

October 31, 2007

FY2007 First-Half Consolidated Financial Results

(April 1, 2007 to September 30, 2007)

FDK CORPORATION(URL: <http://www.fdk.com>)

Listing Code No.6955 (Listing Stock Exchange: The First Section of Tokyo Stock Exchange)

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Date of the meeting of the Board of Directors to approve the consolidated accounts: October 31, 2007

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U.S. GAPP is not applied

1. Items Relevant to Preparation of Consolidated Financial Results**(1) Changes in accounting methods: Yes**

Depreciation method on the tangible fixed asset was changed according to the change in the corporate tax law.

(2) Changes in scope of consolidation or application of equity method: No**(3) Number of shares outstanding at the end of the periods.**

Six month ended September 30, 2007: 128,075,884

Six month ended September 30, 2006: 128,075,884

Year ended March 31, 2007 : 128,075,884

2. Consolidated Operating Results for the 1H of FY 2007**a. Consolidated Results of Operations**

| | Yen (millions) | | Change(%) | Yen | U.S.Dollars |
|--|-------------------|------------|-----------|----------------------|-------------------------|
| | 1H/FY2007 | 1H/FY2006 | | (millions) FY2006 | (millions) 1H/FY2007 |
| Net Sales | 58,637 | 62,043 | -5.5% | 121,537 | \$509.89 |
| Operating Income | 1,077 | 86 | - | 1,235 | 9.37 |
| Income(Loss) Before Income Taxes and Minority Interests | (163) | (51) | - | 122 | (1.42) |
| Net Income (Loss) | (392) | (359) | - | 130 | (3.41) |
| Amounts Per Share of Common Stock: | | | | | |
| Basic Earnings (Loss) | (3.07) yen | (2.80) yen | - | 1.02 yen | (2.66 cent) |
| Diluted Earnings | - | - | - | - | - |

b. Net Sales by Business Segment

| | Yen (millions) | | Change(%) | Yen | U.S.Dollars |
|---------------------------|-------------------|-----------|-----------|----------------------|-------------------------|
| | 1H/FY2007 | 1H/FY2006 | | (millions) FY2006 | (millions) 1H/FY2007 |
| Electronic Devices | 46,203 | 48,883 | | 94,123 | \$401.77 |
| Batteries | 12,434 | 13,160 | | 27,414 | 108.12 |
| Total | 58,637 | 62,043 | | 121,537 | 509.89 |

c. Consolidated Financial Position

| | Yen (millions) | | Yen (millions) | |
|---|-------------------|-------------|-------------------|--|
| | 2007/9/30 | 2006/9/30 | 2007/3/31 | |
| Total Assets | 77,808 | 77,316 | 74,780 | |
| Total Net Assets | 6,436 | 6,168 | 6,845 | |
| Shareholders' Equity | 6,485 | 6,392 | 6,879 | |
| Shareholders' Equity Ratio | 8.2% | 7.9% | 9.1% | |
| Shareholders' Equity Per Share | (36.05) yen | (38.38) yen | (32.86) yen | |

d. Consolidated Statements of Cash Flows

| | Yen (millions) | | Yen (millions) |
|---|-------------------|--------------|-------------------|
| | 1H/FY2007 | 1H/FY2006 | FY2006 |
| Cash Flows from | (870) | 3,630 | 2,686 |
| Operating Activities | | | |
| Cash Flows from | (1,802) | (1,284) | (2,174) |
| Investing Activities | | | |
| Cash Flows from | 729 | (2,922) | (730) |
| Financing Activities | | | |
| Cash and Cash Equivalents at End of Period | 5,562 | 7,062 | 7,529 |
| Consolidated Subsidiaries | | 16 companies | |
| Unconsolidated Subsidiaries (equity method applied) | | - companies | |
| Affiliates (equity method applied only) | | 1 companies | |

(Notes for the Consolidated Operating Results (from 2.a to 2.d))

1. All amounts less than one million yen have been disregarded.
2. U.S. dollar amounts are translated from yen, for convenience only, at the rate of 115 yen=\$1
3. The percentage in this statement presents rate of change compared with the same period last year.

