FY2026
First Quarter Financial Results

July 23, 2026

FY2026 1Q Earnings Results

DISCO

Billions of Yen	FY2026 1Q	FY2025 4Q	QoQ Amount	QoQ (%)	FY2025 1Q	YoY Amount	YoY (%)
Net Sales	**114.3**	**133.1**	**-18.8**	-14.1%	**89.9**	**24.4**	27.1%
Gross Profit	**81.5**	**94.4**	**-12.9**	-13.6%	**61.3**	**20.3**	33.1%
Gross Profit Margin	71.3%	70.9%	0.4p	-	68.1%	3.2p	-
SG&A	**32.5**	**35.6**	**-3.1**	-8.7%	**26.8**	**5.7**	21.4%
Operating Income	**49.0**	**58.8**	**-9.7**	-16.6%	**34.5**	**14.6**	42.2%
Ordinary Income	**48.4**	**58.5**	**-10.0**	-17.2%	**34.0**	**14.4**	42.5%
Ordinary Income Margin	42.4%	44.0%	-1.6p	-	37.8%	4.6p	-
Income before income taxes and minority interests	**48.4**	**58.4**	**-10.0**	-17.2%	**33.7**	**14.8**	43.9%
Net Income	**34.2**	**42.9**	**-8.7**	-20.2%	**23.8**	**10.5**	44.0%

Sales: YoY increased due to progress in equipment inspection/acceptance and steady consumable shipments.
GP margin: YoY increased due to the favorable exchange rates and high-value-added products.
SG&A: YoY increased due to personnel and R&D expenses.

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These are the earnings results of the April to June quarter.

Sales remained at a high level due to steady consumable shipments, in addition to progress in equipment inspection/acceptance, resulting in a record high for the first quarter (April-June).

However, as net sales are 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).

April to June Performance Summary

Net sales: 114.3 billion yen

Gross profit margin: 71.3%

SG&A expenses: 32.5 billion yen

Operating income: 49.0 billion yen

Exchange Rates

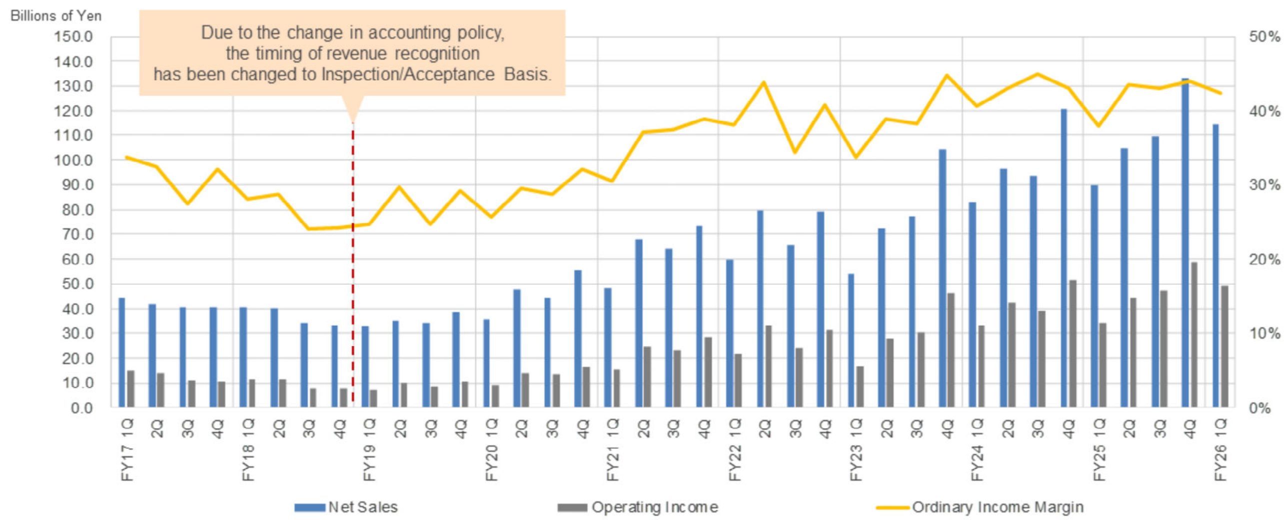
This quarter (April to June): USD 160.4 yen, EUR 186.0 yen

