April 15, 2020

Notice Regarding Merger between Consolidated Subsidiaries

Ferrotec Holdings Corporation announces that, at the Board of Directors' meeting held today, the Company resolved to carry out an absorption-type merger as of July 1, 2020 whereby its consolidated subsidiary, Ferrotec Material Technologies Corporation (hereinafter referred to as "Ferrotec Material Technologies"), is to be the surviving company in a merger with its consolidated subsidiary Ferrotec Corporation (hereinafter referred to as "Ferrotec"), which is to be the absorbed company.

1. Purpose of merger

Ferrotec Material Technologies manufactures and sells semiconductor equipment related segment products such as Ceramics and CVD-SiC (* 1. below). Ferrotec sells semiconductor equipment related segment products such as Vacuum Feedthroughs, Quartz, and Power Semiconductor Substrates (DCB) in addition to electronic device segment products such as Ferrofluids and Thermo-electric Modules and both companies are involved in businesses that play a central role in the Group's activities (* 2. below).

By means of this merger, we will strengthen our ability to respond to customer needs and to develop new materials and new products, while actively cultivating markets other than semiconductors and in-vehicle related products, and also actively promote efficiency by integrating management functions. We also aim to realize synergies within the group and to expand our business.

2. Summary of merger

(1) Schedule

Board resolution date: April 15, 2020
Date of conclusion of merger agreement: April 15, 2020
Date of merger (effective date): July 1, 2020 (planned)

(2) Merger method

This merger is an absorption-type merger with Ferrotec Material Technologies as the surviving company and Ferrotec as the absorbed company.

(3) Content of allocation related to merger

There is no allocation of shares, etc., since this is a merger between 100% subsidiaries.

---

* 1. Silicon carbide (SiC) that uses the CVD (Chemical Vapor Deposition) method, and features ultra-high purity, high corrosion resistance, high oxidation resistance, and high resistance to oxidation. Due to its excellent heat resistance and high degree of abrasion resistance, it is mainly used for jigs to be used at high temperatures, such as wafer boats and tubes used in the semiconductor device manufacturing process, and dummy wafers that replace silicon wafers.

* 2. We develop and manufacture vacuum feedthroughs and ferrofluids at our Chiba factory.

3. Outline of the parties to the merger (as of April 15, 2020)

		Surviving Company	Absorbed company
(1)	Name	Ferrotec Material Technologies Corporation	Ferrotec Corporation
(2)	Location	2-3-4 Nihonbashi, Chuo-ku, Tokyo	2-3-4 Nihonbashi, Chuo-ku, Tokyo
(3)	Name and Title of Representative	Yasuaki Matsuda, President and Representative Director	Yasuaki Matsuda, President and Representative Director
(4)	Business	Manufacturing, sales, etc. of ceramics products, and CVD-SiC products	Manufacturing, and sales, etc. of ferrofluids and applied products, semiconductor equipment related products, and electronic device products.
(5)	Capital	485,500 thousand yen	350,000 thousand yen
(6)	Fiscal year end	December	March
(7)	Major shareholders and shareholding ratio	Our company 100%	Our company 100%

4. Status after merger (planned)

(1)	Name	Ferrotec Material Technologies Corporation.
(2)	Location	2-3-4 Nihonbashi, Chuo-ku, Tokyo
(3)	Name and Title of Representative	Yasuaki Matsuda, President and Representative Director
(4)	Business	Manufacturing, and sales, etc. of ceramics products, CVD-SiC products, ferrofluids and applied products, semiconductor equipment related products, and electronic device products, etc.
(5)	Capital	485,500 thousand yen
(6)	Fiscal year end	December
(7)	Major shareholders and shareholding ratio	Our company 100%

5. Future outlook

Since this merger is a merger between consolidated subsidiaries of the company, the impact on our consolidated business results will be minor.