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Security Code: 3436

April 9, 2009

Dear Shareholders,

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

SUMCO CORPORATION

Kenjiro Shigematsu,

President

Notice of Convocation of the 10th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 10th Ordinary General Meeting of Shareholders of SUMCO CORPORATION. The meeting will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal voting. Prior to voting, please examine the attached Reference Documents for the General Meeting of Shareholders and, after indicating for or against each proposal by filling in the enclosed "Form for Exercising Voting Rights," post it to us by mail so that your vote is received by 5:45 p.m. on Monday, April 27, 2009.

Details

- 1. Date and Time:** Tuesday, April 28, 2009, at 10 a.m. (reception starts at 9 a.m.)
- 2. Place:** Mielparque Hall
2-5-20, Shibakouen, Minato-ku, Tokyo
(the meeting place has changed from the previous time)
- 3. Objectives of the Meeting**
Matters to be reported:
 1. Business Report and Consolidated Financial Statements for the 10th Fiscal Year (from February 1, 2008 to January 31, 2009), as well as the Audit Reports of the accounting auditor and the Board of Corporate Auditors for Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the 10th Business Year (from February 1, 2008 to January 31, 2009)

Agenda for resolutions:

- Proposal 1:** Dividends from Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Three (3) Directors
- Proposal 4:** Election of Five (5) Corporate Auditors
- Proposal 5:** Payments of Retirement Bonuses to Retiring Directors and a Retiring Corporate Auditor, and Final Payments of Retirement Bonuses to Directors and a Corporate Auditor Due to the Termination of the Retirement Bonus Plan for Directors and Corporate Auditors

* You are kindly requested to present the enclosed "Form for Exercising Voting Rights" to the receptionist when you attend the meeting.

* If any changes have been made to items in the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements which need to be amended by the day before the General Meeting of Shareholders, such changes will be posted to you by mail or on the Company's website. (<https://www.sumcosi.com/>)

Business Report

(For the fiscal year from February 1, 2008 to January 31, 2009)

1. Business Progress and Achievement of the Corporate Group

(1) Business activities and results

The economic trends during the current fiscal year were as follows. In the first half of the fiscal year, corporate profits mostly performed solidly on the back of brisk exports. However, in the second half of the fiscal year, the subprime mortgage crisis in the U.S. and the collapse of major U.S. securities firms led to an unprecedented global recession. This financial crisis has impacted the Japanese economy by causing dramatic foreign exchange movement and significant drops in share values, severely hurting corporate profits and the real economy.

Likewise, the semiconductor market, although experiencing continued growth in both units sold and monetary profits in the first half of the fiscal year, felt the effect of global economic recession in the second half of the fiscal year. Amid a significant contraction in demand in products incorporating semiconductors such as personal computers, automobiles, and mobile phones, it became necessary to adjust production and manufacturers, one after the other, were forced to close plants or tighten capital investments.

The silicon wafer market, which is linked with the semiconductor market, remained mostly robust in the first half of the fiscal year, particularly with respect to 300 mm wafers. From September onwards, however, demand fell sharply and market conditions deteriorated rapidly.

In this difficult environment, the SUMCO Group took into account the trend of wafer demand and other factors and, while reducing its capital investment—particularly with respect to 300 mm wafers—made efforts to generate profits through pursuing various cost-cutting measures including overhauling the operation structure. Prospects are different, however, for silicon wafers for use in solar energy cells; although there has been a slight dip in growth due to the impact of the global recession, in anticipation of future expansion of demand, the SUMCO Group pushed ahead as planned with the construction of a new plant in Imari, Saga Prefecture, and carried out other activities as part of its management measures designed to respond to our customers' needs and demand trends.

As a result, for the current consolidated fiscal year the SUMCO Group achieved net sales of 391,928 million yen (decrease of 17.5% from the previous fiscal year), operating profit of 45,069 million yen (decrease of 67.9% from the previous fiscal year), ordinary profit of 39,371 million yen (decrease of 70.4% from the previous fiscal year) and net income of 18,886 million yen (decrease of 74.8% from the previous fiscal year).

(2) Status of capital investments

Capital investment for the corporate group executed during the current fiscal year totaled 144,160 million yen. Significant components of this investment were 118,239 million yen for manufacturing facilities for 300 mm wafers and 8,976 million yen for manufacturing facilities for silicon wafers for use in solar energy cells.

(3) Status of financing

Long-term borrowings taken out during the current fiscal year totaled 85,000 million yen and were principally used as cash for capital investment.

(4) Material organizational restructuring

- 1) On May 30, 2008, the Company implemented a share exchange under which 1.20 shares of common stock were allotted and delivered in exchange for each share of SUMCO TECHXIV CORPORATION. Through this share exchange, SUMCO TECHXIV CORPORATION became a wholly-owned subsidiary of the Company.
- 2) On August 1, 2008, the business of SUMCO TECHXIV CORPORATION was split into the Sales & Marketing Division (without the business regarding overseas bases), Discrete Silicon Division, Technology Division (without the business regarding the Taiwan Support Department), Manufacturing Engineering Department 1, Manufacturing Engineering Department 2 and Manufacturing Engineering Section of Manufacturing Department, and these businesses were absorbed into the Company.

(5) Issues to be dealt with

1) Response to business environment

The unprecedented global recession has led to sharply falling demand and a slumping market for semiconductors and silicon wafers.

In this difficult business environment, the SUMCO Group will implement a raft of restructuring measures that will enable it to generate profits. In addition to temporary freezing expansionary investment in the 300 mm wafer business while scaling back capital investments in other operations, we will improve the efficiency of our manufacturing operations through centralized production and temporary shutdowns, reduce inventories and cut costs. Meanwhile, in the business of the silicon wafers for use in solar energy cells, we will start up our new plant, currently under construction in Imari, Saga Prefecture, as planned, while closely watching market trends and the evolution of customer demand.

2) Further strengthening of the management of SUMCO as a corporate group

As a further unification of SUMCO Group, we made SUMCO TECHXIV CORPORATION a wholly-owned subsidiary of SUMCO CORPORATION, and then achieved an absorption-type corporate split whereby the whole sales divisions and certain technical divisions of SUMCO TECHXIV CORPORATION are absorbed by SUMCO CORPORATION so that SUMCO TECHXIV CORPORATION should become a purely manufacturing subsidiary. From this point forward, the SUMCO Group shall implement measures to utilize management resources of the Group in a further more effective manner, including research and development of next-generation silicon wafers through integrated technology functions in Imari, to maximize SUMCO's corporate value.

3) Avoidance of risks to business continuity

The SUMCO Group has been implementing necessary measures against risks on business continuity in general, such as establishing a risk management system throughout the organizations concerned and setting forth risk control regulations. Above all, we have been establishing a strong and efficient supply chain, maintaining uninterrupted continuity of plant operations, and taking measures to minimize the risks arising from natural disasters, accidents and the like.

4) Reinforcing corporate governance

The SUMCO Group recognizes that reinforcing corporate governance is an essential managerial duty and is implementing policies and measures to enhance management supervision, ensure effective business execution by directors, and improve group governance. Through implementation of such policies and measures, we will continue to ensure transparency and fairness in timely management decision-making and business execution. We shall also make every effort to ensure timely and appropriate disclosure of information in order to enhance management transparency.

(6) Status of consolidated assets and operating results for the last 3 business years

Category	7th business year (year ended January 31, 2006)	8th business year (year ended January 31, 2007)	9th business year (year ended January 31, 2008)	10th consolidated fiscal year (year ended January 31, 2009)
Net sales (millions of yen)	220,526	319,385	474,951	391,928
Ordinary profit (millions of yen)	36,554	75,835	133,028	39,371
Net income (millions of yen)	20,486	72,051	74,879	18,886
Net income per share (yen)	195.61	597.66	294.34	74.36
Total assets (millions of yen)	351,934	578,854	710,495	733,897
Net assets (millions of yen)	161,680	327,318	415,510	389,521
Net assets per share (yen)	1,350.41	2,297.90	1,409.59	1,419.24

- (Notes)
1. Net income per share is calculated based on “Accounting Standard for Earnings Per Share” (Accounting Standards Board of Japan [ASBJ] Statement No. 2, January 31, 2006) and “Guidance on Accounting Standard for Earnings Per Share” (ASBJ Statement No. 4, January 31, 2006).
 2. The Company did not prepare consolidated financial statements for the business report in the 7th business year and all business years prior, and it did not undergo auditing as provided by Article 19, Paragraph 2 of the former “Act on Special Provisions of the Commercial Code concerning Audits of business corporation.” For the consolidated financial statements for the securities report for the 7th business year, we received auditor’s reports from Deloitte Touche Tohmatsu and KPMG AZSA & Co. as provided by Article 193, Paragraph 2 of former Securities and Exchange Law.
 3. From the 8th business year, “Accounting Standard for Presentation of Net Assets in the Balance Sheets” (ASBJ Statement No. 5, December 9, 2005) and “Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheets” (ASBJ Guidance No. 8, December 9, 2005) are applied.
 4. In the 7th business year, both 300 mm wafers and 200 mm wafers performed strongly, and net sales and ordinary profit increased significantly. In addition, the Company issued common stock through public offering on November 16, 2005, increasing its capital by 23,673 million yen and its capital surplus by 36,518 million yen. On November 17, 2005, the Company’s shares were listed on the First Section of the Tokyo Stock Exchange.
 5. In the 8th business year, demand remained at high levels, particularly for 300 mm wafers. SUMCO TECHXIV CORPORATION became a consolidated subsidiary of the Company on October 18, 2006, and the operating results of it and its subsidiaries also contributed to a significant increase in net sales and ordinary profit. In addition, the Company issued common stock through public offering on December 19, 2006, and allocated new shares to third parties on January 15, 2007, increasing its capital by 31,933 million yen and its capital surplus by 31,933 million yen.
 6. In the 9th business year, demand mostly remained strong, particularly for 300 mm wafers. A synergistic effect from SUMCO TECHXIV CORPORATION and cost-cutting efforts also contributed to a significant increase in net sales and ordinary profit. We also continued our efforts to expand production of 300 mm wafers, particularly at Imari Plant.
 7. Details concerning the 10th consolidated fiscal year are provided above in “(1) Business activities and results,” and “(3) Status of financing.”
 8. The Company executed two for one common stock split on February 1, 2007. The following table shows retroactive adjustment of per-share data, as a reference of the trend of net income per share and net assets per share that takes into account the impact of the aforesaid common stock split.

Category	7th business year (year ended January 31, 2006)	8th business year (year ended January 31, 2007)
Net income per share (yen)	97.80	298.83
Net assets per share (yen)	675.21	1,148.95

(7) Significant status of parent company and subsidiaries**1) Relation to parent company**

N/A

2) Major subsidiaries

Company name	Capital	Equity ownership (includes indirect holdings)	Main business activities
SUMCO TECHXIV CORPORATION	11,636 million yen	100.00 %	Manufacture of silicon wafers for semiconductor
Japan Super Quartz Corporation	300 million yen	100.00 %	Manufacture and sales of high-purity quartz crucibles
SUMCO Solar Corporation	450 million yen	85.00 %	Manufacture of silicon wafers for use in solar energy cells
SUMCO Phoenix Corporation	403 million US dollars	100.00 %	Manufacture and sales of silicon wafers for semiconductor
FORMOSA SUMCO TECHNOLOGY CORPORATION	7,387 million NT dollars	48.85 %	Manufacture and sales of silicon wafers for semiconductor

- (Notes)
- On May 30, 2008, the Company acquired, through a share exchange, shares of its consolidated subsidiary, SUMCO TECHXIV CORPORATION, making it a wholly-owned subsidiary of the Company.
 - On September 12, 2008, consolidated subsidiary, FORMOSA SUMCO TECHNOLOGY CORPORATION distributed dividend payments by appropriation of profit, and its capital increased from 6,452 million NT dollars to 7,387 million NT dollars.

