



Consolidated Financial Results for the Second Quarter Ended December 31, 2022 (Japanese GAAP)

January 31, 2023

Company name: Lasertec Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 6920
 URL: <https://www.lasertec.co.jp/>
 Representative: Osamu Okabayashi
 Representative Director, President Executive Officer
 Contact for inquiries: Yutaro Misawa
 Executive Officer
 Phone: +81-45-478-7111
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 Date of starting dividend payout: March 8, 2023
 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, 2022

(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, 2022	55,100	49.2	18,124	41.6	18,108	38.0	13,582	39.5
December 31, 2021	36,929	14.6	12,803	6.2	13,122	11.0	9,735	16.4

(Note) Comprehensive income: Six months ended December 31, 2022: 13,535 million yen [49.0%]
 Six months ended December 31, 2021: 9,082 million yen [7.2%]

	Net income per share	Net income per share, fully diluted
Six months ended	Yen	Yen
December 31, 2022	150.61	150.49
December 31, 2021	107.96	107.87

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
December 31, 2022	241,388	80,379	33.3	891.04
June 30, 2022	178,629	72,747	40.7	806.45

(Reference) Equity: December 31, 2022: 80,357 million yen, June 30, 2022: 72,726 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, 2022	--	32.00	--	65.00	97.00
Fiscal year ending June 30, 2023	--	52.00			
Fiscal year ending June 30, 2023 (Forecast)			--	77.00	129.00

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

3. Forecast of consolidated financial results for the year ending June 30, 2023

(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	140,000	54.9	42,000	29.3	42,000	25.1	33,000	32.8	365.93

(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: None
- ② Changes in accounting policy other than ①: None
- ③ Changes in accounting estimates: None
- ④ Restatement due to revision: None

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

(Shares)

① Number of issued shares at the end of the period (including treasury shares)	December 31, 2022	94,286,400	June 30, 2022	94,286,400
② Number of treasury shares at the end of the period	December 31, 2022	4,102,555	June 30, 2022	4,105,696
③ Average number of shares during the period ended	December 31, 2022	90,181,865	December 31, 2021	90,179,021

※ 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

(Cautions about forward-looking statements)

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.

(Availability of presentation materials of financial results)

Lasertec will give a presentation of financial results for analysts and institutional investors on January 31, 2023. The presentation materials provided at this meeting will be available on our website.

(Changes in the units used for figures)

From the first quarter of the current fiscal year, we have started to state figures for the items on the company's quarterly financial statements and others in units of millions of yen, whereas previously these figures were stated in units of thousands of yen. For ease of comparison, we have also restated the figures for the previous fiscal year in units of millions of yen as well.

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1. Qualitative information concerning this quarterly report

(1) Information concerning operating results

During the first six months of this fiscal year, uncertainty in the outlook of the global economy increased and concerns about economic slowdowns continued to prevail because of the inflation caused by soaring resource/energy prices triggered by the crisis in Ukraine, the drastic interest rate hikes by the central banks, particularly in America and Europe, and exchange rate fluctuations.

In the semiconductor industry, our primary market, demand for semiconductors used in smartphones and PCs, which had grown during the COVID-19 pandemic, began to wane, leading to widespread reductions in capital investment, particularly among memory device manufacturers. Logic device manufacturers maintained a high level of investment in the expansion of production capacity for leading-edge extreme ultraviolet (EUV) lithography and others, but there were also short-term postponements of some of their ongoing investment plans. However, the semiconductor equipment market is expected to grow over the medium to long term since there were announcements of new plans to construct or enhance production facilities worldwide to meet expected future demand as well as to hedge against the heightening geopolitical risks.

Under these circumstances, our consolidated net sales for the six-month period ended December 31, 2022, totaled 55,100 million yen (up 49.2% year-on-year). By product segment, semiconductor-related products accounted for 44,566 million yen (up 47.2% year-on-year). Sales of other products accounted for 1,253 million yen (down 4.0% year-on-year) and services for 9,281 million yen (up 73.6% year-on-year).

As for consolidated incomes during this period, we recorded an operating income of 18,124 million yen (up 41.6% year-on-year), an ordinary income of 18,108 million yen (up 38.0% year-on-year), and a 13,582 million-yen net income attributable to owners of parent (up 39.5% year-on-year).

(2) Information concerning financial position

① Financial position

Total assets at the end of the period amounted to 241,388 million yen, up 62,758 million yen from the end of the previous fiscal year. This was mainly due to a 25,575 million-yen increase in work in process, an 8,840 million-yen increase in land, a 7,598 million-yen net increase in buildings and structures, and a 7,476 million-yen increase in notes and accounts receivable-trade and contract assets.

