Consolidated Financial Results for the Year Ended June 30, 2016 (Japanese GAAP)

August 5, 2016

Company name: Lasertec Corporation
Stock exchange listing: Tokyo Stock Exchange
Code number: 6920
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Date of general shareholders meeting: September 28, 2016
Date of dividend payable date: September 29, 2016
Date of filing the securities report: September 29, 2016
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 year ended June 30, 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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2016	15,291	0.7	4,428	(6.2)	4,575	(1.2)	3,227	9.3
June 30, 2015	15,187	11.6	4,722	52.5	4,630	46.5	2,953	50.0

(Note) Comprehensive income: Year ended June 30, 2016: 2,834million yen [-10.4%]
Year ended June 30, 2015: 3,164 million yen [44.8%]

	Net income per share	Net income per share, fully diluted	Return on shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
June 30, 2016	143.18	143.06	15.5	18.5	29.0
June 30, 2015	131.03	130.89	15.8	20.4	31.1

(Reference) Profit/loss on equity method: Year ended June 30, 2016: None Year ended June 30, 2015: None

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
June 30, 2016	25,870	21,808	84.2	966.38
June 30, 2015	23,621	20,011	84.6	886.66

(Reference) Equity: June 30, 2016: 21,786 million yen June 30, 2015: 19,989 million yen

(3) Consolidated cash flow position

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
June 30, 2016	3,083	(368)	(1,038)	7,967
June 30, 2015	1,032	(82)	(611)	6,537

2. Dividends

	Dividends per share					Dividend payment (Total)	Dividend ratio (Consolidated)	The ratio of dividend to shareholders' equity (Consolidated)
	End 1Q	End 2Q	End 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
June 30, 2015	--	0.00	--	46.00	46.00	1,037	35.1	5.5
June 30, 2016	--	0.00	--	51.00	51.00	1,149	35.6	5.5
June 30, 2017 (Forecast)	--	0.00	--	42.00	42.00		35.7	

3. Forecast of consolidated financial results for the year ending June 30, 2017

(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
First 2Qs	8,700	30.0	2,200	68.7	2,200	68.6	1,550	65.9	68.75
Annual	17,100	11.8	3,700	(16.4)	3,700	(19.1)	2,650	(17.9)	117.54

※ 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: N/A),
Number of subsidiaries excluded from consolidation: None (Company names: N/A)

(2) 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 **(5) Notes on the consolidated financial statements**, (Changes in accounting policy), in page 13 of the attached Supplementary Material.

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

(Shares)

(a) Number of issued shares at the end of the period (including treasury stock)	June 30, 2016	23,571,600	June 30, 2015	23,571,600
(b) Number of treasury stock at the end of the period	June 30, 2016	1,026,800	June 30, 2015	1,026,800
(c) Average number of shares during the period	June 30, 2016	22,544,800	June 30, 2015	22,542,948

(Reference) Financial Results for the Year Ended June 30, 2016 (Non-Consolidated)

1. Financial results

(1) Operating results

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

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2016	14,383	3.0	3,966	(5.8)	3,995	(11.4)	2,911	(2.1)
June 30, 2015	13,964	8.3	4,210	69.9	4,509	66.5	2,973	76.6

	Net income per share	Net income per share, fully diluted
	Yen	Yen
June 30, 2016	129.13	129.02
June 30, 2015	131.90	131.76

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
June 30, 2016	24,621	20,724	84.1	918.31
June 30, 2015	22,052	19,074	86.4	845.11

(Reference) Equity: June 30, 2016: 20,703 million yen June 30, 2015: 19,052 million yen

※ **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 in accordance with the Financial Instruments and Exchange Act has not been completed.

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

(Cautions about forward-looking statements)
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.

(Availability of presentation materials of financial results)
Lasertec will make a presentation of financial results to analysts and institutional investors on August 9, 2016. The presentation materials provided at this meeting will be available on Lasertec's website.

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1. Analysis of Operating Results and Financial Position

(1) Analysis of operating results

① Outline of this fiscal year (ended June 2016)

The status of the global economy during the fiscal year ended June 2016 is summarized as follows. The US economy continued to be on a recovery path with its employment and consumer spending steadily growing. The European economy maintained a gradual growth overall, but the United Kingdom's decision to exit the European Union in referendum raised uncertainty in its prospect. The Chinese economy remained less robust than it once had been, as it was entering into a state of moderate growth called New Normal. The emerging economies also experienced a slowdown of growth mainly due to the slower growth in China as well as due to falling natural resource prices.

