

FY2025

Third Quarter Financial Results

January 21, 2026

DISCLAIMER

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FY2025 3Q Earnings Results



Billions of Yen	FY2025	FY2025	QoQ		FY2024	YoY	
	3Q	2Q	Amount	(%)	3Q	Amount	(%)
Net Sales	109.3	104.6	4.7	4.5%	93.6	15.7	16.8%
Gross Profit	78.1	72.7	5.3	7.3%	66.6	11.4	17.2%
Gross Profit Margin	71.4%	69.5%	1.9p	-	71.2%	0.2p	-
SG&A	30.7	28.4	2.4	8.3%	27.5	3.2	11.8%
Operating Income	47.3	44.4	2.9	6.6%	39.1	8.2	20.9%
Ordinary Income	47.0	45.5	1.5	3.3%	42.0	5.0	11.8%
Ordinary Income Margin	43.0%	43.5%	-0.5p	-	44.9%	-1.9p	-
Income before income taxes and minority interests	46.8	44.9	1.9	4.2%	41.9	4.9	11.8%
Net Income	36.7	32.1	4.6	14.3%	31.8	4.9	15.5%

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 and the exchange rate
 SG&A: QoQ Increased due to personnel and R&D expenses

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2

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These are the earning results of the October to December quarter.

DISCO achieved the second highest results on a quarterly basis due to progress in equipment inspection/acceptance and steady consumable shipments.

However, as the net sales is not directly linked to the customer's investment appetite in capital, and equipment inspection/acceptance is easily influenced, please refer to "Quarterly Shipments" to assess the customer's investment appetite.

Note: Due to a change in accounting policy from FY2019 (April 2019), sales for equipment products are recorded when the equipment is inspected/accepted by the customer (changed to an inspection/acceptance basis).

October to December performance summary

Net sales: 109.2 billion yen (second highest on a quarterly basis)

Gross profit margin: 71.4% (second highest on a quarterly basis)

SG&A: 30.7 billion yen

Operating income: 47.3 billion yen

Exchange rate

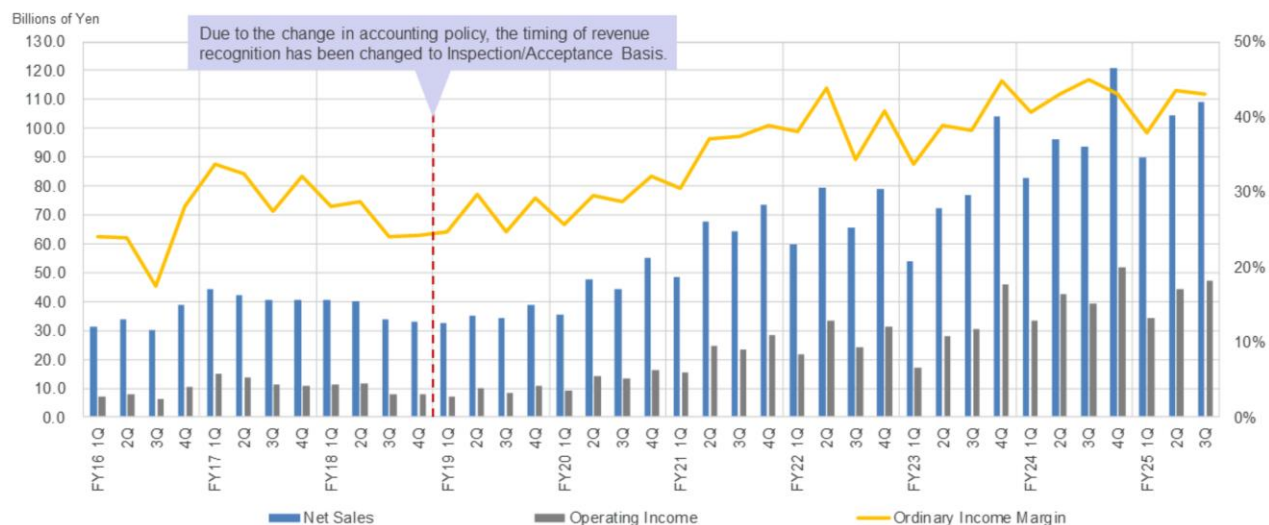
This quarter (October to December) USD: 155.7 yen, EUR: 181.4 yen

Previous quarter (July to September) USD: 148.4 yen, EUR: 172.2 yen

Last year (October to December) USD: 154.2 yen, EUR: 163.6 yen

Note: Detailed data is available in the Consolidated Financial Information (Excel format) on DISCO's website.

Quarterly Financial Results



FY25_3Q Operating income margin 43.3%, Ordinary income margin 43.0%, Net income margin 33.6%
 Note: Detailed data is available in the Consolidated Financial Information on DISCO's website.

