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Securities Code: 3436

March 8, 2023

(Start date for electronic provision measures: March 7, 2023)

Dear Shareholders,

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

SUMCO CORPORATION

Mayuki Hashimoto,
Representative Director

Notice of Convocation of the 24th Ordinary General Meeting of Shareholders

Please be informed that the 24th Ordinary General Meeting of Shareholders of SUMCO CORPORATION will be held as described below.

Measures for electronic provision have been taken for the convocation of this Ordinary General Meeting of Shareholders, and items to be provided electronically are posted on the following internet website.

The Company's website: <https://www.sumcosi.com/ir/library/shareholders/>



In addition to the above website, items to be provided electronically are also posted on the website described in "Notes" 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, and the number of seats will be limited. 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 4 by 5:45 p.m. on Tuesday, March 28, 2023.

Details

- Date and Time:** Wednesday, March 29, 2023, at 10 a.m. (reception starts at 9 a.m.)
- Place:** Bellesalle Takadanobaba
3-8-2, Okubo, Shinjuku-ku, Tokyo
- Objectives of the Meeting**
Matters to be reported:
 - Business Report and Consolidated Financial Statements for the 24th Fiscal Year (from January 1, 2022 to December 31, 2022), 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 24th Fiscal Year (from January 1, 2022 to December 31, 2022)

Agenda for resolution:

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

Proposal 2: Determination of the Amount and Details of Performance-linked Stock Remuneration for Directors

Notes

- * Items to be provided electronically will also be posted on the following internet website.

The Tokyo Stock Exchange website

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the Tokyo Stock Exchange website, search for “SUMCO” or the security code “3436,” and select “Basic information,” “Documents for public inspection/ PR information,” and “Notice of General Shareholders Meeting/ Informational Materials for a General Shareholders Meeting” in order to view.



“Convocation on the Net” <https://s.srdb.jp/3436/>



- * In accordance with laws and regulations and Article 14 of the Articles of Incorporation of the Company, the following items are not stated in this Notice of Convocation to be sent to all shareholders. As a result, this Notice of Convocation is part of the documents audited by the Audit and Supervisory Committee and the Accounting Auditors in preparing the audit reports.
 - “Matters Relating to the Formulation of a System to Ensure Appropriate Corporations Actions” and “Overview of the State of the Operations of a System to Ensure Appropriate Corporate Actions” in the Business Report
 - Consolidated Statement of Changes in Equity in Consolidated Financial Statements and Notes on Consolidated Financial Statements
 - Non-consolidated Statement of Changes in Equity in Non-consolidated Financial Statements and Notes on Non-consolidated Financial Statements
- * If any changes are made to the items to be provided electronically, such changes will be posted on each website.

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, and the number of seats will be limited. 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 4.

■ 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 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.
- We shall strive to efficiently proceed with the agenda of the General Meeting of Shareholders and manage the Meeting. 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 via the Internet, etc.

Access the Website for the Exercise of Voting Rights using your PC or smartphone and follow the on-screen instructions to indicate your approval or disapproval for the proposals.
See the next page for details.

Exercise due date: No later than 5:45 p.m. on Tuesday, March 28, 2023

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 Tuesday, March 28, 2023

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

Please indicate your approval or disapproval for each of the proposals 1, 2 and 3 according to the following.

Proposal 1

- If you approve of all candidates: Please mark a in the box marked “贊” (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 “贊” (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.

Proposal 2

- If you approve: Please mark a in the box marked “贊” (Approve).
- If you disapprove: Please mark a in the box marked “否” (Disapprove).
- * 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 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: Wednesday, March 29, 2023, at 10 a.m. (reception starts at 9 a.m.)

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

Treatment of the exercise of voting rights

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

Instructions for the Exercise of Voting Rights via the Internet

By scanning the QR code “Smart Exercise”

You can login to the Website for the Exercise of Voting Rights without having to enter the Code for the Exercise of Voting Rights and Password.

1. Scan the QR code printed on the bottom right of the Form for the Exercise of Voting Rights.

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

2. Follow the on-screen instructions to indicate your approval or disapproval for the proposals.

Exercise of Voting Rights via “Smart Exercise” is available only once.

When you wish to change your vote after the exercise, please access the voting website for PCs, enter the “Code for the Exercise of Voting Rights” and “Password” printed on the Form for the Exercise of Voting Rights to login, and then exercise your voting rights again.

* If you scan the QR code again, you can move to the voting website for PCs.

By entering the Code for the Exercise of Voting Rights and Password

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

1. Access the Website for the Exercise of Voting Rights.

2. Enter the “Code for the Exercise of Voting Rights” printed on the Form for the Exercise of Voting Rights.

3. Enter the “Password” printed on the Form for the Exercise of Voting Rights.

4. Follow the on-screen instructions to indicate your approval or disapproval for the proposals.

For inquiries about the exercise of Voting Rights via the Internet

If you have any questions regarding the Exercise of Voting Rights via the Internet, please contact the following:

Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited

Dedicated phone number: 0120-652-031 (from 9 a.m. to 9 p.m., only in Japan)

To institutional investors

Besides the Exercise of Voting Rights via the Internet noted above, institutional investors 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.

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 (FY2022)
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)	Toshihiro Awa	Representative Director President	13 out of 13
4 (re-appointed)	Jiro Ryuta	Representative Director Executive Vice President	13 out of 13
5 (re-appointed)	Akane Kato <div style="display: flex; justify-content: space-around; font-size: small; border: 1px solid black; padding: 2px;"> Outside Director candidate Independent Director candidate </div>	Director	16 out of 16

