



Consolidated Financial Results for the Second Quarter Ended December 31, 2013 (Japanese GAAP)

January 31, 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: February 12, 2014
 Preparation of supplementary materials 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 months ended December 31, 2013

(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)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended December 31, 2013	5,476	(16.6)	846	(53.2)	922	(52.7)	609	(50.9)
December 31, 2012	6,566	34.1	1,807	146.2	1,951	206.9	1,241	192.3

(Note) Comprehensive income: Six months ended December 31, 2013: 752 million yen [-42.3 %]
 Six months ended December 31, 2012: 1,304 million yen [284.1 %]

Six months ended	Net income (loss) per share	Net income per share, fully diluted
	Yen	Yen
December 31, 2013	27.02	26.98
December 31, 2012	55.07	54.99

(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
December 31, 2013	19,612	16,031	81.6	709.70
June 30, 2013	19,911	15,819	79.3	700.31

(Reference) Equity: December 31, 2013: 15,997 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)	December 31, 2013	23,571,600	June 30, 2013	23,571,600
(b) Number of treasury stock at the end of the period	December 31, 2013	1,030,800	June 30, 2013	1,030,800
(c) Average number of shares during the period ended	December 31, 2013	22,540,800	December 31, 2012	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 six months of the fiscal year)	6
Consolidated statement of comprehensive income (First six 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 six months ended December 31, 2013, the global economy saw some positive signs and continued to take a gradual recovery path. The US economy was on a recovery track thanks to its steadily growing consumer spending while the European economy appeared to be rebounding from recessions. On the other hand, however, some of the emerging countries were beginning to experience a slower economic growth and increased currency volatility. Advanced nations continued to have fiscal deficit problems. It is also unclear toward which direction the US monetary policy is moving. The prospect of the global economy, therefore, remains uncertain.

As for the Japanese economy, the stock market steadily grew while the yen continued to weaken as a result of new economic and monetary policies implemented by the government, bringing positive effects on business earnings and consumer spending. It now appears that the Japanese economy began to take a recovery path. However, there are some risk factors such as increasing material costs and a scheduled consumption tax increase. It is therefore far from certain that a real economic growth resumed in Japan.

In the semiconductor industry, which is our main business domain, we saw a resurgence of aggressive capital spending mainly among Taiwanese foundries who were anticipating strong demand for next-generation smartphones and tablets.

As for our other business areas, the flat panel display industry saw a high level of demand for small and medium-sized panels used on mobile equipment while the large-sized panel market bottomed out and began showing some signs of growth. In the photovoltaic cell industry, solar cells are much more widely used today due to falling prices and government subsidies in various countries, but the state of overproduction remained intact throughout the period. The lithium ion battery industry saw its market steadily expanding although not as fast as expected.

Under the circumstances, our consolidated net sales in the six-month period ended December 31, 2013, was 5,476 million yen, down 16.6% from the same period of the previous year.

Looking at the consolidated net sales by product segment, semiconductor-related systems accounted for 4,104 million yen (down 26.0%), other products for 422 million yen (up 54.7%), and services for 949 million yen (up 27.5%).

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 six-month period of this quarterly report, we recorded an operating profit of 846 million yen (down 53.2% from the same period of the previous year), an ordinary profit of 922 million yen (down 52.7% from the same period of the previous year), and a net profit of 609 million yen (down 50.9% 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 19,612 million yen, down 298 million yen from the end of the previous fiscal year. This is mainly because cash and deposits decreased by 1,288 million yen whereas notes and accounts receivable-trade increased by 989 million yen.

Liabilities at the end of the quarter amounted to 3,581 million yen, down 510 million yen from the end of the previous fiscal year. This is mainly because long-term loans payable decreased by 353 million yen, advances received decreased by 333 million yen, income taxes payable decreased by 157 million yen and notes and accounts payable-trade decreased by 132 million yen whereas short-term loans payable increased by 700 million yen.

Net assets, which consist of shareholders' equity, accumulated other comprehensive income, and subscription right to shares, amounted to 16,031 million yen with capital-asset ratio of 81.6%.

② Cash flows

Cash and cash equivalents at the end of the quarter amounted to 2,669 million yen, down 1,298 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.

For operating activities, 1,149 million yen was used (up 466.1% from the same period of the previous year). This is mainly because the sum of cash payment, such as an increase of 969 million yen in notes and accounts receivable-trade, 438 million yen used for income taxes paid, a decrease of 336 million yen in advances received and a decrease of 153 million yen in notes and accounts payable-trade, exceeded the sum of cash receipt such as a 890-million yen profit before income taxes and minority interests.

