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 4, 2021

Dear Shareholders,

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

Notice of Convocation of the 22nd Ordinary General Meeting of Shareholders

Please be informed that the 22nd Ordinary General Meeting of Shareholders of SUMCO CORPORATION will be held as described below.

For this Ordinary General Meeting of Shareholders, in order to prevent the spread of COVID-19, the seats at the meeting hall will be placed a wide distance apart, resulting in a significantly smaller seating capacity than previous years. Therefore, wherever possible, we ask you to exercise your voting rights by postal voting or via the Internet, etc.

If you are exercising 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 by 5:45 p.m. on Wednesday, March 24, 2021

Details

1. Date and Time: Thursday, March 25, 2021, 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 22nd Fiscal Year (from January 1, 2020 to December 31, 2020), 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 22nd Fiscal Year (from January 1, 2020 to December 31, 2020)

Agenda for resolution:

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

Proposal 2: Election of One (1) Director who is an Audit and Supervisory Committee Member

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 (https://www.sumcosi.com/).
* The contents of the Notice of Convocation have been disclosed through postings on the Company's website and the Tokyo Stock Exchange website prior to dispatching the Notice of Convocation from the perspective of providing information at an early stage.

Guide to Measures Taken in Response to COVID-19

In the holding of this Ordinary General Meeting of Shareholders, in order to minimize, as much as possible, the risk of COVID-19 infection among our shareholders, we shall be taking the following measures. We appreciate your understanding and cooperation on this matter.

■ Exercise of voting rights beforehand

- In order to prevent the spread of COVID-19, the seats at the meeting hall will be placed a wide distance apart, resulting in a significantly smaller seating capacity than previous years. Therefore, wherever possible, we ask all shareholders to exercise their voting rights by postal voting or via the Internet, etc. For details on how to exercise voting rights by postal voting or via the Internet, etc., please refer to page 3.

■ Online streaming of General Meeting of Shareholders video

- After the conclusion of this Ordinary General Meeting of Shareholders, a video that filmed the meeting on the day shall be available online for streaming. For details on how to view the video, please refer to the guidance paper enclosed with this Notice of Convocation sent to all shareholders.

■ Requests to all shareholders attending the General Meeting of Shareholders

- For shareholders who will be attending the General Meeting of Shareholders, on the day, please check the conditions of the pandemic and your own health condition, and take ample precautions to prevent infections, such as wearing a mask.
- When you arrive at the meeting hall, please cooperate with the infection prevention measures conducted by the Company, including disinfecting your hands with alcohol, wearing a mask, and having your temperature taken.
- Please note that at the temperature-taking near the entrance of the meeting hall, if a shareholder is found to be running a temperature or appears to be unwell, with symptoms such as coughing, the shareholder may be refused entry.
- Please note that the seats at the meeting hall will be placed a wide distance apart, resulting in a significantly smaller seating capacity than previous years.
- We shall strive to shorten the meeting duration by endeavoring to efficiently proceed with the agenda of the General Meeting of Shareholders. We appreciate your understanding and cooperation on this matter.
- Operational staff shall participate in the meeting after verifying that their health is in good condition, and they shall be wearing masks on the day. We appreciate your understanding on this matter.

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 25, 2021, 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 24, 2021

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

Please indicate your approval or disapproval for each of the proposals 1 and 2 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"n**(Disapprove).
- If you disapprove of some candidates: Please mark a ○ in the box marked **"賛"n**(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 24, 2021

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 five (5) 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).

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 (FY2020)
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	16 out of 16
4 (re-appointed)	Kazuo Hiramoto	Representative Director Executive Vice President	16 out of 16
5 (re-appointed)	Akane Kato Outside Director candidate Independent Director candidate	Director	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>Mayuki Hashimoto
(January 10, 1951)

Re-appointed

Number of the Company’s common shares held
21,700 shares

Number of years in office as Director
11 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. 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</td></tr>
<tr><td colspan="2"><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.</td></tr>
</table>

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company
2	**Michiharu Takii** **(February 10, 1950)** Re-appointed Number of the Company's common shares held 19,900 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	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 Head of General Affairs and Human Resources Chief Compliance Officer
	<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.	

