



Announcement of 3Q FY2009 Business Results (April to December 2008)

**February 13, 2009
TOKYO SEMITSU CO., LTD.**



Cautionary Statement with respect to Forward-Looking Statements

Disclaimer:

- ◆ This presentation data and the information which our representatives present verbally contain “forward-looking statements” that are based on current best available information and policies.
- ◆ There are various factors such as world economic conditions and semiconductor market conditions which will directly and indirectly impact the Company’s results in the future.
- ◆ As a result, future outcomes may differ from those projected in this presentation.



Announcement of 3Q FY2009 Business Results

- 4:00** **Opening**
- 4:00 – 4:10** **3Q FY2009 Business Results**
 Kunimasa Ohta, CFO
- 4:10 – 4:20** **Forecasts for FY2009**
 Market Circumstances and Our Actions
 Kazuo Fujimori, President



3Q FY2009 Business Result : 9 months from April to December 2008

(Total of 9 months, Billions of Yen)	FY2007	FY2008	FY2009	YoY
Sales	71.4	69.3	39.6	-43%
Semiconductor	55.4	51.8	22.5	-57%
Metrology	16.0	17.5	17.1	-2%
Operating Income	11.3	7.9	1.0	-87%
Semiconductor	7.5	3.7	-2.3	-
Operating Income Ratio	14%	7%	-	-
Metrology	3.8	4.2	3.3	-21%
Operating Income Ratio	24%	24%	19%	-21%
Ordinary Income	11.0	7.8	0.6	-92%
Net Income	6.0	4.2	-8.9	-



3Q Business Result : Quarterly

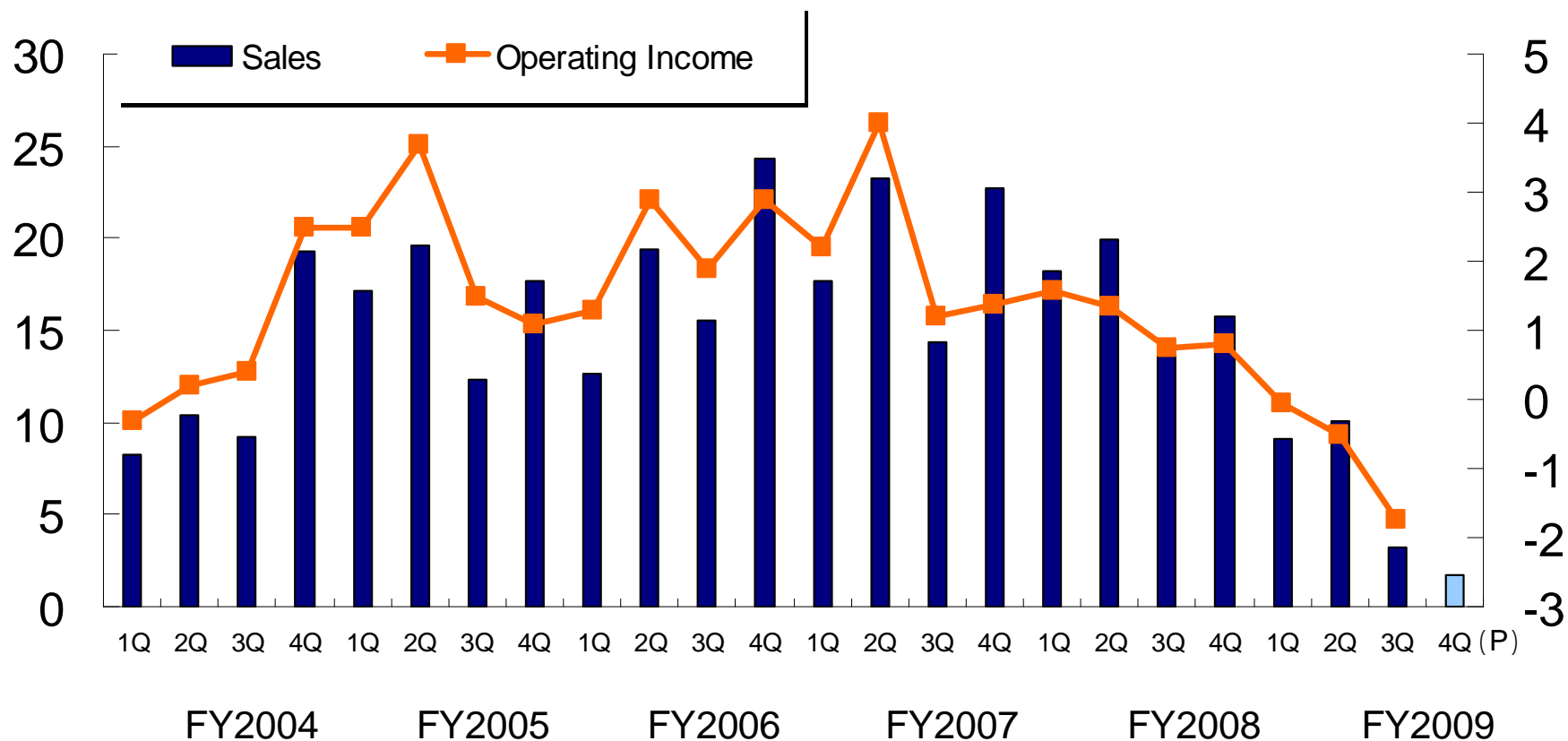
Billions of Yen	FY2008				FY2009			YoY
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
Sales	23.1	26.8	19.5	22.5	14.9	16.9	7.8	-60%
Semiconductor	18.2	20.0	13.6	15.7	9.1	10.1	3.2	-76%
Metrology	4.9	6.8	5.9	6.8	5.8	6.8	4.6	-22%
Operating Income	2.7	3.2	2.0	2.6	1.2	0.9	-1.1	-
Semiconductor	1.6	1.4	0.7	0.8	-0.1	-0.5	-1.7	-
OI Ratio	9%	7%	5%	5%	-	-	-	-
Metrology	1.1	1.9	1.2	1.8	1.3	1.4	0.6	-49%
OI Ratio	22%	28%	20%	26%	22%	21%	14%	-35%
Ordinary Income	2.9	3.0	1.9	1.6	1.7	0.8	-2.0	-
Net Income	1.5	1.8	0.9	0.6	-0.6	0.4	-8.7	-