Previous quarter (January to March): USD 156.5 yen, EUR 183.5 yen

Same period last year (April to June): USD 144.1 yen, EUR 165.5 yen

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

Quarterly Financial Results



FY26 1Q Operating income margin 42.9%, Ordinary income margin 42.4%, Net income margin 29.9%
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

Inspection/Acceptance Basis

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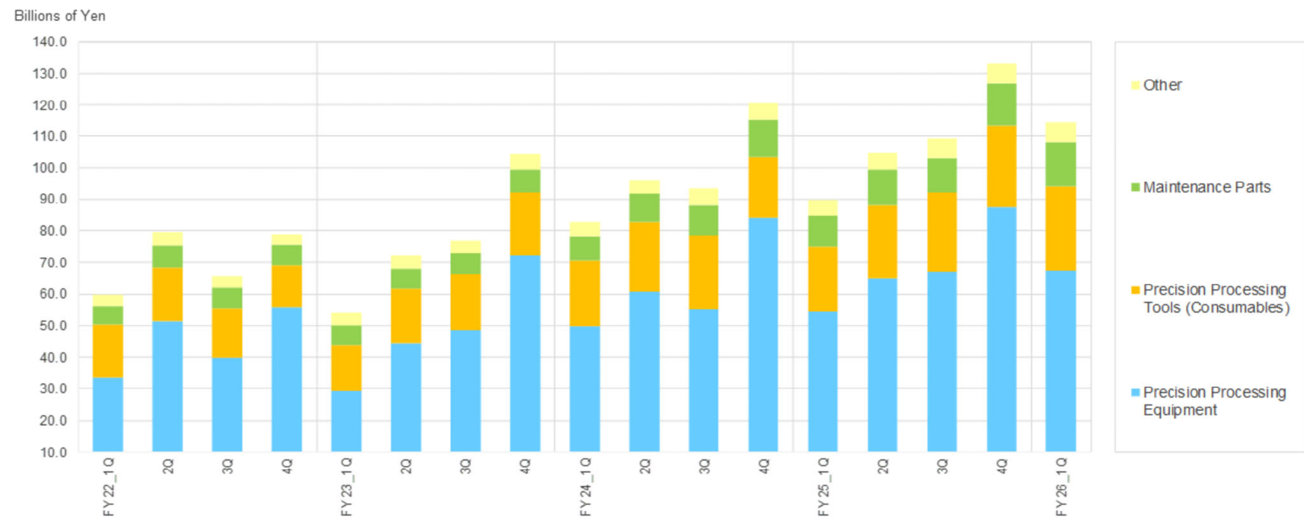


Note: Composition percentages are available in the “Consolidated Financial Information” on DISCO’s website.

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

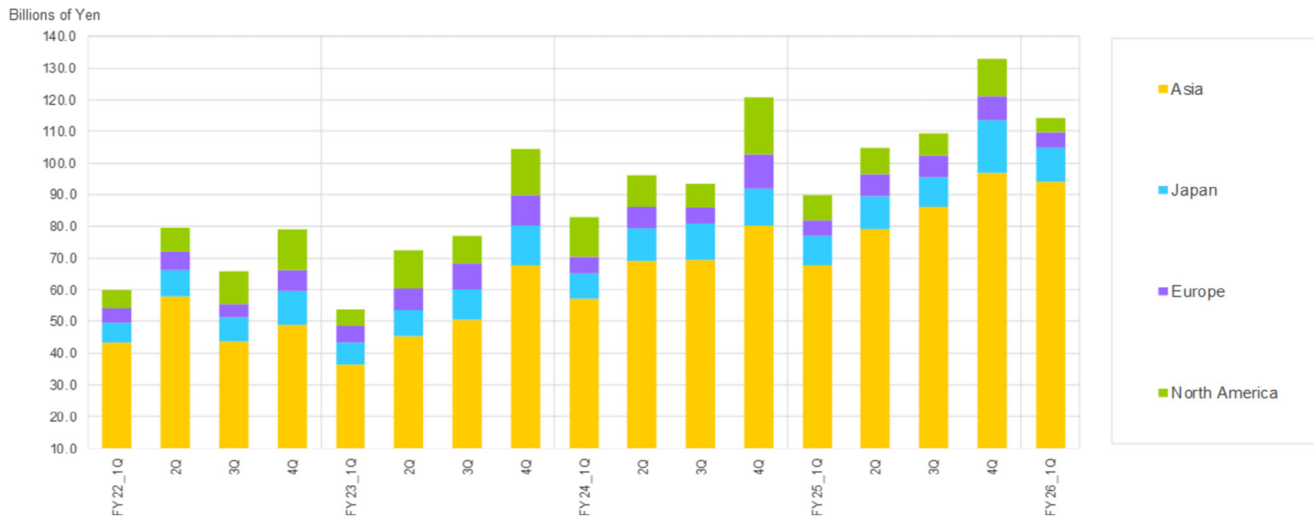
The detailed composition ratio is available in the Consolidated Financial Information (Excel format) on DISCO’s website.

