



February 6, 2015

Consolidated Financial Results for the Third 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 3Q (April 1, 2014 through December 31, 2014)

1) Operating results (Accumulated)

	Nin months ended		
	December 31, 2013	December 31, 2014	YoY (%)
Netsales	77,809	92,321	18.7%
Operating income	13,136	19,968	52.0%
Ordinary income	12,916	19,457	50.6%
Net income	8,724	14,122	61.9%
Net income per share (yen)	357.55	412.92	-

2) Financial position

	As of March 31, 2014	As of December 31, 2014
Total assets	170,161	199,119
Net assets	123,456	145,857
Equity ratio (%)	71.4%	72.8%

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

144,873 million yen (as of December 31, 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	72.00	
3Q-end dividend per share (yen)	—	—	
Year-end dividend per share (yen)	40.00		60.00
Annual dividend per share (yen)	90.00		132.00

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

3. Earnings Forecasts of FY2014

	(Million of yen)	
	Yearending March 31, 2015	YoY (%)
Netsales	120,600	14.9
Operating income	25,200	45.2
Ordinary income	24,700	41.6
Net income	18,200	50.6
Net income per share (yen)	511.31	—

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 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)
- As of December 31, 2014: 35,598,671 shares
- As of March 31, 2014: 34,004,418 shares
- ② Number of shares of treasury stock
- As of December 31, 2014: 3,823 shares
- As of March 31, 2014: 87,493 shares
- ③ Average number of shares
- As of December 31, 2014: 34,203,083 shares
- As of December 31, 2013: 33,776,827 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 FY2014

(Million of yen)

	Yearending March 31, 2015	YoY (%)
Netsales	103,100	20.3
Operating income	19,200	62.7
Ordinary income	22,000	50.3
Net income	15,900	48.5
Net income per share (yen)	446.69	-

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

5. Consolidated quarterly balance sheets	(Millions of yen)	
	Asof 31-Mar-14	Asof 31-Dec-14
Assets		
Current assets		
Cash and deposits	31,577	49,967
Notes and accounts receivable-trade	32,390	34,387
Merchandise and finished goods	7,072	8,723
Work in process	7,894	10,798
Raw materials and supplies	11,772	12,042
Other	6,291	8,042
Allowance for doubtful accounts	(189)	(173)
Total current assets	96,809	123,786
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	28,759	28,221
Land	13,088	13,275
Other, net	21,215	25,940
Total property, plant and equipment	63,063	67,437
Intangible assets	874	561
Investments and other assets		
Other	9,465	7,377
Allowance for doubtful accounts	(54)	(43)
Total investments and other assets	9,410	7,333
Total non-current assets	73,348	75,333
Deferred assets	3	-
Total assets	170,161	199,119

	(Millions of yen)	
	Asof 31-Mar-14	Asof 31-Dec-14
Liabilities		
Current liabilities		
Notes and accounts payable-trade	5,269	5,786
Electronically recorded obligations-operating	6,762	16,124
Current portion of long-term loans payable	864	619
Current portion of convertible bonds with stock acquisition rights	9,085	-
Income taxes payable	3,052	4,427
Provision for bonuses	2,994	2,402
Other provision	612	789
Other	6,594	11,314
Total current liabilities	35,235	41,464
Non-current liabilities		
Long-term loans payable	8,858	10,205
Net defined benefit liability	1,970	-
Provision for directors' retirement benefits	49	11
Other	590	1,580
Total non-current liabilities	11,469	11,797
Total liabilities	46,704	53,262
Net assets		
Shareholders' equity		
Capital stock	14,517	19,406
Capital surplus	16,190	21,394
Retained earnings	89,203	100,384
Treasury shares	(235)	(10)
Total shareholders' equity	119,675	141,175
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17	28
Foreign currency translation adjustment	1,864	3,737
Remeasurements of defined benefit plans	(142)	(67)
Total accumulated other comprehensive income	1,740	3,698
Subscription rights to shares	1,219	919
Minority interests	821	64
Total net assets	123,456	145,857
Total liabilities and net assets	170,161	199,119

