



October 19, 2023

Consolidated Financial Results for the Second Quarter of Fiscal Year 2023

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 FY2023 2Q (April 1, 2023, through September 30, 2023)

1) Operating results (accumulated)

(Millions of yen)

	Six months ending		
	September 30, 2022	September 30, 2023	YoY (%)
Net sales	139,281	126,260	(9.3)
Operating income	54,870	45,009	(18.0)
Ordinary income	57,582	46,277	(19.6)
Net quarterly income returns to parent company share owners	40,673	32,708	(19.6)
Net quarterly income per share (yen)*	375.63	301.96	-

*Calculated taking into account the stock split implemented on April 1, 2023

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Total assets	468,797	491,706
Net assets	348,041	360,237
Equity ratio (%)	74.0%	73.0%

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

359,032 million yen (as of September 30, 2023)

346,798 million yen (as of March 31, 2023)

2. Dividends

(yen)

	Fiscal Year 2022	Fiscal Year 2023 Actual*	Fiscal Year 2023 Forecast*
1Q-end dividends per share (yen)	—	—	—
2Q-end dividends per share (yen)	282.00	76.00	—
3Q-end dividends per share (yen)	—	—	—
Year-end dividends per share (yen)	634.00	—	—
Annual dividends per share (yen)	916.00	—	—

Revision of dividends forecast during this period: Yes

*Calculated taking into account the stock split implemented on April 1, 2023

*For the revised dividends forecast, refer to the "DISCO Dividend Payout for Fiscal Year 2023" announced on October 19, 2023.

3. Consolidated earnings forecast for FY2023 3Q (April 1, 2023, through December 31, 2023)

(Millions of yen)

	Nine months ending December 31, 2023	YoY (%)
Net sales	201,800	(1.6)
Operating income	73,400	(7.2)
Ordinary income	75,400	(6.0)
Net quarterly income returns to parent company share owners	48,100	(15.9)
Net quarterly income per share (yen)*	444.00	-

Shipment figures	222,200	(0.5)
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Revision of earnings forecast during this period: Yes

*For the revised consolidated earnings forecast, refer to the "Business Forecast Notification" announced on October 19, 2023.

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

As of September 30, 2023:	108,348,183 shares
As of March 31, 2023:	108,317,313 shares
 - (2) Number of shares of treasury stock

As of September 30, 2023:	15,836 shares
As of March 31, 2023:	15,285 shares
 - (3) Average number of shares

As of September 30, 2023:	108,320,891 shares
As of September 30, 2022:	108,279,717 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 FY2023 3Q (April 1, 2023, through December 31, 2023)

(Millions of yen)

	Nine months ending December 31, 2023	YoY (%)
Net sales	167,200	(0.3)
Operating income	61,400	(0.8)
Ordinary income	79,700	1.2
Net quarterly income returns to parent company share owners	54,400	(7.9)
Net quarterly income per share (yen)*	502.16	-

Revision of earnings forecast during this period: Yes

*For the revised non-consolidated forecast, refer to the "Business Forecast Notification" announced on October 19, 2023.

5. Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	163,053	175,847
Notes and accounts receivable - trade, and contract assets	41,356	38,403
Merchandise and finished goods	24,530	29,808
Work in process	23,407	29,826
Raw materials and supplies	43,446	46,083
Other	9,420	5,146
Allowance for doubtful accounts	(95)	(85)
Total current assets	305,118	325,030
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	95,780	95,168
Other, net	51,760	56,610
Total property, plant and equipment	147,541	151,778
Intangible assets	231	216
Investments and other assets	15,905	14,680
Total non-current assets	163,678	166,675
Total assets	468,797	491,706
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,942	6,873
Electronically recorded obligations - operating	19,658	24,600
Income taxes payable	16,497	11,676
Contract liabilities	39,164	57,381
Provision for bonuses	26,958	16,891
Other provisions	1,042	1,562
Other	9,710	11,618
Total current liabilities	119,974	130,603
Non-current liabilities	781	865
Total liabilities	120,755	131,469
Net assets		
Shareholders' equity		
Share capital	21,681	21,801
Capital surplus	23,670	23,790
Retained earnings	293,209	303,030
Treasury shares	(32)	(41)
Total shareholders' equity	338,528	348,580
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	98	245
Foreign currency translation adjustment	8,196	10,216
Remeasurements of defined benefit plans	(23)	(10)
Total accumulated other comprehensive income	8,270	10,451
Share acquisition rights	997	1,035
Non-controlling interests	245	170
Total net assets	348,041	360,237
Total liabilities and net assets	468,797	491,706

