

Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2009



February 13, 2009

Company Name



Tokyo Seimitsu Co., Ltd.

ACCRETECH

Code number: 7729

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

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Stock Listing: First Section TSE

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(Millions of yen, rounded down)

1. Consolidated Results for 3Q of FY 2009 (April 1, 2008 - December 31, 2008)

(1) Consolidated sales and earnings (Percentage figures represent changes from the 3Q of the previous year)

	Net Sales	Operating Income	Ordinary Income	Net Income
FY2009 3Q	39,614 -	1,025 -	583 -	(8,853) -
FY2008 3Q	69,314 (2.9%)	7,871 (29.8%)	7,828 (29.1%)	4,260 (29.4%)

	Net income per Share (yen)	Net income per Share (diluted) (yen)
FY2009 3Q	(220.22)	--
FY2008 3Q	106.09	99.05

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

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (yen)
FY2009 3Q	84,657	43,327	50.7%	1,067.67
FY2008	107,667	55,487	51.2%	1,370.98

Notes: Equity in FY09 3Q: 43,942 million yen; in Full Year FY08: 55,111 million yen.

2. Situation of Dividend

(Yen)

	Per Share Dividend				
	1Q	2Q	3Q	4Q	Full Year
FY2008	--	30.00	--	40.00	70.00
FY2009	--	15.00	--	--	--
FY2009 (Forecast)	--	--	--	0.00	15.00

Notes: Revision to dividend forecast: No

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

(Millions of yen) (Percentage figures represent changes from the previous year)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (yen)
Full Year	45,500 (50.4%)	(2,500) -	(3,000) -	(12,000) -	(298.51)

Note: Revisions to consolidated earnings forecast this quarter: No

4. Others

- (1) Significant changes in subsidiaries during the period under review (changes in specific subsidiaries involving changes in scope of consolidation): No
- (2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements: Yes
- (3) 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.
- (4) Number of shares outstanding (common shares)
 - 1) Number of shares outstanding at end of period (including treasury shares):
FY2009 3Q: 40,240,581 shares; FY2008: 40,228,281 shares.
 - 2) Number of treasury shares at end of period:
FY2009 3Q: 31,006 shares; FY2008: 29,552 shares.
 - 3) Average Number of shares outstanding during the period (cumulative for period, consolidated):
FY2009 3Q: 40,201,524 shares; FY2008 3Q: 40,165,334 shares.

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.

From April 1, 2008, the Company has applied the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.12) and "Guideline on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guideline No.14). Quarterly consolidated financial statements are prepared in accordance with specific rules governing the reporting of quarterly financial results in Japan.

【Qualitative Information• Financial Statements etc.】

The business environment of Tokyo Seimitsu during the third quarter of this fiscal year (from October to December 2008) was further deteriorated than that of the previous year under the circumstances of deepening worldwide recession affected by financial crisis sparked the US. Besides Semiconductor Production Equipment (SPE) business have faced continuously slow capital investment of the semiconductor manufacturers, Metrology business as well have experienced lower demand of our products due to the shrinkage of capital spending by auto industry, one of our main customers, because of its rapid decrease of sales.

As a result, sales in the first 3 quarters of this fiscal year from April to December 2008 under review totaled ¥39,614 million (down 42.8% YoY), operating income of ¥ 1,025 million (down 87.0% YoY), and ordinary income of ¥ 583 million (down 92.6% YoY). Net loss resulted in ¥ 8,853 million due to special loss of ¥ 9,716 million consisting of inventory devaluation loss of ¥ 2,519 million, Business liquidation loss of Wafer Inspection Systems of ¥ 4,654 million, dissolution and liquidation loss of our US subsidiary of ¥ 2,312 million and others.

Details of each business segment are as below:

(1) SPE business

SPE business has been in continued severe business situation because of semiconductor manufacturers' suspension or freeze of capital spending due to declined price of DRAM and Flash Memory. As a result, SPE business during the 9-month period under review had sales of ¥ 22,466 million (down 56.6% YoY) and operating loss of ¥ 2,293 million. Order amount for the same period was ¥ 16,548 million (down 65.7% YoY).

