

August 12, 2022

**Notice of Revision to Consolidated Business Forecasts**

Ferrotec Holdings Corporation (Representative Director: He Xian Han; hereinafter “the Company”) announces that the Company revised its consolidated business forecasts for the fiscal year ending March 2023, which was disclosed on May 16, 2022, in light of the recent performance and the consolidation of the two listed companies. Details are as follows.

**1. Revision to consolidated business forecasts**

(1) Revision to consolidated business forecasts for the first half of the fiscal year ending March 2023  
(April 1, 2022 to September 30, 2022)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecasts (A)	Million yen 84,000	Million yen 14,000	Million yen 13,000	Million yen 7,800	Yen 174.71
<b>Revised forecasts (B)</b>	<b>90,000</b>	<b>16,000</b>	<b>19,000</b>	<b>12,000</b>	<b>266.37</b>
Change (B-A)	6,000	2,000	6,000	4,200	
Percentage change (%)	7.1%	14.3%	46.2%	53.8%	
(Reference) Previous results (H1 FY3/22)	59,826	10,733	12,493	17,268	460.57

(2) Revision to consolidated business forecasts for the fiscal year ending March 2023  
(April 1, 2022 to March 31, 2022)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecasts (A)	Million yen 180,000	Million yen 30,000	Million yen 28,000	Million yen 17,000	Yen 380.78
<b>Revised forecasts (B)</b>	<b>195,000</b>	<b>32,500</b>	<b>34,000</b>	<b>20,000</b>	<b>440.15</b>
Change (B-A)	15,000	2,500	6,000	3,000	
Percentage change (%)	8.3%	8.3%	21.4%	17.6%	
(Reference) Previous results (FY3/22)	133,821	22,600	25,994	26,659	668.06

(3) Reasons for the revision

- The business forecasts announced on May 16, 2022 did not include a forecast for foreign exchange gains and losses, which are non-operating income and expenses. In the first half of the fiscal year, there was a large foreign exchange gain. As a result, ordinary income and net income attributable to owners of parent are expected to be much higher than initially expected and the forecast has been revised to reflect this outlook. In the second half, a foreign exchange loss is expected in part because the decline in the yen's value appears to be ending (the exchange rate assumption has been revised from 118 yen to 125 yen to the U.S. dollar).
- In addition, Ferrotec Holdings conducted a tender offer starting in June 2022 to purchase the stock of TOYO KNIFE CO.,LTD. (hereinafter "TOYO KNIFE") and OHIZUMI MFG. CO., LTD. (OHIZUMI MFG.) for the purpose of changing these companies from equity-method affiliates to consolidated subsidiaries and was able to purchase the initially planned number of shares of these companies. The consolidation of these companies was not included in the fiscal year forecast announced on May 16 because there was no final decision at that time about the conversion of these companies to consolidated subsidiaries. The forecast now includes the results of operations of these two companies beginning in July 2022.

**2. Two listed companies that became consolidated subsidiaries**

1) TOYO KNIFE CO.,LTD. (Securities code: 5964)

(1) Corporate Profile, etc.

① Name	TOYO KNIFE CO.,LTD.		
② Location	34-11, Tomiya Hiwatashi, Tomiya-shi, Miyagi		
③ Title/Name of Representative	Yoshiaki Seino, President and Representative Director		
④ Business Content	Manufacture and sale of machine knives, machinery and parts, and gardening and landscaping		
⑤ Capital	700 million yen (As of July 25, 2022)		
⑥ Establishment	August 9, 1925		
⑦ Major shareholders and share holding ratio	Ferrotec Holdings Corporation: 91.05% (As of July 25, 2022)		
⑧ Relationship with the Company			
Capital relationship	Subsidiary in which we hold 91.05% of the voting rights		
Personal relationship	One of our directors concurrently serves as a director of the subsidiary		
Business relationship	None applicable		
⑨ Consolidated operating results and consolidated financial position for the past three years			
Fiscal year end	FY3/20	FY3/21	FY3/22
Consolidated net assets	1,823 million yen	1,938 million yen	2,472 million yen
Consolidated total assets	6,122 million yen	6,124 million yen	6,835 million yen
Consolidated net assets per share (yen)	1,269.67 yen	1,349.99 yen	1,722.62 yen
Consolidated net sales	4,920 million yen	4,599 million yen	5,185 million yen
Consolidated operating income	164 million yen	175 million yen	348 million yen
Consolidated ordinary income	120 million yen	100 million yen	925 million yen

***News Release: Ferrotec Holdings Corporation (6890 TSE Standard)***

Net income attributable to owners of parent	68 million yen	114 million yen	471 million yen
Consolidated net income per share (yen)	46.36 yen	79.71 yen	329.11 yen
Dividend per share (yen)	20 yen	20 yen	30 yen

(2) Supplementary information

- Ferrotec business segment: Others
- TOYO KNIFE is currently listed on the TSE Standard Market, but is scheduled to be delisted as of August 22, 2022.

2) OHIZUMI MFG. CO., LTD. (Securities code: 6618)

(1) Corporate Profile, etc.

Name	OHIZUMI MFG. CO., LTD.		
Location	11-4, Shin Sayama 1-chome, Sayama-shi, Saitama		
Title/Name of Representative	Toshiki Saburi, President and Representative Director		
Business Content	Manufacture and sale of electronic components using thermistors, which have semiconductors with electrical resistance that changes with temperature; manufacture and sale of temperature sensors using thermistors for temperature measurement or control in automotive parts, HVAC equipment, household appliances and other products		
Capital	1,480 million yen (As of August 1, 2022)		
Establishment	March 25, 1944		
Major shareholders and share holding ratio	Ferrotec Holdings Corporation: 51.0% (As of August 1, 2022)		
Relationship with the Company			
Capital relationship	Subsidiary in which we hold 51.0% of the voting rights		
Personal relationship	One of our directors concurrently serves as a director of the subsidiary		
Business relationship	None applicable		
Consolidated operating results and consolidated financial position for the past three years			
Fiscal year end	FY3/20	FY3/21	FY3/22
Consolidated net assets	2,178 million yen	2,716 million yen	3,477 million yen
Consolidated total assets	9,442 million yen	10,117 million yen	11,349 million yen
Consolidated net assets per share (yen)	256.02 yen	320.15 yen	409.66 yen
Consolidated net sales	11,441 million yen	10,752 million yen	11,882 million yen
Consolidated operating income	465 million yen	314 million yen	598 million yen
Consolidated ordinary income	393 million yen	289 million yen	536 million yen

***News Release: Ferrotec Holdings Corporation (6890 TSE Standard)***

Net income attributable to owners of parent	220 million yen	224 million yen	427 million yen
Consolidated net income per share (yen)	26.40 yen	26.78 yen	50.73 yen
Dividend per share (yen)	8.00 yen	8.00 yen	8.00 yen

(2) Supplementary information

- Ferrotec business segment: Electronic devices (tentative)
  - \* Examinations for determining the business segment for OHIZUMI MFG. may result in a change to Others.
- OHIZUMI MFG. plans to retain its listing on the Growth Market of the Tokyo Stock Exchange.

3) Inclusion of TOYO KNIFE and OHIZUMI MFG. in the forecast

- The first half and full year forecasts include sales as follows for these two newly consolidated subsidiaries.

		First half	Full year
Inclusion in this forecast	OHIZUMI MFG.	3,196	9,896
	TOYO KNIFE	1,473	4,023
	Total	4,669	13,919