

Consolidated Financial Statements for the 12-month period Ended March 31, 2011 (FY2011), Japan GAAP

May 11th, 2011

Company Name



Tokyo Seimitsu Co., Ltd.

Stock Listing: First Section TSE

ACCRETECH

Code number: 7729

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

Representative: Kunimasa Ohta, President

Inquiries: Koichi Kawamura, Director, President of Administration Company

Tel: 81-(0)42-642-1701

Date of Shareholders Meeting (planned): June 27th, 2011

Dividend Payment Date (planned): June 28th, 2011

Date of Annual Financial Statement Filing (planned) : June 29th, 2011

Supplementary document for Quarterly Financial Results : Yes

Holding of Financial Results Meeting: Yes (for Analysts, Investors)

(Millions of yen, rounded down)

1. Consolidated Results for the Period of FY2011 (April 1st, 2010 – March 31st, 2011)

(1) Consolidated sales and earnings

(Percentage figures represent changes from previous year)

	Net Sales (Millions of Yen)		Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)	
FY2011	49,676	61.6%	6,679	-	6,030	-	6,103	-
FY2010	30,375	-32.8%	-1,567	-	-1,874	-	-3,512	-

Notes: Comprehensive Income in FY2011 ¥6,170 million yen (- %), in FY2010 ¥2,613 million yen (- %)

	Net Income per Share (Yen)	Net Income per Share (diluted) (Yen)	Return on Net Assets	Ordinary Income on Total Assets	Operating Income Ratio
FY2011	148.10	147.95	14.6%	8.2%	13.4%
FY2010	-86.60	-	-8.9%	-2.5%	-5.1%

Notes: Equity in earnings of affiliates in FY2011: - million yen; in FY2010: - million yen.

(2) Consolidated financial position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio (Millions of Yen)	Net Assets per Share (yen)
FY2011	77,038	44,928	58.2%	1086.96
FY2010	69,485	39,050	56.0%	944.06

Notes: Equity in FY2011: 44,801 million yen, in FY2010: 38,904 million yen

(3) Consolidated Statements of Cash Flows

	Cash flows from operating activities (Millions of Yen)	Cash flows from investing activities: (Millions of Yen)	Cash flows from financing activities: (Millions of Yen)	Cash and cash equivalents at end of Fiscal Year (Millions of Yen)
FY2011	7,569	1,029	-4,399	16,194
FY2010	2,075	1,237	-8,867	12,027

2. Situation of Dividend

	Per Share Dividend in Fiscal Year					Total Dividend (for Year)	Dividend Pay Out Ratio (consolidated)	Dividend on Net Assets (consolidated)
	Q1 End	Q2 End	Q3 End	Q4 End	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2010	-	0.00	-	0.00	0.00	-	-	-
FY2011	-	5.00	-	5.00	5.00	412	6.8	1.0
FY2012 (Projected)	-	5.00	-	-	-		-	

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)

(% figures represent changes from the previous year)

	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	25,500	8.2%	2,800	-5.8%	2,600	15.4%	2,400	0.5%	58.23
Full Year	54,500	9.7%	7,000	4.8%	6,600	9.4%	6,200	1.6%	150.42

4. Others

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

New: - Excluded: -

(2) Changes in accounting principles, procedures, method of presentation and other matters

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

2) Changes other than 1): No.

(3) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of period (including treasury shares):	FY2011	41,249,481 shares	FY2010:	41,241,081 shares
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2) Number of treasury shares at the end of period	FY2011	32,018 shares	FY2010:	31,599 shares
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3) Average Number of shares outstanding during the period (cumulative for period, consolidated):	FY2011	41,214,192 shares	FY2010	40,557,228 shares
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*** Cautionary statement with respect to the status of quarterly financial review procedures:**

This document is not applicable to the review procedures of financial results in accordance with the provisions of the Financial Instruments and Exchange Act. At the date and time of issue, the financial statement review procedure in accordance with the provisions of the Financial Instruments and Exchange Act is not yet 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. Business Performance".

Contents of supplementary statement

1. Business Performance	2
(1) Overview of Business Performance	2
(2) Analysis of Financial Position	4
(3) Policy for Profit Distribution and Dividends for Fiscal Year 2011 and 2012	5
(4) Business and Other Risks	5
2. Tokyo Seimitsu Corporate Group	7
3. Management Policy	8
(1) Core Policy	8
(2) Key Management Indicators	8
(3) Medium- to Long-term Management Strategies and Issues for Tokyo Seimitsu	8
4. Consolidated Financial Statements	9
(1) Consolidated Balance Sheet	9
(2) Consolidated Statements of Income, and Comprehensive Income	11
(3) Consolidated Statements of Changes in Net Assets	13
(4) Consolidated Statements of Cash Flows	15
(5) Note on Assumptions for Going Concern	17
(6) Changes to the Basis of Presenting Consolidated Financial Statements	17
(7) Notes	17
(Segment Information)	17
(Per Share Information)	20
(Significant Subsequent Events)	20
5. Additional Information	21
(1) Production, Orders and Sales	21
(2) Executive Changes	22

1. Business Performance

(1) Overview of Business Performance

A. Overview of Business Performance for Fiscal Year 2011

[Overall]

Although apprehension in the market arising from concerns such as budget deficits in Europe; the uncertain recovery in employment levels in Japan, USA, and Europe; the rising of crude oil prices lead by political concerns in Middle East and North African countries; and appreciation of the Japanese Yen, business conditions in the Fiscal Year 2011 ended March 31st, 2011 showed a gradual recovery trend mainly lead by intervention measures taken by governments around the globe, and continuing strong growth in emerging countries such as China. The 2011 earthquake off the Pacific coast of Tohoku in Japan (hereinafter referred to as “the Earthquake”) occurred on March 11th, 2011 contributed to global economic uncertainty. However, the affects on financial results for Fiscal Year 2011 has been limited.

