

FY2024

Fourth Quarter Financial Results

April 17, 2025

DISCLAIMER

Statements in this PowerPoint with respect to DISCO's current strategies, plans, estimates, and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of DISCO. These statements are based on management's assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them. DISCO cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements, and you should not make decision on your investment thoroughly based on these statements. Such factors include, but not limited to, (i) general economic conditions and levels of demand in DISCO's markets; (ii) developments in technology and resulting changes in semiconductor and/or electronic component manufacturing process; (iii) levels of capital investment for manufacturing semiconductors and/or electronic components; (iv) expansions of the area for products and technologies using semiconductors and/or electronic components and its expanding speed; (v) DISCO's ability to continue to offer products and services corresponding to developments of new semiconductors and/or electronic components and new technologies for manufacturing them; (vi) exchange rates, particularly between the yen, the U.S. dollar, and the euro, and other currencies.

Net sales

393.3 B yen

Previous year : 307.5 B yen

Record high

GP margin

70.6 %

Previous year : 67.8 %

Record high

Operating income

166.8 B yen

Previous year : 121.4 B yen

Record high

Operating income margin

42.4 %

Previous year : 39.5 %

Record high

CAPEX

69.8 B yen

Previous year : 16.5 B yen

R&D

31.6 B yen

Previous year : 27.3 B yen

Total assets

654.0 B yen

Previous year : 556.0 B yen

Ordinary income margin averaged over a four-year period

40.0 %

Previous year : 37.0 %

FCF

52.3 B yen

Previous year : 81.1 B yen

ROE

27.6 %

Previous year : 22.4 %

Record high

EPS

1,143.26 yen

Previous year : 777.29 yen

Record high

Annual dividend

413 yen
Per share

Previous year : 307 yen

Record high

FY2024 Q4 Earnings Results



Billions of Yen	FY2024	FY2024 3Q	QoQ		FY2023 4Q	YoY	
	4Q		Amount	(%)		Amount	(%)
Net Sales	120.7	93.6	27.2	29.0%	104.3	16.4	15.7%
Gross Profit	84.2	66.6	17.6	26.4%	71.3	12.9	18.1%
Gross Profit Margin	69.8%	71.2%	-1.4p	-	68.4%	1.4p	-
SG&A	32.5	27.5	5.0	18.2%	25.2	7.3	28.9%
Operating Income	51.7	39.1	12.6	32.2%	46.1	5.6	12.2%
Ordinary Income	51.9	42.0	9.8	23.4%	46.7	5.2	11.1%
Ordinary Income Margin	43.0%	44.9%	-1.9p	-	44.7%	-1.7p	-
Income before income taxes and minority interests	51.5	41.9	9.6	23.0%	46.5	5.1	10.9%
Net Income	38.6	31.8	6.8	21.5%	35.4	3.2	9.1%

Sales:

YoY increased due to high shipment volume and progress in inspection/acceptance.

GP margin:

YoY increased due to high value-added products and the exchange rate.

SG&A:

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

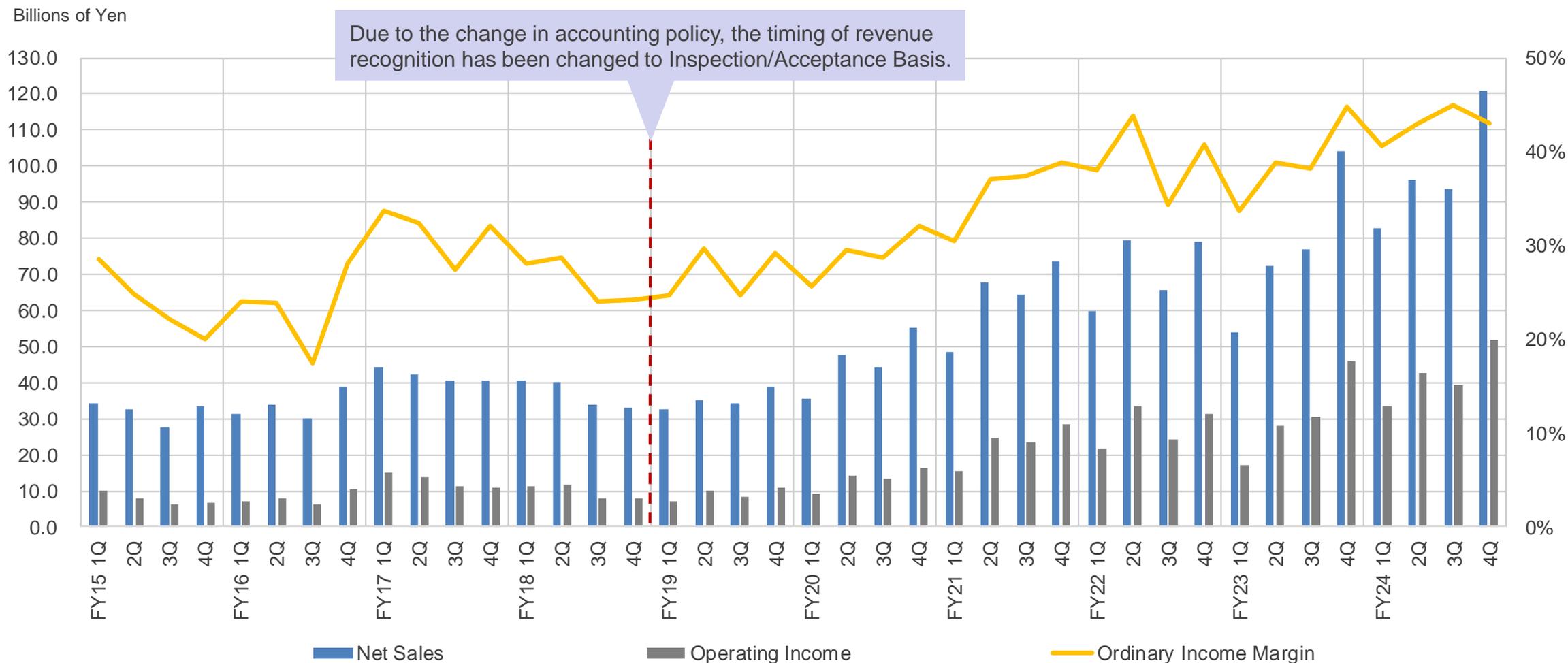
FY2024 Earnings Results



Billions of Yen	FY2024 Full Year	FY2023 Full Year	YoY	
			Amount	(%)
Net Sales	393.3	307.6	85.8	27.9%
Gross Profit	277.6	208.6	68.9	33.0%
Gross Profit Margin	70.6%	67.8%	2.8p	-
SG&A	110.7	87.2	23.6	27.1%
Operating Income	166.8	121.5	45.3	37.3%
Ordinary Income	168.9	122.4	46.6	38.0%
Ordinary Income Margin	43.0%	39.8%	3.2p	-
Income before income taxes and minority interests	168.1	114.6	53.6	46.8%
Net Income	123.9	84.2	39.7	47.1%

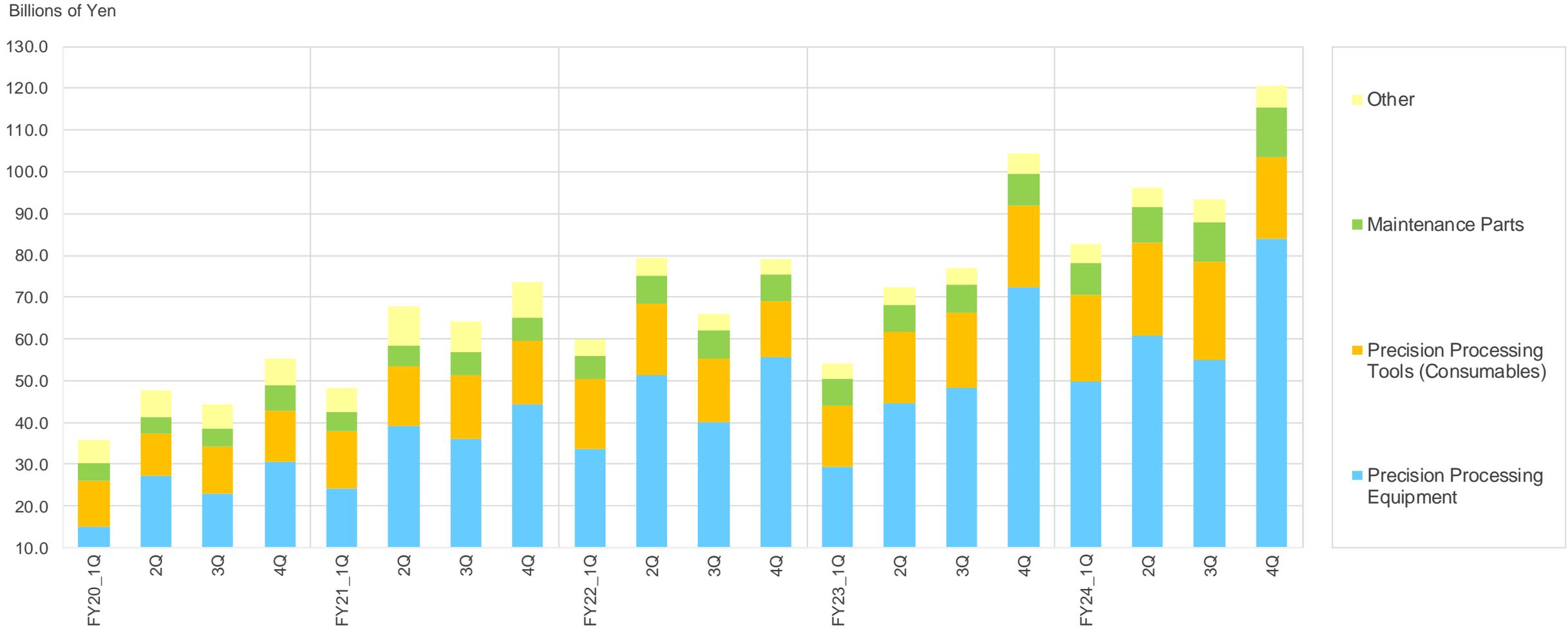
Net Sales: Increased due to high equipment shipment volume and progress in inspection/acceptance for applications such as generative AI.
 GP margin: Increased to a high level due to high value-added products and the exchange rate.
 SG&A: Increased mainly due to personnel and R&D expenses.

