



Consolidated Financial Statements for the 12 - month period ended March 31, 2010 (FY2010)

May 12, 2010

Company Name



Tokyo Seimitsu Co., Ltd.

ACCRETECH

Code number: 7729

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

Representative: Kazuo Fujimori, President

Inquiries: Kunimasa Ohta, CFO

Date of Shareholders Meeting: June 24th, 2010

Date of Annual Report Filing (planned): June 28th, 2010

Dividend Payable Date: -

Stock Listing: First Section TSE

Head Office location: Tokyo

Tel: 042-642-1701

(Millions of yen, rounded down)

1. Consolidated Results for the Period of FY2010 (April 1, 2009 - March 31, 2010)

(1) Consolidated sales and earnings

(Percentage figures represent changes from the previous year)

	Net Sales	Operating Income	Ordinary Income	Net Income
FY2010	30,375 - 32.8%	- 1,567 -	- 1,874 -	- 3,512 -
FY2009	45,741 - 50.2%	- 2,466 -	- 2,838 -	- 11,198 -

	Net income per Share (yen)	Net income per Share (diluted) (yen)	Return on Net Assets	Ordinary Income on Total Assets	Operating Income Ratio
FY2010	-86.60	-	-8.9%	-2.5%	-5.1%
FY2009	-278.55	-	-23.4%	-3.0%	-5.4%

Notes: Equity in loss of affiliates in FY10: - million yen; in FY09: - million yen.

(2) Consolidated financial position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (yen)
FY2010	69,485	39,050	56.0%	944.06
FY2009	81,831	40,830	49.4%	1,005.30

Notes: Equity in FY10:38,904 million yen; in FY09: 40,422 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
FY2010	2,075	1,237	-8,867	12,027
FY2009	2,853	-3,257	2,624	17,586

2. Situation of Dividend

	Per Share Dividend					Total Dividend (for Year)	Dividend Pay Out Ratio	Dividend on Net Assets
	1Q	2Q	3Q	4Q	Full Year			
		Yen		Yen	Yen	Millions of Yen	%	%
FY2009	-	15.00	-	0.00	15.00	603	-	1.3
FY2010	-	0.00	-	0.00	0.00	-	-	-
FY2011 (Projected)	-	5.00	-	-	-	-	-	-

FY2011 year end dividend payments are not announced as of the date this statement is issued.

3. Forecast for FY 2011 (April 1, 2010-March 31, 2011)

(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	Net Income	Net Income per Share (yen)
Interim	20,000 74.3%	1,000 -	700 -	1,500 -	36.40
Full Year	43,000 39.9%	3,000 -	2,400 -	3,100 -	75.23

4. Others

- (1) Significant changes in subsidiaries during the year under review (changes in specific subsidiaries involving changes in scope of consolidation): No.
- (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): No.
- Please refer to "Changes in Basis of Presenting Consolidated Financial Statements" on page 17.
- (3) Number of shares outstanding (common shares)
- 1) Number of shares outstanding at fiscal year end (including treasury shares):
FY2010: 41,241,081 shares, FY2009: 40,240,581 shares;
- 2) Number of treasury shares at fiscal year end:
FY2010: 31,599 shares, FY2009: 31,171 shares

Reference: Summary of non-consolidated results

1. Non-Consolidated Results for the Period of FY2010 (April 1, 2009 - March 31, 2010)

(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	
FY2010	26,963	-29.5%	-1,960	-	-105	-	-1,538	-
FY2009	38,260	-51.2%	-3,876	-	-2,395	-	-10,809	-

	Net Income per Share	Net Income per Share (diluted)
	Yen	Yen
FY2010	-37.94	-
FY2009	-268.87	-

(2) Non-consolidated financial position

(Millions of yen,)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
FY2010	59,021	28,925	48.8%	698.37
FY2009	68,534	28,863	41.5%	707.67

Notes : Equity in FY10: 28,779 million yen, FY09: 28,455 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.

1. Business Performance

(1) Analysis of Business Performance

1) Overview of Business Performance for Fiscal Year, Ended March 31, 2010

[Overall Business Performance]

Business conditions for Tokyo Seimitsu during the fiscal year (from April 2009 to March 2010) were severe due to the worldwide recession sparked by the US financial crisis. However, due to intervention measures taken by governments around the globe, a recovery from the recession was evidenced through increases in demand, especially from Asian emerging countries such as China, and partial revamping of suspended capital investment programs especially in the latter part of the of the fiscal year, although this was somewhat patchy.

The Semiconductor Production Equipment (SPE) business faced the uncertain stance of semiconductor manufacturers towards capital investment in the fiscal year. However, in the latter part of the fiscal year, manufacturers' stance especially in Taiwan, China and Korea became remarkably positive. Therefore, both orders and sales for this business in the latter part of the fiscal year came back into form compared with severely reduced orders and sales in the beginning of the fiscal year.

The Metrology Equipment business also faced a conservative stance towards capital investment by the automobile industry, which is major user of our products. The Company has focused on increasing overseas sales such as to China, and strengthening sales to Small and Medium sized Enterprises. Therefore, even though year-on-year results were low, both orders and sales in this business showed a gradual recovery.

Given the situation above, commencing and continuing from the previous fiscal year (ended Mar 31, 2009), the Company groups wrestled with "selection and concentration" strategy in the SPE business and cost reductions including voluntary retirements.

As a result, Orders in the fiscal year (April 2009 to March 2010) totaled ¥31,859 million (down 3.7% YoY) and Net Sales totaled ¥30,735 million (down 32.8% YoY). In total the Company Operating Income was ¥-1,567 million (up ¥899 million YoY) with Ordinary Income of ¥-1,874 million (up ¥964 million YoY). Net Income ¥-3,512 million (up ¥7,686 million YoY) including a reversal of deferred tax assets of ¥1,450 million at the end of 2nd quarter of the fiscal year, due to the conservative tax obligations forecast, and Reversal of a reserve for loss on business liquidation of ¥222 million, and a Loss on impairment of long-lived assets (by re-assignment of land and properties in Mitaka City, Tokyo) of ¥137 million.

[Performance by Business Segments]

A. SPE business

- a) Although severe business conditions in the semiconductor industry because of worldwide recession continued from the previous fiscal year ended Mar 31, 2009, a gradual recovery in the fiscal year was observed through business of specific products and devices including Netbook Computers, Laptop Computers installed with Windows 7 operating system, Smart phones with Touch Panels, and Hybrid cars with automotive devices.

The stance towards capital investments by semiconductor manufacturers were mixed between conservative such as decrease or suspend, and positive. Only a few specific foundries adopted a positive stance in the beginning of the fiscal year; however, various manufacturers especially in Asian countries such as Taiwan, China and Korea showed a revamping of investment interest in the latter part of the fiscal year as they came back into form.

