

**Announcement of FY2017/3
Second Quarter
Business Results
(April 2016 to September 2016)**

November 11th, 2016
Tokyo Seimitsu Co., Ltd.
Hitoshi Yoshida, President and CEO
Ticker Symbol: 7729.T

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Cautionary Statement with respect to Forward-Looking Statements

Disclaimer:

- ◆ This presentation data and the notes contain “forward-looking statements” that are based on current best available information and policies.
- ◆ There are various factors such as world economic conditions and semiconductor/automobile market conditions which will directly and indirectly impact the Company’s results in the future.
- ◆ As a result, future outcomes may differ from those projected in this presentation and the notes.



FY2017/3 1st Half (April – Sept. 2016)

Business Results

(Billions of Yen except dividend)	FY2016/3		FY2017/3		
	1 st Half	2 nd Half	1 st Half	HoH(%)	YoY(%)
Sales	38.0	32.3	37.2	+15%	-2%
SPE Segment	23.9	17.9	24.3	+36%	+2%
Metrology Segment	14.1	14.4	12.9	-10%	-8%
Operating Income	7.6	5.6	6.6	+18%	-14%
SPE	4.8	2.5	4.4	+78%	-8%
<i>Operating Income Ratio</i>	20%	14%	18%	-	-
Metrology	2.8	3.1	2.1	-31%	-24%
<i>Operating Income Ratio</i>	20%	21%	17%	-	-
Ordinary Income	7.7	5.6	6.3	+14%	-17%
Net Income <small>Attributable to Owners of the Parent</small>	5.5	4.2	4.7	+10%	-15%
Dividend per share	26 Yen	33 Yen	34 Yen	+1 Yen	+8 Yen

* Interim dividend per share revised from 30 Yen → 34 Yen



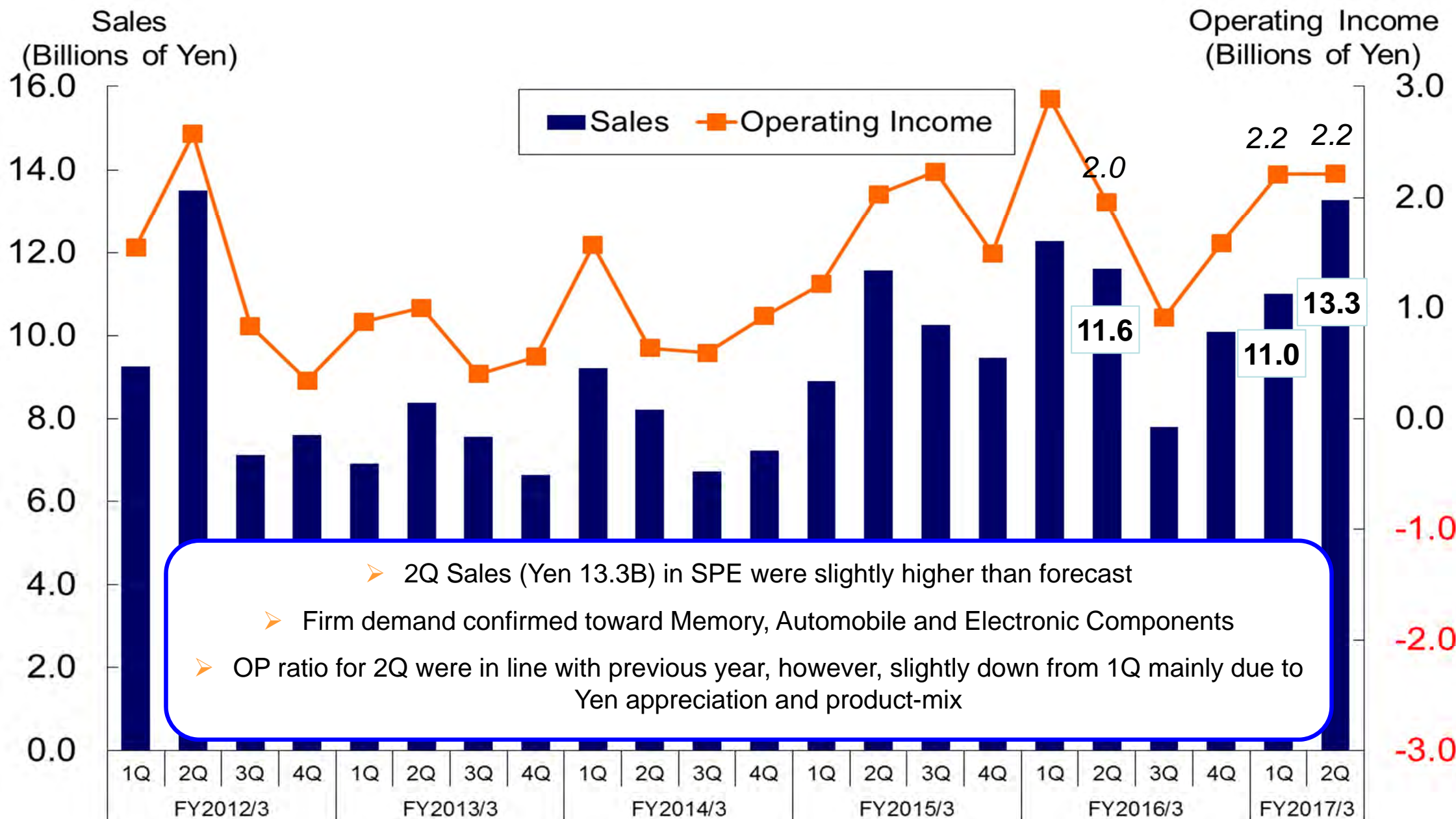
FY2017/3 2nd Quarter(July – Sept. 2016)

Business Results

(Billions of Yen)	FY2016/3				FY2017/3			
	1Q	2Q	3Q	4Q	1Q	2Q	QoQ(%)	YoY(%)
Sales	18.4	19.6	14.4	17.9	16.3	20.9	+28%	+6%
SPE Segment	12.3	11.6	7.8	10.1	11.0	13.3	+21%	+14%
Metrology Segment	6.1	8.0	6.6	7.8	5.3	7.6	+43%	-5%
Operating Income	3.9	3.8	2.2	3.4	2.9	3.7	+30%	-1%
SPE	2.9	2.0	0.9	1.6	2.2	2.2	-1%	+13%
<i>Operating Income Ratio</i>	24%	17%	12%	16%	20%	17%		
Metrology	1.0	1.8	1.3	1.8	0.6	1.5	+141%	-16%
<i>Operating Income Ratio</i>	16%	22%	19%	23%	12%	20%		
Ordinary Income	3.9	3.7	2.3	3.2	2.6	3.8	+45%	+0%
Net Income <small>Attributable to Owners of the Parent</small>	2.8	2.7	1.7	2.5	1.9	2.8	+49%	+3%



