



Consolidated Financial Results for the Second Quarter Ended December 31, 2020 (Japanese GAAP)

February 1, 2021

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 Stock exchange listing: Tokyo Stock Exchange
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 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, 2020

(1) Consolidated operating results

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended December 31, 2020	32,231	61.6	12,056	50.9	11,823	48.8	8,362	49.5
December 31, 2019	19,948	18.5	7,988	55.2	7,948	54.3	5,593	45.3

(Note) Comprehensive income: Six months ended December 31, 2020: 8,474 million yen [48.5%]
 Six months ended December 31, 2019: 5,707 million yen [52.0%]

	Net income per share	Net income per share, fully diluted
	Yen	Yen
Six months ended December 31, 2020	92.73	92.65
December 31, 2019	62.03	61.98

(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
December 31, 2020	90,164	45,214	50.1	501.16
June 30, 2020	81,794	39,175	47.9	434.19

(Reference) Equity: December 31, 2020: 45,193 million yen, June 30, 2020: 39,154 million yen

(Note) Effective January 1, 2020, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated November 25, 2019. The figures of "net assets per share" are calculated as if the stock split took place at the beginning of the previous fiscal year.

2. Dividends

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

(Notes) 1. Revision to forecast of dividends since the last announcement: Yes

2. Effective January 1, 2020, the company split its common stock 2 for 1 in accordance with the resolution of the

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

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

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Annual	62,000	45.6	20,000	32.8	20,000	32.3	14,000	29.3	155.25

(Notes) 1. Revision to forecast of financial results since the last announcement: Yes

2. Effective January 1, 2020, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated November 25, 2019. The figure of "net income per share" in this forecast is calculated based on the number of issued shares after the stock split (excluding treasury shares).

※ Notes

(1) Significant changes of subsidiaries during the period (changes of specified subsidiaries accompanying changes in the scope of consolidation): None

Number of subsidiaries added to consolidation: None (Company names: --),

Number of subsidiaries excluded from consolidation: None (Company names: --)

(2) Application of special accounting procedures to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policy, changes or restatement of accounting estimates

① Changes in accounting policy due to revision of accounting standards: None

② Changes in accounting policy other than ①: Yes

③ Changes in accounting estimates: None

④ Restatement due to revision: None

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

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

(Shares)

① Number of issued shares at the end of the period (including treasury shares)	December 31, 2020	94,286,400	June 30, 2020	94,286,400
② Number of treasury shares at the end of the period	December 31, 2020	4,108,486	June 30, 2020	4,108,486
③ Average number of shares during the period ended	December 31, 2020	90,177,914	December 31, 2019	90,177,965

(Note) Effective January 1, 2020, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated November 25, 2019. The figures of the number of issued shares (common stock) in this table are calculated as if the stock split took place at the beginning of the previous fiscal year.

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

※ Statement about proper use of forecast of financial results and other special notes

The forecast of financial results provided in this report is based on the information currently available to the company and based on certain assumptions it has judged as reasonable. Actual results may differ materially from the forecast due to various factors.

Lasertec will give a presentation of financial results to analysts and institutional investors on February 2, 2021. 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 six months of this fiscal year, stimulus measures were introduced together with anti-virus measures to promote economic activities in the wake of the COVID-19 pandemic. The global economy started to show signs of recovery from the major slowdown caused by the pandemic, but as the risk of infection became higher in winter, the number of cases started to increase again, and various countries decided to re-impose restrictions to economic activities. Because of this situation and intensified US-China frictions, which may also adversely affect the economy, there is no clear visibility in the outlook.

In the semiconductor industry, our primary market, there was a steady increase in demand for semiconductor devices driven by the market growth of PCs and data centers due to the growing need for telecommuting and online meetings, together with the market growth of 5G smartphone and other communications equipment, despite concerns about the impact of COVID-19 earlier in this fiscal year. There was particularly strong demand for leading-edge high-performance semiconductors, and logic device manufacturers made active investments to enhance the capacity of production facilities for the leading-edge lithography using extreme ultraviolet (EUV) light. Mask blank suppliers also engaged in EUV-related investment, expecting mid- to long-term demand growth.