As for the Japanese economy, there was a moderate growth in employment and capital expenditures, but uncertainty continued to prevail while concerns were raised about corporate earnings being affected by the appreciation of yen since the beginning of 2016.

In the semiconductor industry, which is our primary market, capital expenditures were sluggish overall during the fiscal year due to dwindling demand for semiconductors used in PCs and tablets as well as due to slowdown in smartphone market growth.

A summary of other industries related to the remainder of our business is as follows: in the FPD industry, we saw an increase in investment for high-resolution small and medium-sized LED panels and organic LED panels while, in China, capital expenditures were made for the expansion of TV production capacities.

Under these circumstances, our consolidated net sales for this fiscal year recorded 15,291 million yen, up 0.7% from the previous fiscal year. By product segment, semiconductor-related products accounted for 10,034 million yen (down 0.9%), other products for 2,868 million yen (down 6.9%) and services for 2,388 million yen (up 20.7%).

As for consolidated income for this fiscal year, we recorded an operating income of 4,428 million yen (down 6.2%), an ordinary income of 4,575 million yen (down 1.2%), and a 3,227 million yen profit attributable to owners of parent (up 9.3%).

② Forecast for the next fiscal year (ending June 2017)

There are now greater concerns about the possibility of slowdown in the global economy due to such factors as the UK's exit from the EU, the turmoil of US presidential race and heightened geopolitical risks in Europe and the Middle East. Uncertainty has increased in the prospect of the global economy. As for the Japanese economy, there are also causes for concern such as slower recovery in consumer spending, declining profits from export due to the continued appreciation of yen and shrinking spending by inbound tourists.

In the semiconductor industry, the main market of our Group, we expect an increase in capital expenditures by foundries who have embarked on the production of cutting-edge 10nm-node devices and by NAND manufacturers who are shifting towards the production of 3D devices, although we anticipate a sluggish investment in DRAM.

Under the circumstances, we forecast our consolidated results in the fiscal year ending June 2017 to be 17,100 million yen in sales, 3,700 million yen in operating profit, 3,700 million yen in ordinary profit and 2,650 million yen in profit attributable to owners of the parent.

(2) Analysis of financial position

① Assets, Liabilities, and Net Assets

Total assets at the end of this consolidated fiscal year amounted to 25,870 million yen, up 2,248 million yen from the end of the previous fiscal year. This is mainly because of a 1,416 million yen increase in cash and deposits, a 722 million yen increase in work in process and a 431 million yen increase in raw materials and supplies whereas investment securities decreased by 332 million yen.

Liabilities at the end of this consolidated fiscal year amounted to 4,061 million yen, up 451 million yen from the end of the previous fiscal year. This is mainly because of a 403 million yen increase in advances received and a 129 million yen increase in other current liabilities whereas accounts

payable-trade decreased by 55 million yen and income tax payable decreased by 36 million yen.

Shareholders' equity at the end of this consolidated fiscal year amounted to 21,839 million yen, up 2,190 million yen from the end of the previous fiscal year. This is mainly because we earned a 3,227 million yen profit attributable to owners of parent whereas we paid 1,037 million yen in dividends.

Net assets, which consist of shareholders' equity, other accumulated comprehensive income, and subscription rights to shares, amounted to 21,808 million yen. The equity ratio became 84.2%.

② Cash Flows

Cash and cash equivalents at the end of this fiscal year amounted to 7,967 million yen, up 1,430 million yen from the end of the previous fiscal year. Following is the status of cash flows and their contributing factors during this fiscal year.

In operating activities, 3,083 million yen was generated (up 198.6% from the previous fiscal year). This is mainly because the sum of cash receipt, such as 4,575 million yen in income before income taxes and minority interests and a 495 million yen increase in advances received, exceeded the sum of cash payment, such as 1,435 million yen in income taxes paid and an increase of 1,193 million yen in inventories.

For investment activities, 368 million yen was used (up 345.9% from the previous fiscal year). This is mainly due to 353 million yen used for purchase of property, plant and equipment.

For financing activities, 1,038 million yen was used (up 69.8% from the previous fiscal year). This is mainly due to 1,037 million yen used for the payment of cash dividends.