(2) Metrology business

Metrology business also has had difficult business environment mainly due to rapid shrinkage of capital spending in auto industry. As a result, metrology business during the 9-month period under review had sales of ¥ 17,148 million (down 2.2% YoY) and operating income of ¥ 3,319 million (down 21.1% YoY). Orders in the same period was ¥ 15,544 million (down 18.4% YoY).

2. Qualitative Information Regarding the Financial Position

(1) Consolidated financial position

Total assets as of December 31, 2008, amounted to ¥84,657 million, a decrease of ¥23,010 million from that of the latest fiscal year end (March 31, 2008). The major factors behind this decrease include a decrease of cash and cash equivalent of ¥ 2,882 million, decrease in inventory of ¥ 7,819 million and decrease of notes and accounts receivable of ¥13,266 million.

Total liabilities were down ¥10,850 million, to ¥41,329 million. This was mainly because of a ¥13,965 million decrease of bond, decrease in notes and account payable of ¥ 9,261million, increase of short-term loan of ¥ 3,524 and an increase of long-term loan of ¥8,548 million.

Net assets decreased 12,159 million from the previous fiscal year end (March 31, 2008) to ¥43,327 million, major factor of which was decrease of retained earning for ¥11,054 million and decrease of evaluation difference of ¥ 1,156 million.

(2) Situation of Cash Flow

Net cash from operating activities for this term was an inflow of ¥2,727 million. The major factors were a decrease in trade receivables (¥ 12,704 million), a decrease of inventory (¥ 7,599), a decrease in trade liabilities (¥8,431 million) and the corporate income taxes payment (¥ 2,467 million).

Net cash used in investing activities amounted to-¥3,111 million. This was mainly reflected by capital equipment expenditures of ¥2,865 million.

Net cash from financing activities came to outflow of ¥2,171 million. The major factors of this were an repayment of bond (¥13,965), an execution of long-term loan for ¥13 billion and its repayment (¥ 2,281), and increase in short-term loans payable (¥ 3,552 million) and dividend payments (¥ 2,210 million).

As a result, cash and cash equivalents at the end of the term amounted to ¥ 12,782 million, a decrease of ¥ 2,882 million from the latest fiscal year end (March 31, 2008).

3. Qualitative Information Regarding Forecasts

(1) For the performance forecast for the fiscal year 2009, we suspect that it will take time to have the recovery of capital investment because there remains substantial uncertainty on the prospect of economy. So we had revised our forecast for the fiscal year 2009 (April 1, 2008 to March 31, 2009) and dividend on February 6, 2009 as follows. For details, please refer to “Revision of Forecast for the Fiscal Year Ending March 31, 2009” released on February 6, 2009.

Earning Outlook for the FY 2009 (April 1, 2008 to March 31, 2009)

Unit: Million Yen

	Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (yen)	Dividend per Share (yen)
Previous forecasts(A) (As of November 13, 2008)	53,000	1,500	1,100	(1,600)	(39.80)	25
Revised Forecast(B)	45,500	(2,500)	(3,000)	(12,000)	(298.51)	15
Margin (B-A)	(7,500)	(4,000)	(4,100)	(10,400)	-	(10)
Percent Increase(B/A)	(14.2%)	-	-	-	-	(40.0%)
Previous fiscal Term (April 2007 to March 2008)	91,823	10,450	9,375	4,813	119.84	70

(2) Under the severe business circumstances, we are trying to improve profitability and to establish stable foundation for the future in order to achieve that we are promoting “Review of Business” and “Reduction of Fixed Cost/Expenses”.