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company
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 25,210 shares</p> <p>Number of years in office as Director 13 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. 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 Outside Corporate Auditor of the Company</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 Outside 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) 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
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 23,398 shares</p> <p>Number of years in office as Director 11 years (as of the conclusion of this Ordinary General Meeting of Shareholders) (Total number of years in office inclusive of the number of years served as Director in the past: 15 years)</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 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 Outside Director of the Company</p> <p>Apr. 2009 Senior Managing Executive Officer of Sumitomo Metal Industries, Ltd. (the current Nippon Steel Corporation)</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</p> <p>Mar. 2018 Representative Director, Vice Chairman of the Company (present post)</p> <p><Areas of responsibility in the Company> Assistant to the Chairman Chief Financial 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) 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.</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
3	<p style="text-align: center;">Toshihiro Awa (January 30, 1962)</p> <p style="text-align: center;"><u>Re-appointed</u></p> <p>Number of the Company's common shares held 21,589 shares</p> <p>Number of years in office as Director 1 year (as of the conclusion of this Ordinary General Meeting of Shareholders) (Total number of years in office inclusive of the number of years served as Director in the past: 2 years)</p> <p>Number of attendance at meetings of the Board of Directors 13 out of 13</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</p> <p>Mar. 2018 Director, Managing Executive Officer, General Manager of Sales & Marketing Div., the Company</p> <p>Mar. 2019 Managing Executive Officer, General Manager of Sales & Marketing Div., the Company</p> <p>Mar. 2020 Senior Managing Executive Officer, General Manager of Sales & Marketing Div., the Company</p> <p>Mar. 2021 Executive Vice President, General Manager of Sales & Marketing Div., the Company</p> <p>Mar. 2022 Representative Director, President, General Manager of Sales & Marketing Div., the Company (present post)</p> <p><Areas of responsibility in the Company> Assistant to the Chairman General Manager of Sales & Marketing Div.</p>
<p><Reasons for nomination as a candidate for Director> He has abundant experiences and satisfactory results of many years of working in the sales section as well as excellent business execution capabilities as a management of the Company. He assumed the post of General Manager of Sales & Marketing Div. in 2018 and has served as Representative Director and President since 2022. Because he can be expected to strengthen the function of the Board of Directors with his abundant experiences in the sales 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> Toshihiro Awa has no special interests with the Company.</p>		

No.	Name (Date of birth)	Career summary, current position and areas of responsibility in the Company
4	<p style="text-align: center;">Jiro Ryuta (February 16, 1960)</p> <p style="text-align: center;">Re-appointed</p> <p>Number of the Company's common shares held 3,809 shares</p> <p>Number of years in office as Director 1 year (as of the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>Number of attendance at meetings of the Board of Directors 13 out of 13</p>	<p>Apr. 1985 Joined Mitsubishi Metal Corporation (the current Mitsubishi Materials Corporation)</p> <p>Jun. 2001 General Manager of South Plant, Mitsubishi Silicon America Corporation</p> <p>Apr. 2005 Executive Vice President of SUMCO Taiwan Technology Corporation</p> <p>Apr. 2008 General Manager of International Sales & Marketing Dept., Sales & Marketing Div., the Company</p> <p>Jan. 2012 President of SUMCO Singapore Pte. Ltd. President of SUMCO Taiwan Technology Corporation</p> <p>Mar. 2013 President of SUMCO Phoenix Corporation</p> <p>Mar. 2014 Executive Officer, the Company President of SUMCO Phoenix Corporation</p> <p>Mar. 2017 Managing Executive Officer, the Company President of SUMCO Phoenix Corporation</p> <p>Mar. 2021 Senior Managing Executive Officer, the Company President of SUMCO Phoenix Corporation</p> <p>Mar. 2022 Representative Director, Executive Vice President, General Manager of Technology Div., the Company (present post)</p> <p><Areas of responsibility in the Company> General Manager of Technology Div. Head of JSQ Div.</p>
<p><Reasons for nomination as a candidate for Director> He has abundant experiences and satisfactory results of many years of working in the technology section, manufacturing section and sales section, as well as excellent business execution capabilities as a management of the Company. He has served as Representative Director, Executive Vice President, and General Manager of Technology Div. since 2022. Because he can be expected to strengthen the function of the Board of Directors with his abundant experiences in the technology section, manufacturing section and sales section and knowledge about general management, the Company nominates him as a candidate for Director.</p> <p><Special interests between the candidate and the Company> Jiro Ryuta 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;">Akane Kato (September 3, 1963)</p> <p style="text-align: center;"><u>Re-appointed</u></p> <p style="text-align: center;"><u>Outside Director candidate</u></p> <p style="text-align: center;"><u>Independent Director candidate</u></p> <p>Number of the Company's common shares held 756 shares</p> <p>Number of years in office as Outside 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>Nov. 1984 Joined ALL NIPPON AIRWAYS CO., LTD.</p> <p>Jul. 1994 Instructor, Inflight Services Training Dept., Inflight Services Center, ALL NIPPON AIRWAYS CO., LTD.</p> <p>Jul. 2007 Chief, Training Div., ANA Learning Co., Ltd. (the current ANA Business Solutions Co., Ltd.)</p> <p>Apr. 2012 Manager of VIP Service Dept., Tokyo Airport Branch, ALL NIPPON AIRWAYS CO., LTD. (the current ANA AIRPORT SERVICES CO., LTD.)</p> <p>Jul. 2014 Representative Director of AKANE IDENTITIES INC. (present post)</p> <p>Jun. 2016 Outside Director of SAN-EI Corporation</p> <p>Apr. 2018 Part-time Lecturer of Toho College of Music</p> <p>Aug. 2019 Registered as a Career Consultant</p> <p>Mar. 2020 Outside Director of the Company (present post)</p> <p><Significant concurrent occupations or positions in other organizations> Representative Director of AKANE IDENTITIES INC.</p>
<p><Reasons for nomination as a candidate for Outside Director and outline of roles expected to be fulfilled > 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.</p> <p><Special interests between the candidate and the Company> Akane Kato has no special interests with the Company.</p>		

- (Notes) 1. The number of the Company's common shares held by each candidate includes the number of shares actually held in the name of the shareholding association of the Company (as of December 31, 2022).
2. 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 (contract for limitation of liability). 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.
3. Pursuant to Article 430-3, Paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance contract with an insurance company to insure Mayuki Hashimoto, Michiharu Takii, Toshihiro Awa, Jiro Ryuta and Akane Kato as insured persons. The insurance contract covers legal damages and litigation expenses that may arise from the execution of duties by insured persons. The insurance premiums are fully borne by the Company. If their election is approved, they will continue to be insured by the said insurance contract. The Company intends to renew the contract after the expiration of the insurance period.
4. 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.

