

Summary of Business Results for FY March 2007

Date: May 25, 2007

Company **Ferrotec Corporation**
 Stock Code 6890
 U R L <http://www.ferrotec.co.jp>
 Representative Akira Yamamura
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Registered on the JASDAQ

T E L 03-3281-8186

Date of annual shareholders' meeting June 26, 2007
 Reporting date of annual security report June 26, 2007

Starting date of dividend payment: June 27, 2007

1. Business Results as of FY March 2007 (April 1, 2006 - March 31, 2007)

(1) Results of Operations

(Note: Rounded down to ¥ Million)

	Net sales		Operating income		Ordinary income	
	¥ Million	%	¥ Million	%	¥ Million	%
March 2007	32,517	35.8	2,288	89.0	2,081	100.0
March 2006	23,946	13.5	1,210	-31.3	1,040	-28.5

	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	%	¥	¥	%	%	%
March 2007	1,703	140.3	86.38	76.82	9.6	5.6	7.0
March 2006	708	11.8	35.59	31.72	4.4	3.2	5.0

(Reference) Earnings/loss on investments in equity-method affiliates

Fiscal year ended March 2007: ¥ -14 million

Fiscal year ended March 2006: ¥ -79 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per Share
	¥ Million	¥ Million	%	¥
March 2007	38,656	18,270	46.7	956.23
March 2006	35,039	17,084	48.8	857.81

(Note) Shareholders' equity:

Fiscal year ended March 2007: ¥ 18,054 million

Fiscal year ended March 2006: ¥ - million

(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
March 2007	2,049	-2,665	-487	3,225
March 2006	4,133	-3,541	162	4,108

2. Dividend

(Record date)	Dividend per share			Total dividend (Annual) ¥ Million	Dividend payout ratio (Consolidated) %	Total dividend rate (Consolidated) %
	End of interim	Year-end	Annual			
March 2007	¥	¥	¥	¥ Million	%	%
March 2006		12.00	12.00	226	13.3	1.3
		8.00	8.00	159	22.5	0.9
March 2008 (forecast)		10.00	10.00		14.0	

(Note) Dividend for March 2007 is composed of ordinary 10 and commemorative 2

3. Forecast of Financial Performance in FY March 2008 (April 1, 2007 - March 31, 2008)

	Net sales		Operating income		Ordinary income		Net income		Net income per share	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
Interim	16,980	14.6	1,230	26.4	1,130	42.4	690	4.0	36.55	
FY ending Mar. 2008	33,500	3.0	2,350	2.7	2,150	3.3	1,350	-20.7	71.50	

Explanation regarding appropriate use of business forecasts and other special instructions

Forecasts regarding future performance in these materials are based on information and assumptions at the time this report was prepared. Therefore, actual results may differ significantly from the forecasts.

4. Others

(1) Changes in important subsidiary during the period (changes in specified subsidiary due to changes in the scope of consolidation): Yes

Excluded: 1 Ferrotec Precision Inc. was merged into Ferrotec Corporation

(2) Changes in rules, procedures and indication methods of accounting process concerning the preparation of consolidated financial results

Changes due to revision of accounting standards: Yes

Changes other than : None

(3) Shares outstanding (common shares)

Number of shares outstanding at end of period (treasury stock included):

Fiscal year ended March 2007: 20,156,550 shares

Fiscal year ended March 2006: 20,156,550 shares

Treasury stock at end of period:

Fiscal year ended March 2007: 1,276,144 shares

Fiscal year ended March 2006: 240,144 shares

(Reference) Summary of Non-consolidated Financial Results

1 . Business Results as of FY March 2007 (April 1, 2006 - March 31, 2007)

(1) Results of Operations

	Net sales		Operating income		Ordinary income		Net income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
March 2007	15,123	34.0	269	25.4	661	-1.6	729	52.0
March 2006	11,288	26.4	215	-39.0	673	4.4	479	108.2

	Net income per share	Diluted net Income per share
	¥	¥
March 2007	36.98	32.93
March 2006	24.09	21.49

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ Million	¥ Million	%	¥
March 2007	24,266	15,459	63.7	818.79
March 2006	25,108	15,993	63.7	803.05

(Note) Shareholders' equity:

Fiscal year ended March 2007: ¥ 15,459 million

Fiscal year ended March 2006: ¥ million

2 . Forecast of Financial Performance in FY March 2008 (April 1, 2007 - March 31, 2008)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million
Interim	7,600	11.8	180	416.5	130	114.8	65	-61.9	3.44
FY ending Mar. 2008	15,300	1.2	490	81.5	915	38.1	515	-29.4	27.28

Explanation regarding appropriate use of business forecasts and other special instructions

Forecasts regarding future performance in these materials are based on information and assumptions at the time this report was prepared. Therefore, actual results may differ significantly from the forecasts.