

Consolidated Financial Review for the Year Ended June 30, 2009



Company name: Lasertec Corporation (URL <http://www.Lasertec.co.jp/>)
 Stock exchange listing: Jasdac Securities Exchange, Inc.
 Code number: 6920
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 Date of General Shareholders' Meeting (as planned) September 28, 2009
 Dividend Payable Date (as planned) September 29, 2009

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(loss)		Ordinary income(loss)	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
June 30, 2009	9,266	(34.4)	(657)	—	(659)	—
June 30, 2008	14,136	(10.9)	3,100	(20.4)	3,156	(19.0)

	Net income(loss)		Net income(loss) 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, 2009	(651)	—	(57.82)	—	(5.2)	(3.1)	(7.1)
June 30, 2008	1,888	(20.5)	165.22	146.23	14.4	14.3	21.9

(Notes)

Profit/loss on equity method: Year ended June 30, 2009: None Year ended June 30, 2008: None

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
June 30, 2009	19,867	11,973	60.0	1,058.64
June 30, 2008	22,268	13,292	59.5	1,175.67

(Notes)

Equity: June 30, 2009: 11,922 million yen June 30, 2008: 13,241 million yen

(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, 2009	(1,487)	(239)	536	1,533
June 30, 2008	643	(328)	(1,528)	2,855

2. Dividends

	Annual dividend per share			Dividend payment	Dividend payout ratio	The ratio of dividend to shareholders' equity
	Interim period	Term end				
	(yen)	(yen)	(yen)	(Millions of yen)	%	%
June 30, 2008	50.00	0.00	50.00	563	30.3	4.4
June 30, 2009	15.00	0.00	15.00	168	—	1.3
(Forecast) June 30, 2010	15.00	0.00	15.00	—	84.5	—

3. Consolidated operating estimates for the year ending June 30, 2010

(7/1/09- 6/30/10)

	(Millions of yen)				(Yen)
	Net sales	Operating income(loss)	Ordinary income(loss)	Net income(loss)	Net income(loss) per share
Interim period	3,050	(780)	(800)	(510)	(45.28)
Annual	9,700	430	370	200	17.75

4. Others

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

Consolidated subsidiaries: 2 companies Non-consolidated subsidiaries: None

Affiliated company using the equity method: None

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

Consolidation (Additions): None (Deletions): None

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

(3) Changes in accounting methods, in opening methods, according to preparation for consolidated financial statements.

Changed by revisions of Generally Accepted Accounting Principles, etc: Yes

Changed by the other factor: None

(4) Number of outstanding shares (Common stock) at end of period:

Number of outstanding shares at end of period (including treasury stock)

June 30, 2009 11,785,800 shares June 30, 2008 11,785,800 shares

Number of treasury stocks at end of period

June 30, 2009 522,727 shares June 30, 2008 522,628 shares

(For Reference) Financial Review for the Year Ended June 30,2009(Non-Consolidated)

1. Financial highlights

(1)Operating results

(Fractional amounts is discarded)

	Net sales		Operating income(loss)		Ordinary income(loss)	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
June 30, 2009	8,930	(34.6)	(663)	—	(697)	—
June 30, 2008	13,665	(11.5)	2,887	(24.1)	2,890	(24.3)

	Net income(loss)		Net income(loss) per share	Net income per share, fully diluted
	(Millions of yen)	%	(Yen)	(Yen)
June 30, 2009	(669)	—	(59.43)	—
June 30, 2008	1,718	(26.1)	150.32	133.04

(2)Financial position

	Total assets	Net assets	Equity ratio	Net assets
	(Millions of yen)	(Millions of yen)	%	(Yen)
June 30, 2009	19,411	11,545	59.2	1,020.53
June 30, 2008	21,705	12,797	58.7	1,131.74

(Notes)

Equity: June 30, 2009: 11,494 million yen June 30, 2008: 12,747 million yen

2. Operating estimates for the year ending June 30, 2010 (7/1/09- 6/30/10)

(Millions of yen)

(Yen)

	Net sales	Operating income(loss)	Ordinary income(loss)	Net income(loss)	Estimated net income(loss) per share
	Interim period	2,900	(760)	(780)	(470)
Annual	9,200	270	210	100	8.87

(Note) 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.