3.Reference - FY2007 Consolidated Financial Forecast (April 1, 2007 - March 31, 2008)

Consolidated Financial Forecast

| | Yen | Change from FY2006(%) |
|----------------------|-----------|-----------------------|
| | (million) | |
| Net Sales | 122,200 | 0.5 |
| Operating Income | 3,700 | 199.6 |
| Net Income | 800 | 515.4 |
| Net Income per Share | 6.25 yen | - |

Note for the use of the above forecasted business results.

The forecast described above is based upon information available as of the present time. Actual results may differ largely from the forecast due to changing conditions, potential risks and other uncertainties.

Consolidated Statements of Operations

| | Yen (millions) | | |
|--|-------------------|-------------------|-------------------|
| | 1H/FY2007 | 1H/FY2006 | FY2006 |
| | (Apr-Sep'07) | (Apr-Sep'06) | (Apr'06-Mar'07) |
| Net sales | ¥ 58,637 | ¥ 62,043 | ¥ 121,537 |
| Operating costs and expenses | | | |
| Cost of sales | 52,082 | 56,484 | 109,562 |
| Selling, general and administrative expenses | 5,478 | 5,473 | 10,740 |
| | <u>57,560</u> | <u>61,957</u> | <u>120,302</u> |
| Operating income (loss) | 1,077 | 86 | 1,235 |
| Other income (expenses) | | | |
| Interest and dividend income | 39 | 40 | 224 |
| Equity in earnings (losses) of affiliates, net | 10 | 56 | 72 |
| Interest charges | (296) | (211) | (474) |
| Other, net | (993) | (22) | (427) |
| | <u>(1,240)</u> | <u>(137)</u> | <u>(605)</u> |
| Income (loss) before income taxes and minority interests | (163) | (51) | 630 |
| Income taxes | | | |
| Current | 259 | 314 | 462 |
| Deferred | (32) | (28) | 19 |
| | <u>227</u> | <u>286</u> | <u>481</u> |
| Income (loss) before minority interests | (390) | (337) | 149 |
| Minority interests in income of consolidates subsidiaries | (2) | (22) | (19) |
| | <u> </u> | <u> </u> | <u> </u> |
| Net income (loss) | <u>¥ (392)</u> | <u>¥ (359)</u> | <u>¥ 130</u> |

Consolidated Balance Sheets

| | Yen (millions) | | |
|--|-----------------|-----------------|-----------------|
| | 30-Sep-07 | 30-Sep-06 | 31-Mar-07 |
| Assets | | | |
| Current assets | | | |
| Cash and time deposit | ¥ 5,576 | ¥ 7,081 | ¥ 7,543 |
| Notes receivable-trade | 1,836 | 1,182 | 1,788 |
| Accounts receivable-trade | 31,034 | 29,930 | 27,417 |
| Inventories | 11,083 | 10,159 | 8,889 |
| Deferred tax assets | 165 | 196 | 91 |
| Other current assets | 2,588 | 2,885 | 3,479 |
| Less: Allowance for doubtful receivable | (21) | (43) | (35) |
| Total current assets | <u>52,261</u> | <u>51,390</u> | <u>49,172</u> |
| Tangible fixed assets | | | |
| Building and structures | 7,971 | 8,151 | 8,028 |
| Other depreciable assets | 9,650 | 10,333 | 9,722 |
| Land | 4,352 | 4,319 | 4,360 |
| Construction in progress | 332 | 97 | 387 |
| Total tangible fixed assets | <u>22,305</u> | <u>22,900</u> | <u>22,497</u> |
| Intangible assets | | | |
| | <u>599</u> | <u>661</u> | <u>638</u> |
| Investments and long-term loans | | | |
| Securities investments | 256 | 125 | 134 |
| Deferred tax assets | 114 | 101 | 160 |
| Other investments and long-term loans | 2,273 | 2,139 | 2,179 |
| Total investments | <u>2,643</u> | <u>2,365</u> | <u>2,473</u> |
| Total assets | <u>¥ 77,808</u> | <u>¥ 77,316</u> | <u>¥ 74,780</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Notes Payable-trade | ¥ 426 | ¥ 121 | ¥ 352 |
| Account payable-trade | 29,178 | 32,613 | 26,969 |
| Short-term borrowings | 29,497 | 25,711 | 28,199 |
| Current portion of long-term debt | 946 | 1,403 | 1,384 |
| Accrued income taxes | 190 | 376 | 281 |
| Other current liabilities | 4,892 | 4,614 | 4,440 |
| Total current liabilities | <u>65,129</u> | <u>64,838</u> | <u>61,625</u> |
| Long-term liabilities | | | |
| Long-term debt | 571 | 825 | 721 |
| Accrued retirement benefits | 5,590 | 5,396 | 5,499 |
| Other long-term liabilities | 82 | 89 | 90 |
| Total long-term liabilities | <u>6,243</u> | <u>6,310</u> | <u>6,310</u> |
| Total liabilities | <u>71,372</u> | <u>71,148</u> | <u>67,935</u> |
| Net assets | | | |
| Shareholders' equity | | | |
| Common stock | 22,756 | 22,756 | 22,756 |
| Capital surplus | 17,167 | 17,167 | 17,167 |
| Retained earnings(Deficit) | (33,407) | (33,504) | (33,015) |
| Treasury stock | (31) | (27) | (29) |
| Total shareholders' equity | <u>6,485</u> | <u>6,392</u> | <u>6,879</u> |
| Valuation and translation adjustments | | | |
| Unrealized gains (losses) on securities, net of taxes | 14 | 16 | 20 |
| Deferred gains (losses) on hedges | (1) | (14) | (5) |
| Foreign currency translation adjustments | (110) | (306) | (97) |
| Total Valuation and translation adjustments | <u>(97)</u> | <u>(304)</u> | <u>(82)</u> |
| Minority interests in consolidated subsidiaries | | | |
| | <u>48</u> | <u>80</u> | <u>48</u> |
| Total net assets | <u>6,436</u> | <u>6,168</u> | <u>6,845</u> |
| Total liabilities and net assets | <u>¥ 77,808</u> | <u>¥ 77,316</u> | <u>¥ 74,780</u> |

