[Translation]
NOTICE: The following report is an English Translation of the Japanese-language original.
This press release is made pursuant to the requirements under the listing rules of, and reported to, the Tokyo Stock Exchange.

November 28, 2018

To whom it may concern,

Company name: SUMCO Corporation
Representative: Mayuki Hashimoto, Representative Director
CEO & Chairman of the Board
(Code: 3436, TSE First Section)
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Notice Regarding Early Termination of a Long-Term Purchasing Agreement for Polysilicon and Payment of a Cancellation Fee

SUMCO Corporation ("the Company") approved a resolution at its Board of Directors meeting held today regarding the early termination of a long-term agreement with Osaka Titanium Technologies Co., Ltd. ("OTC") for the purchase of polysilicon, a main raw material of semiconductor silicon wafers, and the payment of a cancellation fee.

Details are as follows.

1. Early termination of long-term purchasing agreement

The Company will terminate its long-term purchasing agreement with OTC as of March 31, 2019. The Company will pay a cancellation fee in the amount of 10 billion yen to OTC as a result of the early termination of the long-term agreement.

A termination agreement with the above details will be concluded on this day with OTC.

2. Rationale for early termination of the long-term purchasing agreement

Requests from our customers for higher quality silicon wafers are expected to heighten even further. We have had ongoing discussions with OTC on meeting the rising quality requirements in the polysilicon supplied by OTC; but since the manufacturing process at OTC differs from that of other suppliers, OTC would need to make a commensurate capital investment to meet quality requirements, inevitably raising costs. We therefore came to the conclusion that it would not be possible to continue under the existing long-term purchasing agreement.

At the same time, the Company's polysilicon inventories, while having peaked at the end of 2016, are still at high levels, with the expectation that considerable time will be needed to bring them down to proper levels. Early termination of the long-term purchasing agreement with OTC will shorten the time needed for reducing polysilicon inventories to proper levels, significantly improving cash flow. It will also give the Company more leeway for procuring higher-quality polysilicon.

Against this background, the Company and OTC agreed to early termination of the long-term agreement based on payment of a cancellation fee by the Company.

3. Impact on financial performance

The Company will book an extraordinary loss of 10 billion yen for the fiscal year ending December 31, 2018.

Please refer to "Announcement of Revision of Consolidated Business Forecasts for the Fiscal Year 2018" released today for the impact on net income attributable to owners of the parent.