Quarterly Financial Results



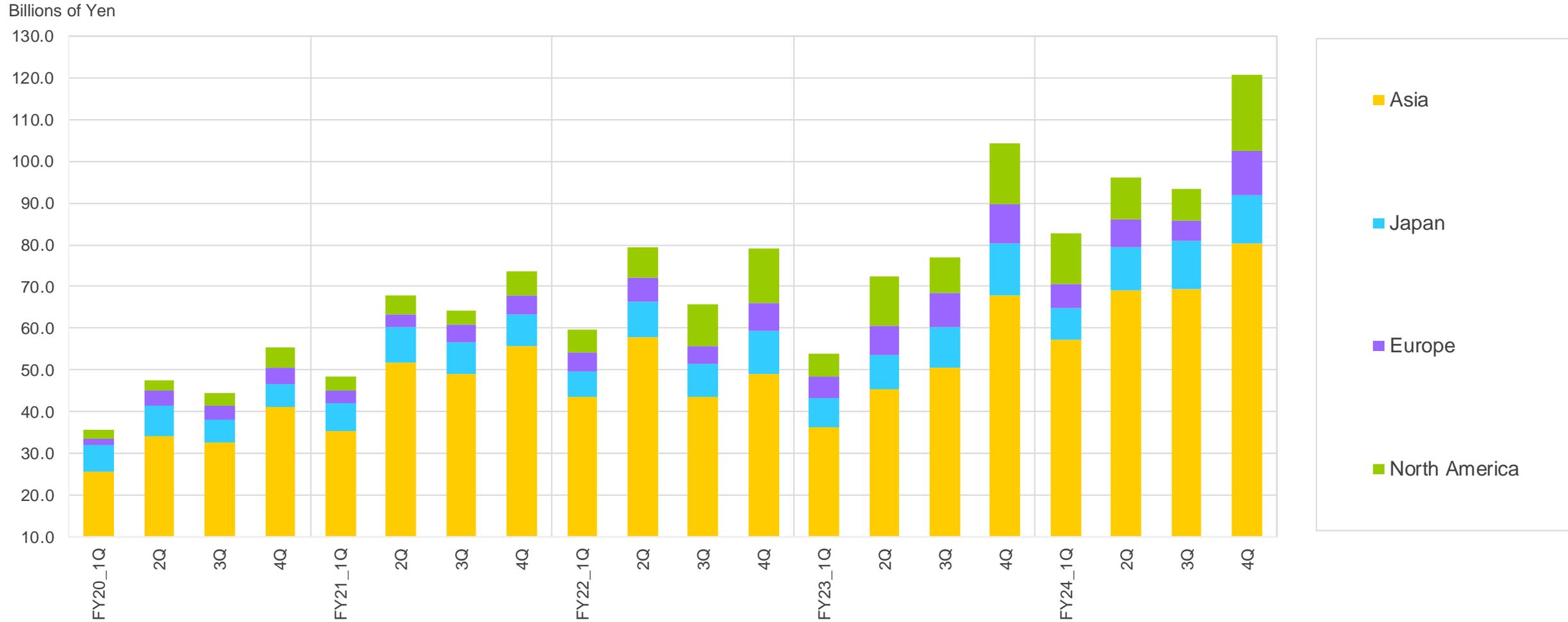
Net sales and both the operating income and ordinary income hit record highs on a quarterly basis.
 (FY24_4Q Operating income margin 42.9%, Ordinary income margin 43.0%, Net income margin 32.0%)

Quarterly Sales Breakdown by Product



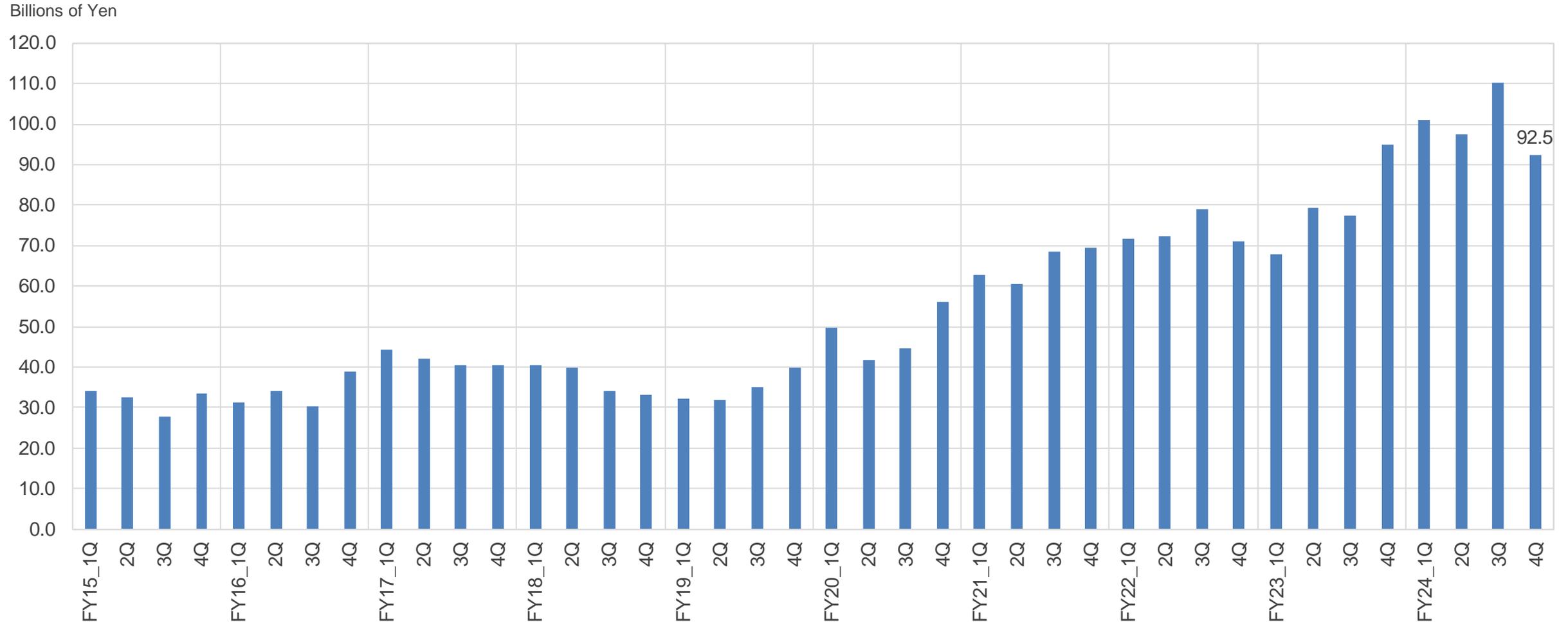
Note: Composition percentages are listed as additional information on the DISCO website.

Quarterly Sales Breakdown by Region



FY24_4Q Overseas sales ratio: 90.4%

Quarterly Shipments



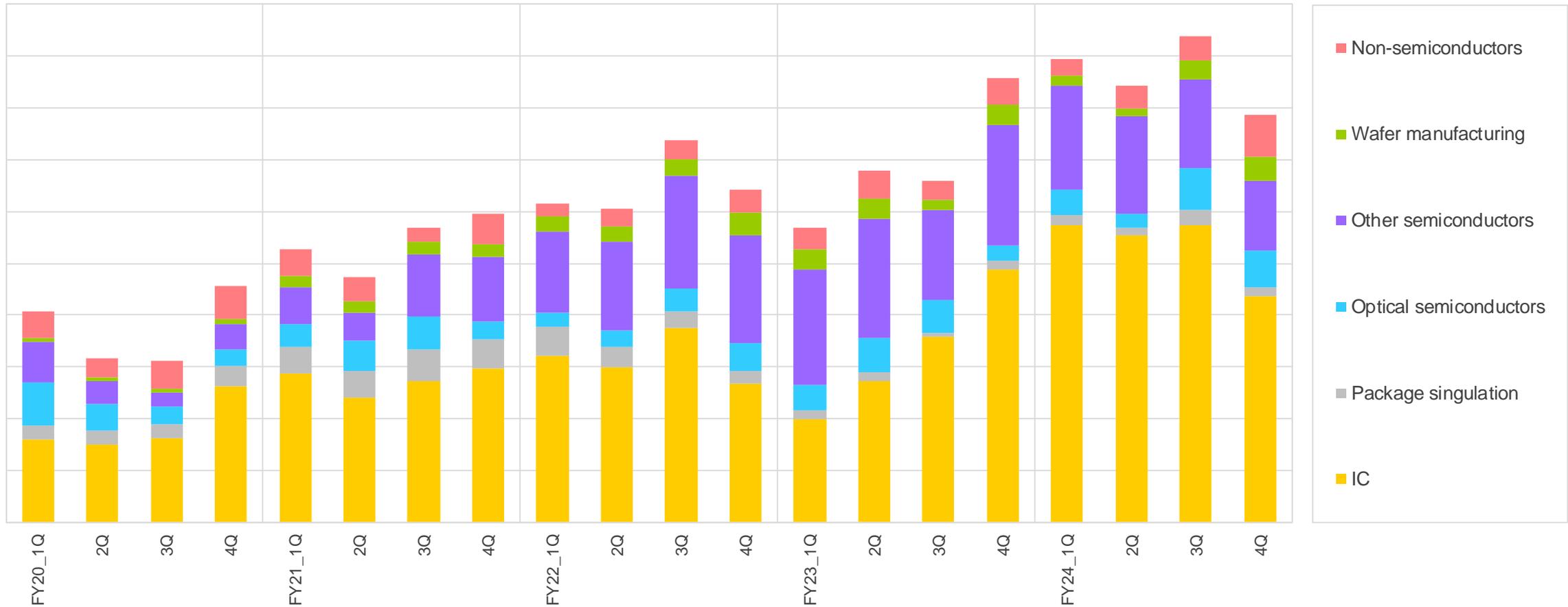
FY24_4Q Shipment total: approx. 92.5 billion yen

