

# FY2024

# Third Quarter Financial Results

## January 23, 2025

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# FY2024 3Q Earnings Results



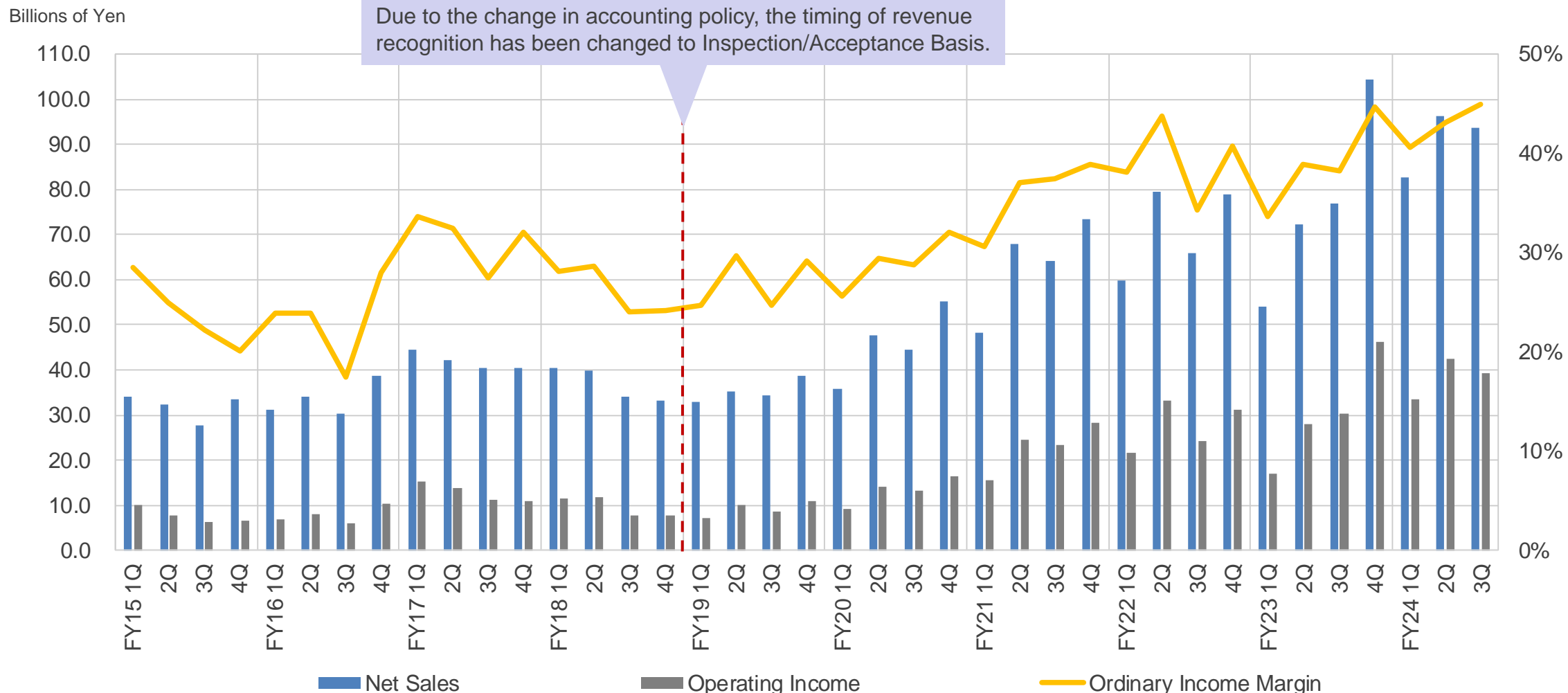
Billions of Yen	FY2024	FY2024		FY2023	YoY	
	3Q	2Q	QoQ	3Q	Amount	(%)
			Amount			(%)
Net Sales	<b>93.6</b>	<b>96.2</b>	<b>-2.7</b>	<b>77.0</b>	<b>16.6</b>	21.5%
Gross Profit	<b>66.6</b>	<b>69.0</b>	<b>-2.4</b>	<b>52.7</b>	<b>14.0</b>	26.5%
Gross Profit Margin	71.2%	71.7%	-0.5p	68.4%	2.8p	-
SG&A	<b>27.5</b>	<b>26.5</b>	<b>1.0</b>	<b>22.3</b>	<b>5.2</b>	23.2%
Operating Income	<b>39.1</b>	<b>42.6</b>	<b>-3.4</b>	<b>30.4</b>	<b>8.8</b>	29.0%
Ordinary Income	<b>42.0</b>	<b>41.4</b>	<b>0.6</b>	<b>29.4</b>	<b>12.6</b>	42.7%
Ordinary Income Margin	44.9%	43.0%	1.9p	38.2%	6.7p	-
Income before income taxes and minority interests	<b>41.9</b>	<b>41.3</b>	<b>0.5</b>	<b>21.9</b>	<b>20.0</b>	91.4%
Net Income	<b>31.8</b>	<b>29.7</b>	<b>2.1</b>	<b>16.1</b>	<b>15.7</b>	97.9%

Sales: YoY increased due to high shipment volume and progress in inspection/acceptance, as well as exchange rates.

GP margin: YoY increased due to high value-added products and exchange rates.

SG&A: YoY increased mainly due to personnel and R&D expenses.

