Consolidated Financial Results for the Third Quarter Ended March 31, 2021 (Japanese GAAP)

April 30, 2021

Company name:	Lasertec Corporation
Stock exchange listing:	Tokyo Stock Exchange
Code:	6920
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Date of securities report filing:	May 13, 2021
Date of starting dividend payout:	--
Preparation of supplementary material for financial results:	Yes
Financial results briefing:	No

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

1. Consolidated financial results for the nine-month period ended March 31, 2021

(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, 2021	51,945	102.9	18,584	109.6	18,961	112.7	13,477	113.6
March 31, 2020	25,601	19.2	8,864	54.4	8,915	56.9	6,310	46.9

(Note) Comprehensive income: Nine months ended March 31, 2021: 13,523 million yen [115.9%]
Nine months ended March 31, 2020: 6,264 million yen [48.8%]

	Net income per share	Net income per share, fully diluted
Nine months ended	Yen	Yen
March 31, 2021	149.45	149.32
March 31, 2020	69.97	69.91

(Note) Effective January 1, 2020, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated November 25, 2019. 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, 2021	104,878	48,460	46.2	537.15
June 30, 2020	81,794	39,175	47.9	434.19

(Reference) Equity: March 31, 2021: 48,439 million yen, June 30, 2020: 39,154 million yen

(Note) Effective January 1, 2020, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated November 25, 2019. 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

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2020	--	31.00	--	27.00	--
Fiscal year ending June 30, 2021	--	20.00	--		
Fiscal year ending June 30, 2021 (Forecast)				35.00	55.00

(Notes) 1. Revision to forecast of dividends since the last announcement: No
2. Effective January 1, 2020, the company split its common stock 2 for 1 in accordance with the resolution of the

Board of Directors dated November 25, 2019. The figures of year-end dividend per share for the fiscal year ended June 30, 2020 and for the fiscal year ending June 30, 2021 (forecast) are calculated based on the number of issued shares after the stock split. The figure of year-end dividend per share for the fiscal year ended June 30, 2020 would be 54 yen if it were calculated using the number of issued shares before the stock split. The figure of total dividend per share for the fiscal year ended June 30, 2020 is not shown here because it cannot be obtained in a simple calculation due to the stock split.

3. Forecast of consolidated financial results for the year ending June 30, 2021

(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	62,000	45.6	20,000	32.8	20,000	32.3	14,000	29.3	155.25

(Notes) 1. Revision to forecast of financial results since the last announcement: No
2. Effective January 1, 2020, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated November 25, 2019. The figure of "net income per share" in this forecast is calculated based on the number of issued shares after the stock split (excluding treasury shares).

※ 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 to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policy, changes or restatement of accounting estimates
① Changes in accounting policy due to revision of accounting standards: None
② Changes in accounting policy other than ①: Yes
③ Changes in accounting estimates: None
④ Restatement due to revision: None

(Note) For details, see "(4) Notes to consolidated financial statements (Changes in accounting policy)" on page 9 of the attached supplementary material.

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

(Shares)

① Number of issued shares at the end of the period (including treasury shares)	March 31, 2021	94,286,400	June 30, 2020	94,286,400
② Number of treasury shares at the end of the period	March 31, 2021	4,108,486	June 30, 2020	4,108,486
③ Average number of shares during the period ended	March 31, 2021	90,177,914	March 31, 2020	90,177,948

(Note) Effective January 1, 2020, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated November 25, 2019. The figures of the number of issued shares (common stock) in this table 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 auditing by certified public accountants.

※ 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 the information currently available to the company and based on certain assumptions it has judged as reasonable. 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) Information concerning operating results……2
(2) Information concerning financial position……2
(3) Information concerning forecast of consolidated financial results ……3

2. Consolidated financial statements and notes ……4
(1) Consolidated balance sheet ……4
(2) Consolidated statement of income and consolidated statement of comprehensive income……6
Consolidated statement of income
First nine months of the fiscal year……6
Consolidated statement of comprehensive income
First nine months of the fiscal year……7
(3) Consolidated statement of cash flows ……8
(4) Notes to consolidated financial statements……9
(Note on going concern)……9
(Note on significant changes in the amount of shareholders' equity)……9
(Changes in accounting policy)……9
(Additional information)……9

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

1. Qualitative information concerning this quarterly report

(1) Information concerning operating results

During the nine-month period ended March 31, 2021, countries around the world continued to take stimulus measures and anti-virus measures to promote economic recovery. With vaccination against COVID-19 starting to roll out, expectations were rising for the normalization of economic and social activities. However, there were concerns about the spread of coronavirus variants, and the prospect of recovery was still very much uncertain.