For investment activities, 28 million yen was used (down 70.6% from the same period of the previous year). This is mainly due to 24 million yen used for purchase of property, plant and equipment.

For financing activities, 193 million yen was used (down 79.6% from the same period of the previous year). This is mainly because the sum of cash payment, such as 540 million yen used for cash dividends paid and 353 million yen used for payment of long-term loans payable, exceeded the cash receipt of 700 million yen due to short-term loans payable.

(3) Qualitative information concerning forecast of consolidated financial results

On January 24, 2014, we announced a revision to our forecast of operating results for the first six months of the fiscal year ending June 30, 2014. However, 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 December 31, 2013)
Assets		
Current assets		
Cash and deposits	4,027,941	2,739,031
Notes and accounts receivable-trade	2,517,020	3,506,383
Work in process	3,692,425	3,599,344
Raw materials and supplies	494,111	560,170
Deferred tax assets	990,321	1,049,545
Other	797,075	767,443
Allowance for doubtful accounts	(49,161)	(28,575)
Total current assets	12,469,734	12,193,342
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	2,130,618	2,073,563
Machinery, equipment and vehicles, net	16,340	14,190
Tools, furniture and fixtures, net	167,234	158,970
Land	4,254,773	4,254,773
Construction in progress	--	740
Total property, plant and equipment	6,568,967	6,502,238
Intangible assets	577	591
Investments and other assets		
Investment securities	359,901	442,240
Long-term accounts receivable-other	293,336	293,336
Deferred tax assets	137,816	101,448
Other	81,335	79,481
Allowance for doubtful accounts	(286)	(228)
Total investments and other assets	872,103	916,277
Total noncurrent assets	7,441,648	7,419,107
Total assets	19,911,383	19,612,449

	(In thousands of yen)	
	Previous (As of June 30, 2013)	Current (As of December 31, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	774,642	642,028
Short-term loans payable	--	700,000
Current portion of long-term loans payable	706,000	706,000
Income taxes payable	430,767	273,129
Advances received	428,484	94,488
Provision for directors' bonuses	111,000	23,496
Provision for product warranties	360,959	368,581
Other	530,506	406,949
Total current liabilities	3,342,360	3,214,673
Noncurrent liabilities		
Long-term loans payable	473,000	120,000
Provision for retirement benefits	244,606	222,769
Other	31,887	23,752
Total noncurrent liabilities	749,493	366,522
Total liabilities	4,091,854	3,581,195
Net assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,080,360
Retained earnings	14,838,857	14,907,045
Treasury stock	(979,942)	(979,942)
Total shareholders' equity	15,870,274	15,938,462
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	66,499	155,389
Foreign currency translation adjustment	(151,190)	(96,543)
Total accumulated other comprehensive income	(84,690)	58,845
Subscription rights to shares	33,945	33,945
Total net assets	15,819,528	16,031,253
Total liabilities and net assets	19,911,383	19,612,449

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

(Consolidated statement of income)

	(In thousands of yen)	
	Previous (July 1, 2012 thru December 31, 2012)	Current (July 1, 2013 thru December 31, 2013)
Net sales	6,566,821	5,476,176
Cost of sales	3,157,907	3,025,394
Gross profit	3,408,914	2,450,782
Selling, general and administrative expenses	1,601,267	1,604,204
Operating income	1,807,646	846,578
Non-operating income		
Interest income	950	752
Dividends income	1,528	2,204
Rent income on noncurrent assets	974	932
Foreign exchange gains	150,847	76,029
Other	1,811	2,128
Total non-operating income	156,112	82,047
Non-operating expenses		
Interest expenses	11,323	6,005
Other	527	7
Total non-operating expenses	11,850	6,012
Ordinary income	1,951,908	922,613
Extraordinary expenses		
Loss on valuation of investment securities	--	31,633
Total extraordinary expenses	--	31,633
Income before income taxes and minority interests	1,951,908	890,979
Income taxes-current	734,400	327,192
Income taxes-deferred	(23,731)	(45,380)
Total income taxes	710,669	281,812
Income before minority interests	1,241,238	609,167
Net Income	1,241,238	609,167

(Consolidated statement of comprehensive income)