(8) Main business activities (as of January 31, 2009)

Manufacture and sales of silicon wafers

(9) Main offices and plants (as of January 31, 2009)

The Company	Head Office	Minato-ku, Tokyo
	Offices	Minato-ku, Tokyo Yodogawa-ku, Osaka Hakata-ku, Fukuoka
	Factories and Plants	Imari Factory (Imari-shi, Saga) Saga Plant (Kohoku-cho, Kishima-gun, Saga) Kansai Factory, Ikuno Plant (Asago-shi, Hyogo) Kansai Factory, Amagasaki Plant (Amagasaki-shi, Hyogo) Yonezawa Plant (Yonezawa-shi, Yamagata) Chitose Plant (Chitose-shi, Hokkaido) Noda Plant (Noda-shi, Chiba)
Subsidiaries	Domestic Manufacturing Bases	SUMCO TECHXIV CORPORATION (Omura-shi, Nagasaki, etc.) Japan Super Quartz Corporation (Akita-shi, Akita) SUMCO Solar Corporation (Kainan-shi, Wakayama)
	Overseas Manufacturing Bases	SUMCO Phoenix Corporation (USA) FORMOSA SUMCO TECHNOLOGY CORPORATION (Taiwan)

(10) Status of employees (as of January 31, 2009)**1) Employees of the corporate group**

Number of employees	Increase (decrease) from the previous fiscal year
9,629	Increased by 103

(Note) The number of employees does not include temporary workers.

2) Employees of the Company

Number of employees	Increase (decrease) from the previous business year	Average age	Average service years
4,882	775	39.0 years old	14.5 years

- (Notes)
1. The number of employees does not include temporary workers.
 2. The number of employees increased by 775 employees since the close of the previous business year. This increase in employees is mostly connected with acceptance of loan employees by the Company absorbing the Sales & Technology divisions of SUMCO TECHXIV CORPORATION as a result of a company split.

(11) Major creditor (as of January 31, 2009)

Creditor	Amount
	millions of yen
Sumitomo Mitsui Banking Corporation	24,947
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	23,961
Mizuho Corporate Bank, Ltd.	18,355
Mitsubishi UFJ Trust and Banking Corporation	14,269
The Sumitomo Trust and Banking Co., Ltd.	13,978
Development Bank of Japan Inc.	11,605

2. Status of the Company's Shares (as of January 31, 2009)

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

(2) Number of issued shares: 257,751,739 (including 3,113 treasury stock)

(Note) Accompanying the share exchange that the Company executed with SUMCO TECHXIV CORPORATION on May 30, 2008, the Company allotted and delivered 1.20 shares of common stock of the Company for each share of SUMCO TECHXIV CORPORATION. To allocate shares for the allotment, the Company issued 3,351,739 new shares, and the total number of issued shares after the share exchange was 257,751,739 shares.

(3) Number of shareholders: 73,954 (increase of 5,897 from the previous year-end)

(4) Shareholders owning more than one tenth of the total number of issued shares:

Name of shareholder	Investment in the Company	
	Number of shares held	Equity ownership
	thousand shares	%
Sumitomo Metal Industries, Ltd.	71,700	27.82
Mitsubishi Materials Corporation	71,700	27.82

3. Directors and Corporate Auditors of the Company

(1) Directors and corporate auditors (as of January 31, 2009)

Position	Name	Representative position at other corporations
* Director and President	Kenjiro Shigematsu	
Director	Yuichi Muramatsu	
Director	Yutaka Hirose	
Director	Takashi Abe	President and Representative Director, SUMCO TECHXIV CORPORATION
Director	Yoshiaki Shida	
Director	Kazufumi Yanaga	
Director	Naoyuki Hosoda	
Director	Yoichi Taguchi	Managing Director, Mitsubishi Materials Corporation (Representative Director)
Director	Michiharu Takii	Managing Executive Officer, Sumitomo Metal Industries, Ltd.
Full-time Corporate Auditor	Fumio Iida	
Full-time Corporate Auditor	Katsutoshi Fukushima	
Corporate Auditor	Hitoshi Tanaka	Attorney at law
Corporate Auditor	Mayuki Hashimoto	Managing Director, Mitsubishi Materials Corporation (Representative Director)
Corporate Auditor	Kitaro Yoshida	Standing Corporate Auditor, Sumitomo Metal Industries, Ltd.

- (Notes)
1. The director marked with * is the Representative Director.
 2. Directors Yoichi Taguchi and Michiharu Takii are outside directors. The Company plans for Director Yoichi Taguchi to assume the post of director and executive vice president (Representative Director) of the Company as of April 28, 2009, thus becoming executive director and relinquishing the title of outside director.
 3. Corporate auditors Hitoshi Tanaka, Mayuki Hashimoto and Kitaro Yoshida are outside corporate auditors.
 4. Corporate auditor Fumio Iida, who acquired experiences in corporate accounting and finance over many years at Mitsubishi Materials Corporation and its Group, has considerable knowledge in finance and accounting.
 5. Changes in directors and corporate auditors during the current business year
Upon the conclusion of the 9th Ordinary General Meeting of Shareholders held on April 25, 2008, Mr. Osamu Nanri resigned the post of corporate auditor.

6. The Company adopts an executive officer system. The following is the list of executive officers as of January 31, 2009.

Title	Name	Area(s) of responsibility
* President	Kenjiro Shigematsu	
* Executive Vice President	Yuichi Muramatsu	Assistant to the President, General Manager of Sales & Marketing Div. Head of Production Planning & Control and Customer Product Engineering
* Executive Vice President	Yutaka Hirose	Assistant to the President Head of Corporate Planning, Public Relations & IR, Corporate Controller & Group Companies Management, Finance & Accounting, Information Systems, Purchasing, Solar Div. and ICS Project
* Executive Vice President	Takashi Abe	Assistant to the President, Deputy General Manager of Sales & Marketing Div.
* Senior Managing Executive Officer	Yoshiaki Shida	General Manager of Production & Technology Div. In charge of Customer Product Engineering Dept.
Senior Managing Executive Officer	Kimihito Matsuo	Deputy General Manager of Production & Technology Div. In charge of Production Planning & Control Dept., Imari Factory, Saga Plant, Kansai Factory, Yonezawa Plant, Chitose Plant, Productivity Promotion & TPM Steering Dept. and Plant Engineering Dept. of Production & Technology Div.
Senior Managing Executive Officer	Masahiro Fujisawa	Deputy General Manager of Sales & Marketing Div. In charge of International Sales & Marketing Dept.
Managing Executive Officer	Hidemi Sumiya	General Manager of Solar Div., General Manager of ICS Project Team In charge of Corporate Planning Dept., Corporate Controller & Group Companies Management Dept., Finance & Accounting Dept. and Information Systems Dept.
* Managing Executive Officer	Kazufumi Yanaga	Head of General Affairs, Personnel & Industrial Relations, Safety Environment & Disaster Prevention Management, Noda Plant and SCP Center Chief Compliance Officer
Managing Executive Officer	Yukihiro Saeki	General Manager of Imari Factory, Production & Technology Div., General Manager of Imari Plant I, Imari Factory, Production & Technology Div. In charge of Saga Plant, Production & Technology Div.
Managing Executive Officer	Harumitsu Endo	Deputy General Manager of Sales & Marketing Div. In charge of Domestic Sales & Marketing Dept., Sales & Marketing Div.
Managing Executive Officer	Tetsuo Ikeda	Deputy General Manager of Production & Technology Div. In charge of Quality Assurance Dept., Engineering Planning Dept., Intellectual Property Dept., Analysis & Characterization Technology Dept., Crystal Engineering Dept., Wafer Engineering Dept. I, Wafer Engineering Dept. II, Wafer Engineering Dept. III, Epitaxial Engineering Dept. and Advanced Technology Development Dept. of Production & Technology Div.
Executive Officer	Kazumasa Shoji	In charge of Sales Planning & Administration Dept. Sales & Marketing Div. and Production Planning & Control Dept.

Title	Name	Area(s) of responsibility
Executive Officer	Shigeo Sumita	In charge of Engineering Planning Dept., Intellectual Property Dept., Crystal Engineering Dept., Wafer Engineering Dept. I, Wafer Engineering Dept. II, Wafer Engineering Dept. III and Epitaxial Engineering Dept. of Production & Technology Div.
Executive Officer	Tamio Kobayashi	General Manager of Corporate Planning Dept., In charge of Corporate Controller & Group Companies Management Dept.
Executive Officer	Tatsuaki Matada	General Manager of Plant Engineering Dept., Production & Technology Div.,
Executive Officer	Yoichi Tsuchiya	General Manager of General Affairs Dept. In charge of Noda Plant
Executive Officer	Hisashi Furuya	General Manager of Yonezawa Plant ,Production & Technology Div.,
Executive Officer	Kazuo Hiramoto	General Manager of Kansai Factory, Production & Technology Div. and General Manager of Ikuno Plant, Kansai Factory, Production & Technology Div.
Executive Officer	Katsumi Akaike	Assistant General Manager of Sales & Marketing Div.
Executive Officer	Masakazu Kobayashi	In charge of Customer Product Engineering Dept.

Executive officers marked with * are also directors of the Company.

(2) Remuneration and other payments to directors and corporate auditors

Category	Number of persons paid	Amount paid
		thousand yen
Directors	9	281,760
(including outside directors)	(2)	(12,700)
Corporate auditors	6	69,504
(including outside corporate auditors)	(4)	(18,000)
Total	15	351,264
(including outside directors and corporate auditors)	(6)	(30,700)

- (Notes)
- The above stated number of persons and amounts paid include one (1) outside corporate auditor resigning his post upon the conclusion of the 9th Ordinary General Meeting of Shareholders held on April 25, 2008. As of the end of the current business year, there are nine (9) directors and five (5) corporate auditors.
 - The upper limit of the total compensation for all the directors is 500 million yen annually (excluding employee salary) pursuant to the resolution at a general meeting of shareholders (resolution adopted by the 8th Ordinary General Meeting of Shareholders held on April 26, 2007).
 - The upper limit of the total compensation for all the corporate auditors is 5.9 million yen monthly pursuant to the resolution at a general meeting of shareholders (resolution adopted by the 6th Ordinary General Meeting of Shareholders held on April 26, 2005).
 - The above stated remunerations and other payments include the following.
 - 27,900 thousand yen provided for the allowance for directors' bonuses in the current business year (27,900 thousand yen for seven (7) directors including 700 thousand yen for two (2) outside directors)
 - 45,250 thousand yen provided for the allowance for directors' retirement bonuses in the current business year (39,250 thousand yen for six (6) directors and 6,000 thousand yen for two (2) corporate auditors)

(3) Matters concerning outside directors and corporate auditors**1) Executive director or other positions concurrently held at other companies**

Category	Name	Company name	Concurrent position	Relationship
Outside Director	Yoichi Taguchi	Mitsubishi Materials Corporation	Managing Director (Representative Director)	Mitsubishi Materials Corporation is one of the major shareholders of the Company and has business relations with the Company such as purchasing raw materials, etc. It is also a competitor of the Company in the area of manufacturing and sales of polycrystalline silicon for use in solar energy cells.
Outside Director	Michiharu Takii	Sumitomo Metal Industries, Ltd.	Managing Executive Officer	Sumitomo Metal Industries, Ltd. is one of the major shareholders of the Company.
		Kyoei Steel Ltd.	Outside Corporate Auditor	—
Outside Corporate Auditor	Mayuki Hashimoto	Mitsubishi Materials Corporation	Managing Director (Representative Director)	Mitsubishi Materials Corporation is one of the major shareholders of the Company and has business relations with the Company such as purchasing raw materials, etc. It is also a competitor of the Company in the area of manufacturing and sales of polycrystalline silicon for use in solar energy cells.
Outside Corporate Auditor	Kitaro Yoshida	Sumitomo Metal Industries, Ltd.	Standing Corporate Auditor	Sumitomo Metal Industries, Ltd. is one of the major shareholders of the Company.

2) Major activities during the current business year

Category	Name	Status of major activities
Outside Director	Yoichi Taguchi	Having attended all 17 of the Board of Directors meetings held during the current business year, Yoichi Taguchi speaks as a director possessing knowledge mainly on the business of the Company and insight about management in general.
Outside Director	Michiharu Takii	Having attended 14 of the 17 Board of Directors meetings held during the current business year, Michiharu Takii speaks as a director possessing knowledge mainly on the business of the Company and insight about management in general.
Outside Corporate Auditor	Hitoshi Tanaka	Having attended all 17 of the Board of Directors meetings and all 12 of the Board of Corporate Auditors meetings held during the current business year, Hitoshi Tanaka speaks as a corporate auditor possessing specialized knowledge mainly on laws and regulations.
Outside Corporate Auditor	Mayuki Hashimoto	Having attended all 17 of the Board of Directors meetings and all 12 of the Board of Corporate Auditors meetings held during the current business year, Mayuki Hashimoto speaks as a corporate auditor possessing knowledge mainly on the business of the Company.
Outside Corporate Auditor	Kitaro Yoshida	Having attended 13 of the 14 Board of Directors meetings and 8 of the 9 Board of Corporate Auditors meetings held since assuming his post on April 25, 2008, Kitaro Yoshida speaks as a corporate auditor possessing knowledge mainly on the business of the Company.

