

Consolidated Financial Review for the Year Ended June 30, 2002

Company name: Lasertec Corporation
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 223-8551, Japan
 Telephone number: (045) 544-4111
 Stock exchange listing: Japan Securities Dealers Association
 Code number: 6920
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 Board of Directors Meeting: August 26, 2002

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

1. Consolidated financial highlights

(1) Consolidated operating results

(Fractional amounts is discarded)

	Net sales		Operating income		Ordinary income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
June 30, 2002	6,524	(0.4)	1,271	(8.5)	1,284	(8.9)
June 30, 2001	6,550	37.0	1,389	82.3	1,410	89.1

	Net income		Net income per share	Net income per share, fully diluted	Return on shareholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to net sales
	(Millions of yen)	%	(Yen)	(Yen)	%	%	%
June 30, 2002	713	(12.2)	121.78	-	9.7	14.5	19.7
June 30, 2001	812	93.1	138.67	-	12.0	17.0	21.5

(Notes)

- Profit/loss on equity method:
 - Year ended June 30, 2002: None
 - Year ended June 30, 2001: None
- Average number of shares of common stock during period:
 - June 30, 2002 5,861,473 shares
 - June 30, 2001 5,862,339 shares
- Changes in accounting methods: None
- The percentages for net sales, operating income, ordinary income and net income represent year-on-year changes.

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
June 30, 2002	8,661	7,589	87.6	1,295.46
June 30, 2001	9,025	7,078	78.5	1,207.57

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

June 30, 2002 5,858,620 shares June 30, 2001 5,862,020 shares

(3) Consolidated cash flow position

(Millions of yen)

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
June 30, 2002	1,131	(703)	(184)	2,366
June 30, 2001	979	(173)	(120)	2,128

(4) Scope of consolidation and application of the equity method

Consolidated subsidiaries: 2 companies

Nonconsolidated subsidiaries: None

Affiliated company using the equity method: None

(5) Changes in scope of consolidation and application of the equity method

Consolidation (Additions): None (Deletions): None

Equity method (Additions): None (Deletions): None

2. Consolidated operating estimates for the year ending June 30, 2003

(7/1/02- 6/30/03)

(Millions of yen)

	Net sales	Ordinary income	Net income
Interim period	2,650	103	45
Annual	7,160	1,465	830

(N.b.) 1. Estimated net income per share for the year ending June 30, 2003 (annual): 141.68 yen

(Appendix)

I. Current status of the company group

The business of our company group includes development, manufacturing, sales, and servicing of semiconductor and LCD inspection systems as well as laser microscopes. The responsibility of each business lies as follows.

For developing and manufacturing semiconductor and LCD inspection systems as well as laser microscopes, the company submitting consolidated financial statements (called "this company") takes the responsibility.

For sales, this company takes the responsibility in the Japan, Asian and European markets. In the North American market, Lasertec U. S. A. Inc., a consolidated subsidiary of this company, takes the responsibility.

For servicing, this company takes the responsibility in the Japan, Asian (excluding Korea), and European markets. Lasertec U. S. A. Inc., a consolidated subsidiary of this company, is in charge in the North American market, and Lasertec Korea Corporation, the other consolidated subsidiary of this company, is in charge in the Korean market.

This company has only two consolidated subsidiaries. Thus the illustration of the relationship between this company and them is omitted.

II. Management policies

1. Basic policy for the company management

Since its establishment, this company has supplied various inspection and measurement systems in the semiconductor, LCD, and new material industries under a policy to "satisfy needs with advanced technology." To satisfy higher level needs, this company will continue supplying products according to the industry's roadmap with advanced complex technology of optical, precision equipment, and electronics fields. This is the basic management policy of this company.

In the medium term, this company will enforce main three product lines: semiconductor inspection systems, LCD inspection systems, and laser microscopes. Especially this company regards the semiconductor inspection system field as a key for business expansion, and intends to devote more energy there through an active challenge for fine processing.

2. Basic policy for profit sharing

As a basic policy, this company aims at stable profit sharing among stockholders while enforcing the financial condition of the corporation and attaining higher performance.

Though basically aiming at stable profit sharing, this company decides flexible profit sharing based on performance in consideration of necessity of retained earnings for enforcement of the financial condition.

For further enforcement of corporation condition and establishment of long-lasting management basis, the retained earnings will be effectively spent on R & D investment of new technology and products, capital investment for streamlining, and recruitment of hopeful staff.

