



November 8, 2011

Consolidated Financial Results for the Second 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 2Q (April 1, 2011 through September 30, 2011)

1) Operating results (Accumulated)

	Six months ended		
	September 30, 2011	September 30, 2010	YoY (%)
Netsales	48,437	53,405	-9.3%
Operating income	6,901	9,671	-28.6%
Ordinary income	7,110	9,779	-27.3%
Net income	4,729	6,386	-25.9%
Net income per share (yen)	140.40	190.03	—
Fully diluted net income per share (yen)	133.42	180.30	—

2) Financial position

	As of September 30, 2011	As of March 31, 2011
Total assets	140,034	139,240
Net assets	100,303	97,633
Equity ratio (%)	70.9%	69.4%

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

99,218 million yen (as of September 30, 2011)
 96,640 million yen (as of March 31, 2011)

2. Dividends

	Fiscal Year 2011 Actual		Fiscal Year 2010	Fiscal Year 2011 Forecast	
	1Q-end dividend per share (yen)	—	—	—	
2Q-end dividend per share (yen)	29.00	—	25.00		
3Q-end dividend per share (yen)			—		—
Year-end dividend per share (yen)			40.00		10.00
Annual dividend per share (yen)			65.00		39.00

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

3. Earnings Forecast of FY2011

	(Million of yen)	
	Year ending 2012/3/31	YoY (%)
Netsales	89,300	(10.4)
Operating income	10,100	(36.5)
Ordinary income	10,300	(40.1)
Net income	6,300	(42.4)
Net income per share (yen)	186.97	—

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 statements and policies.
1. Changes in accounting policies: None
2. Other changes: None
- 3) Number of shares outstanding (common stock)
- ① Number of shares issued (including treasury stocks)
- | | |
|--------------------------|-------------------|
| A of September 30, 2011: | 34,004,418 shares |
| A of March 31, 2011: | 34,004,418 shares |
- ② Number of shares of treasury stock
- | | |
|--------------------------|----------------|
| A of September 30, 2011: | 308,596 shares |
| A of March 31, 2011: | 321,546 shares |
- ③ Average number of shares (2Q)
- | | |
|--------------------------|-------------------|
| A of September 30, 2011: | 33,688,200 shares |
| A of September 30, 2010: | 33,607,838 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 Forecast of FY2011

(Million of yen)

	Year ending March 31, 2012	YoY (%)
Netsales	74,200	(12.3)
Operating income	5,700	(49.2)
Ordinary income	8,200	(35.8)
Net income	5,300	(34.0)
Net income per share (yen)	157.29	—

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

Consolidated Balance sheets	As of March 31, 2011	As of September 30, 2011
Assets		
Current assets		
Cash and deposits	20,314	22,368
Notes and accounts receivable-	28,322	25,456
Merchandise and finished goods	6,259	6,425
Work in process	8,487	8,008
Raw materials and supplies	9,031	12,398
Other	5,400	3,313
Allowance for doubtful accounts	-37	-25
Total current assets	77,778	77,945
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	29,355	28,363
Land	12,853	12,935
Other, net	11,301	11,892
Total property, plant and	53,511	53,191
Intangible assets	771	738
Investments and other assets		
Other	7,221	8,258
Allowance for doubtful accounts	-60	-114
Total investments and other	7,160	8,143
Total noncurrent assets	61,444	62,073
Deferred assets	17	15
Total assets	139,240	140,034
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,609	15,613
Current portion of long-term loans payable	249	349
Income taxes payable	5,286	1,793
Provision for bonuses	2,548	2,519
Other provision	448	371
Other	7,212	6,859
Total current liabilities	29,355	27,507
Noncurrent liabilities		
Convertible bond-type bonds with subscription right to shares	10,000	10,000
Long-term loans payable	537	312
Provision	1,141	1,398
Negative goodwill	29	—
Other	542	512
Total noncurrent liabilities	12,251	12,224
Total liabilities	41,606	39,731
Net assets		
Shareholders' equity		
Capital stock	14,517	14,517
Capital surplus	15,644	15,651
Retained earnings	68,988	72,363
Treasury stock	-862	-828
Total shareholders' equity	98,287	101,703
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6	3
Foreign currency translation adjustment	-1,654	-2,488
Total accumulated other comprehensive income	-1,647	-2,485
Subscription right to shares	767	871
Minority interests	225	213
Total net assets	97,633	100,303
Total liabilities and net assets	139,240	140,034

