

March 19, 2021

(Addition/Correction of a Disclosed Item) Notice of the (Second) Issuance of New Shares through Third-Party Allotment by the Subsidiary that Manufactures Power Semiconductor Substrate

Ferrotec Holdings Corporation hereby announces that the Company has added and corrected a disclosed item ("3. Outline of the subsidiary," "4. Overview of the third-party allotment," and "5. Overview of the allottees") including a change in increased capital in regards to "Notice of the (Second) Issuance of New Shares through Third-Party Allotment by the Subsidiary that Manufactures Power Semiconductor Substrate" dated February 10, 2021. Details are as follows.

**1. Addition/correction of contents
(Before addition/correction)**

3. Outline of the subsidiary

*The added/corrected parts are underlined.

(1)	Name	Ferrotec (Jiangsu) Semiconductor Technology Co., Ltd. (FTSJ)		
(2)	Address	18 Hongda Road, Chengdong New District, Dongtai City, Jiangsu Province, China		
(3)	Title and name of representative	He Xian Han, Representative Director		
(4)	Contents of business	Manufacture and sale of substrates for power semiconductors		
(5)	Capital	225,598,000 yuan (approx. 3.6 billion yen) [Current as of November 25, 2020] *1 Chinese yuan = 16.00 yen		
(6)	Date of establishment	March 16, 2018		
(7)	Major shareholders and shareholding ratio	Shareholder	Current shareholding ratio	After third-party allotment
		Shanghai Shenhe Thermo-Magnetics Electronics Co., Ltd. (FTS)	88.89%	<u>74.08%</u>
		FTSJ employee and executive shareholding association	8.89%	<u>7.41%</u>
		<u>Shanghai Core Investment Management Co., Ltd.</u>		<u>6.67%</u>
		<u>Shanghai Xingcheng Investment Management Co., Ltd.</u>		<u>6.67%</u>
(8)	Relationship between FTSJ and the companies	Capital relationship	FTSJ is a subsidiary 88.89% of whose voting rights is owned by FTS, a consolidated subsidiary of the Company.	
		Personnel relationship	One director of the Company concurrently serves as the director of FTSJ.	
		Business relationship	Nothing is applicable.	
(9)	Business performance and financial standing in the past 1 year (rounded down to the nearest thousand yuan or million yen)			
	Accounting period	Fiscal year ended December 31, 2019		
	Net assets	129,392,000 yuan (2,070 million yen)		
	Total assets	345,077,000 yuan (5,521 million yen)		
	Net assets per share	- (- million yen)		

Net sales	99,277,000 yuan (1,588 million yen)		
Net income (loss) attributable to owners of parent	-2,618,000 yuan (-41 million yen)		
Dividend per share	- (- million yen)		

Note 1: Yen conversion rate: 1 Chinese yuan = 16.00 yen

Note 2: Net assets per share are omitted because the subsidiary is a limited company.

Note 3: Since the company had not been in operation for the fiscal year ended December 2018 (the establishment period), the business performance and financial standing are shown only for the fiscal year ended December 2019.

4. Overview of the third-party allotment

*The added/corrected parts are underlined.

(1)	Issue price per share	<u>4.477</u> yuan/share (approx. <u>71.63</u> yen) *1 Chinese yuan = 16.00 yen	
(2)	Total contribution amount	<u>202,000,000</u> yuan (approx. <u>3.23</u> billion yen)	
(3)	Settlement date	<u>February 25, 2021</u>	
(4)	Increased capital	<u>45,089,000</u> yuan (approx. <u>720</u> million yen)	
(5)	Registered capital after third-party allotment	<u>270,687,000</u> yuan (approx. <u>4.33</u> billion yen)	
(6)	Shareholding ratio after third-party allotment	<u>(1) Shanghai Core Investment Management Co., Ltd.</u>	<u>6.66%</u>
		<u>(2) Shanghai Xingcheng Investment Management Co., Ltd.</u>	<u>6.66%</u>
		<u>(3) Partnership company with Jia Xing Hong Ye Semiconductor Industry Equity Investment Limited Partnership</u>	<u>1.67%</u>
		<u>(4) Shanghai Free Trade Zone Equity Fund Management Co., Ltd.</u>	<u>0.83%</u>
		<u>(5) Shanghai Pudong Science and Technology Investment Co., Ltd.</u>	<u>0.83%</u>

*The issue price was determined based on an evaluation of the stock's fair value by a third-party organization that is independent from the Company and allottees, and then the shares were allotted.

5. Overview of the allottees

*The added/corrected parts are underlined.

