



May 14, 2008

Consolidated Financial Statements for the 12-month period ended March 31, 2008 (FY2008)

Company Name



Tokyo Seimitsu Co., Ltd.

ACCRETECH

Code number: 7729

Stock Listing: First Section TSE

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

Head office location: Tokyo

Representative: Sadakatsu Suzuki, CEO

Inquiries: Kunimasa Ohta, CFO

Tel: 0422 - 48 - 1011

Board of directors meeting: May 14, 2008

Expected Starting Date of Dividend Payout: June 30, 2008

Use of U.S. accounting standards: No

1. Consolidated Results for the Period of FY2008 (April 1, 2007 - March 31, 2008)

(1) Consolidated sales and earnings (Millions of yen, rounded down)

	Net Sales		Operating Income		Ordinary Income		Net Income	
FY2008	91,823	-8.5%	10,450	-25.8%	9,375	-31.1%	4,813	-44.9%
FY2007	100,322	8.1%	14,086	0.7%	13,612	-3.0%	8,741	179.7%

(Millions of yen, except as indicated)

	Net income per Share (yen)	Net income per Share (diluted) (yen)	Return on Net Assets	Ordinary Income on Total Assets	Operating Income Ratio
FY2008	119.84	111.93	8.8%	8.4%	11.4%
FY2007	217.91	203.10	17.3%	12.1%	14.0%

Notes: Equity in affiliates in FY08: - million yen; in FY07: - million yen.

(2) Consolidated financial position (Millions of yen; except as indicated)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (yen)
FY2008	107,667	55,487	51.2%	1,370.98
FY2007	114,831	54,281	47.1%	1,347.09

Notes: Equity in FY08: 55,111 million yen; in FY07: - 54,098million 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
FY2008	10,014	-6,483	-4,815	15,665
FY2007	10,920	-3,439	-4,638	16,800

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	%	%
FY2007	25.00	25.00	50.00	2,006	22.9	4.0
FY2008	30.00	40.00	70.00	2,812	58.4	5.2
FY2009 (Projected)	15.00	25.00	40.00		67.0	

3. Forecast for FY 2009 (April 1, 2008-March 31, 2009)

(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 (yen)
Interim	36,500	-26.8%	3,300	-44.1%	3,300	-44.7%	100	-97.0%	2.49
Full Year	76,000	-17.2%	7,800	-25.4%	7,800	-16.8%	2,400	-50.1%	59.70

4. Others

(1) Significant changes in subsidiaries during the year under review (changes in specific subsidiaries involving changes in scope of consolidation): Yes.

Exclusion from consolidation: 1 (Accretech Micro Technologies Co., Ltd.)

Note: Please refer to "Tokyo Seimitsu Corporate Group" on page 8 for details.

(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): None.

(Note: Please refer to "Changes in Basis of Presenting Consolidated Financial Statements," on page 16 for details.)

(3) Number of shares outstanding (common shares)

1) Number of shares outstanding at fiscal year end (including treasury shares):

FY2008: 40,228,281 shares; FY2007: 40,187,517 shares

2) Number of treasury shares at fiscal year end:

FY2008: 29,552 shares; FY2007: 28,215 shares

(Note: Please refer to "Per Share Information," on page 20 for numbers of share as for the basis of this calculation.)

Reference: Summary of non-consolidated results

1. Non-Consolidated Results for the Period of FY2008 (April 1, 2007 - March 31, 2008)

(1) Non-consolidated sales and earnings (Millions of yen, %, yen; percentage figures represent changes from previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
FY2008	78,422	-9.7%	5,960	-37.7%	6,492	- 34.1%	3,442	-39.2%
FY2007	86,827	5.2%	9,565	-5.6%	9,847	- 5.5%	5,666	134.7%

	Net Income per Share	Net Income per Share (diluted)
	Yen	Yen
FY2008	85.70	80.05
FY2007	141.25	131.66

(2) 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
FY2008	91,165	42,849	46.6	1,056.60
FY2007	97,005	42,695	43.8	1,058.57

Notes : Equity in FY08: 42,473 million yen; in FY07: 42,511million 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 3-6 for details of forecasts.

1. Business Performance

(1) Analysis of Business Performance

1) Overview of Business Performance for Fiscal Year, Ended March 31, 2008

[Overall Business Performance]

During the fiscal year under review, the business environment of Tokyo Seimitsu was severe for the semiconductor manufacturing equipment division but favorable for the measuring instrument division.

Semiconductor manufacturing equipment division faced severe business environment because the semiconductor manufacturers decreased or postponed the capital investment due to the drastic decrease of DRAM price based on the unbalance of demand-supply of semiconductors.

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 steady rise.

As a result, orders received in the fiscal year under review totaled ¥81,911 million (down 22.3% from the previous year). Net sales amounted to ¥91,823 million (down 8.5%), operating income reached ¥10,450 million (down 25.8%), and ordinary income came to ¥9,375 million (down 31.1%). Overall, net income amounted to ¥4,813 million (down 44.9%)

[Performance by Business Segment]

A. Semiconductor Manufacturing Equipment Division

The Semiconductor Manufacturing Equipment Division was influenced by the decrease or postponing of capital spending of DRAM manufacturers, especially for testing process.

Meanwhile, sale of wafer dicing machines for the back-end process and polish grinders grabbed the customers' needs and increased from the previous year.

The orders received in the fiscal year under review were ¥57,093 million (down 30.8%), and sales were ¥67,469 million (down 13.6%). The operating income was ¥4,454 million (down 49.5%), due to the weak sales.

