Consolidated Financial Results for the Third Quarter Ended March 31, 2017 (Japanese GAAP)

April 28, 2017

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

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

1. Consolidated financial results for the nine months ended March 31, 2017

(1) Consolidated operating results

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2017	11,813	11.9	3,768	60.3	3,780	59.5	2,668	59.0
March 31, 2016	10,561	(4.4)	2,350	(27.6)	2,370	(25.1)	1,677	(15.7)

(Note) Comprehensive income: Nine months ended March 31, 2017: 2,985 million yen [112.7%]
Nine months ended March 31, 2016: 1,403 million yen [(35.2%)]

	Net income per share	Net income per share, fully diluted
Nine months ended	Yen	Yen
March 31, 2017	59.17	59.12
March 31, 2016	37.21	37.18

(Note) Effective April 1, 2017, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated February 27, 2017. The figures of "net income per share" and "net income per share, fully diluted" are calculated as if the stock split took place at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2017	29,451	23,643	80.2	523.90
June 30, 2016	25,870	21,808	84.2	483.19

(Reference) Equity: March 31, 2017: 23,622 million yen June 30, 2016: 21,786 million yen

(Note) Effective April 1, 2017, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated February 27, 2017. The figures of "net assets per share" are calculated as if the stock split took place at the beginning of the previous fiscal year.

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, 2016	--	0.00	--	51.00	51.00
Fiscal year ending June 30, 2017	--	0.00	--		
Fiscal year ending June 30, 2017 (Forecast)				26.00	26.00

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

Effective April 1, 2017, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated February 27, 2017. The figures of dividends per share for the fiscal year ending June 30, 2017, are calculated based on the number of issued shares after the stock split.

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		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Annual	16,600	8.6	4,550	2.8	4,650	1.6	3,300	2.2	73.19

(Note) Revision to forecast of financial results since the last announcement: Yes
Effective April 1, 2017, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated February 27, 2017. The figure of net income per share in the forecast of consolidated financial results is calculated based on the number of issued shares (excluding the number of treasury stock) after the stock split.

※ 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)	March 31, 2017	47,143,200	June 30, 2016	47,143,200
(b) Number of treasury stock at the end of the period	March 31, 2017	2,053,868	June 30, 2016	2,053,600
(c) Average number of shares during the period ended	March 31, 2017	45,089,388	March 31, 2016	45,089,600

(Note) Effective April 1, 2017, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated February 27, 2017. The figures in “Number of issued shares (common stock)” above are calculated as if the stock split took place at the beginning of the previous fiscal year.

※ **This report of financial results is not subject to quarterly review.**

※ **Statement about proper use of forecast of financial results and other special notes**

The forecast of financial results provided in this report is based on information currently available to the company and on assumptions it has judged to be reasonable. Actual results may differ materially from the forecast due to various factors.

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1. Qualitative information concerning this quarterly report

(1) Information concerning operating results

The status of the global economy during the nine-month period ended March 31, 2017, is summarized as follows. In the United States, the economy expanded steadily despite uncertainties surrounding the execution of policy agenda by the new administration. In Europe, a moderate recovery continued. In China, there was an ongoing shift in its economic policy towards the pursuit of more sustainable growth. In many emerging countries, the economy started making an upturn as resource prices were bottoming out.

As for the Japanese economy, corporate earnings remained high despite sluggish consumer spending, and a gradual recovery continued.

In the semiconductor industry, which constitutes our primary market, the current investment spree by major foundries for introducing advanced technologies such as 10nm nodes had already peaked, but there were active investments by memory makers in 3D-NAND. As a result, the overall investment level was high throughout the period.

In the other areas of our business, capital expenditures continued to be made at a high level in the flat panel display (FPD) industry to facilitate the production of larger panels as well as to accelerate the transition to organic light emitting diode (OLED).

Under the circumstances, our consolidated net sales in the nine-month period ended March 31, 2017, was 11,813 million yen, up 11.9% from the same period of the previous year.

