

Summary of Consolidated Earnings Report for the First Quarter of the Fiscal Year Ending March 31, 2006

July 29, 2005

Company Name:  **TOKYO SEIMITSU CO., LTD.**

Code number: 7729
Stock Listing: First Section TSE

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

Contact:

Representative: Sadakatsu Suzuki, President, C.E.O. & C.O.O

Tel: 0422 - 48 - 1011

Inquiries: Kunimasa Ohta, Executive Vice President, C.F.O.

The Company's financial and earnings report summary for the first quarter of fiscal 2006 (April 1, 2005 – June 30, 2005), is as follows:

1. Items pertaining to the preparation of the quarter results:

- (1) Use of simplified accounting procedures : No
- (2) Changes in accounting principles in the most recent financial year :No
- (3) Changes in scope of consolidation or application of the equity method : No
- (4) The Company's quarterly financial statements have not been reviewed by an independent auditor.

2. Consolidated Results of Operations for 1Q of FY 2006 (April 1, 2005 to June 30, 2005)

(1) Business Results

(Millions of yen, rounded down; %)

	Net Sales	Operating Income	Ordinary Income	Current Quarter Net Income
FY 2006 1Q	16,986 - 17.7%	2,281 - 26.4%	2,425 - 22.9%	1,315 - 22.6%
FY 2005 1Q	20,637 78.1%	3,100 765.7%	3,146 849.0%	1,699 —
(Reference) FY2005 full year	84,750	13,051	12,885	4,459

	Net Income per Share (yen)	Net Income per Share (Diluted) (yen)
FY 2006 1Q	35 09	32 07
FY 2005 1Q	45 50	45 40
(Reference) FY 2005 full year	118 82	108 75

Note: The percentage figures accompanying net sales, operating income and other items indicate changes from the corresponding period of the previous fiscal year.

Qualitative Information Regarding Business Results

Although the semiconductor manufacturing business has shown an upturn compared to estimates in early 2005, an approx. 10% year-on-year decline is still expected in the semiconductor manufacturing market.

The Company's Semiconductor Manufacturing Equipment division achieved ¥12.63billion in net sales for the first quarter of FY 2006; sales of established product line such as Wafer Probing Machines and new product line such as Polish Grinders progressing in-line with management strategy. Though the overall semiconductor industry is expected to show a decline compared to the previous year, due to new product line in the semiconductor division, we anticipate the same level of sales for the full business year compared to the corresponding period of the previous year.

In the Measuring Instrument division, based on buoyant demand, especially from the automobile industry and various users, sales totaled ¥4.355billion for the first quarter. Sales for both 1H and 2H are expected to exceed the previous year.

As a result, initial management plans have been achieved, resulting in sales of ¥16.986billion (40% completion rate achieved for the first half year on estimated net sales), ordinary income amounted to ¥2.425billion (40% completion rate achieved for the first half year on estimated ordinary income).

Orders for the first quarter in the semiconductor division amounted to ¥18.146billion, measuring

systems totaled ¥5.49billion, exceeding estimates and is expected to have a positive affect on future results.

(2) Financial Position

(Millions of yen, rounded down; except as indicated)

	Total Assets	Shareholders' Equity	Equity Ratio (%)	Shareholders' Equity per Share (¥)
FY 2006 1Q	100,263	33,810	33.7	901 73
FY 2005 1Q	99,523	30,457	30.6	815 35
(Reference) FY 2005 full year	100,993	33,003	32.7	879 93

Cash flows

(Millions of yen, rounded down)

	Cash flow from Operating Activities	Cash flow from Investing Activities	Cash flow from Financing Activities	Cash and Cash Equivalents at the End of Period
FY 2006 1Q	(681)	(2,448)	(83)	8,635
FY 2005 1Q	1,787	(317)	(2,003)	11,733
(Reference) FY2005 full year	7,058	(1,769)	(5,732)	11,838

Qualitative Information Regarding the Financial Position

There are no significant factors regarding changes in the financial position

[Reference]

Forecasted Results for Fiscal Year 2006 (April 1, 2005 – March 31, 2006)

(Millions of yen, rounded down)

	Net Sales	Operating Income	Net Income
Half Year	42,500	6,000	3,200
Full Year	85,000	13,500	7,500

(Reference) Net income per share for the full year is forecast at ¥200.02

Qualitative Information Regarding Forecasts

There are no changes to the forecasts announced on May 17, 2005

Cautionary Statements with Respect to Forward-looking Statements

This summary and its related materials contain forward-looking statements based on information available to the management at the time of this announcement that it has judged to be rational, including such factors as economic conditions in Japan and other countries, or fluctuations in exchange rates, which may affect the Company's performance.