In line with the conditions outlined above, the semiconductor industry and automobile industry, which are the major users of our products, kept a firm tone and continued recovery in capital investments, taking Tokyo Seimitsu’s orders and sales results to recovery.

Consequently, Consolidated Orders in the Fiscal Year 2011 (April 1st, 2010 – March 31st, 2011) was ¥57.691 billion (up 81.1% YoY), Sales was ¥49.676 billion (up 61.6% YoY), Operating Income was ¥6.679 billion (FY2010: ¥1.567 billion loss) and Ordinary Income was ¥6.030 billion (FY2010: ¥1.874 billion loss).

Due to the capitalization of extraordinary gains of ¥872 million from proceeds from sales of lands and properties in Mitaka City, Tokyo, the Company’s ex-Head office, and of extraordinary losses such as ¥363 million from loss on valuation of inventories and ¥52 million of Loss from Earthquake damage, Income before income tax and minority interests was ¥6.564 billion (FY2010: ¥1.621 billion loss), and Net Income was ¥ 6.103 billion (FY2010: ¥3.512 billion loss). The Company applied the consolidated tax payment system from Fiscal Year 2011.

Starting from Fiscal Year 2011, the Company and consolidated affiliates expanded the application of a change to accounting procedures for recording Sales to all main units of SPE products and specific Metrology equipment, where sales are now capitalized on placement with the customer rather than on the shipment date. In FY2011, compared with the previous accounting methods, these changes resulted in a decrease of ¥830 million in Sales and a decrease of ¥331 million in Consolidated Operating Income, Ordinary Income, and Income before income taxes and minority interests.

[Performance by Business Segments]

a. Semiconductor Production Equipment (SPE) Segment

- i) Semiconductor manufacturers’ stance towards capital investment, not only in Asian countries such as Taiwan, Korea, and South East Asia, but also USA and Europe, was positive. This was mainly driven by the rapid increase in demand for smartphones, tablet PCs, industrial machinery, communications infrastructure and automotive semiconductors. Even though a conservative stance on capital investments because of a slow-down in market conditions for PCs and digital household appliances was seen around the middle of the fiscal year, it was limited, therefore the business conditions of testing products and manufacturing products kept a firm tone.

Both Orders and Sales were increased Year-on-Year because of firm demand for Probing Machines (for testing processes) at Taiwan, South East Asian Countries, and USA, and a comparatively firm tone in demand for Wafer Dicing Machines and Polish Grinding Machines (for manufacturing processes) in Korea, South East Asian Countries, and China, (the slow-down in manufacturing processes was seen during the Fiscal Year 2011).

As a result, Orders received in FY2011 were ¥40.538 billion (up 88.5% YoY), Sales were ¥34.627 billion (up 69.2% YoY), and Operating Income was ¥3.828 billion (FY2010: ¥2.467 billion loss).

- ii) Domestic sales increased 102.9% from the previous fiscal year and sales to overseas countries increased 58.6% from the previous fiscal year.

b. Metrology Equipment Segment

- i) The recovery in investment in the automobile industry and machinery equipment industry, which are the major users of our products, continued to consolidate underpinned by persistent demand from Asian emerging countries, and from Governments' measures to stimulate demand such as the Eco-car subsidy and the tax-reduction system in Japan. Simultaneously, the Company and consolidated affiliates has focused on strengthening business to the Aircraft sector, the Energy Generation Equipment sector, public office use, and Small and Medium sized Enterprises in Japan, and to emerging markets such as in China, South East Asian Countries and in India.
As a result, Orders received in FY2011 were ¥17.152 billion (up 65.7% YoY), Sales were ¥15.048 billion (up 46.5% YoY), and Operating Income was ¥ 2.850 billion (up 216.7% YoY).
- ii) Domestic sales increased 37.9% from the previous fiscal year and sales to overseas countries increased 77.9% from the previous fiscal year.

(B) Forecasts for Next Fiscal Year

[Overall and Business Segment-based Forecasts]

The economic outlook for FY 2012 ending March 31st, 2012, remains positive with expected continuous recovery not only in Asian emerging countries such China, but also in Europe and the US. In Japan, the Earthquake may prevent the growth of the economy, but flow on affects to the global economy is still unforeseen.

The impact among manufacturing, sales and services of the Company and the Company Groups from the Earthquake is minimal. However, the impact of Supply Chain disruption of raw materials and parts in all kinds of down stream industries may not yet be fully apparent, hence it may result in unpredicted outcomes for both our Customers and Suppliers of the Company. The Business forecasts shown in this statement are based on information available to management at the time that it has judged to be reasonable. Throughout continuous information collection, the Company will immediately announce changes to anticipated business results.

a. SPE business segment

Not only products rapidly popularized in the previous fiscal year such as Smartphones and Tablet PCs, but also applications requiring semiconductors such as in industrial machinery in communications infrastructure are leading the current increase in demand. In addition, the Company anticipates that demand for specific devices such as Mobile DRAM, NAND Flash memory, Power device, and Analog device will remain firm.

The Company will maintain its focus on developing customer oriented core products and "integrated units" not only in Wafer Probing Machines, Wafer Dicing Machines and Polish Grinding Machines, but also in CMPs, and Wafer Manufacturing Machines to meet resumed needs of customers and maximize new business opportunities.

Consequently, Net Sales in the SPE business in FY 2012, ending March 31, 2012, is expected to be ¥37.0 billion.

b. Metrology business segment

Investment in the automobile industry and machinery equipment industry, which are the major users of our Metrology products, is positive especially in Asian emerging countries such as China and South East Asian Countries. In FY2012, the Company anticipates that these industries will maintain a positive stance towards capital investment mainly in overseas markets.

The Company will focus on keeping track of sales opportunities from the automobile industry and machinery equipment industry which are the major users of our Metrology products, expanding export business opportunities from countries where the Company expects growth in markets such as China and South East Asian Countries, and strengthening business to the sectors of “Eco-friendly cars”, “Renewable Energy”, and “Infrastructure (construction machinery and Aircraft)”.

