Consolidated Financial Statements
for the 12-month period ended March 31, 2006 (FY 2006)

March 17, 2006

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

ACCRETECH

Stock Listing: First Section TSE

Code number: 7729

Head office location: Tokyo

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

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

Inquiries: Kunimasa Ohta, Representative Director

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Boad of Directors meeting: May 17, 2006

Use of U.S. accounting standars: No

1. Results for the the period of FY 2006 (April 1, 2005 - March 31, 2006)

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

	Net Sales		Operating Income		Ordinary Income	
FY2006	92,845	9.6%	13,991	7.2%	14,031	8.9%
FY2005	84,750	36.0%	13,051	119.4%	12,885	141.8%

(Millions of yen; except as indicated)

	Net income (loss)		Net income(loss) per Share (yen)	Net income per Share (diluted) (yen)	Return on Equity	Return on Total Ordinary Income	Ordinary Profit Margin
FY2006	3,125	-29.9%	80.77	74.02	7.8%	13.3%	15.1%
FY2005	4,459	－%	118.62	108.75	14.3%	13.2%	15.2%

Notes:

1. Equity in affiliates; FY06: － million yen; FY05: － million yen
2. Average number of shares outstanding (consolidated); FY05: 38,515,065 shares; FY05: 37,452,407 shares
3. Changes in accounting methods: No
4. Percentages for net sales, operating income, ordinary income, and net income are a comparison with previous fiscal year.

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

	Total Assets	Shareholders' Equity	Equity Ratio	Shareholders' Equity per Share (yen)
FY2006	109,875	46,703	42.5%	1,165.07
FY2005	100,993	33,003	32.7%	879.93

Note: Number of shares outstanding at end of period (consolidated); FY05: 37,495,725 shares; FY04: 37,354,830 shares

(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
FY2006	8,346	(6,160)	(290)	13,851
FY2005	7,058	(1,769)	(5,732)	11,838

(4) Scope of consolidation and application of the equity method

- Consolidated subsidiaries: 7 companies
- Unconsolidated subsidiaries accounted for by the equity method: None
- Affiliatedcompanies accountd for by the equity method: None

(5) Changes in the scope of consolidation and application of the equity method

・Consolidation (new): None; (eliminated): 1 company ・Equity method (new): None; (eliminated): None

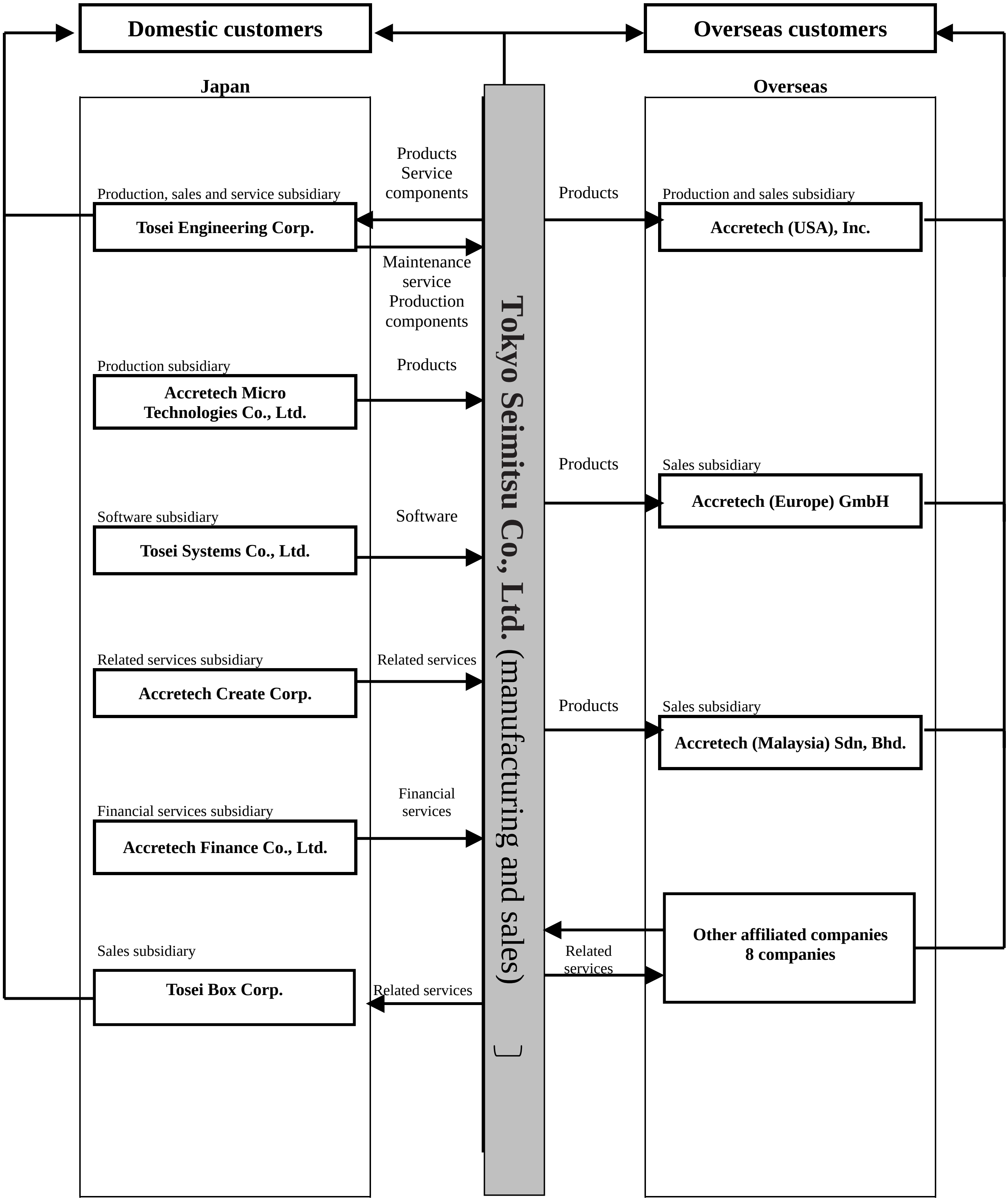
2. Forecasts for FY 2007 (April 1, 2006-March 31, 2007)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income
Half year	51,000	9,000	5,000
Full year	102,000	18,000	10,000

Reference: Estimated earnings per share (full year): ¥249.54

1. Tokyo Seimitsu Corporate Group



2. 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.

