

# Consolidated Financial Review For the Third Quarter Ended March 31, 2008

May 19, 2008



Company Name: Lasertec Corporation (URL <http://www.Lasertec.co.jp/> )  
 Stock exchange listing: Jasdaq Securities Exchange, Inc.  
 Code number: 6920  
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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.

(Millions of yen, rounded down)

## 1. Consolidated financial highlights for the third quarter ended March 31, 2008

### (1) Consolidated operating results

	Net sales		Operating income		Ordinary income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Mar. 31, 2008	7,386	(30.0)	989	(61.9)	1,098	(57.6)
Mar. 31, 2007	10,556	20.0	2,600	25.9	2,589	24.5
June 30, 2007	15,874	--	3,895	--	3,895	--

	Net income		Net income per share		Net income per share, fully diluted	
	(Millions of yen)	%	(Yen)		(Yen)	
Mar. 31, 2008	660	(58.7)	57.46		50.88	
Mar. 31, 2007	1,596	20.4	137.03		133.91	
June 30, 2007	2,375	--	203.84		194.26	

Notes: The percent figures indicate changes from the same period of the previous fiscal year.

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
Mar. 31, 2008	20,461	12,048	58.6	1,065.17
Mar. 31, 2007	22,637	12,248	53.9	1,046.56
June 30, 2007	21,840	13,048	59.5	1,115.18

## 2. Dividends

This company has not been paying dividends on the basis of ending date of the third quarter.

Regarding forecast of the dividends of this fiscal year ended June 30, 2008, this company keeps the same amount as announced on February 20, 2008.

(Record date)	Dividends per share		
	Interim	Year-end	Annual
	(Yen)	(Yen)	(Yen)
June. 30, 2007	-- --	60 00	60 00
June. 30, 2008	-- --	50 00	50 00

### 3. Consolidated operating estimates for the year ending June 30, 2008

Except for net income per share, this company has not changed the amount of forecasted as announced on February 20, 2008.

(7/1/07- 6/30/08)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Yen)
Annual	14,000	(11.8)	3,000	(23.0)	3,000	(23.0)	1,900	(20.0)	166.22

Notes: The percent figures indicate changes from the same period of the previous fiscal year.

### 4. Other information

1. Changes of scope of group companies in this fiscal year : None
2. The adoption of compendium method in accounting procedure : Yes

Regarding tax expenses for the quarterly book closing, the simplified method is applied.

3. Changes of accounting principles applied from the previous fiscal year : None

Note : For further details, please refer to the item "4.Other " on page 3 " [Qualitative information,financial statements and such] ".

#### Cautionary statements with respect to forward-looking statements

This summary and its related materials contain forward-looking statements based on information available to the management at the time of this announcement and on premise that it has judged to be rational. Accordingly, actual results may differ materially from those projected by various factors.

## **[Qualitative information, financial statements and such]**

### **1. Qualitative information regarding consolidated business achievement**

In the semiconductor industry sector that constitutes the main market for the products of this company group, a move to restrain capital investment activity has been seen due to very severe industry situation under influence of steep price rise of crude oil and raw materials as external environment and also of very severe price deterioration of memory chips as internal environment. On the other hand, the FPD industry re-started aggressive capital investment as a result of inventory cutback and stabilization of the LCD panel price.

Under such circumstances, this company vigorously constitutes development of new technologies and new products that meet customer needs. However, consolidated sales volume amounted to 7,386 million yen (30.0% down from the same quarter of the last fiscal year), operating income amounted to 989 million yen (61.9% down from the same quarter of the last fiscal year), ordinary income amounted to 1,098 million yen (57.6% down from the same quarter of the last fiscal year) and net income amounted to 660 million yen (58.7 % down from the same quarter of the last fiscal year), for the third quarter of this fiscal year.

### **2. Qualitative information regarding consolidated financial condition**

Total asset amounts to 20,461 million yen, a decrease by 1,379 million yen from the end of the last fiscal year. The main causes for the result are, 1) the tangible fixed asset increased by 5,899 million yen due to the increase of land and building, and also of structures, 2) the current asset decreased by 7,925 million yen due to decrease of cash and deposits by 7,900 million yen.

