



August 8, 2011

## Consolidated Financial Results for the First Quarter of Fiscal Year 2011

Company name: DISCO Corporation  
 Stock code number: 6146 (Tokyo Stock Exchange 1st Section)  
 URL: <http://www.disco.co.jp>  
 Telephone number: 81-3-4590-1099

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Results of FY2011 1Q(April 1, 2011 though June 30, 2011)

#### 1) Operating results (Accumulated)

	Three months ended		
	June 30, 2011	June 30, 2010	YoY(%)
Net sales	24,907	24,057	3.5%
Operating income	4,076	4,136	(1.4%)
Ordinary income	4,155	4,338	(4.2%)
Net income	2,513	2,841	(11.5%)
Net income per share (yen)	74.62	84.54	—
Fully diluted net income per share (yen)	70.89	80.16	—

#### 2) Financial position

	As of June 30, 2011	As of March 31, 2011
Total assets	136,919	139,240
Net assets	98,671	97,633
Equity ratio (%)	71.3%	69.4%

(Reference) Equity (defined as shareholders' equity plus valuation and translation adjustments) :

97,612 million yen (as of June 30, 2011)  
 96,640 million yen (as of March 31, 2011)

### 2. Dividends

	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2011 Forecast
1Q-end dividend per share (yen)			
2Q-end dividend per share (yen)		25.00	27.00
3Q-end dividend per share (yen)			—
Year-end dividend per share (yen)		40.00	28.00
Annual dividend per share (yen)		65.00	55.00

Note: Revision of dividends forecast for during this period: yes

### 3. Earnings Forecasts of FY2011

(Millions of yen)

	Six month ending September 30, 2011	YoY (%)	Year ending March 31, 2012	YoY (%)
Net sales	48,600	(9.0)	97,100	(2.6)
Operating income	7,200	(25.6)	14,200	(10.8)
Ordinary income	7,200	(26.4)	14,300	(16.8)
Net income	4,500	(29.5)	9,100	(16.9)
Net income per share (yen)	133.60	—	270.16	

Note: Revision of earnings forecast for during this period: Yes

Unaudited translation, provided for reference only

**4. Others**

- 1) Important changes in subsidiaries: None
- 2) Changes in principles, procedures and display of accounting method concerning consolidated statement policies.
  1. Changes in accounting policies: None
  2. Other changes: None
- 3) Number of shares outstanding (common stock)
  - Number of shares issued (include treasury stocks)
    - As of June 30, 2012: 34,004,418 shares
    - As of March 31, 2011: 34,004,418 shares
  - Number of shares of treasury stock
    - As of June 30, 2012: 321,146 shares
    - As of March 31, 2011: 321,546 shares
  - Average number of shares (1Q)
    - As of June 30, 2011: 33,683,091 shares
    - As of June 30, 2010: 33,607,753 shares

**Explanations on the appropriate use of earnings forecasts:**

The performance forecasts and estimates stated in this Financial Review are based on certain assumptions judged to be reasonable at the present time in light of information currently available. Consequently, actual operating results may differ substantially from the projections in the Financial Review.

**(Reference) Non-consolidated Earnings Forecasts of FY2011**

(Millions of yen)

	Six month ending September 30, 2011	YoY (%)	Year ending March 31, 2012	YoY (%)
Net sales	41,000	(10.7)	81,200	(4.0)
Operating income	4,900	(30.8)	9,200	(18.0)
Ordinary income	5,900	(20.9)	11,300	(11.5)
Net income	3,800	(19.1)	7,500	(6.6)
Net income per share (yen)	112.82		222.66	

Note: Revision of earnings forecast for during this period: Yes

Unaudited translation, provided for reference only

Consolidated quarterly balance sheets	As of June 30, 2011	As of March 31, 2011
<b>Assets</b>		
Current assets		
Cash and deposits	20,314	18,572
Notes and accounts receivable-trade	28,322	28,071
Merchandise and finished goods	6,259	6,548
Work in process	8,487	8,282
Raw materials and supplies	9,031	10,420
Other	5,400	2,322
Allowance for doubtful accounts	(37)	(37)
Total current assets	<u>77,778</u>	<u>74,181</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	29,355	28,838
Land	12,853	12,854
Other, net	11,301	12,260
Total property, plant and equipment	<u>53,511</u>	<u>53,953</u>
Intangible assets	771	749
Investments and other assets		
Other	7,221	8,093
Allowance for doubtful accounts	(60)	(75)
Total investments and other assets	<u>7,160</u>	<u>8,018</u>
Total noncurrent assets	61,444	62,721
Deferred assets	17	16
<b>Total assets</b>	<b>139,240</b>	<b>136,919</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	13,609	14,991
Current portion of long-term loans payable	249	249
Income taxes payable	5,286	792
Provision for bonuses	2,548	1,381
Other provision	448	356
Other	7,212	8,126
Total current liabilities	<u>29,355</u>	<u>25,897</u>
Noncurrent liabilities		
Convertible bond-type bonds with subscription rights to shares	10,000	10,000
Long-term loans payable	537	525
Provision	1,141	1,271
Negative goodwill	29	7
Other	542	545
Total noncurrent liabilities	<u>12,251</u>	<u>12,349</u>
<b>Total liabilities</b>	<b>41,606</b>	<b>38,247</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	14,517	14,517
Capital surplus	15,644	15,645
Retained earnings	68,988	70,147
Treasury stock	(862)	(861)
Total shareholders' equity	<u>98,287</u>	<u>99,448</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6	5
Foreign currency translation adjustment	(1,654)	(1,840)
Total accumulated other comprehensive income	<u>(1,647)</u>	<u>(1,835)</u>
Subscription rights to shares	767	838
Minority interests	225	220
<b>Total net assets</b>	<b>97,633</b>	<b>98,671</b>
<b>Total liabilities and net assets</b>	<b>139,240</b>	<b>136,919</b>