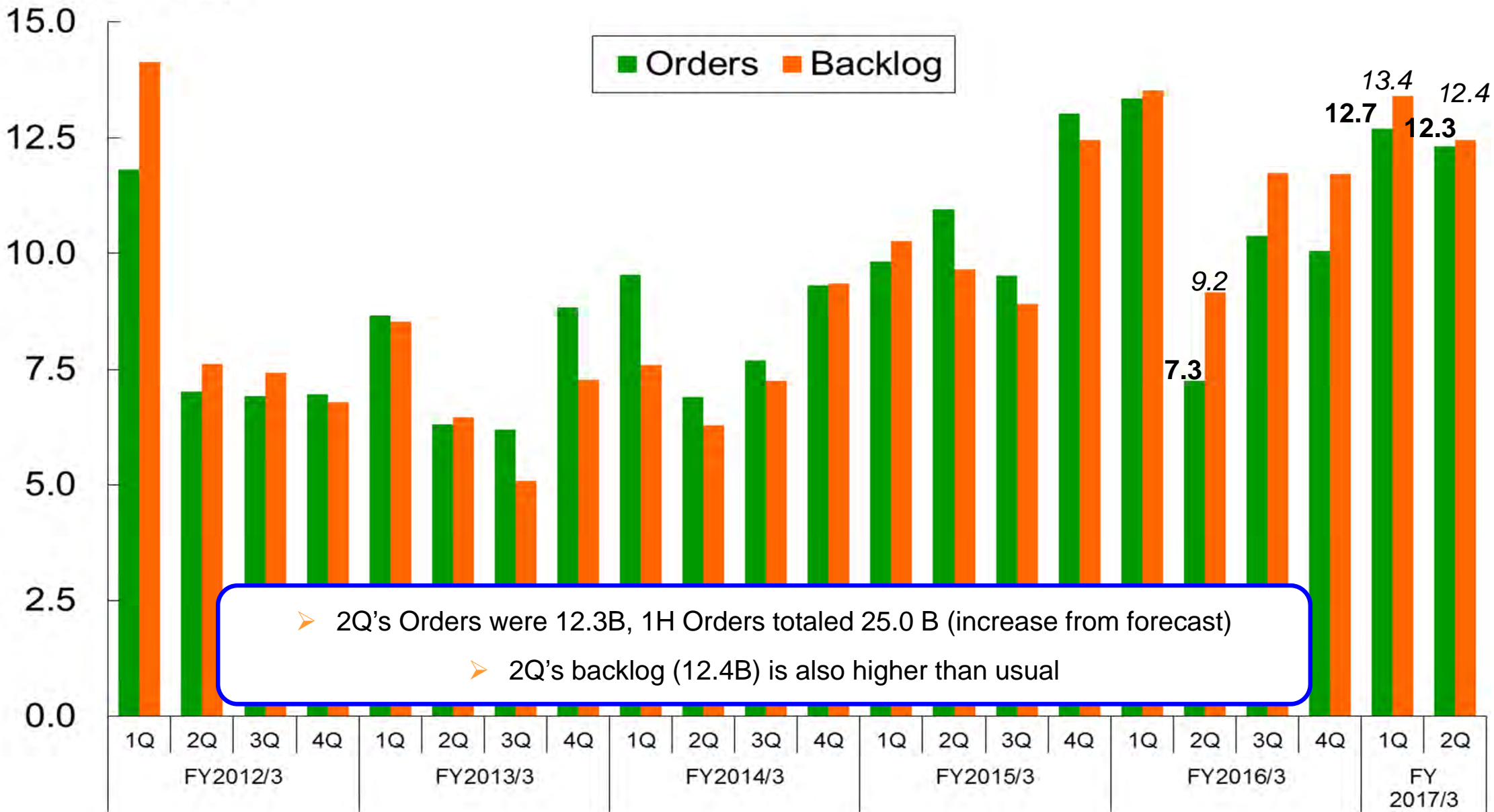
SPE Segment – Business Trends





SPE Segment – Order Status

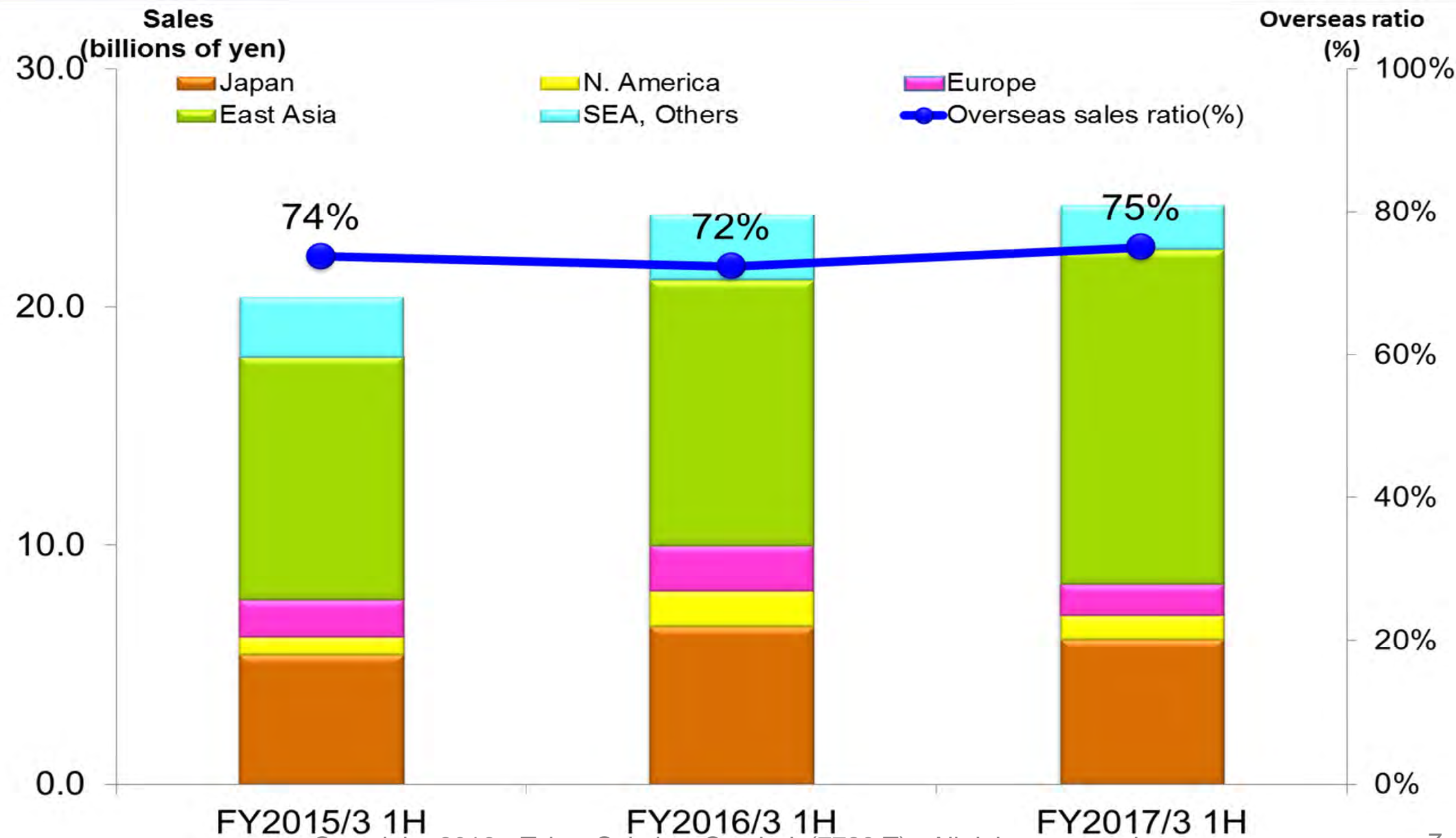
(Billions of Yen)