(Regional overview)

Domestic sales decreased 12.0% from the previous year and sales to overseas also decreased 14.7%. While the total sales decreased, sales to Southeast Asia increased with 23.8% from the previous year.

(Product overview)

- (a) With weak capital investment of DRAM manufacturers and LCD drivers, order received and sales of wafer probing machines decreased considerably on a year-to-year basis.

In early 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 and highly esteemed by our customers.

Tokyo Seimitsu, as the top wafer probing machine manufacturer, continuously makes an efforts to increase its share of the world market to react the expected high demands of wafer testing while the capacity of the device expands with its function.

- (b) As for wafer dicing machines, the "A-WD-300TX" for 300 mm wafers, a highly-productive new product with an 80,000rpm spindle was introduced in April 2006 and spreaded in the market.

Further, Tokyo Seimitsu developed the package singulation system (PS280), and began sales. The product has the feature on standalone twin-stage super-speed package singulation system, which divides chip-scale package (CSP) substrates with high speed and its sales are steadily increasing.

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, are steadily expanding. This product, which combines a Hamamatsu Photonics laser and Tokyo Seimitsu's unique high-precision positioning and conveyance technologies, is highly rated by customers due to its considerable superiority over competing products.

- (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 --. A new model for a wider range of applications -- one that is excellent for mass production -- was marketed in 2007 in hopes of further improving performance in this product category.
- (d) Tokyo Seimitsu's unique Polish Grinders have become the "de facto" standard in the thin wafer market because of their inimitable functions of producing thinner wafers and revoking damage in a single unit.

Competition has been intensifying in the thin wafer market. However, our sales of Polish Grinders drastically increased in this fiscal year. Tokyo Seimitsu's position as the market leader will be further strengthened as the technological superiority of the "PG300RM" is appreciated.
- (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 profitability in future.
- (f) Accretech USA, Inc. terminated distribution agreement of wire saws in the North American market in January 2008 and the backlog of the products decreased accordingly.

B. Measuring Instrument Division

In the measuring instrument division, the demand of automobile-related manufacturers and machine tool producers was steady and both orders and sales were expanded in the year under review as a result of the Company's efforts to win orders by addressing users' needs. Orders received totaled ¥24,818 million (up 7.9% from the previous year), and sales reached ¥24,354 million (up 9.6%). Both were record highs for the fifth consecutive year since fiscal 2004.

As for production, the Company has made efforts to reduce costs, achieving the fifth straight year of record-high operating income, at ¥5,995 million (up 14.1%).

(Regional overview)

Looking at this division's business results by region, Japanese domestic sales rose 5.2% from the previous year, while sales to overseas markets were extremely strong, rising 28.5%. Sales to East Asia and Southeast Asia in particular soared.

(Product overview)

- (a) Among industrial measuring systems, sales of the "XYZAX SVA" series of 3D coordinate measuring machines, which combine Carl Zeiss analysis and control technologies with Tokyo Seimitsu's high-rigidity design technology, have increased as products satisfying the needs of customers. Sales also increased from the year-earlier period for Carl Zeiss' ACCURA, which use active scanning technology to guarantee high throughput.

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".

- (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 "PULCOM" series products, which are typically used in auto parts production lines. However, in the second half of fiscal 2008, the sales gradually increased as a result of the aggressive sales activities to the automobile-related manufacturers and machine tool producers.

2) Forecasts for Next Fiscal Year

[Overall and Business Segment-based Forecasts]

A. Semiconductor Manufacturing Equipment Division

The economic situation in FY 2009 is expected to be uncertain due to the price increase of oil and raw materials, drastic changes of exchange rates and problems relating to sub-prime loans.

The semiconductor device market is expected to show continued strong growth, lifted by growth of automobile-related devices, in addition to increasing demand for digital consumer electronics such as mobile phones and flat-screen televisions. However, capital investment by semiconductor manufacturers and foundries is expected to be cautious due to the uncertainty of world economy and unstable situation of DRAM prices.

Given the situation, Tokyo Seimitsu expects the market environment of semiconductor manufacturing equipment will remain uncertain in FY 2009. However, like the other research companies, the Company considers the strong demand will be recovered after FY 2010 (the year ended March 31, 2010). The Company will supply new products that match the customers' needs and try to expand the market share of each product. Also, the Company will improve its profitability by cost reduction and production innovation. To improve its productivity, the Company will launch to construct the Hachioji's fifth plant in June 2008 and complete in April 2009.

Consequently, net sales in the semiconductor manufacturing equipment division in FY 2009, ending March 31, 2009, is expected to be ¥51,000 million (down 24.4% from FY 2008).

B. Measuring Instrument Division

Although the slowdown of world economy will impact the automobile related and machine tool industries, in the measuring instrument division, sales are expected to increase from the previous year by expanding the overseas sales where our market share is still low and by striving to accurately grasp the needs of customers and win orders.

This is expected to drive the measuring instrument division's net sales for FY 2009 to ¥25,000 million (up 2.7% from FY 2008) for the sixth straight years of record highs.

C. Overall

Overall, consolidated net sales in FY 2009 are forecasted to total ¥76 billion (down 17.2% from FY 2008), operating income will amount to ¥7,800 million (down 16.8%), and ordinary income will come to ¥7,800 million (down 16.8%). Net income is expected to be ¥2,400 million (down 50.1%) with including loses on inventory devaluation in the first quarter in accordance with No.9 Accounting Standards for measurement of inventories applicable from April 2008.

