

January 17, 2020

Notice of the Business Alliance

Ferrotec Holdings Corporation announces that, at the Board of Directors' meeting held on January 17, 2020, the Company resolved to enter into a business alliance agreement with Advantage Advisers, Inc. (hereinafter "Advantage Advisers").

1. Purpose of business alliance

In the electronics industry, the Group aims to become a global company that, while mainly developing business in areas related to semiconductors such as vacuum feedthroughs and quartz products, also expands into elemental technologies not only in the electronics industry but also in manufacturing, and provides high quality products with international competitiveness worldwide at internationally competitive prices. In the electronics industry to which we belong, technology is developing at an exponential pace, and we need to respond to changes that exceed conventional needs. In this environment, in order for the Group to maintain stable growth, it is urgently necessary both to expand our existing products and to foster new product businesses. Given this background, and as described in the "Announcement of the Second Issue of Unsecured Convertible Bonds with Stock Acquisition Rights through Third Party Allotment" released today, we will receive not just funding but also management support. We have selected Advantage Advisers, which has a proven track record of providing strategic advice to several listed companies, as a potential recipient of these services and which we think will be able to enhance our corporate value. The Company has issued convertible bonds with stock acquisition rights for the fund serviced by Advantage Advisers and has entered into a business alliance agreement with the company. Making use of the know-how we receive from Advantage Advisers, we will conduct an assessment of various measures to improve our business performance and act positively to ensure that we implement them steadily and consistently.

2. Details of business alliance

Our company will receive the following support from Advantage Advisers:

As described in the "Announcement of the Second Issue of Unsecured Convertible Bonds with Stock Acquisition Rights through Third Party Allotment" released today, the Company will allocate, for the funds provided by Advantage Advisers, a second unsecured convertible bonds with stock acquisition rights.

<Details of business support>

- (1) New business development support
- (2) M&A / business alliance support
- (3) Profit optimization support
- (4) Productivity improvement support
- (5) Organizational base reinforcement support

We plan to increase our corporate value and to achieve sustainable growth by means of these support initiatives.

3. Outline of partners for business alliance

(1) Name	Advantage Advisers, Inc.	
(2) Location	Toranomom Towers Office, 1-28, Toranomom 4-chome, Minato-ku, Tokyo	
(3) Status and name of representative	Taisuke Sasanuma, Representative Director	
(4) Business	Management consultant business	
(5) Capital	500,000 yen	
(6) Established	January 5, 2018	
(7) Major shareholders and percentage of shares held	Advantage Partners (H.K.) Limited 100%	
(8) Relationships with our company	Business relationships	Not applicable.
	Personal relationship	Not applicable.
	Business relationship	Not applicable.
	Related party information	Not applicable.
(9) Consolidated operating results and financial position of the company for the last three years	We refrain from disclosing this information at the request of our business partners.	

4. Schedule

(1) Date of resolution of the Board of Directors regarding business alliance	January 17, 2020
(2) Date of conclusion of the business alliance agreement	January 17, 2020
(3) Start date of business alliance	February 4, 2020 (Planned)

5. Future outlook

We believe that the impact of this agreement on our consolidated results for the fiscal year ending March 2020 is immaterial. However, in light of the facts, we will promptly notify you of any issues that need to be disclosed.