



November 5, 2015

Consolidated Financial Results for the Second Quarter of Fiscal Year 2015

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 FY2015 1H(April 1, 2015 though September 30, 2015)

1) Operating results (Accumulated)

	Six months ended		
	September 30, 2014	September 30, 2015	YoY(%)
Net sales	65,198	66,600	2.1
Operating income	13,724	17,748	29.3
Ordinary income	13,730	17,818	29.8
Net income	9,755	12,056	23.6
Net income per share (yen)	287.51	337.51	-
Fully diluted net income per share (yen)	273.78	335.38	-

2) Financial position

	As of March 31, 2015	As of September 30, 2015
Total assets	201,975	204,459
Net assets	151,918	161,131
Equity ratio (%)	74.8%	78.4%

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

160,274 million yen (as of September 30, 2015)
 151,059 million yen (as of March 31, 2015)

2. Dividends

(yen)

	Fiscal Year 2014	Fiscal Year 2015 Actual	Fiscal Year 2015 Forecast
1Q-end dividend per share (yen)	—	—	—
2Q-end dividend per share (yen)	72	85	—
3Q-end dividend per share (yen)	—	—	—
Year-end dividend per share (yen)	88	—	133
Annual dividend per share (yen)	160	—	218

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

3. Earnings Forecasts of FY2015

(Millions of yen)

	Nine month ending December 31, 2015	YoY (%)	Year ending March 31, 2016	YoY (%)
Net sales	94,000	1.8	118,800	(5.7)
Operating income	22,800	14.2	26,100	(2.5)
Ordinary income	23,100	18.7	26,300	(0.7)
Net income	15,700	11.2	18,500	(7.8)
Net income per share (yen)	439.19	-	517.52	-

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: Yes
 2. Other changes: None
- 3) Number of shares outstanding (common stock)
 - ① Number of shares issued (include treasury stocks)

As of September 30, 2015:	35,751,471 shares
As of March 31, 2015:	35,704,271 shares
 - ② Number of shares of treasury stock

As of September 30, 2015:	4,073 shares
As of March 31, 2015:	3,823 shares
 - ③ Average number of shares

As of September 30, 2015:	35,720,531 shares
As of September 30, 2014:	33,932,021 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 FY2015

(Millions of yen)

	Nine month ending December 31, 2015	YoY (%)	Year ending March 31, 2016	YoY (%)
Net sales	80,500	1.7	101,300	(6.3)
Operating income	18,500	21.5	21,000	1.5
Ordinary income	21,700	21.1	24,200	2.9
Net income	15,800	25.1	18,000	3.0
Net income per share (yen)	441.99	-	503.53	-

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

Consolidated balance sheets	(Millions of yen)	
	As of 31-Mar-2015	As of 30-Sep-2015
Assets		
Current assets		
Cash and deposits	52,208	55,425
Notes and accounts receivable - trade	35,114	37,582
Merchandise and finished goods	7,894	9,322
Work in process	12,299	10,861
Raw materials and supplies	13,300	13,413
Other	9,024	6,522
Allowance for doubtful accounts	(220)	(195)
Total current assets	<u>129,622</u>	<u>132,932</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	37,874	37,102
Land	13,136	13,758
Other, net	15,184	15,701
Total property, plant and equipment	<u>66,194</u>	<u>66,561</u>
Intangible assets	547	490
Investments and other assets		
Other	5,652	4,518
Allowance for doubtful accounts	(42)	(42)
Total investments and other assets	<u>5,610</u>	<u>4,475</u>
Total non-current assets	<u>72,352</u>	<u>71,527</u>
Total assets	<u>201,975</u>	<u>204,459</u>

	(Millions of yen)	
	As of	As of
	31-Mar-2015	30-Sep-2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,083	4,609
Electronically recorded obligations - operating	13,020	10,555
Current portion of long-term loans payable	1,816	1,833
Income taxes payable	4,789	5,457
Provision for bonuses	3,636	3,892
Other provision	810	842
Other	7,835	5,473
Total current liabilities	<u>38,992</u>	<u>32,665</u>
Non-current liabilities		
Long-term loans payable	9,416	8,819
Provision for directors' retirement benefits	11	12
Other	1,635	1,831
Total non-current liabilities	<u>11,063</u>	<u>10,663</u>
Total liabilities	<u>50,056</u>	<u>43,328</u>
Net assets		
Shareholders' equity		
Capital stock	19,785	19,939
Capital surplus	21,773	21,927
Retained earnings	106,329	115,243
Treasury shares	(10)	(12)
Total shareholders' equity	<u>147,877</u>	<u>157,097</u>
Accumulated other comprehensive income		
Foreign currency translation adjustment	3,240	3,201
Remeasurements of defined benefit plans	(57)	(23)
Total accumulated other comprehensive income	<u>3,182</u>	<u>3,177</u>
Subscription rights to shares	795	789
Non-controlling interests	63	67
Total net assets	<u>151,918</u>	<u>161,131</u>
Total liabilities and net assets	<u>201,975</u>	<u>204,459</u>

