



**JASDAQ**

14<sup>th</sup> of October, 2020

To all concerned

Company name: Ferrotec Holdings Co., Ltd.  
Full name of the representative: He Xian Han, President and CEO  
(JASDAQ Code 6890)  
Contact person: Akihiro Sato, Executive Officer, Head of Investor Relations  
(03-3281-8186)

**Notification of acquisition of micro-thermoelectric Manufacturing Company,  
RMT Ltd. (transformation into a subsidiary)**

We hereby notify you that Ferrotec Holdings Co., Ltd. (hereinafter, the “Our Company”) during the meeting of the Board of Directors that took place on this day made a decision to acquire 78.96%(ratio of voting rights held: 60.0%) of shares of RMT Ltd. (with its head office located in Nizhny Novgorod, Russian Federation; hereinafter, the “RMT”) through the consolidated subsidiary Ferrotec Europe GmbH (hereinafter, “FTE”) of this company, and the remaining 21.04% of the shareholders have been already negotiated the terms and conditions ,and we are currently in the process of signing the share transfer agreement, which is expected to make them wholly owned subsidiaries of Our Company by the end of this fiscal year.

Note: This release meets the insignificant criteria of the Timely Disclosure Standards, and some of the details of the disclosure have been omitted at the request of the seller.

**Description**

1. Purpose of this transaction and future management policy

Our company has been actively developing and manufacturing thermoelectric elements & modules (thermo modules <sup>Note</sup>), which is the core business of the electronic device business segment, and it has been established the top-class market share and brand in the global market. On the other hand, in recent years, the demands for high-quality, high-performance products such as precise temperature control, minimization of modules, improvement of product's durability and life time has been increasing due to the expansion of products' application in recent years. In order to achieve further growth, we need to strengthen our product lineup quickly and improve our development and technological capabilities to meet those demands.

RMT possesses ultra-small modularization and a multi-stage technology, as well as an engineering design and production of high-quality bismuth tellurium material and the know-how for production of over 2,000 types of modules.

As a result of this transaction, the additional of micro-modular products from RMT will help our company to strengthen the product line up of thermoelectric modules. Besides, by integration between development and technical capabilities of RMT and global sales network and mass-production capability in China of our company, we will aim for further growth of our electronic device business and improvement of corporate value by actively capturing demand from markets such as 5G and other communication base stations, optical cables, various sensors for EVs, medical testing equipment, etc., which are expected to grow in the future continuously.

Note: a plate semiconductor cooling/heating element that uses the effect of heat conduction from one metal to another when current is

applied to the (soldered) connection point of two types of metal (Peltier effect). This element has a small size and light weight, does not contain CFC (chlorine-fluorine-carbon) and is used in various household appliances such as automobile thermostats, refrigerator, optical communications device, biotechnologies, air conditioners, dryers, wine cellars, etc.

## 2. Brief information about our subsidiary (as of 31 March 2020)

( 1 )	Company Name	Ferrotec Europe GmbH,
( 2 )	Address	Seerosenstrasse 1, 72669 Unterensingen, Germany
( 3 )	Managing Director, President & COO	Stephan Ballreich
( 4 )	Business Activity	Sales of semi-conductor-related Production Equipment and electronic Device
( 5 )	Capital	Euro 511K (Approx. JPY 63.2Millions) ※Ex-Rate EURJPY=@ 123.80

## 3. Brief information about the company being transferred (as of 31 December 2019)

( 1 )	Company Name	RMT Ltd.,						
( 2 )	Address	22D Larina Street, floor 4.5, Nizhny Novgorod, Nizhegorosdkaya oblast, 603152, the Russian Federation						
( 3 )	General Director & CEO	Marat Nabiullin						
( 4 )	Business Activity	Sales and Production of Micro Thermoelectric module						
( 5 )	Capital	24.0Million Roubles (JPY 32.8Million) ※Ex-Rate RUBJPY=@ 1.37						
( 6 )	Establishment	28 <sup>th</sup> of September, 2010						
( 7 )	Major shareholders & Share	<table border="0"> <tr> <td>Joint Stock Company “RUSNANO”</td> <td>39.48%</td> </tr> <tr> <td>LLC Management Company S-Group Capital Management</td> <td>39.48%</td> </tr> <tr> <td>Others (4 individuals)</td> <td>21.04%</td> </tr> </table>	Joint Stock Company “RUSNANO”	39.48%	LLC Management Company S-Group Capital Management	39.48%	Others (4 individuals)	21.04%
Joint Stock Company “RUSNANO”	39.48%							
LLC Management Company S-Group Capital Management	39.48%							
Others (4 individuals)	21.04%							

Note: In accordance with the seller's request, the business performance and financial status of the company for the last three years have been omitted.

Note: To protect personal information, the names of individual shareholders and their shareholding percentages have been omitted from this release.

## 4. Brief information about the third party acquiring an investment share

This information is not disclosed due to the Non-Disclosure Agreement with the Shareholder from which our company acquires the share. There are no relations between 3<sup>rd</sup> party and our Company/its subsidiaries in terms of the capital, personal or business relations.

## 5. Percentage of the stake in the acquisition, acquisition price and status of the stake before and after acquisition

( 1 )	Investments and equity share before transfer	0 rub. / 0.0% (number of voting rights: 0 ea) (ratio of voting rights held: 0.0%)
( 2 )	Investments and participatory interest in the acquisition	18.9 million rubles (25.8 million yen) / 78.96% ※Ex-Rate RUBJPY=@ 1.37
( 3 )	Investments and equity share after transfer	18.9 million rubles (25.8 million yen) / 78.96% ※Ex-Rate RUBJPY=@ 1.37 (number of voting rights: 60 ea) (ratio of voting rights held: 60.0%)

Note: As for the price of acquisition of the equity share will be not disclosed due to NDA with Shareholders, but during negotiations with the shareholders, the price of acquisition is determined based on the result of due diligence by the third party and has been reached mutual agreement by each parties.

#### 6 . Schedule(including past events)

( 1 )	Date of decision of the Board of Directors	July 15, 2020
( 2 )	Date of sing on the SPA	July 28, 2020
( 3 )	Date of settlement of the transfer price (1st)	September 22, 2020
( 4 )	Effective date of transfer of ownership	October 13, 2020 (tentative)
( 5 )	Date of settlement of the transfer price (2nd) <sup>Note</sup>	December 28, 2020(planned)

Note: The transfer price is to be paid in installments according to the transfer agreement.

#### 7 . Effect on the results of the current financial year

It is assumed that the effect of this deal on the consolidated financial results for the current financial year will be insignificant, however, we will immediately provide clarifications on any issues that will need to be resolved in the future.