

(Progress of a Disclosed Item) Notice of a Merger with Our Consolidated Subsidiary and a Change to a Specified Subsidiary

The Company disclosed the start of preparations for the transition from a pure holding company to an operating company through an absorption merger with Ferrotec Material Technologies Corporation (hereinafter “FTMT”), which is a wholly-owned consolidated subsidiary of the Company, in “Notice of the Determination of the Basic Policy to Transition from Being a Pure Holding Company to Being an Operating Company through a Merger with Our Consolidated Subsidiary” dated February 13, 2025 (hereinafter “the Merger”). At the meeting of the board of directors held today, we have resolved to absorb FTMT as described below.

The Merger will be a simplified absorption merger of a consolidated subsidiary. Therefore, the Company is omitting the disclosure of some items and details here. FTMT, which will be absorbed and disappear through the Merger, will be categorized as a specified subsidiary of the Company.

1. Purpose of the Merger

After transitioning to an operating company, the Company will optimally allocate human resources and other management resources to reform our profit structure. Together with this, the Company will aim to improve our medium- to long-term group corporate value by speeding up decision making, flexibly operating businesses and also expanding businesses through M&As.

2. Overview of the Merger

(1) Schedule of the Merger

February 13, 2025	Resolution passed by the Board of Directors on the basic policy
March 14, 2025	Resolution passed by the Board of Directors on the absorption merger agreement (determination of the company to be absorbed and merged)
March 14, 2025	Signing of the absorption merger agreement
July 1, 2025 (planned)	Absorption merger to come into effect

(Note) *The Merger is a simplified merger as stipulated in Article 796, Paragraph 2 of the Companies Act. The wholly-owned subsidiary (FTMT) will be subject to a short-form merger as stipulated in Article 784, Paragraph 1 of the Companies Act. Therefore, the Merger will take place without obtaining the approval of the General Meeting of Shareholders for the merger agreement in the surviving company and the disappearing company.

(2) Method of the Merger

This will be an absorption merger in which the Company will be the surviving company and FTMT (a wholly-owned subsidiary) will be the disappearing company.

(3) Details of the allocation relating to the Merger

This will be a merger with a wholly-owned subsidiary. Therefore, no shares will be issued or money paid.

(4) Handling of stock acquisition rights and corporate bonds with stock acquisition rights relating to the Merger

Not applicable

3. Overview of the parties involved in the Merger as of March 31, 2024

	Surviving company	Disappearing company
(1) Name	Ferrotec Holdings Corporation	Ferrotec Material Technologies Corporation
(2) Address	2-3-4 Nihonbashi, Chuo City, Tokyo	2-3-4 Nihonbashi, Chuo City, Tokyo
(3) Title and name of representative	He Xian Han, Representative Director	Takeru Yamamura, Representative Director(*)
(4) Contents of business	Holding company	Manufacture and sale of products of the semiconductor and other equipment-related business, electronic device business and automotive-related business
(5) Capital	29,539 million yen	485.5 million yen

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(6) Date of establishment	September 27, 1980	December 1, 1989
(7) No. of outstanding shares	47,111,567 shares	28,420 shares
(8) Account closing month	March	December
(9) Major shareholders and shareholding ratio	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.: 1.98% Akira Yamamura: 1.81% The Master Trust Bank of Japan, Ltd. (trust account): 1.81% STATE STREET BANK AND TRUST COMPANY 505223: 1.60% JP MORGAN CHASE BANK 385622: 1.51% INTERACTIVE BROKERS: 1.50% JP Morgan Chase & Co.: 1.44% JP MORGAN CHASE BANK 385781: 1.36% Custody Bank of Japan, Ltd. (trust account): 1.33% STATE STREET BANK WEST CLIENT-TREATY 505234: 1.24%	Ferrotec Holdings Corporation: 100%
(10) Latest operating results and financial standing		
Fiscal year	FY 3/24 (consolidated)	FY 12/24 (non-consolidated)
Net assets	278,166 million yen	13,185 million yen
Total assets	510,026 million yen	30,330 million yen
Net assets per share	4,348.01 yen	463,962.48 yen
Net sales	222,430 million yen	28,185 million yen
Operating profit	24,872 million yen	2,795 million yen
Ordinary profit	26,537 million yen	3,185 million yen
Profit attributable to owners of parent	15,154 million yen	2,279 million yen
Profit per share	322.65 yen	80,292.92 yen

*The Representative Director of Ferrotec Material Technologies Corporation is He Xian Han as of today.

4. Status of the Company after the Merger

The Merger will not result in any changes to the representative's title and name, capital, accounting period or head office location. The Company's trade name will be as in "Notice of the Change to the Trade Name and Partial Amendment to the Articles of Incorporation (Trade Name) of Ferrotec Holdings Corporation" dated February 13, 2025.

5. Future outlook

The Merger is a merger with a wholly-owned consolidated subsidiary of the Company. Therefore, the impact on the Company's consolidated performance will be minor.