



October 21, 2021

Consolidated Financial Results for the Second Quarter of Fiscal Year 2021

Company name: DISCO Corporation
 Stock code number: 6146 (Tokyo Stock Exchange 1st Section)
 URL: <http://www.disco.co.jp>

- 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 for FY2021 2Q (April 1, 2021, through September 30, 2021)

1) Operating results (accumulated)

	Six months ending		
	September 30, 2020	September 30, 2021	YoY (%)
Net sales	83,215	116,082	39.5
Operating income	23,359	39,958	71.1
Ordinary income	23,125	39,895	72.5
Net income	16,600	28,592	72.2
Net income per share (yen)	461.17	792.72	-

2) Financial positions

	As of March 31, 2021	As of September 30, 2021
Total assets	329,026	344,578
Net assets	252,352	261,018
Equity ratio (%)	76.3%	75.4%

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

259,932 million yen (as of September 30, 2021)

251,203 million yen (as of March 31, 2021)

2. Dividends

	Fiscal Year 2020	Fiscal Year 2021 Actual	Fiscal Year 2021 Forecast
1Q-end dividend per share (yen)	—	—	—
2Q-end dividend per share (yen)	116.00	199.00	—
3Q-end dividend per share (yen)	—	—	—
Year-end dividend per share (yen)	561.00	—	—
Annual dividend per share (yen)	677.00	—	—

Note: Revision of dividends forecast during this period: Yes

3. Earnings forecast for FY2021 3Q

(Millions of yen)

	Nine months ending December 31, 2021	YoY (%)
Net sales	175,600	37.6
Operating income	58,800	60.3
Ordinary income	59,600	66.1
Net income	42,600	66.2
Net income per share (yen)	1,180.47	-
Shipment figures	185,100	35.8%

Note: Revision of earnings forecast during this period: Yes

4. Other

- 1) Important changes in subsidiaries: None
- 2) Changes in principles, procedures, or 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 (including treasury stocks)

As of September 30, 2021:	36,092,271 shares
As of March 31, 2021:	36,059,671 shares
 - (2) Number of shares of treasury stock

As of September 30, 2021:	5,060 shares
As of March 31, 2021:	5,060 shares
 - (3) Average number of shares

As of September 30, 2021:	36,068,506 shares
As of September 30, 2020:	35,995,985 shares

Explanation regarding appropriate use of earnings forecast:

The performance forecasts and estimates provided 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 forecast for FY2021 3Q

(Millions of yen)

	Nine months ending December 31, 2021	YoY (%)
Net sales	147,700	37.2
Operating income	45,700	66.1
Ordinary income	56,100	85.1
Net income	41,800	85.1
Net income per share (yen)	1,158.31	-

Note: Revision of earnings forecast during this period: Yes

5. Consolidated quarterly balance sheets

	(Millions of yen)	
	As of March 31, 2021	As of September 30,
Assets		
Current assets		
Cash and deposits	109,809	112,884
Notes and accounts receivable - trade	33,173	-
Notes and accounts receivable - trade, and contract	-	37,610
Merchandise and finished goods	18,605	22,028
Work in process	15,998	16,824
Raw materials and supplies	21,142	22,847
Other	9,453	6,209
Allowance for doubtful accounts	(75)	(91)
Total current assets	208,108	218,314
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	62,333	76,737
Other, net	46,115	37,218
Total property, plant and equipment	108,448	113,956
Intangible assets	283	257
Investments and other assets		
Other	12,203	12,060
Allowance for doubtful accounts	(17)	(9)
Total investments and other assets	12,186	12,050
Total non-current assets	120,918	126,264
Total assets	329,026	344,578
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,336	5,937
Electronically recorded obligations - operating	16,121	18,298
Income taxes payable	12,539	10,223
Provision for bonuses	15,110	13,018
Other provisions	887	1,024
Other	24,932	34,316
Total current liabilities	75,927	82,819
Non-current liabilities	746	740
Total liabilities	76,674	83,559
Net assets		
Shareholders' equity		
Share capital	21,424	21,594
Capital surplus	23,412	23,582
Retained earnings	203,677	212,043
Treasury shares	(31)	(31)
Total shareholders' equity	248,482	257,188
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	599	250
Foreign currency translation adjustment	2,218	2,601
Remeasurements of defined benefit plans	(97)	(107)
Total accumulated other comprehensive income	2,720	2,744
Share acquisition rights	937	856
Non-controlling interests	212	229
Total net assets	252,352	261,018
Total liabilities and net assets	329,026	344,578

