FY2023

Environmental Activities and Data

(Climate Change)

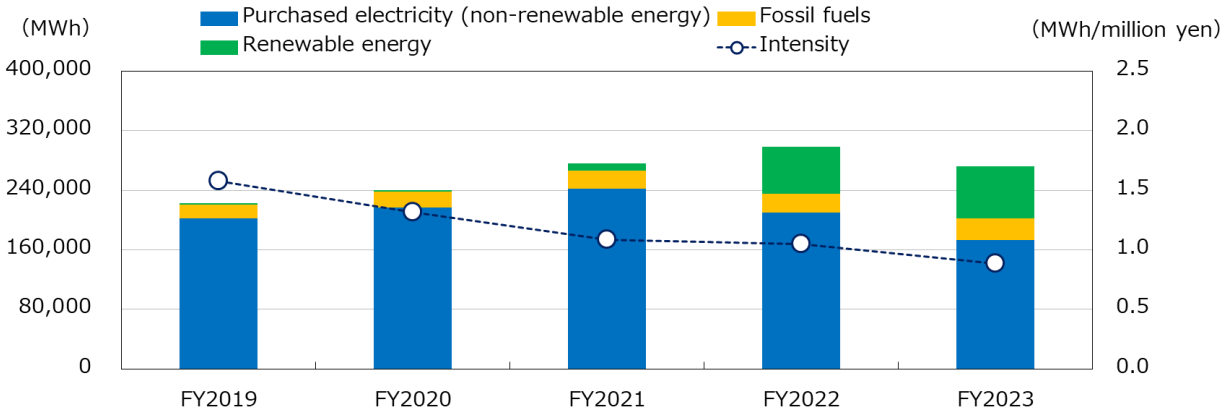
April 1, 2023 – March 31, 2024

Oct. 4, 2024

Environmental Data

1． Energy Consumption

This graph indicates the energy consumption of the entire DISCO Group and the sales intensity. Compared to the previous fiscal year, the total energy consumption and sales intensity have decreased.



*1 Fossil fuels: Natural gas, city gas, LPG, gasoline, kerosene, diesel.
*2 Renewable energy: Implementing renewable energy and solar power generation.
*3 Intensity: Sales intensity (total energy consumption divided by consolidated sales).

Energy consumption amount and breakdown

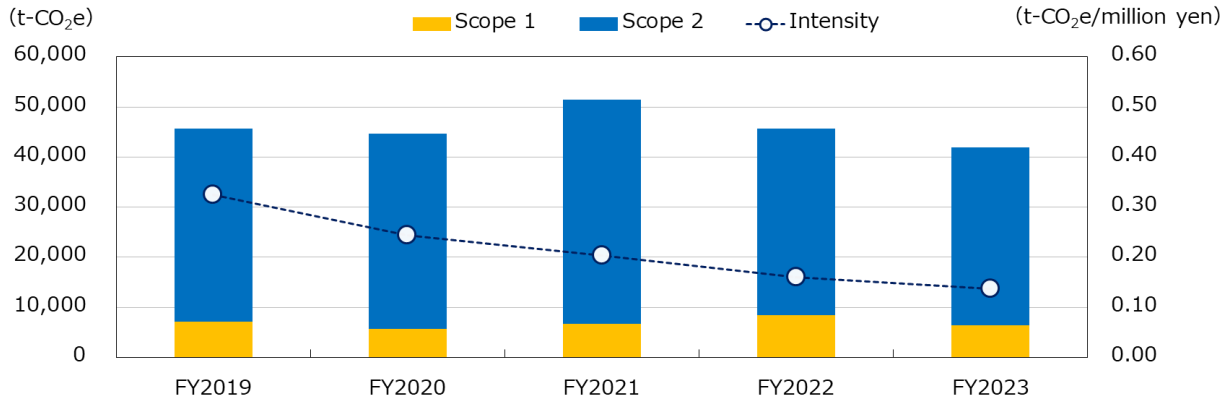
(MWh)

