

Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31st, 2015 (FY2015), Japan GAAP

August 11th, 2014

Company Name



Tokyo Seimitsu Co., Ltd.

Stock Listing: First Section TSE

ACCRETECH

Code number: 7729

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Dividend Payable Date: -

Supplementary Document for Quarterly Financial Results : Yes

Holding of Financial Results Meeting: No

(Millions of yen, rounded down)

1. Consolidated Results for 1st Quarter of FY2015 (April 1st, 2014 - June 30th, 2014)

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

	Net Sales (Millions of Yen)		Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)	
FY2015 Q1	14,076	0.4%	2,157	-8.9%	2,171	-16.3%	1,528	-8.5%
FY2014 Q1	14,014	20.4%	2,369	30.0%	2,595	39.6%	1,670	33.7%

Note: Comprehensive Income in FY2015 Q1: 1,712 million yen (-29.9%), in FY2014 Q1: 2,442 million yen (131.5%),

	Net Income per Share (Yen)	Net Income per Share (diluted) (Yen)
FY2015 Q1	37.05	36.90
FY2014 Q1	40.51	40.37

(2) Consolidated financial position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio (%)
FY2015 Q1	86,846	65,847	75.3%
FY2014	82,565	64,668	77.8%

Notes: Equity in FY2015 Q1: 65,389 million yen, in FY2014: 64,229 million yen

2. Situation of Dividend

	Per Share Dividend in Fiscal Year				
	Q1 End	Q2 End	Q3 End	Q4 End	Total
	Yen	Yen	Yen	Yen	Yen
FY2014	-	10.00	-	13.00	23.00
FY2015	-				
FY2015 (Projected)		15.00	-	15.00	30.00

Note: Changes due to revision of dividend projection: No

3. Forecast for FY 2015 (April 1st, 2014-March 31st, 2015) (% figures represent changes from the previous year)

	Net Sales (Millions of Yen)		Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)		Net Income per Share (Yen)
Interim	32,000	12.8%	5,300	21.4%	5,300	16.0%	3,300	15.1%	80.01
Full Year	60,000	8.6%	9,400	11.0%	9,400	4.2%	6,000	2.4%	145.47

Note: Changes due to revision of forecast: No

* Notes

(1) Significant changes in subsidiaries during the term under review: No.

New: - Excluded: -

(2) Accounting procedures specific to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting principles, estimates and restatements

1) Changes due to revision of accounting standards, etc.: Yes

2) Changes other than 1): No

3) Changes in accounting estimates: No

4) Restatement: No

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of period (including treasury shares):

2) Number of treasury shares at the end of period

3) Average Number of shares outstanding during the period:

FY2015 Q1	41,278,381 shares	FY2014	41,278,381 shares
FY2015 Q1	33,652 shares	FY2014	33,542 shares
FY2015 Q1	41,244,802 shares	FY2014	41,227,681 shares

* Cautionary statement with respect to the status of quarterly financial review procedures:

This document is not subject to the review procedures of financial results in accordance with the provisions of the Financial Instruments and Exchange Act. However, at the date and time of issue, the financial review procedure in accordance with the provisions of the Financial Instruments and Exchange Act is not yet completed.

* Cautionary Statements with Respect to Forward-looking Statements

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 Page 3, " (3) Financial Estimates such as Consolidated Business Forecasts for current fiscal year " of supplementary statement.

* Cautionary Statements with respect to the translation of the document

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1. Qualitative information on Business Performance for 1st quarter of FY2015

(1) Overview of Business Performance

Overall business conditions in the 1st quarter of Fiscal Year 2015 ending March, 2015 can be described in the following way. A moderate recovery trend continues in the USA accompanied by improvement in the employment market and strong private consumption. In the European economies, a slight recovery trend generally continues, however, the stagnation of growth in emerging countries remains unchanged. A stable recovery trend can be seen in Japan corresponding with improvement in corporate profits and in the employment market, grounded by economic policies of the government, although there was a temporary recession resulting from the increase in consumption tax (from 5% to 8%).

In line with the conditions outlined above, Consolidated Orders in the 1st quarter of Fiscal Year 2015 (April 1st, 2014 – June 30th, 2014) were ¥16.530 billion (up 10.0% YoY), Sales were ¥14.076 billion (up 0.4% YoY), Operating Income was ¥2.157 billion (down 8.9% YoY), Ordinary Income was ¥2.171 billion (down 16.3% YoY) and Net Income was ¥1.528 billion (down 8.5% YoY).

Business results during the term in each segment were as follows.