3) Overview of contracts for limitation of liability

Pursuant to Article 427, Paragraph 1 of the Corporation Law, it is prescribed in the Articles of Incorporation in effect that the Company may enter into contracts with outside directors and outside corporate auditors with regards to limitation of liability for damages to the Company in an effort to attract competent individuals 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 with two (2) outside directors and three (3) outside corporate auditors to limit liability for damages as prescribed in the said Law. Details are as follows:

If outside directors and outside corporate auditors are without knowledge and are not grossly negligent in performing their duties, the liability of the outside directors and outside corporate auditors pursuant to Article 423, Paragraph 1 of the Corporation Law shall be limited to the amount specified in Article 425, Paragraph 1 of the said Law and same shall not be liable to the Company for any amount exceeding this limit.

4. Accounting Auditor

(1) Name of accounting auditor (Independent Auditor)

Deloitte Touche Tohmatsu

(2) Amount of compensation, etc.

Item	Total payment
	millions of yen
(1) Total compensation and other payments for the current business year	53
(2) Total of monies and other property benefits, which the Company and subsidiaries should pay to the accounting auditors (including the above (1))	126

- (Notes)
1. The audit contract between the Company and the accounting auditor does not differentiate audit compensation based on the Corporation Law from that based on the Financial Instruments and Exchange Law, and the two types of compensation cannot be differentiated, therefore, the total agreement amount is shown in the figure (1) above.
 2. SUMCO Phoenix Corporation and FORMOSA SUMCO TECHNOLOGY CORPORATION, major subsidiaries of the Company, are audited by different accounting auditors than that of the Company.

(3) Non-audit services

Advisory businesses to establish and develop internal control systems

(4) Policy for making decisions regarding the dismissal or non-reappointment of accounting auditors

In the event of the non-reappointment of an accounting auditor by the Company or should circumstances arise placing serious doubt on the fulfillment of duties on a continual basis, a proposal for dismissal or non-reappointment shall be put on the agenda of the General Meeting of Shareholders under approval of or by the request of the Board of Corporate Auditors.

Please note that in the event circumstances arise rendering an accounting auditor applicable to the provisions established in Article 340, Paragraph 1 of the Corporation Law resulting in the dismissal of same by the Board of Corporate Auditors, the Board of Corporate Auditors selects a corporate auditor to submit a report containing the purport and reason of the said dismissal to the first subsequent General Meeting of Shareholders.

5. Matters Relating to the Formulation of a System to Ensure Appropriate Corporate Actions

(1) System to ensure compliance with laws and regulations and the Articles of Incorporation of the Company by officers and employees when executing their duties

- 1) The Company has enacted the "SUMCO CHARTER" as the supreme code of conduct for officers and employees to ensure that their activities comply with laws and regulations and the Company's Articles of Incorporation and that the Company's actions are appropriate as a good corporate citizen. It has also been educating officers and employees to familiarize them with the "SUMCO CHARTER."
- 2) The Chief Compliance Officer is assigned as the supreme officer responsible for supervising compliance with the "SUMCO CHARTER." Each General Manager who is the head of an organization in the Company supervises compliance in his or her organization and submits regular reports in compliance with the CHARTER to the Chief Compliance Officer.
- 3) The Company has established and is implementing a hotline for reporting violations or alleged violations of laws and regulations or the Articles of Incorporation as well as suspicious activities.

- 4) The Internal Auditing Department shall perform periodic audits to verify compliance in each department.
- (2) System for the preservation and management of information regarding the execution of duties by directors**
- The Company shall appropriately preserve and manage information regarding the execution of duties by directors, in accordance with laws, regulations, the Articles of Incorporation and internal regulations under a system that enables the access and duplication of the said information by directors, corporate auditors, accounting auditors, etc.
- (3) Regulations and other systems for managing the risk of loss**
- 1) To manage overall risks to the continuity of business, the Company shall establish a “Business Security Committee” to serve as a companywide, cross-sectional body and put in place systems to evaluate, prevent and counter risks.
 - 2) The Company shall establish separate internal regulations to appropriately manage individual risks related to information leakage, financial markets and product quality for each department.
 - 3) The Company shall establish internal regulations regarding the development of a communication system and a support organization as a measure to minimize the effects of risks arising from natural disasters, accidents, fires, conflicts and the like.
- (4) System to ensure the effective execution of duties by directors**
- 1) The Company shall employ the executive officer system under which management decision-making and supervisory functions are separated from executive functions and whereby the Board of Directors carries out decision-making on important matters such as management policy while monitoring the execution of duties by directors as well as the performance of executive officers, whose duties are delegated by the Board of Directors.
 - 2) Important matters relating to management shall be deliberated at Management Conference whose members shall consist of individuals holding the position of managing executive officer or higher.
 - 3) The Company shall stipulate and clarify the criteria for submitting proposals to the Board of Directors and stipulate the authority of executive officers in internal regulations clarifying the responsibilities and authority of same.
 - 4) The Board of Directors shall formulate medium-term management plans and annual budgets and the executive officers shall execute duties aimed at achieving the objectives set forth in same.
Directors also serving as executive officers shall periodically report on their duties to the Board of Directors.
- (5) System to ensure proper business practices by the corporate group comprised of the Company, its parent company, and its subsidiaries**
- 1) By making every subsidiary of the Company establish its own CHARTER as the supreme code of conduct equivalent to the “SUMCO CHARTER,” compliance in each subsidiary shall be established as a member of the corporate group.
 - 2) The Company shall assign a department to manage subsidiaries and clarify subsidiary management standards in internal regulations in an effort to improve the soundness and effectiveness of management both in each subsidiary and in the SUMCO Group as a whole.

- 3) The Internal Auditing Department shall perform periodic internal audits of the subsidiaries.
- (6) System for employees requested by corporate auditors to assist in their duties and matters regarding the independence of those employees from directors**
 - 1) The Company shall establish the position of “Staff for Corporate Auditor” for employees assisting corporate auditors in their duties.
 - 2) In order to ensure the independence of the aforementioned staff for corporate auditor, prior approval of the Board of Corporate Auditors is required for personnel changes with performance appraisals conducted by a full-time corporate auditor.
- (7) System for reporting to corporate auditors by directors and employees and other systems for reporting to corporate auditors**

Directors shall stipulate in internal regulations matters to be reported to corporate auditors, such as matters that significantly affect the management and results of the Company, and do so appropriately.
- (8) Other systems for ensuring effective audits by corporate auditors**
 - 1) Corporate auditors and the President shall exchange opinions periodically or whenever necessary.
 - 2) The Company shall proactively create opportunities for corporate auditors to attend Board of Directors meetings and other important gatherings.

Consolidated Balance Sheet

(As of January 31, 2009)

(Millions of yen)

Category	Amount	Category	Amount
(Assets)		(Liabilities)	
Current assets	199,928	Current liabilities	211,944
Cash and time deposits	53,955	Notes payable and accounts payable	32,908
Notes receivable and accounts receivable	45,614	Short-term borrowings	98,112
Inventories	83,544	Commercial paper	8,000
Deferred income tax assets	7,673	Lease liabilities	1,681
Others	12,275	Income taxes, etc. payable	4,048
Allowance for doubtful accounts	(3,134)	Allowance for employee bonuses	5,013
		Allowance for directors' bonuses	28
Fixed assets	533,968	Facilities related notes payable and accounts payable	50,127
Tangible fixed assets	437,339	Others	12,023
Buildings and structures	125,598	Fixed liabilities	132,431
Machinery and transport equipment	195,461	Long-term borrowings	97,520
Land	20,574	Lease liabilities	2,781
Construction in progress	92,869	Deferred income tax liabilities	161
Others	2,836	Deferred tax liabilities for land revaluation	1,784
		Allowance for employee retirement benefits	16,555
Intangible fixed assets	47,445	Allowance for directors' retirement bonuses	280
Goodwill	40,315	Others	13,347
Software	6,625	Total liabilities	344,375
Others	504	(Net assets)	
Investments and other assets	49,183	Shareholders' equity	374,578
Investment securities	845	Capital	114,107
Long-term prepaid expenses	5,358	Capital surplus	89,291
Deferred income tax assets	13,982	Retained earnings	171,186
Others	28,997	Treasury stock	(6)
Allowance for doubtful accounts	(1)	Variance of valuation/translation etc.	(8,770)
		Net unrealized gain (loss) on available-for-sale securities	(7)
		Gains (losses) of deferred hedge	(1)
		Revaluation reserve for land	2,252
		Foreign currency translation adjustments	(11,014)
		Minority interests	23,713
Total assets	733,897	Total net assets	389,521
		Total liabilities and net assets	733,897

Consolidated Statements of Income

(Year ended January 31, 2009)

(Millions of yen)

Category	Amount	
Net sales		391,928
Cost of sales		306,063
Gross profit		85,864
Selling, general and administrative expenses		40,795
Operating profit		45,069
Non-operating profit		
Interest and dividends income	247	
Gain on sales of fixed assets	21	
Others	1,331	1,600
Non-operating expenses		
Interest expense	2,417	
Foreign-exchange loss	1,793	
Loss on sales and disposals on fixed assets	1,028	
Loss on revaluation of investments in securities	656	
Others	1,403	7,298
Ordinary profit		39,371
Extraordinary loss		
Business restructuring expense	3,469	3,469
Net income before taxes and minority interests		35,901
Corporate income tax, local resident tax and business tax	13,828	
Adjustment of corporate income tax, etc	(423)	13,404
Minority interests		3,610
Net income		18,886

Consolidated Statement of Changes in Net Assets

(Year ended January 31, 2009)

(Millions of yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of January 31, 2008	114,107	78,310	166,246	(2)	358,661
Changes during consolidated fiscal year					
Dividends from surplus			(14,084)		(14,084)
Net income			18,886		18,886
Acquisition of treasury stock				(30,006)	(30,006)
Disposal of treasury stock		(0)		0	0
Increase (decrease) due to share exchange (Note)		10,981		30,002	40,984
Increase due to exclusion from scope of consolidation			404		404
Decrease of retained earnings due to early application of ASBJ Practical Issues Task Force No. 18			(267)		(267)
Changes (net) in items other than shareholders' equity during consolidated fiscal year					
Total changes during consolidated fiscal year	—	10,981	4,939	(3)	15,917
Balance as of January 31, 2009	114,107	89,291	171,186	(6)	374,578

(Note) This refers to a share exchange on May 30, 2008, with SUMCO TECHXIV shareholders.

(Millions of yen)

	Variance of valuation/translation etc.					Minority interests	Total net assets
	Net unrealized gain (loss) on available-for-sale securities	Gains (losses) of deferred hedge	Revaluation reserve for land	Foreign currency translation adjustments	Total variance of valuation/translation etc.		
Balance as of January 31, 2008	(37)	(2)	2,252	(2,276)	(63)	56,913	415,510
Changes during consolidated fiscal year							
Dividends from surplus							(14,084)
Net income							18,886
Acquisition of treasury stock							(30,006)
Disposal of treasury stock							0
Increase (decrease) due to share exchange (Note)							40,984
Increase due to exclusion from scope of consolidation							404
Decrease of retained earnings due to early application of ASBJ Practical Issues Task Force No. 18							(267)
Changes (net) in items other than shareholders' equity during consolidated fiscal year	29	0	—	(8,737)	(8,707)	(33,199)	(41,906)
Total changes during consolidated fiscal year	29	0	—	(8,737)	(8,707)	(33,199)	(25,989)
Balance as of January 31, 2009	(7)	(1)	2,252	(11,014)	(8,770)	23,713	389,521

(Note) This refers to a share exchange on May 30, 2008, with SUMCO TECHXIV shareholders.

I. Basic Matters of Importance for Preparing Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 18

Names of major consolidated subsidiaries:

SUMCO TECHXIV CORPORATION

Japan Super Quartz Corporation

SUMCO Solar Corporation

SUMCO Phoenix Corporation

SUMCO USA Sales Corporation

SUMCO Europe Sales Plc

PT. SUMCO Indonesia

FORMOSA SUMCO TECHNOLOGY CORPORATION

SUMCO FRANCE S.A.S., which was treated as a consolidated subsidiary in the previous consolidated fiscal year, was removed from the consolidated accounts at the beginning of the current fiscal year because the company was going through a liquidation process and its contribution to the group had become negligible.

