



Consolidated Financial Results for the Third Quarter Ended March 31, 2014 (Japanese GAAP)

April 30, 2014

Company name: Lasertec Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code: 6920
 URL: <http://www.lasertec.co.jp/>
 Representative: Osamu Okabayashi
 Representative Director and President
 Contact for inquiries: Shu Uchiyama
 Managing Director and Chief Administrative Officer
 Phone: +81-45-478-7111
 Date of filing the securities report: May 13, 2014
 Preparation of supplementary materials for financial results: Yes
 Financial results briefing: No

(Figures less than a million yen are rounded down.)

1. Consolidated financial results for the nine months ended March 31, 2014

(1) Consolidated operating results

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

	Net sales		Operating income(loss)		Ordinary income(loss)		Net income(loss)	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2014	6,901	(22.9)	606	(75.0)	638	(76.4)	361	(78.6)
March 31, 2013	8,948	14.2	2,421	70.6	2,708	105.9	1,691	107.3

(Note) Comprehensive income: Nine months ended March 31, 2014: 504 million yen [-72.0%]
 Nine months ended March 31, 2013: 1,802 million yen [129.9%]

	Net income (loss) per share	Net income per share, fully diluted
Nine months ended	Yen	Yen
March 31, 2014	16.04	16.02
March 31, 2013	75.06	74.95

(Note) Effective July 1, 2013, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated May 27, 2013. 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
March 31, 2014	21,380	15,783	73.7	698.69
June 30, 2013	19,911	15,819	79.3	700.31

(Reference) Equity: March 31, 2014: 15,749 million yen June 30, 2013: 15,785 million yen

(Note) Effective July 1, 2013, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated May 27, 2013. 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

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2013	--	0.00	--	48.00	48.00
Fiscal year ending June 30, 2014	--	0.00			
Fiscal year ending June 30, 2014 (Forecast)			--	20.00	20.00

(Note) Revision to forecast of dividends since the last announcement: None

Effective July 1, 2013, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated May 27, 2013. Since the effective date of the stock split was July 1, 2013, the company paid dividends of June 30, 2013, based on the number of shares outstanding prior to the stock split.

3. Forecast of consolidated financial results for the year ending June 30, 2014

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Annual	13,400	17.6	2,250	4.7	2,250	(11.3)	1,450	(9.9)	64.33

(Note) Revision to forecast of financial results since the last announcement: None

※ 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 a special accounting procedure for compiling quarterly financial statements: None

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

(a) Changes in accounting policy due to revision of accounting standards: None

(b) Changes in accounting policy other than (a): None

(c) Changes in accounting estimates: None

(d) Restatement due to revision: None

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

(Shares)

(a) Number of issued shares at the end of the period (including treasury stock)	March 31, 2014	23,571,600	June 30, 2013	23,571,600
(b) Number of treasury stock at the end of the period	March 31, 2014	1,030,800	June 30, 2013	1,030,800
(c) Average number of shares during the period ended	March 31, 2014	22,540,800	March 31, 2013	22,538,800

(Note) Effective July 1, 2013, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated May 27, 2013. The number of issued shares at the end of the period (including treasury stock), the number of treasury stock at the end of the period, and the average number of shares during the period are calculated as if the stock split took place at the beginning of the previous fiscal year.

※ Disclosure regarding the status of auditing of this report

This summary of financial results and its related materials are not subject to auditing under the Financial Instruments and Exchange Act of Japan. As of the date of this report, auditing of the consolidated financial statements based on the Financial Instruments and Exchange Act has not been completed.

※ Cautionary statement for proper use of forecast of financial results and other special notes

The forecast of financial results provided in this summary and its related materials is based on information available to the management at the time of announcement and on assumptions it has judged to be reasonable. Lasertec makes no guarantees about achieving the forecast provided herein. Actual results may differ materially from the forecast due to various factors.

Contents of Supplementary Material

1. Qualitative information concerning this quarterly report	2
(1) Qualitative information concerning consolidated results	2
(2) Qualitative information concerning consolidated financial position	2
(3) Qualitative information concerning forecast of consolidated financial results	3
2. Statement concerning “Notes on the summary”	3
(1) Significant changes of subsidiaries during the cumulative quarter	3
(2) Application of special accounting procedures to the preparation of consolidated financial statements	3
(3) Changes in accounting policy and changes or restatement of accounting estimates	3
3. Consolidated financial statements	4
(1) Consolidated balance sheet	4
(2) Consolidated statement of income and consolidated statement of comprehensive income	6
Consolidated statement of income (First nine months of the fiscal year)	6
Consolidated statement of comprehensive income (First nine months of the fiscal year)	7
(3) Consolidated statement of cash flows	8
(4) Notes on consolidated financial statements	9
(Note on going concern)	9
(Note on significant changes in the amount of shareholders’ equity)	9
4. Supplementary information	10
(1) Production by category	10
(2) Orders by category	10
(3) Sales by category	10

