

April 15, 2021

**(Progress and Correction of a Disclosed Item) Notice of Issuance of New Shares through Third-Party Allotment by Subsidiary that Manufactures Components for Semiconductor Manufacturing (Quartz Crucibles and Silicon Parts), and Change to a Specific Subsidiary**

In the "Notice of Issuance of New Shares through Third-Party Allotment by Subsidiary that Manufactures Components for Semiconductor Manufacturing (Quartz Crucibles and Silicon Parts), and Change to a Specific Subsidiary" dated February 10, 2021, it was decided that contribution amount and shareholding ratio by investors would be announced as soon as they were determined. As these matters have been determined, we would like to announce them as a progress report. In addition, the terms and conditions of the issuance and the subscribing investors have been partially revised from those previously disclosed. Details are as follows.

**1. (Before correction)** The underlined parts are the corrected parts.

1. Reason and background for the third-party allotment

Omitted

2. Purpose of use of the proceeds to be raised

Omitted

3. Outline of the subsidiary as of February 9, 2021

(1)	Name	Ferrotec (Ningxia) Advanced Quartz Material Co., Ltd. (abbr.: AQM-N)		
(2)	Address	23 Guangming West Road, Economic and Technological Development Zone, Yinchuan City, Ningxia, China		
(3)	Title and name of representative	He Xian Han, Representative Director		
(4)	Contents of business	Manufacturing and sale of jigs and consumables for semiconductor production		
(5)	Capital	111 million yuan (approx. 1.78 billion yen) *1 Chinese yuan = 16.0 yen		
(6)	Date of establishment	April 20, 2011		
(7)	Major shareholders and shareholding ratio	Shareholder	Current shareholding ratio	After third-party allotment
		Hangzhou Dahe Thermo-Magnetics Co., Ltd. (consolidated subsidiary)	89.2%	<u>71.3%</u>
		Employee shareholding association 4 Investment funds	10.0%	<u>7.9%</u> <u>20.0%</u>
(8)	Relationship between AQM-N and the companies	Capital relationship	AQM-N is a consolidated subsidiary of the Company.	
		Personnel relationship	One director of the Company concurrently serves as the director of AQM-N.	
		Business relationship	Nothing is applicable.	
(9)	Business performance and financial standing in the past 3 years (rounded down to the nearest thousand yuan or million yen)			
	Accounting period	Fiscal year ended December 31, 2017	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019
	Net assets	69,561,000 yuan (1,113 million yen)	71,470,000 yuan (1,143 million yen)	73,016,000 yuan (1,168 million yen)
	Total assets	139,535,000 yuan (2,232 million yen)	164,065,000 yuan (2,625 million yen)	191,971,000 yuan (3,071 million yen)

Net assets per share	- (- million yen)	- (- million yen)	- (- million yen)
Net sales	117,310,000 yuan (1,877 million yen)	89,623,000 yuan (1,434 million yen)	81,383,000 yuan (1,302 million yen)
Net income (loss) attributable to owners of parent	1,517,000 yuan (24 million yen)	1,909,000 yuan (30 million yen)	1,545,000 yuan (25 million yen)
Dividend per share	- (- million yen)	- (- million yen)	- (- million yen)

Yen conversion rate: 1 Chinese yuan = 16.00 yen

#### 4. Overview of the third-party allotment to be implemented by the subsidiary

(1)	Issue price per share	11.7 yuan/yuan of capital (approx. 187.20 yen) <u>*1 Chinese yuan = 16.00 yen</u>
(2)	Total contribution amount	325,000,000 yuan (approx. 5.2 billion yen)
(3)	Settlement date	February 26, 2021
(4)	Increased capital	27,778,000 yuan (approx. 450 million yen)
(5)	Capital after third-party allotment	138,889,000 yuan (approx. 2.22 billion yen)
(6)	Allottees and the number of shares to be allotted	(1) Xiamen Jianfa Emerging Industry Equity Investment No.2 Partnership (Limited Partnership) (2) Jiaxing Junwei Equity Investment Partnership (Limited Partnership) (3) Jiaxing Linge Equity Investment Partnership (Limited Partnership) (4) Gongqingcheng Xingcheng Dongying Semiconductor Industry Investment Partnership (L.P.)  <u>The number of shares to be allotted to each investor is currently under discussion.</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 contribution amount and shareholding ratio are currently under discussion, and we will provide details as soon as they are finalized.

