Consolidated Financial Results for the First Quarter Ended September 30, 2014 (Japanese GAAP)

October 31, 2014

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Stock exchange listing: Tokyo Stock Exchange
Code: 6920
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Preparation of supplementary materials for financial results: Yes
Financial results briefing: No

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

1. Consolidated financial results for the three months ended September 30, 2014

(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, 2014	1,747	80.0	86	--	132	--	82	--
September 30, 2013	970	(73.6)	(508)	--	(511)	--	(326)	--

(Note) Comprehensive income: Three months ended September 30, 2014: 136 million yen [--%]
Three months ended September 30, 2013: (246) million yen [--%]

	Net income (loss) per share	Net income per share, fully diluted
Three months ended	Yen	Yen
September 30, 2014	3.66	3.65
September 30, 2013	(14.47)	--

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
September 30, 2014	20,286	16,991	83.6	752.33
June 30, 2014	21,687	17,463	80.4	773.26

(Reference) Equity: September 30, 2014: 16,959 million yen June 30, 2014: 17,431 million yen

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, 2014	--	0.00	--	27.00	27.00
Fiscal year ending June 30, 2015	0.00				
Fiscal year ending June 30, 2015 (Forecast)		0.00	0.00	34.00	34.00

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

3. Forecast of consolidated financial results for the year ending June 30, 2015

(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	5,600	2.3	500	(40.9)	500	(45.8)	300	(50.8)	13.31
Annual	15,000	10.2	3,200	3.3	3,200	1.2	2,150	9.2	95.37

(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) Application of special accounting procedures for compiling quarterly financial statements: None

(3) 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

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

(Shares)

(a) Number of issued shares at the end of the period (including treasury stock)	September 30, 2014	23,571,600	June 30, 2014	23,571,600
(b) Number of treasury stock at the end of the period	September 30, 2014	1,028.800	June 30, 2014	1,028,800
(c) Average number of shares during the period ended	September 30, 2014	22,542,800	September 30, 2013	22,540,800

※ 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-month period ended September 30, 2014, the prospect of the global economy remained uncertain overall. The US economy had clear signs of robust recovery, but a long-lasting recession lingered in Europe and there were signs of slower growth in China and other emerging economies.

As for the Japanese economy, corporate capital expenditures increased during this quarterly period. However, concerns grew larger about slowing down of the economic growth that lasted since last fiscal year. Consumer spending was not recovering as anticipated after it had plunged due to consumption tax hike.

In the semiconductor industry, which constitutes our main business sector, this quarter was a period of transition from 20nm node to 14/16nm node. Capital expenditures by large foundries, therefore, remained at a low level. As a result, our operating activities remained low.

The business environment of other industries related to the remainder of our business is summarized as follows: in the FPD industry, we saw resumption of significant capital expenditures, after several slow years, for photomasks used in the production of high definition panels for smartphones; in the photovoltaic cell industry, the level of capital expenditures remained low, and; the market of lithium ion batteries was steadily growing.

Under the circumstances, our consolidated net sales in the three-month period ended September 30, 2014, was 1,747 million yen, up 80.0% from the same period of the previous year.

Looking at the consolidated net sales by product segment, semiconductor-related systems accounted for 97 million yen (down 80.8%), other products for 1,222 million yen (up 2,442.0%), and services for 427 million yen (up 2.9%).

As for consolidated income for the three-month period of this quarterly report, we recorded an operating profit of 86 million yen (an operating loss of 508 million yen in the same period of the previous year), an ordinary profit of 132 million yen (an ordinary loss of 511 million yen in the same period of the previous year), and a net profit of 82 million yen (a net loss of 326 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 20,286 million yen, down 1,401 million yen from the end of the previous fiscal year. This is mainly due to a 2,429 million yen decrease in cash and deposits whereas work-in-process increased by 756 million yen and notes and accounts receivable-trade increased by 613 million yen.

Liabilities at the end of the quarter amounted to 3,295 million yen, down 929 million yen from the end of the previous fiscal year. This is mainly due to a 669 million yen decrease in income taxes payable, a 139 million yen decrease in notes and accounts payable-trade, and a 114 million yen decrease in provision for directors' bonuses whereas provision for bonuses increased by 180 million yen.

Net assets, which consist of shareholders' equity, accumulated other comprehensive income, and subscription right to shares, amounted to 16,991 million yen with capital-asset ratio of 83.6%.