[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 three Independent Outside Directors (Directors Hitoshi Tanaka, Masahiro Mitomi and Shinichiro Ota) 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 and Executive Officers of the Company, their qualifications, and the reasons for their designation as candidates, as well as on 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, including perspectives of gender and other elements of diversity, as well as professional knowledge and experience, 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

The members of the Board of Directors will be as presented below provided that Proposal 1 is 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	Toshihiro Awa		Representative Director President
Re-appointed	Jiro Ryuta		Representative Director Executive Vice President
Re-appointed	Akane Kato	Outside Director Independent Director	Director
	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
	Masahiko Sue	Outside Director Independent Director	Director Audit and Supervisory Committee Member

[Reference] The list of skills (expertise, experience, capability, etc.) possessed by each Director

Name	Skills (expertise, experience, capability, etc.) possessed by each Director						
	Corporate Management	Finance / Accounting	Legal Affairs / Compliance	Sales / Marketing	Internationality / Globality	Technology / Manufacturing / IT	Human Resources Management / Human Resources Development
Mayuki Hashimoto	●	●			●	●	●
Michiharu Takii	●	●	●				●
Toshihiro Awa	●			●	●		●
Jiro Ryuta	●			●	●	●	●
Akane Kato	●				●		●
Fumio Inoue	●	●			●		
Hitoshi Tanaka			●				●
Masahiro Mitomi	●	●			●		●
Shinichiro Ota	●		●		●		●
Masahiko Sue					●	●	●

Proposal 2: Determination of the Amount and Details of Performance-linked Stock Remuneration for Directors

1. The reason for the proposal and the reason for deeming this remuneration plan appropriate

The remuneration for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) consists of "basic remuneration" and "performance-linked remuneration," however, this proposal requests the approval of the introduction of a new performance-linked stock remuneration plan (hereinafter, the "Plan") that uses a trust for the Company's Directors. Shareholders are requested to leave the details of the Plan to the discretion of the Board of Directors within the framework outlined in 2. below.

The Plan clarifies the link between the Directors' remuneration and the Company's performance and stock value, and allows Directors to share the benefits and risks of stock price fluctuations with shareholders. This is expected to raise motivation to contribute to medium-to-long term improvement of performance and corporate value.

This proposal proposes paying a new performance-linked stock remuneration to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors. The same shall apply hereinafter) who are in office during the three fiscal years from the fiscal year ending December 31, 2023 to the fiscal year ending December 31, 2025 (hereinafter, the "Target Period"). This is separate from the maximum amount of remuneration (within 460 million yen annually (of which, the total remuneration for Outside Directors is within 50 million yen annually). However, employee salaries are not included) for Directors (excluding Directors who are Audit and Supervisory Committee Members) that was approved at the 17th Ordinary General Meeting of Shareholders held on March 29, 2016.

An overview of the details of the decision-making policy regarding the contents of remuneration and other payments to individual Directors of the Company is as described in the Business Report 3.

Officers of the Company (4) Remuneration and other payments to Directors 1). It was resolved at the Board of Directors meeting held on February 21, 2023 that these contents will be changed in line with the contents described in this proposal, subject to the approval of this proposal, and it has been determined that the contents of this proposal are appropriate because they are necessary and reasonable for achieving the changed policy and the purpose of introducing the Plan.

If Proposal 1 "Election of Five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)" is approved as originally proposed, the number of Directors subject to the Plan will be four (4).

The Audit and Supervisory Committee has expressed the opinion that this proposal was decided by the Board of Directors after deliberation by the Nomination and Compensation Committee, which includes independent Outside Directors who are Audit and Supervisory Committee Members, and that the basic policy on the remuneration system, calculation method of remuneration price, etc., as well as its decision process, are all appropriate.

*If this proposal is approved as originally proposed, the Company intends to introduce a similar stock-based remuneration plan for the Presidents of major domestic subsidiaries and executive employees, including Executive Officers, of the Company.

2. Amount of remuneration, etc. and other details of the Plan

(1) Outline of the Plan

The Plan is a stock remuneration plan in which a trust set up by the Company through money contributions (hereinafter, the “Trust”) acquires shares of the Company, and the number of shares of the Company corresponding to the number of points granted to each Director by the Company will be distributed to each Director through the Trust.

In principle, the time when shares of the Company will be distributed to Directors is when the Company’s Directors (including Directors who are Audit and Supervisory Committee Members, here) retire.

1. Persons eligible for the Plan	The Company’s Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)
2. Target Period	From the fiscal year ending December 31, 2023 to the fiscal year ending December 31, 2025
3. Maximum amount of money that the Company will contribute as funds for the acquisition of shares of the Company necessary for distribution to persons eligible for the Plan in 1. during the Target Period in 2.	Total of 675 million yen
4. Method of acquiring shares of the Company	Through the disposal of the Company’s treasury shares or through the exchange market (including off-auction trading)
5. Maximum number of points granted to persons eligible for the Plan in 1.	210,000 points per fiscal year *1 point = 1 share of the Company
6. Criteria for granting points	Points are granted based on position, degree of achievement of performance targets, etc.
7. Time of distribution of shares of the Company to persons eligible for the Plan in 1.	In principle, when the Company’s Directors (including Directors who are Audit and Supervisory Committee Members, here) retire

(2) Maximum amount of money to be contributed by the Company

The initial trust period of the Trust will be approximately three years, and during the Target Period, as funds to acquire the shares of the Company required for distribution of shares of the Company to Directors under the Plan, the Company will contribute up to a total of 675 million yen as remuneration for Directors who are in office during the Target Period, and set up the Trust with Directors who acquire the beneficiary interests as described in (3) (b) below as its beneficiaries. The Trust will use the money entrusted to the Trust by the Company as a source of funds to acquire shares through the disposal of the Company’s treasury shares or through the exchange market (including off-auction trading).

(Note) The money actually entrusted by the Company to the Trust will be the sum of the above-mentioned funds for acquiring shares of the Company and the expected amount of necessary expenses such as trust fees and fees for the trust administrator. In addition, if a stock remuneration plan similar to the Plan is introduced for the Presidents of major domestic subsidiaries as described above, the Company will entrust the necessary funds to acquire shares of the Company for delivery to the relevant Presidents based on the stock remuneration plan similar to the Plan.

Moreover, by resolution of the Board of Directors of the Company, the Target Period may be extended for a period of maximum three fiscal years each, along with the Trust period (this includes an effective extension of the Trust period by means of transferring the assets of the Trust to a trust whose purpose of setting up is the same as the Trust set up by the Company. The same shall apply hereinafter), so as to continue the Plan. In this case, the Company will make additional fund contributions to the Trust, during the extended period of the Target Period, up to a limit of the amount obtained by multiplying the number of fiscal years of the target period for the extension by 225 million yen, as additional funds to acquire shares of the Company required for delivery to

Directors under the Plan, and continue to grant points and deliver shares of the Company as described in (3) below.

