

May 11, 2011

Notice of Revisions to Business Forecasts

In view of recent trends in operating results, Ferrotec Corporation has revised its forecasts as follows. The revised forecasts replace the forecasts that were announced on February 14, 2011.

●Revisions to business forecasts

Revisions to consolidated forecasts for the year ended March 2011
(April 1, 2010 to March 31, 2011)

Unit: Yen in millions

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecasts (A)	54,000	5,500	4,600	3,200	129.01
Revised forecasts (B)	57,000	6,900	6,200	4,400	177.27
Increase/decrease (B-A)	3,000	1,400	1,600	1,200	
Percentage change (%)	5.5	25.4	34.7	37.5	
(Ref.)Previous results (year ended Mar. 2010)	31,541	703	524	156	6.58

Reasons for revisions

In view of recent trends in operating results, Ferrotec has revised its consolidated forecasts for the year ended March 2011.

Ferrotec's business segment is comprised of equipment-related business, photovoltaic-related business and electronic device business.

In the equipment-related business in the electronics industry, although D-RAM prices have been temporarily adjusted in the semiconductor market, orders for FPD and LED manufacturing equipment use were relatively strong. Material products used in semiconductor manufacturing process were also strong. In the PV-related business, the number of shipments of crystal silicon manufacturing equipment increased because Ferrotec increased its production capacity to meet the needs of customers. PV silicon products were also strong due to the booming market demand. Moreover, entering the adjustment phase affected thermoelectric module in the electronic device business but consolidated net sales for the full year are expected to exceed the previous forecast.

Ferrotec projects that its operating income will surpass the previous forecast due mainly to increase in gross profit associated with increase in net sales and reduced selling, general and administrative expenses. Until then, yen was strong but then it became stable towards the end of the year. As a result, exchange loss was lower than assumed.

Ferrotec posted an extraordinary loss as a result of the Great East Japan Earthquake. However, it is likely that both ordinary income and net income will exceed the previous forecasts and thus made revisions to full-year consolidated forecast.

Damage caused by the Great East Japan Earthquake

Due to the Great East Japan Earthquake that occurred on March 11, Ferrotec's Kamaishi branch was devastated by tsunami and Aizu branch was also partially destroyed. Major assets damaged by the earthquake are fixed assets including buildings, ancillary facilities with buildings and mechanical equipment, and products and

inventories including work in progress. In addition, Ferrotec incurred expenses for relief supplies and repairing buildings. Amount of loss on assets is likely to be 488 million yen. All employees who work at the Kamaishi branch are safe. To restore the function of the Kamaishi branch, Ferrotec integrated the branch with Chiba Technical Center and began operation on May 1 under the new name of Ferrotec Chiba Factory.

* The above forecasts are based on information available at the time this material was prepared. Actual results may differ from these forecasts for a number of reasons.