Precision Processing Equipment: Sales by Application



Shipment Basis

Precision Processing Equipment

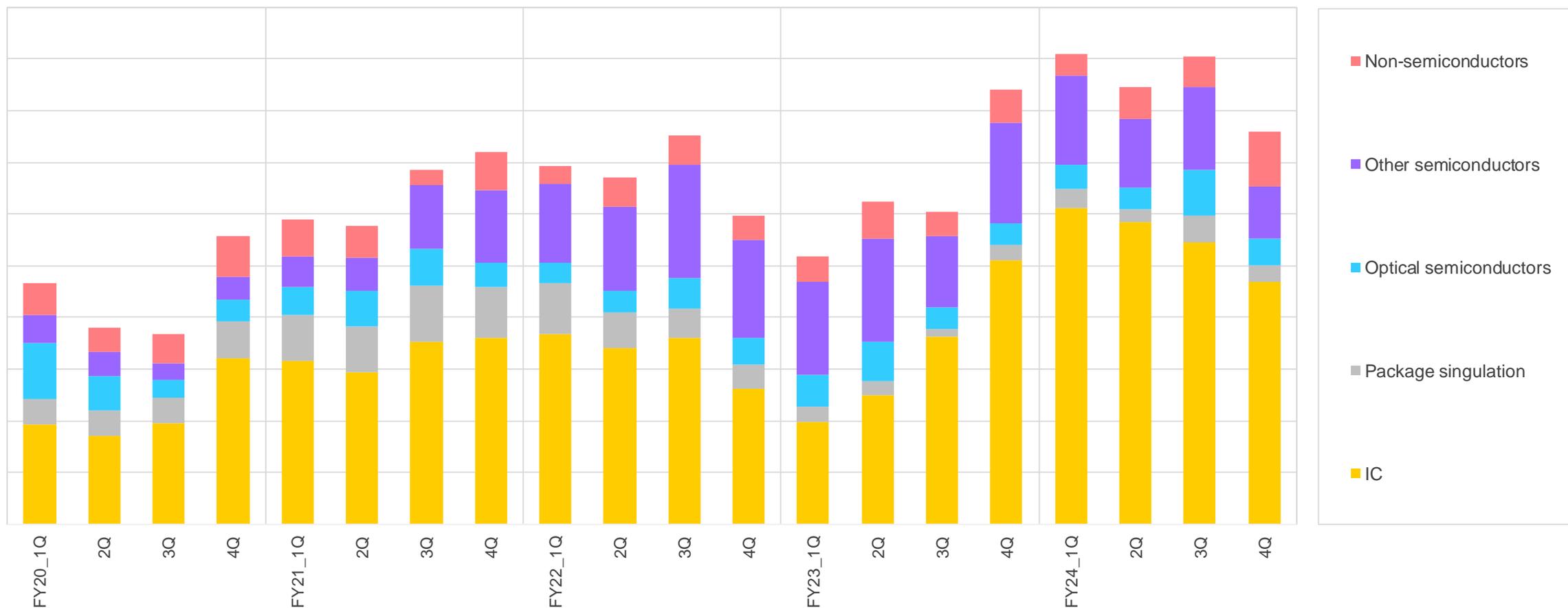


QoQ: Although sales for non-semiconductors increased, a decrease in sales for IC drove down the whole.
 YoY: Decreased for power semiconductors due to a slowdown in the demand for EV.

Dicer: Sales by Application

Shipment Basis

Dicer



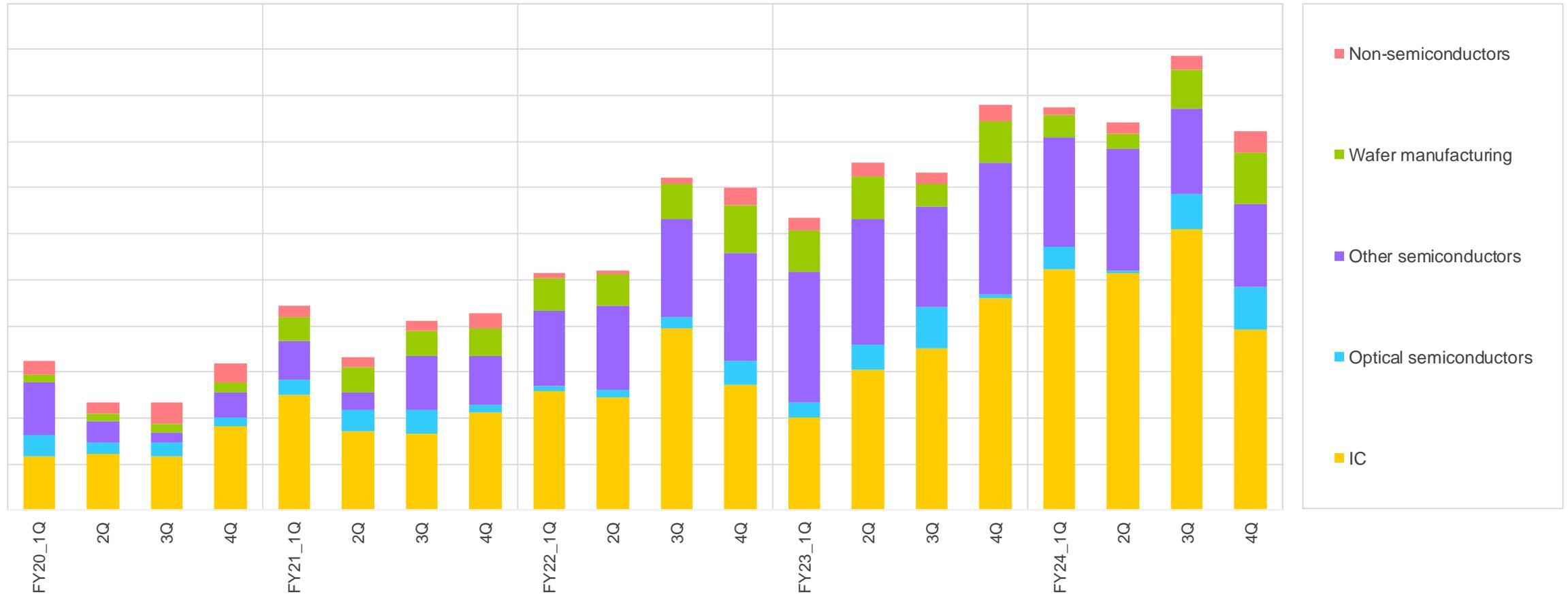
QoQ: Decreased for IC, in particular for memory and power semiconductors.

YoY: Decreased for power semiconductors due to a slowdown in the demand for EV.

Grinder: Sales by Application

Shipment Basis

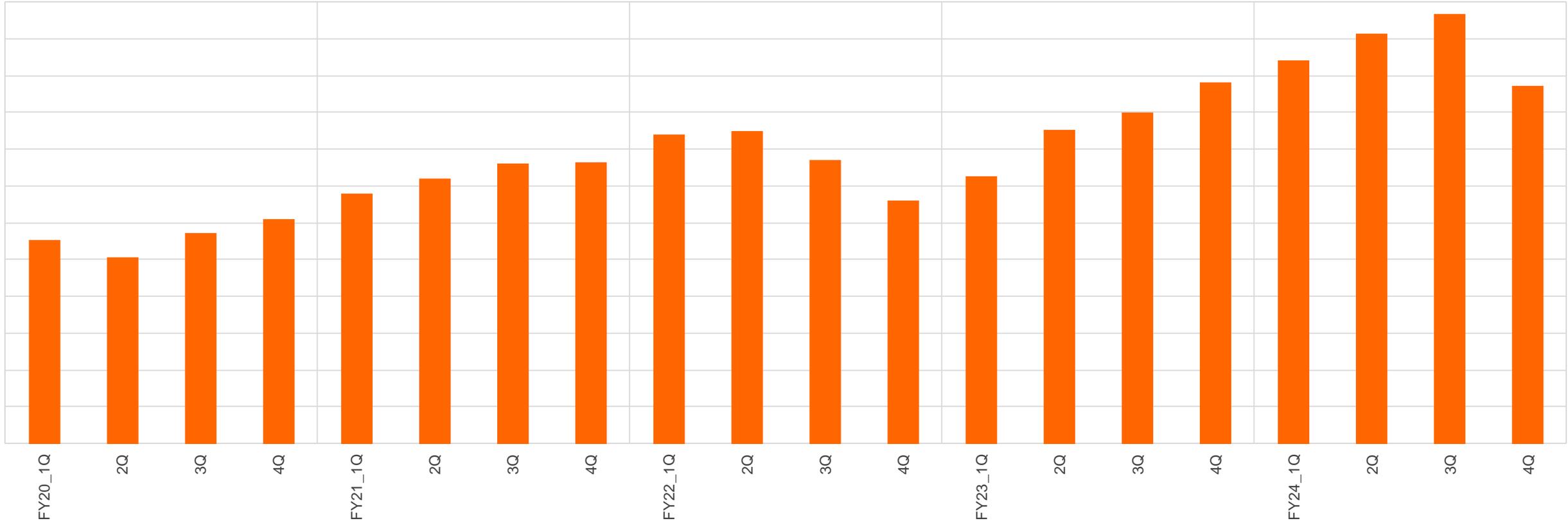
Grinder



QoQ: Although sales for wafer manufacturing and non-semiconductors increased, a decrease in sales for IC drove down the whole.

YoY: An increase in sales for optical semiconductors and wafer manufacturing supported the whole despite a decrease for power semiconductors.

Precision Processing Tools Sales (Consumables)



Precision processing tool (consumables) shipments decreased due to seasonality, etc.

Balance Sheet (Summary)

Billions of Yen	FY2024 4Q	FY2024 3Q	Amount
Cash and deposits	229.2	263.5	-34.3
Notes and account receivable	43.2	42.7	0.5
Inventories	139.0	140.9	-1.9
Total current assets	424.5	456.4	-31.9
Property, plant and equipment	204.0	151.7	52.3
Total noncurrent assets	229.6	172.4	57.2
Total assets	654.1	628.8	25.3
Current liabilities	160.4	173.9	-13.5
Noncurrent liabilities	1.0	0.8	0.2
Total liabilities	161.4	174.7	-13.3
Total net assets	492.7	454.1	38.6
Total liabilities and net assets	654.1	628.8	25.3
Equity Ratio	75.1%	72.0%	3.1p

Total assets: Increased mainly in property, plant and equipment.
 Liabilities: Decreased mainly in contract liabilities (current liabilities).
 Net assets: Increased mainly in earned surplus.