Indexes associated with cash flows for the past few years are provided below:

	Year ended June 2013	Year ended June 2014	Year ended June 2015	Year ended June 2016
Equity ratio (%)	79.3	80.4	84.6	84.2
Equity ratio on market price basis (%)	142.4	106.2	161.5	108.2
Ratio of interest-bearing debts to cash flows (year)	2.0	--	--	--
Interest coverage ratio (times)	30.1	374.1	1,544.4	--

- Equity ratio: Net assets divided by total assets
- Equity ratio on market price basis: Market capitalization divided by total assets
- Ratio of interest-bearing debts to cash flows: Interest-bearing debts divided by cash flows from operating activities
- Interest coverage ratio: Cash flows divided by paid interests

(Note 1) Each index is calculated based on consolidated financial results.

(Note 2) Market capitalization is calculated based on the total number of issued shares minus the number of treasury stock.

(Note 3) Cash flows denote the cash flows from operating activities on the consolidated statement of cash flows.

(Note 4) Interest-bearing debts denote all interest-bearing liabilities on the consolidated balance sheet.

(3) Basic policy concerning profit distribution and payment of dividends in this fiscal year and the next fiscal year.

Our basic policy concerning profit distribution is to maintain steady income distribution through flexibly adopted dividend schemes in accordance with operating results and to target at a dividend ratio of around 35% on a consolidated basis. We will strive to enhance our corporate health and performance so that we can keep our flexible dividend payments and maintain steady income distributions based on results.

We will use retained earnings for research and development in new technologies and products, capital expenditures in line with our business growth and human resource investment so as to further reinforce our corporate infrastructure and to establish a solid foundation for a long-term sustainable growth.

For this fiscal year, we are planning to pay a dividend of 51 yen per share.

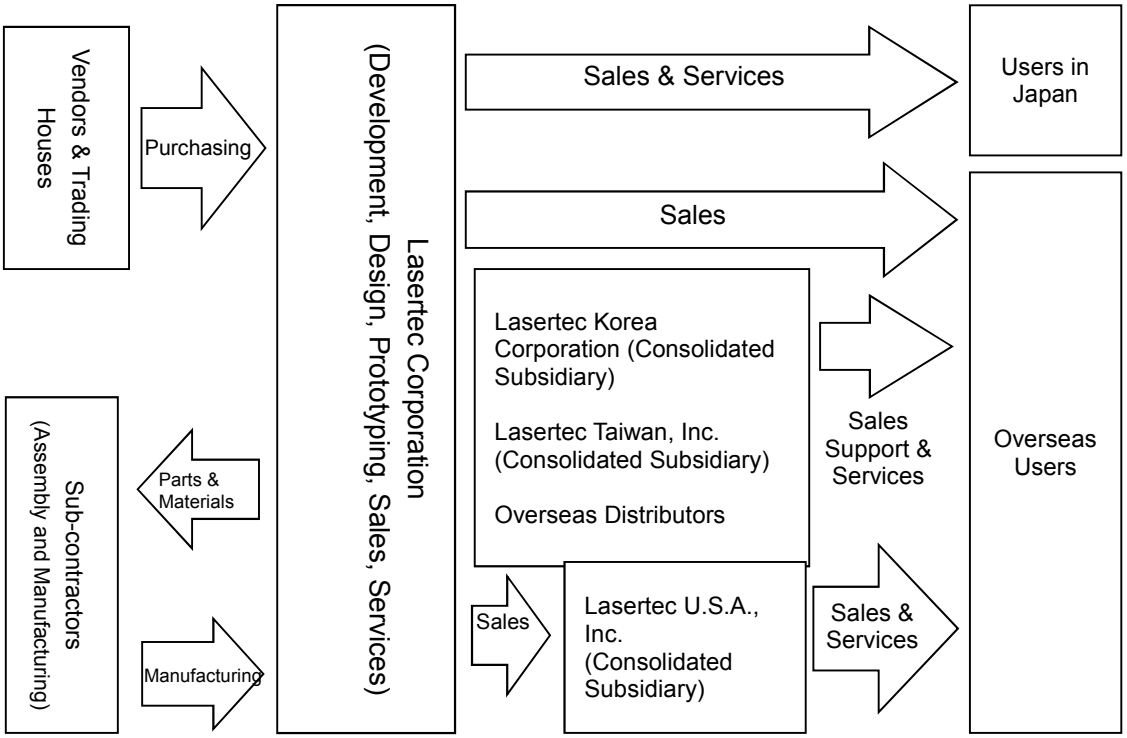
Our plan for the next fiscal year based on our business forecast is a dividend of 42 yen per share, which will result in a consolidated dividend ratio of 35.7%.

2. Status of our Group

The business of our Group consists of a single segment - design, manufacture and sale of inspection and measurement equipment – and it is sub-divided into the following operations: design, manufacture, sale and service of semiconductor-related equipment and other products.