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

Inspection/Acceptance Basis



FY26 1Q Overseas sales ratio: 90.8%

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

Quarterly Shipments

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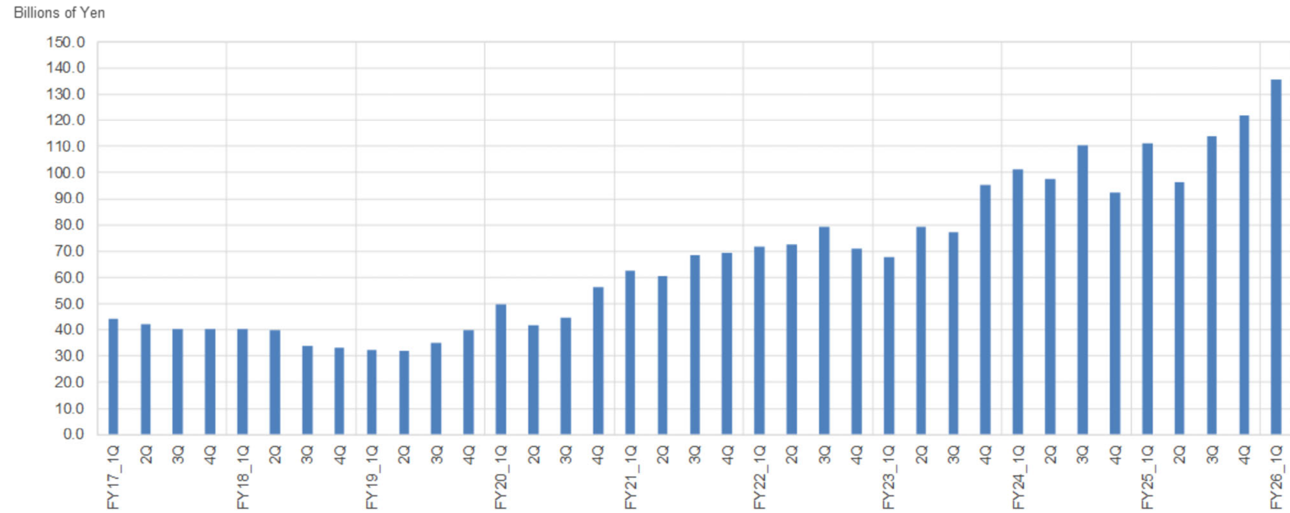

FY26 1Q Shipment volume: 135.9 billion yen (record high)