In line with this, both Orders and Sales for the Company's core products including Wafer Probing Machines, Wafer Dicing Machines, and Polish Grinders, were severe, however drastically increased in the latter half of the fiscal year compared with the beginning of the fiscal year.

As a result, Orders received in the fiscal year under review were ¥21,508 million (up 35.1% YoY), and Sales were ¥20,462 million (down 17.3% YoY). The Operating Income was ¥-2,467 million (up ¥3,463 million YoY) mainly due to the severe sales conditions in the 1st half of the fiscal year.

- b) Domestic sales decreased 54.5% from the previous fiscal year and sales to overseas countries increased 11.7% from the previous fiscal year reflecting the strong recovery in overseas sales.

B. Metrology business

- a) Although a gradual recovery seems to be underway in the automobile industry, which is the major user of our products, and the machinery equipment industry due to expanding demands in emerging countries and effects of eco-friendly vehicles, this has not yet flowed on as strongly to new capital investment.

In order to compensate for the resulting decrease in sales, the Company has focused on strengthening business to the areas of public access use, Small and Medium sized Enterprises, Aircraft, Energy Generation Equipment, and increasing overseas sales, especially to emerging countries such as China.

As a result, even though Orders and Sales of the fiscal year have been drastically decreased, a gradual recovery has been seen from 1st quarter of the fiscal year which appears to be the bottom. The orders received in the fiscal year under review were ¥10,350 million (down 39.7% YoY), and Sales were ¥10,273 million (down 51.1% YoY). However, Operating Income was ¥900 million (down 74.0% YoY).

- b) Domestic sales decreased 52.7% from the previous fiscal year and overseas sales also decreased 44.3% from the previous fiscal year.

2) Forecasts for Next Fiscal Year

[Overall and Business Segment-based Forecasts]

A. SPE business

The economic outlook for FY 2011 is an expected fully-fledged recovery not only through strong growth in Asian emerging countries such as China, but also in Europe and the US. In Japan, the concerns about a double-dip recession seem to be on the wane.

In the semiconductor device market, specific applications such as for Personal Computers, Smart phones and automotive devices, as well as industrial demands for factory automations are spreading. The market for memory devices such as DRAM and NAND flash is also in good shape, and a tight supply demand situation for them is expected. Therefore, the semiconductor market is able to expect a fully-fledged recovery.

The Company will maintain its focus on developing customer oriented core products such as Wafer Probing Machines, Wafer Dicing Machines and Polish Grinding Machines to meet resumed needs of capital investors and maximize new business opportunities.

From FY2011 ending March 31st, 2011, the Company and its consolidated subsidiaries will apply a change to accounting procedures for recording Sales where sales will now be capitalized on placement with the customer rather than on the shipment date. This change will have the effect of decreasing Sales estimates in the 1st half of the next fiscal year by ¥1 billion and for the full year by ¥1.5 billion compared to calculation by the previous methodology.

Consequently, Net Sales in the SPE business in FY 2011, ending March 31, 2011, is expected to be ¥30.5 billion.

B. Metrology business

Expectations are that automotive industry's stance towards capital investment will remain conservative. However, with a view to keeping and enhancing their competitiveness, a gradual increase in capital investment can be expected.

The Company will continue its focusing on meeting the specialist requirements of the automobile industry and machinery equipment industry, as well as aiming to increase overseas sales, especially to emerging countries such as China, and Small and Medium size Enterprises where stronger growth is expected.

The Company will commence local manufacture of some Metrology equipment in China from the fiscal year ending on Mar 31, 2011, as part of the business growth strategy. Through local manufacturing, meeting the needs of Chinese customers in a timely manner is expected.

Consequently, Net Sales in the Metrology business in FY 2011, ending March 31, 2011, is expected to be ¥12.5 billion.

(2) Analysis of Financial Position

1) Assets, Liabilities and Net Assets

Total Assets as of March 31, 2010, amounted to ¥69.4 billion, a decrease of ¥12.3 billion from a year earlier. The major factors behind this decrease include a decrease in Cash and cash equivalents of ¥5.5 billion, Work in progress of ¥4.2 billion, Tangible fixed assets such as building and structures, tools and fixtures of ¥2.4 billion, a reversal of deferred tax assets of ¥1.4 billion, and an increase in Notes and accounts receivable of ¥3.6 billion.

Total Liabilities were down ¥10.5 billion, to ¥30.4 billion. This was mainly because of a ¥9.8 billion decrease in Liabilities with interest such as debt.

Net Assets totaled ¥39.0 billion. Equity ratio increased 6.6%, to 56.0%

2) Cash Flows

Cash and cash equivalents at the end of the fiscal year under review amounted to ¥12.0 billion, a decrease of ¥5.5 billion from a year earlier. The status of cash flows and factors behind them are given below.

Net cash earned from operating activities was ¥2.0 billion. The major components of this were a decrease in Inventories (¥5.4 billion), an increase in Trade notes and account payable (¥2.9 billion), Depreciation and amortization (¥2.0 billion), an increase in Trade notes and accounts receivable (- ¥3.6 billion) and a decrease in change in Allowance for employee retirement benefits (- ¥1.0 billion).

Net cash earned in investment activities amounted to ¥1.2 billion. This was mainly reflected by proceeds from term deposits (¥1.0 billion).

Net cash used in financing activities came to ¥8.8 billion. The major factors of this were decrease in Short-term loans payable (-¥8.3 billion), Repayment of long-term debt of - ¥5.1 billion, Proceeds from issuance of corporate bonds of ¥3.0 billion, and an increase in Proceeds from long-term debt of ¥1.0 billion.

Trends in financial indices are shown below.

	FY2008	FY2009	FY2010
Equity ratio (%)	51.2	49.4	56.0
Equity ratio, based on market value (%)	68.3	39.4	95.7
Interest-bearing dept / cash flow ratio	2.2	9.7	8.5
Interest coverage ratio (times)	60.9	20.5	5.5

Equity ratio: Net assets/total assets

Equity ratio based on market value: Total market value of equity/total assets

Interest-bearing dept / cash flow ratio: Interest-bearing debt/ cash flows

Interest coverage ratio: Operating cash flows/interest payments

Notes:

- All indices are calculated on consolidated financial statements.
- 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.
- “Operating cash flows” refers to cash flows from operating activities as shown in the consolidated cash flow statements.
- Interest-bearing debts refer to all debts in Consolidated Balance Sheet on 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 Year 2010 and 2011

Tokyo Seimitsu believes the most important management task for the Company is to enhance its corporate value and constantly distribute profits to shareholders through a business model of providing unsurpassed products based on state-of-the-art technologies in the SPE market and the Metrology equipment 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.

