

Summary of the first quarter business result for FY March 2007 (Consolidated)

Date: August 10, 2006

Company **Ferrotec Corporation**
Stock Code 6890

Registered on the JASDAQ
Head office location: Tokyo

1. The first quarter business results as of FY March 2005 (April 1, 2006 - June 30, 2006)

Notes 1. This report is non-audited.

Notes 2. Tax effect accounting and other accounting adjustments are not implemented.

Notes 3. Accounting date of Consolidated subsidiaries and affiliates accounted for by the equity method (2) is March 31, 2006.

(1) Results of Operations

(Note: Rounded down to ¥ Million)

	Net Sales		Operating Income		Recurring Income		Net Income		125%
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	
1st quarter, FY March 2007	7,036	29.4	437	82.0	293	111.4	183		162.4
1st quarter, FY March 2006	5,438	4.4	240	47.7	138	52.1	70		36.3
FY March 2006	23,946		1,210		1,040		708		

(Note) 1. Equity in net earnings of affiliated companies for the fiscal years: ¥ 26m in 1Q, FY March 2007, ¥ 4m in 1Q, FY March 2006
¥ 79m in FY March 2005

2. Change in accounting method: None

3. Percentages for net sales, operating income and net income represent change from the 1st quarter of the prior-year.

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' equity to total assets
	¥ Million	¥ Million	%
1st quarter, FY March 2007	35,301	17,231	48.6
1st quarter, FY March 2006	30,046	14,991	49.9
FY March 2006	35,039	17,084	48.8

(3) 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

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

Consolidated subsidiaries(increase) None (decrease) None

Equity method companies(increase) None (decrease) None

2. Sales and operating profits by segments

Sales	Equipment-related business	Electronic-devices business	CMS business
	¥ Million	¥ Million	¥ Million
1st quarter, FY March 2007	3,379	1,053	2,603
1st quarter, FY March 2006	2,878	876	1,684
FY March 2006	11,657	3,409	8,878

Operating profits	Equipment-related business	Electronic-devices business	CMS business	Elimination
	¥ Million	¥ Million	¥ Million	¥ Million
1st quarter, FY March 2007	389	9	62	22
1st quarter, FY March 2006	230	23	44	11
FY March 2006	1,142	329	465	67

3. 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
Sept. 2006 Interim	12,600	680	400	280
FY March 2007	26,000	1,400	920	610

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