



February 7, 2014

Consolidated Financial Results for the Third 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 FY20133Q (April 1, 2013 through December 31, 2013)

1) Operating results (Accumulated)

	Nin months ended		
	December 31, 2012	December 31, 2013	YoY (%)
Netsales	71,618	77,089	8.6
Operating income	9,472	13,136	38.7
Ordinary income	9,649	12,916	33.9
Net income	6,428	8,724	35.7
Net income per share (yen)	190.76	258.29	—

2) Financial position

	As of March 31, 2013	As of December 31, 2013
Total assets	155,667	165,585
Net assets	110,556	120,387
Equity ratio (%)	69.8%	71.5%

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

118,321 million yen (as of December 31, 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 dividend forecast for during this period: No

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)	321.56	—

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

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 and 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 December 31, 2013: | 34,004,418 shares |
| A of March 31, 2013: | 34,004,418 shares |
- ② Number of shares of treasury stock
- | | |
|-------------------------|----------------|
| A of December 31, 2013: | 106,793 shares |
| A of March 31, 2013: | 297,543 shares |
- ③ Average number of shares
- | | |
|-------------------------|-------------------|
| A of December 31, 2013: | 33,776,827 shares |
| A of December 31, 2012: | 33,700,605 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)	280.26	-

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

5. Consolidated balance sheets

(Millionsofyen)

	Asof March31,2012	Asof December31,2013
Assets		
Currentassets		
Cashanddeposits	31,699	33,722
Notesandaccountsreceivable-trade	25,272	29,694
Merchandiseandfinishedgoods	7,641	7,569
Workinprocess	9,125	7,714
Rawmaterialsandsupplies	11,708	11,877
Other	4,156	4,277
Allowancefordoubtfulaccounts	(48)	(115)
Totalcurrentassets	89,556	94,740
Noncurrentassets		
Property,plantandequipment		
Buildingsandstructures,net	29,468	29,240
Land	13,021	13,083
Other,net	13,026	18,408
Totalproperty,plantandequipment	55,515	60,732
Intangibleassets	992	907
Investmentsandotherassets		
Other	9,662	9,256
Allowancefordoubtfulaccounts	(67)	(54)
Totalinvestmentsandotherassets	9,595	9,201
Totalnoncurrentassets	66,102	70,841
Deferredassets	8	4
Totalassets	155,667	165,585

Unaudited translation, provided for reference only

Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,499	4,451
Electronically recorded obligations-operating	8,191	9,542
Short-term loans payable	250	8
Current portion of long-term loans payable	675	676
Current portion of convertible bonds with stock acquisition rights	—	9,085
Income taxes payable	2,125	1,124
Provision for bonuses	2,035	1,606
Other provision	504	491
Other	5,614	6,583
Total current liabilities	23,896	33,570
Noncurrent liabilities		
Convertible bond-type bonds with subscription rights to shares	9,085	—
Long-term loans payable	9,674	9,015
Provision for retirement benefits	1,800	1,832
Provision for directors' retirement benefits	41	46
Other	613	731
Total noncurrent liabilities	21,214	11,627
Total liabilities	45,110	45,198
Net assets		
Shareholders' equity		
Capital stock	14,517	14,517
Capital surplus	15,654	16,128
Retained earnings	79,343	85,839
Treasury stock	(798)	(287)
Total shareholders' equity	108,716	116,197
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12	20
Foreign currency translation adjustment	(128)	2,103
Total accumulated other comprehensive income	(116)	2,124
Subscription rights to shares	1,223	1,216
Minority interests	731	849
Total net assets	110,556	120,387
Total liabilities and net assets	155,667	165,585

