

[Excerpted Version]

Notice of the Commencement of the Tender Offer for the Share Certificates of Ohizumi Mfg. Co., Ltd. (Securities Code: 6618)

*This document is an excerpted version that was created for disclosure of the English version. For the full version, please see the Japanese version disclosed on November 10.

Ferrotec Holdings Corporation (hereinafter, "the Tender Offeror") announces that, at the meeting of Board of Directors held today, we resolved to acquire the common shares of Ohizumi Mfg. Co., Ltd. (hereinafter, "Target Company's Shares") (the Tokyo Stock Exchange, Inc. (hereinafter, "the TSE"); the Growth Market; Securities Code: 6618; hereinafter, "the Target Company") through the tender offer (hereinafter, "the Tender Offer") pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948; including any subsequent amendments; hereinafter, "the Act").

1. Purpose of the Tender Offer

(1) Outline of the Tender Offer

As of today, the Tender Offeror directly owns 4,722,000 shares of the Target Company listed on the Growth Market of the TSE (ownership ratio: 51.00%), and holds the Target Company as a consolidated subsidiary.

The Tender Offeror decided at the Board of Directors meeting held today to carry out the Tender Offer as part of a series of transactions (hereinafter, "the Transaction") to acquire all of the outstanding shares held by the Target Company (excluding Target Company's Shares directly owned by the Tender Offeror and the treasury shares held by the Target Company), and to make the Target Company a wholly owned subsidiary of the Tender Offeror.

In the Tender Offer, the lower limit of the number of shares to be purchased is set at 1,450,500 (ownership ratio: 15.67%) because of its intention to make the Target Company a wholly owned subsidiary, and if the total number of share certificates sold via the Tender Offer (hereinafter, "the Sold Share Certificates, Etc.") does not reach the lower limit (1,450,500 shares), the Tender Offeror will not purchase all of the Sold Share Certificates, Etc. On the other hand, the Tender Offer is made for the purpose of making the Target Company a wholly owned subsidiary, so there is no upper limit set for the shares to be purchased in the Tender Offer, and the Tender Offeror will purchase all of the Sold Share Certificates, Etc., when the total number of the Sold Share Certificates, Etc., to be purchased exceeds the lower limit.

The Tender Offeror aims to make the Target Company its wholly owned subsidiary. Therefore, in the event that the Tender Offeror fails to acquire all of Target Company's Shares through the Tender Offer, the Tender Offeror will, after the completion of the Tender Offer, conduct a series of procedures to acquire all of Target Company's Shares and make the Target Company a wholly owned subsidiary of the Tender Offeror (hereinafter, "the Squeeze-Out Procedures") in order to make the Target Company go private.

The Tender Offeror intends to finance the Tender Offer with the Tender Offeror's own funds.

At the meeting of the Target Company's Board of Directors held today, all three of the four directors of the Target Company who have no vested interest in the Tender Offer, excluding Mr. Akira Takeda, participated in the deliberations and the resolution, and the Target Company resolved to express its opinion in favor of the Tender Offer and to recommend that its shareholders sell their shares in the Tender Offer by a unanimous vote of all directors participating in the resolution.

(2) Background, Purpose and Process of the Decision to Conduct the Tender Offer, and Post-Tender Offer Management Policy

1. Background, Purpose and Process of the Decision to Conduct the Tender Offer

As of today, the Tender Offeror's Group (the Tender Offeror and its subsidiaries and affiliates) consists of the Tender Offeror, a holding company, and 92 subsidiaries and affiliates (75 consolidated subsidiaries, 14 equity-method

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affiliates, and 3 non-consolidated subsidiaries not accounted for by the equity method) (collectively, “the Tender Offeror Group”), and engages in three business segments – the “Semiconductor and Other Equipment-related Business,” which manufactures and sells vacuum feedthroughs, quartz products, ceramic products, CVD-SiC products, silicon products, and crucibles used in semiconductor and FPD (flat panel display) manufacturing equipment; the “Electronic Device Business,” which manufactures and sells thermo-electric modules used in temperature control equipment, and ferrofluids; and the “Other Business” segment which manufactures and sells saw blades, machine tools, and silicon products for solar cells. Since the establishment of Hangzhou Dahe Thermo-Magnetics Co., Ltd. in January 1992 as a thermo-electric module manufacturing company in China, the Tender Offeror Group has been aggressively expanding its business in China, and as a company originated in the U.S., developed in Japan, and expanding in China, it is conducting its business activities globally in the electronics industry. It is also expanding elemental technologies in manufacturing, aiming to be a global company that delivers high quality products to the world at internationally competitive prices.

