



# Summary of Consolidated Earnings Report for the First Quarter of the Fiscal Year Ending March 31, 2008

July 30, 2007

Company Name

**Tokyo Seimitsu Co., Ltd.**

ACCRETECH

\* Code number: 7729

Stock Listing: First Section TSE

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

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The Company's financial and earnings report summary for the first quarter of fiscal 2008 (April 1, 2007- June 30, 2007) is as follows:

## 1. Consolidated Results of Operations for 1Q of FY 2008 (April 1, 2007 - June 30, 2007)

### (1) Consolidated sales and earnings

(Millions of yen, rounded down)

	Net Sales		Operating Income		Ordinary Income		Net Income	
FY2008 1Q	23,116	2.7%	2,685	-20.3%	2,928	-14.8%	1,540	-15.7%
FY2007 1Q	22,510	32.5%	3,368	47.6%	3,436	41.7%	1,827	38.9%
(Reference) FY2007 full year	100,322	-	14,086	-	13,612	-	8,741	-

	Net income per Share (yen)	Net income per Share (Diluted) (yen)
FY2008 1Q	38.37	35.81
FY2007 1Q	45.60	42.48
(Reference) FY2007 full year	217.91	203.10

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

### (2) Consolidated financial position

(Millions of yen; except as indicated)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (yen)
FY2008 1Q	115,871	54,932	47.2%	1,362.85
FY2007 1Q	109,719	47,499	43.3%	1,185.13
(Reference) FY2007 full year	114,831	54,281	47.1%	1,347.09

### (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
FY2008 1Q	-542	-2,767	-1,456	12,271
FY2007 1Q	1,345	-927	-1,882	12,398
(Reference) FY2007 full year	10,920	-3,439	-4,638	16,800

## 2. Situation of Dividend

There are no significant factors affecting changes in dividend.

(Yen)

	Per Share Dividend		
	Interim	Year End	Full Year
FY2007	25.00	25.00	50.00
FY2008	-	-	-
FY2008 (Projected)	30.00	40.00	70.00

No dividends are paid as of the end of first quarter.

(This is the translation of Summary of Results 1Q FY2008 written in Japanese)

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

There are no significant factors affecting changes in the forecast.

(Millions of yen)

(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		Ordinary Income		Net Income 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 specified subsidiaries involving changes in scope of consolidation): Yes. Please refer to page 3 for details.

Addition: 0

Deletion: 1 subsidiary, Accretech Micro Technologies.

(2) Use of simplified accounting method: None

(3) Changes in accounting method from the previous fiscal year: None

#### 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.

## Analysis of Business Performance

### 1. Overviews of Business Performance

For the period under review, our semiconductor manufacturing equipment sales, even though some of the semiconductor manufacturers postponed their capital expenditures, increased 2.8% from the same period last year to ¥18,227 million. Operating income was ¥1,580 million (down 28.5% from the same period last year) due to slimmer profit margin in some specifications of new models in established product line.

Whereas, measuring instrument sales, continuously supported by solid demands, achieved ¥4,889 million (up 2.3 %, ditto) and operating income was ¥11,04 million (down 4.6%, ditto).

As a result, consolidated sales under review was ¥23,116 million (44.0% progress against 1st half target), operating income ¥2,685 million (35.8%, ditto), ordinary income ¥2,928 million (39.0%, ditto) and net income ¥1,540 million (35.0%, ditto.)

Also, orders received during the period under review totaled ¥17,764 million for semiconductor manufacturing equipment, that was slightly lower than our projection, and ¥6,129 million for measuring instrument, that exceeded the projection.

### 2. Overviews of Financial Position

Total asset increased ¥1,040 million from the end of last fiscal year, March 31, 2007 to ¥115,871 million; the main factors of the difference were the purchase of land for ¥2,333 million and decrease of cash and cash equivalents for ¥4,528 million.

Total liabilities increased ¥389 million from the end of last fiscal year to ¥60,938 million; the main factors of the difference were increase of notes and trade accounts payable for ¥3,345 million and decrease of income taxes payable for ¥2,868 million.

Total net assets increased ¥650 million from the end of last fiscal year to ¥54,932 million; the main factor of the difference was increase of retained earnings for ¥561 million.

#### [Cash flows]

Net cash used in operating activities for the period under review amounted to ¥500 million, which was mainly due to income before taxes and minority interests for ¥2,900 million and payment of income taxes for ¥3,400 million.

Net cash used in investing activities amounted to ¥2,700 million, mainly due to payment for purchase of property, plant and equipment for ¥2,800 million.

Net cash used in financing activities amounted to ¥1,400 million, mainly due to payment of dividend ¥1,000 million and redemption of long-term debt ¥200 million.

Balance of cash and cash equivalents at the end of period has decreased ¥4,500 million yen from the end of last fiscal year, March 31, 2007 to ¥12,200 million yen.

### 3. Other

Significant changes in important subsidiaries during the period under review (changes in specified subsidiaries involving changes in scope of consolidation)

Deletion 1: Accretech Micro Technologies Co., Ltd.

The merger took the form of a takeover by Tokyo Seimitsu, and Accretech Micro Technologies Co., Ltd was dissolved as of April 1st, 2007.

