


14. Non-Consolidated Financial Statements for the 12-month period ended March 31, 2005 (FY2005)

Company name:  TOKYO SEIMITSU CO., LTD. Stock exchange listings: Tokyo
 ACCRETECH
 Code number: 7729 Head office location: Tokyo
 (URL <http://www.accretech.jp/>)
 Representative: Hideo Ohtsubo Chairman & C.E.O. TEL (0422) 48-1011
 Contact: Kunimasa Ohta Executive Vice President, President & COO of Administration Company
 Board of Directors Meeting: May 17, 2005 Interim dividend system: Yes
 Dividend payout date: June 30, 2005 Annual General Shareholders' Meeting: June 29, 2005
 Use of unit stock system: Yes (100 shares per unit)

1. Results for the period of Fiscal 2005 (April 1, 2004-March 31, 2005)

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

	Net Sales		Operating Income		Ordinary Income	
	(¥mn)	%	(¥mn)	%	(¥mn)	%
FY05	73,336	32.0	9,723	168.9	9,676	198.4
FY04	55,548	35.5	3,615	789.9	3,243	-

	Net Income (loss)		Net Income (loss) per Share		Net Income per share	Return on Equity	Return on Total Ordinary Income	Ordinary Profit Margin
	(¥mn)	%	¥	¥	¥	%	%	%
FY05	605	-	16	16	14	79	2.1	11.1
FY04	△ 3,591	-	△ 96	16	—	-11.5	3.8	5.8

Notes:

- Average number of shares outstanding during the period:
FY05 37,452,407 shares, FY04 37,355,470 shares
- Changes in accounting methods: No
- Percentages for net sales, operating income, ordinary income, and interim net income are a comparison with the corresponding period of the previous fiscal year.

(2) Dividends

	Annual Dividend per Share			Total Cash Dividends	Payout Ratio	Dividends on Equity
	Interim	End of Term				
	¥	¥	¥	¥mn	%	%
FY05	30 00	15 00	15 00	1,124	185.9	3.9
FY04	30 00	15 00	15 00	1,120	—	3.8

(3) Financial position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	¥mn	¥mn	%	¥
FY05	87,161	29,088	33.4	775 78
FY04	87,384	29,203	33.4	781 80

Notes:

- Number of shares outstanding at end of period:
FY05 37,495,725 shares, FY04 37,354,830 shares
- Number of shares of treasury stock at end of period:
FY05 22,229 shares, FY04 18,163 shares

2. Projected Results for Fiscal 2005 (April 1, 2004-March 31, 2005)

	Net Sales	Operating Income	Net Income	Annual Dividends per Share		
				Interim	End of Term	
	¥mn	¥mn	¥mn	¥	¥	¥
Interim	38,000	4,800	2,900	20 00	-	-
Full year	76,000	10,000	6,000	-	20 00	40 00

Reference: Estimated earnings per share (full year): ¥160.02

These forecasts are based on our outlook presented on page 9 & 10 of the supplementary material.

15. Non-Consolidated Balance Sheets

(Millions of yen, rounded down)

Item	FY04 (March 31, 2004)	FY05 (March 31, 2005)		FY04 (March 31, 2004)	FY04 (March 31, 2004)
Assets			Liabilities		
Current assets	64,857	63,152	Current liabilities	31,389	30,684
Cash and cash equivalents	8,074	7,175	Notes payable	11,309	10,977
Notes receivable	1,221	3,625	Accounts payable	6,625	5,640
Accounts receivable	25,725	26,912	Short-term debt	4,500	—
Finished goods	1	1	Current portion of long-term debt	2,480	3,400
Manufactured products	3,884	4,388			
Materials	1,152	1,223	Current portion of bonds	3,000	800
Material in process	17,831	16,792	Arrears	1,203	3,936
Inventory goods	29	35			
Advance payments	1,575	1,365	Income taxes payable	40	2,053
Consumption tax receivable	435	414	Accrued Expenses	289	331
Deferred tax assets	2,215	615	Bonus reserve Subscription r ights	423	644
Other	2,734	629	Subscription rights	190	20
Allowance for doubtful accounts	(23)	(27)	Other	1,327	2,880
Fixed Assets	22,527	24,009	Long-term Liabilities	26,791	27,388
(Property, plant and equipment)	(7,488)	(9,764)	Bonds	18,300	17,500
Buildings	3,705	6,031	Convertible bonds	51	51
Structures	151	179	Long-term debt	5,170	6,370
Machinery & equipment	784	792	Allowance for employee retirement benefits	2,825	2,911
Motor vehicle & transport equipment	16	16	Allowance for director retirement benefits	445	556
Industrial equipment & fixtures	583	689	Total Liabilities	58,180	58,073
Land	1,526	1,525			
Construction in progress	719	529			
(Intangible fixed assets)	(3,209)	(2,287)	Shareholders' Equity		
Software	3,182	2,255	Capital	7,199	7,392
Other	27	31	Capital surplus	11,806	12,017
(Investments and other assets)	(11,829)	(11,958)	Capital reserve	11,806	12,017
Investment securities	3,212	3,374	Retained earnings	10,191	9,674
Stock of affiliated companies	3,877	3,433	Earnings reserve	728	728
Capital contribution	46	46	Voluntary reserve	5,000	5,000
Capital contribution to subsidiaries	80	80	Undistributed interim net profit	4,463	3,945
Long-term accrued receivables	-	5,391	Revaluation of other investment securities	55	67
Long-term loans	3,759	2,933	Treasury Stock	(49)	(63)
Deferred tax assets	2,166	5,669	Total Shareholders' Equity	29,203	29,088
Other	249	305			
Investment loss reserve	(1,554)	(1,554)	Total Liabilities and Shareholders' Equity	87,384	87,161
Allowance for doubtful accounts	(8)	(7,723)			
Total Assets	87,384	87,161			