As of today, the Target Company Group (the Target Company and its subsidiaries and affiliates) consists of the Target Company and its 4 consolidated subsidiaries, consisting of 5 companies in total, with its main business being the manufacture and sale of various electronic components ((Note 6) element components) that use semiconductor ceramic thermistors whose electrical resistance changes with changes in heat and temperature, and manufacture and sale of temperature sensors using these components that can be attached to end products for use in temperature measurement and control by automotive parts manufacturers, air conditioning and home appliance manufacturers, and other customers

(Note 6) Electronic components based on semiconductor ceramics thermistors, whose electrical resistance changes with changes in heat and temperature. The Tender Offeror expects the following initiatives and synergies from making the Target Company a wholly owned subsidiary through the Transaction.

(i) Growth Market Development

We believe that the Target Company’s brand power in products with competitive advantages, longstanding business experience with major auto parts manufacturers and major air conditioner manufacturers, and advanced design capabilities and production technologies for VA and VE (Note 11) will be effective for business development in China, the world’s largest automobile market. We believe that the inclusion of the Target Company as a wholly owned subsidiary of the Tender Offeror will create an environment in which the Target Company can take the lead in the thermistor business in China, which will benefit the Target Company, increase motivation and incentives for the business, and raise the certainty of success of the business, which will lead to an increase in Target Company’s corporate value.

(Note 11) VA stands for “Value Analysis,” an organizational activity to reduce costs while maintaining quality, with the aim of obtaining the required functions at the lowest cost; VE stands for “Value Engineering,” an organizational activity to reduce costs by studying the costs and functions of products and material services, with the objective of obtaining the necessary functions demanded by customers at the lowest possible cost.

(ii) Strengthening the Selling Capability/Expanding the Customer Base and Diversifying Customers’ Industries

Among the Tender Offeror’s products, thermo-electric modules and insulated heat-dissipating substrates for power semiconductors share the same target customers as the Target Company. Therefore, the use of the Tender Offeror’s global sales network will enable cross-selling and integrated proposal for Target Company’s thermistor products, which will lead to the strengthening of the selling capability. In addition, while the industry of Target Company’s customers is currently heavily weighted toward automotive parts (Tier 1) and air conditioning, by utilizing the Tender Offeror’s global sales network, it will be possible to develop markets in various fields such as medical equipment, optical communications, and new energy, and to expand the customer base and diversify customer industries simultaneously, which will lead to the stabilization of Target Company’s management.

(iii) Reducing Manufacturing Costs/Increasing Price Competitiveness

In addition to transferring to the Target Company the Tender Offeror’s expertise in the installation and operation of the latest equipment and systems, such as automation and production management systems (MES, ERP,

etc.) at production sites, mainly in China, and introduction of low-cost suppliers who can provide automation equipment with short delivery times, the Tender Offeror believes that it will be possible to achieve significant labor saving and productivity improvement at an early stage, which will result in manufacturing cost reduction and price competitiveness improvement of Target Company's products.

(iv) Strengthening of the Development Capability

Through active personnel exchange between Tender Offeror's and Target Company's research and development departments, it will be possible to add value to existing thermistors, develop new materials for bodies such as ceramics, and jointly develop sensors other than thermistors. Furthermore, by sharing cases and know-how cultivated in the course of the Tender Offeror's business operations, such as thermo-electric modules and insulated heat-dissipating substrates for power semiconductors, Target Company's research and development capabilities, which have been weak in the past, will be improved.

(v) Reducing Listing Maintenance Costs/Improving the Fund-raising Capacity

As stated above, the Tender Offeror believes that maintaining the listing of Target Company's Shares is in itself a burden on the management of the Target Company, and if the Target Company becomes a wholly owned subsidiary (delisting), various costs associated with maintaining the listing (listing fees, preparation costs of disclosure documents, outsourcing costs to stock transfer agents, and audit costs) and the operational burden on the Target Company will be reduced. In addition, the Tender Offeror's group financing will enable the Target Company to procure capital investment funds and working capital for the above-mentioned automation of the Target Company speedily and at low cost.

