



Summary of Consolidated Earnings Report for the Third Quarter of the Fiscal Year Ending March 31, 2006

January 30, 2006

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

Code number: 7729
Stock Listing: First Section TSE

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

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

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The Company's financial and earnings report summary for the third quarter of fiscal 2006 (April 1, 2005 – December 31, 2005) is as follows:

1. Items pertaining to the preparation of quarterly results:

- (1) Use of simplified accounting procedures : No
- (2) Changes in accounting principles in the most recent financial year :No
- (3) Changes in scope of consolidation or application of the equity method : No
- (4) The Company's quarterly financial statements have not been reviewed by an independent auditor.

2. Consolidated Results of Operations for 3Q of FY 2006 (April 1, 2005 - December 31, 2005)

(1) Business Results

(Millions of yen, rounded down)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income | |
|------------------------------|-----------|-------|------------------|--------|-----------------|--------|------------|------|
| FY2006 3Q | 62,720 | 1.6% | 9,661 | - 8.4% | 9,834 | - 3.9% | 5,626 | 6.8% |
| FY2005 3Q | 61,735 | 60.7% | 10,546 | 368.7% | 10,231 | 516.3% | 5,266 | - |
| (Reference) FY2005 full year | 84,750 | | 13,051 | | 12,885 | | 4,459 | |

| | Net Income per Share (yen) | Net Income per Share (Diluted) (yen) |
|------------------------------|-------------------------------|--|
| FY2006 3Q | 147.76 | 134.94 |
| FY2005 3Q | 140.67 | 128.76 |
| (Reference) FY2005 full year | 118.82 | 108.75 |

Note: The percentage figures accompanying net sales, operating income and other items indicate changes from the corresponding period of the previous fiscal year.

Qualitative Information Regarding Business Results

The semiconductor market is currently showing strong trends, with increasing demand for NAND flash memories for mobile phones and other products leading the way. Continuing expansion is expected down the road. Accordingly, the semiconductor manufacturing equipment industry is forecast to grow steadily. In this business environment, the Company's Semiconductor Manufacturing Equipment Division in the third quarter of the fiscal year (ended March 31, 2006) enjoyed steady sales growth of new product line such as Polish Grinders, as well as of established product line such as Wafer Probing Machines. Sales in the third quarter totaled ¥47,530 million. This division's sales for the full year are expected to exceed the previous year's level,

reaching a record high.

Similarly, the Measuring Instrument Division posted firm sales in the third quarter, at ¥15,189 million, reflecting brisk demand from users including automobile-related manufacturers and machine tool makers. For the full year, net sales of this division are likely to again register a new record, following the same achievement the previous year.

Consequently, the Company's performance in the third quarter attained the initial projections for the most part. Net sales totaled ¥62,720 million, a 70% achievement rate versus the estimated figure for the year, while ordinary income amounted to ¥9,834 million, a 70% achievement rate versus the estimated ordinary income.

Orders received by the Semiconductor Manufacturing Equipment Division in the third quarter came to ¥23,080 million, double the level of the same three-month period of the previous year and up 44% quarter to quarter. Orders received by the Measuring Instrument Division reached ¥5,375 million, increasing 13% year to year and gaining 1% from the previous quarter. The strong orders should contribute to good business results for the Company in the period ahead.

Qualitative Information Regarding Forecasts

Forecasts of business results for the quarter under review remain unchanged from those announced on November 11, 2005.

(2) Financial Position

(Millions of yen, rounded down; except as indicated)

| | Total Assets | Shareholders' Equity | Equity Ratio (%) | Shareholders' Equity per Share (yen) |
|------------------------------|--------------|----------------------|------------------|--------------------------------------|
| FY2006 3Q | 114,024 | 45,374 | 39.8 | 1,152.73 |
| FY2005 3Q | 97,933 | 33,842 | 34.6 | 902.55 |
| (Reference) FY2005 full year | 100,993 | 33,003 | 32.7 | 879.93 |

【Consolidated Cash Flows】

(Millions of yen, rounded down)

| | Cash flow from Operating Activities | Cash flow from Investing Activities | Cash flow from Financing Activities | Cash and Cash Equivalents at the End of Period |
|------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|
| FY2006 3Q | 1,040 | (5,329) | 2,384 | 10,046 |
| FY2005 3Q | 4,389 | (1,150) | (6,669) | 8,837 |
| (Reference) FY2005 full year | 7,058 | (1,769) | (5,732) | 11,838 |

