



13. Non-Consolidated Financial Statements for the Interim Period of Fiscal 2005

Nov 12, 2004

Company name:  TOKYO SEIMITSU CO., LTD. Stock exchange listings: Tokyo
ACCRETECH

Code number: 7729 Head office location: Tokyo

(URL <http://www.accretech.jp/>)

Representative: Hideo Ohtsubo Chairman & C.E.O.

Contact: Kunimasa Ohta Representative Director TEL (0422) 48-1011

Board of Directors meeting: Nov 12, 2004 Interim dividend system: Yes

Interim dividend payout date: Dec 1, 2004 Use of unit stock system: Yes (100 shares per unit)

1. Results for the Interim Period of Fiscal 2005 (April 1, 2004-September 30, 2004)**(1) Sales and earnings**

(Millions of yen, rounded down)

	Net sales		Operating income		Ordinary income	
	(¥mn)	%	(¥mn)	%	(¥mn)	%
FY05 Interim	39,505	71.0	6,275	735.6	6,556	909.7
FY04 Interim	23,104	18.2	751	-	649	-
FY 2004 full yea	55,548		3,615		3,243	

	Interim net income (loss)		Interim net income (loss) per share	
	(¥mn)	%	¥	
FY05 Interim	3,739	765.5	99	97
FY04 Interim	432	-	11	57
FY 2004 full yea	(3,591)		(96)	16)

Notes:

1. Average number of shares outstanding during the period:

FY05 Interim 37,408,547 shares FY04 Interim 37,355,775 shares FY04 37,355,470 shares

2. Changes in accounting methods: No

3. Percentages for net sales, operating income, ordinary income, and interim net income are a comparison with the corresponding period of the previous fiscal year.

(2) Dividends

	Interim dividend per share	Annual dividend per share
	¥	¥
FY05 Interim	15 00	-
FY04 Interim	15 00	-
FY 2004 full yea	-	30 00

(3) Financial position

	Total Assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	¥mn	¥mn	%	¥
FY05 Interim	88,920	32,763	36.8	873 74
FY04 Interim	82,807	33,543	40.5	897 95
FY 2004 full yea	87,384	29,203	33.4	781 80

Notes:

1. Number of shares outstanding at end of period:

FY05 Interim 37,497,268 shares FY04 Interim 37,355,311 shares FY04 37,354,830 shares

2. Number of shares of treasury stock at end of period:

FY05 Interim 20,686 shares FY04 Interim 17,682 shares FY04 18,163 shares

2. Projected Results for Fiscal 2005 (April 1, 2004-March 31, 2005)

	Net sales	Operating income	Net income	Annual dividends per share	
				End of Term	
	¥mn	¥mn	¥mn	¥	¥
Full year	73,000	10,000	5,700	15 00	30 00

Reference: Estimated earnings per share (full year): ¥152.19

These forecasts are based on our outlook presented on page 9 of the supplementary material.

14. Non-Consolidated Balance Sheets

(Millions of yen, rounded down)

