



# Consolidated Financial Results for the Third Quarter Ended March 31, 2019 (Japanese GAAP)

April 26, 2019

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 Stock exchange listing: Tokyo Stock Exchange  
 Code: 6920  
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 Date of starting dividend payout: --  
 Preparation of supplementary material for financial results: Yes  
 Financial results briefing: No

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

## 1. Consolidated financial results for the nine-month period ended March 31, 2019

### (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	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2019	21,479	36.5	5,740	25.2	5,681	25.9	4,296	27.9
March 31, 2018	15,735	34.3	4,585	23.8	4,514	20.3	3,358	27.0

(Note) Comprehensive income: Nine months ended March 31, 2019: 4,209 million yen [22.8%]

Nine months ended March 31, 2018: 3,427 million yen [14.8%]

	Net income per share	Net income per share, fully diluted
Nine months ended	Yen	Yen
March 31, 2019	95.28	95.20
March 31, 2018	74.48	74.42

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2019	47,027	29,549	62.8	654.89
June 30, 2018	38,121	27,053	70.9	599.52

(Reference) Equity: March 31, 2019: 29,528 million yen June 30, 2018: 27,032 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, 2018	--	12.00	--	22.00	34.00
Fiscal year ending June 30, 2019	--	16.00	--		
Fiscal year ending June 30, 2019 (Forecast)				23.00	39.00

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

### 3. Forecast of consolidated financial results for the year ending June 30, 2019

(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	28,000	31.7	6,500	14.3	6,500	13.9	5,000	14.5	110.89

(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)	March 31, 2019	47,143,200	June 30, 2018	47,143,200
② Number of treasury shares at the end of the period	March 31, 2019	2,054,196	June 30, 2018	2,054,078
③ Average number of shares during the period ended	March 31, 2019	45,089,059	March 31, 2018	45,089,219

※ 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.

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## 1. Qualitative information concerning this quarterly report

### (1) Information concerning operating results

During the first nine months of this fiscal year, the outlook of the global economy remained uncertain amid the protracted trade friction between the United States and China. In the United States, corporate earnings and consumer spending kept growing steadily despite signs of weakness in the housing market. In Europe, the improvement of unemployment rates and robust consumer spending continued throughout the period, but uncertainty increased due to the slowdown of German manufacturing exports and the uncertain outlook of Brexit. In China, the government acted resolutely in the face of decreasing exports and decelerating growth to stave off further economic slowdown by fiscal stimulus and monetary easing.

In Japan, the slowdown of export growth weakened business sentiment, especially in the manufacturing sector. However, the economy stayed on a gradual recovery path, driven by solid domestic demand, under favorable labor conditions such as falling unemployment rates and rising wages.

In the semiconductor industry, our primary market, memory manufacturers restrained their capital expenditure as the price of memory devices continued to fall. In the area of leading-edge logic devices, on the other hand, capital investments for the commercial application of next-generation, extreme ultraviolet (EUV) lithography by major foundries began in earnest and drove the demand for EUV-related equipment at high level.

In the flat panel display (FPD) industry, another major market of our business, FPD mask suppliers made capital investments for the production of photomasks for Generation 10.5 large panels.

Under these circumstances, our consolidated net sales in the nine-month period ended March 31, 2019 totaled 21,479 million yen (up 36.5% year-on-year).

By product segment, semiconductor-related products accounted for 14,421 million yen (up 26.6% year-on-year), other products for 3,808 million yen (up 145.9% year-on-year), and services for 3,249 million yen (up 16.1% year-on-year).

As for consolidated income for this period, we recorded an operating income of 5,740 million yen (up 25.2% year-on-year), an ordinary income of 5,681 million yen (up 25.9% year-on-year), and a 4,296 million-yen net income attributable to owners of parent (up 27.9% year-on-year).

### (2) Information concerning financial position

#### ① Financial position

Total assets at the end of the period amounted to 47,027 million yen, up 8,905 million yen from the end of the previous fiscal year. This is mainly due to a 4,196 million yen increase in cash and deposits, a 2,914 million yen increase in work in process, and a 705 million yen increase in raw materials and supplies.

Liabilities at the end of the period amounted to 17,478 million yen, up 6,409 million yen from the end of the previous fiscal year. This is mainly due to a 4,145 million yen increase in advances received, a 1,007 million yen increase in accounts payable-trade, and a 509 million yen increase in provision for bonuses.

Net assets, which consist of shareholders' equity, accumulated other comprehensive income, and subscription right to shares, amounted to 29,549 million yen. The capital-to-asset ratio was 62.8%.

#### ② Cash flows

Cash and cash equivalents at the end of the period amounted to 14,304 million yen, up 4,197 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.