**5.(Supplementary Material)****(1)Consolidated Quarterly Balance Sheets (Summary)**

(Millions of yen, rounded down)

Item	FY07 1Q 30-Jun-06	FY08 1Q 30-Jun-07	Difference	%	FY07 31-Mar-07
<b>ASSETS</b>					
<b>Current Assets</b>					
1 Cash and cash equivalents	12,424	12,297	-127		16,826
2 Notes and accounts receivable	36,876	41,141	4,264		39,717
3 Inventories	29,753	30,111	357		27,207
4 Other current assets	2,409	1,695	-713		2,810
Total Current Assets	81,463	85,245	3,781	4.6	86,561
<b>Fixed Assets</b>					
1 Property, plant and equipment					
(1) Buildings and structures	7,869	8,997	1,128		8,219
(2) Equipment and vehicles	2,249	3,014	765		2,633
(3) Land	2,936	5,336	2,399		3,002
(4) Other fixed assets	1,227	920	-307		1,324
Total Fixed Assets	14,282	18,268	3,985	27.9	15,180
2 Intangible fixed assets					
(1) Software	1,322	453	-869		608
(2) Goodwill	3,198	2,785	-413		2,888
(3) Other intangible fixed assets	86	94	8		92
Total Intangible fixed assets	4,607	3,333	-1,273	-27.6	3,589
3 Investments and other assets					
(1) Investment securities	5,438	5,734	296		5,966
(2) Other investments	3,926	3,288	-637		3,533
Total Investments and other assets	9,364	9,023	-341	-3.6	9,499
Total Fixed Assets	28,255	30,625	2,370	8.4	28,270
<b>Total Assets</b>	109,719	115,871	6,152	5.6	114,831
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
1 Notes and trade accounts payable	25,616	26,941	1,324		23,596
2 Short-term debt	3,053	-	-3,053		118
3 Current portion of long-term debt	2,317	3,117	800		3,117
4 Income taxes payable	771	614	-157		3,483
5 Other current liabilities	5,689	6,220	530		5,997
Total Current Liabilities	37,448	36,893	-555	-1.5	36,312
<b>Long-term Liabilities</b>					
1 Bonds	15,115	13,965	-1,150		13,965
2 Long-term debt	5,441	5,924	483		6,163
3 Allowance for employee retirement benefits	3,900	3,863	-36		3,816
4 Other long-term liabilities	314	293	-21		292
Total Long-term Liabilities	24,770	24,045	-725	-2.9	24,237
<b>Total Liabilities</b>	62,219	60,938	-1,280	-2.0	60,549
<b>Net Assets</b>					
<b>Shareholders' Equity</b>					
1 Capitalization	9,458	9,598	140		9,592
2 Capital Surplus	20,477	20,618	140		20,611
3 Retained Earnings	16,411	22,884	6,472		22,322
4 Treasury Stock	-92	-104	-11		-101
Total Shareholders' Equity	46,254	52,997	6,742	14.6	52,424
<b>Valuation Gain/Loss, Translation Gain/Loss, Etc.</b>					
1 Net unrealized holding gain on securities	1,133	1,361	227		1,416
2 Foreign currency translation adjustment	112	377	265		257
Total Valuation Gain/Loss, Translation Gain/Loss, Etc.	1,245	1,738	492	39.6	1,673
<b>Subscription Rights</b>		197	197		183
<b>Total Net Assets</b>	47,499	54,932	7,432	15.6	54,281
<b>Total Liabilities and Net Assets</b>	109,719	115,871	6,152	5.6	114,831

(This is the translation of Summary of Results 1Q FY2008 written in Japanese)

## (2) Consolidated Quarterly Statements of Income (Summary)

(Millions of yen, rounded down)

Item	FY07 1Q (April 1, 2006 - June 30, 2006)	FY08 1Q (April 1, 2007 - June 30, 2007)	Difference	%	FY07 (April 1, 2006 - March 31, 2007)
<b>Net sales</b>	22,510	23,116	606	2.7	100,322
<b>Cost of sales</b>	16,073	16,996	922	5.7	72,211
<b>Gross Profit on Sales</b>	6,436	6,120	-316	-5.0	28,111
<b>Selling, general and administrative expenses</b>	3,068	3,435	367	12.0	14,025
<b>Operating Income</b>	3,368	2,685	-683	-20.3	14,086
<b>Non-operating income</b>	271	335	63	23.4	208
1 Interest and dividend income	42	43	0		114
2 Foreign exchange income	-	234	234		-
3 Other	229	57	-171		93
<b>Non-operating expenses</b>	203	92	-111	-54.8	681
1 Interest expenses	64	65	0		259
2 Foreign exchange loss	115	-	-115		31
3 Other	22	26	3		390
<b>Ordinary Income</b>	3,436	2,928	-508	-14.8	13,612
<b>Extraordinary gains</b>	-	-	-	-	155
<b>Extraordinary losses</b>	187	-	-187	-	569
Income before taxes and minority interests	3,248	2,928	-320	-9.9	13,198
Income taxes	1,421	1,387	-33	-2.4	4,457
<b>Net income</b>	1,827	1,540	-286	-15.7	8,741

