



October 20, 2022

Consolidated Financial Results for the Second Quarter of Fiscal Year 2022

Company name: DISCO Corporation
 Stock code number: 6146 (TSE Prime Market)
 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 FY2022 2Q (April 1, 2022, through September 30, 2022)

1) Operating results (accumulated) (Millions of yen)

	Six months ending		
	September 30, 2021	September 30, 2022	YoY (%)
Net sales	116,082	139,281	20.0
Operating income	39,958	54,870	37.3
Ordinary income	39,895	57,582	44.3
Net income	28,592	40,673	42.3
Net income per share (yen)	792.72	1,126.90	-

2) Financial positions (Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Total assets	404,540	428,166
Net assets	293,812	316,776
Equity ratio (%)	72.3%	73.7%

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

315,595 million yen (as of September 30, 2022)

292,658 million yen (as of March 31, 2022)

2. Dividends

	Fiscal Year 2021	Fiscal Year 2022 Actual	Fiscal Year 2022 Forecast
1Q-end dividend per share (yen)	—	—	—
2Q-end dividend per share (yen)	199.00	282.00	—
3Q-end dividend per share (yen)	—	—	—
Year-end dividend per share (yen)	609.00	—	—
Annual dividend per share (yen)	808.00	—	—

Note: Revision of dividends forecast during this period: Yes

3. Earnings forecast for FY2022 3Q

	(Millions of yen)	
	Nine months ending December 31, 2022	YoY (%)
Net sales	206,600	14.6
Operating income	79,800	26.2
Ordinary income	82,700	29.4
Net income	58,400	28.3
Net income per share (yen)	1,617.93	-
Shipment figures	220,500	15.1%

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, 2022:	36,100,571 shares
As of March 31, 2022:	36,095,871 shares
 - (2) Number of shares of treasury stock

As of September 30, 2022:	5,115 shares
As of March 31, 2022:	5,090 shares
 - (3) Average number of shares

As of September 30, 2022:	36,093,239 shares
As of September 30, 2021:	36,068,506 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 FY2022 3Q

(Millions of yen)

	Nine months ending December 31, 2022	YoY (%)
Net sales	170,000	13.5
Operating income	63,100	31.1
Ordinary income	82,000	38.6
Net income	60,900	38.0
Net income per share (yen)	1,687.19	-

Note: Revision of earnings forecast during this period: Yes

5. Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	125,771	136,405
Notes and accounts receivable - trade, and contract assets	38,689	41,839
Merchandise and finished goods	21,755	25,218
Work in process	18,997	22,941
Raw materials and supplies	27,725	35,681
Other	12,093	5,888
Allowance for doubtful accounts	(98)	(106)
Total current assets	244,933	267,867
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	94,868	95,065
Other, net	49,559	51,507
Total property, plant and equipment	144,427	146,572
Intangible assets	256	237
Investments and other assets		
Other	14,932	13,498
Allowance for doubtful accounts	(10)	(9)
Total investments and other assets	14,922	13,488
Total non-current assets	159,606	160,298
Total assets	404,540	428,166
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,048	7,488
Electronically recorded obligations - operating	20,902	23,573
Income taxes payable	19,946	14,849
Contract liabilities	27,622	37,630
Provision for bonuses	23,315	16,737
Other provisions	1,085	1,156
Other	8,930	9,020
Total current liabilities	109,851	110,456
Non-current liabilities	876	932
Total liabilities	110,728	111,389
Net assets		
Shareholders' equity		
Share capital	21,608	21,645
Capital surplus	23,596	23,633
Retained earnings	242,475	261,169
Treasury shares	(32)	(33)
Total shareholders' equity	287,648	306,416
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	269	142
Foreign currency translation adjustment	4,765	9,051
Remeasurements of defined benefit plans	(25)	(14)
Total accumulated other comprehensive income	5,009	9,179
Share acquisition rights	884	947
Non-controlling interests	269	233
Total net assets	293,812	316,776
Total liabilities and net assets	404,540	428,166

6. Consolidated quarterly statement of (comprehensive) income

(Millions of yen)

	Six months ended 30-Sep-21	Six months ended 30-Sep-22
Net sales	116,082	139,281
Cost of sales	46,238	49,091
Gross profit	69,843	90,190
Selling, general and administrative expenses	29,885	35,319
Operating profit	39,958	54,870
Non-operating income		
Interest income	21	22
Share of profit of entities accounted for using equity method	424	165
Foreign exchange gains	-	1,950
Rental income	55	75
Subsidy income	268	389
Other	105	133
Total non-operating income	876	2,737
Non-operating expenses		
Foreign exchange losses	866	-
Depreciation	23	17
Other	48	7
Total non-operating expenses	939	25
Ordinary profit	39,895	57,582
Extraordinary income		
Gain on sale of non-current assets	5	0
Total extraordinary income	5	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	38	23
Extra retirement payments	27	23
Total extraordinary losses	65	47
Profit before income taxes	39,835	57,536
Income taxes - current	10,745	15,285
Income taxes - deferred	473	1,562
Total income taxes	11,219	16,847
Profit	28,616	40,688
Profit attributable to		
Profit attributable to owners of parent	28,592	40,673
Profit attributable to non-controlling interests	24	15
Other comprehensive income		
Foreign currency translation adjustment	321	4,093
Remeasurements of defined benefit plans, net of tax	(10)	11
Share of other comprehensive income of entities accounted for using equity method	(295)	66
Total other comprehensive income	16	4,170
Comprehensive income	28,632	44,858
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	28,615	44,843
Comprehensive income attributable to non-controlling interests	16	15

7. Consolidated statement of cash flow

(Millions of yen)

	Six months ended 30-Sep-21	Six months ended 30-Sep-22
Cash flows from operating activities		
Profit before income taxes	39,835	57,536
Depreciation	3,713	4,912
Share of loss (profit) of entities accounted for using equity method	(424)	(165)
Increase (decrease) in allowance for doubtful accounts	6	1
Increase (decrease) in provision for bonuses	(2,131)	(7,001)
Loss (gain) on sale and retirement of property, plant and equipment	32	22
Subsidy income	(268)	(389)
Interest and dividend income	(21)	(22)
Decrease (increase) in trade receivables	(3,933)	(524)
Decrease (increase) in inventories	(4,713)	(14,191)
Increase (decrease) in trade payables	1,776	2,096
Increase (decrease) in Contract liabilities	9,007	7,908
Other, net	1,202	6,838
Subtotal	44,081	57,021
Subsidies received	723	689
Interest and dividends received	14	13
Income taxes refund (paid)	(12,998)	(19,464)
Net cash provided by (used in) operating activities	31,820	38,261
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,615)	(7,399)
Proceeds from sale of property, plant and equipment	6	12
Purchase of intangible assets	(19)	(11)
Long-term loan advances	(5)	(0)
Proceeds from collection of long-term loans receivable	70	23
Other, net	(108)	(3)
Net cash provided by (used in) investing activities	(9,671)	(7,379)
Cash flows from financing activities		
Proceeds from issuance of shares	191	62
Purchase of treasury shares	-	(0)
Dividends paid	(20,218)	(21,974)
Dividends paid to non-controlling interests	-	(51)
Net cash provided by (used in) financing activities	(20,026)	(21,965)
Effect of exchange rate change on cash and cash equivalents	952	1,716
Net increase (decrease) in cash and cash equivalents	3,075	10,633
Cash and cash equivalents at beginning of period	109,809	125,771
Cash and cash equivalents at end of period	112,884	136,405