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.
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Securities Code: 3436
March 5, 2020

Dear Shareholders,

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

Notice of Convocation of the 21st Ordinary General Meeting of Shareholders

You are cordially invited to attend the 21st 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 page 3.

Details

1. Date and Time: Thursday, March 26, 2020, at 10 a.m. (reception starts at 9 a.m.)

2. Place: Bellesalle Takadanobaba
3-8-2, Okubo, Shinjuku-ku, Tokyo

3. Objectives of the Meeting

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 21st Fiscal Year (from January 1, 2019 to December 31, 2019), as well as the Audit Reports of the Accounting Auditor and the Audit and Supervisory Committee for Consolidated Financial Statements
2. Non-consolidated Financial Statements for the 21st Fiscal Year (from January 1, 2019 to December 31, 2019)

Agenda for resolution:

Proposal 1: Election of Five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)

Proposal 2: Election of Six (6) Directors who are Audit and Supervisory Committee Members

Notes

* As provided for by laws and regulations and the provisions of Article 14 of the Articles of Incorporation of the Company, 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 Audit and Supervisory Committee and the Accounting Auditors.
  1) "Matters Relating to the Formulation of a System to Ensure Appropriate Corporate Actions" and "Overview of the State of the Operations of a System to Ensure Appropriate Corporate Actions" in the Business Report
  2) Consolidated Statement of Changes in Equity in Consolidated Financial Statements and Notes to Consolidated Financial Statements
  3) 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: https://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:

Exercise of voting rights by attending the General Meeting of Shareholders

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

Date and Time: Thursday, March 26, 2020, at 10 a.m. (reception starts at 9 a.m.)
Place: Bellesalle Takadanobaba, 3-8-2, Okubo, Shinjuku-ku, Tokyo

Exercise of voting rights by mailing the Form for the Exercise of Voting Rights

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

Exercise due date: To be received no later than 5:45 p.m. on Wednesday, March 25, 2020

How to fill in the form for the Exercise of Voting Rights

Please indicate your approval or disapproval for the proposals according to the following.

- If you approve of all candidates: Please mark a ○ in the box marked "賛" (Approve).
- If you disapprove of all candidates: Please mark a ○ in the box marked **"否"** (Disapprove).
- If you disapprove of some candidates: Please mark a ○ in the box marked **"賛"** (Approve) and write down the candidate numbers of the candidates that you disapprove of so that such candidates shall be excluded from the approval.
- If you approve of some candidates: Please mark a ○ in the box marked "否" (Disapprove) and write down the candidate numbers of the candidates that you approve of so that such candidates shall be excluded from the disapproval.

* If the form is submitted without any indication of approval or disapproval, it will be deemed as approval for the proposals.

Exercise of voting rights via the Internet, etc.

Access the Website for the Exercise of Voting Rights (https://www.web54.net). Login with the "Code for the Exercise of Voting Rights" and "password" printed on the enclosed Form for the Exercise of Voting Rights. Follow the on-screen instructions to indicate your approval or disapproval for the proposals.

Exercise due date: No later than 5:45 p.m. on Wednesday, March 25, 2020

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 password on the aforementioned Website for the Exercise of Voting Rights.
2) You will be notified of a new "Code for the Exercise of Voting Rights" and "password" every time a General Meeting of Shareholders is convened.

Instructions for the Exercise of Voting Rights via the Internet

You can only exercise your voting rights via the Internet by using the Company's designated Website for the Exercise of Voting Rights (https://www.web54.net).



* QR code is a registered trademark of DENSO WAVE INCORPORATED.

Treatment of the exercise of voting rights

1) If you exercise your voting rights in duplicate both in writing and via the Internet, your vote via the Internet shall prevail.
2) If you exercise your voting rights multiple times via the Internet, only your last vote will be counted as valid.

Electronic Voting Platform

Nominee shareholders such as trust and custody banks (including standing proxies) may use the Electronic Voting Platform organized by Investor Communications Japan (ICJ) Inc., provided that application for the use of the Electronic Voting Platform is made in advance. Please check the availability of the Platform at each company.

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)

Reference Documents for the General Meeting of Shareholders

Proposal 1: Election of Five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire as of the conclusion of this Ordinary General Meeting of Shareholders. Therefore, the Company requests the election of five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members), an increase of one (1) Outside Director, in pursuit of further enhancement of corporate governance.

We have received an opinion from the Audit and Supervisory Committee that the candidates and the selection process were appropriate as this Proposal has been determined at a meeting of the Board of Directors after being deliberated by the Nomination and Compensation Committee which includes Independent Outside Directors who are Audit and Supervisory Committee Members as its members.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

No.	Name	Current position in the Company	Number of attendance at meetings of the Board of Directors (FY2019)
1 (re-appointed)	Mayuki Hashimoto	Representative Director Chairman & Chief Executive Officer	16 out of 16
2 (re-appointed)	Michiharu Takii	Representative Director Vice Chairman	16 out of 16
3 (re-appointed)	Hisashi Furuya	Representative Director President & Chief Operating Officer	15 out of 16
4 (re-appointed)	Kazuo Hiramoto	Representative Director Executive Vice President	16 out of 16
5 (newly appointed)	Akane Kato Outside Director candidate Independent Director candidate	—	—

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company
1	**Mayuki Hashimoto** **(January 10, 1951)** Re-appointed Number of the Company's common shares held 18,800 shares Number of years in office as Director 10 years (as of the conclusion of this Ordinary General Meeting of Shareholders) Number of attendance at meetings of the Board of Directors 16 out of 16	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 Outside Corporate Auditor of the Company 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 Outside Director of the Company Jun. 2011 Executive Vice President (Representative Director) of Mitsubishi Materials Corporation Apr. 2012 President (Representative Director) of the Company Mar. 2016 Representative Director, Chairman & Chief Executive Officer of the Company (present post) <Areas of responsibility in the Company> Chief Executive Officer Overall control
	<Reasons for nomination as a candidate for Director> He has abundant experiences and satisfactory results of many years in the electronic materials business as well as excellent business execution capabilities as a management of the Company. He assumed the post of President (Representative Director) of the Company in 2012 and has served as Representative Director, Chairman & Chief Executive Officer since 2016. Because he can be expected to strengthen the function of the 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. <Special interests between the candidate and the Company> Mayuki Hashimoto has no special interests with the Company.	

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, current position
and areas of responsibility in the Company</th></tr>
<tr><td rowspan="2">2</td><td>Michiharu Takii
(February 10, 1950)

Re-appointed

Number of the Company’s common shares held
17,300 shares

Number of years in office as Director
8 years (as of the conclusion of this Ordinary General Meeting of Shareholders)

Number of attendance at meetings of the Board of Directors
16 out of 16</td><td>Apr. 1974 Joined Sumitomo Metal Industries, Ltd. (the current Nippon Steel 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 Outside Director of the Company
Apr. 2009 Senior Managing Executive Officer of Sumitomo Metal Industries, Ltd. (the current Nippon Steel Corporation)
Jun. 2009 Director, Senior Managing Executive Officer of Sumitomo Metal Industries, Ltd.
Apr. 2012 Executive Vice President (Representative Director) of the Company
Mar. 2016 Representative Director, President & Chief Operating Officer of the Company
Mar. 2018 Representative Director, Vice Chairman of the Company (present post)
<Areas of responsibility in the Company>
Assistant to the Chairman
Chief Financial Officer</td></tr>
<tr><td colspan="2"><Reasons for nomination as a candidate for Director>
He has abundant experiences and satisfactory results of many years of working in the administration section as well as excellent business execution capabilities as a management of the Company. He assumed the post of Executive Vice President (Representative Director) of the Company in 2012 and the post of Representative Director, President & Chief Operating Officer in 2016, and has served as Representative Director, Vice Chairman since 2018. Because he can be expected to strengthen the function of the 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.

