



Consolidated Financial Results for the Year Ended June 30, 2020 (Japanese GAAP)

August 5, 2020

Company name: Lasertec Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 6920
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Date of ordinary general meeting of shareholders: September 28, 2020
 Dividend payable date: September 29, 2020
 Date of securities report filing: September 29, 2020
 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 year ended June 30, 2020

(1) Consolidated operating results

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

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2020	42,572	48.0	15,062	89.7	15,115	92.9	10,823	82.4
June 30, 2019	28,769	35.4	7,941	39.7	7,834	37.3	5,933	35.9

(Note) Comprehensive income: Year ended June 30, 2020: 10,863 million yen [88.4%]

Year ended June 30, 2019: 5,767 million yen [31.7%]

Fiscal year ended	Net income per share	Net income per share, fully diluted	Return on shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
June 30, 2020	120.02	119.92	30.8	22.9	35.4
June 30, 2019	65.80	65.75	20.4	17.8	27.6

(Reference) Profit/loss on equity method: Year ended June 30, 2020: None Year ended June 30, 2019: None

(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
June 30, 2020	81,794	39,175	47.9	434.19
June 30, 2019	50,055	31,107	62.1	344.72

(Reference) Equity: June 30, 2020: 39,154 million yen June 30, 2019: 31,086 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.

(3) Consolidated cash flow position

Fiscal year ended	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
June 30, 2020	16,486	(2,038)	(2,800)	24,660
June 30, 2019	5,800	(994)	(1,715)	13,120

2. Dividends

Fiscal year ended	Dividend per share					Dividend payment (Total)	Dividend payout ratio (Consolidated)	The ratio of dividend to shareholders' equity (Consolidated)
	End 1Q	End 2Q	End 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
June 30, 2019	--	16.00	--	31.00	47.00	2,119	35.7	7.3
June 30, 2020	--	31.00	--	27.00	--	3,832	35.4	10.9
June 30, 2021 (Forecast)	--	20.00	--	29.00	49.00		35.4	

(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 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 ending 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	57,000	33.9	17,000	12.9	17,000	12.5	12,500	15.5	138.61

(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 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: N/A)

Number of subsidiaries excluded from consolidation: None (Company names: N/A)

(2) 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 "(5) Notes to consolidated financial statements (Changes in accounting policy)" on page 14 of the attached supplementary material.

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

(Shares)

① Number of issued shares at the end of the period (including treasury stock)	June 30, 2020	94,286,400	June 30, 2019	94,286,400
② Number of treasury shares at the end of the period	June 30, 2020	4,108,486	June 30, 2019	4,108,392
③ Average number of shares for the period	June 30, 2020	90,177,940	June 30, 2019	90,178,090

(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 in this table of the number of issued shares (common stock) are calculated as if the stock split took place at the beginning of the previous fiscal year.

(Reference) Financial Results for the Year Ended June 30, 2020 (Non-Consolidated)

1. Financial results

(1) Operating results

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

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2020	40,319	50.4	13,750	122.3	14,833	114.4	10,843	99.0
June 30, 2019	26,800	39.4	6,184	36.5	6,918	34.2	5,450	30.4

Fiscal year ended	Net income per share	Net income per share, fully diluted
	Yen	Yen
June 30, 2020	120.25	120.15
June 30, 2019	60.44	60.39

(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," in this forecast are calculated as if the stock split took place at the beginning of the previous fiscal year.

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
June 30, 2020	79,333	37,271	47.0	413.07
June 30, 2019	48,206	29,185	60.5	323.41

(Reference) Equity: June 30, 2020: 37,249 million yen June 30, 2019: 29,164 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.

※ **This report of financial results is not subject to auditing by certified public accountants.**

※ **Cautionary statement for 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 information available to the company as of the date of announcement and on assumptions it has judged to be reasonable. We make no guarantees about achieving the forecast provided herein. Actual results may differ materially from the forecast due to various factors.

(Availability of presentation materials of financial results)

Lasertec will discuss financial results online for analysts and institutional investors on August 6, 2020. The presentation materials provided for this online meeting will be available on our website.

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1. Overview of Operating Results and Others

(1) Overview of operating results

① Overview of this fiscal year (ended June 2020)

In the fiscal year ended June 30, 2020, the global economy maintained steady growth early in the period, but the COVID-19 pandemic caused significant disruptions to economic activities in the second half, and the economy has fallen into a major recession. Although it is difficult to predict when the pandemic ends, the economy is expected to resume growth at a gradual pace.

