



April 22, 2021

## Consolidated Financial Results of Fiscal Year 2020

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

Notes: 1. The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.  
 2. Amounts are rounded down to the nearest million yen.

### 1. Consolidated Results of FY2020 (April 1, 2020 through March 31, 2021)

#### 1) Operating results (Accumulated)

	Fiscal year ended		
	March 31, 2020	March 31, 2021	YoY(%)
Net sales	141,083	182,857	29.6%
Operating income	36,451	53,106	45.7%
Ordinary income	38,314	53,629	40.0%
Net income	27,653	39,091	41.4%
Net income per share (yen)	769.56	1,085.47	—

#### 2) Financial position

	As of March 31, 2020	As of March 31, 2021
Total assets	274,325	329,026
Net assets	226,890	252,352
Equity ratio (%)	82.2%	76.3%

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

251,203 million yen (as of March 31, 2021)  
 225,539 million yen (as of March 31, 2020)

### 2. Dividends

	Fiscal Year 2019	Fiscal Year 2020 Actual	Fiscal Year 2021 Forecast
1Q-end dividend per share (yen)	—	—	—
2Q-end dividend per share (yen)	91.00	116.00	—
3Q-end dividend per share (yen)	—	—	—
Year-end dividend per share (yen)	347.00	561.00	—
Annual dividend per share (yen)	438.00	677.00	—

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

### 3. Earnings Forecasts of FY2021 1Q

(Millions of yen)

	Three month ending June 30, 2021	YoY (%)
Net sales	46,800	31.3
Operating income	13,200	42.2
Ordinary income	13,300	45.9
Net income	8,700	34.4
Net income per share (yen)	241.30	—
Shipment figures	58,400	17.1

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

**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 along with changes in accounting standards: None
  2. Other changes: None
- 3) Number of shares outstanding (common stock)
  - ① Number of shares issued (include treasury stocks)
 

As of March 31, 2021:	36,059,671 shares
As of March 31, 2020:	35,955,771 shares
  - ② Number of shares of treasury stock
 

As of March 31, 2021:	5,060 shares
As of March 31, 2020:	5,000 shares
  - ③ Average number of shares
 

As of March 31, 2021:	36,013,354 shares
As of March 31, 2020:	35,934,473 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 FY2021 1Q**

(Millions of yen)

	Three month ending June 30,2021	YoY (%)
Net sales	40,300	31.3
Operating income	10,400	43.6
Ordinary income	19,000	82.1
Net income	15,100	82.0
Net income per share (yen)	418.81	—

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

**(Reference) Consolidated Orders/Shipment of Fiscal Year 2020**

(Millions of yen)		
1) Orders	Orders	Order Backlog
Fiscal Year 2020 (Year ending March 31,2021)	202,698	68,837

(Millions of yen)		
2) Shipment	Shipment	Order Backlog from shipment basis *
Fiscal Year 2020 (Year ending March 31,2021)	192,547	37,244

\* Shipped amount excluded

## 5. Business Performance Overview

### (1) Overview of Business Performance for the Current Period

In the current consolidated period (hereinafter “this period”), due to the spread of 5G and increase in requests to spend time at home due to the COVID-19 pandemic, demand for semiconductor products has increased for a wide range of applications, including for smartphones, PCs, and electrical appliances.

In such a market environment, customer willingness to invest capital in the equipment of semiconductor manufacturers has remained firm throughout the fiscal year. Therefore, shipments of precision processing equipment (dicing saws and grinders) remained high centered on the Asian region. In addition, shipment of the precision processing tools (consumable parts including blades and wheels) significantly increased due to the high customer facility operating rate.

Shipment levels remained high throughout the fiscal year. As a result of smooth inspection/acceptance of the equipment, sales amount for the fiscal year was JPY 182,857 million, which is a new record-high. For profits and losses, although SG&A increased due to active R&D activities, the operating income increased by 40% due to the significant increase in sales. As a result, DISCO hit record-highs for each profit.

Sales – JPY 182,857 million (29.6% increase from previous period)

Operating income – JPY 53,160 million, Operating income margin: 29.0% (45.7% increase from previous period)

Ordinary income – JPY 53,629 million, Ordinary income margin: 29.3% (40.0% increase from previous period)

Net income returning to parent company shareholders – JPY 39,091 million, Net income margin: 21.4% (41.1% increase from previous period)

Furthermore, the four-year cumulative ordinary income margin as of this period was 28.7% (27.4% in previous period), achieving the company’s goal of a ‘four-year cumulative ordinary income margin of 20% or more’ for 5 consecutive years.

