Consolidated Financial Statements
for the 12-month period ended March 31, 2007 (FY 2007)

May 16, 2007

Company Name Tokyo Seimitsu Co., Ltd.
Code number: 7729 ACCRETECH
Representative: Sadakatsu Suzuki, President C.E.O.& C.O.O.
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Boad of Directors meeting: May 16, 2007
Use of U.S. accounting standards: No

Stock Listing: First Section TSE
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Expected Stuting Date of Diviled Payout: June 29, 2007

1. Consolidated Results for the the period of FY 2007 (April 1, 2006 - March 31, 2007)

(Percentage figures represent changes from the previous year)

(1) Consolidated sales and earnings

(Millions of yen, rounded down)

	Net Sales		Operating Income		Ordinary Income		Net Income	
FY2007	100,322	8.1 %	14,086	0.7 %	13,612	－3.0 %	8,741	179.7 %
FY2006	92,845	9.6 %	13,991	7.2 %	14,031	8.9 %	3,125	－29.9 %

(Millions of yen; except as indicated)

	Net income per Share (yen)	Net incomeper Share (diluted) (yen)	Return on Net Assets	Ordinary Income on Total Assets	Operating Income Ratio
FY2007	217. 91	203. 10	17.3	12.1 %	14.0 %
FY2006	80. 77	74. 02	7.8	13.3 %	15.1 %

(Notes) Equity in affiliates FY07: ― million yen FY06: ― million yen

(2) Consolidated financial position

(Millions of yen; except as indicated)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (yen)
FY2007	114,831	54,281	47.1 %	1,347 09
FY2006	109,875	46,703	42.5 %	1,165 07

(Notes) Equity Capital FY07: 54,638 million yen FY06: - million yen

(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
FY2007	10,920	-3,439	-4,638	16,800
FY2006	8,346	-6,160	-290	13,851

2. Situation of Dividend

	Per Share Dividend			Total Dividend (For Year)	Dividend Pay Out Ratio	Dividend on Net Assets
	Interim	Year End	Full Year			
	Yen	Yen	Yen	Millions of Yen	%	%
FY2006	20 00	20 00	40 00	1,551	64.3	4.6
FY2007	25 00	25 00	50 00	2,006	22.9	4.0
FY2008 (P)	30 00	40 00	70 00		28.1	

3. Forecasts for FY 2008 (April 1, 2007-March 31, 2008)

(Percentage figures represent changes from the previous year for full-year figures and from the same period of the previous year for interim-period figures.)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Incom Per Share
Interim	52,500	1.3 %	7,500	-16.0 %	7,500	-15.2 %	4,400	-12.0 %	109. 56
Full Year	108,000	7.7 %	17,500	24.2 %	17,500	28.6 %	10,000	14.4 %	249. 01

4. Other

(1) Significant changes in subsidiaries during the year under review (changes in specific subsidiaries involving changes in scope of consolidation): None

(2) Changes in accounting principles, procedures, method of presentation and other matters associated with preparation of consolidated financial statements (basic matters for preparation of consolidated financial statements)

1) Changes due to revision of accounting standards, etc.: Yes

2) Changes other than 1): Yes

(Note: Please refer to "Changes in Basis of Presenting Consolidated Financial Statements," on page 17, for details.)

(3) Number of shares outstanding (common shares)

1) Number of shares outstanding at fiscal year end (including treasury shares):	FY2007	40,187,517 share	FY2006	40,100,167 share
2) Number of treasury shares at fiscal year end:	FY2007	28,215 share	FY2006	26,421 share
3) Average number of shares outstanding during fiscal year:	FY2007	40,114,284 share	FY2006	38,515,065 share

(Reference) Summary of non-consolidated results

1. Non-Consolidated Results for the the period of FY 2007 (April 1, 2006 - March 31, 2007)

(1) Non-Consolidated sales and earnings (millions yen, %, yen; percentage figures represent changes from previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
FY2007	86,827	5.2 %	9,565	−5.6 %	9,847	−5.5 %	5,666	134.7 %
FY2006	82,539	12.5 %	10,135	4.2 %	10,423	7.7 %	2,414	299.0 %

	Net Income per Share	Net Income per Share (diluted)
	Yen	Yen
FY2007	141. 25	131. 66
FY2006	62. 67	57. 43

(1) Non-Consolidated Financial Position (millions of yen, %, yen; percentage figures represent changes from previous year)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
			%	Yen
FY2007	97,005	42,695	44.0	1,058 57
FY2006	95,589	38,295	40.1	955 63

(Notes) Equity Capital FY07: 42,511 million yen FY06: 38,139 million yen

*Note to ensure appropriate use of forecasts and other matters warranting special mention

All forecasts and other forward-looking statements in this document are based on information currently available to the Company and assumptions that the Company considers reasonable. Various uncertainties could cause actual results to significantly differ from these forecasts. Please refer to "1. Business Performance," on pages 3-7, for details of forecasts.