(Appendix)

1. Results of Operations

(1) Reporting on Results of Operations

① Outline of this fiscal period (ended June 30 2009)

The global economy in this consolidated accounting year saw worldwide pervasion of financial crisis stemmed from the US and a broad range of industries in the world fell into serious recession.

Although the financial market finally started to show some composure in early spring of 2009 thanks to the effect of aggressive financial policy in each country, the general economical situation through the whole fiscal term ended in grave climate.

The semiconductor industry that is the major market for this company group not only adjusted production drastically but postponed and froze capital investments due to price deterioration of DRAM's and NAND type Flash Memories and also due to decrease of demands for digital technology based home appliances.

Meanwhile, in the FPD industry, adjustment of production and drastic constraint of capital investments were put in action as the measures against inventory increase due to demand decrease and deterioration of profit margin.

Under such circumstances, this company group engaged itself to aggressive development of new products and sales activities and pursued reduction of fixed cost charges. Although the effect of these activities became visible in the fourth quarter, both order entries and sales amounts for the whole term ended in a slump, with the consolidated sales amounting to 9,266 million yen (34.4% decrease y/y).

When the sales amounts are viewed by product category, the sales of each product line are as follows:

Semiconductor related systems	2,839 million yen (64.0% decrease y/y)
FPD related systems	4,919 million yen (11.8% increase y/y)
Laser Microscopes	599 million yen (25.6% decrease y/y)

In addition, significant recognizing loss could not be avoided with regard to the consolidated profit and loss with the operating loss amounting to 657 million yen (operating income of 3,100 million yen for the last fiscal year), ordinary loss amounting to 659 million yen (ordinary income of 3,156 million yen for the last fiscal year) and net loss for this fiscal period amounting to 651 million yen (net income of 1,888 million yen for the last fiscal year).

Meanwhile, even under such difficult circumstance, the following new products satisfying customer needs were developed and released during this fiscal year.

- Wafer Defect Inspection and Review System M5640
- MURA/CD Error High Resolution Visualizing System MR300
- PV Cell Conversion Efficiency Distribution Measurement System MP50

② Forecast for the next fiscal year ending June 30, 2010

The global economy is expected to keep suffering from grave situation with unpredictability for the moment and afterward due to the harsh situation for recovery of the demands for end products originating to uncertainty existing now and in the future.

The semiconductor industry is no exception in suffering from harsh situation and it is expected that the constraint of capital investment will be continued. However, even under such circumstances, this company will try to bring in the capital investments on the most advanced equipments at the leading makers, which is continuously carried out without being influenced by the market environment, and at the same time, this company also aims to keep steadily connecting necessary investments for

solving new problems accompanied by technical innovation at semiconductor makers to order entries and sales of this company.

While the FPD industry as a whole is also expected to be cautious about capital investment, some of the panel makers seem to move toward resumption of aggressive investment and this company will take a hold on such movements to lead them to order entries and sales.

Although being under such severe circumstances, this company will, by continuing the development of new products and vigorous sales activities while pursuing vigorous cost reduction, make a concerted effort to achieving net sales of 9,700 million yen, operating income of 430 million yen, ordinary income of 370 million yen and net income of 200 million yen as the consolidated business results for this fiscal year.

(2) Reporting on Financial Conditions

① Asset, Liability and Net Asset

The total assets at the end of this consolidated fiscal year amounted to 19,867 million yen, a decrease of 2,400 million yen from the last consolidated fiscal period. The main factors of the decrease of total assets are the decrease of cash and deposits by 1,285 million yen, the decrease of property, plant and equipment by 564 million yen due to progress of depreciation, impairment loss and such, and decrease of notes and accounts receivable-trade by 684 million yen.