# Quarterly Financial Results

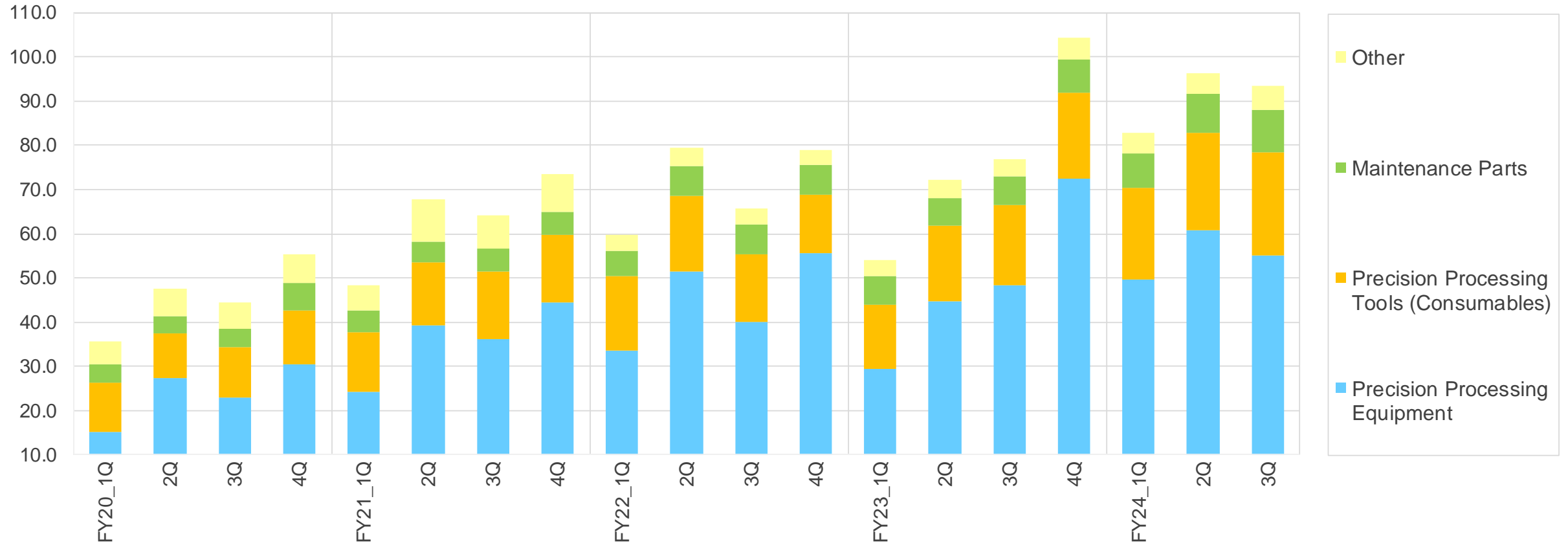


Ordinary income margin hit a record high on a quarterly basis supported by a high GP margin (FY24\_3Q Operating income margin 41.8%, Ordinary income margin 44.9%, Net income margin 34.0%)

# Quarterly Sales Breakdown by Product



Billions of Yen

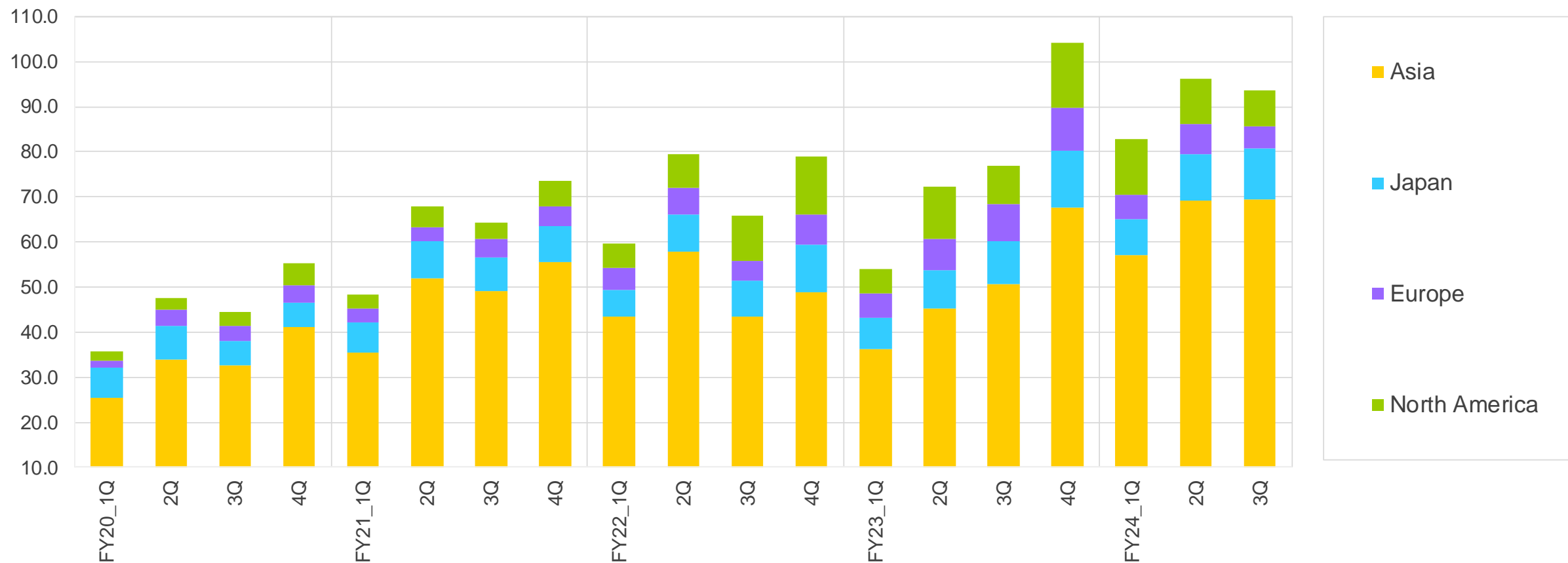


Note: Composition percentages are listed as additional information on the DISCO website.