	(1)	(2)	
(1)	Company name	<u>Shanghai Core Investment Management Co., Ltd.</u>	<u>Shanghai Xingcheng Investment Management Co., Ltd.</u>
(2)	Capital	<u>30 million yuan (approx. 480 million yen)</u>	<u>10 million yuan (approx. 160 million yen)</u>
(3)	Date of establishment	<u>May 26, 2015</u>	<u>December 23, 2014</u>
(4)	Major shareholders and shareholding ratio	<u>Confirming</u>	<u>Confirming</u>
(5)	Representative	<u>Li Ya Jun</u>	<u>Chen Xiao Fe</u>
(6)	Contents of business	<u>Investment in businesses</u> <u>Investment consulting</u>	<u>Investment in businesses</u> <u>Investment consulting</u>
(7)	Relationship between FTSJ and the companies	<u>There are no capital, personnel, or business relationships, and the company does not belong to related parties.</u>	<u>There are no capital, personnel, or business relationships, and the company does not belong to related parties.</u>
(8)	Contribution amount and shareholding ratio	<u>18 million yuan (approx. 288 million yen)</u> <u>6.66%</u>	<u>18 million yuan (approx. 288 million yen)</u> <u>6.66%</u>

	(3)	(4)
(1) Company name	Partnership company with Jia Xing Hong Ye Semiconductor Industry Equity Investment Limited Partnership	<u>Shanghai Free Trade Zone Equity Fund Management Co., Ltd.</u>
(2) Capital	<u>Confirming</u>	<u>33.6 million yuan (approx. 530 million yen)</u>
(3) Date of establishment	<u>May 26, 2015</u>	<u>February 28, 2015</u>
(4) Major shareholders and shareholding ratio	<u>GP (unlimited liability): Shanghai Pukai Tianji Investment Management Co., Ltd. (50%)</u> <u>LP1 (limited liability): Xu Lei (50%)</u>	<u>Shanghai Lujiazui Financial Development Co., Ltd. (14.28%)</u>
(5) Representative	<u>Confirming</u>	<u>Wu Jian Ping, Representative Director</u>
(6) Contents of business	<u>Investment in businesses</u> <u>Investment consulting</u>	<u>Investment in businesses</u> <u>Asset management</u> <u>Domestic trade</u> <u>Financial consulting, etc.</u>
(7) Relationship between FTSJ and the companies	There are no capital, personnel, or business relationships, and the company does not belong to related parties.	<u>There are no capital, personnel, or business relationships, and the company does not belong to related parties.</u>
(8) Contribution amount and shareholding ratio	<u>4.5 million yuan (approx. 72 million yen)</u> <u>1.67%</u>	<u>2.2 million yuan (approx. 35 million yen)</u> <u>0.83%</u>

	(5)	
(1) Company name	<u>Shanghai Pudong Science and Technology Investment Co., Ltd.</u>	
(2) Capital	<u>3 billion yuan (approx. 48 billion yen)</u>	
(3) Date of establishment	<u>June 30, 1999</u>	
(4) Major shareholders and shareholding ratio	<u>Partnership company with Shanghai Hongtianyuan Venture Capital Partnership (Limited Partnership) (51%)</u> <u>Shanghai Shangshi Asset Management Co., Ltd. (25%)</u> <u>Shanghai Pudong Investment Holding (Group) Co., Ltd. (24%)</u>	
(5) Representative	<u>Zhu Xu Dong (Representative Director)</u>	
(6) Contents of business	<u>Investment in business establishment</u> <u>Investment in businesses</u> <u>Investment management</u> <u>Investment consulting</u> <u>Corporate administration consulting</u> <u>Consulting on corporate merger and reorganization</u> <u>Financial consulting</u> <u>Asset management</u>	
(7) Relationship between FTSJ and the companies	<u>There are no capital, personnel, or business relationships, and the company does not belong to related parties.</u>	

(8)	Contribution amount and shareholding ratio	<u>2.2 million yuan (approx. 35 million yen)</u> <u>0.83%</u>
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Note 1: 1 Chinese yuan = 16.00 yen

Note 2: The allottees are prospective ones, so they are subject to change. If there are any corrections, we will announce the final allottees after investment is completed.

(After addition/correction)

3. Outline of the subsidiary

*The added/corrected parts are underlined.