Among the operations described above, design and manufacture of all the products fall into the responsibility of Lasertec Corporation. Sales of these products in Japan and other Asian countries are performed by Lasertec Corporation, whereas Lasertec U.S.A., Inc., our consolidated subsidiary, engages in sales activities in North America and Europe. As for service of the products, Lasertec Corporation is in charge of Japan and Asian countries except for Korea and Taiwan while Lasertec U.S.A., Inc. covers North America and Europe, Lasertec Korea Corporation, another consolidated subsidiary, is responsible for Korea, and Lasertec Taiwan, Inc., another consolidated subsidiary, is responsible for Taiwan.

Operations of Lasertec Corporation and its related parties are described below in a business flow chart.



3. Management Policy

(1) Basic management policy

We have been providing various inspection and measurement systems for semiconductor and FPD industries as well as for other advanced technology markets, guided by the company's founding philosophy, "Create unique solutions. Create new value." Holding this philosophy dear to our heart, we are striving to become a company that is "the first point of contact for our worldwide customers searching for solutions." Therefore, our mission is to provide solutions for our customers ahead of anyone else using our core technologies in applied optics in combination with advanced technologies in precision mechanics, electronics and software programming.

(2) Numerical target

It is the belief of our Group that the ultimate purpose of a business enterprise is to keep increasing its shareholder value. Through this growth, we will strive to meet the expectations of shareholders and all other stakeholders. The pace of innovations in the semiconductor industry, which is our main market, is fast. We therefore need to keep making R&D investments in most advanced technologies. We set our target of operating profit at 20% or more of our annual sales so that we can continue our investment for growth while maintaining a solid financial strength.

(3) Business strategy and challenges

We are in the middle of a 9-year New Medium-Term Business Plan, which started at the beginning of the fiscal year ended June 2010. The next fiscal year is the second year of Phase II of this mid-term business plan. In Phase II, we have been executing our growth strategy, which is centered on the further reinforcement of our core business and the establishment of foundation for new business. During the next fiscal year, we are taking on the following challenges:

① Reinforcing core business

We will increase our market share for mask inspection systems in the cutting-edge technology node of 10nm and beyond by enhancing product performance, sales force and customer support capability in Japan and abroad.

② Establishing foundation for new business

We will proceed with our effort to establish a foundation for growth by expanding the product lineup of semiconductor wafer-related inspection and measurement systems including the lithography process inspection system that was launched in Phase I and has already demonstrated success. As for semiconductor mask-related products, we will make sure to be ready for the commercialization of extreme ultraviolet lithography (EUVL), which is the next-generation exposure technology. We will also actively search for new market needs from which we can create a pillar of new business.

We will extend the Medium-Term Business Plan to designate the 3-year period starting the fiscal year ending June 2019 as Phase III. During this period, we will endeavor to achieve a big leap through the success of EUVL-related new products and wafer-related new business, which we expect to make significant contributions to the company's performance.

4. Basic Policy on Selection of Accounting Principles

In light of comparability with the results of previous fiscal years and other companies, we will continue to use the Japanese GAAP for the time being for compiling consolidated financial statements. With respect to the introduction of IFRS, we will carefully consider various factors in Japan and abroad in order to make a proper decision.

5. Consolidated Financial Statements

(1) Consolidated balance sheet

(In thousands of yen)

	Previous (As of June 30,2015)	Current (As of June 30,2016)
Assets		
Current assets		
Cash and deposits	6,613,869	8,030,620
Notes and accounts receivable-trade	3,568,713	3,613,133
Work in process	3,669,905	4,392,408
Raw materials and supplies	793,023	1,224,751
Deferred tax assets	784,333	776,831
Other	872,981	765,855
Allowance for doubtful accounts	(3,820)	(3,752)
Total current assets	16,299,006	18,799,848
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	3,648,791	3,652,030
Accumulated depreciation	(1,726,863)	(1,823,243)
Buildings and structures, net	1,921,927	1,828,786
Machinery, equipment and vehicles	147,371	147,371
Accumulated depreciation	(139,263)	(142,954)
Machinery, equipment and vehicles, net	8,108	4,417
Tools, furniture and fixtures	1,047,332	1,333,159
Accumulated depreciation	(797,701)	(915,528)
Tools, furniture and fixtures, net	249,630	417,630
Leased assets	6,600	6,600
Accumulated depreciation	(1,540)	(2,860)
Leased assets, net	5,060	3,740
Land	4,254,773	4,254,773
Construction in progress	--	14,453
Total property, plant and equipment	6,439,500	6,523,802
Intangible assets	33,007	48,717
Investments and other assets		
Investment securities	657,745	324,967
Long-term accounts receivable-other	146,668	73,334
Deferred tax assets	--	60,501
Other	45,770	39,097
Allowance for doubtful accounts	(212)	(195)
Total investments and other assets	849,971	497,704
Total noncurrent assets	7,322,479	7,070,225
Total assets	23,621,486	25,870,073