The Company commenced local manufacturing in China in FY2011, and will continue to strengthen this. Through local manufacturing, the capacity to meet the local market needs in a timely manner is expected to fuel growth.

Consequently, Net Sales in the Metrology business in FY 2012, ending March 31, 2012, is expected to be ¥17.5 billion.

(2) Analysis of Financial Position

(A) Assets, Liabilities and Net Assets

Total Assets as at March 31st 2011, amounted to ¥77.038 billion, an increase of ¥7.553 billion from the end of FY2010 ended March 31, 2010. The major factors behind this increase include an increase in Cash and cash equivalents of ¥4.167 billion, an increase in Notes and accounts receivable of ¥3.285 billion, an increase in Work in progress of ¥1.184 billion, a decrease in Tangible fixed assets such as Building and Structures, and Machinery, equipment and vehicles of ¥484 million, a decrease in Intangible fixed assets of ¥495 million, and a decrease in Investments and other assets of ¥583 million.

Total Liabilities increased ¥1.674 billion, to ¥32.109 billion. This was mainly because of an increase in Current liabilities of ¥5.483 billion including Notes and accounts payable of ¥3.383 billion, and a decrease in Interest-bearing debt such as debt of ¥4.244 billion.

Net Assets totaled ¥44.928 billion. Equity Ratio increased 2.2%, to 58.2%.

(B) Cash Flows

Cash and cash equivalents as of March 31st, 2011 amounted to ¥16.194 billion, an increase of ¥4.054 billion from the end of FY2010 ended March 31, 2010. The status of cash flows and factors behind them are given below.

Net cash earned from operating activities was ¥7.569 billion, mainly due to Income before income taxes and minority interests of ¥6.564 billion, an increase in Notes and accounts payable of ¥3.457 billion, Depreciation and amortization of ¥1.789 billion, increase in Notes and accounts receivable of ¥3.819 billion, and an increase in Inventories of ¥1.438 billion.

Net cash earned from investment activities was ¥1.029 billion, mainly reflected by Proceeds from sales of tangible fixed assets of ¥986 million.

Net cash used in financing activities came to ¥4.399 billion. The major element of this was Repayment of long-term debt of ¥3.888 billion.

Trends in financial indices are shown below.

	FY2009	FY2010	FY2011
Equity ratio (%)	49.4	56.0	58.2
Equity ratio, based on market value (%)	39.4	95.7	79.6
Interest-bearing dept / cash flow ratio	9.7	8.5	1.8
Interest coverage ratio (times)	20.5	5.5	14.3

Equity ratio: Net assets/total assets

Equity ratio based on market value: Total market value of equity/total assets

Interest-bearing dept / cash flow ratio: Interest-bearing debt/ cash flows

Interest coverage ratio: Operating cash flows/interest payments

Notes:

1. All indices are calculated on consolidated financial statements.
2. The total market value of equity is calculated by multiplying market price at the end of FY by the number of shares outstanding at the end of FY.
3. “Operating cash flows” refers to cash flows from operating activities as shown in the consolidated cash flow statements.
4. Interest-bearing debts refer to all debts in Consolidated Balance Sheet on which we pay interest. “Interest payments” denotes interest payments as reflected in the consolidated cash flow statements.

(3) Policy for Profit Distribution and Dividends for Fiscal Year 2011 and 2012

Tokyo Seimitsu believes the most important management task for the Company is to enhance its corporate value and constantly distribute profits to shareholders through a business model of providing World's No. 1 products based on state-of-the-art technologies in the SPE market and the Metrology equipment market.

The Company determines distribution of profit contemplating various factors, including its consolidated business results, financial position, investments for business expansion and shareholders' long-term prospects.

For FY 2011, as previously announced on November 10th, 2010, Tokyo Seimitsu plans to pay ¥5 per Share as a year end dividend. Consequently, including an interim one (paid on December 1st, 2010), the dividend in the Fiscal Year will total ¥10 per Share.

As for FY 2012, even though the full impact of the Earthquake for FY2012 remains somewhat unpredictable, the Company anticipates paying ¥5 interim dividend per share, based on an expectation of firm-toned business. The Company will review full-year dividend payments in light of prevailing business conditions and make announcements immediately after any decision is taken by the Company Board.

(4) Business and Other Risks

Risk factors that may affect the Tokyo Seimitsu Group's business results, financial position, cash flows and other performance indicators are described below. The Group is endeavoring to avert these risks and to reduce potential risks by hedging and diversifying. However, an unforeseen situation may have considerable influence on the Group's business performance. The Tokyo Seimitsu Group judged the following as risk factors at the end of the period under review, but these do not encompass all risks to which the Group's operations may be exposed.

(A) Fluctuations in market conditions

The Tokyo Seimitsu Group conducts SPE business and Metrology business on a global scale, with the scope of operations including Japan, Europe, the United States and Asia. Both of these business areas, as promising sectors in the development of an advanced information society, are expected to continue to grow. However, if the supply-demand balance is disturbed or economic conditions deteriorate in the markets of each business area, the Group's business performance could be adversely affected.

(B) Exchange rate fluctuations

In principle, the Group's overseas sales are made on a yen basis. However, transactions are carried out in U.S. dollars with customers in the United States and/or some other regions and customers. In the event of unforeseen exchange rate fluctuations, the Group's business results may be influenced.

(C) Financial Covenants

To ensure liquidity, the Company has put in place loan facilities with banks and Corporate Bond subscription agreement (lead by, and with Mizuho Corporate Bank Ltd.); these facilities include covenants in which the breach of certain conditions invokes the requirement to repay loans.

(D) Natural disasters and accidental disasters

In order to minimize damage caused by a possible interruption of production activities, the Tokyo Seimitsu Group regularly conducts disaster prevention inspections and carries out production facility maintenance. Capital investment is also made to secure the safety of the facilities. Nevertheless, a sudden calamity, natural disaster or unforeseen accident could damage production facilities or interrupt operations, greatly impacting the Group's business performance.