For FY 2010, Tokyo Seimitsu forwent an interim and also a year end dividend due to the severe sales results of the fiscal year throughout the worldwide recession.

As for FY 2011, the Company anticipates to pay ¥5 interim dividend per share, through an expectation of business recovery. The Company will review full-year dividend payments in light of prevailing business conditions and make announcements immediately after any decision is taken by the Company Board.

(4) Business and Other Risks

Risk factors that may affect the Tokyo Seimitsu Group's business results, financial position, cash flows and other performance indicators are described below. The Group is endeavoring to avert these risks and to reduce potential risks by hedging and diversifying. However, an unforeseen situation may have considerable influence on the Group's business performance. The Tokyo Seimitsu Group judged the following as risk factors at the end of the period under review, but these do not encompass all risks to which the Group's operations may be exposed.

1) Fluctuations in market conditions

The Tokyo Seimitsu Group conducts SPE business and Metrology business on a global scale, with the scope of operations including Japan, Europe, the United States and Asia. Both of these business areas, as promising sectors in the development of an advanced information society, are expected to continue to grow. However, if the supply-demand balance is disturbed or economic conditions deteriorate in the markets of each business area, the Group's business performance could be adversely affected.

2) Exchange rate fluctuations

In principle, the Group's overseas sales are made on a yen basis. However, transactions are carried out in U.S. dollars with customers in the United States and some other regions. With regard to U.S. dollar-denominated receivables, forward exchange contracts and other risk mitigation measures are taken. Nevertheless, in the event of unforeseen exchange rate fluctuations, the Group's business results may be influenced.

3) Financial Covenants

To ensure liquidity, the Company has put in place loan facilities with banks (lead bank Mizuho Corporate Bank Ltd.); these facilities include covenants in which the breach of certain conditions invokes the requirement to repay loans.

4) Natural disasters and accidental disasters

In order to minimize damage caused by a possible interruption of production activities, the Tokyo Seimitsu Group regularly conducts disaster prevention inspections and carries out production facility maintenance. Capital investment is also made to secure the safety of the facilities. Nevertheless, a sudden calamity, natural disaster or unforeseen accident could damage production facilities or interrupt operations, greatly impacting the Group's business performance.

5) Country risk

The Tokyo Seimitsu Group is engaged in business in various parts of the world and is operating at the optimum level within each country's political and legal system. However, unexpected changes in the political system or regulations in each country could have influence on the Group's business performance. Furthermore, terrorist attacks, wars, infectious diseases in counties or regions where the Group operates could have impact on its business results.

6) Protection of intellectual property rights

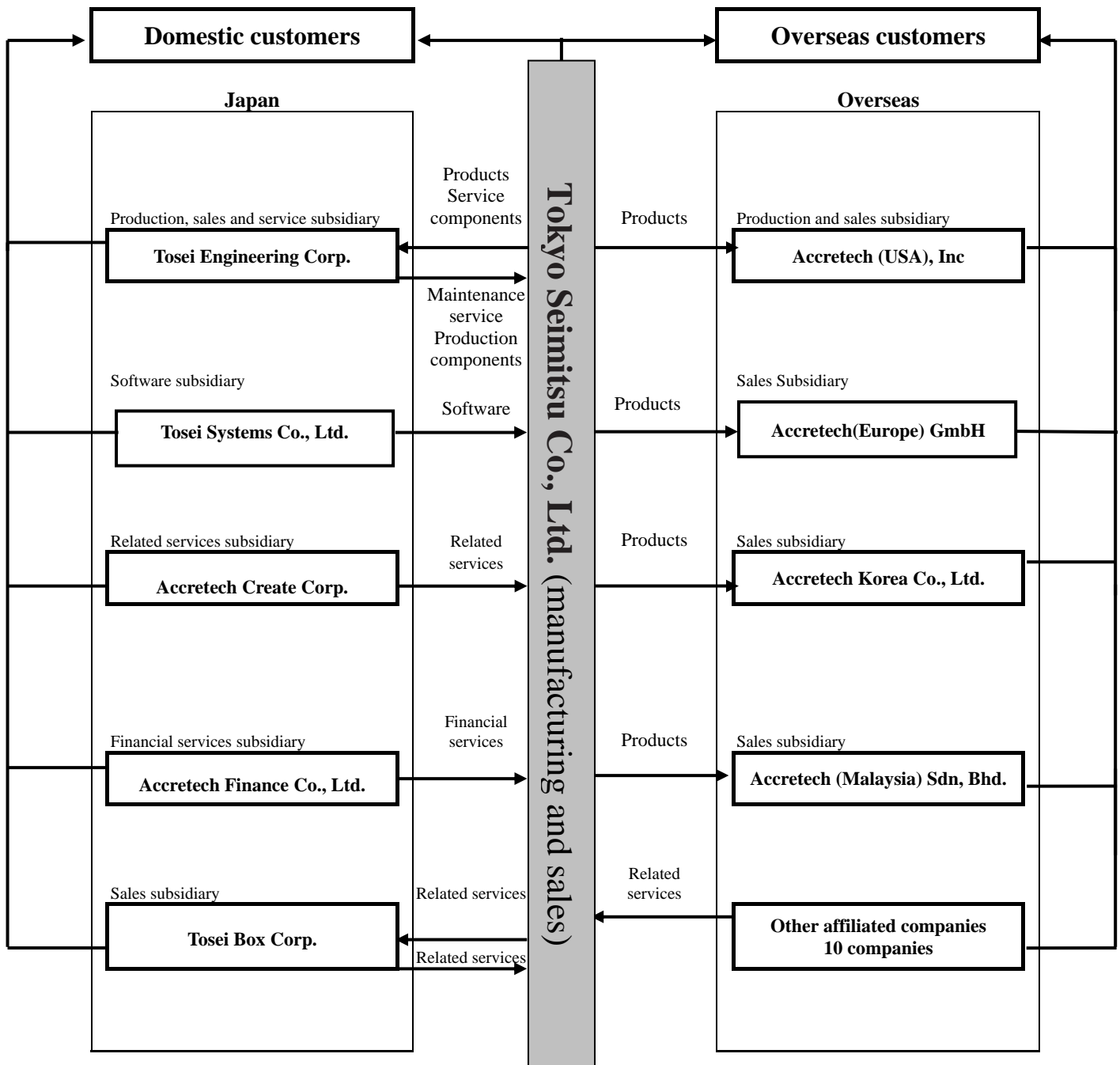
The Tokyo Seimitsu Group's SPE and precision Metrology equipments embody cutting edge technologies. Particular attention is paid to the protection of rights related to these technologies. Specifically, the Group has taken measures to defend its interest with regard to such matters as attribution of patent-related rights and protection of trademarks and brands. However, if a lawsuit or other legal dispute with a third party in Japan or overseas were to arise concerning rights, the Group's business performance could be affected.

