

May 17, 2010

Notice of Revisions to Business Forecasts

In view of recent trends in operating results, Ferrotec Corporation has revised its forecasts as follows. These forecasts replace the forecasts that were announced November 13, 2009.

●Revisions to business forecasts

Revisions to consolidated forecasts for the fiscal year ended March 31, 2010

(April 1, 2009~March 31, 2010)

Unit: Yen in millions

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	31,000	600	300	100	4.40 yen
Revised forecast (B)	31,541	703	524	156	6.58 yen
Increase/decrease (B-A)	541	103	224	56	
Percentage change (%)	1.7	17.1	74.6	56.0	
(Reference)Previous results (Ended March 31, 2009)	36,653	2,790	2,097	743	34.39 yen

Revisions to non-consolidated forecasts for the fiscal year ended March 31, 2010

(April 1, 2009~March 31, 2010)

Unit: Yen in millions

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	12,000	50	620	600	26.41 yen
Revised forecast (B)	15,181	132	872	628	26.47 yen
Increase/decrease (B-A)	3,181	82	252	28	
Percentage change (%)	26.5	164.0	40.6	4.6	
(Reference)Previous results (Ended March 31, 2009)	13,796	-28	1,145	360	16.67 yen

Reasons for revisions

1. Consolidated forecasts

The operating environment has been challenging in the electronics industry, which is the primary business field for the Ferrotec Group. However, there is very strong demand for flat-panel televisions and other electronic devices, particularly in China and other Asian countries. Due to this demand, Ferrotec believes that consolidated sales and ordinary income will exceed the previous forecasts. The consolidated ordinary income forecast has been increased because of a foreign exchange gain and other items. Ferrotec also expects consolidated net income to be higher than in the previous forecast.

2. Non-consolidated forecasts

Market conditions in the electronics industry, which is the primary business field for the Ferrotec Group, were difficult until the end of 2009. But Ferrotec expects that sales will exceed the previous forecast because of a recovery that began early in 2010. As capacity utilization rates at electronic device manufacturers in Japan improved, there was an upturn in demand for replacement parts and a resumption in capital expenditures at these companies. Operating income is also expected to be higher than in

the previous forecast because of actions to hold down fixed costs, such as bonuses reductions and temporary layoffs for executives and employees. The ordinary income forecast has been increased because of dividends from subsidiaries, subsidies received for temporary layoffs and other items. The net income forecast is about the same because of an asset impairment charge for idle assets and other items.

There is no change in the dividend forecast.

* These forecasts are based on information that was available when these revisions were announced. Actual results may differ from these forecasts for a number of reasons.