Consolidated Financial Results for the Second Quarter Ended December 31, 2015 (Japanese GAAP)

February 1, 2016

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

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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, 2015

(1) Consolidated operating results

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2015	6,693	8.3	1,304	(25.5)	1,305	(26.5)	934	(21.0)
December 31, 2014	6,179	12.8	1,751	106.8	1,775	92.4	1,182	94.1

(Note) Comprehensive income: Six months ended December 31, 2015: 791 million yen [(39.1%)]
Six months ended December 31, 2014: 1,299 million yen [72.6%]

	Net income per share	Net income per share, fully diluted
Six months ended	Yen	Yen
December 31, 2015	41.44	41.41
December 31, 2014	52.44	52.38

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
December 31, 2015	23,001	19,765	85.8	875,77
June 30, 2015	23,621	20,011	84.6	886.66

(Reference) Equity: December 31, 2015: 19,744 million yen June 30, 2015: 19,989 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, 2015	--	0.00	--	46.00	46.00
Fiscal year ending June 30, 2016	--	0.00			
Fiscal year ending June 30, 2016 (Forecast)			--	38.00	38.00

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

3. Forecast of consolidated financial results for the year ending June 30, 2016

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Annual	15,800	4.0	3,700	(21.7)	3,700	(20.1)	2,400	(18.7)	106.45

(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: Yes
(b) Changes in accounting policy other than (a): None
(c) Changes in accounting estimates: None
(d) Restatement due to revision: None
(Note) For details, please see **Statement concerning "Notes" on the summary,** (3) Changes in accounting policy and changes or restatement of accounting estimates, in page 3 of the attached Supplementary Material.

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

(Shares)

(a) Number of issued shares at the end of the period (including treasury stock)	December 31, 2015	23,571,600	June 30, 2015	23,571,600
(b) Number of treasury stock at the end of the period	December 31, 2015	1,026.800	June 30, 2015	1,026,800
(c) Average number of shares during the period ended	December 31, 2015	22,544,800	December 31, 2014	22,542,800

※ 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, 2015, the US economy continued having a robust growth while it became more evident that the European economy was on a recovery track. However, concerns were growing about the prospect of the global economy, especially about repercussions from the slowdown of growth in China and emerging economies, the plunging energy prices and the US interest rate hike.

The Japanese economy continued seeing an improved employment situation, thanks mainly to corporate earnings growth, but it fell short of having a full-fledged growth due to the concerns about the global economy.

In the semiconductor industry, which is our main business sector, the market condition in this period was unfavorable overall because foundries and DRAM manufacturers kept their capital expenditures lower in anticipation of weakening smartphone sales.

A summary of other industries related to the remainder of our business is as follows: in the FPD industry, there were new capital investments mainly in China; and the lithium ion battery industry saw a slow but steady market growth.

Under the circumstances, our consolidated net sales in the six-month period ended December 31, 2015, was 6,693 million yen, up 8.3% from the same period of the previous year.

Looking at the consolidated net sales by product segment, semiconductor-related products accounted for 4,974 million yen (up 31.7% from the same period of the previous year), other products for 620 million yen (down 57.8%), and services for 1,098 million yen (up 18.1%).

As for consolidated income for this period, we recorded an operating profit of 1,304 million yen (down 25.5% from the same period of the previous year), an ordinary profit of 1,305 million yen (down 26.5% from the same period of the previous year), and a 934 million yen profit attributable to owners of parent (down 21.0% from 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 23,001 million yen, down 619 million yen from the end of the previous fiscal year. This is mainly due to a 760 million yen decrease in notes and accounts receivable-trade and a 145 million yen decrease in investment securities whereas raw materials and supplies increased by 329 million yen.

Liabilities at the end of the quarter amounted to 3,235 million yen, down 374 million yen from the end of the previous fiscal year. This is mainly due to a 531 million yen decrease in income taxes payable and a 469 million yen decrease in notes and accounts payable-trade whereas advances received increased by 715 million yen.

Net assets, which consist of shareholders' equity, accumulated other comprehensive income, and subscription right to shares, amounted to 19,765 million yen with capital-asset ratio of 85.8%.

② Cash flows

Cash and cash equivalents at the end of the quarter amounted to 6,672 million yen, up 134 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.

From operating activities, 1,275 million yen was generated (whereas 2,083 million yen was used in the same period of the previous year). This is mainly because the sum of cash receipt such as 1,305 million yen in income before income taxes and a 747 million yen decrease in notes and accounts receivable-trade exceeded the sum of cash payment such as 990 million yen spent for income taxes paid.

