

# Consolidated Financial Review for the Second Quarter Ended December 31, 2008

February 13, 2009



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 Second quarter ended December 31, 2008

### (1) Consolidated operating results(Accumulated)

|              | Net sales         |        | Operating income(loss) |       | Ordinary income(loss) |       |
|--------------|-------------------|--------|------------------------|-------|-----------------------|-------|
|              | (Millions of yen) | %      | (Millions of yen)      | %     | (Millions of yen)     | %     |
| Dec.31, 2008 | 4,469             | —      | (247)                  | —     | (268)                 | —     |
| Dec.31, 2007 | 6,621             | (17.0) | 1,802                  | (7.6) | 1,809                 | (7.5) |

|              | Net income(loss)  |       | Net income(loss) per share |       | Net income per share, fully diluted |       |
|--------------|-------------------|-------|----------------------------|-------|-------------------------------------|-------|
|              | (Millions of yen) | %     | (Yen)                      | (Yen) | (Yen)                               | (Yen) |
| Dec.31, 2008 | (303)             | —     | (26.94)                    |       | —                                   |       |
| Dec.31, 2007 | 1,119             | (4.6) | 97.09                      |       | 85.99                               |       |

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)                |
| Dec. 31, 2008 | 21,647            | 12,325            | 56.7         | 1,089.79             |
| June 30, 2008 | 22,268            | 13,292            | 59.5         | 1,175.67             |

## 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 November, 14, 2008.

| (Record date)  | Dividends per share |          |        |
|----------------|---------------------|----------|--------|
|                | Interim             | Year-end | Annual |
|                | (Yen)               | (Yen)    | (Yen)  |
| June. 30, 2008 | 0 00                | 50 00    | 50 00  |
| June. 30, 2009 | 0 00                | 15 00    | 15 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 November 14, 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)                |
| Annual | 10,000            | (29.3) | (830)             | — | (860)             | — | (740)             | — | (65.70)              |

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

Dec.31,2008 11,785,800shares June.30,2008 11,785,800shares

Number of treasury stocks at end of period

Dec.31,2008 522,727shares June,30,2008 522,628shares

Number of averaged shares in the fiscal period

Dec.31,2008 11,263,124shares Dec,31,2007 11,530,793shares

#### 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 this second quarter of the consolidated fiscal year, seriousness of financial crisis in the United States impacted real economy and the whole global economy drastically deteriorated. In the semiconductor industry sector that constitutes the main market for the product of this company group, price deterioration of DRAM and NAND Flash Memory grew into a very grave problem, and at the same time, demand for digital home electric appliances is in serious slowdown. As a result, restraint of capital investment has rapidly widespread among semiconductor device makers, and order entry of this company group was forced to remain extremely low. Meanwhile, FPD industry also suffered from panel price deterioration and excess inventory ending in production adjustment, and order entry of this company group progressed at low level. Under such circumstances, the sales volume for the consolidated financial period of the second quarter accumulated amounted to 4,469 million yen.

When sales volume is viewed product by product, the sales volume of semiconductor related systems amounted to 1,197 million yen, the sales volume of FPD related systems amounted to 2,559 million yen and laser microscope amounted to 234 million yen.

With regard to accumulated consolidated loss, operating loss amounted to 247 million yen, ordinary loss amounted to 268 million yen and net loss for this quarter accumulated amounted 303 to 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 second quarter amounted to 21,647 million yen, decrease of 621 million yen from that at the end of the last consolidated fiscal year. Main cause for the decrease of the asset is due to decrease of cash and deposits by 1,365 million yen and notes and accounts receivable-trade by 477 million yen, in spite of the increase factors such as increase of accounts receivable-other by 580 million yen and increase of work in process by 551 million yen.

The outstanding balance of liabilities at the end of this consolidated financial period of this second quarter amounted to 9,322 million yen, an increase of 346 million yen from that at the end of the last fiscal year. This is mainly due to the fact that short-term loans payable increased to 1,100 million yen and advances received increased by 217 million yen, although the outstanding income taxes payable decreased by 774 million.

Shareholder's equity amounted to 12,425 million yen at the end of the consolidated financial period of this second quarter, a decrease of 866 million yen from that at the end of the last consolidated fiscal year. This is due to the fact that net loss of 303 million yen was declared for this quarter and surplus dividend distribution of 563 million yen was conducted.

Total net asset, a sum of shareholder's equity, valuation and translation adjustments and subscription rights to shares amounted to 12,325 million yen and equity ratio became 56.7%.