<u>Strategic Principles for Our R&D</u>

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:
   -> The ability to generate maximum profits during favorable economic periods
   -> 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 all 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.

For its development system, Tokyo Seimitsu employs the group leader system. Each technology development group is divided into product groups, with a group leader heading each team. Group leaders have been appointed as executive officers, and they are responsible not only for product development but also for the overall performance of their products and formulation of business plans. They have vast authority to make decisions on capital investment, recruiting human resourcesm, and other matters.

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. These two units are collaborating to quickly understand the needs of customers, develop products speedily, and respond to market trends rapidly and flexibly.

(2) Basic Policy on Distributions

Tokyo Seimitsu seeks to enhance corporate value, and return earnings to shareholders by offering the world's No. 1 products that fully utilize cutting-edge technologies in growth fields.

With respect to dividends, Tokyo Seimitsu seeks to provide stable dividends in recognition of the long-term perspective of its shareholders, while giving due consideration to the enhancement of the corporate structure to ensure future growth. We are therefore forecasting a dividend payout of 20% of consolidated net income for the term under review.

Regarding the Company's dividend policy following the enforcement of the new Company

Law on May 1, 2006, an amendment to the Company's articles of association will be proposed at the general meeting of shareholders scheduled for late June 2006 to give the Board of Directors authority to approve the distribution of surplus funds, etc. based on Article 459, paragraph 1, of the Company Law. At this point, however, the Company is maintaining its conventional policy of paying dividends biannually for shareholders as of the end of the first half and the end of the fiscal year

Retained earnings will be effectively used for investment in the research and development that is essential for growth, as well as for production equipment.

(3) Essential Management Indicators

Tokyo Seimitsu conducts its management in a manner that conforms to the goals of all 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.

(4) Medium- to Long-term Management Strategies

1) In April 2006, Tokyo Seimitsu initiated its medium-term plan "ACCRETECH (our Corporate Brand) Action 60 (AA60)" 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%. Under the plan, clear numerical targets have been set for each product group and definite product strategies to attain these goals, and specific measures to be taken have been specified. The Company will steadily carry out these measures to fulfill its medium-term plan.
2) In recent years, there has been a growing tendency among customers to demand faster delivery and higher quality. The Company in March 2005 completed new plants for measuring instruments (the Tsuchiura Plant) and semiconductor manufacturing equipment (the Hachioji Plant) to improve productivity. Under the AA60 medium-term plan, quality improvement and production innovation will be further promoted with a view to reducing lead time and costs.
3) In line with the enforcement of the new Company Law, corporate governance must be given greater importance. 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.

(5) Issues for Tokyo Seimitsu

1) Success with new product lines

   As a result of its energetic efforts to develop new product lines over the past several years, Tokyo Seimitsu's Polish Grinders have achieved the projected profit level. On the other hand, although customer development has made good progress for Wafer Inspection Machines and Chemical Mechanical Planarizers (CMPs), problems remain in regard to profit for these product lines. The Company will work hard to improve the profit margins for Wafer Inspection Machines and CMPs to their target levels by increasing sales and reducing costs.
2) Financial structure improvement

   Tokyo Seimitsu's financial structure was improved dramatically by the disposal of old models of semiconductor manufacturing equipment and assets related to LEEPL (Low Energy E-beam Proximity Projection Lithography). The Company will strive to attain positive cash flow by increasing sales and profits in line with the new AA60 medium-term plan. In addition, the Company's convertible bonds with equity warrants will be converted into equities. Further improvement of various financial ratios will be achieved.

(6) Matters Related to Parent Company, Etc.

Tokyo Seimitsu had no parent company, etc. As of the end of the fiscal year under review.

3. Business Performance and Financial Position

(1) Business Performance

1) Overview of the Fiscal Year Ended March 31, 2006

[Overall Business Performance]

During the fiscal year under review, the business environment surrounding Tokyo Seimitsu continued extremely favorable for both the semiconductor manufacturing equipment division and the measuring instrument division.

In the semiconductor industry, growing demand for digital consumer electronics such as flat-screen televisions and portable audio players and brisk demand for personal computers spurred capital investment by semiconductor manufacturers. This in turn spurred demand for semiconductor manufacturing equipment. In this situation, sales at the semiconductor manufacturing equipment division reached a record high.

Similarly, in the measuring instrument division, growing demand from users, led by automobile-related industries and machine tool manufacturers, propelled sales and operating income to record highs.

As a result, orders received on a consolidated basis totaled ¥99.558 billion (up 19.3 % from the previous year), net sales reached ¥92.845 billion (up 9.6 %), and ordinary income came to ¥14.031 billion (up 8.9 %). Net sales broke the previous record for the second consecutive year. Meanwhile, net income was down 29.9 %, to ¥3.125 billion, as extraordinary losses were booked.