These forecasts and projects are subject to a number of risks and uncertainties, including market conditions, competition, and the global state of the semiconductor industry. Accordingly, actual results may differ materially from those projected in this earnings summary

(Supplementary Material)

1. Consolidated Quarterly Balance Sheet

(Millions of yen, rounded down)

Item	FY06 1Q 30-Jun-05	FY05 1Q 30-Jun-04	FY05 31-Mar-05	Item	FY06 1Q 30-Jun-05	FY05 1Q 30-Jun-04	FY05 31-Mar-05
ASSETS				LIABILITIES			
Current Assets	72,001	75,830	73,752	Current Liabilities	32,399	38,001	34,941
Cash and cash equivalents	8,663	11,761	11,866	Notes and accounts payable	17,707	22,044	17,809
Notes and accounts receivable	32,114	29,375	32,105	Short-term debt	44	5,123	458
Inventories	29,829	32,432	28,134	Current portion of long-term debt	4,104	4,713	4,160
Deferred tax assets	726	1,136	753	Current portion of bonds	450	200	450
Other current assets	713	1,170	951	Income taxes payable	1,092	429	2,890
Allowance for doubtful accounts	(45)	(46)	(60)	Bonus reserve	1,363	1,013	951
				Other current liabilities	7,637	4,477	8,221
Fixed Assets	28,262	23,693	27,240	Long-term Liabilities	31,478	28,908	30,538
Property, plant and equipment	14,859	12,757	13,885	Bonds	19,300	19,750	19,400
Buildings and structures	7,388	5,260	7,528	Convertible bonds	51	51	51
Equipment and vehicles	3,108	3,011	1,982	Long-term debt	7,758	4,972	6,753
Land	2,917	2,919	2,917	Allowance for employee retirement benefits	3,658	3,554	3,610
Other fixed assets	1,444	1,566	1,457	Other long-term liabilities	710	580	722
Intangible fixed assets	2,410	3,477	2,581	Total Liabilities	63,877	66,910	65,479
Software	2,113	2,961	2,263				
Other intangible fixed assets	297	515	317	Minority Interests	2,575	2,156	2,510
Investments and other assets	10,991	7,458	10,773	SHAREHOLDERS' EQUITY			
Investment Securities	3,751	3,380	3,524	Capitalization	7,392	7,199	7,392
Deferred tax assets	6,302	3,113	6,331	Capital Surplus	12,017	11,806	12,017
Other investments	948	977	928	Retained Earnings	14,339	11,399	13,596
Allowance for doubtful accounts	(10)	(13)	(10)	Net unrealized holding gain on securities	123	128	70
				Foreign currency translation adjustment	2	(26)	(9)
Deferred Assets	0	0	0	Treasury stock	(64)	(50)	(63)
Discount on bonds	0	0	0	Total Shareholders' Equity	33,810	30,457	33,003
Total Assets	100,263	99,523	100,993	Total Liabilities and Shareholders' Equity	100,263	99,523	100,993

2. Consolidated Quarterly Statements of Income

(Millions of yen, rounded down)

Item		FY06 1Q (April 1, 2005 through June 30, 2005)	FY05 1Q (April 1, 2004 through June 30, 2004)	FY05 (April 1, 2004 through March 31, 2005)	
Ordinary Income	Operating	Net sales	16,986	20,637	84,750
		Cost of sales	11,762	14,463	59,344
		Gross Profit on Sales	5,224	6,173	25,405
		Selling, general and administrative expenses	2,942	3,072	12,354
	Operating Income	2,281	3,100	13,051	
	Non-operating	Non-operating income	283	143	278
		Interest and dividend income	30	27	51
		Other	253	116	226
		Non-operating expenses	139	97	443
		Interest expenses	63	92	293
Other		75	5	150	
Ordinary Income	2,425	3,146	12,885		
Extraordinary Items	Extraordinary gains	20	68	523	
	Gain on sale of investment in securities	—	68	358	
	Gains on return of subscription rights	20	—	150	
	Other	—	—	15	
	Extraordinary losses	—	—	7,007	
	Loss on revaluation and disposal of inventories	—	—	5,861	
	Loss on sale of fixed assets	—	—	854	
	Other	—	—	291	
Income before income taxes and minority interests	2,446	3,215	6,401		
Income taxes	980	367	3,187		
Income tax adjustment	31	1,055	(1,688)		
Minority Stockholder Income	118	92	444		
Quarterly Net Income	1,315	1,699	4,459		

3. Net Sales and Orders

1. Sales by business segment

(Millions of yen, rounded down)