For the details of those measures, please refer to our releases dated February 6, 2009 “Notice Concerning Dissolution and Aliquidation of Subsidiary and Extraordinary Aloss” and “Notice concerning Soliciting Voluntary Retirements and Decrease of amount of remuneration for Board Members and Managers”

5. Consolidated Quarterly Financial Statement

(1) Consolidated Quarterly Balance Sheets

(Millions of yen, rounded down)

	FY09 3Q 31-Dec-08	FY08 31-Mar-08
ASSETS		
Current Assets		
Cash and cash equivalents	12,810	15,693
Notes and accounts receivable	19,015	32,282
Purchased parts	4	4
Finished goods	1,696	3,984
Raw materials	3,212	3,790
Work in process	14,934	19,882
Others	2,288	2,011
Allowance for doubtful accounts	(344)	(45)
Total Current Assets	53,618	77,603
Fixed Assets		
Property, plant and equipment	19,879	18,969
Intangible fixed assets		
Goodwill	2,246	2,495
Others	740	692
Total Intangible fixed assets	2,986	3,188
Investments and Other Assets		
Others	8,315	8,009
Allowance for investment loss	(82)	(82)
Allowance for doubtful accounts	(59)	(21)
Total Investments and other assets	8,173	7,905
Total Fixed Assets	31,038	30,063
Total Assets	84,657	107,667

(Millions of yen, rounded down)

	FY09 3Q 31-Dec-08	FY08 31-Mar-08
LIABILITIES		
Current Liabilities		
Notes and accounts payable, trade	10,268	19,530
Short-term debt	5,325	1,800
Current portion of bonds	-	13,965
Income taxes payable	51	1,777
Allowance	645	903
Others	7,839	6,563
Total Current Liabilities	24,131	44,540
Long-term Liabilities		
Long-term debt	12,020	3,471
Allowance for employee retirement benefits	4,058	3,891
Allowance for director retirement benefits	101	106
Others	1,017	170
Total Long-term Liabilities	17,198	7,640
Total Liabilities	41,329	52,180
NET ASSETS		
Shareholders' Equity		
Common stock	9,650	9,633
Capital surplus	20,668	20,653
Retained earnings	13,845	24,900
Treasury stock	(107)	(105)
Total Shareholders' Equity	44,057	55,081
Accumulated gains from valuation and translation adjustments		
Holding gain or loss on investment	(633)	65
Foreign currency translation adjustment	(493)	(35)
Total accumulated gains from valuation and translation adjustments	(1,127)	29
Share subscription rights	396	375
Total Net Assets	43,327	55,487
Total Liabilities and Net Assets	84,657	107,667

(2) Consolidated Quarterly Statement of Income

(Millions of yen, rounded down)

FY09 3Q	
(April 1, 2008 - December 31, 2008)	
Net Sales	39,614
Cost of Sales	30,665
Gross Profit on Sales	8,949
Selling, General and Administrative Expenses	
Selling expenses	5,987
General and administrative expenses	1,935
Total selling, general and administrative expenses	7,923
Operating Income	1,025
Non-operating Income	
Interest income	15
Dividend income	214
Others	47
Total Non-operating income	278
Non-operating Expenses	
Interest expenses	247
Exchange loss	299
Others	173
Total Non-operating Expenses	721
Ordinary Income	583
Extraordinary Gains	
Invalidation of share subscription rights	2
Total Extraordinary Gains	2
Extraordinary Losses	
Loss on valuation of inventories	2,519
Loss on liquidation of business	4,654
Loss on related company's business	2,312
Others	229
Total Extraordinary Losses	9,716
Quarterly Loss before Taxes and Minority Interest	(9,131)
Income Tax and Other Taxes	791
Adjustment on Income Tax	(1069)
Total Income Tax and Others	(278)
Quarterly Loss	(8853)

(3) Consolidated Quarterly Statement of Cash Flows

(Millions of yen, rounded down)