# Quarterly Sales Breakdown by Region



Billions of Yen

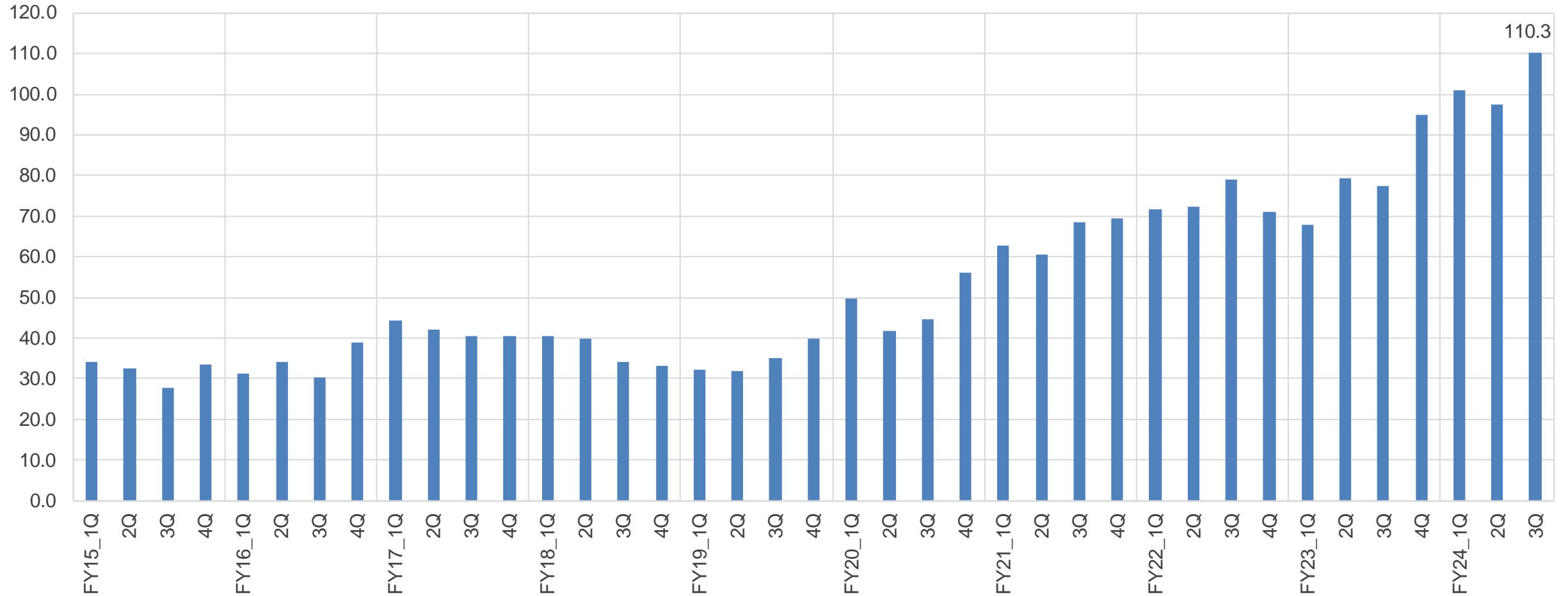


FY24\_3Q Overseas sales ratio: 87.8%

# Quarterly Shipments



Billions of Yen



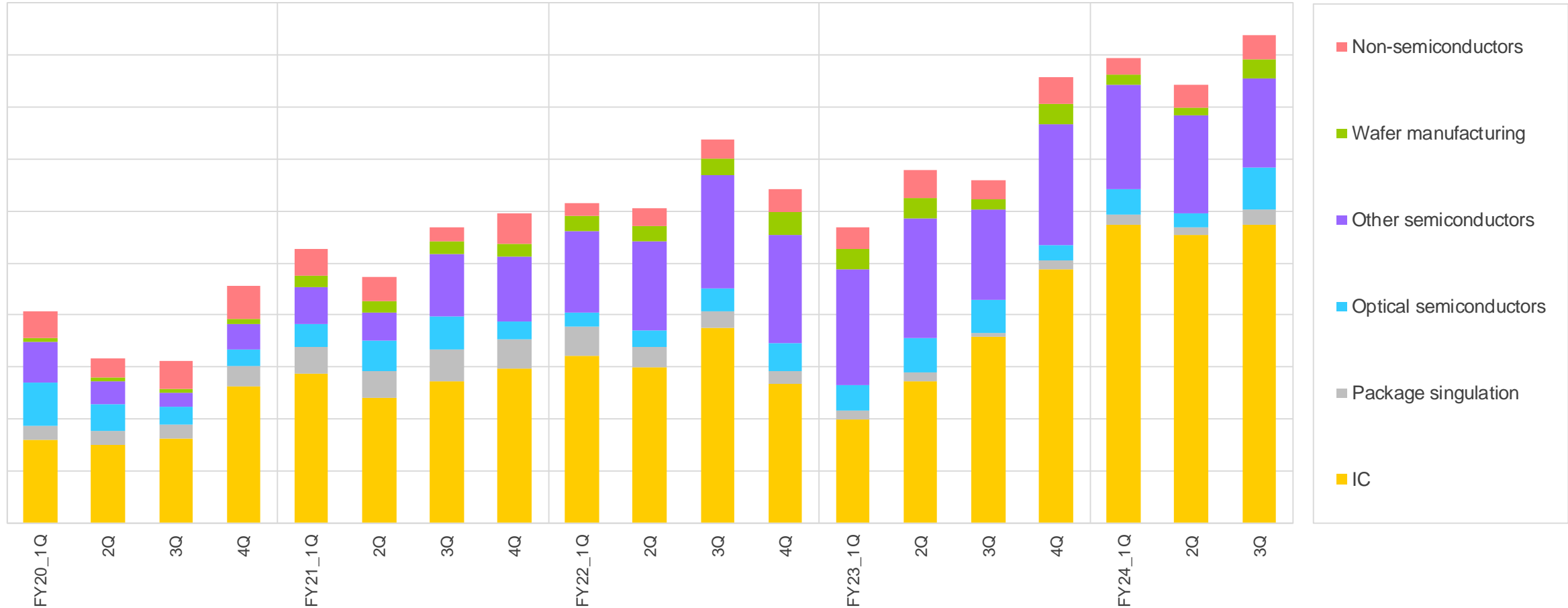
FY24\_3Q Shipment total: approx. 110.3 billion yen  
(record high on a quarterly basis)