3. Management strategies and tasks to be tackled

(1) This company develops new technology and new products according to various needs of the state-of-the art technology. Besides, this company makes R & D investment enough to shorten the development period of new technology so that a new product can attain an advantageous position. As a result, this company can improve its business as well as enforce financial basis.

- In the semiconductor inspection system field, this company plans to provide new products according to market needs, such as inspection systems for mask blanks, and phase shift mask inspection systems that are indispensable for super-resolution lithography.
- In the LCD inspection system field, this company will satisfy needs including large-sized color filters and high throughput, and establish new inspection techniques, which makes this company positioned apart from the rest. Further this company aims to increase the market share of large-sized mask inspection systems requiring high detecting sensibility.
- In the laser microscope field, this company is now ahead in the high definition technology with blue laser diodes. Then the company is developing cost effective instruments that are eagerly desired in the market to expand its product filed.

(2) This company will extend sales channels and upgrade service infrastructure in the global market so that it can establish a financial basis unaffected by area variation.

(3) This company makes continuous efforts on streamlining of sections within the company, cost reduction, quality improvement, and shortening of delivery times. Especially, the company tries to

increase customer satisfaction for quality by operating quality management system for improvement of organization within the company.

III. Financial achievement

1. Outline of this fiscal year (June 30, 2002)

Due to prolonged economic stagnation and declined sales, the semiconductor industry, the main sales target of this company group, has set up adjustment of production and depression of capital investment and accelerated restructuring of business operations. In the latter half of this fiscal year, inventory adjustment of semiconductors, which had experienced supply-and-demand imbalance, was promoted to a degree that signs of bottoming out were shown, but this was not a full-scale recovery. Nevertheless, there is still a continuous trend towards capital investment in advanced technology and new generation process. The LCD panel industry, however, still remains strong because of considerable capital investment on the 4th generation.

Under these circumstances, this company has promoted development of new products to satisfy needs for state-of-the-art technologies. Thanks to the accomplishment of new products including the mask substrates/blanks inspection systems and phase shift measurement systems in the semiconductor field and LCD large-scaled photomask inspection systems in the LCD field, the final consolidated sales can keep almost the same level as the previous year, amounting to 6,524 million yen (0.4 % down from the previous year).

The sales for each product line were:

Semiconductor inspection systems

3,418 million yen (17.1 % down from the previous year),

LCD inspection systems

1,866 million yen (64.0 % up over the previous year)

Laser microscopes

769 million yen (20.5 % down from the previous year)

As for profits, the ordinary income amounted to 1,284 million yen (8.9 % down from the previous year) and the net income amounted to 713 million yen (12.2 % down from the previous year).

According to the basic policy for profit sharing as described above, the total cash dividend in this fiscal year is expected to be 30 yen per share, which results in a non-consolidated payout ratio of 24.8 %.

The following is a new product we have developed and announced in this term. It corresponds to

the client needs of next generation.

Mask substrates/blanks inspection system M1350

2. Cash flows in this fiscal year (June 30, 2002)

As for the cash and cash equivalent in the consolidated basis (called "cash") in this fiscal year, the net profit before tax adjustment kept steady growing in spite that a considerable amount of corporate tax was paid. Together with further reduction of inventory assets, the cash was 237 million yen more than that at the end of the previous fiscal year, and amounted to 2,366 million yen at the end of this fiscal year.

The cash flows states and their factors in this consolidated fiscal year are described below.

(Cash flows associated with sales activities)

The funds obtained from sales activities amounted to 1,131 million yen (15.6 % over the previous year). It is because the decreased amount of 841 million yen by corporate tax payment and others is exceeded by the increased amount of 707 million yen by further reduction of inventory assets and 1,193 million yen by net profit before tax adjustment in this fiscal year.

(Cash flows associated with investment activities)

The funds used for investment activities amounted to 703 million yen (305.1 % over the previous year). This amount was mainly for acquisition of securities.

(Cash flows associated with financial activities)

The funds used for financial activities amounted to 184 million yen (53.3 % over the previous year). This amount was mainly for payment of dividends.

3. Forecast for the next fiscal year (June 30, 2003)

Though capital investment in the semiconductor industry is expected to be still low, the industry's roadmap aims at acceleration of technological innovation.

This company will make continuous efforts on development of new technology and products. This company will meet demands for sophisticated systems in the semiconductor industry, and receive orders while keeping its advantageous position in the competitive LCD market so that it can be expected to increase revenue and profit.

