

Consolidated Financial Results for the Second Quarter Ended December 31, 2009

February 1, 2010



Company Name: Lasertec Corporation
 Stock exchange listing: Jasdaq Securities Exchange, Inc.
 Code number: 6920 (URL <http://www.Lasertec.co.jp/>)
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 Expected date to file the Quarterly Securities Report: February 12, 2010

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

(Million yen, rounded down)

1. Consolidated financial results for the six months ended December 31, 2009

(1) Consolidated operating results (accumulated)

(The percent figures indicate changes from the same period of the previous fiscal year.)

| | Net sales | | Operating income (loss) | | Ordinary income (loss) | |
|-------------------|---------------|--------|-------------------------|----|------------------------|----|
| | (Million yen) | % | (Million yen) | % | (Million yen) | % |
| December 31, 2009 | 3,660 | (18.1) | (80) | -- | (61) | -- |
| December 31, 2008 | 4,469 | -- | (247) | -- | (268) | -- |

| | Net income (loss) | | Net income (loss) per share | | Net income per share, fully diluted | |
|-------------------|-------------------|----|-----------------------------|--|-------------------------------------|--|
| | (Million yen) | % | (Yen) | | (Yen) | |
| December 31, 2009 | (96) | -- | (8.54) | | -- | |
| December 31, 2008 | (303) | -- | (26.94) | | -- | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|-------------------|---------------|---------------|--------------|----------------------|
| | (Million yen) | (Million yen) | % | (Yen) |
| December 31, 2009 | 18,677 | 11,727 | 62.5 | 1,036.73 |
| June 30, 2009 | 19,867 | 11,973 | 60.0 | 1,058.54 |

(For reference) Equity : December 31, 2009 : 11,676 million yen June 30, 2009 : 11,922 million yen

2. Dividends

| | Dividends per share | | | | |
|----------------------------|---------------------|-----------|-----------|----------|-------|
| | End of 1Q | End of 2Q | End of 3Q | Year-end | Total |
| | (Yen) | (Yen) | (Yen) | (Yen) | (Yen) |
| June 30, 2009 | — | 0.00 | — | 15.00 | 15.00 |
| June 30, 2010 | — | 0.00 | | | |
| June 30, 2010 (Forecasted) | | | — | 15.00 | 15.00 |

Notes : Revision of forecasts of dividends for the fiscal year in this quarter : None

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

(The percent figures indicate changes from the same period of the previous fiscal year.)

| | Net sales | | Operating income(loss) | | Ordinary income(loss) | | Net income(loss) | | Net income(loss) per share | |
|--------|---------------|-----|------------------------|----|-----------------------|----|------------------|----|----------------------------|-------|
| | (Million yen) | % | (Million yen) | % | (Million yen) | % | (Million yen) | % | (Yen) | |
| Annual | 9,700 | 4.7 | 430 | -- | 370 | -- | 200 | -- | | 17.75 |

Notes : Revision of operating forecasts for the fiscal year in this quarter : None

4. Other information

(1) Changes in subsidiaries during the term under review (changes in specific subsidiaries involving changes in scope of consolidation

: None

(2) Application of simplified accounting procedure and specific accounting procedure for preparation of quarterly consolidated financial report

: Yes

Notes : Please refer to "4. Others" in "Qualitative information, financial statements and such"

(3) Changes in accounting principles and procedures, and methods of presentation for preparation of quarterly consolidated financial statements

(a) Changes due to revision of accounting standards : None

(b) Changes other than (a) : None

(4) Number of shares (ordinary stock)

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

December 31, 2009 : 11,785,800 shares June 30, 2009 : 11,785,800 shares

(b) Number of treasury stocks at end of period

December 31, 2009 : 522,727 shares June 30, 2009 : 522,727 shares

(c) Number of averaged shares in the fiscal period

December 31, 2009 : 11,263,073 shares December 31, 2008 : 11,263,124 shares

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. Please refer to "3. Qualitative information regarding consolidated business results forecast" in "Qualitative information, financial statements and such"

[Qualitative information, financial statements and such]

1. Qualitative information regarding consolidate business achievement

The global economy during the six months ended December 31 2009 appears to have freed itself from the worst period of economic recession sustained by business recovery in China and other developing countries. However, the resilience of economy in such countries is not strong and the environment of capital investment still remains in severe status.

In the semiconductor industry, the price rise of DRAM and Flash Memory is seen and also capital investment on the finer pattern technologies is boosted and order entry and sales of semiconductor related products of this company are on a track to recovery.

In the FPD industry, the factory operation rate at each panel maker rose under the influence of various economic stimulus packages such as Chinese government's stimulus represented by the slogan "Home appliances to people". However, the next capital investment movement of each panel maker still remains to be seen for the moment.

