



Consolidated Financial Results for the Second Quarter Ended December 31, 2021 (Japanese GAAP)

January 31, 2022

Company name: Lasertec Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code: 6920
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 Date of starting dividend payout: March 4, 2022
 Preparation of supplementary material 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 six-month period ended December 31, 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	%
Six months ended December 31, 2021	36,929	14.6	12,803	6.2	13,122	11.0	9,735	16.4
December 31, 2020	32,231	61.6	12,056	50.9	11,823	48.8	8,362	49.5

(Note) Comprehensive income: Six months ended December 31, 2021: 9,082 million yen [7.2%]
 Six months ended December 31, 2020: 8,474 million yen [48.5%]

	Net income per share	Net income per share, fully diluted
Six months ended	Yen	Yen
December 31, 2021	107.96	107.87
December 31, 2020	92.73	92.65

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
December 31, 2021	145,048	59,388	40.9	658.31
June 30, 2021	118,725	55,188	46.5	611.76

(Reference) Equity: December 31, 2021: 59,366 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	--	32.00			
Fiscal year ending June 30, 2022 (Forecast)			--	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 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	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)	December 31, 2021	94,286,400	June 30, 2021	94,286,400
② Number of shares of treasury stock at the end of the period	December 31, 2021	4,105,696	June 30, 2021	4,108,486
③ Average number of shares during the period ended	December 31, 2021	90,179,021	December 31, 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.

Lasertec will give a presentation of financial results to analysts and institutional investors on February 1, 2022. The presentation materials provided at this meeting will be available on our website.

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1. Qualitative information concerning this quarterly report

(1) Information concerning operating results

During the first half of the current fiscal year, the global economy made progress towards the normalization of economic and social activities despite being dragged down by a resurgence of infections of new variants of COVID-19. On the other hand, the rapidly rebounding demand has been met with supply shortages alongside the energy supply-demand gap as we shift towards a sustainable society, and this has led to unstable commodity prices and a rise in inflation, especially in Europe and the United States. In addition, while concerns remain around the potential impacts of US-China tensions, the overall economic outlook of recovery for 2022 remains.

In our primary market, the semiconductor industry, the expansion of cloud services for online conferences and remote work, coupled with the market growth of 5G smartphones and other communication devices, has allowed the demand for semiconductors used in PCs and data centers to remain strong. In particular, the demand for leading-edge semiconductors remains high, with logic and memory device manufacturers continuing to aggressively invest in expanding their capacities of the current semiconductor manufacturing processes using EUV (extreme ultraviolet) lithography alongside investments in next-generation manufacturing processes of advanced technology nodes.

Under these circumstances, our consolidated net sales for the six-month period ended December 31, 2021, totaled 36,929 million yen (up 14.6% year-on-year). By product segment, semiconductor-related products accounted for 30,277 million yen (up 10.4% year-on-year). Sales of other products accounted for 1,305 million yen (down 7.4% year-on-year) and services for 5,346 million yen (up 57.5% year-on-year).

As for consolidated incomes during this period, we recorded an operating income of 12,803 million yen (up 6.2% year-on-year), an ordinary income of 13,122 million yen (up 11.0% year-on-year), and a 9,735 million yen net income attributable to owners of parent (up 16.4% year-on-year).

(2) Information concerning financial position

① Financial position

Total assets at the end of the period amounted to 145,048 million yen, up 26,322 million yen from the end of the previous fiscal year. This was mainly due to a 23,969 million yen increase in work in process, a 6,021 million yen increase in accounts receivable-other, and a 3,643 million yen increase in intangible assets, despite the decrease in cash and deposits by 8,948 million yen.

Liabilities at the end of the period amounted to 85,659 million yen, up 22,122 million yen from the end of the previous fiscal year. This is mainly due to an increase of 10,049 million yen in advances received, 6,982 million yen in accounts payable-trade, and 4,274 million yen in liabilities related to paid supply transactions.

Total net assets, which consists of shareholders' equity, accumulated other comprehensive income, and subscription right to shares, amounted to 59,388 million yen. The capital-to-asset ratio was 40.9%.

② Cash flows

Cash and cash equivalents at the end of the period amounted to 18,901 million yen, down 8,948 million yen from the end of the previous fiscal year. Following is the status of cash flows and their contributing factors during the six-month period.

