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Securities Code: 3436

March 7, 2018

Dear Shareholders,

1-2-1 Shibaura, Minato-ku, Tokyo

SUMCO CORPORATION

Mayuki Hashimoto,
Representative Director

Notice of Convocation of the 19th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 19th 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:** Wednesday, March 28, 2018, at 10 a.m. (reception starts at 9 a.m.)
2. **Place:** Mielparque Hall
2-5-20 Shiba-koen, Minato-ku, Tokyo
3. **Objectives of the Meeting**
Matters to be reported:
 1. Business Report and Consolidated Financial Statements for the 19th Fiscal Year (from January 1, 2017 to December 31, 2017), 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 19th Fiscal Year (from January 1, 2017 to December 31, 2017)

Agenda for resolution:

- Proposal 1:** Election of Six (6) 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: <http://www.sumcosi.com/>
- * The contents of the Notice of Convocation have been disclosed through postings on the Company's website prior to dispatching the Notice of Convocation from the perspective of providing information at an early stage.

Instructions Concerning the Exercise of Voting Rights

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

For those 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: Wednesday, March 28, 2018, at 10 a.m. (reception starts at 9 a.m.)

Place: Mielparque Hall, 2-5-20 Shiba-koen, Minato-ku, Tokyo

For those who are unable to attend the General Meeting of Shareholders

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

Please indicate your approval or disapproval for the 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 Tuesday, March 27, 2018

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” (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.

Use a personal computer, smartphone, or mobile phone to 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 Tuesday, March 27, 2018

- 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 accessing and using the Company's designated Website for the Exercise of Voting Rights from a personal computer, smartphone, or mobile phone.

Website for the Exercise of Voting Rights (<https://www.web54.net>)



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

- 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. Also, if you exercise your voting rights in duplicate using a PC, smartphone, or mobile phone, only your last vote will be counted as valid.
- * You may also access the Website for the Exercise of Voting Rights by using a mobile phone with a barcode reading function to read the "QR code®" above. Please refer to your mobile phone manual for your phone's detailed operating instructions.
 - * Please be aware that, depending on your Internet connection and usage environment, you may not be able to exercise your voting rights via the Internet.
 - * When you exercise your voting rights via mobile phone, for security purposes, models that allow encrypted communication (SSL communication) are required.
 - * You shall be responsible for any fees (including the Internet provider's connection fee and a telephone fee) incurred when accessing the Website for the Exercise of Voting Rights.

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)

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.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Election of Six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all six (6) 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 six (6) 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 (FY2017)	(Reference) Position in the Company after approval of this proposal (Planned)
1 (re-appointed)	Mayuki Hashimoto	Representative Director Chairman & Chief Executive Officer	15 out of 16	Representative Director Chairman & Chief Executive Officer
2 (re-appointed)	Michiharu Takii	Representative Director President & Chief Operating Officer	16 out of 16	Representative Director Vice Chairman
3 (re-appointed)	Hisashi Furuya	Director Executive Vice President	16 out of 16	Representative Director President & Chief Operating Officer
4 (re-appointed)	Kazuo Hiramoto	Director Senior Managing Executive Officer	16 out of 16	Representative Director Executive Vice President
5 (re-appointed)	Fumio Inoue	Director Managing Executive Officer	16 out of 16	Director Senior Managing Executive Officer
6 (newly appointed)	Toshihiro Awa	Managing Executive Officer	-	Director Managing Executive Officer

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company, and significant concurrent occupations or positions
1	<p style="text-align: center;">Mayuki Hashimoto (January 10, 1951)</p> <p style="text-align: center;"><u>Re-appointed</u></p> <p>Number of the Company's common shares held 14,700 shares</p> <p>Number of years in office as Director 8 years (as of the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>Number of attendance at meetings of the Board of Directors 15 out of 16</p>	<p>Apr. 1976 Joined Mitsubishi Metal Corporation (the current Mitsubishi Materials Corporation)</p> <p>Apr. 2005 General Manager of Silicon Div., Electronic Materials & Components Company, Mitsubishi Materials Corporation</p> <p>Jun. 2005 Executive Officer, General Manager of Corporate Strategy Dept., Mitsubishi Materials Corporation</p> <p>Jun. 2006 Senior Executive Officer, President of Electronic Materials & Components Company, Mitsubishi Materials Corporation</p> <p>Jun. 2007 Managing Director (Representative Director), President of Electronic Materials & Components Company, Mitsubishi Materials Corporation</p> <p>Apr. 2010 Director of the Company</p> <p>Jun. 2011 Executive Vice President (Representative Director) of Mitsubishi Materials Corporation</p> <p>Apr. 2012 President (Representative Director) of the Company</p> <p>Mar. 2016 Representative Director, Chairman & Chief Executive Officer of the Company (present post)</p> <p><Areas of responsibility in the Company> Chief Executive Officer Overall control</p>
<p><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.</p> <p><Special interests between the candidate and the Company> Mayuki Hashimoto has no special interests with the Company.</p>		

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company, and significant concurrent occupations or positions
2	<p style="text-align: center;">Michiharu Takii (February 10, 1950)</p> <p style="text-align: center;">Re-appointed</p> <p>Number of the Company's common shares held 13,800 shares</p> <p>Number of years in office as Director 6 years (as of the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>Number of attendance at meetings of the Board of Directors 16 out of 16</p>	<p>Apr. 1974 Joined Sumitomo Metal Industries, Ltd. (the current Nippon Steel & Sumitomo Metal Corporation)</p> <p>Apr. 2005 Managing Executive Officer, Assistant General Manager of Wakayama Steel Works, Sumitomo Metal Industries, Ltd.</p> <p>Oct. 2005 Managing Executive Officer, General Manager of Corporate Planning Dept., Sumitomo Metal Industries, Ltd.</p> <p>Apr. 2006 Director of the Company</p> <p>Apr. 2009 Senior Managing Executive Officer of Sumitomo Metal Industries, Ltd.</p> <p>Jun. 2009 Director, Senior Managing Executive Officer of Sumitomo Metal Industries, Ltd.</p> <p>Apr. 2012 Executive Vice President (Representative Director) of the Company</p> <p>Mar. 2016 Representative Director, President & Chief Operating Officer of the Company (present post)</p> <p><Areas of responsibility in the Company> Chief Operating Officer</p>
<p><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 has served as Representative Director, President & Chief Operating Officer since 2016. 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.</p> <p><Special interests between the candidate and the Company> Michiharu Takii has no special interests with the Company.</p>		

