



June 29, 2021

Notice of Application for Listing of Our Chinese Subsidiary on the Growth Enterprise Market of the Shenzhen Stock Exchange

Ferrotec Holdings Corporation (hereinafter “the Company”) hereby announces that the application submitted by our consolidated subsidiary, Ferrotec (Anhui) Technology Co., Ltd. (hereinafter “FTSA”), on June 21, 2021 for listing on the Growth Enterprise Market of the Shenzhen Stock Exchange (hereinafter “ChiNext”) was accepted yesterday. We will issue announcements as appropriate when any progress is made in the procedures of examining FTSA’s listing eligibility.

Please note that this application does not mean that ChiNext has approved FTSA’s listing on the stock exchange as of today or guarantee an approval for stock listing at any point in the future. In addition, FTSA may withdraw its application for listing depending on stock market conditions, changes in the business environment, or for any other reasons, even if it gains approval for listing by ChiNext.

1. Overview of the company applying for stock listing as of March 31, 2021

(1)	Name	Ferrotec (Anhui) Technology Co., Ltd. (FTSA)	
(2)	Address	18 NanHai Road, YiAn Economic Development Zone, Tongling City, Anhui Province, China	
(3)	Title and name of representative	He Xian Han, Representative Director	
(4)	Contents of business	High purity process tool parts cleaning service for semiconductors and FPDs	
(5)	Capital	253,790,000 yuan	
(6)	Date of establishment	December 26, 2017	
(7)	Major shareholders and shareholding ratio	Shanghai Shenhe Thermo-Magnetics Electronics Co., Ltd. (our consolidated subsidiary): 67.73%	
(8)	Relationship between FTSA and the company	Capital relationship	FTSA is a second-tier subsidiary, 67.73% of whose shares are held by Shanghai Shenhe Thermo-Magnetics Electronics Co., Ltd., which is wholly owned by the Company.
		Personnel relationship	Two directors of the Company concurrently serve as the director and the auditor of FTSA.
		Business relationship	None applicable

2. Reasons for the application for stock listing

Since our corporate group launched the business of high purity process tool parts cleaning and recycling service for semiconductors and FPDs in Shanghai in 2001, we have expanded our business base to 7 factories in 5 locations, including Tianjin, Sichuan, Dalian, and Anhui and are currently building a third factory in Neijiang in Sichuan and setting up a new

factory in Guangzhou as a new business location. Under these circumstances, the Company and FTSA have decided to apply for listing of FTSA on ChiNext for the following purposes:

- ◇ To raise funds from a variety of sources by gaining access to the capital market
- ◇ To solidify FTSA's position as a top vendor in the precision parts cleaning and recycling service industry in China
- ◇ To expand business in China and overseas through merger and acquisition so that FTSA will become the No. 1 vendor in the global market
- ◇ To strengthen our business foundation by hiring talented human resources in China and overseas, as well as improve employees' motivation and retention rate by raising brand awareness of our corporate group through stock listing

FTSA's listing on the stock exchange is based on the premise that it remains an important consolidated subsidiary of the Company even after it gets listed.

3. Future outlook

The impact on the consolidated business performance of the Company for the fiscal year ending March 2022 is expected to be minor. However, we will promptly disclose relevant items as soon as they are confirmed. The impact that would be created when FTSA gets listed as it applied depends on myriad factors, including the price of FTSA's shares set by ChiNext, our corporate group's policy on selling FTSA's shares, and the degree of FTSA's share dilution after it gets listed. Accordingly, the outlook is still to be determined.

This document is a press release aimed solely at providing the general public with information on our preparations for listing of our consolidated subsidiary, Ferrotec (Anhui) Technology Co., Ltd., on the Growth Enterprise Market of the Shenzhen Stock Exchange and is not prepared for such purposes as to encourage investment either in Japan or overseas.