<Special interests between the candidate and the Company>
Michiharu Takii has no special interests with the Company.</td></tr>
</table>

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company
3	**Hisashi Furuya** **(October 30, 1954)** Re-appointed Number of the Company's common shares held 15,700 shares Number of years in office as Director 7 years (as of the conclusion of this Ordinary General Meeting of Shareholders) Number of attendance at meetings of the Board of Directors 15 out of 16	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 Mar. 2017 Director, Executive Vice President, General Manager of Technology Div., the Company Jan. 2018 Director, Executive Vice President, General Manager of Technology Div., General Manager of AI Promotion Div., the Company Mar. 2018 Representative Director, President & Chief Operating Officer of the Company Jan. 2020 Representative Director, President & Chief Operating Officer, General Manager of Technology Div., the Company (present post) <Areas of responsibility in the Company> Chief Operating Officer General Manager of Technology Div.
	<Reasons for nomination as a candidate for Director> He has abundant experiences and satisfactory results of many years of working in the technology section as well as excellent business execution capabilities as a management of the Company. He has served as Representative Director, President & Chief Operating Officer since 2018. Because he can be expected to strengthen the function of the Board of Directors with his abundant experiences in the technology section and knowledge about general management, the Company nominates him again as a candidate for Director. <Special interests between the candidate and the Company> Hisashi Furuya has no special interests with the Company.	

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, current position and areas of responsibility in the Company and significant concurrent occupations or positions</th></tr>
<tr><td rowspan="2">4</td><td>Kazuo Hiramoto
(September 13, 1956)

Re-appointed

Number of the Company’s common shares held
8,800 shares

Number of years in office as Director
9 years (as of the conclusion of this Ordinary General Meeting of Shareholders)

Number of attendance at meetings of the Board of Directors
16 out of 16</td><td>Apr. 1982 Joined Sumitomo Metal Industries, Ltd. (the current Nippon Steel 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
Jan. 2018 Director, Senior Managing Executive Officer, General Manager of Production Div., Deputy General Manager of AI Promotion Div., the Company
Mar. 2018 Representative Director, Executive Vice President, General Manager of Production Div., General Manager of AI Promotion Div., the Company
Mar. 2019 President of SUMCO TECHXIV CORPORATION (present post)
Jan. 2020 Representative Director, Executive Vice President, 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

<Significant concurrent occupations or positions in other organizations>
President of SUMCO TECHXIV CORPORATION</td></tr>
<tr><td colspan="2"><Reasons for nomination as a candidate for Director>
He has abundant experiences and satisfactory results of many years of working in the technology section and the manufacturing section as well as excellent business execution capabilities as a management of the Company. He has served as General Manager of Production Division since 2012, as Representative Director and Executive Vice President since 2018 and as President of SUMCO TECHXIV CORPORATION since 2019. Because he can be expected to strengthen the function of the Board of Directors with his abundant experiences in the technology section and the manufacturing section and knowledge about general management, the Company nominates him again as a candidate for Director.

<Special interests between the candidate and the Company>
Kazuo Hiramoto has no special interests with the Company.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, current position and areas of responsibility in the Company and significant concurrent occupations or positions</th></tr>
<tr><td rowspan="2">5</td><td>Akane Kato
(September 3, 1963)

Newly appointed
Outside Director candidate
Independent Director candidate

Number of the Company’s common shares held
- shares</td><td>Nov. 1984 Joined ALL NIPPON AIRWAYS CO., LTD.
Jul. 1994 Instructor, Inflight Services Training Dept., Inflight Services Center, ALL NIPPON AIRWAYS CO., LTD.
Jul. 2007 Chief, Training Div., ANA Learning Co., Ltd. (the current ANA Business Solutions Co., Ltd.)
Apr. 2012 Manager of VIP Service Dept., Tokyo Airport Branch, ALL NIPPON AIRWAYS CO., LTD. (the current ANA AIRPORT SERVICES CO., LTD.)
Jul. 2014 Representative Director of AKANE IDENTITIES INC. (present post)
Jun. 2016 Outside Director of SAN-EI Corporation (present post)
Apr. 2018 Part-time Lecturer of Toho College of Music (present post)
Aug. 2019 Registered as a Career Consultant
<Significant concurrent occupations or positions in other organizations>
Representative Director, AKANE IDENTITIES INC.
Outside Director, SAN-EI Corporation</td></tr>
<tr><td colspan="2"><Reasons for nomination as a candidate for Outside Director>
She possesses expert knowledge on human resources development and organizational operation, which she has cultivated through working as a human resources development consultant, and experiences in corporate management. Based on the above, because she can be expected to fully fulfill the responsibility of business decision-making and supervision of business execution from an independent standpoint as an Outside Director, the Company nominates her as a candidate for Outside Director.

<Special interests between the candidate and the Company>
Akane Kato has no special interests with the Company.</td></tr>
</table>

(Notes) 1. Regarding contract for limitation of liability
If the election of Akane Kato is approved, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company intends to enter into a contract with her to limit her liability for damages under Article 423, Paragraph 1 of the said Act.
The outline of the contract is as follows.
- If non-Executive Directors have acted in good faith and without gross negligence in performing their duties, the liability for damages of the non-Executive Directors 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 the said limit.

2. If the election of Akane Kato is approved, she will be appointed as Independent Director as provided for in the regulations of the Tokyo Stock Exchange.

Proposal 2: Election of Six (6) Directors who are Audit and Supervisory Committee Members

The terms of office of all five (5) Directors who are Audit and Supervisory Committee Members will expire as of the conclusion of this Ordinary General Meeting of Shareholders. Therefore, the Company requests the election of six (6) Directors who are Audit and Supervisory Committee Members, an increase of one (1) Director who is an Audit and Supervisory Committee Member, in pursuit of an enhanced audit structure.

We have received consent to this Proposal from the Audit and Supervisory Committee.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows.

No.	Name	Current position in the Company	Number of attendance at meetings of the Board of Directors (FY2019)	Number of attendance at meetings of the Audit and Supervisory Committee (FY2019)
1 (re-appointed)	Hiroshi Yoshikawa	Director Full-time Audit and Supervisory Committee Member	16 out of 16	13 out of 13
2 (newly appointed)	Atsuro Fujii	Associate Director, Audit and Supervisory Committee	—	—
3 (re-appointed)	Hitoshi Tanaka Outside Director candidate Independent Director candidate	Director Audit and Supervisory Committee Member	16 out of 16	13 out of 13
4 (re-appointed)	Masahiro Mitomi Outside Director candidate Independent Director candidate	Director Audit and Supervisory Committee Member	16 out of 16	13 out of 13
5 (re-appointed)	Shinichiro Ota Outside Director candidate Independent Director candidate	Director Audit and Supervisory Committee Member	16 out of 16	13 out of 13
6 (re-appointed)	Akio Fuwa Outside Director candidate Independent Director candidate	Director Audit and Supervisory Committee Member	16 out of 16	13 out of 13

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, current position
and areas of responsibility in the Company</th></tr>
<tr><td rowspan="2">1</td><td>Hiroshi Yoshikawa
(October 11, 1954)

Re-appointed

Number of the Company’s common shares held
4,300 shares

Number of years in office as Director
4 years (as of the conclusion of this Ordinary General Meeting of Shareholders)
Number of years in office as Director who is an Audit and Supervisory Committee Member
4 years (as of the conclusion of this Ordinary General Meeting of Shareholders)
Number of attendance at meetings of the Board of Directors
16 out of 16
Number of attendance at meetings of the Audit and Supervisory Committee
13 out of 13</td><td>Apr. 1977 Joined Sumitomo Metal Industries, Ltd. (the current Nippon Steel 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
Mar. 2016 Director (Full-time Audit and Supervisory Committee Member) of the Company (present post)</td></tr>
<tr><td colspan="2"><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 assumed the post of Full-time Corporate Auditor in 2011 and has served as Director (Full-time Audit and Supervisory Committee Member) since 2016. Because he can be expected to strengthen the function of the Board of Directors based on his abundant experiences and satisfactory results, the Company nominates him again as a candidate for Director.