Trend of Semiconductor Business

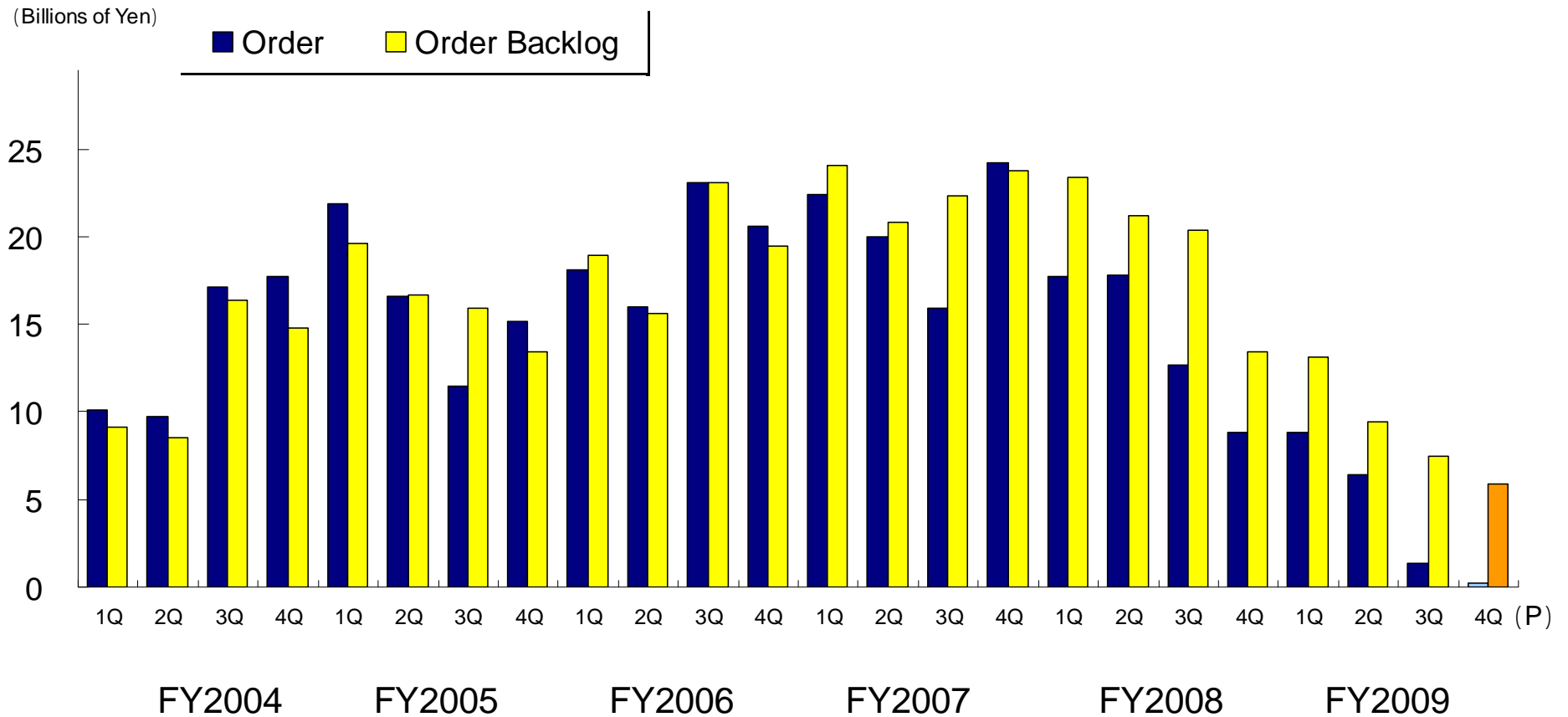
Sales
(Billions of Yen)