In addition, even in the case that the Target Period is not extended and the Plan is not continued as described above, if, at the time of expiration of the Trust period, the Company's Directors (including Directors who are Audit and Supervisory Committee Members, here) who have been granted points but have not yet retired exist, the Trust period may be extended by resolution of the Board of Directors until the relevant Director retires and the delivery of shares of the Company is completed.

(3) Calculation method and maximum number for shares of the Company to be delivered to Directors

(a) Method for granting points to Directors

Based on share delivery regulations established by the Board of Directors of the Company, the Company will grant a number of points based on position, etc. to Directors that is multiplied by a performance-linked coefficient that fluctuates according to the actual value of the performance-linked indicators on the point-granting day during the Trust period as specified in the share delivery regulations. While the performance-linked indicators and the range of the performance-linked coefficient are to be resolved at the Board of Directors meeting of the Company, the performance-linked indicators for the initial Target Period are planned to be "ROE," "EBITDA margin," "CO₂ reduction rate," etc. and the performance-linked coefficient is planned to be within a range of 0% to 150%.

However, the total number of points that the Company may grant to Directors is limited to 210,000 points per fiscal year.

(b) Delivery of shares of the Company in accordance with the number of points granted

Directors will receive shares of the Company in accordance with the number of points granted in (a) above and according to the procedure described in (c) below. However, in the event that a Director commits a fraudulent act that causes a loss to the Company, all of the points granted up to that point will be confiscated (malus system), and a full refund of the money equivalent to the shares of the Company that had been delivered, etc. will be requested (clawback system).

In addition, one point is one share of the Company. However, if a share split, reverse share split, or any other event for which it would be reasonable to adjust the number of shares occurs with respect to the shares of the Company, then reasonable adjustments will be made to the number of shares of the Company per point according to the ratio of such a split share, reverse share split, etc.

(c) Delivery of shares of the Company to Directors

In principle, the delivery of shares of the Company in (b) above to each Director will be made by the Trust upon each Director completing the prescribed beneficiary determination procedures and acquiring the beneficiary interest of the Trust at the time of the retirement of the Company's Director (including a Director who is an Audit and Supervisory Committee Member, here) and as its beneficiary.

However, a certain percentage of the shares of the Company may be sold for cash in the Trust for the purpose of withholding the funds for payment of taxes such as withholding income tax, and then delivered in cash in place of shares of the Company. In addition, if the shares of the Company in the Trust have been liquidated for cash, for instance if the shares of the Company in the Trust have been applied for a tender offer and settled, they may be delivered in cash in place of shares of the Company.

(4) Exercise of voting rights

In accordance with the instructions of the trust administrator who is independent of the Company and its officers, voting rights pertaining to shares of the Company held in the Trust shall not be exercised altogether. By adopting this method, the Company intends to ensure impartiality to the management of the Company with regard to the exercise of voting rights of shares of the Company held in the Trust.

(5) Handling of dividends

Dividends related to the shares of the Company in the Trust will be received by the Trust and used to acquire shares of the Company and pay trust fees for the trustee associated with the Trust, etc.

Business Report

(From January 1, 2022 to December 31, 2022)

1. Business Progress and Achievement of the Corporate Group

(1) Business activities and results

In fiscal year 2022 (January 1, 2022–December 31, 2022), through the third quarter the market for 300 mm semiconductor silicon wafers saw demand exceeding supply capacity for logic and memory applications, driven by the rise in network traffic and data center demand due in part to full-scale introduction of 5G communications, and growth in demand for automotive use from the increasing popularity of electric vehicles (EVs) and uptake of self-driving vehicles. In the fourth quarter, however, demand for personal computers and smartphones softened, so that overall supply and demand began to balance out.

The market for 200 mm wafers saw continued strong demand for automotive and industrial uses, whereas the market for wafers of 150 mm and smaller entered a correction phase from the latter half of the fiscal year, mainly for consumer use.

In this environment the Group, on the way to realizing the SUMCO Vision, has endeavored to maintain our high market share in leading-edge products through technology development, aimed at meeting customer demands for higher precision and making distinctive products, while seeking also to improve our profit-and loss fundamentals by raising productivity with the use of AI and becoming more cost-competitive.

As a result, for the fiscal year 2022, the Group registered consolidated net sales of ¥441,083 million, operating income of ¥109,683 million, ordinary income of ¥111,339 million, and net income attributable to owners of the parent of ¥70,205 million.

<SUMCO Vision>

1. World's Best in Technology
2. Stable Profitability 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 130,851 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 32,700 million yen through long-term debt from multiple financial institutions as the Group's necessary funds.

(4) Issues to be dealt with

The current market of 300 mm silicon wafers for semiconductor is entering a correction phase mainly for memory applications. Demand for logic applications varies depending on the customer, but we expect only minor corrections. On the other hand, demand for automotive and industrial applications is strong, and overall supply and demand for 300 mm is in a balanced state. Similarly, in the 200 mm silicon wafer market, demand for automotive and industrial applications continues to be strong, but inventory adjustments are being made for some product types. Overall, while the silicon wafer market for semiconductors has entered a correction phase for the time being, depending on customer and product type, it is expected to expand in the medium-to-long term.

In this environment, the Group, on the way to realizing the SUMCO Vision, has endeavored to maintain our high market share in leading-edge products through technology development, aimed at meeting customer demands for higher precision and making distinctive products, while seeking also to enhance our profit-and-loss fundamentals by raising productivity with the use of AI and becoming more cost-competitive. In addition, amid concerns about the impact of geopolitical risks that have risen in recent years, monetary policies of various countries, etc., we will closely monitor the market environment and strive to minimize risks.

Regarding capital investments, we have been raising production capacity gradually in line with the market growth and we will steadily execute capital investment of 228.7 billion yen, which was decided in September 2021, aiming for completion by December 2024. Going forward, we will continue implementing capital investments as appropriate in a disciplined manner, while fulfilling our responsibility to customers as a supplier and taking into consideration supply and demand forecasts of the silicon wafer market on each occasion and the lead-time required to newly install and increase manufacturing equipment.

