

News Release  
October 19,2004

FERROTEC CORPORATION

Revisions to Estimates for Business Results

FERROTEC CORP. is revising its estimates for operating results for the first half ending Sep. 30, 2004(April 1,2004 – Sep. 30,2004), and the current fiscal year ending March 31,2005(April 1,2004 – March 31,2005). These revised estimates replace the forecasts released on May 21,2004.

1. Revisions to consolidated estimates for the first half ending Sep.30,2004  
(April 1,2004~September 30,2004)

|   | Net Sales | Operating income | Ordinary income | Net income |
|---|-----------|------------------|-----------------|------------|
| Previous estimate (A)                                   | 9,500     | 730              | 540             | 200        |
| Revised estimate (B)                                    | 11,000    | 990              | 810             | 364        |
| Change (B – A)  | 1,500     | 260              | 270             | 164        |
| Percentage change                                       | 15.8%     | 35.6%            | 50.0%           | 82.0%      |
| First half of previous fiscal year (ended Sep. 30,2003) | 6,824     | 16               | △267            | △499       |

Unit: Yen in millions

Revisions to consolidated estimates for the Fiscal Year ending March 31,2005  
(April 1,2004~March 31,2005)

|  | Net Sales | Operating income | Ordinary income | Net income |
|--|-----------|------------------|-----------------|------------|
| Previous estimate (A)                      | 20,000    | 1,200            | 850             | 350        |
| Revised estimate (B)                       | 21,500    | 1,457            | 1,120           | 514        |
| Change (B – A)                             | 1,500     | 257              | 270             | 164        |
| Percentage change                          | 7.5%      | 21.4%            | 31.7%           | 46.8%      |
| Previous fiscal year (ended March 31,2004) | 15,000    | 615              | △177            | △645       |

Unit: Yen in millions

2. Reasons for revisions consolidated estimates

First half consolidated net sales are expected to exceed the plan mainly due to strong demand for equipment for the semiconductor manufacturing equipment industry and for the LCD and PDP manufacturing equipment industry. Results were also strong in the electronic devices and CMS businesses. Regarding earnings, operating income is

expected to be above the plan due to higher production yields following the transfer of production to China. In addition, the ordinary income and net income forecasts have been revised because of relatively stable foreign exchange rates.

Net sales, ordinary income and net income forecasts for the full fiscal year have also been revised due to the revisions to the first half forecasts.

3. Revisions to non-consolidated estimates for the first half ending Sep. 30, 2004  
(April 1,2004~September 30,2004)

|   | Net Sales | Operating Income | Ordinary income | Net income |
|---|-----------|------------------|-----------------|------------|
| Previous estimate (A)                                   | 4,430     | 100              | 90              | 20         |
| Revised estimate (B)                                    | 4,620     | 250              | 280             | 75         |
| Change (B - A)  | 190       | 150              | 190             | 55         |
| Percentage change                                       | 4.3%      | 150.0%           | 211.1%          | 275.0%     |
| First half of previous fiscal year (ended Sep. 30,2003) | 3,265     | 11               | △13             | △96        |

*Unit: Yen in millions*

Revisions to non-consolidated estimates for the fiscal year ending March 31,2005  
(April 1,2004~March 31,2005)

|  | Net Sales | Operating income | Ordinary income | Net income |
|--|-----------|------------------|-----------------|------------|
| Previous estimate (A)                      | 8,820     | 160              | 400             | 170        |
| Revised estimate (B)                       | 9,010     | 310              | 580             | 225        |
| Change (B - A)                             | 190       | 150              | 180             | 55         |
| Percentage change                          | 2.2%      | 93.8%            | 45.0%           | 32.4%      |
| Previous fiscal year (ended March 31,2004) | 7,398     | 105              | 177             | 18         |

*Unit: Yen in millions*

4. Reasons for revisions to non-consolidated estimates

First half non-consolidated net sales are expected to exceed the plan mainly due to strong demand for equipment and strong sales of electronic devices, mainly computer seals, a key HDD component, and thermoelectric modules for the temperature control of automobile seats. Regarding earnings, operating income is expected to be above the plan as sales growth increases gross profit and cost reduction initiatives bring down selling, general and administrative expenses. As a result, the ordinary income and net income forecasts have been revised.

Net sales, ordinary income and net income forecasts for the full fiscal year have also been revised due to the revisions to the first half forecasts.

Both consolidated and non-consolidated forecasts have not been audited.