[Semiconductor Production Equipment (SPE)]

In the SPE business segment, the demand for mobile devices such as smart phones is moving favorably, and the market for low-end models continues growing in emerging countries, especially grounded by the start of high speed data communication services in China. Based on such market conditions, semiconductor manufacturers have been actively investing in Production Equipment, and demand increased rapidly from the end phase of the last Fiscal Year for the Back-End-of-Line Equipment business, to which our products belong. Accordingly both Orders and Sales of our Equipment increased QoQ.

As a result, Orders received in the 1st quarter of FY2015 (April 1st, 2014 – June 30th 2014) were ¥9.818 billion (up 3.0% YoY), Sales were ¥8.904 billion (down 3.4% YoY), and Operating Income was ¥1.212 billion (down 22.6% YoY).

[Metrology Equipment]

The automobile industry, which is the major user of our products, has continued to establish world-wide production structures, the machine tools sector shows further steady business movement, and Japanese government policies to provide financial support for investment by domestic small and medium size enterprises, has also had a notably positive effect.

As a result, Orders received in the 1st quarter of FY2015 (April 1st, 2014 – June 30th, 2014) were ¥6.712 billion (up 22.3% YoY), Sales were ¥5.172 billion (up 7.8% YoY), and Operating Income was ¥945 million (up 17.6% YoY).

(2) Analysis of Financial Position

Total Assets as of June 30th, 2014, amounted to ¥86.846 billion, an increase of ¥4.280 billion from the end of FY2014. The major factors behind this increase include an increase in Cash and cash equivalents of ¥2.081 billion, an increase in Work in progress of ¥1.989 billion and a decrease in Notes and accounts receivable of ¥709 million.

Total Liabilities as of June 30th, 2014, amounted to ¥20.998 billion, an increase of ¥3.102 billion from the end of FY2014. This was mainly from an increase in Accounts payable (including Notes and accounts payable and Electronically recorded obligations-operating) of ¥3.424 billion and a decrease of Income tax payable in ¥712 million.

Net Assets totaled ¥65.847 billion, an increase of ¥1.178 billion from the end of FY2014. This was mainly from an increase in Retained Earnings of ¥991 million. As a result, the Equity Ratio reached 75.3%.

(3) Financial Estimates such as Consolidated Business Forecasts for current Fiscal Year

There are no revisions to the Consolidated Business Forecasts for FY2015 interim and full year previously announced on May 14th, 2014.

Note: The forecasts 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 are subject to a number of risks and uncertainties, including market conditions, competition, and the new products release. Accordingly, actual results may differ materially from those projected in this earnings summary.

2. Other Information

(1) Significant Changes in Subsidiaries during the term

Not applicable.

(2) Accounting procedures specific to the preparation of quarterly consolidated financial statements:

Not applicable.

(3) Change of accounting principles, estimates and restatements

(Change in accounting principles)

The Company applied paragraph 35 of "Accounting Standard for Retirement Benefits" (ASBJ Statement No.26, May 17th, 2012) and paragraph 67 of "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No.25, May 17th, 2012) from the 1st quarter of FY2015.

As a result, there is no impact to Net defined benefit Assets, Net defined benefit liabilities or Retained earnings as at the beginning of 1st quarter of FY2015. In addition, there is no impact to Operating income, Ordinary income, or Income before income taxes and minority interests for the 1st quarter of FY2015.

3.Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of Yen)

	FY2014 (Mar 31 st , 2014)	FY2015 Q1 (June 30 th , 2014)
ASSETS		
Current Assets		
Cash and cash equivalents	20,439	22,521
Notes and accounts receivable	20,841	20,132
Merchandise and finished goods	1,814	1,836
Work in progress	7,776	9,766
Raw materials and supplies	3,099	3,371
Others	1,982	2,243
Allowance for doubtful accounts	- 89	- 85
Total current assets	55,865	59,876
Fixed Assets		
Tangible fixed assets		
Building and structures(net)	9,936	10,351
Others (net)	8,832	8,278
Total tangible fixed assets	18,769	18,630
Intangible fixed assets		
Goodwill	1,005	898
Others	421	403
Total intangible fixed assets	1,426	1,301
Investments and other assets		
Others	6,508	7,133
Allowance for doubtful accounts	- 5	- 5
Total Investments and other assets	6,503	7,128
Total Fixed Assets	26,699	27,060
Total Assets	82,565	86,846

(Millions of Yen)

