

April 15, 2026

**Notice of the Disposal of Treasury Stocks as Restricted Stock Units (RSUs)**

Ferrotec Corporation (Representative Director: He Xian Han; hereinafter “the Company”) announces that, at the meeting of Board of Directors held today, we have resolved to dispose of treasury stocks as Restricted Stock Units (hereinafter “RSUs”) granted pursuant to the stock-based compensation plan under which shares are delivered after right allotment conditions are satisfied (hereinafter the “disposal of treasury stocks”). Details are as follows.

**1. Summary of disposal**

(1)	Payment date	May 14, 2026
(2)	Type and number of shares to be disposed of	5,169 shares of our common shares
(3)	Disposal price	6,930 yen per share
(4)	Total disposal price	35,821,170 yen
(5)	Allottees	5,169 shares will be allotted to 6 employees of the Company’s subsidiary located outside Japan.
(6)	Others	No documents have been submitted under the Financial Instruments and Exchange Act, as the disposal of treasury stocks is an overseas offering to six employees of the Company’s subsidiary in the U.S. and the total disposal amount is less than 100 million yen.

**2. Purpose and reason for disposal**

In January 2023, we introduced a stock-based compensation plan under which shares are delivered after right allotment conditions are satisfied (hereinafter the “Plan”) as an incentive plan for employees of our group, primarily toward employees of the Company and our subsidiaries.

The Plan grants employees of the Company and our subsidiaries the right to receive a predetermined number of shares of our common shares (hereinafter the “Company’s shares”), under some conditions, including a certain period of continuous employment. It also sets out (1) restrictions on the transfer or other disposal of such rights from the date of RSUs grant until the issuance of the Company’s shares, and (2) reasons for the loss of such rights, such as retirement and non-compliance.

In March 2023, the Company granted RSUs under the Plan to the employees of our subsidiary Ferrotec (USA) Corporation (hereinafter “granted RSUs”). Through the partial vesting of granted RSUs, the disposal of treasury stocks will be carried out through the issuance of the Company’s shares based on the resolution by the Board of Directors of the Company held today to pay a total of 35,821,170 yen in monetary compensation claims to eligible grantees, who will contribute all of such monetary compensation claims in kind.

The Company’s shares to be issued through the disposal of treasury stocks are not subject to any transfer restrictions or other charges or limitations.

This document has been translated from the Japanese original. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

<Overview of the Plan>

(1) Eligibility

Employees of the Company and directors, executive officers and employees of our subsidiaries (hereinafter the “eligible grantees”)

(2) Overview of RSUs

The RSUs granted under the Plan are stock-based compensation in which we grant a predetermined number of units to the eligible grantees in advance and provide them with the number of the Company’s common shares that is determined according to their continued service period.

(3) Method and timing of issuance of the Company’s shares

Based on the resolution by the Board of Directors, on each vesting date, we shall allot the Company’s common shares corresponding to the number of units to be vested (one share per unit) in exchange for the payment in kind of all of the monetary compensation claims paid to the eligible grantees, under the condition of continuous service.

The payment amount per share of the granted RSUs is the closing price of the Company’s shares on the Tokyo Stock Exchange on the business day immediately prior to the date of the resolution by the Board of Directors regarding the issuance of the Company’s common shares (or, if no transaction is made on that day, the closing price on the most recent trading day prior thereto).

(4) Handling at the time of retirement

The vesting of the units shall be made, in principle, under the condition that the eligible grantees are employees of the Company or directors, executive officers and employees of our subsidiaries at the time of the vesting. However, even if the eligible grantees lose their position prior to the vesting of the units, in the event of loss of positions due to causes predetermined by the Board of Directors of the Company, the number of the Company’s common shares to be issued and the timing of the issuance may be adjusted by the method determined by the Board of Directors of the Company.

**3. Basis for and details of calculation of the payment amount**

The disposal price for the disposal of treasury stocks will be paid with the contribution assets comprising monetary claims provided to the allottees, and in order to eliminate arbitrariness, the payment price will be set at 6,930 yen, which is the closing price of the Company’s common shares on the Tokyo Stock Exchange on April 14, 2026 (the business day before the Board of Directors’ resolution). This is the market share price immediately prior to the date of the resolution by the Board of Directors, and we believe that it is a reasonable price that appropriately reflects our corporate value without being particularly advantageous for any of the allottees.

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