



August 7, 2014

Consolidated Financial Results for the First Quarter of Fiscal Year 2014

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 FY2014 1Q(April 1, 2014 though June 30, 2014)

1) Operating results (Accumulated)

	Three months ended		
	June 30, 2013	June 30, 2014	YoY(%)
Net sales	27,405	31,081	13.4
Operating income	4,911	5,601	14.1
Ordinary income	4,823	5,774	19.7
Net income	3,172	4,052	27.8
Net income per share (yen)	94.07	119.49	—

2) Financial position

	As of March 31, 2014	As of June 30, 2014
Total assets	170,161	175,946
Net assets	123,456	126,841
Equity ratio (%)	71.4%	70.9%

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

124,740 million yen (as of June 30, 2014)
 121,415 million yen (as of March 31, 2014)

2. Dividends

	Fiscal Year 2013	Fiscal Year 2014 Actual	Fiscal Year 2014 Forecast
1Q-end dividend per share (yen)	—	—	—
2Q-end dividend per share (yen)	50.00	—	64.00
3Q-end dividend per share (yen)	—	—	—
Year-end dividend per share (yen)	40.00	—	40.00
Annual dividend per share (yen)	90.00	—	104.00

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

3. Earnings Forecasts for FY2014

	(Millions of yen)			
	Six month ending September 30, 2014	YoY (%)	Year ending March 31, 2015	YoY (%)
Net sales	63,300	15.9	113,900	8.6
Operating income	12,000	22.4	19,100	10.1
Ordinary income	12,600	29.2	19,900	14.1
Net income	8,600	29.1	13,900	15.0
Net income per share (yen)	253.51	—	409.74	—

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)
 - ① Number of shares issued (include treasury stocks)

As of June 30, 2014:	34,004,418 shares
As of March 31, 2014:	34,004,418 shares
 - ② Number of shares of treasury stock

As of June 30, 2014:	80,843 shares
As of March 31, 2014:	87,493 shares
 - ③ Average number of shares

As of June 30, 2014:	33,919,494 shares
As of June 30, 2013:	33,722,477 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 FY2014

(Millions of yen)

	Six month ending September 30, 2014	YoY (%)	Year ending March 31, 2015	YoY (%)
Net sales	55,100	20.9	96,700	12.8
Operating income	9,700	43.6	14,800	25.4
Ordinary income	12,600	36.8	17,900	22.3
Net income	9,300	36.1	13,200	23.3
Net income per share (yen)	274.15	-	389.11	-

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

Unaudited translation, provided for reference only

5. Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and deposits	31,577	34,964
Notes and accounts receivable-trade	32,390	35,406
Merchandise and finished goods	7,072	7,770
Work in process	7,894	8,155
Raw materials and supplies	11,772	11,784
Other	6,291	4,896
Allowance for doubtful accounts	(189)	(163)
Total current assets	96,809	102,814
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	28,759	28,472
Land	13,088	13,062
Other, net	21,215	21,580
Total property, plant and equipment	63,063	63,115
Intangible assets	874	850
Investments and other assets		
Other	9,465	9,217
Allowance for doubtful accounts	(54)	(54)
Total investments and other assets	9,410	9,163
Total noncurrent assets	73,348	73,129
Deferred assets	3	2
Total assets	170,161	175,946
Liabilities		
Current liabilities		
Notes and accounts payable-trade	5,269	6,240
Electronically recorded obligations-operating	6,762	11,365
Current portion of long-term loans payable	864	825
Current portion of convertible bonds with stock acquisition rights	9,085	9,085
Income taxes payable	3,052	1,864
Provision for bonuses	2,994	1,831
Other provision	612	512
Other	6,594	7,259
Total current liabilities	35,235	38,985
Noncurrent liabilities		
Long-term loans payable	8,858	8,848
Net defined benefit liability	1,970	298
Provision for directors' retirement benefits	49	51
Other	590	921
Total noncurrent liabilities	11,469	10,119
Total liabilities	46,704	49,104