Cash Flow (Summary)

Billions of Yen	FY2024 Full Year	FY2023 Full Year	Amount
Net cash provided by (used in) operating activities	120.4	97.5	22.8
Income before income taxes and minority interests	168.1	114.6	53.6
Depreciation and amortization	12.2	11.0	1.2
Decrease (increase) in notes and accounts receivable-trade	2.9	-2.7	5.5
Decrease (increase) in inventories	-24.6	-22.2	-2.4
Increase (decrease) in notes and accounts payable-trade	-4.8	9.6	-14.4
Income taxes (paid) refund	-37.7	-31.6	-6.1
Others	4.3	18.8	-14.5
Net cash provided by (used in) investing activities	-68.0	-16.4	-51.6
Purchase of property, plant and equipment	-66.9	-16.1	-50.7
Free cash flow	52.4	81.1	-28.8
Net cash provided by (used in) financing activities	-38.2	-30.9	-7.2
Cash dividends paid	-38.5	-31.1	-7.4
Net change in of cash and cash equivalents	13.7	52.4	-38.8
Cash and cash equivalents at beginning of period	215.5	163.1	52.4
Cash and cash equivalents at end of period	229.2	215.5	13.7

- Sales cash flow: approx. 120.4 B yen (increase)
Increased mainly due to income before taxes
 - Investment cash flow: approx. JPY -68.0 B (decrease)
Decreased mainly due to acquisition of property, plant and equipment
 - Free cash flow: approx. JPY 52.4 B (increase)
 - Financial cash flow: approx. JPY -38.2 B (decrease)
Decreased mainly due to dividend payout
- Cash balance as of the end of March: approx. JPY 229.2 B

Dividend Policy and Dividend Payments

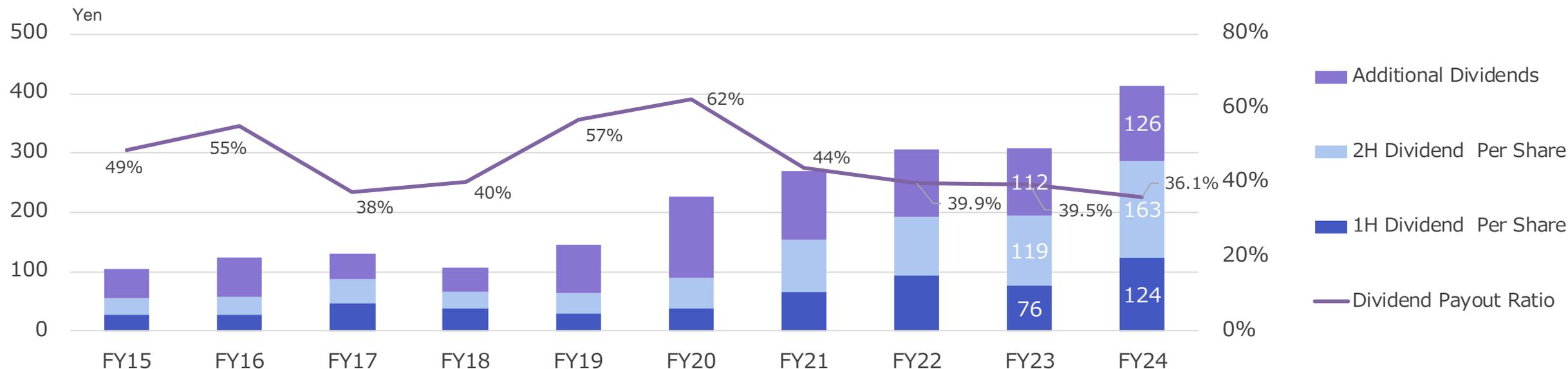


Dividend Policy

- 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 yen per half-year will be maintained. This means that the minimum yearly dividend will be 20 yen.
- 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 yen payout stipulated in our stable dividend policy may be reviewed if there are consolidated net losses for three consecutive years.



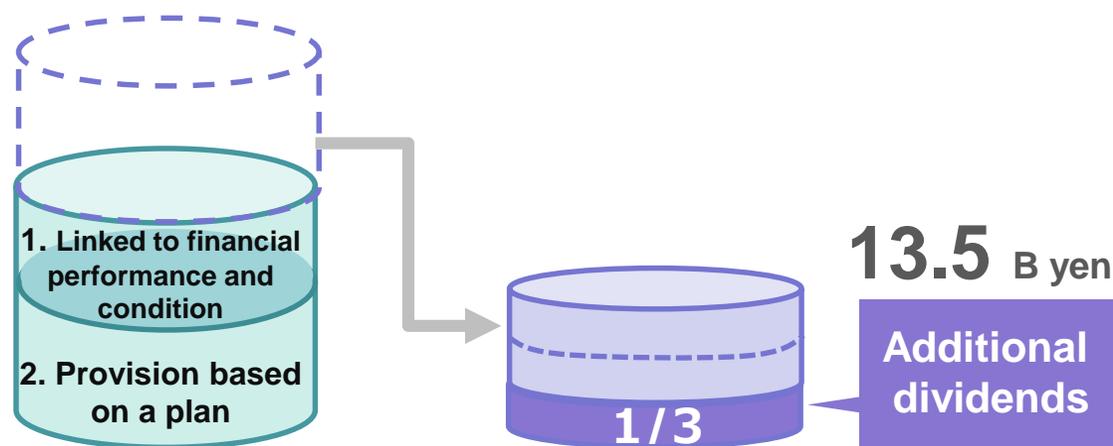
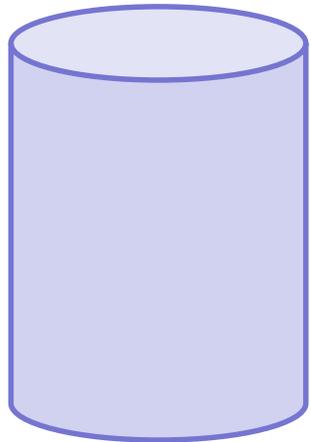
FY24 (actual figure) Interim: 124 yen Year-end: 289 yen Annual: 413 yen (record high)

*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

* Year-end balance 168.4 B yen	−	Necessary funds 127.8 B yen	=	Surplus funds 40.6 B yen
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Breakdown of necessary funds:

1	Operating funds	65.5 B yen
	(Previous year Consolidated sales ÷ 12 months x 2)	
	Technical purchases (including M&A)	28.0 B yen
	(Consolidated sales Average of past 3 years x 10%)	
	Refund of interest bearing debt	−
	Taxes and dividends	36.8 B yen
2	Facility expansion	22.5 B yen
	(Reconstruction of the Haneda R&D Center)	
3	** Withdrawal from technical purchases funds	-25.0 B yen

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

**Withdrawal from technical purchases funds in order to purchase real estate for R&D purposes.

Earnings Forecast FY2025 Q1



Billions of Yen

Forecast

	FY24 1Q	2Q	3Q	4Q	FY25 1Q
Net Sales	82.8	96.2	93.6	120.7	75.0
Operating Income	33.4	42.6	39.1	51.7	23.8
Ordinary Income	33.6	41.4	42.0	51.9	23.8
Net Income	23.7	29.7	31.8	38.6	16.7
Operating Income Margin	40.3%	44.2%	41.8%	42.9%	31.7%
Ordinary Income Margin	40.6%	43.0%	44.9%	43.0%	31.7%
Net Income Margin	28.6%	30.9%	34.0%	32.0%	22.3%
Shipment Figures	101.1	97.6	110.3	92.5	102.0

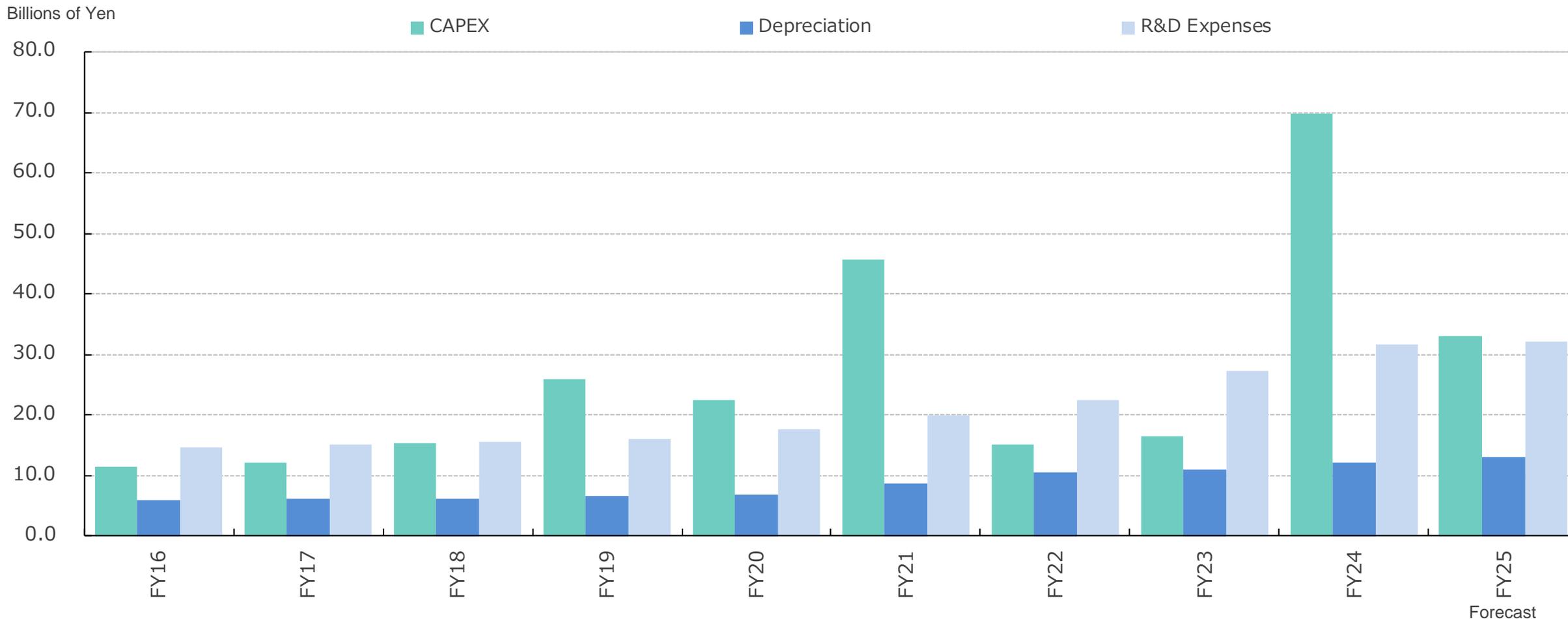
Assumed exchange rate for 1Q (Apr-June): 1 US dollar = 135 yen, 1 euro = 155 yen
 Currency sensitivity (annualized) US dollar: Approx. 1.6 billion yen, Euro: Approx. 0.1 billion yen

