



January 30, 2019

Consolidated Financial Results for the Third Quarter of Fiscal Year 2018

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 FY2018 3Q(April 1, 2018 through December 31, 2018)

1) Operating results (Accumulated)

	Nine months ended		
	December 31, 2017	December 31, 2018	YoY(%)
Net sales	126,980	114,313	(10.0)
Operating income	40,179	30,920	(23.0)
Ordinary income	39,719	30,965	(22.0)
Net income	27,392	22,588	(17.5)
Net income per share (yen)	763.40	628.78	-

2) Financial position

	As of March 31, 2017	As of December 31, 2018
Total assets	256,347	251,006
Net assets	205,264	214,165
Equity ratio (%)	79.7%	84.8%

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

212,976 million yen (as of December 31, 2018)
 204,254 million yen (as of March 31, 2018)

2. Dividends

	Fiscal Year 2017	Fiscal Year 2018 Actual	Fiscal Year 2018 Forecast
1Q-end dividend per share (yen)	—	—	
2Q-end dividend per share (yen)	141.00	114.00	
3Q-end dividend per share (yen)	—	—	
Year-end dividend per share (yen)	248.00		162.00
Annual dividend per share (yen)	389.00		276.00

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

3. Earnings Forecasts of FY2019

	(Millions of yen)	
	Year ending March 31, 2019	YoY (%)
Net sales	146,600	(12.4)
Operating income	37,400	(26.7)
Ordinary income	37,800	(28.3)
Net income	27,700	(25.5)
Net income per share (yen)	771.03	—

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 statement policies.
 1. Changes in accounting policies: None
 2. Other changes: None
- 3) Number of shares outstanding (common stock)
 - ① Number of shares issued (include treasury stocks)

As of December 31, 2018:	35,930,971 shares
As of March 31, 2018:	35,927,471 shares
 - ② Number of shares of treasury stock

As of December 31, 2018:	4,823 shares
As of March 31, 2018:	4,823 shares
 - ③ Average number of shares

As of December 31, 2018:	35,924,037 shares
As of December 31, 2017:	35,881,714 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 Forecasts of FY2018

(Millions of yen)

	Year ending March 31, 2018	YoY (%)
Net sales	124,800	(12.0)
Operating income	29,300	(24.6)
Ordinary income	41,700	(1.5)
Net income	33,000	8.8
Net income per share (yen)	918.55	-

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

5. Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	91,574	88,269
Notes and accounts receivable - trade	43,647	37,981
Merchandise and finished goods	7,093	6,758
Work in process	9,656	12,565
Raw materials and supplies	16,943	19,004
Other	5,809	4,467
Allowance for doubtful accounts	(52)	(48)
Total current assets	174,673	168,997
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	33,129	31,936
Other, net	36,135	38,328
Total property, plant and equipment	69,264	70,265
Intangible assets	511	440
Investments and other assets		
Other	11,921	11,326
Allowance for doubtful accounts	(23)	(24)
Total investments and other assets	11,897	11,302
Total non-current assets	81,673	82,008
Total assets	256,347	251,006
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,286	3,638
Electronically recorded obligations - operating	14,230	14,980
Income taxes payable	10,209	1,149
Provision for bonuses	8,651	7,661
Other provision	646	1,134
Other	10,280	7,512
Total current liabilities	50,306	36,077
Non-current liabilities	776	763
Total liabilities	51,082	36,840
Net assets		
Shareholders' equity		
Capital stock	20,651	20,663
Capital surplus	22,639	22,651
Retained earnings	157,919	167,503
Treasury shares	(25)	(25)
Total shareholders' equity	201,184	210,792
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,498	735
Foreign currency translation adjustment	1,619	1,482
Remeasurements of defined benefit plans	(47)	(34)
Total accumulated other comprehensive income	3,070	2,183
Share acquisition rights	899	1,047
Non-controlling interests	110	141
Total net assets	205,264	214,165
Total liabilities and net assets	256,347	251,006

6.Consolidated quarterly statements of (comprehensive) income

(Millions of yen)

	Nine months ended 31-Dec-17	Nine months ended 31-Dec-18
Net sales	126,980	114,313
Cost of sales	51,290	47,104
Gross profit	75,690	67,209
Selling, general and administrative expenses	35,510	36,289
Operating profit	40,179	30,920
Non-operating income		
Interest income	34	73
Share of profit of entities accounted for using equity method	184	228
Rent income	54	48
Subsidy income	20	165
Other	125	165
Total non-operating income	418	681
Non-operating expenses		
Interest expenses	22	1
Sales discounts	50	40
Foreign exchange losses	754	577
Depreciation	36	6
Other	14	10
Total non-operating expenses	879	636
Ordinary profit	39,719	30,965
Extraordinary income		
Gain on sales of non-current assets	12	17
Gain on reversal of share acquisition rights	1	2
Insurance income	78	187
Total extraordinary income	93	207
Extraordinary losses		
Loss on sales and retirement of non-current assets	79	35
Impairment loss	1,159	10
Loss on sales of investment securities	1	-
Loss on valuation of investment securities	26	0
Special retirement expenses	69	81
Loss on disaster	-	532
Demolition cost	-	176
Total extraordinary losses	1,336	836
Profit before income taxes	38,476	30,336
Income taxes - current	11,446	7,762
Income taxes - deferred	(403)	(46)
Total income taxes	11,042	7,716
Profit	27,433	22,620
Profit attributable to		
Profit attributable to owners of parent	27,392	22,588
Profit attributable to non-controlling interests	41	32
Other comprehensive income		
Foreign currency translation adjustment	1,347	(62)
Remeasurements of defined benefit plans, net of tax	3	13
Share of other comprehensive income of entities accounted for using equity method	576	(838)
Total other comprehensive income	1,928	(887)
Comprehensive income	29,361	21,732
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	29,313	21,701
Comprehensive income attributable to non-controlling interests	48	31