Consolidated Financial Results for the First Quarter Ended September 30, 2013 (Japanese GAAP)

October 31, 2013

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Stock exchange listing: Tokyo Stock Exchange
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Financial results briefing: None

(Figures less than a million yen are rounded down.)

1. Consolidated financial results for the three months ended September 30, 2013

(1) Consolidated operating results

(The percentage figures indicate changes from the previous fiscal year.)

	Net sales		Operating income(loss)		Ordinary income(loss)		Net income(loss)	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2013	970	(73.6)	(508)	-	(511)	-	(326)	-
September 30, 2012	3,678	144.0	1,049	-	1,013	-	646	-

(Note) Comprehensive income: Three months ended September 30, 2013: (246 million yen) [- %]
Three months ended September 30, 2012: 616 million yen [- %]

	Net income (loss) per share	Net income per share, fully diluted
Three months ended	Yen	Yen
September 30, 2013	(14.47)	-
September 30, 2012	28.67	28.63

(Note) Effective July 1, 2013, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated May 27, 2013. The figures of "net income per share" and "net income per share, fully diluted" are calculated as if the stock split took place at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
September 30, 2013	18,489	15,032	81.1	665.38
June 30, 2013	19,911	15,819	79.3	700.31

(Reference) Equity: September 30, 2013: 14,998 million yen June 30, 2013: 15,785 million yen

(Note) Effective July 1, 2013, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated May 27, 2013. The figures of “net assets per share” are calculated as if the stock split took place at the beginning of the previous fiscal year.

2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2013	--	0.00	--	48.00	48.00
Fiscal year ending June 30, 2014	--				
Fiscal year ending June 30, 2014 (Forecast)		0.00	--	20.00	20.00

(Note) Revision to forecast of dividends since the last announcement: None

Effective July 1, 2013, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated May 27, 2013. Since the effective date of the stock split was July 1, 2013, the company paid dividends of June 30, 2013, based on the number of shares outstanding prior to the stock split.

3. Forecast of consolidated financial results for the year ending June 30, 2014

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First 2Qs	4,500	(31.5)	50	(97.2)	50	(97.4)	30	(97.6)	1.33
Annual	13,400	17.6	2,250	4.7	2,250	(11.3)	1,450	(9.9)	64.33

(Note) Revision to forecast of financial results since the last announcement: None

※ Notes

(1) Significant changes of subsidiaries during the period (changes of specified subsidiaries accompanying changes in the scope of consolidation): None

Number of subsidiaries added to consolidation: None (Company names: --),
Number of subsidiaries excluded from consolidation: None (Company names: --)

(2) Changes in accounting policy, changes or restatement of accounting estimates
(a) Changes in accounting policy due to revision of accounting standards: None
(b) Changes in accounting policy other than (a): None
(c) Changes in accounting estimates: None
(d) Restatement due to revision: None

(3) Number of issued shares (common stock):

(Shares)

(a) Number of issued shares at the end of the period (including treasury stock)	September 30, 2013	23,571,600	June 30, 2013	23,571,600
(b) Number of treasury stock at the end of the period	September 30, 2013	1,030,800	June 30, 2013	1,030,800
(c) Average number of shares during the period	September 30, 2013	22,540,800	September 30, 2012	22,538,800

(Note) Effective July 1, 2013, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated May 27, 2013. The number of issued shares at the end of the period (including treasury stock), the number of treasury stock at the end of the period, and the average number of shares during the period are calculated as if the stock split took place at the beginning of the previous fiscal year.

※ Disclosure regarding the status of auditing of this report

This summary of financial results and its related materials are not subject to auditing under the Financial Instruments and Exchange Act of Japan. As of the date of this report, auditing of the consolidated financial statements based on the Financial Instruments and Exchange Act has not been completed.

※ Cautionary statement for proper use of forecast of financial results and other special notes

The forecast of financial results provided in this summary and its related materials is based on information available to the management at the time of announcement and on assumptions it has judged to be reasonable. Lasertec makes no guarantees about achieving the forecast provided herein. Actual results may differ materially from the forecast due to various factors.

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1. Qualitative information concerning this quarterly report

(1) Qualitative information concerning consolidated results

During the three months ended September 30, 2013, the global economy was on a gradual recovery path but its prospect remains uncertain amidst European sovereign debt problems, slower growths in emerging countries and the US economy's late recovery.