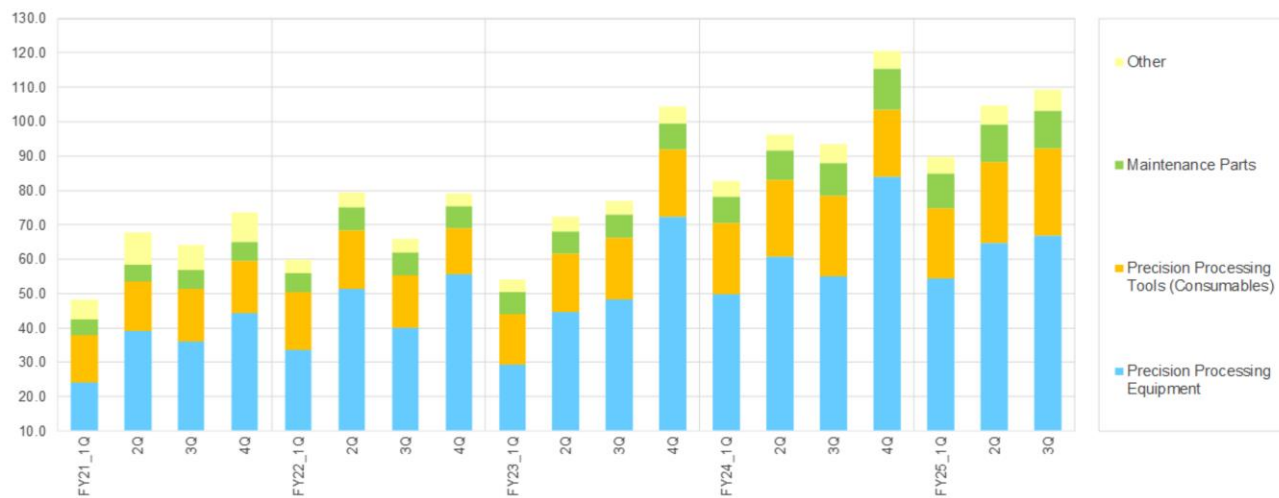
This is the trend of the quarterly financial results.

Detailed data is available in the Consolidated Financial Information (Excel format) 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.

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4

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This is the trend of the quarterly sales breakdown by product.

The detailed composition ratio is available in the Consolidated Financial Information (Excel format) on DISCO's website.

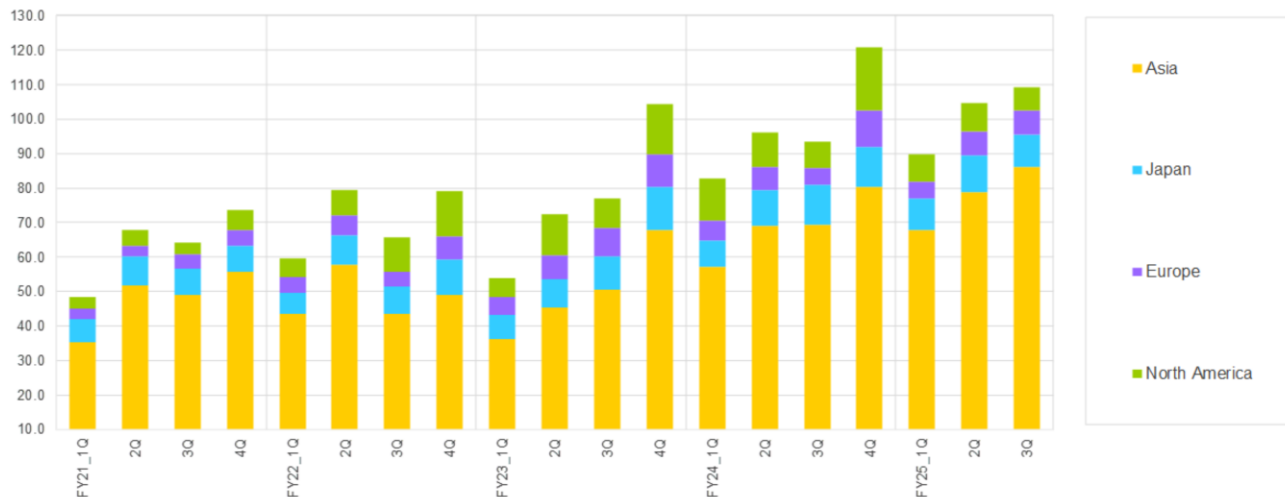
Note: Due to a change in accounting policy from FY2019 (April 2019), sales for equipment products are recorded when the equipment is inspected/accepted by the customer (changed to an inspection/acceptance basis).

For other product groups such as Precision Processing Tools and Maintenance Parts, sales are recorded at the same timing as before.