Net assets		
Shareholders' equity		
Capital stock	14,517	14,517
Capital surplus	16,190	16,212
Retained earnings	89,203	92,766
Treasury stock	(235)	(218)
Total shareholders' equity	119,675	123,278
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17	21
Foreign currency translation adjustment	1,864	1,559
Remeasurements of defined benefit plans	(142)	(118)
Total accumulated other comprehensive income	1,740	1,462
Subscription rights to shares	1,219	1,240
Minority interests	821	860
Total net assets	123,456	126,841
Total liabilities and net assets	170,161	175,946

Unaudited translation, provided for reference only

6. Consolidated quarterly statements of (comprehensive) income

(Millions of yen)

	FY2013 1Q	FY2014 1Q
Net sales	27,405	31,081
Cost of sales	13,568	15,743
Gross profit	13,836	15,337
Selling, general and administrative expenses	8,925	9,735
Operating income	4,911	5,601
Non-operating income		
Interest income	13	18
Royalty income	100	-
Foreign exchange gains	-	126
Other	40	80
Total non-operating income	154	224
Non-operating expenses		
Interest expenses	13	12
Sales discounts	7	10
Equity in losses of affiliates	3	7
Depreciation	15	13
Foreign exchange losses	196	-
Other	4	8
Total non-operating expenses	242	51
Ordinary income	4,823	5,774
Extraordinary income		
Gain on sales of noncurrent assets	0	22
Gain on reversal of subscription rights to shares	0	-
Total extraordinary income	0	22
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	21	3
Special retirement expenses	5	4
Total extraordinary losses	26	7
Income before income taxes and minority interests	4,797	5,788
Income taxes-current	983	1,875
Income taxes-deferred	578	(166)
Total income taxes	1,561	1,708
Income before minority interests	3,235	4,080
Minority interests in income (loss)	63	27
Net income	3,172	4,052
Minority interests in income (loss)	63	27
Income before minority interests	3,235	4,080
Other comprehensive income		
Valuation difference on available-for-sale securities	3	3
Foreign currency translation adjustment	796	(249)
Remeasurements of defined benefit plans, net of tax	-	23
Share of other comprehensive income of associates accounted for using equity method	65	(58)
Total other comprehensive income	864	(282)
Comprehensive income	4,100	3,798
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,012	3,774
Comprehensive income attributable to minority interests	87	23

7. Consolidated quarterly statements of cash flows

(Millions of yen)

	FY2013 1Q	FY2014 1Q
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,797	5,788
Depreciation and amortization	1,329	1,399
Equity in (earnings) losses of affiliates	3	7
Increase (decrease) in allowance for doubtful accounts	29	(26)
Increase (decrease) in provision for bonuses	(360)	(1,158)
Loss (gain) on sales and retirement of property, plant and equipment	21	(19)
Interest and dividends income	(16)	(19)
Interest expenses	13	12
Decrease (increase) in notes and accounts receivable-trade	(4,977)	(2,942)
Decrease (increase) in inventories	327	(1,067)
Increase (decrease) in notes and accounts payable-trade	2,717	5,408
Other, net	1,331	1,193
Subtotal	5,218	8,577
Interest and dividends income received	11	12
Interest expenses paid	(4)	(6)
Income taxes (paid) refund	(1,926)	(2,903)
Net cash provided by (used in) operating activities	3,298	5,679
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(961)	(1,281)
Proceeds from sales of property, plant and equipment	0	88
Purchase of investment securities	—	(15)
Proceeds from sales of investment securities	200	—
Net decrease (increase) in short-term loans receivable	(401)	(2)
Collection of long-term loans receivable	2	2
Purchase of intangible assets	(52)	(24)
Payments into time deposits	(613)	—
Other, net	4	33
Net cash provided by (used in) investing activities	(1,822)	(1,200)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(38)	—
Repayment of long-term loans payable	(19)	(48)
Purchase of treasury stock	(0)	(0)
Proceeds from sales of treasury stock	216	31
Cash dividends paid	(540)	(1,358)
Repayments to minority shareholders	(5)	—
Net cash provided by (used in) financing activities	(387)	(1,375)
Effect of exchange rate change on cash and cash equivalents	137	(47)
Net increase (decrease) in cash and cash equivalents	1,226	3,055
Cash and cash equivalents at beginning of period	21,544	21,552
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	331
Cash and cash equivalents at end of period	22,771	24,939