- 2Q's Orders were 12.3B, 1H Orders totaled 25.0 B (increase from forecast)
- 2Q's backlog (12.4B) is also higher than usual

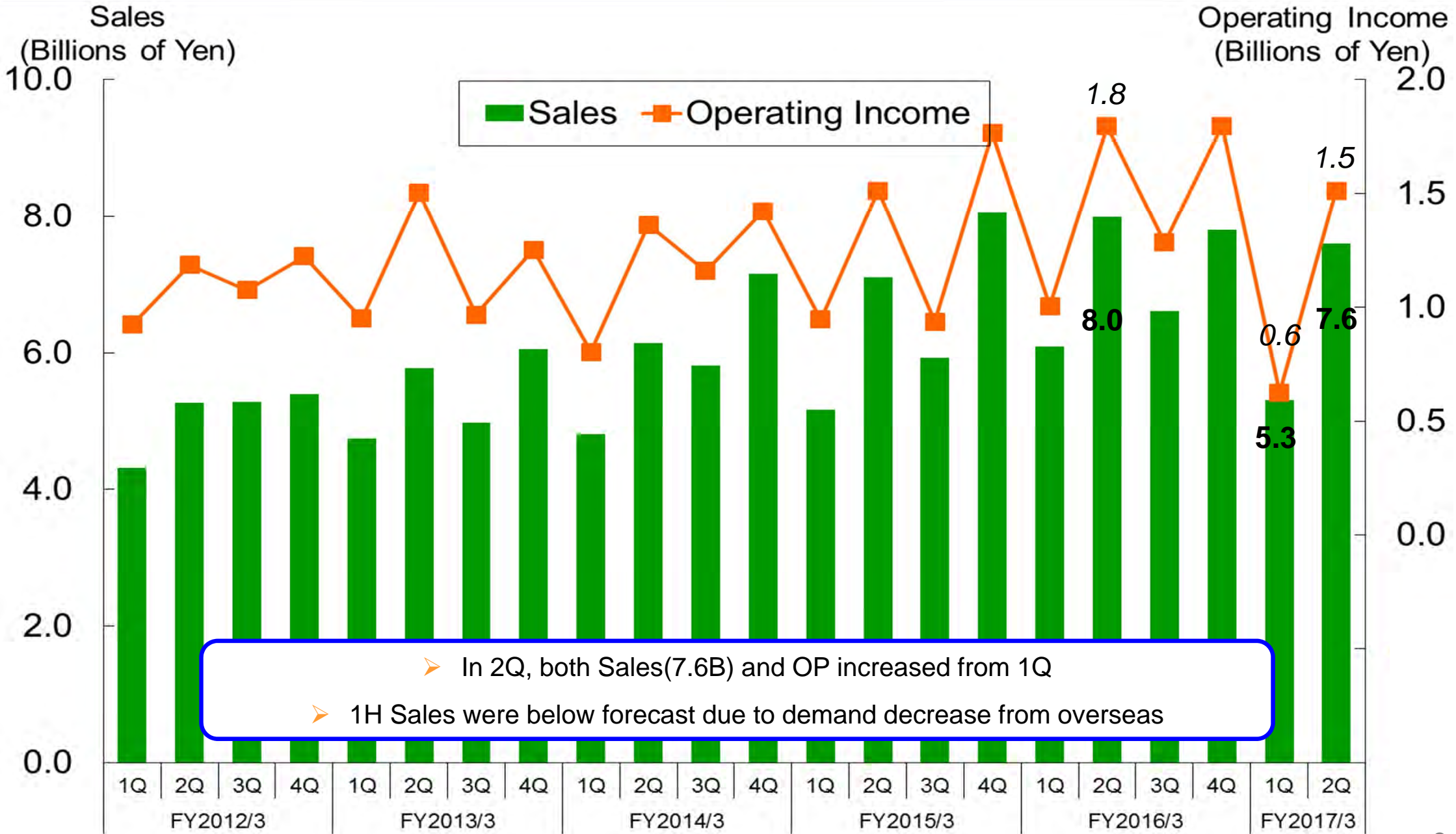


SPE Segment – Regional Sales



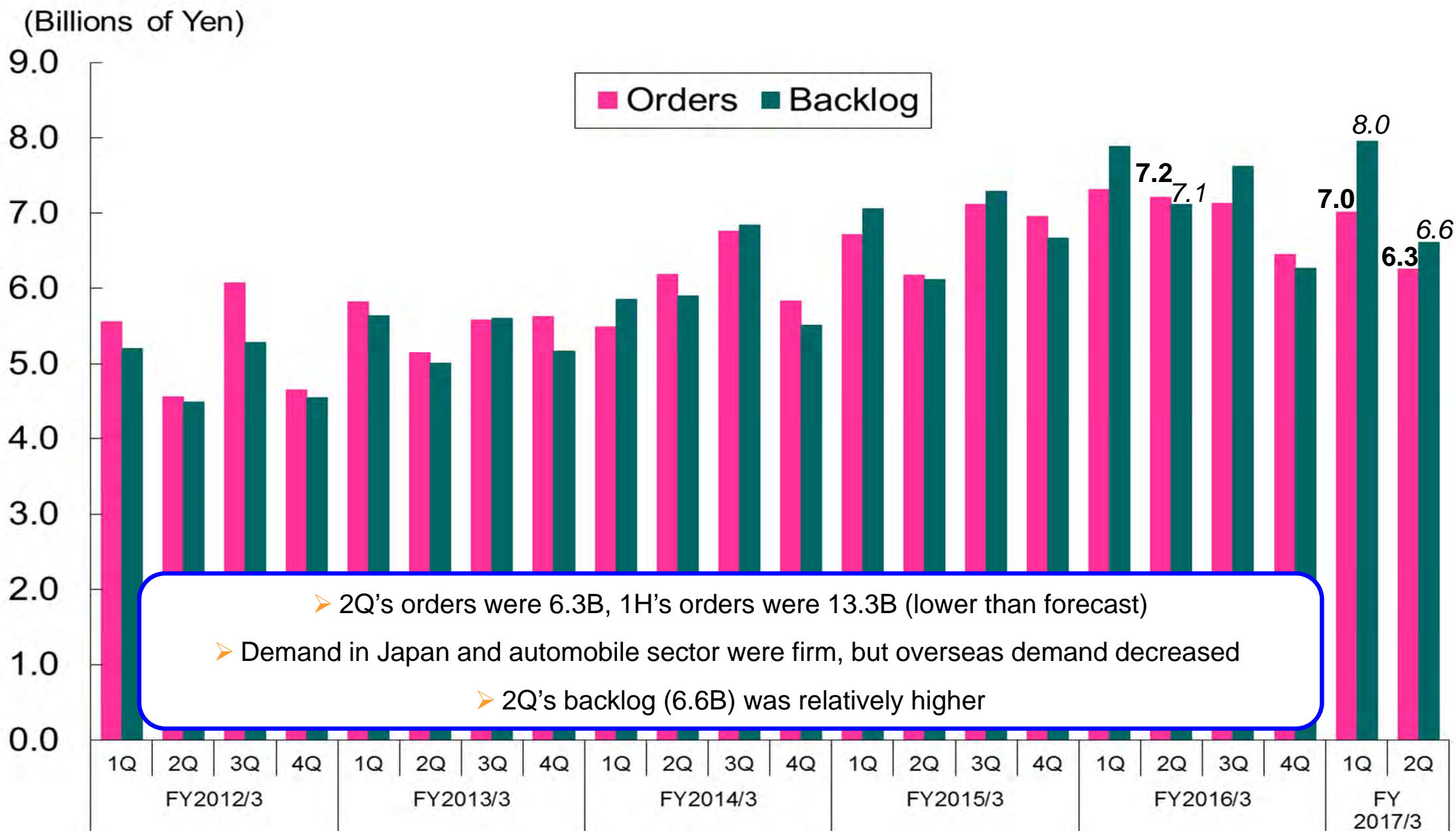


Metrology Segment – Business Trends



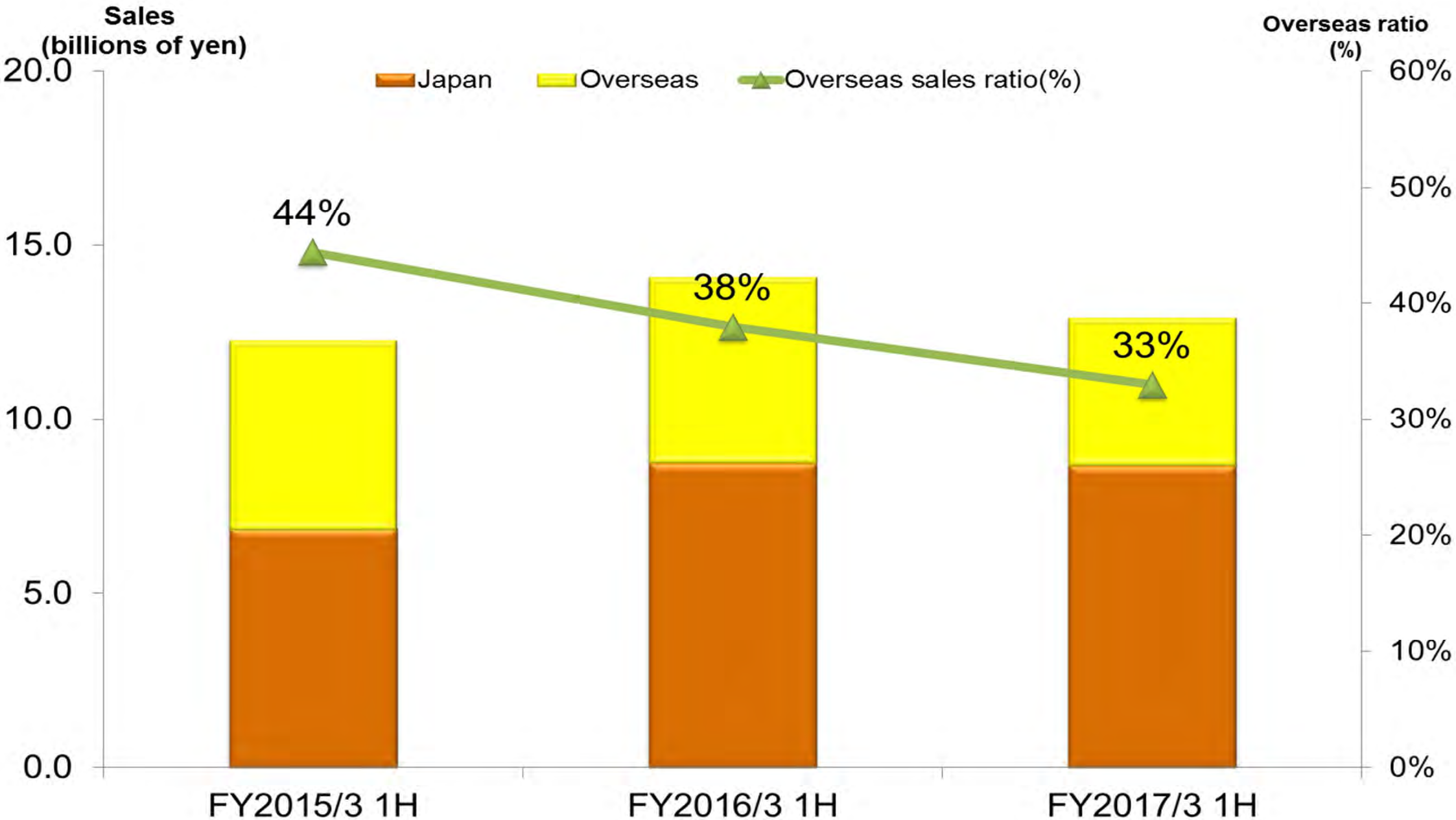


Metrology Segment – Order Status





Metrology Segment – Regional Sales





FY2017/3 2Q(Sept. 2016) Balance Sheet

Assets (Billions of Yen)	Mar/E 2016	Sep/E 2016	Diff.	Liabilities, Net Assets (Billions of Yen)	Mar/E 2016	Sep/E 2016	Diff.
Cash	27.4	30.3	+2.9	Accounts Payable (*2)	11.8	14.5	+2.7