(2) Analysis of Financial Position

1) Assets, Liabilities and Net Assets

Total assets as of March 31, 2008, amounted to ¥107.6 billion, a decrease of ¥7.1 billion from a year earlier. The major factors behind this decrease include a decrease in notes and accounts receivable of ¥7.4 billion, an increase in land of ¥2.7 billion and a decrease in investment securities of ¥1.5 billion.

Total liabilities were down ¥8.3 billion, to ¥52.1 billion. This was mainly because of a ¥4.0 billion decrease in notes and account payable, a decrease of long-term debt of ¥3.1 billion and a decrease of income tax payable of ¥1.7 billion.

Net assets totaled ¥55.4 billion, and the equity ratio was up 4.1% from a year earlier, to 51.2%.

2) Cash Flows

Cash and cash equivalents at the end of the fiscal year under review amounted to ¥15.6 billion, a decrease of ¥1.1 billion from a year earlier. The status of cash flows and factors behind them are given below.

Net cash earned from operating activities was ¥10.0 billion. The major components were income before income taxes and minority interests (¥9.2 billion), depreciation and amortization (¥2.2 billion), a decrease in trade receivables (¥7.2 billion), and a decrease in trade liabilities (-¥3.4 billion) and income taxes paid (-¥4.6 billion).

Net cash used in investing activities amounted to -¥6.4 billion. This was mainly reflected by capital equipment expenditures of ¥5.0 billion.

Net cash used in financing activities came to -¥4.8 billion. The major factors of this were a decrease in repayments of long-term debt (-¥3.1 billion), payment for redemption of bonds (-¥1.2 billion), dividend payments (-¥2.2 billion), and an increase in short-term loans payable (¥1.7 billion).

Trends in financial indices are shown below.

	FY2006	FY2007	FY2008
Equity ratio (%)	42.5	47.1	51.2
Equity ratio, based on market value (%)	256.4	139.9	68.3
Number of years for amortization (years)	3.3	2.3	2.2
Interest coverage ratio (times)	41.7	50.3	60.9

Equity ratio: Net assets/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 consolidated financial statements.
2. The total market value of equity is calculated by multiplying market price at the end of FY by the number of shares outstanding at the end of FY.
3. "Operating cash flows" refers to cash flows from operating activities as shown in the consolidated cash flow statements.
4. Interest-bearing debts refer to all debts in Consolidated Financial Statements which we pay interest. "Interest payments" denotes interest payments as reflected in the consolidated cash flow statements.

(3) Basic Policy for Profit Distribution and Dividends for Fiscal 2008 and 2009

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 semiconductor manufacturing equipment market and measuring instrument market.

The Company determines distribution of profit contemplating various factors, including its consolidated business results, financial position, investments for business expansion and shareholders' long-term prospects. More specifically, Tokyo Seimitsu pays dividends at around 30% of the consolidated net income. On the other hand, the Company endeavors to ensure a full-year dividend of ¥30 per share in case of slumping business conditions, considering shareholders' long-term prospects.

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

For FY 2008, Tokyo Seimitsu paid an interim dividend of ¥30 per share. The Company plans to pay a year-end dividend of ¥40 per share. A proposal for a full-year dividend of ¥70 per share will be submitted to the 85th General Meeting of Shareholders.

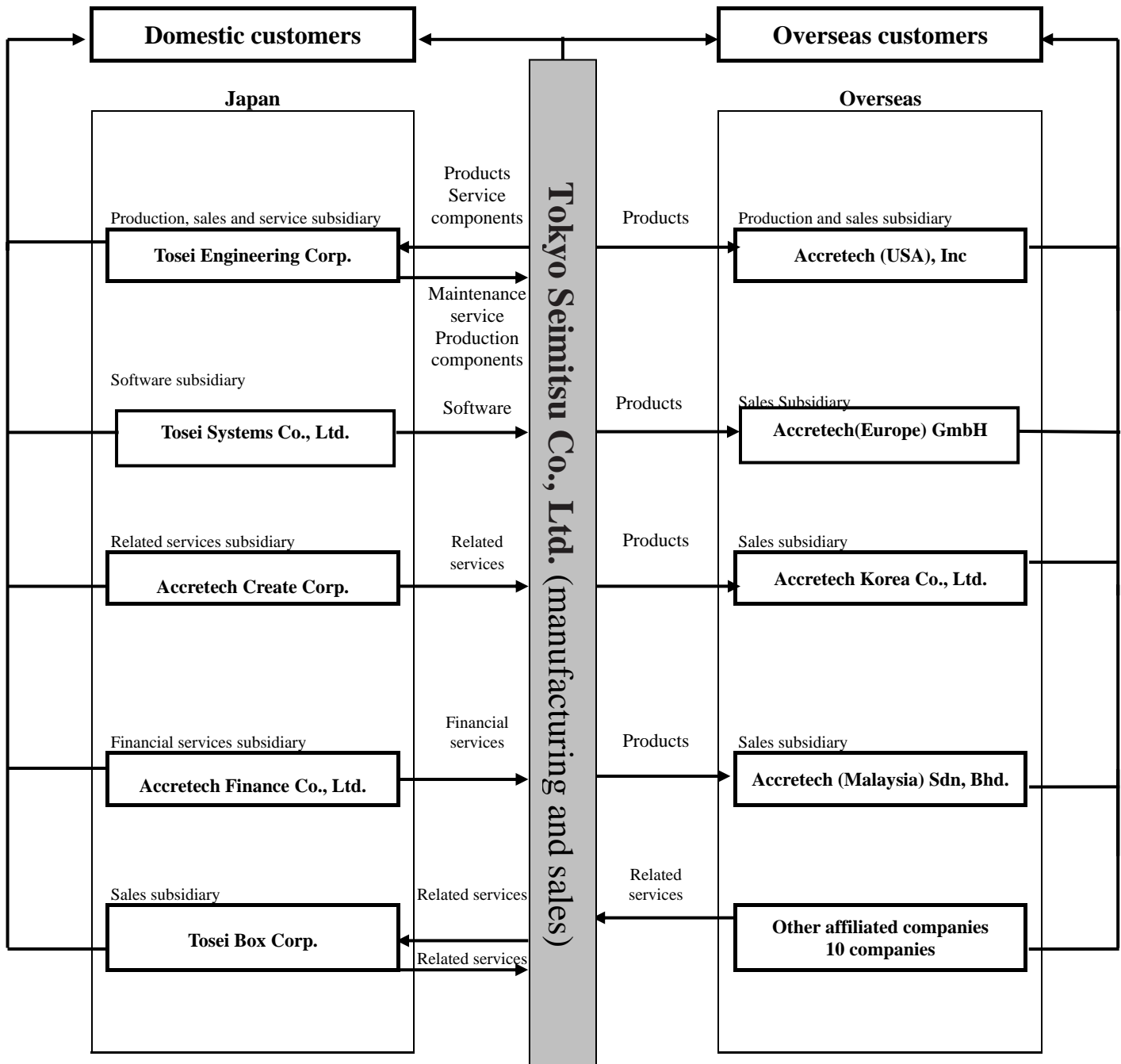
As for dividends for FY 2009, even in the severe business environment such as slump market conditions, the Company plans to pay a full-year dividend of ¥40 per share (of which ¥15 will be an interim dividend) including ordinary dividend of ¥30 and commemorative dividend of ¥10, based on shareholders' prospect and 60th anniversary in March 2009.