Qualitative Information Regarding the Financial Position

There are no significant factors regarding changes in the financial position

[Reference]
Forecasts for Fiscal Year 2006 (April 1, 2005 – March 31, 2006)

(Millions of yen, rounded down)

| | Net Sales | Operating Income | Net Income |
|-----------|-----------|------------------|------------|
| Full Year | 89,000 | 14,000 | 7,700 |

(Reference) Net income per share for the full year is forecast at ¥200.49

Qualitative Information Regarding Forecasts

There are no changes to the forecasts announced on November 11, 2005

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.

(Supplementary Material)

1. Consolidated Quarterly Balance Sheets

(Millions of yen, rounded down)

| Item | FY06 3Q | FY05 3Q | FY05 | Item | FY06 3Q | FY05 3Q | FY05 |
|---------------------------------|----------------|---------------|----------------|---|----------------|---------------|----------------|
| | 31-Dec-05 | 31-Dec-04 | 31-Mar-05 | | 31-Dec-05 | 31-Dec-04 | 31-Mar-05 |
| ASSETS | | | | LIABILITIES | | | |
| Current Assets | 80,531 | 75,198 | 73,752 | Current Liabilities | 38,314 | 32,635 | 34,941 |
| Cash and cash equivalents | 10,081 | 8,865 | 11,866 | Notes and accounts payable, trade | 23,384 | 20,742 | 17,809 |
| Notes and accounts receivable | 35,928 | 29,660 | 32,105 | Short-term debt | 4,552 | 1,016 | 458 |
| Inventories | 33,014 | 34,048 | 28,134 | Current portion of long-term debt | 3,151 | 4,164 | 4,160 |
| Deferred tax assets | 347 | 186 | 753 | Current portion of bonds | 350 | 300 | 450 |
| Other current assets | 1,214 | 2,485 | 951 | Income taxes payable | 2,290 | 1,657 | 2,890 |
| Allowance for doubtful accounts | (55) | (48) | (60) | Bonus reserve | 563 | 445 | 951 |
| | | | | Other current liabilities | 4,022 | 4,308 | 8,221 |
| Fixed Assets | 33,492 | 22,735 | 27,240 | Long-term Liabilities | 30,335 | 29,068 | 30,538 |
| Property, plant and equipment | 15,134 | 12,183 | 13,885 | Bonds | 19,195 | 19,550 | 19,400 |
| Buildings and structures | 7,427 | 4,973 | 7,528 | Convertible bonds | 51 | 51 | 51 |
| Equipment and vehicles | 3,609 | 2,725 | 1,982 | Long-term debt | 6,599 | 5,251 | 6,753 |
| Land | 2,910 | 2,917 | 2,917 | Allowance for employee retirement benefits | 3,770 | 3,539 | 3,610 |
| Other fixed assets | 1,187 | 1,567 | 1,457 | Other long-term liabilities | 719 | 676 | 722 |
| Intangible fixed assets | 5,198 | 2,841 | 2,581 | Total Liabilities | 68,650 | 61,703 | 65,479 |
| Software | 1,704 | 2,410 | 2,263 | | | | |
| Other intangible fixed assets | 3,494 | 431 | 317 | Minority Interests | - | 2,387 | 2,510 |
| Investments and other assets | 13,159 | 7,709 | 10,773 | SHAREHOLDERS' EQUITY | | | |
| Investment securities | 5,471 | 3,775 | 3,524 | Capitalization | 7,652 | 7,392 | 7,392 |
| Deferred tax assets | 5,662 | 2,968 | 6,331 | Capital Surplus | 18,671 | 12,017 | 12,017 |
| Other investments | 2,033 | 979 | 928 | Retained Earnings | 17,900 | 14,403 | 13,596 |
| Allowance for doubtful accounts | (8) | (12) | (10) | Net unrealized holding gain on securities | 1,118 | 123 | 70 |
| | | | | Foreign currency translation adjustment | 110 | (33) | (9) |
| Deferred Assets | 0 | 0 | 0 | Treasury stock | (78) | (61) | (63) |
| Discount on bonds | 0 | 0 | 0 | | | | |
| | | | | Total Shareholders' Equity | 45,374 | 33,842 | 33,003 |
| Total Assets | 114,024 | 97,933 | 100,993 | Total Liabilities and Shareholders' Equity | 114,024 | 97,933 | 100,993 |

