



August 4, 2016

## Consolidated Financial Results for the First Quarter of Fiscal Year 2016

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

- Notes:
1. The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.
  2. Amounts are rounded down to the nearest million yen.

### 1. Consolidated Results of FY2016 1Q(April 1, 2016 through June 30, 2016)

#### 1) Operating results (Accumulated)

	Three months ended		
	June 30, 2015	June 30, 2016	YoY(%)
Net sales	34,197	31,273	(8.6)
Operating income	9,906	6,928	(30.1)
Ordinary income	9,754	7,493	(23.2)
Net income	6,501	5,794	(10.9)
Net income per share (yen)	182.07	161.93	-

#### 2) Financial position

	As of March 31, 2016	As of June 30, 2016
Total assets	207,953	198,088
Net assets	168,035	163,483
Equity ratio (%)	80.4%	82.1%

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

162,650 million yen (as of June 30, 2016)  
 167,223 million yen (as of March 31, 2016)

### 2. Dividends

	Fiscal Year 2015	Fiscal Year 2016 Actual	Fiscal Year 2016 Forecast
1Q-end dividend per share (yen)	—	—	—
2Q-end dividend per share (yen)	85.00	—	70.00
3Q-end dividend per share (yen)	—	—	—
Year-end dividend per share (yen)	230.00	—	—
Annual dividend per share (yen)	315.00	—	—

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

Unaudited translation, provided for reference only

**3. Earnings Forecasts of FY2016**

(Millions of yen)

	Six month ending September 30,2016	YoY (%)	Nine month ending December 31,2016	YoY (%)
Net sales	61,600	(7.5)	90,200	(4.3)
Operating income	12,700	(28.4)	18,300	(23.3)
Ordinary income	13,400	(24.8)	19,200	(19.9)
Net income	10,000	(17.1)	14,300	(13.1)
Net income per share (yen)	279.44	—	399.60	—

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

**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 along with changes in accounting standards: Yes
  2. Other changes: None
- 3) Number of shares outstanding (common stock)
  - ① Number of shares issued (include treasury stocks)
 

As of June 30, 2016:	35,790,371 shares
As of March 31, 2016:	35,789,271 shares
  - ② Number of shares of treasury stock
 

As of June 30, 2016:	4,273 shares
As of March 31, 2016:	4,273 shares
  - ③ Average number of shares
 

As of June 30, 2016:	35,785,645 shares
As of June 30, 2015:	35,708,475 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 FY2016**

(Millions of yen)

	Six month ending September 30,2016	YoY (%)	Nine month ending December 31,2016	YoY (%)
Net sales	53,800	(6.1)	78,700	(2.3)
Operating income	9,500	(33.4)	13,500	(29.7)
Ordinary income	11,000	(36.3)	15,300	(31.3)
Net income	8,500	(32.5)	11,700	(27.6)
Net income per share (yen)	237.52	—	326.94	—

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

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5. Consolidated quarterly balance sheets (Millions of yen)

	As of March 31, 2016	As of June 30, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	67,188	63,676
Notes and accounts receivable - trade	33,465	33,582
Merchandise and finished goods	7,982	8,057
Work in process	10,366	8,773
Raw materials and supplies	12,343	11,380
Other	7,194	4,816
Allowance for doubtful accounts	(208)	(181)
Total current assets	138,333	130,106
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	37,378	36,133
Land	13,815	13,779
Other, net	13,640	12,981
Total property, plant and equipment	64,834	62,894
Intangible assets	509	686
Investments and other assets		
Other	4,323	4,447
Allowance for doubtful accounts	(47)	(45)
Total investments and other assets	4,276	4,402
Total non-current assets	69,619	67,982
Total assets	207,953	198,088

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,602	3,940
Electronically recorded obligations - operating	8,692	9,386
Current portion of long-term loans payable	1,676	1,515
Income taxes payable	4,272	1,569
Provision for bonuses	4,190	2,174
Other provision	881	693
Other	5,930	6,446
Total current liabilities	30,246	25,727
Non-current liabilities		
Long-term loans payable	8,583	8,284
Provision for directors' retirement benefits	13	13
Other	1,075	580
Total non-current liabilities	9,671	8,878
Total liabilities	39,917	34,605
<b>Net assets</b>		
Shareholders' equity		
Capital stock	20,063	20,066
Capital surplus	22,051	22,054
Retained earnings	123,245	120,809
Treasury shares	(15)	(15)
Total shareholders' equity	165,344	162,915

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Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14	16
Foreign currency translation adjustment	1,847	(294)
Remeasurements of defined benefit plans	16	12
Total accumulated other comprehensive income	<u>1,878</u>	<u>(265)</u>
Subscription rights to shares	755	786
Non-controlling interests	56	46
Total net assets	<u>168,035</u>	<u>163,483</u>
Total liabilities and net assets	<u>207,953</u>	<u>198,088</u>

Unaudited translation, provided for reference only

6. Consolidated quarterly statements of (comprehensive) income

(Millions of yen)

	FY2015 1Q	FY2016 1Q
Net sales	34,197	31,273
Cost of sales	14,400	14,271
Gross profit	19,797	17,001
Selling, general and administrative expenses	9,890	10,072
Operating income	9,906	6,928
Non-operating income		
Interest income	20	11
Share of profit of entities accounted for using equity	4	-
Foreign exchange gains	-	517
Rent income	19	22
Other	32	56
Total non-operating income	76	607
Non-operating expenses		
Interest expenses	13	11
Sales discounts	12	11
Share of loss of entities accounted for using equity	-	5
Foreign exchange losses	186	-
Depreciation	14	13
Other	2	1
Total non-operating expenses	229	42
Ordinary income	9,754	7,493
Extraordinary income		
Gain on sales of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sales and retirement of non-current assets	2	11
Impairment loss	-	378
Special retirement expenses	10	4
Loss on disaster	-	85
Total extraordinary losses	12	479
Profit before income taxes	9,742	7,014
Income taxes - current	2,349	1,050
Income taxes - deferred	891	176
Total income taxes	3,241	1,227
Profit	6,501	5,787
Profit attributable to		
Profit attributable to owners of parent	6,501	5,794
Loss attributable to non-controlling interests	(0)	(7)
Other comprehensive income		
Foreign currency translation adjustment	584	(2,062)
Remeasurements of defined benefit plans, net of tax	16	(3)
Share of other comprehensive income of entities accounted for using equity method	(16)	(80)
Total other comprehensive income	584	(2,146)
Comprehensive income	7,086	3,640
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,086	3,651
Comprehensive income attributable to non-controlling interests	(0)	(10)