(E) Country risk

The Tokyo Seimitsu Group is engaged in business in various parts of the world and is operating at the optimum level within each country's political and legal system. However, unexpected changes in the political system or regulations in each country could have influence on the Group's business performance. Furthermore, terrorist attacks, wars, infectious diseases in counties or regions where the Group operates could have impact on its business results.

(F) Protection of intellectual property rights

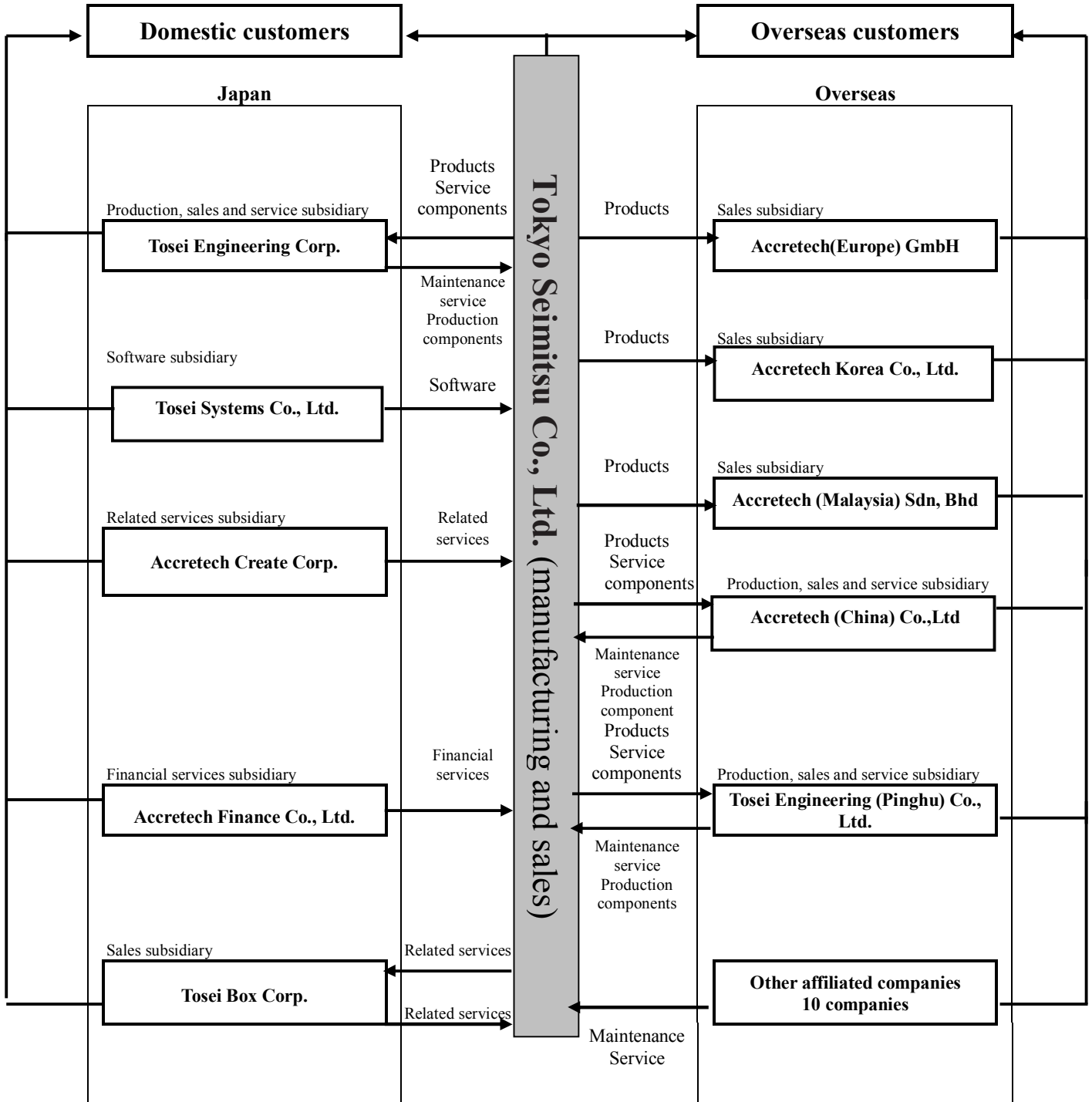
The Tokyo Seimitsu Group's SPE and precision Metrology equipments embody cutting edge technologies. Particular attention is paid to the protection of rights related to these technologies. Specifically, the Group has taken measures to defend its interest with regard to such matters as attribution of patent-related rights and protection of trademarks and brands. However, if a lawsuit or other legal dispute with a third party in Japan or overseas were to arise concerning rights, the Group's business performance could be affected.

(G) Technological innovation

New technologies are developed on nearly a daily basis in the business areas of the Tokyo Seimitsu Group. To develop state-of-the-art technologies and provide new products are essential in maintaining and strengthening the Group's competitiveness. However, there is no guarantee that the Group's research and development activities will always be successful. A failed in R&D and commercialization effort might impact the Group's business performance.

2. Tokyo Seimitsu Corporate Group

Group Business Network



3. Management Policy

(1) Core Policy

- (A) As a manufacturer of SPE and precision Metrology instruments, 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. Because of severe business conditions in FY2009 and FY2010, Tokyo Seimitsu has carried out a bold "selection and concentration" strategy in the business, as well as executing restructuring of the Company. Resulting from these stringent actions, the Company has become a lean and solid organization able to run with concentrated managerial decision making. The Company has positioned itself to relaunch solidly and contribute to continuously developing precision measurement and processing technology, while meeting the commitments that are the requirements of growing company; Health and Safety, Quality Control, Environmental Sustainability, and Consideration for all our Employees.
- (B) 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 apply the core technologies we have developed, and build 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.
- (C) Tokyo Seimitsu implements an internal company system under which the entire company has been divided into three internal companies – the Semiconductor Company, the Metrology Company and the Administration Company and an executive officer system. 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.