(In thousands of yen)

	Previous (As of June 30, 2015)	Current (As of June 30, 2016)
Liabilities		
Current liabilities		
Accounts payable-trade	964,470	909,233
Income taxes payable	916,853	880,398
Advances received	668,153	1,071,163
Provision for directors' bonuses	151,000	160,000
Provision for product warranties	228,545	196,380
Other	492,938	622,306
Total current liabilities	3,421,961	3,839,482
Noncurrent liabilities		
Net defined benefit liability	153,399	196,484
Other	34,999	25,810
Total noncurrent liabilities	188,398	222,295
Total liabilities	3,610,360	4,061,777
Net assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,080,360
Retained earnings	18,613,159	20,804,057
Treasury stock	(976,139)	(976,139)
Total shareholders' equity	19,648,379	21,839,277
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	335,907	112,137
Foreign currency translation adjustment	5,340	(164,617)
Total accumulated other comprehensive income	341,247	(52,479)
Subscription rights to shares	21,498	21,498
Total net assets	20,011,125	21,808,296
Total liabilities and net assets	23,621,486	25,870,073

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

(Consolidated statement of income)

(In thousands of yen)

	Previous (July 1, 2014 thru June 30, 2015)	Current (July 1, 2015 thru June 30, 2016)
Net sales	15,187,658	15,291,790
Cost of sales	6,709,172	6,403,806
Gross profit	8,478,486	8,887,984
Selling, general and administrative expenses	3,755,766	4,459,919
Operating income	4,722,720	4,428,064
Non-operating income		
Interest income	4,938	4,040
Dividends income	6,097	8,402
Foreign exchange gains	--	136,367
Rent income on non-current assets	1,774	1,608
Other	2,468	1,119
Total non-operating income	15,279	151,539
Non-operating expenses		
Interest expenses	668	--
Loss on valuation of golf club membership	--	3,100
Foreign exchange losses	106,385	--
Other	63	1,037
Total non-operating expenses	107,117	4,137
Ordinary income	4,630,881	4,575,466
Extraordinary income		
Gain on reversal of subscription rights to shares	7,920	--
Total extraordinary income	7,920	--
Income before income taxes	4,638,802	4,575,466
Income taxes-current	1,491,558	1,308,187
Income taxes-deferred	193,440	39,320
Total income taxes	1,684,998	1,347,508
Profit	2,953,803	3,227,958
Profit attributable to owners of parent	2,953,803	3,227,958

(Consolidated statement of comprehensive income)

(In thousands of yen)

	Previous (July 1, 2014 thru June 30, 2015)	Current (July 1, 2015 thru June 30, 2016)
Profit	2,953,803	3,227,958
Other comprehensive income		
Valuation difference on available-for-sale securities	97,912	(223,769)
Foreign currency translation adjustment	112,765	(169,957)
Total other comprehensive income	210,677	(393,727)
Comprehensive income	3,164,481	2,834,231
Comprehensive income attributable to owners of the parent	3,164,481	2,834,231
Comprehensive income attributable to non-controlling interests	--	--

(3) Consolidated statement of shareholders' equity

(In thousands of yen)

	Previous (July 1, 2014 thru June 30, 2015)	Current (July 1, 2015 thru June 30, 2016)
Shareholders' equity		
Capital stock		
Balance at the beginning of the period	931,000	931,000
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	931,000	931,000
Capital surplus		
Balance at the beginning of the period	1,080,360	1,080,360
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	1,080,360	1,080,360
Retained earnings		
Balance at the beginning of the period	16,267,648	18,613,159
Changes during the period		
Dividends from surplus	(608,655)	(1,037,060)
Net income	2,953,803	3,227,958
Disposal of treasury stock	363	
Total changes during the period	2,345,511	2,190,897
Balance at the end of the period	18,613,159	20,804,057
Treasury stock		
Balance at the beginning of the period	(978,041)	(976,139)
Changes during the period		
Disposal of treasury stock	1,901	
Total changes during the period	1,901	--
Balance at the end of the period	(976,139)	(976,139)
Total shareholders' equity		
Balance at the beginning of the period	17,300,966	19,648,379
Changes during the period		
Dividends from surplus	(608,655)	(1,037,060)
Net income	2,953,803	3,227,958
Disposal of treasury stock	2,265	
Total changes during the period	2,347,412	2,190,897
Balance at the end of the period	19,648,379	21,839,277