6) Technological innovation

New technologies are developed on nearly a daily basis in the business areas of the Tokyo Seimitsu Group. To develop state-of-the-art technologies and provide new products are essential in maintaining and strengthening the Group's competitiveness. However, there is no guarantee that the Group's research and development activities will always be successful. A failed in R&D and commercialization effort might impact the Group's business performance.

2. Tokyo Seimitsu Corporate Group

Group Business Network



3. Management Policy

(1) Core Policy

- 1) As a manufacturer of SPE and precision Metrology instruments, 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. Because of severe business conditions in recent periods Tokyo Seimitsu has carried out a bold "selection and concentration" strategy in the SPE business, as well as executing restructuring of the Company including through a voluntary retirement program, and capitalizing deficit spending for two fiscal years in a row. Resulting from these stringent actions, the Company has become a lean and solid organization able to run with concentrated managerial decision making. The Company has positioned itself to relaunch solidly and contribute to continuously developing precision measurement and processing technology, while meeting the commitments that are the requirements of a healthy growing company; Health and Safety, Quality Control and Customer Satisfaction, and Environmental Sustainability.
- 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 implements 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.

(2) Key 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. Tokyo Seimitsu has dramatically reorganized itself in order to galvanize in the face of the global recession and reestablish itself for the future growth. However the timing of economic recovery remains uncertain. Tokyo Seimitsu will continue to promote further quality improvement and product innovation, to enhance company structure, to increase its sales, to expand its market share and to reach a higher profit rate.
2. Although Tokyo Seimitsu has voted to forgo payments of interim and year-end dividends of FY2010, ended Mar 31 2010, the Company anticipates paying ¥ 5 interim dividends per share for FY2011, in line with its expected business recovery. The Company will review its full-year dividend payments for FY2011 in light of prevailing business conditions and make announcements immediately after any decision is taken by the Company Board. Company management is acutely aware that dividend payments remain a key indicator of business success and thorough business recovery.
3. In recent years, corporate governance and risk management have become increasingly important. Tokyo Seimitsu will endeavor to strengthen its corporate governance by maintaining effective internal control systems 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 projections are subject to a number of risks and uncertainties, including market conditions, competition, and the global state of the industry such as Semiconductor and Automobile. Accordingly, actual results may differ materially from those projected in this earnings summary.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Million yen)

	FY2009 (Mar 31, 2009)	FY2010 (Mar 31, 2010)
ASSETS		
Current Assets		
Cash and cash equivalents	17,614	12,055
Notes and accounts receivable	11,860	15,511
Merchandise and finished goods	1,429	984
Work in progress	13,659	9,362
Raw materials and supplies	2,870	2,317
Differed tax assets	1,612	763
Others	1,478	911
Allowance for doubtful accounts	- 269	- 202
Total current assets	50,256	41,703
Fixed Assets		
Tangible fixed assets		
Building and structures	15,506	14,681
Accumulated depreciation	- 6,561	- 6,628
Accumulated impairment loss	—	- 134
Building and structures(net)	8,945	7,917
Machinery, equipment and vehicles	6,000	5,398
Accumulated depreciation	- 3,765	- 4,045
Machinery, equipment and vehicles (net)	2,235	1,352
Equipment	3,760	3,544
Accumulated depreciation	- 3,106	- 3,130
Accumulated impairment loss	—	- 2
Equipment(net)	653	411
Land	5,742	5,713
Lease assets	2,119	1,840
Accumulated depreciation	- 619	- 715
Lease assets (net)	1,499	1,124
Construction in process account	871	945
Total Tangible Fixed Assets	19,948	17,466
Intangible Fixed Assets		
Goodwill	2,162	1,830
Others	742	590
Total Intangible Fixed Assets	2,905	2,420
Investments and other assets		
Investment Securities	2,751	3,513
Long-term loans	25	48
Differed tax assets	4,510	3,955
Others	2,205	1,029
Allowance for doubtful accounts	- 770	- 652
Total Investments and other assets	8,721	7,894
Total Fixed Assets	31,575	27,782
Total Assets	81,831	69,485

	FY2009 (Mar 31, 2009)	FY2010 (Mar 31, 2010)
LIABILITIES		
Current Liabilities		
Notes and accounts payable	5,272	8,185
Short-term debt	9,604	1,300
Current portion of long-term debt	5,030	3,888
Lease liabilities	362	323
Income taxes payable	68	75
Bonus reserve	280	245
Reserve for director's bonuses	10	5
Provision for loss on business liquidation	400	89
Others	3,832	1,596
Total current liabilities	24,862	15,709
Long-term Liabilities		
Corporate bond	—	3,000
Long-term debt	11,441	8,384
Lease liabilities	1,158	834
Allowance for employee retirement benefits	3,405	2,363
Allowance for director retirement benefits	104	114
Long-term accounts payable	29	29
Total Long-term liabilities	16,139	14,725
Total Liabilities	41,001	30,435
NET ASSETS		
Shareholder's Equity		
Common Stock	9,650	10,198
Capital Surplus	20,668	21,216
Retained earnings	11,500	7,987
Treasury Stock	- 107	- 107
Total Shareholder's Equity	41,712	39,294
Accumulated gains from valuation and translation adjustments		
Holding Gain or loss in investment	- 963	- 194
Foreign currency translation adjustment	- 326	- 195
Total Accumulated gains from valuation and translation adjustments	- 1,289	- 390
Share subscription rights	408	146
Total Net Assets	40,830	39,050
Total Liabilities and Net Assets	81,831	69,485

(2) Consolidated Statements of Income

(Million yen)

	FY2009 (April 1, 2008 - Mar 31, 2009)	FY2010 (April 1, 2009 - Mar 31, 2010)
Net Sales	45,741	30,735
Cost of Sales	37,709	26,540
Gross profit on sales	8,032	4,194
Selling, general and administrative expenses		
Selling expenses	8,047	4,024
General expenses	2,450	1,737
Total Selling, general and administrative expenses	10,498	5,761
Operating income (loss)	- 2,466	- 1,567
Non-operating income		
Interest	24	21
Dividend income	223	118
Foreign exchange income	126	79
Proceeds from government grants for employment promotion	—	135
Reversal of Allowance for doubtful accounts	—	78
Others	55	180
Total Non-operating income	430	614
Non-operating expenses		
Interest expenses	378	500
Financing expenses	257	278
Loss on sales and retirement of property, plant and equipment	83	81
Others	81	60
Total non-operating expenses	801	921
Ordinary Income (loss)	- 2,838	- 1,874
Extraordinary gains		
Invalidation of share subscription rights	3	187
Reversal of reserve for loss on business liquidation	—	222
Gain on sales of investment securities	—	1
Total Extraordinary gains	3	411
Extraordinary losses		
Impairment loss	—	137
Loss on sale of Lands	—	13
Loss on liquidation of business	4,150	—
Loss on business of subsidiaries and affiliates	2,527	—
Loss on valuation of inventories	2,519	—
Others	1,705	7
Total extraordinary losses	10,903	158
Income (Loss) before income taxes and minority interests	- 13,738	- 1,621
Income tax and other taxes	936	487
Adjustment on income tax	- 3,476	1,402
Total Income tax and others	- 2,539	1,890
Net Income (loss)	- 11,198	- 3,512