<Special interests between the candidate and the Company>
Hiroshi Yoshikawa has no special interests with the Company.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, current position
and areas of responsibility in the Company</th></tr>
<tr><td rowspan="2">2</td><td>Atsuro Fujii
(May 1, 1959)

Newly appointed

Number of the Company’s common shares held
- shares</td><td>Apr. 1983 Joined Sumitomo Metal Industries, Ltd. (the current Nippon Steel Corporation)
Jul. 2008 General Manager of Affiliated Enterprises Group, Corporate Planning Dept., Sumitomo Metal Industries, Ltd.
Aug. 2009 CFO, Vallourec & Sumitomo Tubos do Brasil, Ltda.
Aug. 2013 Senior Chief of Internal Control & Audit Dept., Nippon Steel & Sumitomo Metal Corporation (the current Nippon Steel Corporation)
Oct. 2014 General Manager of General Affairs Team, Corporate Management Dept., GEOSTR Corporation
Jun. 2016 Senior Counselor, GEOSTR Corporation
CFO, GEOSTR-RV PTE. LTD.
Jul. 2017 Senior Counselor, General Manager of Accounting Team, Corporate Management Dept., GEOSTR Corporation
Apr. 2018 Senior Counselor, General Manager of Internal Audit Office, GEOSTR Corporation
May 2019 Associate Director, Audit and Supervisory Committee, the Company (present post)</td></tr>
<tr><td colspan="2"><Reasons for nomination as a candidate for Director>
He has been engaged in operations of the administration section for many years, and has abundant experiences and satisfactory results. Because he can be expected to strengthen the function of the Board of Directors based on his abundant experiences and satisfactory results, the Company nominates him as a candidate for Director.

<Special interests between the candidate and the Company>
Atsuro Fujii has no special interests with the Company.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, current position and areas of responsibility in the Company and significant concurrent occupations or positions</th></tr>
<tr><td rowspan="2">3</td><td>Hitoshi Tanaka
(July 28, 1950)

Re-appointed
Outside Director candidate
Independent Director candidate

Number of the Company’s common shares held
1,200 shares
Number of years in office as Outside Director
4 years (as of the conclusion of this Ordinary General Meeting of Shareholders)
Number of years in office as Director who is an Audit and Supervisory Committee Member
4 years (as of the conclusion of this Ordinary General Meeting of Shareholders)
Number of attendance at meetings of the Board of Directors
16 out of 16
Number of attendance at meetings of the Audit and Supervisory Committee
13 out of 13</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 Outside Corporate Auditor of the Company
Jun. 2014 Outside Director of TOKYO ENERGY & SYSTEMS INC. (present post)
Mar. 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (present post)

<Significant concurrent occupations or positions in other organizations>
Attorney at Law (Representative of Marunouchi Minami Law Office)
Outside Director of TOKYO ENERGY & SYSTEMS INC.</td></tr>
<tr><td colspan="2"><Reasons for nomination as a candidate for Outside Director>
Although he has never been directly involved in corporate management, he possesses expert knowledge on laws and regulations, etc. which he has cultivated through his duties as an attorney at law. Based on the above, because he can be expected to fully fulfill the responsibility of business decision-making and supervision of business execution from an independent standpoint as an Outside Director, the Company nominates him again as a candidate for Outside Director.

<Special interests between the candidate and the Company>
Hitoshi Tanaka has no special interests with the Company.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, current position and areas of responsibility in the Company and significant concurrent occupations or positions</th></tr>
<tr><td rowspan="2">4</td><td>Masahiro Mitomi
(February 13, 1964)

Re-appointed
Outside Director candidate
Independent Director candidate

Number of the Company’s common shares held
4,700 shares
Number of years in office as Outside Director
6 years (as of the conclusion of this Ordinary General Meeting of Shareholders)
Number of years in office as Director who is an Audit and Supervisory Committee Member
4 years (as of the conclusion of this Ordinary General Meeting of Shareholders)
Number of attendance at meetings of the Board of Directors
16 out of 16
Number of attendance at meetings of the Audit and Supervisory Committee
13 out of 13</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 Outside Director of the Company
Mar. 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (present post)
Mar. 2017 Outside Director (Audit and Supervisory Committee Member) of OTSUKA KAGU, LTD.
<Significant concurrent occupations or positions in other organizations>
Representative Director of Value Create Inc.</td></tr>
<tr><td colspan="2"><Reasons for nomination as a candidate for Outside Director>
He possesses expert knowledge 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 his duties as a certified public accountant. Based on the above, because he can be expected to fully fulfill the responsibility of business decision-making and supervision of business execution from an independent standpoint as an Outside Director, the Company nominates him again as a candidate for Outside Director.
<Special interests between the candidate and the Company>
Masahiro Mitomi has no special interests with the Company.</td></tr>
</table>

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company and significant concurrent occupations or positions
5	**Shinichiro Ota** **(May 13, 1946)** Re-appointed Outside Director candidate Independent Director candidate Number of the Company's common shares held 700 shares Number of years in office as Outside Director 4 years (as of the conclusion of this Ordinary General Meeting of Shareholders) Number of years in office as Director who is an Audit and Supervisory Committee Member 4 years (as of the conclusion of this Ordinary General Meeting of Shareholders) Number of attendance at meetings of the Board of Directors 16 out of 16 Number of attendance at meetings of the Audit and Supervisory Committee 13 out of 13	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 President of Electric Power Development Co., Ltd. Jun. 2013 Senior Counselor of Electric Power Development Co., Ltd. Mar. 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (present post) Aug. 2017 Representative Director and President of New Generation Small Rocket Development Planning Co., Ltd. (the current SPACE ONE Co., Ltd.) (present post) Jun. 2018 Senior Counselor of Electric Power Development Co., Ltd. (present post) <Significant concurrent occupations or positions in other organizations> Senior Counselor of Electric Power Development Co., Ltd. Representative Director and President of SPACE ONE Co., Ltd.
	<Reasons for nomination as a candidate for Outside Director> He has extensive experiences and knowledge which he has cultivated through his duties in the public administration field, and many years of experiences in corporate management. Based on the above, because he can be expected to fully fulfill the responsibility of business decision-making and supervision of business execution from an independent standpoint as an Outside Director, the Company nominates him again as a candidate for Outside Director. <Special interests between the candidate and the Company> Shinichiro Ota has no special interests with the Company.	