Looking at consolidated net sales by product segment, semiconductor-related products accounted for 8,107 million yen (up 1.0% from the same period of the previous year), other products for 1,534 million yen (up 78.6%), and services for 2,172 million yen (up 29.7%).

As for consolidated income for this period, we recorded an operating profit of 3,768 million yen (up 60.3% from the same period of the previous year), an ordinary profit of 3,780 million yen (up 59.5%), and a 2,668 million yen net profit attributable to owners of parent (up 59.0%).

(2) Information concerning financial position

① Financial position

Total assets at the end of the period amounted to 29,451 million yen, up 3,581 million yen from the end of the previous fiscal year. This is mainly due to a 2,769 million yen increase in notes and accounts receivable-trade and a 1,893 million yen increase in work in process whereas cash and deposits decreased by 2,002 million yen.

Liabilities at the end of the period amounted to 5,807 million yen, up 1,745 million yen from the end of the previous fiscal year. This is mainly due to a 1,654 million yen increase in advances received and a 448 million yen increase in notes and accounts payable-trade whereas income taxes payable decreased by 413 million yen.

Net assets, which consist of shareholders' equity, accumulated other comprehensive income, and subscription right to shares, amounted to 23,643 million yen with a capital-asset ratio of 80.2%.

② Cash flows

Cash and cash equivalents at the end of the period amounted to 5,958 million yen, down 2,009 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.

For operating activities, 491 million yen was used (whereas 1,426 million yen was generated in the same period of the previous year). This is mainly because the sum of cash payment, such as a 2,725 million yen increase in notes and accounts receivable-trade, a 1,986 million yen increase in inventories and 1,549 million yen spent for income taxes paid, exceeded the sum of cash receipt, such as a 3,780 million yen income before income taxes, a 1,650 million yen increase in advances received and a 288 million yen increase in provision for bonuses.

For investing activities, 358 million yen was used (down 2.0% from the same period of the previous year). This is mainly due to 220 million yen used for purchase of property, plant and equipment and 137 million

yen used for purchase of intangible assets.

For financing activities, 1,150 million yen was used (up 10.9% from the same period of the previous year). This is mainly due to 1,149 million yen used for cash dividends paid.

(3) Information concerning forecast of consolidated financial results

We have revised our forecast of operating results for the full year ending June 30, 2017, which we announced on January 31, 2017. Please refer to “Revision to Forecast of Consolidated Operating Results and Dividends,” which we released today, for details.

2. Consolidated financial statements and notes

(1) Consolidated balance sheet

(In thousands of yen)

	Previous (As of June 30, 2016)	Current (As of March 31, 2017)
Assets		
Current assets		
Cash and deposits	8,030,620	6,028,306
Notes and accounts receivable-trade	3,613,133	6,382,786
Work in process	4,392,408	6,285,989
Raw materials and supplies	1,224,751	1,347,243
Deferred tax assets	776,831	756,417
Other	765,855	1,336,956
Allowance for doubtful accounts	(3,752)	(7,610)
Total current assets	18,799,848	22,130,090
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	1,828,786	1,907,487
Machinery, equipment and vehicles, net	4,417	14,875
Tools, furniture and fixtures, net	417,630	275,143
Leased assets, net	3,740	2,750
Land	4,254,773	4,254,773
Construction in progress	14,453	--
Total property, plant and equipment	6,523,802	6,455,030
Intangible assets	48,717	158,482
Investments and other assets		
Investment securities	324,967	647,938
Long-term accounts receivable-other	73,334	--
Deferred tax assets	60,501	12,830
Other	39,097	47,128
Allowance for doubtful accounts	(195)	(179)
Total investments and other assets	497,704	707,718
Total noncurrent assets	7,070,225	7,321,231
Total assets	25,870,073	29,451,322

(In thousands of yen)

