

Message from the Management



CEO & Chairman of the Board
Mayuki Hashimoto



COO & President
Hisashi Furuya

SUMCO Vision

- 1 World's Best in Technology
- 2 Deficit-Resistant Even during Economic Downturns
- 3 Empower Employee Awareness of Profit
- 4 Competitiveness in Overseas Markets

SUMCO wishes to express its sincere sympathy to all those affected by natural disasters in 2018, including the 2018 Hokkaido Eastern Iburi Earthquake and torrential rains in western Japan, and pray for a speedy recovery in the areas affected.

SUMCO's Chitose Plant (Chitose City, Hokkaido Prefecture) was also exposed to Intensity 6 Lower tremors during the Hokkaido Eastern Iburi Earthquake, and while no injuries were incurred, the damage included a partial shutdown of the production line. Despite these challenges, SUMCO's employees continued with all-out recovery efforts and SUMCO received enormous support from customers, suppliers and other business partners. As a result, regular operation was restored in the month following the earthquake. The lessons gained through this most recent earthquake will be utilized to make improvements to the SUMCO Group's business continuity plan (BCP).

Aspiring to Serve as a Good Corporate Citizen

Semiconductor devices are used in every facet of our lives, from information terminal devices such as smartphones and personal computers, communications equipment and data centers that process and store large volumes of information, home appliances including televisions and air conditioners, through to automobiles, trains and other vehicles. Providing the technological base for such devices, silicon wafers can also be considered critically important as a key material in maintaining today's standard of living.

At the SUMCO Group, under our philosophy to contribute to the development of industry as well as to the improvement of people's quality of life through the supply of silicon wafers, we strive to be a good corporate citizen and engage in CSR activities in accordance with the SUMCO CSR Policy.

Corporate Governance

The SUMCO Group endeavors to maintain fairness, efficiency and transparency in its management by further enhancing its corporate governance.

In March 2019, SUMCO adopted a Board of Directors structure made up of four directors who are not Audit and Supervisory Committee Members and five directors who are Audit and Supervisory Committee Members (four of whom are Independent Outside Directors), thereby increasing the percentage of Independent Outside Directors serving on the board. We believe this structure will enhance the efficiency of our management structure and improve the auditor and supervisory

functions with respect to the execution of operations by directors.

As Independent Outside Directors, SUMCO has appointed an attorney, a management consultant who is a certified public accountant, a person with experience in the public sector as well as corporate management, and an expert in the field of metallic materials research. Bringing in a great breadth of knowledge and insight derived from the diversity of their backgrounds, the Board of Directors engages in lively discussion to contribute to the sustained growth of the Company as well as the enhancement of corporate value over the medium-to-long-term.

Compliance

SUMCO has established and implement the SUMCO Charter, a code of conduct that all officers and employees must comply with.

The SUMCO Charter broadly covers various social norms that ought to be followed by companies, such as fair business activities and blocking relationships with anti-social forces, as well as compliance with laws and regulations.

Similar charters have been established by all companies in the SUMCO Group. Our Group-wide efforts will continue to ensure that our corporate activities are sound and in accordance with social norms.

Risk Management

The SUMCO Group has a global market share of approximately 30%. Since the Group supplies high-quality silicon wafers to major semiconductor manufacturers around the world, we see the stable supply of our products as our most critical management challenge and an important social responsibility.

In addition to managing risks to ensure stable supply, SUMCO takes steps to maintain and improve its business continuity plans across the entire supply chain.

Environmental Conservation Efforts

The production of silicon wafers requires a great deal of electricity, water and chemical substances. For this reason, the SUMCO Group has established environmental targets, and strives to reduce its use of each of these as well as the amount of industrial waste generated.

We also ensure the thorough management and handling of harmful chemical substances and waste, and make every effort to minimize the environmental risks resulting from our business activities.

Health and Productivity Management

Based on a commitment to give top priority to the safety and health of our employees, we view their health as a critical management resource and have reinforced measures for health and productivity management since 2017. In February 2019, SUMCO and six SUMCO Group companies were certified under the large enterprise category of the 2019 Certified Health & Productivity Management Outstanding Organization Recognition Program (White 500).

The SUMCO Group aspires to promote various CSR activities while endeavoring to fulfill its social responsibilities to the stakeholders who support us by actively reflecting their views and wishes, which are grasped through various types of dialog with stakeholders, in our management activities.

Relationships with Stakeholders
SUMCO endeavors to fulfill its responsibilities to stakeholders, who support our business activities

Our Main Responsibilities to Stakeholders

Customers

- Enhance customer satisfaction
(Maintain and improve the quality of products and services)

Shareholders

- Return profits (dividends, etc.)
- Enhance corporate value

Suppliers

- Fair trade
- Develop a solid and sustainable supply chain

Employees

- Offer secure employment
- Return profits (bonuses, etc.)
- Build a favorable work environment
(mental health, childcare/nursing care leave)

Local communities

- Create employment, Pay taxes
- Support the improvement of local environments
- Support local educational and cultural activities