The Japanese economy has been on a recovery track mainly because of the steady growth of spending by consumers who are anticipating positive effects of large-scale monetary easing and expansionary fiscal policy implemented by the government of Japan.

In the semiconductor industry, which is our main business domain, we saw steadily growing demand for ICs used on smartphones and tablets, but weak demand for ICs used on digital consumer electronics, such as flat panel display TVs and digital cameras, and for those used on personal computers due to sluggish sales. As a result, the overall capital expenditures in the semiconductor industry remained at a low level.

As for other business areas, the flat panel display industry experienced another period of low capital expenditures. The lingering slump of the large-sized TV market overwhelmed the market growth of small and medium-sized panels for smartphones. In the photovoltaic cell industry, the number of solar power installations is increasing in Japan, but the global market continues to suffer low capital spending because of the prolonged state of overproduction and falling prices. The lithium ion battery industry, on the other hand, is expanding and its capital expenditures are gradually increasing.

Under the circumstances, our consolidated net sales in the three month period ended September 30, 2013, was 970 million yen, down 73.6% from the same period of the previous year.

Looking at the consolidated net sales by product segment, semiconductor-related equipment accounted for 507 million yen (down 84.3%), other products for 48 million yen (down 38.3%), and services for 415 million yen (up 12.4%).

As for consolidated income for the three month period of this quarterly report, we recorded an operating loss of 508 million yen (an operating profit of 1,049 million yen in the same period of the previous year), an ordinary loss of 511 million yen (an ordinary profit of 1,013 million yen in the same period of the previous year), and a net loss of 326 million yen (a net profit of 646 million yen in the same period of the previous year).

(2) Qualitative information concerning consolidated financial position

① Financial position

Total assets at the end of the quarter amounted to 18,489 million yen, down 1,422 million yen from the end of the previous fiscal year. This is mainly because cash and deposits decreased by 1,300 million yen and notes and accounts receivable-trade decreased by 943 million yen whereas work in process increased by 485 million yen and deferred tax assets in current assets increased by 198 million yen.

Liabilities at the end of the quarter amounted to 3,456 million yen, down from 635 million yen from the end of the previous fiscal year. This is mainly because income taxes payable decreased by 416 million yen, notes and accounts payable-trade decreased by 379 million yen, and long-term loans payable decreased by 176 million yen whereas advances received increased by 430 million yen.

Net assets, which consist of shareholders' equity, accumulated other comprehensive income, and subscription right to shares, amounted to 15,032 million yen with capital-asset ratio of 81.1%.

② Cash flows

Cash and cash equivalents at the end of the quarter amounted to 2,664 million yen, down 1,303 million yen from the end of the previous fiscal year. Following is the status of cash flows and their contributing factors during the three month period.

For operating activities, 569 million yen was used (down 38.8% from the same period of the previous year). This is mainly because the sum of cash payment, such as an increase of 550 million yen in inventories, a 511-million yen loss before income taxes and minority interests, and 430 million yen used for income taxes paid, exceeded the sum of cash receipt such as a decrease of 944 million yen in notes and accounts receivable-trade.

For investment activities, 18 million yen was used (down 19.6% from the same period of the previous year). This is mainly due to 18 million yen used for purchase of property, plant and equipment.

For financing activities, 717 million yen was used (down 7.3% from the same period of the previous year). This is mainly due to 540 million yen used for cash dividends paid and 176 million yen used for payment of long-term loans payable.

(3) Qualitative information concerning forecast of consolidated financial results

With respect to our business environment, we anticipate a recovery of capital expenditures in the semiconductor industry, especially in the latter half of this fiscal year, because major foundries manufacturing ICs for smartphones continue to record good operating results while the manufacturers of memory ICs are expected to have their operating results improving.

In this business environment, we are aiming to meet the last forecast. We are trying to record increased sales of our main products by maintaining good relationships with major semiconductor manufacturers engaged in aggressive capital spending and at the same time enhancing our efforts to capture more contracts for our new products. We therefore do not revise the forecast announced on August 12, 2013.