6. Consolidated quarterly statements of (comprehensive) income	(Million of yen)	
	FY2013 1-3Q	FY2014 1-3Q
Netsales	77,809	92,321
Cost of sales	37,814	42,936
Gross profit	39,995	49,385
Selling, general and administrative expenses	26,859	29,416
Operating income	13,136	19,968
Non-operating income		
Interest income	50	56
Share of profit of entities accounted for using equity method	39	4
Royalty income	100	-
Subsidy income	181	84
Other	155	187
Total non-operating income	527	333
Non-operating expenses		
Interest expenses	39	35
Sales discounts	23	33
Depreciation	45	43
Foreign exchange losses	623	717
Other	14	13
Total non-operating expenses	747	844
Ordinary income	12,916	19,457
Extraordinary income		
Gain on sales of non-current assets	7	57
Gain on sales of investment securities	0	-
Gain on sales of shares of subsidiaries and associates	-	658
Gain on reversal of subscription rights to shares	2	153
Compensation income	-	421
Total extraordinary income	9	1,290
Extraordinary losses		
Loss on sales and retirement of non-current assets	55	34
Loss on valuation of investment securities	38	-
Special retirement expenses	30	31
Compensation expenses	-	50
Total extraordinary losses	124	116
Income before income taxes and minority interests	12,802	20,631
Income taxes-current	3,371	7,104
Income taxes-deferred	639	(616)
Total income taxes	4,011	6,487
Income before minority interests	8,791	14,143
Minority interests in income	66	20
Net income	8,724	14,122
Minority interests in income	66	20
Income before minority interests	8,791	14,143
Other comprehensive income		
Valuation difference on available-for-sale securities	8	10
Foreign currency translation adjustment	2,117	1,744
Remeasurements of defined benefit plans, net of tax	-	74
Share of other comprehensive income of entities accounted for using equity method	171	65
Total other comprehensive income	2,297	1,894
Comprehensive income	11,088	16,038
Comprehensive income attributable to		
Comprehensive income attributable to owners of	10,964	16,081
Comprehensive income attributable to minority	123	(43)

7. Consolidated quarterly statements of cash flows	(Million of yen)	
	FY2013 1-3Q	FY2014 1-3Q
Cashflows from operating activities		
Income before income taxes and minority interests	12,802	20,631
Depreciation	4,354	4,346
Loss (gain) on valuation of investment securities	38	-
Share of (profit) loss of entities accounted for using equity method	(39)	(4)
Increase (decrease) in allowance for doubtful	40	(50)
Increase (decrease) in provision for bonuses	(449)	(506)
Loss (gain) on sales of investment securities	(0)	-
Loss (gain) on sales of shares of subsidiaries and associates	-	(658)
Loss (gain) on sales and retirement of property, plant and equipment	47	(23)
Subsidy income	(154)	(84)
Compensation income	-	(421)
Interest and dividend income	(54)	(58)
Interest expenses	39	35
Decrease (increase) in notes and accounts receivable - trade	(2,776)	25
Decrease (increase) in inventories	1,635	(3,861)
Increase (decrease) in notes and accounts payable - Other, net	1,187	9,807
	223	(4,517)
Subtotal	16,895	24,660
Interest and dividend income received	55	56
Interest expenses paid	(23)	(27)
Income taxes (paid) refund	(4,263)	(5,732)
Proceeds from subsidy income	154	84
Proceeds from compensation	-	421
Net cash provided by (used in) operating activities	12,818	19,463
Cashflows from investing activities		
Purchase of property, plant and equipment	(8,533)	(5,106)
Proceeds from sales of property, plant and equipment	19	323
Purchase of intangible assets	(74)	(66)
Purchase of investment securities	-	(15)
Proceeds from sales of investment securities	200	-
Payments for investments in capital of subsidiaries and associates	-	(26)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	2,398
Net decrease (increase) in short-term loans receivable	(499)	(2)
Payments of long-term loans receivable	-	(0)
Collection of long-term loans receivable	7	7
Payments into time deposits	(10,638)	-
Proceeds from withdrawal of time deposits	10,786	2,000
Other, net	34	28
Net cash provided by (used in) investing activities	(8,697)	(459)
Cashflows from financing activities		
Net increase (decrease) in short-term loans payable	(241)	-
Proceeds from long-term loans payable	-	1,774
Repayments of long-term loans payable	(657)	(660)
Purchase of treasury shares	(2)	(1)
Proceeds from sales of treasury shares	835	424
Cash dividends paid	(2,233)	(3,811)
Repayments to minority shareholders	(5)	-
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	-	532
Net cash provided by (used in) financing activities	(2,305)	(1,740)
Effect of exchange rate change on cash and cash	341	1,328
Net increase (decrease) in cash and cash equivalent	2,157	18,591
Cash and cash equivalents at beginning of period	21,544	21,016
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	331
Cash and cash equivalents at end of period	23,702	39,938