

*May 13, 2016***Notice Concerning the Difference between Forecasts and Actual Results for the Fiscal Year Ended March 2016**

Ferrotec Corp. announces its difference between consolidated full-year business forecasts for the fiscal year ended March 2016 which were announced on November 12, 2015, and actual results as follows.

1. Difference between forecasts and actual results for the fiscal year ended March 2016  
(April 1, 2015 – March 31, 2016)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecasts (A)	Million yen 66,000	Million yen 3,400	Million yen 3,000	Million yen 1,900	Yen 61.66
Actual results (B)	69,463	4,024	3,822	2,162	70.18
Increase/decrease (B-A)	3,463	624	822	262	
Percentage change (%)	5.2	18.4	27.4	13.8	
(Ref.)Previous results (FY3/15)	59,078	1,671	2,030	-2,132	-69.21

2. Reasons for the difference

In the electronics industry, the core area of operations of the Ferrotec Group, there were expectations for decline in capital investments for semiconductor miniaturization and 3D capability and facility operation rate, and uncertainties on the outlook for deteriorating sentiment among final users and corporate activity, therefore the company viewed its full-year business forecasts cautiously. Nevertheless, the effects of decline in capital investment and economic deceleration were limited, and the company was able to ensure a certain level of earnings.

Sales of materials for semiconductor production processes were strong. Operating income was driven by those products and by thermo-electric modules for temperature-controlled automobile seats, while ordinary income benefited from foreign exchange gains on the weaker yen up to year-end. The same factors benefitted net income also.