

**Explanations on Our Press Release Titled "Notice of Withdrawal from
CVD-SiC Business at Korean Subsidiary"**

Regarding the matter described on the press release dated April 16, 2019, we summarized frequently asked questions from our stakeholders and our answers as supplementary explanations, as follows.

Question	Will the Ferrotec Advanced Materials Korea Corporation (hereinafter referred to as "FTAK"), a consolidated subsidiary in Korea, completely withdraw from all of their business including plant closure? Or will they withdraw from only the CVD-SiC business?
Answer	FTAK intends to withdraw solely from the development and production of CVD-SiC products and is not a complete withdrawal from Korea with the closure of the plant. As stated in the release, our Group is currently considering other businesses using its FTAK plant. As soon as a replacement project is decided and approval is obtained from the administrative authorities of Korea, we will promptly notify you.

Questions	What is the outlook for the CVD-SiC business and how do you plan about production as the whole Group?
Answer	This business withdrawal was limited to the FTAK business, and we intend to continue manufacturing these products in Japan at our 100% subsidiary ADMAP (Tamano City, Okayama Prefecture). In addition, demand for this product is expected to continue growing among semiconductor equipment manufacturers and semiconductor chip manufacturers in line with the recent trend toward thinner and multilayered semiconductor chips. As a result, our Group will continue to work to expand its business over the medium to long term. Our major customers (markets) include Japan, the United States, Europe, and Asia.

Questions	Please explain the purport of the text in the press release saying, "In light of the recent judicial decisions of Japanese companies in Korea, we are concerned that the independence of the judicial decision in the country will not be fully guaranteed. With consideration of the impact on stakeholders, we have made this decision as minimizing potential risks at this stage is the most appropriate."
Answer	We have made such expression as we do not know the extent to which convictions, etc. will have an impact on judicial decisions, but we do not intend to express our criticism of the Korean judicial system, etc.

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