Net cash provided by operating activities amounted to 6,841 million yen (up 204.9% year-on-year). This is mainly because the sum of cash receipt, such as 5,681 million yen in income before income taxes and a 4,144 million yen increase in advances received, exceeded the sum of cash payment, such as a 3,625 million yen increase in inventories.

Net cash used in investing activities amounted to 890 million yen (up 54.9% year-on-year). This is mainly due to 798 million yen used for purchase of property, plant and equipment.

Net cash used in financing activities amounted to 1,714 million yen (down 5.0% year-on-year). This is mainly due to 1,713 million yen used for cash dividends paid.

(3) Information concerning forecast of consolidated financial results

We have not revised our forecast for the full year ending June 2019 announced on August 8, 2018.

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

	(In thousands of yen)	
	Previous (As of June 30,2018)	Current (As of March 31,2019)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	10,176,394	14,372,866
Notes and accounts receivable-trade	3,820,832	3,500,932
Work in process	10,317,776	13,232,571
Raw materials and supplies	2,115,076	2,821,059
Other	2,963,243	3,639,480
Allowance for doubtful accounts	(5,473)	(5,173)
Total current assets	29,387,850	37,561,735
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings and structures, net	1,871,245	1,820,325
Machinery, equipment and vehicles, net	161,007	201,236
Tools, furniture and fixtures, net	192,351	233,378
Leased assets, net	1,100	110
Land	4,254,773	4,254,773
Construction in progress	121,285	610,200
Total property, plant and equipment	6,601,764	7,120,024
Intangible assets	534,775	470,913
Investments and other assets		
Investment securities	610,827	486,715
Deferred tax assets	932,993	1,282,378
Other	53,743	106,115
Allowance for doubtful accounts	(162)	(95)
Total investments and other assets	1,597,401	1,875,113
Total noncurrent assets	8,733,941	9,466,050
<b>Total assets</b>	<b>38,121,791</b>	<b>47,027,786</b>

	(In thousands of yen)	
	Previous (As of June 30, 2018)	Current (As of March 31, 2019)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	1,392,704	2,400,640
Income taxes payable	604,912	1,090,139
Advances received	7,318,101	11,463,202
Provision for bonuses	--	509,520
Provision for directors' bonuses	226,000	184,700
Provision for product warranties	321,032	419,739
Provision for quality compensation	--	318,442
Other	916,713	784,000
Total current liabilities	10,779,463	17,170,384
<b>Noncurrent liabilities</b>		
Net defined benefit liability	201,106	242,604
Other	87,677	65,064
Total noncurrent liabilities	288,783	307,668
<b>Total liabilities</b>	11,068,247	17,478,052
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,080,360
Retained earnings	25,765,441	28,348,285
Treasury stock	(976,969)	(977,387)
Total shareholders' equity	26,799,832	29,382,257
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	314,205	227,711
Foreign currency translation adjustment	(81,991)	(81,734)
Total accumulated other comprehensive income	232,213	145,977
Subscription rights to shares	21,498	21,498
<b>Total net assets</b>	27,053,544	29,549,734
<b>Total liabilities and net assets</b>	38,121,791	47,027,786

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

	(In thousands of yen)	
	Previous (July 1, 2017 thru March 31, 2018)	Current (July 1, 2018 thru March 31, 2019)
<b>Net sales</b>	15,735,419	21,479,402
<b>Cost of sales</b>	6,585,966	9,721,791
<b>Gross profit</b>	9,149,452	11,757,610
<b>Selling, general and administrative expenses</b>	4,563,753	6,017,288
<b>Operating income</b>	4,585,699	5,740,322
<b>Non-operating income</b>		
Interest income	3,635	5,056
Dividend income	4,829	6,124
Rent income on non-current assets	1,469	1,932
Other	6,696	5,698
Total non-operating income	16,630	18,812
<b>Non-operating expenses</b>		
Foreign exchange losses	86,962	76,186
Loss on retirement of non-current assets	238	560
Other	554	615
Total non-operating expenses	87,755	77,362
<b>Ordinary income</b>	4,514,574	5,681,772
<b>Income before income taxes</b>	4,514,574	5,681,772
Income taxes-current	1,296,664	1,697,532
Income taxes-deferred	(140,237)	(311,989)
Total income taxes	1,156,426	1,385,543
<b>Net income</b>	3,358,147	4,296,228
<b>Net income attributable to owners of parent</b>	3,358,147	4,296,228



