

February 12, 2026

**Notice of the Capital Investment (Establishment of a New Factory)
and Establishment of New Companies (including Specified Subsidiaries) in Beijing, China**

Ferrotec Corporation (Representative Director: He Xian Han; hereinafter “the Company”) hereby announces that, at the meeting of Board of Directors held on February 12, 2026, it resolved to build a new factory and establish new companies to operate the factory business in Beijing, China by investing 540 million yuan (about 12.2 billion yen). Details are as follows

1. Background behind capital investment

- It is expected that demand for semiconductors will rise significantly owing to the current enormous investment in generative AI and the increasing demand for high-performance semiconductor-based devices. Under these circumstances, the semiconductor industry in China, in particular, is booming rapidly because of the large Chinese market and the support by the Chinese government for promoting domestic semiconductor production.
- In response to changes in the procurement policies of our major clients in Europe and the United States, we are securing our production capacity outside China while adapting our existing manufacturing site in China, such as by adjusting production capacity and product lineups, to serve domestic demand in the Chinese market. However, Chinese-owned manufacturers of semiconductor manufacturing equipment are growing rapidly, and we believe that there are significant opportunities for us to capture additional demand, and we recognize the need to enhance our current production capacity. In order to capture this demand, we believe that securing an appropriate site location is also important to strengthen our proximity and responsiveness to customers.
- By establishing a new production site in Beijing, where several leading semiconductor manufacturing equipment manufacturers are located, and has not been covered by our existing facility network, we aim to further capture domestic demand in China. In addition to product supply, we will enhance our engagement with customers by providing comprehensive support, ranging from research and development to factory operations.
- The specific business activities will consist of parts cleaning, metal contract processing, and ceramics, and we will establish three new companies to operate each of the businesses. Among them, the subsidiaries engaging in parts cleaning and metal contract processing will qualify as specified subsidiaries, and we hereby announce this accordingly. In addition, the new company for parts cleaning is expected to receive external capital investment, for which discussions are currently underway.

2. Overview of capital investment

(1)	Services offered	Parts cleaning, metal contract processing, and ceramics
(2)	Investment amount and allocation of funds	540 million yuan (approx. 12.2 billion yen) *1 Chinese yuan = 22.57 yen [Breakdown] Parts cleaning: 300 million yuan (approx. 6.8 billion yen) Metal contract processing: 160 million yuan (approx. 3.6 billion yen) Ceramics: 80 million yuan (approx. 1.8 billion yen)
(3)	Factory area	Site area: Approx. 28,000 m ² Building area: Approx. 27,500 m ² [Breakdown] Parts cleaning: approx. 13,300 m ² ; Metal contract processing: approx. 5,000 m ² ; ceramics: approx. 4,000 m ² ; offices, etc.: approx. 5,200 m ²
(4)	Schedule (plan)	Start of construction: March 2026 Completion of construction of a building: December 2026 Completion of equipment installation: March 2027
(5)	Scheduled start of operation	June 2027

3. Overview of new subsidiaries

1) Subsidiary for parts cleaning (specified subsidiary)

(1)	Name	Ferrotec Technology Development (Beijing) Co., Ltd.	
(2)	Address	Jingsheng South 6 th Street, Tongzhou District, Beijing	
(3)	Title and name of representative	He Xian Han, Representative Director	
(4)	Contents of business	Precision cleaning of manufacturing equipment components, recycling service, etc.	
(5)	Capital	300 million yuan (approx. 6.8 billion yen) *1 Chinese yuan = 22.57 yen	
(6)	Date of establishment	February 2026 (planned)	
(7)	Major shareholders and shareholding ratio	Shareholder	Shareholding ratio
		Ferrotec (Anhui) Technology Development Co., Ltd. (FTSVA)	70.0%
		External capital (coordinating)	30.0%
(8)	Relationship between the subsidiary and the companies	Capital relationship	Ferrotec Technology Development (Beijing) Co., Ltd. is a subsidiary, 70.0% of whose voting rights are held by FTSVA, a consolidated subsidiary of the Company.
		Personnel relationship	The Director of the Company concurrently serves as director of the subsidiary.
		Business relationship	Nothing is applicable.

