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coway

*IR Webzine
2017. January*

- Market Review
- Coway News



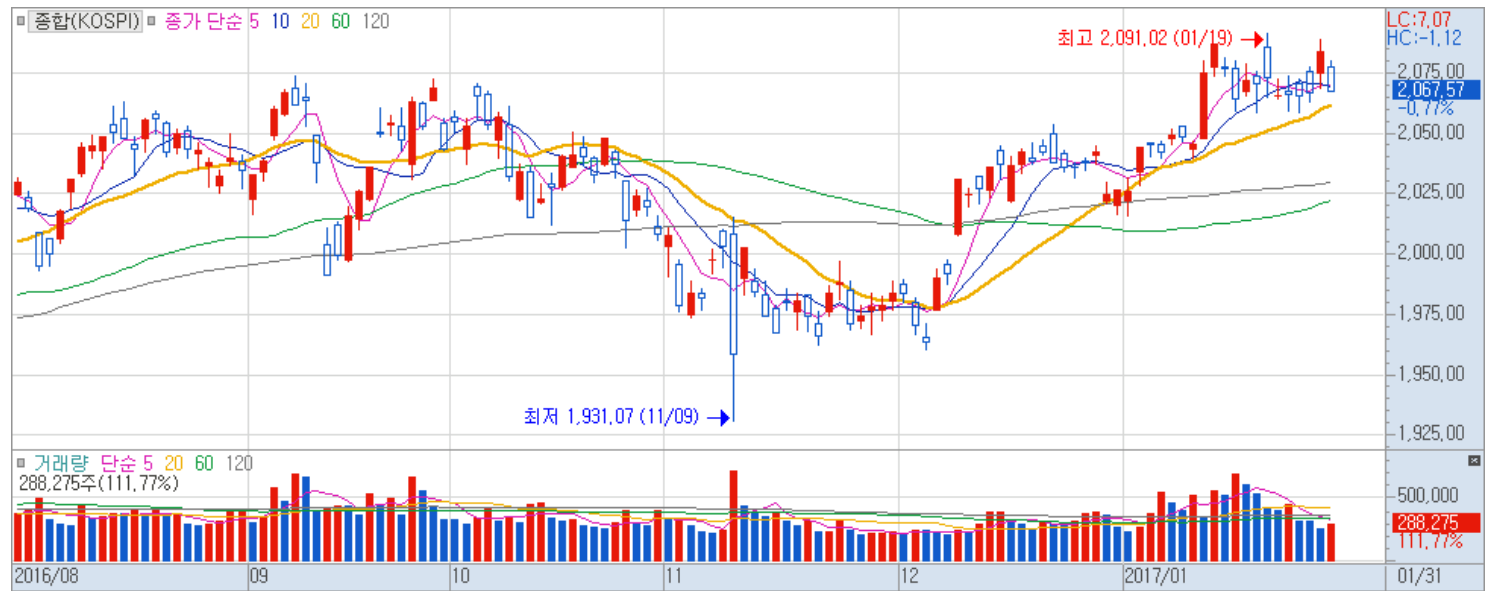
This material includes quarterly development of stock markets, stock prices and related data of Coway, financial status, operating results, and other major issues related to IR. This is aimed to provide a variety of information that could be a reference to shareholders and investors. Therefore, it cannot be the evidential material for legal responsibility regarding investment results of shareholders and investors in any case.

Market Review

Stock Market

IR WEBZINE
2017. January

01



The KOSPI rose by 2.03% from the previous month to 2,067.57 points at the end of January 2017, realizing a bullish mood for two consecutive months. In the technical aspect, it has maintained a strong trend along with the increase of trading volume, making a record high since July 2015. This trend is expected to continue for a while.

This rally resulted mainly from strong global stock exchange markets and ensuing foreign investors' net stock purchasing of around KRW 2 trillion in January. In addition, two months of continuous export growth and upgrade of KOSPI companies' profit estimates also made positive effects. Even though ECB's tapering policy issue and the uncertainty about the Trump Administration's policy direction were magnified in early January, the KOSPI made a rally since then as the concerns about interest rate increase of the US were eased.