Consolidated quarterly statements of (comprehensive) income	FY2010 1H	FY2011 1H
Netsales	53,405	48,437
Cost of sales	28,455	25,960
Gross profit	24,950	22,476
Selling, general and administrative	15,278	15,575
Operating income	9,671	6,901
Non-operating income		
Interest income	26	25
Amortization of negative goodwill	44	29
Equity in earnings of affiliates	67	66
Foreign exchange gains	—	74
Other	55	81
Total non-operating income	194	277
Non-operating expenses		
Interest expenses	17	12
Foreign exchange losses	10	—
Depreciation	22	39
Other	36	15
Total non-operating expenses	86	68
Ordinary income	9,779	7,110
Extraordinary income		
Gain on sales of noncurrent assets	8	16
Reversal of allowance for doubtful accounts	13	—
Other	2	1
Total extraordinary income	24	17
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	120	8
Loss on valuation of investment	—	13
Special retirement expenses	33	24
Loss on adjustment for changes of accounting standard for asset retirement obligations	45	—
Other	14	0
Total extraordinary losses	214	46
Income before income taxes	9,589	7,081
Income taxes-current	3,992	2,335
Income taxes-deferred	-792	27
Total income taxes	3,199	2,362
Income before minority interests	6,390	4,719
Minority interests in income (loss)	3	-10
Net income	6,386	4,729
Minority interests in income (loss)	3	-10
Income before minority interests	6,390	4,719
Other comprehensive income		
Valuation difference on available-for-sale securities	-6	-2
Foreign currency translation	-924	-837
Total other comprehensive income	-930	-839
Comprehensive income	5,459	3,879
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,460	3,892
Comprehensive income attributable to minority interests	-1	-12

Consolidated Statements of cash flows	FY2010 1H	FY2011 1H
Net cash provided by (used in) operating activities		
Income before income taxes	9,589	7,081
Depreciation and amortization	2,830	2,799
Amortization of negative goodwill	-44	-29
Loss (gain) on valuation of investment securities	0	13
Equity in (earnings) losses of affiliates	-67	-66
Increase (decrease) in allowance for doubtful accounts	-7	49
Increase (decrease) in provision for bonuses	859	-17
Loss (gain) on sales and retirement of property, plant and equipment	68	-7
Interest and dividends income	-33	-28
Interest expenses	17	12
Decrease (increase) in notes and accounts receivable-trade	-7,626	2,186
Decrease (increase) in inventories	-3,236	-2,751
Increase (decrease) in notes and accounts payable-trade	4,919	2,062
Other, net	2,322	2,312
Subtotal	9,592	13,616
Interest and dividends income	57	22
Interest expenses paid	-14	-2
Income taxes (paid) refund	-339	-5,367
Net cash provided by (used in) operating activities	9,295	8,268
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-3,989	-3,120
Proceeds from sales of property, plant and equipment	9	39
Purchase of investment securities	0	-754
Net decrease (increase) in short-term loans receivable	-22	-1
Collection of long-term loans	1	4
Purchase of intangible assets	-204	-57
Payments into time deposits	-581	—
Proceeds from withdrawal of time	3,059	14
Other, net	28	-11
Net cash provided by (used in) investing activities	-1,700	-3,887
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-1,000	—
Proceeds from long-term loans	500	—
Repayment of long-term loans payable	-2,000	-124
Purchase of treasury stock	-0	-0
Cash dividends paid	-337	-1,345
Other, net	4	21
Net cash provided by (used in) financing activities	-2,832	-1,449
Effect of exchange rate change on cash and cash equivalents	-390	-833
Net increase (decrease) in cash and cash equivalents	4,371	2,097
Cash and cash equivalents at beginning of period	15,247	19,830
Cash and cash equivalents at end of	19,618	21,928