# FY2025
# Second Quarter Financial Results

October 29, 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.

# FY2025 2Q Earnings Results

DISCO

| Billions of Yen | FY2025 2Q | FY2025 1Q | QoQ Amount | QoQ (%) | FY2024 2Q | YoY Amount | YoY (%) |
|---|---|---|---|---|---|---|---|
| Net Sales | **104.6** | **89.9** | **14.7** | 16.4% | **96.2** | **8.4** | 8.7% |
| Gross Profit | **72.7** | **61.3** | **11.5** | 18.8% | **69.0** | **3.7** | 5.4% |
| Gross Profit Margin | 69.5% | 68.1% | 1.4p | - | 71.7% | -2.2p | - |
| SG&A | **28.4** | **26.8** | **1.6** | 5.9% | **26.5** | **1.9** | 7.2% |
| Operating Income | **44.4** | **34.5** | **9.9** | 28.7% | **42.6** | **1.8** | 4.3% |
| Ordinary Income | **45.5** | **34.0** | **11.5** | 33.7% | **41.4** | **4.0** | 9.7% |
| Ordinary Income Margin | 43.5% | 37.8% | 5.7p | - | 43.0% | 0.5p | - |
| Income before income taxes and minority interests | **44.9** | **33.7** | **11.3** | 33.5% | **41.3** | **3.6** | 8.7% |
| Net Income | **32.1** | **23.8** | **8.4** | 35.3% | **29.7** | **2.4** | 8.1% |

Sales: QoQ Increased due to progress in equipment inspection/acceptance and steady consumable shipments
GP margin: QoQ Increased due to increased profitability from high value-added products
SG&A: QoQ Increased due to personnel and R&D expenses

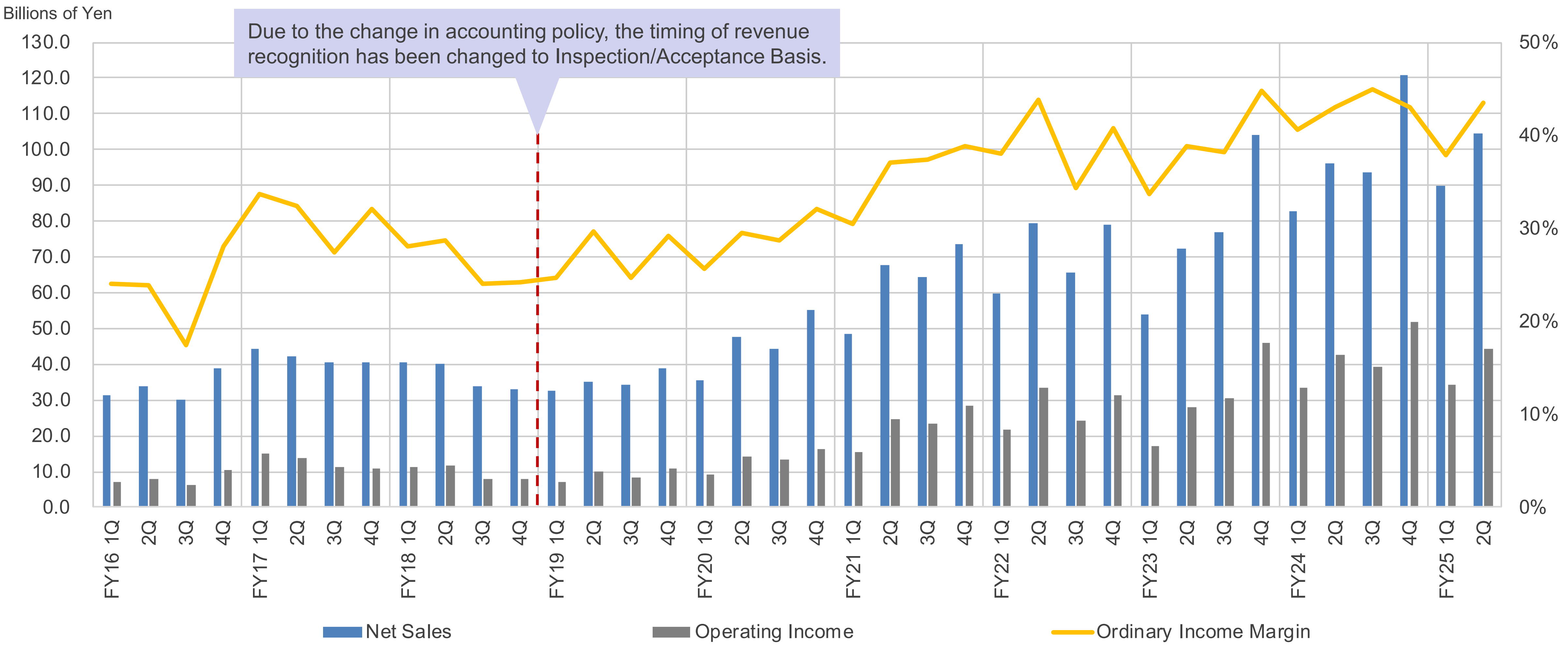
# FY2025 1H Earnings Results

DISCO

| Billions of Yen | FY2025 1H | FY2024 1H | YoY Amount | YoY (%) |
|---|---|---|---|---|
| Net Sales | **194.5** | **179.0** | **15.5** | 8.7% |
| Gross Profit | **134.0** | **126.7** | **7.3** | 5.7% |
| Gross Profit Margin | 68.9% | 70.8% | -1.9p | - |
| SG&A | **55.1** | **50.8** | **4.4** | 8.6% |
| Operating Income | **78.9** | **76.0** | **2.9** | 3.8% |
| Ordinary Income | **79.5** | **75.1** | **4.4** | 5.9% |
| Ordinary Income Margin | 40.8% | 41.9% | -1.1p | - |
| Income before income taxes and minority interests | **78.6** | **74.8** | **3.8** | 5.1% |
| Net Income | **55.9** | **53.4** | **2.5** | 4.6% |

Net Sales: Increased mainly due to an increase in shipments for generative AI and progress in equipment inspection/acceptance
GP margin: Slight decrease in profitability due to product composition and the exchange rate
SG&A: Increased mainly due to personnel and R&D expenses

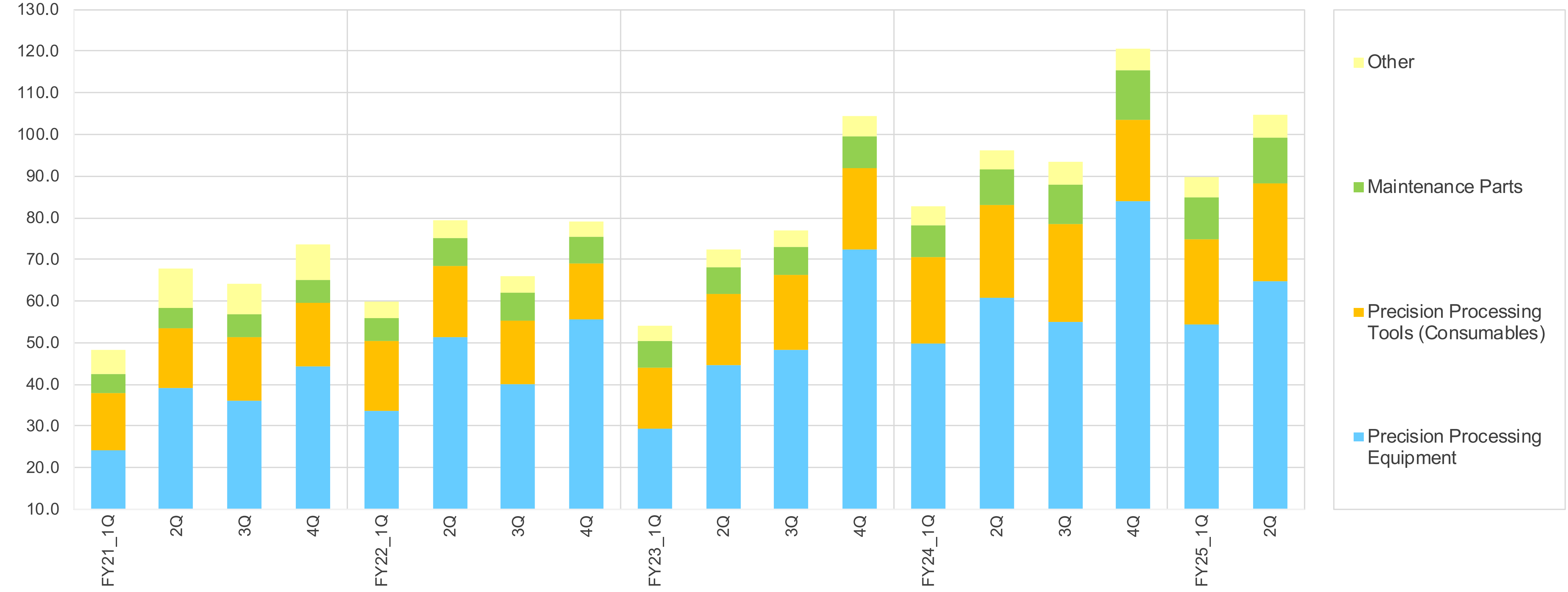
# Quarterly Financial Results




FY25_2Q Operating income margin 42.4%, Ordinary income margin 43.5%, Net income margin 30.7%
Note: Detailed data is available in the Consolidated Financial Information on DISCO's website.