2. Tokyo Seimitsu Corporate Group

(1) Substantial change of affiliated companies

Tokyo Seimitsu merged Accretech Microtechnologies Co., Ltd. on April 1, 2007 to unify the decision-making flows and simplify the organization for the wafer inspection system business. The objective is to enhance the competitive edge of the business and utilize the management resources more efficiently across our entire group.

(2) Group Business Network



3. Management Policy

(1) Basic Policy

1. As a manufacturer 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 to keep 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

- a. 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.
 - b. Finance R&D exclusively from internal cash flows.
 - c. Target fields that have strong technology barriers but where market needs are high and the potential size of the market is large.
 - d. Actively seek alliances to share R&D costs and utilize synergies that benefit industry partners.
2. 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 apply the core technologies we have developed, and build 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.
3. Tokyo Seimitsu has also implemented the executive officer system and the 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.
4. For product development, groups were formed for each product and the group leaders have headed each group. Furthermore, Semiconductor Company established Marketing Department and Technology Department by separating each group for marketing and technology development in order to strengthen the customer support and accelerate the speed of technology development.

(2) Essential Management Indicators

Tokyo Seimitsu conducts its management in a manner that conforms to the goals of all of its shareholders. We believe that long-term growth in earnings per share and the resulting long-term growth in corporate value are important indicators for management.

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

1. In March 2009, Tokyo Seimitsu will celebrate its 60th anniversary. The measuring instrument division is estimated to achieve the goal of its mid-term plan "ACCRETECH Action 60 (AA60)", net sales of ¥25 billion. But it would be difficult for the semiconductor manufacturing equipment division to reach the target because of the slumping semiconductor manufacturing equipment market mainly caused by the price decline of DRAM.

Given the situation, Tokyo Seimitsu promotes further quality improvement and production innovation, to enhance company structure, to increase its sales, to expand its market share and to reach the higher profit rate, in preparation for the future market recovery.

2. The company is making active capital investment to improve quality and innovate production in the measuring instrument business (Tsuchiura Plant), the semiconductor manufacturing equipment business (Hachioji Plant) and Tosei Engineering Corp. The new factory (Assembly Factory) of the measuring instrument business is completed in May 2008. The construction of the new factory (5th Factory) of the semiconductor manufacturing business will commence in June 2008 and is scheduled to be completed in April 2009. The construction of the new factory (Kita-Kandatsu Plant) of Tosei Engineering Corp. was completed in February 2008.

3. In recent years, corporate governance and risk management have become increasingly important. Tokyo Seimitsu will endeavor to strengthen its corporate governance by establishing an effective internal control system and a proper compliance/risk management 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.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

Item	FY2007 (ended March 31,2007)		FY2008 (ended March 31,2008)		Change
	Million yen	%	Million yen	%	Million yen
ASSETS					
I Current Assets	86,561	75.4	77,603	72.1	△ 8,957
1. Cash and cash equivalents	16,826		15,693		△ 1,132
2. Notes and accounts receivable	39,717		32,282		△ 7,434
3. Inventories	27,207		27,676		468
4. Consumption tax receivable	583		721		137
5. Deferred tax assets	1,607		757		△ 849
6. Other	647		517		△ 129
7. Allowance for doubtful accounts	△ 28		△ 45		△ 17
II Fixed Assets	28,270	24.6	30,063	27.9	1,793
1. Property, plant and equipment	15,180	13.2	18,969	17.6	3,788
(1) Buildings and structures	8,219		8,813		594
(2) Tools and fixtures	2,633		2,712		78
(3) Other fixed assets	872		798		△ 73
(4) Land	3,002		5,761		2,758
(5) Construction in process account	452		882		430
2. Intangible fixed assets	3,589	3.1	3,188	3.0	△ 401
(1) Software	608		597		△ 10
(2) Goodwill	2,888		2,495		△ 393
(3) Other	92		95		2
3. Investments and other assets	9,499	8.3	7,905	7.3	△ 1,593
(1) Investment securities	5,966		4,397		△ 1,569
(2) Long-term loans	374		13		△ 361
(3) Deferred tax assets	1,551		1,841		290
(4) Other	1,620		1,758		137
(5) Allowance for investment loss	-		△ 82		△ 82
(6) Allowance for doubtful accounts	△ 12		△ 21		△ 9
Total Assets	114,831	100.0	107,667	100.0	△ 7,164