Balance of liabilities decreased by 379 million yen from the end of the last fiscal year. The main cause is decrease of current liabilities by 441 million yen due to decrease of accrued income taxes by 1,125 million yen and increase of advances received by 551 million yen.

Net asset decreased by 999 million yen from the end of the last fiscal year. The main cause is increase of treasury stock by 825 million yen and so on.

As a result of the information mentioned above, equity ratio is 58.6% (59.5% at the end of the last fiscal year).

### **3. Qualitative information regarding consolidated earnings forecast**

Consolidated business results for this third quarter progressed under a continued severe condition and sales of some of the systems related to semiconductor industry dipped from the planned value. In the semiconductor industry, part of capital investment could be withheld based on concern for possible business slowdown. At the same time, in the FPD industry, vigorous capital investment is expected to continue because inventory adjustment has been achieved fairly well and business earnings have been improved. Under such circumstances, this company aims to accomplish business result as planned by vigorous development of new products and new customers and also by effort to shorten acceptance period.

Accordingly, this company does not change the already announced plan (announced on February 20, 2008) that are consolidated sales volume of 14,000 million yen, operating income of 3,000 million yen, ordinary income of 3,000 million yen and net income of 1,900 million yen, except for net income per share, for this term.

### **4. Others**

The adoption of compendium method in accounting procedure

Regarding tax expenses for the quarterly book closing, the simplified (compendium) method is applied.

## (Summary) Quarterly consolidated balance sheets

(In thousands of yen, rounded down)

Years ended March 31;	Mar 31, 2007	%	Mar. 31, 2008	%	June 30,2007	%
<b>(Assets)</b>						
<b>Current assets</b>						
Cash and deposits	11,329,521		2,030,319		9,930,830	
Notes and accounts receivable – trade	2,877,605		2,429,633		4,358,933	
Marketable securities	400,174		101,270		300,508	
Inventories	5,407,106		5,492,719		3,833,953	
Deferred tax assets	143,739		78,146		226,036	
Others	263,762		777,927		187,129	
Allowance for doubtful accounts	(2,988)		(2,710)		(5,017)	
Total current assets	20,418,921	90.2	10,907,306	53.3	18,832,374	86.2
<b>Long-term assets</b>						
Tangible fixed assets						
Land	581,721		3,975,721		581,721	
Building and structures	465,996		3,521,442		453,207	
Others	191,144		418,648		981,724	
Total tangible fixed assets	1,238,862	5.5	7,915,812	38.7	2,016,653	9.3
Intangible fixed assets	1,852	0.0	1,822	0.0	1,861	0.0
Investments and other assets						
Investment securities	563,619		483,414		549,426	
Deferred tax assets	185,736		272,759		209,649	
Others	228,385		880,167		230,577	
Total Investments and other assets	977,742	4.3	1,636,341	8.0	989,654	4.5
Total long-term assets	2,218,457	9.8	9,553,976	46.7	3,008,169	13.8
<b>Total assets</b>	<b>22,637,378</b>	<b>100.0</b>	<b>20,461,283</b>	<b>100.0</b>	<b>21,840,543</b>	<b>100.0</b>

(In thousands of yen, rounded down)