	(In thousands of yen)	
	Previous (July 1, 2012 thru December 31, 2012)	Current (July 1, 2013 thru December 31, 2013)
Income before minority interests	1,241,238	609,167
Other comprehensive income		
Valuation difference on available-for-sale securities	17,780	88,890
Foreign currency translation adjustment	45,818	54,646
Total other comprehensive income	63,598	143,536
Comprehensive income	1,304,837	752,704
Comprehensive income attributable to owners of the parent	1,304,837	752,704
Comprehensive income attributable to minority interests	--	--

(3)Consolidated statement of cash flows

(In thousands of yen)

	Previous (July 1, 2012 thru December 31, 2012)	Current (July 1, 2013 thru December 31, 2013)
Cash flows from operating activities		
Income before income taxes and minority interests	1,951,908	890,979
Depreciation and amortization	108,228	105,287
Increase (decrease) in allowance for doubtful accounts	56,090	(20,721)
Increase (decrease) in provision for director's bonuses	(42,558)	(87,504)
Increase (decrease) in provision for product warranties	54,390	9,309
Increase (decrease) in provision for retirement benefits	(10,434)	(22,799)
Interest and dividends income	(2,478)	(2,957)
Interest expenses	11,323	6,005
Foreign exchange losses (gains)	(37,286)	(56,381)
Loss (gain) on valuation of investment securities	--	31,633
Decrease (increase) in notes and accounts receivable-trade	(385,169)	(969,608)
Decrease (increase) in inventories	28,201	41,448
Decrease (increase) in accounts receivable-other	2,112	4
Increase (decrease) in notes and accounts payable-trade	(273,390)	(153,815)
Increase (decrease) in advances received	(637,893)	(336,663)
Other, net	(144,643)	(142,012)
Subtotal	678,399	(707,795)
Interest and dividends income received	2,358	2,860
Interest expenses paid	(11,336)	(6,045)
Income taxes paid	(872,525)	(438,785)
Net cash provided by (used in) operating activities	(203,103)	(1,149,766)
Cash flows from investment activities		
Purchase of property, plant and equipment	(57,116)	--
Proceeds from sale of property, plant and equipment	(37,858)	(24,280)
Other, net	(2,110)	(4,278)
Net cash provided by (used in) investment activities	(97,085)	(28,559)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	--	700,000
Payment of long-term loans payable	(353,000)	(353,000)
Cash dividends paid	(597,278)	(540,979)
Net cash provided by (used in) financing activities	(950,278)	(193,979)
Effect of exchange rate change on cash and cash equivalents	54,733	73,734
Net increase (decrease) in cash and cash equivalents	(1,195,733)	(1,298,570)
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	3,491,619	2,669,031

(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 six months of the fiscal year is as follows.

(In thousands of yen)			
(July 1, 2013 thru December 31, 2013)			
Category	Previous	Current	Year-on-year comparison (%)
Finished goods			
Semiconductor-related systems	3,697,716	4,383,085	118.5
Other products	448,020	559,924	125.0
Subtotal	4,145,737	4,943,009	119.2
Services	744,719	949,690	127.5
Total	4,890,456	5,892,700	120.5

(Notes)

- Numbers shown above are based on sales prices.
- 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.
- Consumption taxes are excluded.

(2) Orders 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, 2013 thru December 31, 2013)						
Category	Orders Previous	Orders Current	Year-on-year comparison (%)	Backlog Previous	Backlog Current	Year-on-year comparison (%)
Finished goods						
Semiconductor-related systems	3,064,081	6,050,526	197.5	4,200,722	5,989,495	142.6
Other products	416,256	1,016,619	244.2	296,695	696,827	234.9
Subtotal	3,480,338	7,067,145	203.1	4,497,418	6,686,322	148.7
Services	749,017	911,490	121.7	190,944	209,866	109.9
Total	4,229,355	7,978,636	188.6	4,688,362	6,896,188	147.1

(Notes)

- Numbers shown above are based on sales prices.
- 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.
- Numbers reflect adjustment for cancellation and other changes.
- Consumption taxes are excluded.

(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, 2013 thru December 31, 2013)			
Category	Previous	Current	Year-on-year comparison (%)
Finished goods			
Semiconductor related systems	5,549,093	4,104,233	74.0
Other products	273,008	422,252	154.7
Subtotal	5,822,102	4,526,486	77.7
Services	744,719	949,690	127.5
Total	6,566,821	5,476,176	83.4

(Note)

- 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.
- Consumption taxes are excluded.