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company, and significant concurrent occupations or positions
3	<p style="text-align: center;">Hisashi Furuya (October 30, 1954)</p> <p style="text-align: center;"><u>Re-appointed</u></p> <p>Number of the Company's common shares held 6,600 shares</p> <p>Number of years in office as Director 5 years (as of the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>Number of attendance at meetings of the Board of Directors 16 out of 16</p>	<p>Apr. 1983 Joined Mitsubishi Metal Corporation (the current Mitsubishi Materials Corporation)</p> <p>Apr. 2005 General Manager of Crystal Engineering Dept., Production & Technology Div., the Company</p> <p>Apr. 2007 General Manager of Yonezawa Plant, Production & Technology Div., the Company</p> <p>Apr. 2008 Executive Officer, General Manager of Yonezawa Plant, Production & Technology Div., the Company</p> <p>Apr. 2011 Managing Executive Officer, General Manager of Solar Div., the Company</p> <p>Apr. 2012 Managing Executive Officer, Deputy General Manager of Production & Technology Div., the Company</p> <p>Oct. 2012 Managing Executive Officer, General Manager of Technology Div., the Company</p> <p>Apr. 2013 Director, Managing Executive Officer, General Manager of Technology Div., the Company</p> <p>Mar. 2014 Director, Senior Managing Executive Officer, General Manager of Technology Div., the Company</p> <p>Mar. 2017 Director, Executive Vice President, General Manager of Technology Div., the Company</p> <p>Jan. 2018 Director, Executive Vice President, General Manager of Technology Div., General Manager of AI Promotion Div., the Company (present post)</p> <p><Areas of responsibility in the Company> General Manager of Technology Div. General Manager of AI Promotion Div.</p>
<p><Reasons for nomination as a candidate for Director> He has been engaged in operations of the technology section for many years, and has abundant experiences and satisfactory results. He assumed the post of General Manager of Technology Division in 2012 and has served as General Manager of AI Promotion Division since 2018. Because he can be expected to strengthen the function of the Board of Directors with his abundant experiences and satisfactory results, the Company nominates him again as a candidate for Director.</p> <p><Special interests between the candidate and the Company> Hisashi Furuya has no special interests with the Company.</p>		

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company, and significant concurrent occupations or positions
4	<p style="text-align: center;">Kazuo Hiramoto (September 13, 1956)</p> <p style="text-align: center;">Re-appointed</p> <p>Number of the Company's common shares held 5,700 shares</p> <p>Number of years in office as Director 7 years (as of the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>Number of attendance at meetings of the Board of Directors 16 out of 16</p>	<p>Apr. 1982 Joined Sumitomo Metal Industries, Ltd. (the current Nippon Steel & Sumitomo Metal Corporation)</p> <p>Apr. 2005 General Manager of Wafer Engineering Dept., Production & Technology Div., the Company</p> <p>Apr. 2007 General Manager of Kansai Factory, Production & Technology Div., the Company</p> <p>Apr. 2008 Executive Officer, General Manager of Kansai Factory, Production & Technology Div., the Company</p> <p>Feb. 2011 Executive Officer, Deputy General Manager of Production & Technology Div., the Company</p> <p>Apr. 2011 Director, Managing Executive Officer, Deputy General Manager of Production & Technology Div., the Company</p> <p>Oct. 2012 Director, Managing Executive Officer, General Manager of Production Div., the Company</p> <p>Mar. 2014 Director, Senior Managing Executive Officer, General Manager of Production Div., the Company</p> <p>Jan. 2018 Director, Senior Managing Executive Officer, General Manager of Production Div., Deputy General Manager of AI Promotion Div., the Company (present post)</p> <p><Areas of responsibility in the Company> General Manager of Production Div. Deputy General Manager of AI Promotion Div. General Manager of Kyushu Factory</p>
<p><Reasons for nomination as a candidate for Director> He has been engaged in operations of the technology section and the manufacturing section for many years, and has abundant experiences and satisfactory results. He assumed the post of General Manager of Production Division in 2012 and has served as Deputy General Manager of AI Promotion Division since 2018. 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.</p> <p><Special interests between the candidate and the Company> Kazuo Hiramoto has no special interests with the Company.</p>		