Accounts Receivable (*1)	26.0	25.3	-0.7	Short term Debt	1.2	1.2	±0.0
Inventories	16.1	16.4	+0.3	Others	8.4	6.0	-2.4
Others	3.2	2.1	-1.1	Total Current Liabilities	21.4	21.7	+0.3
Total Current Assets	72.7	74.1	+1.4	Total Fixed Liabilities	1.1	1.0	-0.1
Fixed Assets	29.2	30.7	+1.5	Total Liabilities	22.5	22.8	+0.3
Total Assets	101.9	104.8	+2.9	Net Assets	79.4	82.1	+2.6
				Total (Int. bearing debt)	101.9 (1.6)	104.8 (1.4)	+2.9 (-0.2)

(*1) Incl. Trade notes and Electronically Recorded Monetary Claims (*2) Incl. Trade notes and Electronically recorded obligations-operating



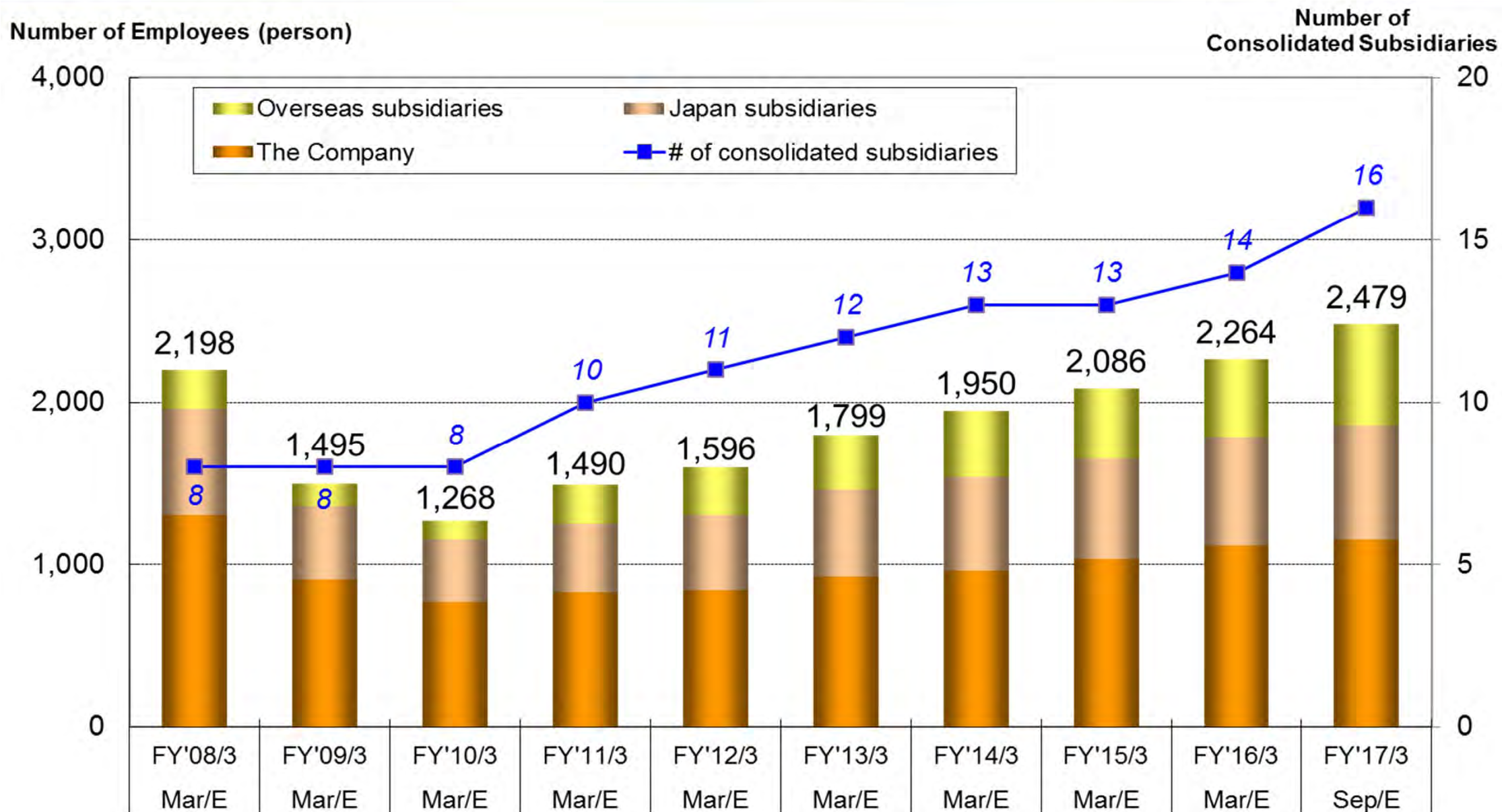
FY2017/3 1H (April – Sept. 2016)

Cash Flows

(Billions of Yen)		FY2015/3 1H	FY2016/3 1H	FY2017/3 1H
Opening Balance		20.4	26.8	27.3
From Operating Activities	Income before Tax, Interest & Depreciation	7.1	8.8	7.5
	(Receivables + Inventories) – Accounts Payable(*1)	1.6	- 0.5	2.7
	Tax Payment	-1.3	- 2.4	- 1.9
	Others	-0.3	- 0.4	0.3
	Total	7.1	5.6	8.6
From Investing Activities		-1.1	- 3.0	- 3.7
Free Cash Flow		6.0	2.7	4.9
From Financing Activities	Increase/decrease in Borrowings	-0.2	- 0.2	- 0.2
	Dividends & others	-0.5	- 1.3	- 1.4
	Total	-0.7	- 1.5	- 1.6
Net Cash Increase (incl. adjustments and change in consolidated subsidiaries)		5.3	1.3	3.0
Closing Balance		25.7	28.1	30.3