On the other hand, capital investment related to energy and environment is expected to expand in a large scale for the future despite the fact that this field is coming to a temporary standstill under the influence of economic recession. Having this kind of situation in mind, this company has introduced new products into the market in a timely manner and has begun to register order entries especially for PV cell related systems that are among those new products.

Under such circumstances, the sales volume for the six months ended December 31 2009 amounted to 3,660 million yen (a decrease by 18.1 % y/y).

When sales volume is viewed product by product, the semiconductor related systems amounted to 1,905 million yen (an increase by 59.1 % y/y), the sales volume of FPD related systems amounted to 1,079 million yen (a decrease by 57.8 % y/y) and the sales volume of laser microscope amounted to 154 million yen (a decrease by 34.2 % y/y).

With regard to the consolidated loss, the operating loss amounted to 80 million yen (a loss of 247 million yen at the same quarter last year), the ordinary loss amounted to 61 million yen (a loss of 268 million yen at the same quarter last year) and the net loss amounted to 96 million yen (a loss of 303 million yen at the same quarter last year) despite our efforts to reduce the fixed cost and such.

2. Qualitative information regarding consolidated financial condition

(1) Status of assets, liabilities and net assets

Total assets at the end of the second quarter amounted to 18,677 million yen, a decrease of 1,190 million yen from that the end of the last consolidated fiscal year. Main causes for the decrease of the total asset are the decrease of work in process by 575 million yen, a decrease of notes and accounts receivable-trade by 517 million yen and a decrease of property, plant and equipment by 160 million yen.

With regard to liabilities, the outstanding balance of liabilities at the end of the second quarter amounted to 6,949 million yen, a decrease of 945 million yen from that at the end of the last fiscal year. This is mainly due to the fact that the bonds with subscription rights to shares decreased by 1,000 million yen, advances received decreased by 306 million yen and accounts payable-trade decreased by 85 million yen despite the fact that the short-term loans payable increased by 500 million yen.

With regard to shareholders' equity, the outstanding balance at the end of the second quarter amounted to 11,812 million yen, a decrease of 265 million yen from that at the end of the last consolidated fiscal year. This is due to the fact that surplus dividend distribution of 168 million yen was conducted and also net loss of 96 million yen was declared for the six months.

Total net asset, a sum of shareholders' equity, valuation and translation adjustments and subscription rights to shares amounted to 11,727 million yen and the equity ratio became 62.5 % (60.0 % at the end of the last fiscal year).

(2) Status of cash flow

Cash and cash equivalents (hereinafter "funds") at the end of the second quarter amounted to 1,645 million yen, an increase of 111 million yen from that at the end of the last fiscal year.

Cash flow status and contributing factors for the six months ended December 31 2009 are as follows.

(Cash flow by operating activities)

Funds acquired by business operation amounted to 754 million yen (1,509 million yen spent at the same fiscal period last year). This is mainly due to the fact that the funds increasing factors such as a decrease of notes and accounts receivable-trade by 503 million yen, a decrease of inventories by 620 million yen and a depreciation and amortization of

176 million yen surmounted funds decreasing factors such as a decrease of advances received by 305 million yen, net loss before income taxes of 132 million yen for this quarter and a decrease of notes and account payable-trade by 85 million yen.

(Cash flows by investment activities)

Funds put to use by the result of investment activities amounted to 19 million yen (a decrease of 90.6 % y/y). This is mainly due to spending of 9 million yen for purchase of property, plant and equipment.

(Cash flows by financing activities)

Funds put to use by the result of financial activities amounted to 613 million yen (536 million yen acquired at the same fiscal period last year). This is mainly due to the fact that an expenditure of 944 million yen for purchase deletion of corporate bonds with subscription rights and an expenditure of 168 million yen for dividend distribution surmounted the net increase of 500 million yen by the short-term loans payable.

3. Qualitative information regarding consolidated business results forecast

The global economy is expected to press forward to a moderate recovery mainly in the developing countries including Asian areas, though risks of economic slump due to such factors as existence of uncertainty about employment situation in US and Europe exist.

With regard to the semiconductor industry, an increase of capital investment by semiconductor device manufacturers is expected due to the price situation betterment for semiconductor devices, especially for the memory devices, and also due to the improvement of capacity utilization rate, though such recovery status of capital investment is expected to be moderate. At the same time, the LCD industry is in the direction of similar recovery situation, though the recovery of actual capital investment implementation following the business recovery of each panel maker is expected in the next fiscal year or even after.

Business results for the six months ended December 31 2009 exceeded the business results planned at the beginning of this term because sales of semiconductor related systems was partially moved up. However, the business situation is still unpredictable and no adjustment in the business forecast for the full fiscal year announced at the beginning of this fiscal term (August 10th, 2009) is made, accordingly.