Liabilities at the end of the period amounted to 161,008 million yen, up 55,126 million yen from the end of the previous fiscal year. This was mainly due to a 37,109 million-yen increase in advances received, a 10,000 million-yen increase in short-term borrowings, and a 3,305 million-yen increase in accounts payable-trade.

Total net assets, which consists of shareholders' equity, accumulated other comprehensive income, and subscription right to shares, amounted to 80,379 million yen. The capital-to-asset ratio was 33.3%.

② Cash flows

Cash and cash equivalents at the end of the period amounted to 29,209 million yen, up 5,578 million yen from the end of the previous fiscal year. This includes the 209 million-yen increase in cash and cash equivalents resulting from the inclusion of our Singapore subsidiary in the consolidation. Following is the status of cash flows, and their contributing factors during the six-month period.

Net cash provided by operating activities amounted to 19,139 million yen (whereas 1,903 million yen was used in the first two quarters of the previous fiscal year). This was mainly due to the fact that the sum of cash receipts, including 38,083 million yen in advances received and 18,108 million yen in income before income taxes, exceeded the sum of cash payments, such as the increase in inventories of 29,010 million yen, the increase in notes and accounts receivable-trade of 7,515 million yen, and the 4,679 million yen spent for income taxes paid.

Net cash used in investing activities amounted to 18,112 million yen (up 599.9% year-on-year). This mainly consists of the 17,609 million yen used in the purchase of property, plant, and equipment.

Net cash provided by financing activities amounted to 4,135 million yen (whereas 4,962 million yen

was used in the first two quarters of the previous fiscal year). This is mainly because the sum of cash receipts, including the 10,000 million-yen increase in short-term borrowings, exceeded the sum of cash payments, such as the 5,861 million yen used for cash dividends.

(3) Information concerning forecast of consolidated financial results

We have not revised our forecast for the fiscal year ending June 2023 announced on August 5, 2022.

2. Consolidated financial statements and notes**(1) Consolidated balance sheet**

	(In millions of yen)	
	Previous (As at June 30, 2022)	Current (As at December 31, 2022)
Assets		
Current assets		
Cash and deposits	23,494	29,282
Notes and accounts receivable-trade and contract assets	10,449	17,925
Work in process	94,308	119,883
Raw materials and supplies	9,774	13,340
Accounts receivable - other	15,006	18,338
Other	8,019	5,751
Allowance for doubtful accounts	(22)	(32)
Total current assets	161,031	204,490
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	2,382	9,980
Machinery, equipment and vehicles, net	1,488	1,429
Tools, furniture and fixtures, net	761	830
Leased assets, net	18	15
Land	4,254	13,095
Construction in progress	6	653
Total property, plant and equipment	8,912	26,006
Intangible assets	5,956	7,141
Investments and other assets		
Investment securities	949	1,487
Retirement benefit assets	38	--
Deferred tax assets	1,493	2,011
Other	248	250
Total investments and other assets	2,729	3,749
Total noncurrent assets	17,598	36,897
Total assets	178,629	241,388

	(In millions of yen)	
	Previous (As at June 30, 2022)	Current (As of December 31, 2022)
Liabilities		
Current liabilities		
Accounts payable-trade	11,015	14,320
Short-term borrowings	10,000	20,000
Income taxes payable	4,652	4,993
Advances received	60,092	97,202
Deferred revenue	3,242	3,327
Provision for bonuses	--	565
Provision for directors' bonuses (and other officers)	788	322
Liabilities related to paid supply transactions	11,611	13,735
Other	3,764	5,688
Total current liabilities	105,167	160,158
Noncurrent liabilities		
Retirement benefit liability	459	465
Provision for share awards	--	135
Asset retirement obligations	219	223
Other	35	26
Total noncurrent liabilities	714	850
Total liabilities	105,882	161,008
Net assets		
Shareholders' equity		
Capital stock	931	931
Capital surplus	1,156	1,207
Retained earnings	70,031	77,659
Treasury stock	(977)	(976)
Total shareholders' equity	71,142	78,820
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	570	945
Foreign currency translation adjustment	1,013	591
Total accumulated other comprehensive income	1,583	1,536
Subscription rights to shares	21	21
Total net assets	72,747	80,379
Total liabilities and net assets	178,629	241,388

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

	(In millions of yen)	
	Previous (July 1, 2021 thru December 31, 2021)	Current (July 1, 2022 thru December 31, 2022)
Net sales	36,929	55,100
Cost of sales	17,301	25,325
Gross profit	19,628	29,775
Selling, general and administrative expenses	6,824	11,650
Operating income	12,803	18,124
Non-operating income		
Interest income	2	4
Dividend income	7	6
Gain on sale of investment securities	235	--
Foreign exchange gains	66	--
Other	8	8
Total non-operating income	319	20
Non-operating expenses		
Interest expenses	--	18
Foreign exchange losses	--	17
Other	0	0
Total non-operating expenses	0	35
Ordinary income	13,122	18,108
Income before income taxes	13,122	18,108
Income taxes-current	2,968	5,214
Income taxes-deferred	418	(687)
Total income taxes	3,387	4,526
Net income	9,735	13,582
Net income attributable to owners of parent	9,735	13,582