FY09 3Q	
(April 1, 2008 - December 31, 2008)	
Cash flows from operating activities:	
Quarterly losses before income taxes and minority interests	(9,131)
Depreciation and amortization	1,760
Amortization of goodwill	249
Stock related compensation	55
Change in allowance for employee retirement benefits	167
Change in allowance for director retirement benefits	(4)
Change in allowance for doubtful accounts	342
Interest and dividend income	(230)
Interest expense	247
Loss on revaluation of investments in securities	203
Loss on related company's business	924
Change in trade notes and accounts receivable	12,704
Change in inventories	7,599
Change in trade notes and accounts payable	(8,431)
Others	(1,304)
Sub-total	5,153
Proceeds from interest and dividend income	230
Payment of interest	(189)
Payment of income taxes	(2,467)
Net cash provided by operating activities	2,727
Cash flows from investing activities:	
Payment for time deposits	(11)
Proceeds from time deposits	11
Payment for purchase of investment securities	(6)
Proceeds for purchase of investment securities	7
Payment for purchase of property, plant and equipment	(2,865)
Payment for purchase of intangible assets	(235)
Proceeds from sales of property, plant and equipment	2
Payment for loans	(19)
Proceeds from repayment of loans	5
Net cash used in investing activities	(3,111)
Cash flows from financing activities:	
Change in short-term loans payable	3,552
Proceeds from long-term debt	13,000
Repayment of long-term debt	(2,281)
Repayment of bonds	(13,965)
Repayment of lease liabilities	(264)
Dividend payments	(2,210)
Others	(1)
Net cash provided by (used in) financing activities	(2,171)
Effect of exchange rate changes on cash and cash equivalents	(327)
Net increase (decrease) in cash and cash equivalents	(2,882)
Cash and cash equivalents at beginning of period	15,665
Cash and cash equivalents at end of period	12,782

From April 1, 2008, the Company has applied the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No.12) and “Guideline on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guideline No.14). Quarterly consolidated financial statements are prepared in accordance with specific rules governing the reporting of quarterly financial results in Japan.

(4) Notes for Continuation of Business Operation: None

(5) Segment Information

1) Business segments

FY2009 3Q (April 1, 2008 - December 31, 2008)

(Millions of yen, rounded down)

	SPE Business	Metrology Business	Total	Corporate and elimination	Consolidation
Sales					
(1) Sales to external parties	22,466	17,148	39,614	-	39,614
(2) Intersegment sales or transfers	-	-	-	(-)	-
Total	22,466	17,148	39,614	(-)	39,614
Operating income(or Operating loss)	(2,293)	3,319	1,025	-	1,025

(Notes)1 The Company's business segments are determined with consideration for product types and properties, as well as similarities in the selling markets and other factors.

2 Primary products of each business segment

(1) SPE business

Wafer inspection systems, CMPs, Polish Grinders, Wafer Probing Machines, Wafer Dicing Machines, Wafer Manufacturing Machines

(2) Metrology business

Roundness and cylindrical profile measuring instruments, surface texture and contour measuring instruments, 3D coordinate measuring machines, electric micrometers, machine control gauges, various automated measuring, sorting, and assembling machines

2) Geographical segments

FY2009 3Q (April 1, 2008 - December 31, 2008)

(Millions of yen, rounded down)

	Japan	USA	Germany	Korea	Total	Corporate and elimination	Consolidation
Sales							
(1) Sales to external parties	35,503	2,433	1,484	193	39,614	-	39,614
(2) Intersegment sales or transfers	2,749	92	6	229	3,078	(3,078)	-
Total	38,253	2,526	1,491	422	42,692	(3,078)	39,614
Operating income (or Operating loss)	1,365	(466)	(6)	59	952	73	1,025

(Notes) 1 Method of determining country segments

Country segments are determined based on the regional independence of the business activities.

3) Overseas sales

FY2009 3Q (April 1, 2008 - December 31, 2008)

(Millions of yen, rounded down)

	East Asia	South east Asia	Europe	North America	Other regions	Total
Overseas sales	9,015	3,386	1,872	1,394	367	16,034
Consolidated sales	-	-	-	-	-	39,614
Percentage of overseas sales in consolidated sales (%)	22.8	8.6	4.7	3.5	0.9	40.5

(Notes) 1 Overseas sales are the sales of the Company and its consolidated subsidiaries in countries and regions outside Japan.

2 Method of classifying countries and regions, and primary countries and regions in each category

(1) Countries and regions are determined according to geographical proximity.