<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">3</td><td>Hisashi Furuya
(October 30, 1954)

Re-appointed

Number of the Company’s common shares held
17,200 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. 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.</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 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.</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">4</td><td>Kazuo Hiramoto
(September 13, 1956)

Re-appointed

Number of the Company’s common shares held
11,000 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</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
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</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, and as Representative Director and Executive Vice President 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 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)

Re-appointed
Outside Director candidate
Independent Director candidate

Number of the Company’s common shares held
100 shares

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

Number of attendance at meetings of the Board of Directors
13 out of 13</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
Mar. 2020 Outside Director of the Company (present post)
<Significant concurrent occupations or positions in other organizations>
Representative Director of AKANE IDENTITIES INC.
Outside Director of 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 again 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
Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into a contract with Akane Kato to limit her liability for damages under Article 423, Paragraph 1 of the said Act. If her election is approved, the Company intends to continue the said contract with her.
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. The Company has appointed Akane Kato as an Independent Director as provided for in the regulations of the Tokyo Stock Exchange and notified the Exchange to that effect. If her election is approved, she will continue to serve as an Independent Director.

Proposal 2: Election of One (1) Director who is an Audit and Supervisory Committee Member

Directors who are Audit and Supervisory Committee Members Hiroshi Yoshikawa and Atsuro Fujii will retire from their positions due to resignations as of the conclusion of this Ordinary General Meeting of Shareholders. As a substitute, the Company requests the election of one (1) Director who is an Audit and Supervisory Committee Member. While this represents a decrease of one (1) Director who is an Audit and Supervisory Committee Member, the Company has concluded that it will be able to continue securing the effectiveness of corporate governance, after considering the members of the Board of the Company.

The candidate for Director who is an Audit and Supervisory Committee Member shall be elected as the substitute for Director who is an Audit and Supervisory Committee Member Hiroshi Yoshikawa. The candidate's term of office shall be, as stipulated in the Company's Articles of Incorporation, the period until the term of office of the retiring Director who is an Audit and Supervisory Committee Member expires.

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

The candidate for Director who is an Audit and Supervisory Committee Member is as follows.

	Name	Current position in the Company
(Newly appointed)	Fumio Inoue	Senior Managing Executive Officer

Name (Date of birth)	Career summary, current position and areas of responsibility in the Company
Fumio Inoue **(August 22, 1957)** Newly appointed Number of the Company's common shares held 8,600 shares	Apr. 1981 Joined Sumitomo Metal Industries, Ltd. (the current Nippon Steel 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 Div., 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 Mar. 2017 Director, Managing Executive Officer, General Manager of Corporate Strategy Div., General Manager of Corporate Planning Dept., the Company Mar. 2018 Director, Senior Managing Executive Officer, General Manager of Corporate Strategy Div., General Manager of Corporate Planning Dept., the Company Mar. 2019 Senior Managing Executive Officer, General Manager of Corporate Strategy Div., General Manager of Corporate Planning Dept., the Company Mar. 2020 Senior Managing Executive Officer, General Manager of Corporate Strategy Div., the Company (present post) <Areas of responsibility in the Company> General Manager of Corporate Strategy Div. Head of Corporate Planning, Accounting & Budget Control, Finance and Procurement

<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. He has served as General Manager of Corporate Strategy Division since 2017. 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>
Fumio Inoue has no special interests with the Company.

[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
Re-appointed	Akane Kato	Outside Director Independent Director	Director
Newly appointed	Fumio Inoue		Director Full-time Audit and Supervisory Committee Member
	Hitoshi Tanaka	Outside Director Independent Director	Director Audit and Supervisory Committee Member
	Masahiro Mitomi	Outside Director Independent Director	Director Audit and Supervisory Committee Member
	Shinichiro Ota	Outside Director Independent Director	Director Audit and Supervisory Committee Member
	Akio Fuwa	Outside Director Independent Director	Director Audit and Supervisory Committee Member

[Attached documents to the Notice of Convocation of the 22nd Ordinary General Meeting of Shareholders]

Business Report

(From January 1, 2020 to December 31, 2020)

1. Business Progress and Achievement of the Corporate Group

(1) Business activities and results

During the fiscal year 2020 (January 1, 2020–December 31, 2020), the market for semiconductor silicon wafers grew despite such factors as US-China trade friction and the slowdown in the global economy in the COVID-19 pandemic.