		FY2019	FY2020	FY2021	FY2022	FY2023
Electricity	Purchased electricity (non-renewable energy)	201,879	216,837	241,641	209,776	173,055
	Purchased electricity (renewable energy)	0	0	7,778	59,444	66,498
	Solar power (consumed by DISCO)	1,966	2,287	2,113	3,639	3,652
	Total electricity consumption	203,845	219,124	251,531	272,860	243,205
Fossil fuels	Natural gas, city gas	9,981	10,768	10,538	11,328	13,399
	LPG	6,905	8,639	11,852	12,374	13,649
	Gasoline	1,252	1,082	1,272	1,115	1,238
	Kerosene	23	31	20	16	18
	Diesel	475	469	700	523	801
	Total fossil fuel consumption	18,636	20,987	24,382	25,355	29,105
Total energy consumption amount		222,481	240,111	275,913	298,215	272,310
Renewable energy consumption amount		1,966	2,287	9,890	63,084	70,150
Renewable energy consumption ratio (%)		0.9	1.0	3.6	21.2	25.8
Intensity (MWh/million yen)		1.58	1.31	1.09	1.05	0.89

2. Greenhouse Gas Emissions

① Greenhouse Gas Emissions due to DISCO's Business Activities (Scopes 1, 2)

This graph indicates the amount of greenhouse gas emitted by the entire DISCO Group and the sales intensity. We are carrying out energy-saving activities, utilizing renewable energy, and have established solar power generation facilities, and compared to the previous fiscal year, CO_2 emissions (the total amount for Scopes 1 and 2) and the sales intensity have decreased.



*1 t-CO_2e: Greenhouse gas emissions represented as CO_2 equivalents.
*2 Scope 1 is greenhouse gas emissions mainly from fossil fuels, freon gases, etc., and Scope 2 is market-based greenhouse gas emissions from electricity consumption.
*3 Intensity: Sales intensity (total amount of Scopes 1 and 2 divided by consolidated sales).

Data for each office (Scopes 1 + 2)

(t-CO_2e)

		FY2019	FY2020	FY2021	FY2022	FY2023
Domestic	Head Office / R&D Center, Haneda R&D Center	8,894	9,140	9,996	12,791	8,815
	Kuwabata Plant, Kure Plant	32,164	30,340	36,988	27,542	26,193
	Chino Plant	615	728	1,493	1,905	2,307
	Other	187	208	260	337	898
	Domestic total	41,860	40,417	48,737	42,576	38,214
Overseas	DISCO HI-TEC AMERICA, INC.	739	588	564	603	350
	DISCO HI-TEC EUROPE GmbH	1,689	1,888	255	252	245
	DISCO HI-TEC (SINGAPORE) PTE. LTD.	547	502	488	497	830
	DISCO HI-TEC CHINA CO., LTD.	322	406	671	702	925
	DISCO HI-TEC TAIWAN CO., LTD.	404	523	423	654	879
	DISCO HI-TEC KOREA Corporation	163	274	297	332	352
	DISCO HI-TEC (MALAYSIA) SDN. BHD.	–	–	6	29	140
	DISCO HI-TEC (THAILAND) CO., LTD.	–	–	1	2	10
	DISCO HI-TEC (VIETNAM) CO., LTD.	–	–	2	6	24
	Overseas total	3,864	4,182	2,707	3,078	3,753
Total	–	45,724	44,599	51,444	45,654	41,967

* Shows the total amount of Scope 1 and Scope 2 emissions (market-based) for each office.

② Supply Chain Emissions (Scopes 1 – 3)

With the increasing severity of the global climate change problem, corporations have been asked to be aware of not only the amount of their own greenhouse gas emissions, but also the amount of emissions along their entire supply chain. Since FY2014, DISCO has been calculating the amount of greenhouse gas emissions generated by activities that surround the company's entire supply chain.

In FY2023, DISCO's entire supply chain generated 1,128 thousand t-CO_2e of greenhouse gas (Scopes 1 – 3).

Among the total greenhouse gas emissions throughout DISCO's supply chain, CO_2 emissions related to business activities generated by other companies (Scope 3) made up 1,086 thousand t-CO_2e. The majority of emissions came from the “Use of sold products,” which made up approximately 89% of the total emissions.

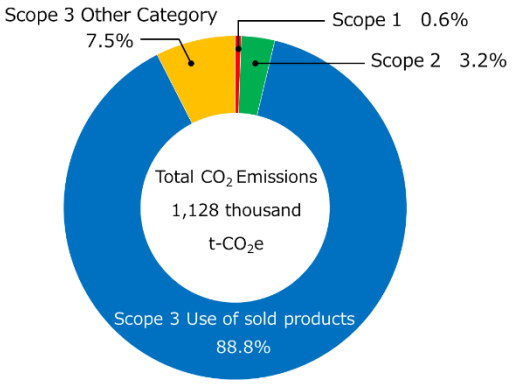
In the future, we will share information with related stakeholders and promote the planning and development of new energy-saving products in order to push towards a reduction in greenhouse gas emissions across our entire supply chain.