The expected consolidated performance of the next fiscal year is as follows.

Sales will amount to 7,160 million yen,
Ordinary income will amount to 1,465 million yen, and
Net income will amount to 830 million yen.

Cash dividend in the next fiscal year is expected to be 30 yen per share, which results in a non-consolidated payout ratio of 23.6 %.

Consolidated balance sheets

(In thousands of yen)

Years ended June 30;	2001	%	2002	%	Increase (Decrease)
(Assets)					
Current assets					
Cash and deposits	1,631,601		2,165,605		534,003
Notes and accounts receivable - trade	2,950,915		2,582,544		(368,371)
Marketable securities	499,446		619,496		120,049
Inventories	2,142,174		1,433,866		(708,308)
Deferred tax assets	111,137		60,801		(50,336)
Others	50,124		151,139		101,014
Allowance for doubtful accounts	(9,963)		(6,428)		3,535
Total current assets	<u>7,375,436</u>	81.7	<u>7,007,025</u>	80.9	<u>(368,411)</u>
Long-term assets					
Tangible fixed assets					
Buildings and structures	247,246		217,164		(30,082)
Machinery, vehicles and delivery equipments	38,960		38,437		(523)
Tools, furniture and fixtures	223,763		191,826		(31,937)
Land	301,437		397,934		96,496
Construction in progress	80,030		-		(80,030)
	<u>891,437</u>	9.9	<u>845,361</u>	9.8	<u>(46,076)</u>
Intangible fixed assets	33,298	0.4	16,909	0.2	(16,389)
Investments and other assets					
Investment securities	194,951		389,343		194,392
Long-term prepaid expenses	14,576		22,001		7,425
Long-term guarantee deposits	203,474		197,267		(6,206)
Investment trusts in goods	101,684		-		(101,684)
Deferred tax assets	153,030		118,958		(34,072)
Others	58,375		65,637		7,261
Allowance for doubtful accounts	(1,009)		(1,008)		1
	<u>725,083</u>	8.0	<u>792,201</u>	9.1	<u>67,117</u>
Total long-term assets	<u>1,649,819</u>	18.3	<u>1,654,471</u>	19.1	<u>4,652</u>
Total assets	<u>9,025,255</u>	100.0	<u>8,661,496</u>	100.0	<u>(363,758)</u>

(In thousands of yen)

Years ended June 30;	2001	%	2002	%	Increase (Decrease)
(Liabilities)					
Current liabilities					
Accounts payable - trade	427,475		193,704		(233,771)
Accrued income taxes	509,102		77,859		(431,242)
Reserve for bonuses	85,396		-		(85,396)
Others	633,055		623,811		(9,243)
Total current liabilities	<u>1,655,030</u>	18.4	<u>895,375</u>	10.3	<u>(759,654)</u>
Long-term liabilities					
Reserve for employees' retirement benefits	94,818		78,340		(16,478)
Reserve for directors' retirement benefits	194,630		97,139		(97,491)
Others	2,006		1,015		(990)
Total long-term liabilities	<u>291,455</u>	3.2	<u>176,495</u>	2.1	<u>(114,960)</u>
Total liabilities	<u>1,946,485</u>	21.6	<u>1,071,870</u>	12.4	<u>(874,614)</u>
(Shareholders' equity)					
Capital stock	931,000	10.3	931,000	10.7	-
Additional paid-in capital	1,080,360	12.0	1,080,360	12.5	-
Consolidated retained earnings	5,178,036	57.4	5,680,819	65.6	502,783
Revaluation on other securities	(18,545)	(0.2)	1,767	0.0	20,312
Foreign currency translation adjustment	(18)	(0.0)	(4,359)	(0.0)	(4,341)
	<u>7,170,833</u>	79.5	<u>7,689,588</u>	88.8	<u>518,754</u>
Less treasury stock, at cost	(92,062)	(1.0)	(99,961)	(1.2)	(7,899)
Total shareholders' equity	<u>7,078,770</u>	78.4	<u>7,589,626</u>	87.6	<u>(510,855)</u>
Total liabilities and shareholders' equity	<u>9,025,255</u>	100.0	<u>8,661,496</u>	100.0	<u>(363,758)</u>

Consolidated statements of income

(In thousands of yen)