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

	(In thousands of yen)	
	Previous (July 1, 2017 thru March 31, 2018)	Current (July 1, 2018 thru March 31, 2019)
<b>Net income</b>	3,358,147	4,296,228
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	91,873	(86,493)
Foreign currency translation adjustment	(22,325)	257
Total other comprehensive income	69,547	(86,235)
<b>Comprehensive income</b>	3,427,695	4,209,992
Comprehensive income attributable to owners of parent	3,427,695	4,209,992
Comprehensive income attributable to non-controlling interests	--	--

## (3) Consolidated statement of cash flows

(In thousands of yen)

	Previous (July 1, 2017 thru March 31, 2018)	Current (July 1, 2018 thru March 31, 2019)
<b>Cash flows from operating activities</b>		
Income before income taxes	4,514,574	5,681,772
Depreciation and amortization	395,456	347,962
Loss on retirement of non-current assets	238	560
Increase (decrease) in allowance for doubtful accounts	230	(369)
Increase (decrease) in provision for bonuses	246,561	510,494
Increase (decrease) in provision for directors' bonuses	(51,100)	(41,300)
Increase (decrease) in provision for product warranties	16,243	98,291
Increase (decrease) in provision for quality compensation	--	318,442
Increase (decrease) in net defined benefit liability	34,909	41,831
Interest and dividend income	(8,465)	(11,181)
Foreign exchange losses (gains)	43,029	28,090
Decrease (increase) on notes and accounts receivable-trade	1,293,112	326,773
Decrease (increase) in inventories	(3,002,347)	(3,625,571)
Increase (decrease) in accounts payable-trade	(407,902)	146,363
Increase (decrease) in advances received	1,918,450	4,144,821
Other, net	(1,179,775)	69,243
Sub-total	3,813,217	8,036,224
Interest and dividend income received	8,869	11,643
Income taxes paid	(1,578,051)	(1,206,840)
Net cash provided by (used in) operating activities	2,244,034	6,841,027
<b>Cash flows from investing activities</b>		
Payment into time deposits	(69,930)	(68,600)
Proceeds from withdrawal of time deposits	69,930	68,600
Purchase of property, plant and equipment	(119,473)	(798,215)
Proceeds from sales of property, plant and equipment	--	1,800
Purchase of intangible assets	(455,245)	(46,898)
Payments for guarantee deposits	--	(46,735)
Net cash provided by (used in) investing activities	(574,718)	(890,049)
<b>Cash flows from financing activities</b>		
Cash dividends paid	(1,803,569)	(1,713,385)
Other, net	(1,543)	(1,487)
Net cash provided by (used in) financing activities	(1,805,113)	(1,714,872)
<b>Effect of exchange rate change on cash and cash equivalents</b>	(110,425)	(39,073)
<b>Net increase (decrease) in cash and cash equivalents</b>	(246,223)	4,197,031
<b>Cash and cash equivalents at beginning of period</b>	9,736,950	10,107,234
<b>Cash and cash equivalents at end of period</b>	9,490,726	14,304,266

(4) Notes to consolidated financial statements

(Note on going concern)

None

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

None

### 3. 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, 2018 thru March 31, 2019)			
Category	Previous	Current	Year-on-year increase (%)
Finished goods			
Semiconductor-related products	14,729,276	23,085,034	56.7
Other products	2,215,038	2,643,225	19.3
Subtotal	16,944,314	25,728,260	51.8
Services	2,799,472	3,249,752	16.1
Total	19,743,787	28,978,012	46.8

(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 first nine months of the fiscal year are as follows.

(In thousands of yen)						
(July 1, 2018 thru March 31, 2019)						
Category	Orders Previous	Orders Current	Year-on-year increase (%)	Backlog Previous	Backlog Current	Year-on-year increase (%)
Finished goods						
Semiconductor-related products	30,140,573	25,174,338	(16.5)	33,891,032	45,219,460	33.4
Other products	3,347,665	1,855,840	(44.6)	4,369,088	2,724,490	(37.6)
Subtotal	33,488,239	27,030,178	(19.3)	38,260,120	47,943,950	25.3
Services	2,975,967	3,317,845	11.5	721,806	805,865	11.6
Total	36,464,206	30,348,024	(16.8)	38,981,927	48,749,816	25.1

(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 nine months of the fiscal year are as follows.

(In thousands of yen)			
(July 1, 2018 thru March 31, 2019)			
Category	Previous	Current	Year-on-year increase (%)
Finished goods			
Semiconductor-related products	11,387,338	14,421,151	26.6
Other products	1,548,608	3,808,498	145.9
Subtotal	12,935,947	18,229,650	40.9
Services	2,799,472	3,249,752	16.1
Total	15,735,419	21,479,402	36.5

(Note) Consumption taxes are not included.