Item	FY2007 (ended March 31, 2007)		FY2008 (ended March 31, 2008)		Change
	Million yen	%	Million yen	%	Million yen
LIABILITIES					
I Current Liabilities	36,312	31.6	44,540	41.4	8,227
1 Notes and accounts payable, trade	23,596		19,530		△ 4,065
2 Short-term debt	118		1,800		1,682
3 Current portion of long-term debt	3,117		2,692		△ 425
4 Current portion of bonds	1,200		13,965		12,765
5 Current portion of convertible bonds	50		-		△ 50
6 Income taxes payable	3,483		1,777		△ 1,705
7 Bonus reserve	956		889		△ 67
8 Reserve for directors' bonuses	59		14		△ 45
9 Other current liabilities	3,732		3,871		139
II Long-term Liabilities	24,237	21.1	7,640	7.1	△ 16,597
1 Bonds	13,965		-		△ 13,965
2 Long-term debt	6,163		3,471		△ 2,692
3 Allowance for employee retirement benefits	3,816		3,891		75
4 Allowance for director retirement benefits	292		106		△ 186
5 Long-term accounts payable	-		170		170
Total Liabilities	60,549	52.7	52,180	48.5	△ 8,369
NET ASSETS					
I Shareholders' Equity	52,424	45.6	55,081	51.2	2,656
1 Common Stock	9,592		9,633		41
2 Capital surplus	20,611		20,653		41
3 Retained earnings	22,322		24,900		2,578
4 Treasury stock	△ 101		-105		△ 4
II Valuation and Translation Adjustments	1,673	1.5	29	0.0	△ 1,643
1 Valuation difference on securities	1,416		65		△ 1,351
2 Foreign currency translation adjustment	257		-35		△ 292
III Subscription Rishts	183	0.2	375	0.3	191
Total Net Assets	54,281	47.3	55,487	51.5	1,205
Total Liabilities and Net Assets	114,831	100.0	107,667	100.0	△ 7,164

(2) Consolidated Statements of Income

Item	FY2007 (April 1, 2006 - March 31, 2007)			FY2008 (April 1, 2007 - March 31, 2008)			Change
	Million yen		%	Million yen		%	Million yen
I Net sales		100,322	100.0		91,823	100.0	△ 8,499
II Cost of sales		72,211	72.0		67,763	73.8	△ 4,447
Gross profit on sales		28,111	28.0		24,060	26.2	△ 4,051
III Selling, general and administrative expenses							
1 Selling expenses	10,593			10,398			
2 General expenses	3,431	14,025	14.0	3,211	13,609	14.8	△ 415
Operating Income		14,086	14.0		10,450	11.4	△ 3,636
IV Non-operating income							
1 Interest and dividend income	114			467			
2 Other	93	208	0.2	78	545	0.6	336
V Non-operating expenses							
1 Interest expenses	259			243			
2 Foreign exchange loss	-			1,090			
3 Other	422	681	0.6	286	1,619	1.8	937
Ordinary income		13,612	13.6		9,375	10.2	△ 4,237
VI Extraordinary gains							
1 Gain on consumption tax refund	155			-			
2 Other	0	155	0.2	7	7	0.0	△ 148
VII Extraordinary losses							
1 Expense of lawsuit	517			-			
2 Other	51	569	0.6	165	165	0.2	△ 404
Income before income taxes and minority interests		13,198	13.2		9,217	10.0	△ 3,980
Income taxes	4,310			2,976			
Income tax adjustment	146	4,457	4.5	1,427	4,403	4.8	△ 53
Net Income		8,741	8.7		4,813	5.2	△ 3,927

(3) Consolidated Statements of Changes in Net Assets

FY 2007 (April 1, 2006 - March 31, 2007)

Item	Shareholders' equity					Valuation and translation adjustments			Warrant s	Total net assets
	Common Stock	Capital surplus	Retained earnings	Treasury stock	Total sharehol ders' equity	Valuation Difference on securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of March 31, 2006	9,447	20,466	15,399	△ 90	45,223	1,340	139	1,479	—	46,703
Changes during FY 2007										
Issuance of new shares	144	144			288					288
Dividends from surplus			△ 1,804		△ 1,804					△ 1,804
Bonuses to directors by profit distribution			△ 14		△ 14					△ 14
Net income			8,741		8,741					8,741
Treasury stock acquisition				△ 11	△ 11					△ 11
Treasury stock disposition		0		0	1					1
Net changes in items other than shareholders'						75	118	193	183	377
Total	144	144	6,922	△ 10	7,201	75	118	193	183	7,578
Balance as of March 31, 2007	9,592	20,611	22,322	△ 101	52,424	1,416	257	1,673	183	54,281

FY 2008 (April 1, 2007 - March 31, 2008)