Years ended June 30;	2001	%	2002	%	Increase (Decrease)
Net sales	6,550,273	100.0	6,524,578	100.0	(25,694)
Cost of sales	3,456,027	52.8	3,405,972	52.2	(50,054)
Gross profit	3,094,246	47.2	3,118,605	47.8	24,359
Selling, general and administrative expenses	1,704,745	26.0	1,847,222	28.3	142,477
Operating income	1,389,500	21.2	1,271,382	19.5	(118,118)
Non-operating income					
Interest income	7,722		6,354		(1,368)
Dividend income	1,097		772		(325)
Exchange gain	13,243		13,580		336
Others	1,428		1,411		(17)
Total non-operating income	23,492	0.3	22,118	0.3	(1,374)
Non-operating expenses					
Interest expenses	959		1,792		833
Loss on sales of marketable securities	-		2,557		2,557
Others	1,476		4,392		2,916
Total non-operating income expenses	2,435	0.0	8,742	0.1	6,307
Ordinary income	1,410,558	21.5	1,284,758	19.7	(125,800)
Extraordinary income					
Gain on sales of fixed assets	39		308		269
Reversal of allowance for doubtful accounts	4,795		3,536		(1,258)
Total extraordinary income	4,835	0.1	3,845	0.1	(989)
Extraordinary loss					
Loss on disposal of fixed assets	8,729		25,341		16,611
Loss on devaluation on investment securities	-		69,771		69,771
Discrepancy resulting from change in retirement benefit accounting standards	20,600		-		(20,600)
Total extraordinary losses	29,330	0.4	95,112	1.5	65,782
Income before income taxes	1,386,063	21.2	1,193,491	18.3	(192,572)
Corporate, inhabitant and enterprise taxes	667,459	10.0	410,749	6.3	(256,709)
Deferred income taxes	(94,352)	(1.3)	68,922	1.1	163,275
Net income	812,956	12.4	713,818	10.9	(99,137)

Consolidated statement of retained earnings

(In thousands of yen)

Years ended June 30;	2001	2002	Increase (Decrease)
Consolidated retained earnings, beginning of period	4,505,507	5,178,036	672,529
Decrease in consolidated retained earnings	140,427	211,035	70,608
Dividends	117,252	175,860	58,608
Directors' bonuses	23,175	35,175	12,000
Net income	812,956	713,818	(99,137)
Consolidated retained earnings, end of period	<u>5,178,036</u>	<u>5,680,819</u>	<u>502,783</u>

Consolidated statement of cash flows

(In thousands of yen)

Years ended June 30;	2001	2002
Cash flows from operating activities		
Income before income taxes	1,386,063	1,193,491
Depreciation and amortization	149,357	136,500
Decrease in allowance for doubtful accounts	(4,795)	(3,536)
Increase (decrease) in reserve for bonuses	42,896	(85,396)
Increase (decrease) in employees' retirement benefits	18,048	(16,472)
Increase (decrease) in reserve for directors' retirement benefits	31,626	(97,491)
Interest and dividend income	(8,820)	(7,126)
Loss on sales of marketable securities	-	2,557
Interest expenses	959	1,792
Exchange loss (gain)	(6,629)	20,227
Loss on devaluation of investment securities	-	69,771
Loss on sales of tangible fixed assets	(39)	(308)
Loss on disposal of tangible fixed assets	8,729	25,341
Decrease (increase) in notes and accounts receivable-trade	(47,570)	348,757
Decrease (increase) in inventory	(593,388)	707,666
Increase (decrease) in accounts payable-trade	122,979	(233,681)
Increase in advance received	176,333	75,607
Directors' bonuses	(23,175)	(35,175)
Others	199,147	(133,742)
	<hr/>	<hr/>
	1,451,721	1,968,782
Interest and dividends received	8,871	6,611
Interest paid	(959)	(1,792)
Income taxes paid	(480,505)	(841,635)
	<hr/>	<hr/>
	979,128	1,131,966
Cash flows from investment activities		
Payments for time deposits	(2,889)	-
Proceeds from maturity of time deposit	-	2,997
Payments for purchase of marketable securities	-	(509,671)
Proceeds from sales of marketable securities	-	109,008
Payments for acquisition of tangible fixed assets	(273,678)	(86,415)
Proceeds from sales of tangible fixed assets	2,524	25,948
Payments for acquisition from sales of investment securities	100,000	(250,105)
Proceeds from collection of loans	900	700
Others	(518)	4,096
	<hr/>	<hr/>
	(173,661)	(703,441)