In the semiconductor industry, the primary market of our business, there was an increase in demand for data centers amid the rise of data traffic driven by the growing use of telecommuting, e-commerce and gaming while there is a decrease in demand for smartphones and other consumer electronics as well as for automotive equipment due to the impact of the COVID-19 pandemic. Because of the increased data center demand, the price fall of memory devices, which are used for data storage, started to come to an end. In the area of leading-edge logic devices, extreme ultraviolet (EUV) lithography entered its high-volume manufacturing stage, and major device manufacturers and mask blank suppliers continue to invest in EUV-related businesses in earnest.

Under these circumstances, our consolidated net sales in the fiscal year ended June 30, 2020 totaled 42,572 million yen (up 48.0% year-on-year).

By product segment, semiconductor-related products accounted for 34,372 million yen (up 73.9% year-on-year), other products for 2,150 million yen (down 51.2% year-on-year), and services for 6,049 million yen (up 31.6% year-on-year).

As for consolidated income for this period, we recorded an operating income of 15,062 million yen (up 89.7% year-on-year), an ordinary income of 15,115 million yen (up 92.9% year-on-year), and a 10,823 million-yen net income attributable to owners of parent (up 82.4% year-on-year).

② Forecast of the next fiscal year (ending June 2021)

In the next fiscal year, we expect that capital investment in EUV lithography and other leading-edge production facilities will continue to be made in the semiconductor industry, the primary market of our Group, despite uncertainties surrounding COVID-19 and US-China trade friction.

Under these circumstances, we forecast our consolidated results in the fiscal year ending June 2021 as follows: 57 billion yen in net sales, 17 billion yen in operating income, 17 billion yen in ordinary income, and 12.5 billion yen in net income attributable to owners of parent.

(2) Overview of financial position

① Assets, Liabilities, and Net Assets

Total assets at the end of this fiscal year amounted to 81,794 million yen, an increase of 31,738 million yen from the end of the previous fiscal year, on a consolidated basis. This is mainly because of a 14,603 million yen increase in work in process, a 11,537 million yen increase in cash and deposits, and a 1,973 million yen increase in "other" current assets.

Liabilities at the end of this fiscal year amounted to 42,618 million yen, an increase of 23,670 million yen from the end of the previous fiscal year, on a consolidated basis. This is mainly because of a 13,420 million yen increase in advances received, a 4,091 million yen increase in "other" noncurrent liabilities, and a 3,147 million yen increase in income taxes payable.

Shareholders' equity at the end of this fiscal year amounted to 39,047 million yen, an increase of 8,027 million yen from the end of the previous fiscal year, on a consolidated basis. This is mainly because we earned a 10,823-million-yen net income attributable to owners of parent, whereas we paid 2,795 million yen in dividends.

Net assets, which consist of shareholders' equity, other accumulated comprehensive income, and subscription rights to shares, amounted to 39,175 million yen. The equity ratio became 47.9%.

② Cash Flows

Cash and cash equivalents at the end of this fiscal year amounted to 24,660 million yen, an increase of 11,539 million yen from the end of the previous fiscal year. Following is the status of cash flows and

their contributing factors during this fiscal year.

Net cash provided by operating activities amounted to 16,486 million yen (up 184.2% from the previous fiscal year). This is mainly because the sum of cash receipts, such as 15,115 million yen in income before income taxes and minority interests, a 13,438 million yen increase in advances received, and a 5,033 million yen increase in “other” cash flows, exceeded the sum of cash payments, such as a 15,294 million yen increase in inventories, 2,556 million yen spent for income taxes paid, and a 1,333 million yen increase in accounts receivable-trade.

Net cash used in investing activities amounted to 2,038 million yen (up 104.9% from the previous fiscal year). This is mainly due to 1,178 million yen used for purchase of property, plant and equipment, and 620 million yen used for purchase of intangible assets.

Net cash used in financing activities amounted to 2,800 million yen (up 63.3% from the previous fiscal year). This is mainly due to 2,795 million yen used for the payment of cash dividends.

