

Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2012 (FY2012), Japan GAAP

August 12th, 2011

Company Name



Tokyo Seimitsu Co., Ltd.

Stock Listing: First Section TSE

ACCRETECH

Code number: 7729

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Dividend Payable Date: -

Supplementary document for Quarterly Financial Results : No

Holding of Quarterly Financial Results Meeting: No

(Millions of yen, rounded down)

1. Consolidated Results for 1st Quarter of FY2012 (April 1st, 2011 - June 30th, 2011)

(1) Consolidated sales and earnings (Percentage figures represent changes from the 1st quarter of previous year)

	Net Sales (Millions of Yen)		Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)	
FY2012 Q1	13,570	54.9%	2,469	325.4%	2,605	829.4%	2,355	220.7%
FY2011 Q1	8,758	110.4%	580	-	280	-	734	-

Note: Comprehensive Income in FY2012 Q1: 2,440 million yen (257.1 %), in FY2011 Q1: 683 million yen (- %)

	Net Income per Share (Yen)	Net Income per Share (diluted) (Yen)
FY2012 Q1	57.15	57.09
FY2011 Q1	17.82	17.80

(2) Consolidated financial position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio (Millions of Yen)
FY2012 Q1	79,931	47,139	58.8%
FY2011	77,038	44,928	58.2%

Notes: Equity in FY2012 Q1: 47,012 million yen, in FY2011: 44,801 million yen

2. Situation of Dividend

	Per Share Dividend in Fiscal Year				
	Q1 End	Q2 End	Q3 End	Q4 End	Total
	Yen	Yen	Yen	Yen	Yen
FY2011	-	5.00	-	5.00	10.00
FY2012	-	-	-	-	-
FY2012 (Projected)	-	8.00	-	-	-

Notes: Changes due to revision of dividend projection: Yes

FY2012 year end dividend payments are not announced as of the date this statement is issued.

3. Forecast for FY 2012 (April 1st, 2011-March 31st, 2012)

(Percentage figures represent changes from the previous year for full-year figures and from the same period of the previous year for interim-period figures.)

	Net Sales (Millions of Yen)		Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)		Net Income per Share (yen)
Interim	30,700	30.3%	4,700	58.2%	4,600	104.2%	4,400	84.3%	106.75
Full Year	54,500	9.7%	7,000	4.8%	6,600	9.4%	6,200	1.6%	150.42

Note: Changes due to revision of forecast: Yes

4. Others

(1) Significant changes in subsidiaries during the term under review: No.

New: - Excluded: -

(2) Accounting procedures specific to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting principles, estimates and restatements

1) Changes due to revision of accounting standards, etc.: Yes

2) Changes other than 1): No.

3) Changes in accounting estimates: No

4) Restatement: No

Please refer to "2. Other Information" on page 4 of supplementary statement.

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of period (including treasury shares):	FY2012 Q1	41,249,481 shares	FY2011:	41,241,081 shares
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2) Number of treasury shares at the end of period	FY2012 Q1	32,085 shares	FY2011:	32,018 shares
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3) Average Number of shares outstanding during the period (cumulative for period, consolidated):	FY2012 Q1	41,247,441 shares	FY2011	41,210,464 shares
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*** Cautionary statement with respect to the status of quarterly financial review procedures:**

This document, named "Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2012 (FY2012), Japan GAAP" is not subject to the Quarterly review procedures of financial results in accordance with the provisions of the Financial Instruments and Exchange Act. However, at the date and time of issue, the Quarterly financial review procedure in accordance with the provisions of the Financial Instruments and Exchange Act is completed

*** Cautionary Statements with Respect to Forward-looking Statements**

All forecasts and other forward-looking statements in this document are based on information currently available to the Company and assumptions that the Company considers reasonable. Various uncertainties could cause actual results to significantly differ from these forecasts. Please refer to "1 (3). Forecasts for current Fiscal Year" on page 3 of supplementary statement.

