Consolidated Financial Statements for the Interim Period ended September 30 2007 (FY2008 Interim)

November 15, 2007

Company Name **Tokyo Seimitsu Co., Ltd.**

ACCRETECH

Code number: 7729
(URL: http://www.accretech.jp/)
Representative: Sadakatsu Suzuki, President CEO
Inquiries: Kunimasa Ohta, CFO
Board of directors meeting: November 15, 2007
Use of U.S. accounting standards: No

Stock Listing: First Section TSE
Head office location: Tokyo
Tel: 0422 - 48 - 1011
Expected Starting Date of Diviled Payout: December 3, 2007

1. Consolidated Results for the Interim Period of FY2008 (April 1 - September 30, 2007)

(1) Consolidated sales and earnings (Millions of yen, rounded down)

	Net Sales		Operating Income		Ordinary Income		Net Income	
Interim FY08	49,868	-3.8%	5,899	-33.9%	5,964	-32.5%	3,345	-33.1%
Interim FY07	51,838	23.2%	8,929	35.4%	8,840	31.5%	4,998	27.7%
Full Year FY07	100,322	-	14,086	-	13,612	-	8,741	-

(Millions of yen, except as indicated)

	Net income per Share (yen)	Net income per Share (diluted) (yen)
Interim FY08	83.31	77.76
Interim FY07	124.69	116.17
Full Year FY07	217.91	203.10

Notes: Equity in affillates in Interim FY08: - million yen; in Interim FY07: - million yen. in Full Year FY07: - million yen.

(2) Consolidated financial position (Millions of yen; except as indicated)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (yen)
Interim FY08	117,313	56,255	47.7%	1,392.05
Interim FY07	118,370	51,069	43.0%	1,269.20
Full Year FY07	114,831	54,281	47.1%	1347.09

Notes: Equity in Interim FY08: 55,912 million yen; in Interim FY07 50,912 million yen; in Full Year FY07 54,098 million yen.

(3) Consolidated cash flows (Millions of yen)

	Cash flow from Operating Activities	Cash flow from Investing Activities	Cash flow from Financing Activities	Cash and Cash Equivalents at End of Period
Interim FY08	4,497	-3,573	-2,767	15,168
Interim FY07	4,872	-1,483	-1,547	15,747
Full Year FY07	10,920	-3,439	-4,638	16,800

2. Situation of Dividend

(Yen)

	Per Share Dividend		
	Interim	Year End	Full Year
FY07	25.00	25.00	50.00
FY08	30.00		
FY08 (Forecast)		40.00	70.00

3. Forecast for FY 2008 (April 1, 2007-March 31, 2008)

(Millions of yen)
(Percentage figures represent changes from the previous year)

	Net Sales		Operating Income		Ordinary Income		Ordinary Income		Net Income per Share (yen)
Full Year	99,000	-1.3%	12,000	-14.8%	12,000	11.8%	6,500	25.6%	161.71

4. Other

(1) Significant changes in subsidiaries during the year under review (changes in specific subsidiaries involving changes in scope of consolidation): yes
Exclusion from consolidation: 1 (Accretech Micro Technologies Co., Ltd.)
Note: Please refer to “Tokyo Seimitsu Corporate Group” on page 8 for details.

(2) Changes in accounting principles, procedures, method of presentation and other matters associated with preparation of consolidated financial statements (basic matters for preparation of consolidated financial statements)
1) Changes due to revision of accounting standards, etc.: Yes.
2) Changes other than 1): None
(Note: Please refer to "Changes in Basis of Presenting Consolidated Financial Statements," on page 16, for details.)

(3) Number of shares outstanding (common shares)
1) Number of shares outstanding at fiscal year end (including treasury shares):
Interim FY2008: 40,194,717 shares; Interim FY2007: 40,141,517 shares; FY2007: 40,187,517 shares.
2) Number of treasury shares at fiscal year end:
Interim FY2008: 29,232 shares; Interim FY2007: 27,539 shares; FY2007: 28,215 shares.
(Note: Please refer to "Per Share Information," on page 20, for numbers of shares as for the basis of this caliculation.)

Reference: Summary of non-consolidated results

1. Non-Consolidated Results for the Interim Period of FY2008 (April 1 - September 30, 2007)

(1) Non-consolidated sales and earnings (Millions of yen, %, yen; percentage figures represent changes from previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
Interim FY08	41,377	-8.2%	3,458	-45.9%	4,051	- 39.5%	2,271	-44.1%
Interim FY07	45,064	20.0%	6,386	29.5%	10,423	27.7%	2,414	17.5%
Full Year FY08	86,827		9,565		9,847		5,666	

	Net Income per Share (yen)
Interim FY08	56.56
Interim FY07	101.29
Full Year FY08	141.25

(2) Non-consolidated financial position (Millions of yen, %, yen; percentage figures represent changes from previous year)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
Interim FY08	98,056	43,629	44.1%	1,077.69
Interim FY07	102,142	41,721	40.6%	1,036.18
Full Year FY08	97,005	42,695	43.8%	1,058.57

Notes：Equity in Interim FY08: 43,285 million yen; in Interim FY07: 41,565 million yen; Full Year FY0742,511 million yen..

2. Non-Consolidated Forecast for FY 2008 (April 1, 2007-March 31, 2008)

(Millions of yen)
(Percentage figures represent changes from the previous year)

	Net Sales		Operating Income		Ordinary Income		Ordinary Income		Net Income per Share (yen)
Full Year	85,000	-2.1%	7,500	-21.6%	7,900	-19.8%	4,600	-18.8%	114.44

Note to ensure appropriate use of forecasts and other matters warranting special mention
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. Business Performance" on pages 3-6 for details of forecasts.

1. Business Performance
(1) Analysis of Business Performance
1) Business performance for fiscal half-year, ended September 30, 2007

[Overall Business Performance]

During the six-month period under review, the business environment surrounding Tokyo Seimitsu was severe for the semiconductor manufacturing equipment division, while generally favorable conditions continued for the measuring systems division.