(3) Consolidated Statements of Changes in Net Assets

(Million yen)

	FY2009 (April 1, 2008 - Mar 31, 2009)	FY2010 (April 1, 2009 - Mar 31, 2010)
Shareholder's equity		
Common Stock		
Balance as of previous fiscal year	9,633	9,650
Changes during the fiscal year		
Issue of new shares	16	548
Total changes during the fiscal year	16	548
Balance as of end of the fiscal year	9,650	10,198
Capital Surplus		
Balance as of previous fiscal years	20,653	20,668
Changes during the fiscal year		
Issue of new shares	16	547
Disposal of treasury stock	0	—
Total changes during the fiscal year	15	547
Balance as of end of the fiscal year	20,668	21,216
Retained earnings		
Balance as of previous fiscal years	24,900	11,500
Changes pursuant to amendments to the Corporation Tax Law for oversea subsidiaries	9	—
Changes during the fiscal year		
Cash dividends paid	- 2,210	—
Net income (-:net loss)	- 11,198	- 3,512
Total changes during the fiscal year	- 13,409	- 3,512
Balance as of end of the fiscal year	11,500	7,987
Treasury stock		
Balance as of previous fiscal years	- 105	- 107
Changes during the fiscal year		
Purchases of treasury stock	- 2	0
Disposal of treasury stock	1	—
Total changes during the fiscal year	- 1	0
Balance as of end of the fiscal year	- 107	- 107
Total Shareholder's equity		
Balance as of previous fiscal years	55,081	41,712
Changes pursuant to amendments to the Corporation Tax Law for oversea subsidiaries	9	—
Changes during the fiscal year		
Issue of new shares	32	1,095
Cash dividends paid	- 2,210	—
Net income (-:net loss)	- 11,198	- 3,512
Purchases of treasury stock	- 2	0
Disposal of treasury stock	0	—
Total changes during the fiscal year	- 13,378	- 2,417
Balance as of end of the fiscal year	41,712	39,294

	FY2009 (April 1, 2008 - Mar 31, 2009)	FY2010 (April 1, 2009 - Mar 31, 2010)
Valuation and translation adjustments		
Valuation Difference on securities		
Balance as of previous fiscal years	65	- 963
changes during the fiscal year		
Net changes in items other than shareholders' equity	- 1,028	769
total changes during the fiscal year	- 1,028	769
balance as of end of the fiscal year	- 963	- 194
Foreign currency translation adjustments		
Balance as of previous fiscal years	- 35	- 326
changes during the fiscal year		
Net changes in items other than shareholders' equity	- 290	130
total changes during the fiscal year	- 290	130
balance as of end of the fiscal year	- 326	- 195
Total valuation and translation adjustments		
Balance as of previous fiscal years	29	- 1,289
changes during the fiscal year		
Net changes in items other than shareholders' equity	- 1,319	899
total changes during the fiscal year	- 1,319	899
balance as of end of the fiscal year	- 1,289	- 390
Share subscription rights		
Balance as of previous fiscal years	375	408
changes during the fiscal year		
Net changes in items other than shareholders' equity	32	- 261
total changes during the fiscal year	32	- 261
balance as of end of the fiscal year	408	146
Net assets		
Balance as of previous fiscal years	55,487	40,830
Changes pursuant to amendments to the Corporation Tax Law for oversea subsidiaries	9	—
changes during the fiscal year		
Issue of new shares	32	1,095
Cash dividends paid	- 2,210	—
Net income (-:net loss)	- 11,198	- 3,512
Purchases of treasury stock	- 2	0
Disposal of treasury stock	0	—
Net changes in items other than shareholders' equity	- 1,287	637
total changes during the fiscal year	- 14,665	- 1,780
balance as of end of the fiscal year	40,830	39,050

(4) Consolidated Statements of Cash Flows

(Million yen)

	FY2009 (April 1, 2008 - Mar 31, 2009)	FY2010 (April 1, 2009 - Mar 31, 2010)
Cash flows from operating activities:		
Loss before income taxes and minority interests (-)	- 13,738	- 1,621
Depreciation and amortization	2,451	2,088
Impairment Loss	—	137
Amotization of goodwill	332	332
Stock related expense	68	20
Loss on related company's business	786	—
Change in allowance for employee retirement benefits (-:decrease)	- 296	- 1,042
Change in allowance for director retirement benefits (-:decrease)	- 1	9
Change in allowance for doubtful accounts (-:decrease)	979	- 178
Change in allowance for liquidation of business (-:decrease)	—	- 311
Change in allowance for investment loss (-:decrease)	- 82	—
Interest and dividend income	- 247	- 139
Interest expense	378	500
Gain on reversal of subscription rights	- 3	- 187
Loss on sales and disposal of tangible fixed assets (-: income)	83	81
Loss on sale of lands (-: income)	—	13
Loss on revaluation of investments in securities (-: income)	80	7
Change in trade notes and accounts receivable (-: increase)	20,012	- 3,690
Change in inventories (-: increase)	8,482	5,459
Change in trade notes and accounts payable(-:decrease)	- 13,742	2,932
Others	- 64	- 1,647
Subtotal	5,481	2,766
Proceeds from interest and dividend income	247	139
Payment of interest	- 279	- 530
Payment of income taxes	- 2,595	- 299
Net cash provided by operating activities	2,853	2,075
Cash flows from investing activities:		
Payment for time deposits	- 38	- 38
Proceeds from time deposits	38	1,038
Payment for purchase of property, plant and equipment	- 2,883	- 181
Proceeds from sales of property, plant and equipment	6	382
Payment for purchase of intangible assets	- 277	- 4
Payment for purchase of investment securities	- 6	- 2
Proceeds from sales of investment securities	—	66
Payment for purchase of treasury stock of subsidiaries in consolidation	- 94	—
Payment of other investments in capital	- 48	0
Proceeds from sales of golf club membership	59	—
Payment for loans receivable	- 19	- 28
Proceeds from collection of loans receivable	6	5
Net cash used in investing activities	- 3,257	1,237

	FY2009 (April 1, 2008 - Mar 31, 2009)	FY2010 (April 1, 2009 - Mar 31, 2010)
Cash flows from financing activities:		
Change in short-term loans payable(- : decrease)	7,809	- 8,304
Proceeds from long-term debt	13,500	1,000
Repayment of long-term debt	- 3,192	- 5,199
Proceeds from issuance of Corporate bonds	—	3,000
Redemption of Corporate bonds	- 13,965	—
Proceeds from issuance of common stock	—	999
Proceeds from Sales & Lease back transactions	1,054	—
Repayment of lease liability	- 369	- 362
Proceeds from exercise of stock options	0	0
Dividend payments	- 2,210	—
Others	- 2	0
Net cash provided by (used in) financing activities	2,624	- 8,867
Effect of exchange rate changes on cash and cash equivalents	- 299	- 5
Net increase (decrease) in cash and cash equivalents	1,921	- 5,559
Cash and cash equivalents at beginning of year	15,665	17,586
Cash and cash equivalents at end of year	17,586	12,027

(5) Note on assumptions for going concern

Not applicable.