(In thousands of yen)

Years ended June 30;	2001	2002
Cash flows from financing activities		
Dividends paid	(117,252)	(175,860)
Others	(3,027)	(8,548)
Net cash (used in) provided by financial activities	(120,280)	(184,409)
Translation difference in cash and cash equivalents	11,609	(6,264)
Increase (decrease) in cash and cash equivalents	696,796	237,850
Cash and cash equivalents at beginning of period	1,431,362	2,128,158
Cash and cash equivalents at end of period	2,128,158	2,366,009

Production, orders and sales

1. Production (in thousands of yen)

Year ended June 30;	2002	
	Year-on-year comparison (%)	
Finished goods		
Semiconductor Inspection System	2,771,871	58.1
Color-Filter Inspection System	1,528,400	103.9
Confocal Scanning Laser Microscopes	662,940	87.5
	4,963,211	70.9
Services	469,473	147.1
	5,432,684	74.2

(Notes)

1. Amounts are shown in sales prices.
2. Amounts exclude consumption taxes.

2. Orders

(In thousands of yen)

Year ended June 30;	2002			
	Amount	Year-on-year comparison (%)	Outstanding	Year-on-year comparison (%)
Finished goods				
Semiconductor Inspection System	2,825,726	59.6	2,019,743	77.3
Color-Filter Inspection System	2,029,430	116.8	1,405,600	113.1
Confocal Scanning Laser Microscopes	798,493	83.6	148,260	123.8
	5,653,649	76.1	3,573,604	89.9
Services	497,670	135.3	138,521	125.6
	6,151,320	78.8	3,712,125	90.9

(Notes)

1. Amounts are shown in sales prices.
2. Amounts includes adjustments of cancellation, changes and etc.
3. Amounts exclude consumption taxes.

3. Sales

(In thousands of yen)

Year ended June 30;	2002	
	Amount	Year-on-year comparison (%)
Finished goods		
Semiconductor Inspection System	3,418,912	82.9
Color-Filter Inspection System	1,866,230	164.0
Confocal Scanning Laser Microscopes	769,962	79.5
	6,055,105	97.2
Services	469,473	147.1
	6,524,578	99.6

Financial Review for the Year Ended June 30, 2002 (Non-Consolidated)

Company name: Lasertec Corporation
 Headquarter address: 4-10-4, Tsunashima-Higashi, Kohoku-Ku, Yokohama, Kanagawa
 223-8551, Japan
 Telephone number: (045) 544-4111
 Stock exchange listing: Japan Securities Dealers Association
 Code number: 6920
 Inquiries: Shu Uchiyama, Director, Corporate Planning Office
 Board of Directors Meeting: August 26, 2002

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

1. Financial highlights

(1) Operating results

(Fractional amounts is discarded)

	Net sales		Operating income		Ordinary income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
June 30, 2002	6,348	0.9	1,297	(5.0)	1,280	(9.0)
June 30, 2001	6,289	36.7	1,365	97.2	1,407	107.8

	Net income		Net income per share	Net income per share, fully diluted	Return on shareholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to net sales
	(Millions of yen)	%	(Yen)	(Yen)	%	%	%
June 30, 2002	708	(13.1)	120.94	-	9.7	14.6	20.2
June 30, 2001	816	114.5	138.49	-	12.0	17.0	22.4

(Notes)

1. Average number of shares of common stock during period:

June 30, 2002 5,861,473 shares

June 30, 2001 5,892,900 shares

2. Changes in accounting methods: None

3. The percentages shown next to net sales, operating income, ordinary income and net income represent year-on-year changes.

(2) Dividends

	Annual dividend per share			Dividend payment	Dividend payout ratio	The ratio of dividend to shareholders' equity
	(yen)	Interim period	Term end			
June 30, 2002	30.00	(yen)	(yen)	(Millions of yen)	%	%
June 30, 2002	30.00	0.00	30.00	175	24.8	2.3
June 30, 2001	30.00	0.00	30.00	175	21.5	2.5

(3) Financial position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
June 30, 2002	8,559	7,537	88.1	1,286.52
June 30, 2001	8,993	7,119	79.2	1,208.70

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

June 30, 2002	5,858,620 shares
June 30, 2001	5,892,900 shares

2. Operating estimates for the year ending June 30, 2003 (7/1/02- 6/30/03)

	Net sales	Ordinary income	Net income	Annual dividend per share		
				Interim period	End of period	
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(yen)	(yen)	(yen)
Interim period	2,490	74	32	0.00	-	-
Annual	6,800	1,315	745	-	30.00	30.00

