



May 12, 2026

Name of the Company:	ULVAC, Inc.
Name of the Representative:	Setsuo Iwashita President & CEO (Code No.6728; TSE Prime Market)
Person to contact:	Daichi Harada General Manager of IR Dept., Administration HQ (TEL. 0467-89-2024)

**Notice concerning the Execution of a Business Integration Agreement
and the change of a Consolidated Subsidiary (Transfer of Equity Interest)**

ULVAC, Inc. (hereinafter "ULVAC") hereby announces that, at the meeting of its Board of Directors held on May 12, 2026, it resolved to enter into a Master Framework Agreement (the "MFA") setting forth the terms and conditions for the business integration of the flat panel display ("FPD") target business with Beijing Fengke Xinchuang Equity Investment Fund Center (Limited Partnership) ("Fengke Xinchuang"), Beijing Xinchuang Intelligent Manufacturing Phase II Venture Capital Fund (Limited Partnership) ("Xinchuang Phase II"), and Konfoong Materials International Co., Ltd. ("KFMI"). In addition, ULVAC resolved to enter into an equity transfer agreement for the transfer of equity interests in its consolidated subsidiary in accordance with the MFA.

1. Overview of the Business Integration and Change of Consolidated Subsidiary

In response to changes in the competitive environment in the Chinese market, ULVAC Group has been reviewing its business operating structure. As previously disclosed on August 13, 2025, ULVAC has been holding discussions with KFMI regarding the integration of the FPD target business. As a result, ULVAC determined that establishing a joint venture structure in which Fengke Xinchuang becomes the controlling shareholder, with the funds and KFMI serving as local partners, would enable the consolidation of management resources and faster decision-making, thereby contributing to enhanced business stability and improved medium- to long-term profitability. Accordingly, ULVAC decided to implement the Business Integration.

The Business Integration will be implemented by transferring the FPD target businesses currently operated by KFMI and ULVAC to Beijing Fengke Jingsheng Electronic Materials Co., Ltd. (the "Joint Venture Company"), over which Fengke Xinchuang is expected to acquire control. In connection with this transaction, ULVAC will transfer all of its equity interests in ULVAC Materials (Suzhou) Co., Ltd., a consolidated subsidiary of ULVAC, to the Joint Venture Company, and subsequently make an investment in the Joint Venture Company.

2. Overview of the Joint Venture Company

(1) Overview of the Joint Venture Company (as of the date of execution of the MFA)

(1)	Name	Beijing Fengke Jingsheng Electronic Materials Co., Ltd.	
(2)	Location	26F, Building No.1, Courtyard No.22, Ronghua Middle Road, Beijing Economic-Technological Development Area, Beijing, PRC	
(3)	Representative	Legal Representative, Li Zhao	
(4)	Business Description	Development, manufacturing and sale of FPD sputtering targets, etc.	
(5)	Capital	RMB 892,000,000	
(6)	Date of Establishment	July 25, 2025	
(7)	Equity Ownership	Fengke Xinchuang Xinchuang Phase II KFMI	49.5516% 5.6054% 44.8430%

(Note) Since the net assets and total assets after the capital contribution have not yet been determined, they are not stated herein.

(2) Overview of the Counterparty to the Joint Venture (1)

(1)	Name	Konfoong Materials International Co., Ltd.		
(2)	Location	Anshan Road, Mingbang Technology Industrial Park, Economic Development Zone, Yuyao City, Zhejiang Province, PRC		
(3)	Representative	Legal Representative: Shun Yao		
(4)	Business Description	Development, manufacturing and sale of ultra-high-purity metal sputtering targets and precision components for semiconductor applications		
(5)	Capital	RMB 265,320,683		
(6)	Date of Establishment	April 14, 2005		
(7)	Major Shareholder and Ownership Ratio	Lijun Yao	21.4%	
(8)	Relationship with the Listed Company	Capital Relationship	None	
		Personnel Relationship	None	
		Business Relationship	None	
		Status as a Related Party	None	
(9)	Business Performance and Financial Condition for the Most Recent Three Fiscal Years			
	Fiscal Year End	FY2023 (Dec. 31, 2023)	FY2024 (Dec. 31, 2024)	FY2025 (Dec. 31, 2025)
	Consolidated Net Assets	RMB 4,129,808 thousand	RMB 4,427,859 thousand	RMB 4,825,935 thousand
	Consolidated Total Assets	RMB 6,271,647 thousand	RMB 8,689,443 thousand	RMB 10,582,798 thousand
	Consolidated Net Sales	RMB 2,601,608 thousand	RMB 3,604,962 thousand	RMB 4,604,100 thousand
	Consolidated Operating Profit	RMB 290,636 thousand	RMB 383,417 thousand	RMB 556,831 thousand
	Net Profit Attributable to Owners of Parent	RMB 255,474 thousand	RMB 400,564 thousand	RMB 499,503 thousand