(2) Key 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 growth in corporate value are important indicators for management.

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

- (A) Tokyo Seimitsu has dramatically reorganized itself in order to galvanize in the face of the global recession and reestablish itself for the future growth. Tokyo Seimitsu will continue to enhance company structure, to promote further quality improvement and product innovation, to increase its sales, to expand its market share and to reach a higher profit rate.
- (B) Tokyo Seimitsu has resumed dividends from FY2011 interim dividends. Company management is acutely aware that dividend payments remain a key indicator of business success and thorough business recovery.
- (C) In recent years, corporate governance and risk management have become increasingly important. Tokyo Seimitsu will endeavor to strengthen its corporate governance by maintaining effective internal control systems and a proper compliance management system, thereby ensuring sound and transparent management. In addition, based on the impacts experienced in the Earthquake, the Company will review overall risk management systems to strengthen its management capability.
- (D) In recent years, the Company Groups' overseas sales have exceeded domestic sales. Therefore sales organization has been fully localized in each region, and in China local manufacturing has commenced. The Company Groups will optimize management organization for its global operations through actions such as hiring local management executives, building/enhancing global infrastructure, establishing localized supply chains, and standardizing management information flows to and from Head Office.

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 projections are subject to a number of risks and uncertainties, including market conditions, competition, and the global state of the industry such as Semiconductor and Automobile. Accordingly, actual results may differ materially from those projected in this earnings summary.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of Yen)

	FY2010E (Mar 31 st , 2010)	FY2011E (Mar 31 st , 2011)
ASSETS		
Current Assets		
Cash and cash equivalents	12,055	16,222
Notes and accounts receivable	15,511	18,796
Merchandise and finished goods	984	797
Work in progress	9,362	10,546
Raw materials and supplies	2,317	2,733
Differed tax assets	763	1,056
Others	911	910
Allowance for doubtful accounts	- 202	- 245
Total current assets	41,703	50,820
Fixed Assets		
Tangible fixed assets		
Building and structures	14,681	14,541
Accumulated depreciation	- 6,628	- 7,191
Accumulated impairment loss	- 134	-
Building and structures(net)	7,917	7,349
Machinery, equipment and vehicles	5,398	5,667
Accumulated depreciation	- 4,045	- 4,480
Machinery, equipment and vehicles (net)	1,352	1,187
Equipment	3,544	3,725
Accumulated depreciation	- 3,130	- 3,284
Accumulated impairment loss	- 2	-
Equipment(net)	411	440
Land	5,713	5,510
Lease assets	1,840	1,598
Accumulated depreciation	- 715	- 830
Lease assets (net)	1,124	767
Construction in process account	945	1,725
Total Tangible Fixed Assets	17,466	16,981
Intangible Fixed Assets		
Goodwill	1,830	1,497
Others	590	428
Total Intangible Fixed Assets	2,420	1,925
Investments and other assets		
Investment Securities	3,513	3,031
Long-term loans	48	97
Differed tax assets	3,955	3,860
Others	1,029	339
Allowance for doubtful accounts	- 652	- 16
Total Investments and other assets	7,894	7,311
Total Fixed Assets	27,782	26,218
Total Assets	69,485	77,038

(Millions of Yen)

	FY2010E (Mar 31 st , 2010)	FY2011E (Mar 31 st , 2011)
LIABILITIES		
Current Liabilities		
Notes and accounts payable	8,185	11,568
Short-term debt	1,300	1,300
Current portion of long-term debt	3,888	3,484
Lease liabilities	323	306
Income taxes payable	75	521
Differed tax liabilities	-	66
Bonus reserve	245	643
Reserve for director's bonuses	5	5
Provision for loss on business liquidation	89	12
Others	1,596	3,284
Total current liabilities	15,709	21,192
Long-term Liabilities		
Corporate bond	3,000	3,000
Long-term debt	8,384	4,900
Lease liabilities	834	495
Allowance for employee retirement benefits	2,363	2,403
Allowance for director retirement benefits	114	88
Long-term accounts payable	29	29
Total Long-term liabilities	14,725	10,916
Total Liabilities	30,435	32,109
NET ASSETS		
Shareholder's Equity		
Common Stock	10,198	10,209
Capital Surplus	21,216	21,227
Retained earnings	7,987	13,805
Treasury Stock	- 107	- 108
Total Shareholder's Equity	39,294	45,134
Accumulated other comprehensive income		
Holding Gain or loss in investment	- 194	- 17
Foreign currency translation adjustment	- 195	- 315
Total accumulated other comprehensive income	- 390	- 332
Share subscription rights	146	127
Total Net Assets	39,050	44,928
Total Liabilities and Net Assets	69,485	77,038

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

(Millions of Yen)

	FY2010 (April 1 st , 2009 - Mar 31 st , 2010)	FY2011 (April 1 st , 2010- Mar 31 st , 2011)
Net Sales	30,735	49,676
Cost of Sales	26,540	34,207
Gross profit on sales	4,194	15,468
Selling, general and administrative expenses		
Selling expenses	4,024	6,017
General expenses	1,737	2,772
Total Selling, general and administrative expenses	5,761	8,789
Operating income (loss)	- 1,567	6,679
Non-operating income		
Interest	21	5
Dividend income	118	49
Foreign exchange income	79	-
Proceeds from government grants for employment promotion	135	-
Reversal of Allowance for doubtful accounts	78	71
Others	180	135
Total Non-operating income	614	262
Non-operating expenses		
Interest expenses	500	543
Financing expenses	278	-
Foreign exchange loss	-	323
Others	142	43
Total non-operating expenses	921	910
Ordinary Income (loss)	- 1,874	6,030
Extraordinary gains		
Proceeds from sales of lands	-	872
Invalidation of share subscription rights	187	-
Reversal of reserve for loss on business liquidation	222	-
Gain on sales of investment securities	1	-
others	-	76
Total Extraordinary gains	411	948
Extraordinary losses		
Loss on valuation of investment securities	-	363
Loss from Earthquake damages	-	52
Impairment loss	137	-
Others	21	-
Total extraordinary losses	158	415
Income (loss) before income taxes and minority interests	- 1,621	6,564
Income tax and other taxes	487	580
Adjustment on income tax	1,402	- 119
Total Income tax and others	1,890	460
Income (loss) before minority interests	-	6,103
Net Income (loss)	- 3,512	6,103