(In thousands of yen)

	Previous (July 1, 2014 thru June 30, 2015)	Current (July 1, 2015 thru June 30, 2016)
Other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of the period	237,994	335,907
Changes during the period		
Net changes of items other than shareholders' equity	97,912	(223,769)
Total changes during the period	97,912	(223,769)
Balance at the end of the period	335,907	112,137
Foreign currency translation adjustment		
Balance at the beginning of the period	(107,424)	5,340
Changes during the period		
Net changes of items other than shareholders' equity	112,765	(169,957)
Total changes during the period	112,765	(169,957)
Balance at the end of the period	5,340	(164,617)
Total other comprehensive income		
Balance at the beginning of the period	130,569	341,247
Changes during the period		
Net changes of items other than shareholders' equity	210,677	(393,727)
Total changes during the period	210,677	(393,727)
Balance at the end of the period	341,247	(52,479)
Subscription rights to shares		
Balance at the beginning of the period	31,682	21,498
Changes during the period		
Net changes of items other than shareholders' equity	(10,183)	--
Total changes during the period	(10,183)	--
Balance at the end of the period	21,498	21,498
Total net assets		
Balance at the beginning of the period	17,463,218	20,011,125
Changes during the period		
Dividends from surplus	(608,655)	(1,037,060)
Net income	2,953,803	3,227,958
Disposal of treasury stock	2,265	
Net changes of items other than shareholders' equity	200,494	(393,727)
Total changes during the period	2,547,907	1,797,170
Balance at the end of the period	20,011,125	21,808,296

(4)Consolidated statement of cash flows

(In thousands of yen)

	Previous (July 1, 2014 thru June 30, 2015)	Current (July 1, 2015 thru June 30, 2016)
Cash flows from operating activities		
Income before income taxes	4,638,802	4,575,466
Depreciation and amortization	227,088	271,980
Increase (decrease) in allowance for doubtful accounts	(2,461)	(20)
Increase (decrease) in provision for directors' bonuses	25,000	9,000
Increase (decrease) in provision for product warranties	(179,068)	(26,307)
Increase (decrease) in net defined benefit liability	(45,254)	44,311
Interest and dividends income	(11,035)	(12,443)
Interest expenses	668	--
Foreign exchange losses (gains)	(80,828)	(82,135)
Loss on valuation of golf club memberships	--	3,100
Gain on reversal of subscription rights to shares	(7,920)	--
Decrease (increase) on notes and accounts receivable-trade	(1,544,388)	(102,476)
Decrease (increase) in inventories	(169,301)	(1,193,598)
Decrease (increase) in long-term account receivable-other	73,334	73,334
Increase (decrease) in accounts payable-trade	261,804	354,747
Increase (decrease) in advances received	(916,321)	495,481
Other, net	17,782	95,202
Sub-total	2,287,898	4,505,640
Interest and dividend income received	11,475	12,661
Interest expenses paid	(668)	--
Income taxes paid	(1,266,270)	(1,435,273)
Net cash provided by (used in) operating activities	1,032,434	3,083,029
Cash flows from investment activities		
Payments into time deposits	--	(62,720)
Proceeds from withdrawal of time deposits	--	62,720
Purchase of property, plant and equipment	(55,714)	(353,286)
Purchase of intangible assets	(27,108)	(15,510)
Other, net	121	14
Net cash provided by (used in) investment activities	(82,701)	(368,782)
Cash flows from financing activities		
Proceeds from sales of treasury stock	2	--
Cash dividends paid	(608,655)	(1,037,060)
Other, net	(2,750)	(1,320)
Net cash provided by (used in) financing activities	(611,403)	(1,038,380)
Effect of exchange rate change on cash and cash equivalents	78,783	(245,254)
Net increase (decrease) in cash and cash equivalents	417,113	1,430,610
Cash and cash equivalents at beginning of period	6,120,176	6,537,289
Cash and cash equivalents at end of period	6,537,289	7,967,900

(5) Notes on the consolidated financial statements

(Changes in accounting policy)

(Adoption of accounting standard for business combination and others)
Since the beginning 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 previous fiscal year in this report.