In addition, the Company decided to acquire the semiconductor polysilicon business of Mitsubishi Materials Corporation in October 2022. The acquisition of this business will contribute to the stable procurement of semiconductor polysilicon and trichlorosilane, which are key raw materials essential for the silicon wafers business of the Company, and we will become able to carry out total technology development and manufacturing from the raw materials to the final silicon wafer products of the Company's business. Through the smooth implementation of this business acquisition, we will strive to further improve the corporate value of the Group. The acquisition of this business is scheduled for March 31, 2023.

Moreover, the Group is promoting initiatives related to sustainability and has identified issues it will address on a priority basis as materiality (key issues). These issues are intended to resolve social issues and enhance corporate value in a sustainable manner. The Group will further accelerate its activities to achieve medium-to-long term goals for carbon neutrality, promotion of the active participation of women, etc.

(5) Status of consolidated assets and operating results

Category	20th fiscal year (year ended December 31, 2018)	21st fiscal year (year ended December 31, 2019)	22nd fiscal year (year ended December 31, 2020)	23rd fiscal year (year ended December 31, 2021)	24th fiscal year (year ended December 31, 2022)
Net sales (millions of yen)	325,059	299,460	291,333	335,674	441,083
Ordinary income (millions of yen)	83,068	48,310	35,650	51,107	111,339
Net income attributable to owners of the Parent (millions of yen)	58,580	33,112	25,505	41,120	70,205
Net income per share (yen)	199.74	112.90	87.48	135.86	200.49
Total assets (millions of yen)	588,250	578,511	593,443	764,821	892,555
Net assets (millions of yen)	325,545	341,149	355,003	522,842	591,484
Net assets per share (yen)	971.76	1,030.39	1,082.22	1,359.77	1,523.71

(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, 2022)

Manufacture and sales of silicon wafers for semiconductor

(8) Main offices and plants (as of December 31, 2022)

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, 2022)**1) Employees of the corporate group**

Number of employees	Increase (decrease) from the previous consolidated fiscal year-end
9,189	Increased by 720

(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
4,622	Increased by 454	42.8 years old	15.5 years

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

(10) Major creditors and balance of borrowings (as of December 31, 2022)

Creditor	Balance of borrowings
	millions of yen
Sumitomo Mitsui Banking Corporation	19,812
MUFG Bank, Ltd.	18,212
Development Bank of Japan Inc.	14,671
Sumitomo Mitsui Trust Bank, Limited	10,937
Mizuho Bank, Ltd.	10,562

(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 (no executed amount).

(11) Other significant matters concerning the Corporate Group

The Company has approved a resolution at the Board of Directors meeting held on October 28, 2022 to acquire the semiconductor polysilicon business of Mitsubishi Materials Corporation (hereinafter, “Mitsubishi Materials”).

High-Purity Silicon Corporation, a new company established by Mitsubishi Materials, will assume the semiconductor polysilicon business of Mitsubishi Materials, along with the shares held by Mitsubishi Materials in Mitsubishi Polycrystalline Silicon America Corporation and in NIPPON AEROSIL CO., LTD., after which SUMCO will acquire the shares of the new company. The share acquisitions are scheduled to take place on March 31, 2023.

2. Status of the Company's Shares (as of December 31, 2022)

- (1) **Total number of authorized shares:** Common shares 804,000,000
- (2) **Total number of issued shares:** Common shares 350,175,139
(including 7,940 shares of treasury stock)
- (3) **Number of shareholders:** Common shares 111,867
(increase of 22,247 from the previous fiscal year-end)

(4) Major shareholders (Top 10)

Name of shareholder	Number of shares held	Equity ownership
	thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust account)	53,458	15.27
Custody Bank of Japan, Ltd. (Trust account)	21,724	6.20
SSBTC CLIENT OMNIBUS ACCOUNT	13,678	3.91
SMBC Nikko Securities Inc.	11,657	3.33
MSIP CLIENT SECURITIES	6,669	1.90
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	6,531	1.87
STATE STREET BANK WEST CLIENT - TREATY 505234	6,035	1.72
DAIWA CM SINGAPORE LTD - NOMINEE ROBERT LUKE COLLICK	5,683	1.62
JAPAN SECURITIES FINANCE CO., LTD.	5,365	1.53
JPMorgan Securities Japan Co., Ltd.	5,174	1.48

(Note) The equity ownership is calculated after deducting treasury stock (7,940 shares).

3. Officers of the Company

(1) Status of Directors (as of December 31, 2022)

Position	Name	Significant concurrent occupations or positions
Representative Director	Mayuki Hashimoto	
Representative Director	Michiharu Takii	
Representative Director	Toshihiro Awa	
Representative Director	Jiro Ryuta	
Director	Akane Kato	Representative Director of AKANE IDENTITIES INC.
Director Full-time Audit and Supervisory Committee Member	Fumio Inoue	
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. Representative Director of Wakuwaku Connection Co., Ltd.
Director Audit and Supervisory Committee Member	Shinichiro Ota	Senior Counselor of Electric Power Development Co., Ltd. Chief Advisor of SPACE ONE Co., Ltd.
Director Audit and Supervisory Committee Member	Masahiko Sue	Executive Director and Vice-President of Shiga University

- (Notes) 1. Directors Akane Kato, Hitoshi Tanaka, Masahiro Mitomi, Shinichiro Ota, and Masahiko Sue 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, Fumio Inoue is appointed as Full-time Audit and Supervisory Committee Member for information collection from Directors (excluding Directors who are Audit and Supervisory Committee Members), executive officers, employees, and other relevant personnel, participation in important meetings, and close coordination with the Internal Auditing Department and other relevant departments.
4. The Company has appointed Directors Akane Kato, Hitoshi Tanaka, Masahiro Mitomi, Shinichiro Ota, and Masahiko Sue as Independent Directors as provided for in the regulations of the Tokyo Stock Exchange and notified the Exchange to that effect.
5. Directors who retired during the business year under review are as follows. Positions shown in the list are those as of the time of retirement.

Position in the Company	Name	Date of retirement	Reason for retirement
Representative Director	Hisashi Furuya	March 29, 2022	Expiration of term of office
Representative Director	Kazuo Hiramoto	March 29, 2022	Expiration of term of office
Director Audit and Supervisory Committee Member	Akio Fuwa	March 29, 2022	Expiration of term of office

6. The Company adopts an executive officer system. The following is the list of executive officers as of December 31, 2022. Executive officers marked with * are also Directors of the Company.