Item	Shareholders' equity					Valuation and translation adjustments			Warrant s	Total net assets
	Common Stock	Capital surplus	Retained earnings	Treasury stock	Total sharehol ders' equity	Valuation Difference on securities	Foreign currency translation adjust-ments	Total valuation and translation adjustments		
Balance as of March 31, 2007	9,592	20,611	22,322	△ 101	52,424	1,416	257	1,673	183	54,281
Changes during FY 2008										
Issuance of new shares	41	41			83					83
Dividends from surplus			△ 2,208		△ 2,208					△ 2,208
Net income			4,813		4,813					4,813
Treasury stock acquisition				△ 5	△ 5					△ 5
Treasury stock disposition		△0		0	0					0
Decrease of retained earnings by newly consolidated subsidiaries			△ 26		△ 26					△ 26
Net changes in items other than shareholders'						△ 1,351	△ 292	△ 1,643	191	△ 1,451
Total	41	41	2,578	△ 4	2,656	△ 1,351	△ 292	△ 1,643	191	1,205
Balance as of March 31, 2008	9,633	20,653	24,900	△ 105	55,081	65	△ 35	29	375	55,487

(4) Consolidated Statements of Cash Flows

(Million Yen)

	FY2007 (April 1, 2006 -March 31, 2007)	FY2008 (April 1, 2007 -March 31, 2008)	Change
I Cash flows from operating activities:			
Income before income taxes and minority interests	13,198	9,217	△ 3,980
Depreciation and amortization	2,468	2,247	△ 221
Amotizationof goodwill	413	393	△ 20
Stock related expense	183	217	34
Change in allowance for employee retirement benefits	△ 6	75	81
Change in allowance for director retirement benefits	△ 60	△ 186	△ 126
Interest and dividend income	△ 114	△ 467	△ 352
Interest expense	259	243	△ 16
Loss on sales and disposal of tangible assets	145	23	△ 122
Change in trade notes and accounts receivable	△ 3,096	7,287	10,383
Change in inventories	△ 382	△ 682	△ 299
Change in trade notes and accounts payable	△ 1,379	△ 3,499	△ 2,119
Change in other operating activities	1,606	△ 424	△ 2,030
Subtotal	13,235	14,446	1,211
Proceeds from interest and dividend income	114	467	352
Payment of interest	△ 265	△ 244	20
Payment of income taxes	△ 2,164	△ 4,654	△ 2,489
Net cash provided by operating activities	10,920	10,014	△ 905
II Cash flows from investing activities:			
Payment for time deposits	△ 38	△ 38	0
Proceeds from time deposits	48	38	△ 10
Payment for purchase of property, plant and equipment	△ 3,144	△ 5,013	△ 1,868
Proceeds from sales of property, plant and equipment	134	68	△ 66
Payment for purchase of intangible assets	△ 165	△ 608	△ 443
Payment for purchase of investment securities	△ 1,500	△ 842	658
Proceeds from sales of investment securites	1,509	-	△ 1,509
Payment by purchase of subsidiary stock	△ 113	△ 91	22
Payment for loans	△ 200	-	200
Proceeds from repayment of loans	31	9	△ 21
Payment for other investing activities	-	△ 5	△ 5
Net cash used in investing activities	△ 3,439	△ 6,483	△ 3,044
III Cash flows from financing activities:			
Change in short-term loans payable	△ 2,938	1,700	4,638
Proceeds from long-term debt	4,000	-	△ 4,000
Repayment of long-term debt	△ 3,473	△ 3,117	356
Payment for redemption of bonds	△ 700	△ 1,200	△ 500
Income by execution of warrants	287	15	△ 272
Dividend payments	△ 1,804	△ 2,208	△ 404
Payment for other financing activities	△ 10	△ 5	5
Net cash provided by (used in) financing activities	△ 4,638	△ 4,815	△ 176
IV Effect of exchange rate changes on cash and cash equivalents	106	△ 26	△ 132
V Net increase (decrease) in cash and cash equivalents	2,948	△ 1,310	△ 4,259
VI Cash and cash equivalents at beginning of year	13,851	16,800	2,948
VII Income of cash and cash equivalente from newly consolidated subsidiary	-	175	175
VIII Cash and cash equivalents at end of year	16,800	15,665	△ 1,135

(5) Basis of Presenting Consolidated Financial Statements

Matters pertaining to scope of consolidation

1) Subsidiaries included in consolidation: Tosei Box Co., Ltd., Accretech Korea Co., Ltd.

These two subsidiaries, which had been unconsolidated subsidiaries until the previous fiscal year, have been included in consolidated financial statements for the period under review due to their increasing importance.

2) Subsidiary excluded from consolidation: Accretech Micro Technologies Co., Ltd.

This subsidiary was dissolved as a result of its merger into the Company on April 1, 2007.

Disclosures other than those described above are omitted as there is no significant change from statements in the previous report (submitted on June 28, 2007).

(6) Changes in Basis of Presenting Consolidated Financial Statements

Method of depreciation of tangible fixed assets

Pursuant to amendments to the Corporation Tax Law, starting from the period under review, the Company and its domestic consolidated subsidiaries depreciate tangible fixed assets acquired on and after April 1, 2007, using the method stipulated by the amended Corporation Tax Law.

As a result of this change, operating income, ordinary income and income before taxes and minority interests decreased by ¥55 million each, compared with those calculated by the previous method. The impact of this change on segment information is described in the relevant section.