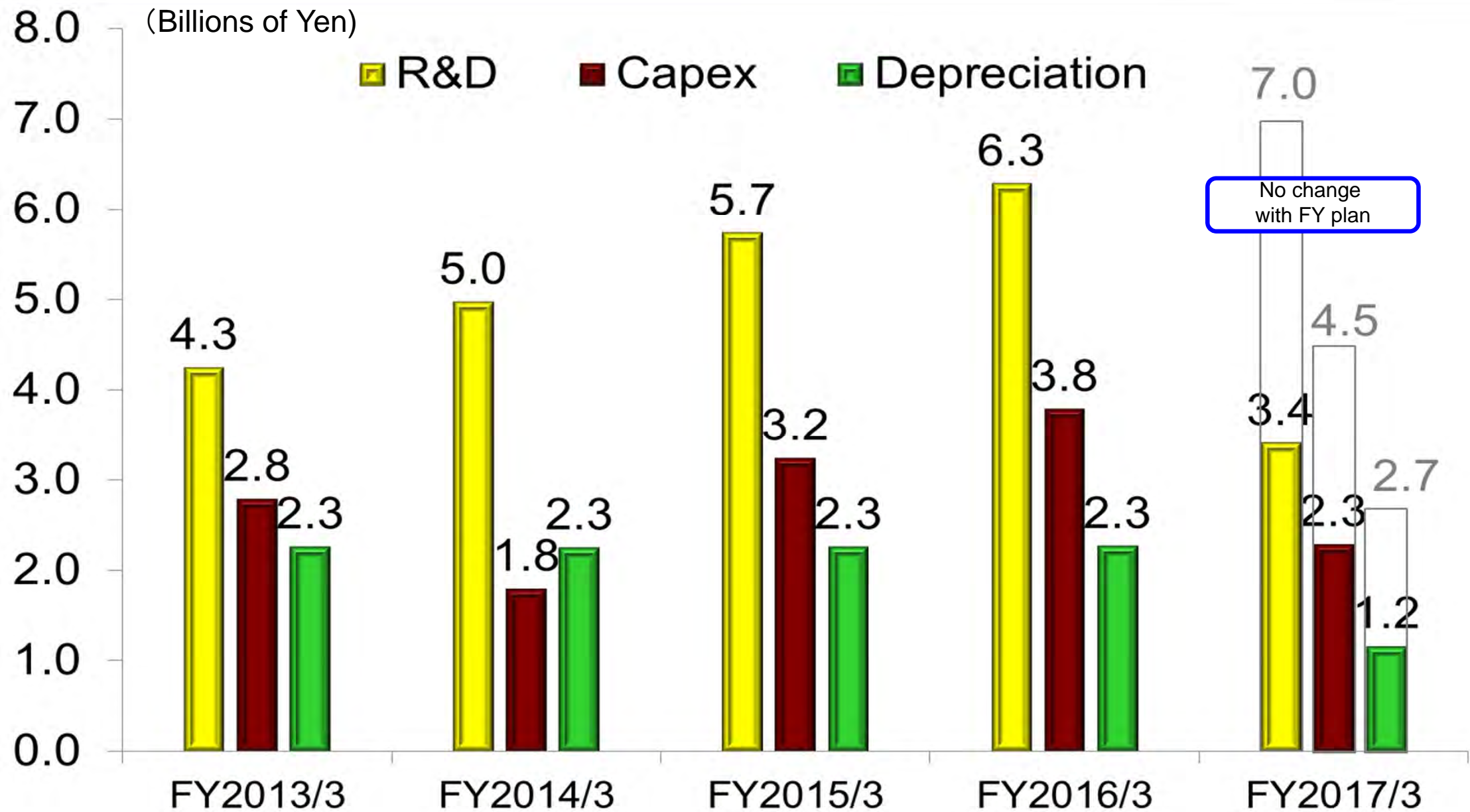
Number of Employees



Note) Above figures include part time employees as at the end of each term



R&D, Capex & Depreciation





Market Outlook

◆ Semiconductor Production Equipment

- Current demand situation is positive
- Firm demand toward electronic components in addition to memory and automobiles related devices
- Moreover, we expect higher capex demand in China

◆ Metrology Equipment

- Investment in Japan and/or by Automobile sector still continues to be active
- Overseas demand (especially Asia) is weak, however, signs of recovery can be seen
- Machine tools market to be carefully watched



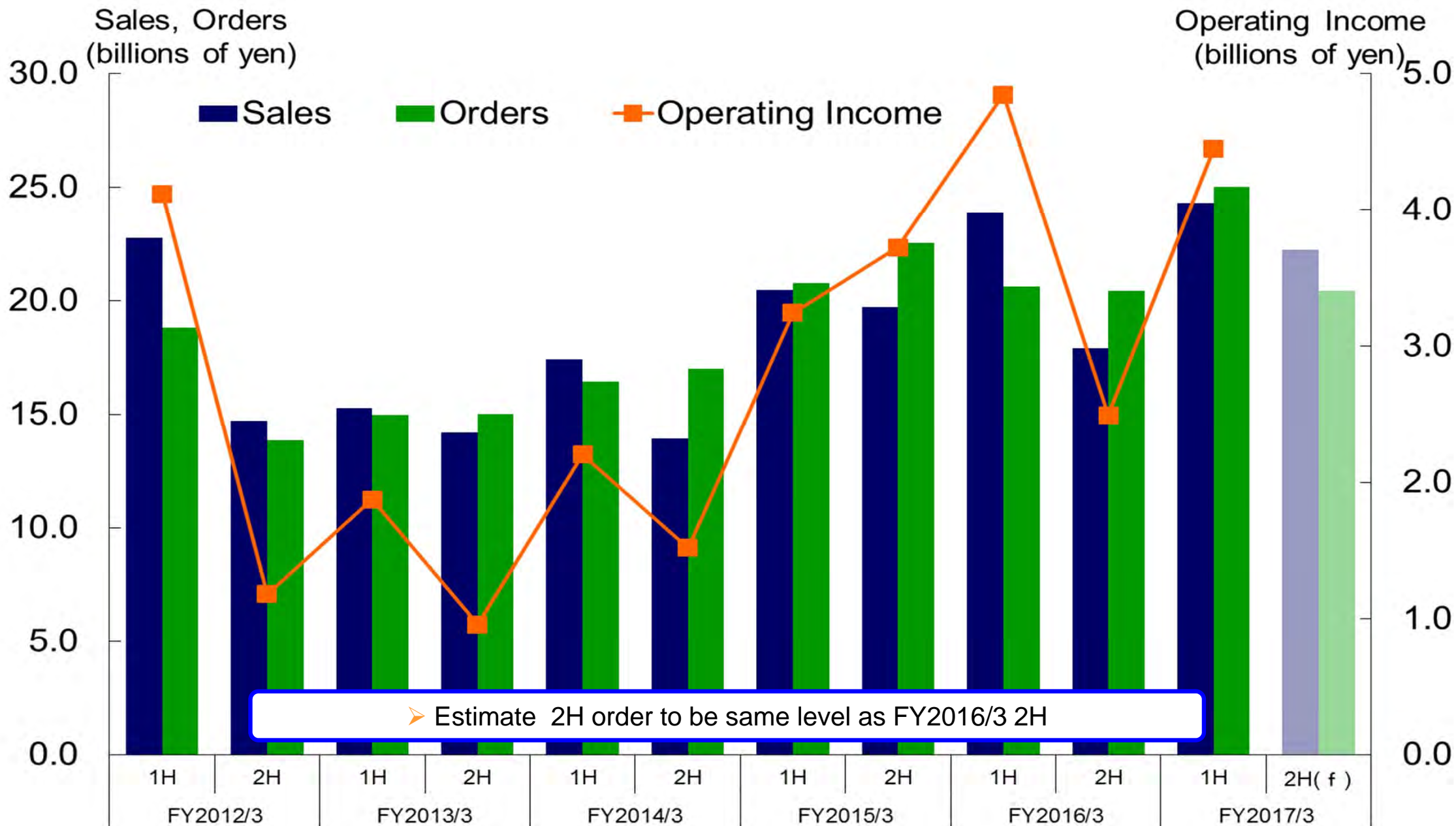
Forecast for FY2017/3 (April 2016 – March 2017)