In the semiconductor industry, although some manufacturers actively made capital investment prompted by solid demand for flash memory chips and other products, manufacturers were generally cautious about capital investment due to a supply glut and plunging DRAM prices. These developments adversely affected the Company's business results.

On the other hand, the measuring systems division continued brisk as ever, thanks to strong overseas demand led by that from automobile-related industries.

As a result, orders received in the first half totaled ¥47,860 million (down 10.6% from the same period of the previous year), while net sales amounted to ¥49,868 million (down 3.8%). Operating income came to ¥5,899 million (down 33.9%), ordinary income ¥5,964 million (down 32.5%), and net income ¥3,345 million (down 33.1%).

[Performance by Business Segment]
A. Semiconductor Manufacturing Equipment Division

With DRAM prices dropping continuously since the beginning of the year, manufacturers tended to postpon or to hold back capital investment, particularly in testing equipment. During the first half, this put downward pressure on wafer probing machines, the semiconductor manufacturing equipment division's mainstay products, which we have a large share of the market.

Meanwhile, demand for polish grinders continued brisk on the strength of growing demand for thinner wafers. As for wafer dicing machines and wafer inspection systems, new models of products have quickly gained recognition in the market. These products posted steady growth from the same period of the previous year.

As a consequence, orders received by this division during the first half totaled ¥35,581 million (down 16.1% from the first half of the previous year), and net sales came to ¥38,176 million (down 7.0%).

Operating income stood at ¥2,934 million (down 52.9%) due to such factors as a drop in sales of wafer probing machines.

(Regional overview)
Overseas sales during the first half rose 3.4% from the same period of the previous year. Particularly, exports grew significantly to East Asia and Europe. On the other hand, domestic sales were sluggish, falling 19.6% from the first half of the prior year.

(Product overview)
(a) With regard to wafer probing machines, orders received and sales slowed during the period under review due to such factors as DRAM manufacturers holding back capital investment and weak demand for products for LCD drivers.

But with device capacities increasing and functions improving, there is a trend that part of the final test process is shifting to wafer testing. Thus, demand for wafer testing equipment is expected to grow in the period ahead.

As a specific product, UF3000EX, which was launched in late fiscal 2007, has already gained a high reputation from customers. This high-precision and high-throughput product features a design concept exceeding the previous norm and overturning accepted ideas. Tokyo Seimitsu, as the top wafer probing machine manufacturer, will further strive to expand its world market share and improve performance in this area.

(b) In the area of wafer dicing machines, A-WD-300TX, which was introduced into the market in fiscal 2007, has steadily gained market recognition. This machine is a dicer for 300mm wafers that incorporates an 80,000rpm spindle. Orders for and sales of this product have grown steadily.

Further, Tokyo Seimitsu developed the PS280 standalone twin-stage super-speed package singulation system, which divides chip-scale package (CSP) substrates, and began sales in August 2007. The product has attracted a considerable interest from potential users for its outstanding performance and many inquiries have been received about the machine.

Meanwhile, the MAHOH DICING MACHINE, a completely dry-process laser dicing machine that uses no blade, has been highly acclaimed by users for its dust-free operation and other performance characteristics and high productivity. Sales of this product have increased, mainly for MEMS and thin wafers, with repeat orders increasing.

This product, which combines a Hamamatsu Photonics laser and Tokyo Seimitsu's unique high-precision positioning and conveyance technologies, is highly rated by customers due to its considerable superiority over competing products.

(c) In the wafer inspection system sector, the "WIN-WIN 50" series products have been highly regarded for their notable features, including lower costs of ownership and higher detection rates. A new model in this series for a wide range of applications, one with excellent mass production qualities, was launched in early 2007 and it is already well-regarded in the market. The Company aims to further expand business in this product category in the future.

(d) Tokyo Seimitsu's unique polish grinders have become the de facto standard in the thin wafer market because of their unique ability to produce thinner wafers and remove damage in a single unit.

Although competition has been intensifying in the thin wafer market since the entry of new competitors in fiscal 2007, orders received and sales in this sector continued strong in the first half as in the second half of the previous year.

With wafers getting thinner, sales of polish grinders were strong as the superiority of the wet polishing technology used in the PG300MR has been recognized, evidencing that Tokyo Seimitsu has maintained its leading position in the market.

(e) Regarding chemical mechanical planarizers (CMPs), the concept of the ChaMP series and its structural advantages have become widely known to customers. The Company will strive to increase sales by obtaining new customers and will work to cut costs, thereby improving profitability in this product category.

B. Measuring Instrument Division

In the measuring systems division, some domestic manufacturers postponed capital investment, while overseas demand was strong, led by products for automobile-related industries. Orders received and sales grew at a steady pace both in Japan and overseas as a result of the Company's efforts to win orders by appropriately addressing the needs of users. Orders received during the first half totaled ¥12,278 million (up 10.3% from the first half of the previous year), and net sales reached ¥11,691 million (up 8.2%).

As a result of sales growth and cost reduction efforts, operating income rose 9.9% from the same period of the previous year, to ¥2,965 million. Both sales and operating income hit record highs on a first-half basis.

(Regional overview)
Regarding this division's business results by region, domestic sales increased a meager 2.3%, while overseas sales were extremely strong, jumping 36.0%. Sales expanded markedly expanded to East Asia and Southeast Asia.

(Product overview)

(a) Among industrial measuring systems, the XYZAX SVA series of 3D coordinate measuring machines, which combine Carl Zeiss analysis and control technologies with Tokyo Seimitsu's high-rigidity design technology, have earned a good reputation as products that meet customer needs. Sales also increased from the year-earlier period for Carl Zeiss' ACCURA and CONTURA, which use active scanning technology to guarantee high throughput.

Of the SURFCOM series products, which are surface texture and contour measuring instruments that use linear motors to achieve the world's highest precision while minimizing vibration, sales increased for such products as the SURFCOM 1500/2000DX and CONTOURECORD 1700DX.

As for RONDCOM series cylindrical form measuring instruments, the RONDCOM 54/44 and other models posted steady sales growth.