1. Business Performance

(1) Analysis of Business Performance

1) Overview of Business Performance for Fiscal Year, Ended March 31, 2007

[Overall Business Performance]

During the fiscal year under review, the business environment of Tokyo Seimitsu continued to be generally favorable for both the semiconductor manufacturing equipment division and the measuring instrument division.

Semiconductor manufacturing equipment division sales hit a record high thanks to firm demand reflecting continuously brisk capital investment by semiconductor manufacturers overall. This was despite demand weakening slightly in the third quarter partly in reaction to the first half's surge.

Similarly, the measuring instrument division achieved its highest-ever sales and operating income as demand continued strong from such users as automobile-related industries and machine tool manufacturers. Notably, sales to overseas markets posted a substantial rise.

As a result, orders received in the fiscal year under review totaled ¥105,460 million (up 5.9% from the previous year). Net sales amounted to ¥100,322 million (up 8.1%), operating income reached ¥14,086 million (up 0.7%), and ordinary income came to ¥13,612 million (down 3.0%). Overall, net income amounted to ¥8,741 million (2.8 times the previous year), with net sales and net income achieving all-time highs.

[Performance by Business Segment]

A. Semiconductor Manufacturing Equipment Division

The semiconductor manufacturing equipment division continued to be extremely vigorous in the first half. Although there was a modest adjustment in the third quarter in reaction to the first half's briskness, a recovery trend became apparent in the fourth quarter. Capital investment by semiconductor manufacturers was generally active in response to growing demand for digital consumer electronics, including flat-screen televisions and game consoles, and increased production of personal computers (PCs) compatible with a new operating system, though some chipmakers held back capital investment. As a result of the Company's attentive efforts to respond to the needs of customers, orders received in the fiscal year under review increased 5.9% from the previous year, to ¥82,465 million, and sales rose 8.7%, to ¥78,091 million, both surpassing previous highs.

Meanwhile, operating income was down 1.6%, to ¥8,830 million, due to a temporary rise in expenses for the launch of new models, among other factors.

(Regional overview)

Domestic sales rose a sharp 16.9% from the previous year. Sales to overseas markets climbed 3.7% overall, with sales to Europe, the United States and Southeast Asia in particular surging.

(Product overview)

(a) With demand for DRAMs and flash memories and other memory devices brisk and the need for full wafer tests growing, sales of wafer probing machines rose considerably on a year-to-year basis.

Sales of the "UF3000" continued to increase. This model, a third-generation machine capable of handling 300mm wafers, has gained a strong reputation among customers as a fully automatic, ultrahigh-performance probing machine. It meets the diverse needs of device makers, from the high-mix, low-volume production of such items as system LSIs to the manufacturing of memory chips and other mass produced items.

In late fiscal 2007, the "UF3000EX" wafer probing machine was introduced. This high-precision, high-throughput machine was developed based on a design concept that goes beyond conventional ideas. It is expected to contribute significantly to fiscal 2008 business results.

The "UF200" series for 200mm wafers also remained firm as demand from logic device and CCD manufacturers continued strong.

Tokyo Seimitsu, as the top wafer probing machine manufacturer, further increased its share of the world market during the year under review. Sales in this category rose considerably from the previous year, reaching an all-time high.

(b) As for wafer dicing machines, in April 2006, the Company introduced the „A-WD-300TX“ for 300 mm wafers, a highly-productive new product with an 80,000rpm spindle. As a result of the Company's efforts to promote its market penetration in the first half of the period under review, orders received began to increase at a steady pace in the second half. Sales are expected to grow further in the period ahead.

Since its market debut in fiscal 2005, the "MAHOH DICING MACHINE," a dry-process bladeless laser dicing machine, has been highly acclaimed by users for its dust-free operation and other performance characteristics and for high productivity. Sales of this product, mainly for MEMS and thin wafers, doubled from the previous year. With repeat orders increasing, sales is expected to rise.

