



Consolidated Financial Results for the First Quarter Ended September 30, 2021 (Japanese GAAP)

October 29, 2021

Company name: Lasertec Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code: 6920
 URL: <https://www.lasertec.co.jp/>
 Representative: Osamu Okabayashi
 Representative Director and President
 Contact for inquiries: Shu Uchiyama
 Managing Director
 Phone: +81-45-478-7111
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 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 three-month period ended September 30, 2021

(1) Consolidated operating results

(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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended September 30, 2021	9,110	(30.8)	2,019	(55.4)	2,144	(51.2)	1,567	(50.5)
September 30, 2020	13,165	137.5	4,529	216.8	4,392	220.0	3,165	218.7

(Note) Comprehensive income: Three months ended September 30, 2021: 1,085 million yen [-66.1%]
 Three months ended September 30, 2020: 3,204 million yen [231.1%]

	Net income per share	Net income per share, fully diluted
Three months ended September 30, 2021	Yen 17.39	Yen 17.37
September 30, 2020	35.10	35.07

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
September 30, 2021	132,579	51,314	38.7	568.80
June 30, 2021	118,725	55,188	46.5	611.76

(Reference) Equity: September 30, 2021: 51,292 million yen, June 30, 2021: 55,166 million yen

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, 2021	--	20.00	--	55.00	75.00
Fiscal year ending June 30, 2022	--				
Fiscal year ending June 30, 2022 (Forecast)		32.00	--	50.00	82.00

(Note) Revision to forecast of dividends since the last announcement: No

3. Forecast of consolidated financial results for the year ending June 30, 2022

(The percentage figures indicate changes from 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	83,000	18.2	27,000	3.6	27,000	2.1	21,000	9.1	232.87

(Note) Revision to forecast of financial results since the last announcement: No

※ 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: Yes
- ② Changes in accounting policy other than ①: None
- 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 8 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)	September 30, 2021	94,286,400	June 30, 2021	94,286,400
② Number of shares of treasury stock at the end of the period	September 30, 2021	4,108,486	June 30, 2021	4,108,486
③ Average number of shares during the period ended	September 30, 2021	90,177,914	September 30, 2020	90,177,914

※ 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.

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1. Qualitative information concerning this quarterly report

(1) Information concerning operating results

During the first three months of this fiscal year, the global economy stayed on a recovery path despite the resurgence of COVID-19 infections. However, uncertainty lingered in its outlook because the ongoing tension between the United States and China surrounding trade and technology intensified, and also because shortages of semiconductors and energy resources heightened inflationary pressure.

In the semiconductor market, the primary market of our business, demand for leading-edge semiconductors steadily increased because of the need for 5G smartphones and other communication equipment and the need for personal computers and data centers amid the widespread use of remote work and online meetings. Logic and memory device makers continued making investments aggressively to meet this growing demand and accelerated the introduction of the leading-edge extreme ultraviolet (EUV) lithography. As a result, we received record orders, 108,307 million yen in total, during this quarterly period.

Under these circumstances, our consolidated net sales in the three-month period ended September 30, 2021 totaled 9,110 million yen (down 30.8% year-on-year).

By product segment, semiconductor-related products accounted for 6,624 million yen (down 40.1% year-on-year), other products for 146 million yen (down 72.0% year-on-year), and services for 2,339 million yen (up 47.3% year-on-year).

As for consolidated income for this period, we recorded 2,019 million yen in operating income (down 55.4% year-on-year), 2,144 million yen in ordinary income (down 51.2% year-on-year), and 1,567 million yen in net income attributable to owners of parent (down 50.5% year-on-year).

(2) Information concerning financial position

① Financial position

Total assets at the end of the period amounted to 132,579 million yen, up 13,853 million yen from the end of the previous fiscal year. This is mainly due to a 14,228 million yen increase in work in process and a 4,037 million yen increase in intangible assets whereas cash and deposits decreased by 4,716 million yen.

Liabilities at the end of the period amounted to 81,264 million yen, up 17,727 million yen from the end of the previous fiscal year. This is mainly due to a 15,459 million yen increase in advances received.

Net assets, which consist of shareholders' equity, accumulated other comprehensive income, and subscription right to shares, amounted to 51,314 million yen. The capital-to-asset ratio was 38.7%.

② Cash flows

Cash and cash equivalents at the end of the period amounted to 23,135 million yen, down 4,714 million yen from the end of the previous fiscal year. Following is the status of cash flows and their contributing factors during the three-month period.

Net cash provided by operating activities amounted to 2,743 million yen (whereas a net cash of 5,744 million yen was used in operating activities in the same period of the previous fiscal year). This is mainly because the sum of cash receipt, such as a 15,263 million yen increase in advances received and 2,497 million yen decrease in notes and accounts receivable-trade, exceeded the sum of cash payment, such as a 15,129 million yen increase in inventories.

Net cash used in investing activities amounted to 2,691 million yen (up 825.4% year-on-year). This is mainly due to 2,362 million yen used for purchase of intangible assets.