(1)	Name	Ferrotec (Jiangsu) Semiconductor Technology Co., Ltd. (FTSJ)		
(2)	Address	18 Hongda Road, Chengdong New District, Dongtai City, Jiangsu Province, China		
(3)	Title and name of representative	He Xian Han, Representative Director		
(4)	Contents of business	Manufacture and sale of substrates for power semiconductors		
(5)	Capital	225,598,000 yuan (approx. 3.6 billion yen) [Current as of November 25, 2020] *1 Chinese yuan = 16.00 yen		
(6)	Date of establishment	March 16, 2018		
(7)	Major shareholders and shareholding ratio	Shareholder	Current shareholding ratio	After third-party allotment
		Shanghai Shenhe Thermo-Magnetics Electronics Co., Ltd. (FTS)	88.89%	<u>71.10%</u>
		FTSJ employee and executive shareholding association	8.89%	<u>7.12%</u>
		<u>Partnership company with Gongqingcheng Xingcheng Dongying Semiconductor Industry Investment (Limited Partnership)</u>		<u>6.40%</u>
		<u>Partnership company with Jiaxing Yunchu No.3 Investment Partnership (Limited Partnership)</u>		<u>5.54%</u>
(8)	Relationship between FTSJ and the companies	Capital relationship	FTSJ is a subsidiary 88.89% of whose voting rights is owned by FTS, a consolidated subsidiary of the Company.	
		Personnel relationship	One director of the Company concurrently serves as the director of FTSJ.	
		Business relationship	Nothing is applicable.	
(9)	Business performance and financial standing in the past 1 year (rounded down to the nearest thousand yuan or million yen)			
	Accounting period	Fiscal year ended December 31, 2019		
	Net assets	129,392,000 yuan (2,070 million yen)		
	Total assets	345,077,000 yuan (5,521 million yen)		
	Net assets per share	- (- million yen)		
	Net sales	99,277,000 yuan (1,588 million yen)		
	Net income (loss) attributable to	-2,618,000 yuan		

owners of parent	(-41 million yen)		
Dividend per share	- (- million yen)		

Note 1: Yen conversion rate: 1 Chinese yuan = 16.00 yen

Note 2: Net assets per share are omitted because the subsidiary is a limited company.

Note 3: Since the company had not been in operation for the fiscal year ended December 2018 (the establishment period), the business performance and financial standing are shown only for the fiscal year ended December 2019.

4. Overview of the third-party allotment

*The added/corrected parts are underlined.

(1)	Issue price per share	<u>4.48</u> yuan/share (approx. <u>71.68</u> yen) *1 Chinese yuan = 16.00 yen	
(2)	Total contribution amount	<u>252,500,000</u> yuan (approx. <u>4.04</u> billion yen)	
(3)	Settlement date	<u>March 31, 2021</u>	
(4)	Increased capital	<u>56,361,000</u> yuan (approx. <u>900</u> million yen)	
(5)	Registered capital after third-party allotment	<u>281,960,000</u> yuan (approx. <u>4.51</u> billion yen)	
(6)	Shareholding ratio after third-party allotment	<u>(1) Partnership company with Jiaxing Junqin Equity Investment Partnership (Limited Partnership) (Limited Partnership)</u> <u>(2) Partnership company with Jiaxing linsong Equity Investment Partnership (Limited Partnership)</u> <u>(3) Partnership company with Jiaxing Yunchu No.3 Investment Partnership (Limited Partnership) (Limited Partnership)</u> <u>(4) Partnership company with Gongqingcheng Xingcheng Dongying Semiconductor Industry Investment Partnership (Limited Partnership)</u> <u>(5) Partnership company with Jia Xing Hong Ye Semiconductor Industry Equity Investment Limited Partnership (Limited Partnership)</u> <u>(6) Partnership company with Jiaxing Shenmaoluhao Equity Investment Partnership Enterprise (Limited Partnership)</u> <u>(7) Shanghai Haiwang IP Equity Investment Management Co., Ltd (Limited Partnership)</u> <u>(8) Hangzhou Borhan Assets Management Co., Ltd.</u> <u>(9) Jiangsu Lettall Electronic Co.,Ltd.</u>	<u>2.17%</u> <u>1.09%</u> <u>5.54%</u> <u>6.40%</u> <u>1.44%</u> <u>0.96%</u> <u>0.80%</u> <u>0.80%</u> <u>0.80%</u>

*The issue price was determined based on an evaluation of the stock's fair value by a third-party organization that is independent from the Company and allottees, and then the shares were allotted.

5. Overview of the allottees

*The added/corrected parts are underlined.