Quarterly Sales Breakdown by Region



Billions of Yen



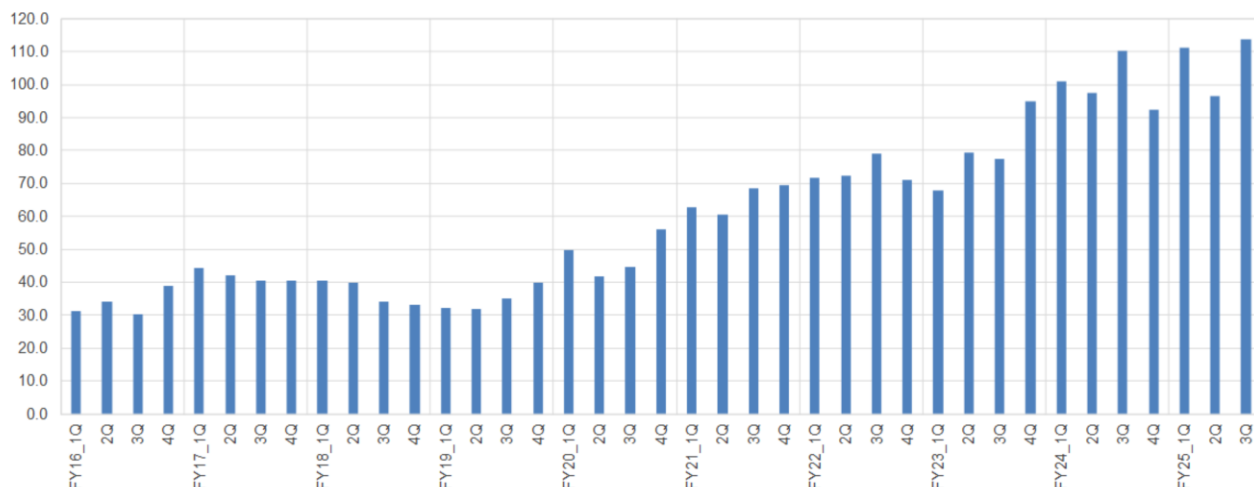
FY25_3Q Overseas sales ratio: 91.5%

This is the trend of the sales breakdown by region, for your reference.

Quarterly Shipments



Billions of Yen



FY25_3Q Shipment volume: 113.6 billion yen (record high)

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6

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This is the trend of quarterly shipments, which is closely linked to market trends.

Shipments for the October to December quarter was 113.6 billion yen in total.

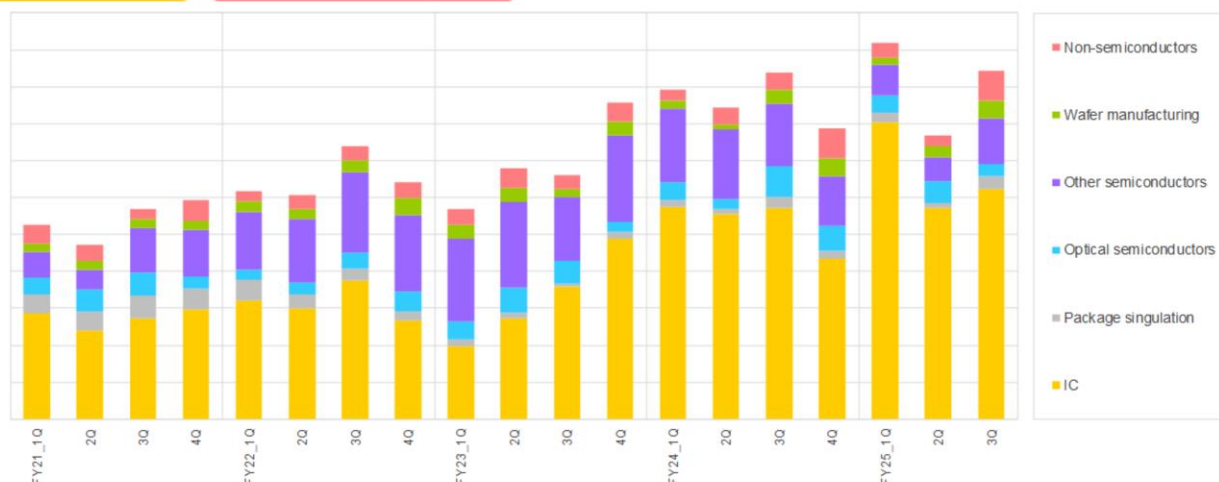
In addition to solid equipment shipments driven mainly by demand for generative AI, shipments of precision processing tools (consumables) also increased in line with customers' equipment utilization rates, resulting in a record-high quarterly shipment value.

Precision Processing Equipment: Sales by Application



Shipment Basis

Precision Processing Equipment



QoQ In addition to steady shipments for generative AI, an increase in demand for non-IC applications boosted overall sales
YoY Solid demand for generative AI applications continues to drive overall sales

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7

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This graph shows the sales for all precision processing equipment sales (blade dicers, laser saws, grinders, etc.*) categorized by application on a shipment basis.

*Excludes accessory equipment that are difficult to classify by application.

October to December (QoQ)

IC: Shipments for logic increased, mainly for generative AI.

Other semiconductors: Shipments for power semiconductors, which had been sluggish, saw an increase.

