

Consolidated Financial Review for the First Quarter Ended September 30, 2008

November 14, 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 first quarter ended September 30, 2008

(1) Consolidated operating results(Accumulated)

	Net sales		Operating income(loss)		Ordinary income(loss)	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Sep.30, 2008	1,217	--	(691)	--	(699)	--
Sep. 30, 2007	2,916	(6.7)	525	(50.0)	528	(49.7)

	Net income(loss)		Net income(loss) per share	Net income per share, fully diluted
	(Millions of yen)	%	(Yen)	(Yen)
Sep .30, 2008	(453)	--	(40.26)	--
Sep. 30, 2007	317	(49.2)	27.36	26.47

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)
Sep. 30, 2008	21,294	12,245	57.3	1,082.72
June 30, 2008	22,268	13,292	59.5	1,176.67

2. Dividends

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

Regarding forecast of the dividends of this fiscal year ended June 30, 2009, this company has changed the amount from announced on August, 14, 2008.

(Record date)	Dividends per share		
	Interim	Year-end	Annual
	(Yen)	(Yen)	(Yen)
June. 30, 2008	-- --	50 00	50 00
June. 30, 2009	-- --	30 00	30 00

3. Consolidated operating estimates for the year ending June 30, 2009

Except for net income per share, this company has changed the amount of forecasted as announced on August 20, 2008.

(7/1/08- 6/30/09)

	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)
Semiannual	4,130	(37.6)	(485)	--	(500)	--	(350)	--	(31.07)
Annual	11,200	(20.8)	160	(94.8)	140	(95.6)	40	(97.9)	3.55

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
3. Changes of accounting principles applied from the previous fiscal year : Yes
4. Shares(ordinary stock)

Number of outstanding shares at end of period including treasury stock

Sep.30,2008 11,785,800shares June.30,2008 11,785,800shares

Number of treasury stocks at end of period Sep,30,2008 522,628shares June,30,2008 522,628shares

Number of averaged shares in the fiscal period Sep,30,2008 11,263,172shares June,30,2008 11,606,509shares

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

This first quarter of the consolidated fiscal year has begun to experience the effect of world wide recession that was initiated by the credit contraction started in the US finance market. In the semiconductor industry sector that constitutes the main market for the product of this company group, recovery from memory price deterioration has not been seen under such serious recession, and a move to restrain capital investment became widespread based on uncertainty toward future, and resultantly, order entry of this company group was forced to remain low. Likewise in the FPD industry, panel price deterioration and rising worry over oversupply of the panels forced the order entry for FPD related systems to remain low.

Under such circumstances, the sales volume for the consolidated financial period of this first quarter amounted to 1,217 million yen. This company group continues to vigorously promote development of new technologies and new products that meet customer needs, and also to pursue shortening of delivery period and acceptance period. When sales volume is viewed product by product, the sales volume of semiconductor related systems amounted to 189 million yen, the sales volume of FPD related systems amounted to 669 million yen and laser microscope amounted to 95 million yen.

With regard to consolidated loss, operating loss amounted to 691 million yen, ordinary loss amounted to 699 million yen and net loss for this quarter amounted to 453 million yen.

2. Qualitative information regarding consolidated financial condition

(1) Status of asset, liability and net asset

Total asset at the end of the consolidated financial period of this first quarter amounted to 21,294 million yen, decrease of 974 million yen from that at the end of the last consolidated fiscal year. Main cause for the decrease of the asset is the decrease of notes and accounts receivable-trade by 1,159 million yen.

With regard to liabilities, the outstanding balance at the end of consolidated financial period of this first quarter amounted to 9,048 million, an increase of 72 million yen from that at the end of the last consolidated fiscal year. This is mainly due to the fact that increase of short-term loans payable increased by 600 million yen and notes and accounts payable-trade increased by 280 million yen, although the income taxes payable decreased by 760 million yen.

Shareholders' equity amounted to 12,276 million yen at the end of the consolidated financial period of this first quarter, a decrease of 1,016 million yen from that at the end of the last consolidated fiscal year. This is due to declaration of net loss of 453 million yen for this quarter and also due to surplus distribution of 563 million yen. Total net assets, a sum of shareholders' equity, valuation and translation adjustments and subscription rights to shares amounted to 12,245 million yen and equity ratio became 57.3%.

(2) Status of cash flow

Cash and cash equivalents (hereinafter "funds") at the end of consolidated financial period of this first quarter amounted to 1,777 million yen, decrease of 1,078 million yen from that at the end of the last consolidated fiscal year.