Net cash used in financing activities amounted to 4,961 million yen (up 103.7% year-on-year). This is mainly due to 4,959 million yen used for cash dividends paid.

(3) Information concerning forecast of consolidated financial results

We have not revised our forecast for the fiscal year ending June 2022 announced on August 6, 2021.

2. Consolidated financial statements and notes

(1) Consolidated balance sheet

	(In thousands of yen)	
	Previous (As of June 30,2021)	Current (As of September 30,2021)
Assets		
Current assets		
Cash and deposits	27,918,181	23,201,698
Notes and accounts receivable-trade	7,892,827	5,400,134
Work in process	48,712,386	62,940,552
Raw materials and supplies	5,176,243	6,084,312
Accounts receivable-other	8,171,465	11,298,058
Other	3,869,169	3,456,774
Allowance for doubtful accounts	(14,375)	(14,799)
Total current assets	101,725,897	112,366,732
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	2,268,298	2,270,041
Machinery, equipment and vehicles, net	2,711,076	2,385,716
Tools, furniture and fixtures, net	543,861	588,508
Leased assets, net	22,971	21,794
Land	4,254,773	4,254,773
Construction in progress	117,799	141,700
Total property, plant and equipment	9,918,782	9,662,535
Intangible assets	3,070,200	7,107,427
Investments and other assets		
Investment securities	2,006,501	1,504,327
Deferred tax assets	1,768,066	1,709,245
Other	235,936	228,771
Total investments and other assets	4,010,504	3,442,344
Total noncurrent assets	16,999,487	20,212,307
Total assets	118,725,385	132,579,040

	(In thousands of yen)	
	Previous (As of June 30, 2021)	Current (As of September 30, 2021)
Liabilities		
Current liabilities		
Accounts payable-trade	6,484,833	8,286,766
Income taxes payable	4,701,896	581,835
Advances received	41,205,231	56,664,328
Deferred revenue	1,749,535	1,374,477
Provision for bonuses	--	604,253
Provision for directors' bonuses	630,651	61,600
Liabilities related to paid supply transactions	6,067,332	9,021,725
Other	2,144,963	4,093,671
Total current liabilities	62,984,443	80,688,657
Noncurrent liabilities		
Net defined benefit liability	292,404	317,201
Asset retirement obligations	219,206	219,239
Other	41,021	39,529
Total noncurrent liabilities	552,632	575,970
Total liabilities	63,537,075	81,264,628
Net assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,080,360
Retained earnings	53,026,001	49,634,165
Treasury stock	(977,713)	(977,713)
Total shareholders' equity	54,059,648	50,667,811
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,262,062	912,097
Foreign currency translation adjustment	(154,898)	(286,994)
Total accumulated other comprehensive income	1,107,163	625,102
Subscription rights to shares	21,498	21,498
Total net assets	55,188,309	51,314,412
Total liabilities and net assets	118,725,385	132,579,040

(2) Consolidated statement of income and consolidated statement of comprehensive income
 (Consolidated statement of income)
 (First three months of the fiscal year)

	(In thousands of yen)	
	Previous (July 1, 2020 thru September 30, 2020)	Current (July 1, 2021 thru September 30, 2021)
Net sales	13,165,961	9,110,525
Cost of sales	6,314,836	3,769,041
Gross profit	6,851,124	5,341,484
Selling, general and administrative expenses	2,321,180	3,322,102
Operating income	4,529,943	2,019,381
Non-operating income		
Interest income	1,323	1,070
Foreign exchange gains	--	120,326
Other	961	4,300
Total non-operating income	2,285	125,697
Non-operating expenses		
Foreign exchange losses	139,418	--
Other	0	171
Total non-operating expenses	139,418	171
Ordinary income	4,392,810	2,144,908
Income before income taxes	4,392,810	2,144,908
Income taxes-current	1,297,213	365,687
Income taxes-deferred	(69,959)	211,272
Total income taxes	1,227,253	576,959
Net income	3,165,557	1,567,948
Net income attributable to owners of parent	3,165,557	1,567,948

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

	(In thousands of yen)	
	Previous (July 1, 2020 thru September 30, 2020)	Current (July 1, 2021 thru September 30, 2021)
Net income	3,165,557	1,567,948
Other comprehensive income		
Valuation difference on available-for-sale securities	45,467	(349,965)
Foreign currency translation adjustment	(6,288)	(132,095)
Total other comprehensive income	39,179	(482,061)
Comprehensive income	3,204,736	1,085,887
Comprehensive income attributable to owners of parent	3,204,736	1,085,887
Comprehensive income attributable to non-controlling interests	--	--

(3) Consolidated statement of cash flows

(In thousands of yen)