### (2) Overview of Financial Position for the Current Period

The total for assets for the current consolidated financial year was JPY 329,026 million, with an increase of JPY 54,710 million compared to the end of the previous consolidated financial year (hereafter “end of the previous period”). This was mainly caused by an increase in cash and time deposits, in addition to an increase in tangible fixed assets due to the acquisition of Zone D in Building A in the Kuwabata plant and Building B in the Chino plant.

Liabilities were JPY 29,239 million, with an increase of JPY 76,674 million compared to the end of the previous period. This was mainly caused by an increase in payable corporate income tax and sales deposits. The total for net assets was JPY 252,352 million, an increase of JPY 25,462 million compared to the end of the previous period. The capital adequacy ratio was 76.3%, a decrease of 5.9% compared to the end of the previous period.

As a result of this capital composition, each of the indices are as follows:

Return on assets (ROA) – 13.0% (10.4% in previous period)

Return on equities (ROE) – 16.4% (12.7% in previous period)

Four-year cumulative return on risk assets (RORA) – 35.3% (35.3% in previous period)

Capital adequacy ratio – 76.3% (82.2% in previous period)

**(3) Overview of Cash Flow for the Current Period**

The cash flow from business operations was a profit of JPY 56,790 million (81.2% increase from previous period).

This was mainly caused by expenditures due to the payment of net income before taxes, depreciation, and corporate taxes.

The cash flow from investment activities was a loss of JPY 13,170 million (48.9% decrease from previous period).

This was mainly caused by payments for the acquired tangible fixed assets such as Zone D in Building A in the Kuwabata plant and Building B in the Chino plant, and proceeds from withdrawal of time deposits.

The cash flow from financial activities was a loss of JPY 15,825 million (49.6% increase from previous period).

This was mainly caused by dividend payments.

As a result of these factors, the balance for cash and cash equivalents at the end of the period was JPY 109,890 million (JPY 30,026 million increase from end of the previous period). Furthermore, free cash flow (the combined total of 'cash flow from business operations' and 'cash flow from investment activities') was an inflow of JPY 43,620 million.

**(4) Forecast**

Due to the difficulty in predicting demand in the semiconductor and electronic component industries as a result of drastic fluctuations in customers' willingness to invest over short periods, business forecasts are released one quarter in advance.

The following is the forecast for consolidated business performance for the 1Q of the fiscal year ending March 2022: sales amount of JPY 46,800 million, an operating income of JPY 13,200 million, and an ordinary income of JPY 13,300 million, with an estimated quarterly net income of JPY 8,700 million returning to parent company shareholders.

The forecast for shipments for the 1Q of the fiscal year ending March 2022 is JPY 58,400 million.

**6. Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	87,909	109,809
Notes and accounts receivable - trade	25,614	33,173
Merchandise and finished goods	17,318	18,605
Work in process	14,373	15,998
Raw materials and supplies	18,677	21,142
Other	6,153	9,453
Allowance for doubtful accounts	(56)	(75)
<b>Total current assets</b>	<b>169,990</b>	<b>208,108</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	47,334	62,333
Machinery, equipment and vehicles, net	8,672	10,837
Tools, furniture and fixtures, net	755	841
Land	14,855	17,034
Construction in progress	21,796	17,401
<b>Total property, plant and equipment</b>	<b>93,415</b>	<b>108,448</b>
Intangible assets	319	283
<b>Investments and other assets</b>		
Investment securities	2,107	2,491
Deferred tax assets	5,052	6,225
Retirement benefit asset	910	844
Other	2,546	2,642
Allowance for doubtful accounts	(16)	(17)
<b>Total investments and other assets</b>	<b>10,599</b>	<b>12,186</b>
<b>Total non-current assets</b>	<b>104,334</b>	<b>120,918</b>
<b>Total assets</b>	<b>274,325</b>	<b>329,026</b>

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,726	6,336
Electronically recorded obligations - operating	10,301	16,121
Income taxes payable	3,509	12,539
Advances received	10,740	17,518
Provision for bonuses	9,861	15,110
Provision for bonuses for directors (and other officers)	131	181
Provision for product warranties	338	705
Asset retirement obligations	25	-
Other	6,269	7,413
Total current liabilities	46,905	75,927
Non-current liabilities		
Asset retirement obligations	280	283
Other	249	463
Total non-current liabilities	529	746
<b>Total liabilities</b>	<b>47,435</b>	<b>76,674</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	20,793	21,424
Capital surplus	22,781	23,412
Retained earnings	181,239	203,677
Treasury shares	(29)	(31)
Total shareholders' equity	224,785	248,482
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	368	599
Foreign currency translation adjustment	366	2,218
Remeasurements of defined benefit plans	18	(97)
Total accumulated other comprehensive income	754	2,720
Share acquisition rights	1,212	937
Non-controlling interests	138	212
<b>Total net assets</b>	<b>226,890</b>	<b>252,352</b>
<b>Total liabilities and net assets</b>	<b>274,325</b>	<b>329,026</b>