Under these circumstances, our consolidated net sales in the six-month period ended December 31, 2020 totaled 32,231 million yen (up 61.6% year-on-year).

By product segment, semiconductor-related products accounted for 27,425 million yen (up 72.8% year-on-year), other products for 1,409 million yen (up 7.1% year-on-year), and services for 3,395 million yen (up 22.8% year-on-year).

As for consolidated income for this period, we recorded an operating income of 12,056 million yen (up 50.9% year-on-year), an ordinary income of 11,823 million yen (up 48.8% year-on-year), and a 8,362 million yen net income attributable to owners of parent (up 49.5% year-on-year).

(2) Information concerning financial position

① Financial position

Total assets at the end of the period amounted to 90,164 million yen, up 8,370 million yen from the end of the previous fiscal year. This is mainly due to a 8,345 million yen increase in work in process, a 4,046 million yen increase in "other" current assets, a 2,469 million yen increase in intangible assets, and a 2,340 million yen increase in notes and accounts receivable-trade, whereas cash and deposits decreased by 9,464 million yen.

Liabilities at the end of the period amounted to 44,950 million yen, up 2,331 million yen from the end of the previous fiscal year. This is mainly due to a 2,023 million yen increase in advances received.

Net assets, which consist of shareholders' equity, accumulated other comprehensive income, and subscription right to shares, amounted to 45,214 million yen. The capital-to-asset ratio was 50.1%.

② Cash flows

Cash and cash equivalents at the end of the period amounted to 15,192 million yen, down 9,468 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 3,432 million yen (whereas a net cash of 4,073 million yen was provided by operating activities in the same period of the previous fiscal year). This is mainly because the sum of cash payment, such as a 8,844 million yen increase in inventories, 4,464 million yen used for income taxes paid, and a 2,345 million yen increase in notes and accounts receivable-trade, exceeded the sum of cash receipt, such as 11,823 million yen in income before income taxes.

Net cash used in investing activities amounted to 3,260 million yen (up 105.2% year-on-year). This is mainly due to 2,743 million yen used for purchase of intangible assets.

Net cash used in financing activities amounted to 2,436 million yen (up 74.0% year-on-year). This is mainly due to 2,434 million yen used for cash dividends paid.

(3) Information concerning forecast of consolidated financial results

Based on the latest information about our operating results and others, we have revised our forecast of financial results for the fiscal year ending June 2021 announced on August 5, 2020. For details, please refer to “Announcement of Revised Forecast of Consolidated Financial Results, Revised Forecast of Year-End Dividend, and Divide of Surplus (Interim Dividend)” released today (February 1, 2021)

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

	(In thousands of yen)	
	Previous (As of June 30,2020)	Current (As of December 31,2020)
Assets		
Current assets		
Cash and deposits	24,723,393	15,258,642
Notes and accounts receivable-trade	5,662,634	8,003,201
Work in process	30,083,265	38,428,830
Raw materials and supplies	3,978,778	4,485,372
Other	5,563,227	9,609,615
Allowance for doubtful accounts	(8,601)	(12,488)
Total current assets	70,002,699	75,773,174
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	2,390,271	2,333,688
Machinery, equipment and vehicles, net	723,142	863,513
Tools, furniture and fixtures, net	499,765	518,185
Leased assets, net	22,410	20,400
Land	4,254,773	4,254,773
Construction in progress	23,868	28,714
Total property, plant and equipment	7,914,231	8,019,276
Intangible assets	843,359	3,313,298
Investments and other assets		
Investment securities	532,873	667,383
Deferred tax assets	2,347,281	2,221,585
Other	153,626	170,225
Total investments and other assets	3,033,781	3,059,195
Total noncurrent assets	11,791,372	14,391,769
Total assets	81,794,071	90,164,944