(N.b.) 1. Estimated net income per share (annual): 134.77 yen

Balance sheets

(In thousands of yen)

Years ended June 30;	2001	%	2002	%	Year-on-year change
(Assets)					
Current assets					
Cash and deposits	1,340,437		1,949,881		609,443
Notes receivable - trade	566,167		542,846		(23,321)
Accounts receivable - trade	2,545,321		2,143,073		(402,248)
Marketable securities	499,446		619,496		120,049
Investment trusts in goods	-		102,118		102,118
Treasury stock	2,326		-		(2,326)
Raw materials	166,389		200,377		33,988
Work in process	1,951,286		1,216,239		(735,046)
Supplies	3,998		3,207		(791)
Deferred tax assets	96,422		40,980		(55,441)
Others	58,313		44,295		(14,017)
Allowance for doubtful accounts	(12,583)		(6,734)		5,848
Total current assets	<u>7,217,527</u>	80.3	<u>6,855,782</u>	80.1	<u>(361,744)</u>
Long-term assets					
Tangible fixed assets					
Buildings	235,487		207,065		(28,421)
Structures	9,372		8,030		(1,341)
Machinery and equipments	11,472		12,182		709
Vehicles and delivery equipments	14,722		16,272		1,550
Tools, furniture and fixtures	196,786		174,834		(21,952)
Vessels	1,665		1,665		-
Land	301,437		397,934		96,496
Construction in progress	80,030		-		(80,030)
	<u>850,974</u>	9.5	<u>817,985</u>	9.6	<u>(32,989)</u>
Intangible fixed assets					
Software	31,052		15,088		(15,964)
Telephone subscription rights	2,129		1,700		(429)
	<u>33,181</u>	0.3	<u>16,788</u>	0.2	<u>(16,393)</u>

(In thousands of yen)

Years ended June 30;	2001	%	2002	%	Year-on-year change
Investments and other assets					
Investment securities	194,951		389,343		194,392
Investment in affiliated companies	81,139		81,139		-
Treasury stock	89,736		-		(89,736)
Long-term prepaid expenses	14,576		22,001		7,425
Long-term guarantee deposits	199,484		192,769		(6,715)
Investment trusts in goods	101,684		-		(101,684)
Deferred tax assets	153,030		118,958		(34,072)
Others	58,375		65,637		7,261
Allowance for doubtful accounts	(1,009)		(1,008)		1
	<u>891,969</u>	9.9	<u>868,842</u>	10.1	<u>(23,127)</u>
Total long-term assets	<u>1,776,125</u>	19.7	<u>1,703,615</u>	19.9	<u>(72,509)</u>
Total assets	<u>8,993,652</u>	100.0	<u>8,559,398</u>	100.0	<u>(434,254)</u>

(In thousands of yen)

Years ended June 30;	2001	%	2002	%	Year-on-year change
(Liabilities)					
Current liabilities					
Accounts payable - trade	425,269		193,704		(231,565)
Accounts payable - other	324,577		195,066		(129,510)
Accrued income taxes	494,535		77,776		(416,759)
Advances received	223,489		281,853		58,364
Reserve for bonuses	80,135		-		(80,315)
Others	37,297		99,574		62,276
Total current liabilities	<u>1,585,484</u>	17.6	<u>847,974</u>	9.9	<u>(737,510)</u>
Long-term liabilities					
Reserve for employees' retirement benefits	94,523		77,030		(17,492)
Reserve for directors' retirement benefits	194,630		97,139		(97,491)
Total long-term liabilities	<u>289,154</u>	3.2	<u>174,170</u>	2.0	<u>(114,983)</u>
Total liabilities	<u>1,874,638</u>	20.8	<u>1,022,144</u>	11.9	<u>(852,494)</u>
(Shareholders' equity)					
Capital stock	931,000	10.4	931,000	10.9	-
Additional paid-in capital	1,080,360	12.0	1,080,360	12.6	-
Legal income reserves	137,934	1.5	159,038	1.9	21,103
Retained earnings					
Voluntary reserves - total	4,012,000		4,512,000		500,000
Unappropriated retained earnings, end of fiscal period	976,264		953,050		(23,214)
Net income for the period	816,118		708,924		(107,193)
Total retained earnings	<u>4,988,264</u>	55.5	<u>5,465,050</u>	63.9	<u>476,785</u>
Revaluation on other securities	(18,545)		1,767		20,312
Less treasury stock, at cost	-		(99,961)	(1.2)	(99,961)
Total shareholders' equity	<u>7,119,013</u>	79.2	<u>7,537,253</u>	88.1	<u>418,239</u>
Total liabilities and shareholders' equity	<u>8,993,652</u>	100.0	<u>8,559,398</u>	100.0	<u>(434,254)</u>