	Previous (As of June 30, 2016)	Current (As of March 31, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	909,233	1,357,282
Income taxes payable	880,398	466,669
Advances received	1,071,163	2,725,164
Provision for bonuses	--	288,663
Provision for directors' bonuses	160,000	130,100
Provision for product warranties	196,380	199,919
Other	622,306	408,968
Total current liabilities	3,839,482	5,576,767
Noncurrent liabilities		
Net defined benefit liability	196,484	207,050
Other	25,810	23,772
Total noncurrent liabilities	222,295	230,823
Total liabilities	4,061,777	5,807,591
Net assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,080,360
Retained earnings	20,804,057	22,322,315
Treasury stock	(976,139)	(976,351)
Total shareholders' equity	21,839,277	23,357,323
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	112,137	340,068
Foreign currency translation adjustment	(164,617)	(75,159)
Total accumulated other comprehensive income	(52,479)	264,908
Subscription rights to shares	21,498	21,498
Total net assets	21,808,296	23,643,731
Total liabilities and net assets	25,870,073	29,451,322

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

(Consolidated statement of income)

(First nine months of the fiscal year)

(In thousands of yen)

	Previous (July 1, 2015 thru March 31, 2016)	Current (July 1, 2016 thru March 31, 2017)
Net sales	10,561,920	11,813,650
Cost of sales	4,845,787	4,828,024
Gross profit	5,716,132	6,985,626
Selling, general and administrative expenses	3,365,280	3,217,531
Operating income	2,350,851	3,768,095
Non-operating income		
Interest income	2,403	2,128
Dividends income	3,708	3,541
Rent income on non-current assets	1,188	1,338
Foreign exchange gains	13,479	13,968
Other	2,031	1,219
Total non-operating income	22,811	22,196
Non-operating expenses		
Interest expenses	--	139
Loss on valuation of golf club membership	3,000	--
Loss on retirement of non-current assets	--	9,491
Other	0	0
Total non-operating expenses	3,000	9,631
Ordinary income	2,370,662	3,780,660
Income before income taxes	2,370,662	3,780,660
Income taxes-current	782,996	1,134,415
Income taxes-deferred	(90,054)	(21,798)
Total income taxes	692,941	1,112,617
Net income	1,677,720	2,668,042
Net income attributable to owners of parent	1,677,720	2,668,042

(Consolidated statement of comprehensive income)
(First nine months of the fiscal year)

(In thousands of yen)

	Previous (July 1, 2015 thru March 31, 2016)	Current (July 1, 2016 thru March 31, 2017)
Net income	1,677,720	2,668,042
Other comprehensive income		
Valuation difference on available-for-sale securities	(179,278)	227,930
Foreign currency translation adjustment	(94,637)	89,457
Total other comprehensive income	(273,916)	317,388
Comprehensive income	1,403,804	2,985,431
Comprehensive income attributable to owners of parent	1,403,804	2,985,431
Comprehensive income attributable to non-controlling interests	--	--

(3) Consolidated statement of cash flows

(In thousands of yen)