# Precision Processing Equipment: Sales by Application



Shipment Basis

Precision Processing Equipment

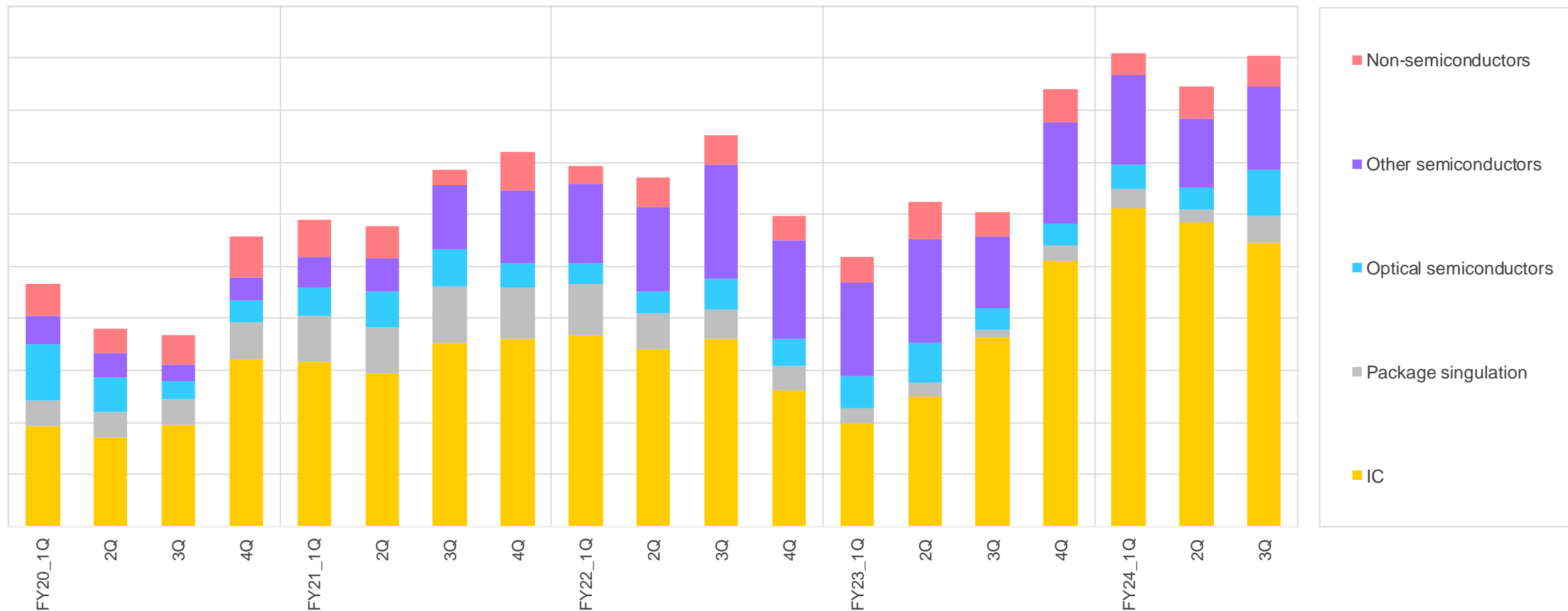


QoQ: Maintained a high level for IC mainly for generative AI.  
 YoY: Increased for IC supported by an increased demand for generative AI.

# Dicer: Sales by Application

Shipment Basis

Dicer



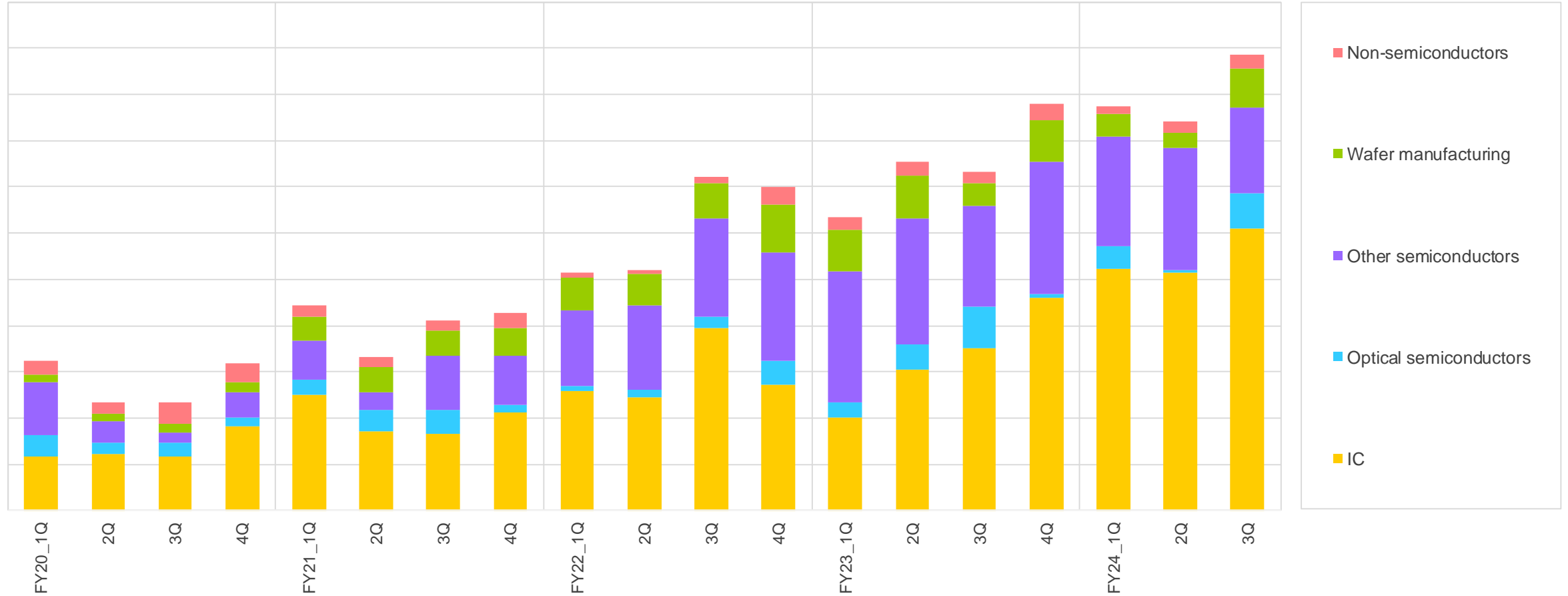
QoQ: Supported by an increase in optical semiconductors, as well a steady demand in IC as a whole.  
 YoY: Increased in IC for generative AI and power semiconductors.