2 . Consolidated Quarterly Statements of Income

(Millions of yen, rounded down)

| Period Item | FY06 3Q (April 1, 2005 - December 31, 2005) | FY05 3Q (April 1, 2004 - December 31, 2004) | FY05 (April 1, 2004 - March 31, 2005) |
|---|--|--|---|
| Net sales | 62,720 | 61,735 | 84,750 |
| Cost of sales | 43,590 | 42,117 | 59,344 |
| Gross Profit on Sales | 19,130 | 19,618 | 25,405 |
| Selling, general and administrative expenses | 9,468 | 9,071 | 12,354 |
| Operating Income | 9,661 | 10,546 | 13,051 |
| Non-operating income | 775 | 189 | 278 |
| Interest and dividend income | 56 | 44 | 51 |
| Other | 719 | 144 | 226 |
| Non-operating expenses | 603 | 504 | 443 |
| Interest expenses | 207 | 228 | 293 |
| Other | 395 | 275 | 150 |
| Ordinary Income | 9,834 | 10,231 | 12,885 |
| Extraordinary gains | 114 | 184 | 523 |
| Gain on sale of investment in securities | 76 | 68 | 358 |
| Gains on return of subscription rights | 20 | 100 | 150 |
| Other | 17 | 15 | 15 |
| Extraordinary losses | 26 | 656 | 7,007 |
| Loss on revaluation and disposal of inventories | - | 646 | 5,861 |
| Loss on disposal of fixed assets | - | - | 854 |
| Other | 26 | 9 | 291 |
| Income before taxes and minority interests | 9,921 | 9,759 | 6,401 |
| Income taxes | 3,699 | 1,975 | 3,187 |
| Income tax adjustment | 397 | 2,194 | (1,688) |
| Minority interests | 198 | 323 | 444 |
| Quarterly net income | 5,626 | 5,266 | 4,459 |

3. Net Sales and Orders

(1) Sales by business segment

(Millions of yen, rounded down)

| | FY 06 3Q (April 1, 2005 - December 31, 2005) | FY 05 3Q (April 1, 2004 - December 31, 2004) | FY 05 (April 1, 2004 - March 31, 2005) |
|---------------------------------------|---|---|--|
| Semiconductor manufacturing equipment | 47,530 | 48,971 | 66,669 |
| Measuring systems | 15,189 | 12,763 | 18,081 |
| Total | 62,720 | 61,735 | 84,750 |

(2) Sales by geographical segment

(Millions of yen, rounded down)

| | FY 06 3Q (April 1, 2005 - December 31, 2005) | FY 05 3Q (April 1, 2004 - December 31, 2004) | FY 05 (April 1, 2004 - March 31, 2005) |
|---------------|---|---|--|
| Japan | 53,504 | 49,738 | 69,846 |
| United States | 5,385 | 7,055 | 9,226 |
| Germany | 3,830 | 4,941 | 5,677 |
| Total | 62,720 | 61,735 | 84,750 |

(3) Overseas sales

(Millions of yen, rounded down)

| | FY 06 3Q (April 1, 2005 - December 31, 2005) | FY 05 3Q (April 1, 2004 - December 31, 2004) | FY 05 (April 1, 2004 - March 31, 2005) |
|----------------------|---|---|--|
| Overseas sales total | 31,753 | 32,346 | 42,860 |
| East Asia | 21,287 | 17,780 | 25,048 |
| North America | 5,075 | 6,401 | 8,166 |
| Europe | 3,208 | 5,103 | 5,706 |
| Other areas | 2,182 | 3,061 | 3,938 |

(4) Orders received and backlog

(Millions of yen, rounded down)

| | FY 06 3Q (April 1, 2005 - December 31, 2005) | | FY 05 3Q (April 1, 2004 - December 31, 2004) | | FY 05 (April 1, 2004 - March 31, 2005) | |
|---------------------------------------|---|---------|---|---------|--|---------|
| | Received | Backlog | Received | Backlog | Received | Backlog |
| Semiconductor manufacturing equipment | 57,247 | 23,116 | 50,004 | 15,853 | 65,248 | 13,400 |
| Measuring systems | 16,163 | 4,664 | 13,192 | 3,993 | 18,207 | 3,691 |
| Total | 73,410 | 27,781 | 63,196 | 19,846 | 83,456 | 17,091 |



Summary of Non- Consolidated Earnings Report for the Third Quarter of the Fiscal Year Ending March 31, 2006

January 30, 2006

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

Code number: 7729
Stock Listing: First Section TSE

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

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

Inquiries: Kunimasa Ohta, Executive Vice President, C.F.O.