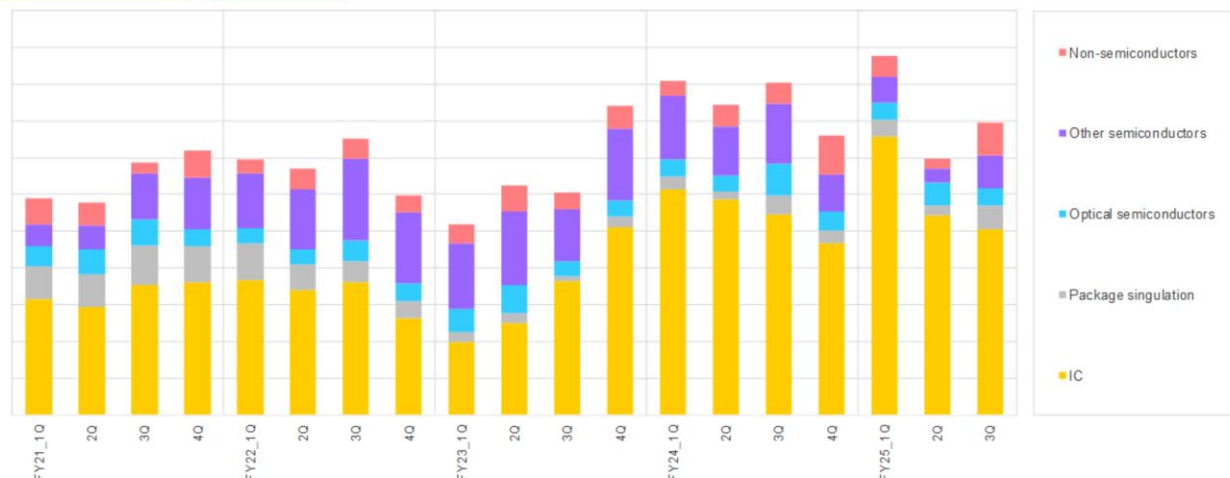
Non-semiconductors: Shipments for universities and research institutions increased, in addition to an increase in shipments for high-frequency filter applications.

Dicer: Sales by Application



Shipment Basis

Dicer



QoQ Increased for other semiconductors (mainly power semiconductors) and non-semiconductors
YoY Decreased mainly for power semiconductors (other semiconductors)

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8

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From among the precision processing equipment, this graph shows the sales for dicers (blade dicers, laser saws) categorized by application on a shipment basis.

October to December (QoQ)

IC: Shipments for generative AI (memory) decreased, but increased for logic.

Other semiconductors: Shipments for power semiconductors, which had been continuing to decrease, saw an increase.

Non-semiconductors: Shipments for universities and research institutions increased, in addition to an increase in shipments for high-frequency filter applications.

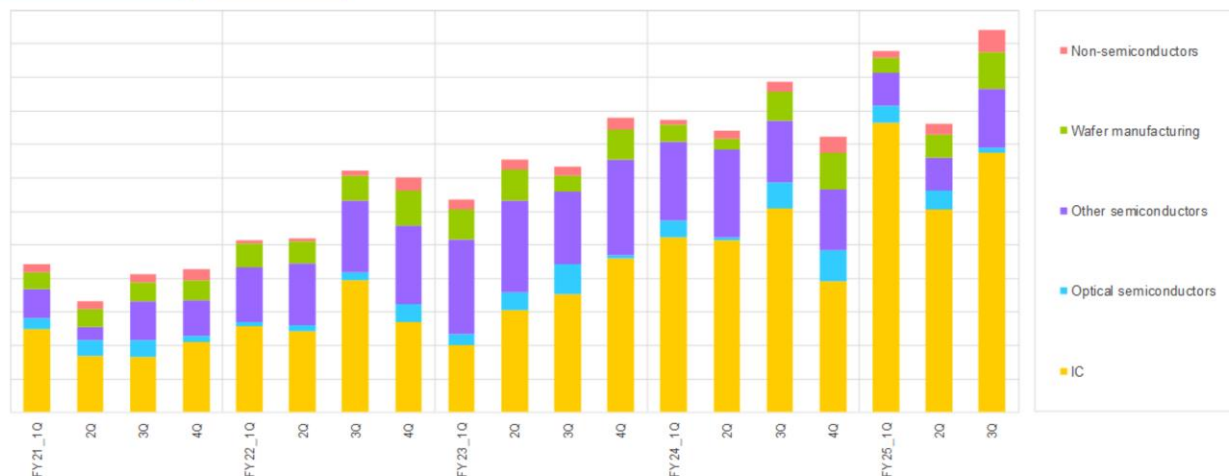
Detailed data on the composition ratios and increase/decrease rates by application are mentioned in the latter half of the document.

Grinder: Sales by Application



Shipment Basis

Grinder



QoQ Increased for IC and other semiconductors (mainly power semiconductors)
YoY Increased for IC, mainly for generative AI

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9

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From among the precision processing equipment, this graph shows the sales for grinders categorized by application on a shipment basis.