Cash flow status and contributing factors at the end of consolidated financial period of this first quarter are as follows.

(Cash flow by operating activities)

Funds spent on business operation amounted to 999 million yen. This is mainly due to the fact that the funds decreasing factors such as the loss before income taxes for this quarter of 738 million yen, inventory increase of 785 million yen and payment of income taxes paid and such, surmounted the funds increasing factors such as decrease of notes and accounts receivable-trade of 1,143 million yen.

(Cash flow by investment activities)

Funds put to use by the result of financial activities amounted to 67 million yen. This is mainly due to the expenditure of 29 million yen for purchase of investment securities and of 20 million yen for purchasing property, plant and equipment.

(Cash flow by financing activities)

Funds acquired by financing activities amounted to 36 million yen. This is mainly due to net increase of 600 million yen by short-term loans payable and cash dividends paid of 563 million yen.

3. Qualitative information regarding consolidated earning forecast

The world economy is suffering from slow down of growth after subprime loan crisis in the US, and some parts of the world including primarily the US are going into business recession phase with supposition that uncertain circumstance difficult to predict is expected to continue for quite some time.

Semiconductor industry is no exception and is facing severe market condition. Accordingly, worsening of demand-and-supply balance of DRAM, FLASH MEMORY and so on leads to restraint of capital investment activities in a severer manner than had been expected. Meanwhile, FPD industry will also continue to restrain capital investments due to the concerns over panel oversupply.

Although the business results for this first quarter of the consolidated fiscal year progressed as had been planned, this company group would like to amend the consolidated earning forecast announced on August 14th 2008 as shown in the tables below, taking into account the circumstances described above. With regard to the detail of the reason for the amendment, please refer to the simultaneous announcement, "Amendment of earning forecast and dividend forecast", dated on this same day.

Even under such grave situation, this company group will keep making its utmost effort to vigorously develop new products and to reclaim new customers. This company group will keep working at full power to accomplish the amended plan by continuing vigorous sales activity on one hand and working on constriction of costs that can be cut back on the other hand.

(1) Semiannual (ended December 31, 2008)

(In millions of yen, rounded down)

	Net sales	Operating income(loss)	Ordinary income(loss)	Net income(loss)
Last Forecast (A)	5,400	320	320	200
Latest Adjustment (B)	4,130	(485)	(500)	(350)
Increase or Decrease (B-A)	(1,270)	(805)	(820)	(550)
Increase or Decrease Rate	(23.5)	—	—	—

(2) Annual (ended June 30, 2008)

(In millions of yen, rounded down)

	Net sales	Operating income(loss)	Ordinary income(loss)	Net income(loss)
Last Forecast (A)	14,300	2,710	2,700	1,700
Latest Adjustment (B)	11,200	160	140	40
Increase or Decrease (B-A)	(3,100)	(2,550)	(2,560)	(1,660)
Increase or Decrease Rate	(21.7)	(94.1)	(94.8)	(97.6)

(Summary) Quarterly consolidated balance sheets

(In thousands of yen, rounded down)

Years ended September 30;	Sep. 30, 2008	June 30, 2008
(Assets)		
Current assets		
Cash and deposits	1,778,415	2,857,125
Notes and accounts receivable – trade	3,915,305	5,074,310
Raw materials	701,535	408,437
Work in process	4,169,381	3,683,121
Deferred tax assets	587,666	326,976
Other	795,541	541,213
Allowance for doubtful accounts	(9,708)	(5,345)
Total current assets	11,938,137	12,885,839
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	3,214,998	3,284,557
Machinery, equipment and vehicles, net	69,875	73,124
Tools, furniture and fixtures, net	277,361	301,992
Land	4,312,487	4,312,487
Total tangible assets	7,874,723	7,972,161
Intangible fixed assets	23,578	1,823
Investments and other assets		
Investment securities	208,346	182,983
Long-term accounts and receivable-other	653,440	653,440
Deferred tax assets	355,630	334,632
Other	240,330	237,742
Total investments and other assets	1,457,747	1,408,798
Total noncurrent assets	9,356,049	9,382,783
Total assets	21,294,186	22,268,622

(In thousands of yen, rounded down)

