



Summary of Consolidated Earnings Report for the First Quarter of the Fiscal Year Ending March 31, 2007

July 28, 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 first quarter of fiscal 2007 (April 1, 2006 – June 30, 2006) 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 :Yes
(Details are described to Supplementary material " Change in Accounting Standards ".)
- (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 1Q of FY 2007 (April 1, 2006 - June 30, 2006)

(1) Business Results

(Millions of yen, rounded down)

	Net Sales	Operating Income	Ordinary Income	Net Income
FY2007 1Q	22,510 32.5%	3,368 47.6%	3,436 41.7%	1,827 38.9%
FY2006 1Q	16,986 - 17.7%	2,281 - 26.4%	2,425 - 22.9%	1,315 - 22.6%
(Reference) FY2006 full year	92,845	13,991	14,031	3,125

	Net Income per Share (yen)	Net Income per Share (Diluted) (yen)
FY2007 1Q	45.60	42.48
FY2006 1Q	35.09	32.07
(Reference) FY2006 full year	80.77	74.02

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

In the first quarter, reflecting active capital investment by semiconductor manufacturers, the Semiconductor Manufacturing Equipment Division's sales rose 40.4% from the same period of the previous fiscal year, to ¥17,730 million. Operating income rose 69.5%, to ¥2,210 million. Thus, the division's products, including mainstay probing machines, have brought about steady results essentially as planned.

Similarly, the Measuring Instrument Division followed a steady trend in the first quarter. Reflecting strong demand, particularly from automobile-related manufacturers, sales in the first quarter climbed 9.7% from the same period of the previous fiscal year, to ¥4,780 million, and operating income rose 18.5%, to ¥1,158 million.

Overall, the Company's net sales in the first quarter totaled ¥22,510 million, a 32.5% gain from a year earlier, a 44.1% achievement rate versus the estimated figure for the first half, ordinary income amounted to ¥3,436 million, up 41.7% from the same period of the previous fiscal year, a 39.3% achievement rate compared to the estimated figure for the first half and net income grew 38.9%, to ¥1,827 million, a 36.6% achievement rate versus the estimated figure for the first half, all virtually achieving their initial targets.

Meanwhile, orders received by both the Semiconductor Manufacturing Equipment Division and the Measuring Instrument Division in the first quarter continued at high levels, at ¥22,417 million and ¥5,511 million respectively.

(2) Financial Position

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

	Total Assets	Net Assets	Capital Adequacy Ratio (%)	Net Assets per Share (yen)
FY2007 1Q	109,719	47,499	43.3	1,185.13
FY2006 1Q	100,263	33,810	33.7	901.73
(Reference) FY2006 full year	109,875	46,703	42.5	1,165.07

【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
FY2007 1Q	1,345	-927	-1,882	12,398
FY2006 1Q	-681	-2,448	-83	8,635
(Reference) FY2006 full year	8,346	-6,160	-290	13,851

Qualitative Information Regarding the Financial Position

There are no significant factors regarding changes in the financial position

[Reference]

Forecasts for Fiscal Year 2007 (April 1, 2006 – March 31, 2007)

(Millions of yen, rounded down)

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

(Reference) Net income per share for the full year is forecast at ¥249.33

Qualitative Information Regarding Forecasts

There are no changes to the forecasts announced on May 17, 2006

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	FY07 1Q 30-Jun-06	FY06 31-Mar-06	Difference	FY06 1Q 30-Jun-05
ASSETS				
Current Assets				
1 Cash and cash equivalents	12,424	13,887	(1,462)	8,663
2 Notes and accounts receivable	36,876	36,437	438	32,114
3 Inventories	29,753	27,053	2,700	29,829
4 Deferred tax assets	514	1,447	(933)	726
5 Other current assets	1,936	2,294	(358)	713
6 Allowance for doubtful accounts	(42)	(53)	11	(45)
Total Current Assets	81,463	81,067	396	72,001
Fixed Assets				
1 Property, plant and equipment				
(1) Buildings and structures	7,869	7,699	169	7,388
(2) Equipment and vehicles	2,249	2,273	(24)	3,108
(3) Land	2,936	2,937	(0)	2,917
(4) Other fixed assets	1,227	1,407	(179)	1,444
Total Fixed Assets	14,282	14,317	(34)	14,859
2 Intangible fixed assets				
(1) Software	1,322	1,451	(128)	2,113
(2) Consolidation adjustments account	3,077	3,161	(83)	-
(3) Other intangible fixed assets	206	224	(17)	297
Total Intangible fixed assets	4,607	4,837	(229)	2,410
3 Investments and other assets				
(1) Investment securities	5,438	5,786	(347)	3,751
(2) Deferred tax assets	1,993	1,907	85	6,302
(3) Other investments	1,946	1,968	(22)	948
(4) Allowance for doubtful accounts	(14)	(9)	(4)	(10)
Total Investments and other assets	9,364	9,653	(288)	10,991
Total Fixed Assets	28,255	28,807	(552)	28,262
Deferred Assets				
1 Discount on bonds	-	-	-	0
Total Deferred Assets	-	-	-	0
Total Assets	109,719	109,875	(156)	100,263