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company, and significant concurrent occupations or positions
5	<p style="text-align: center;">Fumio Inoue (August 22, 1957)</p> <p style="text-align: center;"><u>Re-appointed</u></p> <p>Number of the Company's common shares held 6,000 shares</p> <p>Number of years in office as Director 3 years (as of the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>Number of attendance at meetings of the Board of Directors 16 out of 16</p>	<p>Apr. 1981 Joined Sumitomo Metal Industries, Ltd. (the current Nippon Steel & Sumitomo Metal Corporation)</p> <p>Apr. 2007 General Manager of Corporate Controller & Group Companies Management Dept., the Company</p> <p>Apr. 2009 General Manager of Corporate Controller & Group Companies Management Dept., General Manager of Corporate Planning Dept., the Company</p> <p>Feb. 2010 General Manager of Corporate Strategy Div., General Manager of Corporate Controller & Group Companies Management Dept., the Company</p> <p>Apr. 2011 Executive Officer, General Manager of Corporate Strategy Div., General Manager of Corporate Controller & Group Companies Management Dept., the Company</p> <p>Oct. 2012 Executive Officer, General Manager of Corporate Planning Dept., Corporate Strategy Div., the Company</p> <p>Mar. 2014 Managing Executive Officer, In charge of Accounting & Budget Control Dept., General Manager of Finance Dept., Corporate Strategy Div., the Company</p> <p>Mar. 2015 Director, Managing Executive Officer, General Manager of Corporate Planning Dept., Corporate Strategy Div., the Company</p> <p>Mar. 2017 Director, Managing Executive Officer, General Manager of Corporate Strategy Div., General Manager of Corporate Planning Dept., the Company (present post)</p> <p><Areas of responsibility in the Company> General Manager of Corporate Strategy Div. General Manager of Corporate Planning Dept. Head of Accounting & Budget Control, Finance and Procurement</p>
<p><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 Board of Directors based on his abundant experiences and satisfactory results, the Company nominates him again as a candidate for Director.</p> <p><Special interests between the candidate and the Company> Fumio Inoue has no special interests with the Company.</p>		

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company, and significant concurrent occupations or positions
6	<p style="text-align: center;">Toshihiro Awa (January 30, 1962)</p> <p style="text-align: center;">Newly appointed</p> <p>Number of the Company's common shares held 3,200 shares</p>	<p>Apr. 1984 Joined Mitsubishi Metal Corporation (the current Mitsubishi Materials Corporation)</p> <p>Jan. 2012 General Manager of International Sales & Marketing Dept., Sales & Marketing Div., the Company</p> <p>Mar. 2015 Executive Officer, Deputy General Manager of Sales & Marketing Div., General Manager of International Sales & Marketing Dept., In charge of Domestic Sales & Marketing Dept., the Company</p> <p>Jan. 2016 Executive Officer, Deputy General Manager of Sales & Marketing Div., General Manager of International Sales & Marketing Dept., In charge of Sales Planning & Administration Dept., Domestic Sales & Marketing Dept., the Company</p> <p>Apr. 2016 Executive Officer, Deputy General Manager of Sales & Marketing Div., In charge of Sales Planning & Administration Dept., Domestic Sales & Marketing Dept., International Sales & Marketing Dept., the Company</p> <p>Sep. 2017 Managing Executive Officer, Deputy General Manager of Sales & Marketing Div., In charge of Sales Planning & Administration Dept., Domestic Sales & Marketing Dept., International Sales & Marketing Dept., the Company (present post)</p> <p><Areas of responsibility in the Company> Deputy General Manager of Sales & Marketing Div. In charge of Sales Planning & Administration Dept., Domestic Sales & Marketing Dept., International Sales & Marketing Dept.</p>
<p><Reasons for nomination as a candidate for Director> He has been engaged in operations of the sales and marketing section for many years, and has abundant experiences and satisfactory results. He has served as Deputy General Manager of Sales & Marketing Division since 2015. Because he can be expected to strengthen the function of Board of Directors based on his abundant experiences and satisfactory results, the Company nominates him as a candidate for Director.</p> <p><Special interests between the candidate and the Company> Toshihiro Awa has no special interests with the Company.</p>		

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

The terms of office of all six (6) 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.

The Audit and Supervisory Committee has approved of this Proposal.

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 (FY2017)	Number of attendance at meetings of the Audit and Supervisory Committee (FY2017)
1 (re-appointed)	Hiroshi Yoshikawa	Director Full-time Audit and Supervisory Committee Member	16 out of 16	13 out of 13
2 (re-appointed)	Hisashi Katahama	Director Full-time Audit and Supervisory Committee Member	16 out of 16	13 out of 13
3 (re-appointed)	Hitoshi Tanaka	Director Audit and Supervisory Committee Member	16 out of 16	13 out of 13
4 (re-appointed)	Masahiro Mitomi	Director Audit and Supervisory Committee Member	16 out of 16	13 out of 13
5 (re-appointed)	Shinichiro Ota	Director Audit and Supervisory Committee Member	16 out of 16	13 out of 13
6 (newly appointed)	Akio Fuwa	–	–	–

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company, and significant concurrent occupations or positions
1	<p style="text-align: center;">Hiroshi Yoshikawa (October 11, 1954)</p> <p style="text-align: center;">Re-appointed</p> <p>Number of the Company's common shares held 3,500 shares</p> <p>Number of years in office as Director 2 years (as of the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>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)</p> <p>Number of attendance at meetings of the Board of Directors 16 out of 16</p> <p>Number of attendance at meetings of the Audit and Supervisory Committee 13 out of 13</p>	<p>Apr. 1977 Joined Sumitomo Metal Industries, Ltd. (the current Nippon Steel & Sumitomo Metal Corporation)</p> <p>Oct. 2002 General Manager of Sales Planning Dept., the Company</p> <p>Apr. 2004 General Manager of Sales Administration Dept., Sales & Marketing Div., the Company</p> <p>Apr. 2005 General Manager of International Sales & Marketing Dept. II, Sales & Marketing Div., the Company</p> <p>Jan. 2007 Assistant General Manager of Sales & Marketing Div., the Company</p> <p>Oct. 2007 General Manager of Solar Planning Dept., Solar Div., the Company</p> <p>Apr. 2011 Full-time Corporate Auditor of the Company</p> <p>Mar. 2016 Director (Full-time Audit and Supervisory Committee Member) of the Company (present post)</p>
<p><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 a 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.</p> <p><Special interests between the candidate and the Company> Hiroshi Yoshikawa has no special interests with the Company.</p>		