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company and significant concurrent occupations or positions
6	**Akio Fuwa** **(August 27, 1946)** Re-appointed Outside Director candidate Independent Director candidate Number of the Company's common shares held 500 shares Number of years in office as Outside Director 2 years (as of the conclusion of this Ordinary General Meeting of Shareholders) Number of years in office as Director who is an Audit and Supervisory Committee Member 2 years (as of the conclusion of this Ordinary General Meeting of Shareholders) Number of attendance at meetings of the Board of Directors 16 out of 16 Number of attendance at meetings of the Audit and Supervisory Committee 13 out of 13	Jul. 1974 Joined Mitsubishi Metal Corporation (the current Mitsubishi Materials Corporation) Mar. 1980 Resigned from Mitsubishi Metal Corporation Apr. 1980 Full-time lecturer, Materials Engineering Dept., School of Science and Engineering (the current Faculty of Science and Engineering), Waseda University Apr. 1988 Professor of Waseda University Mar. 2017 Mandatory Retirement from Waseda University Apr. 2017 Honorary Professor of Waseda University (present post) Mar. 2018 Outside Director (Audit and Supervisory Committee Member) of the Company (present post)

<Reasons for nomination as a candidate for Outside Director>
Although he has never been directly involved in corporate management, he possesses knowledge as an expert in the field of metallic materials research, and has experiences cultivated through years of working as a university professor. Based on the above, because he can be expected to fully fulfill the responsibility of business decision-making and supervision of business execution from an independent standpoint as an Outside Director, the Company nominates him again as a candidate for Outside Director.

<Reasons for deeming the candidate for Outside Director is sufficiently independent>
Mr. Akio Fuwa joined Mitsubishi Metal Corporation (the current Mitsubishi Materials Corporation) in July 1974, and worked in the company as a researcher and staff for five years and eight months before leaving the company in March 1980. As the resignation from Mitsubishi Metal Corporation occurred around 40 years ago, it is inconceivable that he will be influenced by Mitsubishi Materials Corporation, and he can be expected to carry out auditing and supervision appropriately as a Director who is an Audit and Supervisory Committee Member (Outside Director) of the Company, from an independent and objective standpoint. Furthermore, although the Company has made donations to support research in Waseda University, where he worked as a professor, the amount of donations made in the past three years was 1 million yen each year. Therefore, Mr. Akio Fuwa is deemed to be fully independent from the Company.

<Special interests between the candidate and the Company>
Akio Fuwa has no special interests with the Company.

(Notes) 1. Regarding contracts for limitation of liability
Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Hitoshi Tanaka, Masahiro Mitomi, Shinichiro Ota, and Akio Fuwa to limit their liability for damages under Article 423, Paragraph 1 of the said Act. If their election is approved, the Company intends to continue the said contracts with them.
The outline of the contracts is as follows.
- If non-Executive Directors have acted in good faith and without gross negligence in performing their duties, the liability for damages of the non-Executive Directors 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 the said limit.

2. The Company has appointed Hitoshi Tanaka, Masahiro Mitomi, Shinichiro Ota, and Akio Fuwa as Independent Directors as provided for in the regulations of the Tokyo Stock Exchange and notified the Exchange to that effect. If their election is approved, they will continue to serve as Independent Directors.

[Reference] Basic stance on selection of candidates for Directors

- Composition of the Board of Directors

1. The Company's basic stance for the composition of the Board of Directors is to have an appropriate number of Directors while considering the balance of the knowledge of the Company's business, experience, and capabilities of the Board of Directors, within the limits of fourteen (14) Directors (excluding Directors who are Audit and Supervisory Committee Members) and six (6) Directors who are Audit and Supervisory Committee Members as stipulated in the Articles of Incorporation.
2. The Company's Board of Directors is comprised of Inside Directors with a proven record of performance in their respective areas of responsibility and outstanding management abilities, and Outside Directors with expert knowledge and experience. Accordingly, the Company ensures achieving an overall balance and diversity in the knowledge, experience and capabilities of the Board of Directors.

- Qualifications and Nomination Policy

1. The Board of Directors determines candidates for Directors of the Company by selecting from an extensive and diverse range of human resources who possess the following qualifications.
   i. A person who has abundant knowledge and experience regarding corporate management and business operations of the SUMCO Group
   ii. A person who fully understands the social responsibility and mission of the Company's business and will conduct corporate management and business operations in a fair and accurate manner, based on strict self-discipline
2. Notwithstanding conditions stated in 1., candidates for Outside Directors are determined by selecting from an extensive and diverse range of human resources who possess the following qualifications.
   i. A person who meets the Company's criteria for independence based on standards of independence for Independent Directors stipulated by the Tokyo Stock Exchange, and who is deemed to have no risk of conflicts of interests with the general shareholders
   ii. A person who understands the corporate philosophy and vision of the Company, and fully understands the SUMCO Group's responsibility and role in society
   iii. A person who fully recognizes his/her role as an Outside Director, utilizes his/her expert knowledge or experience in fields including corporate management, economics, law, accounting, taxation and auditing to supervise the Company's Directors and management, as well as provide relevant and appropriate suggestions and advices

- Nomination and Compensation Committee

The Company has established a Nomination and Compensation Committee composed of two Representative Directors (Directors Mayuki Hashimoto and Michiharu Takii) and two Independent Outside Directors (Directors Hitoshi Tanaka and Masahiro Mitomi) to serve as a discretionary advisory body for the Board of Directors. The Nomination and Compensation Committee receives requests from the Board of Directors for advice on the process for selection of candidate Directors of the Company, their qualifications, the reasons for their designation as candidates, the structure of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) and Executive Officers, and related matters. The committee deliberates on the appropriateness and other aspects of the matter referred and, also taking evaluations of the Company performance into account, delivers its advice.

Company's Criteria for Independence

In addition to standards of independence stipulated by the Tokyo Stock Exchange, the Company deems persons who fall under any of the following criteria as not having sufficient independence from the Company.

1. A person who currently falls under any of (i) to (vii) below
   - i. A major shareholder (a shareholder with 10% or more of total voting rights) of the Company or a business executor thereof
   - ii. A major creditor of the Company (a creditor with a debt amount equivalent to 2% or more of total consolidated assets) or a business executor thereof
   - iii. A business executor of the lead underwriter of the Company
   - iv. A business executor of a business partner of the Company (a business partner whereby transactions comprise 1% or more of consolidated net sales of either the Company or the business partner)
   - v. A partner of the Accounting Auditor of the Company or an employee who engages in the auditing of the Company
   - vi. An expert in or consultant for law, accounting, taxation, etc. who receives more than 5 million yen in compensation, excluding officer remuneration, from the Company in a year (If the recipient is a company or an organization, a business executor of the organization whereby annual compensation exceeds the smaller of the following two amounts: 10 million yen or 1% of the annual total net sales of the organization)
   - vii. A business executor of an organization that receives more than 5 million yen in donations from the Company in a year

2. A person who has fallen under (i) to (vii) above at any time in the past three years

[Reference] The members of the Board of Directors following the approval of Proposal 1 and Proposal 2

The members of the Board of Directors will be as presented below provided that Proposal 1 and Proposal 2 are approved as originally proposed.