(Millions of yen, rounded down)

Item	FY07 1Q 30-Jun-06	FY06 31-Mar-06	Difference	FY06 1Q 30-Jun-05
LIABILITIES				
Current Liabilities				
1 Notes and accounts payable, trade	25,616	24,807	809	17,707
2 Short-term debt	3,053	3,056	(3)	44
3 Current portion of long-term debt	2,317	3,073	(756)	4,104
4 Current portion of bonds	700	700	-	450
5 Income taxes payable	771	1,193	(421)	1,092
6 Bonus reserve	1,337	865	472	1,363
7 Other current liabilities	3,652	4,403	(751)	7,637
Total Current Liabilities	37,448	38,099	(651)	32,399
Long-term Liabilities				
1 Bonds	15,065	15,165	(100)	19,300
2 Convertible bonds	50	51	(1)	51
3 Long-term debt	5,441	5,680	(239)	7,758
4 Allowance for employee retirement benefits	3,900	3,822	77	3,658
5 Other long-term liabilities	314	353	(39)	710
Total Long-term Liabilities	24,770	25,072	(301)	31,478
Total Liabilities	62,219	63,172	(953)	63,877
Minority Interests	-	-	-	2,575
SHAREHOLDERS' EQUITY				
Capitalization	-	9,447	(9,447)	7,392
Capital Surplus	-	20,466	(20,466)	12,017
Retained Earnings	-	15,399	(15,399)	14,339
Net unrealized holding gain on securities	-	1,340	(1,340)	123
Foreign currency translation adjustment	-	139	(139)	2
Treasury Stock	-	(90)	90	(64)
Total Shareholders' Equity	-	46,703	(46,703)	33,810
Total Liabilities and Shareholders' Equity	-	109,875	(109,875)	100,263
Net Assets				
Shareholders' Equity				
1 Capitalization	9,458	-	9,458	-
2 Capital Surplus	20,477	-	20,477	-
3 Retained Earnings	16,411	-	16,411	-
4 Treasury Stock	(92)	-	(92)	-
Total Shareholders' Equity	46,254	-	46,254	-
Valuation Gain/Loss, Translation Gain/Loss, Etc.				
1 Net unrealized holding gain on securities	1,133	-	1,133	-
2 Foreign currency translation adjustment	112	-	112	-
Total Valuation Gain/Loss, Translation Gain/Loss, Etc.	1,245	-	1,245	-
Total Net Assets	47,499	-	47,499	-
Total Liabilities and Net Assets	109,719	-	109,719	-

2. Consolidated Quarterly Statements of Income

(Millions of yen, rounded down)

Item	FY07 1Q <small>(April 1, 2006 - June 30, 2006)</small>	FY06 1Q <small>(April 1, 2005 - June 30, 2005)</small>	Difference	FY06 <small>(April 1, 2005 - March 31, 2006)</small>
Net sales	22,510	16,986	5,524	92,845
Cost of sales	16,073	11,762	4,311	65,873
Gross Profit on Sales	6,436	5,224	1,212	26,971
Selling, general and administrative expenses	3,068	2,942	125	12,980
Operating Income	3,368	2,281	1,087	13,991
Non-operating income	271	283	12	875
Interest and dividend income	42	30	12	75
Other	229	253	24	799
Non-operating expenses	203	139	63	835
Interest expenses	64	63	0	272
Other	138	75	62	563
Ordinary Income	3,436	2,425	1,011	14,031
Extraordinary gains	-	20	20	116
Gain on sale of investment in securities	-	-	-	76
Gains on return of subscription rights	-	20	20	20
Other	-	-	-	18
Extraordinary losses	187	-	187	6,281
Loss on revaluation and disposal of inventories	-	-	-	2,862
Loss on sale of fixed assets	-	-	-	1,387
Lease cancellation cost	-	-	-	1,853
Other	187	-	187	178
Income before taxes and minority interests	3,248	2,446	802	7,865
Income taxes	438	980	542	1,690
Income tax adjustment	982	31	950	2,851
Minority interests	-	118	118	198
Net income	1,827	1,315	511	3,125

