Consolidated Financial Results for the Second Quarter Ended December 31, 2014 (Japanese GAAP)

January 30, 2015

Company name: Lasertec Corporation
Stock exchange listing: Tokyo Stock Exchange
Code: 6920
URL: http://www.lasertec.co.jp/
Representative: Osamu Okabayashi
Representative Director and President
Contact for inquiries: Shu Uchiyama
Managing Director and Chief Administrative Officer
Phone: +81-45-478-7111

Date of filing the securities report: February 12, 2015
Preparation of supplementary materials for financial results: Yes
Financial results briefing: Yes (for analysts and institutional investors)

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

1. Consolidated financial results for the six months ended December 31, 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)	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2014	6,179	12.8	1,751	106.8	1,775	92.4	1,182	94.1
December 31, 2013	5,476	(16.6)	846	(53.2)	922	(52.7)	609	(50.9)

(Note) Comprehensive income: Six months ended December 31, 2014: 1,299 million yen [72.6%]
Six months ended December 31, 2013: 752 million yen [-42.3%]

	Net income (loss) per share	Net income per share, fully diluted
Six months ended	Yen	Yen
December 31, 2014	52.44	52.38
December 31, 2013	27.02	26.98

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
December 31, 2014	21,268	18,145	85.2	803.89
June 30, 2014	21,687	17,463	80.4	773.26

(Reference) Equity: December 31, 2014: 18,121million 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)			--	38.00	38.00

(Note) Revision to forecast of dividends since the last announcement: Yes

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
Annual	15,000	10.2	3,800	22.7	3,800	20.2	2,400	21.9	106.46

(Note) Revision to forecast of financial results since the last announcement: Yes

※ 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)	December 31, 2014	23,571,600	June 30, 2014	23,571,600
(b) Number of treasury stock at the end of the period	December 31, 2014	1,028.800	June 30, 2014	1,028,800
(c) Average number of shares during the period ended	December 31, 2014	22,542,800	December 31, 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.

Contents of Supplementary Material

1. Qualitative information concerning this quarterly report ……2
(1) Qualitative information concerning consolidated results ……2
(2) Qualitative information concerning consolidated financial position ……2
(3) Qualitative information concerning forecast of consolidated financial results ……3

2. Statement concerning “Notes on the summary” ……3
(1) Significant changes of subsidiaries during the cumulative quarter ……3
(2) Application of special accounting procedures to the preparation of consolidated financial statements ……3
(3) Changes in accounting policy and changes or restatement of accounting estimates ……3

3. Consolidated financial statements……4
(1) Consolidated balance sheet ……4
(2) Consolidated statement of income and consolidated statement of comprehensive income……6
Consolidated statement of income (First six months of the fiscal year) ……6
Consolidated statement of comprehensive income (First six months of the fiscal year)……7
(3) Consolidated statement of cash flows ……8
(4) Notes on consolidated financial statements ……9
(Note on going concern)……9
(Note on significant changes in the amount of shareholders’ equity)……9

4. Supplementary information…… 10
(1) Production by category…… 10
(2) Orders by category…… 10
(3) Sales by category …… 10

1. Qualitative information concerning this quarterly report

(1) Qualitative information concerning consolidated results

During the six-month period ended December 31, 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 six-month period ended December 31, 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 six-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 six-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 December 31, 2014)
Assets		
Current assets		
Cash and deposits	6,190,316	3,546,681
Notes and accounts receivable-trade	1,926,290	4,302,541
Work in process	3,566,295	3,866,115
Raw materials and supplies	713,541	670,072
Deferred tax assets	933,245	802,336
Other	980,376	706,751
Allowance for doubtful accounts	(6,226)	(4,522)
Total current assets	14,303,838	13,889,976
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	2,014,685	1,965,355
Machinery, equipment and vehicles, net	12,039	10,074
Tools, furniture and fixtures, net	216,192	265,274
Leased assets, net	6,380	5,720
Land	4,254,773	4,254,773
Construction in progress	8,014	8,957
Total property, plant and equipment	6,512,085	6,510,154
Intangible assets	591	4,164
Investments and other assets		
Investment securities	531,718	557,944
Long-term accounts receivable-other	220,002	220,002
Deferred tax assets	58,446	43,495
Other	61,375	42,849
Allowance for doubtful accounts	(228)	(212)
Total investments and other assets	871,313	864,079
Total noncurrent assets	7,383,990	7,378,398
Total assets	21,687,828	21,268,374

(In thousands of yen)

	Previous (As of June 30, 2014)	Current (As of December 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	655,796	405,610
Income taxes payable	753,058	431,729
Advances received	1,580,425	1,270,743
Provision for directors' bonuses	126,000	69,029
Provision for product warranties	410,949	325,133
Other	471,049	404,697
Total current liabilities	3,997,281	2,906,943
Noncurrent liabilities		
Net defined benefit liability	198,047	186,557
Other	29,281	29,174
Total noncurrent liabilities	227,328	215,731
Total liabilities	4,224,609	3,122,674
Net assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,080,360
Retained earnings	16,267,648	16,841,113
Treasury stock	(978,041)	(978,041)
Total shareholders' equity	17,300,966	17,874,432
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	237,994	249,667
Foreign currency translation adjustment	(107,424)	(2,161)
Total accumulated other comprehensive income	130,569	247,505
Subscription rights to shares	31,682	23,761
Total net assets	17,463,218	18,145,699
Total liabilities and net assets	21,687,828	21,268,374

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

(Consolidated statement of income)

(In thousands of yen)