	FY2014 (Mar 31 st , 2014)	FY2015 Q1 (June 30 th , 2014)
LIABILITIES		
Current Liabilities		
Notes and accounts payable	9,124	9,279
Electronically recorded obligations-operating	-	3,269
Short-term debt	1,300	1,300
Income taxes payable	1,156	444
Reserves	849	429
Others	3,141	3,849
Total current liabilities	15,571	18,572
Long-term Liabilities		
Long-term debt	800	600
Allowance for director retirement benefits	120	106
Net defined benefit liabilities	1,111	1,059
Others	293	660
Total long-term liabilities	2,324	2,426
Total Liabilities	17,896	20,998
NET ASSETS		
Shareholder's Equity		
Common stock	10,238	10,238
Capital surplus	21,255	21,255
Retained earnings	30,776	31,767
Treasury stock	- 111	- 111
Total Shareholder's Equity	62,158	63,150
Accumulated other comprehensive income		
Holding gain or loss in investment	714	983
Foreign currency translation adjustment	672	613
Remeasurements of defined benefit plans	683	641
Total accumulated other comprehensive income	2,071	2,239
Share subscription rights	320	323
Minority interests	118	134
Total Net Assets	64,668	65,847
Total Liabilities and Net Assets	82,565	86,846

(2) Consolidated Statements of Income, and Comprehensive Income**(Consolidated Statements of Income)**

(Millions of Yen)

	FY2014 Q1 (April 1 st , 2013- June 30 th , 2013)	FY2015 Q1 (April 1 st , 2014- June 30 th , 2014)
Net Sales	14,014	14,076
Cost of Sales	8,904	8,584
Gross Profit on Sales	5,110	5,492
Selling, general and administrative expenses	2,740	3,334
Operating income (loss)	2,369	2,157
Non-operating income		
Interest	1	2
Dividend income	34	33
Foreign exchange income	150	-
Others	55	11
Total Non-operating income	242	47
Non-operating expenses		
Interest expenses	13	11
Foreign exchange loss	-	16
Others	3	4
Total Non-operating expenses	17	33
Ordinary income (loss)	2,595	2,171
Extraordinary gains		
Gain on sales of investment securities	72	-
Gain on reversal of share subscription rights	6	5
Total Extraordinary gains	79	5
Extraordinary losses		
Total extraordinary losses	-	-
Income (loss) before income taxes and minority interests	2,674	2,177
Income tax and other taxes	333	517
Adjustment on income tax	658	113
Total Income tax and others	992	631
Income (loss) before minority interests	1,682	1,546
Minority Interests	12	18
Net Income (loss)	1,670	1,528

(Consolidated Statements of Comprehensive Income)

(Millions of Yen)

	FY2014 Q1 (April 1 st , 2013- June 30 th , 2013)	FY2015 Q1 (April 1 st , 2014- June 30 th , 2014)
Income (Loss) before minority interests	1,682	1,546
Accumulated other comprehensive income		
Holding gain or loss in investment	332	268
Foreign currency translation adjustment	427	- 60
Remeasurements of defined benefit plans	-	- 42
Total accumulated other comprehensive income	759	166
Comprehensive Income	2,442	1,712
(breakdown)		
Comprehensive income attributable to owners of the parent	2,419	1,696
Comprehensive income attributable to minority interests	22	16

(3) Notes

(Note on Assumptions for Going Concern)

Not applicable.

(Significant Changes in Shareholder's Equity)

Not applicable.

(Segment Information and others)

1. FY2014 Q1 (April 1st, 2013 – June 30th, 2013)

a) Sales and Profit (or loss) information of FY 2014 Q1 per each reportable segment

(Millions of yen)

	Reportable Segments			Total
	SPE	Metrology Equipment	Total	
I. Sales				
Sales to third party	9,215	4,799	14,014	14,014
Intersegment sales to transfer	-	-	-	-
Total	9,215	4,799	14,014	14,014
Segment Profit	1,565	804	2,369	2,369

Note) Total Segment profit of reportable segments is same amount of Operating income of consolidated financial statement.

b) Impairment losses on fixed assets and goodwill per each reportable segment

Not applicable.

2. FY2015 Q1 (April 1st, 2014 – June 30th, 2014)

a) Sales and Profit (or loss) information of FY 2015 Q1 per each reportable segment

(Millions of yen)

	Reportable Segments			Total
	SPE	Metrology Equipment	Total	
I. Sales				
Sales to third party	8,904	5,172	14,076	14,076
Intersegment sales to transfer	-	-	-	-
Total	8,904	5,172	14,076	14,076
Segment Profit	1,212	945	2,157	2,157

Note) Total Segment profit of reportable segments is same amount of Operating income of consolidated financial statement.

b) Impairment losses on fixed assets and goodwill per each reportable segment

Not applicable.

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