Title	Name	Area(s) of responsibility
* Chairman & Chief Executive Officer	Mayuki Hashimoto	Chief Executive Officer Overall control
* Vice Chairman	Michiharu Takii	Assistant to the Chairman Chief Financial Officer
* President	Toshihiro Awa	Assistant to the Chairman General Manager of Sales & Marketing Div.
* Executive Vice President	Jiro Ryuta	General Manager of Technology Div. Head of JSQ Div.
Senior Managing Executive Officer	Seiji Miyachi	General Manager of Production Div. General Manager of Kyushu Factory Head of Plant Engineering
Senior Managing Executive Officer	Naruya Hirota	General Manager of Planning & Construction Div. Head of Epitaxial Engineering
Managing Executive Officer	Shinichi Kubozoe	General Manager of Corporate Strategy Div.
Managing Executive Officer	Atsuro Fujii	Head of General Affairs and Human Resources Chief Compliance Officer Officer responsible for ESG and SDGs
Managing Executive Officer	Takashi Atami	In charge of Saga Plant, Nagasaki Plant and Yonezawa Plant Head of Crystal Engineering
Managing Executive Officer	Naoki Ikeda	Head of Customer Product Engineering, Quality Assurance, Advanced Evaluation & Technology Development, Engineering Planning and Intellectual Property
Managing Executive Officer	Hiroshi Shibaya	Deputy General Manager of Production Div. In charge of Imari Plant I, Imari Plant II, Kubara Plant I, Kubara Plant II and Chitose Plant Head of Wafer Engineering Supervision of Planning & Construction Div.
Managing Executive Officer	Yasuharu Sasaki	Deputy General Manager of Sales & Marketing Div.
Managing Executive Officer	Tomoaki Tajiri	Deputy General Manager of Production Div. General Manager of Imari Plant II
Managing Executive Officer	Takeo Kato	General Manager of AI Promotion Div. Supervision of Planning & Construction Div.
Executive Officer	Daizo Horie	In charge of Procurement Dept.
Executive Officer	Satoshi Matsuda	General Manager of Human Resources Dept.
Executive Officer	Kazuya Takahashi	General Manager of Plant Engineering Dept. Supervision of Planning & Construction Div.
Executive Officer	Masayasu Hara	General Manager of Kubara Plant I
Executive Officer	Fumihiko Yoshida	General Manager of Imari Plant I
Executive Officer	Koki Kato	General Manager of Equipment & Facility Engineering Dept.
Executive Officer	Noboru Soga	General Manager of Customer Product Engineering Dept.
Executive Officer	Takehiko Hosoi	General Manager of Crystal Engineering Dept.
Executive Officer	Kazuhito Matsukawa	General Manager of Marketing Engineering Dept.
Executive Officer	Toshimichi Kubota	President of SUMCO Phoenix Corporation

(2) Outline of the contract for limitation of liability

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 Masahiko Sue, 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.

(3) Outline of directors and officers liability insurance contract

The Company has entered into a directors and officers liability insurance contract with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers legal damages and litigation expenses that may arise from the execution of duties by Directors, Corporate Auditors, Executive Officers and retired executives of the Company and its domestic subsidiaries, who are insured persons of the contract. The insurance premiums are fully borne by the Company. In addition, as a measure to ensure that the appropriate execution of their duties by the insured persons is not compromised, this insurance contract stipulates that no insurance money will be paid to insured persons for damages arising from certain conditions, such as unlawful receipt of private benefit or criminal acts committed by insured persons.

(4) Remuneration and other payments to Directors

1) Matters concerning a decision-making policy for the contents of remuneration and other payments to individual Directors (excluding Directors who are Audit and Supervisory Committee Members)

- a. Method for determining a decision-making policy for the contents of remuneration and other payments to individual Directors (excluding Directors who are Audit and Supervisory Committee Members)

A decision-making policy for the remuneration and other payments to Directors (excluding Directors who are Audit and Supervisory Committee Members) and the amounts of such payments or their calculation methods are discussed by the Nomination and Compensation Committee consisting of two Representative Directors and three Independent Outside Directors and finalized by the Board of Directors. The Nomination and Compensation Committee receives requests from the Board of Directors for advice on the structure of remuneration for the Company's 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.

Upon receiving the advice from the Nomination and Compensation Committee, the Board of Directors determines remuneration and other payments to Directors (excluding Directors who are Audit and Supervisory Committee Members).

- b. Outline of contents of the decision-making policy

The Company employs a system where the remuneration of Executive Directors is determined with a view to encouraging them to contribute to the improvement of business results and the enhancement of corporate value. Remuneration for the Executive Directors is within the total amount determined by resolution of the General Meeting of Shareholders, and comprises a basic remuneration level based on their office and rank (reduced gradually, depending on the amount of loss, to the amount of "fixed remuneration" set by their office

and rank, in case of net loss attributable to owners of the parent), and a factor linked to the Company's most recent business results. The Company regularly reviews the remuneration level to reflect the long-term performance.

The Company has judged that it is appropriate to use the semi-annual net income attributable to owners of the parent as an index for remuneration linked to the Company's business results and finalizes the amount in accordance with the calculation method and taking into account the individual assessment.

In addition, a policy on determination of the ratio of basic remuneration to performance-linked remuneration paid to Executive Directors was resolved at the meeting of the Board of Directors held on February 19, 2021. When applying the result of net income attributable to owners of the parent recorded in FY2022, which was designated as the index pertaining to performance-linked remuneration, the ratio of basic remuneration to performance-linked remuneration is approximately 2:1. The results of the index pertaining to performance-linked remuneration of Executive Directors for the business year under review are 31,324 million yen in total for the first and second quarters and 38,881 million yen in total for the third and fourth quarters.

- c. Reasons why the Board of Directors judged that contents of remuneration and other payments to individual Directors (excluding Directors who are Audit and Supervisory Committee Members) made in the business year under review are in line with the decision-making policy

Contents of remuneration and other payments to individual Directors (excluding Directors who are Audit and Supervisory Committee Members) were deliberated in advance by the Nomination and Compensation Committee in light of the above decision-making policy, and then, by giving respect to the contents of such deliberation, determined by the Board of Directors. The decision was made through a decision-making process where transparency and objectivity are ensured and through deliberations including the consistency with the decision-making policy and other aspects. Accordingly, the Board of Directors judged that contents of remuneration and other payments to individual Directors (excluding Directors who are Audit and Supervisory Committee Members) made in the business year under review are in line with the decision-making policy.