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

	(In millions of yen)	
	Previous (July 1, 2021 thru December 31, 2021)	Current (July 1, 2022 thru December 31, 2022)
Net income	9,735	13,582
Other comprehensive income		
Valuation difference on available-for-sale securities	(466)	375
Foreign currency translation adjustment	(186)	(422)
Total other comprehensive income	(653)	(47)
Comprehensive income	9,082	13,535
Comprehensive income attributable to owners of parent	9,082	13,535
Comprehensive income attributable to non-controlling interests	--	--

(3) Consolidated statement of cash flows

(In millions of yen)

	Previous (July 1, 2021 thru December 31, 2021)	Current (July 1, 2022 thru December 31, 2022)
Cash flows from operating activities		
Income before income taxes	13,122	18,108
Depreciation and amortization	1,710	1,621
Increase (decrease) in allowance for doubtful accounts	4	10
Increase (decrease) in provision for bonuses	310	585
Increase (decrease) in provision for directors' bonuses (and other officers)	(308)	(465)
Increase (decrease) in retirement benefit liability	30	5
Increase (decrease) in provision for share awards	--	137
Interest and dividend income	(9)	(11)
Interest expenses	--	18
Loss (gain) on sale of investment securities	(235)	--
Foreign exchange losses (gains)	(117)	43
Decrease (increase) on notes and accounts receivable-trade	(299)	(7,515)
Decrease (increase) in inventories	(26,581)	(29,010)
Increase (decrease) in accounts payable-trade	5,241	2,107
Increase (decrease) in advances received	9,423	38,083
Other, net	476	107
Sub-total	2,768	23,824
Interest and dividend income received	9	11
Interest paid	--	(18)
Income taxes paid	(4,681)	(4,679)
Net cash provided by (used in) operating activities	(1,903)	19,139
Cash flows from investing activities		
Purchase of property, plant and equipment	(305)	(17,609)
Purchase of intangible assets	(2,413)	(491)
Proceeds from sale of investment securities	300	--
Payments for guarantee deposits	(19)	(10)
Other, net	(150)	--
Net cash provided by (used in) investing activities	(2,587)	(18,112)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	--	10,000
Cash dividends paid	(4,959)	(5,861)
Other, net	(2)	(2)
Net cash provided by (used in) financing activities	(4,962)	4,135
Effect of exchange rate change on cash and cash equivalents	506	415
Net increase (decrease) in cash and cash equivalents	(8,948)	5,578
Cash and cash equivalents at beginning of period	27,849	23,420
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in the consolidation	--	209
Cash and cash equivalents at end of period	18,901	29,209

(4) Notes to consolidated financial statements

(Note on going concern)

None

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

None

(Changes in the scope of consolidation)

(Significant changes in the scope of consolidation)

Lasertec Singapore Pte. Ltd. has been included in the scope of consolidation since the first quarter of the current fiscal year due to its increased significance.

3. Supplementary information

(1) Production by category

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

(In millions of yen)			
(July 1, 2022 thru December 31, 2022)			
Category	Previous	Current	Year-on-year increase (%)
Finished goods			
Semiconductor-related products	71,342	102,764	44.0
Other products	1,008	1,701	68.7
Subtotal	72,350	104,466	44.4
Services			
Total	5,346	9,281	73.6
Total	77,697	113,747	46.4

(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 millions of yen)						
(July 1, 2022 thru December 31, 2022)						
Category	Orders Previous	Orders Current	Year-on-year increase (%)	Backlog Previous	Backlog Current	Year-on-year increase (%)
Finished goods						
Semiconductor-related products	172,876	78,974	(54.3)	275,590	398,519	44.6
Other products	543	4,248	681.4	398	5,526	1,287.3
Subtotal	173,420	83,223	(52.0)	275,989	404,046	46.4
Services						
Total	5,461	11,159	104.3	1,782	4,439	149.1
Total	178,881	94,383	(47.2)	277,771	408,485	47.1

(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 millions of yen)			
(July 1, 2022 thru December 31, 2022)			
Category	Previous	Current	Year-on-year increase (%)
Finished goods			
Semiconductor-related products	30,277	44,566	47.2
Other products	1,305	1,253	(4.0)
Subtotal	31,582	45,819	45.1
Services			
Total	5,346	9,281	73.6
Total	36,929	55,100	49.2