



February 8, 2012

Consolidated Financial Results for the Third Quarter of Fiscal Year 2011

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

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results of FY2011 3Q (April 1, 2011 through December 31, 2011)

1) Operating results (Accumulated)

	Nin months ended		
	December 31, 2011	December 31, 2010	YoY (%)
Netsales	67,042	74,660	-10.2%
Operating income	7,906	12,170	-35.0%
Ordinary income	8,317	12,387	-32.9%
Net income	5,227	7,990	-34.6%
Net income per share (yen)	155.16	237.77	—
Fully diluted net income per share (yen)			—

2) Financial position

	As of December 31, 2011	As of March 31, 2011
Total assets	133,329	139,240
Net assets	99,680	97,633
Equity ratio (%)	73.9%	69.4%

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

98,544 million yen (as of December 31, 2011)
 96,640 million yen (as of March 31, 2011)

2. Dividends

	Fiscal Year 2011 Actual		Fiscal Year 2010	Fiscal Year 2011 Forecast	
	1Q-end dividend per share (yen)	—	—	—	
2Q-end dividend per share (yen)	29.00	—	25.00		
3Q-end dividend per share (yen)	—	—	—		
Year-end dividend per share (yen)			40.00		10.00
Annual dividend per share (yen)			65.00		39.00

Note: Revision of dividend forecast for during this period: yes

3. Earnings Forecasts of FY2011

	(Million of yen)	
	Year ending 2012/3/31	YoY (%)
Netsales	87,500	(12.2)
Operating income	9,200	(42.2)
Ordinary income	9,600	(44.2)
Net income	6,100	(44.3)
Net income per share (yen)	181.03	—

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

Unaudited translation, provided for reference only

4. Others

- 1) Important changes in subsidiaries: None
- 2) Changes in principles, procedures and display of accounting method concerning consolidated statements policies.
1. Changes in accounting policies: Yes
2. Other changes: None
- 3) Number of shares outstanding (common stock)
- ① Number of shares issued (including treasury stocks)
- As of December 31, 2011: 34,004,418 shares
- As of March 31, 2011: 34,004,418 shares
- ② Number of shares of treasury stock
- As of December 31, 2011: 308,196 shares
- As of March 31, 2011: 321,546 shares
- ③ Average number of shares (3Q)
- As of December 31, 2011: 33,690,803 shares
- As of December 31, 2010: 33,608,334 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 Forecast of FY2011

	(Million of yen)	
	Year ending March 31, 2012	YoY (%)
Netsales	73,200	(13.4)
Operating income	5,300	(52.8)
Ordinary income	7,900	(38.2)
Net income	5,400	(32.8)
Net income per share (yen)	160.26	—

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

Consolidated Balancesheets	Asof March 31, 2011	Asof December 31, 2011
Assets		
Current assets		
Cash and deposits	20,314	15,607
Notes and accounts receivable-trade	28,322	24,325
Merchandise and finished goods	6,259	6,514
Work in process	8,487	8,729
Raw materials and supplies	9,031	11,169
Other	5,400	4,236
Allowance for doubtful accounts	(37)	(23)
Total current assets	77,778	70,560
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	29,355	27,846
Land	12,853	12,947
Other, net	11,301	13,254
Total property, plant and	53,511	54,047
Intangible assets		
Investments and other assets	771	703
Other	7,221	8,112
Allowance for doubtful accounts	(60)	(113)
Total investments and other	7,160	7,998
Total noncurrent assets	61,444	62,750
Deferred assets	17	19
Total assets	139,240	133,329
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,609	12,526
Current portion of long-term loans payable	249	349
Income taxes payable	5,286	461
Provision for bonuses	2,548	958
Other provision	448	356
Other	7,212	6,670
Total current liabilities	29,355	21,322
Noncurrent liabilities		
Convertible bond-type bonds with subscription right to shares	10,000	10,000
Long-term loans payable	537	300
Provision	1,141	1,514
Negative goodwill	29	—
Other	542	512
Total noncurrent liabilities	12,251	12,326
Total liabilities	41,606	33,649
Net assets		
Shareholders' equity		
Capital stock	14,517	14,517
Capital surplus	15,644	15,651
Retained earnings	68,988	71,884
Treasury stock	(862)	(826)
Total shareholders' equity	98,287	101,225
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6	2
Foreign currency translation adjustment	(1,654)	(2,683)
Total accumulated other comprehensive income	(1,647)	(2,681)
Subscription right to shares	767	927
Minority interests	225	208
Total net assets	97,633	99,680
Total liabilities and net assets	139,240	133,329

