

Trias Company Memo 2009-04-14**Lasertec Lasertac Corporation (Securities Code: 6920 JASDAQ)****Summary of Business Results Meeting for the 2nd Half of Fiscal Year ending June 30, 2009**

On February 18, Lasertec Corporation (hereinafter “Lasertec”) held a results meeting for the 2nd half of fiscal year ending June 30, 2009 at the Securities Analysts Association of Japan (SAAJ)..

Attendees of the results meeting: Mr. Yaichiro Watakabe, President
Mr. Osamu Okabayashi, Executive Vice President
Mr. Shu Uchiyama, Director & Executive Officer
Mr. Kazumasa Koga, Chief Financial Officer
Mr. Tetsuya Imai, General Manager of Corporate Planning Office

The Following is the summary of the presentation by President Watakabe:

【Summary of Business Results for the 2nd Half of Fiscal Year ending June 30, 2009】

In the 1st half of this fiscal year, because the semiconductor industry—Lasertec’s primary source of sales that had been hard hit by the seriously deteriorating state of the global economy—began curtailing capital investment on a widespread basis, which resulted in weakened order inflows. Net sales for the period was ¥4.47 billion, down 32.5% year-on-year, while posting a loss of ¥224 million in operating income. The sharp yoy decline in operating income was mainly due to the decline in net sales.

As for a breakdown by product line, sales of semiconductor-related systems fell below their forecast, to ¥1.2 billion, or down 71.9% yoy. While sales of FPD (flat panel display)-related systems rose by 62.9% yoy, to reach ¥2.56 billion—a result due mainly to the poor sales performance posted in the previous fiscal year—the increase was not enough to offset the decline in semiconductor-related systems sales. Meanwhile, the transition to 11th-generation flat panels by Korea’s Samsung and others has not proceeded well. In terms of order inflows, the situation has been weak and, as a result, the Company recorded ¥2.42 billion of total amount of orders, down 40.3% yoy. In particular, orders for FPD-related products fell by 60.6% yoy as orders for large-scale mask inspection systems never materialized.

【Outlook for the Full-Year Fiscal 6/09】

The Company’s full-year forecast for FY6/09 is as follows: Net sales of ¥10.0 billion, a yoy decline of 29.3%; and an operating income loss of ¥830 million. They project that sales from semiconductor-related systems will remain depressed, with a decline of 60.7% yoy, and that operating income, together with product valuations, will also be adversely impacted.

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【Future Initiatives】

The Company forecasts that, as with the current fiscal year, capital investment for the semiconductor and FPD industries will remain significantly curtailed. Given the severe business environment, they have implemented emergency management initiatives to further strengthen their enterprise fundamentals in order to improve profitability. In addition, they aim to focus management resources on enhancing their core businesses and developing new businesses in the reinforced pursuit of growth in the future.

Among the measures the Company is moving to implement by June 2011 a thorough reduction of costs, enhancement of financial fundamentals and for the liquid crystal repair system business to become profitable. As for their liquid crystal repair systems, they are undergoing a fundamental redesign at this time. The design changes are being undertaken and more user-oriented proposals are being evaluated because their clients have undergone a major perspective shift and are now asking for less functional frills. They also intend to accelerate their product development cycle in order to further augment with greater speed and flexibility their problem solving capabilities.

As for the approach the Company will adopt to strengthen its enterprise fundamentals, the first priority will be to reinforce their semiconductor-related business, expanding market share for the MATRICS series, the core product line for their Photomask Inspection Systems business, while securing new orders for the WASAVI series, the Patterned Wafer Inspection Systems, by enhancing their product lineup. In addition, they are looking to aggressively engage in the development of optical technology applications to be used in new fields as a means to launch into new markets and businesses. One example of this is a measurement system used to improve the energy conversion efficiency of photovoltaic battery panels, a unit that has received high marks both at home and abroad. A demonstration model will be completed by the end of February 2009. Renewable energy has become a source of growing interest worldwide and a wide variety of solar cell products have been introduced to date. As a result, discrepancies in product quality will inevitably emerge and, concurrently, it is clear that the demand trend for higher conversion efficiency and more durable quality products will only rise. The Company intends to exercise good judgment in rolling out systems to test and measure solar cells in the effort to improve their quality.

Despite these adverse times, a number of Chinese and Korean clients are looking to purchase their liquid crystal-related systems—albeit for 8th-generation products. They intend to exploit such demand and generate sales by carefully screening the needs of clients in search of solutions and offer products that are not over-engineered. Through such efforts, the Company will strive to lay the foundations enabling it to return to profitability in the next fiscal year.