	FY 06 1Q (April 1, 2005 through June 30, 2005)	FY 05 1Q (April 1, 2004 through June 30, 2004)	FY 05 (April 1, 2004 through March 31, 2005)
Semiconductor manufacturing equipment	12,630	17,119	66,669
Measuring systems	4,355	3,517	18,081
Total	16,986	20,637	84,750

2. Sales by geographical segment

(Millions of yen, rounded down)

	FY 06 1Q (April 1, 2005 through June 30, 2005)	FY 05 1Q (April 1, 2004 through June 30, 2004)	FY 05 (April 1, 2004 through March 31, 2005)
Japan	14,724	16,652	69,846
United States	910	2,196	9,226
Germany	1,352	1,789	5,677
Total	16,986	20,637	84,750

3. Overseas sales

(Millions of yen, rounded down)

	FY 06 1Q (April 1, 2005 through June 30, 2005)	FY 05 1Q (April 1, 2004 through June 30, 2004)	FY 05 (April 1, 2004 through March 31, 2005)
Overseas sales total	8,302	12,193	42,860
East Asia	5,572	6,512	25,048
North America	1,260	2,530	8,166
Europe	853	1,847	5,706
Other areas	616	1,302	3,938

4. Order received and backlog

(Millions of yen, rounded down)

	FY 06 1Q (April 1, 2005 through June 30, 2005)		FY 05 1Q (April 1, 2004 through June 30, 2004)		FY 05 (April 1, 2004 through March 31, 2005)	
	Received	Backlog	Received	Backlog	Received	Backlog
Semiconductor manufacturing equipment	18,146	18,915	21,882	19,583	65,248	13,400
Measuring systems	5,490	4,826	3,857	3,904	18,207	3,691
Total	23,636	23,741	25,740	23,488	83,456	17,091

Summary of Non- Consolidated Earnings Report for the First Quarter of the Fiscal Year Ending March 31, 2006

July 29, 2005

Company Name:  **TOKYO SEIMITSU CO., LTD.**

Code number: 7729
Stock Listing: First Section TSE

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

Contact:

Representative: Sadakatsu Suzuki, President, C.E.O. & C.O.O

Inquiries: Kunimasa Ohta, Executive Vice President, C.F.O.

Tel: 0422 - 48 - 1011

The Company's financial and earnings report summary for the first quarter of fiscal year 2006 (April 1, 2005 to June 30, 2005), is as follows:

1. Items pertaining to the preparation of the first quarter results:

- (1) Use of simplified accounting procedures: No
- (2) Changes in accounting principles in the most recent fiscal year: No
- (3) The Company's quarterly financial statements have not been reviewed by an independent auditor.

2. Results of Operations for 1Q of FY 2006 (April 1, 2005 to June 30, 2005)

(1) Business Results

(Millions of yen, rounded down; %)

	Net Sales	Operating Income	Ordinary Income	Current Quarter Net Income
FY2006 1Q	14,811 - 16.5%	1,566 - 27.7%	1,833 - 21.7%	1,265 - 11.4%
FY 2005 1Q	17,735 70.2%	2,167 -	2,340 -	1,427 -
(Reference) FY 2005 full year	73,336	9,723	9,676	605

	Net income per share (yen)	Net Income per Share (Diluted) (yen)
FY2006 1Q	33 74	30 84
FY2005 1Q	38 21	38 12
(Reference) FY 2005 full year	16 16	14 79

Note: The percentage figures accompanying net sales, operating income and other items indicate changes from the corresponding period of the previous fiscal year.

(2) Financial Position

(Millions of yen, rounded down; except as indicated)

	Total Assets	Shareholders' Equity	Equity Ratio (%)	Shareholders' Equity per Share (yen)
FY 2006 1Q	87,097	29,841	34.3	795 87
FY 2005 1Q	91,777	30,140	32.8	806 86
(Reference) FY 2005 full year	87,161	29,088	33.4	775 78

[Reference]

Forecasted Results for Fiscal Year 2006 (April 1, 2005 – March 31, 2006)

(Millions of yen)

	Net Sales	Ordinary Income	Net Income	Net Income per Share		
				At mid-term	At year end	
Half Year	38,000	4,800	2,900	¥ 20 00	¥ —	¥ —
Full Year	76,000	10,000	6,000	—	20 00	40 00

(Reference) Net income per share for the full year is forecast at ¥160.02

There are no significant changes from the forecasts announced on May 17, 2005

Cautionary Statements with Respect to Forward-looking Statements

This summary and its related materials contain forward-looking statements based on information available to the management at the time of this announcement that it has judged to be rational, including such factors as economic conditions in Japan and other countries, or fluctuations in exchange rates, which may affect the Company's performance.