Indexes associated with cash flows for the past few years are provided below:

	Year ended June 2017	Year ended June 2018	Year ended June 2019	Year ended June 2020
Equity ratio (%)	74.1	70.9	62.1	47.9
Equity ratio on market price basis (%)	213.4	369.0	384.6	1,120.1
Ratio of interest- bearing debts to cash flows (year)	--	--	--	--
Interest coverage ratio (times)	25,040.0	--	--	--

- Equity ratio: Net assets divided by total assets
 - Equity ratio on market price basis: Market capitalization divided by total assets
 - Ratio of interest-bearing debts to cash flows: Interest-bearing debts divided by cash flows from operating activities
 - Interest coverage ratio: Cash flows divided by paid interests
- (Note 1) Each index is calculated based on consolidated financial results.
- (Note 2) Market capitalization is calculated based on the total number of issued shares minus the number of treasury shares.
- (Note 3) Cash flows denote the cash flows from operating activities on the consolidated statement of cash flows.
- (Note 4) Interest-bearing debts denote all interest-bearing liabilities on the consolidated balance sheet.
- (Note 5) Because of retrospective changes due to the change in accounting policy, the figures of the fiscal year ended June 30, 2017 indicated above are the figures of retrospectively changed financial results.

(3) Basic policy concerning profit distribution in this fiscal year and the next

Our basic policy concerning profit distribution is to flexibly pay dividends based on performance while maintaining steady profit distribution to shareholders, with a consolidated dividend payout ratio of 35% being the guideline.

Our policy concerning retained earnings is to use them effectively for research and development of new technologies and products, for capital investment in line with business growth, and for hiring good talent in order to facilitate the further improvement of company quality and the establishment of a long-sustainable business foundation.

Based on the policy described herein, we are planning to pay a year-end dividend of 27 yen per share for this fiscal year with 35.4% dividend payout ratio.

In the next fiscal year, we plan to pay dividends of 49 yen per share (20 yen as interim dividend and 29 yen as year-end dividend) based on the current forecast of financial results. The estimated dividend payout ratio is 35.4% on a consolidated basis.

2. Status of our Group

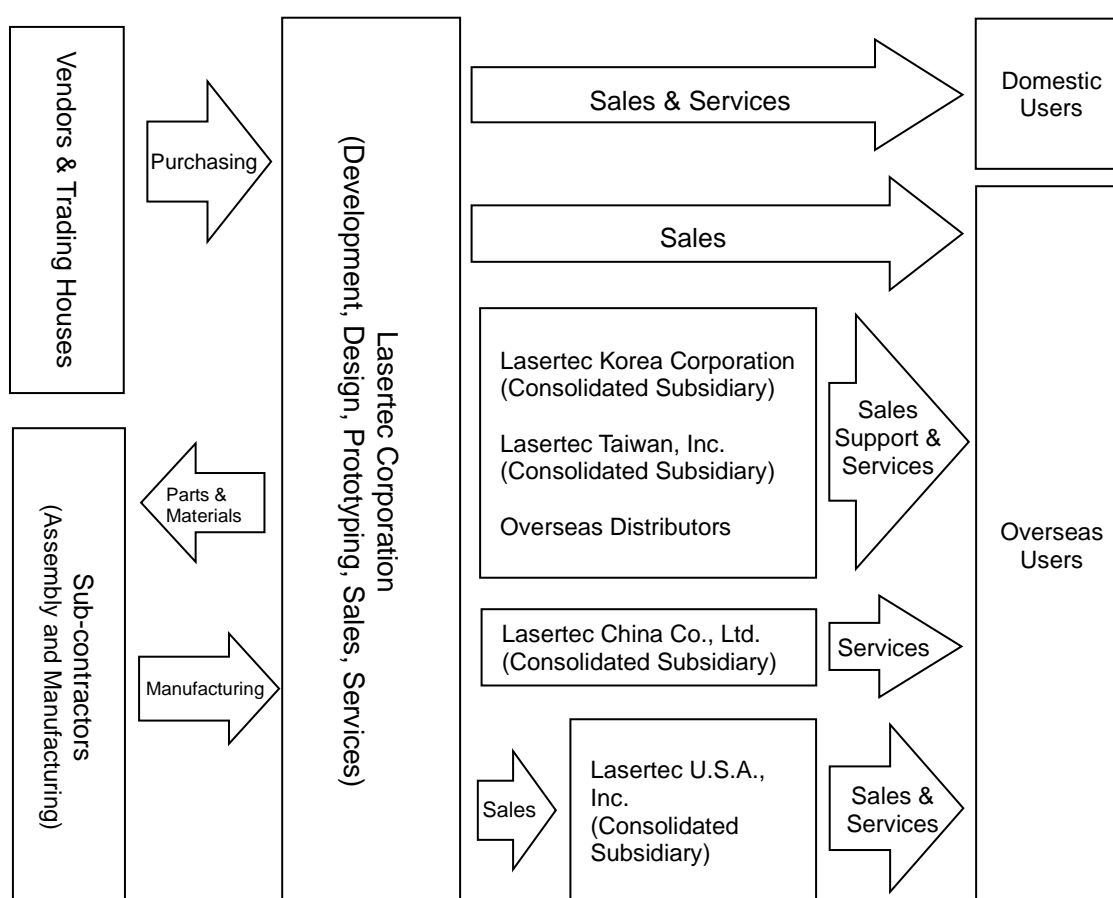
The business of our Group consists of a single segment that engages in the design, manufacture and sale of inspection and measurement equipment. Our operations are mainly categorized into design, manufacture, sales, and services for semiconductor-related products and other products.

