



November 7, 2013

## Consolidated Financial Results for the Second Quarter of Fiscal Year 2013

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 FY2013 1Q (April 1, 2013 through September 30, 2013)

#### 1) Operating results (Accumulated)

	Six months ended		
	September 30, 2012	September 30, 2013	YoY (%)
Netsales	51,368	54,610	6.3
Operating income	7,494	9,806	30.8
Ordinary income	7,816	9,754	24.8
Net income	5,358	6,663	24.4
Net income per share (yen)	159.01	197.44	-

#### 2) Financial position

	As of March 31, 2013	As of September 30, 2013
Total assets	155,667	165,560
Net assets	110,556	118,093
Equity ratio (%)	69.8	70.1

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

116,003 million yen (as of September 30, 2013)  
 108,600 million yen (as of March 31, 2013)

### 2. Dividends

	Fiscal Year 2012	Fiscal Year 2013 Actual	Fiscal Year 2013 Forecast
1Q-end dividend per share (yen)	—	—	
2Q-end dividend per share (yen)	40.00	50.00	
3Q-end dividend per share (yen)	—		—
Year-end dividend per share (yen)	16.00		32.00
Annual dividend per share (yen)	56.00		82.00

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

### 3. Earnings Forecast of FY2013

(Million of yen)

	Year ending March 31, 2014	YoY (%)
Netsales	102,100	9.0
Operating income	15,400	32.7
Ordinary income	15,700	35.5
Net income	10,900	45.9
Net income per share (yen)	322.62	—

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

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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: None
2. Other changes: None
- 3) Number of shares outstanding (common stock)
- ① Number of shares issued (including treasury stocks)
- |                          |                   |
|--------------------------|-------------------|
| A of September 30, 2013: | 34,004,418 shares |
| A of March 31, 2013:     | 34,004,418 shares |
- ② Number of shares of treasury stock
- |                          |                |
|--------------------------|----------------|
| A of September 30, 2013: | 218,743 shares |
| A of March 31, 2013:     | 297,543 shares |
- ③ Average number of shares
- |                          |                   |
|--------------------------|-------------------|
| A of September 30, 2013: | 33,750,474 shares |
| A of September 30, 2012: | 33,699,968 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 FY2013**

(Million of yen)

	Year ending March 31, 2014	YoY (%)
Netsales	84,200	7.3
Operating income	10,300	42.5
Ordinary income	13,100	41.5
Net income	9,500	51.9
Net income per share (yen)	281.18	-

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

**5. Consolidated quarterly balance sheets**

(Million of yen)

	<b>Asof</b> <b>March 31, 2013</b>	<b>Asof</b> <b>September 30,</b>
<b>Assets</b>		
Current assets		
Cash and deposits	31,699	33,674
Notes and accounts receivable-trade	25,272	30,083
Merchandise and finished goods	7,641	7,668
Work in process	9,125	7,191
Raw materials and supplies	11,708	12,899
Other	4,156	4,458
Allowance for doubtful accounts	(48)	(191)
<b>Total current assets</b>	<b>89,556</b>	<b>95,784</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	29,468	29,326
Land	13,021	13,051
Other, net	13,026	17,276
<b>Total property, plant and equipment</b>	<b>55,515</b>	<b>59,654</b>
Intangible assets	992	950
Investments and other assets		
Other	9,662	9,218
Allowance for doubtful accounts	(67)	(53)
<b>Total investments and other assets</b>	<b>9,595</b>	<b>9,164</b>
<b>Total noncurrent assets</b>	<b>66,102</b>	<b>69,769</b>
Deferred assets	8	5
<b>Total assets</b>	<b>155,667</b>	<b>165,560</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	4,499	4,803
Electronically recorded obligations-operating	8,191	9,919
Short-term loans payable	250	76
Current portion of long-term loans payable	675	676
Income taxes payable	2,125	2,687
Provision for bonuses	2,035	3,088
Other provision	504	396
Other	5,614	5,089
<b>Total current liabilities</b>	<b>23,896</b>	<b>26,737</b>
Noncurrent liabilities		
Convertible bond-type bonds with subscription right    stoshares	9,085	9,085
Long-term loans payable	9,674	9,035
Provision for retirement benefits	1,800	1,914
Provision for directors' retirement benefits	41	45
Other	613	649
<b>Total noncurrent liabilities</b>	<b>21,214</b>	<b>20,728</b>
<b>Total liabilities</b>	<b>45,110</b>	<b>47,466</b>