Operating Income
(Billions of Yen)



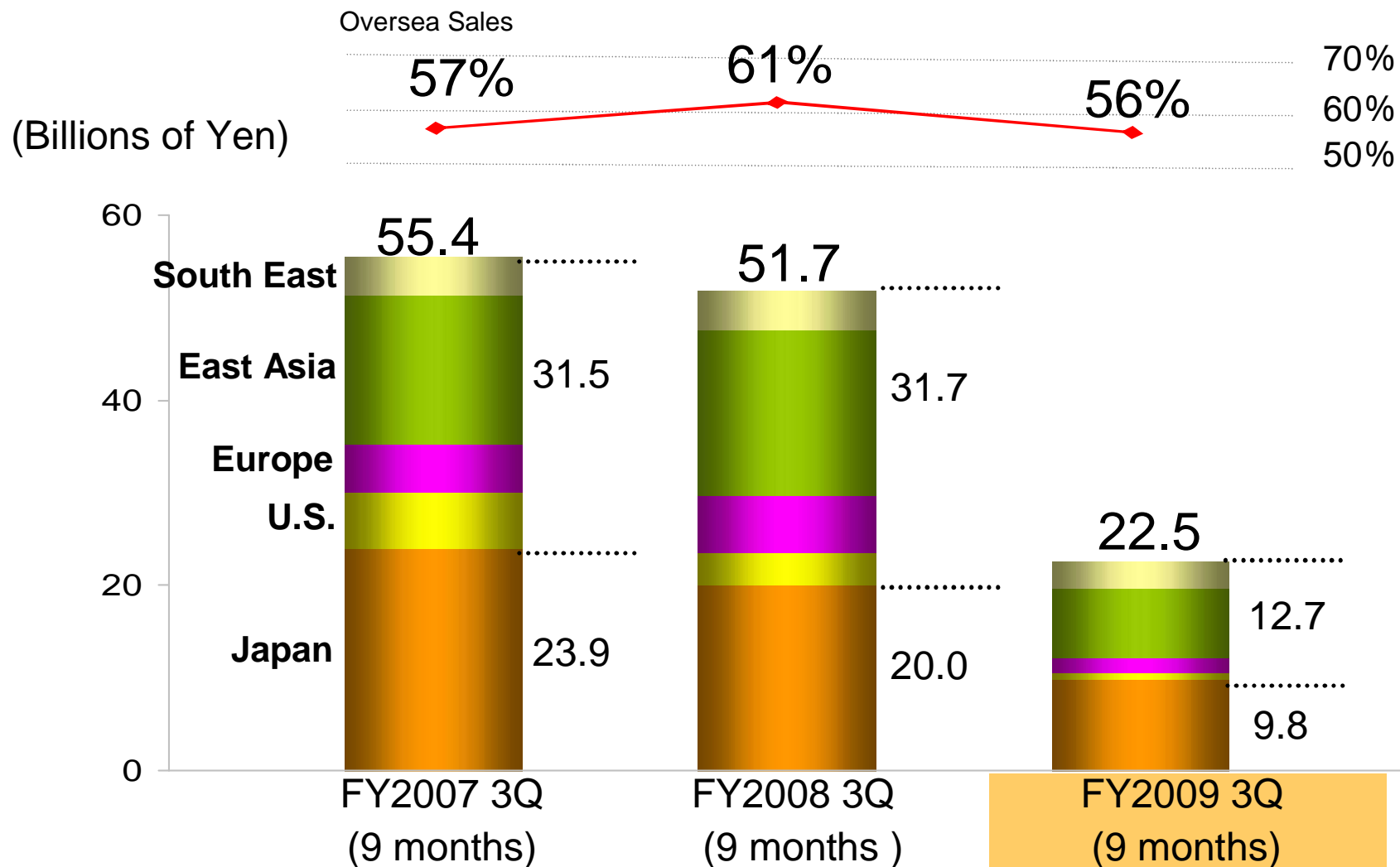


Order Status of Semiconductor