

# Summary of Business Results for FY March 2008

Date: May 23, 2008

Company **Ferrotec Corporation**  
 Stock Code 6890  
 U R L <http://www.ferrotec.co.jp>  
 Representative Akira Yamamura  
 Contact Title of Executive Treasurer  
 Name Kenichi Yamazaki

Registered on the JASDAQ

T E L 03-3281-8186

Date of annual shareholders' meeting June 24, 2008  
 Reporting date of annual security report June 25, 2008

Starting date of dividend payment: June 25, 2008

## 1. Business Results as of FY March 2008 (April 1, 2007 — March 31, 2008)

### (1) Results of Operations

(Note: Rounded down to ¥ Million)

	Net sales		Operating income		Ordinary income	
	¥ Million	%	¥ Million	%	¥ Million	%
March 2008	36,625	12.6	3,057	33.6	2,414	16.0
March 2007	32,517	35.8	2,288	89.0	2,081	100.0

	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 2008	1,903	11.8	99.25	98.87	9.6	6.1	8.3
March 2007	1,703	140.3	86.38	76.82	9.6	5.6	7.0

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

Fiscal year ended March 2008: ¥ -32 million

Fiscal year ended March 2007: ¥ -14 million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per Share
	¥ Million	¥ Million	%	¥
March 2008	40,973	21,501	52.0	1,004.39
March 2007	38,656	18,270	46.7	956.23

(Note) Shareholders' equity:

Fiscal year ended March 2008: ¥ 21,294 million

Fiscal year ended March 2007: ¥ 18,054 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 2008	4,413	-2,104	-174	5,461
March 2007	2,049	-2,665	-487	3,225

## 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 2008	—	¥ 12.00	¥ 12.00	254	13.4	1.2
March 2007	—	¥ 12.00	¥ 12.00	226	13.3	1.3
March 2009 (forecast)	—	¥ 12.00	¥ 12.00	—	15.4	—

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

## 3. Forecast of Financial Performance in FY March 2009 (April 1, 2008 — March 31, 2009)

	Net sales		Operating income		Ordinary income		Net income		Net income per share	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
Interim	18,600	3.9	1,500	-4.2	1,050	-26.1	700	-23.3	33.02	
FY ending March 2009	40,000	9.2	3,200	4.7	2,500	3.6	1,650	-13.3	77.82	

### ※ 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): None
- (2) Changes in rules, procedures and indication methods of accounting process concerning the preparation of consolidated financial results
  - ① Changes due to revision of accounting standards: Yes
  - ② Changes other than ①: None
- (3) Shares outstanding (common shares)
  - ① Number of shares outstanding at end of period (treasury stock included):
    - Fiscal year ended March 2008: 21,294,922 shares
    - Fiscal year ended March 2007: 20,156,550 shares
  - ② Treasury stock at end of period:
    - Fiscal year ended March 2008: 93,264 shares
    - Fiscal year ended March 2007: 1,276,144 shares

## (Reference) Summary of Non-consolidated Financial Results

### 1. Business Results as of FY March 2008 (April 1, 2007 — March 31, 2008)

#### (1) Results of Operations

	Net sales		Operating income		Ordinary income		Net income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
March 2008	18,035	19.2	113	-57.8	1,051	58.8	648	-11.0
March 2007	15,123	34.0	269	25.4	661	-1.6	729	52.0

	Net income per share	Diluted net income per share
	¥	¥
March 2008	33.82	33.69
March 2007	36.98	32.93

#### (2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ Million	¥ Million	%	¥
March 2008	26,559	17,348	65.3	818.26
March 2007	24,266	15,459	63.7	818.79

(Note) Shareholders' equity:

Fiscal year ended March 2008: ¥ 17,343 million

Fiscal year ended March 2007: ¥ 15,459 million

### 2. Forecast of Financial Performance in FY March 2009 (April 1, 2008 — March 31, 2009)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million
Interim	8,300	0.7	80	52.4	200	36.5	100	-36.5	4.72
FY ending Mar. 2009	18,500	2.6	260	128.1	1,000	-4.9	600	-7.5	28.30

#### ※ 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.