With regard to liability, the total liabilities at the end of this consolidated fiscal period amounted to 7,894 million yen, a decrease of 1,081 million yen from the last consolidated fiscal period. The main factors for the total liabilities are the decrease of income taxes payable by 770 million yen, decrease of advances received by 737 million yen, decrease of accounts payable-trade by 203 million yen and such, despite the increase of short-term loans payable by 1,100 million yen.

The shareholders' equity at the end of this consolidated fiscal period amounted to 12,078 million yen, a decrease of 1,214 million yen from the last consolidated fiscal period. This is due to declaring of 651 million yen as the net loss for this term and also due to dividends from surplus of 563 million yen.

The total of net assets adding valuation and translation adjustments balance and such, and subscription rights to shares amounted to 11,973 million yen and the equity ratio became 60.0 %.

② Cash Flows for This Period (ended June 30, 2009)

Cash and cash equivalents on the consolidated basis at the end of this fiscal period (hereafter "fund") amounted to 1,533 million yen, decrease of 1,321 million yen y/y.

Cash flows for this consolidated period and their causes are described as below.

(Cash flows from operating activities)

The fund made use of for operating activities amounted to 1,487 million yen (gain of 643 million yen for the last fiscal year). This is mainly because the total amount of decrease factors including the income taxes paid of 791 million yen, decrease of advances received by 734 million yen in addition to loss before income taxes for this fiscal period of 858 million yen exceeded the total amount of excess factors including increase in notes and accounts receivable-trade by 650 million yen, depreciation and amortization of 471 million yen and such.

(Cash flows from investment activities)

The fund used for investing activities amounted to 239 million yen (decrease of 27.0% y/y). This was mainly because purchase of investment securities amounted to 135 million yen and purchase of property, plant and equipment amounted to 58 million yen.

(Cash flows from financing activities)

The fund gained from financing activities amounted to 536 million yen (Usage of 1,528 million yen in the last consolidated fiscal period). This was mainly due to net increase in short-term loans payable of 1,100 million yen and cash dividends paid of 563 million yen.

Listed below are the consolidated management indexes on this company's financial conditions.

	Year ended June 2006	Year ended June 2007	Year ended June 2008	Year ended June 2009
Equity ratio	71.1%	59.5%	59.5%	60.0%
Equity ratio on market price basis	214.1%	157.4%	67.4%	51.0%
Years for debt redemption	—	—	—	—
Interest coverage ratio	5,363.4	11,302.1	1,722.8	—

Equity Ratio: Total shareholders' equity plus total revaluation / Total assets

Equity ratio on market price basis: Net value of shares at market price / Total assets

Years for debt redemption: Liabilities with interest / Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities / Interest payment

(Note 1) Each index is calculated with consolidated financial values.

(Note 2) Net value of shares at market price is calculated with number of issued shares eliminating own shares.

(Note 3) Cash flows from operating activities correspond to the account shown in the "Consolidated statement of cash flows"

(Note 4) Debt redemption years of the term ended June 30, 2009 and interest coverage ratio is not assessed because cash flows from operating activities is in minus.

(3) Basic policy about profit sharing, and dividend for this period and the next period

This company makes it a basic policy about profit sharing to stably return profit to shareholders and at the same time this company employs flexible profit sharing depending on business achievement, aiming to set the dividend payout ratio at 30%. This company, hereafter, continues to follow the policy of profit sharing in more flexible way reflecting the business achievement and continues to return profit to shareholders stably by reinforcing company constitution and further improving business achievement.

It is the policy of this company that earning retention will be effectively utilized for investment on R&D for new technologies and new products, for facility investment in relation to business expansion and for recruitment of excellent human resources in the same way as this fiscal period, so that further reinforcement of business structure and establishment of management base with long-term stability will be accomplished.

Under such policies as mentioned above, the end-of-term dividend of ¥15 per share is planned in spite of the fact that the net income of this fiscal term is in the red.