(2) Number of non-consolidated subsidiaries: 6

All of these non-consolidated subsidiaries are exempt, as they are small in scale and none of the total of their total assets, net sales, net income (appropriate amount to equity) and retained earnings (appropriate amount to equity) will significantly affect the consolidated financial statements.

2. Application of the equity method

We do not have any non-consolidated subsidiary or affiliate company to which the equity method is applied.

The number of non-consolidated subsidiaries and affiliate companies to which the equity method is not applied is 6. All 6 companies are exempt from application as their influences on net income (appropriate amount to equity) and their combined retained earnings (appropriate amount to equity) are minor, and basically insignificant as a whole.

3. Consolidated subsidiaries' business year-end, etc.

The balance sheet date of 11 overseas consolidated subsidiaries is December 31, which is different from the date used in the consolidated accounting.

Financial data as of the above balance sheet date is used for the preparation of consolidated financial statements for those companies. However, necessary adjustments required for consolidation are made to data relating to business transactions of significance that have taken place between the two balance sheet dates.

4. Standards for accounting treatments

(1) Standards for and method of evaluation of major assets

(a) Securities

Other securities

Securities with market value:

We employ the market value method (using the "all included directly in capital" method of accounting for valuation differences, and working out the cost by the "moving average cost" method) based on the market price, etc. at the balance sheet date.

Securities without market value:

We mainly employ the cost method based on the “moving average cost” method.

(b) Derivatives

Market value method

(c) Inventories

Mainly employ the cost method based on the periodic average method. (Balance sheet values are calculated using the devaluating book value method based on decreases in profitability)

(2) Method of depreciation of major depreciable assets

(a) Tangible fixed assets (excluding lease assets)

SUMCO and its consolidated domestic subsidiaries mainly employ the straight-line method for buildings and the constant percentage method for other fixed assets.

Service life for buildings and structures is mainly set at 31 years and for machinery and transport equipment mainly at 7 years.

(Additional information)

For tangible fixed assets acquired on or before March 31, 2007, we apply the depreciation method based on the Corporate Tax Law as it stood before the last amendment: that is to say, starting from the first consolidated fiscal year after the consolidated fiscal year in which the value of the relevant fixed asset falls to 5% of its acquisition value, the difference between 5% of the acquisition value and the memorandum value shall be amortized evenly over a period of 5 years and accounted for as part of depreciation and amortization costs.

The use of this method rather than the method previously applied has resulted in a decrease of 2,167 million yen in operating profit, ordinary profit and net income before taxes and interest for the current fiscal year.

(b) Intangible fixed assets (excluding lease assets)

As for software, we employ the straight-line method based on the usable period (5 years) set within the company.

(c) Lease assets

For assets leased under finance lease transactions that are not deemed to transfer ownership, we employ the straight-line method in which the lease period is used as the service life and it is assumed that residual value of the relevant asset falls to zero at the end of the leased period.

However, finance lease transactions executed on or before January 31, 2008 that are not deemed to transfer ownership are accounted for using the same method as operating leases.

(3) Standard for provision of major allowances

(a) Allowance for doubtful accounts

In anticipation of potential losses from bad debts, the estimated irrecoverable amount is provided in accordance with the loan loss ratio for general credits and through the individual examination of recoverability for particular credits such as claims to obligors with high possibility of business failure.

(b) Allowance for employee bonuses

At SUMCO and its consolidated domestic subsidiaries, allowance for employee bonuses is provided for payment of bonuses to employees in the amount of estimated bonuses, which is attributable to the current period.

(c) Allowance for directors' bonuses

To provide for bonuses to be paid to directors, the estimated obligatory amount is posted.

(d) Allowance for employee retirement benefits

Allowance for employee retirement benefits is provided for payment of retirement benefits to employees in the amount deemed accrued at the current period, based on the projected retirement benefit obligation and the fair value of plan assets at the current fiscal year end. Past service liability is amortized from the time of accrual using the straight-line method over a fixed number of years (10 years) within the employees' average remaining service period at incurrence.

Actuarial difference is amortized using the straight-line method over a fixed number of years (10 years) within the employees' average remaining service period at incurrence, commencing from the next fiscal year of incurrence.

(e) Allowance for directors' retirement bonuses

The amount payable at the period-end according to the company regulations is provided for payment of directors' and corporate auditors' retirement bonuses.

(4) Standards for translation of major foreign currency-denominated assets and liabilities into Japanese yen

Values of assets and liabilities of foreign subsidiaries are translated into Japanese yen at the spot rates of foreign exchange markets on the closing dates of accounting for the respective companies, revenues and expenses are converted to Japanese yen at the average market rates during the periods. Translation differences are inclusively posted in the foreign currency translation adjustments account and minority interests in the net assets section.

(5) Major hedge accounting

(a) Method of hedge accounting

Deferred hedge processing is performed. Relevant claims and liabilities are translated at the foreign exchange rate stipulated in the contract for foreign exchange contracts that meet the requirements for that method and special processing is adopted for interest rate swaps that meet the requirements for special processing.

(b) Hedging instrument and hedged item

Interest rate swaps are used to avert a risk of fluctuations in market interest rates for borrowed funds and the currency forward is used to avert a risk of currency fluctuations associated with anticipated transactions denominated in foreign currencies.

(c) Hedging policy

Based on our own risk management policy, we hedge against market interest rate risk and currency risk. As for market interest rate risk, we maintain the ratio of borrowings with fixed interest rates to total borrowings above a certain level. Also, as for a risk of currency fluctuations, we arrange currency forward contracts within the scope of anticipated sales.

(d) Method of assessment of effectiveness of hedges

In terms of hedging instruments and hedged items, we verify the effectiveness of the hedges based on individual transactions. However, the effectiveness assessment process is curtailed when important conditions such as the principal, interest rate, period and currency are identical in the hedging instrument and the hedged item as, in such a case, it is obvious that the particular hedge is highly effective.

(6) Other important matters for the preparation of consolidated financial statements

The tax exclusion method is adopted for accounting for consumption taxes.

5. Matters concerning the evaluation of assets and liabilities of consolidated subsidiaries

Assets and liabilities of consolidated subsidiaries are evaluated at market value as of the respective date of acquisition.

6. Matters concerning amortization of goodwill and negative goodwill

Goodwill is evenly amortized over a period of between 15 and 20 years.

7. Changes in accounting procedures

(1) Accounting standards for evaluation of inventories

The “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) can be applied from consolidated fiscal years beginning on or before March 31, 2008. Accordingly this is applied early from the current fiscal year. As a result of this change, in comparison with results calculated by the previous method, operating profit, ordinary profit and net income before taxes and minority interests were reduced by 3,831 million yen.

(2) Accounting standards for lease transactions

The “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, issued June 17, 1993 (First Committee of Business Accounting Council), revised March 30, 2007) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16, issued January 18, 1994 (Accounting System Committee of Japanese Institute of Certified Public Accountants), revised March 30, 2007) can be applied from consolidated fiscal years beginning on or after April 1, 2007. Accordingly, they are applied early from the current fiscal year. This has no material impact on profit.

(3) Tentative accounting policies applied to foreign subsidiaries for consolidated financial statements

The “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No. 18, May 17, 2006) can be applied early from consolidated fiscal years beginning on or before March 31, 2008. Accordingly it is necessary to amend consolidated financial statements from the current fiscal year.

This only results in only slight changes to the profit we have calculated.

8. Changes to representations

(1) “Tools, appliances and furniture,” which was separately listed for the previous fiscal year, is included in “Others” of “Tangible fixed assets” because of its lower materiality.

(2) “Current portion of capital lease accounts payable” and “Capital lease accounts payable,” which were separately listed for the previous fiscal year, are presented as “Lease liabilities,” following the adoption of the “Accounting Standard for Lease Transactions” (ASBJ Statement) and other regulations.

II. Notes Regarding Consolidated Balance Sheet

1. Hypothecated assets and corresponding liabilities

(1) Hypothecated assets

Buildings and structures	18,798 million yen
Machinery and transport equipment	27,324 million yen
Land	6,920 million yen
Total	53,042 million yen

(2) Corresponding liabilities

Long-term borrowings	5,005 million yen
(Repayment of above scheduled within one year)	(1,620 million yen)

2. Accumulated depreciation of tangible fixed assets 585,050 million yen

3. Debt guarantee 1,699 million yen

4. Land revaluation

We carried out a revaluation of the land owned by the merged company for business use based on the Land Revaluation Law (March 31, 1998, Law No. 34) and posted the tax equivalent amount on the relevant revaluation difference to the liabilities section as 'deferred tax liabilities for land revaluation,' and at the same time posted the amount with the tax equivalent portion deducted to the net assets section as 'revaluation reserve for land.'

Method of revaluation:

A revaluation was carried out with a reasonable adjustment made for the assessed value of fixed assets tax as stipulated in Article 2, Item 3 of the Enforcement Order for the Land Revaluation Law (March 31, 1998, Cabinet Order No. 119).

Date of revaluation:

March 31, 2000

Difference between market value of land at end of year of revaluation and book value after revaluation:

(3,033 million yen)

5. Accounting treatment of notes receivable/payable maturing on the balance sheet date

Notes receivable/payable maturing on the balance sheet date are treated as if they were settled at the clearing date of notes. Consequently, as the balance sheet date was a bank holiday, the following notes receivable/payable maturing on the balance sheet date are included in the ending balance.

Notes receivable	1 million yen
Notes payable	408 million yen
Facilities related notes payable	2,498 million yen

III. Note Regarding Consolidated Statements of Income

Detail of extraordinary loss incurred from business restructuring expense:

Restructuring expense includes a loss on discontinued specialty products manufacturing processes and expenditure on the restructuring of technical divisions at the Yonezawa Plant, and consists of a loss on sales and disposals on equipment of 3,393 million yen and inventory losses of 75 million yen.

IV. Notes Regarding Consolidated Statement of Changes in Net Assets

1. Particulars concerning total number of shares issued

Class of shares	Number of shares as of January 31, 2008 (thousand shares)	Increase in the number of shares during the current fiscal year (thousand shares)	Decrease in the number of shares during the current fiscal year (thousand shares)	Number of shares as of January 31, 2009 (thousand shares)
Common stock	254,400	3,351	–	257,751

(Note) The increase in the number of shares of common stock by 3,351 thousand shares is due to the issuance of new shares for allotment to the shareholders of SUMCO TECHXIV CORPORATION through the share exchange effective May 30, 2008.

2. Particulars concerning dividends of surplus

(1) Dividends paid, etc.

(a) The 9th Ordinary General Meeting of Shareholders, April 25, 2008

Total amount of dividends:	6,995 million yen
Dividend per share:	27.50 yen
Record date:	January 31, 2008
Effective date:	April 28, 2008

(b) The Meeting of Board of Directors, September 4, 2008

Total amount of dividends:	7,088 million yen
Dividend per share:	27.50 yen
Record date:	July 31, 2008
Effective date:	October 10, 2008

(2) Dividends with the record date in the current consolidated fiscal year, and effectiveness of which falls in next consolidated fiscal year

As the proposal for the 10th Ordinary General Meeting of Shareholders (will be held on April 28, 2009), issue of common dividends is as below:

Total amount of dividends:	3,221 million yen
Dividend per share:	12.50 yen
Record date:	January 31, 2009
Effective date:	April 30, 2009

The source of dividends will be retained earnings.

V. 'Per Share' Information

1. Net assets per share: 1,419.24 yen
2. Net income per share: 74.36 yen

VI. Notes Regarding Business Combinations

1. SUMCO TECHXIV CORPORATION becoming a wholly-owned subsidiary of SUMCO CORPORATION through a share exchange

(1) Summary of transaction, including the name and the main business of the acquired company, the legal form of the business combination, the name of the company after combination, and the purpose of the transaction

(a) Name and main business of the acquired company

SUMCO TECHXIV CORPORATION Manufacturing and sales of silicon wafers

(b) Legal form of business combination

Share exchange through which SUMCO TECHXIV CORPORATION becomes a wholly-owned subsidiary of SUMCO CORPORATION.