There was strong demand for 300 mm wafers to meet the increase in network traffic resulting from the rise of teleworking and spread of 5G. Demand for logic was driven by expanding PC, smartphone, and data center, leading to ongoing supply/demand tightness, while that for memory also saw a recovery trend.

For wafers of 200 mm and smaller, demand for consumer and automotive, which had stagnated with the slowing of the global economy in the COVID-19 pandemic, recovered sharply around the end of year.

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

As a result, for the fiscal year 2020, the Group registered consolidated net sales of 291,333 million yen, operating income of 37,897 million yen, ordinary income of 35,650 million yen and net income attributable to owners of the parent of 25,505 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 53,333 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 27,700 million yen through long-term debt from multiple financial institutions as the Group's necessary funds.

(4) Issues to be dealt with

Regarding the current market of 300 mm silicon wafers for semiconductors, led by increased demand for 5G, smartphones and data centers, the supply-and-demand balance for logic semiconductors is expected to be even tighter going forward. As for 200 mm wafers, demand for in-vehicle and consumer applications has recovered rapidly, and the robust demand is expected to continue.

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. In addition, amid concerns mainly over the impact of the COVID-19 crisis and US-China trade friction, we are monitoring market movements carefully.

Regarding capital investments, 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 7.3 billion yen from the end of the previous fiscal year to 142.1 billion yen.

(5) Status of consolidated assets and operating results

Category	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)	22nd fiscal year (year ended December 31, 2020)
Net sales (millions of yen)	211,361	260,627	325,059	299,460	291,333
Ordinary income (millions of yen)	9,919	36,709	83,068	48,310	35,650
Net income attributable to owners of the Parent (millions of yen)	6,588	27,016	58,580	33,112	25,505
Net income per share (yen)	22.46	92.12	199.74	112.90	87.48
Total assets (millions of yen)	493,243	530,906	588,250	578,511	593,443
Net assets (millions of yen)	242,836	281,623	325,545	341,149	355,003
Net assets per share (yen)	715.46	822.53	971.76	1,030.39	1,082.22

(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, 2020)

Manufacture and sales of silicon wafers for semiconductor

(8) Main offices and plants (as of December 31, 2020)

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, Kohoku-machi, Kishima-gun, Saga and Omura-shi, Nagasaki) 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, 2020)

1) Employees of the corporate group

Number of employees	Increase (decrease) from the previous consolidated fiscal year-end
8,199	Increased by 57

(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
4,011	Increased by 30	43.6 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, 2020)

Creditor	Balance of borrowings
	millions of yen
Sumitomo Mitsui Banking Corporation	21,375
MUFG Bank, Ltd.	19,125
Development Bank of Japan Inc.	15,226
Sumitomo Mitsui Trust Bank, Limited	10,750
Mizuho Bank, Ltd.	10,250

(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: 900 million yen).

2. Status of the Company's Shares (as of December 31, 2020)

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

(2) Total number of issued shares: Common shares 291,181,239
(including 7,715 shares of treasury stock)

(3) Number of shareholders: Common shares 72,168
(decrease of 12,842 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	28,846	9.91
The Master Trust Bank of Japan, Ltd. (Trust account)	23,263	7.99
Custody Bank of Japan, Ltd. (Trust account)	19,624	6.74
MSCO CUSTOMER SECURITIES	11,341	3.90
SSBTC CLIENT OMNIBUS ACCOUNT	8,319	2.86
STATE STREET BANK CLIENT OMNIBUS OM04	4,831	1.66
STATE STREET BANK AND TRUST COMPANY 505001	4,765	1.64
GOVERNMENT OF NORWAY	4,453	1.53
Custody Bank of Japan, Ltd. (Trust account 5)	4,016	1.38
SMBC Nikko Securities Inc.	3,840	1.32

(Note) The equity ownership is calculated after deducting treasury stock (7,715 shares).

(5) Other matters concerning the Company's shares

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. The repurchase and cancellation of treasury stock were conducted as follows.