(b) In the area of automatic measuring systems, the adjustment of capital investment in domestic automobile-related industries adversely affected the sales of PULCOM series products, which are typically used in auto parts production lines. Sales of products in this category dropped from the same period of the previous year.

2) Forecasts for Next Fiscal Year
[Overall and Business Segment-based Forecasts]
A. Semiconductor Manufacturing Equipment Division

In the period ahead, the semiconductor market is expected to gradually improve, lifted by growing demand for flat-screen TVs in anticipation of a boom ahead of the Beijing Olympics and for other digital consumer electronics, along with mobile phones and latest operating system version-ready PCs. However, semiconductor manufacturers are expected to remain cautious about capital investment due to such uncertain factors as the subprime mortgage problem and the DRAM price trends.

In light of these circumstances, Tokyo Seimitsu forecasts that the environment surrounding semiconductor manufacturing equipment in the second half will continue slow for wafer probing machines, as in the first half. However, business performance is expected to improve in such areas as wafer dicing machines, where the PS280 package singulation system was introduced in the first half, and polish grinders for the thin wafer market, where manufacturers are highly motivated to invest.

Given these conditions, the Company conservatively forecasts that net sales in the semiconductor manufacturing equipment division in fiscal 2008 will total ¥75,500 million (down 3.3% from fiscal 2007).

B. Measuring Instrument Division

In the measuring systems division, strong overseas demand is expected from automobile-related industries and other users. Domestically, the division will strive to win more orders and increase sales by carrying out sales activities diligently to appropriately respond to the needs of customers.

Net sales in the measuring systems division in fiscal 2008 is forecasted to rise 5.7% from the previous year, to ¥23,500 million, hitting a record high for the fifth consecutive year.

Overall, consolidated net sales in fiscal 2008 are projected to total ¥99,000 million (down 1.3% from fiscal 2007). Operating income is expected to amount to ¥12,000 million (down 14.8%), and ordinary income will also come to ¥12,000 million (down 11.8%). As a consequence, consolidated net income in fiscal 2008 will be ¥6,500 million (down 25.6%).

(2) Analysis of Financial Position

1) Assets, Liabilities and Net Assets

Total assets as of September 30, 2007, increased ¥2,500 million from March 31, 2007, to ¥117,300 million. The main factors behind the growth include a drop in cash and deposits of ¥1,600 million, a rise in notes and accounts receivable of ¥900 million, and an increase in property, plant and equipment of ¥3,500 million.

Total liabilities rose ¥500 million, to ¥61,000 million, due mainly to a ¥3,600 million increase in notes and accounts payable and a ¥2,300 million drop in income taxes payable.

Net assets totaled ¥56,300 million, and the equity ratio was up 0.6%, to 47.7%.

2) Cash Flows

Cash and cash equivalents as of September 30, 2007, decreased ¥1,600 million from March 31, 2007, to ¥15,100 million.

The status of cash flows during the period under review and factors behind them are described below.

Net cash provided by operating activities amounted to ¥4,400 million. The main components were income before income taxes and minority interests (¥5,900 million), an increase in inventories (-¥1,000 million), an increase in trade notes and accounts payable (¥3,500 million), and income taxes paid (-¥3,500 million).

Net cash used in investing activities amounted to ¥3,500 million. This mainly reflected property and plant and equipment purchases (-¥3,400 million).

Net cash used in financing activities came to ¥2,700 million. The main components were repayment of long-term debt (-¥1,500 million) and dividend payments (-¥1,000 million).

Trends in cash flow indices are shown below.

	Interim FY06	FY06	Interim FY07	FY07	Interim FY08
Equity ratio (%)	35.2	42.5	43.0	47.1	47.7
Equity ratio, based on market value (%)	184.2	256.4	210.1	139.9	81.8
Number of years for amortization (years)	15.4	3.3	2.8	2.3	2.5
Interest coverage ratio (times)	26.6	41.7	45.9	50.3	61.9

Shareholder's equity ratio: Shareholder's equity/total assets
Equity ratio based on market value: Total market value of equity/total assets
Number of years for amortization: Interest-bearing debt/operating cash flows
Interest coverage ratio: Operating cash flows/interest payments

Notes:
1. All indices are calculated on a consolidated basis based on figures shown in the financial statements.
2. The total market value of equity is calculated by multiplying market price at the balance sheet date by the number of shares outstanding on the balance sheet date.
3. "Operating cash flows" refers to cash flows from operating activities as shown in the consolidated cash flow statements. "Interest-bearing debt" refers to all debts listed in the consolidated balance sheets on which the Company pays interest. "Interest payments" denoted interest payments as reflected in the consolidated cash flow statements.
4. Interest-bearing debts refer to all debts in Consolidated Financial Statements which we pay interest. Interest payments denote the amount of interest payment in the consolidated cash flow statements.

(3) Basic Policy for Profit Distribution and Dividends for Fiscal 2007 and 2008

Tokyo Seimitsu believes the most important management task for the Company is to enhance its corporate value and constantly distribute profits to shareholders by providing unsurpassed products based on state-of-the art technologies in growth areas.

The Company determines distribution of surplus taking into account various factors, including its consolidate business results, financial position and investments for business expansion over the medium to long term.