Consolidated quarterly statements of (comprehensive) income	FY10 1-3Q	FY11 1-3Q
Netsales	74,660	67,042
Cost of sales	39,718	36,122
Gross profit	34,942	30,920
Selling, general and administrative	22,771	23,014
Operating income	12,170	7,906
Non-operating income		
Interest income	37	37
Amortization of negative goodwill	67	29
Equity in earnings of affiliates	112	119
Foreign exchange gains	30	149
Other	107	181
Total non-operating income	356	516
Non-operating expenses		
Interest expenses	23	19
Depreciation	74	59
Other	41	26
Total non-operating expenses	139	105
Ordinary income	12,387	8,317
Extraordinary income		
Gain on prior period adjustment	23	—
Gain on sales of noncurrent assets	11	17
Reversal of allowance for doubtful accounts	23	—
Other	3	1
Total extraordinary income	61	18
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	148	13
Special retirement expenses	45	44
Loss on adjustment for changes of accounting standard for asset retirement obligations	45	—
Factory transfer expenses	—	68
Other	56	13
Total extraordinary losses	297	140
Income before income taxes	12,151	8,196
Income taxes-current	4,462	1,892
Income taxes-deferred	(305)	1,092
Total income taxes	4,156	2,984
Income before minority interests	7,994	5,211
Minority interests in income (loss)	3	(16)
Net income	7,990	5,227
Minority interests in income (loss)	3	(16)
Income before minority interests	7,994	5,211
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	(3)
Foreign currency translation	(1,170)	(1,033)
Total other comprehensive income	(1,174)	(1,037)
Comprehensive income	6,820	4,173
Comprehensive income attributable to owners of the parent	6,821	4,194
Comprehensive income attributable to minority interests	(0)	(20)

Consolidated Statements of cash flows	FY10 1-3Q	FY11 1-3Q
Net cash provided by (used in) operating activities		
Income before income taxes	12,151	8,196
Depreciation and amortization	4,409	4,321
Amortization of negative goodwill	(67)	(29)
Loss (gain) on valuation of investment securities	—	13
Equity in (earnings) losses of affiliates	(112)	(119)
Increase (decrease) in allowance for doubtful accounts	(18)	49
Increase (decrease) in provision for bonuses	(559)	(1,577)
Loss (gain) on sales and retirement of property, plant and equipment	94	(3)
Interest and dividends income	(47)	(43)
Interest expenses	23	19
Decrease (increase) in notes and accounts receivable-trade	(4,704)	3,340
Decrease (increase) in inventories	(5,009)	(2,261)
Increase (decrease) in notes and accounts payable-trade	4,039	(1,004)
Other, net	3,615	1,819
Subtotal	13,815	12,719
Interest and dividends income received	67	32
Interest expenses paid	(1)	(3)
Income taxes paid	(542)	(7,997)
Net cash provided by (used in) operating activities	13,338	4,750
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(5,008)	(5,403)
Proceeds from sales of property, plant and equipment	18	39
Purchase of investment securities	(0)	(754)
Purchase of intangible assets	(86)	(65)
Net decrease (increase) in short-term loans receivable	(20)	0
Collection of long-term loans	1	6
Payments into time deposits	(577)	(3,000)
Proceeds from withdrawal of time	3,058	337
Other, net	(218)	(10)
Net cash provided by (used in) investing activities	(2,832)	(8,850)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,000)	—
Proceeds from long-term loans	900	—
Repayment of long-term loans payable	(2,000)	(137)
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(1,177)	(2,323)
Other, net	23	24
Net cash provided by (used in) financing activities	(3,254)	(2,436)
Effect of exchange rate change on cash and cash equivalents	(1,287)	(811)
Net increase (decrease) in cash and cash equivalents	5,963	(7,348)
Cash and cash equivalents at beginning of period	15,247	19,830
Cash and cash equivalents at end of	21,211	12,482