(3) Post-Tender Offer Policy for Organizational Restructuring (Matters Concerning the So-called Two-Tier Takeover Strategy)

The Tender Offeror intends to acquire all of the shares of the Target Company and make the Target Company a wholly owned subsidiary of the Tender Offeror. If the Tender Offeror is unable to acquire all of the shares of the Target Company through the Tender Offer, the Tender Offeror plans to implement the Squeeze-Out Procedures in the following manner after the Tender Offer is completed.

1. Demand to Cash Out

As a result of the completion of the Tender Offer, if the total number of voting rights of the Target Company held by the Tender Offeror becomes 90% or more of the voting rights of all shareholders of the Target Company, the Tender Offeror will, immediately after the completion of the settlement of the Tender Offer, request all shareholders of the Target Company (excluding the Tender Offeror and the Target Company) to sell the Tender Offeror all of Target Company's Shares they own in accordance with Article 179 of the Companies Act (hereinafter, "the Demand to Cash Out"). In the Demand to Cash Out, the Tender Offeror will establish rules to issue an amount of money equivalent to the Tender Offer price as the consideration for each share of the Target Company to the shareholders of the Target Company (excluding the Tender Offeror and the Target Company).

2. Share Consolidation

On the other hand, if, as a result of the completion and settlement of the Tender Offer, the total number of voting rights of the Target Company held by the Tender Offeror does not reach 90% or more of the voting rights of all shareholders of the Target Company, the Tender Offeror will request the Target Company to hold an Extraordinary General Meeting of Shareholders to deliberate a proposal that includes the implementation of the Share Consolidation pursuant to Article 180 of the Companies Act, and partial amendment of Target Company's Articles of Incorporation to abolish the number of shares constituting one trading lot on the condition that the Share Consolidation takes effect (hereinafter, "the Extraordinary General Meeting of Shareholders") in around mid-February 2024. The Tender Offer is in no way intended to solicit the support of Target Company's shareholders at the Extraordinary General Meeting of Shareholders. Furthermore, with respect to the tax treatment of the application to the Tender Offer or the above procedures, the shareholders of the Target Company are requested to confirm with tax accountants and other professionals at their own responsibility.

(4) Likelihood of Delisting and Reasons Thereof

As of today, Target Company's Shares are listed on the Growth Market of the TSE; however, as the Tender Offeror

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has not set an upper limit of shares to be purchased in the Tender Offer, Target Company's Shares may become delisted through the designated procedures pursuant to the delisting standard stipulated by the TSE, depending on the outcome of the Tender Offer.

Further, even if such standard is not applicable at the time of the completion of the Tender Offer, the Tender Offeror plans to implement the Squeeze-Out Procedures pursuant to applicable laws, as described in "(3) Post-Tender Offer Policy for Organizational Restructuring (Matters Concerning the So-called Two-Tier Takeover Strategy)" above after the completion of the Tender Offer, and therefore, in such cases, Target Company's Shares will be delisted pursuant to the delisting standard stipulated by the TSE through the designated procedures. After such delisting, Target Company's Shares shall not be traded on the Growth Market of the TSE.

(5) Items Pertaining to Important Agreement Concerning the Tender Offer

None applicable.

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2. Overview of the Tender Offer, etc.

(1) Overview of the Target Company

1.	Name	Ohizumi Mfg. Co., Ltd.	
2.	Address	1-11-4 Shinsayama, Sayama City, Saitama Prefecture	
3.	Title and name of representative	Katsuhiko Tsubo, President and CEO	
4.	Contents of business	Manufacturing and sale of electronic components with semiconductor ceramic thermistors whose electrical resistance changes with changes in heat and temperature, and manufacturing and sale of temperature sensors using these components that can be attached to end products for use in temperature measurement and control by automotive parts manufacturers, air conditioning and home appliance manufacturers, and other customers	
5.	Capital	1,480 million yen (as of March 31, 2023)	
6.	Date of establishment	March 25, 1944	
7.	Major shareholders and shareholding ratio (As of September 30, 2023) (Note)	Ferrotec Holdings Corporation	51.00%
		MSIP CLIENT SECURITIES (Standing proxy: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)	2.18%
		Employee Shareholding Association of the Ohizumi Group	1.71%
		INTERACTIVE BROKERS LLC (Standing proxy: Interactive Brokers Securities Japan Inc.)	1.42%
		Yasufumi Ishikawa	0.83%
		Matsui Securities Co, Ltd.	0.76%
		Masahiro Murakami	0.76%
		Rakuten Securities, Inc.	0.73%
		DMM.com Securities Co., Ltd.	0.69%
		Custody Bank of Japan, Ltd. (Trust account)	0.62%
8.	Relationship between public companies and the Target Company		
	Capital relationship	The Tender Offeror holds 4,722,000 shares of the Target Company (ownership ratio: 51.00%) as of today, and has the Target Company as a consolidated subsidiary.	
	Personnel relationship	As of today, out of 4 directors of the Target Company, one director also serves as a director of the Tender Offeror. In addition, the Target Company has accepted two persons (as of September 30, 2023) from the Tender Offeror as dispatched employees.	
	Business relationship	The Tender Offeror and the Target Company have a capital and business alliance relationship based on the Capital and Business Alliance Modification Agreement.	
	Current status of related parties	The Target Company is Tender Offeror's consolidated subsidiary, and is a related party of the Tender Offeror.	