Net cash used in operating activities amounted to 1,903 million yen, down 44.5 % compared with the same period in the previous fiscal year. This is mainly a result of the fact that the sum of cash payments, including an increase in inventories of 26,581 million yen, exceeded the sum of cash receipts, such as the 13,122 million yen in income before income taxes and an increase in cash advances received of 9,423 million yen.

Net cash used in investing activities amounted to 2,587 million yen (down 20.6% year-on-year). This mainly consists of 2,413 million yen used for the purchase of intangible assets.

Net cash used in financing activities amounted to 4,962 million yen (up 103.6% year-on-year). This mainly consists of the 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 at June 30,2021)	Current (As at December 31,2021)
Assets		
Current assets		
Cash and deposits	27,918,181	18,969,650
Notes and accounts receivable-trade	7,892,827	8,225,418
Work in process	48,712,386	72,682,367
Raw materials and supplies	5,176,243	7,828,258
Accounts receivable-other	8,171,465	14,192,538
Other	3,869,169	3,906,838
Allowance for doubtful accounts	(14,375)	(18,863)
Total current assets	101,725,897	125,786,208
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	2,268,298	2,402,966
Machinery, equipment and vehicles, net	2,711,076	2,138,138
Tools, furniture and fixtures, net	543,861	578,278
Leased assets, net	22,971	20,617
Land	4,254,773	4,254,773
Construction in progress	117,799	56,291
Total property, plant and equipment	9,918,782	9,451,066
Intangible assets	3,070,200	6,713,392
Investments and other assets		
Investment securities	2,006,501	1,272,987
Deferred tax assets	1,768,066	1,555,044
Other	235,936	269,450
Total investments and other assets	4,010,504	3,097,481
Total noncurrent assets	16,999,487	19,261,940
Total assets	118,725,385	145,048,149

	(In thousands of yen)	
	Previous (As at June 30, 2021)	Current (As at December 31, 2021)
Liabilities		
Current liabilities		
Accounts payable-trade	6,484,833	13,467,513
Income taxes payable	4,701,896	2,999,737
Advances received	41,205,231	51,254,413
Deferred revenue	1,749,535	2,178,714
Provision for bonuses	--	319,626
Provision for directors' bonuses	630,651	322,300
Liabilities related to paid supply transactions	6,067,332	10,341,682
Other	2,144,963	4,195,236
Total current liabilities	62,984,443	85,079,225
Noncurrent liabilities		
Net defined benefit liability	292,404	323,191
Asset retirement obligations	219,206	219,273
Other	41,021	38,254
Total noncurrent liabilities	552,632	580,719
Total liabilities	63,537,075	85,659,944
Net assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,156,783
Retained earnings	53,026,001	57,801,921
Treasury stock	(977,713)	(977,049)
Total shareholders' equity	54,059,648	58,912,655
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,262,062	795,899
Foreign currency translation adjustment	(154,898)	(341,848)
Total accumulated other comprehensive income	1,107,163	454,050
Subscription rights to shares	21,498	21,498
Total net assets	55,188,309	59,388,205
Total liabilities and net assets	118,725,385	145,048,149

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

	(In thousands of yen)	
	Previous (July 1, 2020 thru December 31, 2020)	Current (July 1, 2021 thru December 31, 2021)
Net sales	32,231,338	36,929,678
Cost of sales	15,563,699	17,301,676
Gross profit	16,667,638	19,628,002
Selling, general and administrative expenses	4,610,647	6,824,339
Operating income	12,056,990	12,803,663
Non-operating income		
Interest income	1,952	2,458
Dividend income	4,697	7,309
Gain on sale of investment securities	--	235,501
Foreign exchange gains	--	66,151
Other	5,068	8,339
Total non-operating income	11,718	319,759
Non-operating expenses		
Foreign exchange losses	244,647	--
Other	124	678
Total non-operating expenses	244,771	678
Ordinary income	11,823,936	13,122,744
Income before income taxes	11,823,936	13,122,744
Income taxes-current	3,379,384	2,968,700
Income taxes-deferred	82,500	418,338
Total income taxes	3,461,884	3,387,039
Net income	8,362,052	9,735,705
Net income attributable to owners of parent	8,362,052	9,735,705

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

	(In thousands of yen)	
	Previous (July 1, 2020 thru December 31, 2020)	Current (July 1, 2021 thru December 31, 2021)
Net income	8,362,052	9,735,705
Other comprehensive income		
Valuation difference on available-for-sale securities	93,740	(466,162)
Foreign currency translation adjustment	18,276	(186,949)
Total other comprehensive income	112,016	(653,112)
Comprehensive income	8,474,068	9,082,592
Comprehensive income attributable to owners of parent	8,474,068	9,082,592
Comprehensive income attributable to non-controlling interests	--	--