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1. Analysis of Business Performance for 1st quarter of Fiscal Year 2012

(1) Overview of Business Performance

Even though positive events and negative events which were predicted to have an all up slowing-down effect on the economy were confirmed, overall business conditions in the first quarter of Fiscal Year 2012 showed a gradual recovery. In the USA, continued recovery in capital investment and consumer demand was observed, however, employment and the housing market showed little recovery. In the EU, Germany and France displayed firm-tone economic recoveries, although disparity between EU countries remains, and specific countries still have significant apprehension in budgets and finance. In Asian countries, despite concerns about monetary restraint in China, emerging Asian economies maintained strong growth which flowed through to worldwide economic growth. In Japan, the 2011 earthquake off the Pacific coast of Tohoku (hereinafter referred to as “the Earthquake”) negatively affected consumption, production and investment, however, supply strongly and quickly rebounded, and recovery in production activity was widely confirmed.

In line with the conditions outlined above, even though the Earthquake negatively impacted directly and/or indirectly, the semiconductor and automobile industries, which are the major users of our products, these sectors maintained a firm tone and continued to recover more quickly than anticipated, including in capital investment in Japan. Combined with the firm-tone overseas markets, Tokyo Seimitsu’s orders and sales resulted in a recovery.

Consequently, Consolidated Orders in 1st quarter of FY2012 (April, 2011 – June, 2011) was ¥17.357 billion (up 17.6%), Sales was ¥13.570 billion (up 54.9% YoY), Operating Income was ¥2.469 billion (up 325.4% YoY), Ordinary Income was ¥2.605 billion (up 829.4% YoY), and Net Income was ¥ 2.355 billion (up 220.7% YoY).

Business results in each segment are as follows.

[Semiconductor Production Equipment (SPE)]

Although demand for PCs and Televisions decreased, driven by the strong demands for smartphones, tablet PCs, industrial machinery, and communications infrastructures, Semiconductor Manufacturers’ positive stance towards capital investment continued and countries such as Korea, South East Asia, and Taiwan remained buoyant, therefore Orders of Equipment for both Testing processes and Manufacturing processes remained solid.

As a result, Orders received in the 1st quarter of FY2012 (April, 2011 – June, 2011) were ¥11.804 billion (up 8.1% YoY), Sales were ¥9.253 billion (up 57.3% YoY), and Operating Income was ¥1.545 billion (up 1295.2% YoY).

[Metrology Equipment]

The automobile industry, which is the major user of our products, continued their capital investment mainly lead by overseas automobile manufacturing plants’ investment even while domestic manufacturing was stagnant due to supply chain disruption following on from the Earthquake. In the domestic market, significant improvement was seen against initial concerns about supply chain disruptions that were anticipated at the latter part of 1st quarter. The machinery equipment industry, maintained strong demand from overseas especially from China, simultaneously, the domestic market gently recovered on the back of demand arising from restoration. The Company and consolidated affiliates has focused on strengthening business to emerging markets such as in China, South East Asian Countries, and to the Aircraft sector, and the Energy Generation Equipment sector.

As a result, Orders received in the 1st quarter of FY2012 (April, 2011 – June, 2011) were ¥5.553 billion (up 44.9% YoY), Sales were ¥4.316 billion (up 50.2% YoY), and Operating Income was ¥ 923 billion (up 96.7% YoY).

(2) Analysis of Financial Position

Total Assets as at June 30th 2011, amounted to ¥79.931 billion, an increase of ¥2.892 billion from the end of FY2011 ended March 31st, 2011. The major factors behind this increase include an increase in Work in progress of ¥2.118 billion, and an increase in Tangible fixed assets of ¥617 million mainly lead by an increase in Building and Structures and decrease in Construction in progress account.

Total Liabilities increased ¥682 million, to ¥32.792 billion. This was mainly because of an increase in Notes and accounts payable of ¥2.068 billion, and a decrease in long-term debt of ¥1.460 billion.

