

Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31st, 2014 (FY2014), Japan GAAP

August 12th, 2013

Company Name



Tokyo Seimitsu Co., Ltd.

Stock Listing: First Section TSE

ACCRETECH

Code number: 7729

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Date of Quarterly Financial Statement Filing (planned) : August 13th, 2013

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 FY2014 (April 1st, 2013 - June 30th, 2013)

(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)	
FY2014 Q1	14,014	20.4%	2,369	30.0%	2,595	39.6%	1,670	33.7%
FY2013 Q1	11,636	-14.2%	1,822	-26.2%	1,858	-28.7%	1,249	-47.0%

Note: Comprehensive Income in FY2014 Q1: 2,442 million yen (131.5%), in FY2013 Q1: 1,054 million yen (-56.8%)

	Net Income per Share (Yen)	Net Income per Share (diluted) (Yen)
FY2014 Q1	40.51	40.37
FY2013 Q1	30.31	30.26

(2) Consolidated financial position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio (%)
FY2014 Q1	79,306	59,563	74.7%
FY2013	77,862	57,304	73.3%

Notes: Equity in FY2014 Q1: 59,231 million yen, in FY2013: 57,069 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
FY2013	-	8.00	-	8.00	16.00
FY2014	-	-	-	-	-
FY2014 (Projected)	-	10.00	-	-	-

Note: Changes due to revision of dividend projection: No

FY2014 year end dividend payments are not announced as of the date this statement is issued.

3. Forecast for FY 2014 (April 1st, 2013-March 31st, 2014)

(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 (Millions of Yen)		Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)		Net Income per Share (yen)
Interim	27,000	4.7%	4,000	-7.5%	4,000	-6.3%	2,400	94.1%	58.21
Full Year	54,000	5.9%	8,000	6.6%	8,000	1.4%	5,200	30.1%	126.13

Note: Changes due to revision of forecast: No

* Others

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

New: - Excluded: -

(2) Changes in accounting principles, estimates and restatements

1) Changes due to revision of accounting standards, etc.: No

2) Changes other than 1): No

3) Changes in accounting estimates: No

4) Restatement: No

(3) 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:

FY2014 Q1	41,266,881 shares	FY2013	41,254,781 shares
FY2014 Q1	32,402 shares	FY2013	32,292 shares
FY2014 Q1	41,227,681 shares	FY2013 Q1	41,221,816 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 "Financial Estimates such as Consolidated Business Forecasts" on Page 3 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 FY2014

(1) Overview of Business Performance

Overall business conditions in the 1st quarter of Fiscal Year 2014 ending March 31st, 2014 can be described as “tough” in the following way. In the USA, a slight economic recovery continued built on improvements in personal spending, employment and the housing-market. In Europe, however, the economic situation was generally characterized as long-term stagnation flowing from the debt crisis and budgetary austerities. The growth of emerging Asian economies, represented by China dulled. In Japan, correction of the high Japanese Yen and revalued stock prices through drastic monetary easing is in progress. Flowing from these stimulus measures, recovery is foreseen in areas such as exports. Bright prospects for overall recovery of the economy can be seen in areas such as capital expenditures, employment and personal spending.

In line with the conditions outlined above, Consolidated orders in the 1st quarter of Fiscal Year 2014 (April 1st, 2013 – June 30th, 2013) was ¥15.023 billion (up 3.7% YoY), Consolidated sales was ¥14.014 billion (up 20.4% YoY), Operating Income was ¥2.369 billion (up 30.0% YoY), Ordinary Income was ¥2.595 billion (up 39.6% YoY) and Net Income was ¥1.670 billion (up 33.7% YoY).

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

[Semiconductor Production Equipment (SPE)]

Smartphones and Tablet PCs, which are the drivers of the current market, lead steady growth especially for the low-end devices targeted to the Chinese market. In line with these conditions, manufacturers of semiconductor devices have executed active capital investments based on the outlook for further device market growth such as memory devices, image sensory devices and small display related devices. Therefore, the Company's SPE products were consistently and firmly ordered in Japan, Taiwan and China, sequentially from the latter part of previous Fiscal Year. Consequently, both consolidated Orders and Sales increased YoY.

As a result, Orders for the SPE segment was ¥9.534 billion (up 10.1% YoY), Sales was ¥9.215 billion (up 33.7% YoY), and Operating Income was ¥1.565 billion (up 79.3% YoY)

[Metrology Equipment]

The automobile industry, which is the major user of our products, actively continued capital investments in line with buoyant export sales due to the revalued Japanese Yen and in line with the strategy of establishing further world-wide production structures. Other users, however, such as in the machine tools sector, had adjusted their production in line with the stagnation in Europe and decreased growth in China. For Japanese small and mid-size enterprises, some users postponed their investments while waiting to evaluate the effect of the Government's stimulus policies.

As a result, Orders of Metrology segment was ¥5.488 billion (down 5.8% YoY), Sales was ¥4.799 billion (up 1.2% YoY), and Operating Income was ¥804 million (down 15.3% YoY).

(2) Analysis of Financial Position

Total Assets as at June 30th, 2013 amounted to ¥79.306 billion, an increase of ¥1.444 billion from the end of FY2013 ended March 31st, 2013. The major factors behind this increase include an increase in Notes and accounts receivable of ¥1.601 billion, an increase in Cash and cash equivalents of ¥1.046 billion, and a decrease in Work in progress of ¥753 million.

Total Liabilities decreased ¥814 million, to ¥19.743 billion. This was mainly because of an increase in Notes and accounts payable of ¥593 million and a decrease in Long-term debt of ¥1.500 billion.