(3) Overview of the Counterparty to the Joint Venture (2)

(1)	Name	Beijing Fengke Xinchuang Equity Investment Fund Center (Limited Partnership)		
(2)	Location	Room 2104-1, 21F, Building No.1, Courtyard No.22, Ronghua Middle Road, Beijing Economic-Technological Development Area, Beijing, PRC		
(3)	Legal Basis for Establishment	Partnership Enterprise Law of the People's Republic of China		
(4)	Purpose of Formation	Investment in promising companies related to FPD target materials		
(5)	Date of Formation	December 2, 2025		
(6)	Total Capital Commitment	RMB 460,000,000 (as of May 12, 2026)		
(7)	Contributors, Contribution Ratios, and Overview of Contributors	<p>1. Tianjin Dinghui No.2 Equity Investment Partnership (Limited Partnership) : 6.52%</p> <p>2. Shanghai Tongchuang Purun New Materials Co., Ltd. : 15.22%</p> <p>3. Tianjin Lingyi Equity Investment Partnership (Limited Partnership) : 6.09%</p> <p>4. Beijing Yizhuang International Emerging Industry Investment Center (Limited Partnership) : 28.04%</p> <p>5. Guizhou Qiansheng Investment Co., Ltd. : 21.74%</p> <p>6. Zibo Furui Baiqi Equity Investment Partnership (Limited Partnership) : 21.74%</p> <p>7. Beijing E-Town International Science & Technology Innovation Private Equity Fund Management Co., Ltd. : 0.65%</p>		
(8)	Overview of the General Partner / Executive Partner	Name	Beijing E-Town International Science & Technology Innovation Private Equity Fund Management Co., Ltd.	
		Location	Room 201-16, 2F, Building No.3, No.5 Rongchang East Street, Beijing Economic-Technological Development Area, Beijing, PRC	
		Representative	Chairman & General Manager: Peng Zhang	
		Business Description	Private equity investment management focusing on technology and emerging industries	
		Capital	RMB 10 million	
(9)	Relationship between the Listed Company and the Fund	Relationship with the Listed Company (Investment Status)	None	
		Relationship with the General Partner	Capital Relationship	None
			Personnel Relationship	None
			Business Relationship	None

(4) Overview of the Counterparty to the Joint Venture (3)

(1)	Name	Beijing Xinchuang Intelligent Manufacturing Phase II Venture Capital Fund (Limited Partnership)		
(2)	Location	Room 2104-1, 21F, Building No.1, Courtyard No.22, Ronghua Middle Road, Beijing Economic-Technological Development Area, Beijing, PRC		
(3)	Legal Basis for Establishment	Partnership Enterprise Law of the People's Republic of China		
(4)	Purpose of Formation	Private equity investment products targeting technology and emerging industries		
(5)	Date of Formation	June 6, 2024		
(6)	Total Capital Commitment	RMB 802,531,600 (as of May 12, 2026)		
(7)	Contributors, Contribution Ratios, and Overview of Contributors	<ol style="list-style-type: none"> 1. Beijing Yizhuang International Emerging Industry Investment Center (Limited Partnership) : 37.38% 2. Hebei Tingyuan Industrial Group Co., Ltd. : 12.46% 3. Xiamen Xinkemingyuan Venture Capital Partnership (Limited Partnership) : 12.46% 4. Guangxi Guangtou Strategic Emerging Industry No.7 Venture Capital Fund Partnership (Limited Partnership) : 3.12% 5. Guangxi Strategic Emerging Industry Upgrade Equity Investment Fund Partnership (Limited Partnership) : 4.98% 6. Beijing Municipal Science and Technology Innovation Fund (Limited Partnership) : 20.00% 7. Nanning Urban Construction Investment Group Co., Ltd. : 6.11% 8. Qingdao Innovation Investment Co., Ltd. : 2.49% 9. Beijing Yitang Intelligent Manufacturing Technology Center (Limited Partnership) : 1.00% 		
(8)	Overview of the General Partner / Executive Partner	Name	Beijing Yitang Intelligent Manufacturing Technology Center (Limited Partnership)	
		Location	Room 2104-1, 21F, Building No.1, Courtyard No.22, Ronghua Middle Road, Beijing Economic-Technological Development Area, Beijing, PRC	
		Representative	Executive Partner: Beijing E-Town International Science & Technology Innovation Private Equity Fund Management Co., Ltd.	
		Business Description	Formation and management of private equity investment products focused on technology and emerging industries	
		Capital	RMB 10 million	
(9)	Relationship between the Listed Company and the Fund	Relationship with the Listed Company (Investment Status)	None	
		Relationship with the General Partner	Capital Relationship	None
			Personnel Relationship	None
			Business Relationship	None