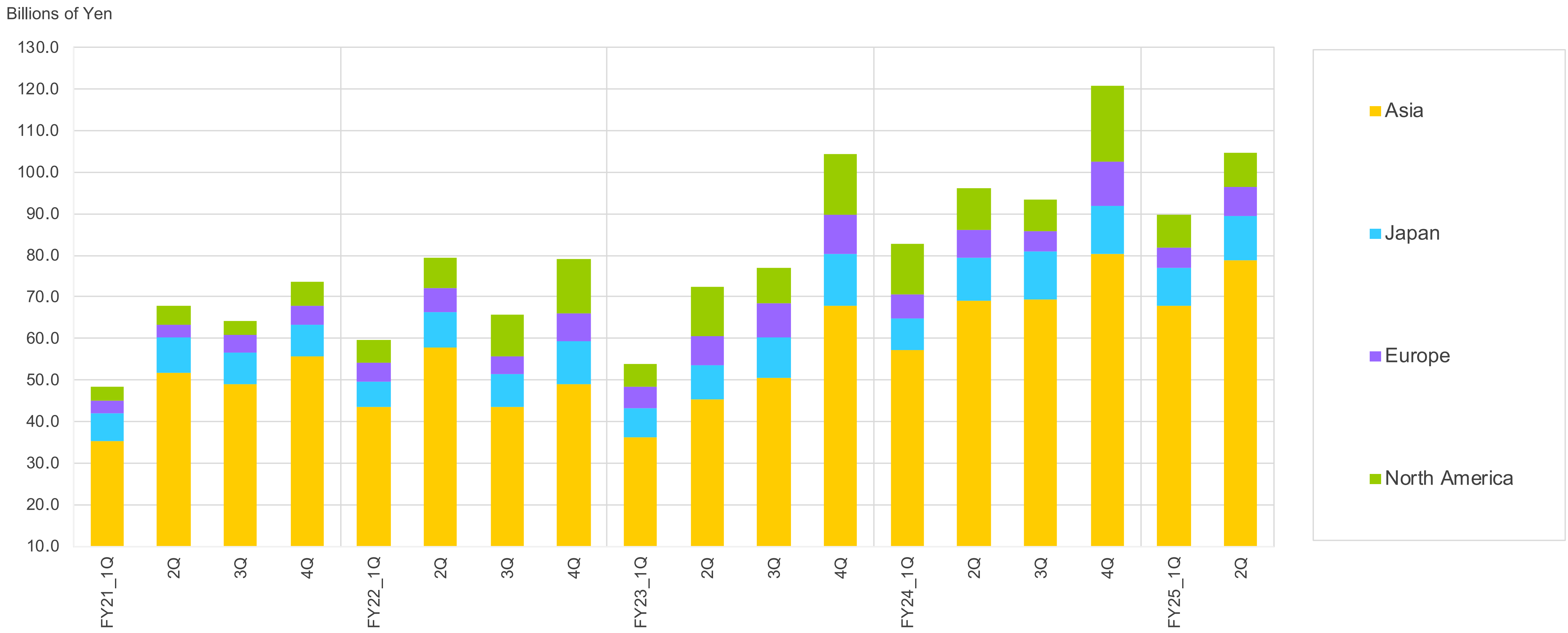
# Quarterly Sales Breakdown by Product

Billions of Yen



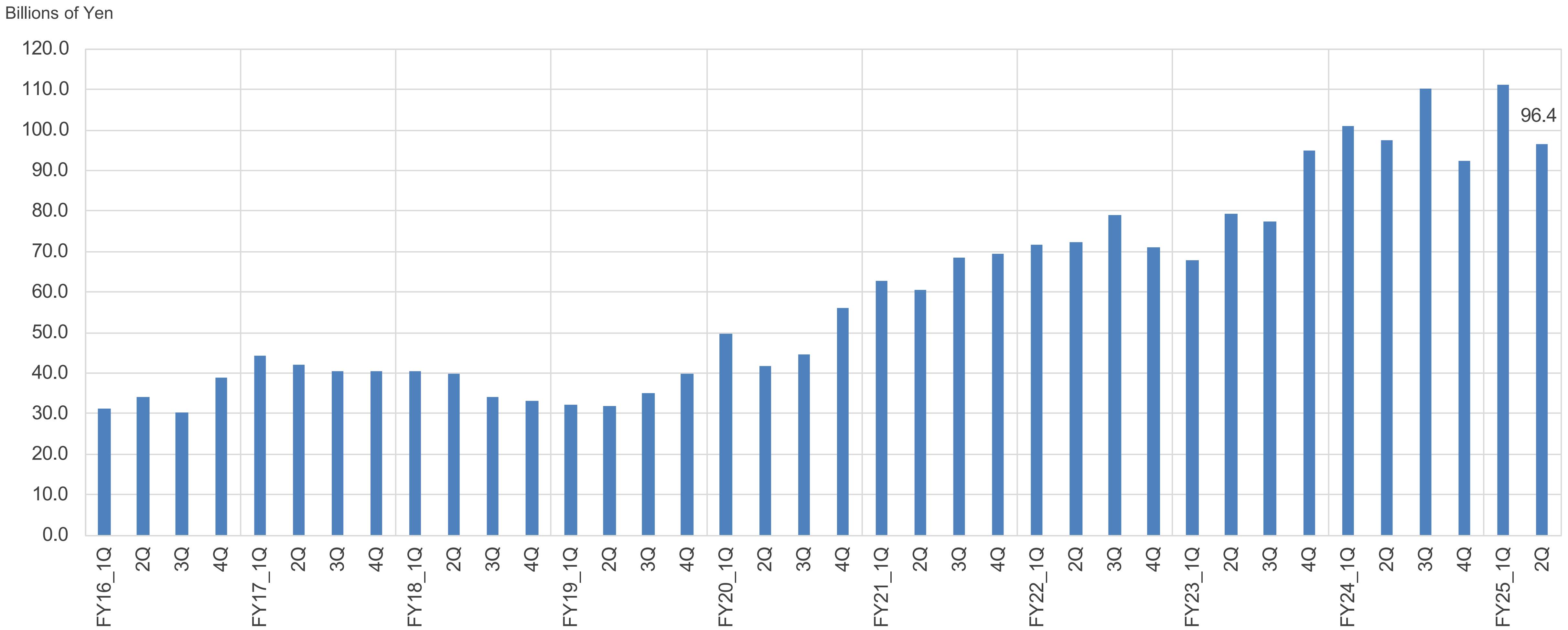

Note: Composition percentages are available in the “Consolidated Financial Information” on DISCO’s website.