2. Statement concerning “Notes” on the summary

(1) Significant changes of subsidiaries during the cumulative quarter
None

(2) Application of special accounting procedures to the preparation of consolidated financial statements
None

(3) Changes in accounting policy and changes or restatement of accounting estimates
None

3. Consolidated Financial Statements

(1) Consolidated balance sheet

(In thousands of yen)

	Previous (As of June 30, 2013)	Current (As of September 30, 2013)
Assets		
Current assets		
Cash and deposits	4,027,941	2,727,841
Notes and accounts receivable-trade	2,517,020	1,573,658
Work in process	3,692,425	4,178,183
Raw materials and supplies	494,111	562,396
Deferred tax assets	990,321	1,189,006
Other	797,075	803,187
Allowance for doubtful accounts	(49,161)	(21,611)
Total current assets	12,469,734	11,012,622
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	2,130,618	2,105,538
Machinery, equipment and vehicles, net	16,340	15,265
Tools, furniture and fixtures, net	167,234	159,953
Land	4,254,773	4,254,773
Total property, plant and equipment	6,568,967	6,535,531
Intangible assets	577	582
Investments and other assets		
Investment securities	359,901	442,707
Long-term accounts receivable-other	293,336	293,336
Deferred tax assets	137,816	126,544
Other	81,335	77,968
Allowance for doubtful accounts	(286)	(286)
Total investments and other assets	872,103	940,270
Total noncurrent assets	7,441,648	7,476,384
Total assets	19,911,383	18,489,046

(In thousands of yen)

	Previous (As of June 30, 2013)	Current (As of September 30, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	774,642	394,826
Current portion of long-term loans payable	706,000	706,000
Income taxes payable	430,767	13,959
Advances received	428,484	859,134
Provision for bonuses	--	141,772
Provision for directors' bonuses	111,000	--
Provision for product warranties	360,959	315,672
Other	530,506	462,344
Total current liabilities	3,342,360	2,893,709
Noncurrent liabilities		
Long-term loans payable	473,000	296,500
Provision for retirement benefits	244,606	242,674
Other	31,887	23,805
Total noncurrent liabilities	749,493	562,979
Total liabilities	4,091,854	3,456,689
Net assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,080,360
Retained earnings	14,838,857	13,971,566
Treasury stock	(979,942)	(979,942)
Total shareholders' equity	15,870,274	15,002,983
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	66,499	132,673
Foreign currency translation adjustment	(151,190)	(137,245)
Total accumulated other comprehensive income	(84,690)	(4,571)
Subscription rights to shares	33,945	33,945
Total net assets	15,819,528	15,032,357
Total liabilities and net assets	19,911,383	18,489,046

(2) Consolidated statement of income and consolidated statement of comprehensive income

(Consolidated statement of income)

(In thousands of yen)

	Previous (July 1, 2012 thru September 30, 2012)	Current (July 1, 2013 thru September 30, 2013)
Net sales	3,678,179	970,874
Cost of sales	1,789,211	701,977
Gross profit	1,888,967	268,897
Selling, general and administrative expenses	839,316	777,703
Operating income	1,049,651	(508,806)
Non-operating income		
Interest income	561	499
Other	1,900	1,862
Total non-operating income	2,462	2,361
Non-operating expenses		
Interest expenses	6,179	3,251
Foreign exchange losses	31,504	1,556
Other	527	--
Total non-operating expenses	38,210	4,807
Ordinary income	1,013,903	(511,252)
Income before income taxes and minority interests	1,013,903	(511,252)
Income taxes-current	477,894	18,841
Income taxes-deferred	(110,222)	(203,781)
Total income taxes	367,672	(184,940)
Income before minority interests	646,231	(326,311)
Net Income	646,231	(326,311)

(Consolidated statement of comprehensive income)

(In thousands of yen)

	Previous (July 1, 2012 thru September 30, 2012)	Current (July 1, 2013 thru September 30, 2013)
Income before minority interests	646,231	(326,311)
Other comprehensive income		
Valuation difference on available-for-sale securities	(23,030)	66,174
Foreign currency translation adjustment	(7,166)	13,945
Total other comprehensive income	(30,197)	80,119
Comprehensive income	616,033	(246,191)
Comprehensive income attributable to owners of the parent	616,033	(246,191)
Comprehensive income attributable to minority interests	--	--

(3)Consolidated statement of cash flows

(In thousands of yen)