	Previous (July 1, 2013 thru December 31, 2013)	Current (July 1, 2014 thru December 31, 2014)
Net sales	5,476,176	6,179,824
Cost of sales	3,025,394	2,717,683
Gross profit	2,450,782	3,462,140
Selling, general and administrative expenses	1,604,204	1,711,116
Operating income	846,578	1,751,023
Non-operating income		
Interest income	752	775
Dividends income	2,204	2,774
Rent income on noncurrent assets	932	880
Foreign exchange gains	76,029	18,894
Other	2,128	1,677
Total non-operating income	82,047	25,002
Non-operating expenses		
Interest expenses	6,005	668
Other	7	62
Total non-operating expenses	6,012	731
Ordinary income	922,613	1,775,295
Extraordinary income		
Gain on reversal of subscription rights to shares	--	7,920
Total extraordinary income	--	7,920
Extraordinary expenses		
Loss on valuation of investment securities	31,633	--
Total extraordinary expenses	31,633	--
Income before income taxes and minority interests	890,979	1,783,215
Income taxes-current	327,192	463,082
Income taxes-deferred	(45,380)	138,011
Total income taxes	281,812	601,094
Income before minority interests	609,167	1,182,121
Net Income	609,167	1,182,121

(Consolidated statement of comprehensive income)

(In thousands of yen)

	Previous (July 1, 2013 thru December 31, 2013)	Current (July 1, 2014 thru December 31, 2014)
Income before minority interests	609,167	1,182,121
Other comprehensive income		
Valuation difference on available-for-sale securities	88,890	11,672
Foreign currency translation adjustment	54,646	105,263
Total other comprehensive income	143,536	116,935
Comprehensive income	752,704	1,299,057
Comprehensive income attributable to owners of the parent	752,704	1,299,057
Comprehensive income attributable to minority interests	--	--

(3)Consolidated statement of cash flows

(In thousands of yen)

	Previous (July 1, 2013 thru December 31, 2013)	Current (July 1, 2014 thru December 31, 2014)
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	890,979	1,783,215
Depreciation and amortization	105,287	105,023
Increase (decrease) in allowance for doubtful accounts	(20,721)	(1,761)
Increase (decrease) in provision for director's bonuses	(87,504)	(56,971)
Increase (decrease) in provision for product warranties	9,309	(84,973)
Increase (decrease) in provision for retirement benefits	(22,799)	--
Increase (decrease) in net defined benefit liability	--	(12,123)
Interest and dividends income	(2,957)	(3,550)
Interest expenses	6,005	668
Foreign exchange losses (gains)	(56,381)	(75,030)
Loss (gain) on valuation of investment securities	31,633	--
Gain on reversal of subscription rights to shares	--	(7,920)
Decrease (increase) in notes and accounts receivable-trade	(969,608)	(2,286,932)
Decrease (increase) in inventories	41,448	(243,197)
Increase (decrease) in notes and accounts payable-trade	(153,815)	(79,803)
Increase (decrease) in advances received	(336,663)	(313,366)
Other, net	(142,007)	(48,689)
Subtotal	(707,795)	(1,325,411)
Interest and dividends income received	2,860	3,813
Interest expenses paid	(6,045)	(668)
Income taxes paid	(438,785)	(760,765)
Net cash provided by (used in) operating activities	(1,149,766)	(2,083,032)
Cash flows from investment activities		
Purchase of property, plant and equipment	(24,280)	(30,759)
Other, net	(4,278)	--
Net cash provided by (used in) investment activities	(28,559)	(30,759)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	700,000	--
Repayment of long-term loans payable	(353,000)	--
Cash dividends paid	(540,979)	(608,655)
Other, net	--	(660)
Net cash provided by (used in) financing activities	(193,979)	(609,315)
Effect of exchange rate change on cash and cash equivalents	73,734	72,752
Net increase (decrease) in cash and cash equivalents	(1,298,570)	(2,650,354)
Cash and cash equivalents at beginning of period	3,967,601	6,120,176
Cash and cash equivalents at end of period	2,669,031	3,469,821

(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 six months of the fiscal year is as follows.

(In thousands of yen)

	(July 1, 2014 thru December 31, 2014)		
Category	Previous	Current	Year-on-year comparison (%)
Finished goods			
Semiconductor-related systems	4,383,085	3,422,884	78.1
Other products	559,924	1,561,057	278.8
Subtotal	4,943,009	4,983,942	100.8
Services	949,690	929,966	97.9
Total	5,892,700	5,913,908	100.4

(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 six months of the fiscal year are as follows.

(In thousands of yen)

	(July 1, 2014 thru December 31, 2014)					
Category	Orders Previous	Orders Current	Year-on-year comparison (%)	Backlog Previous	Backlog Current	Year-on-year comparison (%)
Finished goods						
Semiconductor-related systems	6,050,526	4,491,423	74.2	5,989,495	6,166,564	103.0
Other products	1,016,619	3,861,520	379.8	696,827	3,602,528	517.0
Subtotal	7,067,145	8,352,944	118.2	6,686,322	9,769,092	146.1
Services	911,490	833,730	91.5	209,866	214,158	102.0
Total	7,978,636	9,186,675	115.1	6,896,188	9,983,251	144.8

(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 six months of the fiscal year are as follows.

(In thousands of yen)

	(July 1, 2014 thru December 31, 2014)		
Category	Previous	Current	Year-on-year comparison (%)
Finished goods			
Semiconductor related systems	4,104,233	3,778,811	92.1
Other products	422,252	1,471,047	348.4
Subtotal	4,526,486	5,249,858	116.0
Services	949,690	929,966	97.9
Total	5,476,176	6,179,824	112.8

(Note) Consumption taxes are excluded.