	Name		Position in the Company (Planned)
Re-appointed	Mayuki Hashimoto		Representative Director Chairman & Chief Executive Officer
Re-appointed	Michiharu Takii		Representative Director Vice Chairman
Re-appointed	Hisashi Furuya		Representative Director President & Chief Operating Officer
Re-appointed	Kazuo Hiramoto		Representative Director Executive Vice President
Newly appointed	Akane Kato	Outside Director Independent Director	Director
Re-appointed	Hiroshi Yoshikawa		Director Full-time Audit and Supervisory Committee Member
Newly appointed	Atsuro Fujii		Director Full-time Audit and Supervisory Committee Member
Re-appointed	Hitoshi Tanaka	Outside Director Independent Director	Director Audit and Supervisory Committee Member
Re-appointed	Masahiro Mitomi	Outside Director Independent Director	Director Audit and Supervisory Committee Member
Re-appointed	Shinichiro Ota	Outside Director Independent Director	Director Audit and Supervisory Committee Member
Re-appointed	Akio Fuwa	Outside Director Independent Director	Director Audit and Supervisory Committee Member

[Attached documents to the Notice of Convocation of the 21st Ordinary General Meeting of Shareholders]

Business Report

(From January 1, 2019 to December 31, 2019)

1. Business Progress and Achievement of the Corporate Group

(1) Business activities and results

The market of 300 mm silicon wafers for semiconductors in the consolidated fiscal year under review saw some adjustments in quantity, while demand for use in logic semiconductors recovered in the second half of the year, mainly driven by demand for 5G and data centers.

Meanwhile, demand for wafers for memory weakened due to the continued inventory adjustment of customers.

In addition, demand for small-diameter wafers of 200 mm or less was sluggish as a whole, affected by a slowdown in global economic growth.

In this environment, in line with the SUMCO Vision, the SUMCO Group sought to maintain our strong presence among customers through technology development responding to their needs for leading-edge, distinctive products, while endeavoring also to improve our profitability by optimizing pricing.

As a result of the above, for the consolidated fiscal year under review, the SUMCO Group posted net sales of 299,460 million yen, operating income of 50,636 million yen, and ordinary income of 48,310 million yen. In addition, as a result of posting gain on revision of retirement benefit plan of 917 million yen under extraordinary income, net income attributable to owners of the Parent came to 33,112 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 58,811 million yen.

The principal items are attributed to investments in a capacity expansion of 300 mm high-precision wafers for cutting edge semiconductors.

(3) Status of financing

During the consolidated fiscal year under review, the SUMCO Group raised a total of 29,500 million yen through long-term debt from multiple financial institutions as the Group's necessary funds.

(4) Issues to be dealt with

As for current demand for semiconductor wafers, although customers are expected to continue inventory adjustment of those for memory semiconductors, demand of those for logic semiconductors is projected to be solid.

In this environment, the SUMCO Group will continue striving to maintain our strong presence among customers through technology development responding to their needs for leading-edge, distinctive products, and improve profitability through increased productivity, optimized pricing, and cost reduction, continuously in line with the SUMCO Vision.

Regarding capital investments, to fulfill our responsibility of supplying 300 mm high-precision wafers for cutting edge semiconductors, for which the Company has a large market share, we made the investment to increase our production capacity by 110,000 wafers a month as we announced in August 2017. We will implement capital investments as appropriate in line with the Company's share, in a disciplined manner, while fulfilling our responsibility to customers as a supplier and taking into consideration supply and demand forecasts of the wafer market on each occasion and the lead-time required to newly install and increase production facilities.

With regard to polycrystalline silicon, which is the main raw material of silicon wafers, due to abrupt changes in the market, a disparity existed between the demand forecasts upon entering into long-term purchase contracts and the current consumption forecasts. Consequently, we are now holding excess inventories. The inventory balance peaked at the end of fiscal year 2016 and has begun to decline, and it is expected to recover to an appropriate level in the medium to long term. The balance of "raw materials and supplies" including raw material inventories has decreased 3.7 billion yen from the end of the previous fiscal year to 149.4 billion yen.

(5) Status of consolidated assets and operating results

Category	17th fiscal year (year ended December 31, 2015)	18th fiscal year (year ended December 31, 2016)	19th fiscal year (year ended December 31, 2017)	20th fiscal year (year ended December 31, 2018)	21st fiscal year (year ended December 31, 2019)
Net sales (millions of yen)	236,826	211,361	260,627	325,059	299,460
Ordinary income (millions of yen)	25,538	9,919	36,709	83,068	48,310
Net income attributable to owners of the Parent (millions of yen)	19,747	6,588	27,016	58,580	33,112
Net income per share (yen)	70.06	22.46	92.12	199.74	112.90
Total assets (millions of yen)	489,842	493,243	530,906	588,250	578,511
Net assets (millions of yen)	244,540	242,836	281,623	325,545	341,149
Net assets per share (yen)	721.78	715.46	822.53	971.76	1,030.39

(6) Status of significant 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	4 thousand US dollars	100.00%	Manufacture and sales of silicon wafers for semiconductor
FORMOSA SUMCO TECHNOLOGY CORPORATION	3,878 million NT dollars	45.57%	Manufacture and sales of silicon wafers for semiconductor

(7) Main business activities (as of December 31, 2019)

Manufacture and sales of silicon wafers for semiconductor

(8) Main offices and plants (as of December 31, 2019)

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, 2019)

1) Employees of the corporate group

Number of employees	Increase (decrease) from the previous consolidated fiscal year-end
8,142	Increased by 125

(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
3,981	Increased by 126	43.1 years old	17.1 years

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

(10) Major creditors and balance of borrowings (as of December 31, 2019)

Creditor	Balance of borrowings
	millions of yen
Sumitomo Mitsui Banking Corporation	20,125
MUFG Bank, Ltd.	18,625
Development Bank of Japan Inc.	15,672
Sumitomo Mitsui Trust Bank, Limited	10,000
Mizuho Bank, Ltd.	9,500

(Note) In order to raise operating funds in a flexible manner, other than the amounts noted above, the Company has entered into a commitment line agreement with a borrowing limit of 30,000 million yen with multiple financial institutions (executed amount: 3,000 million yen).

2. Status of the Company's Shares (as of December 31, 2019)

(1) Total number of authorized shares: Common shares 804,000,000

(2) Total number of issued shares: Common shares 293,285,539
(including 7,635 shares of treasury stock)

(3) Number of shareholders: Common shares 85,010
(decrease of 5,658 from the previous fiscal year-end)

(4) Major shareholders (Top 10)

Name of shareholder	Number of shares held	Equity ownership
	thousand shares	%
Mitsubishi Materials Corporation	39,346	13.42
Japan Trustee Services Bank, Ltd. (Trust account)	19,662	6.70
The Master Trust Bank of Japan, Ltd. (Trust account)	17,335	5.91
STATE STREET BANK CLIENT OMNIBUS OM04	7,751	2.64
Japan Trustee Services Bank, Ltd. (Trust account 5)	4,801	1.64
J.P. MORGAN BANK LUXEMBOURG S.A. 1300000	4,681	1.60
SMBC Nikko Securities Inc.	4,112	1.40
STATE STREET BANK WEST CLIENT － TREATY 505234	3,811	1.30
JP MORGAN CHASE BANK 385151	3,740	1.28
Mizuho Securities Co., Ltd.	3,592	1.22

(Note) The equity ownership is calculated after deducting treasury stock (7,635shares).

(5) Other matters concerning the Company's shares

For the purpose of enhancing shareholder return and improving capital efficiency, at the Board of Directors meeting held on February 18, 2020, the Company resolved matters concerning the repurchase of its own shares pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act and Article 32 of the Articles of Incorporation of the Company, as well as matters concerning the cancellation of treasury stock pursuant to the provisions of Article 178 of the Companies Act.

