



February 6, 2018

## Consolidated Financial Results for the Third Quarter of Fiscal Year 2017

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 FY2017 3Q(April 1, 2017 though December 31, 2017)

#### 1) Operating results (Accumulated)

	Nine months ended		
	December 31, 2016	December 31, 2017	YoY(%)
Net sales	95,437	126,980	33.1%
Operating income	21,000	40,179	91.3%
Ordinary income	20,866	39,719	90.3%
Net income	15,474	27,392	77.0%
Net income per share (yen)	432.26	763.40	-

#### 2) Financial position

	As of March 31, 2016	As of December 31, 2017
Total assets	225,748	243,692
Net assets	181,318	195,747
Equity ratio (%)	79.9%	79.9%

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

194,738 million yen (as of December 31, 2017)  
 180,383 million yen (as of March 31, 2017)

### 2. Dividends

	Fiscal Year 2016	Fiscal Year 2017 Actual	Fiscal Year 2017 Forecast
1Q-end dividend per share (yen)	—	—	
2Q-end dividend per share (yen)	83.00	141.00	
3Q-end dividend per share (yen)	—	—	
Year-end dividend per share (yen)	291.00		191.00
Annual dividend per share (yen)	374.00		332.00

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

### 3. Earnings Forecasts of FY2017

	(Millions of yen)	
	Year ending March 31, 2018	YoY (%)
Net sales	164,300	22.4
Operating income	50,100	59.9
Ordinary income	50,200	58.2
Net income	35,100	45.0
Net income per share (yen)	977.14	—

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 December 31, 2017:	35,925,871 shares
As of March 31, 2017:	35,870,471 shares
  - ② Number of shares of treasury stock
 

As of December 31, 2017:	4,773 shares
As of March 31, 2017:	4,523 shares
  - ③ Average number of shares
 

As of December 31, 2017:	35,881,714 shares
As of December 31, 2016:	35,798,786 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 FY2017**

(Millions of yen)

	Year ending March 31, 2018	YoY (%)
Net sales	139,900	23.5
Operating income	38,700	78.0
Ordinary income	41,100	69.3
Net income	29,400	51.8
Net income per share (yen)	818.46	-

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

**Consolidated Earnings Forecasts of FY2018 1Q**

(Millions of yen)

	Three month ending June 30, 2018	YoY (%)
Net sales	47,100	6.0
Operating income	15,800	4.6
Ordinary income	15,900	6.5
Net income	11,100	4.0
Net income per share (yen)	309.01	-

**Non-consolidated Earnings Forecasts of FY2018 1Q**

(Millions of yen)

	Three month ending June 30, 2018	YoY (%)
Net sales	40,500	7.6
Operating income	12,800	12.4
Ordinary income	24,000	82.2
Net income	20,100	106.0
Net income per share (yen)	559.56	-

**5. Consolidated quarterly balance sheets**

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	77,718	84,491
Notes and accounts receivable - trade	38,895	43,986
Merchandise and finished goods	6,832	6,956
Work in process	10,394	10,181
Raw materials and supplies	13,108	14,218
Other	7,761	7,498
Allowance for doubtful accounts	(71)	(80)
Total current assets	<u>154,639</u>	<u>167,253</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	35,113	32,777
Other, net	31,109	37,125
Total property, plant and equipment	<u>66,223</u>	<u>69,902</u>
Intangible assets	588	500
Investments and other assets		
Other	4,326	6,060
Allowance for doubtful accounts	(30)	(24)
Total investments and other assets	<u>4,296</u>	<u>6,035</u>
Total non-current assets	<u>71,108</u>	<u>76,439</u>
Total assets	<u>225,748</u>	<u>243,692</u>

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,897	5,033
Electronically recorded obligations - operating	11,931	13,770
Current portion of long-term loans payable	8,989	-
Income taxes payable	3,323	8,113
Provision for bonuses	5,300	6,805
Other provision	883	984
Other	7,395	12,565
Total current liabilities	43,722	47,271
Non-current liabilities		
Provision for directors' retirement benefits	14	15
Other	693	658
Total non-current liabilities	707	673
<b>Total liabilities</b>	<b>44,430</b>	<b>47,945</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	20,374	20,645
Capital surplus	22,362	22,633
Retained earnings	136,247	148,144
Treasury shares	(18)	(23)
Total shareholders' equity	178,965	191,399
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	40	577
Foreign currency translation adjustment	1,388	2,769
Remeasurements of defined benefit plans	(10)	(6)
Total accumulated other comprehensive income	1,418	3,339
Subscription rights to shares	840	866
Non-controlling interests	93	142
Total net assets	181,318	195,747
<b>Total liabilities and net assets</b>	<b>225,748</b>	<b>243,692</b>

**6. Consolidated quarterly statements of (comprehensive) income**

(Millions of yen)

	Nine months ended 31-Dec-16	Nine months ended 31-Dec-17
Net sales	95,437	126,980
Cost of sales	43,027	51,290
Gross profit	52,409	75,690
Selling, general and administrative expenses	31,409	35,510
Operating profit	21,000	40,179
Non-operating income		
Interest income	36	34
Share of profit of entities accounted for using equity	80	184
Rent income	63	54
Subsidy income	77	20
Other	129	125
Total non-operating income	387	418
Non-operating expenses		
Interest expenses	32	22
Sales discounts	34	50
Foreign exchange losses	406	754
Depreciation	40	36
Other	7	14
Total non-operating expenses	521	879
Ordinary profit	20,866	39,719
Extraordinary income		
Gain on sales of non-current assets	4	12
Gain on reversal of subscription rights to shares	1	1
Insurance income	-	78
Total extraordinary income	5	93
Extraordinary losses		
Loss on sales and retirement of non-current assets	83	79
Impairment loss	387	1,159
Loss on sales of investment securities	-	1
Loss on valuation of investment securities	-	26
Special retirement expenses	16	69
Loss on disaster	90	-
Demolition cost	136	-
Total extraordinary losses	714	1,336
Profit before income taxes	20,157	38,476
Income taxes - current	4,600	11,446
Income taxes - deferred	58	(403)
Total income taxes	4,658	11,042
Profit	15,499	27,433
Profit attributable to		
Profit attributable to owners of parent	15,474	27,392
Profit attributable to non-controlling interests	24	41
Other comprehensive income		
Foreign currency translation adjustment	85	1,347
Remeasurements of defined benefit plans, net of tax	(11)	3
Share of other comprehensive income of entities accounted for using equity method	(169)	576
Total other comprehensive income	(95)	1,928
Comprehensive income	15,403	29,361
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,383	29,313
Comprehensive income attributable to non-controlling interests	20	48