(6) Basis of Presenting Consolidated Financial Statements

1) Subsidiaries included in consolidation

Number of subsidiaries: 8

Name of subsidiaries: Tosei Engineering Corp., Tosei Systems Co., Ltd., Accretech Create Corp., Tosei Box Corp., Accretech Finance Co., Ltd., Accretech USA Inc, Accretech (Europe) GmbH, and Accretech Korea Co., Ltd.

2) Subsidiaries excluded from consolidation:

Number of subsidiaries: 11

Name of Major subsidiaries: Accretech (China) Co., ltd., TOSEI ENGINEERING (PINGHU) CO., LTD., TOSEI KOREA CO, LTD, Accretech Taiwan Ltd., Accretech (Malaysia) Sdn. Bhd., Accretech (Singapore) Pte Ltd.

These companies are excluded from the consolidated results because each company's assets, sales, net income, and retained earnings are insignificant and will not materially affect the consolidated financial results.

(7) Changes in Basis of Presenting Consolidated Financial Statements

Change of accounting principles, procedures, and methods of presentation on Consolidated Financial Statements

1) Partial Amendments to Accounting Standard for Retirement Benefits

Starting from the period under review, the Company applies "Partial Amendments to Accounting Standard for Retirement Benefits (Part3)" (ASBJ Statement No.19, July 31st 2008).

There is no effect on Consolidated Financial Statements.

(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

FY 2009 (April 1, 2008 - March 31, 2009)

(Millions of yen)

	SPE business	Metrology business	Total	Corporate and exclusions	Consolidation
I. Sales and operating income:					
1. Sales and operating income:	24,748	20,993	45,741	-	45,741
2. Intersegment sales to transfer	-	-	-	(-)	-
Total	24,748	20,993	45,741	(-)	45,741
Cost of revenue from operations	30,678	17,529	48,208	(-)	48,208
Operating Income	-5,930	3,463	-2,466	(-)	-2,466
II. Assets, depreciation and capital expenditure:					
Assets	50,993	28,439	79,433	2,398	81,831
Depreciation	2,063	721	2,784	-	2,784
Capital expenditure	2,697	833	3,531	-	3,531

FY 2010 (April 1, 2009 - March 31, 2010)

(Millions of yen)

	SPE business	Metrology business	Total	Corporate and exclusions	Consolidation
I. Sales and operating income:					
1. Sales and operating income:	20,462	10,273	30,735	-	30,735
2. Intersegment sales to transfer	-	-	-	(-)	-
Total	20,462	10,273	30,735	(-)	30,735
Cost of revenue from operations	22,929	9,373	32,302	(-)	32,302
Operating Income	-2,467	900	-1,567	(-)	-1,567
II. Assets, depreciation, impairment loss and capital expenditure:					
Assets	46,898	21,727	68,626	858	69,485
Depreciation	1,811	609	2,421	-	2,421
Impairment Loss	114	22	137	-	137
Capital expenditure	131	15	147	-	147

Notes: 1. The Company's business segments are determined with consideration of 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 probing machines, wafer dicing machines, polish grinders, and CMPs

(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(April 1, 2008 - March 31, 2009)

(Millions of yen)

	Japan	U.S.	Germany	Korea	Total	Corporate and exclusions	Consolidation
I. Sales and operating income:							
1. Sales to third parties	40,854	3,037	1,652	197	45,741	-	45,741
2. Intersegment sales to transfer	3,001	99	6	259	3,367	(3,367)	-
Total	43,856	3,136	1,659	456	49,109	(3,367)	45,741
Cost of revenue from operations	45,728	3,935	1,565	435	51,664	(3,455)	48,208
Operating Income (Loss)	-1,872	-798	94	21	-2,554	88	-2,466
II. Assets	77,727	1,622	1,384	280	81,014	817	81,831

FY2010(April 1, 2009 - March 31, 2010)

(Millions of yen)

	Japan	U.S.	Germany	Korea	Total	Corporate and exclusions	Consolidation
I. Sales and operating income:							
1. Sales to third parties	27,574	1,734	1,094	332	30,735	-	30,735
2. Intersegment sales to transfer	2,027	-	18	210	2,257	(2,257)	-
Total	29,602	1,734	1,113	543	32,993	(2,257)	30,735
Cost of revenue from operations	31,094	1,861	1,063	540	34,560	(2,257)	32,302
Operating Income (Loss)	-1,492	-127	49	3	-1,567	-	-1,567
II. Assets	66,421	1,729	1,327	252	69,731	(246)	69,485

Notes: 1. Method of determining country segments

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

(3) Overseas Sales

FY2009 (April 1, 2008 - March 31, 2009)

(Millions of yen)

	East Asia	South East Asia	Europe	North America	Other regions	Total
Overseas sales	9,741	3,604	2,331	1,732	478	17,887
Consolidated sales	—	—	—	—	—	45,741
Ratio of overseas sales to consolidated sales	21.3%	7.9%	5.1%	3.8%	1.0%	39.1%

FY2010 (April 1, 2009 - March 31, 2010)

(Millions of yen)

	East Asia	South East Asia	North America	Europe	Other regions	Total
Overseas sales	11,658	3,423	1,431	996	243	17,752
Consolidated sales	—	—	—	—	—	30,375
Ratio of overseas sales to consolidated sales	37.9%	11.1%	4.7%	3.2%	0.8%	57.7%

6. Per Share Information

FY 2009 (April 1, 2008 - March 31, 2009)		FY 2010 (April 1, 2009 - March 31, 2010)	
Net assets per share	1,005.30 yen	Net assets per share	944.06 yen
Earnings per share	- 278.55 yen	Earnings per share	- 86.60 yen
Diluted earnings per share are not stated as these are equivalent to net loss per share.		Same as left	