6. Consolidated quarterly statement of (comprehensive) income

	(Millions of yen)	
	Six months ended 30-Sep-22	Six months ended 30-Sep-23
Net sales	139,281	126,260
Cost of sales	49,091	41,597
Gross profit	90,190	84,662
Selling, general and administrative expenses	35,319	39,652
Operating profit	54,870	45,009
Non-operating income		
Interest income	22	50
Share of profit of entities accounted for using equity method	165	67
Foreign exchange gains	1,950	601
Rental income	75	107
Subsidy income	389	320
Other	133	142
Total non-operating income	2,737	1,290
Non-operating expenses		
Depreciation	17	18
Other	7	4
Total non-operating expenses	25	22
Ordinary profit	57,582	46,277
Extraordinary income		
Gain on sale of non-current assets	0	8
Total extraordinary income	0	8
Extraordinary losses		
Loss on sale and retirement of non-current assets	23	24
Extra retirement payments	23	15
Total extraordinary losses	47	39
Profit before income taxes	57,536	46,246
Income taxes - current	15,285	11,703
Income taxes - deferred	1,562	1,850
Total income taxes	16,847	13,554
Profit	40,688	32,692
Profit attributable to		
Profit attributable to owners of parent	40,673	32,708
Profit (loss) attributable to non-controlling interests	15	(16)
Other comprehensive income		
Foreign currency translation adjustment	4,093	1,918
Remeasurements of defined benefit plans, net of tax	11	13
Share of other comprehensive income of entities accounted for using equity method	66	264
Total other comprehensive income	4,170	2,196
Comprehensive income	44,858	34,889
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	44,843	34,889
Comprehensive income attributable to non-controlling interests	15	(0)

7. Consolidated statement of cash flow

(Millions of yen)

	Six months ended 30-Sep-22	Six months ended 30-Sep-23
Cash flows from operating activities		
Profit before income taxes	57,536	46,246
Depreciation	4,912	5,201
Share of loss (profit) of entities accounted for using equity method	(165)	(67)
Increase (decrease) in allowance for doubtful accounts	1	(8)
Increase (decrease) in provision for bonuses	(7,001)	(10,527)
Loss (gain) on sale and retirement of property, plant and equipment	22	15
Subsidy income	(389)	(320)
Interest and dividend income	(22)	(50)
Decrease (increase) in trade receivables	(524)	5,214
Decrease (increase) in inventories	(14,191)	(13,447)
Increase (decrease) in trade payables	2,096	4,843
Increase (decrease) in Contract liabilities	7,908	15,185
Other, net	6,838	4,600
Subtotal	57,021	56,886
Subsidies received	689	320
Interest and dividends received	13	52
Income taxes refund (paid)	(19,464)	(15,750)
Net cash provided by (used in) operating activities	38,261	41,509
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,399)	(7,487)
Proceeds from sale of property, plant and equipment	12	15
Purchase of intangible assets	(11)	(29)
Long-term loan advances	(0)	(103)
Proceeds from collection of long-term loans receivable	23	18
Other, net	(3)	(42)
Net cash provided by (used in) investing activities	(7,379)	(7,627)
Cash flows from financing activities		
Proceeds from issuance of shares	62	199
Purchase of treasury shares	(0)	(8)
Dividends paid	(21,974)	(22,881)
Dividends paid to non-controlling interests	(51)	(74)
Net cash provided by (used in) financing activities	(21,965)	(22,764)
Effect of exchange rate change on cash and cash equivalents	1,716	1,676
Net increase (decrease) in cash and cash equivalents	10,633	12,794
Cash and cash equivalents at beginning of period	125,771	163,053
Cash and cash equivalents at end of period	136,405	175,847