This company continuously aims at fulfilling the business forecast for the full fiscal year by the combined efforts for reducing the time to delivery, sales cost and sales administrative expenses along with speedup of development, reclaiming of new business field and vigorous sales activities centering on new products.

4. Others

- (1) There are no significant changes in subsidiaries during the term under review (changes in specific subsidiaries involving changes in scope of consolidation)
- (2) Application of simplified accounting procedure and specific accounting procedure for preparation of quarterly consolidated financial statements.

(Calculation method of depreciation for noncurrent assets)

For noncurrent assets using the constant ratio depreciation calculation, depreciation was calculated by allocation of the depreciation amount corresponding to consolidated full account year.

- (3) There are no changes in accounting principles and procedures, and methods of presentation for preparation of quarterly consolidated financial statements.

5. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheets

| (Thousand yen) | | |
|---|------------------------------------|---|
| Six months ended December 31; | Current As of December 31, 2009 | Previous (Summary) As of June 30, 2009 |
| (Assets) | | |
| Current assets | | |
| Cash and deposits | 1,684,680 | 1,571,244 |
| Notes and accounts receivable-trade | 3,871,806 | 4,389,770 |
| Work in process | 3,074,587 | 3,649,784 |
| Raw materials and supplies | 554,479 | 599,683 |
| Deferred tax assets | 374,297 | 359,959 |
| Other | 229,716 | 297,116 |
| Allowance for doubtful accounts | (10,076) | (9,666) |
| Total current assets | 9,779,491 | 10,857,893 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 2,774,305 | 2,894,589 |
| Machinery, equipment and vehicles, net | 46,979 | 53,828 |
| Tools, furniture and fixtures, net | 170,542 | 204,286 |
| Land | 4,254,773 | 4,254,773 |
| Total property, plant and equipment | 7,246,601 | 7,407,478 |
| Intangible assets | 570 | 567 |
| Investments and other assets | | |
| Investment securities | 211,029 | 238,572 |
| Long-term accounts and receivable-other | 586,672 | 586,672 |
| Deferred tax assets | 574,250 | 546,126 |
| Other | 278,425 | 230,656 |
| Total investments and other assets | 1,650,376 | 1,602,027 |
| Total noncurrent assets | 8,897,549 | 9,010,073 |
| Total assets | 18,677,040 | 19,867,967 |

(Thousand yen)

| Six months ended December 31; | Current As of December 31, 2009 | Previous (summary) As of June 30, 2009 |
|---|------------------------------------|---|
| (Liabilities) | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 299,850 | 385,181 |
| Short-term loans payable | 1,600,000 | 1,100,000 |
| Current portion of bonds with subscription rights to shares | 4,000,000 | — |
| Income taxes payable | 26,891 | 10,962 |
| Advances received | 92,889 | 398,968 |
| Provision for product warranties | 125,725 | 165,241 |
| Other | 461,705 | 496,175 |
| Total current liabilities | 6,607,062 | 2,556,530 |
| Noncurrent liabilities | | |
| Bonds with subscription rights to shares | — | 5,000,000 |
| Long-term accounts payable-other | 60,400 | 60,400 |
| Deferred tax liabilities | 957 | 1,516 |
| Provision for retirement benefits | 280,908 | 276,086 |
| Total noncurrent liabilities | 342,266 | 5,338,003 |
| Total liabilities | 6,949,328 | 7,894,533 |
| (Net assets) | | |
| Shareholders' Equity | | |
| Capital stock | 931,000 | 931,000 |
| Capital surplus | 1,080,360 | 1,080,360 |
| Retained earnings | 10,795,558 | 11,060,761 |
| Treasury stock | (993,964) | (993,964) |
| Total shareholders' equity | 11,812,954 | 12,078,156 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | — | (25,534) |
| Foreign currency translation adjustment | (136,159) | (130,105) |
| Total valuation and translation adjustments | (136,159) | (155,640) |
| Subscription rights to shares | 50,917 | 50,917 |
| Total net assets | 11,727,711 | 11,973,433 |
| Total liabilities and net assets | 18,677,040 | 19,867,967 |