Sales Forecast By Product

Shipment Basis

Product		Forecast FY25_1Q (QoQ)
	Blade dicers	30%
	Laser Saws	20%
	Dicers	25%
	Grinders	15%
	Accessory Equipment	0%
Precision Processing Equipment		20%
Precision Processing Tools (Consumables)		5%
Others		-15%

R&D/CAPEX Forecast



FY24 Actual CAPEX: Approx. 70 billion yen
 *including acquisition of real estate looking ahead to R&D facility expansion (Approx. 50 billion yen)

FY25 Forecast CAPEX: Approx. 33 billion yen
 Depreciation: Approx. 13 billion yen
 Research and Development: Approx. 32 billion yen

Breakdown of CAPEX



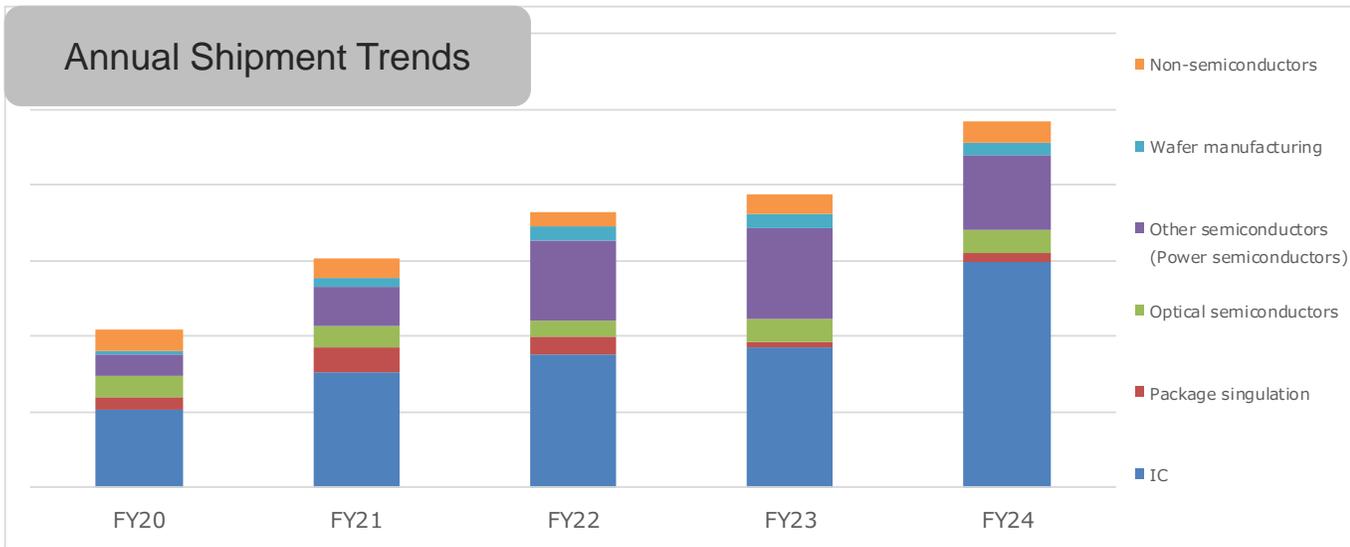
Real Estate for R&D:
 Haneda R&D Center new building:
 Hiroshima Works new plant:

Approx. 50 billion yen
 Approx. 13 billion yen
 Approx. 33 billion yen

Payment timing: FY24
 Payment timing: FY25~27
 Payment timing: FY25~27

■ Shipment Trend:

Demand for PCs and smartphones has not yet reached a full-scale recovery. Investment appetite for power semiconductors has declined due to a slowdown in the shift to EV. However, equipment shipment continued to remain at a high level for demands related to generative AI.

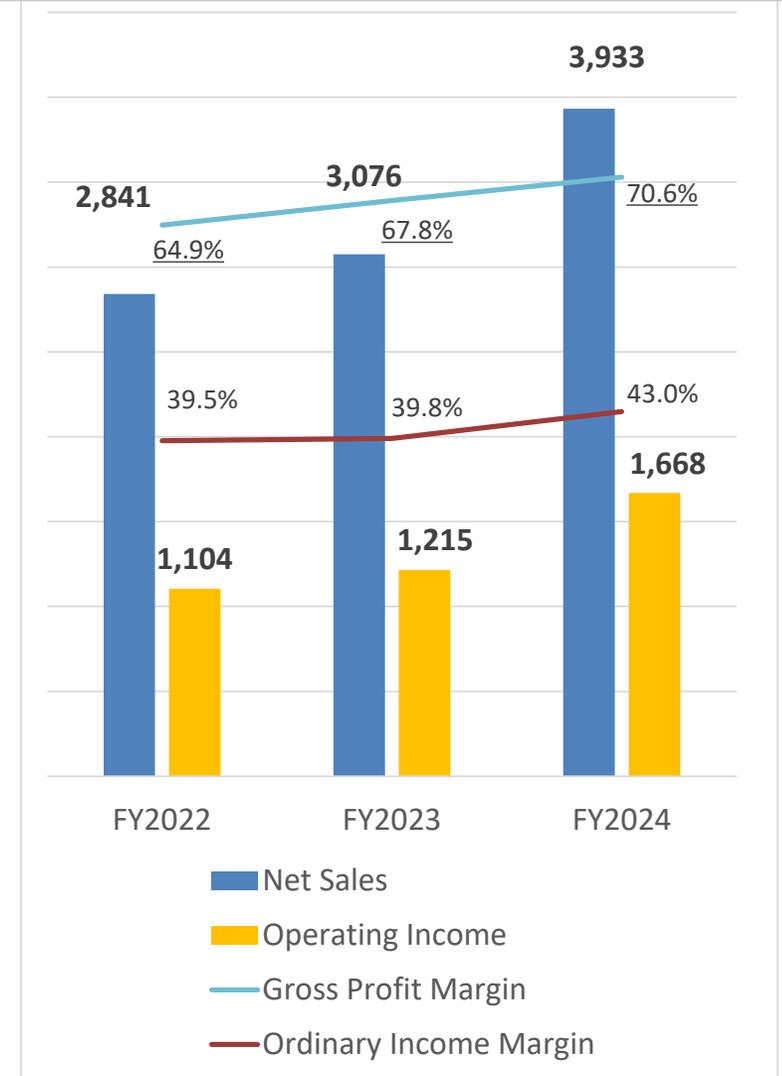


■ **Performance:** Annual GP margin reached the 70% mark owing to high value-added transactions and a favorable exchange rate, resulting in a profitability increase for both equipment and consumables.

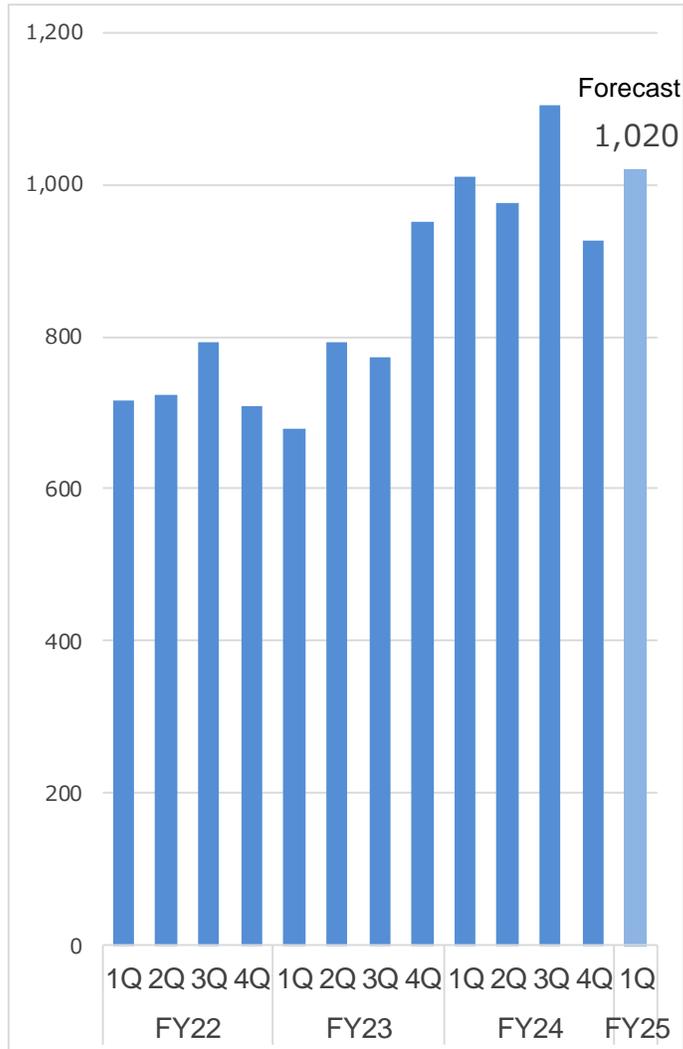
■ Acquired real estate looking ahead to R&D facility expansion.

■ Annual dividend was the highest ever recorded at 413 yen due to a record high gross profit and surplus funds.

Business Performance Trend (acceptance basis) (100 million yen)



Quarterly Shipment Total Trends
(100 million yen)



- Customers' investment appetite and trend in demand need to be closely monitored following the newly-implemented tariffs.
 - A move to invest in facilities for mass production is not being seen.
 - Trend of consumables that are linked to factors such as end product demand and customer facility operation rates needs to be closely monitored.