	(In thousands of yen)	
	Previous (As of June 30, 2020)	Current (As of December 31, 2020)
Liabilities		
Current liabilities		
Accounts payable-trade	4,985,628	5,028,292
Income taxes payable	4,581,064	3,417,344
Advances received	25,655,709	27,678,913
Provision for bonuses	--	145,667
Provision for directors' bonuses	537,000	463,400
Provision for product warranties	33,715	9,663
Provision for quality compensation	92,920	--
Other	6,172,820	7,667,324
Total current liabilities	42,058,860	44,410,607
Noncurrent liabilities		
Net defined benefit liability	276,481	281,474
Asset retirement obligations	219,072	219,139
Other	64,096	38,897
Total noncurrent liabilities	559,651	539,511
Total liabilities	42,618,511	44,950,118
Net assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,080,360
Retained earnings	38,014,040	43,941,289
Treasury stock	(977,713)	(977,713)
Total shareholders' equity	39,047,686	44,974,935
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	259,879	353,619
Foreign currency translation adjustment	(153,504)	(135,228)
Total accumulated other comprehensive income	106,375	218,391
Subscription rights to shares	21,498	21,498
Total net assets	39,175,560	45,214,825
Total liabilities and net assets	81,794,071	90,164,944

(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, 2019 thru December 31, 2019)	Current (July 1, 2020 thru December 31, 2020)
Net sales	19,948,645	32,231,338
Cost of sales	8,279,332	15,563,699
Gross profit	11,669,313	16,667,638
Selling, general and administrative expenses	3,680,418	4,610,647
Operating income	7,988,894	12,056,990
Non-operating income		
Interest income	2,213	1,952
Dividend income	6,596	4,697
Rent income on non-current assets	1,048	1,109
Other	4,289	3,958
Total non-operating income	14,148	11,718
Non-operating expenses		
Foreign exchange losses	54,422	244,647
Other	323	124
Total non-operating expenses	54,745	244,771
Ordinary income	7,948,297	11,823,936
Income before income taxes	7,948,297	11,823,936
Income taxes-current	2,375,759	3,379,384
Income taxes-deferred	(20,984)	82,500
Total income taxes	2,354,775	3,461,884
Net income	5,593,521	8,362,052
Net income attributable to owners of parent	5,593,521	8,362,052

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

	(In thousands of yen)	
	Previous (July 1, 2019 thru December 31, 2019)	Current (July 1, 2020 thru December 31, 2020)
Net income	5,593,521	8,362,052
Other comprehensive income		
Valuation difference on available-for-sale securities	83,287	93,740
Foreign currency translation adjustment	30,876	18,276
Total other comprehensive income	114,164	112,016
Comprehensive income	5,707,685	8,474,068
Comprehensive income attributable to owners of parent	5,707,685	8,474,068
Comprehensive income attributable to non-controlling interests	--	--

(3) Consolidated statement of cash flows

(In thousands of yen)

	Previous (July 1, 2019 thru December 31, 2019)	Current (July 1, 2020 thru December 31, 2020)
Cash flows from operating activities		
Income before income taxes	7,948,297	11,823,936
Depreciation and amortization	410,862	568,876
Increase (decrease) in allowance for doubtful accounts	2,362	3,841
Increase (decrease) in provision for bonuses	72,753	144,124
Increase (decrease) in provision for directors' bonuses	29,300	(73,600)
Increase (decrease) in provision for product warranties	(213,394)	(23,944)
Increase (decrease) in provision for quality compensation	(124,749)	(92,920)
Increase (decrease) in net defined benefit liability	22,931	4,866
Interest and dividend income	(8,810)	(6,650)
Foreign exchange losses (gains)	(16,720)	312,736
Decrease (increase) on notes and accounts receivable-trade	(2,081,620)	(2,345,621)
Decrease (increase) in inventories	(6,736,620)	(8,844,891)
Increase (decrease) in accounts payable-trade	595,550	(1,605,994)
Increase (decrease) in advances received	2,633,143	2,143,813
Other, net	3,010,714	(982,315)
Sub-total	5,543,999	1,026,257
Interest and dividend income received	8,806	6,487
Income taxes paid	(1,479,011)	(4,464,769)
Net cash provided by (used in) operating activities	4,073,793	(3,432,024)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,003,818)	(516,652)
Purchase of intangible assets	(576,601)	(2,743,644)
Other	(8,070)	--
Net cash provided by (used in) investing activities	1,588,490	(3,260,297)
Cash flows from financing activities		
Cash dividends paid	(1,397,759)	(2,434,803)
Other, net	(2,798)	(2,170)
Net cash provided by (used in) financing activities	(1,400,558)	(2,436,974)
Effect of exchange rate change on cash and cash equivalents	35,714	(339,094)
Net increase (decrease) in cash and cash equivalents	1,120,459	(9,468,390)
Cash and cash equivalents at beginning of period	13,120,550	24,660,393
Cash and cash equivalents at end of period	14,241,010	15,192,002