Among the operations described above, Lasertec Corporation conducts the design and manufacture of semiconductor-related products and those of other products.

Sales operation in North America and Europe is executed by Lasertec U.S.A., Inc., a consolidated subsidiary. Lasertec Corporation conducts sales in Japan and Asia.

Lasertec USA, Inc. performs services in North America and Europe. Lasertec Korea Corporation, Lasertec Taiwan, Inc., and Lasertec China Co., Ltd., all of which are consolidated subsidiaries, provide services in Korea, Taiwan, and China, respectively. Lasertec Corporation provides services in Japan and the remaining Asian countries.

The operations of Lasertec Corporation and its related parties are described below in a business flow chart.



3. Basic Policy on Selection of Accounting Principles

We will continue to use the Japanese GAAP to compile consolidated financial statements for the time being to retain comparability with the results of previous fiscal years and those of other companies. With respect to the adoption of IFRS, we will carefully consider various factors in Japan and abroad and make a proper decision.

4. Consolidated Financial Statements**(1) Consolidated balance sheet**

	(In thousands of yen)	
	Previous (As of June 30,2019)	Current (As of June 30,2020)
Assets		
Current assets		
Cash and deposits	13,185,860	24,723,393
Notes and accounts receivable-trade	4,313,818	5,662,634
Work in process	15,479,479	30,083,265
Raw materials and supplies	3,278,609	3,978,778
Other	3,589,280	5,563,227
Allowance for doubtful accounts	(5,990)	(8,601)
Total current assets	39,841,058	70,002,699
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,537,300	4,601,054
Accumulated depreciation	(2,079,646)	(2,210,782)
Buildings and structures, net	2,457,654	2,390,271
Machinery, equipment and vehicles	1,307,102	1,300,707
Accumulated depreciation	(277,071)	(577,565)
Machinery, equipment and vehicles, net	1,030,031	723,142
Tools, furniture and fixtures	1,797,709	2,069,385
Accumulated depreciation	(1,488,398)	(1,569,620)
Tools, furniture and fixtures, net	309,310	499,765
Leased assets	3,300	26,820
Accumulated depreciation	(110)	(4,410)
Leased assets, net	3,190	22,410
Land	4,254,773	4,254,773
Construction in progress	--	23,868
Total property, plant and equipment	8,054,960	7,914,231
Intangible assets	462,664	843,359
Investments and other assets		
Investment securities	478,373	532,873
Deferred tax assets	1,113,574	2,347,281
Other	105,135	153,626
Allowance for doubtful accounts	(95)	--
Total investments and other assets	1,696,987	3,033,781
Total noncurrent assets	10,214,612	11,791,372
Total assets	50,055,671	81,794,071

	(In thousands of yen)	
	Previous (As of June 30, 2019)	Current (As of June 30, 2020)
Liabilities		
Current liabilities		
Accounts payable-trade	1,843,695	4,985,628
Income taxes payable	1,433,588	4,581,064
Advances received	12,234,776	25,655,709
Provision for directors' bonuses	281,800	537,000
Provision for product warranties	327,991	33,715
Provision for quality compensation	230,344	92,920
Other	2,081,210	6,172,820
Total current liabilities	18,433,406	42,058,860
Noncurrent liabilities		
Net defined benefit liability	227,931	276,481
Asset retirement obligations	218,939	219,072
Other	67,888	64,096
Total noncurrent liabilities	514,758	559,651
Total liabilities	18,948,164	42,618,511
Net assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,080,360
Retained earnings	29,985,983	38,014,040
Treasury stock	(977,387)	(977,713)
Total shareholders' equity	31,019,955	39,047,686
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	221,898	259,879
Foreign currency translation adjustment	(155,846)	(153,504)
Total accumulated other comprehensive income	66,051	106,375
Subscription rights to shares	21,498	21,498
Total net assets	31,107,506	39,175,560
Total liabilities and net assets	50,055,671	81,794,071