Statements of income

(In thousands of yen)

Years ended June 30;	2001	%	2002	%	Year-on-year change
Net sales	6,289,693	100.0	6,348,175	100.0	58,481
Cost of sales	3,362,045	53.5	3,313,895	52.2	(48,149)
Gross profit	2,927,647	46.5	3,034,279	47.0	106,631
Selling, general and administrative expenses	1,562,401	24.8	1,736,950	27.4	174,548
Operating income	1,365,246	21.7	1,297,329	20.4	(67,916)
Non-operating income					
Interest and dividend income	8,198		4,052		(4,146)
Exchange gain	34,774		-		(34,774)
Others	1,428		1,405		(23)
Total non-operating income	44,401	0.7	5,458	0.1	(38,942)
Non-operating expenses					
Interest expenses	902		1,792		890
Loss on sales of marketable securities	-		2,557		2,557
Exchange loss	-		15,802		15,802
Others	1,471		2,568		1,096
Total non-operating expenses	2,374	0.0	22,720	0.3	20,346
Ordinary income	1,407,274	22.4	1,280,066	20.2	(127,207)
Extraordinary income					
Gain on sales of fixed assets	39		308		269
Reversal of allowance for doubtful accounts	2,264		5,849		3,584
Total extraordinary income	2,304	0.0	6,158	0.1	3,854
Extraordinary losses					
Loss on disposal of fixed assets	8,707		24,439		15,732
Loss on devaluation on investment securities	-		69,771		69,771
Gain resulting from change in retirement benefit accounting standards	20,600		-		(20,600)
Total extraordinary losses	29,307	0.5	94,210	1.5	64,902
Income before income taxes	1,380,271	21.9	1,192,015	18.8	(188,256)
Corporate, inhabitant and enterprise taxes	651,017	10.3	408,094	6.4	(242,923)
Deferred income taxes	(86,864)	(1.4)	74,995	1.2	161,860
Net income	816,118	13.0	708,924	11.2	(107,193)
Retained earnings brought forward from previous period	160,146		244,125		83,879
Unappropriated retained earnings, end of period	976,264		953,050		(23,214)

II. Management shift (to be valid on September 25, 2002)

1. Shift of a director, member of the board

Senior managing director Yaichiro Watanabe
(Present: a managing director, member of the board)

2. A candidate of new directors

Director Takao Okita
(Previous: a managing director of Matsushita Communication Industrial Co., Ltd., Present: a corporate auditor of Lasertec from September 2001)

(Note)

The candidate meets the requirements for outside directors as defined in No. 7-2 in the second clause of Article 188 of the Commercial Law.

3. Change in responsibility of directors

Director, general manager of General Affairs Department and Accounting Department
Kazuhiro Yoshida (Present: a director, general manager of Accounting Department)

4. A candidate for new corporate auditors

Corporate auditor (full-time) Osamu Mito (Present: a director)

5. Retiring director Osamu Mito (Present: a director)

6. Retiring corporate auditor Takao Okita (Present: a corporate auditor)

<Appendix>

History of the candidate for a new director

Takao Okita (born in April 14, 1941)

April, 1965	Entered Matsushita Electronics Industrial Co., Ltd.
September, 1965	Transferred to Matsushita Communication Industrial Co., Ltd.
April, 1997	Managing director of the said company
June, 2001	Retired from the said company
September, 2001	Corporate auditor of this company (present)

History of the candidate for a new corporate auditor

Osamu Mito (born in March 31, 1945)

April, 1968	Entered the Bank of Mitsubishi
April, 1988	Branch manager of the Tsudanuma branch of the said bank
November, 1990	Vice general manager of the Corporate Affairs Department of the said bank
May, 1994	Branch manager of the Tokuyama Branch of the said bank
March, 1996	Manager of the General Affairs Department of this company (Present: general manager of the General Affairs Department)
September, 1996	Director (present)