

Summary of Business Result for FY March 2006 (Consolidated)

Date: May 22, 2006

Company **Ferrotec Corporation**

Stock Code 6890

Date of the meeting of board of directors

May 22, 2005

Application of US Accounting Standard

None

Registered on the JASDAQ

Head office location: Tokyo

1. Business Results as of FY March 2006 (April 1, 2005 - March 31, 2006)

(1) Results of Operations

(Note: Rounded down to ¥ Million)

	Net Sales		Operating Income		Recurring Income	
	¥ Million	%	¥ Million	%	¥ Million	%
FY March.2006	23,946	13.5	1,210	31.3	1,040	28.5
FY March 2005	21,105	40.7	1,762	186.5	1,456	-

	Net Income		Net Income Per share	Diluted Net Income per share	Ratio of Net Income to Shareholders' Equity	Ratio of Recurring Income to total Asset	Ratio of Recurring Income to Net Sales
	¥ Million	%	¥	¥	%	%	%
FY March.2006	708	11.8	35.59	31.72	4.4	3.2	4.3
FY March 2005	633	-	36.99	32.17	4.6	4.9	6.9

(Note) 1. Equity in net earnings of affiliated companies for the fiscal years: ¥ 79 m in March 2006, ¥ 58 m in March 2005

2. Outstanding averaged number of shares (Consolidated): 19,916,406 shares in March 2006, 17,274,075 shares in March 2005

3. Change in accounting method: None

4. Percentages for net sales, operating income and net income represent change from the prior-year.

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' equity to total assets	Shareholders' equity per share
	¥ Million	¥ Million	%	¥
FY March.2006	35,039	17,084	48.8	857.81
FY March 2005	30,041	14,789	49.2	742.57

(Note) Outstanding shares at the end of March (Consolidated): 19,916,406 shares in March 2006, 19,916,406 shares in March 2005

(3) Results of Cash Flows

	Net cash flows by operating activities	Net cash flows by investment activities	Net cash flows by financial activities	Balance of cash and cash equivalents at the end of year
	¥ Million	¥ Million	¥ Million	¥ Million
FY March.2006	4,133	3,541	162	4,108
FY March 2005	2,149	2,349	273	3,188

(4) Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 13, Number of non-consolidated subsidiaries accounted for by the equity method: 7

Number of affiliates accounted for by the equity method: 3

(5) Change in scope of consolidation and equity method application

Consolidated subsidiaries (increase) 2 (decrease) 2

Equity method companies (increase) 8 (decrease) None

2. Forecast of Financial Performance in FY March 2007 (April 1, 2006 - March 31, 2007)

	Net Sales	Operating Income	Recurring Income	Net Income
	¥ Million	¥ Million	¥ Million	¥ Million
Sep. 2006 Interim	12,600	680	400	280
FY ending March 2007	26,000	1,400	920	610

(Note) Forecast net income per share for the year: 30.63 yen