[Operating Highlights by Division]

A. Semiconductor Manufacturing Equipment Division

Although the semiconductor manufacturing equipment division experienced a modest adjustment at the beginning of the fiscal year, market conditions overall continued extremely strong. As a result of the division's attentive responses to customer needs, orders received in the fiscal year under review increased 19.4 % from the previous year, to ¥77.874 billion, and net sales reached ¥71.824 billion, rising 7.7 %, both hitting record highs.

Meanwhile, growing sales and the division's cost-reducing efforts pushed operating income up 2.1 %, to ¥8.972 billion.

(Regional overview)

Sales sharply increased in the first half both in Japan and abroad. Overseas, performance in the East Asian region tended to be firm, with sales to South Korea and China particularly strong.

(Product overview)

(a) With regard to wafer probing machines, market conditions were extremely positive in reflection of brisk device demand and the growing need for full tests of wafers.

Sales of the "UF3000" for 300mm wafers rose significantly on a year-on-year basis for the use for flash memories and other various devices. The "UF3000," a third-generation machine capable of handling 300mm wafers, has earned a very good reputation among customers as a fully automatic, high performance probing machine. It meets the diverse needs of device makers from high-mix, low-volume production of such items as system LSI to manufacturing of memories and other mass production items.

The "UF200" series for 200mm wafers also posted firm growth for sales to customers in such regions as Taiwan. During the fiscal year under review, Tokyo Seimitsu, as the top ,wafer probing machine manufacturer, further increased its share in the world market. Sales in this category exceeded the previous record set in fiscal 2001(ended March 31, 2001). Wafer probing machines have been the main pillar of Tokyo Seimitsu's business.

(b) The "A-WD-300T" and "A-WD-200T" wafer dicing machines have been rated highly by customers, and are continuing to follow a firm trend. In April 2006, the Company introduced the "A-WD-300TX" for 300mm wafers, a highly-productive new product equipped with an 80,000 rpm spindle. Thus, sales of products in this category are expected to increase further.

The "Mahoh Dicing Machine" is a fully dry-process laser dicing machine that does not use blades. Since its market debut in fiscal 2005, this model has been highly acclaimed by users for its performance and productivity. Sales doubled in the fiscal year under review from the prior year, mainly for MEMS and thin wafers. Given that repeat orders are increasing, sales are expected to grow further.

(c) For wafer inspection systems, the hallmarks of the "WIN-WIN 50" series -- a lower cost of ownership and higher detection rates -- continued to be highly regarded, resulting in repeat orders as well as increasing orders from new customers during the fiscal year under review. Furthermore, a high-throughput series has been added in response to the widening spectrum of user needs.

Meanwhile, the "WIN-WIN 50 1600," a new model for a wide range of applications and excellent for mass production, is scheduled to be marketed in early fiscal 2006 to further expand business performance in this product category.

(d) Tokyo Seimitsu's unique polish grinders have become the de facto standard in the thin wafer market because of their inimitable functions of producing thinner wafers and removing damage in a single unit. In the fiscal year under review, demand rapidly grew for the "PG300RM" for 300mm wafers, and both orders and sales doubled from the previous year, reaching all-time highs. Given that demand for thin wafers will continue to increase, the growth potential of polish grinders should be high.

(e) With regard to chemical mechanical planarizers (CMPs), the concepts of the "ChaMP" series and its structural advantages have come to be widely known to customers, and performance evaluations have made steady progress with the aim of acquiring new users. In addition to copper applications, the series will be used to handle oxygen films for various applications. Thus, this area is also very promising.

B. Measuring Instrument Division

Sales in the measuring instrument division increased considerably as a result of its marketing efforts to secure orders by grasping the needs of such vitalized users as automobile manufacturers and machine tool producers. Orders received during the fiscal year under review totaled ¥21.683 billion (up 19.1 % from the previous year), and sales reached ¥21.020 billion (up 16.3 %), both hitting record highs for the third consecutive year since fiscal 2004.

As a result of the division's efforts to reduce production costs, operating income rose 17.6 % from the previous year, to ¥5.019 billion, a new record for the third straight year.

(Regional overview)

Looking at this division's business results by region, rapid growth was seen in Japan, and performance overseas exceeded the previous year's level.

(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 strong reputation as products satisfying the needs of customers. Also, the "XYZAX SVA Fusion," which guarantees high-quality scanning, has maintained steady sales. Meanwhile, the "GageMax," Carl Zeiss' new in-line 3D coordinate measuring machine, was introduced in the fiscal year under review and future sales growth is expected.

The "SURFCOM" and "CONTOURECORD" series of surface texture and contour measuring instruments -- which use linear motors to achieve the world's highest precision while minimizing vibrations -- continued to see steady sales growth, spearheaded by the "SURFCOM 1500DX" and "CONTOURECORD 1700DX."

Sales of the "RONDCOM" series, cylindrical form measuring instruments, increased as new products were added, including the "RONDCOM 54/44" and "RONDCOM 72/75."

(b) In the field of in-line measuring systems, the "PULCOM" series, which are used in auto parts production lines, was strong in reflection of brisk capital investment in the automotive industry, pushing up sales of products in this sector significantly on a year-to-year basis.

[Extraordinary Losses]
The Company booked ¥6.281 billion in extraordinary losses in the fiscal year under review in order to improve its financial structure and strengthen its future revenue base. This amount consists mainly of ¥2.800 billion in losses that resulted from the disposal and valuation of inventories of old models of semiconductor manufacturing equipment, and ¥3.200 billion in losses that resulted from the disposal of fixed assets and cancellation of leases of facilities, both related to LEEPL.