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<b>Netassets</b>		
Shareholders'equity		
Capitalstock	14,517	14,517
Capitalsurplus	15,654	15,819
Retainedearnings	79,343	85,467
Treasurystock	(798)	(587)
<b>Totalshareholders'equity</b>	<b>108,716</b>	<b>115,217</b>
Accumulatedothercomprehensiveincome		
Valuationdifferenceonavailable-for-salesecuriti es	12	17
Foreigncurrencytranslationadjustment	(128)	769
<b>Totalaccumulatedothercomprehensiveincome</b>	<b>(116)</b>	<b>78 6</b>
Subscriptionrightstoshares	1,223	1,274
Minorityinterests	731	815
<b>Totalnetassets</b>	<b>110,556</b>	<b>118,093</b>
<b>Totalliabilitiesandnetassets</b>	<b>155,667</b>	<b>165,560</b>

**6. Consolidated quarterly statements of (comprehensive) income** (Millions of yen)

	FY2012 1H	FY2013 1H
Netsales	51,368	54,610
Cost of sales	27,222	26,897
Gross profit	24,145	27,712
Selling, general and administrative expenses	16,651	17,906
Operating income	7,494	9,806
Non-operating income		
Interest income	21	36
Equity in earnings of affiliates	136	19
Royalty income	—	100
Foreign exchange gains	68	—
Other	165	131
Total non-operating income	391	287
Non-operating expenses		
Interest expenses	14	27
Sales discounts	11	15
Depreciation	33	30
Foreign exchange losses	—	254
Other	10	10
Total non-operating expenses	69	338
Ordinary income	7,816	9,754
Extraordinary income		
Gain on sales of noncurrent assets	1	0
Gain on sales of investment securities	—	0
Gain on reversal of subscription right to shares	7	0
Other	0	—
Total extraordinary income	9	1
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	44	31
Special retirement expenses	26	16
Other	1	—
Total extraordinary losses	72	48
Income before income taxes and minority interests	7,753	9,707
Income taxes-current	2,982	3,114
Income taxes-deferred	(581)	(137)
Total income taxes	2,401	2,977
Income before minority interests	5,352	6,729
Minority interests in income (loss)	(6)	66
Net income	5,358	6,663
Minority interests in income (loss)	(6)	66
Income before minority interests	5,352	6,729
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	4
Foreign currency translation adjustment	(691)	832
Share of other comprehensive income of associates accounted for using equity method	16	89
Total other comprehensive income	(678)	925
Comprehensive income	4,673	7,655
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,687	7,565
Comprehensive income attributable to minority interests	(14)	89

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**7. Consolidated quarterly statements of cash flows**

(Million of yen)

	FY2012 1H	FY2013 1H
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes and minority interests	7,753	9,707
Depreciation and amortization	2,762	2,777
Equity in (earnings) losses of affiliates	(136)	(19)
Increase (decrease) in allowance for doubtful accounts	(71)	123
Increase (decrease) in provision for bonuses	561	1,042
Loss (gain) on sales of investment securities	—	(0)
Loss (gain) on sales and retirement of property, plant and equipment	42	31
Interest and dividends income	(24)	(39)
Interest expenses	14	27
Decrease (increase) in notes and accounts receivable-trade	(1,702)	(4,275)
Decrease (increase) in inventories	(3,802)	672
Increase (decrease) in notes and accounts payable-trade	11,762	1,993
Other, net	(897)	(559)
<b>Subtotal</b>	<b>16,261</b>	<b>11,481</b>
Interest and dividends income received	30	43
Interest expenses paid	(4)	(19)
Income taxes (paid) refund	(705)	(2,461)
<b>Net cash provided by (used in) operating activities</b>	<b>15,581</b>	<b>9,044</b>
<b>Net cash provided by (used in) investing activities</b>		
Purchase of property, plant and equipment	(2,870)	(6,230)
Proceeds from sales of property, plant and equipment	22	4
Purchase of investment securities	(145)	—
Proceeds from sales of investment securities	—	200
Net decrease (increase) in short-term loans receivable	(0)	(401)
Payments of long-term loans receivable	(50)	—
Collection of long-term loans receivable	5	4
Purchase of intangible assets	(117)	(64)
Payments into time deposits	—	(611)
Proceeds from withdrawal of time deposits	—	771
Other, net	(25)	44
<b>Net cash provided by (used in) investing activities</b>	<b>(3,182)</b>	<b>(6,281)</b>
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	145	(173)
Proceeds from long-term loans payable	10,080	—
Repayment of long-term loans payable	(224)	(638)
Purchase of treasury stock	(0)	(0)
Proceeds from sales of treasury stock	11	326
Cash dividends paid	(640)	(542)
Proceeds from stock issuance to minority shareholders	300	—
Repayments to minority shareholders	—	(5)
<b>Net cash provided by (used in) financing activities</b>	<b>9,672</b>	<b>(1,033)</b>
Effect of exchange rate change on cash and cash equivalents	(145)	397
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>21,926</b>	<b>2,127</b>
Cash and cash equivalents at beginning of period	12,038	21,544
<b>Cash and cash equivalents at end of period</b>	<b>33,964</b>	<b>23,671</b>