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[Q&A]

Q1. How many inquiries for your Large Photomask Inspection System are from China? And when do you expect these inquiries to turn into actual sales?

A1. While flat panel displays are produced by Chinese manufacturers, photomasks are produced by Chinese and Korean manufacturers alike, and we expect to secure their orders in the next fiscal year. The inspection systems used in China are for 8th-generation panels or older, and we expect to receive two to three orders of some 100 million yen each.

Q2. You are forecasting a 17% yoy increase in orders inflows for Semiconductor Inspection Systems for FY6/09. Where are these orders originating from?

A2. Demand is being generated from leading-edge chipmakers for our Systems in order to prevent yield deterioration of photomasks that are increasingly miniaturized. Even in this recession, chipmakers require such systems because they are essential in the fabrication process.

Q3. What is the estimated price range of the measurement system for solar cells?

A3. As we are still in the demo model phase, no pricing guidelines have yet been set.

Q4. What is the projected cost reduction savings that will be generated from your profitability enhancement initiatives?

A4. We feel certain that we can reduce costs by several hundreds of million yen. We also plan to write off as many expenses as possible, including losses due to business contraction. As for our gross profit margin, we are looking to right it as we head into the next fiscal year despite our profit margin ratio taking a major dive in the 1st half.

Q5. Are the short-term borrowings collateralized?

What are terms of the commitment line and is there capacity for further borrowings?

A5. The short-term funds are borrowed on credit, not collateral. We were extended a commitment line of ¥1.5 billion in December 2008. While a CB of ¥5 billion will mature in two years and require refinancing, we believe we're fully capable of doing so.

Q6. What is your cash position for the full year of this fiscal year?

A6. We believe borrowings will peak to some ¥3 billion in the January-May period, although the balance is expected to decline by the end of the fiscal year.

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Q7. What is the ratio of repair systems and photomask inspection related systems in your sales forecast for FPD-related systems? And breakdown the sales forecast for Korea and Taiwan.

A7. We expect a sales split of approx. 70% for repair systems and 30% for photomask inspection related systems. We project sales of ¥900 million for 6th- and 8th-generation systems from Taiwan, with greater sales from 8G systems. As for Korea, we forecast ¥1.6 billion in sales for 8G systems.

Q8. Which type of manufacturers are you targeting your inspection systems of photovoltaic (PV) cells for, thin-film or crystal?

A8. We intend to adopt a blanket approach in the initial stages. At the moment, our prospects are mostly domestic manufacturers, along with one or two prospects from Taiwan.

End

Lasertec Corporation (Securities Code: 6920)
Key Financial Data and Business Results (Consolidated)

Key Stock Indicators (Consolidated)			Key Financial Data (Consolidated)		
No. of Shares Issued	Jun. 08	11,785,800	Total Assets (yen million)	Jun. 08	22,268
No. of Treasury Stock	Jun. 08	522,628	Shareholders' Equity (yen million)	Jun. 08	13,292
Market Value (yen million)	Apr. 14, 2009	5,905	Interest-Bearing Debt (yen million)	Jun. 08	5,000
BPS (yen)	Jun. 08	1,175.7	Equity Ratio (%)	Jun. 08	59.5
ROE (%) ※1	Jun. 08	14.4	Ratio of Interest-Bearing Debt (%) ※3	Jun. 08	37.6
ROA (%) ※2	Jun. 08	8.6	※1 ROE=Current Net Income÷Averaged Shareholders' Equity of beginning of term and term end		
PER (times)	FY6/09 est.	-7.6	※2 ROA=Curent Net Income÷Averaged Total Assets of beginning of term and term end		
PBR (times)	Jun. 08	0.4	※3 Ratio=Interest-Bearing Debts÷Shareholders' Equity		
Share Price (yen)	Apr. 14, 2009	501			

Consolidated (yen million)	Net Sales	Operating Income	Ordinary Income	Net Income	EPS (yen)	Dividend per Share (yen)
FY6/05	9,972	1,911	1,928	1,203	98	25.00
FY6/06	12,033	2,963	3,060	1,884	162	40.00
FY6/07	15,874	3,895	3,895	2,375	204	60.00
FY6/08	14,136	3,100	3,156	1,888	165	50.00
FY6/09 est.	10,000	△ 830	△ 860	△ 740	△ 66	15.00

Note: FY6/09 est. is the Company's forecast announced on Feb. 13, 2009.

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