

November 12, 2020

Notice of Revision to Consolidated Business Forecasts for the Cumulative Second Quarter of the Fiscal Year Ending March 2021

Ferrotec Holdings Corporation announces that the Company has revised its consolidated business forecasts for the cumulative second quarter of the fiscal year ending March 2021 in "Summary of Business Results for the First Quarter Ended June 30, 2020 [Japan GAAP] (Consolidated)," which was released on August 14, 2020. Details are as follows.

1. Revision to consolidated business forecasts

(1) Revision to consolidated business forecasts for the cumulative second quarter of the fiscal year ending March 2021

(April 1, 2020 to September 30, 2020)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Diluted net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	40,000	3,000	2,500	0	0.00
Revised forecasts (B)	41,500	3,900	2,800	70	1.73
Change (B-A)	1,500	900	300	70	
Change rate (%)	3.7	30.0	12.0	-	
(Reference) Previous results (FY3/20)	41,849	3,566	2,472	1,539	41.54

(2) Reasons for the revision

In the consolidated cumulative second quarter of the fiscal year ending March 2021, the demand and supply of PCs and servers improved in the semiconductor and other equipment-related business, thanks to the popularization of remote work, etc. in the wake of the spread of COVID-19, so device makers gradually increased capital investment and equipment operation rate, enhancing the sign of recovery of sale of parts for semiconductor manufacturing equipment and the entrusted production of semiconductor manufacturing equipment. As for the electronic device business, the sales of products for devices related to the next-generation communications system 5G grew, and the products for medical examination apparatus, such as PCR testing devices, performed well, so total sales are expected to be almost in line with the forecast. Profit is estimated to exceed the initial estimate, due to the change in the sales mix caused by the growth of sales of highly profitable products. Accordingly, we will revise the consolidated business forecasts for the second quarter, estimating that net sales will be 41,500 million yen, operating income will be 3,900 million yen, ordinary income will be 2,800 million yen, and net income will be 70 million yen.

(3) Regarding the full-year consolidated business forecasts

The full-year business forecasts will be unchanged, because we are still investigating the effects of the organizational restructuring, capital investment, etc. of the Chinese subsidiary on our business results. If it becomes necessary to revise the business forecasts based on the investigation results, we will inform you. As for the effects of the lingering pandemic of COVID-19 on our business activities, we assumed that "the pandemic will not end in the first half of the fiscal year 2020" as of the end of the consolidated first quarter, but considering the recent trend, we have assumed that "the pandemic will linger for a while in the following consolidated fiscal year (ending March 2022)."

(Reference) Full-year consolidated business forecasts for the fiscal year ending March 2021 (April 1, 2020 to March 31, 2021)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Diluted net income per share
Full-year	Million yen 85,000	Million yen 6,500	Million yen 5,500	Million yen 1,500	Yen 40.41

*The above forecasts are based on information available as of the date of announcement of this document. Actual results may differ from the forecasts due to various factors.