Change in Accounting Standards

Previously, earnings from wafer inspection systems, polish grinders and CMPs had been booked on a shipment basis. Starting in the fiscal year under review, earnings from these products are booked on the basis of completion of installation. This change is to reflect the actual state of earnings in our consolidated financial statements in a more accurate manner than before in light of the following factors. First, these products tend to take a relatively longer time from shipment to the completion of installation than other products; second, sales of these products have a larger share of total consolidated net sales than before as a result of our market penetration efforts in recent years; and third, our data on the completion of installation and related systems have been improved following a review of operational processes after shipment. Compared with figures calculated previously, this change in accounting standards caused consolidated net sales in the first quarter to drop by ¥762 million, and operating income, ordinary income, income before taxes and minority interests to decrease by ¥144 million, respectively.



Summary of Non- Consolidated Earnings Report for the First Quarter of the Fiscal Year Ending March 31, 2007

July 28, 2006

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The Company's financial and earnings report summary for the first quarter of fiscal year 2007 (April 1, 2006 to June 30, 2006) 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: Yes
(Details are described to Supplementary material " Change in Accounting Standards ".)
- (3) The Company's quarterly financial statements have not been reviewed by an independent auditor.

2. Results of Operations for 1Q of FY 2007 (April 1, 2006 - June 30, 2006)

(1) Business Results

(Millions of yen, rounded down)

	Net Sales	Operating Income	Ordinary Income	Net Income
FY2007 1Q	19,843 34.0%	2,529 61.5%	2,902 58.4%	1,732 37.0%
FY2006 1Q	14,811 - 16.5%	1,566 - 27.7%	1,833 - 21.7%	1,265 - 11.4%
(Reference) FY2006 full year	82,539	10,135	10,423	2,414

	Net income per share (yen)	Net Income per Share (Diluted) (yen)
FY2007 1Q	43.24	40.28
FY2006 1Q	33.74	30.84
(Reference) FY2006 full year	62.67	57.43

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)
FY2007 1Q	95,383	39,039	40.9	974.04
FY2006 1Q	87,097	29,841	34.3	795.87
(Reference) FY2006 full year	95,589	38,295	40.1	955.63

[Reference]
Forecasts for Fiscal Year 2007 (April 1, 2006 – March 31, 2007)

(Millions of yen; except as indicated)

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

(Reference) Net income per share for the full year is forecast at ¥204.45

There are no significant changes from the forecasts announced on May 17, 2006

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	FY07 1Q 30-Jun-06	FY06 31-Mar-06	Difference	FY06 1Q 30-Jun-05
Assets				
Current Assets				
1 Cash and cash equivalents	5,984	8,147	2,162	4,853
2 Notes receivable	3,720	2,080	1,640	5,106
3 Accounts receivable	32,174	32,862	688	25,718
4 Inventories	25,195	22,598	2,596	23,450
5 Deferred tax assets	468	1,453	984	580
6 Other current assets	1,504	1,983	478	2,038
7 Allowance for doubtful accounts	8	20	12	13
Total Current Assets	69,039	69,105	65	61,733
Fixed Assets				
1 Property, plant & equipment				
(1) Buildings and structures	6,078	6,155	76	6,093
(2) Equipment and vehicles	1,049	1,080	31	1,900
(3) Land	1,521	1,521	-	1,525
(4) Other	966	947	19	1,213
Total Property, plant & equipment	9,615	9,704	89	10,732
2 Intangible fixed assets				
(1) Software	1,304	1,430	125	2,101
(2) Other	30	30	-	31
Total Intangible fixed assets	1,334	1,460	125	2,132
3 Investments & other assets				
(1) Investment securities	5,313	5,661	347	3,600
(2) Stock in subsidiaries	6,189	6,189	-	3,433
(3) Deferred tax assets	2,426	2,261	164	5,678
(4) Other	4,875	4,614	261	9,074
(5) Investment loss reserve	3,398	3,398	-	1,554
(6) Allowance for doubtful accounts	11	7	4	7,732
Total Investments & other assets	15,394	15,320	74	12,499
Total Fixed Assets	26,344	26,484	140	25,364
Total Assets	95,383	95,589	205	87,097

