

February 14, 2007

Whom it may concern

Company name	Tokyo Seimitsu Co., Ltd.		
Name of representative	Title	President, C.E.O. & C.O.O.	
	Name	Sadakatsu Suzuki	
(Code number: 7729 First Section of Tokyo Stock Exchange)			
Contact person	Title	Representative Director, C.F.O.	
	Name	Kunimasa Ohta	
	TEL	(0422) 48-1011	

Notice on Simple Merger of a Consolidated Subsidiary

Notice is hereby given that Tokyo Seimitsu Co., Ltd. (the Company) decided at the board of director's meeting held on February 14, 2007 that Accretech Micro Technologies Co., Ltd., our wholly-owned subsidiary, is to be merged with the company through the simple merger procedure. Prior to the merger, Accretech Micro Technologies will be given a capital boost totally from the Company in order to resolve the excess of liability.

Description

1. Purpose of merger

Accretech Micro Technologies Co., Ltd. is our wholly-owned subsidiary which is in charge of the development, production, and marketing of the wafer inspection system, which is one of our group's major businesses. Recently the Company decided to merge the subsidiary to unify the decision-making body and simplifying the chain of command for the business. The objective is to enhance the competitive edge of the business and utilize the management resources more efficiently across our entire group.

2. Outline of merger

(1) Timetable of merger

Board of directors' meeting approving the merger agreement	February 14, 2007
Signing of the merger agreement	February 14, 2007
General shareholders' meeting approving the merger agreement	
Tokyo Seimitsu	Will not be held (Note)
Accretech Micro Technologies	February 14, 2007
Date of merger	April 1, 2007 (planned)
Registration of merger	April 2, 2007 (planned)

(Note) Because this merger is based on the simple merger procedure defined by the Company Law Article 796 Clause 3, it will be conducted without any approval by the general shareholders' meeting at the Company.

(2) Form of merger

The merger will take place in the form of a takeover by the Company, while Accretech Micro Technologies Co., Ltd. will be dissolved.

Because Accretech Micro Technologies is at present in excess of liability, it will be given a capital boost of 2 billion yen totally from the Company to resolve the situation before the merger.

(3) Merger ratio

The Company owns all shares issued by Accretech Micro Technologies. Accordingly, there will be no issue of new shares or capital increase.

3. Company profiles of parties pertaining to the merger

(As of September 30, 2006)

(1) Business name	Tokyo Seimitsu Co., Ltd. (Company taking over)	Accretech Micro Technologies Co., Ltd. (Company taken over)
(2) Description of business	Manufacturing and sales of semiconductor manufacturing equipment and precision measurement systems	Manufacturing and sales of semiconductor manufacturing equipment
(3) Date of establishment	March 28, 1949	November 12, 1957
(4) Address of the head office	7-1, 9 chome, Shimorenjaku, Mitaka City, Tokyo	2968-2, Ishikawa-cho, Hachioji City, Tokyo
(5) Representative of company	President, C.E.O. & C.O.O. Sadakatsu Suzuki	President Yasutsugu Usami
(6) Capital	9,515 million yen	300 million yen
(7) Total number of shares issued	40,141,517	596,000
(8) Net asset	41,721 million yen	Δ 1,708 million yen
(9) Total assets	102,142 million yen	3,653 million yen
(10) Settlement date	March 31	March 31
(11) Number of employees	675	76
(12) Main customers Main suppliers	Toyota Motor Corporation Toshiba Corporation SAMSUNG ELECTRONICS Co.,Ltd Tosei Engineering Corp. Tsugami Corporation	The Company (Tokyo Seimitsu Co., Ltd.) Sumitomo Heavy Industries Mechatronics Ltd. Saney Seiko Inc.

(13) Major shareholders and equity share	The Master Trust Bank of Japan, Ltd. as trust asset	15.25%	The Company (Tokyo Seimitsu Co., Ltd.) 100%
	Japan Trustee Services Bank, Ltd. as trust asset	5.95%	
	The Nomura Trust and Banking Co., Ltd. as trust asset	2.67%	
	Precision Measurement Technology Promotion Foundation	2.64%	
	Mizuho Corporate Bank	2.09%	
(14) Main financing banks	Mizuho Corporate Bank Sumitomo Mitsui Banking Corporation Bank of Tokyo-Mitsubishi UFJ		Sumitomo Mitsui Banking Corporation
(15) Relationships with merger parties	Capital	The Company owns 100% of the shares issued by Accretech Micro Technologies Co., Ltd.	
	Personnel	Three directors and two employees of the Company are concurrently assigned a director post at Accretech Micro Technologies Co., Ltd.	
	Business	Almost 100% of the sales of Accretech Micro Technologies Co., Ltd. are accounted to the Company.	

(16) Business performances for latest 3 terms

(Unit: Million yen)

Term	Tokyo Seimitsu Co., Ltd (Company taking over)			Accretech Micro Technologies Co., Ltd. (Company taken over)		
	2004FY	2005FY	2006FY	2004FY	2005FY	2006FY
Sales	55,548	73,336	82,539	5,845	5,916	4,798
Operating profit	3,615	9,723	10,135	△ 124	16	△ 445
Ordinary profit	3,243	9,676	10,423	△ 137	9	△ 453
Net profit	△ 3,591	605	2,414	△ 198	11	△ 2,075
Earning per share (yen)	△ 96.16	16.16	62.67	△ 333.30	19.09	△ 3,482.66
Dividend (yen)	30.00	30.00	40.00	0.00	0.00	0.00

Shareholder's equity per share (yen)	781.80	775.78	955.63	590.52	642.54	Δ 2,897.03
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4. Situation after merger

- (1) Business name Tokyo Seimitsu Co., Ltd
- (2) Description of business Manufacturing and sales of semiconductor manufacturing equipment and precision measurement systems
- (3) Address of the head office 7-1, 9 chome, Shimorenjaku, Mitaka City, Tokyo
- (4) Representative Sadakatsu Suzuki, President, C.E.O. and C.O.O.
- (5) Capital 9,569 million yen (as of January 31, 2007)
There will be no increase to the capital fund as the result of the merger.
- (6) Total assets The effect to the total assets due to the merger is insignificant.
- (7) Date of settlement March 31
- (8) Possible effect to business
performance There will be no effect to the consolidated business performance because Accretech Micro Technologies Co., Ltd. is a wholly-owned subsidiary of the Company.