1) Matters concerning repurchase

Class of shares to be repurchased	Common shares
Total number of shares to be repurchased	Up to 2,180,000 shares
Total amount of repurchase	Up to 3,300,000,000 yen
Repurchase period	From February 19, 2020 to March 24, 2020
Repurchase method	Market purchase on the Tokyo Stock Exchange

2) Matters concerning cancellation

Class of shares to be cancelled	Common shares
Total number of shares to be cancelled	All of the shares to be repurchased pursuant to 1) above
Scheduled date of cancellation	April 10, 2020

3. Officers of the Company

(1) Status of Directors (as of December 31, 2019)

Position	Name	Significant concurrent occupations or positions
Representative Director	Mayuki Hashimoto	
Representative Director	Michiharu Takii	
Representative Director	Hisashi Furuya	
Representative Director	Kazuo Hiramoto	President of SUMCO TECHXIV CORPORATION
Director Full-time Audit and Supervisory Committee Member	Hiroshi Yoshikawa	
Director Audit and Supervisory Committee Member	Hitoshi Tanaka	Attorney at law (Representative of Marunouchi Minami Law Office) Outside Director of TOKYO ENERGY & SYSTEMS INC.
Director Audit and Supervisory Committee Member	Masahiro Mitomi	Certified Public Accountant Representative Director of Value Create Inc.
Director Audit and Supervisory Committee Member	Shinichiro Ota	Senior Counselor of Electric Power Development Co., Ltd. Representative Director and President of SPACE ONE Co., Ltd.
Director Audit and Supervisory Committee Member	Akio Fuwa	

(Notes) 1. Directors Hitoshi Tanaka, Masahiro Mitomi, Shinichiro Ota, and Akio Fuwa are Outside Directors.

2. Audit and Supervisory Committee Member Masahiro Mitomi is a certified public accountant and has considerable knowledge in finance and accounting.

3. For the purpose of strengthening the auditing and supervisory functions of the Audit and Supervisory Committee, Hiroshi Yoshikawa is appointed as Full-time Audit and Supervisory Committee Member for information collection from Directors (excluding Directors who are Audit and Supervisory Committee Members), executive officers, employees, and other relevant personnel, participation in important meetings, and close coordination with the Internal Auditing Department and other relevant departments.

4. The Company has appointed Directors Hitoshi Tanaka, Masahiro Mitomi, Shinichiro Ota, and Akio Fuwa as Independent Directors as provided for in the regulations of the Tokyo Stock Exchange and notified the Exchange to that effect.

5. 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 non-Executive Directors with regard to limitation of liability for damages to the Company in an effort to attract competent individuals from outside the Company 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 non-Executive Directors Hitoshi Tanaka, Masahiro Mitomi, Shinichiro Ota, and Akio Fuwa, respectively. The outline of the contract is as follows.
   - If non-Executive Directors have acted in good faith and without gross negligence in performing their duties, the liability for damages of the non-Executive Directors 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 the said limit.

6. Director Masahiro Mitomi retired from the position of Outside Director (Audit and Supervisory Committee Member) of OTSUKA KAGU, LTD. on March 31, 2019.

7. Directors who retired during the business year under review are as follows.

Position in the Company	Name	Date of retirement	Reason for retirement
Director	Fumio Inoue	March 28, 2019	Expiration of term of office
Director	Toshihiro Awa	March 28, 2019	Expiration of term of office
Director Full-time Audit and Supervisory Committee Member	Hisashi Katahama	March 28, 2019	Resignation

(Note) "Position in the company" states those as of the time of retirement.

8. The Company adopts an executive officer system. The following is the list of executive officers as of January 1, 2020.

Title	Name	Area(s) of responsibility
* Chairman & Chief Executive Officer	Mayuki Hashimoto	Chief Executive Officer Overall control
* Vice Chairman	Michiharu Takii	Assistant to the Chairman Chief Financial Officer
* President & Chief Operating Officer	Hisashi Furuya	Chief Operating Officer General Manager of Technology Div.
* Executive Vice President	Kazuo Hiramoto	General Manager of Production Div. General Manager of Kyushu Factory President of SUMCO TECHXIV CORPORATION
Senior Managing Executive Officer	Keiichi Tanaka	Advisor of FORMOSA SUMCO TECHNOLOGY CORPORATION
Senior Managing Executive Officer	Fumio Inoue	General Manager of Corporate Strategy Div. General Manager of Corporate Planning Dept. Head of Accounting & Budget Control, Finance and Procurement
Managing Executive Officer	Kazuhiro Ikezawa	Deputy General Manager of Production Div. In charge of Production Planning & Control Dept. President of SUMCO Technology Corporation.
Managing Executive Officer	Seiji Miyachi	Deputy General Manager of Production Div. (In charge of SUMCO TECHXIV CORPORATION) In charge of Plant Engineering Dept. and Equipment & Facility Engineering Dept. Executive Vice President of SUMCO TECHXIV CORPORATION
Managing Executive Officer	Takayuki Morikawa	Head of General Affairs and Human Resources In charge of Safety & Disaster Prevention Dept. Chief Compliance Officer
Managing Executive Officer	Makoto Itoh	General Manager of JSQ Div.
Managing Executive Officer	Jiro Ryuta	President of SUMCO Phoenix Corporation
Managing Executive Officer	Toshihiro Awa	General Manager of Sales & Marketing Div.
Managing Executive Officer	Takashi Fukushima	Chief Executive Officer and Director of FORMOSA SUMCO TECHNOLOGY CORPORATION
Executive Officer	Naoki Ikeda	Deputy General Manager of Technology Div. General Manager of Advanced Evaluation & Technology Development Dept. In charge of Quality Assurance Dept.

Title	Name	Area(s) of responsibility
Executive Officer	Takashi Atami	In charge of Saga Plant, Yonezawa Plant and Crystal Engineering Dept.
Executive Officer	Akihiro Yukawa	General Manager of General Affairs Dept.
Executive Officer	Daizo Horie	General Manager of Procurement Dept.
Executive Officer	Hiroshi Shibaya	Deputy General Manager of Kyushu Factory In charge of Imari Plant Ⅱ, Kubara Plant and Wafer Engineering Dept.
Executive Officer	Naruya Hirota	General Manager of AI Promotion Div. Deputy General Manager of Technology Div. In charge of Epitaxial Engineering Dept.
Executive Officer	Satoshi Matsuda	General Manager of Human Resources Dept.
Executive Officer	Akihiko Endo	General Manager of Kubara Plant
Executive Officer	Shinichi Kubozoe	General Manager of Finance Dept. In charge of Accounting & Budget Control Dept.
Executive Officer	Kazuya Takahashi	General Manager of Plant Engineering Dept.
Executive Officer	Yasuharu Sasaki	Deputy General Manager of Sales & Marketing Div. General Manager of International Sales & Marketing Dept.

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

(2) Remuneration and other payments to Directors

Category	Number of persons paid	Total amount of remuneration and other payments
		thousands of yen
Directors (excluding Directors who are Audit and Supervisory Committee Members)	6	327,434
Directors who are Audit and Supervisory Committee Members	6	72,780
(Outside Directors (inclusive in the above))	(4)	(38,400)
Total	12	400,214
(Outside Directors (inclusive in the above))	(4)	(38,400)

(Notes) 1. The upper limit of the total remuneration for all Directors (excluding Directors who are Audit and Supervisory Committee Members) is 460 million yen annually (excluding employee salary) pursuant to the resolution at the 17th Ordinary General Meeting of Shareholders held on March 29, 2016.