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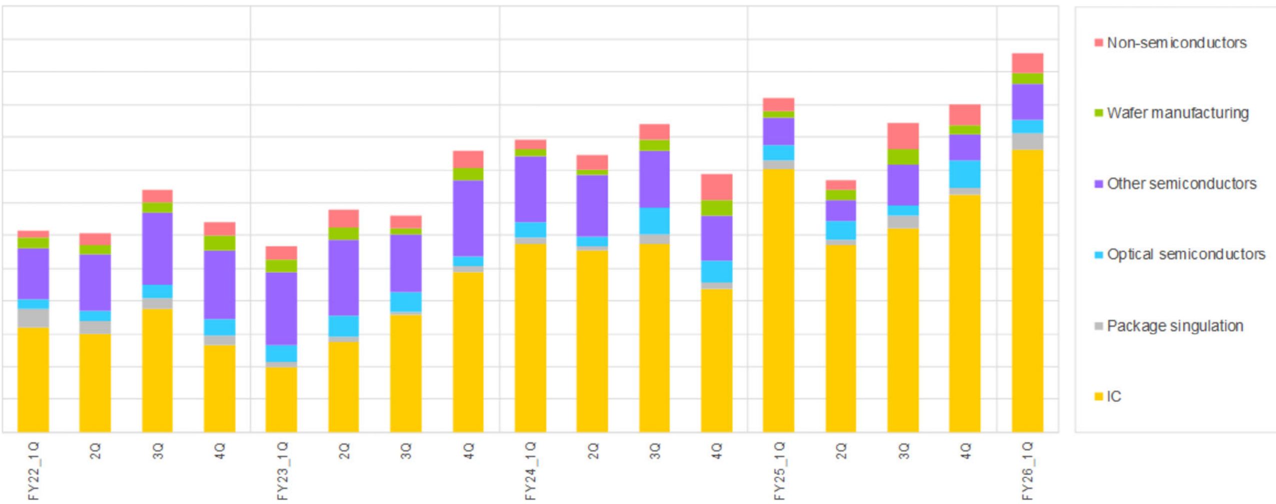
This is the quarterly trend in shipment value, which is closely linked to market trends.

The shipment value for the April to June quarter was 135.9 billion yen.

Equipment shipments increased, driven not only by demand for generative AI but also by emerging demand for OSATs. In addition, 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



QoQ increased for IC, mainly for generative AI.
YoY remained at a high level for IC due to continued demand for generative AI.

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.

April to June (QoQ)

IC: Sales for memory increased mainly for HBM used in generative AI, while sales for logic remained at a high level, mainly for generative AI.

Optical semiconductors: Sales for CMOS image sensors declined.

Other semiconductors: Sales for power semiconductors increased due to the expansion of applications beyond automotive, including AI data centers.

Dicer: Sales by Application

Shipment Basis

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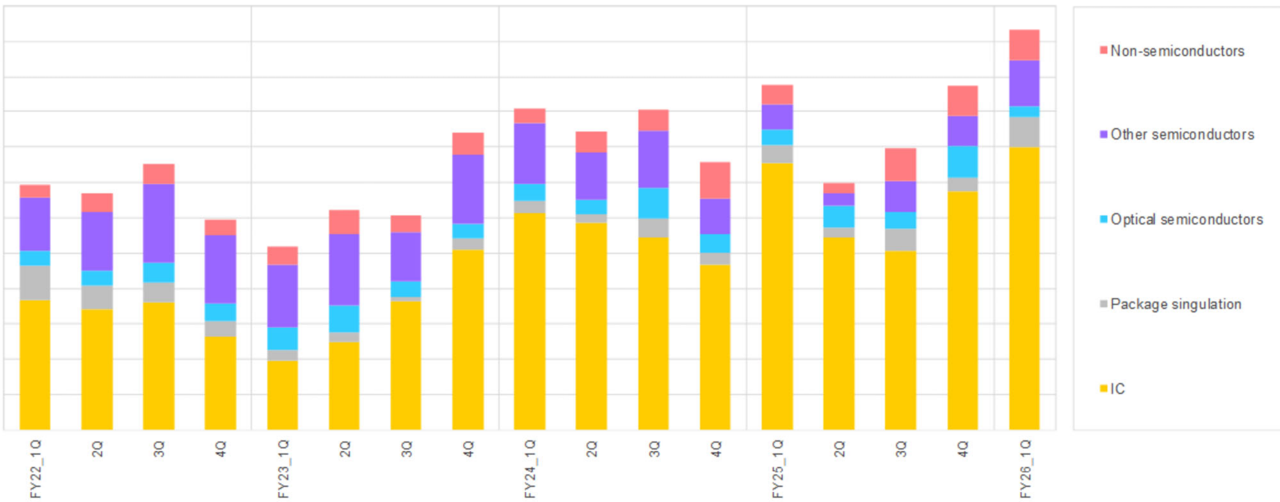

QoQ increased for IC and other semiconductors (mainly power semiconductors.)