1. Qualitative information concerning this quarterly report

(1) Qualitative information concerning consolidated results

During the nine-month period ended March 31, 2014, the prospect of the global economy remained uncertain overall. On the one hand, the US economy was expanding despite some drags caused by severe wintry storms. The European economy was showing signs of turnaround from the aftershock of debt crisis. On the other hand, however, China began to have a slower economic growth while its excessive credit issues loomed. Concerns were rising about emerging economies' currency crisis and stagnation as a negative side effect of recent changes in US monetary policy by the US Federal Reserve. With the unfolding of political and social unrests in Eastern Europe and other areas, geopolitical risks increased.

As for the Japanese economy, growth became more evident in the short term thanks to robust consumer spending and increasing corporate profits. Last minute spending sprees before consumption tax hike also contributed to the current growth. Looking ahead, however, there were causes for concerns about its prospect including rising material cost and backlash after the tax hike. Whether the economy continues to grow or not will be tested in the coming months.

Look more closely at industries related to our business. In the semiconductor industry, which constitutes our main business segment, the market for smartphones and tablets continued to grow, but the memory sales was losing steam because it turned out that fewer numbers of memory chips were used on these high-demand products. As a result, the largest portion of capital expenditures in the industry came from major foundries, which expanded production lines for advanced logic devices.

The business environment of other industries related to the remainder of our business is summarized as follows: in the FPD industry, amid prolonged TV market recessions, we saw resumption of capital expenditures in China while the demand for small and medium-sized panels grew; in the photovoltaic cell industry, the level of capital expenditures for new product lines remained low due to falling prices even though the number of solar cell installations was increasing worldwide, and; the market of lithium ion batteries was steadily growing.

Under the circumstances, our consolidated net sales in the nine-month period ended March 31, 2014, was 6,901 million yen, down 22.9% from the same period of the previous year.

Looking at the consolidated net sales by product segment, semiconductor-related systems accounted for 4,892 million yen (down 32.2%), other products for 672 million yen (up 13.4%), and services for 1,336 million yen (up 16.9%). Please note that we have combined the category of FPD-related systems and that of laser microscopes into the "other products" category. We have started providing our sales figures using this new category since the beginning of the current fiscal year.

As for consolidated income for the nine-month period of this quarterly report, we recorded an operating profit of 606 million yen (down 75.0% from the same period of the previous year), an ordinary profit of 638 million yen (down 76.4% from the same period of the previous year), and a net profit of 361 million yen (down 78.6% from the same period of the previous year).

(2) Qualitative information concerning consolidated financial position

① Financial position

Total assets at the end of the quarter amounted to 21,380 million yen, up 1,468 million yen from the end of the previous fiscal year. This is mainly due to a 1,383 million yen increase in work in process, a 960 million yen increase in cash and deposits and a 429 million yen increase in other current assets whereas notes and accounts receivable-trade decreased by 1,397 million yen.

Liabilities at the end of the quarter amounted to 5,597 million yen, up 1,505 million yen from the end of the previous fiscal year. This is mainly due to a 1,983 million yen increase in advances received and a 586 million yen increase in notes and accounts payable-trade whereas long-term loans payable decreased by 473 million yen and income taxes payable decreased by 398 million yen.

Net assets, which consist of shareholders' equity, accumulated other comprehensive income, and subscription right to shares, amounted to 15,783 million yen with capital-asset ratio of 73.7%.

② Cash flows

Cash and cash equivalents at the end of the quarter amounted to 4,920 million yen, up 952 million yen from the end of the previous fiscal year. Following is the status of cash flows and their contributing factors during the nine-month period.

For operating activities, 2,026 million yen was generated (whereas 758 million yen was used in the same period of the previous year). This is mainly because the sum of cash receipt such as a 1,981 million yen increase in advances received and a 1,410 million yen decrease in notes and accounts receivable-trade exceeded the sum of cash payment such as a 1,456 million yen increase in inventories.

For investment activities, 57 million yen was used (down 58.2% from the same period of the previous year). This is mainly due to 45 million yen used for purchase of property, plant and equipment.

For financing activities, 1,070 million yen was used (down 5.0% from the same period of the previous year). This is mainly due to 540 million yen used for cash dividends paid and 529 million yen used for payment of long-term loans payable.

(3) Qualitative information concerning forecast of consolidated financial results

We make no revision to our forecast of operating results for the full year ending June 30, 2014, which we announced on August 12, 2013.