Item	FY05 1H	FY04 1H	FY04		FY05 1H	FY04 1H	FY04
Assets				Liabilities			
Current assets	66,957	54,724	64,857	Current liabilities	31,343	37,968	31,389
Cash and cash equivalents	6,713	5,124	8,074	Notes payable	16,554	8,449	11,309
Notes receivable	2,621	649	1,221	Accounts payable	5,848	3,367	6,625
Accounts receivable	26,588	18,497	25,725	Short-term debt	700	18,500	4,500
Inventories	26,054	24,978	22,899	Current portion of long-term debt	2,480	2,090	2,480
Consumption tax receivable	358	87	435	Current portion of bonds	1,800	3,000	3,000
Deferred tax assets	350	346	2,215	Arrears	1,639	594	1,203
Other	4,300	5,057	4,309	Income taxes payable	667	19	40
Allowance for doubtful accounts	(30)	(17)	(23)	Bonus reserve	457	417	423
				Subscription rights	70	240	190
				Other	1,125	1,291	1,616
Fixed Assets	21,963	28,082	22,527	Long-term Liabilities	24,813	11,295	26,791
(Property, plant and equipment)	(7,506)	(9,361)	(7,488)	Bonds	17,500	1,800	18,300
Buildings and structures	3,745	3,903	3,856	Convertible bonds	51	51	51
Machinery	858	1,857	784	Long-term debt	3,930	6,410	5,170
Land	1,525	1,526	1,526	Allowance for employee retirement benefits	2,839	2,637	2,825
Construction in progress	719	1,469	719	Allowance for director retirement benefits	493	396	445
Other	658	604	600	Total Liabilities	56,157	49,264	58,180
(Intangible fixed assets)	(2,683)	(6,465)	(3,209)	Shareholders' Equity			
Software	2,657	6,436	3,182	Capitalization	7,392	7,199	7,199
Other	26	29	27	Capital surplus	12,017	11,806	11,806
(Investments and other assets)	(11,773)	(12,255)	(11,829)	Capital reserve	12,017	11,806	11,806
Investment securities	3,302	2,894	3,212	Retained earnings	13,371	14,776	10,191
Stock of affiliated companies	3,927	3,877	3,877	Earnings reserve	728	728	728
Long-term loans	3,487	3,517	3,759	Voluntary reserve	5,000	5,000	5,000
Deferred tax assets	2,240	1,542	2,166	Undistributed interim net profit	7,642	9,047	4,463
Other	379	466	377	Revaluation of other investment securities	40	(191)	55
Investment loss reserve	(1,554)	-	(1,554)	Treasury Stock	(58)	(48)	(49)
Allowance for doubtful accounts	(8)	(42)	(8)	Total Shareholders' Equity	32,763	33,543	29,203
Total Assets	88,920	82,807	87,384	Total Liabilities and Shareholders' Equity	88,920	82,807	87,384

15. Non-Consolidated Statements of Income

(Millions of yen, rounded down)

Item		FY 2005 Interim (April 1, 2004 – September 30, 2004)	FY 2004 Interim (April 1, 2003 – September 30, 2003)	FY 2004 (April 1, 2003 – March 31, 2004)
Ordinary Income	Operating Income			
	Net sales	39,505	23,104	55,548
	Cost of sales	28,910	19,401	45,485
	Selling, general and administrative expenses	4,319	2,952	6,447
	Operating income	6,275	751	3,615
	Non-Operating Income			
	Non-operating income	(440)	(347)	(406)
	Interest and dividend income	183	335	388
	Other	257	12	17
	Non-operating expenses	(159)	(449)	(779)
Interest expenses	150	159	288	
Other	8	289	491	
Ordinary Income	6,556	649	3,243	
Extraordinary Items	Extraordinary gains	(184)	(198)	(380)
	Gain on sale of investment in securities	68	66	198
	Other	115	132	182
	Extraordinary losses	(583)	(205)	(9,648)
	Loss on revaluation and disposal of inventories	574	–	1,812
	Loss on disposal of software for sale	–	–	3,423
	Loss on sale of fixed assets	–	–	2,216
	Investment loss reserve	–	–	1,554
	Other	9	205	641
	Net income (loss) before income taxes and minority interests	6,156	642	(6,024)
Income taxes	615	19	41	
Income tax adjustment	1,801	190	(2,473)	
Interim net income (loss)	3,739	432	(3,591)	
Retained earnings brought forward	3,903	8,615	8,615	
Interim dividends	-	-	560	
Interim undistributed profits	7,642	9,047	4,463	