(3) Consolidated statement of cash flows

(In thousands of yen)

	Previous (July 1, 2020 thru December 31, 2020)	Current (July 1, 2021 thru December 31, 2021)
Cash flows from operating activities		
Income before income taxes	11,823,936	13,122,744
Depreciation and amortization	568,876	1,710,031
Increase (decrease) in allowance for doubtful accounts	3,841	4,459
Increase (decrease) in provision for bonuses	144,124	310,586
Increase (decrease) in provision for directors' bonuses	(73,600)	(308,351)
Increase (decrease) in provision for product warranties	(23,944)	--
Increase (decrease) in provision for quality compensation	(92,920)	--
Increase (decrease) in net defined benefit liability	4,866	30,505
Interest and dividend income	(6,650)	(9,767)
Loss (gain) on sale of investment securities	--	(235,501)
Foreign exchange losses (gains)	312,736	(117,411)
Decrease (increase) on notes and accounts receivable-trade	(2,345,621)	(299,065)
Decrease (increase) in inventories	(8,844,891)	(26,581,227)
Increase (decrease) in accounts payable-trade	(1,605,994)	5,241,832
Increase (decrease) in advances received	2,143,813	9,423,260
Other, net	(982,315)	476,451
Sub-total	1,026,257	2,768,547
Interest and dividend income received	6,487	9,404
Income taxes paid	(4,464,769)	(4,681,917)
Net cash provided by (used in) operating activities	(3,432,024)	(1,903,965)
Cash flows from investing activities		
Purchase of property, plant and equipment	(516,652)	(305,250)
Purchase of intangible assets	(2,743,644)	(2,413,166)
Proceeds from sale of investment securities	--	300,106
Payments for guarantee deposits	--	(19,616)
Other	--	(150,000)
Net cash provided by (used in) investing activities	(3,260,297)	(2,587,927)
Cash flows from financing activities		
Cash dividends paid	(2,434,803)	(4,959,785)
Other, net	(2,170)	(2,548)
Net cash provided by (used in) financing activities	(2,436,974)	(4,962,334)
Effect of exchange rate change on cash and cash equivalents	(339,094)	506,046
Net increase (decrease) in cash and cash equivalents	(9,468,390)	(8,948,180)
Cash and cash equivalents at beginning of period	24,660,393	27,849,721
Cash and cash equivalents at end of period	15,192,002	18,901,540

(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 1,109 thousand yen as "rent income on noncurrent assets" has been modified to show 5,068 thousand yen as "other" non-operating income.

3. Supplementary information

(1) Production by category

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

(In thousands of yen)			
(July 1, 2021 thru December 31, 2021)			
Category	Previous	Current	Year-on-year increase (%)
Finished goods			
Semiconductor-related products	34,962,691	71,342,085	104.1
Other products	1,622,482	1,008,821	(37.8)
Subtotal	36,585,174	72,350,906	97.8
Services	3,395,796	5,346,715	57.5
Total	39,980,970	77,697,621	94.3

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

(2) Orders and backlog by category

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

(In thousands of yen)						
(July 1, 2021 thru December 31, 2021)						
Category	Orders Previous	Orders Current	Year-on-year increase (%)	Backlog Previous	Backlog Current	Year-on-year increase (%)
Finished goods						
Semiconductor-related products	54,872,913	172,876,411	215.0	115,273,905	275,590,944	139.1
Other products	353,440	543,685	53.8	2,881,550	398,387	(86.2)
Subtotal	55,226,353	173,420,096	214.0	118,155,456	275,989,331	133.6
Services	3,303,074	5,461,858	65.4	1,306,212	1,782,308	36.4
Total	58,529,427	178,881,954	205.6	119,461,668	277,771,639	132.5

(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 six months of the fiscal year are as follows.

(In thousands of yen)			
(July 1, 2021 thru December 31, 2021)			
Category	Previous	Current	Year-on-year increase (%)
Finished goods			
Semiconductor-related products	27,425,808	30,277,326	10.4
Other products	1,409,732	1,305,636	(7.4)
Subtotal	28,835,541	31,582,963	9.5
Services	3,395,796	5,346,715	57.5
Total	32,231,338	36,929,678	14.6