



November 8, 2012

Consolidated Financial Results for the Second Quarter of Fiscal Year 2012

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 FY2012 2Q (April 1, 2012 through September 30, 2012)

1) Operating results (Accumulated)

	Six months ended		
	September 30, 2011	September 30, 2012	YoY (%)
Netsales	48,437	51,368	6.1
Operating income	6,901	7,494	8.6
Ordinary income	7,110	7,816	9.9
Net income	4,729	5,358	13.3
Net income per share (yen)	140.40	159.01	-

2) Financial position

	As of March 31, 2012	As of September 30, 2012
Total assets	135,789	163,287
Net assets	102,536	106,954
Equity ratio (%)	74.5%	64.5%

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

105,288 million yen (as of September 30, 2012)
 101,230 million yen (as of March 31, 2012)

2. Dividends

	Fiscal Year 2011	Fiscal Year 2012 Actual	Fiscal Year 2012 Forecast
1Q-end dividend per share (yen)	—	—	
2Q-end dividend per share (yen)	29.00	40.00	
3Q-end dividend per share (yen)	—		—
Year-end dividend per share (yen)	19.00		11.00
Annual dividend per share (yen)	48.00		51.00

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

3. Earnings Forecast of FY2012

(Million of yen)

	Year ending March 31, 2013	YoY (%)
Netsales	91,500	2.5
Operating income	10,000	(6.2)
Ordinary income	10,600	(5.7)
Net income	6,800	(5.5)
Net income per share (yen)	201.77	—

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

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4. Others

- 1) Important changes in subsidiaries: None
- 2) Changes in principles, procedures and display of accounting method concerning consolidated statements policies.
1. Changes in accounting policies: Yes
2. Other changes: None
- 3) Number of shares outstanding (common stock)
- ① Number of shares issued (including treasury stocks)
- | | |
|--------------------------|-------------------|
| A of September 30, 2012: | 34,004,418 shares |
| A of March 31, 2012: | 34,004,418 shares |
- ② Number of shares of treasury stock
- | | |
|--------------------------|----------------|
| A of September 30, 2012: | 302,546 shares |
| A of March 31, 2012: | 306,896 shares |
- ③ Average number of shares (1H)
- | | |
|--------------------------|-------------------|
| A of September 30, 2012: | 33,699,968 shares |
| A of September 30, 2011: | 33,688,200 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 FY2012

(Million of yen)

	Year ending March 31, 2013	YoY (%)
Netsales	77,400	2.8
Operating income	6,600	(3.9)
Ordinary income	8,400	(13.9)
Net income	5,800	(15.8)
Net income per share (yen)	172.10	—

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

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5. Consolidated balance sheets

(Million of yen)

	Asof March 31, 2012	Asof September 30, 2012
Assets		
Current assets		
Cash and deposits	15,170	37,089
Notes and accounts receivable-trade	27,074	28,325
Merchandise and finished goods	6,957	7,505
Work in process	8,424	8,637
Raw materials and supplies	10,382	13,102
Other	3,850	3,749
Allowance for doubtful accounts	(24)	(32)
Total current assets	71,834	98,377
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	29,558	30,582
Land	12,968	12,956
Other, net	12,663	12,199
Total property, plant and equipment	55,189	55,738
Intangible assets	690	967
Investments and other assets		
Other	8,266	8,313
Allowance for doubtful accounts	(203)	(120)
Total investments and other assets	8,062	8,193
Total noncurrent assets	63,942	64,899
Deferred assets	13	10
Total assets	135,789	163,287

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Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,780	6,641
Electronically recorded obligations-operating	—	15,284
Short-term loans payable	183	328
Current portion of long-term loans payable	249	675
Income taxes payable	521	2,790
Provision for bonuses	1,923	2,474
Other provision	388	340
Other	6,745	5,729
Total current liabilities	20,792	34,265
Noncurrent liabilities		
Convertible bond-type bonds with subscription rights to shares	10,000	10,000
Long-term loans payable	287	9,717
Provision for retirement benefits	1,559	1,689
Provision for directors' retirement benefits	58	37
Other	554	623
Total noncurrent liabilities	12,460	22,067
Total liabilities	33,253	56,333
Net assets		
Shareholders' equity		
Capital stock	14,517	14,517
Capital surplus	15,651	15,651
Retained earnings	73,858	78,577
Treasury stock	(823)	(812)
Total shareholders' equity	103,204	107,934
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5	2
Foreign currency translation adjustment	(1,980)	(2,647)
Total accumulated other comprehensive income	(1,974)	(2,645)
Subscription rights to shares	980	1,093
Minority interests	325	571
Total net assets	102,536	106,954
Total liabilities and net assets	135,789	163,287