Years ended September 30;	Sep,30, 2008	June 30,2008
(Liabilities)		
Current liabilities		
Notes and accounts payable – trade	838,399	588,253
Short-term loans payable	600,000	—
Income taxes payable	20,221	781,171
Advances received	1,188,772	1,136,718
Provision for bonuses	132,591	—
Provision for directors' bonuses	—	116,600
Provision for product warranties	148,846	191,302
Other	780,381	843,300
Total current liabilities	3,739,213	3,657,346
Noncurrent liabilities		
Bonds with subscription rights to shares	5,000,000	5,000,000
Long-term accounts payable-other	60,400	60,400
Deferred tax liabilities	1,729	1,787
Provision for retirement benefits	247,054	226,360
Other	—	30,000
Total noncurrent liabilities	5,309,183	5,318,548
Total liabilities	9,048,397	8,975,895
(Net assets)		
Shareholders' Equity		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,080,360
Retained earnings	11,258,552	12,275,248
Treasury stock	(993,865)	(993,865)
Total shareholders' equity	12,276,046	13,292,743
Valuation and translation adjustments		
Valuation difference on available-for sale securities	4,769	(5,469)
Foreign currency translation adjustment	(85,944)	(45,463)
Total valuation and translation adjustments	(81,174)	(50,933)
Subscription rights to shares	50,917	50,917
Total net assets	12,245,789	13,292,727
Total liabilities and net assets	21,294,186	22,268,622

(Summary) Accumulated consolidated quarterly statements of income

(In thousands of yen, rounded down)

Years ended September 30;	2008	2007
	(July 1,2008~ Sep.30,2008)	(July 1,2007~ Sep.30,2007)
Net sales	1,217,531	2,916,471
Cost of sales	894,695	1,433,268
Gross profit	322,835	1,483,202
Selling, general and administrative expenses	1,014,293	957,701
Operating income(loss)	(691,457)	525,501
Non-operating income		
Interest income	4,173	9,995
Dividend income	876	—
Return from the maturity of the insurance	—	4,918
Other	3,818	1,263
Total non-operating income	8,867	16,177
Non-operating expenses		
Interest expenses	993	—
Fee for purchasing treasury stock	—	2,383
Loss on sales of investment securities	—	7,392
Foreign exchange losses	15,220	3,130
Other	440	0
Total non-operating expenses	16,654	12,906
Ordinary income(loss)	(699,244)	528,772
Extraordinary income		
Reversal of allowance for doubtful receivables	—	899
Total extraordinary income(loss)	—	899
Extraordinary losses		
Loss on disposal of noncurrent assets	270	33
Loss on valuation of investment securities	39,302	—
Total extraordinary losses	39,573	33
Income(loss)before income taxes	(738,818)	529,639
Income taxes-current	4,466	102,703
Income taxes-deferred	(289,747)	109,325
Net income(loss)	(453,537)	317,610

(Summary)Quarterly consolidated statement of cash flows

(In thousands of yen, rounded down)

Years ended September 30;	2008 (July 1,2008~ Sep.30,2008)
Net cash provided by(used in)operating activities	
Income(loss) before income taxes	(738,818)
Depreciation and amortization	117,311
Increase(decrease) in allowance for doubtful accounts	4,461
Increase(decrease) in provision for bonuses	132,591
Increase(decrease) in directors' bonus	(116,600)
Increase(decrease) in provision for product warranties	(41,800)
Increase(decrease) in provision for retirement benefits	22,251
Interest and dividends income	(5,049)
Interest expenses	993
Foreign exchange losses(gains)	29,213
Loss(gain) on disposal of property,plant and equipment	270
Loss (gain)on valuation of investment securities	39,302
Decrease(increase)in notes and accounts receivable-trade	1,143,879
Decrease(increase) in inventories	(785,848)
Decrease(increase) in advances paid	(438,134)
Increase(decrease) in notes and accounts payable-trade	264,455
Increase (decrease) in advances received	53,056
Others,net	73,659
Subtotal	(244,805)
Interest and dividends income received	8,293
Interest expenses paid	(975)
Income taxes paid	(761,754)
Net cash provided by(used in) operating activities	(999,242)
Net cash provided by(used in)investment activities	
Purchase of property,plant and equipment	(20,829)
Purchase of investment securities	(29,932)
Other,net	(17,118)
Net cash provided by(used in) investment activities	(67,880)
Net cash provided by(used in)financing activities	
Net increase(decrease) in short-term loans payable	600,000
Cash dividends paid	(563,158)
Net cash provided by(used in) financial activities	36,841
Effect of exchange rate change on cash and cash equivalents	(48,160)
Net increase(decrease) in cash and cash equivalents	(1,078,441)
Cash and cash equivalents at beginning of period	2,855,496
Cash and cash equivalents at end of period	1,777,054