For investment activities, 55 million yen was used (up 79.2% from the same period of the previous year).

This is mainly due to 41 million yen used for purchase of property, plant and equipment.

For financing activities, 1,037 million yen was used (up 70.3% from the same period of the previous year). This is mainly due to 1,037 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, 2016, which we announced on August 7, 2015.

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
(Changes in accounting policy)
(Adoption of accounting standard for business combination and others)
Since the beginning of the first quarter of this fiscal year, we have adopted Accounting Standard for Business Combination (ASBJ Statement No. 21 dated September 13, 2013), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 dated September 13, 2013) and Accounting Standard for Business Divestitures (ASBJ Statement No. 7 dated September 13, 2013), revising our terminology of statement for net income and others and introducing the term “non-controlling interests” to replace the term “minority interests.” To reflect this change, we have restated the consolidated statements for the first six months of the previous fiscal year and the consolidated statements for the previous fiscal year in this report.

3. Consolidated Financial Statements

(1) Consolidated balance sheet

(In thousands of yen)

	Previous (As of June 30, 2015)	Current (As of December 31, 2015)
Assets		
Current assets		
Cash and deposits	6,613,869	6,744,391
Notes and accounts receivable-trade	3,568,713	2,808,303
Work in process	3,669,905	3,533,854
Raw materials and supplies	793,023	1,122,704
Deferred tax assets	784,333	826,443
Other	872,981	817,999
Allowance for doubtful accounts	(3,820)	(3,435)
Total current assets	16,299,006	15,850,262
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	1,921,927	1,875,836
Machinery, equipment and vehicles, net	8,108	6,220
Tools, furniture and fixtures, net	249,630	248,727
Leased assets, net	5,060	4,400
Land	4,254,773	4,254,773
Total property, plant and equipment	6,439,500	6,389,958
Intangible assets	33,007	35,808
Investments and other assets		
Investment securities	657,745	512,576
Long-term accounts receivable-other	146,668	146,668
Deferred tax assets	--	26,022
Other	45,770	40,402
Allowance for doubtful accounts	(212)	(195)
Total investments and other assets	849,971	725,472
Total noncurrent assets	7,322,479	7,151,239
Total assets	23,621,486	23,001,502

(In thousands of yen)

	Previous (As of June 30, 2015)	Current (As of December 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	964,470	494,984
Income taxes payable	916,853	385,356
Advances received	668,153	1,383,873
Provision for directors' bonuses	151,000	51,357
Provision for product warranties	228,545	187,188
Other	492,938	536,835
Total current liabilities	3,421,961	3,039,594
Noncurrent liabilities		
Net defined benefit liability	153,399	168,733
Other	34,999	27,514
Total noncurrent liabilities	188,398	196,248
Total liabilities	3,610,360	3,235,843
Net assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,080,360
Retained earnings	18,613,159	18,510,397
Treasury stock	(976,139)	(976,139)
Total shareholders' equity	19,648,379	19,545,617
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	335,907	236,890
Foreign currency translation adjustment	5,340	(38,347)
Total accumulated other comprehensive income	341,247	198,543
Subscription rights to shares	21,498	21,498
Total net assets	20,011,125	19,765,659
Total liabilities and net assets	23,621,486	23,001,502

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

(Consolidated statement of income)

(In thousands of yen)

	Previous (July 1, 2014 thru December 31, 2014)	Current (July 1, 2015 thru December 31, 2015)
Net sales	6,179,824	6,693,798
Cost of sales	2,717,683	3,251,808
Gross profit	3,462,140	3,441,990
Selling, general and administrative expenses	1,711,116	2,137,807
Operating income	1,751,023	1,304,183
Non-operating income		
Interest income	775	954
Dividends income	2,774	3,708
Rent income on non-current assets	880	797
Foreign exchange gains	18,894	--
Other	1,677	1,785
Total non-operating income	25,002	7,245
Non-operating expenses		
Interest expenses	668	--
Loss on valuation of golf club membership	--	3,600
Foreign exchange losses	--	2,682
Other	62	0
Total non-operating expenses	731	6,282
Ordinary income	1,775,295	1,305,146
Extraordinary income		
Gain on reversal of subscription rights to shares	7,920	--
Total extraordinary income	7,920	--
Income before income taxes	1,783,215	1,305,146
Income taxes-current	463,082	400,956
Income taxes-deferred	138,011	(30,108)
Total income taxes	601,094	370,847
Profit	1,182,121	934,298
Profit attributable to owners of parent	1,182,121	934,298