Scope 3 - Calculations by category

(t-CO_2e)

	Category	FY2019	FY2020	FY2021	FY2022	FY2023
1	Purchased goods & services	8,181	13,849	17,259	15,349	13,419
2	Capital goods	55,426	50,364	120,533	10,425	38,050
3	Fuel- and energy-related activities	5,668	6,178	7,171	7,983	8,288
4	Upstream transportation & distribution	7,646	13,527	17,840	18,918	20,781
5	Waste generated in operations	80	70	90	93	546
6	Business travel	680	712	735	781	1,509
7	Employee commuting	1,236	1,291	1,332	1,416	836
8	Upstream leased assets	—	—	—	—	—
9	Downstream transportation & distribution	838	1,125	1,260	1,232	1,149
10	Processing of sold products	—	—	—	—	—
11	Use of sold products	539,416	996,401	1,250,915	1,343,888	1,001,053
12	End of life treatment of sold products	11	19	24	21	17
13	Downstream leased assets	102	46	110	143	143
14	Franchises	—	—	—	—	—
15	Investments	—	—	—	—	—
Total		619,283	1,083,583	1,417,269	1,400,249	1,085,791

* “—” indicates categories that are not applicable.



FY2023: Scopes 1, 2, 3 emissions

Calculations by scope

(t-CO_2e)

	FY2019	FY2020	FY2021	FY2022	FY2023
Scope 1	7,154	5,739	6,738	8,434	6,369 ☑
Scope 2 (market-based)	38,570	38,860	44,706	37,220	35,598 ☑
Scope 2 (location-based)	—	—	—	—	46,090 ☑
Scope 3	619,283	1,083,583	1,417,269	1,400,249	1,085,791
Total (Scopes 1+2+3)	665,008	1,128,182	1,468,713	1,445,902	1,127,758
Scopes 1+2 sales intensity (t-CO_2e/million yen)	0.324	0.244	0.203	0.161	0.136

*1 Scopes 1 + 2 sales intensity: Total value of Scopes 1 and 2 divided by consolidated sales.
*2 Scope 2 (location-based): Value calculated using country-specific CO_2 emissions factors. Calculations started from FY2023.
*3 A third-party assurance has been obtained from KPMG AZSA Sustainability Co., Ltd. for data indicated with a ☑

Environmental Activities

1. Installation of solar power generation systems

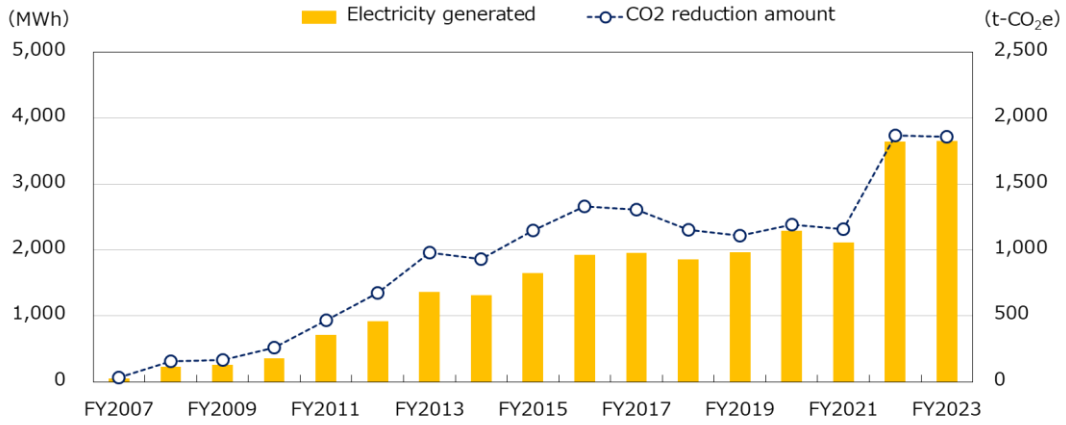
Starting with the Head Office / R&D Center, a number of DISCO affiliate offices and plants have introduced solar power generation systems to reduce the environmental load caused by business operations. In FY2023, Kuwabata Plant and one of our overseas affiliate offices (China) newly introduced solar power generation systems as part of their operations. Currently, the power generation capacity (solar panel capacity) has reached 3,649 kW, and the generated electricity is being used as electricity for business operations.

