

October 17, 2019

**Notice of Merger between Our Subsidiaries and  
Change of Company Name of Surviving Company**

Ferrotec Holdings Corporation announces that our wholly-owned subsidiaries Ferrotec Ceramics Corporation (hereinafter "FTC") and ADMAP Inc. (hereinafter "ADMAP") have decided to merge on January 1, 2020, as the effective date.

1. Purpose of the merger

Through the merger between FTC, which is engaged in the ceramics business, and ADMAP, which is engaged in the CVD-SiC business, the two companies will maximize their technological and management resources, strengthen their ability to respond to customers' needs and develop products, to promote the development and growth of ceramics and CVD-SiC businesses.

2. Outline of the merger

(1) Schedule

Resolution of the Board of Directors (of parties to the merger) and conclusion of merger agreement	October 17, 2019
Shareholders Meeting for approving the merger	October 25, 2019 (planned)
Announcement period of merger	October 28, 2019-November 28, 2019 (planned)
Effective date	January 1, 2020 (planned)

(2) Method of the merger

This is an absorption-type merger method in which FTC is the surviving company.

(3) Details of allocation related to merger

There is no allocation of shares or money due to this merger.

(4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights of merged company

ADMAP does not issue stock acquisition rights or bonds with stock acquisition rights.

(5) Change of company name of surviving company

We will change the company name of FTC to Ferrotec Material Technologies Corporation.

3. Profiles of parties to the merger

	Surviving company	Merged company
(1) Name	Ferrotec Ceramics Corporation	ADMAP Inc.
(2) Location	3-4, Nihonbashi 2-chome, Chuo-ku, Tokyo	16-2, Tamahara 3-chome, Tamano-shi, Okayama
(3) Job Title/Name of Representative	Shiro Tsuda, President and Representative Director	Yasuaki Matsuda, President and Representative Director
(4) Description of Businesses	Manufacture and sales of ceramics products	Manufacture and sales of CVD-SiC products
(5) Date of establishment	December 1, 1989	July 1, 1996
(6) Shareholders and percentage of voting rights held	Our Company 100%	Our Company 100%
(7) Fiscal year end	December 31	December 31

(8) Operating results and financial position for the most recent fiscal year (FY12/18)

(Million yen)

	Ferrotec Ceramics Corporation	ADMAP Inc.
Net assets	3,708	1,249
Total assets	6,929	2,348
Net sales	7,834	2,788
Operating income	674	72
Net income	453	4

4. Status after the merger (planned for January 1, 2020)

	Surviving company
(1) Name	Ferrotec Material Technologies Corporation
(2) Location	3-4, Nihonbashi 2-chome, Chuo-ku, Tokyo
(3) Job Title/Name of Representative	Yasuaki Matsuda, President and Representative Director Shiro Tsuda, Representative Director and Executive Vice President Hirohisa Ishizaki Representative Director and Executive Vice President
(4) Description of Businesses	Manufacture and sales of ceramics and CVD-SiC products
(5) Capital stock	485,500,000 yen
(6) Shareholders and percentage of voting rights held	Ferrotec Holdings Corporation: 100%
(7) Fiscal year end	December 31

5. Future Outlook

This is a merger of consolidated subsidiaries in which we have a 100% stake, and the impact on our consolidated results are minimal.