The status of the semiconductor industry, our primary market, in this period was as follows. The industry's reliance on a small number of manufacturers in a few limited regions was recognized as a geopolitical risk amid heightening tension between the United States and China and due to a shortage of IC chips for automotive applications. In this background, countries announced policies to re-organize supply chains in the medium to long term to ensure the stable supply of semiconductor chips, which are playing an increasingly important role in the economy as well as in the military, and semiconductor device makers announced new capital investment plans. Demand for the leading-edge semiconductors stayed at a high level, driven by 5G smartphones and other communications equipment and by personal computers and data centers because of the widespread use of remote work and online meetings. Logic and memory manufacturers continued their capital investments to expand the capacity of production lines using the leading-edge extreme ultraviolet (EUV) lithography, and mask blank suppliers also invested in EUV-related businesses, anticipating demand growth in the medium to long term. As such, the semiconductor production equipment market is expected to grow in the coming years.

Under these circumstances, our consolidated net sales in the nine-month period ended March 31, 2021 totaled 51,945 million yen (up 102.9% year-on-year).

By product category, semiconductor-related products accounted for 43,321 million yen (up 123.3% year-on-year), other products for 3,179 million yen (up 75.9% year-on-year), and services for 5,444 million yen (up 24.0% year-on-year).

As for consolidated income for this period, we recorded an operating income of 18,584 million yen (up 109.6% year-on-year), an ordinary income of 18,961 million yen (up 112.7% year-on-year), and a 13,477 million-yen net income attributable to owners of parent (up 113.6% year-on-year).

(2) Information concerning financial position

① Financial position

Total assets at the end of the period amounted to 104,878 million yen, up 23,084 million yen from the end of the previous fiscal year. This is mainly due to a 13,192 million yen increase in work in process, a 6,969 million yen increase in notes and accounts receivable-trade, and a 5,780 million yen increase in "other" current assets whereas cash and deposits decreased by 6,188 million yen.

Liabilities at the end of the period amounted to 56,417 million yen, up 13,798 million yen from the end of the previous fiscal year. This is mainly due to a 9,555 million yen increase in advances received and a 2,481 million yen increase in "other" current liabilities.

Net assets, which consist of shareholders' equity, accumulated other comprehensive income, and subscription right to shares, amounted to 48,460 million yen. The capital-to-asset ratio was 46.2%.

② Cash flows

Cash and cash equivalents at the end of the period amounted to 18,466 million yen, down 6,193 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.

Net cash provided by operating activities amounted to 752 million yen (down 95.3% year-on-year). This is mainly because the sum of cash receipt, such as 18,961 million yen in income before income taxes, and a 9,355 million yen increase in advances received exceeded the sum of cash payment, such as a 13,537 million yen increase in inventories, a 6,895 million yen increase in notes and accounts receivable-trade, and 6,883 million yen used for income taxes paid.

Net cash used in investing activities amounted to 3,367 million yen (up 77.8% year-on-year). This is mainly

due to 2,761 million yen used for purchase of intangible assets.

Net cash used in financing activities amounted to 4,236 million yen (up 51.3% year-on-year). This is mainly due to 4,238 million yen used for cash dividends paid.

(3) Information concerning forecast of consolidated financial results and others

We have not revised our forecast for the year ending June 2021 announced on February 1, 2021.

2. Consolidated financial statements and notes

(1) Consolidated balance sheet

(In thousands of yen)

	Previous (As of June 30, 2020)	Current (As of March 31, 2021)
Assets		
Current assets		
Cash and deposits	24,723,393	18,535,375
Notes and accounts receivable-trade	5,662,634	12,632,377
Work in process	30,083,265	43,275,929
Raw materials and supplies	3,978,778	4,381,551
Other	5,563,227	11,343,516
Allowance for doubtful accounts	(8,601)	(18,764)
Total current assets	70,002,699	90,149,986
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	2,390,271	2,304,164
Machinery, equipment and vehicles, net	723,142	795,411
Tools, furniture and fixtures, net	499,765	521,310
Leased assets, net	22,410	24,148
Land	4,254,773	4,254,773
Construction in progress	23,868	95,898
Total property, plant and equipment	7,914,231	7,995,706
Intangible assets	843,359	3,212,562
Investments and other assets		
Investment securities	532,873	726,824
Deferred tax assets	2,347,281	2,561,878
Other	153,626	231,259
Total investments and other assets	3,033,781	3,519,963
Total noncurrent assets	11,791,372	14,728,232
Total assets	81,794,071	104,878,218

(In thousands of yen)