2) Subsidiary for metal contract processing (specified subsidiary)

(1)	Name	Beijing Leading Precision Machinery Co., Ltd.	
(2)	Address	Jingsheng South 6 th Street, Tongzhou District, Beijing	
(3)	Title and name of representative	He Xian Han, Representative Director	
(4)	Contents of business	Metal contract processing, etc.	
(5)	Capital	160 million yuan (approx. 3.6 billion yen) *1 Chinese yuan = 22.57 yen	
(6)	Date of establishment	February 2026 (planned)	
(7)	Major shareholder and shareholding ratio	Hangzhou Dahe Thermo-Magnetics Co., Ltd. (FTH): 100%	
(8)	Relationship between the subsidiary and the company	Capital relationship	A wholly-owned consolidated subsidiary of the Company
		Personnel relationship	The Director of the Company concurrently serves as director of the subsidiary.
		Business relationship	Nothing is applicable.

3) Subsidiary for ceramics

(1)	Name	Beijing Ferrotec Semiconductor Material Technology Co., Ltd.	
(2)	Address	Jingsheng South 6 th Street, Tongzhou District, Beijing	
(3)	Title and name of representative	He Xian Han, Representative Director	
(4)	Contents of business	Processing and manufacturing of ceramics and other services	
(5)	Capital	80 million yuan (approx. 1.8 billion yen)	

		*1 Chinese yuan = 22.57 yen	
(6)	Date of establishment	February 2026 (planned)	
(7)	Major shareholder and shareholding ratio	Hangzhou Dahe New Material Technology Co., Ltd. (FTHC): 100%	
(8)	Relationship between the subsidiary and the company	Capital relationship	A wholly-owned consolidated subsidiary of the Company
		Personnel relationship	The Director of the Company concurrently serves as director of the subsidiary.
		Business relationship	Nothing is applicable.

4. Overview of subsidiaries leading each business

1) Subsidiary for parts cleaning as of December 31, 2025

(1)	Name	Ferrotec (Anhui) Technology Development Co., Ltd.	
(2)	Address	No. 18 Nanhai Road, Yian Economic Development Zone, Yian, Tongling, Anhui, 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 and manufacturing of power semiconductor substrates	
(5)	Capital	743,187,000 yuan (approx. 16.7 billion yen) *1 Chinese yuan = 22.57 yen	
(6)	Date of establishment	December 26, 2017	
(7)	Major shareholder and shareholding ratio	Shanghai Shenhe Investment Co., Ltd. (FTS): 52.7%	
(8)	Relationship between the subsidiary and the company	Capital relationship	Ferrotec (Anhui) Technology Development Co., Ltd. is a subsidiary, 52.7% of whose voting rights are held by FTS, a consolidated subsidiary of the Company.
		Personnel relationship	The Director of the Company concurrently serves as director of the subsidiary.
		Business relationship	Nothing is applicable.

2) Subsidiary for commissioned metal processing as of December 31, 2025

(1)	Name	Hangzhou Dahe Thermo-Magnetics Co., Ltd.	
(2)	Address	No. 777 Binkang Road, Binjiang, Hangzhou, Zhejiang, People's Republic of China	
(3)	Title and name of representative	He Xian Han, Representative Director	
(4)	Contents of business	Semiconductor equipment-related business, electronic device business, etc.	
(5)	Capital	1,711 million yuan (approx. 38.6 billion yen) *1 Chinese yuan = 22.57 yen	
(6)	Date of establishment	January 31, 1992	
(7)	Major shareholder and shareholding ratio	Ferrotec Corporation: 100%	
(8)	Relationship between the subsidiary and the company	Capital relationship	A wholly-owned consolidated subsidiary of the Company
		Personnel	The Director of the Company concurrently serves as director

	relationship	of the subsidiary.
	Business relationship	Nothing is applicable.

3) Subsidiary for ceramic as of December 31, 2025

(1)	Name	Hangzhou Dahe New Material Technology Co., Ltd.	
(2)	Address	No. 6515 Jiangdong 3 rd Road, Qiantang, Hangzhou, Zhejiang, People's Republic of China	
(3)	Title and name of representative	He Xian Han, Representative Director	
(4)	Contents of business	Processing and manufacturing of ceramics and other services	
(5)	Capital	310 million yuan (approx. 7 billion yen) *1 Chinese yuan = 22.57 yen	
(6)	Date of establishment	July 18, 2014	
(7)	Major shareholder and shareholding ratio	Hangzhou Dahe Thermo-Magnetics Co., Ltd.: 100%	
(8)	Relationship between the subsidiary and the company	Capital relationship	A wholly-owned consolidated subsidiary of the Company
		Personnel relationship	The Director of the Company concurrently serves as director of the subsidiary.
		Business relationship	Nothing is applicable.

5. Future outlook

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