(Billions of Yen except dividend)	FY2016/3			FY2017/3					
	1H	2H	Full Year	1H	2H Fcst	Full Year Fcst	Diff from prev. fcst	YoY(%)	
Sales	38.0	32.3	70.3	37.2	35.3	72.5	+3.5	+3%	
	SPE	23.9	17.9	41.8	24.3	22.2	46.5	+5.7	+11%
	Metrology	14.1	14.4	28.5	12.9	13.1	26.0	-2.2	-9%
Operating Income	7.6	5.6	13.2	6.6	6.4	13.0	+1.5	-2%	
	<i>Operating Income Ratio</i>	20%	17%	19%	18%	18%	-	-	
Ordinary Income	7.7	5.6	13.2	6.3	6.5	12.8	+1.3	-3%	
Net Income attributable to Owners of the parent	5.5	4.2	9.8	4.7	4.7	9.4	+1.0	-3%	
Dividend per share	26 Yen	33 Yen	59 Yen	34 Yen	34 Yen	68 Yen	+8 Yen	+9Yen	

**Previous forecast announced
on August 9th, 2016**

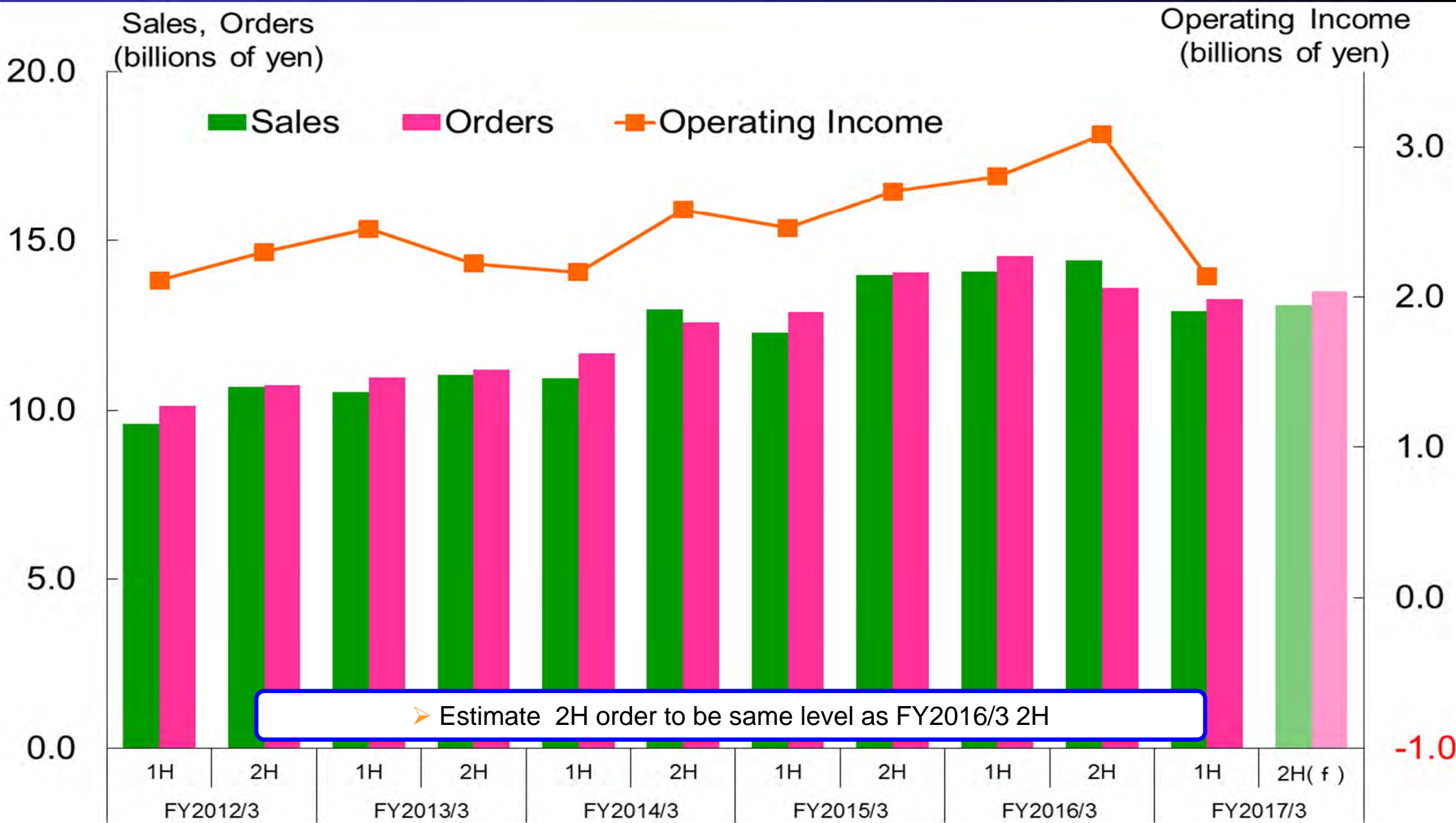


SPE Segment – Sales/Orders trend incl. Forecasts





Metrology Segment – Sales/Orders trend incl. Forecasts





Corporate Philosophy

Growing together with partners and customers by collaborating technology, knowledge and information to create the world's No.1 products.