Note: Bases for calculation

1. Net assets per share

Item	FY 2009 (March 31, 2009)	FY 2010 (March 31, 2010)
Total net assets in consolidated balance sheet (million yen)	40,830	39,050
Net assets related to common stock (million yen)	40,422	38,904
Main components of difference Warrants (million yen)	408	146
Number of outstanding shares (thousand shares)	40,240	41,241
Number of treasury shares (thousand shares)	31	31
Number of outstanding shares that are bases for calculation of net assets per share (thousand shares)	40,209	41,209

2. Earnings per share and diluted earnings per share

Item	FY 2009 (April 1, 2008 - March 31, 2009)	FY 2010 (April 1, 2009 - March 31, 2010)
Net income on consolidated balance sheet (million yen)	- 11,198	- 3,512
Net income related to common stock (million yen)	- 11,198	- 3,512
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)	40,203	40,557

7. Significant subsequent events

Not applicable

8. Production, Orders and Sales

(1) Production

(Millions of yen)

Business Segment	FY2009		FY2010	
	(April 1, 2008 – March 31, 2009)	YoY (%)	(April 1, 2009 – March 31, 2010)	YoY (%)
SPE	24,842	- 63.0%	16,609	- 33.1%
Metrology Equipment	20,908	- 15.0%	9,626	- 54.0%
Total	45,751	- 50.1%	26,235	- 42.7%

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

(2) Orders

(Millions of yen, rounded down)

Business Segment	FY2009		FY2010	
	(April 1, 2008 – March 31, 2009)		(April 1, 2009 – March 31, 2010)	
	Received	Backlog	Received	Backlog
SPE	15,917	4,617	21,508	5,662
Metrology Equipment	17,157	1,792	10,350	1,869
Total	33,074	6,409	31,859	7,532

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

(3) Sales

(Millions of yen, rounded down)

Business Segment	FY2009		FY2010	
	(April 1, 2008 – March 31, 2009)	YoY (%)	(April 1, 2009 – March 31, 2010)	YoY (%)
SPE	24,748	- 63.3 %	20,462	-17.3%
Metrology Equipment	20,993	- 13.8 %	10,273	-51.1%
Total	45,741	- 50.2 %	30,735	-32.8%

Note: Amounts are shown excluding consumption tax.

9. Non- Consolidated Financial Statements

(1) Non-Consolidated Balance Sheet

(Million yen)

	FY2009 (Mar 31, 2009)	FY2010 (Mar 31, 2010)
ASSETS		
Current Assets		
Cash and cash equivalents	13,130	8,140
Notes receivable	613	1,551
Accounts receivable	8,568	12,138
Merchandise and finished goods	1,295	781
Work in progress	12,075	8,159
Raw materials and supplies	1,617	1,357
Corporate taxes receivable	769	—
Consumption taxes receivable	384	249
Prepaid expenses	—	11
Differed tax assets	1,539	714
Others	151	520
Allowance for doubtful accounts	- 204	- 119
Total current assets	39,940	33,504
Fixed Assets		
Tangible fixed assets		
Building	12,202	11,706
Accumulated depreciation	- 5,410	- 5,419
Accumulated impairment loss	—	- 127
Building (net)	6,792	6,158
Structures	542	507
Accumulated depreciation	- 308	- 304
Accumulated impairment loss	—	- 6
Structures(net)	234	196
Machinery, and equipment	4,431	4,213
Accumulated depreciation	-2,845	- 3,202
Machinery, and equipment (net)	1,585	1,010
Vehicles	97	97
Accumulated depreciation	- 76	- 85
Vehicles (net)	20	12
Equipment	3,035	2,928
Accumulated depreciation	- 2,537	- 2,582
Accumulated impairment loss	—	- 2
Equipment(net)	497	343
Land	3,850	3,850
Lease assets	2,119	1,840
Accumulated depreciation	- 619	- 715
Lease assets (net)	1,499	1,124
Construction in process account	871	945
Total Tangible Fixed Assets	15,352	13,641
Intangible Fixed Assets		
Patent rights	3	2
Software	702	552
Others	26	25
Total Intangible Fixed Assets	732	580

	FY2009 (Mar 31, 2009)	FY2010 (Mar 31, 2010)
Investments and other assets		
Investment Securities	2,514	3,276
Stocks of affiliated companies	3,496	3,496
Investments	70	70
Investments -- affiliated companies	127	80
Long-term loans	—	10
Long term loans on employees	6	18
Long term loans affiliated companies	3,000	2,817
Bankrupt or quasi-bankrupt assets	660	629
Differed tax assets	4,247	3,714
long-term deposits	1,000	—
Others	156	149
Allowance for doubtful accounts	- 2,769	- 2,967
Total Investments and other assets	12,509	11,295
Total Fixed Assets	28,594	25,517
Total Assets	68,534	59,021
LIABILITIES		
Current Liabilities		
Notes payable	602	1,033
Accounts Payable	5,103	7,885
Short-term debt	9,694	1,390
Current portion of long-term debt	4,988	3,888
Lease liabilities	362	323
Accrued amount payable	1,554	577
Accrued expenses	1,272	477
Income taxes payable	48	71
Advances by customers	56	61
Deposite payable	80	192
Bonus reserve	137	129
Provision for loss on business liquidation	400	89
Others	22	6
Total current liabilities	24,324	16,125
Long-term Liabilities		
Corporate bond	—	3,000
Long-term debt	11,432	8,384
Lease liabilities	1,158	834
Allowance for employee retirement benefits	2,727	1,722
Long-term accounts payable	29	29
Total Long-term liabilities	15,346	13,970
Total Liabilities	39,671	30,096

(Million yen)

	FY2009 (Mar 31, 2009)	FY2010 (Mar 31, 2010)
NET ASSETS		
Shareholder's Equity		
Common Stock	9,650	10,198
Capital Surplus		
Capital reserve	17,023	17,570
Other capital surplus	0	0
Total capital surplus	17,023	17,570
Retained earnings		
Legal reserve of retained earnings	728	728
Other retained earnings		
special reserve fund.	5,000	5,000
Earned surplus brought forward	- 2,877	- 4,416
Total retained earnings	2,851	1,312
Treasury Stock	- 107	- 107
Total Shareholder's Equity	29,417	28,973
Accumulated gains from valuation and translation adjustments		
Holding Gain or loss in investment	- 962	- 194
Total Accumulated gains from valuation and translation adjustments	- 962	- 194
Share subscription rights	408	146
Total Net Assets	28,863	28,925
Total Liabilities and Net Assets	68,534	59,021

(2) Non-Consolidated Statements of Income

(Million yen)