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company, and significant concurrent occupations or positions
2	<p data-bbox="288 371 528 443">Hisashi Katahama (September 18, 1956)</p> <p data-bbox="339 533 488 566">Re-appointed</p> <p data-bbox="236 622 528 712">Number of the Company's common shares held 4,300 shares</p> <p data-bbox="236 768 571 902">Number of years in office as Director 2 years (as of the conclusion of this Ordinary General Meeting of Shareholders)</p> <p data-bbox="236 958 571 1137">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)</p> <p data-bbox="236 1193 507 1305">Number of attendance at meetings of the Board of Directors 16 out of 16</p> <p data-bbox="236 1361 515 1473">Number of attendance at meetings of the Audit and Supervisory Committee 13 out of 13</p>	<p data-bbox="596 282 1442 342">Apr. 1985 Joined Sumitomo Metal Industries, Ltd. (the current Nippon Steel & Sumitomo Metal Corporation)</p> <p data-bbox="596 365 1374 394">Mar. 2006 General Manager of Quality Assurance Dept., the Company</p> <p data-bbox="596 416 1366 477">Apr. 2009 General Manager of Engineering Administration Dept., the Company</p> <p data-bbox="596 499 1442 560">Feb. 2010 Assistant General Manager of Production & Technology Div., the Company</p> <p data-bbox="596 571 1102 600">Apr. 2011 Executive Officer of the Company</p> <p data-bbox="596 622 1121 651">Feb. 2013 Executive Engineer of the Company</p> <p data-bbox="596 674 1214 703">Mar. 2015 Full-time Corporate Auditor of the Company</p> <p data-bbox="596 725 1422 786">Mar. 2016 Director (Full-time Audit and Supervisory Committee Member) of the Company (present post)</p>
<p data-bbox="229 1559 815 1588"><Reasons for nomination as a candidate for Director></p> <p data-bbox="229 1592 1433 1742">He has been engaged in operations of the technology section for many years, and has abundant experiences and satisfactory results. He assumed the post of Full-time Corporate Auditor in 2015 and has served as a 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.</p> <p data-bbox="229 1783 882 1812"><Special interests between the candidate and the Company></p> <p data-bbox="229 1816 895 1845">Hisashi Katahama has no special interests with the Company.</p>		

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company, and significant concurrent occupations or positions
3	<p style="text-align: center;">Hitoshi Tanaka (July 28, 1950)</p> <p style="text-align: center;">Re-appointed</p> <p style="text-align: center;">Candidate for Outside Director</p> <p style="text-align: center;">Candidate for Independent Director</p> <p>Number of the Company's common shares held 400 shares</p> <p>Number of years in office as Director 2 years (as of the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>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)</p> <p>Number of attendance at meetings of the Board of Directors 16 out of 16</p> <p>Number of attendance at meetings of the Audit and Supervisory Committee 13 out of 13</p>	<p>Apr. 1976 Registered as Attorney at Law Joined Narutomi Law Office (the current Marunouchi Minami Law Office)</p> <p>Oct. 2003 Representative of Narutomi Law Office (present post)</p> <p>Apr. 2005 Outside Corporate Auditor of the Company</p> <p>Jun. 2014 Outside Director of TOKYO ENERGY & SYSTEMS INC. (present post)</p> <p>Mar. 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (present post)</p> <p><Significant concurrent occupations or positions in other organizations> Attorney at Law (Representative of Marunouchi Minami Law Office) Outside Director of TOKYO ENERGY & SYSTEMS INC.</p>
<p><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.</p> <p><Special interests between the candidate and the Company> Hitoshi Tanaka has no special interests with the Company.</p>		

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company, and significant concurrent occupations or positions
4	<p style="text-align: center;">Masahiro Mitomi (February 13, 1964)</p> <p style="text-align: center;">Re-appointed</p> <p style="text-align: center;">Candidate for Outside Director</p> <p style="text-align: center;">Candidate for Independent Director</p> <p>Number of the Company's common shares held 3,300 shares</p> <p>Number of years in office as Director 4 years (as of the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>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)</p> <p>Number of attendance at meetings of the Board of Directors 16 out of 16</p> <p>Number of attendance at meetings of the Audit and Supervisory Committee 13 out of 13</p>	<p>Oct. 1987 Joined the Tokyo Office of Arthur Andersen</p> <p>Mar. 1991 Registered as a Certified Public Accountant</p> <p>Sep. 1991 Senior Staff of San Francisco Office, Arthur Andersen</p> <p>Sep. 1994 Manager of Seattle Office, Arthur Andersen</p> <p>Mar. 1996 Senior Manager of Atlanta Office, Arthur Andersen</p> <p>May 2001 Representative Director of Value Create Inc. (present post)</p> <p>Apr. 2009 Part-time Lecturer of Keio Business School (present post)</p> <p>Mar. 2014 Outside Director of the Company</p> <p>Mar. 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (present post)</p> <p>Mar. 2017 Outside Director (Audit and Supervisory Committee Member) of OTSUKA KAGU, LTD. (present post)</p> <p><Significant concurrent occupations or positions in other organizations> Representative Director of Value Create Inc. Outside Director (Audit and Supervisory Committee Member) of OTSUKA KAGU, LTD.</p>
		<p><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.</p> <p><Special interests between the candidate and the Company> Masahiro Mitomi has no special interests with the Company.</p>