Our motto depicting this philosophy;

「WIN-WINの仕事で世界No.1の商品を創ろう」
WIN-WIN relationships create the World's No. 1 Products

Our corporate brand ;

ACCRETECH

A combination of the words ACCRETE (grow together) and TECHNOLOGY

Conceptual Framework



Increase in
profit and
enterprise value

Investment for
growth

Strong financial position

CSR and Group Governance

Business Portfolio Analysis

SPE

- **Strengths:** Precision positioning technology and in-house manufacturing
- **Opportunities:** New Semiconductor technologies and devices

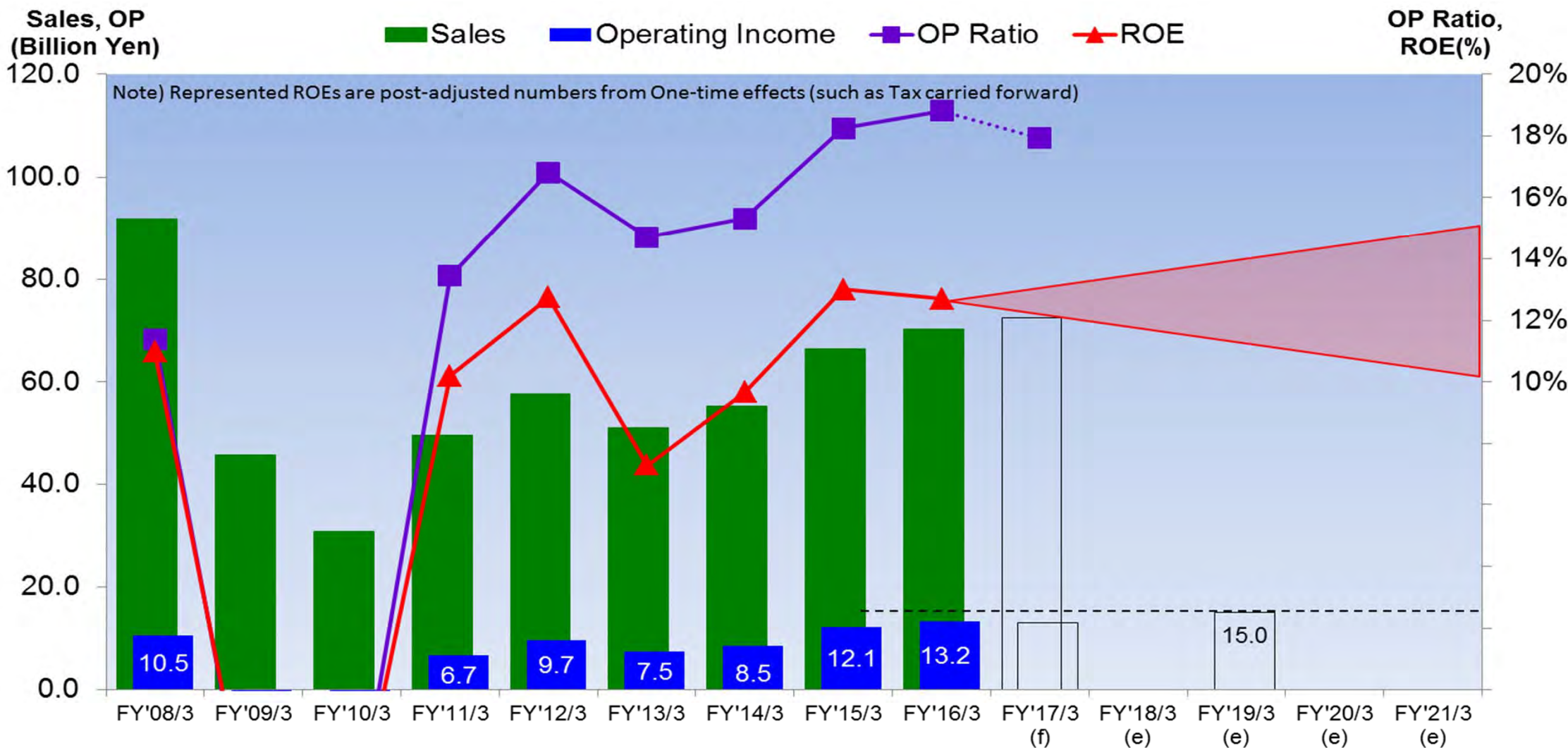
Metrology

- **Strengths:** Precision, high-resolution measuring technology and reliability
- **Opportunities:** New metrology products and demands from overseas including emerging countries

- **Well-balanced business portfolio**
 - Enables stable business performance through offsetting demand fluctuations across variable sector trends



Long-term / Mid-term Business Target



- ◆ Long-term: To maintain strong corporate structure with over 10% of ROE
- ◆ Mid-term (by FY2019/3): To achieve historical highest OP (15.0 billion yen)

Short-term business strategy

**Be competitive in mainstream markets,
and allocate resources to markets that can
expect stable demand or potential growth**

SPE

Mainstream Markets

- Mobiles
- Storage
- Automobiles



Emerging Markets

- China Market
- IoT(Internet of Things)
- Consumables



Metrology

Mainstream Markets

- Auto and Auto Parts
- Machine Tools



Emerging Markets

- Aircrafts
- Automations
- Overseas Market

Continuous Increase in Sales and Profits

Strategy of SPE Business

Final Products



Mobiles



Storage



Automobiles



Wafer Probing Machine

- Response to ALL needs
 - Good environmental durability
 - Frame handling, etc.



Wafer Dicing Machines/blades

- Strengthen ability to provide solutions
 - Solution for electronic components
 - Proposing integrated process with other equipment



PG, CMP and High Rigid Grinder

- Response to the latest technologies
 - High precision and new materials (SiC, GaN)
 - Proposing integrated process with other equipment

Continuous Increase in Sales and Profits

Strategy of Metrology Business



Increase in New Product Sales

Products for stable and growing industries
Sales expansion of OMI

Increase in Overseas Sales

Applying biz approach in
bigger company in US/Europe

OMI: Optical Measuring Instruments

Continuous Increase in Sales and Profits

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