This company would like to set the dividend for the next fiscal period at ¥15 per share in view of the prospect on operating performance of the next fiscal year. Please note that the consolidated dividend payout ratio is expected to become 84.5%.

2. Current status of the company group

The business of this company group includes development, manufacturing, sales and servicing of semiconductor related systems and FPD related systems as well as laser microscopes. The

responsibility of each business lies as follows.

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

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

With regard to servicing, this company takes the responsibility in the Japan and Asian (excluding Korea) regions. Lasertec U. S. A. Inc., a consolidated subsidiary of this company, is in charge of servicing in the North American and EU regions, and Lasertec Korea Corporation, the other consolidated subsidiary of this company, is in charge of servicing in the Korean region.

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

3. Management Policies

(1) Basic policy for the company management

Since its establishment, this company has supplied various inspection and measurement systems in the semiconductor, FPD and new material industries under the policy that "Create what does not exist in the world and what is beneficial to the world". This company continues to firmly maintain this company policy and aims to be "a company customers all over the world consult with at the very first whenever customers have any problems". To play the role mentioned above, this company makes it its mission "to contribute to customers' interest by presenting solutions to customers quicker than anyone in the world" by the most advanced compound technology of precision mechanics, electronics, software with the center axis technology of optics that is the core technology of this company.

(2) Management index to be targeted

This company group believes that continuously uplifting the enterprise value is the essential style for enterprise growth and this company pursues to improve satisfaction of all the stake holders including shareholders by this style of growth.

In semiconductor and LCD industries this company involved with, speed of technical innovation is very fast and capital investment on development always aiming at the leading edge is consistently needed. This company set the operating income rate at 20% or higher in order to build solid financial ground while continuing investment for further growth.

(3) Management strategies and tasks to be worked on

Under the situation that the world is experiencing unprecedented recession, the actions this company should take are, standing firmly on its own management policy, creating unique products by concentrated investment of this company's management resources on the development field where this company can exert its strong point, aiming top share in the specified business field and making its constant and utmost effort.

For this company to accomplish the tasks mentioned above, this company works on the following restructuring to further reinforce the operating base and management practices.

①By completely reforming the business organization, all the tech sectors are administered under

the technology headquarters so that development resources, infrastructure, information and know-how are more efficiently utilized, aiming reinforcement of creativity for new ideas and speedup of development.

*In the conventional system field, further differentiation by accelerated development of the next generation system against competitors will be pursued to secure competitive edge in the market so that this company can keep presenting products in keeping with customers' strategy.

*Those businesses this company's strong point cannot be utilized for will be fundamentally reviewed and those businesses will be rearranged by making the business direction clearer.

*By developing new products for adjacent area of the conventional field based on accurate acquirement of customer needs, this company proposes total solution in keeping with customers' processes to expand this company's business field.

*By mustering employees' consciousness toward awareness about customer, this company will heighten employees' sensitivity toward customer needs more than ever.

Please be informed that the newly developed "PV cell conversion efficiency distribution measurement system" is expected to contribute to technology development and test method establishment for higher efficiency, higher reliability and longer lifetime of PV cells being carried out at the Independent Administrative Agency "National Industrial Research Institute" since August 2009.

②Under the new organization, this company pursues management capability to respond to change speedily and flexibly by clearly defining authority and responsibility in each business operation and also by promoting delegation of authority to managers of each business unit.

③By promoting quick collection of accounts receivables, reduction of inventory assets and higher efficiency of operation, fixed cost will be cut down and reinforcement of business structure will be executed. Even under such severe environment, recruitment and human resources development will be reinforced based on the medium-term viewpoint and product development capability and marketing capability will be continuously improved.