(c) Name of company after combination

SUMCO TECHXIV CORPORATION

(d) Summary of transaction, including purpose of transaction

On October 18, 2006, SUMCO acquired 51.00% of the issued and outstanding shares of SUMCO TECHXIV CORPORATION through a takeover bid. Thereafter, both companies pursued synergies and achieved a certain degree of success, but to pursue further synergies and maximize corporate value, SUMCO determined that it was necessary to pursue integration even further and this led to the conclusion on May 30, 2008 of a share exchange agreement whereby SUMCO TECHXIV became a wholly-owned subsidiary of SUMCO. SUMCO implemented the share exchange through a summary share exchange proceeding for which the resolution of the shareholders' meeting is not required pursuant to Article 796, Paragraph 3 of the Corporation Law.

(2) Overview of accounting treatment

The share exchange accounting was treated as a "common control transaction, etc." pursuant to the Accounting Standards for Business Combinations (the Business Accounting Council, October 31, 2003) and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, December 22, 2006).

(3) Additional purchase of shares of subsidiary

(a) Purchase price and breakdown

Common stock of SUMCO CORPORATION:	40,984 million yen
Purchase direct costs:	327 million yen
Purchase price:	41,312 million yen

(b) Class of shares, share exchange ratio and its calculation method, number of shares delivered and their estimated value

i. Class of shares and share exchange ratio

1.20 shares of common stock of SUMCO CORPORATION were allotted in exchange for each share of SUMCO TECHXIV CORPORATION. However, for the 15,402 thousand shares of SUMCO TECHXIV owned by SUMCO, there was no allotment of shares.

ii. Calculation method of share exchange ratio

SUMCO appointed Daiwa Securities SMBC Co., Ltd. as a third party evaluation institution and SUMCO TECHXIV appointed KPMG FAS CO., Ltd. Each of the third party evaluation institutions evaluated the ratio for the share exchange by the market stock

price method and the DCF method. SUMCO and SUMCO TECHXIV referred to the results of such evaluation and had mutual negotiations and discussions before determining the aforementioned share exchange ratio.

iii. Number of shares delivered and their estimated value

Number of shares delivered:	17,757,600 shares
Estimated value:	41,312 million yen

(c) Goodwill or negative goodwill, cause, amortization method and amortization period

i. Goodwill

12,479 million yen

ii. Cause

Due to the excess of the purchase price of the additionally purchased common stock of SUMCO TECHXIV CORPORATION over the value of minority interests, which decreased as a result of the share exchange.

iii. Amortization method and amortization period

Amortized by the straight-line method over a period of 15 years.

(d) Details of conditional purchase fee provided for in business combination contract and policy for accounting treatment thereof:

N/A

(e) Amount of purchase price recorded against R&D expenses and other items:

N/A

2. Absorption-type split whereby SUMCO CORPORATION takes over and absorbs business split from SUMCO TECHXIV CORPORATION

(1) Summary of transaction, including the name of the business that was split, the content of such business, the legal form of the business combination, the name of the company after combination, and the purpose of the transaction

(a) Name of the business that was split and content of such business

Name:	Business of the Sales & Marketing Division (without the business regarding overseas bases), Discrete Silicon Division, Technology Division (without the business regarding the Taiwan Support Department), Manufacturing Engineering Department 1, Manufacturing Engineering Department 2 and Manufacturing Engineering Section of Manufacturing Department
Business:	Selling and technology

(b) Legal form of business combination

Absorption-type split whereby SUMCO CORPORATION takes over and absorbs business split from SUMCO TECHXIV CORPORATION.

(c) Name of company after combination

Unchanged

(d) Summary of transaction including purpose of the transaction

As of August 1, 2008, the business of the Sales & Marketing Division (without the business regarding overseas bases), Discrete Silicon Division, Technology Division (without the

business regarding the Taiwan Support Department), Manufacturing Engineering Department 1, Manufacturing Engineering Department 2 and Manufacturing Engineering Section of Manufacturing Department was split from SUMCO TECHXIV CORPORATION and taken over and absorbed by SUMCO CORPORATION. The SUMCO Group intends to utilize management resources in an even more effective manner and achieve maximization of corporate value by integrating sales & marketing and technology functions within SUMCO and positioning SUMCO TECHXIV CORPORATION as a manufacturing subsidiary of SUMCO CORPORATION.

(2) Overview of accounting treatment

The absorption-type company split accounting was treated as a “common control transaction, etc.” pursuant to the Accounting Standards for Business Combinations (the Business Accounting Council, October 31, 2003) and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, December 22, 2006).

(3) Transferred assets, liabilities and respective amount

(As of August 1, 2008)

Assets	Amount (millions of yen)	Liabilities	Amount (millions of yen)
Current assets	20,536	Current liabilities	22,258
Fixed assets	1,722	Fixed liabilities	–
Total	22,258	Total	22,258

VII. Important Topics Arising from Recent Developments

N/A

Non-consolidated Balance Sheet

(As of January 31, 2009)

(Millions of yen)

Category	Amount	Category	Amount
(Assets)		(Liabilities)	
Current assets	190,727	Current liabilities	175,996
Cash and time deposits	48,808	Accounts payable	21,919
Notes receivable	102	Short-term borrowings	98,057
Accounts receivable	44,246	Commercial paper	8,000
Products	6,879	Lease liabilities	103
Raw materials	13,360	Accrued liabilities	4,528
Work in process	9,970	Accrued expenses	1,543
Supplies	12,012	Guarantee deposited	847
Prepaid expenses	597	Allowance for employee bonuses	3,749
Advances	718	Allowance for directors' bonuses	27
Deferred income tax assets	5,981	Facilities related notes payable and accounts payable	36,956
Short-term loans	42,254	Others	263
Accounts receivable - other	6,067	Fixed liabilities	121,378
Others	2,118	Long-term borrowings	96,428
Allowance for doubtful accounts	(2,391)	Lease liabilities	367
Fixed assets	448,936	Long-term guarantee deposited	12,124
Tangible fixed assets	301,072	Deferred tax liabilities for land revaluation	1,784
Buildings	90,149	Allowance for employee retirement benefits	10,438
Structures	3,666	Allowance for directors' retirement bonuses	225
Machinery	122,582	Others	9
Motor vehicles and transport equipment	319	Total liabilities	297,375
Tools, appliances and furniture	961	(Net assets)	
Land	15,752	Shareholders' equity	340,037
Lease assets	452	Capital	114,107
Construction in progress	67,187	Capital surplus	89,292
Intangible fixed assets	5,177	Capital reserves	86,046
Software	4,960	Others	3,245
Others	217	Retained earnings	136,643
Investments and other assets	142,686	Other retained earnings	136,643
Investment securities	633	Retained earnings carried forward	136,643
Stocks of subsidiaries and affiliated companies	102,547	Treasury stock	(5)
Investments in subsidiaries and affiliated companies	55	Variance of valuation/translation etc.	2,251
Long-term loans receivable from subsidiaries and affiliated companies	10,000	Net unrealized gain (loss) on available-for-sale securities	0
Long-term prepaid expenses	4,616	Gains (losses) of deferred hedge	(1)
Long-term advances	19,709	Revaluation reserve for land	2,252
Deferred income tax assets	4,172	Total net assets	342,288
Others	951	Total liabilities and net assets	639,663
Total assets	639,663		

Non-consolidated Statements of Income

(Year ended January 31, 2009)

(Millions of yen)

Category	Amount	
Net sales		283,265
Cost of sales		233,290
Gross profit		49,974
Selling, general and administrative expenses		22,701
Operating profit		27,273
Non-operating profit		
Interest and dividends income	1,941	
Others	288	2,229
Non-operating expenses		
Interest expense	1,714	
Foreign-exchange loss	1,782	
Loss on sales and disposals on fixed assets	654	
Loss on revaluation of investments in securities	655	
Others	799	5,606
Ordinary profit		23,897
Extraordinary loss		
Business restructuring expense	3,469	3,469
Net income before taxes		20,427
Corporate income tax, local resident tax and business tax	6,400	
Adjustment of corporate income tax, etc	709	7,109
Net income		13,318

Non-consolidated Statement of Changes in Net Assets

(Year ended January 31, 2009)

(Millions of yen)

	Shareholders' equity					
	Capital	Capital surplus		Retained earnings	Treasury stock	Total shareholders' equity
		Capital reserves	Others	Other retained earnings		
				Retained earnings carried forward		
Balance as of January 31, 2008	114,107	78,310	—	137,409	(2)	329,823
Changes during business year						
Dividends from surplus				(14,084)		(14,084)
Net income				13,318		13,318
Acquisition of treasury stock					(30,005)	(30,005)
Increase (decrease) due to share exchange (Note)		7,735	3,245		30,002	40,984
Changes (net) in items other than shareholders' equity during business year						
Total changes during business year	—	7,735	3,245	(765)	(3)	10,213
Balance as of January 31, 2009	114,107	86,046	3,245	136,643	(5)	340,037

	Variance of valuation/translation etc.				Total net assets
	Net unrealized gain (loss) on available-for-sale securities	Gains (losses) of deferred hedge	Revaluation reserve for land	Total variance of valuation/translation etc.	
Balance as of January 31, 2008	10	(8)	2,252	2,254	332,078
Changes during business year					
Dividends from surplus					(14,084)
Net income					13,318
Acquisition of treasury stock					(30,005)
Increase (decrease) due to share exchange (Note)					40,984
Changes (net) in items other than shareholders' equity during business year	(9)	6	—	(3)	(3)
Total changes during business year	(9)	6	—	(3)	10,210
Balance as of January 31, 2009	0	(1)	2,252	2,251	342,288

(Note) This refers to a share exchange on May 30, 2008, with SUMCO TECHXIV shareholders.

I. Summary of Major Accounting Policies

1. Standards for and method of evaluation of securities

(1) Stocks of subsidiaries and affiliated companies

We employ the cost method based on the “moving average cost” method.

(2) Other securities

Securities with market value:

We employ the market value method (using the “all included directly in capital” method of accounting for valuation differences, and working out the cost by the “moving average cost” method) based on the market price at the balance sheet date, etc.

Securities without market value:

We employ the cost method based on the “moving average cost” method.

2. Standards for and method of evaluation of derivatives

Market value method

3. Standards for and method of evaluation of inventories

We employ the cost method based on the periodic average method. (Balance sheet values are calculated using the devaluating book value method based on decreases in profitability)

4. Method of depreciation of fixed assets

(1) Tangible fixed assets (excluding lease assets)

Buildings: straight-line method (usable period is mainly 31 years)

Other tangible fixed assets: constant percentage method (usable period is mainly 7 years)

(Additional information)

For tangible fixed assets acquired on or before March 31, 2007, we apply the depreciation method based on the Corporate Tax Law as it stood before the last amendment: that is to say, starting from the first business year after the business year in which the value of the relevant fixed asset falls to 5% of its acquisition value, the difference between 5% of the acquisition value and the memorandum value shall be amortized evenly over a period of 5 years and accounted for as part of depreciation and amortization costs.

The use of this method rather than the method previously applied has resulted in a decrease of 1,306 million yen in operating profit, ordinary profit and net income before taxes for the current business year.

(2) Intangible fixed assets (excluding lease assets)

Software: straight-line method based on the usable period (5 years) set within the company.

Other intangible fixed assets: straight-line method

(3) Lease assets

For assets leased under finance lease transactions that are not deemed to transfer ownership, we employ the straight-line method in which the lease period is used as the service life and it is assumed that residual value of the relevant asset falls to zero at the end of the leased period. However, finance lease transactions executed on or before January 31, 2008 that are not deemed to transfer ownership are accounted for using the same method as operating leases.

5. Accounting for deferred assets

“Stock issuance cost” is fully charged to expenses at the time of payment.

6. Standard for provision of allowances

(1) Allowance for doubtful accounts

In anticipation of potential losses from bad debts, the estimated irrecoverable amount is provided in accordance with the loan loss ratio for general credits and through the individual examination of recoverability for particular credits such as claims to obligors with high possibility of business failure.

(2) Allowance for employee bonuses

Allowance for employee bonuses is provided for payment of bonuses to employees in the amount of estimated bonuses, which is attributable to the current business year.

(3) Allowance for directors' bonuses

To provide for bonuses to be paid to directors, the estimated obligatory amount is posted.