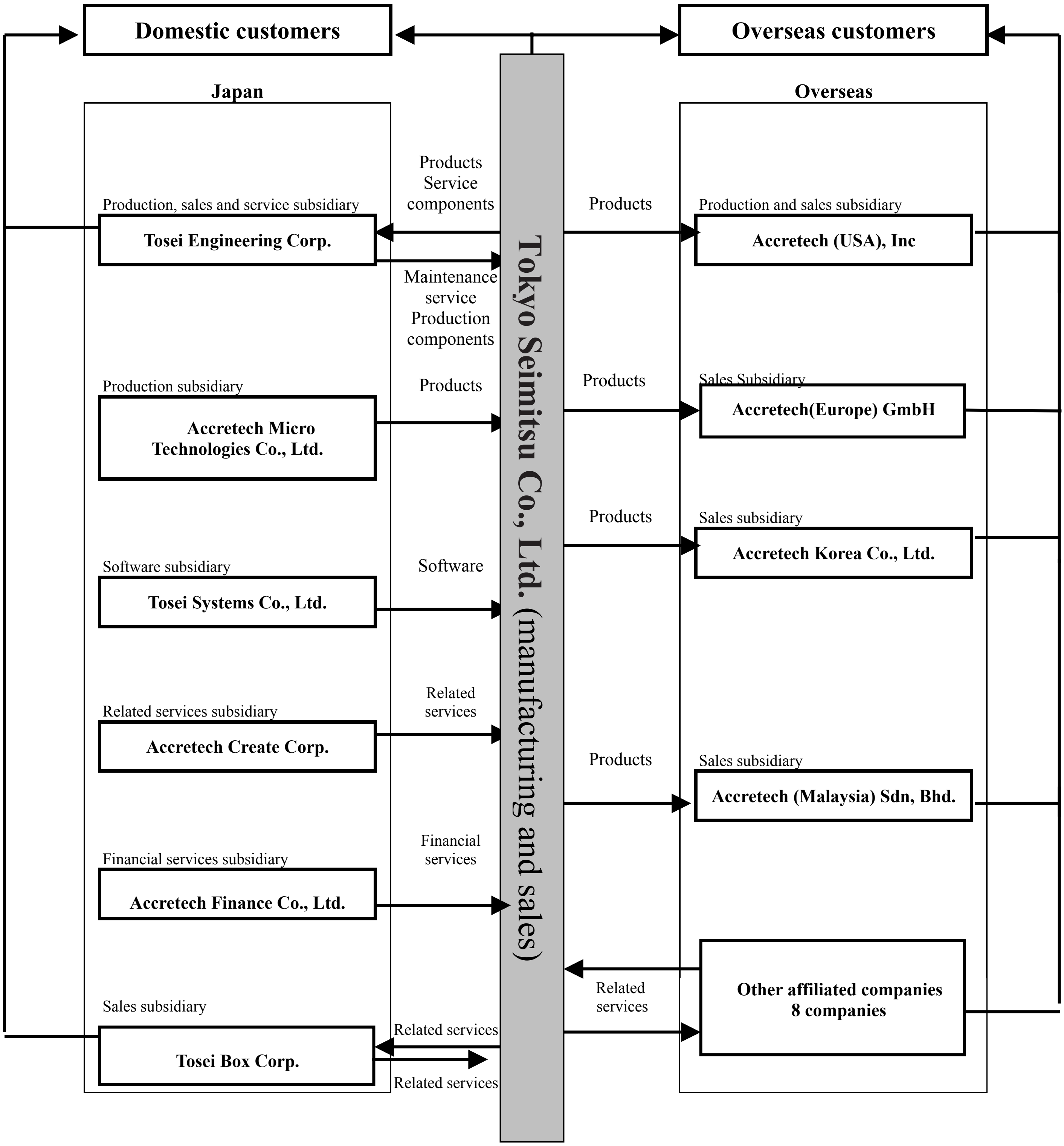
Tokyo Seimitsu's business performance for fiscal 2008 is expected to fall below the forecast announced in May 2007 for both the first half and the full year. However, to signify gratitude to shareholders and with its financial position taken into account, the Company plans to pay dividends in the same amount as announced in May 2007 -- an interim dividend of ¥30 per share and a year-end dividend of ¥40 per share, for a full-year dividend of ¥70 per share.

2. Tokyo Seimitsu Corporate Group

(1) Changes in significant subsidiaries

On April 1, 2007, the Company merged Accretech Micro Technologies Co., Ltd., a subsidiary. This was to strengthen the competitiveness of the wafer inspection system business by unifying the relevant decision-making body and simplifying the chain of command for the business, and more efficiently using the group's management resources.

(2) Business structure



3. Management Policy

(1) Basic Policy

As a maker of precision measuring instruments and semiconductor manufacturing equipment, Tokyo Seimitsu has consistently focused on developing state-of-the-art products that contribute to improving our customers' productivity and on providing good customer support. With technological innovation advancing rapidly and becoming more sophisticated, the prime necessity for our continuous growth is to establish a strong product development organization and appropriate product development criteria. To accomplish this, in line with the following "Strategic Principles for Our R&D" that we have established as the core of our management principles, we are working to minimize the effects of market cycles in capital investment, build a business foundation of high growth and profitability, and further increase corporate value.

Strategic Principles for Our R&D

1. Endeavor to create the number-one products in the global market.
   Products with the leading share of the global market should have the following qualities:
   a)The ability to generate maximum profits during favorable economic periods;
   b)The ability to incur only minimal losses during periods of recession.
2. Finance R&D exclusively from internal cash flows.
3. Target fields that have strong technology barriers but where market needs are high and the potential size of the market is large.
4. Actively seek alliances to share R&D costs and utilize synergies that benefit industry partners.

Tokyo Seimitsu has adopted as a corporate motto "Win-Win Relationships Create the World's No. 1 Products." The Company is striving to establish a structure that is capable of creating world-leading products. To do this we are applying the core technologies we have developed, and we are building cooperative Win-Win relationships with domestic and overseas companies and individuals that share the common goal of creating the world's best products. Behind all our efforts is the goal of being a truly global company.

Tokyo Seimitsu has also implemented the executive officer system and the internal company system under which the entire company has been divided into three internal companies -- Semiconductor Company, Metrology Company and Administration Company. These internal companies, as fully functioning organizations with appropriate responsibilities and authority, are positioned to improve the level of customer satisfaction and business performance by responding to each customer more flexibly and promptly.

Semiconductor Company has a cross-functional structure, in which the product sales section by semiconductor manufacturing process is associated with the technology development group by product.

Furthermore, in February 2007 the Semiconductor Company formed the Technology Development Group (TDG), a cross-sectional technology development unit, in order to establish a common technology platform to be shared by product groups and thus strengthen its product development structure.

(2) Essential Management Indicators

Tokyo Seimitsu conducts its management in a manner that conforms to the goals of all of its shareholders. We believe that long-term growth in earnings per share and the resulting long-term rise in corporate value are important indicators for management.