Net Assets increased ¥2.258 billion and totaled ¥59.563 billion, mainly because of an increase in Retained earnings of ¥1.390 billion. Consequently, the Equity Ratio came to 74.7 %.

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

There are no revisions to the Consolidated Business Forecasts for FY2014 interim and full year previously announced on May 15th, 2013.

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

Not applicable.

3.Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of Yen)

	FY2013 (Mar 31 st , 2013)	FY2014 Q1 (June 30 th , 2013)
ASSETS		
Current Assets		
Cash and cash equivalents	18,251	19,298
Notes and accounts receivable	16,346	17,947
Merchandise and finished goods	1,758	2,117
Work in progress	8,916	8,162
Raw materials and supplies	3,532	3,443
Others	3,172	2,195
Allowance for doubtful accounts	- 168	- 155
Total current assets	51,809	53,009
Fixed Assets		
Tangible fixed assets		
Building and structures (net)	10,247	10,159
Others (net)	7,987	8,441
Total Tangible Fixed Assets	18,234	18,600
Intangible Fixed Assets		
Goodwill	1,432	1,325
Others	371	365
Total Intangible Fixed Assets	1,804	1,691
Investments and other assets		
Others	6,045	6,023
Allowance for doubtful accounts	- 31	- 19
Total Investments and other assets	6,014	6,004
Total Fixed Assets	26,052	26,296
Total Assets	77,862	79,306

(Millions of Yen)

	FY2013 (Mar 31 st , 2013)	FY2014 Q1 (June 30 th , 2013)
LIABILITIES		
Current Liabilities		
Notes and accounts payable	9,328	9,921
Short-term debt	1,300	1,300
Income taxes payable	399	368
Reserves	806	403
Others	5,569	4,857
Total current liabilities	17,403	16,850
Long-term Liabilities		
Long-term debt	1,200	1,000
Allowance for employee retirement benefits	1,465	1,425
Allowance for director retirement benefits	113	110
Others	375	356
Total Long-term liabilities	3,154	2,892
Total Liabilities	20,557	19,743
NET ASSETS		
Shareholder's Equity		
Common stock	10,216	10,226
Capital surplus	21,234	21,244
Retained earnings	25,609	27,000
Treasury stock	- 108	- 108
Total Shareholder's Equity	56,951	58,362
Accumulated other comprehensive income		
Holding gain or loss in investment	109	442
Foreign currency translation adjustment	7	426
Total accumulated other comprehensive income	117	868
Share subscription rights	234	232
Minority interests	-	99
Total Net Assets	57,304	59,563
Total Liabilities and Net Assets	77,862	79,306

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

(Millions of Yen)

	FY2013 Q1 (April 1 st , 2012- June 30 th , 2012)	FY2014 Q1 (April 1 st , 2013- June 30 th , 2013)
Net Sales	11,636	14,014
Cost of Sales	7,381	8,904
Gross Profit on Sales	4,255	5,110
Selling, general and administrative expenses		
Selling expenses	1,410	1,530
General and administrative expenses	1,021	1,209
Total Selling, general and administrative expenses	2,432	2,740
Operating income (loss)	1,822	2,369
Non-operating income		
Interest	1	1
Dividend income	28	34
Foreign exchange income	0	150
Others	39	55
Total Non-operating income	69	242
Non-operating expenses		
Interest expenses	29	13
Others	3	3
Total Non-operating expenses	33	17
Ordinary income (loss)	1,858	2,595
Extraordinary gains		
Gain on sales of investment securities	-	72
Gain on reversal of share subscription rights	-	6
Total Extraordinary gains	-	79
Extraordinary losses		
Total extraordinary losses	-	-
Income (loss) before income taxes and minority interests	1,858	2,674
Income tax and other taxes	302	333
Adjustment on income tax	307	658
Total Income tax and others	609	992
Income (loss) before minority interests	1,249	1,682
Minority Interests	-	12
Net Income (loss)	1,249	1,670

(Consolidated Statements of Comprehensive Income)

(Millions of Yen)

	FY2013 Q1 (April 1 st , 2012- June 30 th , 2012)	FY2014 Q1 (April 1 st , 2013- June 30 th , 2013)
Income (Loss) before minority interests	1,249	1,682
Accumulated other comprehensive income		
Holding gain or loss in investment	- 240	332
Foreign currency translation adjustment	45	427
Total accumulated other comprehensive income	- 194	759
Comprehensive Income	1,054	2,442
(breakdown)		
Comprehensive income attributable to owners of the parent	1,054	2,419
Comprehensive income attributable to minority interests	-	22

(3) Notes

(Notes on Assumptions for Going Concern)

Not applicable.

(Significant Changes in Shareholder's Equity)

Not applicable.

(Segment Information and others)

1. FY2013 Q1 (April 1st, 2012 – June 30th, 2012)

a) Sales and Profit (or loss) information of FY 2013 Q1 per each reportable segment

(Millions of yen)

	Reportable Segments			Total
	SPE	Metrology Equipment	Total	
I. Sales				
Sales to third party	6,892	4,744	11,636	11,636
Intersegment sales to transfer	-	-	-	-
Total	6,892	4,744	11,636	11,636
Segment Profit	873	949	1,822	1,822

b) Balance between the Total profit or loss amount of reported segments and profit and loss amount of consolidated financial statement, and these descriptions

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

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

Not applicable.

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

b) Balance between the Total profit or loss amount of reported segments and profit and loss amount of consolidated financial statement, and these descriptions

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

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

Not applicable.