Business



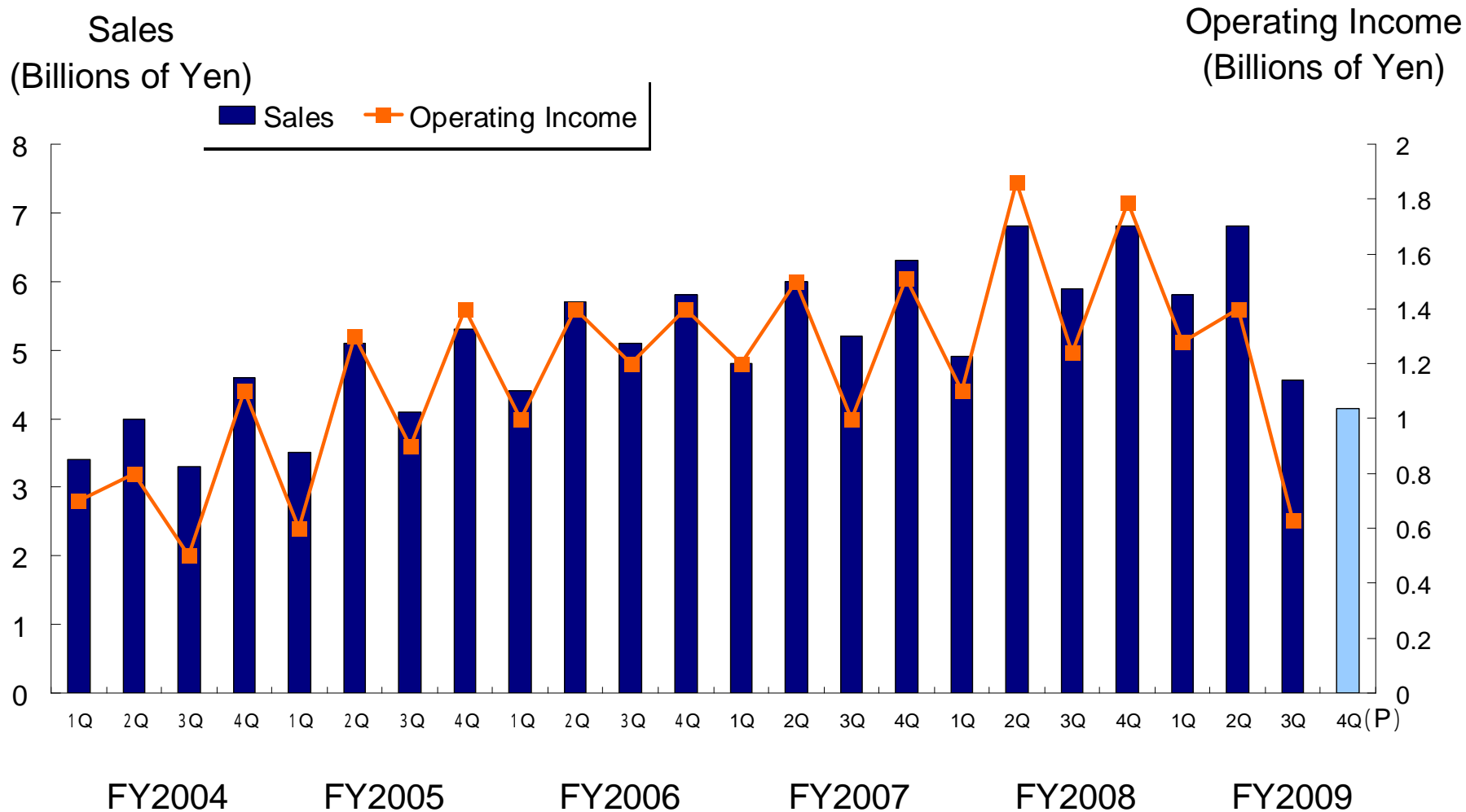


Semiconductor / Regional Sales