(3)Medium- to Long-term Management Strategies of and Issues for Tokyo Seimitsu

1. In April 2006, Tokyo Seimitsu initiated its medium-term plan "ACCRETECH Action 60 (AA60), named after our corporate brand and" covering the period through the year ending March 2009, when the Company will mark its 60th anniversary. The goal of the plan is to achieve in its final year consolidated net sales of ¥100 billion in the semiconductor manufacturing equipment division and ¥25 billion in the measuring instrument division, with operating profit margin for the entire company at 25%. Each product group will establish its own strategy and specific measures to attain these challenging targets.

2. In order to achieve the goal of the AA60 medium-term plan, reductions in lead time and costs are essential, and this requires further quality improvement and production innovation. To this end, the Company will make active capital investment to increase production and improve productivity in the measuring instrument business (Tsuchiura Plant) and the semiconductor manufacturing equipment business (Hachioji Plant).

3. In recent years, corporate governance has become increasingly important. Tokyo Seimitsu will endeavor to strengthen its corporate governance by establishing an effective internal control system and a proper compliance system, thereby ensuring sound and transparent management.

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.

4. Consolidated Financhial Statements

(1) Consolidated Balance Sheet

Item	FY2007 (ended March 31, 2007)		Interim FY2008 (ended September 30, 2007)		Change	Interim FY2007 (ended September 30, 2006)	
	Million yen	%	Million yen	%	Million yen	Million yen	%
ASSETS							
Ⅰ **Current Assets**	86,561	75.4	86,793	74.0	231	89,978	76.0
1. Cash and cash equivalents	16,826		15,196		-1,629	15,772	
2. Notes and accounts receivable	39,717		40,651		934	42,993	
3. Inventories	27,207		28,245		1,037	29,899	
4. Consumption tax receivable	583		441		-142	355	
5. Deferred tax assets	1,607		201		-1,405	422	
6. Other	647		2,098		1,451	577	
7. Allowance for doubtful accounts	-28		-43		-15	-43	
Ⅱ **Fixed Assets**	28,270	24.6	30,520	26.0	2,250	28,391	24.0
1. **Property, plant and equipment**	15,180	13.2	18,714	16.0	3,533	14,848	12.5
(1) Buildings and structures	8,219		8,848		629	8,231	
(2) Tools and fixtures	2,633		2,835		201	2,706	
(3) Other fixed assets	872		859		-12	945	
(4) Land	3,002		5,770		2,767	2,937	
(5) Other fixed assets	452		400		-51	27	
2. **Intangible fixed assets**	3,589	3.1	3,246	2.7	-343	4,212	3.6
(1) Software	608		462		-145	1,022	
(2) Goodwill	2,888		2,682		-206	3,095	
(4) Other	92		101		9	94	
3. **Investments and other assets**	9,499	8.3	8,559	7.3	-939	9,331	7.9
(1) Investment securities	5,966		4,967		-998	5,573	
(2) Long-term loans	374		17		-356	291	
(3) Deferred tax assets	1,551		1,927		376	1,806	
(4) Other	1,620		1,659		39	1,674	
(5) Allowance for doubtful accounts	-12		-12		0	-14	
Total Assets	114,831	100.0	117,313	100.0	2,481	118,370	100.0

Item	FY2007 (ended March 31, 2007)		Interim FY2008 (ended September 30, 2007)		Change	Interim FY2007 (ended September 30, 2006)	
	Million yen	%	Million yen	%	Million yen	Million yen	%
LIABILITIES							
Ⅰ **Current Liabilities**	36,312	31.6	38,336	32.7	2,023	40,277	34.0
1 Notes and accounts payable, trade	23,596		27,277		3,681	28,129	
2 Short-term debt	118		—		-118	196	
3 Current portion of long-term debt	3,117		3,107		-10	3,117	
4 Current portion of bonds	1,200		1,100		-100	700	
5 Current portion of convertible bonds	50		50		-	-	
6 Income taxes payable	3,483		1,155		-2,327	2,536	
7 Bonus reserve	956		1,034		78	975	
8 Reserve for directors' bonuses	59		5		-54	5	
9 Other current liabilities	3,732		4,606		874	4,616	
Ⅱ **Long-term Liabilities**	24,237	21.1	22,721	19.3	-1,516	27,024	22.9
1 Bonds	13,965		13,965		-	15,065	
2 Convertible bonds	-		-		-	50	
3 Long-term debt	6,163		4,615		-1,548	7,722	
4 Allowance for employee retirement benefi	3,816		3,859		43	3,898	
5 Allowance for director retirement benefits	292		98		-194	288	
6 Long-term accounts payable	-		182		182	-	
Total Liabilities	60,549	52.7	61,057	52.0	507	67,301	56.9
NET ASSETS							
Ⅰ **Shareholders' Equity**	52,424	46	54,756	47	2,331	49,536	41.8
1 Common Stock	9,592		9,602		10	9,515	
2 Capital surplus	20,611		20,621		10	20,535	
3 Retained earnings	22,322		24,637		2,314	19,582	
4 Treasury stock	-101		-105		-4	-97	
Ⅱ **Valuation and Translation Adjustments**	1,673	2	1,156	1	-517	1,376	1.2
1 Valuation difference on securities	1,416		906		-509	1,221	
2 Foreign currency translation adjustment	257		249		-7	155	
Ⅲ **Subscription Rishts**	183	0	343	0	160	156	0.1
Total Net Assets	54281	47.3	56255	48	1974	51069	43.1
Total Liabilities and Net Assets	114831	100.0	117313	100.0	2481	118370	100.0