YoY in addition to IC, which remained at a high level, sales increased for other semiconductors (mainly power semiconductors.)

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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.

April to June (QoQ)

IC: Sales for memory increased mainly for HBM used in generative AI, while sales for logic increased mainly for OSAT.

Package singulation: Sales increased mainly for OSAT.

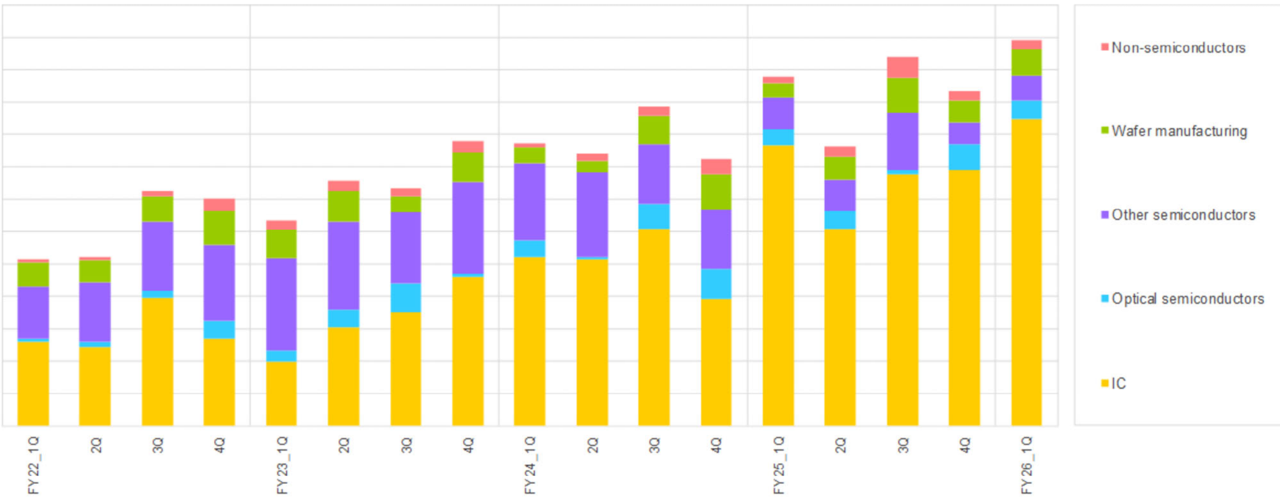
Optical semiconductors: Sales for CMOS image sensors declined.

Other semiconductors: Sales for power semiconductors increased due to the expansion of applications beyond automotive, including AI data centers.

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



QoQ	increased for IC, mainly for generative AI.
YoY	remained at a high level for IC due to continued demand for generative AI.

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

April to June (QoQ)

IC: Sales for memory increased mainly for HBM used in generative AI, while sales for logic remained at a high level, mainly for generative AI.

Optical semiconductors: Sales for CMOS image sensors declined.

Material wafers: Sales increased mainly for Japanese and Korean wafer manufacturers.

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)

Shipment Basis

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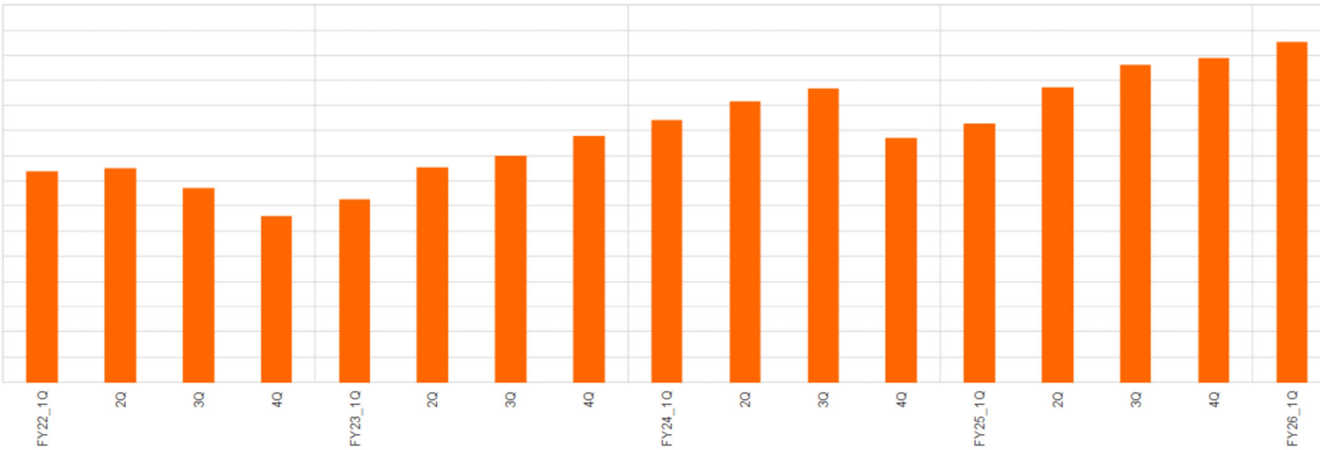


