



February 5, 2016

Consolidated Financial Results for the Third 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 3Q(April 1, 2015 though December 31, 2015)

1) Operating results (Accumulated)

	Nine months ended		
	December 31, 2014	December 31, 2015	YoY(%)
Net sales	92,321	94,292	2.1%
Operating income	19,968	23,869	19.5%
Ordinary income	19,457	23,956	23.1%
Net income	14,122	16,459	16.5%
Net income per share (yen)	412.92	460.58	-

2) Financial position

	As of March 31, 2015	As of December 31, 2015
Total assets	201,975	202,675
Net assets	151,918	162,321
Equity ratio (%)	74.8%	79.7%

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

161,532 million yen (as of December 31, 2015)
 151,059 million yen (as of March 31, 2015)

2. Dividends

	Fiscal Year 2014	Fiscal Year 2015 Actual	Fiscal Year 2015 Forecast
1Q-end dividend per share (yen)	—	—	
2Q-end dividend per share (yen)	72.00	85.00	
3Q-end dividend per share (yen)	—	—	
Year-end dividend per share (yen)	88.00		190.00
Annual dividend per share (yen)	160.00		275.00

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

3. Earnings Forecasts of FY2015

	Year ending March 31, 2016	YoY (%)
Net sales	125,700	(0.2)
Operating income	30,100	12.5
Ordinary income	30,300	14.4
Net income	21,400	6.6
Net income per share (yen)	598.06	—

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 December 31, 2015:	35,786,771 shares
As of March 31, 2015:	35,704,271 shares
 - ② Number of shares of treasury stock

As of December 31, 2015:	4,123 shares
As of March 31, 2015:	3,823 shares
 - ③ Average number of shares

As of December 31, 2015:	35,736,283 shares
As of December 31, 2014:	34,203,083 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)

	Year ending March 31, 2016	YoY (%)
Net sales	107,000	(1.0)
Operating income	23,900	15.6
Ordinary income	27,200	15.7
Net income	20,200	15.6
Net income per share (yen)	564.52	-

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

Consolidated Earnings Forecasts of FY2016 1Q

(Millions of yen)

	Three month ending June 30, 2016	YoY (%)
Net sales	30,900	(9.6)
Operating income	6,900	(30.4)
Ordinary income	6,800	(30.3)
Net income	4,700	(27.7)
Net income per share (yen)	131.35	-

Non-consolidated Earnings Forecasts of FY2016 1Q

(Millions of yen)

	Three month ending June 30, 2016	YoY (%)
Net sales	26,800	(8.7)
Operating income	6,000	(26.7)
Ordinary income	6,000	(31.3)
Net income	4,100	(31.7)
Net income per share (yen)	114.58	-

5. Consolidated quarterly balance sheets

	(Millions of yen)	
	As of 31-Mar-15	As of 31-Dec-15
Assets		
Current assets		
Cash and deposits	52,208	62,239
Notes and accounts receivable - trade	35,114	29,338
Merchandise and finished goods	7,894	9,066
Work in process	12,299	11,276
Raw materials and supplies	13,300	12,555
Other	9,024	6,710
Allowance for doubtful accounts	(220)	(288)
Total current assets	<u>129,622</u>	<u>130,898</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	37,874	38,172
Land	13,136	13,818
Other, net	15,184	14,882
Total property, plant and equipment	<u>66,194</u>	<u>66,872</u>
Intangible assets	547	462
Investments and other assets		
Other	5,652	4,492
Allowance for doubtful accounts	(42)	(49)
Total investments and other assets	<u>5,610</u>	<u>4,442</u>
Total non-current assets	<u>72,352</u>	<u>71,777</u>
Total assets	<u>201,975</u>	<u>202,675</u>

	(Millions of yen)	
	As of 31-Mar-15	As of 31-Dec-15
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,083	3,910
Electronically recorded obligations - operating	13,020	9,806
Current portion of long-term loans payable	1,816	625
Income taxes payable	4,789	3,900
Provision for bonuses	3,636	2,718
Other provision	810	823
Other	7,835	6,613
Total current liabilities	<u>38,992</u>	<u>28,398</u>
Non-current liabilities		
Long-term loans payable	9,416	9,994
Provision for directors' retirement benefits	11	12
Other	1,635	1,948
Total non-current liabilities	<u>11,063</u>	<u>11,956</u>
Total liabilities	<u>50,056</u>	<u>40,354</u>
Net assets		
Shareholders' equity		
Capital stock	19,785	20,055
Capital surplus	21,773	22,043
Retained earnings	106,329	116,608
Treasury shares	(10)	(13)
Total shareholders' equity	<u>147,877</u>	<u>158,693</u>
Accumulated other comprehensive income		
Foreign currency translation adjustment	3,240	2,846
Remeasurements of defined benefit plans	(57)	(7)
Total accumulated other comprehensive income	<u>3,182</u>	<u>2,839</u>
Subscription rights to shares	795	726
Non-controlling interests	63	62
Total net assets	<u>151,918</u>	<u>162,321</u>
Total liabilities and net assets	<u>201,975</u>	<u>202,675</u>

6. Consolidated quarterly statements of (comprehensive) income

	(Millions of yen)	
	FY2014 1-3Q	FY2015 1-3Q
Net sales	92,321	94,292
Cost of sales	42,936	40,006
Gross profit	49,385	54,286
Selling, general and administrative expenses	29,416	30,416
Operating income	19,968	23,869
Non-operating income		
Interest income	56	46
Share of profit of entities accounted for using equity method	4	28
Rent income	35	69
Subsidy income	84	60
Other	152	110
Total non-operating income	333	316
Non-operating expenses		
Interest expenses	35	39
Sales discounts	33	39
Foreign exchange losses	717	68
Depreciation	43	45
Other	13	35
Total non-operating expenses	844	228
Ordinary income	19,457	23,956
Extraordinary income		
Gain on sales of non-current assets	57	5
Gain on sales of shares of subsidiaries and	658	-
Gain on reversal of subscription rights to shares	153	22
Insurance income	-	119
Compensation income	421	-
Total extraordinary income	1,290	146
Extraordinary losses		
Loss on sales and retirement of non-current assets	34	54
Impairment loss	-	56
Special retirement expenses	31	21
Compensation expenses	50	-
Provision of reserve for demolition cost	-	69
Total extraordinary losses	116	202
Income before income taxes and minority interests	20,631	23,901
Income taxes - current	7,104	6,997
Income taxes - deferred	(616)	441
Total income taxes	6,487	7,439
Profit	14,143	16,462
Profit attributable to		
Profit attributable to owners of parent	14,122	16,459
Profit attributable to non-controlling interests	20	2

	(Millions of yen)	
	FY2014 1-3Q	FY2015 1-3Q
Other comprehensive income		
Valuation difference on available-for-sale securities	10	-
Foreign currency translation adjustment	1,744	(235)
Remeasurements of defined benefit plans, net of tax	74	50
Share of other comprehensive income of entities accounted for using equity method	65	(162)
Total other comprehensive income	1,894	(347)
Comprehensive income	16,038	16,114
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,081	16,116
Comprehensive income attributable to non-controlling interests	(43)	(1)