

November 7, 2014

Notice of Revisions to Business Forecasts

In view of recent trends in operating results, Ferrotec Corporation has revised its forecasts that were announced on May 20, 2014 as follows.

●Revisions to business forecasts

Revisions to consolidated forecasts for the second quarter (cumulative) of the fiscal year ending March 2015
(April 1, 2014 to September 30, 2014)

| | Net sales | Operating income | Ordinary income | Net income | Net income per share |
|---------------------------------------|-----------------------|----------------------|--------------------|--------------------|----------------------|
| Previous forecasts (A) | Million yen 25,500 | Million yen 1,000 | Million yen 500 | Million yen 350 | Yen 11.36 |
| Revised forecasts (B) | 29,000 | 1,190 | 830 | 350 | 11.36 |
| Increase/decrease (B-A) | 3,500 | 190 | 330 | 0 | |
| Percentage change (%) | 13.7 | 19.0 | 66.0 | 0.0 | |
| (Ref.)Previous results (FY3/14 2Q) | 20,229 | 159 | 530 | 694 | 22.53 |

Revisions to consolidated forecasts for the fiscal year ending March 2015
(April 1, 2014 to March 31, 2015)

| | Net sales | Operating income | Ordinary income | Net income | Net income per share |
|------------------------------------|-----------------------|----------------------|----------------------|--------------------|----------------------|
| Previous forecasts (A) | Million yen 50,000 | Million yen 1,800 | Million yen 1,000 | Million yen 700 | Yen 22.72 |
| Revised forecasts (B) | 56,000 | 2,000 | 1,500 | 800 | 25.97 |
| Increase/decrease (B-A) | 6,000 | 200 | 500 | 100 | |
| Percentage change (%) | 12.0 | 11.1 | 50.0 | 14.3 | |
| (Ref.)Previous results (FY3/14) | 44,745 | 798 | 1,262 | 1,391 | 45.18 |

Reasons for revisions

Regarding the business forecasts for the second quarter of the fiscal year ending March 2015, net sales and operating income are expected to exceed the previous forecasts due to favorable market environment of the electronics industry and the North America automobile industry to which Ferrotec belongs. Moreover, ordinary income is expected to exceed the previous forecasts due mainly to decrease in foreign exchange loss.

Based on the business forecasts for the consolidated cumulative second quarter, the company examined the financial outlook and revised its full year business forecasts.

*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.