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company, and significant concurrent occupations or positions
5	<p style="text-align: center;">Shinichiro Ota (May 13, 1946)</p> <p style="text-align: center;">Re-appointed</p> <p style="text-align: center;">Candidate for Outside Director</p> <p style="text-align: center;">Candidate for Independent Director</p> <p>Number of the Company's common shares held 300 shares</p> <p>Number of years in office as Director 2 years (as of the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>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)</p> <p>Number of attendance at meetings of the Board of Directors 16 out of 16</p> <p>Number of attendance at meetings of the Audit and Supervisory Committee 13 out of 13</p>	<p>Jul. 1969 Joined Ministry of International Trade and Industry (the current Ministry of Economy, Trade and Industry)</p> <p>Jun. 1998 Director-General of Environmental Protection and Industrial Location Bureau, Ministry of International Trade and Industry</p> <p>Sep. 1999 Director-General of Machinery and Information Industries Bureau, Ministry of International Trade and Industry</p> <p>Jan. 2001 Director-General of Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry</p> <p>Jul. 2002 Commissioner of Japan Patent Office, Ministry of Economy, Trade and Industry</p> <p>Sep. 2003 Advisor of Sompo Japan Insurance Inc. (the current Sompo Japan Nipponkoa Insurance Inc.)</p> <p>Jun. 2005 Executive Vice President of Electric Power Development Co., Ltd.</p> <p>Jun. 2013 Senior Counselor of Electric Power Development Co., Ltd. (present post)</p> <p>Mar. 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (present post)</p> <p><Significant concurrent occupations or positions in other organizations> Senior Counselor of Electric Power Development Co., Ltd.</p>
<p><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.</p> <p><Special interests between the candidate and the Company> Shinichiro Ota has no special interests with the Company.</p>		

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company, and significant concurrent occupations or positions
	<p style="text-align: center;">Akio Fuwa (August 27, 1946)</p> <p style="text-align: center;"><u>Newly appointed</u></p> <p style="text-align: center;"><u>Candidate for Outside Director</u></p> <p style="text-align: center;"><u>Candidate for</u> <u>Independent Director</u></p> <p>Number of the Company's common shares held – shares</p>	<p>Jul. 1974 Joined Mitsubishi Metal Corporation (the current Mitsubishi Materials Corporation)</p> <p>Mar. 1980 Resigned from Mitsubishi Metal Corporation</p> <p>Apr. 1980 Full-time lecturer, Materials Engineering Dept., School of Science and Engineering (the current Faculty of Science and Engineering), Waseda University</p> <p>Apr. 2004 Professor of Waseda University</p> <p>Mar. 2017 Mandatory retirement from Waseda University</p> <p>Apr. 2017 Honorary Professor of Waseda University (present post)</p>
6	<p><Reasons for nomination as a candidate for 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 as a candidate for Outside Director.</p> <p><Reasons the candidate for Director is independent from the Company> 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 38 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.</p> <p><Special interests between the candidate and the Company> Akio Fuwa has no special interests with the Company.</p>	

(Notes)

1. Regarding contracts for limitation of liability

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts for limitation of liability for damages stipulated in Article 423, Paragraph 1 of the said Act with Hitoshi Tanaka, Masahiro Mitomi and Shinichiro Ota, respectively. The Company plans to continue the said contracts with the above candidates if they are re-elected. In addition, the Company plans to enter into a similar contract with Akio Fuwa if he is elected.

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 such limit.
2. The Company has appointed Hitoshi Tanaka, Masahiro Mitomi and Shinichiro Ota as Independent Directors as provided for in the regulations of the Tokyo Stock Exchange and notified the Exchange to that effect. If the above candidates are re-elected, the Company plans to continue appointing them as Independent Directors. If Akio Fuwa is elected, the Company plans to appoint him as an Independent Director as provided for in the regulations of the Tokyo Stock Exchange.

Common Reference to Proposal 1 and Proposal 2

● 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 and two Independent Outside Directors as a discretionary advisory body to the Board of Directors. The Board of Directors consults the Nomination and Compensation Committee regarding issues such as the selection process of Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company, qualifications and reasons for nomination, etc. and the system for officer remuneration. The Committee then deliberates on the appropriateness and such of the issue, and provides advice based on the evaluation of factors including corporate performance.

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

Business Report

(From January 1, 2017 to December 31, 2017)

1. Business Progress and Achievement of the Corporate Group

(1) Business activities and results

The market of silicon wafers for semiconductors in the consolidated fiscal year under review saw continued strong demand for all diameters, supported by robust semiconductor demand, with no seasonal adjustments.

Demand for 300 mm wafers was driven by advances in smartphone functions and by data center needs from increased data traffic.

For small-diameter wafers of 200 mm or less, the supply and demand balance tightened from spring onwards, led by wafer demand for automobile, industrial, and IoT applications.

Under this environment, the SUMCO Group has strived to maintain its strong presence among customers by developing technologies that respond to customers' needs for leading-edge, distinctive products, raised productivity under conditions of a tight supply and demand balance, and improved profitability through optimization of pricing, based on the policies of the SUMCO Vision.

As a result of the above, for the consolidated fiscal year under review, the SUMCO Group posted net sales of 260,627 million yen, operating income of 42,085 million yen, ordinary income of 36,709 million yen, and net income attributable to owners of the Parent of 27,016 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 22,817 million yen.

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

(3) Status of financing

During the consolidated fiscal year under review, the SUMCO Group raised a total of 49,900 million yen through long-term debt from multiple financial institutions as the Group's necessary funds.

(4) Issues to be dealt with

The current vigorous demand for semiconductor wafers has made it difficult for SUMCO to supply the quantities required by customers, particularly for the mainstay 300 mm wafers. Moreover, supported by demand for smartphones, automobile, communication, industrial and other applications, the market of silicon wafers for semiconductors is projected to continue its gradual growth in the future.

In this environment, the SUMCO Group will continue striving to maintain its strong presence among customers by developing technologies that respond to customers' needs for leading edge, distinctive products, raise productivity under conditions of a tight supply and demand balance,

and improve profitability through optimization of pricing, based on the policies of the SUMCO Vision.

Regarding capital investments, besides aiming to realize full-scale price improvement and price normalization, we have implemented appropriate capital investments to meet the needs for higher precision products, including the introduction of next-generation development equipment for 300 mm high-precision wafers. As we anticipate continued growth of wafer demand, to fulfill our responsibility of supplying cutting edge 300 mm high-precision wafers for semiconductors for which the Company has a large share, we decided in August 2017 to invest in a capacity expansion by 110,000 wafers a month, aiming to start the operation in the first half of 2019.