[Distribution of Profits]
Tokyo Seimitsu paid an interim dividend of ¥20 per share. Although the Company booked extraordinary losses, it plans to pay an end-of-year dividend of ¥20 per share, taking into consideration the viewpoint of our shareholders as long-term investors and the Company's financial standing. A proposal for a full-year dividend of ¥40 will be submitted to the 83rd General Meeting of Shareholders.

2) Forecasts for Next Fiscal Year
[Overall and Divisional Forecasts]
A. Semiconductor Manufacturing Equipment Division
In the period ahead, semiconductor demand is expected to continue brisk, backed by firm personal computer demand and the growth of automobile-related devices, as well as growing demand for digital consumer electronics, including mobile phones and flat-screen televisions. Thus, vigorous capital investment by semiconductor manufacturers and foundries is expected.

Given the situation, business conditions for semiconductor manufacturing equipment in fiscal 2006 are expected to continue favorable for Tokyo Seimitsu's established product and new products lines.

In the areas of established product lines, with the wafer probing machine market expected to expand as demand grows for full testing of wafers, Tokyo Seimitsu is expected to increase its market share. Thus, orders for and sales of products in this category should increase considerably year to year. In the wafer dicing machine sector, sales are projected to increase on the strength of surging sales of the "Mahoh Dicing Machine," a laser dicing machine model, and the introduction of the "A-WD-300TX."

In new product lines area, sales of polish grinders, which posted rapid growth in the year under review, will continue strong. Sales of wafer inspection machines and CMPs are expected to rise as the Company's efforts to gain new customers should bear fruit.

As a consequence, net sales in the semiconductor manufacturing equipment division in fiscal 2007 are projected to reach ¥80.0 billion (up 11.4 % from fiscal 2006), a record high as in the previous year, as they are expected to grow faster than the industry average.

B. Measuring Instrument Division
The measuring instrument division is also expected to continue strong in fiscal 2007 as firm demand is expected from such users as automobile-related manufacturers, machine tool producers and bearing makers.

The division will strive to accurately grasp the customer needs and win orders with the aim of posting net sales of ¥22.0 billion (up 4.7 % from fiscal 2006) for the fourth year in a row of record sales.

Overall, consolidated net sales in fiscal 2007 is forecast to reach ¥102.0billion, achieving a record high for the third consecutive year and exceeding ¥100 billion for the first time.

Regarding profitability on a consolidated basis, ordinary income is expected to rise 28.3 % from fiscal 2006, to ¥18.0 billion, and net income is forecast to increase to ¥10.0 billion (3.2 times the fiscal 2006 amount), both being record highs.

[Distribution of Profits]
In the interest of continuing to pay stable dividends in line with the above earnings forecast and as indicated in the basic policies concerning the distribution of profits, Tokyo Seimitsu plans to pay a year-end dividend of ¥25 per share (with a dividend increase of ¥10 per share for a full-year dividend that includes an interim dividend, ¥50 per share for a full-year dividend).

(2) Financial Position
Cash and cash equivalents at the end of the fiscal year under review amounted to ¥13.8 billion, an increase of ¥2.0 billion from a year earlier. The status of cash flows and factors behind them are given below.

Net cash provided by operating activities amounted to ¥8.3 billion. The major components were income before income taxes and minority interests (¥7.8 billion), depreciation and amortization (¥2.7 billion), an increase in trade receivables (-¥4.0 billion), a decrease in inventories (¥1.1 billion), an increase in purchase liabilities (¥6.5 billion) and an increase in income taxes paid (-¥3.2 billion).

Net cash used in investing activities amounted to ¥6.1 billion, owing primarily to capital equipment expenditures (-¥4.8 billion) and long-term deposits (-¥1.0 billion).

Net cash used in financing activities came to ¥0.2 billion. The major factors behind this were an increase in short-term borrowings (¥2.5 billion), a decrease in long-term fixed borrowings (-¥2.1 billion) and dividend payments (-¥1.3 billion).

Cash flow from operating activities for the year under review resulted in a positive cash flow of ¥8.3 billion. Cash flow is expected to remain positive in the period ahead, supported by improving sales, profits and other factors. Thus, a healthier financial position will be established.

Trends in cash flow indices are shown below:

	FY2004	FY2005	FY2006
Shareholders' equity ratio (%)	30.8	32.7	42.5
Equity ratio, based on market value (%)	138.6	138.5	256.4
Number of years for amortization (years)	7.9	4.4	3.3
Interest coverage ratio (times)	15.7	29.4	41.7

Shareholders' equity ratio: Shareholders' 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" denotes interest payments as reflected in the consolidated cash flow statements.

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 Balance Sheets

(Millions of yen, rounded down)