- For generative AI, as the shipment total is linked to the final demand, the shipment trend is expected to remain at a high level.

- DISCO will continue to proactively invest in anticipation of a mid-to-long term increase in semiconductor demand.
 - New building at the Haneda R&D Center (construction scheduled to begin in 2025)
 - New plant at Hiroshima Works (construction scheduled to begin in 2026)

- DISCO continues to implement activities that will strengthen the company despite whether the market is busy or not and is continuing to put effort into organizational management through DISCO VALUES, Will Accounting, and PIM activities.

[Reference] Half-Year and Full-Year Transition Graphs

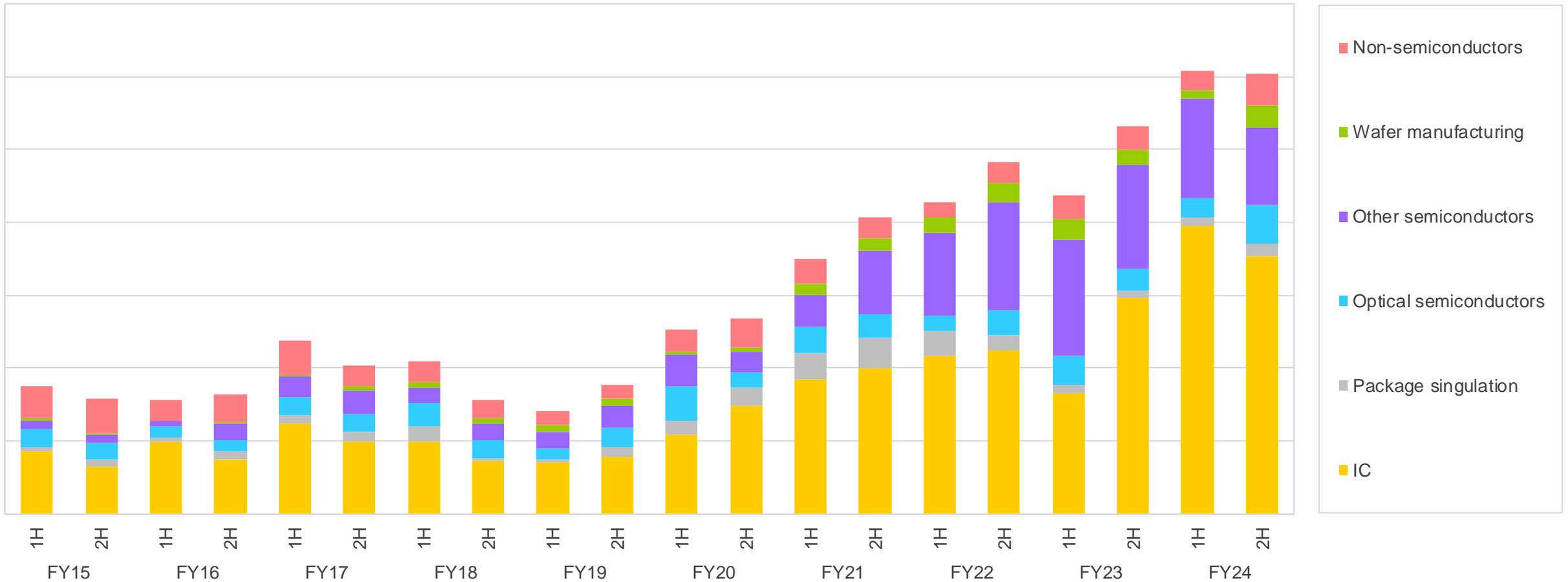
Precision Processing Equipment: Sales by Application