Consolidated Statements of Cash Flows

| | Yen (millions) | | |
|---|----------------|--------------|-----------------|
| | 1H/FY2007 | 1H/FY2006 | FY2006 |
| | (Apr-Sep'07) | (Apr-Sep'06) | (Apr'06-Mar'07) |
| Cash flows from operating activities | | | |
| Income (loss) before income taxes and minority interests | ¥ (163) | ¥ (51) | ¥ 630 |
| Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities | | | |
| Depreciation and amortization | 1,751 | 1,613 | 3,377 |
| Equity in earnings of affiliates, net | (10) | (56) | (72) |
| (Increase) decrease in receivable-trade | (3,800) | (257) | 1,875 |
| (Increase) decrease in inventories | (2,229) | (852) | 478 |
| Increase (decrease) in payable-trade | 2,474 | 3,544 | (2,092) |
| Other, net | 1,740 | 52 | (877) |
| Cash generated from operations | (237) | 3,993 | 3,319 |
| Interest paid | (333) | (185) | (406) |
| Interest and dividends received | 62 | 55 | 239 |
| Income taxes paid | (362) | (233) | (466) |
| Net cash provided by operating activities | (870) | 3,630 | 2,686 |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | (1,803) | (2,009) | (2,884) |
| Proceeds from sales of tangible fixed assets | 9 | 460 | 505 |
| Purchase of intangible assets | (8) | (3) | (11) |
| Other, net | 0 | 268 | 216 |
| Net cash used in investing activities | (1,802) | (1,284) | (2,174) |
| Cash flows from financing activities | | | |
| Proceeds from long-term debt | - | 230 | 690 |
| Repayment of long-term debt | (550) | (605) | (1,220) |
| Increase (decrease) in short-term borrowings | 1,281 | (2,537) | (188) |
| Other, net | (2) | (10) | (12) |
| Net cash provided by (used in) financing activities | 729 | (2,922) | (730) |
| Effect of exchange rate changes on cash and cash equivalents | (24) | 61 | 170 |
| Net increase (decrease) in cash and cash equivalents | (1,967) | (515) | (48) |
| Cash and cash equivalents at beginning of year | 7,529 | 7,577 | 7,577 |
| Cash and cash equivalents at end of year | ¥ 5,562 | ¥ 7,062 | ¥ 7,529 |