Tel: 0422 - 48 - 1011

The Company's financial and earnings report summary for the third quarter of fiscal year 2006 (April 1, 2005 to December 31, 2005) is as follows:

1. Items pertaining to the preparation of quarterly results:

- (1) Use of simplified accounting procedures: No
- (2) Changes in accounting principles in the most recent fiscal year: No
- (3) The Company's quarterly financial statements have not been reviewed by an independent auditor.

2. Results of Operations for 3Q of FY 2006 (April 1, 2005 - December 31, 2005)

(1) Business Results

(Millions of yen, rounded down)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income | |
|------------------------------|-----------|-------|------------------|--------|-----------------|--------|------------|--------|
| FY2006 3Q | 55,840 | 5.2% | 7,163 | - 7.1% | 7,552 | 0.3% | 4,912 | 16.9% |
| FY2005 3Q | 53,056 | 57.0% | 7,712 | 552.2% | 7,530 | 810.0% | 4,202 | 705.5% |
| (Reference) FY2005 full year | 73,336 | | 9,723 | | 9,676 | | 605 | |

| | Net income per share (yen) | Net Income per Share (Diluted) (yen) |
|------------------------------|-------------------------------|---|
| FY2006 3Q | 128.96 | 117.77 |
| FY2005 3Q | 112.25 | 102.75 |
| (Reference) FY2005 full year | 16.16 | 14.79 |

Note: The percentage figures accompanying net sales, operating income and other items indicate changes from the corresponding period of the previous fiscal year.

(2) Financial Position

(Millions of yen, rounded down; except as indicated)

| | Total Assets | Shareholders' Equity | Equity Ratio (%) | Shareholders' Equity per Share (yen) |
|------------------------------|--------------|----------------------|------------------|---|
| FY2006 3Q | 100,794 | 36,992 | 36.7 | 939.79 |
| FY2005 3Q | 88,146 | 32,740 | 37.2 | 873.16 |
| (Reference) FY2005 full year | 87,161 | 29,088 | 33.4 | 775.78 |

[Reference]
Forecasts for Fiscal Year 2006 (April 1, 2005 – March 31, 2006)

(Millions of yen, rounded down)

| | Net Sales | Operating Income | Net Income |
|-----------|-----------|------------------|------------|
| Full Year | 79,000 | 10,500 | 6,500 |

(Reference) Net income per share for the full year is forecast at ¥169.19

There are no significant changes from the forecasts announced on November 11, 2005

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.

1. Non-consolidated Quarterly Balance Sheets

(Millions of yen, rounded down)