Looking ahead, 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, we will implement individual capital investments in line with the Company's share, in a disciplined manner, in order to fulfill our responsibility to customers as a supplier. Through such efforts, we endeavor to strengthen our relationships with our customers.

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 consumption forecasts. Consequently, we are now holding excess inventory. However, this balance peaked at the end of the previous fiscal year 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" has increased 1.4 billion yen from the end of the previous fiscal year to 152.8 billion yen. This is primarily because, although inventories of polycrystalline silicon declined, we accumulated strategic inventories of primary and secondary materials other than polycrystalline silicon and supplies, as a business continuity plan (BCP) measure.

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

Category	16th fiscal year (year ended December 31, 2014)	17th fiscal year (year ended December 31, 2015)	18th fiscal year (year ended December 31, 2016)	19th fiscal year (year ended December 31, 2017)
Net sales (millions of yen)	225,319	236,826	211,361	260,627
Ordinary income (millions of yen)	21,926	25,538	9,919	36,709
Net income attributable to owners of the Parent (millions of yen)	16,289	19,747	6,588	27,016
Net income per share (yen)	58.84	70.06	22.46	92.12
Total assets (millions of yen)	510,570	489,842	493,243	530,906
Net assets (millions of yen)	216,725	244,540	242,836	281,623
Net assets per share (yen)	538.81	721.78	715.46	822.53

(6) Status of significant parent company and subsidiaries**1) Relation to parent company**

N/A

2) Major subsidiaries

Company name	Capital	Equity ownership (includes indirect holdings)	Main business activities
SUMCO TECHXIV CORPORATION	100 million yen	100.00%	Manufacture of silicon wafers for semiconductor
SUMCO Phoenix Corporation	483 million US dollars	100.00%	Manufacture and sales of silicon wafers for semiconductor
FORMOSA SUMCO TECHNOLOGY CORPORATION	7,756 million NT dollars	46.95%	Manufacture and sales of silicon wafers for semiconductor

(7) Main business activities (as of December 31, 2017)

Manufacture and sales of silicon wafers for semiconductor

(8) Main offices and plants (as of December 31, 2017)

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, 2017)**1) Employees of the corporate group**

Number of employees	Increase (decrease) from the previous consolidated fiscal year-end
7,711	Increased by 191

(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
3,616	Increased by 115	43.0 years old	17.8 years

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

(10) Major creditors (as of December 31, 2017)

Creditor	Balance of borrowings
	millions of yen
Sumitomo Mitsui Banking Corporation	21,836
Development Bank of Japan Inc.	18,129
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	11,501
Mitsubishi UFJ Trust and Banking Corporation	10,336
Mizuho Bank, Ltd.	9,713
Sumitomo Mitsui Trust Bank, Limited	9,655

(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 67,075 million yen with multiple financial institutions (executed amount: 0 million yen).

2. Status of the Company's Shares (as of December 31, 2017)

- (1) **Total number of authorized shares:** Common shares 804,000,000
- (2) **Total number of issued shares:** Common shares 293,285,539
(including 7,390 shares of treasury stock)
- (3) **Number of shareholders:** Common shares 49,762
(increase of 2,714 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
Nippon Steel & Sumitomo Metal Corporation	23,220	7.92
GOLDMAN, SACHS& CO. REG	19,169	6.54
The Master Trust Bank of Japan, Ltd. (Trust account)	13,425	4.58
UBS SECURITIES LLC-HFS CUSTOMER SEGREGATED ACCOUNT	11,000	3.75
Japan Trustee Services Bank, Ltd. (Trust account)	10,861	3.70
J.P. MORGAN BANK LUXEMBOURG S.A. 380578	7,524	2.57
CGML PB CLIENT ACCOUNT/COLLATERAL	4,944	1.69
STATE STREET BANK WEST CLIENT — TREATY 505234	3,833	1.31
Japan Trustee Services Bank, Ltd. (Trust account 5)	3,472	1.18

(Note) The equity ownership is calculated after deducting treasury stock (7,390 shares).

3. Officers of the Company

(1) Status of Directors (as of December 31, 2017)

Position	Name	Significant concurrent occupations or positions
Representative Director	Mayuki Hashimoto	
Representative Director	Michiharu Takii	
Representative Director	Harumitsu Endo	
Director	Hisashi Furuya	
Director	Kazuo Hiramoto	
Director	Fumio Inoue	
Director Full-time Audit and Supervisory Committee Member	Hiroshi Yoshikawa	
Director Full-time Audit and Supervisory Committee Member	Hisashi Katahama	
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. Outside Director (Audit and Supervisory Committee Member) of OTSUKA KAGU, LTD.
Director Audit and Supervisory Committee Member	Shinichiro Ota	Senior Counselor of Electric Power Development Co., Ltd.
Director Audit and Supervisory Committee Member	Kohei Nakanishi	Corporate Advisor of Mitsubishi Corporation Outside Corporate Auditor of Senshu Ikeda Holdings, Inc.

- (Notes) 1. Directors Hitoshi Tanaka, Masahiro Mitomi, Shinichiro Ota, and Kohei Nakanishi 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 Hisashi Katahama 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 Hitoshi Tanaka, Masahiro Mitomi, Shinichiro Ota, and Kohei Nakanishi 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 Kohei Nakanishi, 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. Directors who retired during the business year under review are as follows.

Position in the Company and significant concurrent occupations or positions	Name	Date of retirement	Reason for retirement
Director General Manager of Sales and R&D Strategy Dept., Electronic Materials & Components Company, Mitsubishi Materials Corporation	Shiro Mokudai	March 29, 2017	Expiration of term of office
Director General Manager of Group Companies Planning Div., Nippon Steel & Sumitomo Metal Corporation Outside Director of NIPPON COKE & ENGINEERING Co., Ltd.	Susumu Maekawa	March 29, 2017	Expiration of term of office

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

7. The Company adopts an executive officer system. The following is the list of executive officers as of December 31, 2017.