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

	(In thousands of yen)	
	Previous (July 1, 2018 thru June 30, 2019)	Current (July 1, 2019 thru June 30, 2020)
Net sales	28,769,951	42,572,915
Cost of sales	12,853,152	19,581,071
Gross profit	15,916,799	22,991,843
Selling, general and administrative expenses	7,975,500	7,929,172
Operating income	7,941,298	15,062,671
Non-operating income		
Interest income	8,403	9,255
Dividend income	13,125	13,464
Rent income on noncurrent assets	2,556	2,101
Foreign exchange gains	--	27,706
Other	6,554	6,339
Total non-operating income	30,639	58,866
Non-operating expenses		
Loss on retirement of noncurrent assets	2,338	5,735
Foreign exchange losses	134,495	--
Other	615	384
Total non-operating expenses	137,449	6,119
Ordinary income	7,834,489	15,115,418
Income before income taxes	7,834,489	15,115,418
Income taxes-current	2,043,217	5,541,954
Income taxes-deferred	(142,655)	(1,250,109)
Total income taxes	1,900,562	4,291,845
Net income	5,933,926	10,823,573
Net income attributable to owners of parent	5,933,926	10,823,573

(Consolidated statement of comprehensive income)

	(In thousands of yen)	
	Previous (July 1, 2018 thru June 30, 2019)	Current (July 1, 2019 thru June 30, 2020)
Net income	5,933,926	10,823,573
Other comprehensive income		
Valuation difference on available-for-sale securities	(92,307)	37,980
Foreign currency translation adjustment	(73,854)	2,342
Total other comprehensive income	(166,161)	40,323
Comprehensive income	5,767,765	10,863,896
Comprehensive income attributable to owners of parent	5,767,765	10,863,896
Comprehensive income attributable to non-controlling interests	--	--

(3) Consolidated statement of shareholders' equity

	(In thousands of yen)	
	Previous (July 1, 2018 thru June 30, 2019)	Current (July 1, 2019 thru June 30, 2020)
Shareholders' equity		
Capital stock		
Balance at the beginning of the period	931,000	931,000
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	931,000	931,000
Capital surplus		
Balance at the beginning of the period	1,080,360	1,080,360
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	1,080,360	1,080,360
Retained earnings		
Balance at the beginning of the period	25,765,441	29,985,983
Changes during the period		
Dividends of surplus	(1,713,385)	(2,795,516)
Net income	5,933,926	10,823,573
Purchase of treasury shares		
Total changes during the period	4,220,541	8,028,056
Balance at the end of the period	29,985,983	38,014,040
Treasury stock		
Balance at the beginning of the period	(976,969)	(977,387)
Changes during the period		
Purchase of treasury shares	(418)	(325)
Total changes during the period	(418)	(325)
Balance at the end of the period	(977,387)	(977,713)
Total shareholders' equity		
Balance at the beginning of the period	26,799,832	31,019,955
Changes during the period		
Dividends of surplus	(1,713,385)	(2,795,516)
Net income	5,933,926	10,823,573
Purchase of treasury shares	(418)	(325)
Total changes during the period	4,220,123	8,027,731
Balance at the end of the period	31,019,955	39,047,686

(In thousands of yen)

	Previous (July 1, 2018 thru June 30, 2019)	Current (July 1, 2019 thru June 30, 2020)
Other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of the period	314,205	221,898
Changes during the period		
Net changes of items other than shareholders' equity	(92,307)	(37,980)
Total changes during the period	(92,307)	(37,980)
Balance at the end of the period	221,898	259,879
Foreign currency translation adjustment		
Balance at the beginning of the period	(81,991)	(155,846)
Changes during the period		
Net changes of items other than shareholders' equity	(73,854)	2,342
Total changes during the period	(73,854)	2,342
Balance at the end of the period	(155,846)	(153,504)
Total other comprehensive income		
Balance at the beginning of the period	232,213	66,051
Changes during the period		
Net changes of items other than shareholders' equity	(166,161)	40,323
Total changes during the period	(166,161)	40,323
Balance at the end of the period	66,051	106,375
Subscription rights to shares		
Balance at the beginning of the period	21,498	21,498
Changes during the period		
Net changes of items other than shareholders' equity	--	--
Total changes during the period	--	--
Balance at the end of the period	21,498	21,498
Total net assets		
Balance at the beginning of the period	27,053,544	31,107,506
Changes during the period		
Dividends of surplus	(1,713,385)	(2,795,516)
Net income	5,933,926	10,823,573
Purchase of treasury shares	(418)	(325)
Net changes of items other than shareholders' equity	(166,161)	40,323
Total changes during the period	4,053,961	8,068,054
Balance at the end of the period	31,107,506	39,175,560