Consolidated Statements of Shareholders' Equity

1H/FY2007 (Apr-Sep'07)

| | Shareholders' Equity | | | | Yen (millions) | |
|--|---|----------------------------------|--|--|---|------------------|
| | Common stock | Capital surplus | Retained earnings (Deficit) | Treasury stock | Total shareholders' equity | |
| Beginning balance | ¥ 22,756 | ¥ 17,167 | ¥ (33,015) | ¥ (29) | ¥ 6,879 | |
| Increase(decrease)during the term: | | | | | | |
| Net income (loss) | | | (392) | | (392) | |
| Acquisition of treasury stock | | | | (2) | (2) | |
| Net increase(decrease)during the term,except for items under shareholders'equity | | | | | | |
| Total | - | - | (392) | (2) | (394) | |
| Ending balance | ¥ 22,756 | ¥ 17,167 | ¥ (33,407) | ¥ (31) | ¥ 6,485 | |
| | Valuation and Translation Ajustments | | | | Minority interests in consolidated subsidiaries | Total Net Assets |
| | Unrealized gains (losses) on securities, net of taxes | Deferred gains(losses) on hedges | Foreign currency translation adjustments | Total Valuation and translation ajustments | | |
| Beginning balance | ¥ 20 | ¥ (5) | ¥ (97) | ¥ (82) | ¥ 48 | ¥ 6,845 |
| Increase(decrease)during the term: | | | | | | |
| Net income (loss) | | | | | | (392) |
| Acquisition of treasury stock | | | | | | (2) |
| Net increase(decrease)during the term,except for items under shareholders'equity | (6) | 4 | (13) | (15) | 0 | (15) |
| Total | (6) | 4 | (13) | (15) | 0 | (409) |
| Ending balance | ¥ 14 | ¥ (1) | ¥ (110) | ¥ (97) | ¥ 48 | ¥ 6,436 |

1H/FY2006 (Apr-Sep'06)

| | Shareholders' Equity | | | | Yen (millions) | |
|--|---|----------------------------------|--|--|---|------------------|
| | Common stock | Capital surplus | Retained earnings (Deficit) | Treasury stock | Total shareholders' equity | |
| Beginning balance | ¥ 22,756 | ¥ 17,167 | ¥ (33,145) | ¥ (25) | ¥ 6,753 | |
| Increase(decrease)during the term: | | | | | | |
| Net income (loss) | | | (359) | | (359) | |
| Acquisition of treasury stock | | | | (2) | (2) | |
| Net increase(decrease)during the term,except for items under shareholders'equity | | | | | | |
| Total | - | - | (359) | (2) | (361) | |
| Ending balance | ¥ 22,756 | ¥ 17,167 | ¥ (33,504) | ¥ (27) | ¥ 6,392 | |
| | Valuation and Translation Ajustments | | | | Minority interests in consolidated subsidiaries | Total Net Assets |
| | Unrealized gains (losses) on securities, net of taxes | Deferred gains(losses) on hedges | Foreign currency translation adjustments | Total Valuation and translation ajustments | | |
| Beginning balance | ¥ 22 | ¥ - | ¥ (435) | ¥ (413) | ¥ 558 | ¥ 6,898 |
| Increase(decrease)during the term: | | | | | | |
| Net income (loss) | | | | | | (359) |
| Acquisition of treasury stock | | | | | | (2) |
| Net increase(decrease)during the term,except for items under shareholders'equity | (6) | (14) | 129 | 109 | (478) | (369) |
| Total | (6) | (14) | 129 | 109 | (478) | (730) |
| Ending balance | ¥ 16 | ¥ (14) | ¥ (306) | ¥ (304) | ¥ 80 | ¥ 6,168 |

FY2006 (Apr'06-Mar'07)