Unaudited translation, provided for reference only

Consolidated statements of income	FY2010 1Q	FY2011 1Q
Net sales	24,057	24,907
Cost of sales	12,748	13,202
Gross profit	11,308	11,705
Selling, general and administrative expenses	7,172	7,629
Operating income	4,136	4,076
Non-operating income		
Interest income	15	10
Amortization of negative goodwill	22	22
Equity in earnings of affiliates	27	44
Foreign exchange gains	116	4
Other	40	44
Total non-operating income	221	125
Non-operating expenses		
Interest expenses	11	6
Sales discounts	5	6
Depreciation	0	32
Other	0	1
Total non-operating expenses	18	46
Ordinary income	4,338	4,155
Extraordinary income		
Gain on sales of noncurrent assets	8	15
Reversal of allowance for doubtful accounts	9	-
Other	1	0
Total extraordinary income	19	15
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	13	1
Special retirement expenses	25	5
Loss on adjustment for changes of accounting standard	33	-
Other	9	0
Total extraordinary losses	82	7
Income before income taxes and minority interests	4,275	4,163
Income taxes-current	1,425	831
Income taxes-deferred	7	824
Total income taxes	1,432	1,655
Income before minority interests	2,842	2,508
Minority interests in income (loss)	1	(5)
Net income	2,841	2,513
Minority interests in income (loss)	1	(5)
Income before minority interests	2,842	2,508
Other Comprehensive income		
Valuation difference on available-for-sale securities	(5)	(0)
Foreign currency translation adjustment	(549)	(186)
Total other comprehensive income	(554)	(187)
Comprehensive income	2,287	2,321
Comprehensive income attributable to		
Comprehensive income attributable to owners of the	2,287	2,325
Comprehensive income attributable to minority interests	0	(4)

Unaudited translation, provided for reference only

Consolidated Statements of cash flows	FY2010 1Q	FY2011 1Q
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,275	4,163
Depreciation and amortization	1,358	1,355
Amortization of negative goodwill	(22)	(22)
Equity in (earnings) losses of affiliates	(27)	(44)
Increase (decrease) in allowance for doubtful accounts	(5)	15
Increase (decrease) in provision for bonuses	(558)	(1,164)
Loss (gain) on sales and retirement of property, plant and equipment	3	(13)
Interest and dividends income	(20)	(13)
Interest expenses	11	6
Decrease (increase) in notes and accounts receivable-	(2,947)	105
Decrease (increase) in inventories	(2,006)	(1,154)
Increase (decrease) in notes and accounts payable-trade	2,882	1,389
Other, net	2,279	3,065
Subtotal	5,222	7,688
Interest and dividends income received	27	11
Interest expenses paid	(9)	(1)
Income taxes paid	(321)	(5,089)
Net cash provided by (used in) operating activities	4,918	2,609
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(2,336)	(2,010)
Proceeds from sales of property, plant and equipment	7	33
Purchase of investment securities	-	(754)
Purchase of intangible assets	(24)	(20)
Net decrease (increase) in short-term loans receivable	-	(1)
Collection of long-term loans receivable	-	2
Proceeds from withdrawal of time deposits	3,000	10
Other, net	(18)	(2)
Net cash provided by (used in) investing activities	627	(2,743)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,000)	-
Repayment of long-term loans payable	(2,000)	(12)
Cash dividends paid	(336)	(1,347)
Other, net	4	1
Net cash provided by (used in) financing activities	(3,332)	(1,359)
Effect of exchange rate change on cash and cash	(463)	(227)
Net increase (decrease) in cash and cash equivalents	1,750	(1,721)
Cash and cash equivalents at beginning of period	15,247	19,830
Cash and cash equivalents at end of period	16,997	18,108