(4) Notes to consolidated financial statements

(Note on going concern)

None

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

None

(Changes in accounting policy)

(Adoption of accounting standard for revenue recognition and others)

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

(Additional information)

(Changes in presentation)

(Consolidated statement of income)

"Loss on retirement of noncurrent assets" was a discrete item of non-operating expenses in the second quarter of the previous fiscal year, but, because of its insignificance, it has been included in "other" non-operating income since the first quarter of this fiscal year. The consolidated financial statements for the first six months of the previous fiscal year have been revised to reflect this change. As a result, the consolidated statement of income for the first six months of the previous fiscal year reporting 110 thousand yen as "loss on retirement of noncurrent assets" has been modified to show 323 thousand yen as "other" non-operating expenses.

(Consolidated statement of cash flows)

"Loss on retirement of noncurrent assets" was a discrete item of cash flows from operating activities in the second quarter of the previous fiscal year, but, because of its insignificance, it has been included in "other" cash flows from operating activities since the first quarter of this fiscal year. The consolidated financial statements for the first six months of the previous fiscal year have been revised to reflect this change. As a result, the consolidated statement of cash flows for the first six months of the previous fiscal year reporting 110 thousand yen as "loss on retirement of noncurrent assets" has been modified to show 3,010,714 thousand yen as "other" cash flows from operating activities.

"Proceeds from sales of intangible assets" was a discrete item of cash flows from investing activities in the second quarter of the previous fiscal year, but, because of its insignificance, it has been included in "other" cash flows from investing activities since the first quarter of this fiscal year. The consolidated financial statements for the first six months of the previous fiscal year have been revised to reflect this change. As a result, the consolidated statement of cash flows for the first six months of the previous fiscal year reporting 89 thousand yen as "proceeds from sales of intangible assets" has been modified to show (8,070) thousand yen as "other" cash flows from investing activities.

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, 2020 thru December 31, 2020)			
Category	Previous	Current	Year-on-year increase (%)
Finished goods			
Semiconductor-related products	29,374,680	34,962,691	19.0
Other products	1,393,973	1,622,482	16.4
Subtotal	30,768,653	36,585,174	18.9
Services	2,765,479	3,395,796	22.8
Total	33,534,132	39,980,970	19.2

(Notes)

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

(2) Orders and backlog by category

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

(In thousands of yen)						
(July 1, 2020 thru December 31, 2020)						
Category	Orders Previous	Orders Current	Year-on-year increase (%)	Backlog Previous	Backlog Current	Year-on-year increase (%)
Finished goods						
Semiconductor-related products	37,671,183	54,872,913	45.7	73,846,288	115,273,905	56.1
Other products	660,088	353,440	(46.5)	1,941,618	2,881,550	48.4
Subtotal	38,331,272	55,226,353	44.1	75,787,907	118,155,456	55.9
Services	2,925,391	3,303,074	12.9	1,081,010	1,306,212	20.8
Total	41,256,663	58,529,427	41.9	76,868,918	119,461,668	55.4

(Notes)

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

(3) Sales by category

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

(In thousands of yen)			
(July 1, 2020 thru December 31, 2020)			
Category	Previous	Current	Year-on-year increase (%)
Finished goods			
Semiconductor-related products	15,866,839	27,425,808	72.8
Other products	1,316,326	1,409,732	7.1
Subtotal	17,183,166	28,835,541	67.8
Services	2,765,479	3,395,796	22.8
Total	19,948,645	32,231,338	61.6

(Note) Consumption taxes are not included.