(Additional information)

Pursuant to amendments to the Corporation Tax Law, the Company and its domestic consolidated subsidiaries record tangible fixed assets acquired on and before March 31, 2007, as follows. The difference between an amount equivalent to 5% of the acquisition cost and the memorandum value is to be depreciated equally over five years from the fiscal year following the year in which the undepreciated value reached 5% of the acquisition cost in accordance with the depreciation method under the previous Corporation Tax Law. The depreciation amount is to be included in "Depreciation and amortization."

As a result of this change, operating income, ordinary income and income before income taxes and minority interests each decreased by ¥25 million, compared with those calculated by the previous method. The impact of this change on segment information is described in the relevant section.

(7) Changes in Accounting Standards

The Company terminated its director's retirement benefit system from fiscal year ended March 2006. Up to last fiscal year, the amount needed to pay as the retirement benefit for directors was accounted and shown as "Allowance for director retirement benefits." But from this fiscal year, they will be shown as "Long term account payable" in the Long-term Liabilities based on new guideline issued by Japan Public Accountant Association Report No.42 issued on April 13, 2007. "Auditing Treatment on Reserve, allowance and allowance for directors retirement benefit."

(8) Note on Consolidated Financial Statements

(Omission of disclosure)

Notes regarding lease transactions, stock options, etc., and derivatives transactions are omitted, as it is believed there is no significant need to disclose such information in the financial statements.

5. Segment Information

(1) Business segments

FY2007 (April 1, 2006 — March 31, 2007)

(Millions of yen, rounded down)

	Semiconductor manufacturing equipment division	Measuring systems division	Total	Corporate and elimination	Consolidation
I Sales and operating income:					
1. Sales to third parties	78,091	22,230	100,322	—	100,322
2. Intersegment sales to transfer	—	—	—	—	—
Total	78,091	22,230	100,322	—	100,322
Cost of revenue from operations	69,261	16,974	86,236	—	86,236
Operating Income	8,830	5,256	14,086	—	14,086
II Assets, depreciation and capital expenditure: Assets	87,583	23,470	111,054	3,777	114,831
Depreciation	2,360	521	2,882	—	2,882
Capital expenditure	1,500	1,010	2,511	—	2,511

FY 2008 (April 1, 2007 — March 31, 2008)

(Millions of yen, rounded down)

	Semiconductor manufacturing equipment division	Measuring systems division	Total	Corporate and elimination	Consolidation
I Sales and operating income:					
1. Sales and operating income:	67,469	24,354	91,823	—	91,823
2. Intersegment sales to transfer	—	—	—	—	—
Total	67,469	24,354	91,823	—	91,823
Cost of revenue from operations	63,014	18,359	81,373	—	81,373
Operating Income	4,454	5,995	10,450	—	10,450
Assets, depreciation and capital expenditure: Assets	80,873	24,062	104,935	2,731	107,667
Depreciation	2,107	533	2,640	—	2,640
Capital expenditure	4,925	1,247	6,172	—	6,172

Notes

1. Pursuant to amendments to the Corporation Tax Law, starting from the period under review, the Company and its domestic consolidated subsidiaries depreciate tangible fixed assets acquired on and after April 1, 2007, using the method stipulated by the amended Corporation Tax Law.

As a result of this change, in the semiconductor manufacturing equipment division, cost of revenue from operations rose by ¥43 million and operating income decreased by the same amount, compared with those calculated by the previous method. In the measuring systems division, cost of revenue from operations increased by ¥11 million and operating income fell by the same amount, compared with those calculated by the previous method.

2. Pursuant to amendments to the Corporation Tax Law, the Company and its domestic consolidated subsidiaries record tangible fixed assets acquired on and before March 31, 2007, as follows. The difference between the amount equivalent to 5% of the acquisition cost and the memorandum value is to be depreciated equally over five years from the fiscal year following the year in which the undepreciated value reached 5% of the acquisition cost in accordance with the depreciation method under the previous Corporation Tax Law. The depreciation amount is to be included in "Depreciation and amortization."

As a result of this change, in the semiconductor manufacturing equipment division, cost of revenue from operations rose by ¥15 million and operating income decreased by the same amount, compared with those calculated by the previous method. Meanwhile, in the measuring systems division, cost of revenue from operations increased by ¥10 million and operating income fell by the same amount, compared with those calculated by the previous method.

(2) Geographical segments

FY2007(April 1, 2006 — March 31, 2007)

(Millions of yen, rounded down)

	Japan	U.S.	Germany	Total	Corporate and elimination	Consolidation
I Sales and operating income:						
1. Sales to third parties	81,916	11,443	6,962	100,322	—	100,322
2. Intersegment sales to transfer	11,957	—	—	11,957	(11,957)	—
Total	93,874	11,443	6,962	112,280	(11,957)	100,322
Cost of revenue from operations	80,531	11,406	6,197	98,135	(11,899)	86,236
Operating Income	13,343	36	765	14,144	(58)	14,086
II Assets	106,466	6,741	2,891	116,099	(1,268)	114,831

FY2008(April 1, 2007 — March 31, 2008)

(Millions of yen, rounded down)

	Japan	U.S.	Germany	Korea	Total	Corporate and elimination	Consolidation
I Sales and operating income:							
1. Sales to third parties	77,920	6,109	7,304	488	91,823	—	91,823
2. Intersegment sales to transfer	9,040	—	60	500	9,600	(9,600)	—
Total	86,960	6,109	7,364	988	101,424	(9,600)	91,823
Cost of revenue from operations	76,607	6,673	6,875	916	91,072	(9,699)	81,373
Operating Income	10,353	△563	489	72	10,351	98	10,450
II Assets	101,175	4,846	3,672	492	110,186	(2,519)	107,667

Notes

1. Pursuant to amendments to the Corporation Tax Law, starting from the period under review, the Company and its domestic consolidated subsidiaries depreciate tangible fixed assets acquired on and after April 1, 2007, using the method stipulated by the amended Corporation Tax Law.