6. Consolidated quarterly statement of (comprehensive) income

	(Millions of yen)	
	Six months ending 30-Sep-20	Six months ending 30-Sep-21
Net sales	83,215	116,082
Cost of sales	34,390	46,238
Gross profit	48,824	69,843
Selling, general and administrative expenses	25,465	29,885
Operating profit	23,359	39,958
Non-operating income		
Interest income	17	21
Share of profit of entities accounted for using equity method	53	424
Rental income	64	55
Subsidy income	121	268
Other	63	105
Total non-operating income	321	876
Non-operating expenses		
Foreign exchange losses	503	866
Depreciation	25	23
Other	26	48
Total non-operating expenses	556	939
Ordinary profit	23,125	39,895
Extraordinary income		
Gain on sale of non-current assets	18	5
Total extraordinary income	18	5
Extraordinary losses		
Loss on sale and retirement of non-current assets	23	38
Loss on valuation of investment securities	18	-
Extra retirement payments	9	27
Total extraordinary losses	51	65
Profit before income taxes	23,091	39,835
Income taxes - current	6,279	10,745
Income taxes - deferred	185	473
Total income taxes	6,464	11,219
Profit	16,627	28,616
Profit attributable to		
Profit attributable to owners of parent	16,600	28,592
Profit attributable to non-controlling interests	26	24
Other comprehensive income		
Foreign currency translation adjustment	65	321
Remeasurements of defined benefit plans, net of tax	(1)	(10)
Share of other comprehensive income of entities accounted for using equity method	1	(295)
Total other comprehensive income	65	16
Comprehensive income	16,692	28,632
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,662	28,615
Comprehensive income attributable to non-controlling interests	30	16

7. Consolidated statement of cash flow

	(Millions of yen)	
	Six months ended 30-Sep-20	Six months ended 30-Sep-21
Cash flows from operating activities		
Profit before income taxes	23,091	39,835
Depreciation	3,179	3,713
Loss (gain) on valuation of investment securities	18	-
Share of loss (profit) of entities accounted for using equity	(53)	(424)
Increase (decrease) in allowance for doubtful accounts	9	6
Increase (decrease) in provision for bonuses	(1,149)	(2,131)
Loss (gain) on sale and retirement of property, plant and	5	32
Subsidy income	(121)	(268)
Interest and dividend income	(17)	(21)
Decrease (increase) in trade receivables	(4,531)	(3,933)
Decrease (increase) in inventories	(1,864)	(4,713)
Increase (decrease) in trade payables	264	1,776
Increase (decrease) in Contract liabilities	-	9,007
Other, net	6,644	1,202
Subtotal	<u>25,474</u>	<u>44,081</u>
Subsidies received	586	723
Interest and dividends received	17	14
Income taxes refund (paid)	(3,310)	(12,998)
Net cash provided by (used in) operating activities	<u>22,767</u>	<u>31,820</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,524)	(9,615)
Proceeds from sale of property, plant and equipment	72	6
Purchase of intangible assets	(19)	(19)
Long-term loan advances	-	(5)
Proceeds from collection of long-term loans receivable	6	70
Proceeds from withdrawal of time deposits	8,126	-
Other, net	(1)	(108)
Net cash provided by (used in) investing activities	<u>(339)</u>	<u>(9,671)</u>
Cash flows from financing activities		
Proceeds from issuance of shares	141	191
Purchase of treasury shares	(0)	-
Dividends paid	(12,471)	(20,218)
Net cash provided by (used in) financing activities	<u>(12,330)</u>	<u>(20,026)</u>
Effect of exchange rate change on cash and cash equivalents	375	952
Net increase (decrease) in cash and cash equivalents	<u>10,473</u>	<u>3,075</u>
Cash and cash equivalents at beginning of period	<u>79,782</u>	<u>109,809</u>
Cash and cash equivalents at end of period	<u>90,256</u>	<u>112,884</u>