(c) As for wafer inspection systems, the "WIN-WIN 50" system continued to be highly regarded for its notable features -- a lower cost of ownership and higher detection rates -- resulting in increasing orders from new customers as well as repeat orders from existing customers. Sales in the second half doubled from the first half, which saw modest weakening. Meanwhile, a new model for a wider range of applications -- one that is excellent for mass production -- was marketed in early 2007 in hopes of further improving business performance in this product category. The new product has already gained a very good reputation among customers.

(d) Tokyo Seimitsu’s unique Polish Grinders have become the de fact standard in the thin wafer market because of their inimitable functions of producing thinner wafers and revocing damage in a single unit.The thin wafer market was inactive in the first half partly in reaction to the previous year's demand surge. But, going into the second half, demand made a rapid recovery as the market was expanding throughout Asia.

Competition has been intensifying in the thin wafer market since the entry of new competitors in the market in fiscal 2007. However, given the ever-increasing use of wafers, Tokyo Seimitsu's position as the market leader will be further strengthened by evaluating the technological superiority of the "PG300RM."

(e) Regarding chemical mechanical planarizers (CMPs), the concept of the "ChaMP" series and its structural advantages have become widely known to customers. The Company is striving to further increase sales by gaining more customers and to reduce costs. These efforts will improve future profitability.

B. Measuring Instrument Division

In the measuring instrument division, there was some postponement of capital investment among Japanese domestic user companies, while overseas demand was strong from such users as automobile-related manufacturers and machine tool producers. As a result of the Company's efforts to win orders by addressing users' needs, both orders and sales attained steady growth in the year under review. Orders received totaled ¥22,994 million (up 6.0% from the previous year), and sales reached ¥22,230 million (up 5.8%). Both were record highs for the forth consecutive year since fiscal 2004.

As for the production, the Company has made effort on cost reduction, realizing 4 year running highest ever operating income, 5,256million (up 4.7%)

(Regional overview)
Looking at this division's business results by region, Japanese domestic sales rose a modest 0.5% from the previous year, while sales to overseas markets were extremely strong, rising 37.1%. Sales to East Asia in particular soared.

(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 regidity design technology, have earned a good reputation as products satisfying the needs of customers. Also, the “XYZAX SVA Fusion ,“ which guarantees high-quality scanning, has maintained Growth was also steady for sales of the "GageMax," Carl Zeiss' new in-line 3D coordinate measuring machine, which was introduced in the previous year.

The "SURFCOM" series of surface texture and contour measuring instruments uses linear motors to achieve the world's highest precision while minimizing vibration. In this series, sales increased for such products as the "SURFCOM 1500/2000DX" and "CONTOURECORD 1700DX."

Meanwhile, the "RONDCOM" series of cylindrical form measuring instruments has been rated highly for its high precision. The "RONDCOM 54/44" and "RONDCOM 72" enjoyed steady sales growth.

(b) Sales of in-line measuring systems were down from the previous year. The main reason for this was that the postponement of capital investment by domestic automobile-related manufacturers adversely affected sales of the "PULCOM" series products, which are typically used in auto parts production lines.

2) Forecasts for Next Fiscal Year

[Overall and Business Segment-based Forecasts]

A. Semiconductor Manufacturing Equipment Division

The semiconductor market is expected to continue to show strong growth in the period ahead, lifted by sales of PCs compatible with the new operating system and by growth of automobile-related devices, in addition to increasing demand for digital consumer electronics such as mobile phones and flat-screen televisions. Therefore, capital investment by semiconductor manufacturers and foundries is expected to be firm in the coming period.

Given the situation, Tokyo Seimitsu believes the market environment for semiconductor manufacturing equipment will remain bright in fiscal 2008 for both established product lines and new product lines.

Regarding established product lines, the wafer probing machine market is expanding. Consequently, the Company's share in the market is expected to increase in part due to contributions by the recently launched "UF3000EX." Orders for and sales of wafer probing machines are forecasted to increase at a steady pace, to a level close to the previous year, when extremely strong results were reported. In the wafer dicing machine sector, sales of a new model, "A-WD-300TX," are projected to increase as it penetrates the market. Sales are also forecasted to expand for "MAHOH DICING MACHINE," laser dicing machines.

In new product line areas, significant sales growth is forecasted on a year-to-year basis for polish grinders, which are on a recovery trend, and wafer inspection machines, new models of which will be marketed and will contribute. As for CMPs, the Company will work to improve profitability by gaining new customers and reducing costs.

Consequently, net sales in the semiconductor manufacturing equipment division in fiscal 2008, ending March 31, 2008, will reach ¥84,500million (up 8.2% from fiscal 2007) for the fourth consecutive year of record highs.