1) Repurchase of treasury stock

Class of shares repurchased	Common shares
Total number of shares repurchased	2,104,300 shares
Total amount of repurchase	3,299,985,900 yen
Repurchase period	From February 19, 2020 to March 19, 2020
Repurchase method	Market purchase on the Tokyo Stock Exchange

2) Cancellation of treasury stock

Class of shares cancelled	Common shares
Total number of shares cancelled	2,104,300 shares
Date of cancellation	April 10, 2020

Furthermore, in order to continue enhancing shareholder return and improving capital efficiency, at the Board of Directors meeting held on February 19, 2021, 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.

3) Matters concerning repurchase

Class of shares to be repurchased	Common shares
Total number of shares to be repurchased	Up to 1,270,000 shares
Total amount of repurchase	Up to 2,500,000,000 yen
Repurchase period	From February 22, 2021 to March 23, 2021
Repurchase method	Market purchase on the Tokyo Stock Exchange

4) 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 3) above
Scheduled date of cancellation	April 14, 2021

3. Officers of the Company

(1) Status of Directors (as of December 31, 2020)

Position	Name	Significant concurrent occupations or positions
Representative Director	Mayuki Hashimoto	
Representative Director	Michiharu Takii	
Representative Director	Hisashi Furuya	
Representative Director	Kazuo Hiramoto	
Director	Akane Kato	Representative Director of AKANE IDENTITIES INC. Outside Director of SAN-EI Corporation
Director Full-time Audit and Supervisory Committee Member	Hiroshi Yoshikawa	
Director Full-time Audit and Supervisory Committee Member	Atsuro Fujii	
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 Akane Kato, 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 and Atsuro Fujii are appointed as Full-time Audit and Supervisory Committee Members 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 Akane Kato, 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 Akane Kato, 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 Kazuo Hiramoto retired from the position of President of SUMCO TECHXIV CORPORATION on June 11, 2020.
7. The Company adopts an executive officer system. The following is the list of executive officers as of December 31, 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 Head of General Affairs and Human Resources Chief Compliance 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
Senior Managing Executive Officer	Fumio Inoue	General Manager of Corporate Strategy Div. Head of Corporate Planning, Accounting & Budget Control, Finance and Procurement
Senior Managing Executive Officer	Toshihiro Awa	General Manager of Sales & Marketing Div.
Managing Executive Officer	Kazuhiro Ikezawa	Deputy General Manager of Production Div. In charge of Production Planning & Control Dept. and Safety & Disaster Prevention 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. Chairman of SUMCO TECHXIV CORPORATION
Managing Executive Officer	Makoto Itoh	General Manager of JSQ Div.
Managing Executive Officer	Jiro Ryuta	President of SUMCO Phoenix Corporation
Managing Executive Officer	Shinichi Kubozoe	Deputy General Manager of Corporate Strategy Div.
Executive Officer	Naoki Ikeda	Deputy General Manager of Technology Div. General Manager of Advanced Evaluation & Technology Development Dept. In charge of Quality Assurance Dept.
Executive Officer	Takashi Atami	Deputy General Manager of Production Div. Deputy General Manager of Technology Div. In charge of Saga Plant, Nagasaki 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	Kazuya Takahashi	General Manager of Plant Engineering Dept.

Title	Name	Area(s) of responsibility
Executive Officer	Yasuharu Sasaki	Deputy General Manager of Sales & Marketing Div. General Manager of International Sales & Marketing Dept.
Executive Officer	Masayasu Hara	General Manager of Kubara Plant

(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)	5	290,842
(Outside Directors (inclusive in the above))	(1)	(7,200)
Directors who are Audit and Supervisory Committee Members	6	86,532
(Outside Directors (inclusive in the above))	(4)	(38,400)
Total	11	377,374
(Outside Directors (inclusive in the above))	(5)	(45,600)

(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.

