

May 15, 2020

## Notice of Filing of a Lawsuit (Counterclaim) by Our Chinese Subsidiary

As announced in the "Notice of the Filing of Lawsuit against Our Chinese Subsidiary" disclosed on December 27, 2019, our Chinese subsidiary, Hangzhou Semiconductor Wafer Co., Ltd. (hereinafter "FTHW"), has been filed a lawsuit related to the payment of the construction fee, by China Construction First Group Construction & Development Co., Ltd. (hereinafter "China Construction First") which is involved in the construction of the large-diameter semiconductor wafer plant in Tangtang New District, Hangzhou, Zhejiang Province. We have filed a lawsuit for the purpose of counterclaim against China Construction First's lawsuit.

### 1. The court where the lawsuit was filed and the date

(1) Date the lawsuit was filed	April 16, 2020
(2) Court in which the lawsuit was filed	Zhejiang Hangzhou Intermediate People's Court, China

### 2. Outline of China Construction First (defendant)

(1) Name	China Construction First Group Construction & Development Co., Ltd.
(2) Location	Building 17, Wangli Road West, Chaoyang District, Beijing, China
(3) Title and Name of Representative	Liao Ganglin, Legal representative
(4) Contents of business	Construction Business/Real Estate Business

### 3. Contents and the amount of the subject matter of the lawsuits

(1) Contents of the lawsuits	Penalty based on a construction contract due to delay in construction of plant, payment of construction and other fees to other contractors for unfinished construction and litigation expenses.
(2) Amount of the subject matter of the lawsuit	Total loss amount including penalties: 188,630 thousand yuan (approx. 2.85 billion yen*)

\* Exchange rate: 1 yuan = 15.12 yen

### 4. Overview of the subsidiary (plaintiff)

(1) Name	Hangzhou Semiconductor Wafer Co., Ltd.
(2) Location	888 Dongken Road, Qiantang New District, Hangzhou, Zhejiang, China
(3) Title and Name of Representative	He Xian Han, Legal representative
(4) Contents of business	Manufacture and sales of semiconductor wafers
(5) Capital stock	1,954,062 thousand yuan (approx. 29.55 billion yen*) as of December 31, 2019

\* Exchange rate: 1 yuan = 15.12 yen

5. Future outlook

We will continue to assert the legitimacy of our claim in this lawsuit. The impact of the series of lawsuits related to this matter on the consolidated financial results for the current fiscal year is difficult to determine at this point. We will promptly disclose if any matter to be officially announced arises.