2) Matters concerning a decision-making policy for the contents of remuneration and other payments to individual Directors who are Audit and Supervisory Committee Members

The Directors who are Audit and Supervisory Committee Members receive only a fixed remuneration from the perspective of ensuring the appropriate conduct of their duties such as auditing and the supervision of the execution of business operations. The remuneration is determined through deliberations of the Audit and Supervisory Committee Members within the total amount determined by resolution of the General Meeting of Shareholders, and by taking into account the role and duties of each such Member and whether he or she is a full-time or part-time Member.

3) Remuneration and other payments to Directors

Category	Number of persons paid	Total amount of remuneration and other payments by type			Total amount of remuneration and other payments
		Basic remuneration	<Fixed remuneration within basic remuneration>	Performance-linked remuneration, etc.	
	person(s)	thousands of yen	thousands of yen	thousands of yen	thousands of yen
Directors (excluding Directors who are Audit and Supervisory Committee Members)	7	216,516	<117,700>	139,522	356,038
(Outside Directors (inclusive in the above))	(1)	(10,500)	<(10,500)>	(-)	(10,500)
Directors who are Audit and Supervisory Committee Members	6	75,504	<75,504>	-	75,504
(Outside Directors (inclusive in the above))	(5)	(42,000)	<(42,000)>	(-)	(42,000)
Total	13	292,020	<193,204>	139,522	431,542
(Outside Directors (inclusive in the above))	(6)	(52,500)	<(52,500)>	(-)	(52,500)

- (Notes)
1. The total remuneration for all Directors (excluding Directors who are Audit and Supervisory Committee Members) is within 460 million yen annually (of which, the total remuneration for Outside Directors is within 50 million yen annually) (excluding employee salary) pursuant to the resolution at the 17th Ordinary General Meeting of Shareholders held on March 29, 2016. The number of Directors (excluding Directors who are Audit and Supervisory Committee Members) as of the conclusion of the said Ordinary General Meeting of Shareholders was eight (including two Outside Directors).
 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 total remuneration for all Directors who are Audit and Supervisory Committee Members is within 110 million yen annually pursuant to the resolution at the 17th Ordinary General Meeting of Shareholders held on March 29, 2016. The number of Directors who are Audit and Supervisory Committee Members as of the conclusion of the said Ordinary General Meeting of Shareholders was six (including four Outside Directors).
 4. In case of net loss attributable to owners of the parent, "basic remuneration" of Executive Directors will be reduced gradually, depending on the amount of loss, to the amount of "fixed remuneration" set by their office and rank.

(5) 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	–
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	–
		Wakuwaku Connection Co., Ltd.	Representative Director	–
Outside Director Audit and Supervisory Committee Member	Shinichiro Ota	Electric Power Development Co., Ltd.	Senior Counselor	–
		SPACE ONE Co., Ltd.	Chief Advisor	–
Outside Director Audit and Supervisory Committee Member	Masahiko Sue	Shiga University	Executive Director and Vice-President	–

2) Major activities during the business year under review

Category	Name	Status of major activities
Outside Director	Akane Kato	Having attended all 16 Board of Directors meetings held in the business year under review, Akane Kato appropriately fulfills expected roles and perform business decision-making and supervision of business execution from an independent standpoint as an Outside Director based on her 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 appropriately fulfills expected roles and perform business decision-making and supervision of business execution from an independent standpoint as an Outside Director based on his 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 appropriately fulfills expected roles and perform business decision-making and supervision of business execution from an independent standpoint as an Outside Director based on his 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 appropriately fulfills expected roles and perform business decision-making and supervision of business execution from an independent standpoint as an Outside Director based on his 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. 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	Masahiko Sue	Having attended all 13 Board of Directors meetings and all 10 Audit and Supervisory Committee meetings held since his appointment on March 29, 2022, Masahiko Sue appropriately fulfills expected roles and perform business decision-making and supervision of business execution from an independent standpoint as an Outside Director based on his expert knowledge and experience related to data science, etc., which he has cultivated through his duties mainly in the public administration and education fields.

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	86
(2) Total amount of monies and other property benefits payable by the Company and its subsidiaries to the Accounting Auditors (including (1) above)	111

- (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 and repurchase of treasury stock, 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 under review.

In line with the above policy, the year-end dividend was determined to be 45 yen per share by a resolution of the Board of Directors held on February 21, 2023. As a result, the annual payment of dividends for the business year under review totaled 81 yen per share, combined with the interim dividend of 36 yen per share.

Consolidated Balance Sheet

(As of December 31, 2022)

(Millions of yen)

Category	Amount	Category	Amount
(Assets)		(Liabilities)	
Current assets	543,605	Current liabilities	157,235
Cash and time deposits	250,505	Notes and accounts payable – trade	38,037
Notes and accounts receivable – trade, and contract assets	89,991	Short-term borrowings	30,432
Marketable securities	8,800	Current portion of long-term lease obligations	231
Finished products	20,839	Accrued income taxes	20,616
Work in process	26,063	Reserve for bonuses	2,487
Raw materials and supplies	135,461	Notes and accounts payable – construction	22,353
Other	11,957	Other	43,077
Allowance for doubtful accounts	(13)		
Non-current assets	348,950	Long-term liabilities	143,836
Property, plant and equipment	300,371	Long-term debt	110,617
Buildings and structures	71,759	Long-term lease obligations	102
Machinery, equipment and vehicles	93,957	Deferred income tax liabilities	4,447
Land	20,298	Deferred income tax liabilities on revaluation reserve for land	1,342
Construction in progress	110,264	Net defined benefit liability	23,597
Other	4,091	Other	3,728
Intangible assets	8,235	Total liabilities	301,071
Goodwill	157	(Equity)	
Software	6,843	Shareholders' equity	518,620
Other	1,234	Capital stock	199,034
Investments and other assets	40,343	Capital surplus	85,285
Investment securities	88	Retained earnings	234,319
Long-term advance payments	28,525	Treasury stock	(19)
Long-term prepaid expenses	1,954	Accumulated other comprehensive income	14,932
Deferred income tax assets	8,333	Net unrealized gain on available-for-sale securities	0
Retirement benefit asset	600	Deferred loss on derivatives under hedge accounting	961
Other	1,113	Land revaluation surplus	2,885
Allowance for doubtful accounts	(272)	Foreign currency translation adjustments	11,792
		Remeasurements of defined benefit plans	(706)
		Non-controlling interests	57,931
		Total equity	591,484
Total assets	892,555	Total liabilities and equity	892,555