# Quarterly Sales Breakdown by Region




FY25_2Q　Overseas sales ratio: 89.9%

# Quarterly Shipments

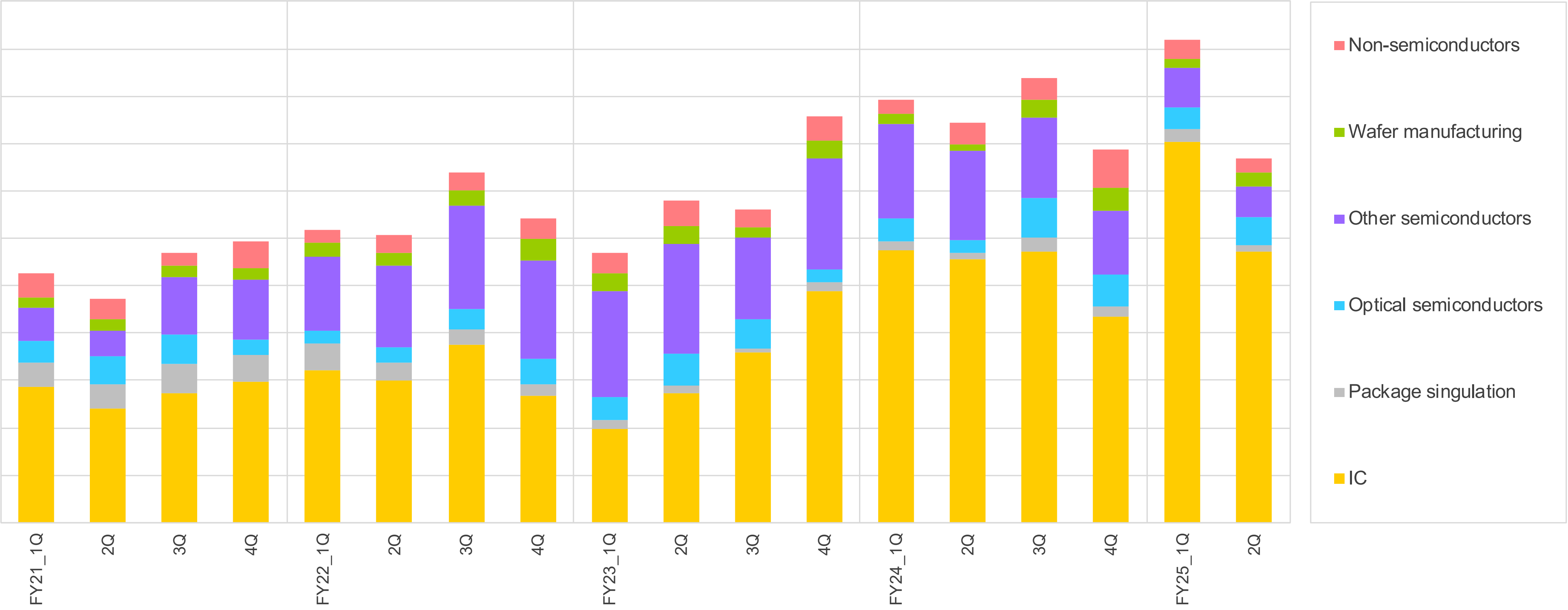



FY25_2Q　Shipment volume: approx. 96.4 billion yen

# Precision Processing Equipment: Sales by Application

Shipment Basis

Precision Processing Equipment



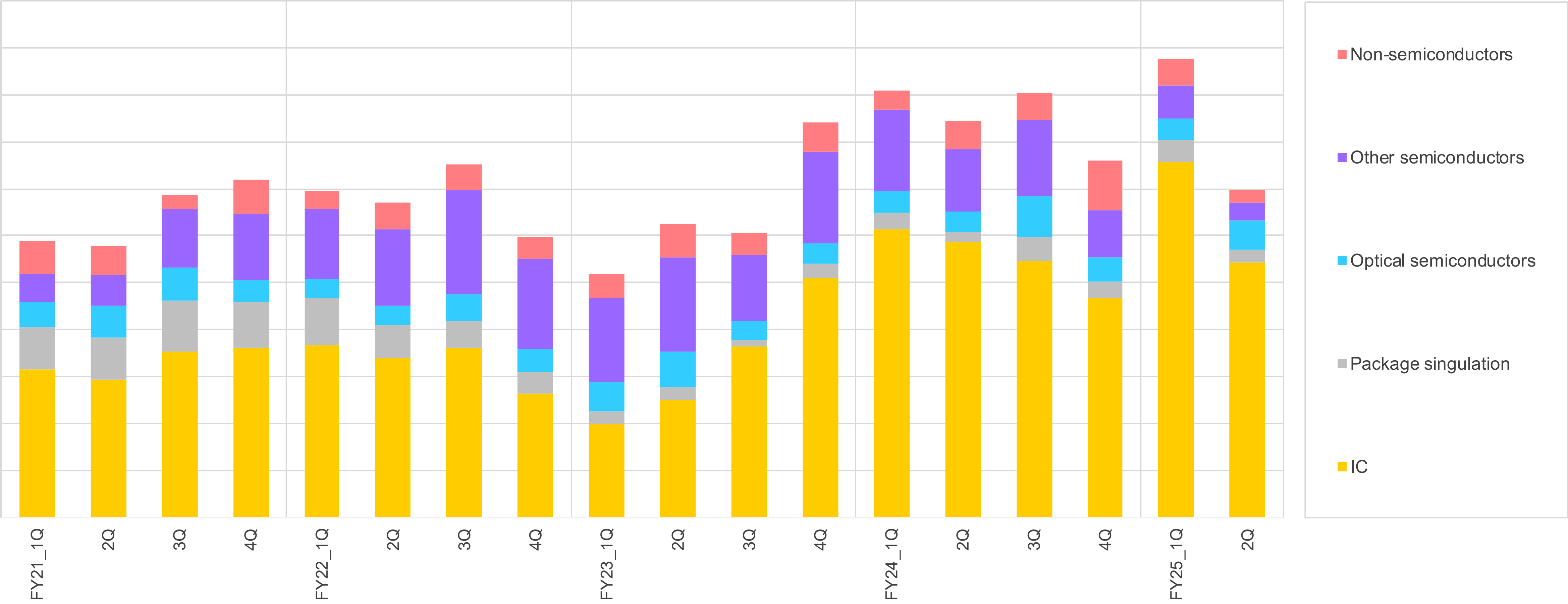

QoQ Decreased for IC in reaction to the concentrated shipments in the previous quarter

YoY Decreased mainly for power semiconductors (other semiconductors)

# Dicer: Sales by Application

Shipment Basis

Dicer

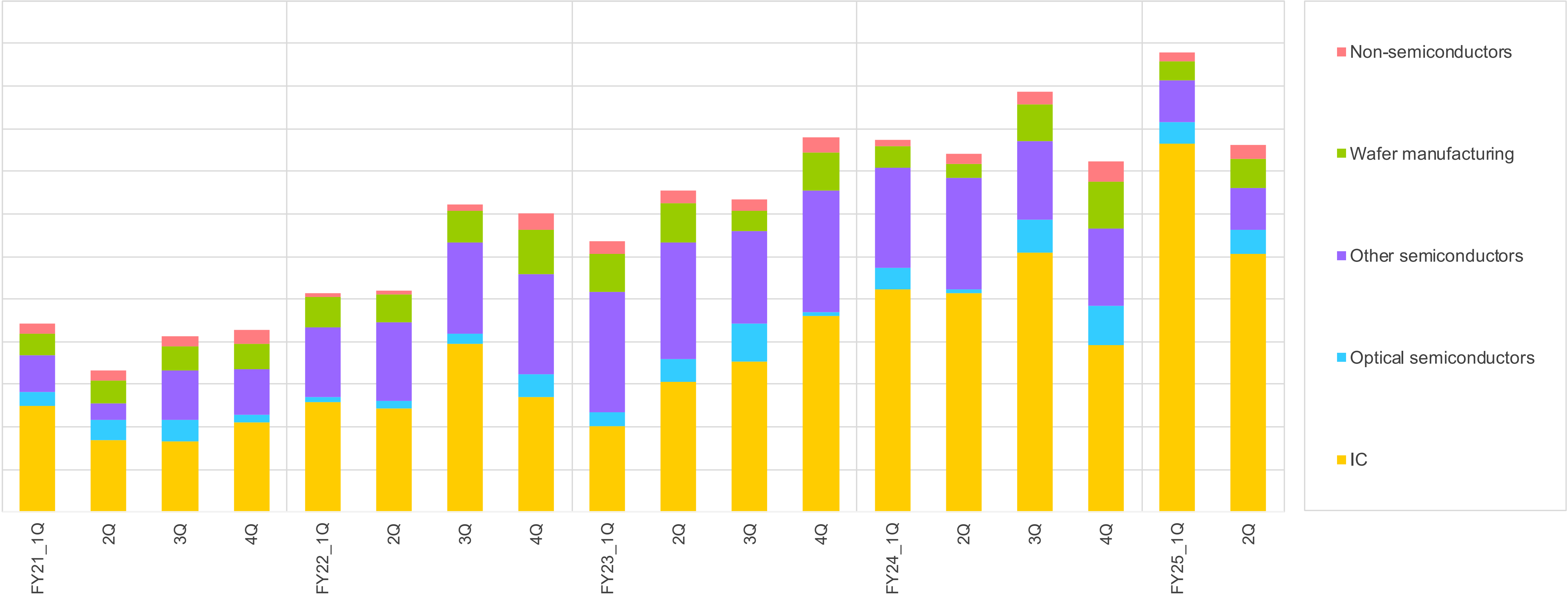



QoQ Decreased for IC in reaction to the concentrated shipments in the previous quarter
YoY Decreased for IC and power semiconductors (other semiconductors)