B. Measuring Instrument Division

In the measuring instrument division, strong demand is expected to recover from such users as automobile-related manufacturers that have postponed capital investment. Earoplane and construction machine industry is activein investing. Oversea market as well, continued demand from users such as auto-related and machine tool industry.

In this environment, the division will strive to accurately grasp the needs of customers and win orders. This is expected to drive the measuring instrument division's net sales for fiscal 2008 to ¥23,500 million (up 5.7% from fiscal 2007) for the fifth straight year of recorded highs.。

Overall, consolidated net sales in fiscal 2008 is forecast to total ¥108 billion (up 7.7% from fiscal 2007), operating income will amount to ¥17,500 million (up 24.2%), ordinary income will come to ¥17,500 million (up 28.6%), and net income will reach ¥10,000 million (up 14.4%), with all hitting record highs.

(2) Analysis of Financial Position

1) Assets, Liabilities and Net Assets

Total assets as of March 31, 2007, amounted to ¥114.8 billion, an increase of ¥4,900 million from a year earlier. The major factors behind this rise include an increase in cash and deposits of ¥2,900 million, an increase in notes and accounts receivable of ¥3,200 million and a decrease in software for sale of ¥700 million.

Total liabilities were down ¥2,600 million, to ¥60,500 million. This was mainly because of a ¥2,900 million decrease in short-term debt.

Net assets totaled ¥54,200 million, and the Ewuity Capital ratio was up 4.6% from a year earlier, to 47.1%.

2) Cash Flows

Cash and cash equivalents at the end of the fiscal year under review amounted to ¥16.8

billion, an increase of ¥2.9 billion from a year earlier. The status of cash flows and factors behind them are given below.

The major components were income before income taxes and minority interests (¥13,100 million), depreciation and amortization (-¥2,400 million), an increase in trade receivables (-¥3 billion), a decrease in purchase liabilities (-¥1,3000 million) and income taxes paid (-¥2,100 million).

Net cash used in investing activities amounted to ¥3.4 billion. This mainly reflected capital equipment expenditures of ¥3.3 billion.

Net cash used in financing activities came to ¥4.6 billion. The major factors behind this were a decrease in short-term loans payable (-¥2.9 billion), an increase in proceeds from long-term debt (¥500 million), payment for redemption of bonds (-¥700 million) and dividend payments (-¥1,800 million).

Ttrend in cash flow indices are shown below.

	FY2005	FY2006	FY2007
Shareholders' equity ratio (%)	32.7	42.5	47.3
Equity ratio, based on market value (%)	138.5	256.4	1,39.8
Number of years for amortization (years)	4.4	3.3	2.2
Interest coverage ratio (times)	29.4	41.7	50.3

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.

(3) Basic Policy for Profit Distribution and Dividends for Fiscal 2007 and 2008

Tokyo Seimitsu believes the most important management task for the Company is to enhance its corporate value and constantly distribute profits to shareholders by providing unsurpassed products based on state-of-the-art technologies in growth areas.

