Consolidated Financial Results for the Third Quarter Ended March 31, 2016 (Japanese GAAP)

April 28, 2016

Company name:	Lasertec Corporation
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 nine months ended March 31, 2016

(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	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2016	10,561	(4.4)	2,350	(27.6)	2,370	(25.1)	1,677	(15.7)
March 31, 2015	11,052	60.1	3,247	435.6	3,166	395.7	1,990	450.5

(Note) Comprehensive income: Nine months ended March 31, 2016: 1,403 million yen [(35.2%)]
Nine months ended March 31, 2015: 2,166 million yen [329.4%]

	Net income per share	Net income per share, fully diluted
Nine months ended	Yen	Yen
March 31, 2016	74.42	74.35
March 31, 2015	88.31	88.21

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2016	25,228	20,377	80.7	902.93
June 30, 2015	23,621	20,011	84.6	886.66

(Reference) Equity: March 31, 2016: 20,356 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)	March 31, 2016	23,571,600	June 30, 2015	23,571,600
(b) Number of treasury stock at the end of the period	March 31, 2016	1,026.800	June 30, 2015	1,026,800
(c) Average number of shares during the period ended	March 31, 2016	22,544,800	March 31, 2015	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.

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1. Qualitative information concerning this quarterly report

(1) Qualitative information concerning consolidated results

During the nine-month period ended March 31, 2016, the US economy kept steadily growing with especially strong growth in employment and consumer spending. The European economy, on the other hand, returned to a lower pace of recovery. As the slowdown in China and emerging economies became more evident, concerns were growing about its repercussions on the global economy.

As for the Japanese economy, strong employment growth continued, but consumer spending remained sluggish. With the appreciation of Japanese yen against US dollar rapidly progressing since the beginning of 2016 and the overseas economies slowing down, concerns were rising about corporate earnings. People became more uncertain about the prospect of the Japanese economy.

In the semiconductor industry, which is our primary business segment, foundries and DRAM manufacturers kept their capital expenditures lower due to declining PC sales and slower smartphone growth.

A summary of industries related to our remaining business segment is as follows: in the FPD industry, capital investment increased as the development and production of organic light-emitting diode (OLED) began in earnest; and the lithium ion battery industry saw a slow but steady market growth driven by demand for automotive applications.

Under the circumstances, our consolidated net sales in the nine-month period ended March 31, 2016, was 10,561 million yen, down 4.4% from the same period of the previous year.

Looking at the consolidated net sales by product segment, semiconductor-related products accounted for 8,028 million yen (up 0.4% from the same period of the previous year), other products for 859 million yen (down 49.5%), and services for 1,674 million yen (up 23.4%).

As for consolidated income for this period, we recorded an operating profit of 2,350 million yen (down 27.6% from the same period of the previous year), an ordinary profit of 2,370 million yen (down 25.1% from the same period of the previous year), and a 1,677 million yen profit attributable to owners of parent (down 15.7% 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 25,228 million yen, up 1,607 million yen from the end of the previous fiscal year. This is mainly due to a 972 million yen increase in notes and accounts receivable-trade, a 416 million yen increase in raw materials and supplies and a 336 million yen increase in work in process.

Liabilities at the end of the quarter amounted to 4,851 million yen, up 1,240 million yen from the end of the previous fiscal year. This is mainly due to a 1,391 million yen increase in advances received and a 238 million yen increase in provision for bonuses whereas income taxes payable decreased by 488 million yen.

Net assets, which consist of shareholders' equity, accumulated other comprehensive income, and subscription right to shares, amounted to 20,377 million yen with capital-asset ratio of 80.7%.

② Cash flows

Cash and cash equivalents at the end of the quarter amounted to 6,417 million yen, down 119 million yen from the end of the previous fiscal year. Following is the status of cash flows and their contributing factors during the nine-month period.

From operating activities, 1,426 million yen was generated (whereas 46 million yen was used in the same period of the previous year). This is mainly because the sum of cash receipt such as 2,370 million yen in income before income taxes and a 1,437 million yen increase in advances received exceeded the sum of cash payment such as 1,360 million yen spent for income taxes paid and a 1,004 million yen increase in notes and accounts receivable-trade.