Consolidated Statement of Income

(From January 1, 2022 to December 31, 2022)

(Millions of yen)

Category	Amount	
Net sales		441,083
Cost of sales		297,728
Gross profit		143,354
Selling, general and administrative expenses		33,671
Operating income		109,683
Non-operating income		
Interest and dividend income	943	
Exchange gain	3,107	
Other	349	4,400
Non-operating expenses		
Interest expense	816	
Loss on sales and retirement of non-current assets	1,100	
Commission expenses	370	
Other	456	2,743
Ordinary income		111,339
Income before income taxes		111,339
Income taxes – current	24,098	
Income taxes – deferred	5,421	29,519
Net income		81,819
Net income attributable to non-controlling interests		11,613
Net income attributable to owners of the Parent		70,205

Non-consolidated Balance Sheet

(As of December 31, 2022)

(Millions of yen)

Category	Amount	Category	Amount
(Assets)		(Liabilities)	
Current assets	468,843	Current liabilities	162,123
Cash and time deposits	194,052	Accounts payable – trade	56,714
Accounts receivable – trade	87,587	Short-term borrowings	68,004
Marketable securities	8,800	Current portion of long-term lease obligations	10
Finished products	10,326	Accrued liabilities	9,144
Work in process	16,850	Accrued expenses	333
Raw materials and supplies	108,687	Accrued income taxes	13,544
Advance payments	2,557	Accounts payable – construction	12,226
Prepaid expenses	771	Other	2,146
Short-term loans	24,528		
Accounts receivable – other	8,321		
Other	6,360		
Allowance for doubtful accounts	(2)	Long-term liabilities	125,069
Non-current assets	281,461	Long-term debt	110,617
Property, plant and equipment	177,004	Long-term lease obligations	17
Buildings	51,277	Deferred income tax liabilities on revaluation reserve for land	1,342
Structures	1,993	Liability for retirement benefits	12,541
Machinery	59,670	Asset retirement obligations	458
Motor vehicles and transport equipment	203	Other	91
Tools, appliances and furniture	662		
Land	15,242	Total liabilities	287,193
Lease assets	24		
Construction in progress	47,929	(Equity)	
Intangible assets	6,507	Shareholders' equity	459,264
Software	5,495	Capital stock	199,034
Other	1,012	Capital surplus	77,906
Investments and other assets	97,949	Capital reserve	63,927
Investment securities	3	Others	13,979
Stocks of subsidiaries and affiliates	27,063	Retained earnings	182,342
Investments in subsidiaries and affiliates	55	Retained earnings reserve	6,333
Long-term loans receivable from subsidiaries and affiliates	37,465	Other retained earnings	176,008
Long-term loans receivable	28,525	Retained earnings carried forward	176,008
Long-term advance payments	1,862		
Prepaid pension cost	682	Treasury stock	(19)
Deferred income tax assets	1,534	Variance of valuation/translation, etc.	3,847
Other	886	Deferred loss on derivatives under hedge accounting	961
Allowance for doubtful accounts	(127)	Land revaluation surplus	2,885
Total assets	750,304	Total equity	463,111
		Total liabilities and equity	750,304

Non-consolidated Statement of Income

(From January 1, 2022 to December 31, 2022)

(Millions of yen)

Category	Amount	
Net sales		367,288
Cost of sales		281,009
Gross profit		86,279
Selling, general and administrative expenses		24,963
Operating income		61,316
Non-operating income		
Interest income	614	
Dividend income	14,031	
Royalty income	1,905	
Other	830	17,381
Non-operating expenses		
Interest expense	1,133	
Loss on sales and retirement of non-current assets	674	
Other	447	2,255
Ordinary income		76,443
Income before income taxes		76,443
Income taxes – current	12,458	
Income taxes – deferred	3,974	16,432
Net income		60,010

Accounting audit report on Consolidated Financial Statements

Independent Auditors' Report

February 16, 2023

SUMCO CORPORATION

The Board of Directors

Deloitte Touche Tohmatsu LLC

Tokyo Office

Designated Limited
Liability Partner and
Engagement Partner

Certified Public Accountant Masato Shoji

Designated Limited
Liability Partner and
Engagement Partner

Certified Public Accountant Takeshi Sase

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, 2022 through December 31, 2022.

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.

Other Information

Other information comprises the business report and its supporting schedules. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit and Supervisory Committee is responsible for overseeing the execution of duties by Directors in designing and operating the reporting process of the other information.

The other information is not included in the scope of our opinion for the Consolidated Financial

Statements, and we do not intend to express our opinion on the other information.

Our responsibility in the audit of the Consolidated Financial Statements is to read the other information and consider whether there is a material inconsistency between the other information and the Consolidated Financial Statements or our knowledge obtained in the audit, and in addition to such material inconsistencies, to remain alert for indications that the other information appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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.

Accounting audit report on Non-consolidated Financial Statements

Independent Auditors' Report

February 16, 2023

SUMCO CORPORATION

The Board of Directors

Deloitte Touche Tohmatsu LLC

Tokyo Office

Designated Limited
Liability Partner and
Engagement Partner

Certified Public Accountant Masato Shoji

Designated Limited
Liability Partner and
Engagement Partner

Certified Public Accountant Takeshi Sase

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 24th business year from January 1, 2022 through December 31, 2022.

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, 2022, 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.

Other Information

Other information comprises the business report and its supporting schedules. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit and Supervisory Committee is responsible for overseeing the execution of duties by Directors in designing and operating the reporting process of the other information.

The other information is not included in the scope of our opinion for the financial statements and the

accompanying supplementary schedules, and we do not intend to express our opinion on the other information.

Our responsibility in the audit of the financial statements and the accompanying supplementary schedules is to read the other information and consider whether there is a material inconsistency between the other information and the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, and in addition to such material inconsistencies, to remain alert for indications that the other information appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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.

<Audit report of Audit and Supervisory Committee>

AUDIT REPORT

Regarding the execution of duties by Directors for the 24th business year from January 1, 2022 to December 31, 2022, 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, utilizing methods via the Internet, etc. 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 17, 2023

Audit and Supervisory Committee, SUMCO CORPORATION

Full-time Audit and Supervisory Committee Member	Fumio Inoue	(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	Masahiko Sue	(Seal)

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