	(1)	(2)
(1) Company name	Xiamen Jianfa Emerging Industry Equity Investment No.2 Partnership (Limited Partnership)	Jiaxing Junwei Equity Investment Partnership (Limited Partnership)
(2) Capital	500 million yuan (approx. 8 billion yen)	46 million yuan (approx. 740 million yen)
(3) Date of establishment	June 27, 2016	December 10, 2020
(4) Major shareholders and shareholding ratio	Xiamen C&D Emerging Industry Equity Investment Co., Ltd. (99.80%)	Shanghai Juntong Equity Investment Management Co., Ltd. (0.65%) Wen Yi Lei (10.0%) Wang Xiao (6.5%) Wang Zhi Ping (17.4%) COSTONE HOLDING CO., LTD. (21.8%) Fujian Xinwang Investment Partnership (Limited Partnership) (21.8%) Shanghai Xinhong technology service partnership (Limited Partnership) (21.8%)

(5)	Representative	Cai Xiao Fan	Wen Wei
(6)	Contents of business	Investment in shares without securities and advisory business on consignment Industrial investment Investment management Asset management	Investment in shares Investment in businesses
(7)	Relationship between AQM-N and the companies	There are no capital, personnel, or business relationships, and the company does not belong to related parties.	There are no capital, personnel, or business relationships, and the company does not belong to related parties.
(8)	Contribution amount and shareholding ratio	<u>Coordinating</u>	<u>Coordinating</u>

Note: Exchange rate: 1 Chinese yuan = 16.0 yen

		(3)	(4)
(1)	Company name	Jiaxing Linge Equity Investment Partnership (Limited Partnership)	Gongqingcheng Xingcheng Dongying Semiconductor Industry Investment Partnership (L.P.)
(2)	Capital	21 million yuan (approx. 340 million yen)	315 million yuan (approx. 5.04 billion yen)
(3)	Date of establishment	November 2, 2020	August 7, 2020
(4)	Major shareholders and shareholding ratio	Shanghai Core Investment Management Co., Ltd. (0.9%) Shanghai GrandNet Supply Chain Co., Ltd. (20.9%) Wang Yi (54.8%) Li Han Ying (23.3%)	Gongqingcheng Zigui Investment Partnership Corporation (Limited Partnership) (16.0%) Li Jian (8.5%) Fuzhou Mingyuan Foodstuff Processing Co., Ltd. (5.3%)
(5)	Representative	GP: Shanghai Core Investment Management (Representative: Song Yan Yan)	GP: Gongqingcheng Xincheng Equity Investment Partnership (Limited Partnership) (Representative: Zhang Liang)
(6)	Contents of business	Investment in shares Investment in businesses	Industrial investment Investment in shares Investment in businesses
(7)	Relationship between AQM-N and the companies	There are no capital, personnel, or business relationships, and the company does not belong to related parties.	There are no capital, personnel, or business relationships, and the company does not belong to related parties.
(8)	Contribution amount and shareholding ratio	<u>Coordinating</u>	<u>Coordinating</u>

Note: Exchange rate: 1 Chinese yuan = 16.0 yen

6. Share transfer schedule

Omitted

7. Future outlook

Omitted

2. (After correction) The underlined parts are the corrected parts.

1. Reason and background for the third-party allotment

Omitted

2. Purpose of use of the proceeds to be raised

Omitted

3. Outline of the subsidiary as of February 9, 2021

(1)	Name	Ferrotec (Ningxia) Advanced Quartz Material Co., Ltd. (abbr.: AQM-N)		
(2)	Address	23 Guangming West Road, Economic and Technological Development Zone, Yinchuan City, Ningxia, China		
(3)	Title and name of representative	He Xian Han, Representative Director		
(4)	Contents of business	Manufacturing and sale of jigs and consumables for semiconductor production		
(5)	Capital	111 million yuan (approx. 1.78 billion yen) *1 Chinese yuan = 16.0 yen		
(6)	Date of establishment	April 20, 2011		
(7)	Major shareholders and shareholding ratio	Shareholder	Current shareholding ratio	After third-party allotment
		Hangzhou Dahe Thermo-Magnetics Co., Ltd. (consolidated subsidiary)	89.2%	<u>68.6%</u>
		Employee shareholding association <u>11 investment funds</u>	10.0%	<u>8.4%</u> <u>23.0%</u>
(8)	Relationship between AQM-N and the companies	Capital relationship	AQM-N is a consolidated subsidiary of the Company.	
		Personnel relationship	One director of the Company concurrently serves as the director of AQM-N.	
		Business relationship	Nothing is applicable.	
(9)	Business performance and financial standing in the past 3 years (rounded down to the nearest thousand yuan or million yen)			
	Accounting period	Fiscal year ended December 31, 2017	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019
	Net assets	69,561,000 yuan (1,113 million yen)	71,470,000 yuan (1,143 million yen)	73,016,000 yuan (1,168 million yen)
	Total assets	139,535,000 yuan (2,232 million yen)	164,065,000 yuan (2,625 million yen)	191,971,000 yuan (3,071 million yen)
	Net assets per share	- (- million yen)	- (- million yen)	- (- million yen)
	Net sales	117,310,000 yuan (1,877 million yen)	89,623,000 yuan (1,434 million yen)	81,383,000 yuan (1,302 million yen)
	Net income (loss) attributable to owners of parent	1,517,000 yuan (24 million yen)	1,909,000 yuan (30 million yen)	1,545,000 yuan (25 million yen)
	Dividend per share	- (- million yen)	- (- million yen)	- (- million yen)

