

Notice of the Investment in Facilities in Malaysia (Construction of a New Factory)

Ferrotec Holdings Corporation (Representative Director: He Xian Han; hereinafter “the Company”) announces that, at the meeting of Board of Directors held today, we resolved to construct a new factory, investing a total of 120 million dollars (about 16.1 billion yen), at Ferrotec Manufacturing Malaysia Sdn. BHD (hereinafter “FTMM”), which is a manufacturing subsidiary. Details are as follows.

1. Overview of the investment in facilities

(1)	Investment amount	120 million dollars (about 16.1 billion yen) *1 dollar = 134.22 yen *In local currency: 500 million Malaysian ringgit [Breakdown] Factory building: About 60 million dollars (about 8.1 billion yen) Machinery and equipment: About 60 million dollars (about 8.1 billion yen)
(2)	Total floor area of the building	About 800,000 square feet (about 80,000 m ²)
(3)	Schedule	Design of the entire factory: July 2022 Commencement of construction of the building: September 2022 Completion of the building: July 2023 Approval by the local government: September 2023
(4)	Scheduled date of start of operation	September 2023

2. Overview of the manufacturing subsidiary

(1)	Name	Ferrotec Manufacturing Malaysia Sdn. BHD (FTMM)	
(2)	Address	Kulim Hi-Tech Park, Kedah, Malaysia	
(3)	Title and name of representative	Eiji Miyanaga, President & CEO	
(4)	Contents of business	Metal processing, robot assembly, and processing and manufacturing of quartz and ceramics	
(5)	Capital	25 million US dollars (approx. 3.4 billion yen) *1 Us dollar = 134.22 yen	
(6)	Date of establishment	April 13, 2022	
(7)	Major shareholder and shareholding ratio	Shareholders	
			Shareholding ratio
		Ferrotec (USA) Corporation (FTU)	40.0%
		Ferrotec Holdings Corporation	30.0%
		Hangzhou Dahe Thermo-Magnetics Co., Ltd. (FTH)	30.0%
		*Consolidated subsidiary of the Company	
(8)	Relationship between FTMM and the companies	Capital relationship	A wholly-owned consolidated subsidiary of the Company
		Personnel relationship	A director of the Company concurrently serves as a director of the subsidiary.
		Business relationship	Nothing is applicable.

*Please refer to “Notice of the Establishment of a Manufacturing Subsidiary (Specified Subsidiary) in Malaysia” disclosed in April 6, 2022.

News Release: Ferrotec Holdings Corporation (6890 TSE Standard)

3. Future outlook

The impact on the business performance of the Company for the current fiscal year through this matter is expected to be minor. However, we will promptly disclose relevant items as soon as they are confirmed.