



Oct 22, 2020

Consolidated Financial Results for the Second Quarter of Fiscal Year 2020

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 FY2020 2Q(April 1, 2020 through September 30, 2020)

1) Operating results (Accumulated)

	Six months ended		
	September 30, 2019	September 30, 2020	YoY(%)
Net sales	67,863	83,215	22.6
Operating income	17,231	23,359	35.6
Ordinary income	18,525	23,125	24.8
Net income	13,044	16,600	27.3
Net income per share (yen)	363.09	461.17	—

Note: Due to the change in accounting policy, starting from FY2019, the timing of revenue recognition has been changed to Inspection Basis. Therefore, the percentage changes are not shown.

2) Financial position

	As of March 31, 2019	As of September 30, 2020
Total assets	274,325	288,723
Net assets	226,890	231,317
Equity ratio (%)	82.2%	79.7%

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

230,166 million yen (as of September 30, 2020)
 225,539 million yen (as of March 31, 2019)

2. Dividends

	Fiscal Year 2019	Fiscal Year 2020 Actual	Fiscal Year 2020 Actual
1Q-end dividend per share (yen)	—	—	—
2Q-end dividend per share (yen)	91.00	116.00	—
3Q-end dividend per share (yen)	—	—	—
Year-end dividend per share (yen)	347.00	—	—
Annual dividend per share (yen)	438.00	—	—

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

3. Earnings Forecasts of FY2020 3Q

(Millions of yen)

	Nine month ending December 31,2020	YoY (%)
Net sales	121,500	18.8
Operating income	32,200	25.4
Ordinary income	32,100	18.8
Net income	23,100	19.2
Net income per share (yen)	641.32	-
Shipment figures	132,800	-

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 September 30, 2020:	36,024,471 shares
As of March 31, 2019:	35,955,771 shares
 - ② Number of shares of treasury stock

As of September 30, 2020:	5,010 shares
As of March 31, 2019:	5,000 shares
 - ③ Average number of shares

As of September 30, 2020:	35,995,985 shares
As of September 30, 2019:	35,926,821 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 FY2020 3Q

(Millions of yen)

	Nine month ending December 31,2020	YoY (%)
Net sales	102,900	19.0
Operating income	24,600	26.1
Ordinary income	27,600	14.5
Net income	20,700	11.2
Net income per share (yen)	574.69	-

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

5. Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	87,909	90,256
Notes and accounts receivable - trade	25,614	30,273
Merchandise and finished goods	17,318	18,575
Work in process	14,373	13,951
Raw materials and supplies	18,677	20,642
Other	6,153	5,599
Allowance for doubtful accounts	(56)	(66)
Total current assets	169,990	179,231
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	47,334	46,870
Other, net	46,080	52,219
Total property, plant and equipment	93,415	99,090
Intangible assets	319	268
Investments and other assets		
Other	10,616	10,149
Allowance for doubtful accounts	(16)	(16)
Total investments and other assets	10,599	10,133
Total non-current assets	104,334	109,492
Total assets	274,325	288,723
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,726	3,650
Electronically recorded obligations - operating	10,301	12,645
Income taxes payable	3,509	6,473
Provision for bonuses	9,861	8,720
Other provisions	470	788
Other	17,034	24,572
Total current liabilities	46,905	56,850
Non-current liabilities	529	555
Total liabilities	47,435	57,405
Net assets		
Shareholders' equity		
Share capital	20,793	21,013
Capital surplus	22,781	23,001
Retained earnings	181,239	185,364
Treasury shares	(29)	(29)
Total shareholders' equity	224,785	229,350
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	368	451
Foreign currency translation adjustment	366	348
Remeasurements of defined benefit plans	18	17
Total accumulated other comprehensive income	754	816
Share acquisition rights	1,212	982
Non-controlling interests	138	168
Total net assets	226,890	231,317
Total liabilities and net assets	274,325	288,723

6. Consolidated quarterly statements of (comprehensive) income

(Millions of yen)

	Six months ended 30-Sep-19	Six months ended 30-Sep-20
Net sales	67,863	83,215
Cost of sales	27,152	34,390
Gross profit	40,710	48,824
Selling, general and administrative expenses	23,478	25,465
Operating profit	17,231	23,359
Non-operating income		
Interest income	40	17
Share of profit of entities accounted for using equity method	329	53
Foreign exchange gains	637	-
Rental income	35	64
Subsidy income	186	121
Other	117	63
Total non-operating income	1,346	321
Non-operating expenses		
Sales discounts	27	21
Foreign exchange losses	-	503
Depreciation	19	25
Other	5	5
Total non-operating expenses	52	556
Ordinary profit	18,525	23,125
Extraordinary income		
Gain on sales of non-current assets	0	18
Total extraordinary income	0	18
Extraordinary losses		
Loss on sales and retirement of non-current assets	33	23
Loss on valuation of investment securities	-	18
Extra retirement payments	31	9
Demolition cost	186	-
Total extraordinary losses	251	51
Profit before income taxes	18,274	23,091
Income taxes - current	1,544	6,279
Income taxes - deferred	3,650	185
Total income taxes	5,195	6,464
Profit	13,079	16,627
Profit attributable to		
Profit attributable to owners of parent	13,044	16,600
Profit attributable to non-controlling interests	34	26
Other comprehensive income		
Foreign currency translation adjustment	(950)	65
Remeasurements of defined benefit plans, net of tax	(1)	(1)
Share of other comprehensive income of entities accounted for using equity method	(254)	1
Total other comprehensive income	(1,206)	65
Comprehensive income	11,872	16,692
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,850	16,662
Comprehensive income attributable to non-controlling interests	22	30

7.Consolidated statements of cash flows

(Millions of yen)

	Six months ended 30-Sep-19	Six months ended 30-Sep-20
Cash flows from operating activities		
Profit before income taxes	18,274	23,091
Depreciation	2,993	3,179
Loss (gain) on valuation of investment securities	-	18
Share of loss (profit) of entities accounted for using equity method	(329)	(53)
Increase (decrease) in allowance for doubtful accounts	0	9
Increase (decrease) in provision for bonuses	(1,361)	(1,149)
Loss (gain) on sales and retirement of property, plant and equipment	32	5
Subsidy income	(186)	(121)
Interest and dividend income	(40)	(17)
Decrease (increase) in trade receivables	(2,232)	(4,531)
Decrease (increase) in inventories	3,503	(1,864)
Increase (decrease) in trade payables	(6,718)	264
Other, net	(2,598)	6,644
Subtotal	11,337	25,474
Proceeds from subsidy income	647	586
Interest and dividends received	35	17
Income taxes (paid) refund	(1,366)	(3,310)
Net cash provided by (used in) operating activities	10,655	22,767
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,563)	(8,524)
Proceeds from sales of property, plant and equipment	4	72
Purchase of intangible assets	(38)	(19)
Collection of long-term loans receivable	318	6
Proceeds from withdrawal of time deposits	-	8,126
Other, net	(46)	(1)
Net cash provided by (used in) investing activities	(15,325)	(339)
Cash flows from financing activities		
Proceeds from issuance of shares	14	141
Purchase of treasury shares	-	0
Dividends paid	(7,469)	(12,471)
Net cash provided by (used in) financing activities	(7,455)	(12,330)
Effect of exchange rate change on cash and cash equivalents	(665)	375
Net increase (decrease) in cash and cash equivalents	(12,790)	10,473
Cash and cash equivalents at beginning of period	85,351	79,782
Cash and cash equivalents at end of period	72,560	90,256