(4) Improvement and operation status of internal administrative structure

This item is described in the chapter titled [Fundamental policy regarding internal control system and its development status] as part of the report regarding the corporate governance, which is under requirement for submission by the provision 8.3 in the regulation for securities listing and the provision 10.3 in the regulation for timely disclosure, and therefore this item is omitted in this chapter to avoid duplication

Consolidated balance sheets

(In thousands of yen)

Year ended June 30;	2008	2009
(Assets)		
Current assets		
Cash and deposits	2,857,125	1,571,244
Notes and accounts receivable-trade	5,074,310	4,389,770
Inventories	4,093,254	—
Work in process	—	3,649,784
Raw materials and supplies	—	599,683
Deferred tax assets	326,976	359,959
Other	539,518	297,116
Allowance for doubtful accounts	(5,345)	(9,666)
Total current assets	12,885,839	10,857,893
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	3,284,557	2,894,589
Machinery, equipment and vehicles	73,124	53,828
Tools, furniture and fixtures	301,992	204,286
Land	4,312,487	4,254,773
Total property, plant and equipment	7,972,161	7,407,478
Intangible assets	1,823	567
Investments and other assets		
Investment securities	182,983	283,572
Long-term accounts receivable-other	653,440	586,672
Long-term guarantee deposits	195,555	195,809
Deferred tax assets	334,632	546,126
Other	42,186	34,847
Total investments and other assets	1,408,798	1,602,027
Total noncurrent assets	9,382,783	9,010,073
Total assets	22,268,622	19,867,967

	(In thousands of yen)	
Year ended June 30;	2008	2009
(Liabilities)		
Current liabilities		
Accounts payable-trade	588,253	385,181
Short-term loans payable	—	1,100,000
Income taxes payable	781,171	10,962
Advances received	1,136,718	398,968
Provision for director's bonuses	116,600	—
Provision for product warranties	191,302	165,241
Other	843,300	496,175
Total current liabilities	3,657,346	2,556,530
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	1,787	1,516
Provision for retirement benefits	226,360	276,086
Other	30,000	—
Total noncurrent liabilities	5,318,548	5,338,003
Total liabilities	8,975,895	7,894,533
(Net Assets)		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,080,360
Retained earnings	12,275,248	11,060,761
Treasury stock	(993,865)	(993,964)
Total shareholders' equity	13,292,743	12,078,156
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(5,469)	(25,534)
Foreign currency translation adjustment	(45,463)	(130,105)
Total valuation and translation adjustments	(50,933)	(155,640)
Subscription rights to shares	50,917	50,917
Total net assets	13,292,727	11,973,433
Total liabilities and net assets	22,268,622	19,867,967

Consolidated statements of income

(In thousands of yen)

Year ended June 30;	2008	2009
Net sales	14,136,761	9,266,696
Cost of sales	7,120,180	6,612,330
Gross profit	7,016,580	2,654,366
Selling, general and administrative expenses	3,916,386	3,311,442
Operating income(loss)	3,100,194	(657,075)
Non-operating income		
Interest income	40,060	9,674
Dividends income	1,752	4,515
Gain on sales of investment securities	2,188	—
Foreign exchange gains	15,593	—
Rent income on noncurrent assets	—	7,124
Other	11,254	6,592
Total non-operating income	70,848	27,907
Non-operating expenses		
Interest expenses	373	9,535
Loss on sales of notes payable	—	1,740
Loss on sales of investment securities	9,925	—
Foreign exchange losses	—	16,882
Fee for purchasing treasury stock	4,334	—
Other	28	2,450
Total non-operating expenses	14,661	30,608
Ordinary income(loss)	3,156,381	(659,777)
Extraordinary income		
Subsidy granted from Yokohama City	726,000	6,566
Gain on sales of noncurrent assets	—	634
Total extraordinary income	726,000	7,200
Extraordinary loss		
Loss on disposal of noncurrent assets	26,034	8,812
Loss on reduction of noncurrent assets	726,000	6,566
Impairment loss	—	139,640
Loss on valuation of investment securities	—	46,091
Head office transfer cost	38,721	—
Other	—	5,445
Total extraordinary losses	790,755	206,376
Income(loss) before income taxes	3,091,626	(858,952)
Income taxes-current	1,406,194	26,827
Income taxes-deferred	(203,059)	(234,451)
Net income(loss)	1,888,491	(651,328)