(4) Allowance for employee retirement benefits

Allowance for employee retirement benefits is provided for payment of retirement benefits to employees in the amount deemed accrued at the current business year, based on the projected retirement benefit obligation and the fair value of plan assets at the current business year end. Past service liability is amortized from the time of accrual using the straight-line method over a fixed number of years (10 years) within the employees' average remaining service period at incurrence.

Actuarial difference is amortized using the straight-line method over a fixed number of years (10 years) within the employees' average remaining service period at incurrence, commencing from the next business year of incurrence.

(5) Allowance for directors' retirement bonuses

The amount payable at the period-end according to the company regulations is provided for payment of directors' and corporate auditors' retirement bonuses.

7. Hedge accounting

(1) Method of hedge accounting

Deferred hedge processing is performed. Special processing is adopted for interest rate swaps that meet the requirements for special processing.

(2) Hedging instrument and hedged item

Interest rate swaps are used to avert a risk of fluctuations in market interest rates for borrowed funds and the currency forward is used to avert a risk of currency fluctuations associated with anticipated transactions denominated in foreign currencies.

(3) Hedging policy

Based on our own risk management policy, we hedge against market interest rate risk and currency risk. As for market interest rate risk, we maintain the ratio of borrowings with fixed interest rates to total borrowings above a certain level. Also, as for a risk of currency fluctuations, we arrange currency forward contracts within the scope of anticipated sales.

(4) Method of assessment of effectiveness of hedges

In terms of hedging instruments and hedged items, we verify the effectiveness of the hedges based on individual transactions. However, the effectiveness assessment process is curtailed when important conditions such as the principal, interest rate, period and currency are identical in the hedging instrument and the hedged item as, in such a case, it is obvious that the particular hedge is highly effective.

8. Other important matters for the preparation of non-consolidated financial statements

The tax exclusion method is adopted for accounting for consumption taxes.

9. Changes in accounting procedures

(1) Accounting standards for evaluation of inventories

The “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) can be applied from business years beginning on or before March 31, 2008. Accordingly this is applied early from the current business year. As a result of this change, in comparison with results calculated by the previous method, operating profit, ordinary profit and net income before taxes were reduced by 2,889 million yen.

(2) Accounting standards for lease transactions

The “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, issued June 17, 1993 (First Committee of Business Accounting Council), revised March 30, 2007) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16, issued January 18, 1994 (Accounting System Committee of Japanese Institute of Certified Public Accountants), revised March 30, 2007) can be applied from business years beginning on or after April 1, 2007. Accordingly, they are applied early from the current business year.

This has no material impact on profit.

10. Changes to representations

“Long-term guarantee deposited,” which has been included in “Others” of “Fixed liabilities” until up to the previous business year, is separately listed because of its increased materiality.

II. Notes Regarding Non-consolidated Balance Sheet

1. Hypothecated assets and corresponding liabilities

(1) Hypothecated assets

Buildings	17,095 million yen
Structures	1,702 million yen
Machinery	27,324 million yen
Land	6,920 million yen
<hr/> Total	<hr/> 53,042 million yen

(2) Corresponding liabilities

Long-term borrowings	5,005 million yen
(Repayment of above scheduled within one year)	(1,620 million yen)

2. Accumulated depreciation of tangible fixed assets 307,009 million yen

3. Debt guarantee

SUMCO Phoenix Corporation	5,627 million yen
PT. SUMCO Indonesia	334 million yen
Employees	1,699 million yen
Total	7,661 million yen

4. Accounts receivable from and payable to subsidiaries and affiliated companies

Short-term accounts receivable	51,143 million yen
Short-term accounts payable	16,537 million yen

5. Land revaluation

We carried out a revaluation of the land owned by the merged company for business use based on the Land Revaluation Law (March 31, 1998, Law No. 34) and posted the tax equivalent amount on the relevant revaluation difference to the liabilities section as 'deferred tax liabilities for land revaluation,' and at the same time posted the amount with the tax equivalent portion deducted to the net assets section as 'revaluation reserve for land.'

Method of revaluation:

A revaluation was carried out with a reasonable adjustment made for the assessed value of fixed assets as stipulated in Article 2, Item 3 of the 'Enforcement Order for the Land Revaluation Law (March 31, 1998, Cabinet Order No. 119).

Date of revaluation: March 31, 2000

Difference between market value of land at end of year of revaluation and book value after revaluation: (3,033 million yen)

III. Notes Regarding Non-consolidated Statements of Income

1. Volume of transactions with subsidiaries and affiliated companies

Amount of sales	51,409 million yen
Amount of purchase	89,064 million yen
Transactions other than operational transactions	1,974 million yen

2. Detail of extraordinary loss incurred from business restructuring expense:

Restructuring expense includes a loss on discontinued specialty products manufacturing processes and expenditure on the restructuring of technical divisions at the Yonezawa Plant, and consists of a loss on sales and disposals on equipment of 3,393 million yen and inventory losses of 75 million yen.

IV. Note Regarding Non-consolidated Statement of Changes in Net Assets

Particulars concerning total number of treasury shares

Class of shares	Number of shares as of January 31, 2008 (thousand shares)	Increase in the number of shares during the current business year (thousand shares)	Decrease in the number of shares during the current business year (thousand shares)	Number of shares as of January 31, 2009 (thousand shares)
Common stock	0	14,408	14,405	3

(Note) The increase of 14,408 thousand shares in the number of common stock held as treasury stock is due to market purchases, purchases of odd stock, etc. The decrease of 14,405 thousand shares in the number of common stock held as treasury stock is due to the allotment of stock to the shareholders of SUMCO TECHXIV CORPORATION pursuant to a share exchange executed on May 30, 2008.

V. Notes Regarding Deferred Tax Accounting

1. Details on main causes of deferred income tax assets and deferred income tax liabilities

Deferred income tax assets

Allowance for employee retirement benefits	4,107 million yen
Stocks of subsidiaries and affiliated companies	2,843 million yen
Allowance for employee bonuses	1,503 million yen
Loss on disposals on fixed assets	1,492 million yen
Inventories	1,158 million yen
Business tax payable	900 million yen
Others	3,037 million yen
Subtotal deferred income tax assets	15,043 million yen
Valuation allowance	(3,656) million yen
Total deferred income tax assets	11,387 million yen

Deferred income tax liabilities

Stocks of subsidiaries and affiliated companies	(1,114) million yen
Others	(118) million yen
Total deferred income tax liabilities	(1,233) million yen

Net deferred income tax assets 10,153 million yen

Deferred tax liabilities for land revaluation (1,784) million yen

2. Details on main items causing a difference between the legal effective tax rate and the contribution rate for corporate income tax, etc. after the application of deferred tax accounting

Legal effective tax rate	40.1 %
(Adjustment)	
Tax credit	(4.4) %
Others	(0.9) %
Contribution rate for corporate income tax, etc. after the application of deferred tax accounting	34.8 %

VI. Notes Regarding Fixed Assets Used as Lease Assets

1. Finance leases excluding those that are not deemed to transfer ownership

(1) Acquisition cost equivalent, accumulated depreciation equivalent and present value equivalent of leased property

	Acquisition cost equivalent	Accumulated depreciation equivalent	Present value equivalent
Machinery	509 million yen	212 million yen	296 million yen
Motor vehicles and transport equipment	39 million yen	19 million yen	20 million yen
Tools, appliances and furniture	2,816 million yen	1,482 million yen	1,334 million yen
Total	3,365 million yen	1,713 million yen	1,651 million yen

(Note) The above amounts are calculated by the inclusion of interest expenses method as the ratio of present value of future minimum lease payments at end of period to tangible fixed assets at end of period is low.

(2) Present value of future minimum lease payments

Within one year	653 million yen
Over one year	998 million yen
Total	1,651 million yen

(Note) The above amounts are calculated by the inclusion of interest expenses method as the ratio of present value of future minimum lease payments at end of period to tangible fixed assets at end of period is low.

(3) Lease payments and depreciation equivalent

Lease payment	1,146 million yen
Depreciation	1,146 million yen

(4) Calculation of depreciation equivalent

We employ the straight-line method in which the lease period is used as the service life and it is assumed that residual value of the relevant asset falls to zero at the end of the leased period.

2. Operating lease transactions

Future minimum lease payments	
Within one year	581 million yen
Over one year	471 million yen
Total	1,052 million yen

VII. Notes Regarding Related Party Transactions

1. Subsidiaries

Attribution	Company name	Their voting interest	Business relationship	Transaction contents	Transaction amount (millions of yen)	Account title	Balance at end of fiscal year (millions of yen)
Subsidiary	SUMCO USA Sales Corporation	100 % (indirect ownership)	Sales destination of the Company's products	Selling of the Company's products	28,456	Accounts receivable	2,366
Subsidiary	SUMCO TECHXIV CORPORATION	100 (direct ownership)	Manufacturer of products purchased	Purchase of products	27,151	Accounts payable	2,103
				Lending of funds	51,100	Short-term loans	40,100
				Receipts of interests	319	Long-term loans	10,000
				Other current assets			77
			Company split				
			Assets assigned	22,258	—	—	—
			Liabilities assigned	22,258	—	—	—
Subsidiary	Japan Super Quartz Corporation	100 (direct ownership)	Manufacturer of manufactured supplies	Receipts of dividends	351	—	—
Subsidiary	SUMCO Technology Corporation	100 (direct ownership)	Processor of semi-finished goods on commission	Receipts of dividends	300	—	—

- (Notes)
- Transaction amount excludes consumption taxes.
 - Trade conditions and policy on decision-making of trade conditions
Prices of trades with SUMCO USA Sales Corporation and SUMCO TECHXIV CORPORATION are determined under the same conditions as general trades taking market prices into consideration.
Interest rates for the lending of funds to SUMCO TECHXIV CORPORATION are reasonably determined taking market interest rates into consideration.

2. Other associated companies, etc.

Attribution	Company name	Their voting interest (%)	Business relationship	Transaction contents	Transaction amount (millions of yen)	Account title	Balance at end of fiscal year (millions of yen)
Other subsidiary of associated company	Sumitomo Metal Fine Technology Co., Ltd.	—	Purchase of manufacturing facilities, etc.	Purchase of manufacturing facilities, etc.	12,110	Facility related accounts payable	4,411
Other subsidiary of associated company	Mitsubishi Materials Techno Corporation	—	Purchase of manufacturing facilities, etc.	Purchase of manufacturing facilities, etc.	7,633	Facility related accounts payable	2,451

- (Notes)
- Transaction amount excludes consumption taxes.
 - Trade conditions and policy on decision-making of trade conditions
Purchase prices are determined by negotiations for respective times because the manufacturing facilities are unique to the Company.

VIII. 'Per Share' Information

- | | |
|--------------------------|--------------|
| 1. Net assets per share: | 1,327.99 yen |
| 2. Net income per share: | 52.44 yen |

IX. Notes Regarding Business Combinations

Details concerning the business combinations are provided in “VI. Notes Regarding Business Combinations” of “Basic Matters of Importance for Preparing Consolidated Financial Statements.”

X. Important Topics Arising from Recent Developments

N/A

Accounting audit report on Consolidated Financial Statements

Independent Auditors' Report

March 18, 2009

SUMCO CORPORATION
The Board of Directors

Deloitte Touche Tohmatsu

<u>Designated and Engagement Partner</u>	<u>Certified Public Accountant Yasuyoshi Ichikawa (Seal)</u>
<u>Designated and Engagement Partner</u>	<u>Certified Public Accountant Tetsuo Yamamoto (Seal)</u>

We have audited the consolidated statutory report, that is, the Consolidated Balance Sheet, the Consolidated Statements of Income, the Consolidated Statement of Changes in Net Assets of SUMCO CORPORATION for the fiscal year from February 1, 2008 to January 31, 2009, in accordance with Article 444(4) of the Corporation Law. The consolidated statutory report is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated statutory report based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require us to obtain reasonable assurance about whether the consolidated statutory report is free of material misstatement. An audit is performed on a test basis and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the consolidated statutory report. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated statutory report referred to above presents fairly, in all material respects, the consolidated financial position and the results of operations of SUMCO CORPORATION and consolidated subsidiaries for the period for which the consolidated statutory report is prepared, in conformity with accounting principles generally accepted in Japan.