(2) Consolidated Statements of Income

Item	FY2007 (ended March 31, 2007) Million yen		%	Interim FY2008 (ended September 30, 2007) Million yen		%	Change Million yen	Interim FY2007 (ended September 30, 2006) Million yen		%
Ⅰ **Net sales**		51,838	100.0		49,868	100.0	△ 1,970		100,322	100.0
Ⅱ **Cost of sales**		36,017	69.5		37,103	74.4	1,086		72,211	72.0
Gross profit on sales		15,821	30.5		12,764	25.6	△ 3,056		28,111	28.0
Ⅲ **Selling, general and administrative expenses**										
1 Selling expenses	4,981			5,203				10,593		
2 General expenses	1,909	6,891	13.3	1,661	6,865	13.8	△ 26	3,431	14,025	14.0
Operating Income		8,929	17.2		5,899	11.8	△ 3,030		14,086	14.0
Ⅳ **Non-operating income**										
1 Interest and dividend income	54			398				114		
2 Other	105	159	0.3	71	469	0.9	309	93	208	0.2
Ⅴ **Non-operating expenses**										
1 Interest expenses	127			130				259		
2 Other	121	248	0.5	272	403	0.8	154	422	681	0.6
Ordinary income		8,840	17.0		5,964	11.9	△ 2,875		13,612	13.6
Ⅵ **Extraordinary gains**										
1 Gain on consumption tax refund	155			–				155		
3 Other	–	155	0.3	–	–	–	△ 155	0	155	0.2
Ⅶ **Extraordinary losses**										
1 Loss on revaluation and disposal of investment securities	–			5				50		
2 Expense of lowsuit	470			–				517		
3 Other	2	472	0.9	–	5	0.0	△ 466	1	569	0.6
Income before income taxes and minority interests		8,522	16.4		5,959	11.9	△ 2,563		13,198	13.2
Income taxes	2,313			1,252				4,310		
Income tax adjustment	1,210	3,524	6.8	1,361	2,613	5.2	△ 910	146	4,457	4.5
Net Income		4,998	9.6		3,345	6.7	△ 1,652		8,741	8.7

(3) Consolidated Statements of Changes in Net Assets

Interim FY 2007 (April 1, 2006 - September 30, 2007) (Millions of yen)

Item	Shareholders' equity					Valuation and translation adjustments			Warrants	Total net assets
	Common Stock	Capital surplus	Retained earnings	Treasury stock	Total share-holders' equity	Valuation Difference on securities	Foreign currency translation adjust-ments	Total valuation and translation adjustmen		
Balance as of March 31, 2006	9,447	20,466	15,399	-90	45,223	1,340	139	1,479	－	46,703
Changes during Interim FY 0										
Issuance of new shares	68	68			136					136
Dividends from surplus			-801		-801					-801
Bonuses to directors by profit distribution			-14		-14					-14
Net income			4,998		4,998					4,998
Treasury stock acquisition				-7	-7					-7
Treasury stock disposition		0		0	1					1
Net changes in items other than shareholders'						(119)	16	(103)	156	53
Total	68	68	4,182	-7	4,312	(119)	16	(103)	156	4,365
Balance as of Sept. 30, 2006	9,515	20,535	19,582	-97	49,536	1,221	155	1,376	156	51,069

Interim FY 2008 (April 1, 2007 - September 30, 2007) (Millions of yen)

Item	Shareholders' equity					Valuation and translation adjustments			Warrants	Total net assets
	Common Stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation Difference on securities	Foreign currency translation	Total valuation and translation		
Balance as of March 31, 2007	9,592	20,611	22,322	-101	52,424	1,416	257	1,673	183	54,281
Changes during Interim FY 2										
Issuance of new shares	10	10			20					20
Dividends from surplus			-1,003		-1,003					-1,003
Bonuses to directors by profit distribution			3,345		3,345					3,345
Net income				-4	-4					-4
Treasury stock acquisition		△ 0		0	0					0
Treasury stock disposition			-26		-26					-26
Net changes in items other than shareholders'						(509)	(7)	(517)	160	-357
Total	10	10	2,314	-4	2,331	(509)	(7)	(517)	160	1,974
Balance as of Sept. 30, 2007	9,602	20,621	24,637	-105	54,756	906	249	1,156	343	56,255

Full Year FY 2007 (April 1, 2006 - March 31, 2007) (Millions of yen)

Item	Shareholders' equity					Valuation and translation adjustments			Warrants	Total net assets
	Common Stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation Difference on securities	Foreign currency translation	Total valuation and translation		
Balance as of March 31, 2006	9,447	20,466	15,399	-90	45,223	1,340	139	1,479	－	46,703
Changes during Interim FY 2										
Issuance of new shares	144	144			288					288
Dividends from surplus			-1,804		-1,804					-1,804
Bonuses to directors by profit distribution			-14		-14					-14
Net income			8,741		8,741					8,741
Treasury stock acquisition				-11	-11					-11
Treasury stock disposition		0		0	1					1
Net changes in items other than shareholders'						75	118	193	183	377
Total	144	144	6,922	-10	7,201	75	118	193	183	7,578
Balance as of March 31, 2007	9,592	20,611	22,322	-101	52,424	1,416	257	1,673	183	54,281