October to December (QoQ)

IC: Increased for logic, mainly for generative AI.

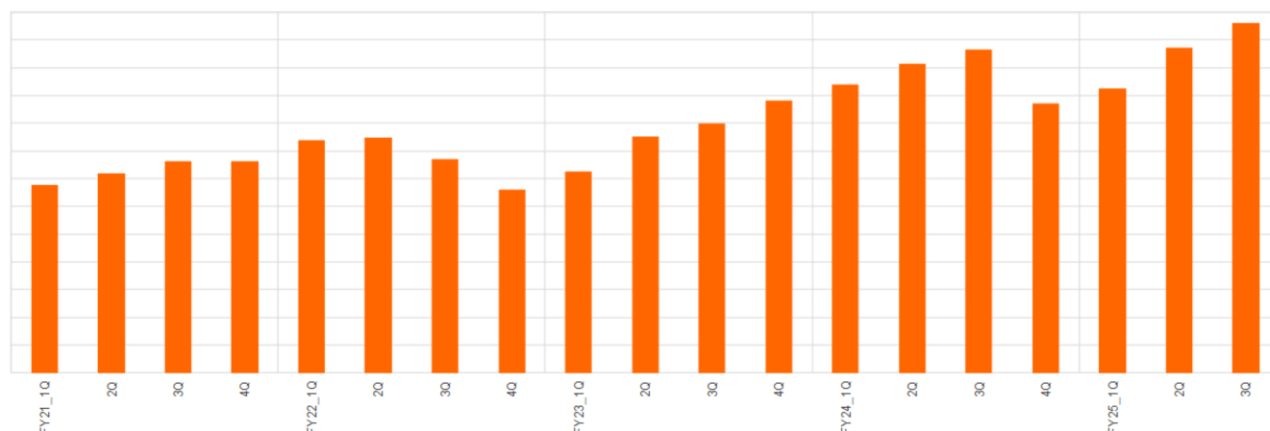
Other semiconductors: Shipments for power semiconductors, which had been continuing to decrease, saw an increase.

Wafer manufacturing: Increased for wafer manufacturers.

Non-semiconductors: Shipments for universities and research institutions increased, in addition to an increase in shipments for high-frequency filter applications.

Detailed data on the composition ratios and increase/decrease rates by application are mentioned in the latter half of the document.

Precision Processing Tools Sales (Consumables)



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

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10

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This is the trend of precision processing tool sales (consumables). (Shipment = Recording of sales)

Backed by customers' high equipment utilization rates and the impact of the exchange rate, shipments increased sharply from the previous quarter, reaching a record high.

DISCO is closely monitoring future customer facility utilization rates and end-product demand trends.

Exchange rate

This quarter (October to December) USD: 155.7 yen, EUR: 181.4 yen

Last quarter (July to September) USD: 148.4 yen, EUR: 172.2 yen

Last year (October to December) USD: 154.2 yen, EUR: 163.6 yen

Balance Sheet (Summary)



Billions of Yen	FY2025 3Q	FY2025 2Q	Amount
Cash and deposits	246.1	222.9	23.2
Notes and account receivable	50.8	53.8	-3.0
Inventories	141.6	138.7	2.9
Total current assets	447.0	421.6	25.3
Property, plant and equipment	211.6	211.0	0.6
Total noncurrent assets	231.3	229.7	1.6
Total assets	678.3	651.4	26.9
Current liabilities	134.7	132.7	2.0
Noncurrent liabilities	0.9	1.0	0.0
Total liabilities	135.7	133.7	2.0
Total net assets	542.6	517.7	24.9
Total liabilities and net assets	678.3	651.4	26.9
Equity Ratio	79.8%	79.2%	0.6p

Total assets: Increased mainly for cash and deposits and inventories
 Liabilities: Although income taxes payable decreased, contract liabilities and accounts payable increased
 Net assets: Increased mainly for retained earnings

The balance sheet compares amounts at the end of December and the end of September.

Points to note are as stated on the slide.

Please refer to the Financial Results for detailed data.

Earnings Forecast 4Q FY2025



Billions of Yen

Forecast

	FY24 1Q	2Q	3Q	4Q	FY25 1Q	2Q	3Q	4Q
Net Sales	82.8	96.2	93.6	120.7	89.9	104.6	109.3	115.2
Operating Income	33.4	42.6	39.1	51.7	34.5	44.4	47.3	45.9
Ordinary Income	33.6	41.4	42.0	51.9	34.0	45.5	47.0	45.9
Net Income	23.7	29.7	31.8	38.6	23.8	32.1	36.7	33.8
Operating Income Margin	40.3%	44.3%	41.8%	42.8%	38.4%	42.4%	43.3%	39.8%
Ordinary Income Margin	40.6%	43.0%	44.9%	43.0%	37.8%	43.5%	43.0%	39.8%
Net Income Margin	28.6%	30.9%	34.0%	32.0%	26.5%	30.7%	33.6%	29.3%
Shipment Figures	101.1	97.6	110.3	92.5	111.1	96.3	113.6	116.9