	(1)	(2)
(1) Company name	<u>Partnership company with Jiaxing Junqin Equity Investment Partnership (Limited Partnership)</u>	<u>Partnership company with Jiaxing linsong Equity Investment Partnership (Limited Partnership)</u>
(2) Capital	<u>28.55 million yuan</u> (approx. 450 million yen)	<u>14.36 million yuan</u> (approx. 220 million yen)
(3) Date of establishment	<u>December 10, 2020</u>	<u>November 2, 2020</u>
(4) Major shareholders and shareholding ratio	<u>Jiaxing Junwei Equity Investment Partnership (0.07%)</u> COSTONE HOLDING CO.,LTD (35.03%)	<u>Shanghai Core Investment Management Co., Ltd. (0.6964%)</u> Wang Yi (34.7493%)

(5)	Representative	<u>GP: Jiaxing Junwei Equity Investment Partnership</u> (Delegated representative: Wen Wei)	<u>GP: Shanghai Core Investment Management Co., Ltd.</u> (Delegated representative: Song Yan Yan)
(6)	Contents of business	<u>Investment in shares</u> <u>Investment in businesses</u>	<u>Investment in shares</u> <u>Investment in businesses</u>
(7)	Relationship between FTSJ and the companies	<u>There are no capital, personnel, or business relationships, and the company does not belong to related parties.</u>	<u>There are no capital, personnel, or business relationships, and the company does not belong to related parties.</u>
(8)	Contribution amount and shareholding ratio	<u>27.36 million yuan</u> (approx. 430 million yen) <u>2.17%</u>	<u>13.75 million yuan</u> (approx. 220 million yen) <u>1.09%</u>

		(3)	(4)
(1)	Company name	<u>Partnership company with Jiaxing Yunchu No.3 Investment Partnership (Limited Partnership)</u>	<u>Partnership company with Gongqingcheng Xingcheng Dongying Semiconductor Industry Investment Partnership (Limited Partnership)</u>
(2)	Capital	<u>17.50 million yuan</u> (approx. 280 million yen)	<u>315 million yuan (approx. 5.04 billion yen)</u>
(3)	Date of establishment	<u>February 3, 2021</u>	<u>August 7, 2020</u>
(4)	Major shareholders and shareholding ratio	<u>Chen Jian Jun (99.9429%)</u> <u>Gao Ping (0.0571%)</u>	<u>Partnership company with Fujian Province Jiangquan Venture Capital Investment Partnership (Limited Partnership) (20.0%)</u> <u>Gongqingcheng Ziqi Investment Partnership Corporation (Limited Partnership) (16.0%)</u> <u>Li Jian (8.5%)</u> <u>Fuzhou Mingyuan Foodstuff Processing Co., Ltd. (5.3%)</u>
(5)	Representative	<u>GP: Gao Ping</u>	<u>GP: Gongqingcheng Xincheng Equity Investment Partnership (Limited Partnership)</u> (Delegated representative: Zhang Liang)
(6)	Contents of business	<u>Investment in businesses</u> <u>Investment in shares</u>	<u>Industrial investment</u> <u>Investment in shares</u> <u>Investment in businesses</u>
(7)	Relationship between FTSJ and the companies	<u>There are no capital, personnel, or business relationships, and the company does not belong to related parties.</u>	<u>There are no capital, personnel, or business relationships, and the company does not belong to related parties.</u>
(8)	Contribution amount and shareholding ratio	<u>70 million yuan (approx. 1.12 billion yen)</u> <u>5.54%</u>	<u>80.8 million yuan (approx. 1.29 billion yen)</u> <u>6.40%</u>

		(5)	(6)
(1)	Company name	<u>Partnership company with Jia Xing Hong Ye Semiconductor Industry Equity Investment Limited Partnership (Limited Partnership)</u>	<u>Partnership company with Jiaxing Shenmaoluhao Equity Investment Partnership Enterprise (Limited Partnership)</u>
(2)	Capital	<u>66 million yuan (approx. 1.05 billion yen)</u>	<u>25.01 million yuan</u>