# Grinder: Sales by Application

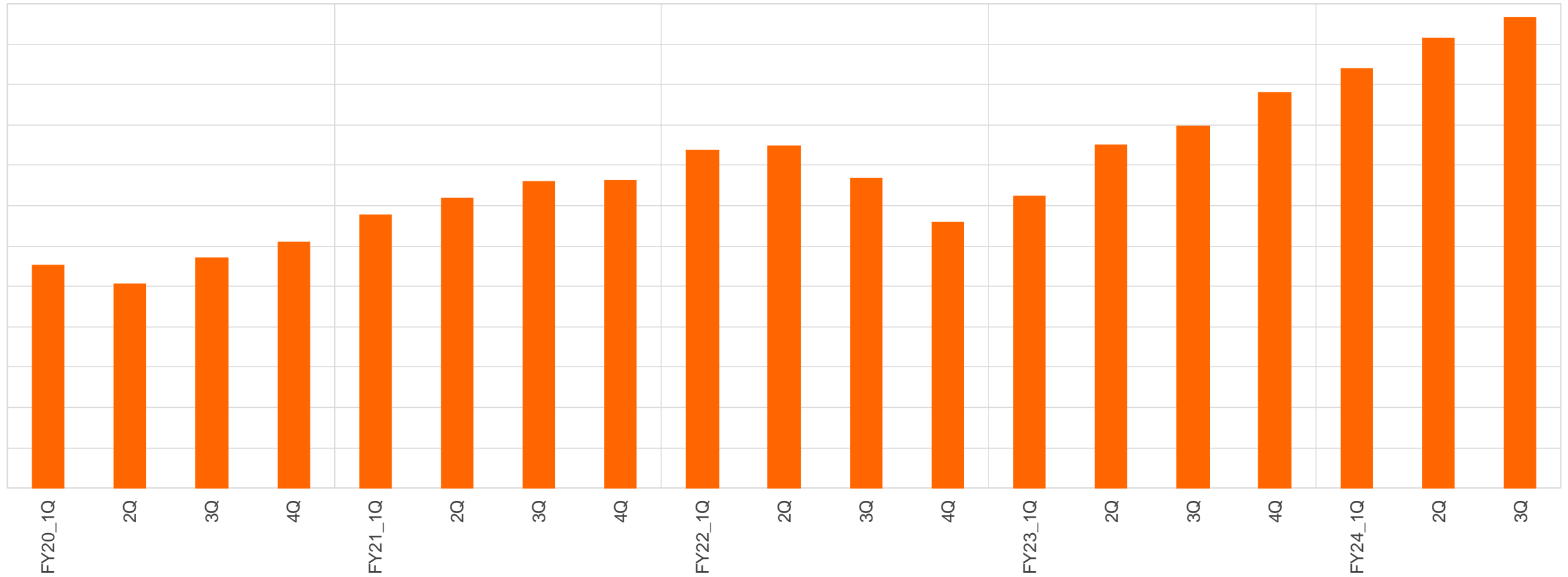
Shipment Basis

Grinder



QoQ: An increase in optical semiconductors and wafer manufacturing, as well as IC for generative AI, boosted the whole.  
 YoY: Increased for IC due to an increased demand for generative AI.

# Precision Processing Tools Sales (Consumables)



Precision processing tool (consumables) shipments remained high due to seasonal factors and exchange rates.

# Balance Sheet (Summary)

Billions of Yen	FY2024 3Q	FY2024 2Q	Amount
Cash and deposits	263.5	243.6	19.9
Notes and account receivable	42.7	40.6	2.1
Inventories	140.9	130.3	10.6
Total current assets	456.4	420.8	35.6
Property, plant and equipment	151.7	149.6	2.1
Total noncurrent assets	172.4	170.2	2.2
Total assets	628.8	591.0	37.8
Current liabilities	173.9	153.7	20.2
Noncurrent liabilities	0.8	0.8	0.1
Total liabilities	174.7	154.5	20.2
Total net assets	454.1	436.5	17.6
Total liabilities and net assets	628.8	591.0	37.8
Equity Ratio	72.0%	73.6%	-1.6p

Total assets: Increased mainly in cash and deposits, inventories, etc.

Liabilities: Increased mainly in contract liabilities and allowance for bonuses.

Net assets: Mainly increased in earned surplus.

# Earnings Forecast 3Q FY2024



Billions of Yen

Forecast

	FY23 1Q	2Q	3Q	4Q	FY24 1Q	2Q	3Q	4Q
Net Sales	54.0	72.3	77.0	104.3	82.8	96.2	93.6	100.4
Operating Income	17.0	28.0	30.4	46.1	33.4	42.6	39.1	37.7
Ordinary Income	18.2	28.1	29.4	46.7	33.6	41.4	42.0	37.8
Net Income	12.7	20.0	16.1	35.4	23.7	29.7	31.8	27.6
Operating Income Margin	31.5%	38.8%	39.4%	44.2%	40.3%	44.2%	41.8%	37.6%
Ordinary Income Margin	33.7%	38.9%	38.2%	44.7%	40.6%	43.0%	44.9%	37.7%
Net Income Margin	23.5%	27.7%	20.9%	34.0%	28.6%	30.9%	34.0%	27.5%
Shipment Figures	67.8	79.4	77.3	95.0	101.1	97.6	110.3	96.1

Assumed exchange rate for 4Q (Jan-Mar): 1 US dollar = 150 yen, 1 euro = 155 yen

Currency sensitivity (annualized) US dollar: Approx. 1.5 billion yen, Euro: Approx. 0.1 billion yen