Shipment Basis

Half-Year

Precision Processing Equipment

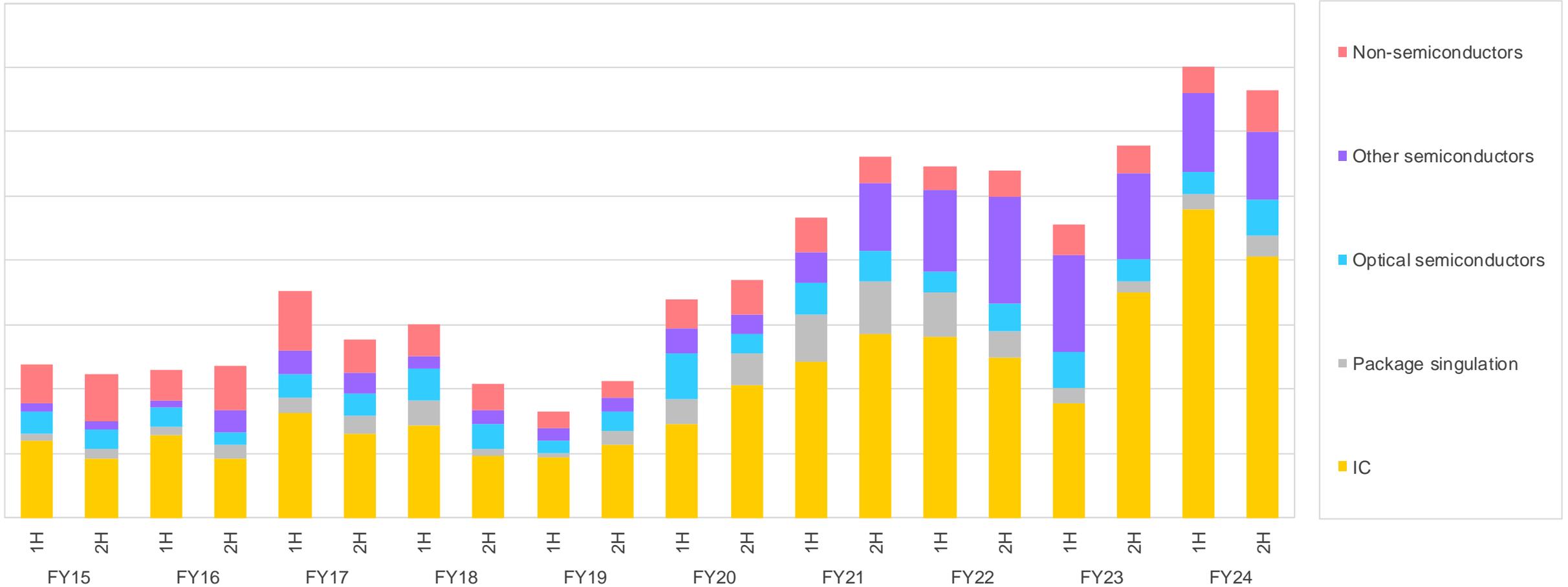


Dicer: Sales by Application

Shipment Basis

Half-Year

Dicer

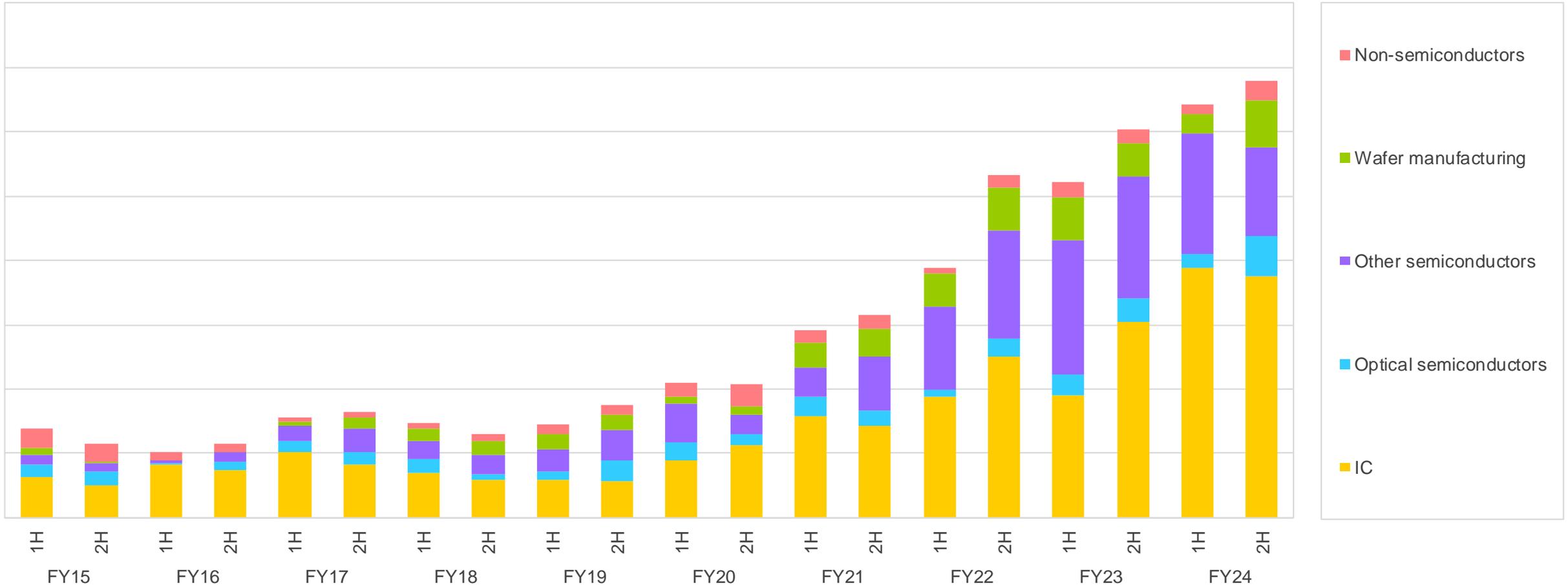


Grinder: Sales by Application

Shipment Basis

Half-Year

Grinder

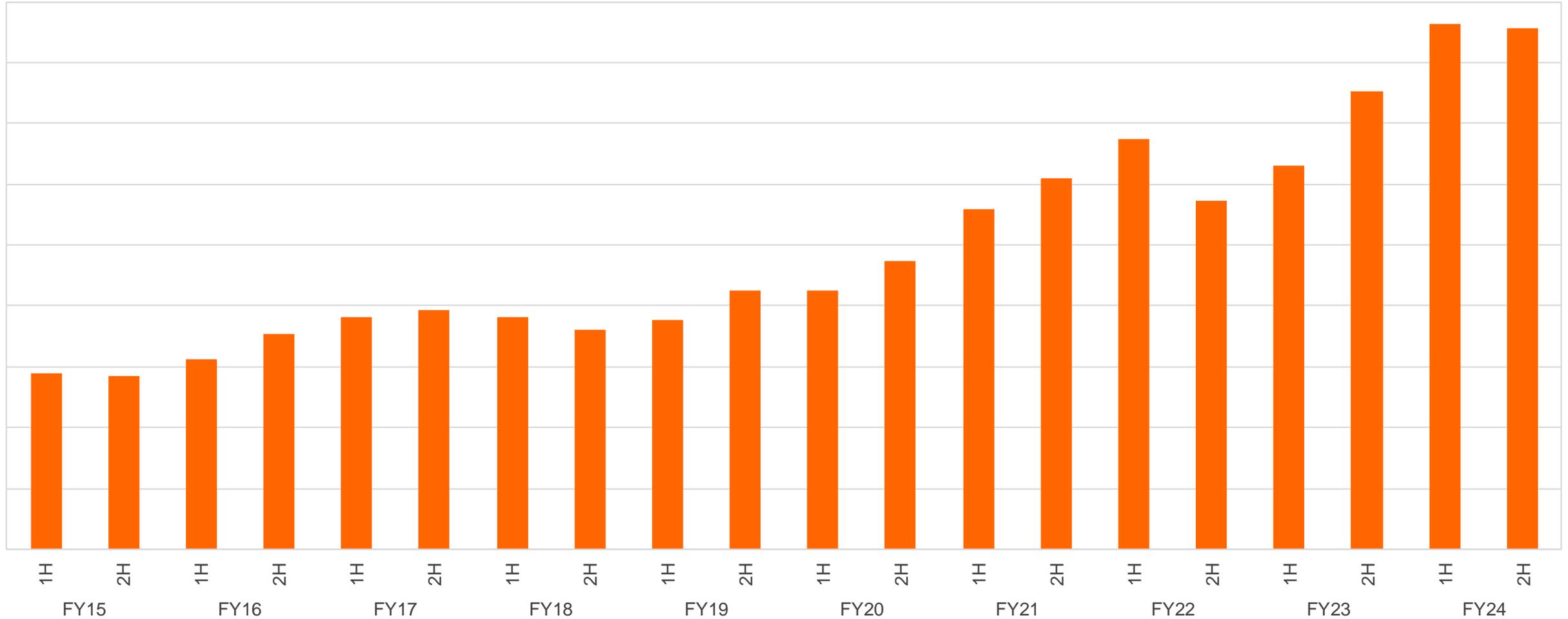


Precision Processing Tools Sales (Consumables)



Shipment Basis

Half-Year



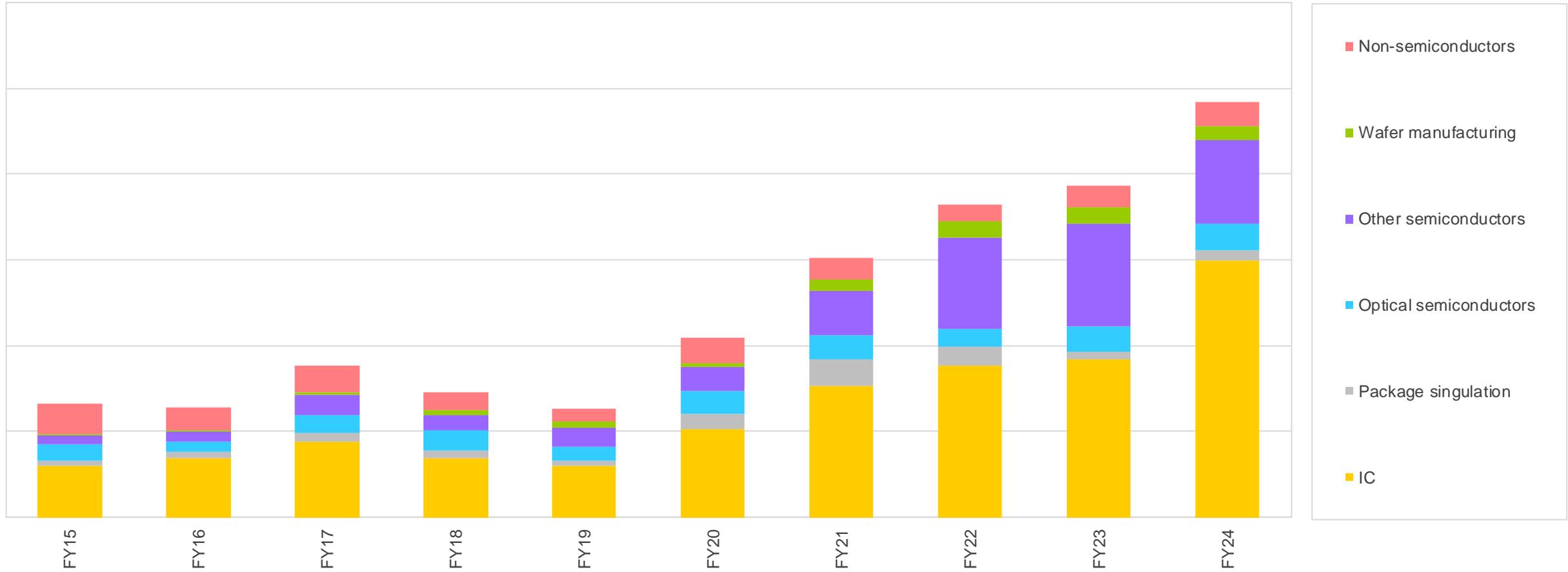
Precision Processing Equipment Sales by Application



