsubishi Materials Corporation (present post) <Significant concurrent occupations or positions in other organizations> General Manager of Sales and R&D Strategy Dept., Electronic Materials & Components Company, Mitsubishi Materials Corporation	—
	<Reasons for nomination as a candidate for Director> Because he can be expected to perform thoroughly his role of decision-making concerning management and supervision of execution of operations based on his knowledge about the Company's businesses and knowledge about general management, the Company nominates him again as a candidate for Director. He is a candidate for Director who does not serve as an Executive Officer nor execute operations.		

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
8	Susumu Maekawa (Oct. 18, 1967) newly appointed	Apr. 1991 Joined Sumitomo Metal Industries, Ltd. (the current Nippon Steel & Sumitomo Metal Corporation) Jun. 2004 General Manager of Accounting Office, General Administration Division, Railway, Automotive & Machinery Parts Company, Sumitomo Metal Industries, Ltd. Jan. 2009 General Manager of Accounting Office, Planning & Operation Division, Pipe & Tube Company, Sumitomo Metal Industries, Ltd. Oct. 2012 General Manager of Accounting Office, Operation Division, Wakayama Steel Works, Nippon Steel & Sumitomo Metal Corporation Nov. 2012 Manager of Accounting & Finance Administration Department, Accounting & Finance Division, Nippon Steel & Sumitomo Metal Corporation Jul. 2013 General Manager of Accounting & Finance Administration Department, Accounting & Finance Division, Nippon Steel & Sumitomo Metal Corporation May 2015 General Manager of Group Companies Planning Div., Nippon Steel & Sumitomo Metal Corporation (present post) Jun. 2015 Outside Corporate Auditor of Sumitomo Precision Products Co., Ltd. (present post) Outside Director of NIPPON COKE & ENGINEERING Co., Ltd. (present post) <Significant concurrent occupations or positions in other organizations> Outside Corporate Auditor of Sumitomo Precision Products Co., Ltd. Outside Director of NIPPON COKE & ENGINEERING Co., Ltd.	—
	<Reasons for nomination as a candidate for Director> He acquired experience in corporate accounting and finance over many years and has considerable knowledge in finance and accounting. Therefore, because he can be expected to perform thoroughly his role of decision-making concerned management and supervision of execution of operations, the Company nominates him as a candidate for Director. He is a candidate for Director who does not serve as an Executive Officer nor execute operations.		

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

(1) Shiro Mokudai is General Manager of Sales and R&D Strategy Dept., Electronic Materials & Components Company, Mitsubishi Materials Corporation. The Company has a transactional relationship with Mitsubishi Materials Corporation and its group companies, which includes purchasing of raw materials.

(2) The other candidates for Directors have no special interests with the Company.

2. Limited liability contracts

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into a contract with Shiro Mokudai with regard to limitation of liability for damages stipulated in Article 423, Paragraph 1 of the said act. Subject to the approval of Proposal 2 "Partial Amendments to the Articles of Incorporation", when he is re-elected, the Company will continue to have the contract with him. The Company will also enter into a similar contract with Susumu Maekawa when he is elected.

The outline of the contract is as follows:

- If non-Executive Director has acted in good faith and without gross negligence in performing his duties, non-Executive Director's liability to the Company for damages under 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 4: Election of Six (6) Directors who are Audit and Supervisory Committee Members

Once Proposal 2 "Partial Amendments to the Articles of Incorporation" is approved as originally proposed, the Company will transfer to a Company with Audit and Supervisory Committee. Therefore, the Company requests the election of six (6) Directors who are Audit and Supervisory Committee Members. A Board of Corporate Auditor has consented to this proposal.
Please be noted that effectiveness of this Proposal 4 is conditional upon the approval of Proposal 2 "Partial Amendments to the Articles of Incorporation".