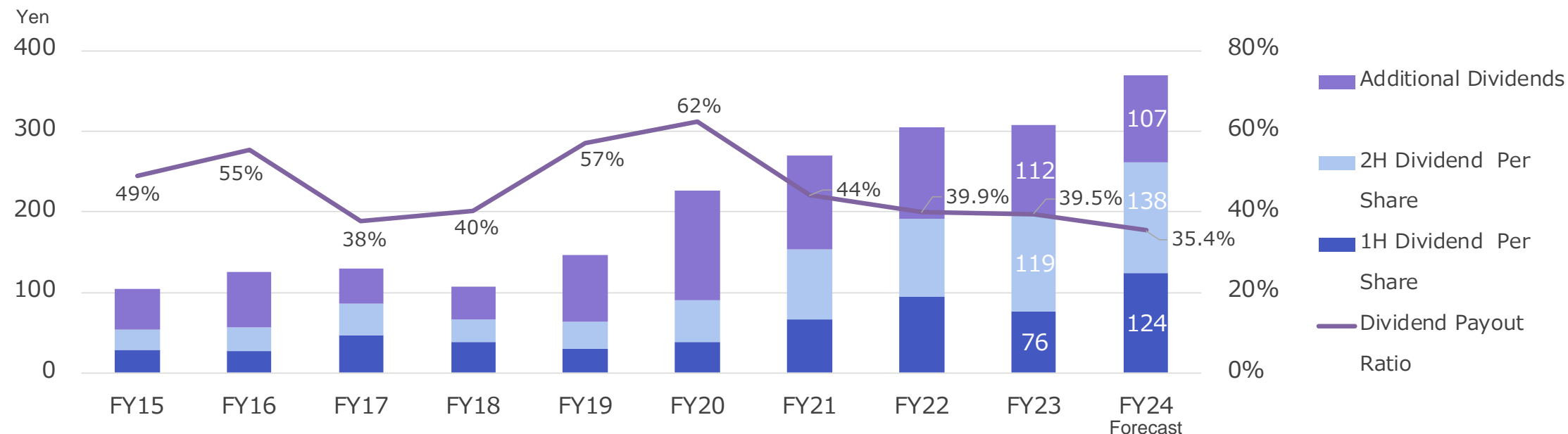
# Dividend Policy and Dividend Payments

## Dividend Policy

- Decisions concerning the distribution of surpluses are made at the general shareholders meetings, in the case of final dividends, and by the Board of Directors, in the case of interim dividends.
- 1. Adopting a performance-linked dividend policy and aiming at giving clearer priority to shareholder returns, our target dividend payout ratio is 25% of the consolidated half-yearly net income. There will be interim and final dividends, each of which will be equivalent to 25% of the half-yearly consolidated net income.
- 2. Irrespective of the level of income, a reliable dividend of ¥10 per half-year will be maintained. This means that the minimum yearly dividend will be ¥20.
- 3. Unless there is a loss, if the year-end balance of cash and deposits after payment of dividends and income taxes is greater than the projected funding requirements for the acquisition of technology resources, such as through patent purchases and investments in venture businesses, facility expansion, the retirement of interest-bearing debt, and other purposes, one-third of that surplus will be added to dividends.

## [Remarks]

The ¥20 payout stipulated in our stable dividend policy may be reviewed if there are consolidated net losses for three consecutive years.

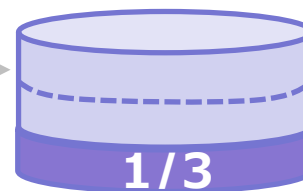
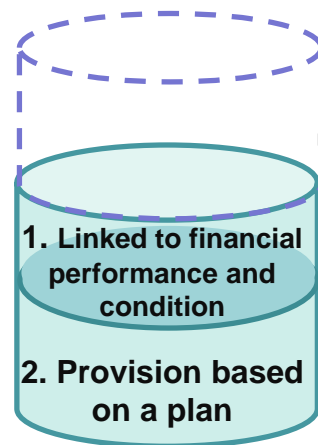
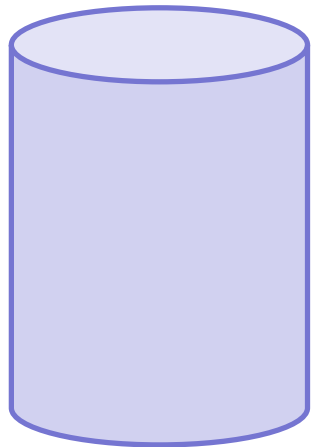


**FY24 Interim (actual): 124 yen Year-end (forecast): 245 yen**

\*The Company implemented a stock split in the proportion of 1 share into 3 shares effective as of April 1, 2023  
(The dividend trend before FY22 has been represented under the assumption that the applicable stock split has been done)

## Current Forecast

* Year-end balance <b>145.8</b> B yen	−	Necessary funds <b>111.3</b> B yen	=	Surplus funds <b>34.5</b> B yen
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**11.5** B yen  
Additional dividends

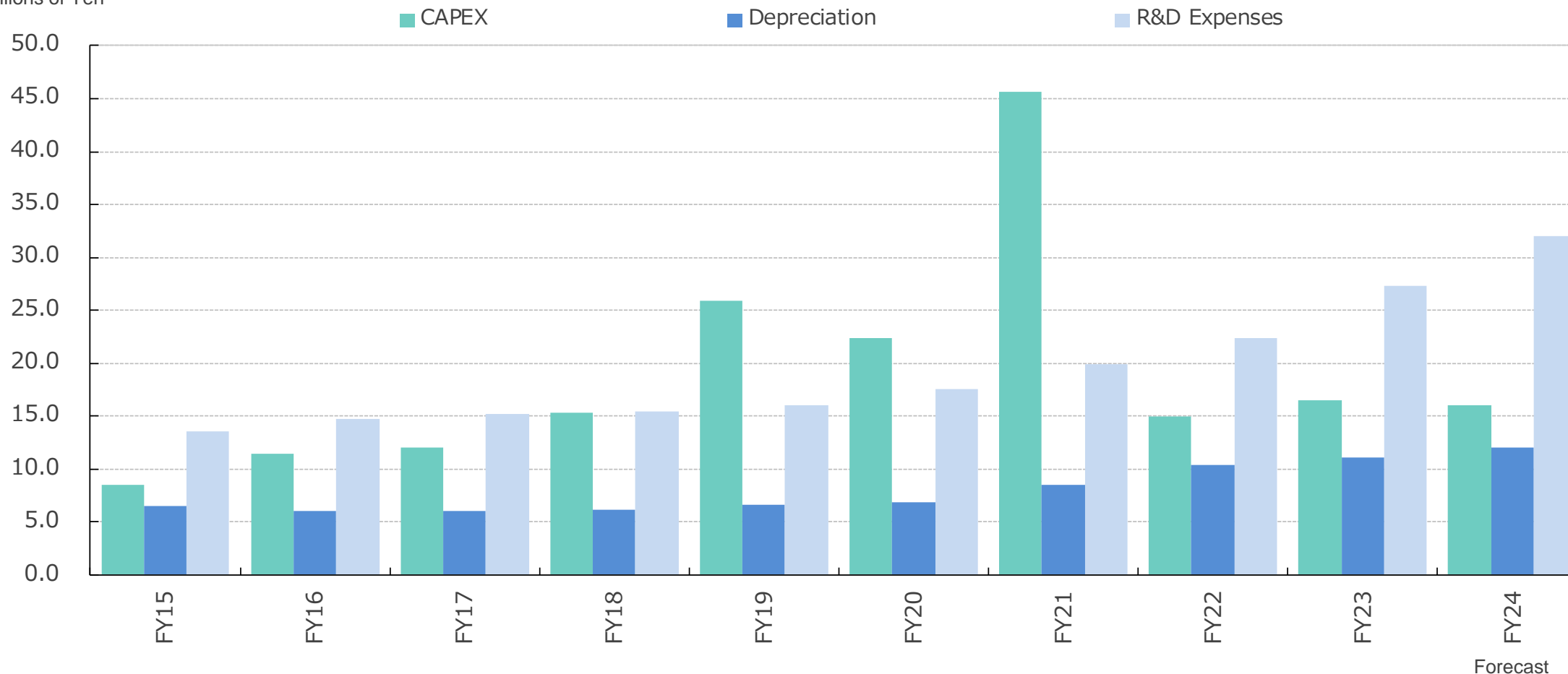
## Breakdown of necessary funds:

