

## ***News Release: Ferrotec Corp. (6890 JASDAQ)***

*Date : August 14, 2008*

### **Revision of estimate for FY March, 2009**

Revision of consolidated estimate for the 2<sup>nd</sup> Quarter Ended September 30, 2008

(April 1,2008~September 30,2008)

*Unit: Yen in millions*

|   | Net Sales | Operating income | Ordinary income | Net income | Net income per share |
|---|-----------|------------------|-----------------|------------|----------------------|
| Previous estimate (A)   | 18,600    | 1,500            | 1,050           | 700        | ¥33.02               |
| Revised estimate (B)  | 18,600    | 1,800            | 1,400           | 950        | ¥44.71               |
| Change (B)– (A)   | 0         | 300              | 350             | 250        | —                    |
| Percentage change (%)   | 0.0       | 20.0             | 33.3            | 35.7       | —                    |
| Previous fiscal year<br>(2 <sup>nd</sup> Quarter Ended<br>September 30, 2007) | 17,908    | 1,565            | 1,421           | 913        | ¥48.36               |

Revision of consolidated estimates and results for FY March, 2009

(April 1,2008~March 31,2009)

*Unit: Yen in millions*

|  | Net Sales | Operating income | Ordinary income | Net income | Net income per share |
|--|-----------|------------------|-----------------|------------|----------------------|
| Previous estimate (A)                          | 40,000    | 3,200            | 2,500           | 1,650      | ¥77.82               |
| Revised estimate (B)                           | 40,000    | 3,500            | 2,850           | 1,900      | ¥89.41               |
| Change (B)– (A)                                | 0         | 300              | 350             | 250        | —                    |
| Percentage change (%)                          | 0.0       | 9.3              | 14.0            | 15.1       | —                    |
| Previous fiscal year<br>(Ended March 31, 2008) | 36,625    | 3,057            | 2,414           | 1,903      | ¥99.25               |

## Reasons for revisions

Although electronics is the main business domain of Ferrotec Corporation, there has been a continued hold-down on capital investment as the semiconductor market undergoes an adjustment period. Ferrotec has also entered the solar panel market—one of the new energy industries—which is expected to contribute to easing environmental problems by reducing CO2 emissions. As such, materials used to make the solar panel, such as base board materials, equipment for applications and components, are in increasing demand.

Specifically, sales of single crystal silicon growing furnace for solar panel application, vacuum feedthroughs for thin-film equipment for solar panel application, silicon ingots for solar panel, quartz crucibles, and other solar panel-related products have been brisk. Thus, the Group expects to achieve the previous forecasts.

Income has increased as a result of the Group's efforts at cutting costs, reducing inventory, and trimming down on expenses, in addition to enhancing yields at its subsidiary in China.

Consequently, consolidated operating income, consolidated ordinary income, and consolidated net income for the second quarter are expected to exceed the earlier estimates. Estimates for the fiscal year have also been reviewed based on the revision to consolidated results for the second quarter. As such, consolidated estimates and results for the fiscal year ending March 2009 have been revised as seen above.

\* Appropriate use of estimates and other points of note

The projections provided above are based on information available to management at the point in time this report was prepared. Actual results may differ materially from these projections due to various factors.