(Adoption of “Practical solution on a change in depreciation method due to Tax Reform 2016”)
In accordance with the revision of Corporate Tax Act of Japan, we have adopted “Practical solution on a change in depreciation method due to Tax Reform” (ASBJ PITF No. 32 dated June 17, 2016) in this fiscal year and changed our depreciation method from declining-balance method to straight-line method for the equipment attached to buildings and structures we have acquired since April 1, 2016. The impact of this change on the operating income, ordinary income and income before income taxes of this fiscal year is small.

(Reference) Production, orders and sales

(1) Production by category

Production by category for the fiscal year is as follows.

(In thousands of yen)

Category	(July 1, 2015 thru June 30, 2016)	
	Production	Year-on-year comparison (%)
Finished goods		
Semiconductor-related products	11,098,967	9.2
Other products	2,845,207	(7.3)
Sub-total	13,944,175	5.3
Services	2,402,852	21.4
Total	16,347,028	7.4

(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 fiscal year are as follows.

(In thousands of yen)

Category	(July 1, 2015 thru June 30, 2016)		(June 30, 2016)	
	Orders	Year-on-year comparison (%)	Backlog	Year-on-year comparison (%)
Finished goods				
Semiconductor-related products	10,826,031	(10.5)	8,210,005	10.7
Other products	2,027,252	(52.5)	1,560,950	(35.0)
Sub-total	12,853,284	(21.5)	9,770,955	(0.5)
Services	2,456,404	20.3	440,253	18.1
Total	15,309,688	(16.8)	10,211,209	0.2

(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 fiscal year are as follows.

(In thousands of yen)

Category	(July 1, 2015 thru June 30, 2016)	
	Sales	Year-on-year comparison (%)
Finished goods		
Semiconductor-related products	10,034,537	(0.9)
Other products	2,868,300	(6.9)
Sub-total	12,902,837	(2.3)
Services	2,388,952	20.7
Total	15,291,790	0.7

(Note) Consumption taxes are excluded.

6. Non-consolidated financial statements

(1) Balance sheet (non-consolidated)

(In thousands of yen)

	Previous (As of June 30, 2015)	Current (As of June 30, 2016)
Assets		
Current assets		
Cash and deposits	4,925,537	7,117,703
Notes receivable-trade	200,718	220,721
Accounts receivable-trade	3,500,966	3,114,027
Work in process	3,675,236	4,396,053
Raw materials and supplies	711,550	1,089,951
Accounts receivable-other	735,539	479,970
Deferred tax assets	746,894	747,277
Other	98,089	192,280
Allowance for doubtful accounts	(3,471)	(3,337)
Total current assets	14,591,061	17,354,647
Noncurrent assets		
Property, plant, and equipment		
Buildings	1,896,604	1,810,166
Structures	14,389	12,122
Machinery and equipment	8,108	4,417
Tools, furniture and fixtures	239,842	410,553
Leased assets	5,060	3,740
Land	4,254,773	4,254,773
Construction in progress	--	14,453
Total property, plant, and equipment	6,418,778	6,510,226
Intangible assets	32,765	48,555
Investments and other assets		
Investment securities	657,745	324,967
Stocks of subsidiaries and affiliates	147,729	147,729
Long-term accounts receivable-other	146,668	73,334
Deferred tax assets	40,846	148,512
Other	17,392	14,209
Allowance for doubtful accounts	(212)	(195)
Total investments and other assets	1,010,169	708,556
Total noncurrent assets	7,461,712	7,267,339
Total assets	22,052,773	24,621,987

(In thousands of yen)

	Previous (As of June 30, 2015)	Current (As of June 30, 2016)
Liabilities		
Current liabilities		
Accounts payable-trade	1,004,310	934,504
Accounts payable-other	336,714	381,408
Income taxes payable	863,777	795,279
Advances received	88,896	1,026,858
Provision for directors' bonuses	151,000	160,000
Provision for product warranties	147,838	123,954
Other	212,265	258,318
Total current liabilities	2,804,802	3,680,323
Noncurrent liabilities		
Provision for retirement benefits	146,624	192,567
Other	27,083	24,553
Total noncurrent liabilities	173,708	217,121
Total liabilities	2,978,511	3,897,444
Net Assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus		
Legal capital surplus	1,080,360	1,080,360
Total capital surplus	1,080,360	1,080,360
Retained earnings		
Legal retained earnings	159,038	159,038
Other retained earnings		
General reserve	9,212,000	9,212,000
Retained earnings brought forward	8,310,598	10,184,648
Total retained earnings	17,681,636	19,555,686
Treasury stock	(976,139)	(976,139)
Total shareholders' equity	18,716,856	20,590,906
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	335,907	112,137
Total valuation and translation adjustments	335,907	112,137
Subscription rights to shares	21,498	21,498
Total net assets	19,074,262	20,724,542
Total liabilities and net assets	22,052,773	24,621,987