Note: Exchange rate: 1 Chinese yuan = 16.0 yen

4. Overview of the third-party allotment to be implemented by the subsidiary

(1)	Issue price per share	<u>16.15 yuan/yuan of capital (approx. 269.70 yen)</u> <u>*1 Chinese yuan = 16.70 yen</u>	
(2)	Total contribution amount	<u>388,312,000 yuan (approx. 6.48 billion yen)</u>	
(3)	Settlement date	February 26, 2021	
(4)	Increased capital	<u>33,189,000 yuan (approx. 550 million yen)</u>	
(5)	Capital after third-party allotment	<u>144,300,000 yuan (approx. 2.41 billion yen)</u>	
(6)	Allottees and the number of shares to be allotted	(1) Xiamen Jianfa Emerging Industry Equity Investment No.2 Partnership (Limited Partnership)	<u>6,837,600 yuan</u>
		(2) Jiaxing Junwei Equity Investment Partnership (Limited Partnership)	<u>3,754,700 yuan</u>
		(3) Jiaxing Linge Equity Investment Partnership (Limited Partnership)	<u>1,753,000 yuan</u>
		(4) Gongqingcheng Xingcheng Dongying Semiconductor Industry Investment Partnership (L.P.)	<u>12,345,300 yuan</u>
		(5) Shenzhen Qianhai Pengchen Xunda Private Equity Investment Partnership(Limited Partnership)	<u>854,700 yuan</u>
		(6) Hangzhou Puhua Shuoyang Equity Investment Partnership (limited partnership)	<u>1,709,400 yuan</u>
		(7) Zhuji Dongzheng Ruiqiao Equity Investment Partnership (Limited Partnership)	<u>854,700 yuan</u>
		(8) Qingdao Minxin Investment Partnership Limited (Limited Partnership)	<u>2,515,500 yuan</u>
		(9) Yixing Dongzheng Ruiyuan Equity Investment Partnership (Limited Partnership)	<u>854,700 yuan</u>
		(10) Yangtze River Delta (Jiashan) Intelligent Technology Partnership(Limited Partnership)	<u>1,709,400 yuan</u>
		(11) Shanghai Haiwang IP Equity Investment Fund, L.P. (Limited Partnership)	<u>854,700 yuan</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

	(1)	(2)
(1) Company name	Xiamen Jianfa Emerging Industry Equity Investment No.2 Partnership (Limited Partnership)	Jiaxing Junwei Equity Investment Partnership (Limited Partnership)
(2) Capital	500 million yuan (approx. 8 billion yen)	46 million yuan (approx. 740 million yen)
(3) Date of establishment	June 27, 2016	December 10, 2020
(4) Major shareholders and shareholding ratio	Xiamen C&D Emerging Industry Equity Investment Co., Ltd. (99.80%)	Shanghai Juntong Equity Investment Management Co., Ltd. (0.65%) Wen Yi Lei (10.0%) Wang Xiao (6.5%) Wang Zhi Ping (17.4%) COSTONE HOLDING CO., LTD. (21.8%) Fujian Xinwang Investment Partnership (Limited Partnership) (21.8%)

			Shanghai Xinhong technology service partnership (Limited Partnership) (21.8%)
(5)	Representative	Cai Xiao Fan	Wen Wei
(6)	Contents of business	Investment in shares without securities and advisory business on consignment Industrial investment Investment management Asset management	Investment in shares Investment in businesses
(7)	Relationship between AQM-N and the companies	There are no capital, personnel, or business relationships, and the company does not belong to related parties.	There are no capital, personnel, or business relationships, and the company does not belong to related parties.
(8)	Contribution amount and shareholding ratio	<u>6,837,600 yuan (114.1 million yen)</u> <u>4.7385%</u>	<u>3,754,700 yuan (62.7 million yen)</u> <u>2.6020%</u>