(4) Consolidated Statements of Cash Flows

		Interim FY07	Interim 08	Change
		Million yen	Million yen	Million yen
Ⅰ	**Cash flows from operating activities:**			
	Income before income taxes and minority interests	8,522	5,959	13,198
	Depreciation and amortization	1,220	1,053	2,468
	Amotizationof goodwill	206	206	413
	Expense paid in stock	156	165	183
	Change in allowance for employee retirement benefits	76	43	-6
	Change in allowance for director retirement benefits	-65	-194	-60
	Interest and dividend income	-54	-398	-114
	Interest expense	127	130	259
	Loss on sales and disposal of tangible assets	18	—	145
	Loss on sales of investment securites	—	5	50
	Warrant return profits	-6,465	-639	-3,096
	Change in trade notes and accounts receivable	-2,833	-1,030	-382
	Change in inventories	3,236	3,592	-1,379
	Change in other operating activities	1,857	-785	1,556
	Subtotal	6,004	8,109	13,235
	Proceeds from interest and dividend income	54	63	114
	Payment of interest	-132	-132	-265
	Payment of income taxes	-1,054	-3,543	-2,164
	Net cash provided by operating activities	**4,872**	**4,497**	**10,920**
Ⅱ	**Cash flows from investing activities:**			
	Payment for time deposits	-11	-11	-38
	Proceeds from time deposits	21	11	48
	Payment for purchase of property, plant and equipment	-1,440	-3,497	-3,144
	Proceeds from sales of property, plant and equipment	113	53	134
	Payment for purchase of intangible assets	-89	-116	-165
	Payment for purchase of investment securities	-500	-4	-1,500
	Proceeds from sales of investment securites	509	—	1,509
	Payment by purchase of subsidiary stock	—	—	-113
	Payment by invest in associated company	—	-12	—
	Payment for short-term loans	-100	—	-200
	Proceeds from repayment of short-term loans	13	4	31
	Net cash used in investing activities	**-1,483**	**-3,573**	**-3,439**
Ⅲ	**Cash flows from financing activities:**			
	Change in short-term loans payable	-2,860	-115	-2,938
	Proceeds from long-term debt	4,000	—	4,000
	Payment for redemption of bonds	-1,914	-1,558	-3,473
	Income by execution of warrants	-100	-100	-700
	Clearance income of common stock for treasury	135	15	287
	Dividend payments	-801	-1,003	-1,804
	Change in other financing activities	-6	-4	-10
	Net cash provided by (used in) financing activities	**-1,547**	**-2,767**	**-4,638**
Ⅳ	**Effect if exchange rate changes on cash and cash equivalents**	**54**	**36**	**106**
Ⅴ	**Net increase (decrease) in cash and cash equivalents**	**1,895**	**-1,806**	**2,948**
Ⅵ	**Cash and cash equivalents at beginning of year**	**13,851**	**16,800**	**13,851**
Ⅶ	**Income of cash and cash equivalente from changing subsidiary**	—	**175**	—
Ⅷ	**Cash and cash equivalents at end of year**	**15,747**	**15,168**	**16,800**

(5) Basis of Preparation of the Interim Consolidated Financial Statements

Matters pertaining to scope of consolidation

1) Subsidiaries included in consolidation: Tosei Box Co., Ltd., Accretech Korea Co., Ltd.
These two subsidiaries, which had been unconsolidated subsidiaries until the previous fiscal year, have been included in consolidated financial statements for the period under review due to their increasing importance.
2) Subsidiary excluded from consolidation: Accretech Micro Technologies Co., Ltd.
This subsidiary was dissolved as a result of its merger into the Company on April 1, 2007.

Disclosures other than those described above are omitted as there is no significant change from statements in the prevision interim report (submitted on December 21, 2006).

(6) Changes in Basis of Interim Consolidated Financial Statements

Method of depreciation of tangible fixed assets

Pursuant to amendments to the Corporation Tax Law, starting from the period under review, the Company and its domestic consolidated subsidiaries depreciate tangible fixed assets acquired on and after April 1, 2007, using the method stipulated by the amended Corporation Tax Law.

As a result of this change, operating income, ordinary income and income before taxes and minority interests for the first half decreased by ¥19 million each, compared with those calculated by the previous method. The impact of this change on segment information is described in the relevant section.

(Additional information)

Pursuant to amendments to the Corporation Tax Law, the Company and its domestic consolidated subsidiaries record tangible fixed assets acquired on and before March 31, 2007, as follows. The difference between an amount equivalent to 5% of the acquisition cost and the memorandum value is to be depreciated equally over five years from the fiscal year following the year in which the undepreciated value reached 5% of the acquisition cost in accordance with the depreciation method under the previous Corporation Tax Law. The depreciation amount is to be included in "Depreciation and amortization."

As a result of this change, operating income, ordinary income and income before income taxes and minority interests each decreased by ¥13 million, compared with those calculated by the previous method. The impact of this change on segment information is described in the relevant section.

(7)Changes in accounting standards

The Company terminated its director's retirement benefit system from fiscal year ended March 2006. Up to last fiscal year, the amount needed to pay as the retirement benefit for directors was accounted and shown as „Allowance for director retirement benefits". But from this interim fiscal year, they will be shown as „Long term account payable" in the Long-term Liabilities based on new guideline issued by Japan Public Accountant Associateion Report No.42 issued on April 13, 2007. „Auditing Treatment on Resueve, alloance and alloance for directors retirement benefit"

(8) Note on Interim Consolidated Financial Statements

(Omission of disclosure)

Notes regarding lease transactions, stock options, etc., and derivatives transactions are omitted, as it is believed there is no significant need to disclose such information in the financial statements.

5. Segment Information
(1) Business segments

Interim FY2007 (April 1 － September 30, 2006) (Millions of yen, rounded down)

	Semiconductor manufacturing equipment division	Measuring systems division	Total	Corporate and elimination	Consolidation
□ Sales and operating income:					
1. Sales to third parties	41,029	10,809	51,838	―	51,838
2. Intersegment sales to transfer	―	―	―	(―)	―
Total	41,029	10,809	51,838	(―)	51,838
Cost of revenue from operations	34,797	8,111	42,909	(―)	42,909
Operating Income	6,231	2,697	8,929	(―)	8,929

Interim FY 2008 (April 1 － September 30, 2007) (Millions of yen, rounded down)

	Semiconductor manufacturing equipment division	Measuring systems division	Total	Corporate and elimination	Consolidation
□ Sales and operating income:					
1. Sales and operating income:	38,176	11,691	49,868	―	49,868
2. Intersegment sales to transfer	―	―	―	(―)	―
Total	38,176	11,691	49,868	(―)	49,868
Cost of revenue from operations	35,242	8,726	43,969	(―)	43,969
Operating Income	2,934	2,965	5,899	(―)	5,899

FY2007 (April 1 2006－ March 31, 2007) (Millions of yen, rounded down)

	Semiconductor manufacturing equipment division	Measuring systems division	Total	Corporate and elimination	Consolidation
□ Sales and operating income:					
1. Sales to third parties	78,091	22,230	100,322	―	100,322
2. Intersegment sales to transfer	―	―	―	(―)	―
Total	78,091	22,230	100,322	(―)	100,322
Cost of revenue from operations	69,261	16,974	86,236	(―)	86,236
Operating Income	8,830	5,256	14,086	(―)	14,086

Notes

1. Pursuant to amendments to the Corporation Tax Law, starting from the period under review, the Company and its domestic consolidated subsidiaries depreciate tangible fixed assets acquired on and after April 1, 2007, using the method stipulated by the amended Corporation Tax Law.