(2) Accumulated consolidated quarterly statements of income
(Second quarter ended December 31, 2009)

| | (Thousand yen) | |
|---|--|---|
| Six months ended December 31; | Previous (July 1, 2008~ December 31, 2008) | Current (July 1, 2009~ December 31, 2009) |
| Net sales | 4,469,604 | 3,660,297 |
| Cost of sales | 2,828,235 | 2,390,060 |
| Gross profit | 1,641,368 | 1,270,236 |
| Selling, general and administrative expenses | 1,888,483 | 1,351,156 |
| Operating loss | (247,114) | (80,920) |
| Non-operating income | | |
| Interest income | 6,063 | 1,235 |
| Dividends income | 2,771 | 980 |
| Gain on redemption of the bond | — | 55,250 |
| Rent income on noncurrent assets | 1,606 | 2,763 |
| Other | 4,446 | 2,146 |
| Total non-operating income | 14,888 | 62,376 |
| Non-operating expenses | | |
| Interest expenses | 3,353 | 7,536 |
| Rent expense on noncurrent assets | — | 13,078 |
| Foreign exchange losses | 32,579 | 22,653 |
| Other | 375 | 0 |
| Total non-operating expenses | 36,309 | 43,269 |
| Ordinary loss | (268,535) | (61,812) |
| Extraordinary income | | |
| Gain on sale of noncurrent assets | 591 | 6 |
| Total extraordinary income | 591 | 6 |
| Extraordinary losses | | |
| Loss on disposal of noncurrent assets | 1,291 | 346 |
| Loss on valuation of investment securities | 127,749 | 70,321 |
| Other | 5,641 | — |
| Total extraordinary losses | 134,682 | 70,667 |
| Loss before income taxes | (402,626) | (132,474) |
| Income taxes-current | 4,704 | 24,796 |
| Income taxes-deferred | (103,817) | (61,014) |
| Total income taxes | (99,112) | (36,217) |
| Net loss | (303,513) | (96,256) |

(3) Accumulated consolidated quarterly statements of cash flows

| | (Thousand yen) | |
|---|--|---|
| Six months ended December 31; | Previous (July 1, 2008~ December 31, 2008) | Current (July 1, 2009~ December 31, 2009) |
| Net cash provided by (used in) operating activities | | |
| Income (loss) before income taxes | (402,626) | (132,474) |
| Depreciation and amortization | 241,981 | 176,405 |
| Increase (decrease) in allowance for doubtful accounts | 5,476 | 388 |
| Increase(decrease) in directors' bonuses | (116,600) | — |
| Increase (decrease) in provision for product warranties | (19,703) | (38,820) |
| Increase (decrease) in provision for retirement benefits | 40,986 | 4,208 |
| Interest and dividends income | (8,835) | (2,216) |
| Interest expenses | 3,353 | 7,536 |
| Foreign exchange losses (gains) | 125,113 | 14,420 |
| Gain on redemption of bonds | — | (55,250) |
| Loss(gain) on sales of property,plant and equipment | (591) | (6) |
| Loss (gain) on disposal of property,plant and equipment | 1,291 | 346 |
| Loss (gain) on valuation of investment securities | 127,749 | 70,321 |
| Decrease (increase) in notes and accounts receivable-trade | 434,399 | 503,983 |
| Decrease (increase) in inventories | (939,548) | 620,941 |
| Decrease (increase) in accounts receivable-other | (580,050) | 54,303 |
| Increase (decrease) in notes and accounts payable-trade | 134,584 | (85,331) |
| Increase (decrease) in advances received | 222,926 | (305,882) |
| Other, net | (13,344) | (65,955) |
| Sub-total | <u>(743,436)</u> | <u>766,918</u> |
| Interest and dividends income received | 12,108 | 2,207 |
| Interest expenses paid | (3,292) | (7,124) |
| Income taxes paid | (774,616) | (7,169) |
| Net cash provided by (used in) operating activities | <u>(1,509,238)</u> | <u>754,831</u> |
| Net cash provided by (used in) investment activities | | |
| Proceeds from withdrawal of time deposits | 1,162 | — |
| Purchase of property, plant and equipment | (44,372) | (9,290) |
| Proceeds from sale of noncurrent assets | 683 | 28 |
| Purchase of intangible assets | (22,370) | — |
| Purchase of investment securities | (135,296) | — |
| Other, net | (9,710) | (10,548) |
| Net cash provided by (used in) investment activities | <u>(209,905)</u> | <u>(19,811)</u> |
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | 1,100,000 | 500,000 |
| Redemption of bonds | — | (944,750) |
| Purchase of treasury stock | (99) | — |
| Cash dividends paid | (563,158) | (168,946) |
| Net cash provided by (used in) financing activities | <u>536,742</u> | <u>(613,696)</u> |
| Effect of exchange rate change on cash and cash equivalents | <u>(181,781)</u> | <u>(9,789)</u> |
| Net increase (decrease) in cash and cash equivalents | <u>(1,364,181)</u> | <u>111,535</u> |
| Cash and cash equivalents at beginning of period | <u>2,855,496</u> | <u>1,533,694</u> |
| Cash and cash equivalents at end of period | <u>1,491,314</u> | <u>1,645,230</u> |

(4) Notes for going concern assumption : None

(5) Notes on significant changes in shareholders' equity : None