# Grinder: Sales by Application

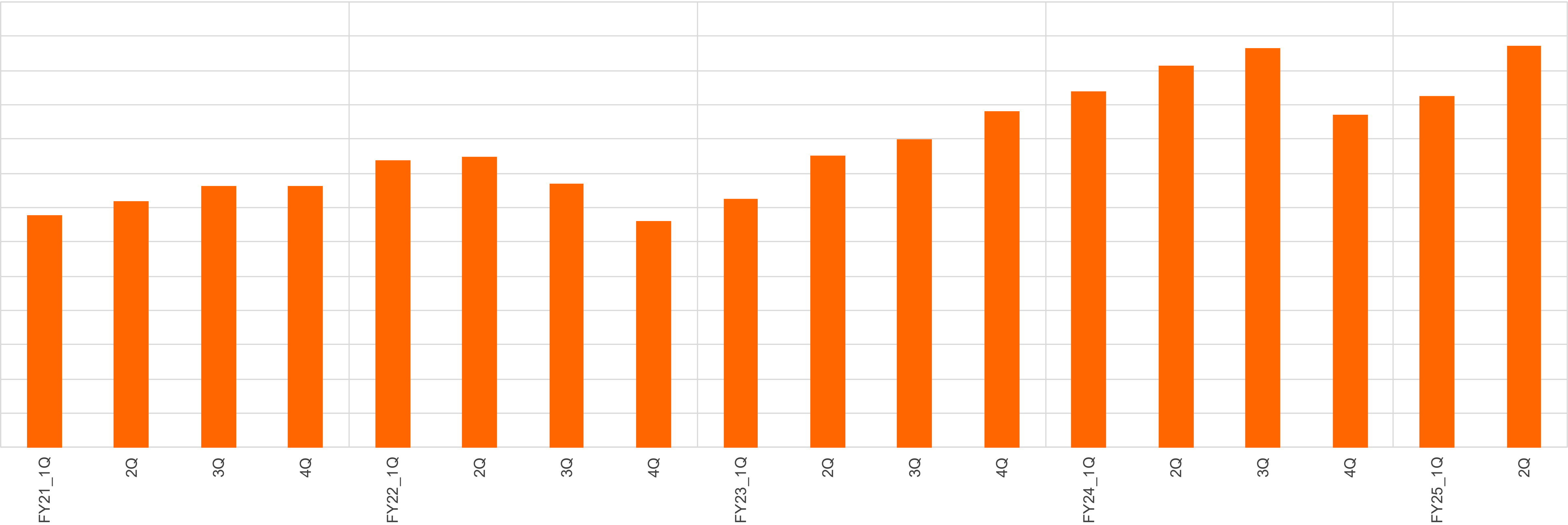
Shipment Basis

Grinder




| | |
|---|---|
| QoQ | Decreased for IC in reaction to the concentrated shipments in the previous quarter |
| YoY | Although a decrease for power semiconductors (other semiconductors) was seen, increased for IC mainly for generative AI |

# Precision Processing Tools Sales (Consumables)




Increased from the previous quarter driven by factors such as customer equipment operating rates, and hit a record high

# Balance Sheet (Summary)

DISCO

| Billions of Yen | FY2025 2Q | FY2025 1Q | Amount |
|---|---|---|---|
| Cash and deposits | 222.9 | 198.5 | 24.4 |
| Notes and account receivable | 53.8 | 48.0 | 5.8 |
| Inventories | 138.7 | 141.1 | -2.4 |
| Total current assets | 421.6 | 391.1 | 30.6 |
| Property, plant and equipment | 211.0 | 206.6 | 4.4 |
| Total noncurrent assets | 229.7 | 229.0 | 0.7 |
| Total assets | 651.4 | 620.1 | 31.3 |
| Current liabilities | 132.7 | 134.1 | -1.4 |
| Noncurrent liabilities | 1.0 | 1.0 | -0.1 |
| Total liabilities | 133.7 | 135.2 | -1.5 |
| Total net assets | 517.7 | 484.9 | 32.8 |
| Total liabilities and net assets | 651.4 | 620.1 | 31.3 |
| Equity Ratio | 79.2% | 78.0% | 1.2p |

Total assets: Although a decrease in inventories was seen, cash and deposits increased
Liabilities: Although income taxes payable and others increased, provision for bonuses and accounts payable decreased
Net assets: Increased mainly for retained earnings

# Cash Flow (Summary)

| Billions of Yen | FY2025 1H | FY2024 1H | Amount |
|---|---|---|---|
| Net cash provided by (used in) operating activities | 39.7 | 60.9 | -21.3 |
| Income before income taxes and minority interests | 78.6 | 74.8 | 3.8 |
| Depreciation and amortization | 7.0 | 5.7 | 1.3 |
| Decrease (increase) in notes and accounts receivable-trade | -9.4 | 5.1 | -14.5 |
| Decrease (increase) in inventories | 0.8 | -16.7 | 17.5 |
| Increase (decrease) in notes and accounts payable-trade | -8.1 | -0.5 | -7.6 |
| Income taxes (paid) refund | -31.3 | -19.9 | -11.4 |
| Others | 2.2 | 12.5 | -10.3 |
| Net cash provided by (used in) investing activities | -15.3 | -7.1 | -8.2 |
| Purchase of property, plant and equipment | -14.9 | -7.1 | -7.8 |
| Free cash flow | 24.4 | 53.8 | -29.4 |
| Net cash provided by (used in) financing activities | -31.2 | -24.9 | -6.3 |
| Cash dividends paid | -31.3 | -25.0 | -6.3 |
| Net change in of cash and cash equivalents | -6.3 | 28.1 | -34.3 |
| Cash and cash equivalents at beginning of period | 229.2 | 215.5 | 13.7 |
| Cash and cash equivalents at end of period | 222.9 | 243.6 | -20.7 |

- Sales cash flow: approx. 39.6 B yen (increase)
  Increased mainly due to income before taxes
- Investment cash flow: approx. JPY 15.2 B (decrease)
  Decreased mainly due to acquisition of property, plant and equipment
- Free cash flow: approx. JPY 24.4 B (increase)
- Financial cash flow: approx. JPY 31.2 B (decrease)
  Decreased mainly due to dividend payout

→Cash balance as of the end of September:
approx. JPY 222.9 B

# Earnings Forecast 3Q FY2025

Billions of Yen

Forecast

| | FY24 1Q | 2Q | 3Q | 4Q | FY25 1Q | 2Q | 3Q |
|---|---|---|---|---|---|---|---|
| Net Sales | 82.8 | 96.2 | 93.6 | 120.7 | 89.9 | 104.6 | 92.6 |
| Operating Income | 33.4 | 42.6 | 39.1 | 51.7 | 34.5 | 44.4 | 32.8 |
| Ordinary Income | 33.6 | 41.4 | 42.0 | 51.9 | 34.0 | 45.5 | 32.9 |
| Net Income | 23.7 | 29.7 | 31.8 | 38.6 | 23.8 | 32.1 | 24.4 |
| Operating Income Margin | 40.3% | 44.2% | 41.8% | 42.9% | 38.3% | 42.4% | 35.4% |
| Ordinary Income Margin | 40.6% | 43.0% | 44.9% | 43.0% | 37.8% | 43.5% | 35.5% |
| Net Income Margin | 28.6% | 30.9% | 34.0% | 32.0% | 26.4% | 30.7% | 26.3% |
| Shipment Figures | 101.1 | 97.6 | 110.3 | 92.5 | 111.1 | 96.4 | 101.6 |

*Rounded to the nearest 100 million yen

Assumed exchange rate for 3Q (Oct-Dec): 1 US dollar = 145 yen, 1 euro = 172 yen
Currency sensitivity (annualized) US dollar: Approx. 1.6 billion yen, Euro: Approx. 0.1 billion yen

(Reference) Earnings forecast for the October to December period if converted using the same exchange rate as in the previous quarter
Net sales: Approx. 1,032 yen    Shipment figures: Approx. 940 yen