(Note) "7. Major shareholders and shareholding ratio (As of September 30, 2023)" are based on the "Current Status of Major Shareholders" in the quarterly report submitted by the Target Company.

(2) Schedule

1. Schedule

Date of resolution by the Board of Directors	Friday, November 10, 2023
Date of the public notice on the commencement of the Tender Offer	Monday, November 13, 2023 An electronic public notice will be posted, and the contents will be published in <i>The Nikkei</i> . (URL of the electronic public notice: https://disclosure2.edinet-fsa.go.jp/)
Submission date of the Tender Offer notification	Monday, November 13, 2023

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2. Scheduled Period of the Tender Offer as of the Submission

From Monday, November 13, 2023 to Monday, December 25, 2023 (30 business days)

3. Possibility of Extension Based on Target Company's Request

None applicable.

(3) Price of the Tender Offer

1,300 yen per common share

(4) Number of Share Certificates to be Purchased

Type of share certificates	Number of shares to be purchased	Lower limit of the number of shares to be purchased	Upper limit of the number of shares to be purchased
Common shares	4,536,790	1,450,500	-
Total	4,536,790	1,450,500	-

(Note 1) In the event that the total number of the Sold Share Certificates, Etc. do not reach the lower limit of the number of shares to be purchased (1,450,500 shares), the Tender Offeror will not purchase all of the Sold Share Certificates, Etc. When the total number of the Sold Share Certificates, Etc. exceeds the lower limit of the number of shares to be purchased (1,450,500 shares), the Tender Offeror will purchase all of the Sold Share Certificates, Etc.

(Note 2) The upper limit of the number of shares to be purchased is not set in the Tender Offer. Therefore, the number of shares to be purchased represents the maximum number of Target Company's Shares (4,536,790 shares) that may be acquired by the Tender Offeror in the Tender Offer. The number of shares to be purchased is obtained by subtracting the number of treasury shares held by the Target Company as of the same date stated in Target Company's quarterly report (178 shares) and the number of Target Company's Shares held by the Tender Offeror as of today (4,722,000 shares) from the total number of Target Company's outstanding shares as of September 30, 2023 as stated in Target Company's quarterly report (9,258,968 shares).

(Note 3) There is no plan to acquire the treasury shares held by the Target Company through the Tender Offer.

(Note 4) The shares less than one trading lot are also eligible for the Tender Offer. When a right to purchase shares less than one trading lot is exercised by the shareholders pursuant to the Companies Act, the Target Company may purchase its treasury shares following the statutory procedures during the Tender Offer period.

(5) Changes in Ownership Ratio of Share Certificates, Etc. Through the Tender Offer

Number of voting rights pertaining to the share certificates, etc. held by the Tender Offeror before the Tender Offer	47,220	(Ownership ratio of the share certificates, etc. before the Tender Offer: 51.00%)
Number of voting rights pertaining to the share certificates, etc. held by the special related parties before the Tender Offer	150	(Ownership ratio of the share certificates, etc. before the Tender Offer: 0.16%)
Number of voting rights pertaining to the share certificates, etc. held by the Tender Offeror after the Tender Offer	92,587	(Ownership ratio of the share certificates, etc. after the Tender Offer: 100%)
Number of voting rights pertaining to the share certificates, etc. held by the special related parties after the Tender Offer	0	(Ownership ratio of the share certificates, etc. after the Tender Offer: 0%)
Number of voting rights of all shareholders of the Target Company	92,563	

(6) Purchase Price: 5,897,827,000 yen

(Note) The purchase price is the amount obtained by multiplying the number of shares to be purchased (4,536,790) through the Tender Offer price (1,300 yen) per share.