1	<b>Operating funds</b>	<b>62.2</b> B yen
	Previous year Consolidated sales ÷ 12 months x 2	
	<b>Technical purchases (including M&amp;A)</b>	<b>28.0</b> B yen
	Consolidated sales Average of past 3 years x 10%	
	<b>Refund of interest bearing debt</b>	−
	<b>Taxes and dividends</b>	<b>29.0</b> B yen
2	<b>Facility expansion</b>	<b>18.1</b> B yen
	Reconstruction of the Haneda R&D Center	
3	<b>** Reversal of technical purchases funds</b>	<b>-26.0</b> B yen

\*Contract liabilities (advances received) are taken into account.

# R&D/CAPEX Forecast

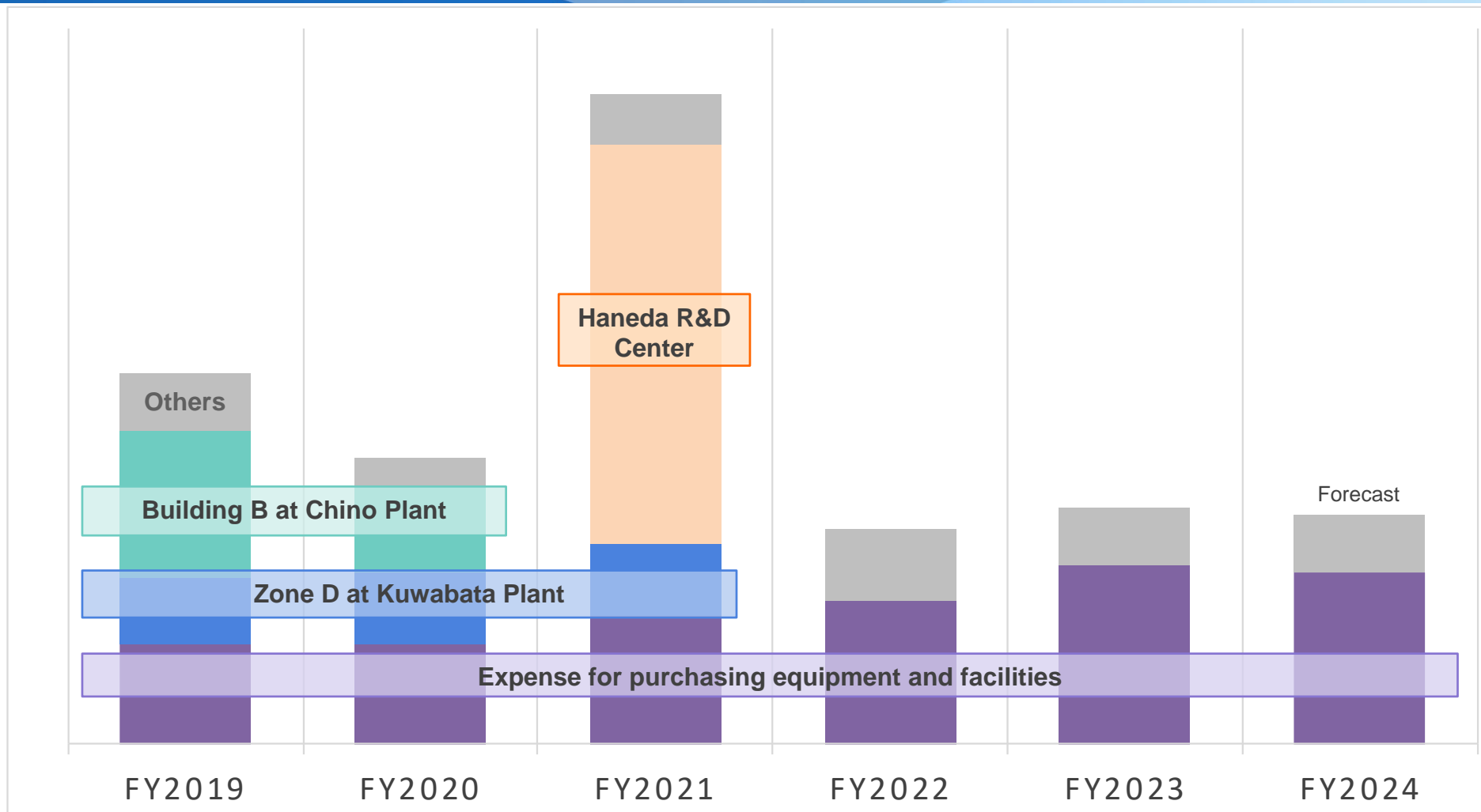
Billions of Yen



## FY24 Forecast

CAPEX: Approx. 16 billion yen; mainly investment for rationalization  
 (Construction of a new building at the Haneda R&D Center is scheduled to begin in FY25)  
 Depreciation: Approx. 12 billion yen; expected to be equal to or a slight increase compared to the previous fiscal year.  
 Research and Development: Approx. 32 billion yen; proactive research and development continues.