	Previous (As of June 30, 2020)	Current (As of March 31, 2021)
Liabilities		
Current liabilities		
Accounts payable-trade	4,985,628	6,962,134
Income taxes payable	4,581,064	3,352,552
Advances received	25,655,709	35,210,834
Provision for bonuses	--	944,152
Provision for directors' bonuses	537,000	721,900
Provision for product warranties	33,715	2,220
Provision for quality compensation	92,920	--
Other	6,172,820	8,654,630
Total current liabilities	42,058,860	55,848,424
Noncurrent liabilities		
Net defined benefit liability	276,481	307,615
Asset retirement obligations	219,072	219,173
Other	64,096	42,140
Total noncurrent liabilities	559,651	568,928
Total liabilities	42,618,511	56,417,353
Net assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,080,360
Retained earnings	38,014,040	47,252,834
Treasury stock	(977,713)	(977,713)
Total shareholders' equity	39,047,686	48,286,481
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	259,879	395,043
Foreign currency translation adjustment	(153,504)	(242,159)
Total accumulated other comprehensive income	106,375	152,884
Subscription rights to shares	21,498	21,498
Total net assets	39,175,560	48,460,864
Total liabilities and net assets	81,794,071	104,878,218

(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, 2019 thru March 31, 2020)	Current (July 1, 2020 thru March 31, 2021)
Net sales	25,601,319	51,945,083
Cost of sales	11,013,732	25,658,435
Gross profit	14,587,586	26,286,647
Selling, general and administrative expenses	5,722,683	7,702,317
Operating income	8,864,902	18,584,330
Non-operating income		
Interest income	5,746	3,764
Dividend income	6,596	4,697
Rent income on non-current assets	1,534	1,694
Foreign exchange gains	32,388	364,437
Other	5,457	6,894
Total non-operating income	51,722	381,489
Non-operating expenses		
Other	1,252	3,927
Total non-operating expenses	1,252	3,927
Ordinary income	8,915,373	18,961,891
Income before income taxes	8,915,373	18,961,891
Income taxes-current	2,939,037	5,754,932
Income taxes-deferred	(333,766)	(270,197)
Total income taxes	2,605,270	5,484,734
Net income	6,310,102	13,477,156
Net income attributable to owners of parent	6,310,102	13,477,156

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

(In thousands of yen)

	Previous (July 1, 2019 thru March 31, 2020)	Current (July 1, 2020 thru March 31, 2021)
Net income	6,310,102	13,477,156
Other comprehensive income		
Valuation difference on available-for-sale securities	(35,630)	135,164
Foreign currency translation adjustment	(9,881)	(88,655)
Total other comprehensive income	(45,511)	46,509
Comprehensive income	6,264,591	13,523,666
Comprehensive income attributable to owners of parent	6,264,591	13,523,666
Comprehensive income attributable to non-controlling interests	--	--

(3) Consolidated statement of cash flows

(In thousands of yen)

	Previous (July 1, 2019 thru March 31, 2020)	Current (July 1, 2020 thru March 31, 2021)
Cash flows from operating activities		
Income before income taxes	8,915,373	18,961,891
Depreciation and amortization	640,644	940,741
Increase (decrease) in allowance for doubtful accounts	2,989	9,985
Increase (decrease) in provision for bonuses	698,425	933,348
Increase (decrease) in provision for directors' bonuses	110,800	184,900
Increase (decrease) in provision for product warranties	(241,684)	(31,466)
Increase (decrease) in provision for quality compensation	(84,288)	(92,920)
Increase (decrease) in net defined benefit liability	81,120	30,527
Interest and dividend income	(12,343)	(8,462)
Foreign exchange losses (gains)	42,164	(528,912)
Decrease (increase) on notes and accounts receivable-trade	(1,207,170)	(6,895,780)
Decrease (increase) in inventories	(13,831,397)	(13,537,384)
Increase (decrease) in accounts payable-trade	2,385,810	(1,352,172)
Increase (decrease) in advances received	18,089,692	9,355,620
Other, net	2,765,221	(342,224)
Sub-total	18,355,358	7,627,692
Interest and dividend income received	12,697	8,492
Income taxes paid	(2,519,925)	(6,883,935)
Net cash provided by (used in) operating activities	15,848,130	752,249
Cash flows from investing activities		
Payments into time deposits	(62,440)	(68,460)
Proceeds from withdrawal of time deposits	62,440	68,460
Purchase of property, plant and equipment	(1,071,527)	(606,120)
Purchase of intangible assets	(582,905)	(2,761,738)
Payments for guarantee deposits	(31,753)	--
Other, net	(208,070)	--
Net cash provided by (used in) investing activities	(1,894,256)	(3,367,858)
Cash flows from financing activities		
Cash dividends paid	(2,795,516)	(4,238,361)
Other, net	(3,884)	2,035
Net cash provided by (used in) financing activities	(2,799,401)	(4,236,326)
Effect of exchange rate change on cash and cash equivalents	(57,057)	658,457
Net increase (decrease) in cash and cash equivalents	11,097,415	(6,193,477)
Cash and cash equivalents at beginning of period	13,120,550	24,660,393
Cash and cash equivalents at end of period	24,217,966	18,466,915