*Rounded to the nearest 100 million yen

Assumed exchange rate for 4Q (Jan-Mar): 1 US dollar = 154 yen, 1 euro = 181 yen
 Currency sensitivity (annualized) US dollar: Approx. 1.7 billion yen, Euro: Approx. 0.1 billion yen

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12

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This is the earnings forecast. The drastic and rapid fluctuations in customer willingness to invest make it difficult to predict demand in the semiconductor and electronic components industries. For this reason, DISCO business forecasts have only been disclosed for one upcoming quarter from 2018. As sales for equipment products are recorded when the equipment is inspected/accepted by the customer, the financial results will change depending on the timing of inspection/acceptance by the customer.

This is the earnings forecast for the January to March quarter (4Q).

The profit margin is expected to decline due to factors such as higher selling, general, and administrative expenses. However, high levels of sales and profit can continue to be expected.

Actual performance and profitability may fluctuate depending on the inspection/acceptance status of individual products and projects.

Under the full-year forecast disclosed this time, net sales are expected to exceed 400 billion yen for the first time, and we expect to achieve record-high profit for the sixth consecutive fiscal year.

For details, refer to the Consolidated Financial Results.

Shipment figures, which reflect market conditions, is expected to reach a record high on a quarterly basis. While shipment figures may fluctuate from quarter to quarter, we continue to forecast solid shipments, driven mainly by generative AI-related demand.

Dividend Policy and Dividend Payments

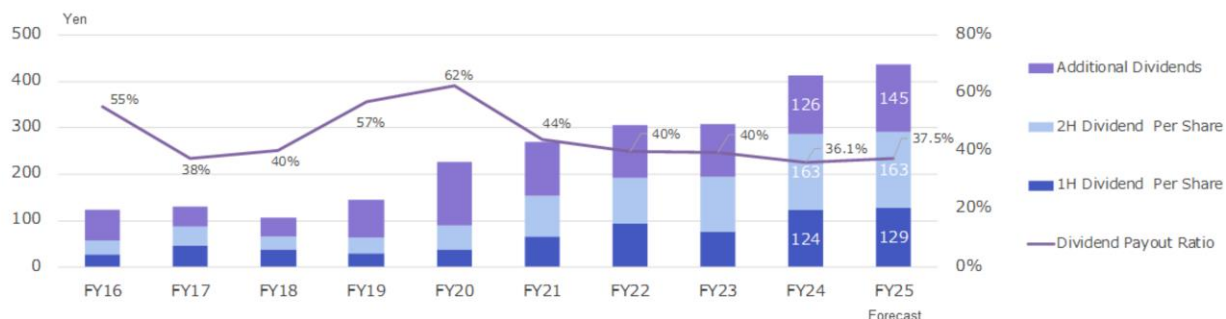


Dividend Policy

- 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.



FY25 Interim (actual) 129 yen Year-end (forecast): 308 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)

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13

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This is the forecast for the year-end dividend.

It has been calculated based on our earnings forecast and our projected surplus funds as of the end of March.

We expect the performance-linked portion for the second half to be 163 yen, the additional dividend portion equivalent to one-third of surplus funds to be 145 yen, and the total year-end dividend to be 308 yen.

(On a full-year basis, we expect this to be a record-high 437 yen.)

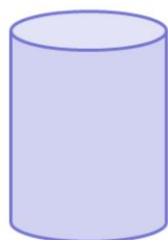
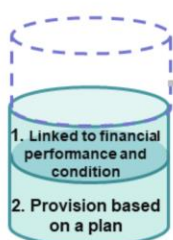
Actual results may vary significantly depending on earnings performance and the level of surplus funds.

As stated, the dividend trend before FY22 has been represented under the assumption that the applicable stock split has been done.

Calculation of Surplus Distribution as Additional Dividends

Current Forecast

* Year-end balance 195.4 B yen	=	Necessary funds 148.4 B yen	=	Surplus funds 47.0 B yen
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15.6 B yen

Additional dividends

Breakdown of necessary funds:

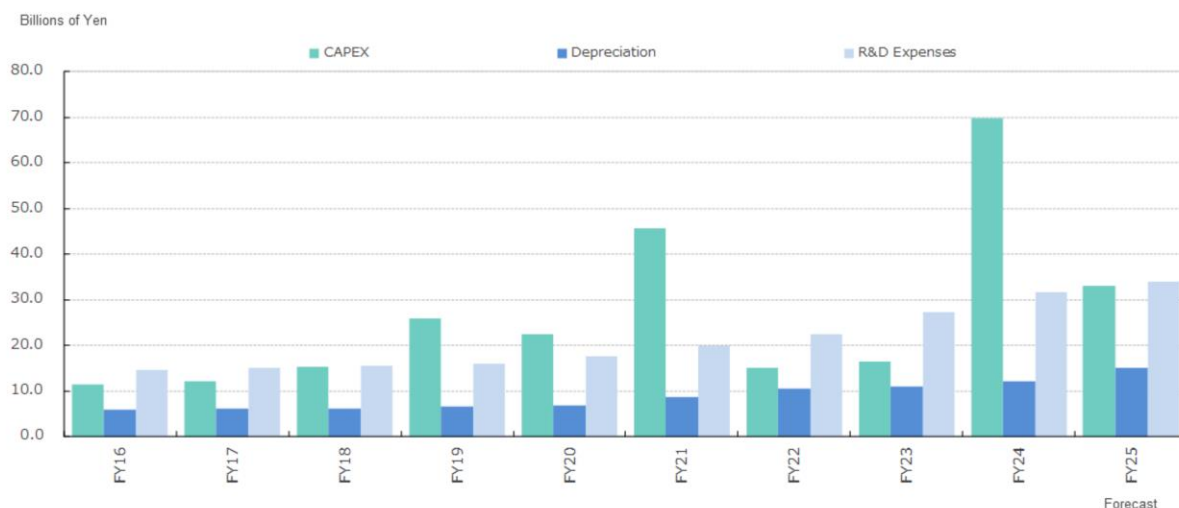
1	Operating funds	69.8 B yen
	Previous year Consolidated sales ÷ 12 months x 2	
	Technical purchases (including M&A)	32.0 B yen
	Consolidated sales Average of past 3 years x 10%	
2	Refund of interest bearing debt	-
	Taxes and dividends	30.2 B yen
	Facility expansion	16.4 B yen
	Hiroshima Works new plant, etc.	

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

This slide shows the breakdown of the funds included in the surplus funds calculation. Please note that the "Year-end balance" shown on the left side of the slide does not match the cash and deposits balance on the balance sheet, as it reflects adjustments for items such as contract liabilities (advances received).

The funds required going forward are as shown on the right side of the slide.

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. 15 billion yen

R&D Expenses: Approx. 34 billion yen; proactive research and development continues.

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15

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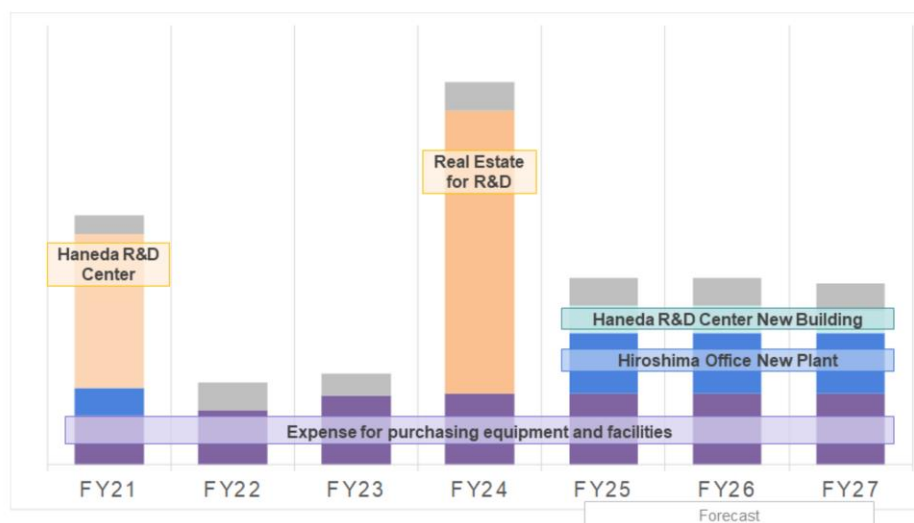
CAPEX: No change from the amount announced in April

DISCO expects a high level of CAPEX to continue from FY26 onward as well in line with proactive investment in necessary facilities in order to further strengthen the company.

Depreciation: Upward revision of approx. 1 billion yen from the amount announced in October

R&D Expenses: Upward revision of approx. 1 billion yen from the amount announced in October

Breakdown of CAPEX



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

Approx. 50 billion yen
Approx. 14 billion yen
Approx. 33 billion yen

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

This is an image of the breakdown of CAPEX.

From FY26 onward, DISCO plans to continue investing in facilities such as the Haneda R&D Center new building and Hiroshima Works new plant, and together with the price of rationalization investments in equipment and facilities, DISCO expects to continue to have an annual CAPEX of over 30 billion yen.

Sales Forecast By Product



Shipment Basis

Product		Forecast FY25_4Q (QoQ)
	Blade dicers	30%
	Laser Saws	20%
	Dicers	25%
	Grinders	-10%
	Accessory Equipment	80%
Precision Processing Equipment		10%
Precision Processing Tools (Consumables)		-5%
Others		-15%

This is the sales forecast by product on a shipment basis.

The table shows the shipment forecast for each product for the January to March quarter as an approximate quarter over quarter increase/decrease rate, for your reference.