16. Non-Consolidated Statements of Income

(Millions of yen, rounded down)

Item	FY 2004 (April 1, 2003 – March 31, 2004)		FY 2005 (April 1, 2004 – March 31, 2005)		Y-o-Y	
	Amount	%	Amount	%		
Ordinary Income	Operating Income					
	Net sales	55,548	100.0	73,336	100.0	17,788
	Cost of sales	45,485	81.9	55,563	75.8	10,077
	Selling, general and administrative expenses	6,447	11.6	8,049	11.0	1,602
	Operating income	3,615	6.5	9,723	13.2	6,107
	Non-Operating Income					
	Non-operating income	406	0.7	342	0.5	(64)
	Interest and dividend income	(388)		(227)		
	Other	(17)		(114)		
	Non-operating expenses	779	1.4	389	0.5	(390)
	Interest expenses	(288)		(271)		
Other	(491)		(117)			
Ordinary Income	3,243	5.8	9,676	13.2	6,433	
Extraordinary Items	Extraordinary gains					
	Gain on sale of investment in securities	380	0.7	523	0.7	143
	Other	(198)		(358)		
		(182)		(165)		
	Extraordinary losses	(9,648)	17.4	9,555	13.0	(92)
	Loss on revaluation and disposal of inventories	(1,812)		(1,342)		
	Loss on disposal of software for sale	(3,423)		–		
	Loss on sale of fixed assets	(2,216)	–	–		
	Investment loss reserve	(1,554)	–	–		
	Allowance for bad debt	–	–	(7,716)		
Other	(641)	–	(496)			
Net income (loss) before income taxes and minority interests	(6,024)	(10.9)	644	0.9	6,669	
Income taxes	41	0.1	1,951	2.7	1,910	
Income tax adjustment	(2,473)	(4.5)	(1,911)	(2.6)	562	
Interim net income (loss)	(3,591)	(6.5)	605	0.8	4,197	
Retained earnings brought forward	8,615		3,903		(4,712)	
Interim dividends	560		562		2	
Interim undistributed profits	4,463		3,945		(517)	

17. Profit Distribution Plan

(units: million yen; decimal part is dropped)

Item	Previous period year ended March 2004	Current period year ended March 2005
Undistributed net profit	4,463	3,945

This was distributed in the following manner:

Earnings reserves	--	
Dividends	560 (normal dividend of ¥15 per share)	562 (normal dividend of ¥15 per share)
Bonuses for directors	—	—
Earnings carried over from previous term	3,903	3,383

Note: On December 1, 2004, ¥562 million of interim dividends (¥15 per share) was paid.

18. Basis of Preparation of the Interim Non-Consolidated Financial Statements

1. Accounting Standards

(1) Valuation standards and methods for significant assets

1. Cost method for stock investment in subsidiary and investment in affiliates is calculated by the moving-average method

2. Other investment securities

Marketable securities..... Market value method based on the market price at the end of the interim consolidated accounting period. (The valuation difference is directly charged, and the cost of securities sold is calculated using the cost method based on the moving-average method.)

Non-marketable securities..... Adoption of the cost method based on the moving-average method.

(2) Inventories

Products, manufactured goods, materials and inventories are accounted for by the cost method based on the first-in, first-out method. Work-in-progress is accounted for the cost method based on the identified cost method.

(3) Depreciation method of significant depreciable assets

Property, plant and equipment

The fixed rate method has been adopted. Buildings acquired after April 1, 1998 (except equipment with attached buildings), however, are amortized using the straight-line method.

Intangible fixed assets

The straight-line method has been adopted. Software for the purpose of sale is amortized using a method based on the projected sales volume, or the straight-line method based on the remaining period of validity. Software for use in the Company is amortized by the straight-line method, based on the availability period within the Company.

Accounting standards for allowances and reserves

(4) Investment loss reserve

To provide against losses resulting from deterioration of the financial position of affiliated companies, an appropriate amount is recorded taking into account the content of the asset and other factors.

