



February 8, 2013

## Consolidated Financial Results for the Third Quarter of Fiscal Year 2012

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 FY20123Q (April 1, 2012 through December 31, 2012)

#### 1) Operating results (Accumulated)

|                            | Nin months ended  |                   |         |
|----------------------------|-------------------|-------------------|---------|
|                            | December 31, 2011 | December 31, 2012 | YoY (%) |
| Netsales                   | 67,042            | 71,618            | 6.8     |
| Operating income           | 7,906             | 9,472             | 19.8    |
| Ordinary income            | 8,317             | 9,649             | 16.0    |
| Net income                 | 5,227             | 6,428             | 23.0    |
| Net income per share (yen) | 155.16            | 190.76            | —       |

#### 2) Financial position

|                  | As of<br>March 31, 2012 | As of<br>December 31, 2012 |
|------------------|-------------------------|----------------------------|
| Total assets     | 135,789                 | 156,070                    |
| Net assets       | 102,536                 | 108,209                    |
| Equity ratio (%) | 74.5%                   | 68.2%                      |

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

106,416 million yen (as of December 31, 2011)  
 101,230 million yen (as of March 31, 2012)

### 2. Dividends

|                                   | Fiscal Year 2011 | Fiscal Year 2012<br>Actual | Fiscal Year 2012<br>Forecast |
|-----------------------------------|------------------|----------------------------|------------------------------|
| 1Q-end dividend per share (yen)   | —                | —                          |                              |
| 2Q-end dividend per share (yen)   | 29.00            | 40.00                      |                              |
| 3Q-end dividend per share (yen)   | —                | —                          |                              |
| Year-end dividend per share (yen) | 19.00            |                            | 11.00                        |
| Annual dividend per share (yen)   | 48.00            |                            | 51.00                        |

Note: Revision of dividends forecast for during this period: No

### 3. Earnings Forecast of FY2012

(Million of yen)

|                            | Year ending<br>March 31, 2013 | YoY (%) |
|----------------------------|-------------------------------|---------|
| Netsales                   | 91,500                        | 2.5     |
| Operating income           | 10,000                        | (6.2)   |
| Ordinary income            | 10,600                        | (5.7)   |
| Net income                 | 6,800                         | (5.5)   |
| Net income per share (yen) | 201.77                        | —       |

Note: Revision of earnings forecast for during this period: No

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**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)
- |                         |                   |
|-------------------------|-------------------|
| A of December 31, 2012: | 34,004,418 shares |
| A of March 31, 2012:    | 34,004,418 shares |
- ② Number of shares of treasury stock
- |                         |                |
|-------------------------|----------------|
| A of December 31, 2012: | 302,546 shares |
| A of March 31, 2012:    | 306,896 shares |
- ③ Average number of shares
- |                         |                   |
|-------------------------|-------------------|
| A of December 31, 2012: | 33,700,605 shares |
| A of December 31, 2011: | 33,690,803 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 FY2012**

|                            | (Million of yen)              |         |
|----------------------------|-------------------------------|---------|
|                            | Year ending<br>March 31, 2013 | YoY (%) |
| Netsales                   | 77,400                        | 2.8     |
| Operating income           | 6,600                         | (3.9)   |
| Ordinary income            | 8,400                         | (13.9)  |
| Net income                 | 5,800                         | (15.8)  |
| Net income per share (yen) | 172.10                        | -       |

Note: Revision of earnings forecast for during this period: No

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**5. Consolidated balance sheets**

(Million of yen)

|  | <b>Asof</b><br><b>March 31, 2012</b> | <b>Asof</b><br><b>December 31, 2012</b> |
|--|--------------------------------------|---|
| <b>Assets</b>                              |                                      |   |
| <b>Current assets</b>                      |                                      |   |
| Cash and deposits                          | 15,170                               | 35,106                                  |
| Notes and accounts receivable-trade        | 27,074                               | 23,062                                  |
| Merchandise and finished goods             | 6,957                                | 6,966                                   |
| Work in process                            | 8,424                                | 9,912                                   |
| Raw materials and supplies                 | 10,382                               | 12,574                                  |
| Other                                      | 3,850                                | 3,287                                   |
| Allowance for doubtful accounts            | (24)                                 | (37)                                    |
| <b>Total current assets</b>                | <b>71,834</b>                        | <b>90,873</b>                           |
| <b>Noncurrent assets</b>                   |                                      |   |
| <b>Property, plant and equipment</b>       |                                      |   |
| Buildings and structures, net              | 29,558                               | 30,314                                  |
| Land                                       | 12,968                               | 12,995                                  |
| Other, net                                 | 12,663                               | 12,671                                  |
| <b>Total property, plant and equipment</b> | <b>55,189</b>                        | <b>55,981</b>                           |
| <b>Intangible assets</b>                   |                                      |   |
| Investments and other assets               | 690                                  | 1,038                                   |
| Other                                      | 8,266                                | 8,292                                   |
| Allowance for doubtful accounts            | (203)                                | (124)                                   |
| <b>Total investments and other assets</b>  | <b>8,062</b>                         | <b>8,167</b>                            |
| <b>Total noncurrent assets</b>             | <b>63,942</b>                        | <b>65,188</b>                           |
| Deferred assets                            | 13                                   | 9                                       |
| <b>Total assets</b>                        | <b>135,789</b>                       | <b>156,070</b>                          |