##### (2) Status of cash flow

Cash and cash equivalents (hereinafter "funds") at the end of consolidated financial period of this second quarter amounted to 1,491 million yen, decrease of 1,364 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 second quarter are as follows.

##### (Cash flow by operating activities)

Funds spent on business operation amounted to 1,509 million yen. This is mainly due to the fact that funds decreasing factors such as the net loss before income taxes for this quarter of 402 million yen, inventory increase of 939 million yen, increase in accounts receivable-other by 580 million yen and 774 million yen payment for income taxes surmounted the funds increasing factors such as decrease in notes and accounts receivable-trade by 434 million yen.

##### (Cash flow by investment activities)

Funds put to use by the result of financial activities amounted to 209 million yen. This is mainly due to the expenditure of 135 million yen for purchase of investment securities and expenditure of 44 million yen for purchasing of property, plant and equipment.

##### (Cash flow by financing activities)

Funds acquired by financing activities amounted to 536 million yen. This is mainly due to net increase of 1,100 million yen by short-term loans payable and cash dividends paid by the amount of 563 million yen.

#### 3. Qualitative information regarding consolidated earning forecast

Because global economy is deteriorating to huge extent by the fact that the seriousness of financial crisis of the United

States impacted real economy, both semiconductor industry and FPD industry are expected to continue capital investment restraint, and difficult business environment continues to prevail for quite some time.

The business achievement for this second quarter accumulated surpassed the business achievement forecast for this second quarter of the consolidated fiscal year announced on November 14<sup>th</sup> 2008. However, this company amends the consolidate business achievement forecast for this term as described below, considering the further worsening market environment.

Please refer to the announcement “Amendment of business result forecast and dividend forecast, and reduction of executive reward and so on” for detailed information related to business achievement amendment, being released on this same day.

In view of these emergency situations, this company pursues thorough cost reduction and reinforcement of cost effectiveness. And at the same time, this company vigorously promotes preparation for the growth of the next step by concentrating resources to core business and to development of new businesses.

Annual (ended June30, 2009)

(In millions of yen, rounded down)

|                               | Net sales | Operating income(loss) | Ordinary income(loss) | Net income(loss) |
|-------------------------------|-----------|------------------------|-----------------------|------------------|
| Last Forecast (A)             | 11,200    | 160                    | 140                   | 40               |
| Latest Amendment (B)          | 10,000    | (830)                  | (860)                 | (740)            |
| Increase or Decrease (B-A)    | (1,200)   | (990)                  | (1,000)               | (750)            |
| Increase or Decrease Rate (%) | (10.7)    | —                      | —                     | —                |

## (Summary) Quarterly consolidated balance sheets

(In thousands of yen, rounded down)

| Years ended December 31;               | Dec. 31, 2008     | June 30, 2008     |
|--|-------------------|-------------------|
| <b>(Assets)</b>                        |                   |                   |
| <b>Current assets</b>                  |                   |                   |
| Cash and deposits                      | 1,491,314         | 2,857,125         |
| Notes and accounts receivable – trade  | 4,596,488         | 5,074,310         |
| Raw materials                          | 781,638           | 408,437           |
| Work in process                        | 4,234,939         | 3,683,121         |
| Accounts receivable – other            | 733,170           | 153,119           |
| Deferred tax assets                    | 454,568           | 326,976           |
| Other                                  | 152,481           | 388,094           |
| Allowance for doubtful accounts        | (10,650)          | (5,345)           |
| Total current assets                   | 12,433,950        | 12,885,839        |
| <b>Noncurrent assets</b>               |                   |                   |
| Property, plant and equipment          |                   |                   |
| Buildings and structures, net          | 3,136,223         | 3,284,557         |
| Machinery, equipment and vehicles, net | 63,802            | 73,124            |
| Tools, furniture and fixtures, net     | 264,254           | 301,992           |
| Land                                   | 4,312,487         | 4,312,487         |
| Total tangible assets                  | 7,776,767         | 7,972,161         |
| Intangible fixed assets                | 53,446            | 1,823             |
| Investments and other assets           |                   |                   |
| Investment securities                  | 199,692           | 182,983           |
| Long-term accounts receivable-other    | 653,440           | 653,440           |
| Deferred tax assets                    | 301,861           | 334,632           |
| Other                                  | 228,432           | 237,742           |
| Total investments and other assets     | 1,383,426         | 1,408,798         |
| Total noncurrent assets                | 9,213,641         | 9,382,783         |
| <b>Total assets</b>                    | <b>21,647,591</b> | <b>22,268,622</b> |