The candidates for Directors who are Audit and Supervisory Committee Members 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	Hiroshi Yoshikawa (October 11, 1954) newly appointed	Apr. 1977 Joined Sumitomo Metal Industries, Ltd. (the current Nippon Steel & Sumitomo Metal Corporation) Oct. 2002 General Manager of Sales Planning Dept., the Company Apr. 2004 General Manager of Sales Administration Dept., Sales & Marketing Div., the Company Apr. 2005 General Manager of International Sales & Marketing Dept. II, Sales & Marketing Div., the Company Jan. 2007 Assistant General Manager of Sales & Marketing Div., the Company Oct. 2007 General Manager of Solar Planning Dept., Solar Div., the Company Apr. 2011 Full-time Corporate Auditor of the Company (present post)	2,700 shares
	<Reasons for nomination as a candidate for Director> He has been engaged in operations of the sales & marketing section for many years, and has abundant experiences and satisfactory results. He has served as full-time Corporate Auditor since 2011. Because he can be expected to strengthen the function of a Board of Directors based on his abundant experiences and satisfactory result, the Company nominates him as a candidate for Director.		

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, position and areas of responsibility in the Company, and significant concurrent occupations or positions</th><th>Number of the Company's common shares held</th></tr>
<tr><td rowspan="2">2</td><td>Hisashi Katahama
(September 18, 1956)

newly appointed</td><td>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 Administration Dept., the Company
Feb. 2010 Assistant General Manager of Production & Technology Div., the Company
Apr. 2011 Executive Officer of the Company
Feb. 2013 Executive Engineer of the Company
Mar. 2015 Full-time Corporate Auditor of the Company (present post)</td><td>3,300 shares</td></tr>
<tr><td colspan="3"><Reasons for nomination as a candidate for Director>
He has been engaged in operations of the technology section for many years, and has abundant experiences and satisfactory results. He has served as full-time Corporate Auditor since 2015. Because he can be expected to strengthen the function of a Board of Directors based on his abundant experiences and satisfactory result, the Company nominates him as a candidate for Director.</td></tr>
<tr><td rowspan="2">3</td><td>Hitoshi Tanaka
(July 28, 1950)

newly appointed

candidate for Outside Director

candidate for Independent Director</td><td>Apr. 1976 Registered as Attorney at Law
Joined Narutomi Law Office (the current Marunouchi Minami Law Office)
Oct. 2003 Representative of Narutomi Law Office (present post)
Apr. 2005 Corporate Auditor of the Company (present post)
Jun. 2014 Outside Director of TOKYO ENERGY & SYSTEMS INC. (present post)
<Significant concurrent occupations or positions in other organizations>
Attorney at law (Representative, Marunouchi Minami Law Office)
Outside Director of TOKYO ENERGY & SYSTEMS INC.</td><td>—</td></tr>
<tr><td colspan="3"><Reasons for nomination as a candidate for Outside Director>
Although he has never been directly involved in the execution of company operations, he can be expected to perform thoroughly his role of decision-making concerning management and supervision of execution of operations from an independent standpoint as Outside Director, based on his expertise in laws and regulations, which has been cultivated through his duties as an Attorney at Law. Therefore, the Company nominates him as a candidate for Outside Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, position and areas of responsibility in the Company, and significant concurrent occupations or positions</th><th>Number of the Company’s common shares held</th></tr>
<tr><td rowspan="2">4</td><td>Masahiro Mitomi
(February 13, 1964)
newly appointed
candidate for Outside Director
candidate for Independent Director</td><td>Oct. 1987 Joined the Tokyo office of Arthur Andersen
Mar. 1991 Registered as a certified public accountant
Sep. 1991 Senior staff of San Francisco office, Arthur Andersen
Sep. 1994 Manager of Seattle office, Arthur Andersen
Mar. 1996 Senior Manager of Atlanta office, Arthur Andersen
May 2001 Representative Director of Value Create Inc. (present post)
Apr. 2009 Part-time Lecturer of Keio Business School (present post)
Mar. 2014 Director of the Company (present post)
<Significant concurrent occupations or positions in other organizations >
Representative Director of Value Create Inc.</td><td>1,200 shares</td></tr>
<tr><td colspan="3"><Reasons for nomination as a candidate for Outside Director>
The Company nominates him as a candidate for Outside Director, because he can be expected to perform thoroughly his role of decision-making concerning management and supervision of execution of operations from an independent standpoint as Outside Director, based on his expertise in corporate management, which has been acquired through his duties as a management consultant, and expertise in finance and accounting, which has been cultivated through his duties as a certified public accountant.</td></tr>
</table>

