

Company Overview / Economic Performance

Company Overview

Company name: CoorsTek KK
 Established: October 2006
 Founded: September 1928
 Head Office: Osaki Wiz Tower, 11-1, Osaki 2-chome, Shinagawa-ku, Tokyo, Japan
 President: Takeo Kasahara
 Facilities: Oguni Facility, Hadano Facility, Kariya Facility
 Affiliated Companies: 5 consolidated subsidiaries
 1 non-consolidated subsidiary
 1 affiliate accounted for by equity method

Principal Products

■ Semiconductor related products

- ▶ High-purity quartz glass products
- ▶ High-purity carbon and graphite products
- ▶ Vacuum break filters
- ▶ ADS high-purity alumina ceramics
- ▶ CERASIC® atmospheric sintered SiC (semiconductor related products)
- ▶ High purity yttria
- ▶ TPSS Si-impregnated silicon carbide products
- ▶ CEPURE® in-line gas filters
- ▶ SAPPHAL® high-purity translucent alumina ceramics
- ▶ High-purity silicon parts
- ▶ GAISER wire bonding tools (product of CoorsTek, Inc., USA)



■ FPD (flat panel display) related products

- ▶ Large-scale photomask substrates for producing LCDs



■ Bio and medical related products

- ▶ NEOBONE® ceramic bone substitutes

■ Automotive, electric and mechanical products

- ▶ Carbon brushes
- ▶ CERBEC ceramic balls (product of CoorsTek, Inc., USA)

■ General industrial products

- ▶ TECORUNDUM silicon carbide heating elements
- ▶ CERASIC® atmospheric pressure sintered SiC (heat-resistant structural products)
- ▶ GLASSUN® fused silica refractories
- ▶ FLOW-RITE foundry filters (product of CoorsTek, Inc., USA)
- ▶ Silica glass crucibles for the glass industry
- ▶ CERASIC® atmospheric pressure sintered SiC (general structural products)
- ▶ Refractories for the glass industry
- ▶ Boron carbide

■ Compound semiconductor substrate

- ▶ Compound semiconductor substrate (GaN on Si substrate)

For details, please refer to product information on the CoorsTek KK Website. <http://www.coorstek.co.jp/eng/products/index.html>

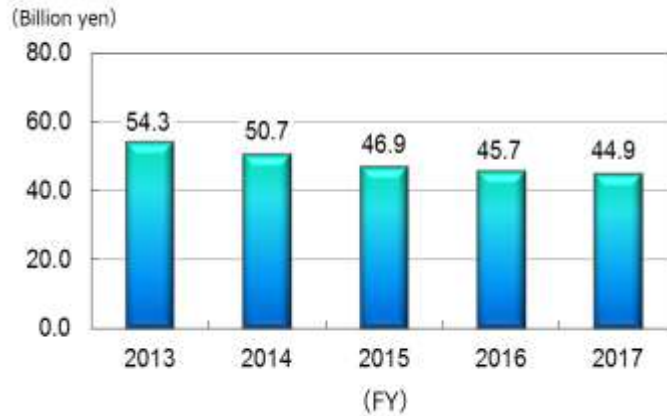
Economic Performance

The global collaborative business framework with the CoorsTek Group will grow our business.

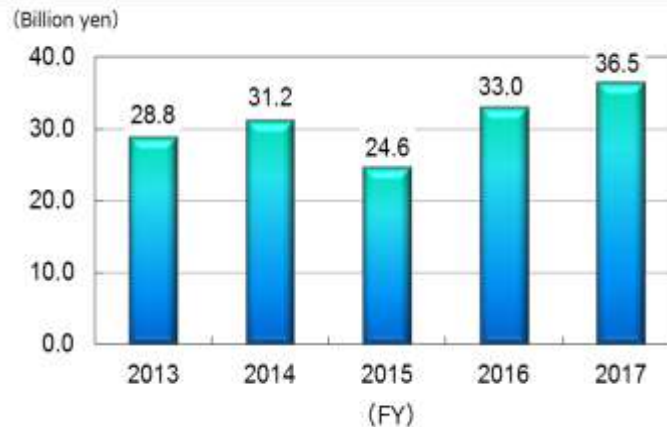
Paid-in capital: 100 million yen
Total assets: 44.9 billion yen (non-consolidated basis)
Net sales: 36.5 billion yen (non-consolidated basis)
Number of employees: 1,440 (consolidated basis)

Remarks: paid-in capital, total assets, net sales, and number of employees are as of December 31, 2017. Figures are for CoorsTek KK and its consolidated subsidiaries.