Title	Name	Area(s) of responsibility
* Chairman & Chief Executive Officer	Mayuki Hashimoto	Chief Executive Officer Overall control
* President & Chief Operating Officer	Michiharu Takii	Chief Operating Officer
* Executive Vice President	Harumitsu Endo	General Manager of Sales & Marketing Div.
* Executive Vice President	Hisashi Furuya	General Manager of Technology Div. Head of Information Systems
* Senior Managing Executive Officer	Kazuo Hiramoto	General Manager of Production Div. General Manager of Kyushu Factory General Manager of Chitose Plant
Senior Managing Executive Officer	Keiichi Tanaka	Deputy General Manager of Technology Div. In charge of Quality Assurance Dept.
* 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 Productivity Promotion & TPM Steering Dept. and Production Planning & Control Dept.
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, Environment & Disaster Prevention Management Dept. Chief Compliance Officer

Title	Name	Area(s) of responsibility
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	Deputy General Manager of Sales & Marketing Div. In charge of Sales Planning & Administration Dept., Domestic Sales & Marketing Dept. and International Sales & Marketing Dept.
Executive Officer	Hiroshi Shinyashiki	Assistant to the President
Executive Officer	Takashi Fukushima	Chief Executive Officer and Director of FORMOSA SUMCO TECHNOLOGY CORPORATION
Executive Officer	Naoki Ikeda	General Manager of Advanced Evaluation & Technology Development Dept. In charge of Customer Product Engineering Dept., Engineering Planning Dept. and Intellectual Property Dept.
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 General Manager of Imari Plant III In charge of Imari Plant II
Executive Officer	Naruya Hirota	General Manager of Epitaxial Engineering Dept. In charge of Information Systems Dept. and ICT Promotion 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)	7	321,303
Directors who are Audit and Supervisory Committee Members	6	106,336
(Outside Directors (inclusive in the above))	(4)	(38,400)
Total	13	427,639
(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. 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. The aforementioned numbers of persons and amounts paid exclude one (1) Director (excluding Directors who are Audit and Supervisory Committee Members) who served without remuneration.
4. As of the end of the business year under review, there were six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members) and six (6) 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	Hitoshi Tanaka	Attorney at Law (Marunouchi Minami Law Office)	Representative	–
		TOKYO ENERGY & SYSTEMS INC.	Outside Director	–
Outside Director	Masahiro Mitomi	Value Create Inc.	Representative Director	–
		OTSUKA KAGU, LTD.	Outside Director Audit and Supervisory Committee Member	–
Outside Director	Shinichiro Ota	Electric Power Development Co., Ltd.	Senior Counselor	–
Outside Director	Kohei Nakanishi	Mitsubishi Corporation	Corporate Advisor	–
		Senshu Ikeda Holdings, Inc.	Outside Corporate Auditor	–

2) Major activities during the business year under review

Category	Name	Status of major activities
Hitoshi Tanaka	Outside Director Audit and Supervisory Committee Member	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.
Masahiro Mitomi	Outside Director Audit and Supervisory Committee Member	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.
Shinichiro Ota	Outside Director Audit and Supervisory Committee Member	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 in the public administration field, and many years of experience in corporate management.
Kohei Nakanishi	Outside Director Audit and Supervisory Committee Member	Having attended all 16 Board of Directors meetings and all 13 Audit and Supervisory Committee meetings held in the business year under review, Kohei Nakanishi speaks as a Director who possesses broad experience and knowledge about international finance, experience in corporate management and knowledge about corporate governance.

4. Accounting Auditor

(1) Name of Accounting Auditor (Independent Auditor)

Deloitte Touche Tohmatsu LLC

(2) Amount of compensation, etc.

Contents of compensation	Amount paid
	millions of yen
(1) Total amount of compensation and other payments for the business year under review	76
(2) Total amount of monies and other property benefits payable by the Company and its subsidiaries to the Accounting Auditors (including (1) above)	103

- (Notes) 1. In the audit contract between the Company and the Accounting Auditor, it is not possible to make a reasonable differentiation between audit compensation based on the Companies Act and that based on the Financial Instruments and Exchange Act. Therefore, the total agreement amount is shown in the figure (1) above.
2. Upon obtaining necessary documents and receiving reports from Directors, related departments of the Company, and Accounting Auditors, the Audit and Supervisory Committee agreed on 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.
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, capital requirements such as for capital investment, the status of internal reserves, and other factors in each business year. In line with the above policy, the year-end dividend was determined to be 18 yen per share by a resolution of the Board of Directors held on February 20, 2018. As a result, the annual payment of dividends for the business year under review totaled 28 yen per share, combined with the interim dividend of 10 yen per share.

Consolidated Balance Sheet

(As of December 31, 2017)

(Millions of yen)