**(3) Consolidated Statements of Cash Flows (Summary)**

(Millions of yen, rounded down)

Item	<b>FY07 1Q</b> (April 1, 2006- June 30, 2006)	<b>FY08 1Q</b> (April 1, 2007- June 30, 2007)	<b>FY07</b> (April 1, 2006- March 31, 2007)
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests	3,248	2,928	13,198
Depreciation and amortization	497	558	2,468
Amotization of goodwill	103	103	413
Interest and dividend income	-42	-43	-114
Interest expense	64	65	259
Change in trade notes and accounts receivable	-454	-909	-3,096
Change in inventories	-2,714	-2,795	-382
Change in trade notes and accout payable	867	2,924	-1,379
Income in other operating activities	685	27	1,868
<b>Subtotal</b>	<b>2,255</b>	<b>2,859</b>	<b>13,235</b>
Proceeds from interest and dividend income	42	43	114
Payment of interest	-60	-40	-265
Payment of income taxes	-891	-3,404	-2,164
<b>Net cash provided by operating activities</b>	<b>1,345</b>	<b>-542</b>	<b>10,920</b>
<b>Cash flows from investing activities:</b>			
Payment for purchase of property, plant and equipment	-912	-2,809	-3,144
Proceeds from sales of property, plant and equipment	0	46	134
Payment for purchase of investment securities	0	0	-1,500
Proceeds from sales of investment securites	-	-	1,509
Proceeds from other investing activities / payments	-15	-4	-438
<b>Net cash used in investing activities</b>	<b>-927</b>	<b>-2,767</b>	<b>-3,439</b>
<b>Cash flows from financing activities:</b>			
Change in short-term loans payable	-3	-123	-2,938
Proceeds from long-term debt	-	-	4,000
Payment for redemption of long-term loans	-995	-239	-3,473
Payment for redemption of bonds	-100	-100	-700
Dividend payments	-801	-1,003	-1,804
Change in other financing activities	17	10	277
<b>Net cash provided by (used in) financing activities</b>	<b>-1,882</b>	<b>-1,456</b>	<b>-4,638</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>11</b>	<b>62</b>	<b>106</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-1,452</b>	<b>-4,704</b>	<b>2,948</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>13,851</b>	<b>16,800</b>	<b>13,851</b>
<b>Increase of cash and cash equivalents by newly consolidated subsidiaries at beginning of the period.</b>	<b>-</b>	<b>173</b>	<b>-</b>
<b>Cash and cash equivalents at end of year</b>	<b>12,398</b>	<b>12,271</b>	<b>16,800</b>

(This is the translation of Summary of Results 1Q FY2008 written in Japanese)

## (4) Business Segments

### 1 Sales

(Millions of yen, rounded down)

	FY 07 1Q (April 1, 2006 - June 30, 2006)	FY 08 1Q (April 1, 2007 - June 30, 2007)	FY 07 (April 1, 2006 - March 31, 2007)
Semiconductor manufacturing equipment	17,730	18,227	78,091
Measuring systems	4,780	4,889	22,230
Total	22,510	23,116	100,322

### 2 Operating Income

(Millions of yen, rounded down)

	FY 07 1Q (April 1, 2006 - June 30, 2006)	FY 08 1Q (April 1, 2007 - June 30, 2007)	FY 07 (April 1, 2006 - March 31, 2007)
Semiconductor manufacturing equipment	2,210	1,580	8,830
Measuring systems	1,158	1,104	5,256
Total	3,368	2,685	14,086

### 3 Sales by geographical segment

(Millions of yen, rounded down)

	FY 07 1Q (April 1, 2006 - June 30, 2006)	FY 08 1Q (April 1, 2007 - June 30, 2007)	FY 07 (April 1, 2006 - March 31, 2007)
Japan	19,046	18,048	81,916
United States	1,985	2,476	11,443
Germany	1,478	2,379	6,962
Korea	-	212	-
Total	22,510	23,116	100,322

### 4 Overseas sales

(Millions of yen, rounded down)

	FY 07 1Q (April 1, 2006 - June 30, 2006)	FY 08 1Q (April 1, 2007 - June 30, 2007)	FY 07 (April 1, 2006 - March 31, 2007)
Overseas sales total	9,846	11,980	50,462
East Asia	5,483	6,504	28,709
North America	1,085	1,797	9,121
Europe	1,746	2,253	7,332
Southeastern Asian	1,472	1,352	5,057
Other areas	59	73	242

### 5 Orders received and backlog

(Millions of yen, rounded down)

	FY 07 1Q (April 1, 2006 - June 30, 2006)		FY 08 1Q (April 1, 2007 - June 30, 2007)		FY 07 (April 1, 2006 - March 31, 2007)	
	Received	Backlog	Received	Backlog	Received	Backlog
Semiconductor manufacturing equipment	22,417	24,137	17,763	23,359	82,465	23,823
Measuring systems	5,511	5,085	6,128	6,404	22,994	5,118
Total	27,929	29,223	23,892	29,763	105,460	28,942