Shipment Basis

Full-year

Precision Processing Equipment

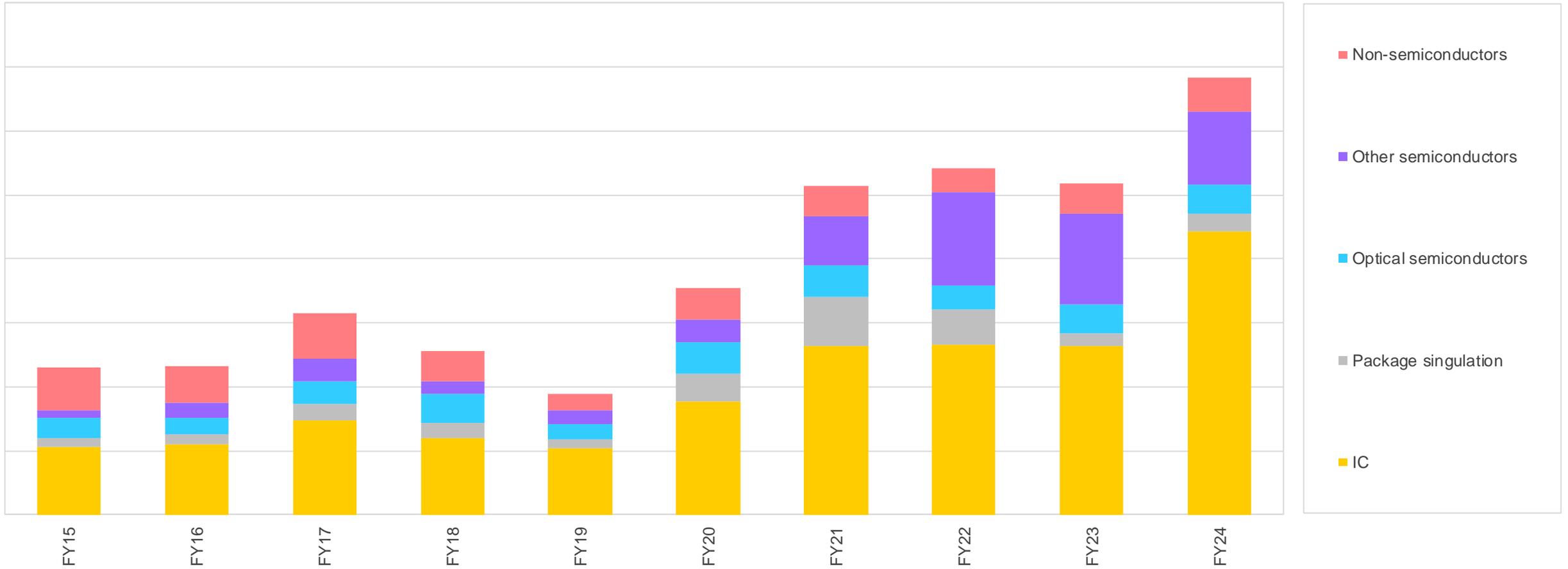


Dicing Saw Sales by Application

Shipment Basis

Full-year

Dicer

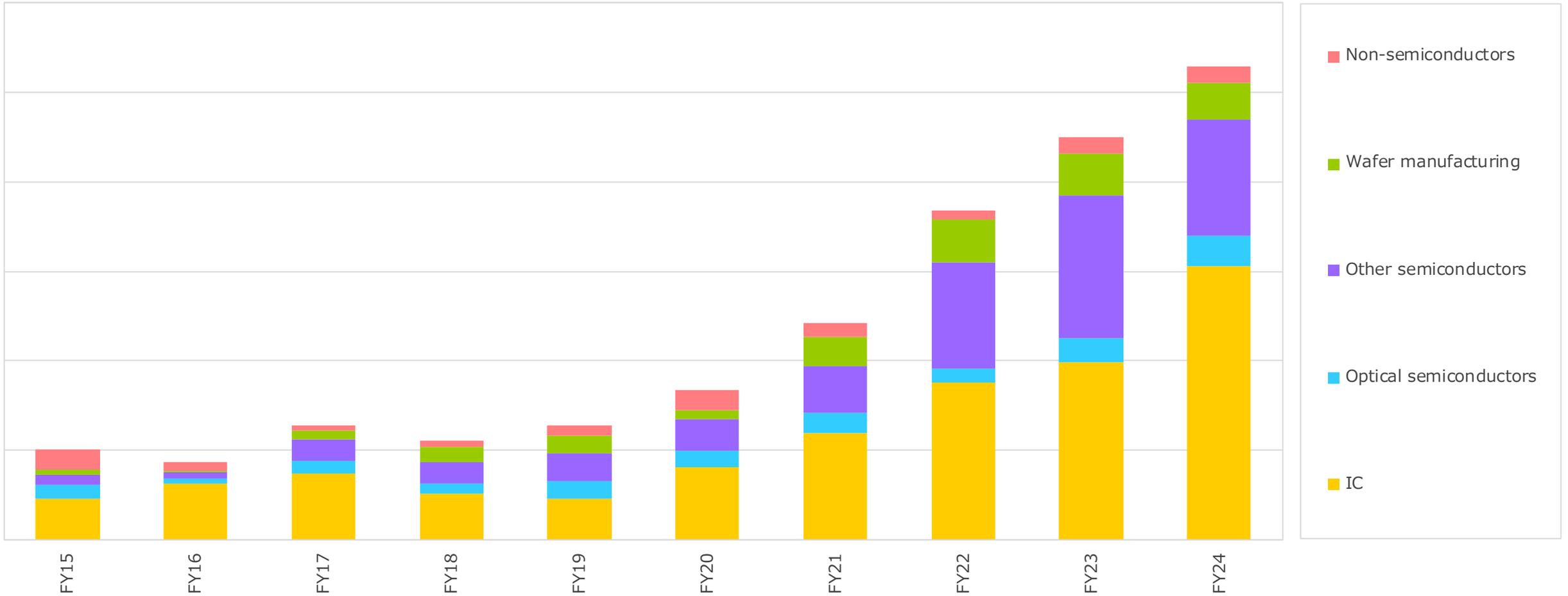


Grinder Sales by Application

Shipment Basis

Full-year

Grinder

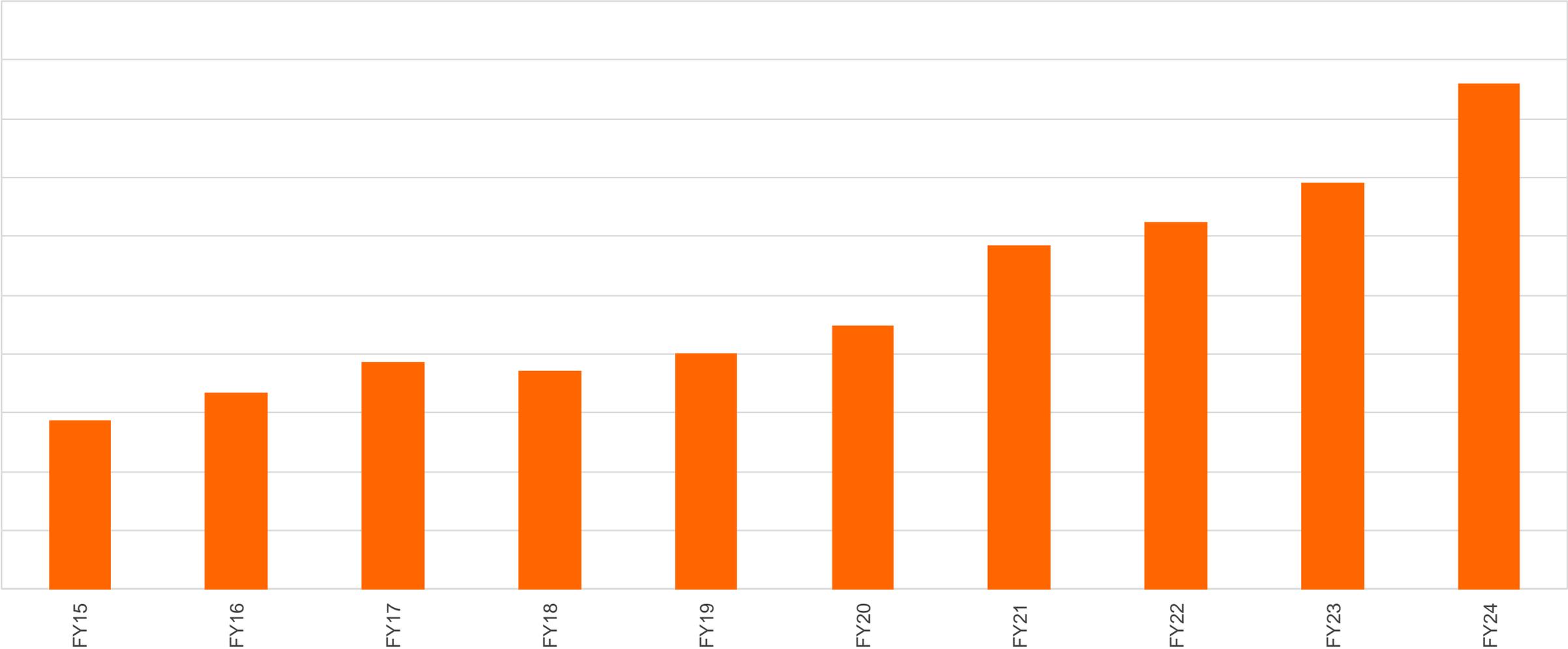


Consumable Sales



Shipment Basis

Full-year



Reference Data

Shipment Basis

Product	4Q			2H		Full Year	
	Composition	QoQ	YoY	Composition	YoY	Composition	YoY
Precision Processing Equipment	64%	-15%	-6%	63%	15%	64%	26%
Dicers	33%	-16%	-10%	33%	15%	34%	32%
Blade Dicers	15%	-30%	-22%	17%	9%	17%	18%
Laser Saws	18%	1%	4%	16%	22%	17%	50%
Grinders	27%	-16%	-6%	27%	12%	26%	17%
DGP (for thin wafers)	16%	-31%	10%	18%	36%	18%	56%
Other Grinders	11%	20%	-23%	9%	-16%	9%	-22%
Accessory Equipment	4%	1%	58%	4%	50%	4%	35%
Precision Processing Tools	21%	-15%	1%	21%	13%	22%	25%
Others	15%	-20%	7%	16%	36%	14%	27%
Total	100%	-16%	-3%	100%	18%	100%	26%

Composition by Application



Shipment Basis

		FY23				FY24			
Product	Application	23-1Q	23-2Q	23-3Q	23-4Q	24-1Q	24-2Q	24-3Q	24-4Q
Dicers	IC	38%	40%	60%	61%	67%	69%	60%	62%
	Package singulation	6%	4%	2%	4%	4%	3%	6%	4%
	Optical semiconductors	12%	12%	7%	5%	5%	5%	10%	7%
	Other semiconductors	34%	32%	23%	23%	19%	16%	18%	13%
	Non-semiconductors	10%	11%	8%	8%	5%	7%	7%	14%
Dicers		100%							
Grinders	IC	32%	41%	48%	52%	60%	61%	62%	48%
	Optical semiconductors	5%	7%	12%	1%	6%	1%	8%	11%
	Other semiconductors	45%	36%	30%	32%	27%	31%	19%	22%
	Wafer manufacturing	14%	12%	7%	10%	6%	4%	9%	14%
	Non-semiconductors	5%	4%	3%	4%	2%	3%	3%	6%
Grinders		100%							

YoY by Application



Shipment Basis

		FY23				FY24			
Product	Application	23-1Q	23-2Q	23-3Q	23-4Q	24-1Q	24-2Q	24-3Q	24-4Q
Dicers	IC	-46%	-27%	1%	94%	210%	135%	50%	-8%
	Package singulation	-71%	-60%	-76%	-32%	23%	-15%	270%	7%
	Optical semiconductors	55%	81%	-28%	-18%	-26%	-46%	112%	26%
	Other semiconductors	18%	23%	-37%	2%	-3%	-33%	15%	-48%
	Non-semiconductors	40%	24%	-15%	35%	-17%	-13%	26%	65%
Dicers		-25%	-7%	-19%	41%	75%	36%	49%	-10%
Grinders	IC	-23%	25%	-11%	69%	160%	68%	73%	-14%
	Optical semiconductors	253%	207%	267%	-81%	46%	-86%	-15%	819%
	Other semiconductors	74%	50%	3%	22%	-16%	-4%	-15%	-37%
	Wafer manufacturing	24%	37%	-37%	-15%	-45%	-62%	79%	26%
	Non-semiconductors	198%	244%	74%	-4%	-50%	-24%	19%	31%
Grinders		24%	45%	1%	25%	37%	11%	34%	-6%

QoQ by Application



Shipment Basis

		FY23				FY24			
Product	Application	23-1Q	23-2Q	23-3Q	23-4Q	24-1Q	24-2Q	24-3Q	24-4Q
Dicers	IC	-25%	26%	46%	40%	20%	-4%	-7%	-14%
	Package singulation	-37%	-5%	-50%	126%	14%	-34%	119%	-35%
	Optical semiconductors	22%	22%	-46%	1%	10%	-12%	115%	-40%
	Other semiconductors	-6%	12%	-30%	39%	-11%	-22%	19%	-37%
	Non-semiconductors	7%	38%	-33%	36%	-34%	46%	-3%	77%
Dicers		-13%	20%	-3%	39%	8%	-7%	7%	-16%
Grinders	IC	-26%	53%	15%	31%	14%	-2%	18%	-35%
	Optical semiconductors	-36%	55%	70%	-89%	402%	-85%	952%	20%
	Other semiconductors	21%	-3%	-20%	30%	-17%	10%	-29%	-3%
	Wafer manufacturing	-15%	3%	-48%	85%	-45%	-29%	148%	29%
	Non-semiconductors	-23%	8%	-21%	46%	-59%	62%	24%	61%
Grinders		-9%	19%	-3%	20%	-1%	-4%	17%	-16%

Composition by Region



Inspection/Acceptance Basis

Composition by Region	FY2023				FY2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Japan	13%	12%	12%	12%	9%	11%	12%	10%
North America	10%	16%	11%	14%	15%	10%	8%	15%
Asia	67%	63%	66%	65%	69%	72%	74%	66%
Singapore	8%	9%	7%	6%	6%	8%	8%	7%
Taiwan	15%	11%	10%	12%	16%	17%	19%	22%
Korea	8%	5%	9%	12%	14%	12%	9%	9%
China (Note 1)	35%	36%	38%	34%	32%	33%	37%	27%
Other	1%	2%	1%	0%	1%	1%	1%	2%
Europe	10%	10%	11%	9%	7%	7%	5%	9%
Total	100%	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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