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6. Consolidated statements of (comprehensive) income

(Million of yen)

	FY2011 1H	FY2012 1H
Netsales	48,437	51,368
Cost of sales	25,960	27,222
Gross profit	22,476	24,145
Selling, general and administrative expenses	15,575	16,651
Operating income	6,901	7,494
Non-operating income		
Interest income	25	21
Amortization of negative goodwill	29	—
Equity earnings of affiliates	66	136
Foreign exchange gains	74	68
Other	81	165
Total non-operating income	277	391
Non-operating expenses		
Interest expenses	12	14
Sales discounts	12	11
Depreciation	39	33
Other	3	10
Total non-operating expenses	68	69
Ordinary income	7,110	7,816
Extraordinary income		
Gain on sales of noncurrent assets	16	1
Gain on reversal of subscription rights to shares	1	7
Other	0	0
Total extraordinary income	17	9
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	8	44
Loss on valuation of investment securities	13	—
Special retirement expenses	24	26
Other	0	1
Total extraordinary losses	46	72
Income before income taxes and minority interests	7,081	7,753
Income taxes-current	2,335	2,982
Income taxes-deferred	27	(581)
Total income taxes	2,362	2,401
Income before minority interests	4,719	5,352
Minority interests in loss	(10)	(6)
Net income	4,729	5,358
Minority interests in loss	(10)	(6)
Income before minority interests	4,719	5,352
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	(3)
Foreign currency translation adjustment	(837)	(691)
Share of other comprehensive income of associates accounted for using equity method	—	16
Total other comprehensive income	(839)	(678)
Comprehensive income	3,879	4,673
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,892	4,687
Comprehensive income attributable to minority interests	(12)	(14)

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7. Consolidated statements of cash flows

(Million of yen)

	FY2011 1H	FY2012 1H
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	7,081	7,753
Depreciation and amortization	2,799	2,762
Amortization of negative goodwill	(29)	—
Loss (gain) on valuation of investment securities	13	—
Equity in (earnings) losses of affiliates	(66)	(136)
Increase (decrease) in allowance for doubtful accounts	49	(71)
Increase (decrease) in provision for bonuses	(17)	561
Loss (gain) on sales and retirement of property, plant and equipment	(7)	42
Interest and dividends income	(28)	(24)
Interest expenses	12	14
Decrease (increase) in notes and accounts receivable-trade	2,186	(1,702)
Decrease (increase) in inventories	(2,751)	(3,802)
Increase (decrease) in notes and accounts payable-	2,062	11,762
Other, net	2,312	(897)
Subtotal	13,616	16,261
Interest and dividends income received	22	30
Interest expenses paid	(2)	(4)
Income taxes (paid) refund	(5,367)	(705)
Net cash provided by (used in) operating activities	8,268	15,581
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(3,120)	(2,870)
Proceeds from sales of property, plant and equipment	39	22
Purchase of investment securities	(754)	(145)
Net decrease (increase) in short-term loans receivable	(1)	(0)
Payments of long-term loans receivable	—	(50)
Collection of long-term loans receivable	4	5
Purchase of intangible assets	(57)	(117)
Proceeds from withdrawal of time deposits	14	—
Other, net	(11)	(25)
Net cash provided by (used in) investing activities	(3,887)	(3,182)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	—	145
Proceeds from long-term loans payable	—	10,080
Repayment of long-term loans payable	(124)	(224)
Purchase of treasury stock	(0)	(0)
Proceeds from sales of treasury stock	21	11
Cash dividends paid	(1,345)	(640)
Proceeds from stock issuance to minority shareholders	—	300
Net cash provided by (used in) financing activities	(1,449)	9,672
Effect of exchange rate change on cash and cash equivalents	(833)	(145)
Net increase (decrease) in cash and cash equivalents	2,097	21,926
Cash and cash equivalents at beginning of period	19,830	12,038
Cash and cash equivalents at end of period	21,928	33,964