| | Shareholders' Equity | | | | Yen (millions) | |
|--|---|----------------------------------|--|--|---|------------------|
| | Common stock | Capital surplus | Retained earnings (Deficit) | Treasury stock | Total shareholders' equity | |
| Beginning balance | ¥ 22,756 | ¥ 17,167 | ¥ (33,145) | ¥ (25) | ¥ 6,753 | |
| Increase(decrease)during the term: | | | | | | |
| Net income (loss) | | | 130 | | 130 | |
| Acquisition of treasury stock | | | | (4) | (4) | |
| Net increase(decrease)during the term,except for items under shareholders'equity | | | | | | |
| Total | - | - | 130 | (4) | 126 | |
| Ending balance | ¥ 22,756 | ¥ 17,167 | ¥ (33,015) | ¥ (29) | ¥ 6,879 | |
| | Valuation and Translation Ajustments | | | | Minority interests in consolidated subsidiaries | Total Net Assets |
| | Unrealized gains (losses) on securities, net of taxes | Deferred gains(losses) on hedges | Foreign currency translation adjustments | Total Valuation and translation ajustments | | |
| Beginning balance | ¥ 22 | ¥ - | ¥ (435) | ¥ (413) | ¥ 558 | ¥ 6,898 |
| Increase(decrease)during the term: | | | | | | |
| Net income (loss) | | | | | | 130 |
| Acquisition of treasury stock | | | | | | (4) |
| Net increase(decrease)during the term,except for items under shareholders'equity | (2) | (5) | 338 | 331 | (510) | (179) |
| Total | (2) | (5) | 338 | 331 | (510) | (53) |
| Ending balance | ¥ 20 | ¥ (5) | ¥ (97) | ¥ (82) | ¥ 48 | ¥ 6,845 |

Consolidated Business Segment Information

| | | Yen (millions) | | |
|-----------------------------|--------------------------------|---------------------------|---------------------------|---------------------------|
| | | 1H/FY2007 (Apr-Sep'07) | 1H/FY2006 (Apr-Sep'06) | FY2006 (Apr'06-Mar'07) |
| Electronic Materials | Net Sales | | | |
| | Unaffiliated Customers | ¥ 46,203 | ¥ 48,883 | ¥ 94,123 |
| | Intersegment | - | - | - |
| | Total | 46,203 | 48,883 | 94,123 |
| | Operating Income (Loss) | 731 | (774) | (468) |
| Batteries | Net Sales | | | |
| | Unaffiliated Customers | 12,434 | 13,160 | 27,414 |
| | Intersegment | - | - | - |
| | Total | 12,434 | 13,160 | 27,414 |
| | Operating Income | 346 | 860 | 1,703 |
| Elimination | Net Sales | - | - | - |
| | Operating Income | - | - | - |
| Total | Net Sales | | | |
| | Unaffiliated Customers | ¥ 58,637 | ¥ 62,043 | ¥ 121,537 |
| | Intersegment | - | - | - |
| | Total | ¥ 58,637 | ¥ 62,043 | ¥ 121,537 |
| | Operating Income (Loss) | ¥ 1,077 | ¥ 86 | ¥ 1,235 |

Consolidated Geographic Segment Information

| | | Yen (millions) | | |
|----------------------|--------------------------------|---------------------------|---------------------------|---------------------------|
| | | 1H/FY2007 (Apr-Sep'07) | 1H/FY2006 (Apr-Sep'06) | FY2006 (Apr'06-Mar'07) |
| Japan | Net Sales | | | |
| | Unaffiliated Customers | ¥ 28,389 | ¥ 30,333 | ¥ 59,398 |
| | Intersegment | 6,971 | 6,784 | 12,547 |
| | Total | 35,360 | 37,117 | 71,945 |
| | Operating Income (Loss) | 434 | (243) | 643 |
| Asia | Net Sales | | | |
| | Unaffiliated Customers | 27,955 | 29,471 | 57,577 |
| | Intersegment | 14,315 | 13,252 | 26,790 |
| | Total | 42,270 | 42,723 | 84,367 |
| | Operating Income | 807 | 637 | 1,092 |
| North America | Net Sales | | | |
| | Unaffiliated Customers | 888 | 1,060 | 1,858 |
| | Intersegment | - | - | - |
| | Total | 888 | 1,060 | 1,858 |
| | Operating Income | 33 | 29 | 11 |
| Europe | Net Sales | | | |
| | Unaffiliated Customers | 1,405 | 1,179 | 2,704 |
| | Intersegment | 45 | 40 | 72 |
| | Total | 1,450 | 1,219 | 2,776 |
| | Operating Income | 43 | 31 | 49 |
| Elimination | Net Sales | (21,331) | (20,076) | (39,409) |
| | Operating Income | (240) | (368) | (560) |
| Total | Net Sales | | | |
| | Unaffiliated Customers | ¥ 58,637 | ¥ 62,043 | ¥ 121,537 |
| | Intersegment | - | - | - |
| | Total | ¥ 58,637 | ¥ 62,043 | ¥ 121,537 |
| | Operating Income (Loss) | ¥ 1,077 | ¥ 86 | ¥ 1,235 |