Item	FY05 (31-Mar-05)	FY06 (31-Mar-06)	Item	FY05 (31-Mar-05)	FY06 (31-Mar-06)
ASSETS			**LIABILITIES**		
Current Assets	**73,752**	**81,067**	**Current Liabilities**	**34,941**	**38,099**
Cash and cash equivalents	11,866	13,887	Notes and accounts payable, trade	17,809	24,807
Notes and accounts receivable	32,105	36,437	Short-term debt	458	3,056
Inventories	28,134	27,053	Current portion of long-term debt	4,160	3,073
Consumption tax receivable	539	791	Current portion of bonds	450	700
Deferred tax assets	753	1,447	Income taxes payable	2,890	1,193
Other current assets	412	1,503	Bonus reserve	951	865
Allowance for doubtful accounts	(60)	(53)	Other current liabilities	8,221	4,403
Fixed Assets	**27,240**	**28,807**	**Long-term Liabilities**	**30,538**	**25,072**
Property, plant and equipment	13,885	14,317	Bonds	19,400	15,165
Buildings and structures	7,528	7,699	Convertible bonds	51	51
Equipment and vehicles	1,982	2,273	Long-term debt	6,753	5,680
Tools and fixtures	927	888	Allowance for employee retirement benefits	3,610	3,822
Land	2,917	2,937	Allowance for director retirement benefits	675	353
Other fixed assets	529	518	Deferred tax liabilities	46	—
Intangible fixed assets	2,581	4,837	**Total Liabilities**	**65,479**	**63,172**
Software	2,263	1,451			
Consolidation adjustments account	—	3,161			
Other intangible fixed assets	317	224	**Minority Interests**	**2，510**	**—**
Investments and other assets	10,773	9,653	**SHAREHOLDERS' EQUITY**		
Investment Securities	3,524	5,786	Capitalization	7,392	9,447
Long-term loans	350	305	Capital Surplus	12,017	20,466
Deferred tax assets	6,331	1,907	Retained Earnings	13,596	15,399
Other investments Other assets	578	1,663	Net unrealized holding gain on securities	70	1,340
Allowance for doubtful accounts	(10)	(9)	Foreign currency translation adjustment	(9)	139
Deferred Assets	**0**	**—**	Treasury stock	(63)	(90)
Discount on bonds	0	—			
			Total Shareholders' Equity	**33,003**	**46,703**
Total Assets	**100,893**	**109,875**	**Total Liabilities and Shareholders' Equity**	**100,993**	**109,875**

5. Consolidated Statements of Income

(Millions of yen, rounded down)

Item \ Period	FY05 (April 1, 2004 - March 31, 2005)	FY06 (April 1, 2005 - March 31, 2006)
Net sales	84,750	92,845
Cost of sales	59,344	65,873
Gross Profit on Sales	**25,405**	**26,971**
Selling, general and administrative expenses	12,354	12,980
Selling expenses	9,516	9,264
General expenses	2,837	3,715
Operating Income	**13,051**	**13,991**
Non-operating income	278	875
Interest and dividend income	51	75
Other	226	799
Non-operating expenses	443	835
Interest expenses	293	272
Other	150	563
Ordinary Income	**12,885**	**14,031**
Extraordinary gains	523	116
Gain on sale of investment in securities	358	76
Other	165	39
Extraordinary losses	7,007	6,281
Loss on revaluation and disposal of inventories	5,861	2,862
Loss on sale of fixed assets	854	1,387
Lease cancellation cost	59	1,853
Other	232	178
Income before taxes and minority interests	**6,401**	**7,865**
Income taxes	**3,187**	**1,690**
Income tax adjustment	**(1,688)**	**2,851**
Minority interests	**444**	**198**
Net income	**4,459**	**3,125**

6. Consolidated Statements of Surplus

(Millions of yen, rounded down)

Item \ Period	FY05 (April 1, 2004 – March 31, 20045		FY06 (April 1, 2005 – March 31, 2006	
Balance of capital surplus				
Balance of capital surplus at beginning of year		11,806		12,017
Increase in capital surplus				
Issue of new shares type by stock transaction	—		6,218	
Issue of new shares type by new shares type reservation right exercise of corporate bond with convertible bond type new stock reservation right	—		1,767	
Issue of new shares type by new shares type reservation right exercise of incentive stock option	—		287	
The self-stocks disposal marginal profit	—		175	
Issue of new shares type by warrant exercise of corporate bond with warrant	211	211	—	8,448
Decrease in capital surplus	—	—	—	—
Balance of capital surplus at end of year		12,017		20,466
Balance of retained earnings				
Retained earnings at beginning of year		10,273		13,596
Increase in retained earnings				
Net income	4,459	4,459	3,125	3,125
Decrease in retained earnings				
Cash dividends	1,122		1,312	
Bonuses to directors	14	1,136	9	1,322
Balance of retained earnings at end of year		13,596		15,399

7. Consolidated Statements of Cash Flows

(Millions of yen, rounded down)

Item / Period	FY05 (April 1, 2004-March 31, 2005)	FY06 (April 1, 2005-March 31, 2006)
Cash flows from operating activities:		
Income before income taxes and minority interests	6,401	7,865
Depreciation and amortization	2,732	2,768
Amortization of consolidation goodwill	160	171
Change in allowance for employee retirement benefits	112	211
Change in allowance for director retirement benefits	118	(322)
Change in allowance for doubtful accounts	16	(8)
Interest and dividend income	(51)	(75)
Interest expense	293	272
Loss on sales and disposal of tangible assets	936	1,703
Gain on sales of investment securites	(358)	(76)
The subsidiary company stocks appraisal loss	—	60
Warrant return profits	(150)	(20)
Change in trade notes and accounts receivable	(5,427)	(4,043)
Change in inventories	1,006	1,152
Change in trade notes and accounts payable	37	6,546
Bonuses to directors	(14)	(9)
Change in other operating activities	2,685	(4,377)
Subtotal	8,499	11,817
Proceeds from interest and dividend income	51	75
Payment of interest	(291)	(284)
Payment of income taxes	(1,201)	(3,261)
Net cash provided by operating activities	7,058	8,346
Cash flows from investing activities:		
Payment for time deposits	(21)	(1,048)
Proceeds from time deposits	20	38
Payment for purchase of investment securities	(412)	(263)
Payment for purchase of investment in affiliates	(46)	(40)
Proceeds from sales of investment securites	579	85
Payment for purchase of property, plant and equipment	(1,721)	(4,821)
Payment for purchase of intangible assets	(277)	(242)
Proceeds from sales of property, plant and equipment	78	87
Payment for short-term loans	(382)	—
Proceeds from repayment of short-term loans	413	44
Net cash used in investing activities	(1,769)	(6,160)
Cash flows from financing activities:		
Change in short-term loans payable	(5,085)	2,598
Proceeds from long-term debt	5,300	2,500
Repayment of long-term debt	(4,994)	(4,660)
Payment for redemption of bonds	(200)	(450)
Income by execution of right of warrant	383	—
Income by execution of right of new stock reservation right	—	646
Clearance income of common stock for treasury	—	495
Dividend payments	(1,122)	(1,312)
Change in other financing activities	(13)	(108)
Net cash provided by (used in) financing activities	(5,732)	(290)
Effect if exchange rate changes on cash and cash equivalents	39	117
Net increase (decrease) in cash and cash equivalents	(403)	2,012
Cash and cash equivalents at beginning of year	12,242	11,838
Cash and cash equivalents at end of year	11,838	13,851