2. We have received an opinion from the Audit and Supervisory Committee that the remuneration and other payments to Directors (excluding Directors who are Audit and Supervisory Committee Members) are appropriate in terms of the basic policy on the remuneration system, specific calculation method, etc., and that its decision process is appropriate as well, as the remuneration and other payments have been determined at a meeting of the Board of Directors after being deliberated by the Nomination and Compensation Committee which includes Independent Outside Directors who are Audit and Supervisory Committee Members as its members.

3. The upper limit of the total remuneration for all Directors who are Audit and Supervisory Committee Members is 110 million yen annually pursuant to the resolution at the 17th Ordinary General Meeting of Shareholders held on March 29, 2016.

4. As of the end of the business year under review, there were four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members) and five (5) Directors who are Audit and Supervisory Committee Members.

(3) Matters concerning Outside Directors

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 Audit and Supervisory Committee Member	Hitoshi Tanaka	Attorney at Law (Marunouchi Minami Law Office)	Representative	–
		TOKYO ENERGY & SYSTEMS INC.	Outside Director	–
Outside Director Audit and Supervisory Committee Member	Masahiro Mitomi	Value Create Inc.	Representative Director	– –
Outside Director Audit and Supervisory Committee Member	Shinichiro Ota	Electric Power Development Co., Ltd.	Senior Counselor	–
		SPACE ONE Co., Ltd.	Representative Director and President	
Outside Director Audit and Supervisory Committee Member	Akio Fuwa	–	–	–

(Note) Outside Director Masahiro Mitomi had concurrently served as Outside Director (Audit and Supervisory Committee Member) of OTSUKA KAGU, LTD., but retired from the position on March 31, 2019. In addition, OTSUKA KAGU, LTD. had no special interests with the Company.

2) Major activities during the business year under review

Category	Name	Status of major activities
Outside Director Audit and Supervisory Committee Member	Hitoshi Tanaka	Having attended all 16 Board of Directors meetings and all 13 Audit and Supervisory Committee meetings held in the business year under review, Hitoshi Tanaka speaks as a Director who possesses expert knowledge mainly on laws and regulations, which he has cultivated through working as an attorney at law. He is also an active member of the Nomination and Compensation Committee established as a discretionary advisory body to the Board of Directors.
Outside Director Audit and Supervisory Committee Member	Masahiro Mitomi	Having attended all 16 Board of Directors meetings and all 13 Audit and Supervisory Committee meetings 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. He is also an active member of the Nomination and Compensation Committee established as a discretionary advisory body to the Board of Directors.
Outside Director Audit and Supervisory Committee Member	Shinichiro Ota	Having attended all 16 Board of Directors meetings and all 13 Audit and Supervisory Committee meetings held in the business year under review, Shinichiro Ota speaks as a Director who possesses broad experience and knowledge which he has cultivated through his duties mainly in the public administration field, and many years of experience in corporate management.
Outside Director Audit and Supervisory Committee Member	Akio Fuwa	Having attended all 16 Board of Directors meetings and all 13 Audit and Supervisory Committee meetings held in the business year under review, Akio Fuwa speaks as a Director who possesses knowledge which he has cultivated through working as an expert mainly in the field of metallic materials research and many years of experience as a university professor.

4. Accounting Auditor

(1) Name of Accounting Auditor (Independent Auditor)

Deloitte Touche Tohmatsu LLC

(2) Amount of compensation, etc.

Contents of compensation, etc.	Amount paid
	millions of yen
(1) Total amount of compensation and other payments for the business year under review	82
(2) Total amount of monies and other property benefits payable by the Company and its subsidiaries to the Accounting Auditors (including (1) above)	110

(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 aggregate amount is shown in the figure (1) above.

2. Upon obtaining necessary documents and receiving reports from Directors, related departments of the Company, and Accounting Auditors, the Audit and Supervisory Committee consented to the amount of compensation, etc., for the Accounting Auditors, pursuant to Article 399, Paragraph 1 of the Companies Act after verifying and examining the contents of the audit plan, the status of implementation of duties, and the basis for calculation of estimated compensation, etc. submitted by the Accounting Auditors, and consequently determining that they were all reasonable.

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

When the Accounting Auditor falls under any of the items stipulated in Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee shall dismiss the Accounting Auditor based on the consent of all Audit and Supervisory Committee Members. In this case, the Audit and Supervisory Committee Member selected by the Audit and Supervisory Committee 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. The Audit and Supervisory Committee 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.

5. Policy on Determination of Dividends from Surplus, etc.

The Articles of Incorporation of the Company stipulate that except as otherwise provided by laws and regulations, the Company may determine, by a resolution of the 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. The Company considers that returning appropriate profits to its shareholders is an important management priority. As for dividends, the Company intends to provide returns to its shareholders flexibly and proactively, with due consideration to the level of profit, the outlook for subsequent business years, fund requirements for capital investment, etc., the status of internal reserves, and other factors in each business year.

With improvement in the financial position, the Group has largely achieved the medium-term financial targets, namely, equity ratio of 50% or higher and gross D/E ratio of 0.5x or below, that were set out at the time of a public offering in 2015. Accordingly, we revised our shareholder return initiatives and decided to commence distribution of an additional 10% in payout ratio by way of repurchase of its own shares, in addition to the existing 30% dividend payout.

In line with the above policy, the year-end dividend was determined to be 10 yen per share by a resolution of the Board of Directors held on February 18, 2020. As a result, the annual payment of

dividends for the business year under review totaled 35 yen per share, combined with the interim dividend of 25 yen per share. In addition, at the Board of Directors meeting held on the same date, the Company resolved to repurchase its own shares during the period from February 19, 2020 to March 24, 2020 up to a maximum quantity and purchase price of 2,180 thousand shares and 3,300 million yen, respectively, as well as to cancel all of the repurchased shares.

Consolidated Balance Sheet

(As of December 31, 2019)

(Millions of yen)

Category	Amount	Category	Amount
(Assets)		**(Liabilities)**	
Current assets	**319,230**	**Current liabilities**	**86,970**
Cash and time deposits	50,220	Notes and accounts payable – trade	23,511
Notes and accounts receivable – trade	57,416	Short-term borrowings	30,234
Marketable securities	19,800	Current portion of long-term lease obligations	591
Finished products	17,032	Accrued income taxes	2,753
Work in process	17,938	Reserve for bonuses	1,600
Raw materials and supplies	149,446	Notes and accounts payable – construction	15,965
Other	7,386	Other	12,312
Allowance for doubtful accounts	(10)		
Non-current assets	**259,280**	**Long-term liabilities**	**150,391**
Property, plant and equipment	**196,782**	Long-term debt	120,864
Buildings and structures	70,841	Long-term lease obligations	336
Machinery, equipment and vehicles	71,746	Deferred income tax liabilities	2,484
Land	20,316	Deferred income tax liabilities on revaluation reserve for land	1,342
Construction in progress	32,167	Net defined benefit liability	24,495
Other	1,711	Other	867
Intangible assets	**10,894**	**Total liabilities**	**237,361**
Goodwill	3,562	**(Equity)**	
Software	5,643	**Shareholders' equity**	**303,698**
Other	1,689	**Capital stock**	**138,718**
		Capital surplus	**30,763**
Investments and other assets	**51,603**	**Retained earnings**	**134,228**
Investment securities	102	**Treasury stock**	**(12)**
Long-term advance payments	35,835		
Long-term prepaid expenses	2,680	**Accumulated other comprehensive income**	**(1,507)**
Deferred income tax assets	11,634	**Net unrealized gain on available-for-sale securities**	**0**
Retirement benefit asset	648	**Deferred loss on derivatives under hedge accounting**	**(0)**
Other	985	**Land revaluation surplus**	**2,885**
Allowance for doubtful accounts	(282)	**Foreign currency translation adjustments**	**(1,639)**
		Remeasurements of defined benefit plans	**(2,753)**
		Non-controlling interests	**38,958**
		Total equity	**341,149**
Total assets	**578,511**	**Total liabilities and equity**	**578,511**