	FY2009 (April 1, 2008 - Mar 31, 2009)	FY2010 (April 1, 2009 - Mar 31, 2010)
Net Sales		
Sales of products	37,897	26,715
Sales of merchandise	362	247
Total sales	38,260	26,963
Cost of Sales		
Cost of sales of products		
Opening inventory	3,643	1,290
Manufacturing cost for the term	32,489	24,038
Total	36,132	25,329
Transfer to other accounts	311	31
Ending inventory	1,290	776
Total cost of sales of products	34,530	24,520
Cost of sales of merchandise		
Opening inventory	4	4
Purchases of merchandise for the term	355	218
Total	360	223
Ending inventory	4	4
Total cost of sales of merchandise	355	218
Total cost of sales	34,886	24,739
Gross profit on sales	3,374	2,223
Selling, general and administrative expenses		
Selling expenses	5,878	3,137
General expenses	1,371	1,046
Total Selling, general and administrative expenses	7,250	4,183
Operating income (loss)	- 3,876	- 1,960
Non-operating income		
Interest	8	10
Dividend income	2,345	2,317
Others	27	369
Total Non-operating income	2,381	2,696
Non-operating expenses		
Interest expenses	346	398
Bond interest expenses	—	100
Financing expenses	257	278
Foreign exchange loss	188	—
Others	108	64
Total non-operating expenses	901	842
Ordinary Income (loss)	- 2,395	- 105
Extraordinary gains		
Invalidation of share subscription rights	3	187
Reversal of reserve for loss on business liquidation	—	222
Gain on sales of investment securities	—	3
Total Extraordinary gains	3	413
Extraordinary losses		
Impairment loss	—	137
Loss on liquidation of business	4,150	—
Loss on valuation of inventories	2,519	—
Provision / allowance for doubtful accounts	2,103	230
Others	2,519	7
Total extraordinary losses	11,293	375
Income before income taxes and minority interests	- 13,686	- 67
Income tax and other taxes	71	112
Adjustment on income tax	- 2,948	1,358
Total Income tax and others	- 2,876	1,470
Net Income (or loss)	- 10,809	- 1,538

(3) Non-Consolidated Statements of Changes in Net Assets

(Million yen)

	FY2009 (April 1, 2008 - Mar 31, 2009)	FY2010 (April 1, 2009 - Mar 31, 2010)
Shareholder's equity		
Common Stock		
Balance as of previous fiscal year	9,633	9,650
Changes during the fiscal year		
Issue of new shares	16	548
Total changes during the fiscal year	16	548
Balance as of end of the fiscal year	9,650	10,198
Capital Surplus		
Capital reserve		
Balance as of previous fiscal years	17,007	17,023
Changes during the fiscal year		
Issue of new shares	16	547
Total changes during the fiscal year	16	547
Balance as of end of the fiscal year	17,023	17,570
Other capital surplus		
Balance as of previous fiscal years	0	0
Changes during the fiscal year		
Disposal of treasury stock	0	—
Total changes during the fiscal year	0	—
Balance as of end of the fiscal year	0	0
Total capital surplus		
Balance as of previous fiscal years	17,007	17,023
Changes during the fiscal year		
Issue of new shares	16	547
Disposal of treasury stock	0	—
Total changes during the fiscal year	15	547
Balance as of end of the fiscal year	17,023	17,570
Retained earnings		
Revenue reserve		
Balance as of previous fiscal years	728	728
Changes during the fiscal year		
Total changes during the fiscal year	—	—
Balance as of end of the fiscal year	728	728
Other retained earnings		
Special reserve fund		
Balance as of previous fiscal years	5,000	5,000
Changes during the fiscal year		
Total changes during the fiscal year	—	—
Balance as of end of the fiscal year	5,000	5,000
Retained earnings brought forward		
Balance as of previous fiscal years	10,143	- 2,877
Changes during the fiscal year		
Cash dividends paid	- 2,210	—
Net income (-:net loss)	- 10,809	- 1,538
Total changes during the fiscal year	- 13,020	- 1,538
Balance as of end of the fiscal year	- 2,877	- 4,416
Total retained earnings		
Balance as of previous fiscal years	15,871	2,851
Changes during the fiscal year		
Cash dividends paid	- 2,210	—
Net income (-:net loss)	- 10,809	- 1,538
Total changes during the fiscal year	- 13,020	- 1,538
Balance as of end of the fiscal year	2,851	1,312

	FY2009 (April 1, 2008 - Mar 31, 2009)	FY2010 (April 1, 2009 - Mar 31, 2010)
Treasury stock		
Balance as of previous fiscal years	- 105	- 107
Changes during the fiscal year		
Purchases of treasury stock	- 2	0
Disposal of treasury stock	1	—
Total changes during the fiscal year	- 1	0
Balance as of end of the fiscal year	- 107	- 107
Total Shareholder's equity		
Balance as of previous fiscal years	42,407	29,417
Changes during the fiscal year		
Issue of new shares	32	1,095
Cash dividends paid	- 2,210	—
Net income (-:net loss)	- 10,809	- 1,538
Purchases of treasury stock	- 2	0
Disposal of treasury stock	0	—
Total changes during the fiscal year	- 12,989	- 443
Balance as of end of the fiscal year	29,417	28,973
Valuation and translation adjustments		
Valuation Difference on securities		
Balance as of previous fiscal years	66	- 962
Changes during the fiscal year		
Net changes in items other than shareholders' equity	- 1,028	768
Total changes during the fiscal year	- 1,028	768
Balance as of end of the fiscal year	- 962	- 194
Total valuation and translation adjustments		
Balance as of previous fiscal years	66	- 962
changes during the fiscal year		
Net changes in items other than shareholders' equity	- 1,028	768
Total changes during the fiscal year	- 1,028	768
Balance as of end of the fiscal year	- 962	- 194
Share subscription rights		
Balance as of previous fiscal years	375	408
Changes during the fiscal year		
Net changes in items other than shareholders' equity	32	- 261
Total changes during the fiscal year	32	- 261
Balance as of end of the fiscal year	408	146
Net assets		
Balance as of previous fiscal years	42,849	28,863
Changes during the fiscal year		
Issue of new shares	32	1,095
Cash dividends paid	- 2,210	—
Net income (-:net loss)	- 10,809	- 1,538
Purchases of treasury stock	- 2	0
Disposal of treasury stock	0	—
Net changes in items other than shareholders' equity	- 996	506
Total changes during the fiscal year	- 13,986	62
Balance as of end of the fiscal year	28,863	28,925

(4) Note on assumptions for going concern

Not applicable.

10. Executive Changes (Effective June 24, 2010)

1) Candidate for Auditor

Corporate Auditor: Hideo Sawada (Current: Section Adviser of the Company)

Corporate Auditor (Part-time): Yoshiharu Kikuchi (Current: Director of Tsugami Corporation)

Note: Mr. Yoshiharu Kikuchi is a candidate of external corporate auditor as stipulated in Article 2 Item 16 of the Company Law.

2) Retiring Auditor

Corporate Auditor: Hideaki Takagi