(Millions of yen, rounded down)

Item	FY07 1Q 30-Jun-06	FY06 31-Mar-06	Difference	FY06 1Q 30-Jun-05
Liabilities				
Current Liabilities				
1 Notes payable	18,346	17,209	1,136	10,841
2 Accounts payable	6,714	7,452	738	5,873
3 Short-term debt	3,000	3,000	-	-
4 Current portion of long-term	2,200	2,950	750	3,800
5 Income taxes payable	47	21	25	605
6 Bonus reserve	851	542	308	911
7 Others	2,561	3,344	782	6,766
Total Current Liabilities	33,720	34,520	799	28,798
Long-term Liabilities				
1 Bonds	13,965	13,965	-	17,500
2 Convertible bonds	50	51	1	51
3 Long-term debt	5,210	5,420	210	7,410
4 Allowance for employee retirement benefits	3,182	3,120	61	2,955
5 Allowance for director retirement benefits	216	216	-	541
Total Long-term Liabilities	22,624	22,773	149	28,457
Total Liabilities	56,344	57,293	949	57,256
Shareholders' Equity				
Capitalization	-	9,447	9,447	7,392
Capital Surplus	-	16,821	16,821	12,017
1 Capital reserve	-	16,820	16,820	12,017
2 Others	-	0	0	-
Retained Earnings	-	10,776	10,776	10,377
1 Earnings Reserve	-	728	728	728
2 Contingent Reserve	-	5,000	5,000	5,000
3 Undistributed net profit	-	5,047	5,047	4,648
Net unrealized holding gain on securities	-	1,340	1,340	119
Treasury Stock	-	90	90	64
Total Shareholders' Equity	-	38,295	38,295	29,841
Total Liabilities and Shareholders' Equity	-	95,589	95,589	87,097
Net Assets				
Shareholders' Equity				
1 Capitalization	9,458	-	9,458	-
2 Capital Surplus	16,832	-	16,832	-
(1) Capital reserve	16,831	-	16,831	-
(2) Other	0	-	0	-
3 Earned Surplu	11,707	-	11,707	-
(1) Earnings Reserve	728	-	728	-
(2) Other	10,979	-	10,979	-
Contingent reserve	5,000	-	5,000	-
Retained earnings carried forward	5,979	-	5,979	-
4 Treasury Stock	92	-	92	-
Total Shareholders' Equity	37,905	-	37,905	-
Valuation Gain/Loss, Translation Gain/Loss, Etc.				
1 Others	1,134	-	1,134	-
Total Valuation Gain/Loss, Translation Gain/Loss, Etc.	1,134	-	1,134	-
Total Net Assets	39,039	-	39,039	-
Total Liabilities and Net Assets	95,383	-	95,383	-

2. Non-consolidated Quarterly Statements of Income

(Millions of yen, rounded down)

Item	FY07 1Q <small>(April 1, 2006 - June 30, 2006)</small>	FY06 1Q <small>(April 1, 2005 - June 30, 2005)</small>	Difference	FY06 <small>(April 1, 2005 - March 31, 2006)</small>
Net sales	19,843	14,811	5,031	82,539
Cost of sales	15,297	11,198	4,098	63,172
Gross Profit on Sales	4,545	3,612	932	19,367
Selling, general and administrative expenses	2,015	2,046	31	9,231
Operating Income	2,529	1,566	963	10,135
Non-operating income	551	383	167	867
1 Interest and dividend income	384	233	150	284
2 Other	166	149	16	583
Non-operating expenses	178	116	61	579
1 Interest expenses	57	54	2	235
2 Other	120	61	58	343
Ordinary Income	2,902	1,833	1,069	10,423
Extraordinary gains	-	20	20	97
1 Other	-	20	20	97
Extraordinary losses	187	-	187	6,363
1 Loss on revaluation and disposal of inventories	-	-	-	1,096
2 Fixed assets loss on retirement	-	-	-	1,387
3 Amount of investment loss drawing putting in	-	-	-	1,844
4 Lease cancellation cost	-	-	-	1,853
5 Other	187	-	-	182
Income before taxes and minority interests	2,715	1,853	861	4,157
Income taxes	20	597	577	45
Income tax adjustment	962	8	970	1,697
Net income	1,732	1,265	467	2,414