8. Segment Information

(1) Business segments

FY 2005 (April 1, 2004 － March 31, 2005) (Millions of yen, rounded down)

	Semiconductor manufacturing equipment division	Measuring systems division	Total	Corporate and elimination	Consolidation
Sales and operating income:					
Sales to third parties	66,669	18,081	84,750	—	84,750
Intersegment sales to transfer	—	—	—	—	—
Total	66,669	18,081	84,750	—	84,750
Cost of revenue from operations	57,884	13,814	71,698	—	71,698
Operating Income	8,784	4,267	13,051	—	13,051
Assets, depreciation and capital expenditure:					
Assets	80,434	18,947	99,382	1,611	100,993
Depreciation	2,404	327	2,732	—	2,732
Capital expenditure	2,731	1,040	3,771	—	3,771

FY 2006 (April 1, 2005 － March 31, 2006) (Millions of yen, rounded down)

	Semiconductor manufacturing equipment division	Measuring systems division	Total	Corporate and elimination	Consolidation
Sales and operating income:					
Sales to third parties	71,824	21,020	92,845	—	92,845
Intersegment sales to transfer	—	—	—	—	—
Total	71,824	21,020	92,845	—	92,845
Cost of revenue from operations	62,852	16,000	78,853	—	78,853
Operating Income	8,972	5,019	13,991	—	13,991
Assets, depreciation and capital expenditure:					
Assets	83,885	21,256	105,141	4,733	109,875
Depreciation	2,337	430	2,768	—	2,768
Capital expenditure	3,399	578	3,978	—	3,978

(2) Geographical segments

FY 2005(April 1, 2004 － March 31, 2005) (Millions of yen, rounded down)

	Japan	U.S.	Germany	Total	Corporate and elimination	Consolidation
Sales and operating income:						
Sales to third parties	69,846	9,226	5,677	84,750	－	84,750
Intersegment sales to transfer	9,277	－	－	9,277	(9,277)	－
Total	79,123	9,226	5,677	94,027	(9,277)	84,750
Cost of revenue from operations	66,386	9,199	5,478	81,064	(9,365)	71,698
Operating Income	12,737	27	199	12,963	88	13,051
Assets	96,292	6,052	2,363	104,708	(3,715)	100,993

FY 2006(April 1, 2005 － March 31, 2006) (Millions of yen, rounded down)

	Japan	U.S.	Germany	Total	Corporate and elimination	Consolidation
Sales and operating income:						
Sales to third parties	78,130	9,054	5,660	92,845	－	92,845
Intersegment sales to transfer	9,409	－	－	9,409	(9,409)	－
Total	87,539	9,054	5,660	102,254	(9,409)	92,845
Cost of revenue from operations	74,322	8,809	5,137	88,269	(9,415)	78,853
Operating Income	13,217	244	523	13,985	6	13,991
Assets	101,349	6,468	2,940	110,758	(882)	109,875

(3) Overseas Sales

FY 2005 (April 1, 2004 － March 31, 2005) (Millions of yen, rounded down)

	East Asia	North America	Europe	Others	Total
Overseas sales	25,048	8,166	5,706	3,938	42,860
Consolidated sales					84,750
Ratio of overseas sales to consolidated sales	29.6%	9.6%	6.7%	4.7%	50.6%

FY 2006 (April 1, 2005 － March 31, 2006) (Millions of yen, rounded down)

	East Asia	North America	Europe	Others	Total
Overseas sales	31,224	7,043	5,034	4,374	47,676
Consolidated sales					92,845
Ratio of overseas sales to consolidated sales	33.6%	7.6%	5.4%	4.7%	51.3%

9. Production, Orders and Sales

(1) Production

(Millions of yen, rounded down)

Business Segment	FY 2005		FY 2006	
	(April 1, 2004 –March 31, 2005)	Y-oY (%)	(April 1, 2005 –March 31, 2006)	Y-o-Y (%)
Semiconductor manufacturing equipment	67,708	＋ 41.7 ％	69,441	＋ 2.6 ％
Measuring systems	18,054	＋ 16.7 ％	21,444	＋ 18.8 ％
Total	85,763	＋ 35.6 ％	90,886	＋ 6.0 ％

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

(2) Orders

(Millions of yen, rounded down)

Business Segment	FY 2005 (April 1, 2004 – March 31, 2005)		FY 2006 (April 1, 2005 – March 31, 2006)	
	Received	Backlog	Received	Backlog
Semiconductor manufacturing equipment	65,248	13,400	77,874	19,450
Measuring systems	18,207	3,691	21,683	4,354
Total	83,456	17,091	99,558	23,804

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

(3) Sales

(Millions of yen, rounded down)

Business Segment	FY 2005		FY 2006	
	(April 1, 2004 –March 31, 2005)	Y-oY (%)	(April 1, 2005 –March 31, 2006)	Y-o-Y (%)
Semiconductor manufacturing equipment	66.669	＋ 41.7 ％	71.824	＋ 7.7 ％
Measuring systems	18,081	＋ 18.3 ％	21,020	＋ 16.3 ％
Total	84,750	＋ 36.0 ％	92,845	＋ 9.6 ％

Note: Amounts are shown excluding consumption tax.