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| Liabilities  |         |         |
|--|---------|---------|
| Current liabilities  |         |         |
| Notes and accounts payable-trade                               | 10,780  | 4,144   |
| Electronically recorded obligations-operating                  | —       | 12,778  |
| Short-term loans payable                                       | 183     | 308     |
| Current portion of long-term loans payable                     | 249     | 675     |
| Income taxes payable   | 521     | 1,331   |
| Provision for bonuses  | 1,923   | 962     |
| Other provision  | 388     | 347     |
| Other  | 6,745   | 6,103   |
| Total current liabilities                                      | 20,792  | 26,651  |
| Noncurrent liabilities   |         |         |
| Convertible bond-type bonds with subscription rights to shares | 10,000  | 9,085   |
| Long-term loans payable  | 287     | 9,694   |
| Provision for retirement benefits                              | 1,559   | 1,741   |
| Provision for directors' retirement benefits                   | 58      | 39      |
| Other  | 554     | 649     |
| Total noncurrent liabilities                                   | 12,460  | 21,209  |
| Total liabilities  | 33,253  | 47,861  |
| Net assets   |         |         |
| Shareholders' equity   |         |         |
| Capital stock  | 14,517  | 14,517  |
| Capital surplus  | 15,651  | 15,651  |
| Retained earnings  | 73,858  | 78,299  |
| Treasury stock   | (823)   | (812)   |
| Total shareholders' equity                                     | 103,204 | 107,656 |
| Accumulated other comprehensive income                         |         |         |
| Valuation difference on available-for-sale                     | 5       | 7       |
| Foreign currency translation adjustment                        | (1,980) | (1,247) |
| Total accumulated other comprehensive income                   | (1,974) | (1,239) |
| Subscription rights to shares                                  | 980     | 1,169   |
| Minority interests   | 325     | 623     |
| Total net assets   | 102,536 | 108,209 |
| Total liabilities and net assets                               | 135,789 | 156,070 |

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**6. Consolidated statements of (comprehensive) income** (Millionsofyen)

|   | FY2011<br>1-3Q | FY2012<br>1-3Q |
|---|----------------|----------------|
| Netsales  | 67,042         | 71,618         |
| Costofsales   | 36,122         | 37,454         |
| Grossprofit   | 30,920         | 34,163         |
| Selling,generalandadministrativeexpenses                                  | 23,014         | 24,690         |
| Operatingincome   | 7,906          | 9,472          |
| Non-operatingincome   |                |                |
| Interestincome  | 37             | 27             |
| Amortizationofnegativegoodwill  | 29             | —              |
| Equityinearningsofaffiliates  | 119            | 208            |
| Subsidyincome   | 59             | 165            |
| Foreignexchange gains   | 149            | —              |
| Other   | 121            | 235            |
| Totalnon-operatingincome  | 516            | 637            |
| Non-operatingexpenses   |                |                |
| Interestexpenses  | 19             | 31             |
| Salesdiscounts  | 18             | 16             |
| Foreignexchangelosses   | —              | 347            |
| Depreciation  | 59             | 50             |
| Other   | 8              | 15             |
| Totalnon-operatingexpenses  | 105            | 461            |
| Ordinaryincome  | 8,317          | 9,649          |
| Extraordinaryincome   |                |                |
| Gainonsalesofnoncurrentassets   | 17             | 1              |
| Gainonreversalofsubscriptionrightstoshares                                | 1              | 7              |
| Other   | —              | 0              |
| Totalextraordinaryincome  | 18             | 9              |
| Extraordinaryloss   |                |                |
| Lossonsalesandretirementofnoncurrentassets                                | 13             | 98             |
| Specialretirementexpenses   | 44             | 29             |
| Factorytransferexpenses   | 68             | —              |
| Other   | 13             | 1              |
| Totalextraordinarylosses  | 140            | 129            |
| Incomebeforeincometaxesandminorityinterests                               | 8,196          | 9,529          |
| Incometaxes-current   | 1,892          | 2,812          |
| Incometaxes-deferred  | 1,092          | 273            |
| Totalincometaxes  | 2,984          | 3,086          |
| Incomebeforeminorityinterests   | 5,211          | 6,442          |
| Minorityinterestsinincome(loss)   | (16)           | 13             |
| Netincome   | 5,227          | 6,428          |
| Minorityinterestsinincome(loss)   | (16)           | 13             |
| Incomebeforeminorityinterests   | 5,211          | 6,442          |
| Othercomprehensiveincome  |                |                |
| Valuationdifferenceonavailable-for-sale securities                        | (3)            | 1              |
| Foreigncurrencytranslationadjustment                                      | (1,033)        | 722            |
| Shareofothercomprehensiveincomeofassociates accountedforusingequitymethod | —              | 34             |
| Totalothercomprehensiveincome   | (1,037)        | 758            |
| Comprehensiveincome   | 4,173          | 7,200          |
| Comprehensiveincomeattributableto   |                |                |
| Comprehensiveincomeattributabletoownersoftheparent                        | 4,194          | 7,162          |
| Comprehensiveincomeattributabletominorityinterests                        | (20)           | 37             |