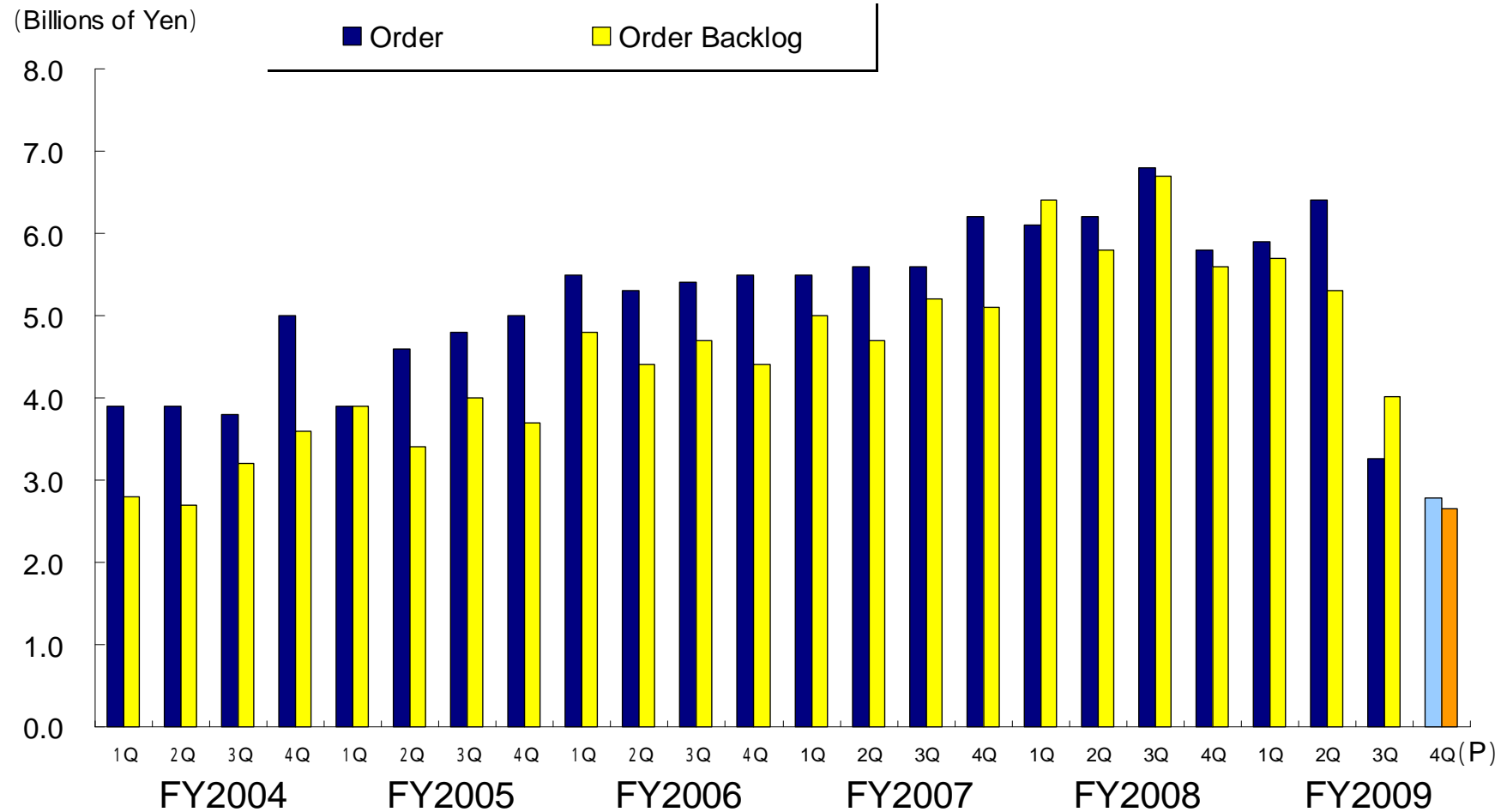


Trend of Metrology Business



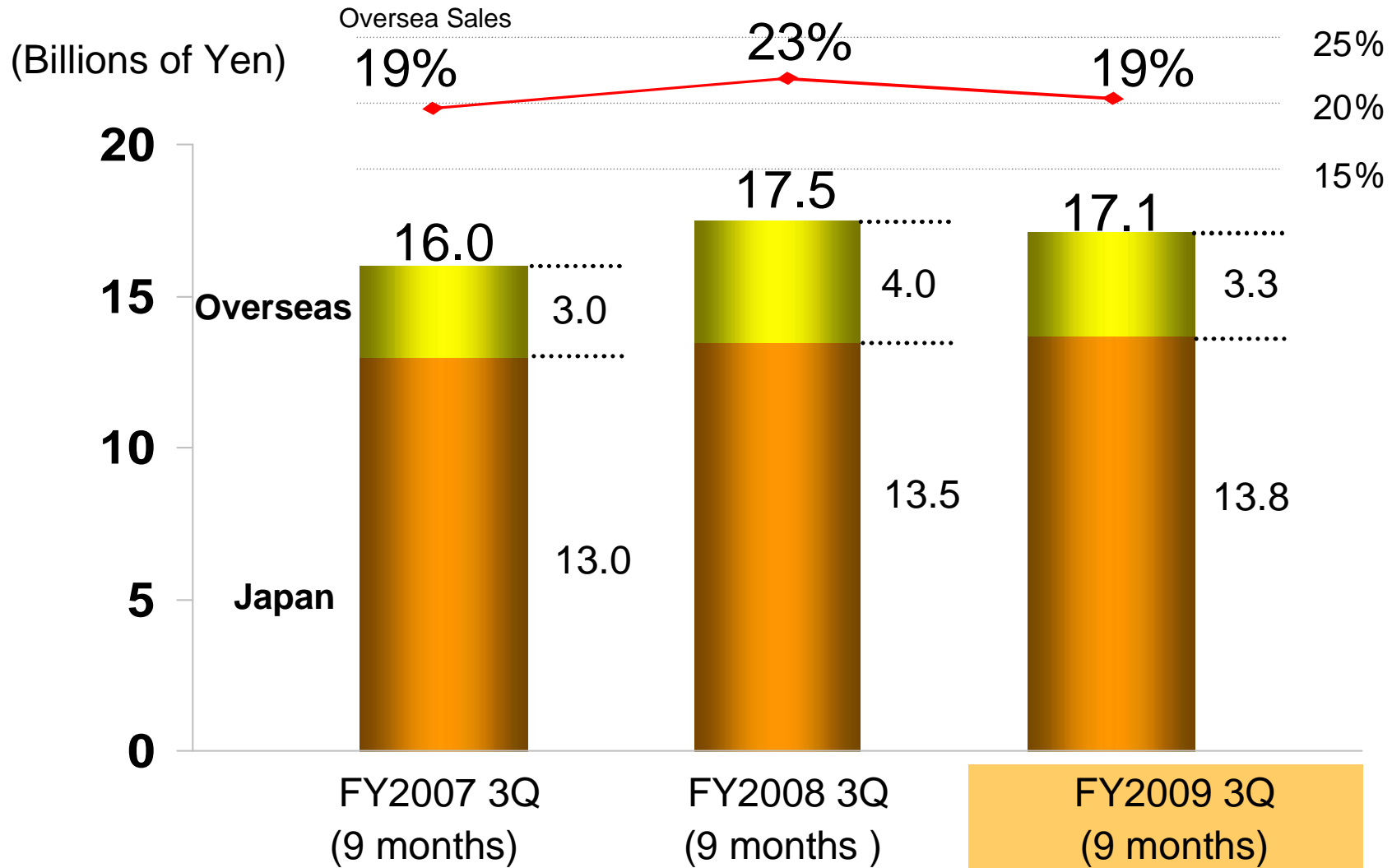


Order Status of Metrology Business





Metrology / Regional Sales





Balance Sheet

(Billions of Yen)