Consolidated statement of shareholders' equity

(In thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
2007/6/30	931,000	1,080,360	11,086,041	(168,848)	12,928,552
Changes during the period					
Dividends from surplus	—	—	(699,283)	—	(699,283)
Net income(loss)	—	—	1,888,491	—	1,888,491
Purchase of treasury stock	—	—	—	(825,017)	(825,017)
Other	—	—	—	—	—
Total changes during the period	—	—	1,189,207	(825,017)	364,190
2008/6/30	931,000	1,080,360	12,275,248	(993,865)	13,292,743

	Valuation and translation adjustment			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency transaction adjustment	Total valuation and translation adjustment		
2007/6/30	33,091	35,545	68,636	50,917	13,048,106
Changes during the period					
Dividends from surplus	—	—	—	—	(699,283)
Net income(loss)	—	—	—	—	1,888,491
Purchase of treasury stock	—	—	—	—	(825,017)
Other	(38,560)	(81,009)	(119,569)	—	(119,569)
Total changes during the period	(38,560)	(81,009)	(119,569)	—	244,620
2008/6/30	(5,469)	(45,463)	(50,933)	50,917	13,292,727

(In thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
2008/6/30	931,000	1,080,360	12,275,248	(993,865)	13,292,743
Changes during the period					
Dividends from surplus	—	—	(563,158)	—	(563,158)
Net income(loss)	—	—	(651,328)	—	(651,328)
Purchase of treasury stock	—	—	—	(99)	(99)
Other	—	—	—	—	—
Total changes during the period	—	—	(1,214,487)	(99)	(1,214,586)
2009/6/30	931,000	1,080,360	11,060,761	(993,964)	12,078,156

	Valuation and translation adjustment			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency transaction adjustment	Total valuation and translation adjustment		
2008/6/30	(5,469)	(45,463)	(50,933)	50,917	13,292,727
Changes during the period					
Dividends from surplus	—	—	—	—	(563,158)
Net income(loss)	—	—	—	—	(651,328)
Purchase of treasury stock	—	—	—	—	(99)
Other	(20,065)	(84,642)	(104,707)	—	(104,707)
Total changes during the period	(20,065)	(84,642)	(104,707)	—	(1,319,293)
2009/6/30	(25,534)	(130,105)	(155,640)	50,917	11,973,433

Consolidated statement of cash flows

(In thousands of yen)

Year ended June 30;	2008	2009
Cash flows from operating activities		
Income (loss) before income taxes	3,091,626	(858,952)
Depreciation and amortization	244,148	471,683
Impairment loss	—	139,460
Increase (decrease) in allowance for doubtful accounts	492	4,478
Increase (decrease) in provision for directors' bonuses	(19,000)	(116,000)
Increase (decrease) in provision for product warranties	35,310	(23,669)
Increase (decrease) in provision for retirement benefits	64,223	52,211
Interest and dividends income	(41,812)	(14,190)
Gain on sales of investment securities	(2,188)	—
Interest expenses	373	9,535
Foreign exchange losses (gains)	4,191	87,748
Loss on sales of investment securities	9,925	—
Loss(gain) on disposal of property, plant and equipment	26,034	6,972
Gain on subsidy granted from Yokohama City	(72,560)	—
Loss on reduction of noncurrent assets	726,000	6,566
Decrease(increase) in long-term account receivable-other	(653,440)	66,768
Loss (gain) on valuation of investment securities	—	46,091
Decrease (increase) on notes and accounts receivable-trade	(733,127)	650,807
Decrease (increase) in inventories	(267,232)	(170,353)
Increase (decrease) in notes and accounts payable-trade	280,683	(203,071)
Increase (decrease) in advances received	18,221	(734,088)
Other, net	(372,208)	(124,051)
Sub-total	2,339,661	(702,654)
Interest and dividends received	48,769	16,876
Interest expenses paid	(373)	(10,101)
Income taxes paid	(1,744,781)	(791,516)
Net cash provided by (used in) operating activities	643,275	(1,487,395)
Cash flows from investment activities		
Payments into time deposits	(52)	(37,550)
Proceeds from withdrawal of time deposits	5,900,000	1,200
Proceeds from sales of short-term investment securities	199,979	—
Purchase of property, plant and equipment	(6,922,917)	(58,041)
Proceeds from sales of property, plant and equipment	16,864	10,508
Purchase of investment securities	(201,676)	(135,296)
Proceeds from sales of investment securities	495,482	—
Proceeds from maturity of insurance	104,219	—
Proceeds from subsidy granted from Yokohama City	72,560	—
Other, net	7,075	(20,637)
Net cash provided by (used in) investment activities	(328,465)	(239,816)