Net Assets totaled ¥47.139 billion, an increase of ¥2.210 billion. This was mainly because of an increase in Retained earnings of ¥2.142 billion.

(3) Forecasts for current Fiscal Year

The economic outlook for both SPE and Metrology segments assumes a continuing recovery not only in overseas countries where demand remains firm, but also in the domestic market's stance towards capital investment, therefore, the Company and consolidated affiliates anticipate an increase in Sales and Profits in FY2012 interim as revised below, from its projections previously announced on May 11th, 2011.

Projections for the FY2012 full year have not yet been revised mainly because there remains significant uncertainties such as continuing concerns about the negative affect of the Earthquake, slow-down in the world economy due to concerns in the EU and USA lead by employment levels and sovereign budget measures, and also monetary restraint in China which are of significant concern as of the time of issue of this document.

FY2012 interim (April 1 st , 2011 – September 30 th , 2011)					(millions of Yen)
	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share (Yen)
Previous Forecast (A)	25,500	2,800	2,600	2,400	58.23
Revised forecast (B)	30,700	4,700	4,600	4,400	106.75
Change (B-A)	5,200	1,900	2,000	2,000	
Change ratio (%)	20.4%	67.9%	76.9%	83.3%	

2. Other Information

(1) Significant Changes in Subsidiaries during the term

Not applicable.

(2) Accounting procedures specific to the preparation of quarterly consolidated financial statements:

Not applicable.

(3) Change of accounting principles, estimates and restatements

Starting from Fiscal Year 2012, the Company applies “Accounting Standard for Earnings Per Share” (ASBJ Statement No.2, June 30th 2010), and “Guidance on Accounting Standard for Earnings Per Share” (ASBJ Guidance No.4, June 30th, 2010).

(4) Additional Information

Starting from Fiscal Year 2012, the Company will apply “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No.24, December 4th, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No.24, December 4th, 2011) to any changes and/or error corrections on accounting which announces from the beginning day of 1st quarter of FY2012.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of Yen)

	FY2011E (Mar 31 st , 2011)	FY2012Q1E (June 30 th , 2011)
ASSETS		
Current Assets		
Cash and cash equivalents	16,222	16,266
Notes and accounts receivable	18,796	18,570
Merchandise and finished goods	797	986
Work in progress	10,546	12,665
Raw materials and supplies	2,733	3,223
Others	1,967	1,858
Allowance for doubtful accounts	- 245	- 255
Total current assets	50,820	53,316
Fixed Assets		
Tangible fixed assets		
Building and structures(net)	7,349	9,482
Others (net)	9,631	8,116
Total Tangible Fixed Assets	16,981	17,598
Intangible Fixed Assets		
Goodwill	1,497	1,414
Others	428	385
Total Intangible Fixed Assets	1,925	1,799
Investments and other assets		
Others	7,328	7,233
Allowance for doubtful accounts	- 16	- 16
Total Investments and other assets	7,311	7,216
Total Fixed Assets	26,218	26,615
Total Assets	77,038	79,931

(Millions of Yen)

	FY2011E (Mar 31 st , 2011)	FY2012 Q1E (June 30 th , 2011)
LIABILITIES		
Current Liabilities		
Notes and accounts payable	11,568	13,637
Short-term debt	1,300	1,300
Income taxes payable	521	323
Allowances	660	359
Others	7,142	7912
Total current liabilities	21,192	23,533
Long-term Liabilities		
Corporate bond	3,000	3,000
Long-term debt	4,900	3,400
Allowance for employee retirement benefits	2,403	2,321
Allowance for director retirement benefits	88	91
Others	524	446
Total Long-term liabilities	10,916	9,259
Total Liabilities	32,109	32,792
NET ASSETS		
Shareholder's Equity		
Common Stock	10,209	10,209
Capital Surplus	21,227	21,227
Retained earnings	13,805	15,948
Treasury Stock	- 108	- 108
Total Shareholder's Equity	45,134	47,277
Accumulated other comprehensive income		
Holding Gain or loss in investment	- 17	42
Foreign currency translation adjustment	- 315	- 307
Total accumulated other comprehensive income	- 332	- 265
Share subscription rights	127	127
Total Net Assets	44,928	47,139
Total Liabilities and Net Assets	77,038	79,931