Our firm and engagement partners have no interest in SUMCO CORPORATION which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Accounting audit report on Non-consolidated Financial Statements

Independent Auditors' Report

March 18, 2009

SUMCO CORPORATION

The Board of Directors

Deloitte Touche Tohmatsu

<u>Designated and Engagement Partner</u>	<u>Certified Public Accountant Yasuyoshi Ichikawa (Seal)</u>
<u>Designated and Engagement Partner</u>	<u>Certified Public Accountant Tetsuo Yamamoto (Seal)</u>

We have audited the statutory report, that is, the Balance Sheet, the Statements of Income, the Statement of Changes of Net Assets, and its supporting schedules of SUMCO CORPORATION for the 10th business year from February 1, 2008 to January 31, 2009, in accordance with Article 436(2)(i) of the Corporation Law. The statutory report and its supporting schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the statutory report and its supporting schedules based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require us to obtain reasonable assurance about whether the statutory report and its supporting schedules are free of material misstatement. An audit is performed on a test basis and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the statutory report and its supporting schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statutory report and its supporting schedules referred to above present fairly, in all material respects, the financial position and the results of operations of SUMCO CORPORATION for the period for which the statutory report and its supporting schedules are prepared, in conformity with accounting principles generally accepted in Japan.

Our firm and engagement partners have no interest in SUMCO CORPORATION which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

<Audit report of the Board of Corporate Auditors>

AUDIT REPORT

Regarding the execution of duties by the directors for the 10th business year from February 1, 2008 to January 31, 2009, the Board of Corporate Auditors hereby submits its audit report, which has been prepared through discussions based on the audit report prepared by each corporate auditor.

1. Auditing Methods Employed by the corporate auditors and Board of Corporate Auditors and Details of Such Methods

The Board of Corporate Auditors established auditing policies, auditing plan, and other relevant matters, and received reports from each corporate auditor regarding his or her audits and results thereof, as well as received reports from the directors, other relevant personnel, and independent auditors regarding performance of their duties, and sought explanations as necessary.

Each corporate auditor complied with the auditing standards of corporate auditors established by the Board of Corporate Auditors, followed the auditing policies, auditing plan, and other relevant matters, communicated with the directors, the internal audit department, other employees, and any other relevant personnel, and made efforts to optimize the environment for information collection and audit, and participated in the meetings of the Board of Directors and other important meetings, received reports from the directors, employees, and other relevant personnel regarding performance of their duties, sought explanations as necessary, examined important authorized documents and associated information, and studied the operations and financial positions at the head office and principal offices. In addition, we monitored and verified the resolutions of the Board of Directors regarding the improvement of the system stipulated in Article 100, Paragraph 1 and Paragraph 3 of the Ordinance for Enforcement of the Corporation Law and status of the system (internal controls system) based on the resolutions, which are stipulated as necessary system and other requirements for ensuring that the performance of duties by the directors conforms to the laws, regulations and Articles of Incorporation, as well as for ensuring an appropriateness of operations of a joint stock corporation. 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. Based on the above methods, we examined the business report and supporting schedules related to the relevant business year.

Furthermore, 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 159 of the 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 Financial Statements (Non-consolidated Balance Sheet, Non-consolidated Statements of Income, Non-consolidated Statement of Changes in Net Assets) and supporting schedules, as well as Consolidated Financial Statements (Consolidated Balance Sheet, Consolidated Statements of Income, Consolidated Statement of Changes in Net Assets) 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 supporting schedules are in accordance with the related laws and regulations and Articles of Incorporation, and fairly represent the Company's condition.
- II. With regard to the performance of duties by the 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 internal controls system are fair and reasonable.
And there is no problem for the performance of duties by directors of internal controls system.

(2) Results of Audit of Financial Statements and Supporting Schedules

In our opinion, the methods and results employed and rendered by the independent auditors, Deloitte Touche Tohmatsu, are fair and reasonable.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results employed and rendered by the independent auditors, Deloitte Touche Tohmatsu, are fair and reasonable.

March 24, 2009

Board of Corporate Auditors, SUMCO CORPORATION

Full-time Corporate Auditor	Fumio Iida	(Seal)
Full-time Corporate Auditor	Katsutoshi Fukushima	(Seal)
Outside Corporate Auditor	Hitoshi Tanaka	(Seal)
Outside Corporate Auditor	Mayuki Hashimoto	(Seal)
Outside Corporate Auditor	Kitaro Yoshida	(Seal)

Reference Documents for the General Meeting of Shareholders

Proposal 1: Dividends from Surplus

Taking into account the profit level of the current business year, future forecast, fund requirement for capital investment and internal reserves, we propose the year-end dividend for the current business year as below.

- (1) Type of dividend property:
Money
- (2) Issue of dividend property allotment and total amount of dividends:
Dividends per common share of the Company: 12.5 yen
Total amounts of dividends: 3,221,857,825 yen
- (3) Date of effectiveness:
April 30, 2009

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

According to the provisions of Article 6, Paragraph 1 of the Supplementary Provisions of the “Law for Partial Revision of the Law on Transfer of Bonds, etc. for Streamlining Settlement Concerning Stock Trading, etc.” (Law No. 88 of 2004), a resolution of the amendment of the Articles of Incorporation to repeal the provisions of the issuance of share certificates in the Company’s Articles of Incorporation is deemed to have been passed as of the share certificate dematerialization date (January 5, 2009). As the provisions of Article 7 (Issuance of share certificates) and Article 8, Paragraph 2 (Non-issuance of share certificates of shares less than one share unit) of the current Articles of Incorporation are no more necessary for this reason, the Company will delete these provisions and also the description about beneficiary shareholders, move up the numbering of articles and make pro-forma arrangement of clauses as well as establish the Supplementary Provisions to provide for provisional measures relating to these changes.

2. Details of the amendments

The details of the amendments are as follows:

(Underlining denotes change)

Current Text	Proposed Text
<p style="text-align: center;">Chapter 2. Shares</p> <p><u>Article 7.</u> (Issuance of share certificates)</p> <p style="padding-left: 40px;"><u>The Company shall issue share certificates representing its issued shares.</u></p> <p>Article <u>8.</u> (Number of shares constituting one share unit <u>and non-issuance of share certificates of shares less than one share unit</u>)</p> <p style="padding-left: 20px;"><u>1.</u> The number of shares constituting one share unit of the Company shall be one hundred (100).</p> <p style="padding-left: 20px;"><u>2.</u> <u>Notwithstanding the provision of the preceding paragraph, the Company shall be allowed not to issue share certificates relating to shares less than one share unit.</u></p> <p>Article <u>9.</u> (Rights relating to shares less than one share unit)</p> <p style="padding-left: 40px;">Shareholders of the Company (including beneficial shareholders <u>recorded</u> in writing or digitally in the beneficial shareholder registry; hereinafter, the same interpretation being applicable) shall not exercise the rights relating to shares less than one share unit held by them other than the rights listed below.</p> <p style="text-align: center;">(Following provisions omitted)</p> <p>Article <u>10.</u> (Share handling rules)</p> <p style="padding-left: 40px;"><u>The denominations of share certificates, changes to entries in the shareholder registry, acceptance of notices of beneficial shareholders, handling of requests for purchase by the Company of shares less than one share unit, and other procedures and handling charges of shares, of the Company, shall be governed by the share handling rules approved by the Board of Directors.</u></p>	<p style="text-align: center;">Chapter 2. Shares</p> <p style="text-align: center;">(Deleted)</p> <p>Article <u>7.</u> (Number of shares constituting one share unit)</p> <p style="padding-left: 40px;">The number of shares constituting one share unit of the Company shall be one hundred (100).</p> <p style="text-align: center;">(Deleted)</p> <p>Article <u>8.</u> (Rights relating to shares less than one share unit)</p> <p style="padding-left: 40px;">Shareholders of the Company shall not exercise the rights relating to shares less than one share unit held by them other than the rights listed below.</p> <p style="text-align: center;">(Unchanged)</p> <p>Article <u>9.</u> (Share handling rules)</p> <p style="padding-left: 40px;"><u>The handling of shares</u> of the Company shall be governed by the share handling rules approved by the Board of Directors.</p>

Current Text	Proposed Text
<p>Article <u>11</u>. (Shareholder registry administrator)</p> <ol style="list-style-type: none"> 1. (Provision omitted) 2. (Provision omitted) 3. The shareholder registry, <u>the beneficial shareholder registry</u>, the share option registry <u>and the lost share certificate registry</u> of the Company shall be kept at the handling office of the shareholder registry administrator. The Company shall entrust the shareholder registry administrator to handle the business pertaining to shares <u>such as changes to entries in the shareholder registry, acceptance of notices of beneficial shareholders and purchases of shares less than one share unit</u>. The Company itself shall not handle the above matters directly. 	<p>Article <u>10</u>. (Shareholder registry administrator)</p> <ol style="list-style-type: none"> 1. (Unchanged) 2. (Unchanged) 3. The shareholder registry <u>and</u> the share option registry of the Company shall be kept at the handling office of the shareholder registry administrator. The Company shall entrust the shareholder registry administrator to handle the business pertaining to shares. The Company itself shall not handle the above matters directly.
<p>Chapter 3. General Meeting of Shareholders</p>	<p>Chapter 3. General Meeting of Shareholders</p>
<p>Article <u>12</u>. (Record dates)</p> <p>Shareholders who may exercise their rights at the Ordinary General Meeting of Shareholders shall be defined as shareholders recorded <u>in writing or</u> digitally in the shareholder registry <u>and the beneficial shareholder registry</u> as of January 31 each year.</p>	<p>Article <u>11</u>. (Record dates)</p> <p>Shareholders who may exercise their rights at the Ordinary General Meeting of Shareholders shall be defined as shareholders recorded digitally in the shareholder registry as of January 31 each year.</p>
<p>Article <u>13</u>. to Article <u>34</u>.</p> <p>(Provisions omitted)</p>	<p>Article <u>12</u>. to Article <u>33</u>.</p> <p>(Unchanged)</p>
<p>Article <u>35</u>. (Dividends from surplus)</p>	<p>Article <u>34</u>. (Dividends from surplus)</p>

Current Text	Proposed Text
<p>1. The Company may make business year-end dividends to shareholders recorded <u>in writing or</u> digitally in the shareholder registry <u>and the beneficial shareholder registry</u> on the date of each business year's end or registered pledgees pursuant to the resolution at the General Meeting of Shareholders.</p> <p>2. In addition to the matters prescribed in the preceding Paragraph, the Company may make interim dividends to shareholders recorded <u>in writing or</u> digitally in the shareholder registry <u>and the beneficial shareholder registry</u> on July 31 each year or registered pledgees pursuant to the resolution at the Board of Directors' meeting.</p> <p>Article <u>36.</u> to Article <u>37.</u></p> <p>(Provisions omitted)</p> <p>(Newly added)</p>	<p>1. The Company may make business year-end dividends to shareholders recorded digitally in the shareholder registry on the date of each business year's end or registered pledgees pursuant to the resolution at the General Meeting of Shareholders.</p> <p>2. In addition to the matters prescribed in the preceding Paragraph, the Company may make interim dividends to shareholders recorded digitally in the shareholder registry on July 31 each year or registered pledgees pursuant to the resolution at the Board of Directors' meeting.</p> <p>Article <u>35.</u> to Article <u>36.</u></p> <p>(Unchanged)</p> <p><u>Supplementary Provisions</u></p> <p><u>Article 1.</u> <u>The preparation and keeping of the lost share certificate registry and other businesses relating to the lost share certificate registry shall be entrusted to the shareholder registry administrator and not handled by the Company.</u></p> <p><u>Article 2.</u> <u>The preceding Article and this Article shall be effective until up to January 5, 2010, and the preceding Article and this Article shall be deleted as of January 6, 2010.</u></p>

Proposal 3: Election of Three (3) Directors

Directors Yuichi Muramatsu, Yoshiaki Shida and Naoyuki Hosoda will resign at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, it is proposed that three (3) Directors be elected as their substitutes.

Please note that, as these candidates for Director shall be elected as substitutes for Directors Yuichi Muramatsu, Yoshiaki Shida and Naoyuki Hosoda, their term of office shall be until the expiration of term of office of the Directors currently during their tenure pursuant to the provisions in the Articles of Incorporation of the Company.