(In thousands of yen)

Years ended June 30;	2008	2009
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	—	1,100,000
Purchase of treasury stock	(829,351)	(99)
Cash dividends paid	(699,283)	(563,158)
Net cash provided by (used in) financial activities	(1,528,635)	536,742
Effect of exchange rate change on cash and cash equivalents	(60,277)	(131,332)
Net increase (decrease) in cash and cash equivalents	(1,274,102)	(1,321,801)
Cash and cash equivalents at beginning of period	4,129,599	2,855,496
Cash and cash equivalents at end of period	2,855,496	1,533,694

Production, orders and sales

1. Production

(In thousands of yen)

Year ended June 30;	2009	
	Year-on-year comparison (%)	
Finished goods		
Semiconductor related systems	3,339,244	49.0
FPD related systems	5,474,406	147.7
Confocal Scanning Laser Microscopes	425,166	41.9
	9,238,817	80.1
Services	908,495	86.6
Total	10,147,313	80.6

(Notes)

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

2. Orders

(In thousands of yen)

Year ended June 30;	2009			
	Amount	Year-on-year comparison (%)	Outstanding	Year-on-year comparison (%)
Finished goods				
Semiconductor related systems	2,638,249	90.6	1,514,082	88.3
FPD related systems	1,292,929	18.0	3,567,232	49.6
Confocal Scanning Laser Microscopes	467,799	50.7	46,208	26.0
	4,398,978	40.0	5,127,523	56.4
Services	935,766	89.2	113,196	131.7
Total	5,334,744	44.3	5,240,719	57.1

(Notes)

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

3. Sales

(In thousands of yen)

Year ended June 30;	2009	
	Amount	Year-on-year comparison (%)
Finished goods		
Semiconductor related systems	2,839,782	36.0
FPD related systems	4,919,235	111.8
Confocal Scanning Laser Microscopes	599,182	74.4
	<hr/> 8,358,201	<hr/> 63.9
Services	908,495	86.6
	<hr/>	<hr/>
Total	9,266,696	65.6

(Notes)

Amounts exclude consumption taxes.

Balance sheets

(In thousands of yen)

Year ended June 30;	2008	2009
(Assets)		
Current assets		
Cash and deposits	1,785,610	1,212,512
Notes receivable-trade	202,424	77,038
Accounts receivable-trade	5,403,236	4,203,429
Raw materials	371,322	—
Work in process	3,683,121	3,639,955
Supplies	1,695	—
Raw materials and supplies	—	574,283
Advance payments-trade	94,139	51,957
Prepaid expenses	27,181	26,830
Deferred tax assets	315,605	359,423
Consumption taxes receivable	245,132	—
Accounts receivable-other	—	208,763
Other	149,115	9,451
Allowance for doubtful accounts	(5,747)	(9,584)
Total current assets	12,272,838	10,354,059
Noncurrent assets		
Property, plant, and equipment		
Buildings	3,237,894	2,854,660
Structures	43,052	35,620
Machinery and equipments	73,124	53,828
Vehicles and delivery equipments	0	—
Tools, furniture and fixtures	296,185	198,777
Land	4,312,487	4,254,773
Total property, plant, and equipment	7,962,744	7,397,660
Intangible assets		
Telephone subscription right	1,700	494
Total intangible assets	1,700	494