(Consolidated Statements of Comprehensive Income)

(Millions of Yen)

	FY2010 (April 1 st , 2009 - Mar 31 st , 2010)	FY2011 (April 1 st , 2010- Mar 31 st , 2011)
Income (Loss) before minority interests	-	6,103
Accumulated other comprehensive income		
Holding Gain or loss in investment	-	177
Foreign currency translation adjustment	-	- 110
Total accumulated other comprehensive income	-	66
Comprehensive Income	-	6,170
(breakdown)		
Comprehensive income attributable to owners of the parent	-	6,170
Comprehensive income attributable to minority interests	-	-

(3) Consolidated Statements of Changes in Net Assets

(Millions of Yen)

	FY2010 (April 1 st , 2009 - Mar 31 st , 2010)	FY2011 (April 1 st , 2010- Mar 31 st , 2011)
Shareholder's equity		
Common Stock		
Balance as of previous fiscal year	9,650	10,198
Changes during the fiscal year		
Issue of new shares	548	11
Total changes during the fiscal year	548	11
Balance as of end of the fiscal year	10,198	10,209
Capital Surplus		
Balance as of previous fiscal year	20,668	21,216
Changes during the fiscal year		
Issue of new shares	547	11
Total changes during the fiscal year	547	11
Balance as of end of the fiscal year	21,216	21,227
Retained earnings		
Balance as of previous fiscal year	11,500	7,987
Changes during the fiscal year		
Cash dividends paid	-	- 206
Net income(loss)	- 3,512	6,103
Change in scope of consolidation	-	- 79
Total changes during the fiscal year	- 3,512	5,817
Balance as of end of the fiscal year	7,987	13,805
Treasury stock		
Balance as of previous fiscal year	- 107	- 107
Changes during the fiscal year		
Purchases of treasury stock	-0	-0
Total changes during the fiscal year	-0	-0
Balance as of end of the fiscal year	- 107	- 108
Total Shareholder's equity		
Balance as of previous fiscal year	41,712	39,294
Changes during the fiscal year		
Issue of new shares	1,095	22
Cash dividends paid	-	- 206
Net income(loss)	- 3,512	6,103
Purchases of treasury stock	-0	- 0
Change in scope of consolidation	-	- 79
Total changes during the fiscal year	- 2,417	5,839
Balance as of end of the fiscal year	39,294	45,134

(Millions of Yen)

	FY2010 (April 1 st , 2009 - Mar 31 st , 2010)	FY2011 (April 1 st , 2010- Mar 31 st , 2011)
Total accumulated other comprehensive income		
Holding Gain or loss in investment		
Balance as of previous fiscal year	- 963	- 194
Changes during the fiscal year		
Changes of items other than shareholders' equity(net)	769	177
Total changes during the fiscal year	769	177
Balance as of end of the fiscal year	- 194	- 17
Foreign currency translation adjustment		
Balance as of previous fiscal year	- 326	- 195
Changes during the fiscal year		
Changes of items other than shareholders' equity(net)	130	- 119
Total changes during the fiscal year	130	- 119
Balance as of end of the fiscal year	- 195	- 315
Total accumulated other comprehensive income		
Balance as of previous fiscal year	- 1,289	- 390
Changes during the fiscal year		
Changes of items other than shareholders' equity(net)	899	57
Total changes during the fiscal year	899	57
Balance as of end of the fiscal year	- 390	- 332
Share Subscription Rights		
Balance as of previous fiscal year	408	146
Changes during the fiscal year		
Changes of items other than shareholders' equity(net)	- 261	- 18
Total changes during the fiscal year	- 261	- 18
Balance as of end of the fiscal year	146	127
Total Net Assets		
Balance as of previous fiscal year	40,830	39,050
Changes during the fiscal year		
Issue of new shares	1,095	22
Cash dividends paid	-	- 206
Net income (loss)	- 3,512	6,103
Purchases of treasury stock	- 0	- 0
Change in scope of consolidation	-	- 79
Changes of items other than shareholders' equity(net)	637	38
Total changes during the fiscal year	- 1,780	5,878
Balance as of end of the fiscal year	39,050	44,928

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2010 (April 1 st , 2009 - Mar 31 st , 2010)	FY2011 (April 1 st , 2010- Mar 31 st , 2011)
Cash flows from operating activities:		
Income(loss) before income taxes and minority interests	- 1,621	6,564
Depreciation and amortization	2,088	1,789
Impairment Loss	137	-
Amotization of goodwill	332	332
Stock related expense	20	3
Change in allowance for employee retirement benefits (-:decrease)	- 1,042	40
Change in allowance for director retirement benefits (-:decrease)	9	- 25
Change in allowance for doubtful accounts (-:decrease)	- 178	- 592
Change in allowance for liquidation of business (-:decrease)	- 311	- 77
Interest and dividend income	- 139	- 54
Interest expense	500	543
Gain on reversal of subscription rights	- 187	- 0
Loss on sales and disposal of tangible fixed assets (-: income)	81	20
Loss on sale of lands (-: income)	13	- 872
Loss on sale of investment securities (-: income)	-	- 75
Loss on revaluation of investments in securities (-: income)	7	363
Change in trade notes and accounts receivable (-: increase)	- 3,690	- 3,819
Change in inventories (-: increase)	5,459	- 1,438
Change in trade notes and accounts payable(-:decrease)	2,932	3,457
Others	- 1,647	1,851
Subtotal	2,766	8,010
Proceeds from interest and dividend income	139	54
Payment of interest	- 530	- 562
Payment/Refund of income taxes (-: payment)	- 299	67
Net cash provided by operating activities	2,075	7,569
Cash flows from investing activities:		
Payment for time deposits	- 38	- 38
Proceeds from time deposits	1,038	38
Payment for purchase of tangible fixed assets	- 181	- 174
Proceeds from sales of tangible fixed assets	382	986
Payment for purchase of intangible fixed assets	- 4	- 98
Payment for purchase of investment securities	- 2	- 2
Proceeds from sales of investment securities	66	390
Payment for purchase of shares of consolidated company	-	- 14
Payment for investment of consolidated company	-	- 8
Payment of other investments in capital	-0	-
Payment for loans receivable	- 28	- 51
Proceeds from collection of loans receivable	5	3
Net cash used in investing activities	1,237	1,029