Consolidated Statement of Income

(From January 1, 2019 to December 31, 2019)

(Millions of yen)

Category	Amount	
Net sales		**299,460**
Cost of sales		**221,311**
Gross profit		**78,148**
Selling, general and administrative expenses		**27,512**
Operating income		**50,636**
Non-operating income		
Interest and dividend income	717	
Other	241	958
Non-operating expenses		
Interest expense	1,064	
Foreign exchange loss	1,189	
Loss on sales and retirement of non-current assets	532	
Commission for syndicate loan	360	
Other	137	3,284
Ordinary income		**48,310**
Extraordinary income		
Gain on revision of retirement benefit plan	917	917
Income before income taxes		**49,228**
Income taxes – current	8,287	
Income taxes – deferred	2,997	11,284
Net income		**37,943**
Net income attributable to non-controlling interests		4,831
Net income attributable to owners of the Parent		**33,112**

Non-consolidated Balance Sheet

(As of December 31, 2019)

(Millions of yen)

Category	Amount	Category	Amount
(Assets)		**(Liabilities)**	
Current assets	**269,091**	**Current liabilities**	**117,751**
Cash and time deposits	20,836	Accounts payable – trade	36,253
Accounts receivable – trade	56,104	Short-term borrowings	59,469
Marketable securities	19,800	Current portion of long-term lease obligations	489
Finished products	7,433		
Work in process	11,648	Accrued liabilities	5,456
Raw materials and supplies	129,909	Accrued expenses	264
Advance payments	2,317	Accrued income taxes	1,023
Prepaid expenses	273	Accounts payable – construction	13,651
Short-term loans	13,361	Advances received	46
Accounts receivable – other	4,202	Other	1,097
Other	3,206	**Long-term liabilities**	**134,535**
Allowance for doubtful accounts	(3)	Long-term debt	120,864
Non-current assets	**239,892**	Long-term lease obligations	126
Property, plant and equipment	**138,456**	Deferred income tax liabilities on revaluation reserve for land	1,342
Buildings	52,611		
Structures	1,849	Liability for retirement benefits	11,714
Machinery	43,478	Asset retirement obligations	465
Motor vehicles and transport equipment	121	Other	22
Tools, appliances and furniture	418	**Total liabilities**	**252,287**
Land	15,370	**(Equity)**	
Lease assets	31	**Shareholders' equity**	**253,810**
Construction in progress	24,573	**Capital stock**	**138,718**
Intangible assets	**5,837**	**Capital surplus**	**23,384**
Software	4,596	Capital reserve	3,611
Other	1,240	Others	19,772
Investments and other assets	**95,599**	**Retained earnings**	**91,719**
Investment securities	3	Retained earnings reserve	4,760
Stocks of subsidiaries and affiliates	27,077	Other retained earnings	86,958
Investments in subsidiaries and affiliates	55	Retained earnings carried forward	86,958
Long-term loans receivable from subsidiaries and affiliates	25,925	**Treasury stock**	**(12)**
Long-term loans receivable	35,835	**Variance of valuation/translation, etc.**	**2,885**
Long-term advance payments	1,861	**Deferred loss on derivatives under hedge accounting**	**(0)**
Prepaid pension cost	731	**Land revaluation surplus**	**2,885**
Deferred income tax assets	3,475		
Other	781		
Allowance for doubtful accounts	(147)	**Total equity**	**256,696**
Total assets	**508,983**	**Total liabilities and equity**	**508,983**

Non-consolidated Statement of Income

(From January 1, 2019 to December 31, 2019)

(Millions of yen)

Category	Amount	
Net sales		**251,244**
Cost of sales		**207,967**
Gross profit		**43,276**
Selling, general and administrative expenses		**19,585**
Operating income		**23,691**
Non-operating income		
Interest income	544	
Dividend income	23,904	
Other	1,202	25,650
Non-operating expenses		
Interest expense	1,440	
Foreign exchange loss	947	
Commission for syndicate loan	360	
Loss on sales and retirement of non-current assets	350	
Other	125	3,223
Ordinary income		**46,118**
Extraordinary income		
Gain on revision of retirement benefit plan	917	917
Income before income taxes		**47,035**
Income taxes – current	3,387	
Income taxes – deferred	1,685	5,072
Net income		**41,962**

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

Accounting audit report on Consolidated Financial Statements

Independent Auditors' Report

February 14, 2020

SUMCO CORPORATION
The Board of Directors

Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner and Engagement Partner	Certified Public Accountant Hiroshi 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, 2019 to December 31, 2019.

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, 2019, 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 14, 2020

SUMCO CORPORATION
The Board of Directors

Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner and Engagement Partner	Certified Public Accountant Hiroshi 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 21st business year from January 1, 2019 to December 31, 2019.

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, 2019 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.

(TRANSLATION PURPOSE ONLY)

<Audit report of Audit and Supervisory Committee>

AUDIT REPORT

Regarding the execution of duties by Directors for the 21st business year from January 1, 2019 to December 31, 2019, the Audit and Supervisory Committee conducted the Audit and hereby submits its audit report on the methods and results.

1. Auditing Methods and Details of Such Methods

While the Audit and Supervisory Committee periodically received reports from Directors, employees and other relevant personnel, sought explanations as necessary, and expressed its opinions regarding the contents of resolutions by the Board of Directors concerning matters stipulated in Article 399-13, Paragraph 1, Item 1(b) and (c) of the Companies Act as well as the status of the building and management of the system developed pursuant to such resolutions (internal control system), it conducted an audit by following the methods described below:

I. Pursuant to auditing policies and duties determined by the Audit and Supervisory Committee and in coordination with the internal auditing department of the Company, we participated in important meetings, received reports from Directors, employees, and other relevant personnel regarding matters relating to 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 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 the Board of Directors for the internal control system are fair and reasonable. Moreover, we have found no matters that need to be raised regarding items in the internal control system section of the business report or the performance of duties by Directors.

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

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

(3) Results of Audit of Consolidated Financial Statements

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

February 17, 2020

Audit and Supervisory Committee, SUMCO CORPORATION

Full-time Audit and Supervisory Committee Member	Hiroshi Yoshikawa	(Seal)
Audit and Supervisory Committee Member	Hitoshi Tanaka	(Seal)
Audit and Supervisory Committee Member	Masahiro Mitomi	(Seal)
Audit and Supervisory Committee Member	Shinichiro Ota	(Seal)
Audit and Supervisory Committee Member	Akio Fuwa	(Seal)

(Note) Audit and Supervisory Committee Members Hitoshi Tanaka, Masahiro Mitomi, Shinichiro Ota and Akio Fuwa are Outside Directors stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.