As a result of this change, in Japan, cost of revenue from operations rose by ¥55 million and operating income decreased by the same amount, compared with those calculated by the previous method.

2. Pursuant to amendments to the Corporation Tax Law, the Company and its domestic consolidated subsidiaries record tangible fixed assets acquired on and before March 31, 2007, as follows. The difference between an amount equivalent to 5% of the acquisition cost and the memorandum value is to be depreciated equally over five years from the fiscal year following the year in which the undepreciated value reached 5% of the acquisition cost in accordance with the depreciation method under the previous Corporation Tax Law. The depreciation amount is to be included in “Depreciation and amortization.”

As a result of this change, in Japan, the cost of revenue from operations rose ¥25 million and operating income decreased by the same amount, compared with those calculated by the previous method.

(3) Overseas Sales

FY2007 (April 1, 2006 — March 31, 2007)

(Millions of yen, rounded down)

	East Asia	North America	Europe	Others	Total
I Overseas sales	28,709	9,121	7,332	5,299	50,462
II Consolidated sales					100,322
III Ratio of overseas sales to consolidated sales	28.6%	9.1%	7.3%	5.3%	50.3%

FY2008 (April 1, 2007 — March 31, 2008)

(Millions of yen, rounded down)

	East Asia	Europe	South East Asia	North America	Others	Total
I Overseas sales	25,722	7,468	6,706	4,479	464	44,841
II Consolidated sales						91,823
III Ratio of overseas sales to consolidated sales	28.0%	8.1%	7.3%	4.9%	0.5%	48.8%

6. Per Share Information

FY 2007 (April 1, 2006 - March 31, 2007)			FY 2008 (April 1, 2007 - March 31, 2008)		
Net assets per share	1,347.09	yen	Net assets per share	1,370.98	yen
Earnings per share	217.91	yen	Earnings per share	119.84	yen
Diluted earnings per share	203.10	yen	Diluted earnings per share	111.93	yen

Note: Bases for calculation

1. Net assets per share

Item	FY 2007 (March 31, 2007)	FY 2008 (March 31, 2008)
Total net assets in consolidated balance sheet	54,281	55,487
Net assets related to common stock	54,098	55,111
Main components of difference Warrants	183	375
Number of outstanding shares (thousand shares)	40,187	40,228
Number of treasury shares (thousand shares)	28	29
Number of outstanding shares that are bases for calculation of net assets per share (thousand shares)	40,159	40,198

2. Earnings per share and diluted earnings per share

Item	FY 2007 (April 1, 2006 - March 31, 2007)	FY 2008 (April 1, 2007 - March 31, 2008)
Net income on consolidated balance sheet (million yen)	8,741	4,813
Net income related to common stock (million yen)	8,741	4,813
Main item of amount not attributable to common stock Bonuses to directors by profit distribution (million yen)	—	—
Average number of shares of common stock outstanding during year (thousand shares)	40,114	40,169
Main item of adjustment used for calculation of diluted earnings per share (million yen) Interest expenses (after tax-equivalent amount)	0	0
Main components of increase in number of shares of common stock used for calculation of diluted earnings per share (thousand shares)		
Warrants	Stock option program 109	Stock option program 0
	Stock option program (share-based payment) 60	Stock option program (share-based payment) 85
Bond with warrants	Yen-denominated convertible bonds with warrants due 2008 2,728	Yen-denominated convertible bonds with warrants due 2008 2,728
Convertible bonds	Unsecured convertible bonds No. 2 27	Unsecured convertible bonds No. 2 25
Number of shares of common stock increased (thousand shares)	2,926	2,839
Items which has no effect on dilution (thousand shares)	Bonds with warrants of stock option program in July 2006 79	Bonds with warrants of stock option program 421

7. Production, Orders and Sales

(1) Production

(Millions of yen, rounded down)

Business Segment	FY2007		FY2008	
	(April 1, 2006– March 31, 2007)	YoY (%)	(April 1, 2007 – March 31, 2008)	YoY (%)
Semiconductor manufacturing equipment	78,562	+ 13.1%	67,065	- 14.6%
Measuring systems	22,375	+ 4.3%	24,596	+ 9.9%
Total	100,937	+ 11.1%	91,662	- 9.2%

Note: Amounts shown are based on the sales price (excluding consumption tax).

(2) Orders

(Millions of yen, rounded down)

Business Segment	FY2007		FY2008	
	(April 1, 2006 – March 31, 2007)		(April 1, 2007 – March 31, 2008)	
	Received	Backlog	Received	Backlog
Semiconductor manufacturing equipment	82,465	23,823	57,093	13,447
Measuring systems	22,994	5,118	24,818	5,628
Total	105,460	28,942	81,911	19,076

Note: Amounts shown are based on the sales price (excluding consumption tax).

(3) Sales

(Millions of yen, rounded down)

Business Segment	FY2007		FY2008	
	(April 1, 2006– March 31, 2007)	YoY (%)	(April 1, 2007 – March 31, 2008)	YoY (%)
Semiconductor manufacturing equipment	78,091	+ 8.7 %	67,469	- 13.6 %
Measuring systems	22,230	+ 5.8 %	24,354	+ 9.6%
Total	100,322	+ 8.1 %	91,823	- 8.5 %

Note: Amounts are shown excluding consumption tax.