(4) Consolidated statement of cash flows

(In thousands of yen)

	Previous (July 1, 2018 thru June 30, 2019)	Current (July 1, 2019 thru June 30, 2020)
Cash flows from operating activities		
Income before income taxes	7,834,489	15,115,418
Depreciation and amortization	499,561	881,021
Loss on retirement of non-current assets	2,338	5,735
Increase (decrease) in allowance for doubtful accounts	484	2,551
Increase (decrease) in provision for directors' bonuses	55,800	255,200
Increase (decrease) in provision for product warranties	7,307	(294,302)
Increase (decrease) in provision for quality compensation	230,344	(137,423)
Increase (decrease) in net defined benefit liability	27,998	49,173
Interest and dividend income	(21,528)	(22,720)
Foreign exchange losses (gains)	12,994	99,121
Decrease (increase) on notes and accounts receivable-trade	(517,732)	(1,333,368)
Decrease (increase) in inventories	(6,348,472)	(15,294,283)
Increase (decrease) in accounts payable-trade	(224,226)	1,222,517
Increase (decrease) in advances received	4,918,974	13,438,873
Other, net	549,267	5,033,288
Sub-total	7,027,600	19,020,804
Interest and dividend income received	21,570	22,661
Income taxes paid	(1,248,944)	(2,556,586)
Net cash provided by (used in) operating activities	5,800,225	16,486,879
Cash flows from investing activities		
Payments into time deposits	(68,600)	(62,440)
Proceeds from withdrawal of time deposits	68,600	62,440
Purchase of property, plant and equipment	(897,038)	(1,178,245)
Proceeds from sales of property, plant and equipment	1,800	--
Purchase of intangible assets	(52,823)	(620,587)
Proceeds from sales of intangible assets	--	89
Payments for guarantee deposits	(46,735)	(31,765)
Other	--	(208,160)
Net cash provided by (used in) investing activities	(994,798)	(2,038,669)
Cash flows from financing activities		
Cash dividends paid	(1,713,385)	(2,795,516)
Other, net	(1,725)	(4,969)
Net cash provided by (used in) financing activities	(1,715,110)	(2,800,486)
Effect of exchange rate change on cash and cash equivalents	(77,000)	(107,881)
Net increase (decrease) in cash and cash equivalents	3,013,316	11,539,842
Cash and cash equivalents at beginning of period	10,107,234	13,120,550
Cash and cash equivalents at end of period	13,120,550	24,660,393

(5) Notes to consolidated financial statements

(Note on going concern assumption)

None

(Changes in accounting policy)

(Adoption of accounting standard for revenue recognition and others)

Since ASBJ Statement No. 29 Accounting Standard for Revenue Recognition and ASBJ Guidance No. 30 Implementation Guidance on Accounting Standard for Revenue Recognition are adoptable from the first quarter of a fiscal year that starts on April 1, 2018 or later, we have chosen to adopt them from the beginning of this fiscal year. As a result, we now recognize the revenue of goods or service in the amount we expect to receive in exchange when the control of such goods or service promised is transferred to the customer. As such, the following changes have been introduced:

(1) Product sale

In product sale transactions, the obligation of warranty service is treated separately from the obligation of product sale. We recognize the revenue of product sale when the control of asset is transferred to the customer. As for warranty service, we prorate the total service revenue for each product sold evenly over its warranty period and recognize the revenue step by step over the portion of the warranty period that has elapsed.

(2) Paid maintenance service

We may provide paid maintenance service by entering into a specific contract for certain products sold. This paid maintenance service is provided either on an on-call basis or on a fixed-period service agreement basis and it is recognized as an obligation. Since the obligation of on-call service is fulfilled when the provision of specific service is completed, we recognize its revenue at the time of its completion. With respect to the obligation of a fixed-period service agreement, we prorate the total service revenue evenly over its period and recognize the revenue step by step as we fulfill our obligation over the portion of the period of agreement.

We have adopted the Accounting Standard for Revenue Recognition and its Implementation Guidance in accordance with the provisional accounting procedure for the adoption of the accounting standard set forth in the proviso of Section 84 of ASBJ Statement No. 29. According to this procedure, the cumulative effect from the adoption of the new accounting standard for the periods prior to this fiscal year is reflected on retained earnings on the balance sheet at the beginning of this fiscal year, and the new accounting standard is applied to the new balance of retained earnings. However, we also employ the method set forth in Section 86 of ASBJ Statement No. 29, and the new accounting standard is not applied retrospectively to the contracts whose revenue was recognized almost entirely prior to the beginning of this fiscal year.