Assets	3/08	12/08	Difference	Liabilities/ Net Assets	3/08	12/08	Difference
Cash & Cash Equivalents	15.7	12.8	-2.9	Account Payable	19.5	10.3	-9.2
Account Receivable	32.3	19.0	-13.3	Bond-Debt	18.4	10.5	-7.9
Inventories	27.7	19.9	-7.8	Other	6.6	3.3	-3.3
Other	1.9	1.9	0.0	Total Current Liabilities	44.5	24.1	-20.4
Total Current Assets	77.6	53.6	-24.0	Total Fixed Liabilities	7.7	17.2	9.5
Fixed Assets	30.1	31.0	0.9	Total Liabilities	52.2	41.3	-10.9
Total Assets	107.7	84.6	-23.1	Net Assets	55.5	43.3	-12.2
				Total (Int. bearing debt)	107.7 (21.9)	84.6 (23.3)	-23.1 (1.4)



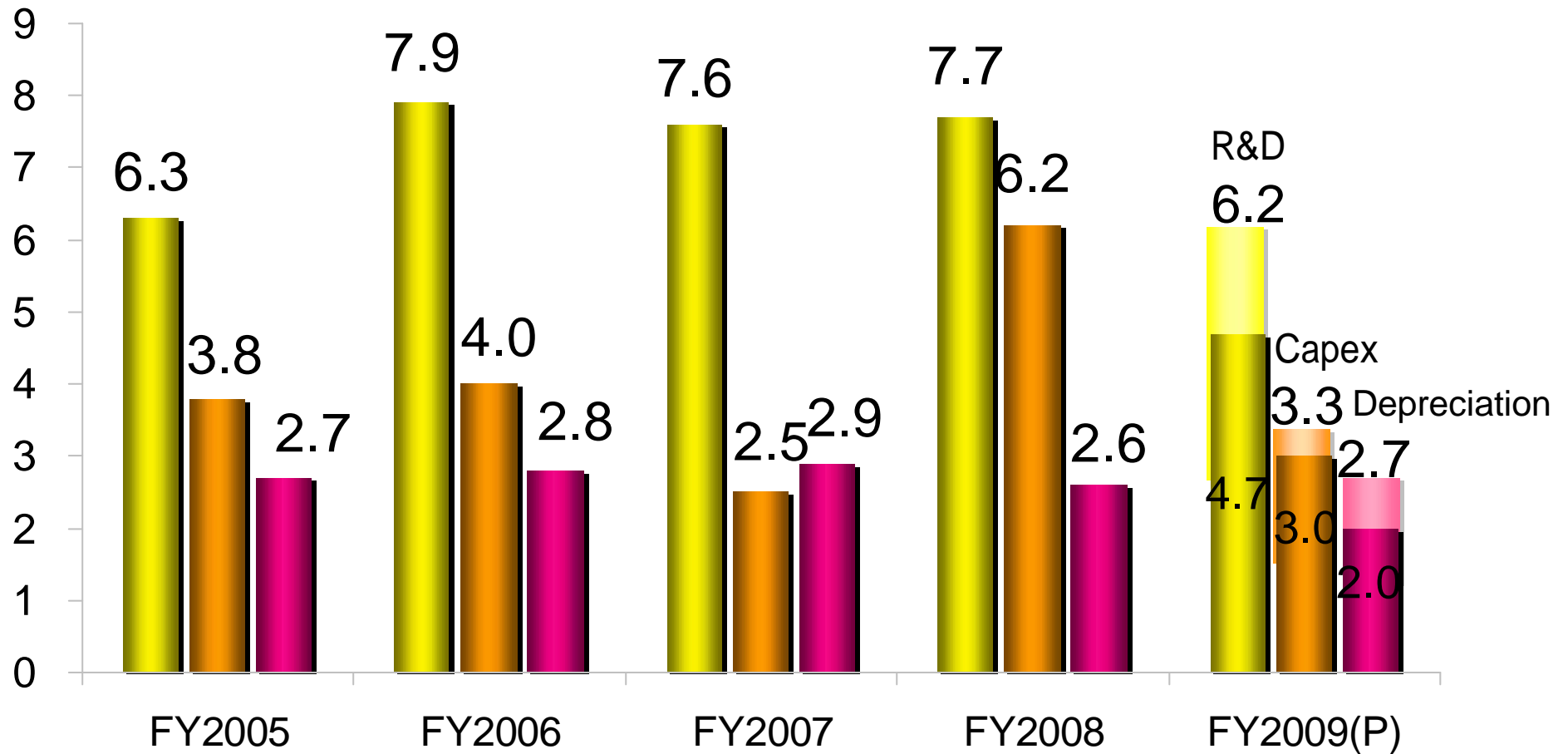
Cash Flow for 9 months (April to December 2008)