Years ended March 31;	Mar,31, 2007	%	Mar,31, 2008	%	June 30,2007	%
<b>(Liabilities)</b>						
<b>Current liabilities</b>						
Accounts payable – trade	350,942		510,476		307,569	
Accrued income taxes	492,425		6,921		1,132,231	
Advances received	3,492,852		1,676,844		1,124,881	
Reserve for bonuses	132,000		119,001		–	
Reserve for director's bonuses	85,081		33,180		135,600	
Reserve for product warranties	125,611		90,334		157,879	
Others	462,778		672,497		692,551	
Total current liabilities	5,141,692	22.7	3,109,254	15.2	3,550,713	16.3
<b>Long-term liabilities</b>						
Convertible bonds with warrant	5,000,000		5,000,000		5,000,000	
Accounts payable for long-term	77,400		60,400		77,400	
Deferred tax liabilities	413		1,542		887	
Reserve for employees' retirement benefits	169,482		211,942		163,436	
Others	–		30,000		–	
Total long-term liabilities	5,247,295	23.2	5,303,885	25.9	5,241,723	24.0
<b>Total liabilities</b>	<b>10,388,987</b>	<b>45.9</b>	<b>8,413,140</b>	<b>41.1</b>	<b>8,792,436</b>	<b>40.3</b>
<b>(Net assets)</b>						
<b>Shareholders' Equity</b>						
Capital stock	931,000	4.1	931,000	4.6	931,000	4.3
Capital surplus	1,080,360	4.8	1,080,360	5.3	1,080,360	5.0
Retained earnings	10,307,434	45.5	11,046,763	54.0	11,086,041	50.7
Less treasury stock, at cost	(168,848)	(0.7)	(993,857)	(4.9)	(168,848)	(0.8)
<b>Total shareholders' equity</b>	<b>12,149,945</b>	<b>53.7</b>	<b>12,064,265</b>	<b>59.0</b>	<b>12,928,552</b>	<b>59.2</b>
<b>Revaluation</b>						
Revaluation on other securities	30,847	0.1	(5,813)	0.0	33,091	0.1
Foreign currency translation adjustment	16,680	0.1	(61,225)	(0.3)	35,545	0.2
<b>Total revaluation</b>	<b>47,528</b>	<b>0.2</b>	<b>(67,039)</b>	<b>(0.3)</b>	<b>68,636</b>	<b>0.3</b>
<b>Share subscription rights</b>	<b>50,917</b>	<b>0.2</b>	<b>50,917</b>	<b>0.2</b>	<b>50,917</b>	<b>0.2</b>
<b>Total net assets</b>	<b>12,248,391</b>	<b>54.1</b>	<b>12,048,143</b>	<b>58.9</b>	<b>13,048,106</b>	<b>59.7</b>
<b>Total liabilities and net assets</b>	<b>22,637,378</b>	<b>100.0</b>	<b>20,461,283</b>	<b>100.0</b>	<b>21,840,543</b>	<b>100.0</b>

## (Summary) Quarterly consolidated statements of income

(In thousands of yen, rounded down)

Years ended March 31;	Mar. 31, 2007	%	Mar. 31, 2008	%	June 30, 2007	%
<b>Net sales</b>	10,556,231	100.0	7,386,724	100.0	15,874,024	100.0
<b>Cost of sales</b>	5,444,334	51.6	3,592,941	48.6	8,614,003	54.3
Gross profit	5,111,896	48.4	3,793,783	51.4	7,260,021	45.7
<b>Selling, general and administrative expenses</b>	2,511,256	23.8	2,803,965	38.0	3,364,721	21.2
Operating income	2,600,640	24.6	989,817	13.4	3,895,300	24.5
<b>Non-operating income</b>						
Interest income	13,779		34,404		28,876	
Dividend income	1,258		961		1,936	
Exchange gain	—		77,051		—	
Others	2,105		7,851		4,953	
Total non-operating income	17,144	0.2	120,267	1.6	35,766	0.2
<b>Non-operating expenses</b>						
Interest expenses	75		—		87	
Bond issue cost	26,873		—		25,860	
Fee for purchasing treasury stock	—		4,334		—	
Loss on sales of investment securities	—		7,392		—	
Exchange loss	1,424		—		9,869	
Others	100		0		73	
Total non-operating expenses	28,474	0.3	11,727	0.1	35,891	0.2
Ordinary income	2,589,310	24.5	1,098,358	14.9	3,895,175	24.5
<b>Extraordinary income</b>						
Reversal of allowance for doubtful receivables	—		2,138		—	
Subsidy granted from Yokohama City	—		726,000		—	
Total extraordinary income	—	—	728,138	9.9	—	—
<b>Extraordinary losses</b>						
Loss on disposal of fixed assets	3,413		3,518		3,729	
Loss on deduction of carrying amounts of fixed assets	—		726,000		—	
Loss on relocation of head office	—		12,500		—	
Total extraordinary losses	3,413	0.0	742,018	10.1	3,729	0.0
Income before income taxes	2,585,896	24.5	1,084,478	14.7	3,891,446	24.5
Corporate, inhabitant and enterprise taxes	1,031,945	9.8	318,286	4.3	1,664,659	10.5
Deferred income taxes	(42,859)	(0.4)	106,186	1.5	(148,631)	(1.0)
Net income	1,596,810	15.1	660,005	8.9	2,375,417	15.0