	Previous (July 1, 2020 thru September 30, 2020)	Current (July 1, 2021 thru September 30, 2021)
Cash flows from operating activities		
Income before income taxes	4,392,810	2,144,908
Depreciation and amortization	213,103	848,402
Increase (decrease) in allowance for doubtful accounts	1,969	435
Increase (decrease) in provision for bonuses	711,491	602,163
Increase (decrease) in provision for directors' bonuses	(362,700)	(569,051)
Increase (decrease) in provision for product warranties	(14,694)	--
Increase (decrease) in provision for quality compensation	(47,628)	--
Increase (decrease) in net defined benefit liability	6,935	24,829
Interest and dividend income	(1,323)	(1,070)
Foreign exchange losses (gains)	175,101	(137,264)
Decrease (increase) on notes and accounts receivable-trade	(867,823)	2,497,395
Decrease (increase) in inventories	(4,459,669)	(15,129,718)
Increase (decrease) in accounts payable-trade	(1,248,244)	(1,331,600)
Increase (decrease) in advances received	475,983	15,263,019
Other, net	(485,501)	2,811,209
Sub-total	(1,510,190)	7,023,659
Interest and dividend income received	1,278	916
Income taxes paid	(4,235,468)	(4,281,059)
Net cash provided by (used in) operating activities	(5,744,380)	2,743,516
Cash flows from investing activities		
Purchase of property, plant and equipment	(234,395)	(162,742)
Purchase of intangible assets	(56,457)	(2,362,870)
Payments for guarantee deposits	--	(15,877)
Other	--	(150,000)
Net cash provided by (used in) investing activities	(290,853)	(2,691,490)
Cash flows from financing activities		
Cash dividends paid	(2,434,803)	(4,959,785)
Other, net	(1,085)	(1,274)
Net cash provided by (used in) financing activities	(2,435,889)	(4,961,059)
Effect of exchange rate change on cash and cash equivalents	(185,992)	194,720
Net increase (decrease) in cash and cash equivalents	(8,657,115)	(4,714,313)
Cash and cash equivalents at beginning of period	24,660,393	27,849,721
Cash and cash equivalents at end of period	16,003,278	23,135,408

(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 fair value measurement and others)

We have adopted "Accounting Standard for Fair Value Measurement" provided by ASBJ Statement No. 30 dated July 4, 2019 and others since the beginning of the first quarter of this fiscal year and will continue to adhere to the new accounting policy provided by the Accounting Standard for Fair Value Measurement and others in accordance with the provisions of transitional measures in Paragraph 19 of ASBJ Statement No. 30 and Paragraph 44-2 of ASBJ Statement No. 10 Accounting Standard for Financial Instruments, as revised on July 4, 2019. This has no effect on the consolidated financial statements of this quarterly report.

(Additional information)

(Changes in presentation)

(Consolidated statement of income)

"Rent income on noncurrent assets" was a discrete item of non-operating income in the previous fiscal year, but it is included in "other" non-operating income in this fiscal year because of its insignificance. The consolidated financial statements for the previous fiscal year have been revised to reflect this change. As a result, the consolidated statement of income for the previous fiscal year reporting 551 thousand yen as "rent income on noncurrent assets" has been modified to show 961 thousand yen as "other" non-operating income.

3. Supplementary information

(1) Production by category

Production by category for the first three months of the fiscal year is as follows.

(In thousands of yen)			
(July 1, 2021 thru September 30, 2021)			
Category	Previous	Current	Year-on-year increase (%)
Finished goods			
Semiconductor-related products	14,713,223	30,743,025	108.9
Other products	503,198	655,792	30.3
Subtotal	15,216,421	31,398,817	106.3
Services	1,588,305	2,339,138	47.3
Total	16,804,727	33,737,955	100.8

(Notes) Numbers shown above are based on sales prices.

(2) Orders and backlog by category

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

(In thousands of yen)						
(July 1, 2021 thru September 30, 2021)						
Category	Orders Previous	Orders Current	Year-on-year increase (%)	Backlog Previous	Backlog Current	Year-on-year increase (%)
Finished goods						
Semiconductor-related products	22,884,157	105,630,107	361.6	99,656,754	231,997,305	132.8
Other products	184,678	223,288	20.9	3,599,070	1,236,901	(65.6)
Subtotal	23,068,836	105,853,395	358.9	103,255,824	233,234,206	125.9
Services	1,301,108	2,454,004	88.6	1,111,737	1,782,031	60.3
Total	24,369,944	108,307,399	344.4	104,367,562	235,016,237	125.2

(Notes)

- Numbers shown above are based on sales prices.
- Orders reflect adjustment for cancellation and other changes.

(3) Sales by category

Sales by category for the first three months of the fiscal year are as follows.

(In thousands of yen)			
(July 1, 2021 thru September 30, 2021)			
Category	Previous	Current	Year-on-year increase (%)
Finished goods			
Semiconductor-related products	11,054,204	6,624,662	(40.1)
Other products	523,451	146,725	(72.0)
Subtotal	11,577,656	6,771,387	(41.5)
Services	1,588,305	2,339,138	47.3
Total	13,165,961	9,110,525	(30.8)