(Billions of Yen)		FY2007 3Q	FY2008 3Q	FY2009 3Q
Opening Balance		13.9	16.8	15.7
From Operating Activities	Income before Tax, Interest & Depreciation	12.8	9.8	-6.9
	Decrease in Receivables, Inventories + Increase in Payables	-7.9	-0.8	11.9
	Tax Payments	-1.8	-4.6	-2.5
	Others	1.3	-1.5	0.2
	Total	4.4	2.9	2.7
From Investing Activities		-2.1	-5.4	-3.1
Free Cash Flow		2.3	-2.5	-0.4
From Financing Activities	Increase in Borrowings	-1.4	0.4	0.0
	Dividend & other	-1.6	-2.2	-2.2
	Total	-3.0	-1.8	-2.2
Net Cash Increase		-0.6	-4.1	-2.9
Closing Balance		13.3	12.7	12.8



Forecast for R&D, Capex & Depreciation

(Billions of Yen)





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Forecast for FY2009

Billions of Yen	FY08	FY09			FY09			YoY
	Full year	As of November 2008		Full year	As of February 2009			
		1H	2H		1H	2H	Full year	
Sales	91.8	31.8	21.2	53.0	31.8	13.7	45.5	-50%
Semiconductor	67.5	19.2	10.8	30.0	19.2	5.0	24.2	-64%
Metrology	24.4	12.6	10.4	23.0	12.6	8.7	21.3	-13%
Operating Income	10.5	2.1	-0.6	1.5	2.1	-4.6	-2.5	-
Ordinary Income	9.4	2.6	-1.5	1.1	2.6	-5.6	-3.0	-
Net Income	4.8	-0.2	-1.4	-1.6	-0.2	-11.8	-12.0	-
Dividend	70yen	15yen	10yen	25yen	15yen	0yen	15yen	-



Business Review & Extraordinary Losses

- ◆ Wafer Inspection System : Related Loss 4.7 Billion Yen
 - New Development Discontinued
 - Support of Existing Machine Continues
- ◆ Restructuring of USA Business :
Related Loss 2.5 Billion Yen
 - Device Edge System Development Suspended
 - The Company to be Liquidated
- ◆ Other Extraordinary Losses
 - Added Premium on Voluntary Retirement
 - Devaluation of Securities Investment
 - Total of 2H Extraordinary Loss : 8.2 Billion Yen



Market Condition

◆ Semiconductor

- Prepared for FY2010 to be Worse than FY2009
- Expect to recover in FY2011

◆ Metrology

- Slow Capex in Auto Industry will Cause Continued Severity
- Timing of Recovery Uncertainty



Immediate Plans (1)

◆ Sales Promotion

- R & D Investment
- Changeover & Retrofit
- Processing on Contract & Entrusted Measuring
- Promotion of Service Business
(Maintenance Contract & Consumables)



Immediate Plans (2): Cost Reduction

◆ Personnel

➤ Reduce Headcount

(Reference Data)	(Persons)		
	3/08	9/08	9/09
Total (Employees + Temporary Employees)	2,198	2,020	1,200

- Target of FY2010/ 1H Total 1,200 Headcount
 - Termination of Temporary Employee
 - Decrease by Fixed-age Retirement
 - Solicitation of Voluntary Retirement

➤ Decrease of Compensation & Bonus

◆ Other



Actions for Upturn: Semiconductor

◆ Development Strategy

- Focus on Growing End-Products
 - SSD Card / High Brightness LED / MEMS

◆ Operation

- Operation with Fewer Workforce
 - Development: Matrix Management of Product/ Function (Mechanical / Electric/ Software)
 - Manufacturing: Mixed Product Line/ Multi-Skilled Workes



Actions for Upturn: Metrology

◆ Development Strategy

- Expansion of lineup
 - Environment - Friendly Models / Functions
 - Less Dependence on Auto (Wind Power, Aircraft etc)
 - Line up for Overseas market
- New Software for Customer

◆ Operation

- Contribute to Cost Reduction
- Service Business by Metrology Center
(Measuring by Contract)



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