(Consolidated statement of comprehensive income)

(In thousands of yen)

	Previous (July 1, 2014 thru December 31, 2014)	Current (July 1, 2015 thru December 31, 2015)
Profit	1,182,121	934,298
Other comprehensive income		
Valuation difference on available-for-sale securities	11,672	(99,016)
Foreign currency translation adjustment	105,263	(43,687)
Total other comprehensive income	116,935	(142,704)
Comprehensive income	1,299,057	791,594
Comprehensive income attributable to owners of the parent	1,299,057	791,594
Comprehensive income attributable to non-controlling interests	--	--

(3)Consolidated statement of cash flows

(In thousands of yen)

	Previous (July 1, 2014 thru December 31, 2014)	Current (July 1, 2015 thru December 31, 2015)
Cash flows from operating activities		
Income before income taxes	1,783,215	1,305,146
Depreciation and amortization	105,023	111,307
Increase (decrease) in allowance for doubtful accounts	(1,761)	(382)
Increase (decrease) in provision for director's bonuses	(56,971)	(99,643)
Increase (decrease) in provision for product warranties	(84,973)	(41,705)
Increase (decrease) in net defined benefit liability	(12,123)	15,711
Interest and dividends income	(3,550)	(4,663)
Interest expenses	668	--
Foreign exchange losses (gains)	(75,030)	(816)
Loss on valuation of golf club memberships	--	3,600
Gain on reversal of subscription rights to shares	(7,920)	--
Decrease (increase) in notes and accounts receivable-trade	(2,286,932)	747,105
Decrease (increase) in inventories	(243,197)	(205,715)
Increase (decrease) in notes and accounts payable-trade	(79,803)	(284,817)
Increase (decrease) in advances received	(313,366)	724,491
Other, net	(48,689)	(7,540)
Subtotal	(1,325,411)	2,262,080
Interest and dividends income received	3,813	4,692
Interest expenses paid	(668)	--
Income taxes paid	(760,765)	(990,975)
Net cash provided by (used in) operating activities	(2,083,032)	1,275,796
Cash flows from investment activities		
Purchase of property, plant and equipment	(30,759)	(41,617)
Purchase of intangible assets	--	(13,510)
Net cash provided by (used in) investment activities	(30,759)	(55,127)
Cash flows from financing activities		
Cash dividends paid	(608,655)	(1,037,060)
Other, net	(660)	(660)
Net cash provided by (used in) financing activities	(609,315)	(1,037,720)
Effect of exchange rate change on cash and cash equivalents	72,752	(48,156)
Net increase (decrease) in cash and cash equivalents	(2,650,354)	134,792
Cash and cash equivalents at beginning of period	6,120,176	6,537,289
Cash and cash equivalents at end of period	3,469,821	6,672,081

(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, 2015 thru December 31, 2015)		
Category	Previous	Current	Year-on-year comparison (%)
Finished goods			
Semiconductor-related products	3,422,884	5,706,536	166.7
Other products	1,561,057	1,830,609	117.3
Subtotal	4,983,942	7,537,146	151.2
Services	929,966	1,098,534	118.1
Total	5,913,908	8,635,680	146.0

(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, 2015 thru December 31, 2015)					
Category	Orders Previous	Orders Current	Year-on-year comparison (%)	Backlog Previous	Backlog Current	Year-on-year comparison (%)
Finished goods						
Semiconductor-related products	4,491,423	4,748,182	105.7	6,166,564	7,191,818	116.6
Other products	3,861,520	1,100,207	28.5	3,602,528	2,881,815	80.0
Subtotal	8,352,944	5,848,389	70.0	9,769,092	10,073,634	103.1
Services	833,730	1,042,894	125.1	214,158	317,162	148.1
Total	9,186,675	6,891,283	75.0	9,983,251	10,390,797	104.1

(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, 2015 thru December 31, 2015)		
Category	Previous	Current	Year-on-year comparison (%)
Finished goods			
Semiconductor-related products	3,778,811	4,974,874	131.7
Other products	1,471,047	620,389	42.2
Subtotal	5,249,858	5,595,264	106.6
Services	929,966	1,098,534	118.1
Total	6,179,824	6,693,798	108.3

(Note) Consumption taxes are excluded.