(Millions of Yen)

	FY2010 (April 1 st , 2009 - Mar 31 st , 2010)	FY2011 (April 1 st , 2010- Mar 31 st , 2011)
Cash flows from financing activities:		
Change in short-term loans payable(- : decrease)	- 8,304	-
Proceeds from long-term debt	1,000	-
Repayment of long-term debt	- 5,199	- 3,888
Proceeds from issuance of Corporate bonds	3,000	-
Proceeds from issuance of common stock	999	-
Repayment of lease liability	- 362	- 304
Proceeds from exercise of stock options	0	0
Dividend payments	-	- 206
Others	- 0	- 0
Net cash provided by (used in) financing activities	- 8,867	- 4,399
Effect of exchange rate changes on cash and cash equivalents	- 5	- 145
Net increase (decrease) in cash and cash equivalents	- 5,559	4,054
Cash and cash equivalents at beginning of year	17,586	12,027
Net increase (-: decrease) in cash and cash equivalents by change in consolidated subsidiaries	-	113
Cash and cash equivalents at end of year	12,027	16,194

(5) Note on Assumptions for Going Concern

Not applicable.

(6) Changes to the Basis of Presenting Consolidated Financial Statements

(A) Significant Changes in Subsidiaries during the term

Starting from Fiscal Year 2011, Accretech (China) Co., Ltd and Tosei Engineering (Pinghu) Co., Ltd. were included with the Consolidated subsidiaries, due to an increase in importance of these affiliates to the Company Group.

(B) Significant Changes in Fiscal Term of a consolidated subsidiary

The end-date of Fiscal term for both Accretech (China) Co.,Ltd and Tosei Engineering (Pinghu) Co., Ltd are at December 31st. In order to prepare this Consolidated Financial statement, the Company applied statements of these subsidiaries as at December 31st. Any significant business transactions which were completed between their Fiscal end and the Company's Fiscal end were properly adjusted for in the consolidated review.

(C) Change of accounting principles

Starting from Fiscal Year 2011, the Company applies "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No.18, March 31st 2008), and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No.21, March 31st 2008).

There is no effect on Consolidated Financial Statements.

(7) Notes

(Segment Information)

Business segments

FY 2010 (April 1, 2009 - March 31, 2010)

(Millions of yen)

	SPE business	Metrology business	Total	Corporate and exclusions	Consolidation
I. Sales and operating income:					
1. Sales and operating income:	20,462	10,273	30,735	-	30,735
2. Intersegment sales to transfer	-	-	-	(-)	-
Total	20,462	10,273	30,735	(-)	30,735
Cost of revenue from operations	22,929	9,373	32,302	(-)	32,302
Operating Income	-2,467	900	-1,567	(-)	-1,567
II. Assets, depreciation, impairment loss and capital expenditure:					
Assets	46,898	21,727	68,626	858	69,485
Depreciation	1,811	609	2,421	-	2,421
Impairment Loss	114	22	137	-	137
Capital expenditure	131	15	147	-	147

Notes: 1. The Company's business segments are determined with consideration of product types and properties, as well as similarities in the selling markets and other factors.

2. Primary products of each business segment

(1) SPE business

Wafer probing machines, wafer dicing machines, polish grinders, wafer manufacturing machines and CMPs

(2) Metrology business

Roundness and cylindrical profile measuring instruments, surface texture and contour measuring instruments, 3D coordinate measuring machines, electric micrometers, machine control gauges, various automated measuring, sorting, and assembling machines

Geographical segments

FY2010(April 1st, 2009 - March 31st, 2010)

(Millions of yen)

	Japan	U.S.	Germany	Korea	Total	Corporate and exclusions	Consolidation
I. Sales and operating income:							
1. Sales to third parties	27,574	1,734	1,094	332	30,735	-	30,735
2. Intersegment sales to transfer	2,027	-	18	210	2,257	(2,257)	-
Total	29,602	1,734	1,113	543	32,993	(2,257)	30,735
Cost of revenue from operations	31,094	1,861	1,063	540	34,560	(2,257)	32,302
Operating Income (Loss)	-1,492	-127	49	3	-1,567	-	-1,567
II. Assets	66,421	1,729	1,327	252	69,731	(246)	69,485

Notes: 1. Method of determining country segments

Country segments are determined based on the regional independence of the business activities.

Overseas sales

FY2010 (April 1st, 2009 - March 31st, 2010)

(Millions of yen)

	East Asia	South East Asia	North America	Europe	Other regions	Total
Overseas sales	11,658	3,423	1,431	996	243	17,752
Consolidated sales						30,375
Ratio of overseas sales to consolidated sales	37.9%	11.1%	4.7%	3.2%	0.8%	57.7%

Notes: 1. Overseas sales are the sales of the Company and its consolidated subsidiaries in countries and regions outside Japan.

2. Method of classifying countries and regions, and primary countries and regions in each category

(1) Countries and regions are determined according to geographical proximity.