As a result of this change, in the semiconductor manufacturing equipment division, cost of revenue from operations rose by ¥16 million and operating income decreased by the same amount, compared with those calculated by the previous method. In the measuring systems division, cost of revenue from operations increased by ¥3 million and operating income fell by the same amount, compared with those calculated by the previous method.

2. Pursuant to amendments to the Corporation Tax Law, the Company and its domestic consolidated subsidiaries record tangible fixed assets acquired on and before March 31, 2007, as follows. The difference between the amount equivalent to 5% of the acquisition cost and the memorandum value is to be depreciated equally over five years from the fiscal year following the year in which the undepreciated value reached 5% of the acquisition cost in accordance with the depreciation method under the previous Corporation Tax Law. The depreciation amount is to be included in "Depreciation and amortization."

As a result of this change, in the semiconductor manufacturing equipment division, cost of revenue from operations rose by ¥8 million and operating income decreased by the same amount, compared with those calculated by the previous method. Meanwhile, in the measuring systems division, cost of revenue from operations increased by ¥5 million and operating income fell by the same amount, compared with those calculated by the previous method.

(2) Geographical segments

Interim FY2007 (April 1 － September 30, 2006) (Millions of yen, rounded down)

	Japan	U.S.	Germany	Total	Corporate and elimination	Consolidation
□ Sales and operating income: 1. Sales to third parties 2. Intersegment sales to transfer	 42,029 6,334	 5,722 —	 4,086 —	 51,838 6,334	 — (6,334)	 51,838 —
Total	48,363	5,722	4,086	58,172	(6,334)	51,838
Cost of revenue from operations	40,132	5,561	3,548	49,242	(6,333)	42,909
Operating Income	8,230	161	537	8,929	(0)	8,929

Interim FY 2008 (April 1 － September 30, 2007) (Millions of yen, rounded down)

	Japan	U.S.	Germany	Korea	Total	Corporate and elimination	Consolidation
□ Sales and operating income: 1. Sales to third parties 2. Intersegment sales to transfer	 39,798 5,990	 4,748 —	 4,962 14	 359 438	 49,868 6,443	 — (6,443)	 49,868 —
Total	45,788	4,748	4,976	797	56,311	(6,443)	49,868
Cost of revenue from operations	40,327	5,068	4,461	642	50,500	(6,531)	43,969
Operating Income	5,461	□ 320	515	155	5,811	88	5,899

FY2007 (April 1 2006－ March 31, 2007) (Millions of yen, rounded down)

	Japan	U.S.	Germany	Total	Corporate and elimination	Consolidation
□ Sales and operating income: 1. Sales to third parties 2. Intersegment sales to transfer	 81,916 11,957	 11,443 —	 6,962 —	 100,322 11,957	 — (11,957)	 100,322 —
Total	93,874	11,443	6,962	112,280	(11,957)	100,322
Cost of revenue from operations	80,531	11,406	6,197	98,135	(11,899)	86,236
Operating Income	13,343	36	765	14,144	(58)	14,086

Notes

1. Pursuant to amendments to the Corporation Tax Law, starting from the period under review, the Company and its domestic consolidated subsidiaries depreciate tangible fixed assets acquired on and after April 1, 2007, using the method stipulated by the amended Corporation Tax Law.

As a result of this change, in Japan, cost of revenue from operations rose by ¥19 million and operating income decreased by the same amount, compared with those calculated by the previous method.

2. Pursuant to amendments to the Corporation Tax Law, the Company and its domestic consolidated subsidiaries record tangible fixed assets acquired on and before March 31, 2007, as follows. The difference between an amount equivalent to 5% of the acquisition cost and the memorandum value is to be depreciated equally over five years from the fiscal year following the year in which the undepreciated value reached 5% of the acquisition cost in accordance with the depreciation method under the previous Corporation Tax Law. The depreciation amount is to be included in "Depreciation and amortization."

As a result of this change, in Japan, the cost of revenue from operations rose ¥13 million and operating income decreased by the same amount, compared with those calculated by the previous method.

(3) Overseas Sales

Interim FY2007 (April 1, — September 30, 2006) (Millions of yen, rounded down)

	East Asia	North America	Europe	Others	Total
□ Overseas sales	12,525	3,988	4,368	3,518	24,401
□ Consolidated sales					51,838
□ Ratio of overseas sales to consolidated sales	24.2%	7.7%	8.4%	6.8%	47.1%

Interim FY2008 (April 1 — September 30, 2007) (Millions of yen, rounded down)

	East Asia	North America	Europe	Others	Total
□ Overseas sales	14,246	3,036	5,014	3,555	25,853
□ Consolidated sales					49,868
□ Ratio of overseas sales to consolidated sales	28.6%	6.1%	10.0%	7.1%	51.8%

Full Year FY2007 (April 1, 2006 — March 31, 2007) (Millions of yen, rounded down)

	East Asia	North America	Europe	Others	Total
□ Overseas sales	28,709	9,121	7,332	5,299	50,462
□ Consolidated sales					100,322
□ Ratio of overseas sales to consolidated sales	28.6%	9.1%	7.3%	5.3%	50.3%

7. Production, Orders and Sales

(1) Production

(Millions of yen, rounded down)

	Interim FY07	Interim FY08	Full Year FY07
Semiconductor manufacturing equipment	43,452	37,480	78,562
Measuring systems	11,041	11,725	22,375
Total	54,493	49,206	100,937

Note: Amounts shown are based on the sales price (excluding consumption tax).

(2) Orders

(Millions of yen, rounded down)

Business Segment	Interim FY07		Interim FY08		Full Year FY07	
	Received	Backlog	Received	Backlog		
Semiconductor manufacturing equipment	42,417	20,838	35,581	21,228	82,465	23,823
Measuring systems	11,135	4,680	12,278	5,752	22,994	5,118
Total	53,553	25,519	47,860	26,980	105,460	28,942