Reference Data

Data by Product



Shipment Basis

Product	3Q		
	Composition	QoQ	YoY
Precision Processing Equipment	61%	23%	0%
Dicers	28%	14%	-12%
Blade Dicers	13%	-6%	-25%
Laser Saws	15%	41%	4%
Grinders	30%	32%	16%
Accessory Equipment	3%	30%	-14%
Precision Processing Tools	22%	8%	9%
Others	17%	14%	9%
Total	100%	18%	3%

Composition by Application



Shipment Basis

Product	Application	FY24				FY25		
		24-1Q	24-2Q	24-3Q	24-4Q	25-1Q	25-2Q	25-3Q
Dicers	IC	67%	69%	60%	62%	78%	78%	64%
	Package singulation	4%	3%	6%	4%	5%	4%	8%
	Optical semiconductors	5%	5%	10%	7%	5%	9%	6%
	Other semiconductors	19%	16%	18%	13%	7%	5%	11%
	Non-semiconductors	5%	7%	7%	14%	6%	4%	11%
Dicers		100%	100%	100%	100%	100%	100%	100%
Grinders	IC	60%	61%	62%	48%	80%	71%	68%
	Optical semiconductors	6%	1%	8%	11%	5%	6%	1%
	Other semiconductors	27%	31%	19%	22%	9%	11%	15%
	Wafer manufacturing	6%	4%	9%	14%	4%	8%	10%
	Non-semiconductors	2%	3%	3%	6%	2%	4%	6%
Grinders		100%	100%	100%	100%	100%	100%	100%

YoY by Application



Shipment Basis

Product	Application	FY24				FY25		
		24-1Q	24-2Q	24-3Q	24-4Q	25-1Q	25-2Q	25-3Q
Dicers	IC	210%	135%	50%	-8%	23%	-7%	-7%
	Package singulation	23%	-15%	270%	7%	33%	14%	24%
	Optical semiconductors	-26%	-46%	112%	26%	-5%	50%	-47%
	Other semiconductors	-3%	-33%	15%	-48%	-58%	-72%	-45%
	Non-semiconductors	-17%	-13%	26%	65%	34%	-54%	55%
Dicers		75%	36%	49%	-10%	7%	-17%	-12%
Grinders	IC	160%	68%	73%	-14%	66%	18%	28%
	Optical semiconductors	46%	-86%	-15%	819%	-1%	652%	-84%
	Other semiconductors	-16%	-4%	-15%	-37%	-59%	-63%	-5%
	Wafer manufacturing	-45%	-62%	79%	26%	-8%	104%	28%
	Non-semiconductors	-50%	-24%	19%	31%	46%	29%	125%
Grinders		37%	11%	34%	-6%	24%	2%	16%

QoQ by Application



Shipment Basis

Product	Application	FY24				FY25		
		24-1Q	24-2Q	24-3Q	24-4Q	25-1Q	25-2Q	25-3Q
Dicers	IC	20%	-4%	-7%	-14%	62%	-28%	-7%
	Package singulation	14%	-34%	119%	-35%	43%	-44%	138%
	Optical semiconductors	10%	-12%	115%	-40%	-16%	40%	-23%
	Other semiconductors	-11%	-22%	19%	-37%	-28%	-48%	134%
	Non-semiconductors	-34%	46%	-3%	77%	-47%	-50%	227%
Dicers		8%	-7%	7%	-16%	29%	-29%	14%
Grinders	IC	14%	-2%	18%	-35%	120%	-30%	28%
	Optical semiconductors	402%	-85%	952%	20%	-46%	10%	-78%
	Other semiconductors	-17%	10%	-29%	-3%	-46%	-1%	80%
	Wafer manufacturing	-45%	-29%	148%	29%	-59%	56%	56%
	Non-semiconductors	-59%	62%	24%	61%	-55%	44%	115%
Grinders		-1%	-4%	17%	-16%	31%	-20%	32%

Composition by Region



Inspection/Acceptance Basis

Composition by Region	FY2024				FY2025		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Japan	9%	11%	12%	10%	10%	10%	9%
North America	15%	10%	8%	15%	9%	8%	6%
Asia	69%	72%	74%	66%	75%	75%	79%
Singapore	6%	8%	8%	7%	7%	7%	10%
Taiwan	16%	17%	19%	22%	27%	28%	28%
Korea	14%	12%	9%	9%	9%	10%	6%
China (Note 1)	32%	33%	37%	27%	30%	28%	34%
Other	1%	1%	1%	2%	3%	2%	1%
Europe	7%	7%	5%	9%	6%	7%	6%
Total	100%	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

To Investors Considering Purchasing DISCO Shares

Please refer to the below for more details on our policy.

https://www.disco.co.jp/eg/ir/mginfo/msg_share.html

These materials

Although close attention is paid to the written contents, if there are any mistakes in the information and/or data tampering by a third party, DISCO does not take any responsibility. In addition, the purpose of this document is not for soliciting investment. Please invest based on your judgement.

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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