

*August 14, 2017***Notice of Revisions to Business Forecasts for the Second Quarter and the Full-year**

Ferrotec Holdings Corporation has revised its forecasts for the second quarter and the full-year of the fiscal year ending March 2018, that were announced on May 15, 2017, as follows.

1. Revisions to consolidated forecasts for the second quarter of the fiscal year ending March 2018
(April 1, 2017 to September 30, 2017)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	42,000	3,600	3,200	2,000	64.85
Revised forecasts (B)	42,000	4,400	3,700	2,100	65.18
Increase/decrease (B-A)	0	800	500	100	
Percentage change (%)	-	22.2	15.6	5.0	
(Ref.) Previous results (FY3/17 2Q)	37,650	3,376	2,107	1,033	33.56

2. Revisions to consolidated full-year forecasts for the fiscal year ending March 2018
(April 1, 2017 to March 31, 2018)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	83,000	7,200	6,400	4,000	129.69
Revised forecasts (B)	83,000	8,200	7,100	4,200	126.77
Increase/decrease (B-A)	0	1,000	700	200	
Percentage change (%)	-	13.8	10.9	5.0	
(Ref.) Previous results (FY3/17)	73,847	5,678	5,675	3,256	105.67

3. Reasons for revisions to the consolidated forecasts for the second quarter and the full-year forecasts

1) Revisions to the consolidated forecasts for the second quarter

Net sales remain unchanged as orders for material products for the semiconductor manufacturing equipment are expected to be at a certain level, judging from the results for the consolidated first quarter. Operating income is expected to increase thanks to the changes in the product mix of the material products and the higher yield resulting from the mass production. As for the ordinary income, foreign exchange losses are expected to be limited, as exchange rates tend to show constant fluctuations. The increase in net income attributable to owners of parent is attributable to the increase in ordinary income.

2) Revisions to the full-year forecasts

As for the net sales in the consolidated business forecast, in the electronics industry we belong to, capital investments and capacity utilization rates of device manufacturers are expected to be firm. As for the operating income, depreciation expenses related to capital investments are expected to be incurred from the second half, as our group plans to ship semiconductor 8-inch wafers and the construction of new ceramics factory is planned to be completed. The increase in ordinary income and net income attributable to owners of parent are attributable to the increase in these items in the consolidated forecasts for the second quarter.

*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.