As a result of this change, the amount of net sales is lowered by 1,495,264 thousand yen, and those of operating income, ordinary income and net income are each lowered by 1,205,316 thousand yen on the consolidated financial statements for the fiscal year ended June 30, 2020. There is no effect from this change on the amount of retained earnings at the beginning of this fiscal year.

(Reference)**(1) Production by category**

Production by category for the fiscal year is as follows.

(In thousands of yen)

Category	(July 1, 2019 thru June 30, 2020)	
	Production	Year-on-year comparison (%)
Finished goods		
Semiconductor-related products	64,174,183	98.3
Other products	2,389,790	(30.3)
Sub-total	66,563,974	86.0
Services	6,049,733	31.6
Total	72,613,707	79.8

(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 fiscal year are as follows.

(In thousands of yen)

Category	(July 1, 2019 thru June 30, 2020)		(June 30, 2020)	
	Orders	Year-on-year comparison (%)	Backlog	Year-on-year comparison (%)
Finished goods				
Semiconductor-related products	70,157,214	87.9	87,826,801	68.8
Other products	3,490,811	49.8	3,937,842	51.6
Sub-total	73,648,025	85.7	91,764,644	67.9
Services	6,527,568	36.5	1,398,934	51.9
Total	80,175,594	80.4	93,163,579	67.7

(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 fiscal year are as follows.

(In thousands of yen)

Category	(July 1, 2019 thru June 30, 2020)	
	Sales	Year-on-year comparison (%)
Finished goods		
Semiconductor-related products	34,372,356	73.9
Other products	2,150,825	(51.2)
Sub-total	36,523,182	51.1
Services	6,049,733	31.6
Total	42,572,915	48.0

(Note)

Consumption taxes are not included.

5. Non-Consolidated Financial Statements

(1) Balance sheet (non-consolidated)

	(In thousands of yen)	
	Previous (As of June 30, 2019)	Current (As of June 30, 2020)
Assets		
Current assets		
Cash and deposits	11,713,549	23,018,502
Notes receivable-trade	434,265	234,416
Accounts receivable-trade	3,472,038	4,917,643
Work in process	15,504,446	30,171,273
Raw materials and supplies	3,118,284	3,724,232
Accounts receivable-other	2,028,812	3,949,094
Other	1,485,039	1,468,720
Allowance for doubtful accounts	(4,628)	(7,642)
Total current assets	37,751,808	67,476,240
Noncurrent assets		
Property, plant, and equipment		
Buildings	2,441,888	2,364,714
Structures	11,148	9,250
Machinery, equipment and vehicles	1,029,973	723,121
Tools, furniture and fixtures	295,359	481,595
Leased assets	3,190	22,410
Land	4,254,773	4,254,773
Construction in progress	--	23,868
Total property, plant, and equipment	8,036,333	7,879,735
Intangible assets	462,574	842,616
Investments and other assets		
Investment securities	478,373	532,873
Stocks of subsidiaries and affiliates	147,729	155,889
Deferred tax assets	1,256,663	2,329,925
Other	73,532	116,577
Allowance for doubtful accounts	(95)	--
Total investments and other assets	1,956,203	3,135,266
Total noncurrent assets	10,455,111	11,857,617
Total assets	48,206,919	79,333,857

(In thousands of yen)

	Previous (As of June 30, 2019)	Current (As of June 30, 2020)
Liabilities		
Current liabilities		
Accounts payable-trade	1,882,366	5,037,738
Accounts payable-other	2,164,627	1,005,079
Income taxes payable	1,208,878	4,377,428
Advances received	12,236,277	25,577,678
Provision for directors' bonuses	281,800	537,000
Provision for product warranties	144,772	--
Provision for quality compensation	230,344	92,920
Other	357,590	4,876,216
Total current liabilities	18,506,656	41,504,062
Noncurrent liabilities		
Provision for retirement benefits	227,931	276,481
Asset retirement obligations	218,939	219,072
Other	67,796	62,893
Total noncurrent liabilities	514,666	558,447
Total liabilities	19,021,323	42,062,509
Net Assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus		
Legal capital surplus	1,080,360	1,080,360
Total capital surplus	1,080,360	1,080,360
Retained earnings		
Legal retained earnings	159,038	159,038
Other retained earnings		
General reserve	9,212,000	9,212,000
Retained earnings brought forward	18,537,188	26,585,285
Total retained earnings	27,908,227	35,956,323
Treasury stock	(977,387)	(977,713)
Total shareholders' equity	28,942,199	36,989,970
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	221,898	259,879
Total valuation and translation adjustments	221,898	259,879
Subscription rights to shares	21,498	21,498
Total net assets	29,185,596	37,271,347
Total liabilities and net assets	48,206,919	79,333,857