(7) Settlement Method

1. Names and Head Offices' Locations of the Securities Firms, Banks, Etc. That Will Settle Purchase, Etc.

Mita Securities Co., Ltd.
3-11 Nihonbashi-kabuto-cho, Chuo City, Tokyo
Monex, Inc. (sub-agent)
1-12-32 Akasaka, Minato City, Tokyo

2. Date of Start of Settlement

Friday, December 29, 2023

3. Settlement Method

(Via Mita Securities Co., Ltd.)

Immediately after the Tender Offer period, we will send a notification on purchase, etc. through the Tender Offer to the addresses of shareholders selling share certificates, etc. (standing proxy in the case of non-Japanese shareholders or the like) by post. Purchase will be conducted in cash. The purchase price of share certificates, etc. will be remitted by the agent of the Tender Offeror to the places designated by shareholders selling share certificates, etc. (standing proxy in the case of non-Japanese shareholders or the like) or paid into the accounts of shareholders selling share certificates, etc. who have made an application via the agent, following the instructions from shareholders selling share certificates, etc. (standing proxy in the case of non-Japanese shareholders or the like) without delay after the start of settlement.

(Via Monex, Inc.)

Immediately after the Tender Offer period, we will send a notification on purchase, etc. through the Tender Offer to the addresses or locations of shareholders selling share certificates, etc. (standing proxy in the case of non-Japanese shareholders) by post. Purchase will be conducted in cash. The purchase price of share certificates, etc. will be remitted by the sub-agent to the places designated by shareholders selling share certificates, etc. (standing proxy in the case of non-Japanese shareholders), following the instructions from shareholders selling share certificates, etc. (standing proxy in the case of non-Japanese shareholders) without delay after the start of settlement.

4. Other Information

The Tender Offer is not being made, directly or indirectly, in or for the U.S., nor is it being made by the use of the U.S. postal service or any other means or instrumentality of interstate or international commerce (including, but not limited to, facsimile, e-mail, Internet communications, telex and telephone) or through U.S. stock exchanges. Shareholders shall not submit their shares for the Tender Offer by any of the aforementioned methods or means, through any of the aforementioned exchanges, or from within the U.S.

Furthermore, the Tender Offer Registration Statement or related purchase documents relating to the Tender Offer will not be sent or distributed within the U.S., to or from the U.S. by mail or any other method; and such sending or distribution is prohibited. Applications for the Tender Offer that directly or indirectly violate the above restrictions will not be accepted.

When submitting shares for the Tender Offer, shareholders (or their standing proxies in the case of non-Japanese shareholders) may be required to make the following representations and warranties to the Tender Offer agent or sub-agent.

Each shareholder should not be located in the U.S. at either the time of application or the time of sending the Tender Offer application form. Any information regarding the Tender Offer (including a copy of such information) should not directly or indirectly be sent within the U.S., to or from the U.S., or received within the U.S. No mail or other means or instrumentality of interstate or international commerce (including, but not limited to, facsimile, e-mail, Internet communications, telex, and telephone) in the U.S. or none of U.S. stock exchanges should be used, directly or indirectly, in connection with the Tender Offer or the signing and delivery of the Tender Offer application form. The applicant should not be acting as an agent or fiduciary or assignee of another person without discretionary authority (unless such other person is giving all instructions relating to the Tender Offer from outside the U.S.).

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(8) Date of the Public Notice on the Commencement of the Tender Offer

Monday, November 13, 2023

(9) Tender Offer Agent

Mita Securities Co., Ltd.

3-11 Nihonbashi-kabuto-cho, Chuo City, Tokyo

Monex, Inc. (sub-agent)

1-12-32 Akasaka, Minato City, Tokyo

3. Policy Following the Tender Offer and the Outlook for the Future

Anticipated Impact on the Consolidated Business Performance of the Tender Offeror and the Outlook

Anticipated impact on the consolidated business performance of the Tender Offeror by the Tender Offer is being reviewed. Should any events arise that require an announcement, such announcement shall be made promptly.