	Previous (July 1, 2015 thru March 31, 2016)	Current (July 1, 2016 thru March 31, 2017)
Cash flows from operating activities		
Income before income taxes	2,370,662	3,780,660
Depreciation and amortization	170,544	259,356
Increase (decrease) in allowance for doubtful accounts	1,313	3,768
Increase (decrease) in provision for bonuses	238,263	288,663
Increase (decrease) in provision for directors' bonuses	(52,856)	(29,900)
Increase (decrease) in provision for product warranties	(49,323)	1,104
Increase (decrease) in net defined benefit liability	43,493	10,093
Interest and dividend income	(6,112)	(5,670)
Interest expenses	--	139
Foreign exchange losses (gains)	(28,124)	57,598
Loss on valuation of golf club memberships	3,000	--
Decrease (increase) in notes and accounts receivable-trade	(1,004,355)	(2,725,019)
Decrease (increase) in inventories	(775,533)	(1,986,345)
Decrease (increase) in long-term accounts receivable-other	73,334	73,334
Increase (decrease) in notes and accounts payable-trade	257,352	(14,046)
Increase (decrease) in advances received	1,437,255	1,650,005
Other, net	101,605	(312,002)
Subtotal	2,780,518	1,051,739
Interest and dividend income received	6,674	5,988
Interest expenses paid	--	(139)
Income taxes paid	(1,360,623)	(1,549,534)
Net cash provided by (used in) operating activities	1,426,569	(491,946)
Cash flows from investment activities		
Payments into time deposits	--	(140,560)
Proceeds from withdrawal of time deposits	--	140,560
Purchase of property, plant and equipment	(352,041)	(220,520)
Purchase of intangible assets	(13,510)	(137,612)
Net cash provided by (used in) investment activities	(365,551)	(358,132)
Cash flows from financing activities		
Cash dividends paid	(1,037,060)	(1,149,784)
Other, net	(990)	(1,201)
Net cash provided by (used in) financing activities	(1,038,050)	(1,150,986)
Effect of exchange rate change on cash and cash equivalents	(142,643)	(8,808)
Net increase (decrease) in cash and cash equivalents	(119,676)	(2,009,873)
Cash and cash equivalents at beginning of period	6,537,289	7,967,900
Cash and cash equivalents at end of period	6,417,612	5,958,026

(4) Notes on consolidated financial statements

(Note on going concern)

None

(Note on significant changes in the amount of shareholders' equity)

None

(Important events after the reporting period)

(Stock split and partial amendment to articles of incorporation)

As of April 1, 2017, the company split its stock and partially amended its articles of incorporation in accordance with the resolution of the Board of Directors dated February 27, 2017.

1. Purpose of stock split and partial amendment to articles of incorporation
   The purpose is to make our stock more liquid and accessible to investors and to broaden our shareholder base to a larger number of investors.

2. Method of split
   The company's common stock owned by the shareholders of record on the final register of shareholders as of the record date, Friday, March 31, 2017, was split 2 for 1.

3. Number of increased shares due to split
   Total number of issued shares before the stock split: 23,571,600
   Number of increased shares due to the stock split: 23,571,600
   Total number of issued shares after the stock split: 47,143,200
   Total number of authorized shares after the stock split: 128,000,000

4. Date when the stock split becomes effective
   Saturday, April 1, 2017

5. Effect on "per share information"
   "Per share information" is calculated as if the stock split took place at the beginning of the previous fiscal year and its effect is described where it is applicable.

3. 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, 2016 thru March 31, 2017)		
Category	Previous	Current	Year-on-year comparison (%)
Finished goods			
Semiconductor-related products	7,675,344	12,638,010	64.7
Other products	2,103,296	2,000,005	(4.9)
Subtotal	9,778,641	14,638,016	49.7
Services	1,674,602	2,185,031	30.5
Total	11,453,244	16,823,047	46.9

(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, 2016 thru March 31, 2017)					
Category	Orders Previous	Orders Current	Year-on-year comparison (%)	Backlog Previous	Backlog Current	Year-on-year comparison (%)
Finished goods						
Semiconductor-related products	7,015,158	17,258,924	146.0	6,405,664	17,361,821	171.0
Other products	1,343,682	1,381,931	2.8	2,886,369	1,408,399	(51.2)
Subtotal	8,358,841	18,640,855	123.0	9,292,033	18,770,220	102.0
Services	1,775,192	2,385,782	34.4	473,391	653,977	38.1
Total	10,134,033	21,026,638	107.5	9,765,425	19,424,197	98.9

(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, 2016 thru March 31, 2017)		
Category	Previous	Current	Year-on-year comparison (%)
Finished goods			
Semiconductor-related products	8,028,005	8,107,108	1.0
Other products	859,311	1,534,482	78.6
Subtotal	8,887,317	9,641,591	8.5
Services	1,674,602	2,172,059	29.7
Total	10,561,920	11,813,650	11.9

(Note) Consumption taxes are excluded.