

**(Correction of a Disclosed Item) (Progress of a Disclosed Item)**  
**Notice of the Acquisition of Shares in a Subsidiary Manufacturing Power Semiconductor Substrates (FLH) by Chinese Subsidiary Operating the Parts Cleaning Business (FTSVA)**

The Company hereby corrects an error in the information disclosed in “(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)” that was disclosed on November 26, 2024.

**(Before correction)** Corrections are underlined>.

1. Matters resolved at the Board of Directors’ meeting today  
Omitted.

2. Regarding the Transaction: See Appendix for a post-transfer capital structure chart and an acquisition structure.

(1)	Details of the Transaction	<ul style="list-style-type: none"> <li>To conclude a share transfer agreement for FTSVA to purchase FLH’s shares and to issue and deliver FTSVA’s shares and FTSVA’s convertible bonds (CBs) to shareholders of FLH</li> <li>A public offering of shares by FTSVA</li> <li>To conclude a profit indemnity agreement with FTSVA in relation to the transfer of FLH’s shares by FTS</li> </ul>																				
		(2)	Valuation of FLH’s shares	6.55 billion yuan (approx. 140.3 billion yen) *The share valuation was performed by a third-party, Jin Zheng (Shanghai) Asset Valuation Co., Ltd., a major certified valuation company.																		
(3)	Issuance of FTSVA’s convertible bonds	Issue price	16.3 yuan (approx. 349 yen) (Not less than 80% of the market reference price in accordance with the exchange market regulations. Market reference price = 80% of the average in the 20 days before the Board of Directors’ meeting of FTSVA in October)																			
		Bond maturity	4 years from the date of issuance																			
		Interest rate	0.01%																			
		Mandatory conversion	If the closing price of the listed company’s shares for at least 20 of the 30 consecutive trading days does not drop below 150% of the share conversion price for the applicable fiscal year, the Board of Directors of the listed company may submit a mandatory conversion proposal for a vote at the general meeting of shareholders after 12 months from the closing date of the convertible bond issuance.																			
(4)	Delivery of shares and convertible bonds		<table border="1"> <thead> <tr> <th rowspan="2">Recipient</th> <th rowspan="2">Subjects of the transaction</th> <th colspan="2">Payment method (million yuan)</th> </tr> <tr> <th>Consideration in Shares</th> <th>Consideration in CBs</th> </tr> </thead> <tbody> <tr> <td>FTS</td> <td>FLH’s shares 55.11%</td> <td>3.61 billion yuan (approx. 77.3 billion yen)</td> <td></td> </tr> <tr> <td>Other shareholders</td> <td>FLH’s shares 44.89%</td> <td>2.58 billion yuan (approx. 55.3 billion yen)</td> <td>360 million yuan (approx. 7.7 billion yen)</td> </tr> <tr> <td>Total</td> <td>100% FLH’s shares</td> <td>6.19 billion yuan (approx. 132.6 billion yen)</td> <td>360 million yuan (approx. 7.7 billion yen)</td> </tr> </tbody> </table>		Recipient	Subjects of the transaction	Payment method (million yuan)		Consideration in Shares	Consideration in CBs	FTS	FLH’s shares 55.11%	3.61 billion yuan (approx. 77.3 billion yen)		Other shareholders	FLH’s shares 44.89%	2.58 billion yuan (approx. 55.3 billion yen)	360 million yuan (approx. 7.7 billion yen)	Total	100% FLH’s shares	6.19 billion yuan (approx. 132.6 billion yen)	360 million yuan (approx. 7.7 billion yen)
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(5) Public offering of shares	Amount to be offered	Up to 782,593,800 million yuan (approx. 16.8 billion yen)													
	Purposes of use of funds	<ul style="list-style-type: none"> <li>Development of high-performance silicon nitride ceramic substrates (for AMB substrates)</li> <li>Production of ceramics for high-thermal-conductivity DPC substrates, etc.</li> </ul>													
	Remarks	<ul style="list-style-type: none"> <li>At present, the number of shares to be issued and dilution ratio have not been determined, as they are within the above offered amount.</li> </ul>													
(6) Profit indemnity agreement	Contract summary	If FLH's actual profit for the three-year period is less than the promised profit amount for the same period, FTS will reimburse FTSVA by repurchasing the shares whose number is calculated with the prescribed formula.													
	Calculation formula	$\frac{\text{Amount to be compensated for the applicable fiscal year} = (\text{Cumulative committed net profit up to the end of the applicable fiscal year} - \text{Cumulative actual net profit up to the end of the applicable fiscal year}) / \text{Total committed net profit for each year within the compensation period} - \text{Cumulative amount already Compensated (if any)}}{\text{Number of shares to be compensated for the applicable fiscal year} = \text{Amount to be compensated for the applicable fiscal year} / \text{Issue price of the shares issued in this transaction}}$													
	Procedure	In the event that FTS must pay compensation in shares, FTSVA will hold a general meeting of shareholders, at which FTSVA will repurchase and retire the shares to be compensated by FTS for the applicable year at the total price of 1.00 yuan.													
	Provisions for force majeure clauses	These include, but are not limited to, floods, fires, typhoons, earthquakes, strikes, riots, wars, national laws, and policy adjustments.													
(7) Change in FTS investment ratio after the Transaction	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">Current status: FTS investment ratio</td> <td style="text-align: center;">⇒</td> <td style="text-align: center;">After the Transaction: FTS investment ratio</td> </tr> <tr> <td style="text-align: center;">FTSVA</td> <td style="text-align: center;">50.24%</td> <td></td> <td style="text-align: center;">51.46%※</td> </tr> <tr> <td style="text-align: center;">FLH</td> <td style="text-align: center;">55.11%</td> <td></td> <td style="text-align: center;">—</td> </tr> </table> <p>*The investment ratio may change slightly due to changes in the number of shares to be issued through public offering.</p>				Current status: FTS investment ratio	⇒	After the Transaction: FTS investment ratio	FTSVA	50.24%		51.46%※	FLH	55.11%		—
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(8) Remarks	<ul style="list-style-type: none"> <li>It has been confirmed with the local law firm that there are no legal issues with the scheme for the Transaction.</li> <li>According to exchange regulations, performance compensation (the conclusion of the aforementioned profit indemnity agreement) is a prerequisite for the Transaction to be fulfilled. This means that if FLH's performance is below the anticipated level, FTS, the controlling shareholder, will solely bear the risk.</li> </ul>														

\*1 Chinese yuan = 21.42 yen

\*For further details, please refer to the website of the Shenzhen Stock Exchange in China.

<https://www.szse.cn/certificate/individual/index.html?code=301297>

3. The Company's views on the Transaction  
Omitted.
4. Schedule (tentative)  
Omitted.
5. Overview of subsidiaries  
Omitted.
6. Outlook  
Omitted.

(After correction) Corrections are underlined.

1. Matters resolved at the Board of Directors' meeting today  
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