(2) Statement of income (non-consolidated)

	(In thousands of yen)	
	Previous (July 1, 2018 thru June 30, 2019)	Current (July 1, 2019 thru June 30, 2020)
Net sales	26,800,493	40,319,777
Cost of sales	13,010,744	19,201,122
Gross profit	13,789,748	21,118,654
Selling, general and administrative expenses	7,605,115	7,368,017
Operating income	6,184,633	13,750,637
Non-operating income		
Interest income	2,474	2,386
Dividend income	844,272	1,070,004
Rent income on noncurrent assets	2,556	2,101
Foreign exchange gains	--	8,959
Other	5,908	4,816
Total non-operating income	855,212	1,088,269
Non-operating expenses		
Loss on retirement of noncurrent assets	1,799	5,695
Foreign exchange losses	119,205	--
Other	615	57
Total non-operating expenses	121,620	5,753
Ordinary income	6,918,225	14,833,153
Income before income taxes	6,918,225	14,833,153
Income taxes-current	1,696,592	5,079,321
Income taxes-deferred	(228,730)	(1,089,781)
Total income taxes	1,467,861	3,989,539
Net income	5,450,363	10,843,613

(3) Statement of shareholders' equity (non-consolidated)

(In thousands of yen)

	Previous (July 1, 2018 thru June 30, 2019)	Current (July 1, 2019 thru June 30, 2020)
Shareholders' equity		
Capital stock		
Balance at the beginning of the period	931,000	931,000
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	931,000	931,000
Capital surplus		
Balance at the beginning of the period	1,080,360	1,080,360
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	1,080,360	1,080,360
Retained earnings		
Legal retained earnings		
Balance at the beginning of the period	159,038	159,038
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	159,038	159,038
Other retained earnings		
General reserve		
Balance at the beginning of the period	9,212,000	9,212,000
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	9,212,000	9,212,000
Retained earnings brought forward		
Balance at the beginning of the period	14,800,211	18,537,188
Changes during the period		
Dividends of surplus	(1,713,385)	(2,795,516)
Net income	5,450,363	10,843,613
Purchase of treasury shares		
Total changes during the period	3,736,977	8,048,096
Balance at the end of the period	18,537,188	26,585,285
Total retained earnings		
Balance at the beginning of the period	24,171,249	27,908,227
Changes during the period		
Dividends of surplus	(1,713,385)	(2,795,516)
Net income	5,450,363	10,843,613
Purchase of treasury shares		
Total changes during the period	3,736,977	8,048,096
Balance at the end of the period	27,908,227	35,956,323

	(In thousands of yen)	
	Previous (July 1, 2018 thru June 30, 2019)	Current (July 1, 2019 thru June 30, 2020)
Treasury stock		
Balance at the beginning of the period	(976,969)	(977,387)
Changes during the period		
Purchase of treasury shares	(418)	(325)
Total changes during the period	(418)	(325)
Balance at the end of the period	(977,387)	(977,713)
Total shareholders' equity		
Balance at the beginning of the period	25,205,639	28,942,199
Changes during the period		
Dividends of surplus	(1,713,385)	(2,795,516)
Net income	5,450,363	10,843,613
Purchase of treasury shares	(418)	(325)
Total changes during the period	3,736,559	8,047,770
Balance at the end of the period	28,942,199	36,989,970
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of the period	314,205	221,898
Changes during the period		
Net changes of items other than shareholders' equity	(92,307)	(37,980)
Total changes during the period	(92,307)	(37,980)
Balance at the end of the period	221,898	259,879
Subscription rights to shares		
Balance at the beginning of the period	21,498	21,498
Changes during the period		
Net changes of items other than shareholders' equity	--	--
Total changes during the period	--	--
Balance at the end of the period	21,498	21,498
Total net assets		
Balance at the beginning of the period	25,541,343	29,185,596
Changes during the period		
Dividends of surplus	(1,713,385)	(2,795,516)
Net income	5,450,363	10,843,613
Purchase of treasury shares	(418)	(325)
Net changes of items other than shareholders' equity	(92,307)	37,980
Total changes during the period	3,644,252	8,085,751
Balance at the end of the period	29,185,596	37,271,347

- (4) Notes to non-consolidated financial statements
(Note on going concern assumption)
None