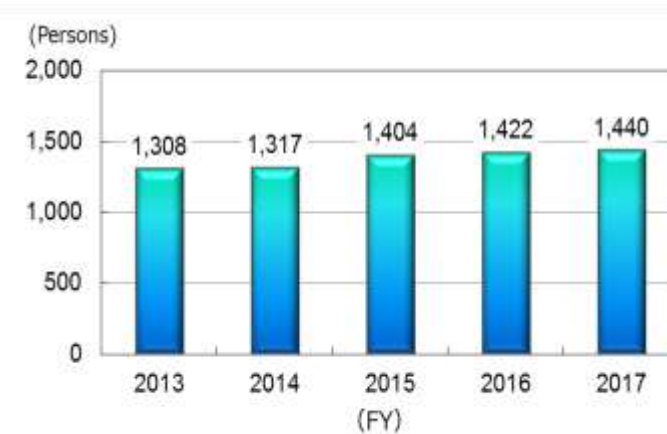
◆ **Total Assets**



◆ **Net Sales**



◆ **Number of Employees (Consolidated Basis)**



Management

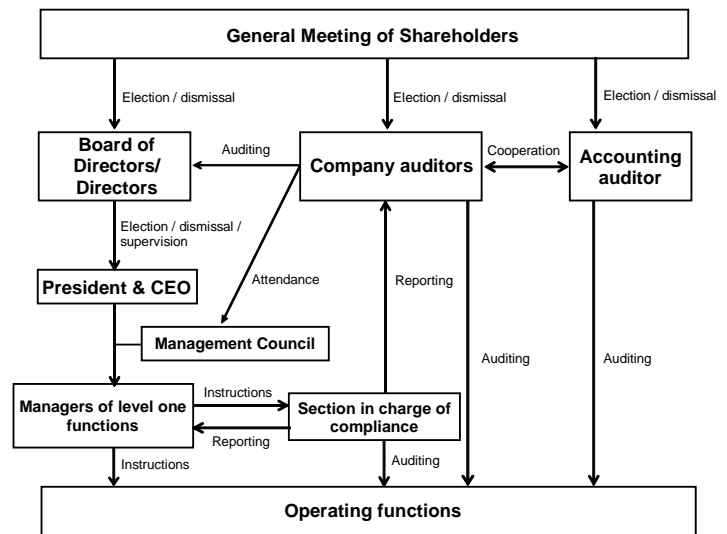
Corporate Governance

Transparent and sound management raises management quality and improves efficiency

The Company considers the purpose of corporate governance to be the assurance of transparent and sound management and the enhancement of management quality and efficiency.

The enhancement of corporate and stakeholder value and the maintenance of appropriate relations with our customers, suppliers, employees, the communities where we have a presence and other stakeholders, through the fulfillment of corporate governance, are important management policies.

◆ Corporate Governance Structure



Board of directors

The Board of Directors, which has nine directors (including seven outside directors), makes decisions concerning the Company's execution of business and supervises the directors' performance of duties. The Company has established a Management Council with functional managers which convene as necessary to discuss and efficiently make decisions on strategies and important matters pertaining to the Group within the scope delegated by the Board and to review business performance.

The term of office for directors is set at one year in the Articles of Incorporation to respond flexibly to changes in the business environment and to clarify management responsibility.

Company auditor

The company auditor (there is currently one auditor) audits the directors' execution of duties, works to ensure management transparency, and strengthens oversight.

Internal audit system

To ensure the appropriateness of the execution of duties, the Company sets basic policies for directors and employees, systems for compliance, information management, risk management, effective performance, and management of Group companies. For auditors, policies include reporting, audit assistance, and effective auditing. The Company works to maintain systems that are

necessary for ensuring appropriate operations.

The company auditor conducts statutory audits based on attendance at important meetings including those of the Board of Directors, verifies the content of reports from directors and operating functions, examines of the status of company operations and assets, and verifies compliance with the Companies Act law of Japan.

The company auditor receives reports from and exchanges views with auditors from Group companies and works to strengthen internal alliances and management systems. To conduct effective audits, the company auditor works with accounting auditors and compliance sections and as necessary, exchanges opinions about important matters concerning internal controls and accounting related to the Company and Group companies.

Compensation for corporate officers

The maximum amount of compensation for all directors and the company auditor is determined by resolution of the general meeting of shareholders. A representative director granted authority by the Board of Directors determines the compensation for each director within the maximum amount, and the company auditor determines the amount of compensation for the company auditor and notifies the representative director.