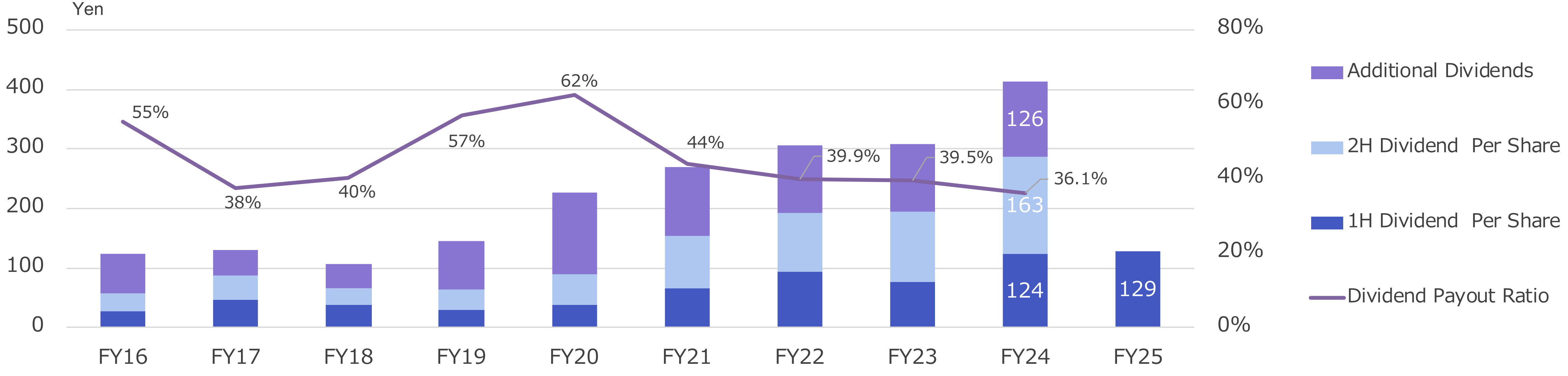
# Dividend Policy and Dividend Payments

DISCO

**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.

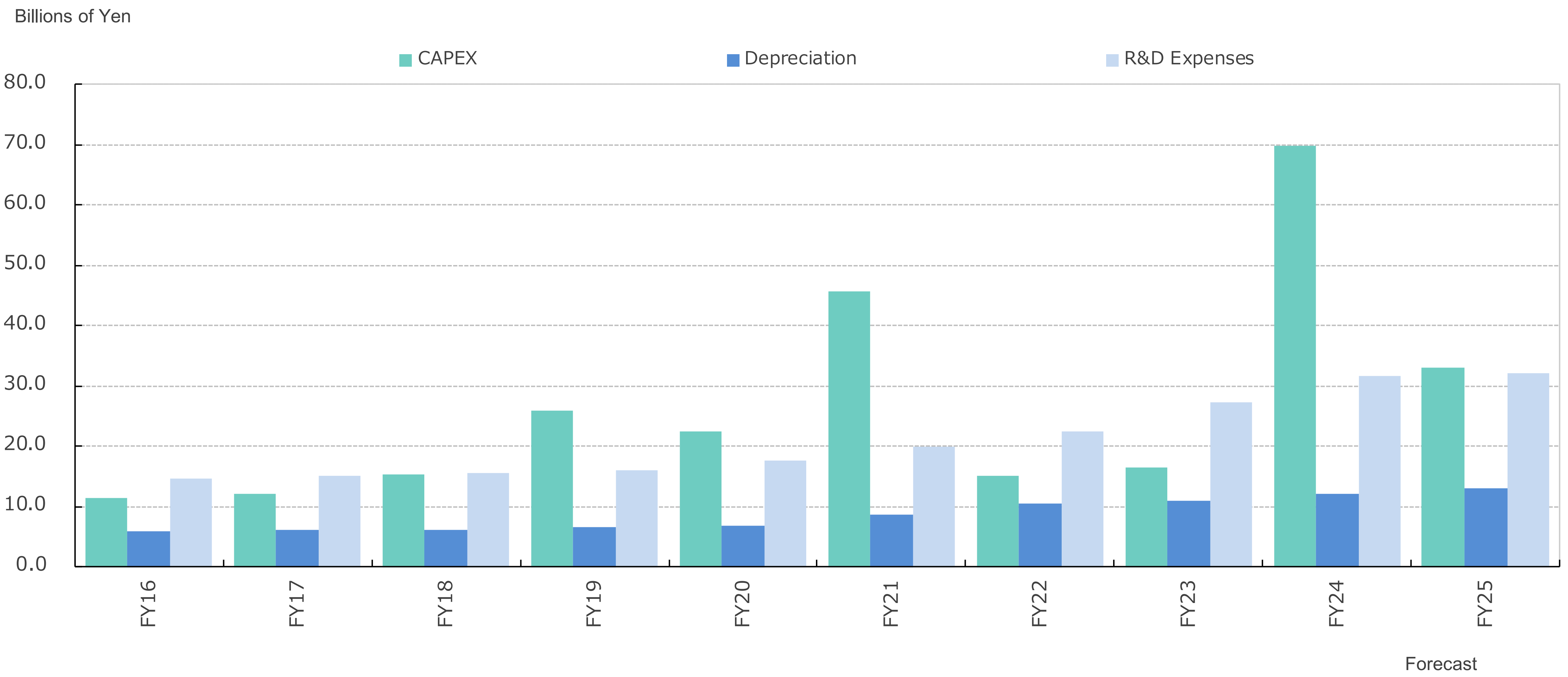
[Remarks]
The ¥20 payout stipulated in our stable dividend policy may be reviewed if there are consolidated net losses for three consecutive years.




FY25 Interim (actual) 129 yen Year-end: undecided

*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)

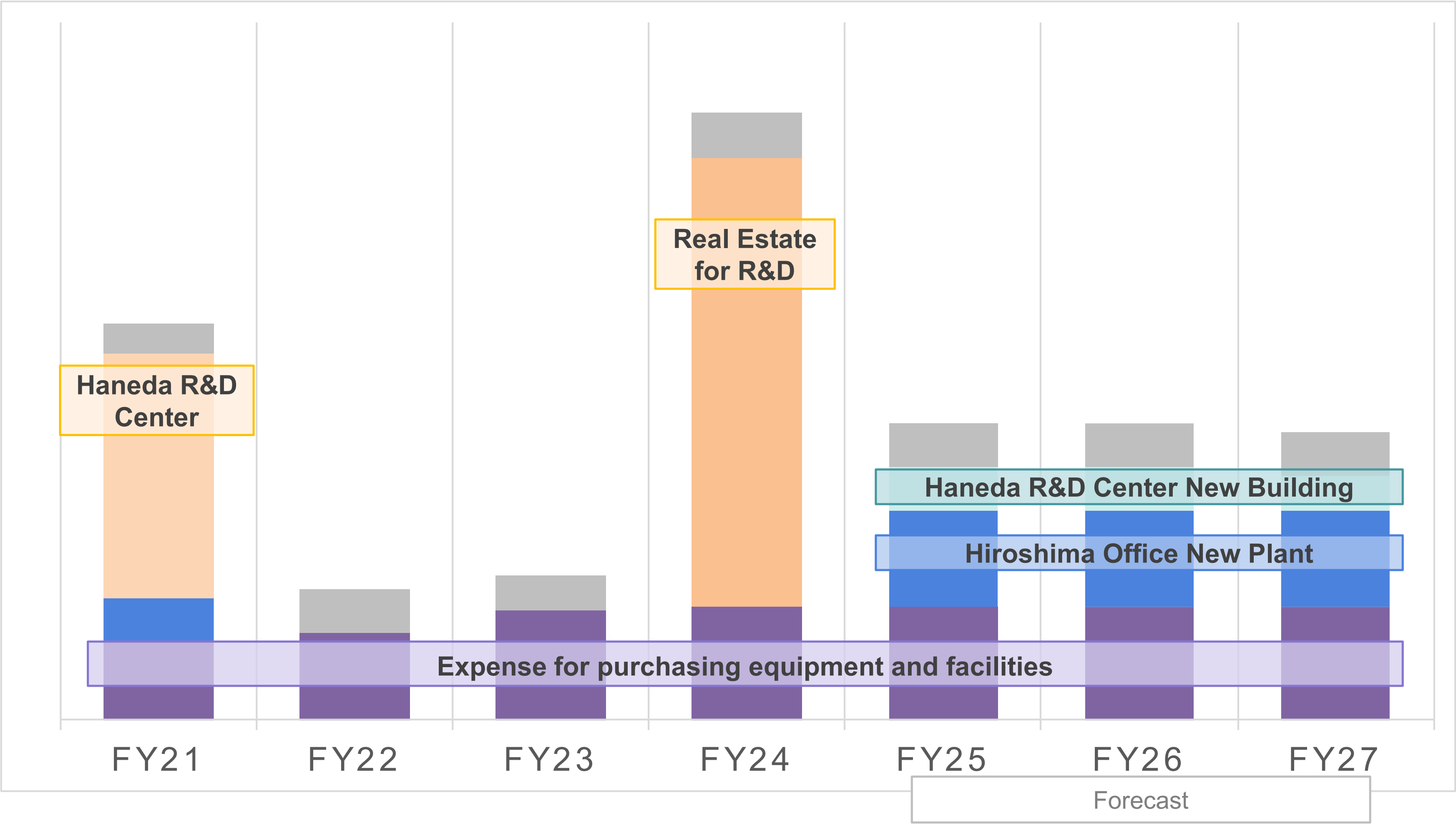
# R&D/CAPEX Forecast




FY25 Forecast

CAPEX: Approx. 33 billion yen; including rationalization investment, reconstruction of the Haneda R&D Center, and construction of a new plant.
Depreciation: Approx. 13 billion yen
R&D Expenses: Approx. 32 billion yen; proactive research and development continues.

# Breakdown of CAPEX




| | | |
|---|---|---|
| Real Estate for R&D: | Approx. 50 billion yen | Payment timing: FY24 |
| Haneda R&D Center new building: | Approx. 14 billion yen | Payment timing: FY25~27 |
| Hiroshima Works new plant: | Approx. 33 billion yen | Payment timing: FY25~27 |

