

News Release
October 23,2006

FERROTEC CORPORATION

Revisions to Estimates for Business Results

FERROTEC CORP. is revising its estimates for operating results for the first half ending Sep. 30, 2006(April 1,2006 – Sep. 30,2006), and the current fiscal year ending March 31,2007(April 1,2006 – March 31,2007). These revised estimates replace the forecasts released on May 22,2006.

1. Revisions to consolidated estimates for the fiscal year ending March 2007

(1) The first half ending Sep.30, 2006

(April 1,2006 ~ September 30,2006)

	Net Sales	Operating income	Ordinary income	Net income
Previous estimate (A)	12,600	680	400	280
Revised Estimate (B)	14,000	880	680	480
Change (B - A)	1,400	200	280	200
Percentage change	11.1%	29.4%	70.0%	71.4%
First half of previous fiscal year (Ended Sep. 30,2005)	10,725	292	253	410

Unit: Yen in millions

(2) Reason of revisions

Consolidated sales of our major products are expected to exceed the original plan. Consolidated profits are expected to exceed the original plan because the sales exceed the plan, the estimated foreign currency exchange loss does not occur, and profit from sale of investment securities contributes.

(3) The fiscal Year ending March 31,2007

(April 1,2006 ~ March 31,2007)

	Net Sales	Operating income	Ordinary income	Net income
Previous estimate (A)	26,000	1,400	920	610
Revised estimate (B)	27,400	1,600	1,200	810
Change (B - A)	1,400	200	280	200
Percentage change	5.4%	14.3%	30.4%	32.8%
Previous fiscal year (Ended March 31,2006)	23,946	1,210	1,040	708

Unit: Yen in millions

2. Revisions to non-consolidated estimates for the fiscal year ending March 2007

(1) The first half ending Sep. 30, 2006

(April 1,2006 ~ September 30,2006)

	Net Sales	Operating income	Ordinary income	Net income
Previous estimate (A)	6,300	40	7	2
Revised Estimate (B)	6,790	35	50	130
Change (B - A)	490	5	43	128
Percentage change	7.8%	12.5%	614.3%	-
First half of previous fiscal year (Ended Sep. 30,2005)	4,894	54	9	238

Unit: Yen in millions

(2) Non-consolidated profits are expected to exceed the original plan because the estimated foreign currency exchange loss does not occur, and profit from sale of investment securities contributes.

(3) The fiscal year ending March 31,2005

(April 1,2006 ~ March 31,2007)

	Net Sales	Operating income	Ordinary income	Net income
Previous estimate (A)	12,500	130	330	170
Revised estimate (B)	12,990	125	373	298
Change (B - A)	490	5	43	128
Percentage change	3.9%	3.8%	13.0%	75.3%
Previous fiscal year (Ended March 31,2006)	11,288	215	673	479

Unit: Yen in millions

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