10. Market Value of Securities

[FY 2005]（March 31, 2005）

(1) Marketable securities

(Millions of yen, rounded down)

	Acquisiton Cost	Book Value	Difference
Securites with book value exceeding acquisition cost			
Stocks	939	1,320	380
Other marketable securities	—	—	—
Sub-total	939	1,320	380
Securities with book value not exceeding acquisiton cost			
Stocks	1,651	1,395	(255)
Other marketable securities	—	—	—
Sub-total	1,651	1,395	(255)
Total	2,591	2,715	124

(2) Non-marketable securities (Millions of yen, rounded down)

	Book Value
Non-marketable securities	808
Other non-marketable securities	—
Total	808

[FY 2006]（March 31, 2006）

(1) Marketable securities

(Millions of yen, rounded down)

	Acquisiton Cost	Book Value	Difference
Securites with book value exceeding acquisition cost			
Stocks	2,764	5,027	2,262
Other marketable securities	—	—	—
Sub-total	2,764	5,027	2,262
Securities with book value not exceeding acquisiton cost			
Stocks	72	70	(1)
Other marketable securities	—	—	—
Sub-total	72	70	(1)
Total	2,836	5,097	2,260

(2) Non-marketable securities (Millions of yen, rounded down)

	Book Value
Non-marketable securities	689
Other non-marketable securities	—
Total	689

11. Non-Consolidated Financial Statements
for the 12-month period ended March 31, 2006 (FY 2006)

March 17, 2006

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

ACCRETECH

Stock Listing: First Section TSE
Code number: 7729
Head office location: Tokyo
(URL: http://www.accretech.jp/)
Representative: Sadakatsu Suzuki, President C.E.O.& C.O.O.
Inquiries: Kunimasa Ohta, Representative Director Tel: 0422 - 48 - 1011
Boad of Directors meeting: May 17, 2006
Interim dividend system: Yes
Dividend payout date: June 30, 2006
Annual General Shareholders' Meeting: June 29, 2006
Use of unit stock system: Yes (100 shares per unit)

1. Results for the the period of FY 2006 (April 1, 2005-March 31, 2006)

(1) Sales and earnings (Millions of yen, rounded down)

	Net Sales		Operating Income		Ordinary Income	
FY2006	82,539	12.5%	10,135	4.2%	10,423	7.7%
FY2005	73,336	32.0%	9,723	168.9%	9,676	198.4%

(Millions of yen; except as indicated)

	Net income (loss)		Net income(loss) per Share (yen)	Net income per Share (diluted) (yen)	Return on Equity	Return on Total Ordinary Income	Ordinary Profit Margin
FY2006	2,414	299.0%	62.67	57.43	7.2%	11.4%	12.6%
FY2005	605	－%	16.16	14.79	2.1%	11.1%	13.2%

Notes:
1. Average number of shares outstanding; FY06: 38,527,955 shares; FY05: 37,452,407 shares
2. Changes in accounting methods: No
3. Percentages for net sales, operating income, ordinary income, and net income are a comparison with previous fiscal year.

(2) Dividends (Millions of yen; except as indicated)

	Cash Dividends per Share			Total Cash Dividends	Dividend Payout Ratio	Dividends on Equity
		mid-term	year end			
	(yen)	(yen)	(yen)			
FY2006	40.00	20.00	20.00	1,551	64.3%	4.6%
FY2005	30.00	15.00	15.00	1,124	185.9%	3.9%

(3) Financial position (Millions of yen; except as indicated)

	Total Assets	Shareholders' Equity	Equity Ratio	Shareholders' Equity per Share (yen)
FY2006	95,589	38,295	40.1%	955.63
FY2005	87,161	29,088	33.4%	775.78

Notes:
1. Number of shares outstanding at end of period; FY06: 40,073,746 shares; FY05: 37,495,725 shares
2. Number of shares of treasury stock at end of period; FY05: 26,421 shares; FY05: 22,229 shares

2. Forecasts for FY 2006 (April 1, 2005-March 31, 2006)

(Millions of yen; except as indicated)

	Net Sales	Ordinary Income	Net Income	Cash Dividends per Share		
				mid-term	year end	
				(yen)	(yen)	(yen)
Half Year	46,000	7,000	4,100	25.00	—	—
Full Year	92,000	14,000	8,200		25.00	50.00

Reference: Estimated earnings per share (full year): ¥204.62
These forecasts are based on our outlook presented on page 9,10 and 11 of the supplementary material.

12. Non-Consolidated Balance Sheets

(Millions of yen, rounded down)