(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	Akane Kato	AKANE IDENTITIES INC.	Representative Director	–
		SAN-EI Corporation	Outside Director	–
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	–	–	–

2) Major activities during the business year under review

Category	Name	Status of major activities
Outside Director	Akane Kato	Having attended all 13 Board of Directors meetings held after she assumed office on March 26, 2020, Akane Kato speaks as a Director who possesses expert knowledge on human resources development and organizational operation, which she has cultivated mainly through working as a human resources development consultant, as well as experience in corporate management.
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	91
(2) Total amount of monies and other property benefits payable by the Company and its subsidiaries to the Accounting Auditors (including (1) above)	119

(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 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, as a new initiative of shareholder return, we conduct the 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 9 yen per share by a resolution of the Board of Directors held on February 19, 2021. As a result, the annual payment of

dividends for the business year under review totaled 27 yen per share, combined with the interim dividend of 18 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 22, 2021 to March 23, 2021 up to a maximum quantity and purchase price of 1,270 thousand shares and 2,500 million yen, respectively, as well as to cancel all of the repurchased shares.

Consolidated Balance Sheet

(As of December 31, 2020)

(Millions of yen)

Category	Amount	Category	Amount
(Assets)		**(Liabilities)**	
Current assets	**331,061**	**Current liabilities**	**97,180**
Cash and time deposits	82,968	Notes and accounts payable – trade	25,615
Notes and accounts receivable – trade	60,405	Short-term borrowings	38,180
Finished products	18,645	Current portion of long-term lease obligations	192
Work in process	19,642	Accrued income taxes	3,392
Raw materials and supplies	142,185	Reserve for bonuses	1,308
Other	7,222	Notes and accounts payable – construction	15,572
Allowance for doubtful accounts	(9)	Other	12,918
Non-current assets	**262,381**	**Long-term liabilities**	**141,259**
Property, plant and equipment	**204,052**	Long-term debt	111,383
Buildings and structures	68,443	Long-term lease obligations	141
Machinery, equipment and vehicles	82,693	Deferred income tax liabilities	2,635
Land	20,261	Deferred income tax liabilities on revaluation reserve for land	1,342
Construction in progress	30,732	Net defined benefit liability	24,851
Other	1,921	Other	904
Intangible assets	**10,120**	**Total liabilities**	**238,439**
Goodwill	1,936	**(Equity)**	
Software	7,245	**Shareholders' equity**	**317,729**
Other	937	**Capital stock**	**138,718**
		Capital surplus	**27,463**
Investments and other assets	**48,209**	**Retained earnings**	**151,559**
Investment securities	101	**Treasury stock**	**(12)**
Long-term advance payments	33,511		
Long-term prepaid expenses	2,861	**Accumulated other comprehensive income**	**(2,615)**
Deferred income tax assets	10,468	**Net unrealized gain on available-for-sale securities**	**0**
Retirement benefit asset	615	**Deferred loss on derivatives under hedge accounting**	**(0)**
Other	926	**Land revaluation surplus**	**2,885**
Allowance for doubtful accounts	(275)	**Foreign currency translation adjustments**	**(3,224)**
		Remeasurements of defined benefit plans	**(2,277)**
		Non-controlling interests	**39,888**
		Total equity	**355,003**
Total assets	**593,443**	**Total liabilities and equity**	**593,443**

Consolidated Statement of Income

(From January 1, 2020 to December 31, 2020)

(Millions of yen)

Category	Amount	
Net sales		**291,333**
Cost of sales		**226,161**
Gross profit		**65,171**
Selling, general and administrative expenses		**27,274**
Operating income		**37,897**
Non-operating income		
Interest and dividend income	349	
Subsidy income	636	
Other	177	1,164
Non-operating expenses		
Interest expense	967	
Foreign exchange loss	1,723	
Loss on sales and retirement of non-current assets	475	
Other	245	3,411
Ordinary income		**35,650**
Income before income taxes		**35,650**
Income taxes – current	5,955	
Income taxes – deferred	1,049	7,005
Net income		**28,644**
Net income attributable to non-controlling interests		3,139
Net income attributable to owners of the Parent		**25,505**

Non-consolidated Balance Sheet

(As of December 31, 2020)

(Millions of yen)