(5) Allowance for doubtful accounts

To provide against losses resulting from bad debt, for general accounts, general allowances are provided using a rate determined by past bad debts experience. Specific allowances are also provided for the estimated amounts considered to be uncollectible after reviewing individual collectibility of certain doubtful accounts.

(6) Bonus reserve

To provide for payment of bonuses to employees, accrued bonuses are recorded in an amount expected to be paid.

(7) Allowance for employee retirement benefits

To provide for the employees' retirement benefits, allowance for employee retirement benefits is recorded based on the projected retirement benefit obligations and related plan assets as of the current consolidated fiscal year end. Accounting differences are expensed proportionally from the following consolidation fiscal year based on a fixed number of years (10 years) within the average remaining service years of the employee in each consolidated fiscal year incurred.

(8) Allowance for director retirement benefits

To provide for expected payments for retirement benefits for directors at the time of their retirement, an allowance is recorded in a forecast amount at the end of the interim consolidated accounting period, based on internal regulations.

(9) Accounting method for significant lease transactions

Financial lease transactions, except for those in which the rights held in leased properties may be transferred to the lease holder, are accounted for based on a method related to ordinary lease transactions.

(10) Other significant factors relating to the preparation of the financial statements

Accounting for consumption tax uses the tax excluded method.

19. Sales, Orders and Backlog

(units: million yen; decimal part is dropped)

Period Segment	FY 2004 March 31, 2003~March 31, 2004			FY 2005 March 31, 2004~March 31, 2005		
	Sales	Orders	Backlog	Sales	Orders	Backlog
	Semiconductor manufacturing equipment	42,114 (24,351)	49,827 (30,668)	14,237 (8,608)	57,334 (34,519)	54,981 (31,811)
Measuring systems	8,513 (1,486)	8,900 (1,514)	1,713 (248)	10,257 (1,959)	10,820 (2,037)	2,276 (325)
Automatic measuring systems	4,559 (241)	4,627 (279)	875 (63)	5,442 (379)	5,773 (381)	1,206 (64)
Other	361 (17)	346 (19)	36 (9)	302 (24)	308 (23)	42 (8)
Totals	55,548 (26,097)	63,702 (32,482)	16,862 (8,930)	73,336 (36,884)	71,884 (34,253)	15,409 (6,299)

Note: Figures in parenthesis represents export volume

20. Change in Executive Personnel

1. Change in representatives (expected to be effective as of June 1, 2005)

Chairman
(current Chairman & CEO)

Hideo Ohtsubo

President, CEO & COO
(current President & COO)

Sadakatsu Suzuki

From the point of view of reinforcing Corporate Governance, henceforth the posts of Chairman (Chairman of the Board of Directors) and CEO will be separated, and the executive audit function of the Board of Directors shall be strengthened accordingly.

2. Other changes in executives (expected to be effective as of June 29, 2005)

(1) Candidates for new Director (abridged employment histories given below)

Director
Hitoshi Yoshida
(current Managing Executive Officer of Metrology Company)

Director
Ryuichi Kimura
(current Executive Officer of Semiconductor Company)

(2) Candidates for new auditors (abridged employment history given below)

Auditor (external) Masashi Hisatomi
(current Chairman of TEIKOKU PISTON RING CO., LTD.)

- ✧ The candidates for auditors fulfill the requirements of an outside auditor as stipulated in article 18 paragraph 1 of the Law for Special Provisions for the Commercial Code Concerning Audits, etc. of Joint Stock Companies.

Candidates for President (abridged employment histories)

Hitoshi Yoshida (born November 26, 1959)

April 1983	Joined Tokyo Seimitsu Co., Ltd.
April 2000	General Manager of Multipurpose Measuring Instrument, Metrology Company
April 2002	Executive Officer of Metrology Company and General Manager of Multipurpose Measuring Instrument, Metrology Company
April, 2005	Managing Executive Director Metrology Business and General Manager of Multipurpose Measuring Instrument, Metrology Company (Present)

Ryuichi Kimura (born December 30, 1962)

February, 1970	Joined Tokyo Seimitsu Co., Ltd.
April, 2000	Manager of Sales Division 1, Semiconductor Sales Division 1
April 2002	Manager of Sales Devision 1, Sales Division, Semiconductor Company
April 2005	Executive Officer of Semiconductor Company, General manager of Tokyo and Osaka Office and Manager of Sales Division 1 (prensent)

Candidates for auditor (abridged employment history)

Masashi Hisatomi (born March 13, 1937)

April, 1946	Joined Fuji Bank, Ltd.
April, 1988	Director and Head of Marketing & Planning Department at Fuji Bank, Ltd.
May, 1990	Managing Director at Fuji Bank, Ltd.
May, 1992	Senior Managing Director at Fuji Bank Ltd.
June, 1994	Executive Vice President of TEIKOKU PISTON RING CO., LTD.
June, 1995	President of TEIKOKU PISTON RING CO., LTD
June, 2003	Chairman of TEIKOKU PISTON RING CO., LTD. (present)