			(approx. 400 million yen)
(3)	Date of establishment	<u>June 17, 2020</u>	<u>September 6, 2016</u>
(4)	Major shareholders and shareholding ratio	<u>Shanghai Phichem Material Co., Ltd. (22.73%)</u> <u>Jiangsu Pacific Quartz Co., Ltd. (22.73%)</u> <u>Shanghai Pukai Tianji Investment Management Co., Ltd. (1.52%)</u>	<u>Huang Hong (99.96%)</u> <u>Shanghai Free Trade Zone Equity Fund Management Co., Ltd. (0.04%)</u>
(5)	Representative	<u>GP: Shanghai Pukai Tianji Investment Management Co., Ltd.</u> <u>(Delegated representative: Chen Jie)</u>	<u>GP: Shanghai Free Trade Zone Equity Fund Management Co., Ltd.</u> <u>(Delegated representative: Sun Chao)</u>
(6)	Contents of business	<u>Investment in shares</u> <u>Investment in businesses</u> <u>Investment consulting</u>	<u>Investment in shares</u> <u>Investment management</u>
(7)	Relationship between FTSJ and the companies	<u>There are no capital, personnel, or business relationships, and the company does not belong to related parties.</u>	<u>There are no capital, personnel, or business relationships, and the company does not belong to related parties.</u>
(8)	Contribution amount and shareholding ratio	<u>18.18 million yuan</u> <u>(approx. 290 million yen)</u> <u>1.44%</u>	<u>12.11 million yuan</u> <u>(approx. 190 million yen)</u> <u>0.96%</u>

		(7)	(8)
(1)	Company name	<u>Shanghai Haiwang IP Equity Investment Fund, L.P. (Limited Partnership)</u>	<u>Hangzhou Borhan Assets Management Co., Ltd.</u>
(2)	Capital	<u>195 million yuan (approx. 3.12 billion yen)</u>	<u>20 million yuan (approx. 320 million yen)</u>
(3)	Date of establishment	<u>December 9, 2016</u>	<u>July 30, 2018</u>
(4)	Major shareholders and shareholding ratio	<u>Shanghai Zhangjiang Torch Investment and Development Co., Ltd (25.64%)</u> <u>Shanghai Pudong Financing Guarantee Co., Ltd. (15.38%)</u> <u>Shanghai Haiwang IP Equity Investment Fund, L.P. (2.56%)</u>	<u>Wang Man Long (60%)</u> <u>Wang Bao Zhen (30%)</u> <u>Yue Xiu Yin (5%)</u> <u>Yao Yi Zhe (5%)</u>
(5)	Representative	<u>GP: Shanghai Haiwang IP Equity Investment Fund, L.P.</u> <u>(Delegated representative: Lin Shui Quan)</u>	<u>Yao Yi Zhe</u>
(6)	Contents of business	<u>Investment in shares</u>	<u>Asset management</u> <u>Invest management</u> <u>Share investment service</u>
(7)	Relationship between FTSJ and the companies	<u>There are no capital, personnel, or business relationships, and the company does not belong to related parties.</u>	<u>There are no capital, personnel, or business relationships, and the company does not belong to related parties.</u>
(8)	Contribution amount and shareholding ratio	<u>10.1 million yuan (approx. 160 million yen)</u> <u>0.80%</u>	<u>10.1 million yuan (approx. 160 million yen)</u> <u>0.80%</u>

		(9)
(1)	Company name	<u>Jiangsu Lettall Electronic Co.,Ltd.</u>
(2)	Capital	<u>100 million yuan (approx. 1.6 billion yen)</u>

(3)	Date of establishment	<u>November 25, 1980</u>	
(4)	Major shareholders and shareholding ratio	<u>Shao Shu Wei (48.41%)</u>	
(5)	Representative	<u>Shao Shu Wei</u>	
(6)	Contents of business	<u>Research and development, and production and sales of liquid crystal display and parts thereof, metal structure parts, electronic components, flat display panel devices, leased facilities, electronics products, molds, semiconductors, metal products, water heating equipment, leased facilities for environmental conservation and parts thereof, measuring instrument, and general-purpose facilities; import and export of various products and technologies related to dispersed photovoltaics and inspection service of environmental quality, and agency thereof</u>	
(7)	Relationship between FTSJ and the companies	<u>There are no capital, personnel, or business relationships, and the company does not belong to related parties.</u>	
(8)	Contribution amount and shareholding ratio	<u>10.1 million yuan</u> <u>(approx. 160 million yen)</u> <u>0.80%</u>	

Note 1: 1 Chinese yuan = 16.00 yen

Note 2: The allottees are prospective ones, so they are subject to change. If there are any corrections, we will announce the final allottees after investment is completed.

2. Reason for addition/correction

The Company made an adjustment in terms of conditions of the final payment deadline with allottees from the last disclosure. As a result, we have changed and added the allottees and the settlement date has been divided. This has led to changes including the amount of the increase in funds. In addition to this, as a result of scrutinizing the content of past disclosures, errors were confirmed and corrected in regards to some of the content. The Company apologizes for the resulting discrepancies with the previous disclosure.