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
5	Shinichiro Ota (May 13, 1946) newly appointed candidate for Outside Director candidate for Independent Director	Jul. 1969	Joined Ministry of International Trade and Industry (the current Ministry of Economy, Trade and Industry)	—
		Jun. 1998	Director-General of Environmental Protection and Industrial Location Bureau, Ministry of International Trade and Industry	
		Sep. 1999	Director-General of Machinery and Information Industries Bureau, Ministry of International Trade and Industry	
		Jan. 2001	Director-General of Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry	
		Jul. 2002	Commissioner of Japan Patent Office, Ministry of Economy, Trade and Industry	
		Sep. 2003	Advisor of Sompo Japan Insurance Inc. (the current Sompo Japan Nipponkoa Insurance Inc.)	
		Jun. 2005	Executive Vice Presidents of Electric Power Development Co., Ltd.	
		Jun. 2013	Senior Counselor of Electric Power Development Co., Ltd. (present post)	
	<Reasons for nomination as a candidate for Outside Director> The Company nominates him as a candidate for Outside Director, because he can be expected to perform thoroughly his role of decision-making concerning management and supervision of execution of operations from an independent standpoint as Outside Director, based on his broad experience and knowledge acquired through his duties in the public administration field, and many years of experience in corporate management.			

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
6	Kohei Nakanishi (November 13, 1954) newly appointed newly appointed candidate for Outside Director candidate for Independent Director	Apr. 1977	Joined The Export-Import Bank of Japan (the current Japan Bank for International Cooperation)	—
		May 2002	General Manager of International Finance Department I, Japan Bank for International Cooperation	
		Oct. 2004	General Manager of Personnel Department, Japan Bank for International Cooperation	
		Aug. 2007	Resident Executive Director for the Europe and Middle East, Japan Bank for International Cooperation	
		Oct. 2008	Special Counsellor of Japan Bank for International Cooperation, Japan Finance Corporation	
		Jun. 2011	Director of Japan Bank for International Cooperation, Japan Finance Corporation	
		Jul. 2011	Director, Head Manager of Corporate Group of Japan Bank for International Cooperation, Japan Finance Corporation	
		Apr. 2012	Director, Head Manager of Corporate Group of Japan Bank for International Cooperation	
		Sep. 2013	Corporate Advisor of Mitsubishi Corporation (present post)	
	<Reasons for nomination as a candidate for Outside Director> The Company nominates him as a candidate for Outside Director, because he can be expected to perform thoroughly his role of decision-making of management and supervision of execution of operations from an independent standpoint as Outside Director, based on his broad experience and knowledge about international finance, experience in corporate management and knowledge about corporate governance.			

(Notes) 1. The candidates for Directors have no special interests with the Company.

2. Limited liability contracts

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Hitoshi Tanaka and Masahiro Mitomi with regard to limitation of liability for damages stipulated in Article 423, Paragraph 1 of the said act. Subject to the approval of Proposal 2 "Partial Amendments to the Articles of Incorporation", when they are re-elected, the Company will continue to have the contracts with them. The Company will also enter into similar contracts with Shinichiro Ota and Kohei Nakanishi when they are elected.

The outline of the contract is as follows:

- If non-Executive Director has acted in good faith and without gross negligence in performing his duties, non-Executive Director's liability to the Company for damages under 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.