(In thousands of yen, rounded down)

| Years ended December 31;                              | Dec.31, 2008      | June 30,2008      |
|---|-------------------|-------------------|
| <b>(Liabilities)</b>                                  |                   |                   |
| <b>Current liabilities</b>                            |                   |                   |
| Notes and accounts payable – trade                    | 754,365           | 588,253           |
| Short-term loans payable                              | 1,100,000         | —                 |
| Income taxes payable                                  | 6,220             | 781,171           |
| Advances received                                     | 1,354,230         | 1,136,718         |
| Provision for directors' bonuses                      | —                 | 116,600           |
| Provision for product warranties                      | 168,063           | 191,302           |
| Other   | 612,983           | 843,300           |
| Total current liabilities                             | 3,995,862         | 3,657,346         |
| <b>Noncurrent liabilities</b>                         |                   |                   |
| Bonds with subscription rights to shares              | 5,000,000         | 5,000,000         |
| Long-term accounts payable-other                      | 60,400            | 60,400            |
| Deferred tax liabilities                              | 1,338             | 1,787             |
| Provision for retirement benefits                     | 264,638           | 226,360           |
| Other   | —                 | 30,000            |
| Total noncurrent liabilities                          | 5,326,376         | 5,318,548         |
| <b>Total liabilities</b>                              | <b>9,322,239</b>  | <b>8,975,895</b>  |
| <b>(Net assets)</b>                                   |                   |                   |
| <b>Shareholders' Equity</b>                           |                   |                   |
| Capital stock   | 931,000           | 931,000           |
| Capital surplus                                       | 1,080,360         | 1,080,360         |
| Retained earnings                                     | 11,408,576        | 12,275,248        |
| Treasury stock  | (993,964)         | (993,865)         |
| <b>Total shareholders' equity</b>                     | <b>12,425,971</b> | <b>13,292,743</b> |
| <b>Valuation and translation adjustments</b>          |                   |                   |
| Valuation difference on available-for sale securities | —                 | (5,469)           |
| Foreign currency translation adjustment               | (151,537)         | (45,463)          |
| <b>Total valuation and translation adjustments</b>    | <b>(151,537)</b>  | <b>(50,933)</b>   |
| <b>Subscription rights to shares</b>                  | <b>50,917</b>     | <b>50,917</b>     |
| <b>Total net assets</b>                               | <b>12,325,351</b> | <b>13,292,727</b> |
| <b>Total liabilities and net assets</b>               | <b>21,647,591</b> | <b>22,268,622</b> |

## (Summary) Accumulated consolidated quarterly statements of income

(In thousands of yen, rounded down)

| Years ended December 31;                                | 2008                          | 2007                          |
|---|-------------------------------|-------------------------------|
|   | (July 1,2008~<br>Dec.31,2008) | (July 1,2007~<br>Dec.31,2007) |
| <b>Net sales</b>  | 4,469,604                     | 6,621,848                     |
| <b>Cost of sales</b>                                    | 2,828,235                     | 2,941,900                     |
| Gross profit  | 1,641,368                     | 3,679,947                     |
| <b>Selling, general and<br/>administrative expenses</b> | 1,888,483                     | 1,877,365                     |
| Operating income(loss)                                  | (247,114)                     | 1,802,581                     |
| <b>Non-operating income</b>                             |                               |                               |
| Interest income   | 6,063                         | 23,221                        |
| Dividend income   | 2,771                         | 791                           |
| Rent income on noncurrent assets                        | 1,606                         | —                             |
| Return from the maturity of the insurance               | —                             | 4,918                         |
| Other   | 4,446                         | 1,384                         |
| Total non-operating income                              | 14,888                        | 30,315                        |
| <b>Non-operating expenses</b>                           |                               |                               |
| Interest expenses                                       | 3,353                         | —                             |
| Fee for purchasing treasury stock                       | —                             | 2,798                         |
| Loss on sales of investment securities                  | —                             | 7,392                         |
| Foreign exchange losses                                 | 32,579                        | 13,214                        |
| Other   | 375                           | 0                             |
| Total non-operating expenses                            | 36,309                        | 23,314                        |
| Ordinary income(loss)                                   | (268,535)                     | 1,809,582                     |
| <b>Extraordinary income</b>                             |                               |                               |
| Gain on sales of noncurrent assets                      | 591                           | —                             |
| Reversal of allowance for doubtful receivables          | —                             | 997                           |
| Total extraordinary income                              | 591                           | 997                           |
| <b>Extraordinary losses</b>                             |                               |                               |
| Loss on disposal of noncurrent assets                   | 1,291                         | 391                           |
| Loss on valuation of investment securities              | 127,749                       | —                             |
| Other   | 5,641                         | —                             |
| Total extraordinary losses                              | 134,682                       | 391                           |
| Income(loss)before income taxes                         | (402,626)                     | 1,810,189                     |
| Income taxes-current                                    | 4,704                         | 632,885                       |
| Income taxes-deferred                                   | (103,817)                     | 57,732                        |
| Net income(loss)  | (303,513)                     | 1,119,571                     |