# Sales Forecast By Product

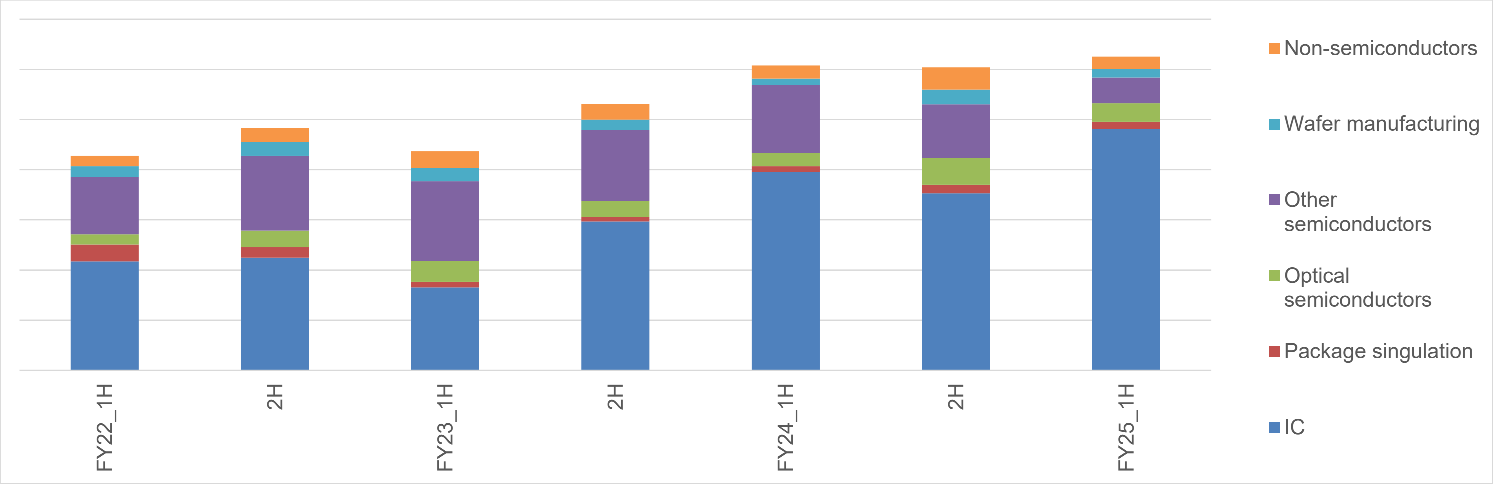
Shipment Basis

| Product | | | Forecast FY25_3Q (QoQ) |
|---|---|---|---|
| | | Blade dicers | -20% |
| | | Laser Saws | 25% |
| | **Dicers** | | **0%** |
| | **Grinders** | | **25%** |
| | **Accessory Equipment** | | **40%** |
| **Precision Processing Equipment** | | | **15%** |
| **Precision Processing Tools (Consumables** | | | **0%** |
| **Others** | | | **-20%** |

# DISCO Business Environment and Operations: FY2025 1H Summary

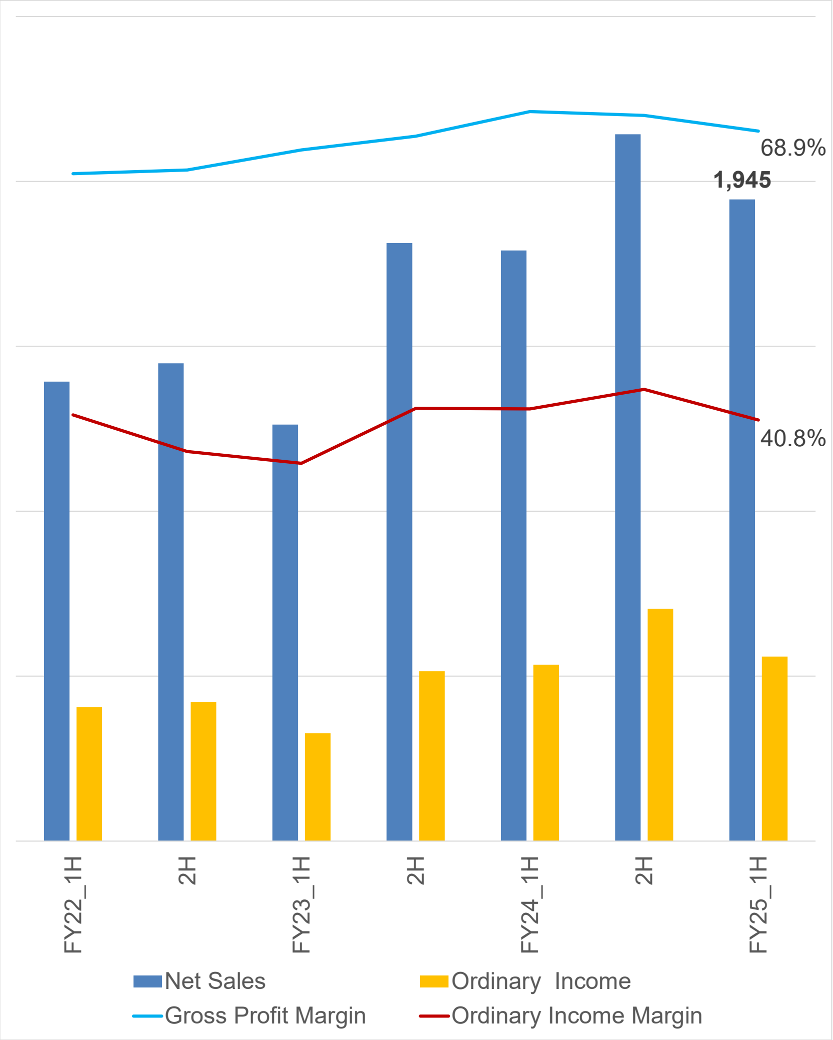
DISCO

- **Shipment Trend: Record high on a half-yearly basis.**
  Although demand for PCs, smartphones, and automotive applications was weak, equipment shipments for memory and logic remained high due to the demand for generative AI-related applications.




- **High value-added products continue to contribute to business performance**
  The GP margin saw a slight decrease in reaction to the exchange rate and previously high levels, but the ordinary income margin remained high at the 40% mark.
- **Interim dividends increased linked to business performance:** 129 yen (124 yen last year)

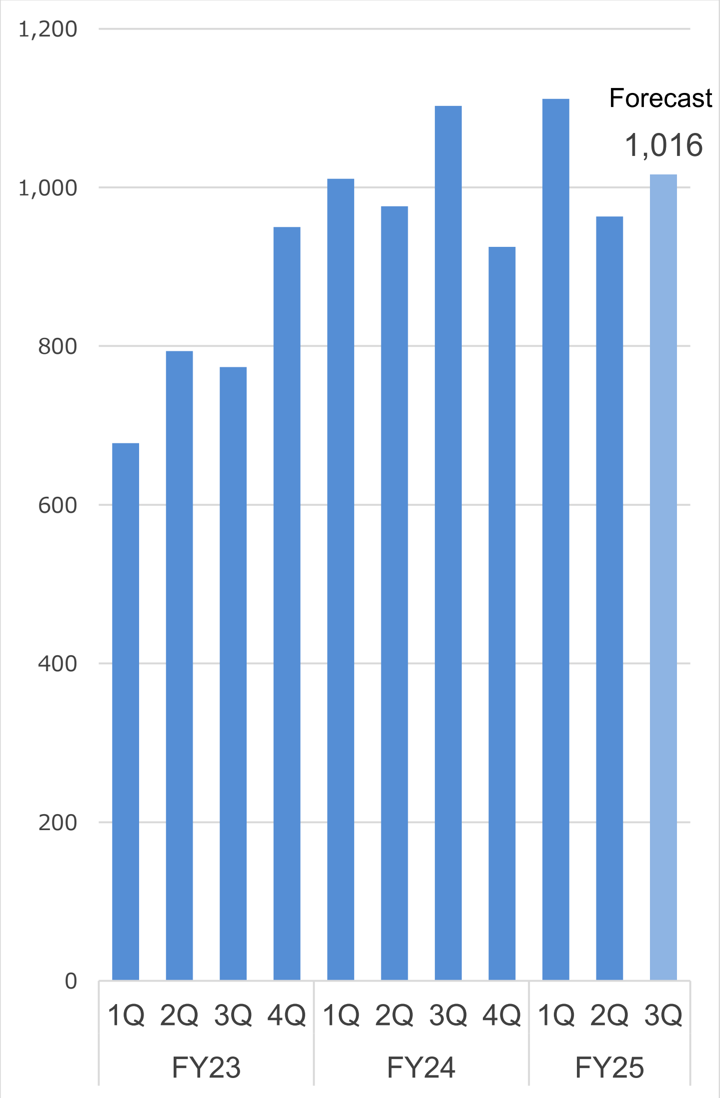
Business Performance Trend (acceptance basis)
(100 million yen)



# Forecast for FY2025

DISCO

Quarterly Shipment Total Trends
(100 million yen)