② Cash flows

Cash and cash equivalents at the end of the quarter amounted to 3,688 million yen, down 2,431 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, 1,840 million yen was used (up 223.4% from the same period of the previous

year). This is mainly because the sum of cash payment such as a 811 million yen increase in inventories, 725 million yen spent for income taxes paid and a 575 million yen increase in notes and accounts receivable-trade, exceeded the sum of cash receipt such as a 180 million yen increase in provision for bonuses, a 162 million yen increase in notes and accounts payable-trade and a 132 million yen income before income taxes and minority interests.

For investment activities, 14 million yen was used (down 20.6% from the same period of the previous year). This is due to 14 million yen used for purchase of property, plant and equipment.

For financing activities, 608 million yen was used (down 15.1% from the same period of the previous year). This is mainly due to 608 million yen used for cash dividends paid.

(3) Qualitative information concerning forecast of consolidated financial results

We make no revision to our forecast of operating results for the full year ending June 30, 2015, which we announced on August 8, 2014.

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, 2014)	Current (As of September 30, 2014)
Assets		
Current assets		
Cash and deposits	6,190,316	3,760,977
Notes and accounts receivable-trade	1,926,290	2,539,492
Work in process	3,566,295	4,323,158
Raw materials and supplies	713,541	773,014
Deferred tax assets	933,245	950,228
Other	980,376	590,970
Allowance for doubtful accounts	(6,226)	(2,866)
Total current assets	14,303,838	12,934,975
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	2,014,685	1,988,845
Machinery, equipment and vehicles, net	12,039	11,056
Tools, furniture and fixtures, net	216,192	206,848
Leased assets, net	6,380	6,050
Land	4,254,773	4,254,773
Construction in progress	8,014	8,509
Total property, plant and equipment	6,512,085	6,476,083
Intangible assets	591	594
Investments and other assets		
Investment securities	531,718	543,710
Long-term accounts receivable-other	220,002	220,002
Deferred tax assets	58,446	70,138
Other	61,375	41,406
Allowance for doubtful accounts	(228)	(228)
Total investments and other assets	871,313	875,028
Total noncurrent assets	7,383,990	7,351,707
Total assets	21,687,828	20,286,682

(In thousands of yen)

	Previous (As of June 30, 2014)	Current (As of September 30, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	655,796	516,291
Income taxes payable	753,058	83,740
Advances received	1,580,425	1,497,308
Provision for bonuses	--	180,321
Provision for directors' bonuses	126,000	11,557
Provision for product warranties	410,949	315,177
Other	471,049	451,758
Total current liabilities	3,997,281	3,056,154
Noncurrent liabilities		
Net defined benefit liability	198,047	209,646
Other	29,281	29,488
Total noncurrent liabilities	227,328	239,135
Total liabilities	4,224,609	3,295,289
Net assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,080,360
Retained earnings	16,267,648	15,741,430
Treasury stock	(978,041)	(978,041)
Total shareholders' equity	17,300,966	16,774,749
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	237,994	241,695
Foreign currency translation adjustment	(107,424)	(56,733)
Total accumulated other comprehensive income	130,569	184,961
Subscription rights to shares	31,682	31,682
Total net assets	17,463,218	16,991,393
Total liabilities and net assets	21,687,828	20,286,682

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

(Consolidated statement of income)

(In thousands of yen)

	Previous (July 1, 2013 thru September 30, 2013)	Current (July 1, 2014 thru September 30, 2014)
Net sales	970,874	1,747,178
Cost of sales	701,977	794,232
Gross profit	268,897	952,945
Selling, general and administrative expenses	777,703	866,076
Operating income(loss)	(508,806)	86,869
Non-operating income		
Interest income	499	404
Foreign exchange gains	--	43,529
Other	1,862	2,045
Total non-operating income	2,361	45,980
Non-operating expenses		
Interest expenses	3,251	668
Foreign exchange losses	1,556	--
Other	--	49
Total non-operating expenses	4,807	717
Ordinary income(loss)	(511,252)	132,131
Income(loss) before income taxes and minority interests	(511,252)	132,131
Income taxes-current	18,841	83,407
Income taxes-deferred	(203,781)	(33,714)
Total income taxes	(184,940)	49,693
Income(loss) before minority interests	(326,311)	82,438
Net Income(loss)	(326,311)	82,438

(Consolidated statement of comprehensive income)

(In thousands of yen)