Item	FY05 (31-Mar-05)	FY06 (31-Mar-06)	Item	FY05 (31-Mar-05)	FY06 (31-Mar-06)
ASSETS			**LIABILITIES**		
Current assets	**63,152**	**69,105**	**Current liabilities**	**30,684**	**34,520**
Cash and cash equivalents	7,175	8,147	Notes payable	10,977	17,209
Notes receivable	3,625	2,080	Accounts payable	5,640	7,452
Accounts receivable	26,912	32,862	Short-term debt	―	3,000
Finished goods	1	0	Current portion of long-term debt	3,400	2,950
Manufactured products	4,388	3,428	Current portion of bonds	800	―
Materials	1,223	1,315	Arrears	3,936	1,926
Material in process	16,792	17,833	Income taxes payable	2,053	21
Inventory goods	35	20	Accrued expenses	331	302
Advance payments	1,365	―	Bonus reserve	644	542
Deferred refund corporation tax etc.	―	963	Subscription rights	20	―
Consumption tax receivable	414	820	Other	2,880	1,114
Deferred tax assets	615	1,453			
Other	629	198			
Allowance for dobutful accounts	(27)	(20)			
Fixed Assets	**24,009**	**26,484**	**Long-term Liabilities**	**27,388**	**22,773**
Property, plant and equipment	9,764	9,704	Bonds	17,500	13,965
Buildings	6,031	5,864	Convertible bonds	51	51
Structures	179	291	Long-term debt	6.370	5.420
Machinery & equipment	792	1,056	Allowance for employee retirement benefits	2,911	3,120
Motor vehicle & transport equipment	16	24	Allowance for director retirement benefits	556	216
Industrial equipment & fixtures	689	655	**Total Liabilities**	**58,073**	**57,293**
Land	1,525	1,521			
Construction in progress	529	291			
Intangible fixed assets	2,287	1,460			
Software	2,255	1,430			
Other	31	30			
Investments and other assets	11,958	15,320	**SHAREHOLDERS' EQUITY**		
Investment securities	3,374	5,661	Capitalization	7,392	9,447
Stock of affiliated companies	3,433	6,189	Capital surplus	12,017	16,821
Capital contribution	46	0	Capital reserve	12,017	16,820
Capital contribution to subsidiaries	80	127	Other capital surplus	―	0
Lon-term accrued receivables	5,391	―	Retained earnings	9,674	10,776
Long-term loans	2,933	3,141	Earnings reserve	728	728
Deferred tax assets	5,669	2,261	Voluntary reserve	5,000	5,000
Long-term deposit	―	1,000	Undistributed net profit	3,945	5,047
Other	305	345	Net unrealized holding gain on securities	67	1,340
Investment loss reserve	(1,554)	(3,398)	Treasury stock	(63)	(90)
Allowance for doubtful accounts	(7,723)	(7)			
			Total Shareholders' Equity	**29,088**	**38,295**
Total Assets	**87,161**	**95,589**	**Total Liabilities and Shareholders' Equity**	**87,161**	**95,589**

13. Non-Consolidated Statements of Income

(Millions of yen, rounded down)

Item	FY 2005 (April 1, 2004 – March 31, 2005)		FY 2006 (April 1, 2005 – March 31, 2006)		Y-o-Y
	Amount	component ratio	Amount	component ratio	
Operating profit/loss					
Net sales	73,336	100.0%	82,539	100.0%	9,202
Cost of sales	55,563	75.8%	63,172	76.6%	7,608
Selling, general and administrative expenses	8,049	11.0%	9,231	11.1%	1,182
Operating income	9,723	13.2%	10,135	12.3%	411
Non-operating income	342	0.5%	867	1.0%	524
Interest and dividend income	227		284		
Other	114		583		
Non-operating expenses	389	0.5%	579	0.7%	190
Interest expenses	271		235		
Other	117		343		
Ordinary Income	9,676	13.2%	10,423	12.6%	746
Extraordinary gains	523	0.7%	97	0.1%	(426)
Gain on sale of investment in securities	358		—		
Other	165		97		
Extraordinary losses	9,555	13.0%	6,363	7.7%	(3,191)
Loss on revaluation and disposal of inventories	1,342		1,096		
Fixed assets loss on retirement	—		1,387		
Amount of investment loss drawing putting in	—		1,844		
Allowance for bad debt	7,716		—		
Lease cancellation cost	—		1,853		
Other	496		182		
Income before taxes and minority interests	644	0.9%	4,157	5.0%	3,512
Income taxes	1,951	2.7%	45	0.0%	(1,906)
Income tax adjustment	(1,911)	- 2.6%	1,697	2.1%	3,608
Net income (loss)	605	0.8%	2,414	2.9%	1,809
Retained earnings brought forward	3,903		3,383		(519)
Interim dividends	562		749		187
Undistributed profits	3,945		5,047		1,102

14. Profit Distribution Plan

(Millions of yen, ronded down)

Item	FY05 (April 1, 2004 – March 31, 2005)	FY06 (April 1, 2005 – March 31, 2006)
Undistributed net profit	3,945	5,047

This was distributed in the following manner:

(Millions of yen, ronded down)

Earnings reserves	—	—
Dividends	562 (norminal dividend of ¥15 per share)	801 (norminal dividend of ¥20 per share)
Bonuses to directors	—	—
Retained earnings carried forward	3,383	4,246

Note: On December 1, 2005, ¥749 million of interim dividends (¥20 per share) was paid.

15. Sales, Orders and Backlog

(Millions of yen, ronded down)

Period / Segment	FY 2005 March 31, 2004－March 31, 2005			FY 2006 March 31, 2005－March 31, 2006		
	Sales	Orders	Backlog	Sales	Orders	Backlog
Semiconductor manufacturing equipment	57,334 (34,519)	54,981 (31,811)	11,884 (5,900)	63,788 (38,881)	68,872 (42,584)	16,968 (9,603)
Measuring systems	10,257 (1,959)	10,820 (2,037)	2,276 (325)	12,117 (2,082)	12,609 (2,336)	2,768 (580)
Automatic mesuring systems	5,442 (379)	5,773 (381)	1,206 (64)	6,265 (299)	6,344 (330)	1,285 (96)
Other	302 (24)	308 (23)	42 (8)	368 (31)	348 (31)	23 (9)
Totals	73,336 (36,884)	71,884 (34,253)	15,409 (6,299)	82,539 (41,294)	88,174 (45,284)	21,044 (10,290)

Note: Figures in parenthesis represents export volume