

Notice of the Acquisition of Cosmo Science Inc., a Contract Manufacturer of Vacuum Equipment

Ferrotec Holdings Corporation (Representative Director: He Xian Han; hereinafter “the Company”) announces that on, March 16, we concluded a contract for acquiring 100% of the shares of Cosmo Science Inc. (Headquarters: Hiratsuka City, Kanagawa Prefecture; Representative Director: Akinori Matsuo; hereinafter “Cosmo Science”), a contract manufacturer of vacuum equipment for semiconductor and FPD manufacturing equipment manufacturers, through our consolidated subsidiary, Ferrotec Material Technologies Corporation (Representative Director: Naoyasu Yorita; hereinafter “FTMT”), and completed the acquisition of said shares on April 3.

1. Purpose of this transaction

As a core product in the semiconductor equipment-related business segment, the Company manufactures vacuum feedthroughs for semiconductor manufacturing equipment at FTMT and the subsidiaries of the Company in the United States, China, and other countries, and has occupied a top-class global market share. In addition, the Company undertakes the business of undertaking the processing of metal for vacuum chambers, robot parts and other products for semiconductor manufacturing equipment, mainly at the subsidiaries of the Company in China and the United States. From the viewpoint of further growth and the dispersion of geopolitical risks, the Company has been planning the “reshoring manufacturing to Japan.” Under such circumstances, the Company has an urgent need to improve our production capacity, development capabilities, and technological capabilities in Japan, in response to increasing demand in the metal processing business for semiconductor manufacturing equipment.

Cosmo Science is a contract manufacturer of vacuum equipment for semiconductor and FPD manufacturing equipment manufacturers, and is highly evaluated by its customers for its technology in vacuum equipment design, metal processing and assembly. Through this acquisition, the Company aims to strengthen our metal processing business for semiconductor equipment in Japan, and by linking it with our global sales network and production bases, the Company will aggressively capture the demand for contract metal processing services for semiconductor manufacturing equipment, which is expected to grow, with the aim to grow our semiconductor equipment-related business and improve our corporate value.

2. Overview of the acquired company

(1)	Name	Cosmo Science Inc.	
(2)	Address	7-3-10 Shinomiya, Hiratsuka City, Kanagawa Prefecture	
(3)	Title and name of representative	Akinori Matsuo, Representative Director	
(4)	Contents of business	1. Design, processing, assembly, wiring, repair and sale of vacuum machinery 2. Development, design, manufacturing and sale of computer software and hardware 3. Steel structure processing 4. Development, design, manufacturing and sale of semiconductor manufacturing equipment, etc.	
(5)	Capital	10 million yen	
(6)	Date of establishment	December 12, 1984	
(7)	Major shareholders and shareholding ratio	Akinori Matsuo: 70% Kishiko Matsuo: 30%	
(8)	Relationship between Cosmo Science and the Company	Capital relationship	Nothing is applicable.
		Personnel relationship	Nothing is applicable.
		Business relationship	Nothing is applicable.

3. Overview of FTMT

(1)	Name	Ferrotec Material Technologies Corporation (FTMT)
(2)	Address	2-3-4 Nihonbashi, Chuo City, Tokyo
(3)	Title and name of	Naoyasu Yorita, Representative Director

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	representative		
(4)	Contents of business	Manufacture and sale of semiconductor equipment-related products, electronic devices, etc.	
(5)	Capital	485.5 million yen	
(6)	Date of establishment	December 1, 1989	
(7)	Major shareholder and shareholding ratio	Ferrotec Holdings Corporation: 100%	
(8)	Relationship between FTMT and the Company	Capital relationship	A wholly-owned consolidated subsidiary of the Company
		Personnel relationship	A director of the Company concurrently serves as a director of the subsidiary.
		Business relationship	Purchase agency business, debt guarantee and lending of funds

4. Percentage of equity interest acquired and status of equity held before and after the acquisition

(1)	Capital contribution and shareholding ratio before the transfer	0 yen/0.0% (Number of voting rights: 0) (Voting right ownership ratio: 0%)
(2)	Capital contribution and shareholding ratio after the transfer	10 million yen/100% (Number of voting rights: 200) (Voting right ownership ratio: 100%)

Note: The acquisition cost of the equity interest will not be disclosed based on discussions with the counterparty. However, in calculating the acquisition value, appropriate due diligence was conducted by a third-party organization and a reasonable amount was calculated and determined through mutual consultation.

5. Future outlook

The impact on the business performance in this fiscal year through this matter is expected to be minor. However, we will promptly disclose relevant items as soon as they are confirmed.