Category	Amount	Category	Amount
(Assets)		(Liabilities)	
Current assets	316,811	Current liabilities	95,432
Cash and time deposits	55,040	Notes and accounts payable – trade	26,321
Notes and accounts receivable – trade	52,858	Short-term borrowings	39,731
Marketable securities	19,600	Current portion of long-term lease obligations	1,331
Finished products	13,287	Accrued income taxes	4,273
Work in process	16,450	Reserve for bonuses	1,859
Raw materials and supplies	152,875	Notes and accounts payable – construction	10,586
Deferred income tax assets	176	Other	11,328
Other	6,531		
Allowance for doubtful accounts	(10)	Long-term liabilities	153,850
Non-current assets	214,095	Long-term debt	126,705
Property, plant and equipment	151,214	Long-term lease obligations	1,626
Buildings and structures	73,560	Deferred income tax liabilities	1,765
Machinery, equipment and vehicles	47,125	Deferred income tax liabilities on revaluation reserve for land	1,342
Land	20,266	Net defined benefit liability	21,188
Construction in progress	9,240	Other	1,222
Other	1,022		
Intangible assets	12,258	Total liabilities	249,282
Goodwill	6,812	(Equity)	
Software	4,718	Shareholders' equity	238,986
Other	727	Capital stock	138,718
Investments and other assets	50,621	Capital surplus	26,969
Investment securities	82	Retained earnings	73,309
Long-term advance payments	40,728	Treasury stock	(12)
Long-term prepaid expenses	3,348	Accumulated other comprehensive income	2,242
Deferred income tax assets	5,714	Net unrealized gain on available-for-sale securities	0
Other	1,034	Deferred loss on derivatives under hedge accounting	(1)
Allowance for doubtful accounts	(286)	Land revaluation surplus	2,885
		Foreign currency translation adjustments	1,089
		Remeasurements of defined benefit plans	(1,731)
		Non-controlling interests	40,394
		Total equity	281,623
Total assets	530,906	Total liabilities and equity	530,906

Consolidated Statement of Income

(From January 1, 2017 to December 31, 2017)

(Millions of yen)

Category	Amount	
Net sales		260,627
Cost of sales		192,512
Gross profit		68,114
Selling, general and administrative expenses		26,028
Operating income		42,085
Non-operating income		
Interest and dividend income	281	
Insurance income	54	
Other	172	507
Non-operating expenses		
Interest expense	2,109	
Foreign exchange loss	3,029	
Other	744	5,884
Ordinary income		36,709
Income before income taxes		36,709
Income taxes – current	3,964	
Income taxes – deferred	525	4,489
Net income		32,220
Net income attributable to non-controlling interests		5,203
Net income attributable to owners of the Parent		27,016

Non-consolidated Balance Sheet

(As of December 31, 2017)

(Millions of yen)

Category	Amount	Category	Amount
(Assets)		(Liabilities)	
Current assets	263,937	Current liabilities	119,465
Cash and time deposits	22,686	Accounts payable – trade	36,166
Accounts receivable – trade	49,282	Short-term borrowings	66,672
Marketable securities	19,600	Current portion of long-term lease obligations	1,300
Finished products	5,148	Accrued liabilities	5,499
Work in process	10,735	Accrued expenses	361
Raw materials and supplies	136,615	Accrued income taxes	1,824
Advance payments	2,488	Accounts payable – construction	6,526
Prepaid expenses	348	Advances received	52
Short-term loans	11,322	Forward exchange contracts	157
Accounts receivable – other	4,264	Other	903
Other	1,447	Long-term liabilities	140,871
Allowance for doubtful accounts	(3)	Long-term debt	126,705
Non-current assets	199,639	Long-term lease obligations	1,569
Property, plant and equipment	95,626	Deferred income tax liabilities	117
Buildings	53,983	Deferred income tax liabilities on revaluation reserve for land	1,342
Structures	1,892	Liability for retirement benefits	10,579
Machinery	19,595	Asset retirement obligations	469
Motor vehicles and transport equipment	51	Other	86
Tools, appliances and furniture	372	Total liabilities	260,336
Land	15,297		
Lease assets	26	(Equity)	
Construction in progress	4,407	Shareholders' equity	200,356
Intangible assets	4,626	Capital stock	138,718
Software	4,162	Capital surplus	23,384
Other	464	Capital reserve	3,611
Investments and other assets	99,386	Others	19,772
Investment securities	3	Retained earnings	38,264
Stocks of subsidiaries and affiliates	27,057	Retained earnings reserve	1,681
Investments in subsidiaries and affiliates	55	Other retained earnings	36,583
Long-term loans receivable from subsidiaries and affiliates	28,435	Retained earnings carried forward	36,583
Long-term advance payments	40,689	Treasury stock	(12)
Long-term prepaid expenses	2,158	Variance of valuation/translation, etc.	2,884
Prepaid pension cost	61	Deferred loss on derivatives under hedge accounting	(1)
Other	1,072	Land revaluation surplus	2,885
Allowance for doubtful accounts	(147)	Total equity	203,240
Total assets	463,577	Total liabilities and equity	463,577

Non-consolidated Statement of Income

(From January 1, 2017 to December 31, 2017)

(Millions of yen)

Category	Amount	
Net sales		205,471
Cost of sales		165,837
Gross profit		39,634
Selling, general and administrative expenses		19,105
Operating income		20,528
Non-operating income		
Interest income	514	
Dividend income	3,675	
Royalty income	1,059	
Other	351	5,602
Non-operating expenses		
Interest expense	2,299	
Foreign exchange loss	2,368	
Loss on sales and retirement of non-current assets	239	
Other	296	5,203
Ordinary income		20,926
Income before income taxes		20,926
Income taxes – current	1,779	
Income taxes – deferred	(0)	1,779
Net income		19,147

Accounting audit report on Consolidated Financial Statements

Independent Auditors' Report

February 16, 2018

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, 2017 to December 31, 2017.

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, 2017, 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.

Accounting audit report on Non-consolidated Financial Statements

Independent Auditors' Report

February 16, 2018

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 19th business year from January 1, 2017 to December 31, 2017.

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, 2017 and the results of its operations for the business year then ended in conformity with accounting principles generally accepted in Japan.

Interest

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

<Audit report of Audit and Supervisory Committee>

AUDIT REPORT

Regarding the execution of duties by Directors for the 19th business year from January 1, 2017 to December 31, 2017, 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 control 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 19, 2018

Audit and Supervisory Committee, SUMCO CORPORATION

Full-time Audit and Supervisory Committee Member	Hiroshi Yoshikawa	(Seal)
Full-time Audit and Supervisory Committee Member	Hisashi Katahama	(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	Kohei Nakanishi	(Seal)

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

Notes