(2) Primary countries and regions in each category

East Asia: Korea, Taiwan, China

South East Asia: Singapore, Malaysia, Philippines

Europe: Germany, UK, Italy

North America: USA, Canada

Other regions: India, Brazil, Mexico

(6) Notes in case of substantial change in net assets: Not applicable

【Reference】

Financial Statement of the 3Q in the previous fiscal year

(1) Income statements (Summary)

Items	FY08 3Q	
	From April 1, 2007 to December 31, 2007	
	Million Yen	%
Net sales	69,311	100.0
Cost of sales	50,892	73.4
Gross Profit on Sales	18,418	26.6
Selling, general and administrative expenses	10,547	15.2
Operating income	7,871	11.4
Non-operating income		
1 Interest and dividend income	443	
2 Others	78	522
Non-operating expenses		
1 Interest expenses	184	
2 Exchange Losses	225	
3 Others	155	565
Ordinary income	7,828	11.3
VI Special Income		
1 Others	7	0.0
VII Special Loss		
1 Others	53	0.1
Quarterly income before taxes and minority interests	7,781	11.2
Income tax	3,520	5.1
Quarterly income	4,260	6.1

(2) Consolidated Statements of Cash Flows (Summary)

(Millions of yen, rounded down)

	FY08 3Q (April 1, 2007- December 31, 2007)
Cash flows from operating activities:	
Income before income taxes and minority interests	7,781
Depreciation and amortization	1,503
Amortization of goodwill	309
Interest and dividend income	(443)
Interest expense	184
Change in trade notes and accounts receivable	3,160
Change in inventories	(3,517)
Change in trade notes and accounts payable	(458)
Other expense	(1,098)
Subtotal	7,421
Proceeds from interest and dividend income	272
Payment of interest	(163)
Payment of income taxes	(4,631)
Net cash provided by operating activities	2,899
Cash flows from investing activities:	
Payment for purchase of property, plant and equipment	(4,094)
Proceeds from sales of property, plant and equipment	60
Payment for purchase of investment securities	(824)
Other expense	(520)
Net cash used in investing activities	(5,378)
Cash flows from financing activities:	
Change in short-term loans payable	3,377
Payment for redemption of long-term loans	(1,797)
Payment for redemption of bonds	(1,200)
Dividend payments	(2,208)
Other expense	10
Net cash provided by (used in) financing activities	(1,818)
Effect of exchange rate changes on cash and cash equivalents	46
Net increase (decrease) in cash and cash equivalents	(4,251)
Cash and cash equivalents at beginning of year	16,800
VII Increase of cash and cash equivalents by newly consolidated subsidiaries at beginning of the period.	175
Cash and cash equivalents at end of year	12,724

(3) Quarterly Segment Information

1) Business segments

3Q in the previous fiscal year (April 1, 2007 - December 31, 2007) (Millions of yen, rounded down)

	SPE business	Metrology business	Total	Corporate and elimination	Consolidation
Sales					
(1) Sales to external parties	51,769	17,541	69,311	-	69,311
(2) Intersegment sales or transfers	-	-	-	(-)	-
Total	51,769	17,541	69,311	(-)	69,311
Operating income(or Operating loss)	3,662	4,208	7,871	(-)	7,871

2) Geographical segments

3Q in the previous fiscal year (April 1, 2007 - December 31, 2007) (Millions of yen, rounded down)

	Japan	USA	Germany	Korea	Total	Corporate and	Consolidation
Sales							
(1) Sales to external parties	56,439	5,624	6,751	496	69,311	-	69,311
(2) Intersegment sales or transfers	7,572	-	26	557	8,157	(8,157)	-
Total	64,012	5,624	6,778	1,054	77,469	(8,157)	69,311
Operating income(or Operating loss)	7,705	(712)	644	137	7,774	96	7,871

3) Overseas sales

3Q in the previous fiscal year (April 1, 2007 - December 31, 2007) (Millions of yen, rounded down)

	East Asia	Europe	South East Asia	North America	Other regions	Total
Overseas sales	19,675	6,627	5,016	4,031	362	35,712
Consolidated sales	-	-	-	-	-	69,311
Percentage of overseas sales in consolidated sales	28.4	9.6	7.2	5.8	0.5	51.5