(2) Primary countries and regions in each category

East Asia: Korea, Taiwan, and China

South East Asia: Thailand, Singapore, Malaysia, and Philippines

North America: USA and Canada

Europe: Germany, Italy and France

Other regions: India, and Mexico

(Segment Information)

1. Overview of reportable segments

The reportable segments of the Company and consolidated subsidiaries are the business segments for which separate financial information can be obtained and are at the level where the Company's board of directors conducts periodic reviews leading to the allocation of resources and evaluation of business performance.

The Company consists of internal companies known as the Semiconductor Company and the Metrology Company, and each company's products and services are managed under comprehensive strategies inside and outside of Japan.

Therefore, the Company defines "SPE" and "Metrology Equipment" as reportable segments based on the intercompany system and their outputs.

The "SPE" consists of manufacturing and sales of process and inspection equipment to be applied to Semiconductor Manufacturing Processes and the "Metrology Equipment" consists of manufacturing and sales of precision measurement equipment such as 3D coordinate measuring machines, surface texture and contour measuring instruments.

2. Method of calculation of sales, profit/loss, assets/liabilities and/or others in reportable segments

The method of calculating segment results is mostly the same as applied to the consolidated financial statements. Therefore, segment profit is based on consolidated operating income. Corporate assets are not allotted to each segment.

3. Net sales, profit/loss assets/liabilities and/or others in reportable segments

FY 2010 (April 1st, 2009 – December 31st, 2010)

Data for this period is intentionally omitted because information substantially the same as business segment information complying with "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Statement No.17), is being disclosed in this financial statement.

FY 2011 (April 1st, 2010 – March 31st, 2011)

(Millions of yen)

	Reportable Segments			Adjustment *1	Consolidate d Total *2
	SPE	Metrology Equipment	Total		
I. Sales					
Sales to third party:	34,627	15,048	49,676	-	49,676
Intersegment sales to transfer	-	-	-	-	-
Total	34,627	15,048	49,676	-	49,676
Segment Profit	3,828	2,850	6,679	-	6,679
Segment Assets	51,409	25,017	76,427	611	77,038
Others					
- Depreciation and amortization	1,284	504	1,789	-	1,789
- Amorization of Goodwill	78	253	332	-	332
- Increase in Tangible / Intangible Fixed assets	916	190	1,106	-	1,106

Notes *1: adjustment for corporate assets which are not allotted to the segments such as long-term investments (other investment securities)

*2: Segment profit is same amount as operating income stated on the consolidated financial statements.

(Additional information)

Starting from Fiscal Year 2011, the Company applies "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Statement No.17, March 27th 2009), and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No.20, March 21st 2008).

(Per Share Information)

FY 2010 (April 1 st , 2009 - March 31 st , 2010)		FY 2011 (April 1 st , 2010 - March 31 st , 2011)	
Net assets per share	944.06 yen	Net assets per share	1086.96 yen
Earnings per share	- 86.60 yen	Earnings per share	148.10 yen
Diluted earnings per share are not stated as these are equivalent to net loss per share.		Diluted earnings per share	147.95 yen

Note: Bases for calculation**1. Net assets per share**

Item	FY 2010 (March 31 st , 2010)	FY 2011 (March 31 st , 2011)
Total net assets in consolidated balance sheet (millions of yen)	39,050	44,928
Net assets related to common stock (millions of yen)	38,904	44,801
Main components of difference - Share subscription rights (millions of yen)	146	127
Number of outstanding shares (thousands of shares)	41,241	41,249
Number of treasury shares (thousands of shares)	31	32
Number of outstanding shares that are bases for calculation of net assets per share (thousands of shares)	41,209	41,217

2. Earnings per share and diluted earnings per share

Item	FY 2010 (April 1 st , 2009 - March 31 st , 2010)	FY 2011 (April 1 st , 2010 - March 31 st , 2011)
Net income (loss) on consolidated statement of income (millions of yen)	- 3,512	6,103
Net income (loss) related to common stock (millions of yen)	- 3,512	6,103
Amount not attributed to common shareholders (millions of yen)	-	-
Average number of shares of common stock during the fiscal year (thousands of shares)	40,557	41,214
Details of adjusted net income (millions of yen)	-	-
Increase in common stock (thousands of shares)	-	40

(Significant subsequent events)

Not applicable.

5. Additional information

(1) Production, Orders and Sales

(A) Actual Production

(Millions of yen)

Reportable Segment	FY2010 (April 1 st , 2009 - March 31 st , 2010)		FY2011 (April 1 st , 2010 - March 31 st , 2011)	
	SPE	16,609		33,542
Metrology Equipment	9,626		15,128	
Total	26,235		48,670	

Note: The above production results are based on the sales prices (exclusive of consumption tax).

(B) Actual Orders

(Millions of yen)

Reportable Segment	FY2010 (April 1 st , 2009 – March 31 st , 2010)		FY2011 (April 1 st , 2010 – March 31 st , 2011)	
	Orders received	Order backlog	Orders received	Order backlog
	SPE	21,508	5,662	40,538
Metrology Equipment	10,350	1,869	17,152	3,967
Total	31,859	7,532	57,691	15,547

Note: The above amounts are exclusive of consumption tax.

(C) Actual Sales

(Millions of yen)

Reportable Segment	FY2010 (April 1 st , 2009 - March 31 st , 2010)		FY2011 (April 1 st , 2010 - March 31 st , 2011)	
	SPE	20,462		34,627
Metrology Equipment	10,273		15,048	
Total	30,735		49,676	

Note: The above amounts are exclusive of consumption tax.

(2) Executive Changes (Effective date (planned): June 27th, 2011)

(A) Candidate for Auditor

Corporate Auditor (Part-time): Yoshihiro Yoshimura
(Current: President of SMBC International Business Co., Ltd)

Note: Mr. Yoshihiro Yoshimura is a candidate of external corporate auditor as stipulated in Article 2 Item 16 of the Company Law.

2) Retiring Auditor

Corporate Auditor (Part-time): Nadamu Takata

Note: Mr. Nadamu Takata is an external corporate auditor as stipulated in Article 2 Item 16 of the Company Law.