Note: Exchange rate: 1 Chinese yuan = 16.7 yen

		(3)	(4)
(1)	Company name	Jiaxing Linge Equity Investment Partnership (Limited Partnership)	Gongqingcheng Xingcheng Dongying Semiconductor Industry Investment Partnership (L.P.)
(2)	Capital	21 million yuan (approx. 340 million yen)	315 million yuan (approx. 5.04 billion yen)
(3)	Date of establishment	November 2, 2020	August 7, 2020
(4)	Major shareholders and shareholding ratio	Shanghai Core Investment Management Co., Ltd. (0.9%) Shanghai GrandNet Supply Chain Co., Ltd. (20.9%) Wang Yi (54.8%) Li Han Ying (23.3%)	Gongqingcheng Zigui Investment Partnership Corporation (Limited Partnership) (16.0%) Li Jian (8.5%) Fuzhou Mingyuan Foodstuff Processing Co., Ltd. (5.3%)
(5)	Representative	GP: Shanghai Core Investment Management (Representative: Song Yan Yan)	GP: Gongqingcheng Xincheng Equity Investment Partnership (Limited Partnership) (Representative: Zhang Liang)
(6)	Contents of business	Investment in shares Investment in businesses	Industrial investment Investment in shares Investment in businesses
(7)	Relationship between AQM-N and the companies	There are no capital, personnel, or business relationships, and the company does not belong to related parties.	There are no capital, personnel, or business relationships, and the company does not belong to related parties.
(8)	Contribution amount and shareholding ratio	<u>1,753,000 yuan (29.2 million yen)</u> <u>1.2148%</u>	<u>12,345,300 yuan (206.1 million yen)</u> <u>8.5553%</u>

Note: Exchange rate: 1 Chinese yuan = 16.7 yen

		(5)	(6)
(1)	Company name	<u>Shenzhen Qianhai Pengchen Xunda Private Equity Investment Partnership(Limited Partnership)</u>	<u>Hangzhou Puhua Shuoyang Equity Investment Partnership (limited partnership)</u>
(2)	Capital	<u>251 million yuan (4.19 billion yen)</u>	<u>500 million yuan (8.35 billion yen)</u>
(3)	Date of establishment	<u>October 23, 2020</u>	<u>September 16, 2020</u>
(4)	Major shareholders	<u>Wang Lai Xi (39.84%)</u>	<u>Lanxi Zheduo Investment</u>

	and shareholding ratio	<u>Shenzhen Jiayuan Qihang Venture Capital Partnership (limited partnership) (19.92%)</u> <u>Lin De Ying (19.92%)</u>	<u>Partnership(Limited Partnership) (47%)</u> <u>Hangzhou High-tech Venture Capital Co., Ltd. (19%)</u> <u>Xu Guo Hai (8%)</u>
(5)	Representative	<u>Shenzhen City Before The Sea Peng Chen Chuangzhi Investment Management Enterprises (Limited Partnership)</u>	<u>Hangzhou Puyang Investment Management Co., Ltd.</u>
(6)	Contents of business	<u>Industrial investment</u> <u>Project investment</u> <u>VC</u> <u>Proprietary equity investment</u> <u>Asset management business</u>	<u>Investment in shares</u>
(7)	Relationship between AQM-N 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>854,700 yuan (14.2 million yen)</u> <u>0.5923%</u>	<u>1,709,400 yuan (28.5 million yen)</u> <u>1.1846%</u>

Note: Exchange rate: 1 Chinese yuan = 16.7 yen

		(7)	(8)
(1)	Company name	<u>Zhuji Dongzheng Ruiqiao Equity Investment Partnership (Limited Partnership)</u>	<u>Qingdao Minxin Investment Partnership Limited (Limited Partnership)</u>
(2)	Capital	<u>100 million yuan (1.67 billion yen)</u>	<u>127 million yuan (2.12 billion yen)</u>
(3)	Date of establishment	<u>August 13, 2019</u>	<u>October 27, 2017</u>
(4)	Major shareholders and shareholding ratio	<u>Qin Yue Zhou (51.08%)</u> <u>Shanghai Orient Securities Capital Co., Ltd. (19.5%)</u> <u>Liu Zhi Tong (15%)</u>	<u>Qingdao Minhe Deyuan Venture Capital Management Center (Limited Partnership) (38.81%)</u> <u>Wei Xue Hua (24.22%)</u> <u>Qingdao Pingtan Investment Center Partnership (limited partnership) (17.15%)</u>
(5)	Representative	<u>Shanghai Orient Securities Capital Co., Ltd.</u>	<u>Qingdao Minhe Deyuan Venture Capital Management Center (Limited Partnership)</u>
(6)	Contents of business	<u>Investment in shares</u> <u>Advisory on shares</u> <u>Advisory service on corporate management</u> <u>Investment in ventures</u>	<u>Investment in shares using own funds</u> <u>Share management</u>
(7)	Relationship between AQM-N 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>854,700 yuan (14.2 million yen)</u> <u>0.5923%</u>	<u>2,515,500 yuan (42 million yen)</u> <u>1.7433%</u>

