

*May 11, 2012***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 13, 2012.

**●Revisions to business forecasts**

Revisions to consolidated forecasts for the year ended March 2012  
(April 1, 2011 to March 31, 2012)

*Unit: Yen in millions*

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecasts (A)	63,000	5,200	4,200	2,700	93.16
Revised forecasts (B)	60,000	4,100	3,200	1,700	58.47
Increase/decrease (B-A)	(3,000)	(1,100)	(1,000)	(1,000)	
Percentage change (%)	(4.8)	(21.2)	(23.8)	(37.0)	
(Ref.)Previous results (year ended Mar. 2011)	57,880	6,931	6,290	4,483	180.63

**Reasons for revisions**

In the electronics industry to which the Ferrotec Group belongs, the semiconductor and FPD industries entered the adjustment phase in the middle of the year and although smartphones and tablet terminals were favorable, demands for investments in such as electronics components and manufacturing equipment used mainly for other PCs and flat-screen TVs decreased. In the photovoltaic industry, the construction of mega solar power plants is underway around the world. However, at Chinese and Taiwanese companies, an imbalance of demand and supply due to expansion of production of photovoltaic cells and photovoltaic modules led to a sharp increase in photovoltaic panel inventory. As a result, realization sales to reduce inventories resulted in a lower-than-expected product prices and the motivation to invest also decreased due to the effect of the credit crunch in China.

Due to such operating environment, Ferrotec considered that the effects on the group's equipment-related business and photovoltaic-related business are unavoidable. Therefore, Ferrotec took measures such as making adjustments in productions, cost-cutting and cut in personnel in less profitable product business aiming to secure profit through cost reduction group-wide. However, Ferrotec made revisions to its consolidated forecasts for the year ended March 2012.

The above forecasts are based on information available at the time this material was prepared. Actual results may differ from these forecasts due to various factors.