

## Consolidated Financial Review For the Third Quarter Ended March 31, 2006



Company Name: Lasertec Corporation

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( URL <http://www.Lasertec.co.jp/> )

Stock exchange listing: Jasdaq Securities Exchange, Inc.

Code number: 6920

Representative Director: Yaichiro Watakabe, President

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For reference only: The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.

### 1. Basic Information on Quarterly Financial Statements

- |  |      |
|--|------|
| 1. The adoption of compendium method in accounting procedure                             | Yes  |
| Regarding tax expenses for the quarterly book closing, the simplified method is applied. |      |
| 2. Changes of accounting principles applied from the previous fiscal year                | None |
| 3. Changes of scope of group companies from the previous fiscal year                     | None |

### 2. Consolidated Financial Highlights

#### (1) Consolidated operating results

(Fractional amounts are discarded)

	Net sales		Operating income		Ordinary income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Mar. 31, 2006	8,797	63.1	2,065	101.6	2,079	101.6
Mar. 31, 2005	5,392	21.5	1,024	173.5	1,031	128.9
June 30, 2005	9,972	32.9	1,911	63.4	1,928	56.8

	Net income		Net income per share	Net income per share, fully diluted
	(Millions of yen)	%	(Yen)	(Yen)
Mar. 31, 2006	1,325	108.1	228.46	227.74
Mar. 31, 2005	637	134.3	110.25	110.03
June 30, 2005	1,203	58.4	196.17	195.75

(Notes)

- Profit/loss on equity method:
 

Nine months ending March 31, 2006:	None
Nine months ending March 31, 2005:	None
Year ended June 30, 2005:	None
- Average number of shares of common stock during period:
 

March 31, 2006	5,802,834 shares
March 31, 2005	5,778,804 shares
June 30, 2005	5,778,987 shares
- The percentages for net sales, operating income, ordinary income and net income represent year-on-year increase or decrease.

#### Qualitative information and such about progress status of operating results (consolidated)

Although the semiconductor related system business progressed steadily, part of sales recording for FPD related systems slipped into the fourth quarter. In the fourth quarter, the both businesses expected to progress steadily. With regard to order entry, the semiconductor related systems progress steadily and the FPD related systems also progress steadily due to very active investment

on equipments complying with the 7<sup>th</sup> and further generation large substrates. Under such circumstance, the planned target for the full business year will be fully accomplished, expectantly.

As a result of these efforts, the consolidated net sales for this third quarter period amounted to 8,797 million yen, the ordinary income amounted to 2,079 million yen and the net interim income amounted to 1,325 million yen .

## (2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
Mar. 31, 2006	14,764	10,518	71.2	1,806.46
Mar. 31, 2005	12,577	8,803	70.0	1,523.16
June 30, 2005	12,508	9,382	75.0	1,610.67

(Notes) Number of outstanding shares at end of period:

Mar 31, 2006 5,822,420 shares      Mar 31, 2005 5,779,420 shares      June 30, 2005 5,781,420 shares

## Qualitative information and such about progress status of financial position (consolidated)

The gross asset of this company become 14,764 million yen, increase of 2,255 million yen from that at the end of last fiscal year ended June 30, 2005. The main reason for this increase is due to the increase of liquid asset such as cash, savings and new inventory asset.

The balance of debt increased by 1,119 million yen from that at the end of last fiscal year ended June 30, 2005. The main reason for this increase is due to the increase of floating debt such as increase of advances received.

The shareholders' equity increased by 1,135 million yen from that at the end of las fiscal year ended June 30, 2005. As the result of above, shareholders' capital ratio has become 71.2 %. (75.0 % at the end of last fiscal year ended June 30, 2005)

## 3. Consolidated operating estimates for the year ending June 30, 2006

(7/1/05- 6/30/06)

	Net sales	Ordinary income	Net income
	(Millions of yen)	(Millions of yen)	(Millions of yen)
Annual	12,400	2,780	1,765

(N.b.) Estimated net income per share for the year ending June 30, 2006(annual): 152.71 yen

Company's share was to be split one share to two shares without charge, effective on April 1<sup>st</sup> 2006.

Please be noted that the expected net income for this period per one share (full business year) is based on the assumption that split of share was implemented at the beginning of this fiscal period.

Qualitative information and such regarding business performance forecast

Business performance forecast at present is the same, without any change, as the one announced the previous time (February 22, 2006),

### <Information per one share based on the share splitting>

This company implemented share splitting by one to two, effective as of April 1 2006. Various numbers per one share for the third quarter ended Mar. 31 2005 and for the previous fiscal year ended June 30 2005, assuming the share splitting was effected at the beginning of the previous fiscal year and various numbers per one share for the third quarter ended Mar. 31, assuming the share splitting was effected at the beginning of the current fiscal year, are listed in the table below.

	Net income per share	Net income per share, fully diluted	Shareholders' equity per share
	(Yen)	(Yen)	(Yen)
Mar. 31, 2006	114.23	113.87	903.23
Mar. 31, 2005	55.12	55.01	761.58
June 30, 2005	98.08	97.87	805.33

## Consolidated balance sheets

(In thousands of yen)