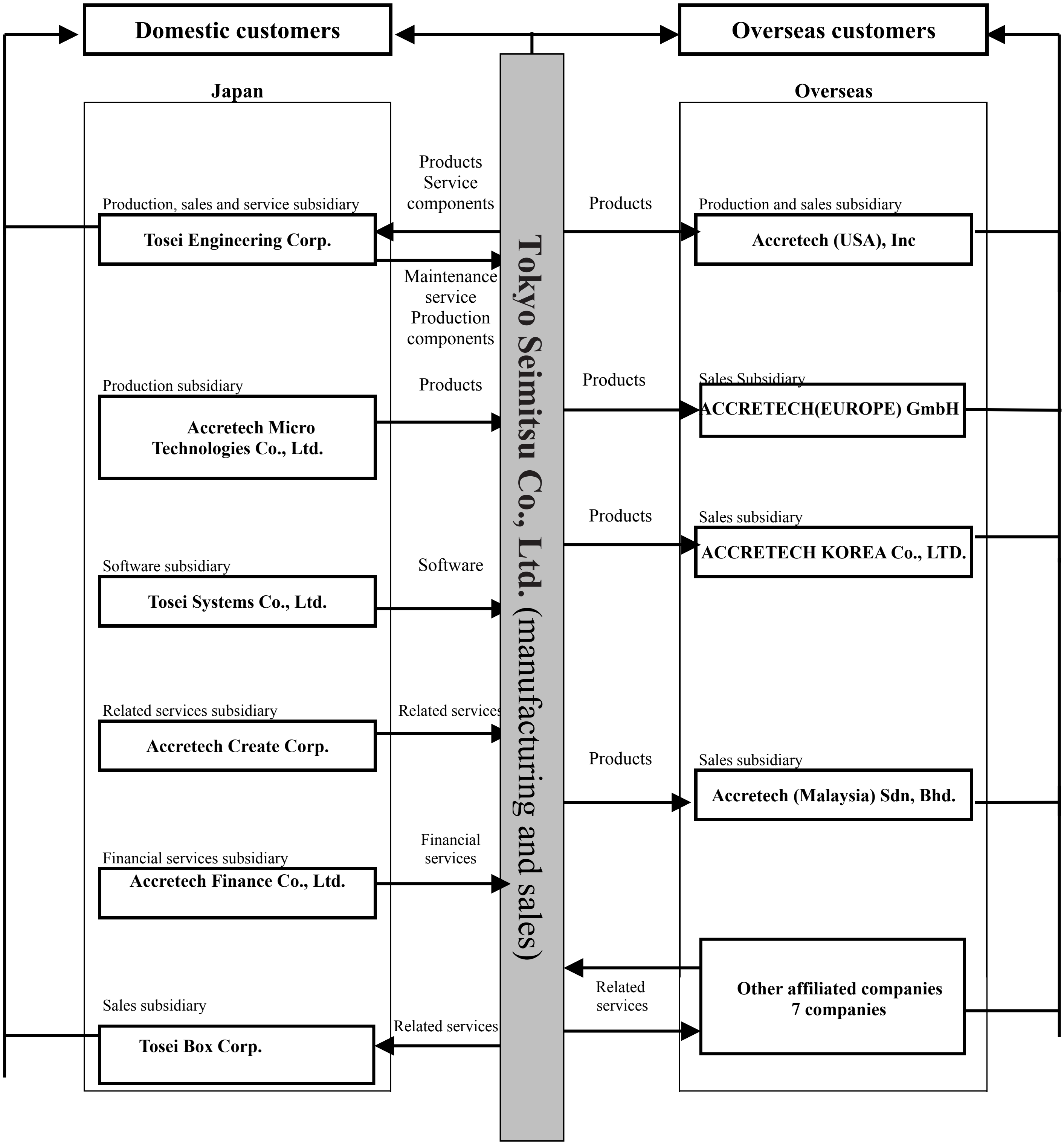
The Company determines distribution of surplus taking into account various factors, including its consolidated business results, financial position and investments for business expansion over the medium to long term. More specifically, prior to fiscal 2007, Tokyo Seimitsu paid dividends at around 20% of the ratio of dividend payout to consolidated net income. However, in view of its sound cash flows, the Company has decided to raise the payout ratio to around 30%, attaching greater importance to profit distribution to shareholders.

Retained earnings will be used effectively to make investments that are indispensable for the growth of Tokyo Seimitsu, including research and development activities and production facilities.

For fiscal 2007, Tokyo Seimitsu paid an interim dividend of ¥25 per share. The Company plans to pay a year-end dividend of ¥25 per share based on the aforementioned policy. A proposal for a full-year dividend of ¥50 per share will be submitted to the 84th General Meeting of Shareholders.

As for dividends for fiscal 2008, the Company plans to pay a full-year dividend of ¥70 per share (of which ¥30 will be an interim dividend), about 30% of consolidated net income in line with the new dividend policy described above.

2. Tokyo Seimitsu Corporate Group



Note

1) We omitted release of "situation of associated companies", as we do not have substantial change from "situation of associated companies" in section report released on June 29, 2006

2) The Company meaged Accretech Micro Technology Corp. On April 1, 2007

1) 3. 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.

Strategic Principles for Our R&D

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:
   a) The ability to generate maximum profits during favorable economic periods
   b) 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.

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.

Furthermore, in February 2007 the Semiconductor Company formed the Technology Development Group (TDG), a cross-sectional technology development unit, in order to establish a common technology platform to be shared by product groups and thus strengthen its product development structure.

(2) 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.

(3)Medium- to Long-term Management Strategies of and Issues for Tokyo Seimitsu

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%. Each product group will establish its own strategy and specific measures to attain these challenging targets.

In order to achieve the goal of the AA60 medium-term plan, reductions in lead time and costs are essential, and this requires further quality improvement and production innovation. To this end, the Company will make active capital investment to increase production and improve productivity in the measuring instrument business (Tsuchiura Plant) and the semiconductor manufacturing equipment business (Hachioji Plant).

In recent years, corporate governance has become increasingly important.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.

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.