Consolidated statements of (comprehensive) income	(Millions of yen)	
	FY2014 1H	FY2015 1H
Net sales	65,198	66,600
Cost of sales	31,563	28,285
Gross profit	33,635	38,314
Selling, general and administrative expenses	19,911	20,566
Operating income	13,724	17,748
Non-operating income		
Interest income	35	35
Share of profit of entities accounted for using equity method	6	2
Foreign exchange gains	-	11
Rent income	19	37
Subsidy income	59	0
Other	101	64
Total non-operating income	223	152
Non-operating expenses		
Interest expenses	24	26
Sales discounts	22	22
Foreign exchange losses	129	-
Depreciation	28	30
Other	11	2
Total non-operating expenses	216	81
Ordinary income	13,730	17,818
Extraordinary income		
Gain on sales of non-current assets	56	4
Gain on reversal of subscription rights to shares	1	-
Compensation income	415	-
Total extraordinary income	473	4
Extraordinary losses		
Loss on sales and retirement of non-current assets	4	37
Impairment loss	-	56
Special retirement expenses	26	17
Provision of reserve for demolition cost	-	69
Total extraordinary losses	30	181
Income before income taxes and minority interests	14,174	17,642
Income taxes - current	5,677	5,739
Income taxes - deferred	(1,274)	(158)
Total income taxes	4,402	5,580
Profit	9,771	12,061
Profit attributable to		
Profit attributable to owners of parent	9,755	12,056
Profit attributable to non-controlling interests	15	5
Other comprehensive income		
Valuation difference on available-for-sale securities	4	-
Foreign currency translation adjustment	631	(36)
Remeasurements of defined benefit plans, net of tax	46	33
Share of other comprehensive income of entities accounted for using equity method	3	(4)
Total other comprehensive income	685	(7)
Comprehensive income	10,456	12,054
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,417	12,050
Comprehensive income attributable to non-controlling interests	39	3

Consolidated statements of cash flows	(Millions of yen)	
	FY2014 1H	FY2015 1H
Cash flows from operating activities		
Income before income taxes and minority interests	14,174	17,642
Depreciation	2,862	3,115
Impairment loss	-	56
Share of (profit) loss of entities accounted for using equity method	(6)	(2)
Increase (decrease) in allowance for doubtful accounts	(35)	(24)
Increase (decrease) in provision for bonuses	638	259
Loss (gain) on sales and retirement of property, plant and equipment	(51)	33
Subsidy income	(59)	(0)
Compensation income	(415)	-
Interest and dividend income	(36)	(35)
Interest expenses	24	26
Decrease (increase) in notes and accounts receivable - trade	(5,543)	(2,736)
Decrease (increase) in inventories	(745)	(63)
Increase (decrease) in notes and accounts payable - trade	7,690	(4,916)
Other, net	(1,489)	1,874
Subtotal	17,004	15,229
Interest and dividend income received	23	33
Interest expenses paid	(21)	(23)
Income taxes (paid) refund	(3,393)	(5,083)
Proceeds from subsidy income	59	0
Proceeds from compensation	415	-
Net cash provided by (used in) operating activities	14,088	10,156
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,306)	(4,580)
Proceeds from sales of property, plant and equipment	330	7
Purchase of intangible assets	(57)	(18)
Purchase of investment securities	(15)	(20)
Payments for investments in capital of subsidiaries and associates	(25)	-
Net decrease (increase) in short-term loans receivable	(2)	(38)
Payments of long-term loans receivable	(0)	-
Collection of long-term loans receivable	4	5
Proceeds from withdrawal of time deposits	-	1,200
Other, net	33	(12)
Net cash provided by (used in) investing activities	(4,039)	(3,458)
Cash flows from financing activities		
Repayments of long-term loans payable	(660)	(613)
Proceeds from issuance of common shares	-	215
Purchase of treasury shares	(0)	(2)
Proceeds from sales of treasury shares	96	-
Cash dividends paid	(1,357)	(3,140)
Net cash provided by (used in) financing activities	(1,922)	(3,540)
Effect of exchange rate change on cash and cash equivalents	293	61
Net increase (decrease) in cash and cash equivalents	8,419	3,218
Cash and cash equivalents at beginning of period	21,552	42,177
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	331	-
Cash and cash equivalents at end of period	30,303	45,396