3. Overview of the Subsidiary Subject to the Change

(1)	Name	ULVAC Materials (Suzhou) Co., Ltd.		
(2)	Location	No.55, Pingsheng Road, Suzhou Industrial Park, Jiangsu Province, PRC		
(3)	Representative	Legal Representative: Dayong Zhao		
(4)	Business Description	Development, manufacturing and sale of FPD sputtering targets, etc.		
(5)	Capital	USD 24,390,000		
(6)	Date of Establishment	April 9, 2009		
(7)	Major Shareholders and Ownership Ratio	ULVAC (CHINA) HOLDING CO., LTD. ULVAC, Inc.	77.9%	22.1%
(8)	Relationship between the Listed Company and the Subsidiary	Capital Relationship	ULVAC holds 100% of the voting rights of the subsidiary (including indirect ownership).	
		Personnel Relationship	ULVAC dispatches directors to the subsidiary.	
		Business Relationship	ULVAC outsources product manufacturing to the subsidiary and provides raw materials.	
(9)	Business Performance and Financial Condition of the Subsidiary for the Most Recent Three Fiscal Years			
	Fiscal Year End	FY2023 (Dec. 31, 2023)	FY2024 (Dec. 31, 2024)	FY2025 (Dec. 31, 2025)
	Net Assets	RMB 214,017 thousand	RMB 218,960 thousand	RMB 227,118 thousand
	Total Assets	RMB 300,344 thousand	RMB 341,644 thousand	RMB 346,560 thousand
	Net Sales	RMB 335,392 thousand	RMB 412,240 thousand	RMB 472,864 thousand
	Operating Profit	RMB 42,302 thousand	RMB 43,645 thousand	RMB 48,835 thousand
	Ordinary Profit	RMB 42,166 thousand	RMB 43,663 thousand	RMB 48,754 thousand
	Net Profit	RMB 36,844 thousand	RMB 38,103 thousand	RMB 42,451 thousand

4. Equity Interests to be Transferred, Transfer Price, and Ownership Before and After the Transfer

(1)	Equity Ownership Before the Transfer	Investment Amount: USD 24,390,000 (indirect ownership: USD 18,990,000) Ownership Ratio (Voting Rights): 100% (indirect ownership: 77.9%)
(2)	Equity Interests to Be Transferred	All equity interests will be transferred.
(3)	Transfer Price	The transfer price of the equity interests will not be disclosed at the request of the transferee.
(4)	Equity Ownership After the Transfer	Investment Amount: – Ownership Ratio (Voting Rights): –%

5. Schedule

(1)	Board Resolution Date	May 12, 2026
(2)	Execution Date of MFA	May 16, 2026 (planned)
(3)	Execution Date of Equity Transfer	May–June 2026 (planned)
(4)	Investment by ULVAC in the Joint Venture Company	June–July 2026 (planned)

6. Future Outlook

As a result of the equity transfer, ULVAC expects to record an extraordinary gain of approximately JPY 7.8 billion from the sale of investments in affiliates in its consolidated financial statements for the fiscal year ending June 2026. This gain has been incorporated into the consolidated earnings forecast for the fiscal year ending June 2026 disclosed today.

Notes: Regarding Forward-Looking Statements

Statements in this document regarding future outlook are based on information currently available and certain assumptions deemed reasonable by ULVAC. Actual results may differ materially due to various factors. ULVAC undertakes no obligation to update or revise forward-looking statements to reflect new information or future events.

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