(4) Notes to consolidated financial statements

(Note on going concern)

None

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

None

(Changes in accounting policy)

(Adoption of accounting standard for revenue recognition and others)

We began adopting "Accounting Standard for Revenue Recognition" provided by ASBJ Statement No. 29 Accounting Standard, as revised on March 31, 2020, at the beginning of the first quarter of this fiscal year. We had already adopted "Accounting Standard for Revenue Recognition" announced on March 30, 2018 at the beginning of the previous fiscal year, and since the new standard is a revision concerning the provision of revenue recognition disclosures (presentation and notes), it has no effect on the consolidated financial statements of this quarterly report.

(Additional information)

(Changes in presentation)

(Consolidated statement of income)

"Loss on retirement of noncurrent assets" was a discrete item of non-operating expenses in the third quarter of the previous fiscal year, but, because of its insignificance, it has been included in "other" non-operating income since the first quarter of this fiscal year. The consolidated financial statements for the first nine months of the previous fiscal year have been revised to reflect this change. As a result, the consolidated statement of income for the first nine months of the previous fiscal year reporting 974 thousand yen as "loss on retirement of noncurrent assets" has been modified to show 1,252 thousand yen as "other" non-operating expenses.

(Consolidated statement of cash flows)

"Loss on retirement of noncurrent assets" was a discrete item of cash flows from operating activities in the third quarter of the previous fiscal year, but, because of its insignificance, it has been included in "other" cash flows from operating activities since the first quarter of this fiscal year. The consolidated financial statements for the first nine months of the previous fiscal year have been revised to reflect this change. As a result, the consolidated statement of cash flows for the first nine months of the previous fiscal year reporting 974 thousand yen as "loss on retirement of noncurrent assets" has been modified to show 2,765,221 thousand yen as "other" cash flows from operating activities.

"Proceeds from sales of intangible assets" was a discrete item of cash flows from investing activities in the third quarter of the previous fiscal year, but, because of its insignificance, it has been included in "other" cash flows from investing activities since the first quarter of this fiscal year. The consolidated financial statements for the first nine months of the previous fiscal year have been revised to reflect this change. As a result, the consolidated statement of cash flows for the first nine months of the previous fiscal year reporting 89 thousand yen as "proceeds from sales of intangible assets" has been modified to show (208,070) thousand yen as "other" cash flows from investing activities.

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, 2020 thru March 31, 2021)		
Category	Previous	Current	Year-on-year increase (%)
Finished goods			
Semiconductor-related products	41,890,132	68,544,567	63.6
Other products	1,817,375	2,645,286	45.6
Subtotal	43,707,508	71,189,854	62.9
Services	4,390,190	5,444,179	24.0
Total	48,097,699	76,634,034	59.3

(Notes)
1. Numbers shown above are based on sales prices.
2. Consumption taxes are not included.

(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, 2020 thru March 31, 2021)					
Category	Orders Previous	Orders Current	Year-on-year increase (%)	Backlog Previous	Backlog Current	Year-on-year increase (%)
Finished goods						
Semiconductor-related products	57,913,887	73,088,880	26.2	90,552,433	117,594,181	29.9
Other products	3,358,137	582,061	(82.7)	4,148,263	1,340,501	(67.7)
Subtotal	61,272,025	73,670,942	20.2	94,700,697	118,934,682	25.6
Services	4,572,740	5,558,756	21.6	1,103,648	1,513,510	37.1
Total	65,844,765	79,229,698	20.3	95,804,346	120,448,193	25.7

(Notes)
1. Numbers shown above are based on sales prices.
2. Orders reflect adjustment for cancellation and other changes.
3. Consumption taxes are not included.

(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, 2020 thru March 31, 2021)		
Category	Previous	Current	Year-on-year increase (%)
Finished goods			
Semiconductor-related products	19,403,398	43,321,499	123.3
Other products	1,807,731	3,179,403	75.9
Subtotal	21,211,129	46,500,903	119.2
Services	4,390,190	5,444,179	24.0
Total	25,601,319	51,945,083	102.9

(Note) Consumption taxes are not included.