16. Basis of Preparation of the Interim Non-Consolidated Financial Statements

1. Accounting Standards

- (1) Valuation standards and methods for significant assets
 - (a) Investment securities
 - Other investment securities
 - Marketable securities..... Market value method based on the market price at the end of the interim consolidated accounting period. (The valuation difference is directly charged, and the cost of securities sold is calculated using the cost method based on the moving-average method.)
 - Non-marketable securities..... Adoption of the cost method based on the moving-average method.
 - (b) Inventories
Products, manufactured goods, materials and inventories are accounted for by the cost method based on the first-in, first-out method. Work-in-progress is accounted for the cost method based on the identified cost method.
 - (2) Depreciation method of significant depreciable assets
 - (a) Property, plant and equipment
The fixed rate method has been adopted. Buildings acquired after April 1, 1998 (except equipment with attached buildings), however, are amortized using the straight-line method.
 - (b) Intangible fixed assets
The straight-line method has been adopted. Software for the purpose of sale is amortized using a method based on the projected sales volume, or the straight-line method based on the remaining period of validity. Software for use in the Company is amortized by the straight-line method, based on the availability period within the Company.
 - (3) Accounting standards for allowances and reserves
 - (a) Investment loss reserve
To provide against losses resulting from deterioration of the financial position of affiliated companies, an appropriate amount is recorded taking into account the content of the asset and other factors.
 - (b) Allowance for doubtful accounts
To provide against losses resulting from bad debt, for general accounts, general allowances are provided using a rate determined by past bad debts experience. Specific allowances are also provided for the estimated amounts considered to be uncollectible after reviewing individual collectibility of certain doubtful accounts.
 - (c) Bonus reserve
To provide for payment of bonuses to employees, accrued bonuses are recorded in an amount expected to be paid.
 - (d) Allowance for employee retirement benefits
To provide for the employees' retirement benefits, allowance for employee retirement

benefits is recorded based on the projected retirement benefit obligations and related plan assets as of the current consolidated fiscal year end. Accounting differences are expensed proportionally from the following consolidation fiscal year based on a fixed number of years (10 years) within the average remaining service years of the employee in each consolidated fiscal year incurred.

(e) Allowance for director retirement benefits

To provide for expected payments for retirement benefits for directors at the time of their retirement, an allowance is recorded in a forecast amount at the end of the interim consolidated accounting period, based on internal regulations.

(4) Accounting method for significant lease transactions

Financial lease transactions, except for those in which the rights held in leased properties may be transferred to the lease holder, are accounted for based on a method related to ordinary lease transactions.

(5) Other significant factors relating to the preparation of the financial statements

Accounting for consumption tax uses the tax excluded method.

17. Sales, Orders and Backlog

(Millions of yen, rounded down)

Segment \ Period	FY 2005 Interim (April 1, 2004 – September 30, 2004)			FY 2004 Interim (April 1, 2003 – September 30, 2003)			FY 2004 (April 1, 2003 – March 31, 2004)		
	Sales	Orders	Backlog	Sales	Orders	Backlog	Sales	Orders	Backlog
Semiconductor manufacturing equipment	31,913 (19,876)	32,027 (19,202)	14,350 (7,935)	16,762 (7,934)	16,771 (9,049)	6,533 (3,406)	42,114 (24,351)	49,827 (30,668)	14,237 (8,608)
Measuring systems	4,847 (976)	5,089 (1,048)	1,954 (320)	4,164 (725)	4,429 (746)	1,591 (242)	8,513 (1,486)	8,900 (1,514)	1,713 (248)
Automatic measuring systems	2,592 (250)	2,834 (226)	1,117 (38)	1,999 (95)	2,186 (155)	993 (85)	4,559 (241)	4,627 (279)	875 (63)
Other	151 (11)	155 (7)	40 (6)	178 (9)	187 (8)	61 (6)	361 (17)	346 (19)	36 (9)
Total	39,505 (21,114)	40,107 (20,484)	17,463 (8,300)	23,104 (8,764)	23,575 (9,959)	9,178 (3,740)	55,548 (26,097)	63,702 (32,482)	16,862 (8,930)

Note: Figures in parenthesis represents export volume.