2. Statement concerning “Notes” on the summary

- (1) Significant changes of subsidiaries during the cumulative quarter
None
- (2) Application of special accounting procedures to the preparation of consolidated financial statements
None
- (3) Changes in accounting policy and changes or restatement of accounting estimates
None

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

	(In thousands of yen)	
	Previous (As of June 30, 2013)	Current (As of March 31, 2014)
Assets		
Current assets		
Cash and deposits	4,027,941	4,987,989
Notes and accounts receivable-trade	2,517,020	1,119,582
Work in process	3,692,425	5,075,655
Raw materials and supplies	494,111	577,356
Deferred tax assets	990,321	1,015,613
Other	797,075	1,226,850
Allowance for doubtful accounts	(49,161)	(26,213)
Total current assets	12,469,734	13,976,833
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	2,130,618	2,046,241
Machinery, equipment and vehicles, net	16,340	13,114
Tools, furniture and fixtures, net	167,234	232,926
Land	4,254,773	4,254,773
Construction in progress	--	7,967
Total property, plant and equipment	6,568,967	6,555,023
Intangible assets	577	588
Investments and other assets		
Investment securities	359,901	453,911
Long-term accounts receivable-other	293,336	220,002
Deferred tax assets	137,816	92,633
Other	81,335	81,457
Allowance for doubtful accounts	(286)	(228)
Total investments and other assets	872,103	847,775
Total noncurrent assets	7,441,648	7,403,387
Total assets	19,911,383	21,380,220

	(In thousands of yen)	
	Previous (As of June 30, 2013)	Current (As of March 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	774,642	1,361,581
Current portion of long-term loans payable	706,000	649,500
Income taxes payable	430,767	32,053
Advances received	428,484	2,412,226
Provision for bonuses	--	216,613
Provision for directors' bonuses	111,000	22,030
Provision for product warranties	360,959	329,673
Other	530,506	328,027
Total current liabilities	3,342,360	5,351,706
Noncurrent liabilities		
Long-term loans payable	473,000	--
Provision for retirement benefits	244,606	221,924
Other	31,887	23,520
Total noncurrent liabilities	749,493	245,445
Total liabilities	4,091,854	5,597,152
Net assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,080,360
Retained earnings	14,838,857	14,659,520
Treasury stock	(979,942)	(979,942)
Total shareholders' equity	15,870,274	15,690,938
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	66,499	166,999
Foreign currency translation adjustment	(151,190)	(108,814)
Total accumulated other comprehensive income	(84,690)	58,185
Subscription rights to shares	33,945	33,945
Total net assets	15,819,528	15,783,068
Total liabilities and net assets	19,911,383	21,380,220

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

(Consolidated statement of income)

	(In thousands of yen)	
	Previous (July 1, 2012 thru March 31, 2013)	Current (July 1, 2013 thru March 31, 2014)
Net sales	8,948,275	6,901,984
Cost of sales	4,120,220	3,729,084
Gross profit	4,828,055	3,172,900
Selling, general and administrative expenses	2,406,895	2,566,677
Operating income	2,421,160	606,222
Non-operating income		
Interest income	2,968	2,226
Dividends income	1,528	2,204
Rent income on noncurrent assets	1,439	1,496
Foreign exchange gains	296,074	32,195
Other	2,105	2,994
Total non-operating income	304,117	41,116
Non-operating expenses		
Interest expenses	16,019	8,592
Other	527	7
Total non-operating expenses	16,546	8,599
Ordinary income	2,708,730	638,738
Extraordinary expenses		
Loss on valuation of investment securities	--	31,633
Settlement package	45,000	--
Total extraordinary expenses	45,000	31,633
Income before income taxes and minority interests	2,663,730	607,104
Income taxes-current	907,839	249,186
Income taxes-deferred	64,018	(3,724)
Total income taxes	971,857	245,462
Income before minority interests	1,691,872	361,642
Net Income	1,691,872	361,642

(Consolidated statement of comprehensive income)

	(In thousands of yen)	
	Previous (July 1, 2012 thru March 31, 2013)	Current (July 1, 2013 thru March 31, 2014)
Income before minority interests	1,691,872	361,642
Other comprehensive income		
Valuation difference on available-for-sale securities	39,098	100,500
Foreign currency translation adjustment	71,475	42,376
Total other comprehensive income	110,574	142,876
Comprehensive income	1,802,446	504,519
Comprehensive income attributable to owners of the parent	1,802,446	504,519
Comprehensive income attributable to minority interests	--	--

(3) Consolidated statement of cash flows

(In thousands of yen)