Solar power generation system at Kuwabata Plant

Solar power system capacity at each site

Site	Power generation capacity
Head Office/R&D Center	39kW
Kuwabata Plant	1,770kW
Kure Plant	505kW
Chino Plant	1,179kW
DISCO HI-TEC (SINGAPORE) PTE. LTD.	76kW
DISCO HI-TEC EUROPE GmbH	39kW
DISCO HI-TEC CHINA CO., LTD.	41kW

Performance of the solar power generation systems



*1 Electricity generated shows the total value of the annual electricity generated (excluding electricity sold) by the solar power generation systems at all sites.
*2 CO_2 reduction amount equals the amount of electricity generated, converted to CO_2 equivalents (using electricity supplier-specific emissions factors).

Aggregate range and calculation methods

Calculation period	Boundary
Apr. 1, 2023 - Mar. 31, 2024	From FY2023, DISCO Corporation and all its consolidated subsidiaries have been included as being applicable for calculations. (However, this excludes consolidated subsidiaries that had an exceedingly small amount of greenhouse gas emissions)

Index	Calculation method
Energy consumption	Energy consumption due to the burning of fuels or use of electricity
	・Calculation targets are electricity, natural gas, city gas, LPG, gasoline, kerosene, diesel.
	・The energy consumption due to the use of each type of fuel or electricity was calculated based on Japan's "Act on Rationalizing Energy Use and Shifting to Non-fossil Energy" (Energy Conservation Act) for both domestic and overseas offices.
Greenhouse gas emissions Scope 1	Direct greenhouse gas emissions due to the burning of fuels or use of greenhouse gases.
	・The greenhouse gas emissions (Scope 1) were calculated based on Japan's "Act on Promotion of Global Warming Countermeasures" (Global Warming Countermeasures Act) for both domestic and overseas offices.
	・Aggregate target greenhouse gases are CO_2, CH_4, N_2O, HFCs, PFCs, and SF_6. In addition, fuels that are included as being applicable for the calculation of energy-derived CO_2 are natural gas, city gas, LPG, gasoline, kerosene, and diesel.
	・The values used in the calculation of energy consumption were used for fuel consumption.
Greenhouse gas emissions Scope 2	Indirect greenhouse gas emissions due to the use of electricity provided by other companies.
	・The greenhouse gas emissions (Scope 2) were calculated based on Japan's "Act on Promotion of Global Warming Countermeasures" (Global Warming Countermeasures Act) for both domestic and overseas offices.
	・Regarding the CO_2 emissions due to the use of electricity, the market-based and location-based CO2 emissions were calculated using the below mentioned CO_2 emissions factors respectively.
	1. Market-based
	Domestic: Adjusted emissions factors from the electricity supplier-specific emissions factor list for FY2023, based on the Global Warming Countermeasures Act, are used. In addition, if a contract was concluded based on an energy-saving option, the emissions factors based on the contract are used.
	Overseas: Emissions factors based on the contracted electricity option were used. If this emissions factor cannot be obtained, the average Grid Emission Factor (GEF) of the country or region announced by each country, or the country-specific "Emissions Factors" issued by the IEA (International Energy Agency) in 2023, are used.
	2. Location-based
	The country-specific "Emissions Factors" issued by the IEA (International Energy Agency) in 2023 are used for both domestic and overseas calculations.
Greenhouse gas emissions Scope 3	Indirect greenhouse gas emissions outside Scopes 1 and 2.
	・Greenhouse gas emissions are calculated with reference to the "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.6)" (Japanese Ministry of the Environment, Ministry of Economy, Trade and Industry).
	・Emissions factors used are from the "Emission Factor Database for Calculating Greenhouse Gas Emissions of Organizations through the Supply Chain (Ver. 3.4)" (Japanese Ministry of the Environment, Ministry of Economy, Trade and Industry) and the ”LCI database IDEAv2 (for calculating supply chain greenhouse gas emissions)”(Sustainable Management Promotion Organization).

Independent Assurance Report

To the Representative Executive Officer, President of DISCO Corporation

We were engaged by DISCO Corporation (the "Company") to undertake a limited assurance engagement of the environmental performance indicators marked with ☑ (the "Indicators") for the period from April 1, 2023 to March 31, 2024 included in its "FY2023 Environmental Activities and Data (Climate Change)" (the "Report").

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting the Company's Chino Plant selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

Our Independence and Quality Management

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Management 1, we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Takeru Yamada, Partner
KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
September 30, 2024