



July 26, 2018

## Consolidated Financial Results for the First Quarter of Fiscal Year 2018

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 FY2018 1Q(April 1, 2018 through June 30, 2018)

#### 1) Operating results (Accumulated)

	Three months ended		
	June 30, 2017	June 30, 2018	YoY(%)
Net sales	44,414	40,353	(9.1)
Operating income	15,107	11,441	(24.3)
Ordinary income	14,929	11,337	(24.1)
Net income	10,672	8,318	(22.1)
Net income per share (yen)	297.55	231.56	-

#### 2) Financial position

	As of March 31, 2018	As of June 30, 2018
Total assets	256,347	247,236
Net assets	205,264	204,258
Equity ratio (%)	79.7%	82.2%

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

203,193 million yen (as of June 30, 2018)  
 204,254 million yen (as of March 31, 2018)

### 2. Dividends

	Fiscal Year 2017	Fiscal Year 2018 Actual	Fiscal Year 2018 Forecast
1Q-end dividend per share (yen)	—	—	—
2Q-end dividend per share (yen)	141.00	—	108.00
3Q-end dividend per share (yen)	—	—	—
Year-end dividend per share (yen)	248.00	—	—
Annual dividend per share (yen)	389.00	—	—

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

**3. Earnings Forecasts of FY2018 1H**

(Millions of yen)

	Six month ending September 30,2018	YoY (%)
Net sales	78,600	(9.2)
Operating income	21,500	(25.6)
Ordinary income	21,500	(24.8)
Net income	15,500	(23.1)
Net income per share (yen)	431.48	—

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

As of June 30, 2018:	35,928,071 shares
As of March 31, 2018:	35,927,471 shares
  - ② Number of shares of treasury stock
 

As of June 30, 2018:	4,823 shares
As of March 31, 2018:	4,823 shares
  - ③ Average number of shares
 

As of June 30, 2018:	35,922,849 shares
As of June 30, 2017:	35,866,675 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 FY2018 1H**

(Millions of yen)

	Six month ending September 30,2018	YoY (%)
Net sales	66,800	(8.9)
Operating income	16,100	(25.2)
Ordinary income	26,600	14.1
Net income	21,800	30.1
Net income per share (yen)	606.85	—

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

**5. Consolidated quarterly balance sheets**

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	91,574	83,274
Notes and accounts receivable - trade	43,647	44,581
Merchandise and finished goods	7,093	7,264
Work in process	9,656	9,886
Raw materials and supplies	16,943	18,831
Other	5,809	2,536
Allowance for doubtful accounts	(52)	(50)
Total current assets	<u>174,673</u>	<u>166,323</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	33,129	32,778
Other, net	36,135	37,301
Total property, plant and equipment	<u>69,264</u>	<u>70,079</u>
Intangible assets	511	468
Investments and other assets		
Other	11,921	10,389
Allowance for doubtful accounts	(23)	(24)
Total investments and other assets	<u>11,897</u>	<u>10,364</u>
Total non-current assets	<u>81,673</u>	<u>80,912</u>
Total assets	<u>256,347</u>	<u>247,236</u>

	(Millions of yen)	
	As of March 31, 2018	As of June 30, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	6,286	4,998
Electronically recorded obligations - operating	14,230	17,554
Income taxes payable	10,209	2,790
Provision for bonuses	8,651	7,076
Other provision	646	707
Other	10,280	9,057
Total current liabilities	<u>50,306</u>	<u>42,184</u>
Non-current liabilities	776	793
Total liabilities	<u>51,082</u>	<u>42,978</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	20,651	20,653
Capital surplus	22,639	22,641
Retained earnings	157,919	157,328
Treasury shares	(25)	(25)
Total shareholders' equity	<u>201,184</u>	<u>200,598</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,498	1,034
Foreign currency translation adjustment	1,619	1,603
Remeasurements of defined benefit plans	(47)	(42)
Total accumulated other comprehensive income	<u>3,070</u>	<u>2,595</u>
Share acquisition rights	899	934
Non-controlling interests	110	129
Total net assets	<u>205,264</u>	<u>204,258</u>
<b>Total liabilities and net assets</b>	<u>256,347</u>	<u>247,236</u>

<b>6. Consolidated quarterly statements of (comprehensive) income</b>	(Millions of yen)	
	Three months ended 30-Jun-17	Three months ended 30-Jun-18
Net sales	44,414	40,353
Cost of sales	18,271	17,083
Gross profit	26,142	23,269
Selling, general and administrative expenses	11,035	11,828
Operating profit	15,107	11,441
Non-operating income		
Interest income	12	15
Share of profit of entities accounted for using equity method	72	96
Rent income	18	17
Other	37	65
Total non-operating income	140	195
Non-operating expenses		
Interest expenses	10	0
Sales discounts	13	12
Foreign exchange losses	274	280
Depreciation	12	2
Other	6	3
Total non-operating expenses	317	299
Ordinary profit	14,929	11,337
Extraordinary income		
Gain on sales of non-current assets	12	13
Insurance income	72	-
Total extraordinary income	85	13
Extraordinary losses		
Loss on sales and retirement of non-current assets	5	3
Loss on valuation of investment securities	0	0
Special retirement expenses	3	14
Total extraordinary losses	9	18
Profit before income taxes	15,005	11,332
Income taxes - current	3,251	2,185
Income taxes - deferred	1,069	807
Total income taxes	4,320	2,993
Profit	10,685	8,338
Profit attributable to		
Profit attributable to owners of parent	10,672	8,318
Profit attributable to non-controlling interests	12	20
Other comprehensive income		
Foreign currency translation adjustment	406	111
Remeasurements of defined benefit plans, net of tax	1	4
Share of other comprehensive income of entities accounted for using equity method	57	(592)
Total other comprehensive income	465	(475)
Comprehensive income	11,150	7,862
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,138	7,843
Comprehensive income attributable to non-controlling interests	12	19