Net Overseas Sales by Customer's Geographic Location

| | | Yen (millions) | | |
|------------------------|--|---------------------------|---------------------------|---------------------------|
| | | 1H/FY2007 (Apr-Sep'07) | 1H/FY2006 (Apr-Sep'06) | FY2006 (Apr'06-Mar'07) |
| Asia | | ¥ 29,882 | ¥ 30,223 | ¥ 60,615 |
| North America | | 2,256 | 3,814 | 6,058 |
| Other countries | | 2,930 | 3,364 | 6,502 |
| Total | | ¥ 35,068 | ¥ 37,401 | ¥ 73,175 |

Business Results

(1) Analysis of Consolidated Business Results

1. Overview

During the first six months of FY2007, the global electronics device market continuously grew due to the growth in demand of digital equipment though there was an affection by the keen competition with China, Taiwan, and Korea manufacturers and production adjustment for large screen LCD TVs, mobile phones, etc.

Under these circumstances, FDK Group (hereinafter called "FDK") further promoted the production innovation activities throughout for the entire operation to secure cost competitiveness and to adjust to fluctuations in production in addition to the reinforcement of the marketing activities and sales activities to respond customer needs.

As for the first six months of the fiscal year, net sales were 58,637 million yen, a 5.5 % decrease from the same period last year. Although FDK increased to receive orders including new ones after the termination of the production adjustment of LCD TV market and increased sales in the second quarter, the results of the first quarter affected to the total performance of the first six months.

Operating income were 1,077 million yen, a 12.5 time as high from the same period last year and thus the operation was much improved. This was due to the increased sales of the profitable products applied of material technologies, and the improved productivity and cost reduction, though the remarkable rise of the raw materials price suppressed profit margin. However, due to the increased other expenses such as exchange losses bearing by the appreciation of yen, loss before income tax was 162 million yen and net loss for the first six months were 392 million yen.

Divisional sales overview is reported as follows.

2. Electronic Device Business

In the electronic device business, sales of timing control boards for LCDs were decreased from the same period last year due to the production adjustment for the large screen LCD TVs from the beginning of the term to the middle of the term, though its sales for the PCs and mobile phones were increased. Sales of LCD backlight inverter modules were remained the same as the same period last year as the effect on the production adjustment was very significant, though FDK strengthened to acquire new customers and to expand the production capacity.

Sales of the multilayer power chip inductor were largely increased from the same period last year by the expand of product line-up to correspond the market needs of mobile phones seeking for slim package and multifunction, and the expansion of the production ability backed by the high appreciation of the market. Sales of motor for digital camera and automobile were increased while its sales to OA equipment remained the same from the same period last year. Sales of optical devices were increased from the same period last year due to the acquisition of orders for submarine cable. Sales of switching power supply were decreased from the same period last year as FDK shifted its focusing products from switching power supplies for servers to DC-DC converters.

As a result, sales for the electronic device business were 46,202 million yen, a decrease of 5.5% compared with the same period last year.

3. Battery business

In the battery business, market environment were very severe due to the high material prices and keen sales price competition. Sales of the lithium batteries increased from the same period last year, mainly for disaster prevention equipment. Sales of alkaline batteries were decreased from the same period last year due to the decline sales in the North America, though FDK strengthened sales effort on its Fujitsu Alkaline Battery“G.D.R. series” which were developed last year in a domestic market.

As a result, sales for the battery business were 12,434 million yen, a decrease of 5.5% compared with the same period last year.

(2) Analysis of Financial Condition

Cash Flow Condition

Cash flow from operating activities decreased 869 million yen from the end of the last fiscal year by the increase in receivable-trade and inventories.

Cash flow from investment activities decreased 1,801 million yen from the end of the last fiscal year due to the investment in production facilities for LCD backlight inverter modules, coil devices, multilayer power chip inductors and so on.

Cash flow from financing activities decreased 729 million yen from the end of the last fiscal year due to the increase in borrowings.

As a result, the balance of cash and cash equivalents at the end of the first half of FY2007 was 5,562 million yen, a decrease of 1,966 million yen from the balance at the end of the last fiscal year.