Years ended March 31;	Mar 31, 2005	%	Mar 31, 2006	%	June 30, 2005	%
<b>(Assets)</b>						
<b>Current assets</b>						
Cash and deposits	2,565,354		4,401,993		2,759,310	
Notes and accounts receivable – trade	2,573,945		2,719,790		3,660,025	
Marketable securities	100,290		100,420		100,320	
Inventories	4,902,902		4,922,867		3,849,482	
Deferred tax assets	217,383		122,526		146,949	
Others	134,524		212,887		67,401	
Allowance for doubtful accounts	(2,578)		(2,511)		(3,659)	
Total current assets	<u>10,491,822</u>	83.4	<u>12,477,974</u>	84.5	<u>10,579,830</u>	84.6
<b>Long-term assets</b>						
Tangible fixed assets						
Land	581,721		581,721		581,721	
Others	614,871		660,762		637,166	
Total tangible fixed assets	<u>1,196,592</u>	9.5	<u>1,242,484</u>	8.4	<u>1,218,887</u>	9.7
Intangible fixed assets	1,828	0.0	1,846	0.0	1,830	0.0
Investments and other assets						
Investment securities	430,170		620,780		231,060	
Deferred tax assets	153,866		94,970		162,451	
Others	303,599		326,147		314,434	
Total Investments and other assets	<u>887,635</u>	7.1	<u>1,041,897</u>	7.1	<u>707,946</u>	5.7
Total long-term assets	<u>2,086,057</u>	16.6	<u>2,286,228</u>	15.5	<u>1,928,664</u>	15.4
<b>Total assets</b>	<u>12,577,879</u>	100.0	<u>14,764,202</u>	100.0	<u>12,508,495</u>	100.0

(In thousands of yen)

Years ended March 31;	Mar 31, 2005	%	Mar 31, 2006	%	June 30, 2005	%
<b>(Liabilities)</b>						
<b>Current liabilities</b>						
Accounts payable – trade	423,049		770,068		636,990	
Accrued income taxes	124,260		395,597		384,492	
Advances received	2,530,063		2,305,291		1,359,199	
Accrued bonuses	66,600		119,343		-	
Reserve for product warranties	31,850		68,102		50,580	
Others	301,957		381,936		383,642	
Total current liabilities	<u>3,477,780</u>	27.7	<u>4,040,338</u>	27.4	<u>2,814,905</u>	22.5
<b>Long-term liabilities</b>						
Accounts payable – trade	-		77,400		-	
Reserve for employees' retirement benefits	127,054		128,443		134,782	
Reserve for directors' retirement benefits	170,007		-		176,536	
Total long-term liabilities	<u>297,061</u>	2.3	<u>205,843</u>	1.4	<u>311,319</u>	2.5
<b>Total liabilities</b>	<u>3,774,841</u>	30.0	<u>4,246,181</u>	28.8	<u>3,126,224</u>	25.0
<b>(Shareholders' equity)</b>						
<b>Capital stock</b>	931,000	7.4	931,000	6.2	931,000	7.4
<b>Capital surplus</b>	1,080,360	8.5	1,080,360	7.3	1,080,360	8.6
<b>Retained earnings</b>	7,093,202	56.4	8,618,633	58.4	7,659,706	61.2
<b>Revaluation on other securities</b>	6,961	0.0	59,693	0.4	8,178	0.1
<b>Foreign currency translation adjustments</b>	(16,618)	(0.1)	9,604	0.1	(10,251)	(0.1)
<b>Less treasury stock, at cost</b>	(291,866)	(2.2)	(181,270)	(1.2)	(286,722)	(2.2)
<b>Total shareholders' equity</b>	<u>8,803,037</u>	70.0	<u>10,518,020</u>	71.2	<u>9,382,270</u>	75.0
<b>Total liabilities and shareholders' equity</b>	<u>12,577,879</u>	100.0	<u>14,764,202</u>	100.0	<u>12,508,495</u>	100.0

## Consolidated statements of income

(In thousands of yen)

Years ended March 31;	Mar 31, 2005	%	Mar 31, 2006	%	June 30, 2005	%
<b>Net sales</b>	5,392,778	100.0	8,797,152	100.0	9,972,241	100.0
<b>Cost of sales</b>	2,865,438	53.1	4,688,876	53.3	5,829,738	58.5
Gross profit	2,527,339	46.9	4,108,276	46.7	4,142,502	41.5
<b>Selling, general and administrative expenses</b>	1,502,718	27.9	2,042,461	23.2	2,231,316	22.3
Operating income	1,024,621	19.0	2,065,815	23.5	1,911,186	19.2
<b>Non-operating income</b>						
Interest income	2,005		3,153		2,621	
Dividend income	1,610		9,289		2,288	
Exchange gain	-		2,677		2,169	
Income from contract development	5,226		-		5,226	
Income from Insurance	-		-		4,649	
Others	608		694		1,411	
Total non-operating income	9,451	0.2	15,815	0.2	18,525	0.1
<b>Non-operating expenses</b>						
Interest expenses	685		507		990	
Loss on sales of investment securities	-		810		354	
Exchange loss	1,741		-		-	
Others	11		976		9	
Total non-operating expenses	2,439	0.1	2,294	0.1	1,355	0.0
Ordinary income	1,031,633	19.1	2,079,335	23.6	1,928,356	19.3
<b>Extraordinary income</b>						
Gain on sales of fixed assets	-		1,035		-	
Reversal of allowance for doubtful receivables	20		1,155		-	
Total extraordinary income	20	0.0	2,191	0.0	-	-
<b>Extraordinary losses</b>						
Loss on disposal of fixed assets	17,908		9,862		29,854	
Product warranty cost	9,700		-		9,700	
Total extraordinary losses	27,608	0.5	9,862	0.1	39,554	0.4
Income before income taxes	1,004,045	18.6	2,071,664	23.5	1,888,801	18.9
Corporate, inhabitant and enterprise taxes	291,585	5.4	678,692	7.7	547,354	5.5
Deferred income taxes	75,338	1.4	67,211	0.7	137,458	1.3
Net income	637,120	11.8	1,325,759	15.1	1,203,989	12.1