The candidates for directors are as follows:

No.	Name (Date of birth)	Career summaries, position in the Company, areas of responsibility, and representation of other corporations	Number of the Company's shares held
1	Kimihito Matsuo (December 27, 1948)	<p>Feb. 1980 Joined Kyushu Electronic Metal Co., Ltd.</p> <p>Oct. 1999 General Manager of Production Planning & Control Dept., Silicon factory, Sitix Division, Sumitomo Metal Industries, Ltd.</p> <p>Feb. 2002 General Manager of Imari Plant, General Manager of Saga Plant, the Company</p> <p>Apr. 2004 Chief Officer, General Manager of Kyushu Plant, the Company</p> <p>Apr. 2005 Managing Executive Officer, the Company</p> <p>Apr. 2008 Senior Managing Executive Officer, Deputy General Manager of Production & Technology Div., the Company (incumbent)</p>	1,700 shares
2	Yukihiro Saeki (October 27, 1951)	<p>Apr. 1975 Joined Mitsubishi Metal Corporation (the current Mitsubishi Materials Corporation)</p> <p>Feb. 2002 General Manager of Ikuno Plant, the Company</p> <p>Apr. 2005 Executive Officer, General Manager of Kyushu Plant, Production & Technology Div., the Company</p> <p>Apr. 2008 Managing Executive Officer, General Manager of Imari Factory, Production & Technology Div., General Manager of Imari Plant I, Imari Factory, Production & Technology Div., the Company (incumbent)</p>	700 shares

No.	Name (Date of birth)	Career summaries, position in the Company, areas of responsibility, and representation of other corporations	Number of the Company's shares held
3	Hiroshi Kanemoto (August 12, 1947)	<p>Apr. 1970 Joined Mitsubishi Metal Mining Co., Ltd. (the current Mitsubishi Materials Corporation)</p> <p>Jul. 1999 Corporate Auditor of the Company</p> <p>Jun. 2001 Director of Mitsubishi Materials Silicon Corp.</p> <p>Feb. 2002 General Manager of Finance & Accounting Dept., the Company</p> <p>Jun. 2003 Executive Officer, General Manager of Finance & Accounting Dept., Mitsubishi Materials Corporation</p> <p>Jun. 2005 Senior Executive Officer, General Manager of Finance & Accounting Dept., Mitsubishi Materials Corporation</p> <p>Jun. 2006 Managing Director, Mitsubishi Materials Corporation (incumbent)</p> <p><Representation of other corporations> Managing Director (Representative Director) of Mitsubishi Materials Corporation</p>	—

- (Notes) Special interests between the Company and candidates for directors
1. Hiroshi Kanemoto is a representative director of Mitsubishi Materials Corporation. The company has business relations with the Company such as purchasing raw materials, etc. It is also a competitor of the Company in the area of manufacturing and sales of polycrystalline silicon for use in solar energy cells.
 2. Other candidates for directors have no special interests in the Company.

Proposal 4: Election of Five (5) Corporate Auditors

As the term of office of all five (5) Corporate Auditors will expire at the conclusion of this Ordinary General Meeting of Shareholders, it is proposed that five (5) Corporate Auditors be elected.

The Board of Corporate Auditors has consented to this proposition.

The candidates for corporate auditors are as follows:

No.	Name (Date of birth)	Career summaries, position in the Company, areas of responsibility, and representation of other corporations	Number of the Company's shares held
1	Katsutoshi Fukushima (April 2, 1947)	<p>Apr. 1971 Joined Sumitomo Metal Industries, Ltd.</p> <p>Feb. 2002 General Manager of Human Resources Dept. 1, the Company</p> <p>Apr. 2003 General Manager of Industrial Relations Dept., the Company</p> <p>Apr. 2004 Chief Officer, General Manager of Industrial Relations Dept., the Company</p> <p>Apr. 2005 Full-time Corporate Auditor, the Company (incumbent)</p>	1,600 shares
2	Tamio Kobayashi (April 22, 1952)	<p>Apr. 1975 Joined Mitsubishi Metal Corporation (the current Mitsubishi Materials Corporation)</p> <p>Apr. 2003 General Manager of Finance & Accounting Dept., the Company</p> <p>Apr. 2005 General Manager of Corporate Controller & Group Companies Management Dept., the Company</p> <p>Mar. 2006 Executive Officer, General Manager of Corporate Planning Dept., General Manager of Corporate Controller & Group Companies Management Dept., the Company</p> <p>Apr. 2007 Executive Officer, General Manager of Corporate Planning Dept., the Company (incumbent)</p>	900 shares
3	Hitoshi Tanaka (July 28, 1950)	<p>Apr. 1976 Registered as Attorney at law, Joined Narutomi Law Office (the current Marunouchi Minami Law Office)</p> <p>Oct. 2003 Representative of Narutomi Law Office (incumbent)</p> <p>Apr. 2005 Corporate Auditor of the Company (incumbent)</p>	—

No.	Name (Date of birth)	Career summaries, position in the Company, areas of responsibility, and representation of other corporations	Number of the Company's shares held
4	Mayuki Hashimoto (January 10, 1951)	<p>Apr. 1976 Joined Mitsubishi Metal Corporation (the current Mitsubishi Materials Corporation)</p> <p>Jun. 2003 General Manager of Silicon Div., Mitsubishi Materials Corporation</p> <p>Apr. 2005 General Manager of Corporate Strategy Dept., Mitsubishi Materials Corporation Corporate Auditor of the Company (incumbent)</p> <p>Jun. 2005 Executive Officer, General Manager of Corporate Strategy Dept., Mitsubishi Materials Corporation</p> <p>Jun. 2006 Senior Executive Officer, Mitsubishi Materials Corporation, President of Electronic Materials & Components Company</p> <p>Jun. 2007 Managing Director, Mitsubishi Materials Corporation, President of Electronic Materials & Components Company (incumbent)</p> <p><Representation of other corporations> Managing Director (Representative Director) of Mitsubishi Materials Corporation</p>	200 shares
5	Kitaro Yoshida (January 16, 1949)	<p>Jul. 1971 Joined Sumitomo Metal Industries, Ltd.</p> <p>Jun. 1997 General Manager of Personnel Dept. 1, Sumitomo Metal Industries, Ltd.</p> <p>Jun. 1998 General Manager of Personnel & Industrial Relations Dept., Sumitomo Metal Industries, Ltd.</p> <p>Aug. 1999 Deputy General Manager of Kokura Steel Works, Sumitomo Metal Industries, Ltd.</p> <p>Apr. 2000 Director, Senior Operation Manager of Sumitomo Metals (Kokura), Ltd.</p> <p>Apr. 2002 Representative Director and President, Sumitomo Metals (Kokura), Ltd.</p> <p>Apr. 2008 Corporate Auditor of the Company (incumbent)</p> <p>Jun. 2008 Standing Corporate Auditor of Sumitomo Metal Industries, Ltd. (incumbent)</p>	300 shares

- (Notes)
1. Special interests between the Company and candidates for corporate auditors
 - (1) Mayuki Hashimoto is a representative director of Mitsubishi Materials Corporation. The company has business relations with the Company such as purchasing raw materials, etc. It is also a competitor of the Company in the area of manufacturing and sales of polycrystalline silicon for use in solar energy cells.
 - (2) Other candidates for corporate auditors have no special interests in the Company.
 2. Hitoshi Tanaka, Mayuki Hashimoto and Kitaro Yoshida are candidates for outside corporate auditors.
 3. Notes concerning the candidates for outside corporate auditors are as below:
 - (1) Reasons for nomination
 - (a) We propose the election of Hitoshi Tanaka as outside corporate auditor. Although he has not been directly involved in execution of company operation, we expect he will fully exert his capability of monitoring management exploiting his expert knowledge as attorney at law.
 - (b) Both Mayuki Hashimoto and Kitaro Yoshida have excellent knowledge covering all aspects of management. Their election as outside corporate auditor is proposed because we expect they will fully exert their capability of monitoring management exploiting their knowledge.
 - (2) Number of years served as outside corporate auditor
 - (a) At the conclusion of this Ordinary General Meeting of Shareholders, both Hitoshi Tanaka and Mayuki Hashimoto will have served as outside corporate auditor for four (4) years.
 - (b) At the conclusion of this Ordinary General Meeting of Shareholders, Kitaro Yoshida will have served as outside corporate auditor for one (1) year.
 - (3) Contract for limitation of liability

Pursuant to Article 427, Paragraph 1 of the Corporation Law, it is prescribed in the Articles of Incorporation in effect that the Company may enter into contracts with outside corporate auditors with regards to limitation of liability for damages to the Company in an effort to attract competent individuals to said posts and encourage them to perform their duties to the best of their ability. The Company has concluded a contract for limitation of liability with present outside corporate auditors Hitoshi Tanaka, Mayuki Hashimoto and Kitaro Yoshida. When the re-election of Hitoshi Tanaka, Mayuki Hashimoto and Kitaro Yoshida are approved, said contract shall remain valid.

The detail of the contract is as follows:

If outside corporate auditors are without knowledge and are not grossly negligent in performing their duties, the liability of the outside directors and outside corporate auditors pursuant to Article 423, Paragraph 1 of the Corporation Law shall be limited to the amount specified in Article 425, Paragraph 1 of said Law and same shall not be liable to the Company for any amount exceeding this limit.

Proposal 5: Payments of Retirement Bonuses to Retiring Directors and a Retiring Corporate Auditor, and Final Payments of Retirement Bonuses to Directors and a Corporate Auditor Due to the Termination of the Retirement Bonus Plan for Directors and Corporate Auditors

It is proposed that retirement bonuses be paid to Directors Yuichi Muramatsu, Yoshiaki Shida and Naoyuki Hosoda, who will resign at the conclusion of this Ordinary General Meeting, and Corporate Auditor Fumio Iida, who will retire due to the expiration of his term of office at the same time, in appreciation for their past services to the Company in accordance with the prescribed rules of the Company.

You are requested to authorize the Board of Directors to make decisions with respect to the retirement bonuses of the retiring Directors and to authorize the Corporate Auditors, through discussions amongst themselves, to make decisions with respect to the retirement bonus of the retiring Corporate Auditor, as to the definite amount, the timing of payment, the method of payment and other related matters.

Summaries of the career of the retiring Directors and Corporate Auditor are as follows.

Name	Career summaries	
Yuichi Muramatsu	Feb. 2002	Managing Director of the Company
	Apr. 2004	Senior Managing Director of the Company
	Apr. 2005	Director, Senior Managing Executive Officer of the Company
	Apr. 2007	Director, Executive Vice President of the Company (incumbent)
Yoshiaki Shida	Apr. 2006	Director, Senior Managing Executive Officer of the Company
Naoyuki Hosoda	Jun. 2002	Director and Executive Vice President (Representative Director) of the Company
	Apr. 2004	President of the Company (Representative Director)
	Dec. 2005	Director of the Company (incumbent)
Fumio Iida	Apr. 2004	Full-time Corporate Auditor of the Company (incumbent)

The Company passed the resolution, at a meeting of the Board of Directors held on March 25, 2009, to terminate the retirement bonus plan for Directors and Corporate Auditors at the conclusion of this Ordinary General Meeting of Shareholders.

In this connection, it is proposed that the final payments of retirement bonuses be made to Directors Kenjiro Shigematsu, Yutaka Hirose and Kazufumi Yanaga, who are in their tenure, and Corporate Auditor Katsutoshi Fukushima, who will be reappointed under the condition that Proposal 4 is approved as originally proposed, in appreciation for their past services to the Company for the period from each directors' and corporate auditors' assumption of the office up to the conclusion of this Ordinary General Meeting in accordance with the prescribed rules of the Company.

The dates of the said final payments shall be the date of retirement of each Director or Corporate Auditor who are to receive the payments. You are requested to authorize the Board of Directors to make decisions with respect to the retirement bonuses of the Directors and to authorize the Corporate Auditors, through discussions amongst themselves, to make decisions with respect to the retirement bonus of the Corporate Auditor, as to the definite amount, the method of payment and other related matters.

Summaries of the career of the Directors and Corporate Auditor, to whom the final payments of retirement bonuses shall be made, are as follows.

Name	Career summaries
Kenjiro Shigematsu	Apr. 2005 Director, Executive Vice President of the Company Dec. 2005 President (Representative Director) of the Company (incumbent)
Yutaka Hirose	Feb. 2002 Managing Director of the Company Apr. 2004 Senior Managing Director of the Company Apr. 2005 Director, Senior Managing Executive Officer of the Company Apr. 2007 Director, Executive Vice President of the Company (incumbent)
Kazufumi Yanaga	Apr. 2006 Director, Managing Executive Officer of the Company (incumbent)
Katsutoshi Fukushima	Apr. 2005 Full-time Corporate Auditor of the Company (incumbent)