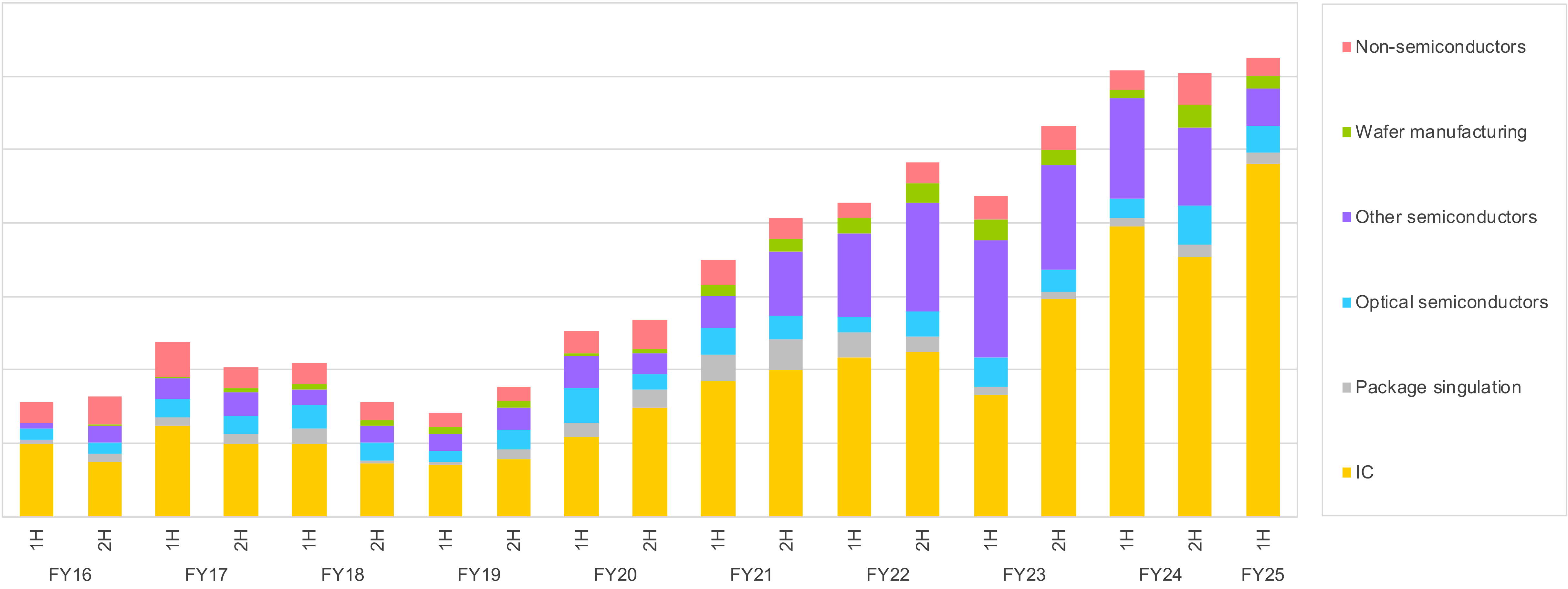



- **Equipment shipments for generative AI is expected to continue linked to factors such as final demand**
- **An increase in applications and full-scale ramp-up of advanced packaging is expected**
- **Handling changes in the business environment**
  While responding to investment trends of semiconductor manufacturers, we will closely monitor changes and risks in the supply chain and procurement structure in light of the international situation
- **Fabrication is the source of competitiveness**
  Based on our Fab-Important strategy, we will continue to proactively invest in facility expansion in order to strengthen competitiveness by integrating R&D and manufacturing (Haneda R&D Center new building, Hiroshima Works Gohara Plant, etc.)
- **A good corporate culture is the source of DISCO's strength**
  DISCO continues to implement activities that will strengthen the company such as DISCO Values, Will Accounting, and PIM activities

- Reference Data

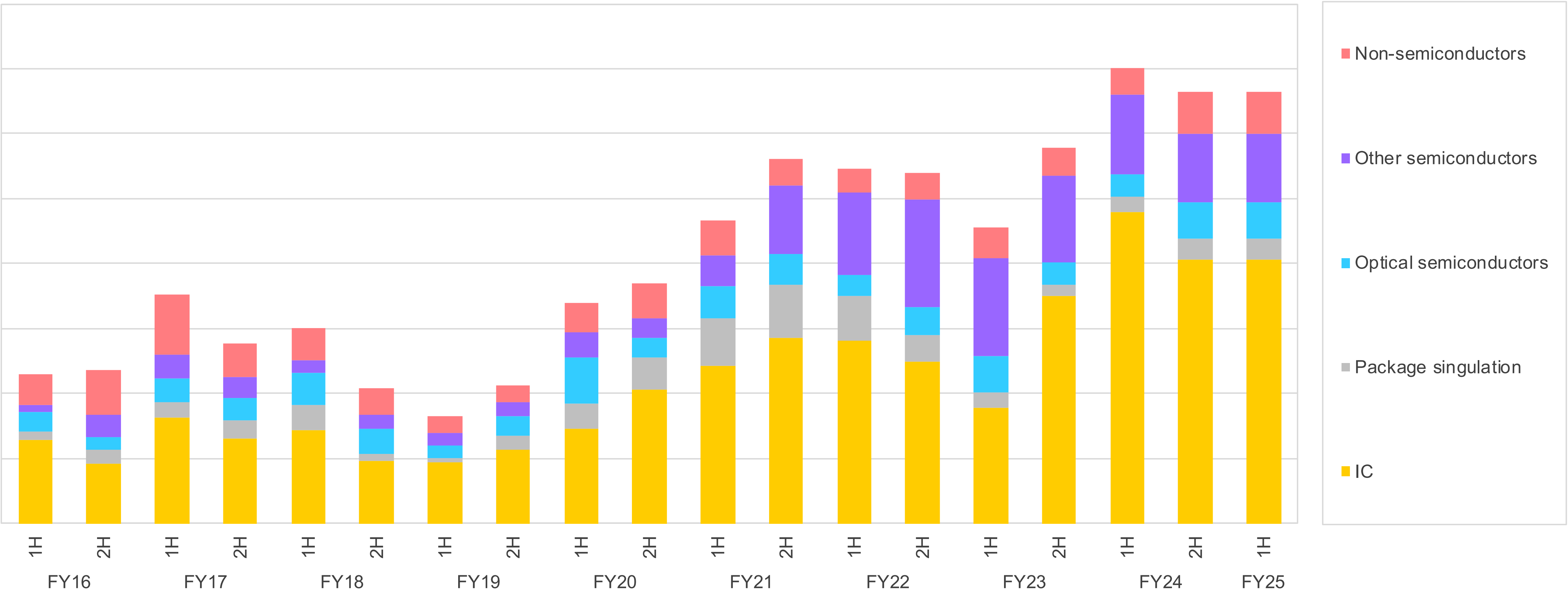
# Precision Processing Equipment: Sales by Application