(2)Statements of income (non-consolidated)

(In thousands of yen)

	Previous (July 1, 2014 thru June 30, 2015)	Current (July 1, 2015 thru June 30, 2016)
Net sales	13,964,609	14,383,860
Cost of sales	6,510,071	6,345,172
Gross profit	7,454,538	8,038,687
Selling, general and administrative expenses	3,243,695	4,071,901
Operating income	4,210,842	3,966,786
Non-operating income		
Interest income	702	726
Dividends income	276,926	163,572
Foreign exchange gains	18,313	--
Rent income on non-current assets	1,774	1,608
Other	1,197	1,486
Total non-operating income	298,915	167,393
Non-operating expenses		
Interest expenses	668	--
Loss on valuation of golf club membership	--	3,100
Foreign exchange losses	--	134,663
Other	8	1,015
Total non-operating expenses	677	138,778
Ordinary income	4,509,081	3,995,401
Extraordinary income		
Gain on reversal of subscription rights to shares	7,920	--
Total extraordinary income	7,920	--
Income before income taxes	4,517,001	3,995,401
Income taxes-current	1,268,397	1,083,331
Income taxes-deferred	275,271	958
Total income taxes	1,543,668	1,084,290
Profit	2,973,332	2,911,111

(3) Statement of shareholders' equity (non-consolidated)

(In thousands of yen)

	Previous (July 1, 2014 thru June 30, 2015)	Current (July 1, 2015 thru June 30, 2016)
Shareholders' equity		
Capital stock		
Balance at the beginning of the period	931,000	931,000
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	931,000	931,000
Capital surplus		
Balance at the beginning of the period	1,080,360	1,080,360
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	1,080,360	1,080,360
Retained earnings		
Legal retained earnings		
Balance at the beginning of the period	159,038	159,038
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	159,038	159,038
Other retained earnings		
General reserve		
Balance at the beginning of the period	9,212,000	9,212,000
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	9,212,000	9,212,000
Retained earnings brought forward		
Balance at the beginning of the period	5,945,557	8,310,598
Changes during the period		
Dividends from surplus	(608,655)	(1,037,060)
Net income	2,973,332	2,911,111
Disposal of treasury stock	363	
Total changes during the period	2,365,041	1,874,050
Balance at the end of the period	8,310,598	10,184,648
Total retained earnings		
Balance at the beginning of the period	15,316,595	17,681,636
Changes during the period		
Dividends from surplus	(608,655)	(1,037,060)
Net income	2,973,332	2,911,111
Disposal of treasury stock	363	
Total changes during the period	2,365,041	1,874,050
Balance at the end of the period	17,681,636	19,555,686

(In thousands of yen)

	Previous (July 1, 2014 thru June 30, 2015)	Current (July 1, 2015 thru June 30, 2016)
Treasury stock		
Balance at the beginning of the period	(978,041)	(976,139)
Changes during the period		
Disposal of treasury stock	1,901	
Total changes during the period	1,901	--
Balance at the end of the period	(976,139)	(976,139)
Total shareholders' equity		
Balance at the beginning of the period	16,349,914	18,716,856
Changes during the period		
Dividends from surplus	(608,655)	(1,037,060)
Net income	2,973,332	2,911,111
Disposal of treasury stock	2,265	
Total changes during the period	2,366,942	1,874,050
Balance at the end of the period	18,716,856	20,590,906
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of the period	237,994	335,907
Changes during the period		
Net changes of items other than shareholders' equity	97,912	(223,769)
Total changes during the period	97,912	(223,769)
Balance at the end of the period	335,907	112,137
Subscription rights to shares		
Balance at the beginning of the period	31,682	21,498
Changes during the period		
Net changes of items other than shareholders' equity	(10,183)	**--**
Total changes during the period	(10,183)	**--**
Balance at the end of the period	21,498	21,498
Total net assets		
Balance at the beginning of the period	16,619,590	19,074,262
Changes during the period		
Dividends from surplus	(608,655)	(1,037,060)
Net income	2,973,332	2,911,111
Disposal of treasury stock	2,265	
Net changes of items other than shareholders' equity	87,729	(223,769)
Total changes during the period	2,454,671	1,650,280
Balance at the end of the period	19,074,262	20,724,542