(2) Consolidated Statements of Income, and Comprehensive Income**(Consolidated Statements of Income)**

(Millions of Yen)

	FY2011 Q1 (April 1 st , 2010 - June 30 th , 2010)	FY2012 Q1 (April 1 st , 2011- June 30 th , 2011)
Net Sales	8,758	13,570
Cost of Sales	6,391	8,969
Gross profit on sales	2,367	4,600
Selling, general and administrative expenses		
Selling expenses	1,148	1,485
General expenses	637	644
Total Selling, general and administrative expenses	1,786	2,130
Operating income (loss)	580	2,469
Non-operating income		
Interest	0	2
Dividend income	27	35
Bad debts recovered	-	271
Others	66	56
Total Non-operating income	95	365
Non-operating expenses		
Interest expenses	144	119
Foreign exchange loss	240	72
Others	9	37
Total non-operating expenses	395	229
Ordinary Income (loss)	280	2,605
Extraordinary gains		
Proceeds from sales of lands	872	-
Total Extraordinary gains	872	-
Extraordinary losses		
Loss on valuation of investment securities	379	-
Total extraordinary losses	379	-
Income (loss) before income taxes and minority interests	773	2,605
Income tax and other taxes	81	235
Adjustment on income tax	- 42	15
Total Income tax and others	39	250
Income (loss) before minority interests	734	2,355
Net Income (loss)	734	2,355

(Consolidated Statements of Comprehensive Income)

(Millions of Yen)

	FY2011 Q1 (April 1 st , 2010 - June 30 th , 2010)	FY2012 Q1 (April 1 st , 2011- June 30 th , 2011)
Income (Loss) before minority interests	734	2,355
Accumulated other comprehensive income		
Holding Gain or loss in investment	- 82	59
Foreign currency translation adjustment	31	25
Total accumulated other comprehensive income	- 50	85
Comprehensive Income	683	2,440
(breakdown)		
Comprehensive income attributable to owners of the parent	683	2,440
Comprehensive income attributable to minority interests	-	-

(3) Note on assumptions for going concern

Not applicable.

(4) Segment Information

1. FY2011 Q1 (April 1st, 2010 – June 30th, 2010)

a) Sales and Profit (or loss) information of FY 2011 Q1 per each reportable segments

(Millions of yen)

	Reportable Segments			Total
	SPE	Metrology Equipment	Total	
I. Sales				
Sales to third party:				
Intersegment sales to transfer	5,884	2,874	8,758	8,758
	-	-	-	-
Total	5,884	2,874	8,758	8,758
Segment Profit	110	469	580	580

b) Balance between the Total profit or loss amount of reported segments and profit and loss amount of consolidated financial statement, and these descriptions

Total Segment profit of reportable segments is same amount of Operating income of consolidated financial statement.

c) Impairment losses on fixed assets and goodwill per each reportable segment

Not applicable.

2. FY2012 Q1 (April 1st, 2011 – June 30th, 2011)

a) Sales and Profit (or loss) information of FY 2012 Q1 per each reportable segments

(Millions of yen)

	Reportable Segments			Total
	SPE	Metrology Equipment	Total	
I. Sales				
Sales to third party:				
Intersegment sales to transfer	9,253	4,316	13,570	13,570
	-	-	-	-
Total	9,253	4,316	13,570	13,570
Segment Profit	1,545	923	2,469	2,469

b) Balance between the Total profit or loss amount of reported segments and profit and loss amount of consolidated financial statement, and these descriptions

Total Segment profit of reportable segments is same amount of Operating income of consolidated financial statement.

c) Impairment losses on fixed assets and goodwill per each reportable segment

Not applicable.

(5) Significant Changes in Shareholder's Equity

Not applicable.