For investment activities, 365 million yen was used (up 391.1% from the same period of the previous year). This is mainly due to 352 million yen used for purchase of property, plant and equipment.

For financing activities, 1,038 million yen was used (up 69.9% 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 nine 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 March 31, 2016)
Assets		
Current assets		
Cash and deposits	6,613,869	6,486,632
Notes and accounts receivable-trade	3,568,713	4,541,462
Work in process	3,669,905	4,006,240
Raw materials and supplies	793,023	1,209,933
Deferred tax assets	784,333	888,991
Other	872,981	889,959
Allowance for doubtful accounts	(3,820)	(5,115)
Total current assets	16,299,006	18,018,104
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	1,921,927	1,851,483
Machinery, equipment and vehicles, net	8,108	5,293
Tools, furniture and fixtures, net	249,630	224,295
Leased assets, net	5,060	4,070
Land	4,254,773	4,254,773
Construction in progress	--	270,652
Total property, plant and equipment	6,439,500	6,610,568
Intangible assets	33,007	33,762
Investments and other assets		
Investment securities	657,745	393,809
Long-term accounts receivable-other	146,668	73,334
Deferred tax assets	--	58,301
Other	45,770	41,242
Allowance for doubtful accounts	(212)	(195)
Total investments and other assets	849,971	566,491
Total noncurrent assets	7,322,479	7,210,822
Total assets	23,621,486	25,228,926

(In thousands of yen)

	Previous (As of June 30, 2015)	Current (As of March 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	964,470	1,153,573
Income taxes payable	916,853	428,714
Advances received	668,153	2,059,159
Provision for bonuses	--	238,263
Provision for directors' bonuses	151,000	98,144
Provision for product warranties	228,545	176,610
Other	492,938	473,069
Total current liabilities	3,421,961	4,627,535
Noncurrent liabilities		
Net defined benefit liability	153,399	196,223
Other	34,999	27,297
Total noncurrent liabilities	188,398	223,521
Total liabilities	3,610,360	4,851,057
Net assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,080,360
Retained earnings	18,613,159	19,253,819
Treasury stock	(976,139)	(976,139)
Total shareholders' equity	19,648,379	20,289,039
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	335,907	156,628
Foreign currency translation adjustment	5,340	(89,296)
Total accumulated other comprehensive income	341,247	67,331
Subscription rights to shares	21,498	21,498
Total net assets	20,011,125	20,377,869
Total liabilities and net assets	23,621,486	25,228,926

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

(Consolidated statement of income)

(In thousands of yen)

	Previous (July 1, 2014 thru March 31, 2015)	Current (July 1, 2015 thru March 31, 2016)
Net sales	11,052,997	10,561,920
Cost of sales	5,160,748	4,845,787
Gross profit	5,892,249	5,716,132
Selling, general and administrative expenses	2,645,129	3,365,280
Operating income	3,247,120	2,350,851
Non-operating income		
Interest income	2,451	2,403
Dividends income	2,774	3,708
Rent income on non-current assets	1,313	1,188
Foreign exchange gains	--	13,479
Other	2,283	2,031
Total non-operating income	8,823	22,811
Non-operating expenses		
Interest expenses	668	--
Loss on valuation of golf club membership	--	3,000
Foreign exchange losses	88,850	--
Other	62	0
Total non-operating expenses	89,581	3,000
Ordinary income	3,166,362	2,370,662
Extraordinary income		
Gain on reversal of subscription rights to shares	7,920	--
Total extraordinary income	7,920	--
Income before income taxes	3,174,282	2,370,662
Income taxes-current	1,088,310	782,996
Income taxes-deferred	95,242	(90,054)
Total income taxes	1,183,552	692,941
Profit	1,990,730	1,677,720
Profit attributable to owners of parent	1,990,730	1,677,720

(Consolidated statement of comprehensive income)

(In thousands of yen)

	Previous (July 1, 2014 thru March 31, 2015)	Current (July 1, 2015 thru March 31, 2016)
Profit	1,990,730	1,677,720
Other comprehensive income		
Valuation difference on available-for-sale securities	73,608	(179,278)
Foreign currency translation adjustment	101,997	(94,637)
Total other comprehensive income	175,605	(273,916)
Comprehensive income	2,166,336	1,403,804
Comprehensive income attributable to owners of the parent	2,166,336	1,403,804
Comprehensive income attributable to non-controlling interests	--	--