## (Summary)Quarterly consolidated statement of cash flows

(In thousands of yen, rounded down)

| Years ended December 31;                                    | 2008<br>(July 1,2008~<br>Dec.31,2008) | 2007<br>(July 1,2007~<br>Dec.31,2007) |
|---|---------------------------------------|---------------------------------------|
| <b>Net cash provided by (used in) operating activities</b>  |                                       |                                       |
| Income(loss) before income taxes                            | (402,626)                             | 1,810,189                             |
| Depreciation and amortization                               | 241,981                               | 69,541                                |
| Increase(decrease) in allowance for doubtful accounts       | 5,476                                 | (997)                                 |
| Increase(decrease) in directors' bonus                      | (116,600)                             | (78,115)                              |
| Increase(decrease) in provision for product warranties      | (19,703)                              | (29,303)                              |
| Increase(decrease) in provision for retirement benefits     | 40,986                                | 31,019                                |
| Interest and dividends income                               | (8,835)                               | (24,012)                              |
| Interest expenses   | 3,353                                 | —                                     |
| Foreign exchange losses(gains)                              | 125,113                               | 1,981                                 |
| Loss(gain) on sales of property,plant and equipment         | (591)                                 | —                                     |
| Loss(gain) on sales of investment securities                | —                                     | 7,392                                 |
| Loss(gain) on disposal of property,plant and equipment      | 1,291                                 | 391                                   |
| Loss (gain)on valuation of investment securities            | 127,749                               | —                                     |
| Decrease(increase) in notes and accounts receivable-trade   | 434,399                               | 1,105,307                             |
| Decrease(increase) in inventories                           | (939,548)                             | (345,406)                             |
| Decrease(increase) in accounts receivable-other             | (580,050)                             | —                                     |
| Increase(decrease) in notes and accounts payable-trade      | 134,584                               | 186,428                               |
| Increase(decrease) in accrued consumption taxes             | —                                     | (31,170)                              |
| Increase (decrease) in advances received                    | 222,926                               | (286,226)                             |
| Others,net  | (13,344)                              | (295,619)                             |
| Subtotal  | (743,436)                             | 2,121,399                             |
| Interest and dividends income received                      | 12,108                                | 12,168                                |
| Interest expenses paid                                      | (3,292)                               | —                                     |
| Income taxes paid   | (774,616)                             | (1,186,036)                           |
| Net cash provided by(used in) operating activities          | (1,509,238)                           | 947,531                               |
| <b>Net cash provided by(used in)investment activities</b>   |                                       |                                       |
| Proceeds from withdrawal of time deposits                   | 1,162                                 | —                                     |
| Payments into time deposits                                 | —                                     | (63)                                  |
| Proceeds from sales of short-term investment securities     | —                                     | 100,000                               |
| Purchase of property,plant and equipment                    | (44,372)                              | (86,576)                              |
| Proceeds from sales of property,plant and equipment         | 683                                   | —                                     |
| Purchase of intangible assets                               | (22,370)                              | —                                     |
| Proceeds from sales of investment securities                | —                                     | 194,820                               |
| Purchase of investment securities                           | (135,296)                             | (126,329)                             |
| Others,net  | (9,710)                               | —                                     |
| Net cash provided by(used in) investment activities         | (209,905)                             | 81,850                                |
| <b>Net cash provided by(used in)financing activities</b>    |                                       |                                       |
| Net increase(decrease) in short-term loans payable          | 1,100,000                             | —                                     |
| Purchase of treasury stock                                  | (99)                                  | (527,910)                             |
| Cash dividends paid   | (563,158)                             | (699,283)                             |
| Net cash provided by(used in) financial activities          | 536,742                               | (1,227,193)                           |
| Effect of exchange rate change on cash and cash equivalents | (181,781)                             | (29,688)                              |
| Net increase(decrease) in cash and cash equivalents         | (1,364,181)                           | (227,499)                             |
| Cash and cash equivalents at beginning of period            | 2,855,496                             | 4,129,599                             |
| Cash and cash equivalents at end of period                  | 1,491,314                             | 3,902,099                             |