

May 30, 2025

(Progress of a Disclosed Item) Notice of “Conformity” of the Merger between Our Chinese Subsidiary Operating the Parts Cleaning Business (FTSVA) and a Subsidiary Manufacturing Power Semiconductor Substrates (FLH) after Review

Ferrotec Holdings Corporation (Representative Director: He Xian Han; hereinafter “the Company”) announces that on May 29, 2025, the 5th Review Meeting of the Review Committee for M&A and Restructuring of the Shenzhen Stock Exchange was held, and it was judged that the merger between Ferrotec (Anhui) Technology Development Co., Ltd. (hereinafter “FTSVA”), a consolidated subsidiary of the Company listed on the ChiNext of the Shenzhen Stock Exchange, and Jiangsu Ferrotec Semiconductor Technology Co., Ltd. (hereinafter “FLH”), a subsidiary manufacturing insulated heat-dissipating substrates for power semiconductors, complies with “conditions for restructuring and requirements for information disclosure,” and it was disclosed on May 29, 2025.

This will be the first restructuring of a company listed on the Shenzhen Stock Exchange since September 2023.

Furthermore, this information will be disclosed as progress following (Progress of a Disclosed Item) Notice of the Acceptance of an “Application for Restructuring of Important Assets” of Our Chinese Subsidiary Operating the Parts Cleaning Business (FTSVA) by Shenzhen Stock Exchange, which was disclosed on January 27, 2025.

1. Overview of subsidiaries**(1) FTSVA as of March 31, 2025**

(1)	Name	Ferrotec (Anhui) Technology Development Co., Ltd. (FTSVA)	
(2)	Address	18 Nanhai Road, Jinqiao Economic Development Zone, Tongling City, Anhui Province, People’s Republic of China	
(3)	Title and name of representative	He Xian Han, Representative Director	
(4)	Contents of business	High purity process tool parts cleaning service for semiconductors and FPDs	
(5)	Capital	338,390,000 yuan (approx. 6.8 billion yen) (1 Chinese yuan = 20.01 yen)	
(6)	Date of establishment	December 26, 2017	
(7)	Major shareholders and shareholding ratio		Shareholding ratio
		Shanghai Shenhe Investment Co., Ltd. (FTS)	50.24%
(8)	Relationship between FTSVA and the company	Capital relationship	FTSVA is a subsidiary, 50.24% of whose voting rights are held by FTS, which is a consolidated subsidiary of the Company.
		Personnel relationship	Representative Director of the Company concurrently serves as the director of FTSVA.
		Business relationship	None applicable

(2) FLH as of March 31, 2025

(1)	Name	Jiangsu Ferrotec Semiconductor Technology Co., Ltd. (FLH)	
(2)	Address	No.18 Hongda Road, Chengdong New District, Dongtai City, Jiangsu Province, People’s Republic of China	
(3)	Title and name of representative	He Xian Han, Representative Director	
(4)	Contents of business	Manufacture and sale of power semiconductor substrates	
(5)	Capital	417,074,000 yuan (approx. 8.3 billion yen) (1 Chinese yuan = 20.01 yen)	
(6)	Date of establishment	March 16, 2018	
(7)	Major shareholders and shareholding ratio		Shareholding ratio
		Shanghai Shenhe Investment Co., Ltd. (FTS)	55.11%
(8)	Relationship between FLH and the company	Capital relationship	FLH is a subsidiary, 55.11% of whose voting rights are held by FTS, which is a consolidated subsidiary of the Company.

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		Personnel relationship	Representative Director of the Company concurrently serves as the director of FLH.
		Business relationship	None applicable

2. Schedule (plan)

November 25, 2024	Shareholders of FTSVA and FLH (FTS, etc.) entered into an agreement for the transfer of shares of FLH.
December 31, 2024	FTSVA shareholders' general meeting was held.
January 27, 2025	Application to the Shenzhen Stock Exchange accepted.
May 29, 2025	Completion of review by the Review Committee for M&A and Restructuring of the Shenzhen Stock Exchange: Conformity confirmed.
In 2025	Issuance of new shares/convertible bonds, transfer of shares will become effective.

3. Future outlook

To realize this matter, it is necessary to obtain approval for registration from the China Securities Regulatory Commission (CSRC); however, there is uncertainty as to whether registration will be realized. The Company will disclose information in a timely manner depending on the progress of this matter.

In addition, the impact of this matter on the Company's business performance for the current fiscal year will depend on factors such as the pricing of shares of FTSVA on the ChiNext, but it has not been decided at this point. We will promptly disclose relevant items as soon as they are confirmed.

4. Notes

For further information on this matter, please refer to "Notice of the Start of Discussions about the Acquisition of Shares of a Subsidiary Manufacturing Power Semiconductor Substrates by Our Chinese Subsidiary Operating the Parts Cleaning Business" disclosed on October 17, 2024, and "(Progress of a Disclosed Item) Notice of the Acquisition of Shares in a Subsidiary Manufacturing Power Semiconductor Substrates (FLH) by Our Chinese Subsidiary Operating the Parts Cleaning Business (FTSVA)" disclosed on November 26, 2024.

This document is a disclosure for public announcement in relation to preparations to reorganize our consolidated subsidiary called Ferrotec (Anhui) Technology Development Co., Ltd. We did not prepare this document to solicit any kind of investment or for any similar activities. In addition, no part of this document should form or be relied on as the basis of contracts, promises or investment decisions relating to China, Japan, the United States and other regions. Accordingly, this document does not constitute or intend to be an offer for or a solicitation to acquire stocks or securities in any jurisdiction including the United States. It is not possible to offer and sell securities without registration or exemption from registration in the United States. The purchase of securities through public offering should be done based only on information included in the final offering memorandum or prospectus relating to those securities. Our subsidiary does not intend to make a public offering of securities in the United States at the present time.