



March 9, 2004

Revision of Forecast for the Fiscal Year Ending March 31, 2004

Company name: TOKYO SEIMITSU CO., LTD.

(Stock code: 7729, Tokyo Stock Exchange 1st Section)

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TOKYO SEIMITSU CO., LTD announced today revised financial results forecasts for the year ending March 31, 2004. Previous forecasts were announced on November 21, 2003.

1. Revision of Consolidated Results – FY2004 (April 1, 2003 to March 31, 2004)

	(Millions of yen)		
	Sales	Ordinary Income	Net Income
Previous Forecast (A) (announced on November 21, 2003)	60,000	4,100	2,000
Revised Forecast (B)	62,000	5,400	(3,700)
Change (B-A)	2,000	1,300	(5,700)
Change Ratio (%)	3.3%	31.7%	-
Results for the Previous Fiscal Year (the year ended March 31, 2003)	47,171	1,259	74

2. Revision of Non-Consolidated Results –FY 2004 (April1, 2003 to March 31, 2004)

	(Millions of yen)		
	Sales	Ordinary Income	Net Income
Previous Forecast (A) (announced on November 21, 2003)	52,000	2,700	1,400
Revised Forecast (B)	54,000	3,600	(3,400)
Change (B-A)	2,000	900	(4,800)
Change Ratio (%)	3.8%	33.3%	-
Results for the Previous Fiscal Year (the year ended March 31, 2003)	40,996	54	1,032

[Reasons for the Revisions]

The demand for semiconductors has been expanding and capital investment by semiconductor manufacturers has been growing in response to good demand in areas such as digital consumer appliances. Under these circumstances, our semiconductor business enjoys favorable conditions in both sales and orders levels higher than those forecast at the beginning of the fiscal year.

For our Metrology business as well, due to positive demand in the auto-mobile industry, sales and orders are at higher levels than those forecast at the beginning of the fiscal year.

Inline with this, we forecast that ordinary income will largely surpass previous forecast levels due to the increased sales and improvement in profit ratio.

To further strengthen the revenue base for the future, we are planning to restructure our CMP business and improve the profitability of LEEPL. Within this period we will take into the accounts special losses related to investment development-costs in both these businesses. This will affect the Net Income result for the forecast period.

The Dividend at the end of this fiscal year is to be JPY15 (annual JPY30) as announced previously.

[Consolidated Sales]

For both the semiconductor and metrology businesses, consolidated sales are forecast to further increase, surpassing the already significantly improved anticipated levels implied in the forecasts made at the beginning of this fiscal year of 60,000 million yen (12,800 million yen - 27.2% increase over the previous year).

[Consolidated operating income and consolidated ordinary income]

Increases in sales and improvement of profit ratios due to cost reduction efforts are forecast to result in substantial increases in both operating income and ordinary income.

For each business segment, operating income is expected to be a larger-than-expected surplus. Of particular note, operating income in the semiconductor business will reflect a substantial increase from 4,500 million yen to 6,000 million yen of total operating income.

[Consolidated net income]

The take up of special losses relating to investment and restructuring in the CMP and LEEPL businesses will lead to improvements for the profitability of these businesses in the near future. These special losses total 9.7 billion yen and are taken into account in calculation of net income announced this time.

In regards to the CMP business, the systems have received higher evaluation and steadily increasing sales and orders this fiscal year. These accounting adjustments will lead to earlier than scheduled restoration of profitability in the coming fiscal year.

For the LEEPL business, the special loss will also contribute to strengthening future profitability. In particular, costs associated with a co-development venture with Selete for a mask inspection system for EPL have been taken up as a special loss. The market for EPL, which is tangential to the LEEPL process, is somewhat uncertain and hence a conservative stance has been adopted in this forecast period.

Cautionary Statements with Respect to Forward-looking Statements

Statements made in this commentary with respect to TOKYO SEIMITSU's plans and benefits as well as other statements that are not historical facts are forward-looking statements, which involve risks and uncertainties. Potential risks and uncertainties include, without limitation, general economic condition in TOKYO SEIMITSU's markets, exchange rates, and TOKYO SEIMITSU's ability to continue to win customers' acceptance of its products, which are offered in highly competitive markets characterized by continual new product introductions and rapid developments in technology.