Note: Exchange rate: 1 Chinese yuan = 16.7 yen

		(9)	(10)
(1)	Company name	<u>Yixing Dongzheng Ruiyuan Equity Investment Partnership</u>	<u>Yangtze River Delta (Jiashan) Intelligent Technology Partnership(Limited</u>

		<u>(Limited Partnership)</u>	<u>Partnership)</u>
(2)	Capital	<u>310 million yuan (5.17 billion yen)</u>	<u>1.21 billion yuan (20.2 billion yen)</u>
(3)	Date of establishment	<u>March 11, 2020</u>	<u>March 4, 2021</u>
(4)	Major shareholders and shareholding ratio	<u>Yixing Taodou Assets Management co., Ltd (29.3548%)</u> <u>Shanghai Youyuan Investment Management co., Ltd (29.0323%)</u>	<u>Shanghai Yangqian Enterprise Management Consulting Partnership (Limited Partnership)</u> <u>Zhejiang Longsheng Group Co., Ltd.</u>
(5)	Representative	<u>Shanghai Orient Securities Capital Co., Ltd.</u>	<u>Shanghai Lingang Sci-Tech innovAtion Equity Investment Fund, Co., Ltd.</u>
(6)	Contents of business	<u>Investment in shares</u> <u>Investment management</u> <u>Asset management</u>	<u>Technology-related services</u> <u>Development</u> <u>Consulting</u> <u>Communication</u> <u>Trading</u> <u>Promotion</u> <u>Investment in shares</u> <u>Investment in ventures (unlisted companies only)</u>
(7)	Relationship between AQM-N 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>854,700 yuan (14.2 million yen)</u> <u>0.5923%</u>	<u>1,709,400 yuan (28.5 million yen)</u> <u>1.1846%</u>

Note: Exchange rate: 1 Chinese yuan = 16.7 yen

		<u>(11)</u>
(1)	Company name	<u>Shanghai Haiwang IP Equity Investment Fund, L.P. (Limited Partnership)</u>
(2)	Capital	<u>440 million yuan (7.34 billion yen)</u>
(3)	Date of establishment	<u>December 9, 2016</u>
(4)	Major shareholders and shareholding ratio	<u>Su Shou Chun (22.47%)</u> <u>Shanghai Hehe Capital Investment Management Co., Ltd. (22.47%)</u> <u>Shanghai Changsheng Enterprise Management Center Partnership (Limited Partnership) (15.73%)</u>
(5)	Representative	<u>Shanghai Haiwang IP Equity Investment Management Center co., Ltd.</u>
(6)	Contents of business	<u>Investment in shares</u>
(7)	Relationship between AQM-N 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>854,700 yuan (14.2 million yen)</u> <u>0.5923%</u>

Note: Exchange rate: 1 Chinese yuan = 16.7 yen



6. Share transfer schedule

Omitted

7. Future outlook

Omitted

**3. Reason for correction**

Since the previous disclosure, we have been trying to adjust the volume of the third-party allotment with the investors. However, taking into account the strong demand from the investors and the perspective of business strategy, we have determined that building relationships with a variety of investors will contribute to the enhancement of corporate value.

This document is a press release for public announcement in relation to preparations to list our consolidated subsidiary called Ferrotec (Ningxia) Advanced Quartz Material Co., Ltd. on the Chinese stock market. We did not prepare this document to solicit any kind of investment or for any similar activities. In addition, no part of this document should form or be relied on as the basis of contracts, promises or investment decisions relating to China, Japan, the United States and other regions. Accordingly, this document does not constitute or intend to be an offer for or a solicitation to acquire stocks or securities in any jurisdiction including the United States. It is not possible to offer and sell securities without registration or exemption from registration in the United States. The purchase of securities through public offering should be done based only on information included in the final offering memorandum or prospectus relating to those securities. The Company does not intend to make a public offering of securities in the United States at the present time.