(3)Consolidated statement of cash flows

(In thousands of yen)

	Previous (July 1, 2014 thru March 31, 2015)	Current (July 1, 2015 thru March 31, 2016)
Cash flows from operating activities		
Income before income taxes	3,174,282	2,370,662
Depreciation and amortization	164,166	170,544
Increase (decrease) in allowance for doubtful accounts	(3,060)	1,313
Increase (decrease) in provision for bonuses	246,016	238,263
Increase (decrease) in provision for director's bonuses	(12,282)	(52,856)
Increase (decrease) in provision for product warranties	(48,267)	(49,323)
Increase (decrease) in net defined benefit liability	(19,122)	43,493
Interest and dividends income	(5,226)	(6,112)
Interest expenses	668	--
Foreign exchange losses (gains)	(71,641)	(28,124)
Loss on valuation of golf club memberships	--	3,000
Gain on reversal of subscription rights to shares	(7,920)	--
Decrease (increase) in notes and accounts receivable-trade	(2,142,610)	(1,004,355)
Decrease (increase) in inventories	(83,336)	(775,533)
Decrease (increase) in long-term accounts receivable-other	73,334	73,334
Increase (decrease) in notes and accounts payable-trade	716,607	257,352
Increase (decrease) in advances received	(768,945)	1,437,255
Other, net	(55,664)	101,605
Subtotal	1,156,998	2,780,518
Interest and dividends income received	6,219	6,674
Interest expenses paid	(668)	--
Income taxes paid	(1,209,106)	(1,360,623)
Net cash provided by (used in) operating activities	(46,556)	1,426,569
Cash flows from investment activities		
Purchase of property, plant and equipment	(46,072)	(352,041)
Purchase of intangible assets	(28,369)	(13,510)
Net cash provided by (used in) investment activities	(74,442)	(365,551)
Cash flows from financing activities		
Cash dividends paid	(608,655)	(1,037,060)
Other, net	(2,420)	(990)
Net cash provided by (used in) financing activities	(611,075)	(1,038,050)
Effect of exchange rate change on cash and cash equivalents	70,112	(142,643)
Net increase (decrease) in cash and cash equivalents	(661,962)	(119,676)
Cash and cash equivalents at beginning of period	6,120,176	6,537,289
Cash and cash equivalents at end of period	5,458,213	6,417,612

(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 nine months of the fiscal year is as follows.

(In thousands of yen)

	(July 1, 2015 thru March 31, 2016)		
Category	Previous	Current	Year-on-year comparison (%)
Finished goods			
Semiconductor-related products	7,451,742	7,675,344	103.0
Other products	2,148,207	2,103,296	97.9
Subtotal	9,599,949	9,778,641	101.9
Services	1,357,438	1,674,602	123.4
Total	10,957,387	11,453,244	104.5

(Notes)
1. Numbers shown above are based on sales prices.
2. Consumption taxes are excluded.

(2) Orders and backlog by category

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

(In thousands of yen)

	(July 1, 2015 thru March 31, 2016)					
Category	Orders Previous	Orders Current	Year-on-year comparison (%)	Backlog Previous	Backlog Current	Year-on-year comparison (%)
Finished goods						
Semiconductor-related products	7,971,344	7,015,158	88.0	5,431,282	6,405,664	117.9
Other products	4,034,443	1,343,682	33.3	3,544,952	2,886,369	81.4
Subtotal	12,005,787	8,358,841	69.6	8,976,235	9,292,033	103.5
Services	1,314,190	1,775,192	135.1	267,145	473,391	177.2
Total	13,319,978	10,134,033	76.1	9,243,380	9,765,425	105.6

(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 nine months of the fiscal year are as follows.

(In thousands of yen)

	(July 1, 2015 thru March 31, 2016)		
Category	Previous	Current	Year-on-year comparison (%)
Finished goods			
Semiconductor-related products	7,994,013	8,028,005	100.4
Other products	1,701,546	859,311	50.5
Subtotal	9,695,559	8,887,317	91.7
Services	1,357,438	1,674,602	123.4
Total	11,052,997	10,561,920	95.6

(Note) Consumption taxes are excluded.