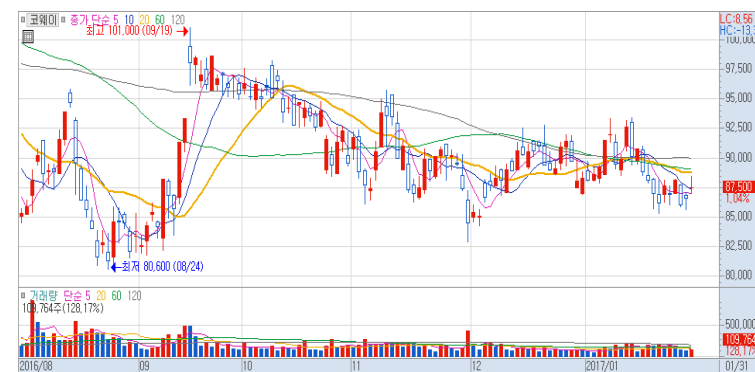
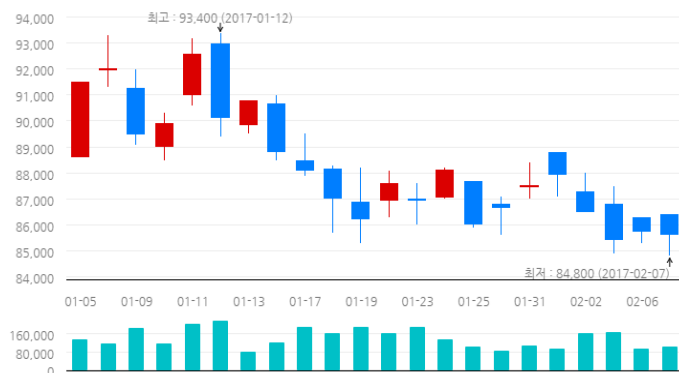
Many experts present an overarching view of additional bullish stock market in February. It is partially expected that the uncertainty about the Trump Administration's policy direction and concerns about EU banks' tough business conditions will put a pressure on the stock market. However, continuous growth of export and strong foundation of stock purchasing that has led a record high seem to make the KOSPI level up.

Market Review

Stock Price

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01



Classification	% change of COWAY			% change of KOSPI	% change of KOSPI200
	Stock Price	vs. KOSPI	vs. KOSPI200		
5 Days	-0.11	-0.21	-0.70	0.09	0.59
20 Days	-0.91	-2.93	-4.01	2.03	3.11
60 Days	-0.23	-4.45	-6.23	4.22	6.01

The stock price of Coway decreased 0.91% from the previous month to KRW 87,500 at the end of January 2017. In the technical aspect, it has been in the box pattern around KRW 90,000 for two months in a row. Mid- to long-term moving average lines and the stock price are entwined and trading volume is also flat, which means a level-off status for securing a momentum for the next leap.

Coway has been conducting diverse activities to recover customer trust and striving to stabilize its stock price through continuous investor-friendly policies. Moreover, the company is showcasing innovative products and services to further enhance competitiveness in the health appliances rental market. Overseas business has also been creating remarkable performances recently.

During January, the number of shares held by foreigners increase 145,523 shares, or 0.4%, compared with the prior month. As of the end of January, they maintained 53.19% ownership. Domestic institutional investors marked net selling of 138,225 shares during the same period.

40,628,849 shares (53.19) (as of January. 29, 2017)	Changes in Stock Price in January -0.91%	Changes in Shares Held by Foreigners in January 145,523 Shares (0.4%)	Net Changes in Shares Held by Institutional Investors in January -138,225 Shares
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Held the new year ceremony



Coway held the new year ceremony and assured a new leap for 2017 at Hoam Art Hall located in Jung-gu, Seoul, on January 2.

More than 600 employees working at the headquarters, research institute, and business field including the CEO attended the ceremony.

At the ceremony, the CEO Hae-sun Lee announced 'Coway Trust' as the management policy in 2017 and three key words - innovation based on trust recovery, field value enhancement by the best product and service, and mutual growth with society.

Operate the “Cody Heart Service Experience Program” for all employees



As part of the Coway Trust campaign, Coway operates the “Cody Heart Service Experience Program” from January 10, 2017.

This program was organized to help all employees better understand business field and customers, and ultimately to win higher customer trust by developing customer-centered services and products.

Before the program, participants are required to be well-acquainted with basic process of the Heart Service by product (regular maintenance, etc.), and then to visit customers to gain indirect experience of the Heart Service. After the experience, they have interviews with Cody to identify improvement tasks by product, service, and Cody’s role.

This program will continue until June, in which all employees will participate gradually.

Hae-sun Lee, the CEO of Coway, said, “Understanding of business field and customer is essential before developing products that customers are able to trust and creating customer-friendly services. We will continue to implement field-centered programs to win higher customer trust.”

Kim, Seok-dong, former Chairman of the Financial Services Commission gave a special lecture at the “Coway Wi School.”



The "Coway Wi School" program is very well-received by young pre-entrepreneurs.

This program was prepared to support startups by capitalizing on Coway's unique one-man business cultivation capability. Currently, more than 20 thousand one-man companies called Cody, service specialist, and Bluebird, young sales specialist, are working in Coway.

About 100 young pre-entrepreneurs who were selected through the online application are participating in this program to be held twice a month until May 20, 2017.

Kim, Seok-dong, former Chairman of the Financial Services Commission gave a special lecture at the “Coway Wi School” which was held at the Coway headquarters in January 7. The lecture with the theme of “Korea’s Challenge toward New History and Future and the DNA of Korean People” gave young pre-entrepreneurs a sense of pride as Korean people.

In this program, a lot of professionals in the fields of business startup, marketing, and investment will provide participants with good ideas and insights for their business success.

Moreover, Coway plans to offer customized startup training, mentoring program led by startup masters, and management consulting needed for one-man companies.

Coway's air care products are gaining much attention at the "2017 CES"



Coway's air care products are highly recognized for innovativeness and practicality at the 2017 CES, getting a lot of attention from visitors and buyers.