**7. Consolidated statements of (comprehensive) income**

(Millions of yen)

	Fiscal year ended 31-Mar-2020	Fiscal year ended 31-Mar-2021
Net sales	141,083	182,857
Cost of sales	56,290	75,973
Gross profit	84,792	106,883
Selling, general and administrative expenses	48,341	53,776
Operating profit	36,451	53,106
Non-operating income		
Interest income	68	45
Share of profit of entities accounted for using equity method	398	289
Foreign exchange gains	833	-
Rental income	71	126
Subsidy income	374	355
Other	226	272
Total non-operating income	1,972	1,088
Non-operating expenses		
Sales discounts	51	55
Foreign exchange losses	-	446
Depreciation	46	54
Other	12	10
Total non-operating expenses	110	566
Ordinary profit	38,314	53,629
Extraordinary income		
Gain on sale of non-current assets	1	21
Gain on reversal of share acquisition rights	0	-
Gain on sale of shares of subsidiaries and associates	268	-
Total extraordinary income	271	21
Extraordinary losses		
Loss on sale and retirement of non-current assets	70	55
Loss on valuation of investment securities	-	19
Extra retirement payments	51	141
Demolition cost	186	-
Total extraordinary losses	308	216
Profit before income taxes	38,277	53,434
Income taxes - current	7,656	15,131
Income taxes - deferred	2,916	(844)
Total income taxes	10,572	14,286
Profit	27,704	39,147
Profit attributable to		
Profit attributable to owners of parent	27,653	39,091
Profit attributable to non-controlling interests	50	56
Other comprehensive income		
Foreign currency translation adjustment	(880)	1,847
Remeasurements of defined benefit plans, net of tax	(7)	(116)
Share of other comprehensive income of entities accounted for using equity method	(317)	252
Total other comprehensive income	(1,206)	1,983
Comprehensive income	26,498	41,131
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	26,461	41,057
Comprehensive income attributable to non-controlling interests	37	73

**8.Consolidated statements of cash flows**

(Millions of yen)

	Fiscal year ended 31-Mar-2020	Fiscal year ended 31-Mar-2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	38,277	53,434
Depreciation	6,612	6,815
Loss (gain) on valuation of investment securities	-	19
Share of loss (profit) of entities accounted for using equity method	(398)	(289)
Increase (decrease) in allowance for doubtful accounts	(0)	13
Increase (decrease) in provision for bonuses	2,125	5,107
Increase (decrease) in provision for bonuses for directors (and other officers)	(46)	50
Increase (decrease) in provision for product warranties	(110)	342
Increase (decrease) in net defined benefit asset and liability-OpeCF	(89)	66
Loss (gain) on sale of shares of subsidiaries and associates	(268)	-
Loss (gain) on sale and retirement of property, plant and equipment	69	34
Subsidy income	(374)	(355)
Interest and dividend income	(68)	(45)
Decrease (increase) in trade receivables	(5,202)	(6,058)
Decrease (increase) in inventories	(33)	(3,825)
Increase (decrease) in trade payables	(466)	6,412
Increase (decrease) in accounts payable - other	(1,863)	344
Increase (decrease) in advances received	(501)	5,606
Other, net	(1,680)	(4,929)
<b>Subtotal</b>	<b>35,980</b>	<b>62,743</b>
Subsidies received	670	638
Interest and dividends received	73	48
Dividends received from entities accounted for using equity method	-	138
Income taxes refund (paid)	(5,425)	(6,860)
<b>Net cash provided by (used in) operating activities</b>	<b>31,299</b>	<b>56,709</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(24,868)	(21,026)
Proceeds from sale of property, plant and equipment	4	75
Purchase of intangible assets	(94)	(87)
Proceeds from sale of shares of subsidiaries and associates	1,117	-
Long-term loan advances	(20)	(227)
Proceeds from collection of long-term loans receivable	328	12
Payments into time deposits	(8,125)	-
Proceeds from withdrawal of time deposits	6,000	8,126
Other, net	(2)	18
<b>Net cash provided by (used in) investing activities</b>	<b>(25,660)</b>	<b>(13,107)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	210	829
Purchase of treasury shares	(4)	(1)
Dividends paid	(10,741)	(16,653)
Dividends paid to non-controlling interests	(44)	-
<b>Net cash provided by (used in) financing activities</b>	<b>(10,580)</b>	<b>(15,825)</b>
Effect of exchange rate change on cash and cash equivalents	(628)	2,249
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,568)</b>	<b>30,026</b>
Cash and cash equivalents at beginning of period	85,351	79,782
<b>Cash and cash equivalents at end of period</b>	<b>79,782</b>	<b>109,809</b>