Shipment Basis | Half-Year | Precision Processing Equipment



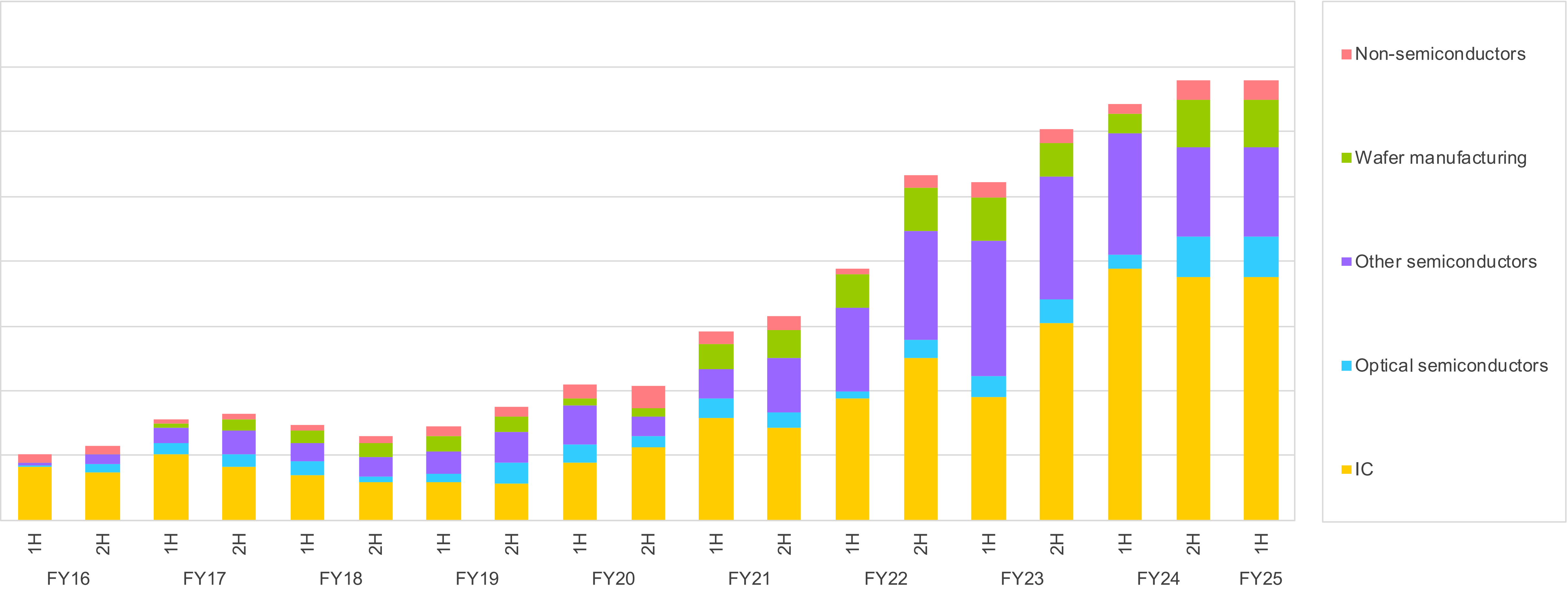
# Dicer: Sales by Application

Shipment Basis | Half-Year | Dicer



# Grinder: Sales by Application

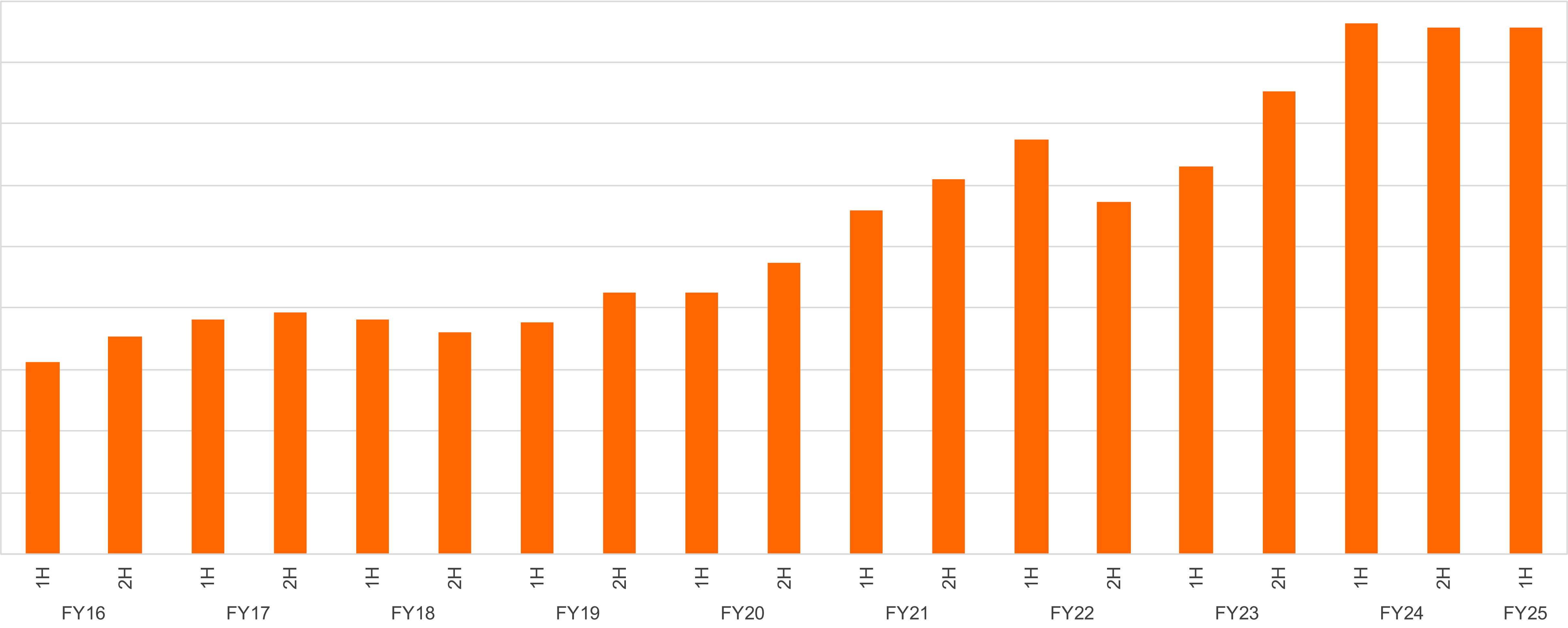
Shipment Basis | Half-Year | Grinder



# Precision Processing Tools Sales (Consumables)

Shipment Basis

Half-Year



# Reference Data

# Data by Product

Shipment Basis

| Product | 2Q | | | 1H | |
|---|---|---|---|---|---|
| | Composition | QoQ | YoY | Composition | YoY |
| Precision Processing Equipment | 58% | -25% | -11% | 63% | 2% |
| Dicers | 29% | -29% | -17% | 32% | -5% |
| Blade Dicers | 17% | -18% | 6% | 17% | 5% |
| Laser Saws | 12% | -39% | -36% | 15% | -14% |
| Grinders | 27% | -20% | 2% | 28% | 13% |
| Accessory Equipment | 3% | -37% | -40% | 3% | -19% |
| Precision Processing Tools | 24% | 13% | 1% | 21% | 0% |
| Others | 18% | 11% | 46% | 16% | 26% |
| Total | 100% | -13% | -1% | 100% | 4% |

# Composition by Application

Shipment Basis

| | | FY24 | | | | FY25 | |
|---|---|---|---|---|---|---|---|
| **Product** | **Application** | **24-1Q** | **24-2Q** | **24-3Q** | **24-4Q** | **25-1Q** | **25-2Q** |
| **Dicers** | IC | 67% | 69% | 60% | 62% | 78% | 78% |
| | Package singulation | 4% | 3% | 6% | 4% | 5% | 4% |
| | Optical semiconductors | 5% | 5% | 10% | 7% | 5% | 9% |
| | Other semiconductors | 19% | 16% | 18% | 13% | 7% | 5% |
| | Non-semiconductors | 5% | 7% | 7% | 14% | 6% | 4% |
| **Dicers** | | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| **Grinders** | IC | 60% | 61% | 62% | 48% | 80% | 71% |
| | Optical semiconductors | 6% | 1% | 8% | 11% | 5% | 6% |
| | Other semiconductors | 27% | 31% | 19% | 22% | 9% | 11% |
| | Wafer manufacturing | 6% | 4% | 9% | 14% | 4% | 8% |
| | Non-semiconductors | 2% | 3% | 3% | 6% | 2% | 4% |
| **Grinders** | | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |

# YoY by Application

Shipment Basis

| | | FY24 | | | | FY25 | |
|---|---|---|---|---|---|---|---|
| **Product** | **Application** | **24-1Q** | **24-2Q** | **24-3Q** | **24-4Q** | **25-1Q** | **25-2Q** |
| **Dicers** | IC | 210% | 135% | 50% | -8% | 23% | -7% |
| | Package singulation | 23% | -15% | 270% | 7% | 33% | 14% |
| | Optical semiconductors | -26% | -46% | 112% | 26% | -5% | 50% |
| | Other semiconductors | -3% | -33% | 15% | -48% | -58% | -72% |
| | Non-semiconductors | -17% | -13% | 26% | 65% | 34% | -54% |
| **Dicers** | | **75%** | **36%** | **49%** | **-10%** | **7%** | **-17%** |
| **Grinders** | IC | 160% | 68% | 73% | -14% | 66% | 18% |
| | Optical semiconductors | 46% | -86% | -15% | 819% | -1% | 652% |
| | Other semiconductors | -16% | -4% | -15% | -37% | -59% | -63% |
| | Wafer manufacturing | -45% | -62% | 79% | 26% | -8% | 104% |
| | Non-semiconductors | -50% | -24% | 19% | 31% | 46% | 29% |
| **Grinders** | | **37%** | **11%** | **34%** | **-6%** | **24%** | **2%** |

# QoQ by Application

Shipment Basis

| | | FY24 | | | | FY25 | |
|---|---|---|---|---|---|---|---|
| **Product** | **Application** | **24-1Q** | **24-2Q** | **24-3Q** | **24-4Q** | **25-1Q** | **25-2Q** |
| **Dicers** | IC | 20% | -4% | -7% | -14% | 62% | -28% |
| | Package singulation | 14% | -34% | 119% | -35% | 43% | -44% |
| | Optical semiconductors | 10% | -12% | 115% | -40% | -16% | 40% |
| | Other semiconductors | -11% | -22% | 19% | -37% | -28% | -48% |
| | Non-semiconductors | -34% | 46% | -3% | 77% | -47% | -50% |
| **Dicers** | | **8%** | **-7%** | **7%** | **-16%** | **29%** | **-29%** |
| **Grinders** | IC | 14% | -2% | 18% | -35% | 120% | -30% |
| | Optical semiconductors | 402% | -85% | 952% | 20% | -46% | 10% |
| | Other semiconductors | -17% | 10% | -29% | -3% | -46% | -1% |
| | Wafer manufacturing | -45% | -29% | 148% | 29% | -59% | 56% |
| | Non-semiconductors | -59% | 62% | 24% | 61% | -55% | 44% |
| **Grinders** | | **-1%** | **-4%** | **17%** | **-16%** | **31%** | **-20%** |

# Composition by Region

Inspection/Acceptance Basis

| Composition by Region | FY2024 | | | | FY2025 | |
|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Japan | 9% | 11% | 12% | 10% | 10% | 10% |
| North America | 15% | 10% | 8% | 15% | 9% | 8% |
| Asia | 69% | 72% | 74% | 66% | 75% | 75% |
| Singapore | 6% | 8% | 8% | 7% | 7% | 7% |
| Taiwan | 16% | 17% | 19% | 22% | 27% | 28% |
| Korea | 14% | 12% | 9% | 9% | 9% | 10% |
| China (Note 1) | 32% | 33% | 37% | 27% | 30% | 28% |
| Other | 1% | 1% | 1% | 2% | 3% | 2% |
| Europe | 7% | 7% | 5% | 9% | 6% | 7% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% |

Note 1: Including sales to local factories of foreign manufacturers

**DISCO believes that striving to increase Mission-achievability connects to increase in our Value-exchangeability and competitiveness, and enables us to respond to the expectations of all capital-market stakeholders.**

- ✓ Pursuing Quality of Business
- ✓ Utilization of Tangible Net Worth and Purpose
- ✓ Shareholder Return Policy
- ✓ Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Click here for more details on our policy regarding the above

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.
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