3. The Company has appointed Hitoshi Tanaka as an Independent Corporate Auditor and Masahiro Mitomi as an Independent Director, as provided for in the regulations of the Tokyo Stock Exchange and notified the Exchange to that effect. Provided that the election of Hitoshi Tanaka and Masahiro Mitomi is approved, they shall assume their offices as Independent Directors. If the election of Shinichiro Ota and Kohei Nakanishi is approved, the Company will also appoint them as Independent Directors as provided for in the regulations of the Tokyo Stock Exchange.

4. Hitoshi Tanaka is currently an Outside Corporate Auditor of the Company. At the conclusion of this Ordinary General Meeting of Shareholders, he will have assumed the office as an Outside Corporate Auditor for ten (10) years and eleven (11) months.

5. Masahiro Mitomi is currently an Outside Director of the Company. At the conclusion of this Ordinary General Meeting of Shareholders, he will have assumed the office as an Outside Director for two (2) years.

Proposal 5: Determination of Remuneration Amount for Directors (excluding Directors who are Audit and Supervisory Committee Members)

The Company will transfer to a Company with Audit and Supervisory Committee once Proposal 2 "Partial Amendments to the Articles of Incorporation" is approved.
The upper limit of the total remuneration for all Directors of the Company was 500,000 thousand yen annually (excluding employee salary) pursuant to the resolution adopted at the 8th Ordinary General Meeting of Shareholders held on April 26, 2007. In line with the transition to a Company with Audit and Supervisory Committee, the Company proposes to abolish this provision on the upper limit of the total remuneration and newly stipulate that the upper limit of the total remuneration for all Directors (excluding Directors who are Audit and Supervisory Committee Members) is 460,000 thousand yen annually (of which, the upper limit of the total remuneration for all Outside Directors is 50,000 thousand yen annually) by reducing 40,000 thousand yen annually from 500,000 thousand yen annually which is the current upper limit of total remuneration for Directors.
The Company proposes that the upper limit of the total remuneration for all Directors (excluding Directors who are Audit and Supervisory Committee Members) does not include the employee salary for Directors who concurrently serve as employees.
Currently, there are nine (9) Directors (including three (3) Outside Directors). Provided that Proposal 2 and Proposal 3 are approved as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be eight (8).
Please be noted that effectiveness of this Proposal 5 is conditional upon the approval of Proposal 2 "Partial Amendments to the Articles of Incorporation".

Proposal 6: Determination of Remuneration Amount for Directors who are Audit and Supervisory Committee Members

The Company will transfer to a Company with Audit and Supervisory Committee once Proposal 2 "Partial Amendments to the Articles of Incorporation" is approved.
The upper limit of the total remuneration for all Corporate Auditors of the Company was 5,900 thousand yen monthly (70,800 thousand yen annually) pursuant to the resolution adopted at the 6th Ordinary General Meeting of Shareholders held on April 26, 2005. In line with the transition to a Company with Audit and Supervisory Committee, the Company proposes that the upper limit of the total remuneration for all Directors who are Audit and Supervisory Committee Members will be 110,000 thousand yen annually by adding 40,000 thousand yen annually, which is the portion of reduction proposed at Proposal 5. This is due to the increase in the number of Independent Outside Directors who are Audit and Supervisory Committee Members, as well as the fact that Directors who are Audit and Supervisory Committee Members will take on the responsibilities of participating in resolutions of a Board of Directors and supervising Directors' execution of operations in addition to auditing that have been carried out up to now by Corporate Auditors .
Provided that Proposal 2 and Proposal 4 are approved as originally proposed, the number of Directors who are Audit and Supervisory Committee Members will be six (6) (including four (4) Outside Directors).
Please be noted that effectiveness of this Proposal 6 is conditional upon the approval of Proposal 2 "Partial Amendments to the Articles of Incorporation".