Category	Amount	Category	Amount
(Assets)		**(Liabilities)**	
Current assets	**273,305**	**Current liabilities**	**123,662**
Cash and time deposits	47,601	Accounts payable – trade	36,892
Accounts receivable – trade	57,455	Short-term borrowings	65,714
Finished products	9,853	Current portion of long-term lease obligations	112
Work in process	12,908		
Raw materials and supplies	121,567	Accrued liabilities	6,061
Advance payments	2,324	Accrued expenses	179
Prepaid expenses	548	Accrued income taxes	893
Short-term loans	14,227	Accounts payable – construction	12,603
Accounts receivable – other	4,161	Advances received	314
Other	2,659	Other	891
Allowance for doubtful accounts	(2)	**Long-term liabilities**	**125,473**
Non-current assets	**248,209**	Long-term debt	111,383
Property, plant and equipment	**149,171**	Long-term lease obligations	14
Buildings	50,598	Deferred income tax liabilities on revaluation reserve for land	1,342
Structures	2,071		
Machinery	55,410	Liability for retirement benefits	12,255
Motor vehicles and transport equipment	135	Asset retirement obligations	465
Tools, appliances and furniture	454	Other	12
Land	15,317	**Total liabilities**	**249,136**
Lease assets	22	**(Equity)**	
Construction in progress	25,160	**Shareholders' equity**	**269,492**
Intangible assets	**6,589**	**Capital stock**	**138,718**
Software	6,024	**Capital surplus**	**20,084**
Other	565	Capital reserve	3,611
Investments and other assets	**92,447**	Others	16,472
Investment securities	3	**Retained earnings**	**110,701**
Stocks of subsidiaries and affiliates	27,077	Retained earnings reserve	5,578
Investments in subsidiaries and affiliates	55	Other retained earnings	105,123
Long-term loans receivable from subsidiaries and affiliates	25,195	Retained earnings carried forward	105,123
Long-term loans receivable	33,511	**Treasury stock**	**(12)**
Long-term advance payments	1,994	**Variance of valuation/translation, etc.**	**2,885**
Prepaid pension cost	714	**Deferred loss on derivatives under hedge accounting**	**(0)**
Deferred income tax assets	3,322	**Land revaluation surplus**	**2,885**
Other	721		
Allowance for doubtful accounts	(147)		
		Total equity	**272,378**
Total assets	**521,514**	**Total liabilities and equity**	**521,514**

Non-consolidated Statement of Income

(From January 1, 2020 to December 31, 2020)

(Millions of yen)

Category	Amount	
Net sales		**242,883**
Cost of sales		**206,137**
Gross profit		**36,746**
Selling, general and administrative expenses		**19,825**
Operating income		**16,920**
Non-operating income		
Interest income	363	
Dividend income	13,761	
Other	908	15,034
Non-operating expenses		
Interest expense	1,141	
Foreign exchange loss	589	
Loss on sales and retirement of non-current assets	334	
Other	188	2,253
Ordinary income		**29,701**
Income before income taxes		**29,701**
Income taxes – current	2,392	
Income taxes – deferred	152	2,545
Net income		**27,155**

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

Accounting audit report on Consolidated Financial Statements

Independent Auditors' Report

February 16, 2021

SUMCO CORPORATION
The Board of Directors

Deloitte Touche Tohmatsu LLC
Tokyo Office

Designated Limited Liability Partner and Engagement Partner	Certified Public Accountant Masato Shoji	(Seal)
Designated Limited Liability Partner and Engagement Partner	Certified Public Accountant Yosuke Naganuma	(Seal)

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net equity and the notes to the consolidated financial statements of SUMCO CORPORATION (the "Company") for the consolidated fiscal year from January 1, 2020 through December 31, 2020.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Company and its consolidated subsidiaries for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and

fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

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 16, 2021

SUMCO CORPORATION
The Board of Directors

Deloitte Touche Tohmatsu LLC
Tokyo Office

Designated Limited Liability Partner and Engagement Partner	Certified Public Accountant Masato Shoji	(Seal)
Designated Limited Liability Partner and Engagement Partner	Certified Public Accountant Yosuke Naganuma	(Seal)

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in equity and the related notes, and the accompanying supplementary schedules of SUMCO CORPORATION (the "Company") for the 22nd business year from January 1, 2020 through December 31, 2020.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to

enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events

on which they are based.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

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 22nd business year from January 1, 2020 to December 31, 2020, 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 of 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 16, 2021

Audit and Supervisory Committee, SUMCO CORPORATION

Full-time Audit and Supervisory Committee Member	Hiroshi Yoshikawa	(Seal)
Full-time Audit and Supervisory Committee Member	Atsuro Fujii	(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.