Particularly, Coway's robot air purifier is recognized as an innovative and practical product in that it automatically monitors and manages the air pollution level by space in real time, taking visitors' eyes.

The "Air Mega," an air purifier equipped with Amazon's AI voice recognition platform Alexa and targeting North American market, also arrests much attention. When visitors say "turn on" or "indoor air quality," this product displays control methods and necessary information in real time.

Coway's air mattress is also one of popular products at the CES. Visitors are able to directly experience the movement of air cell. And the snoring care function that makes snoring stop by puffing out air cell is highly praised for innovativeness.

Hae-sun Lee, the CEO of Coway, said, "The CES gives us a good chance for demonstrating our technological competitiveness to the world. We will continue to focus on developing new products and services that can create customer value."

Showcasing innovative products and services at the 2017 CES



Coway participates in the "2017 CES (Consumer Electronics Show) to be held in Las Vegas from January 5 to 8 with the aim of showcasing its innovative products and care services centered on customer safety.

Coway's booth at the CES has the concept of "Care Station, a space for care and ease where Coway Trust is realized." It consists of water care zone (water purifier), air care zone (air purifier), body care zone (bidet), sleep care zone (mattress), and skin care zone (cosmetics). And a total of 23 innovative products and loCare-based customized solutions are showcased at the zones.

My Hanppyum Water Purifier loCare

At the CES, Coway showcases "My Hanppyum Water Purifier loCare (CHP-482L)" that ensures higher customer safety by combining Coway's "Korea Water Map" project and IoT technology. This product proposes tailored filter system based on water quality analysis result in the area, and allows customers to directly check filter system operation in real time through application.

Meanwhile, Coway started the Korea Water Map project to understand different water quality status by area and to establish nationwide water quality database by collecting and analyzing water throughout the nation. More than 20 thousand water quality information will be collected until the end of this year.

In addition, Coway introduces transparent water purifier for display at the CES in order to make visitors understand all water-purifying processes. Visitors are also able to identify self-sterilizing processes of water pipe, water tank, and faucet through LED light waves.

Robot Air Purifier and Air Mega

Coway's first robot air purifier finds out and treats indoor air pollution spaces for itself. Receiving a signal on air pollution from sensors, this product automatically moves to the space to purify polluted air.

The company also showcases the "Air Mega," an air purifier equipped with Amazon's AI voice recognition platform Alexa and targeting North American market at the CES. When visitors say "turn on" or "indoor air quality," this product displays air control methods and necessary information in real time.

Coway plans to introduce innovative products equipped with AI-based voice recognition function to the domestic market in the future ...

Air Mattress

Coway's air mattress ensures a restful sleep and right sleeping habits in line with the results of analyzing users' body type, body pressure, and sleeping pattern, contributing to the improvement of customers' quality of life.

In addition, this mattress is an innovative product for customers who are suffering from snoring. When a user starts snoring, this mattress puffs out air cell around neck and shoulders to give soft stimulus, helping stop snoring and have a restful sleep.

Care Consulting Service

Coway offers care solutions to form healthy habits by combining data on water-drinking volume (water purifier), indoor and outdoor air quality information (air purifier), basic health condition (bidet), and sleeping pattern (mattress).

"Our showcase at the CES will be a precious chance to help customers experience their future daily lives to be brought by Coway's innovative products and services beyond just a technology showcase. We will continue to take the lead of health appliances business by combining our customer care capability and innovative technologies.", Hae-sun Lee, the CEO of Coway said.

Held the “2017 Trust Partners Day” event for shared growth

- Released a slogan for shared growth and signed an agreement on fair trade
- Supported suppliers through “Mutual Growth Fund” and “Good Trust Council 2.0” in the previous year



Coway invited its suppliers’ employees to the “2017 Trust Partners Day” event which was held at the Westin Chosun Hotel on January 24, 2017.

This event was prepared to share mutual growth performances in the previous year with suppliers and promote shared growth with them, in which more than 140 suppliers’ employees.

At the event, Coway proclaimed “COWAY TRUST WITH PARTNERS” as its shared growth slogan for 2017. The Company also made an agreement on fair trade with 150 1st- tier and 2nd-tier suppliers with the aim of creating sustainable manufacturing ecosystem.

Coway has operated diverse programs to pursue shared growth with its suppliers.

The “Mutual Growth Fund” was launched in 2011 to help suppliers secure financial soundness. A total of KRW 20 billion has been raised in connection with financial institutions to loan suppliers in low interest rate.

The “Good Trust Council 2.0” is Coway’s representative mutual growth program. Major activities are “Smart Factory Education Course” and “Mutual Growth Renovation.” The former is to give suppliers’ CEOs special lectures from smart factory professionals four times a year, while the latter is to make suppliers identify two renovation tasks a year and support facility investments and consulting service to help them achieve the tasks.

In addition, the “CEO MBA Program” provides suppliers’ CEOs with opportunities to learn comprehensive knowledge for corporate management twice a year. Until now, CEOs of 198 suppliers have completed this program.

Meanwhile, Coway was awarded the best rating at the “2015 Shared Growth Index Evaluation” from the Korea Commission for Corporate Partnership, which was the company’s third consecutive title.