6. Consolidated quarterly statements of (comprehensive) income	(Million of yen)	
	FY2012 1-3Q	FY2013 1-3Q
Netsales	71,618	77,809
Cost of sales	37,454	37,814
Gross profit	34,163	39,995
Selling, general and administrative expenses	24,690	26,859
Operating income	9,472	13,136
Non-operating income		
Interest income	27	50
Equity earnings of affiliates	208	39
Royalty income	—	100
Subsidy income	165	154
Other	235	182
Total non-operating income	637	527
Non-operating expenses		
Interest expenses	31	39
Sales discounts	16	23
Depreciation	50	45
Foreign exchange losses	347	623
Other	15	14
Total non-operating expenses	461	747
Ordinary income	9,649	12,916
Extraordinary income		
Gain on sales of noncurrent assets	1	7
Gain on sales of investment securities	—	0
Gain on reversal of subscription rights to shares	7	2
Other	0	—
Total extraordinary income	9	9
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	98	55
Loss on valuation of investment securities	—	38
Special retirement expenses	29	30
Other	1	—
Total extraordinary losses	129	124
Netsales	9,529	12,802
Income taxes-current	2,812	3,371
Income taxes-deferred	273	639
Total income taxes	3,086	4,011
Income before minority interests	6,442	8,791
Minority interests in income	13	66
Net income	6,428	8,724
Minority interests in income	13	66
Income before minority interests	6,442	8,791
Other comprehensive income		
Valuation difference on available-for-sale securities	1	8
Foreign currency translation adjustment	722	2,117
Share of other comprehensive income of associates accounted for using equity method	34	171
Total other comprehensive income	758	2,297
Comprehensive income	7,200	11,088
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	7,162	10,964
Comprehensive income attributable to minority	37	123

7. Consolidated statements of cash flows

(Millions of yen)

	FY2012 1-3Q	FY2013 1-3Q
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	9,529	12,802
Depreciation and amortization	4,310	4,354
Loss (gain) on valuation of investment securities	—	38
Equity in (earnings) losses of affiliates	(208)	(39)
Increase (decrease) in allowance for doubtful	(70)	40
Increase (decrease) in provision for bonuses	(960)	(449)
Loss (gain) on sales of investment securities	—	(0)
Loss (gain) on sales and retirement of property, plant and equipment	97	47
Subsidy income	(165)	(154)
Interest and dividends income	(33)	(54)
Interest expenses	31	39
Decrease (increase) in notes and accounts receivable-trade	4,633	(2,776)
Decrease (increase) in inventories	(3,997)	1,635
Increase (decrease) in notes and accounts payable-trade	6,131	1,187
Other, net	(748)	223
Subtotal	18,548	16,895
Interest and dividends income received	36	55
Interest expenses paid	(38)	(23)
Income taxes (paid) refund	(1,988)	(4,263)
Proceeds from subsidy income	165	154
Net cash provided by (used in) operating activities	16,722	12,818
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(4,163)	(8,533)
Proceeds from sales of property, plant and equipment	30	19
Purchase of investment securities	(145)	—
Proceeds from sales of investment securities	—	200
Net decrease (increase) in short-term loans	(0)	(499)
Payments of long-term loans receivable	(50)	—
Collection of long-term loans receivable	7	7
Purchase of intangible assets	(202)	(74)
Payments into time deposits	(10,000)	(10,638)
Proceeds from withdrawal of time deposits	3,000	10,786
Other, net	(39)	34
Net cash provided by (used in) investing activities	(11,563)	(8,697)

Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	125	(241)
Proceeds from long-term loans payable	10,080	—
Repayment of long-term loans payable	(247)	(657)
Redemption of bonds	(915)	—
Purchase of treasury stock	(0)	(2)
Proceeds from sales of treasury stock	11	835
Cash dividends paid	(1,989)	(2,233)
Proceeds from stock issuance to minority shareholders	300	—
Repayments to minority shareholders	—	(5)
Net cash provided by (used in) financing activities	7,364	(2,305)
Effect of exchange rate change on cash and cash equivalents	402	341
Net increase (decrease) in cash and cash equivalents	12,926	2,157
Cash and cash equivalents at beginning of period	12,038	21,544
Cash and cash equivalents at end of period	24,964	23,702