| Item | FY06 3Q | FY05 3Q | FY05 | Item | FY06 3Q | FY05 3Q | FY05 |
|---------------------------------|----------------|---------------|---------------|---|----------------|---------------|---------------|
| | 31-Dec-05 | 31-Dec-04 | 31-Mar-05 | | 31-Dec-05 | 31-Dec-04 | 31-Mar-05 |
| ASSETS | | | | LIABILITIES | | | |
| Current Assets | 70,408 | 66,429 | 63,152 | Current Liabilities | 36,350 | 29,731 | 30,684 |
| Cash and cash equivalents | 5,210 | 6,285 | 7,175 | Notes payable | 16,915 | 15,830 | 10,977 |
| Notes receivable | 6,107 | 4,913 | 3,625 | Accounts payable | 6,729 | 3,861 | 5,640 |
| Accounts receivable | 29,191 | 22,390 | 26,912 | Short-term debt | 4,500 | 400 | - |
| Inventories | 26,513 | 25,865 | 22,440 | Current portion of long-term debt | 2,950 | 2,900 | 3,400 |
| Deferred tax assets | 421 | 268 | 615 | Current portion of bonds | - | 1,800 | 800 |
| Other current assets | 2,983 | 6,734 | 2,409 | Income taxes payable | 1,593 | 1,096 | 2,053 |
| Allowance for doubtful accounts | (20) | (27) | (27) | Bonus reserve | 401 | 353 | 644 |
| | | | | Other current liabilities | 3,260 | 3,489 | 7,169 |
| Fixed Assets | 30,385 | 21,716 | 24,009 | Long-term Liabilities | 27,450 | 25,674 | 27,388 |
| Property, plant & equipment | 11,028 | 7,298 | 9,764 | Bonds | 17,495 | 17,500 | 17,500 |
| Buildings and structures | 6,187 | 3,626 | 6,210 | Convertible bonds | 51 | 51 | 51 |
| Equipment and vehicles | 2,372 | 825 | 808 | Long-term debt | 6,310 | 4,760 | 6,370 |
| Land | 1,521 | 1,525 | 1,525 | Allowance for employee retirement benefits | 3,053 | 2,848 | 2,911 |
| Other fixed assets | 947 | 1,320 | 1,219 | Allowance for director retirement benefits | 541 | 515 | 556 |
| Intangible fixed assets | 1,710 | 2,418 | 2,287 | Total Liabilities | 63,801 | 55,406 | 58,073 |
| Software | 1,679 | 2,392 | 2,255 | SHSREHOLDERS' EQUITY | | | |
| Other intangible fixed assets | 30 | 26 | 31 | Capitalization | 7,652 | 7,392 | 7,392 |
| | | | | Capital surplus | 15,025 | 12,017 | 12,017 |
| | | | | Capital reserve | 15,025 | 12,017 | 12,017 |
| | | | | Other capital surplus | 0 | - | - |
| Investments & other assets | 17,646 | 11,999 | 11,958 | Retained earnings | 13,274 | 13,271 | 9,674 |
| Investment securities | 5,286 | 3,626 | 3,374 | Earnings reserve | 728 | 728 | 728 |
| Stock in subsidiaries | 6,249 | 3,927 | 3,433 | Contingent reserve | 5,000 | 5,000 | 5,000 |
| Deferred tax assets | 5,064 | 2,224 | 5,669 | Undistributed net profit | 7,545 | 7,542 | 3,945 |
| Other investments | 10,274 | 3,785 | 8,758 | Net unrealized holding gain on securities | 1,118 | 119 | 67 |
| Investment loss reserve | (1,554) | (1,554) | (1,554) | Treasury stock | (78) | (61) | (63) |
| Allowance for doubtful accounts | (7,673) | (8) | (7,723) | Total Shareholders' Equity | 36,992 | 32,740 | 29,088 |
| Total Assets | 100,794 | 88,146 | 87,161 | Total Liabilities and Shareholders' Equity | 100,794 | 88,146 | 87,161 |

2 . Non-consolidated Quarterly Statements of Income

(Millions of yen, rounded down)

| Period Item | FY06 3Q (April 1, 2005 - December 31, 2005) | FY05 3Q (April 1, 2004 - December 31, 2004) | FY05 (April 1, 2004 - March 31, 2005) |
|---|--|--|---|
| Net sales | 55,840 | 53,056 | 73,336 |
| Cost of sales | 42,116 | 39,213 | 55,563 |
| Gross Profit on Sales | 13,723 | 13,843 | 17,773 |
| Selling, general and administrative expenses | 6,560 | 6,130 | 8,049 |
| Operating Income | 7,163 | 7,712 | 9,723 |
| Non-operating income | 862 | 221 | 342 |
| Interest and dividend income | 261 | 208 | 227 |
| Other | 600 | 12 | 114 |
| Non-operating expenses | 473 | 402 | 389 |
| Interest expenses | 178 | 213 | 271 |
| Other | 294 | 188 | 117 |
| Ordinary Income | 7,552 | 7,530 | 9,676 |
| Extraordinary gains | 20 | 184 | 523 |
| Gain on sale of investment in securities | - | 68 | 358 |
| Other | 20 | 115 | 165 |
| Extraordinary losses | 23 | 656 | 9,555 |
| Loss on revaluation and disposal of inventories | - | 646 | 1,342 |
| Loss from allowance for doubtful accounts | - | - | 7,716 |
| Other | 23 | 9 | 496 |
| Income before taxes and minority interests | 7,550 | 7,058 | 644 |
| Income taxes | 2,559 | 1,011 | 1,951 |
| Income tax adjustment | 78 | 1,844 | (1,911) |
| Quarterly net income | 4,912 | 4,202 | 605 |