These forecasts and projects are subject to a number of risks and uncertainties, including market conditions, competition, and the global state of the semiconductor industry. Accordingly, actual results may differ materially from those projected in this earnings summary

(Supplementary Material)

1. Non-Consolidated Quarterly Balance Sheet

(Millions of yen, rounded down)

Item	FY06 1Q 30-Jun-05	FY05 1Q 30-Jun-04	FY05 31-Mar-05	Item	FY06 1Q 30-Jun-05	FY05 1Q 30-Jun-04	FY05 31-Mar-05
ASSETS				LIABILITIES			
Current Assets	61,733	69,576	63,152	Current Liabilities	28,798	36,477	30,684
Cash and cash equivalents	4,853	7,692	7,175	Notes payable	10,841	15,724	10,977
Notes receivable	5,106	4,489	3,625	Accounts payable	5,873	6,503	5,640
Accounts receivable	25,718	25,161	26,912	Short-term debt	-	4,100	-
Inventories	23,450	26,153	22,440	Current portion of long-term debt	3,800	2,480	3,400
Deferred tax assets	580	1,225	615	Current portion of bonds	-	3,800	800
Other current assets	2,038	4,883	2,409	Income taxes payable	605	40	2,053
Allowance for doubtful accounts	(13)	(28)	(27)	Bonus reserve	911	674	644
				Other current liabilities	6,766	3,155	7,169
Fixed Assets	25,364	22,201	24,009	Long-term Liabilities	28,457	25,160	27,388
Property, plant & equipment	10,732	7,519	9,764	Bonds	17,500	17,500	17,500
Buildings and structures	6,093	3,816	6,210	Convertible bonds	51	51	51
Equipment and vehicles	1,900	859	808	Long-term debt	7,410	4,320	6,370
Land	1,525	1,526	1,525	Allowance for employee retirement benefits	2,955	2,872	2,911
Other fixed assets	1,213	1,317	1,219	Allowance for director retirement benefits	541	416	556
Intangible fixed assets	2,132	2,971	2,287	Total Liabilities	57,256	61,637	58,073
Software	2,101	2,945	2,255				
Other intangible fixed assets	31	26	31	SHAREHOLDERS' EQUITY			
				Capitalization	7,392	7,199	7,392
				Capital surplus	12,017	11,806	12,017
Investments & other assets	12,499	11,709	11,958	Capital reserve	12,017	11,806	12,017
Investment Securities	3,600	3,282	3,374	Retained earnings	10,377	11,058	9,674
Stock in subsidiaries	3,433	3,877	3,433	Earnings reserve	728	728	728
Deferred tax assets	5,678	2,137	5,669	Contingent reserve	5,000	5,000	5,000
Other investments	9,074	3,975	8,758	Undistributed net profit	4,648	5,330	3,945
Investment loss reserve	(1,554)	(1,554)	(1,554)	Net unrealized holding gain on securities	119	125	67
Allowance for doubtful accounts	(7,732)	(8)	(7,723)	Treasury stock	(64)	(50)	(63)
				Total Shareholders' Equity	29,841	30,140	29,088
Total Assets	87,097	91,777	87,161	Total Liabilities and Shareholders' Equity	87,097	91,777	87,161

2. Non-consolidated Quarterly Statements of Income

(Millions of yen, rounded down)

Item		FY06 1Q (April 1, 2005 through June 30, 2005)	FY05 1Q (April 1, 2004 through June 30, 2004)	FY05 (April 1, 2004 through March 31, 2005)	
Ordinary Income	Operating	Net sales	14,811	17,735	73,336
		Cost of sales	11,198	13,461	55,563
		Gross Profit on Sales	3,612	4,274	17,773
		Selling, general and administrative expenses	2,046	2,107	8,049
	Operating Income		1,566	2,167	9,723
	Non-operating	Non-operating income	383	266	342
		Interest and dividend income	233	160	227
		Other	149	106	114
		Non-operation expenses	116	94	389
		Interest expenses	54	88	271
Other		61	5	117	
Ordinary Income		1,833	2,340	9,676	
Extraordinary Items	Extraordinary gains	20	68	523	
	Gain on sale of investment securities	—	68	358	
	Other	20	—	165	
	Extraordinary losses	—	—	9,555	
	Loss on revaluation and disposal of inventories	—	—	1,342	
	Allowance for doubtful accounts	—	—	7,716	
	Other	—	—	496	
Income before income taxes		1,853	2,408	644	
Income, local and corporate taxes		597	9	1,951	
Income tax adjustment		(8)	971	(1,911)	
Quarterly net income		1,265	1,427	605	