# Breakdown of CAPEX



FY24 Forecast

Purchase of machines and facilities: Approx. 12 billion yen  
 Others (expansion of offices, etc.): Approx. 4 billion yen



# Sales Forecast By Product

Shipment Basis

Product		Forecast FY24_4Q (QoQ)
	Blade dicers	-25%
	Laser Saws	15%
	<b>Dicers</b>	<b>-5%</b>
	<b>Grinders</b>	<b>-10%</b>
	<b>Accessory Equipment</b>	<b>5%</b>
<b>Precision Processing Equipment</b>		<b>-10%</b>
<b>Precision Processing Tools (Consumables)</b>		<b>-10%</b>
<b>Others</b>		<b>-35%</b>

- Reference Data

Shipment Basis

Product	Composition	QoQ	YoY
	3Q	3Q	3Q
Precision Processing Equipment	63%	10%	42%
Dicers	33%	7%	49%
Blade Dicers	18%	33%	50%
Laser Saws	15%	-14%	49%
Grinders	27%	17%	34%
DGP (for thin wafers)	19%	29%	62%
Other Grinders	8%	-4%	-6%
Accessory Equipment	3%	-10%	42%
Precision Processing Tools	21%	1%	26%
Others	16%	53%	74%
Total	100%	13%	43%

# Composition by Application



Shipment Basis

		FY23				FY24		
Product	Application	23-1Q	23-2Q	23-3Q	23-4Q	24-1Q	24-2Q	24-3Q
<b>Dicers</b>	IC	38%	40%	60%	61%	67%	69%	60%
	Package singulation	6%	4%	2%	4%	4%	3%	6%
	Optical semiconductors	12%	12%	7%	5%	5%	5%	10%
	Other semiconductors	34%	32%	23%	23%	19%	16%	18%
	Non-semiconductors	10%	11%	8%	8%	5%	7%	7%
<b>Dicers</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Grinders</b>	IC	32%	41%	48%	52%	60%	61%	62%
	Optical semiconductors	5%	7%	12%	1%	6%	1%	8%
	Other semiconductors	45%	36%	30%	32%	27%	31%	19%
	Wafer manufacturing	14%	12%	7%	10%	6%	4%	9%
	Non-semiconductors	5%	4%	3%	4%	2%	3%	3%
<b>Grinders</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

# YoY by Application

Shipment Basis

		FY23				FY24		
Product	Application	23-1Q	23-2Q	23-3Q	23-4Q	24-1Q	24-2Q	24-3Q
<b>Dicers</b>	IC	-46%	-27%	1%	94%	210%	135%	50%
	Package singulation	-71%	-60%	-76%	-32%	23%	-15%	270%
	Optical semiconductors	55%	81%	-28%	-18%	-26%	-46%	112%
	Other semiconductors	18%	23%	-37%	2%	-3%	-33%	15%
	Non-semiconductors	40%	24%	-15%	35%	-17%	-13%	26%
<b>Dicers</b>		<b>-25%</b>	<b>-7%</b>	<b>-19%</b>	<b>41%</b>	<b>75%</b>	<b>36%</b>	<b>49%</b>
<b>Grinders</b>	IC	-23%	25%	-11%	69%	160%	68%	73%
	Optical semiconductors	253%	207%	267%	-81%	46%	-86%	-15%
	Other semiconductors	74%	50%	3%	22%	-16%	-4%	-15%
	Wafer manufacturing	24%	37%	-37%	-15%	-45%	-62%	79%
	Non-semiconductors	198%	244%	74%	-4%	-50%	-24%	19%
<b>Grinders</b>		<b>24%</b>	<b>45%</b>	<b>1%</b>	<b>25%</b>	<b>37%</b>	<b>11%</b>	<b>34%</b>

Shipment Basis

		FY23				FY24		
Product	Application	23-1Q	23-2Q	23-3Q	23-4Q	24-1Q	24-2Q	24-3Q
<b>Dicers</b>	IC	-25%	26%	46%	40%	20%	-4%	-7%
	Package singulation	-37%	-5%	-50%	126%	14%	-34%	119%
	Optical semiconductors	22%	22%	-46%	1%	10%	-12%	115%
	Other semiconductors	-6%	12%	-30%	39%	-11%	-22%	19%
	Non-semiconductors	7%	38%	-33%	36%	-34%	46%	-3%
<b>Dicers</b>		<b>-13%</b>	<b>20%</b>	<b>-3%</b>	<b>39%</b>	<b>8%</b>	<b>-7%</b>	<b>7%</b>
<b>Grinders</b>	IC	-26%	53%	15%	31%	14%	-2%	18%
	Optical semiconductors	-36%	55%	70%	-89%	402%	-85%	952%
	Other semiconductors	21%	-3%	-20%	30%	-17%	10%	-29%
	Wafer manufacturing	-15%	3%	-48%	85%	-45%	-29%	148%
	Non-semiconductors	-23%	8%	-21%	46%	-59%	62%	24%
<b>Grinders</b>		<b>-9%</b>	<b>19%</b>	<b>-3%</b>	<b>20%</b>	<b>-1%</b>	<b>-4%</b>	<b>17%</b>

# Composition by Region

Inspection/Acceptance Basis

Composition by Region	FY2023				FY2024		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Japan	13%	12%	12%	12%	9%	11%	12%
North America	10%	16%	11%	14%	15%	10%	8%
Asia	67%	63%	66%	65%	69%	72%	74%
Singapore	8%	9%	7%	6%	6%	8%	8%
Taiwan	15%	11%	10%	12%	16%	17%	19%
Korea	8%	5%	9%	12%	14%	12%	9%
China (Note 1)	35%	36%	38%	34%	32%	33%	37%
Other	1%	2%	1%	0%	1%	1%	1%
Europe	10%	10%	11%	9%	7%	7%	5%
Total	100%	100%	100%	100%	100%	100%	100%

Note 1: Including sales to local factories of foreign manufacturers

### These materials

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### Notation

The yearly accounting period from April of the current year to March of the following year is denoted by FY (Fiscal Year), and quarterly accounting periods are denoted by 1Q (April – June), 2Q (July – September), 3Q (October – December), and 4Q (January – March). Depending on the monetary unit, figures lower than the minimum unit may be rounded up or down, as a result of which the total sum may not match. Percentages are calculated based on the actual figures.

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