**7. Consolidated statements of cash flows**

(Millionsofyen)

|  | <b>FY2011<br/>1-3Q</b> | <b>FY2012<br/>1-3Q</b> |
|--|------------------------|------------------------|
| <b>Net cash provided by (used in) operating activities</b>           |                        |                        |
| Income before income taxes and minority interests                    | 8,196                  | 9,529                  |
| Depreciation and amortization  | 4,321                  | 4,310                  |
| Amortization of negative goodwill                                    | (29)                   | —                      |
| Loss (gain) on valuation of investment securities                    | 13                     | —                      |
| Equity in (earnings) losses of affiliates                            | (119)                  | (208)                  |
| Increase (decrease) in allowance for doubtful accounts               | 49                     | (70)                   |
| Increase (decrease) in provision for bonuses                         | (1,577)                | (960)                  |
| Loss (gain) on sales and retirement of property, plant and equipment | (3)                    | 97                     |
| Subsidy income   | (59)                   | (165)                  |
| Interest and dividends income  | (43)                   | (33)                   |
| Interest expenses  | 19                     | 31                     |
| Decrease (increase) in notes and accounts receivable-trade           | 3,340                  | 4,633                  |
| Decrease (increase) in inventories                                   | (2,261)                | (3,997)                |
| Increase (decrease) in notes and accounts payable-trade              | (1,004)                | 6,131                  |
| Other, net   | 1,819                  | (748)                  |
| <b>Subtotal</b>  | <b>12,659</b>          | <b>18,548</b>          |
| Interest and dividends income received                               | 32                     | 36                     |
| Interest expenses paid   | (3)                    | (38)                   |
| Income taxes (paid) refund   | (7,997)                | (1,988)                |
| Proceeds from subsidy  | 59                     | 165                    |
| <b>Net cash provided by (used in) operating activities</b>           | <b>4,750</b>           | <b>16,722</b>          |
| <b>Net cash provided by (used in) investing activities</b>           |                        |                        |
| Purchase of property, plant and equipment                            | (5,403)                | (4,163)                |
| Proceeds from sales of property, plant and equipment                 | 39                     | 30                     |
| Purchase of investment securities                                    | (754)                  | (145)                  |
| Net decrease (increase) in short-term loans receivable               | 0                      | (0)                    |
| Payments of long-term loans receivable                               | —                      | (50)                   |
| Collection of long-term loans receivable                             | 6                      | 7                      |
| Purchase of intangible assets  | (65)                   | (202)                  |
| Payments into time deposits  | (3,000)                | (10,000)               |
| Proceeds from withdrawal of time deposits                            | 337                    | 3,000                  |
| Other, net   | (10)                   | (39)                   |
| <b>Net cash provided by (used in) investing activities</b>           | <b>(8,850)</b>         | <b>(11,563)</b>        |
| <b>Net cash provided by (used in) financing activities</b>           |                        |                        |
| Net increase (decrease) in short-term loans payable                  | —                      | 125                    |
| Proceeds from long-term loans payable                                | —                      | 10,080                 |
| Repayment of long-term loans payable                                 | (137)                  | (247)                  |

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|  |         |         |
|--|---------|---------|
| Redemptionofbonds                                      | —       | (915)   |
| Purchaseoftreasurystock                                | (0)     | (0)     |
| Proceedsfromsalesoftreasurystock                       | 22      | 11      |
| Cashdividendspaid                                      | (2,323) | (1,989) |
| Proceedsfromstockissuancetominority<br>shareholders    | 2       | 300     |
| Netcashprovidedby(usedin)financingactivities           | (2,436) | 7,364   |
| Effectofexchangeratechangeoncashandcash<br>equivalents | (811)   | 402     |
| Netincrease(decrease)incashandcashequivalent<br>s      | (7,348) | 12,926  |
| Cashandcashequivalentsatbeginningofperiod              | 19, 830 | 12,038  |
| Cashandcashequivalentsatendofperiod                    | 12,482  | 24, 964 |