	Previous (July 1, 2012 thru March 31, 2013)	Current (July 1, 2013 thru March 31, 2014)
Cash flows from operating activities		
Income before income taxes and minority interests	2,663,730	607,104
Depreciation and amortization	164,296	168,537
Increase (decrease) in allowance for doubtful accounts	19,687	(23,064)
Increase (decrease) in provision for bonuses	140,241	216,613
Increase (decrease) in provision for director's bonuses	(17,756)	(88,970)
Increase (decrease) in provision for product warranties	(28,354)	(30,965)
Increase (decrease) in provision for retirement benefits	(23,759)	(23,414)
Interest and dividends income	(4,496)	(4,430)
Interest expenses	16,019	8,592
Foreign exchange losses (gains)	(65,266)	(38,542)
Loss (gain) on valuation of investment securities	--	31,633
Decrease (increase) in notes and accounts receivable-trade	(167,891)	1,410,958
Decrease (increase) in inventories	(419,774)	(1,456,508)
Decrease (increase) in accounts receivable-other	(609)	(471)
Decrease (increase) in long-term accounts receivable-other	73,334	73,334
Increase (decrease) in notes and accounts payable-trade	(425,038)	313,603
Increase (decrease) in advances received	(1,096,078)	1,981,890
Other, net	(158,723)	(450,224)
Subtotal	669,559	2,695,677
Interest and dividends income received	5,269	5,042
Interest expenses paid	(16,082)	(8,671)
Income taxes paid	(1,417,654)	(665,626)
Net cash provided by (used in) operating activities	(758,906)	(2,026,422)
Cash flows from investment activities		
Purchase of property, plant and equipment	(60,215)	--
Proceeds from sale of property, plant and equipment	(70,470)	(45,036)
Other, net	(6,877)	(12,419)
Net cash provided by (used in) investment activities	(137,563)	(57,456)
Cash flows from financing activities		
Payment of long-term loans payable	(529,500)	(529,500)
Cash dividends paid	(597,278)	(540,979)
Net cash provided by (used in) financing activities	(1,126,778)	(1,070,479)
Effect of exchange rate change on cash and cash equivalents	98,397	54,211
Net increase (decrease) in cash and cash equivalents	(1,924,850)	952,697
Cash and cash equivalents at beginning of period	4,625,370	3,967,601
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	61,982	--
Cash and cash equivalents at end of period	2,762,502	4,920,299

(4) Notes on consolidated financial statements

(Note on going concern)

None

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

None

4. Supplementary information

(1) Production by category

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

(In thousands of yen)			
(July 1, 2013 thru March 31, 2014)			
Category	Previous	Current	Year-on-year comparison (%)
Finished goods			
Semiconductor-related systems	6,279,685	7,686,134	122.4
Other products	785,763	732,875	93.3
Subtotal	7,065,449	8,419,009	119.2
Services	1,142,796	1,336,316	116.9
Total	8,208,245	9,755,325	118.8

(Notes)

1. Numbers shown above are based on sales prices.
2. Starting this fiscal year, we no longer use the two categories, "FPD-related systems" and "confocal laser microscopes," and merge them into the "other products" category.
3. Consumption taxes are excluded.

(2) Orders by category

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

(In thousands of yen)						
(July 1, 2013 thru March 31, 2014)						
Category	Orders Previous	Orders Current	Year-on-year comparison (%)	Backlog Previous	Backlog Current	Year-on-year comparison (%)
Finished goods						
Semiconductor-related systems	3,649,553	8,354,920	228.9	3,123,015	7,505,285	240.3
Other products	600,115	1,198,049	199.6	160,357	627,679	391.4
Subtotal	4,249,669	9,552,970	224.8	3,283,372	8,132,964	247.7
Services	1,157,517	1,362,706	117.7	201,366	274,456	136.3
Total	5,407,186	10,915,677	201.9	3,484,739	8,407,421	241.3

(Notes)

1. Numbers shown above are based on sales prices.
2. Starting this fiscal year, we no longer use the two categories, "FPD-related systems" and "confocal laser microscopes," and merge them into the "other products" category.
3. Numbers reflect adjustment for cancellation and other changes.
4. Consumption taxes are excluded.

(3) Sales by category

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

(In thousands of yen)			
(July 1, 2013 thru March 31, 2014)			
Category	Previous	Current	Year-on-year comparison (%)
Finished goods			
Semiconductor related systems	7,212,272	4,892,837	67.8
Other products	593,206	672,831	113.4
Subtotal	7,805,479	5,565,668	71.3
Services	1,142,796	1,336,316	116.9
Total	8,948,275	6,901,984	77.1

(Note)

1. Starting this fiscal year, we no longer use the two categories, "FPD-related systems" and "confocal laser microscopes," and merge them into the "other products" category.
2. Consumption taxes are excluded.