	(In thousands of yen)	
Year ended June 30;	2008	2009
Investments and other assets		
Investment securities	182,983	238,572
Stocks of subsidiaries and affiliates	81,139	81,139
Long-term accounts receivable-other	653,440	586,672
Long-term guarantee deposits	175,464	173,470
Deferred tax assets	332,910	544,246
Other	42,186	34,847
Total investments and other assets	1,468,123	1,658,947
Total noncurrent assets	9,432,568	9,057,102
Total assets	21,705,406	19,411,162

(In thousands of yen)

Year ended June 30;	2008	2009
(Liabilities)		
Current liabilities		
Accounts payable-trade	589,062	386,026
Short-term loans payable	—	1,100,000
Accounts payable-other	727,072	388,822
Accrued expenses	57,009	52,788
Income taxes payable	765,202	10,962
Advances received	1,099,278	372,867
Deposit received	94,211	88,828
Provision for directors' bonuses	116,600	—
Provision for product warranties	150,781	118,476
Unearned revenue	—	5,250
Other	—	17,541
Total current liabilities	3,600,118	2,541,563
Noncurrent liabilities		
Bonds with subscription rights to shares	5,000,000	5,000,000
Long-term accounts payable-other	60,400	60,400
Provision for retirement benefits	216,907	263,960
Other	30,000	—
Total noncurrent liabilities	5,307,307	5,324,360
Total liabilities	8,907,426	7,865,924
(Net Assets)		
Capital stock	931,000	931,000
Capital surplus		
Legal capital surplus	1,080,360	1,080,360
Total capital surplus	1,080,360	1,080,360
Retained earnings		
Legal retained earnings	159,038	159,038
General reserve	9,212,000	9,212,000
Retained earnings brought forward	2,364,000	1,131,421
Total retained earnings	11,735,038	10,502,459
Treasury stock	(993,865)	(993,964)
Total shareholders' equity	12,752,532	11,519,855
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(5,469)	(25,534)
Subscription rights to shares		
	50,917	50,917
Total net assets	12,797,980	11,545,238
Total liabilities and net assets	21,705,406	19,411,162

Statements of income

(In thousands of yen)

Year ended June 30;	2008	2009
Net sales	13,665,093	8,930,536
Cost of sales	7,066,288	6,507,516
Gross profit	6,598,805	2,423,019
Selling, general and administrative expenses	3,710,960	3,086,550
Operating income(loss)	2,887,845	(663,531)
Non-operating income		
Interest income	22,319	1,659
Interest on securities	1,446	—
Dividends income	1,752	4,515
Gain from sales of investment securities	2,188	—
Return from matured insurance	4,918	—
Rent income on noncurrent assets	—	7,124
Other	7,996	6,158
Total non-operating income	40,622	19,458
Non-operating expenses		
Interest expenses	373	9,535
Loss on sale of notes payable	—	1,740
Loss on sale of investment securities	9,925	—
Foreign exchange losses	23,251	39,977
Fee for purchasing treasury stock	4,334	—
Other	28	2,062
Total non-operating expenses	37,912	53,316
Ordinary income(loss)	2,890,555	(697,388)
Extraordinary income		
Subsidy granted from Yokohama City	726,000	6,566
Gain on disposal of noncurrent assets	—	626
Total extraordinary income	726,000	7,192
Extraordinary losses		
Loss on disposal of noncurrent assets	26,034	7,078
Loss on reduction of noncurrent assets	726,000	6,566
Impairment loss	—	139,460
Loss on valuation of investment securities	—	46,091
Head office transfer cost	38,721	—
Other	—	5,445
Total extraordinary losses	790,755	204,641
Income(loss) before income taxes	2,825,799	(894,838)
Income taxes-current	1,305,158	16,185
Income taxes-deferred	(197,528)	(241,603)
Net income(loss)	1,718,169	(669,419)