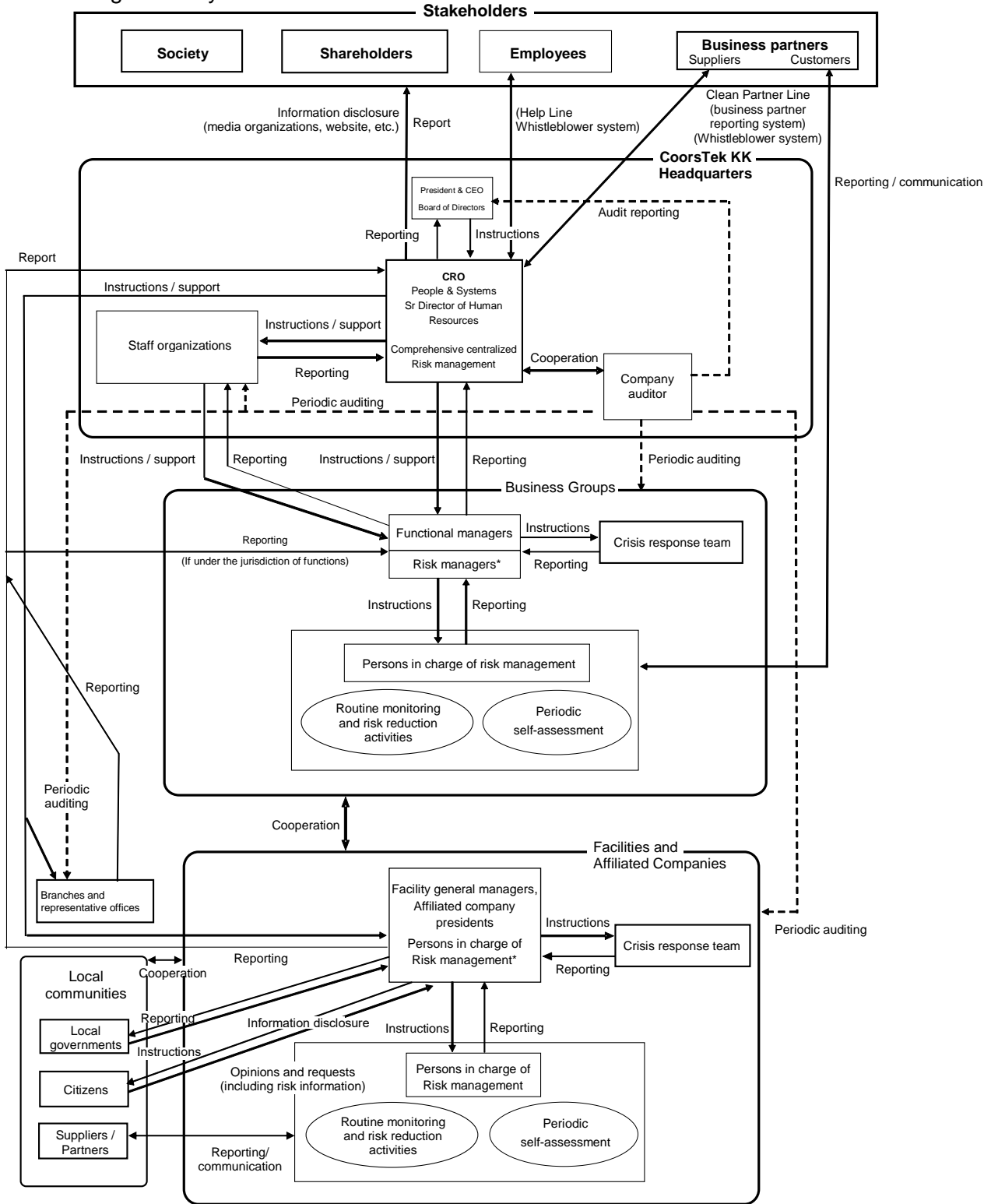
Compliance and Risk Management

Integrated risk management ensures a sustainable company

Integrated risk management system

The Company has established an integrated group-wide system for managing compliance and risk crisis to thoroughly ensure legal compliance. It has appointed a chief risk management officer (CRO) and set up the CoorsTek Group Help Line, an internal whistleblower system that lets employees bypass functional structures and directly report to and consult with personnel in charge of legal affairs and risk management, and the Clean Partner Line, a whistleblower system for outside parties to report legal, regulatory, or contractual violations concerning the Group.

◆ Integrated Risk Management System



* Chief risk managers are appointed to each function, facility, and affiliated company.

Raising awareness of the importance of compliance

The Company is fully aware of its social responsibility and has established a management policy for conducting fair and honest business activities in keeping with laws, regulations and the social order in Japan and other countries. To instill a corporate culture amenable to practicing fair business activities, the Company incorporates compliance education into the curriculum of Next Stage Education for employees at all organizational levels.

Compliance education includes the explanation of matters such as management policies that form the basis of compliance, severity of risks associated with legal and regulatory violations, and changes in public and employee compliance awareness.

Information security and intellectual property management

The Company has established regulations to ensure the protection of and respect for information and the intellectual property of the Company and third parties and works to ensure that employees are familiar with those regulations.

The Company also works to prevent information leaks and improper use of intellectual property by providing Next Stage Education together with compliance education, education about the importance of information security and intellectual property protection, associated risks, and methods for managing information and intellectual property.