	Previous (July 1, 2013 thru September 30, 2013)	Current (July 1, 2014 thru September 30, 2014)
Income(loss) before minority interests	(326,311)	82,438
Other comprehensive income		
Valuation difference on available-for-sale securities	66,174	3,700
Foreign currency translation adjustment	13,945	50,691
Total other comprehensive income	80,119	54,392
Comprehensive income	(246,191)	136,830
Comprehensive income attributable to owners of the parent	(246,191)	136,830
Comprehensive income attributable to minority interests	--	--

(3)Consolidated statement of cash flows

(In thousands of yen)

	Previous (July 1, 2013 thru September 30, 2013)	Current (July 1, 2014 thru September 30, 2014)
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	(511,252)	132,131
Depreciation and amortization	52,058	50,407
Increase (decrease) in allowance for doubtful accounts	(27,577)	(3,375)
Increase (decrease) in provision for bonuses	141,772	180,321
Increase (decrease) in provision for director's bonuses	(111,000)	(114,443)
Increase (decrease) in provision for product warranties	(44,849)	(94,653)
Increase (decrease) in provision for retirement benefits	(2,260)	--
Increase (decrease) in net defined benefit liability	--	11,361
Interest and dividends income	(499)	(404)
Interest expenses	3,251	668
Foreign exchange losses (gains)	5,460	(25,614)
Decrease (increase) in notes and accounts receivable-trade	944,658	(575,596)
Decrease (increase) in inventories	(550,530)	(811,012)
Decrease (increase) in accounts receivable-other	4	(681)
Increase (decrease) in notes and accounts payable-trade	(252,372)	162,354
Increase (decrease) in advances received	430,406	(84,670)
Other, net	(213,403)	58,022
Subtotal	(136,133)	(1,115,183)
Interest and dividends income received	469	703
Interest expenses paid	(3,283)	(668)
Income taxes paid	(430,172)	(725,197)
Net cash provided by (used in) operating activities	(569,120)	(1,840,345)
Cash flows from investment activities		
Purchase of property, plant and equipment	(18,133)	(14,592)
Other, net	(236)	--
Net cash provided by (used in) investment activities	(18,369)	(14,592)
Cash flows from financing activities		
Repayment of long-term loans payable	(176,500)	--
Cash dividends paid	(540,979)	(608,655)
Other, net	--	(330)
Net cash provided by (used in) financing activities	(717,479)	(608,985)
Effect of exchange rate change on cash and cash equivalents	1,578	32,064
Net increase (decrease) in cash and cash equivalents	(1,303,390)	(2,431,858)
Cash and cash equivalents at beginning of period	3,967,601	6,120,176
Cash and cash equivalents at end of period	2,664,211	3,688,317

(4) Notes on consolidated financial statements

(Note on going concern)

None

(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, 2014 thru September 30, 2014)		
Category	Previous	Current	Year-on-year comparison (%)
Finished goods			
Semiconductor-related systems	1,873,048	1,145,428	61.2
Other products	106,031	1,044,217	984.8
Subtotal	1,979,080	2,189,645	110.6
Services	415,674	427,769	102.9
Total	2,394,754	2,617,415	109.3

(Notes)
1. Numbers shown above are based on sales prices.
2. 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, 2014 thru September 30, 2014)					
Category	Orders Previous	Orders Current	Year-on-year comparison (%)	Backlog Previous	Backlog Current	Year-on-year comparison (%)
Finished goods						
Semiconductor-related systems	790,363	1,778,337	225.0	4,326,445	7,135,110	164.9
Other products	195,733	201,854	103.1	250,113	191,679	76.6
Subtotal	986,096	1,980,191	200.8	4,576,558	7,326,789	160.1
Services	406,415	361,512	89.0	238,807	244,136	102.2
Total	1,392,512	2,341,703	168.2	4,815,366	7,570,925	157.2

(Notes)
1. Numbers shown above are based on sales prices.
2. Numbers reflect adjustment for cancellation and other changes.
3. 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, 2014 thru September 30, 2014)		
Category	Previous	Current	Year-on-year comparison (%)
Finished goods			
Semiconductor related systems	507,119	97,178	19.2
Other products	48,080	1,222,230	2,542.0
Subtotal	555,200	1,319,408	237.6
Services	415,674	427,769	102.9
Total	970,874	1,747,178	180.0

(Note) Consumption taxes are excluded.