	Previous (July 1, 2012 thru September 30, 2012)	Current (July 1, 2013 thru September 30, 2013)
Cash flows from operating activities		
Income before income taxes and minority interests	1,013,903	(511,252)
Depreciation and amortization	53,405	52,058
Increase (decrease) in allowance for doubtful accounts	40,520	(27,577)
Increase (decrease) in provision for bonuses	136,341	141,772
Increase (decrease) in provision for director's bonuses	(77,537)	(111,000)
Increase (decrease) in provision for product warranties	100,697	(44,849)
Increase (decrease) in provision for retirement benefits	1,132	(2,260)
Interest and dividends income	(561)	(499)
Interest expenses	6,179	3,251
Foreign exchange losses (gains)	7,202	5,460
Decrease (increase) in notes and accounts receivable-trade	(1,420,461)	944,658
Decrease (increase) in inventories	51,381	(550,530)
Decrease (increase) in accounts receivable-other	2,218	4
Increase (decrease) in notes and accounts payable-trade	(117,830)	(252,372)
Increase (decrease) in advances received	187,825	430,406
Other, net	(59,061)	(213,403)
Subtotal	(74,643)	(136,133)
Interest and dividends income received	641	469
Interest expenses paid	(6,154)	(3,283)
Income taxes paid	(849,532)	(430,172)
Net cash provided by (used in) operating activities	(929,689)	(569,120)
Cash flows from investment activities		
Purchase of property, plant and equipment	(22,856)	(18,133)
Proceeds from sale of property, plant and equipment	--	63
Other, net	--	(300)
Net cash provided by (used in) investment activities	(22,856)	(18,369)
Cash flows from financing activities		
Payment of long-term loans payable	(176,500)	(176,500)
Cash dividends paid	(597,278)	(540,979)
Net cash provided by (used in) financing activities	(773,778)	(717,479)
Effect of exchange rate change on cash and cash equivalents	(10,381)	1,578
Net increase (decrease) in cash and cash equivalents	(1,736,705)	(1,303,390)
Cash and cash equivalents at beginning of period	4,625,370	3,967,601
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	61,982	--
Cash and cash equivalents at end of period	2,950,647	2,664,211

(4) Note on going concern

None

(5) Note on significant changes in the amount of shareholders' equity

None

4. Supplementary information

(1) Production by category

Production by category for the first three months of the fiscal year is as follows.

(In thousands of yen)

	(July 1, 2013 thru September 30, 2013)		
Category	Previous	Current	Year-on-year comparison (%)
Finished goods			
Semiconductor-related systems	1,680,363	1,873,048	111.5
Other products	363,908	106,031	29.1
Subtotal	2,044,271	1,979,080	96.8
Services	369,727	415,674	112.4
Total	2,413,998	2,394,754	99.2

(Notes)
1. Numbers shown above are based on sales prices.
2. Starting this fiscal year, we no longer use the two categories, “FPD-related system” and “confocal laser microscopes,” and merge them into the “other products” category.
3. Consumption taxes are excluded.

(2) Orders by category

Orders and backlog by category for the first three months of the fiscal year are as follows.

(In thousands of yen)

	(July 1, 2013 thru September 30, 2013)					
Category	Orders Previous	Orders Current	Year-on-year comparison (%)	Backlog Previous	Backlog Current	Year-on-year comparison (%)
Finished goods						
Semiconductor-related	1,680,927	790,363	47.0	5,136,112	4,326,445	84.2
Other products	185,917	195,733	105.3	261,462	250,113	95.7
Subtotal	1,866,844	986,096	52.8	5,397,575	4,576,558	84.8
Services	347,139	406,415	117.1	164,058	238,807	145.6
Total	2,213,984	1,392,512	62.9	5,561,633	4,815,366	86.6

(Notes)
1. Numbers shown above are based on sales prices.
2. Starting this fiscal year, we no longer use the two categories, “FPD-related system” and “confocal laser microscopes,” and merge them into the “other products” category.
3. Numbers reflect adjustment for cancellation and other changes.
4. Consumption taxes are excluded.

(3) Sales by category

Sales by category for the first three months of the fiscal year are as follows.

(In thousands of yen)

	(July 1, 2013 thru September 30, 2013)		
Category	Previous	Current	Year-on-year comparison (%)
Finished goods			
Semiconductor related systems	3,230,549	507,119	15.7
Other products	77,902	48,080	61.7
Subtotal	3,308,452	555,200	16.8
Services	369,727	415,674	112.4
Total	3,678,179	970,874	26.4

(Note)

1. Starting this fiscal year, we no longer use the two categories, “FPD-related system” and “confocal laser microscopes,” and merge them into the “other products” category.
2. Consumption taxes are excluded.