Due to higher customer facility operation rates and favorable exchange rates, precision processing tool (consumable) sales increased significantly compared to the same period last year, resulting in a record high.

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

Driven by strong demand associated with high customer facility operation rates, together with favorable exchange rates, precision processing tool (consumable) shipments significantly increased compared to the same period last year, resulting in a record high.

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

Exchange rate

This quarter (April to June) USD: 160.4 yen, EUR: 186.0 yen

Last quarter (January to March) USD: 156.5 yen, EUR: 183.5 yen

Last year (April to June) USD: 144.1 yen, EUR: 165.5 yen

Balance Sheet (Summary)

Billions of Yen	FY2026 1Q	FY2025 4Q	Amount
Cash and deposits	283.9	284.6	-0.7
Notes and account receivable	58.6	57.5	1.1
Inventories	153.0	141.3	11.6
Total current assets	503.4	494.6	8.9
Property, plant and equipment	223.9	223.2	0.7
Total noncurrent assets	247.7	248.8	-1.1
Total assets	751.2	743.4	7.7
Current liabilities	167.5	154.5	13.1
Noncurrent liabilities	1.1	0.8	0.3
Total liabilities	168.6	155.3	13.4
Total net assets	582.5	588.1	-5.6
Total liabilities and net assets	751.2	743.4	7.7
Equity Ratio	77.3%	78.9%	-1.6p

Total assets: Inventories increased mainly due to finished goods (that had been shipped but were awaiting inspection/acceptance.)
Liabilities: Increased mainly due to contract liabilities (including those associated with payment upon shipment.)
Net assets: Declined mainly due to dividend payments.

The balance sheet compares amounts at the end of June and the end of March.
Points to note are as stated on the slide.
Please refer to the Financial Results for detailed data.

Earnings Forecast 2Q FY2026

DISCO

Billions of Yen — Forecast

	FY25 1Q	2Q	3Q	4Q	FY26 1Q	2Q (Forecast)
Net Sales	89.9	104.6	109.3	133.1	114.3	128.5
Operating Income	34.5	44.4	47.3	58.8	49.0	55.9
Ordinary Income	34.0	45.5	47.0	58.5	48.4	56.4
Net Income	23.8	32.1	36.7	42.9	34.2	39.6
Operating Income Margin	38.4%	42.4%	43.3%	44.2%	42.9%	43.5%
Ordinary Income Margin	37.8%	43.5%	43.0%	44.0%	42.3%	43.9%
Net Income Margin	26.5%	30.7%	33.6%	32.2%	29.9%	30.8%
Shipment Figures	111.1	96.3	113.6	121.6	135.9	141.0

*Rounded to the nearest 100 million yen

Assumed exchange rate for 2Q (Jul-Sep): 1 US dollar = 159 yen, 1 euro = 182 yen
Currency sensitivity (annualized) US dollar: Approx. 1.9 billion yen, Euro: Approx. 0.1 billion yen

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 July to September quarter.

Assuming steady shipments continue, revenue and profit are expected to increase compared to the same period last year.

Shipment value, which indicates market trends, is projected to reach a record high for the quarter.

Demand related to generative AI remains strong, and our plants continue to operate at high capacity.

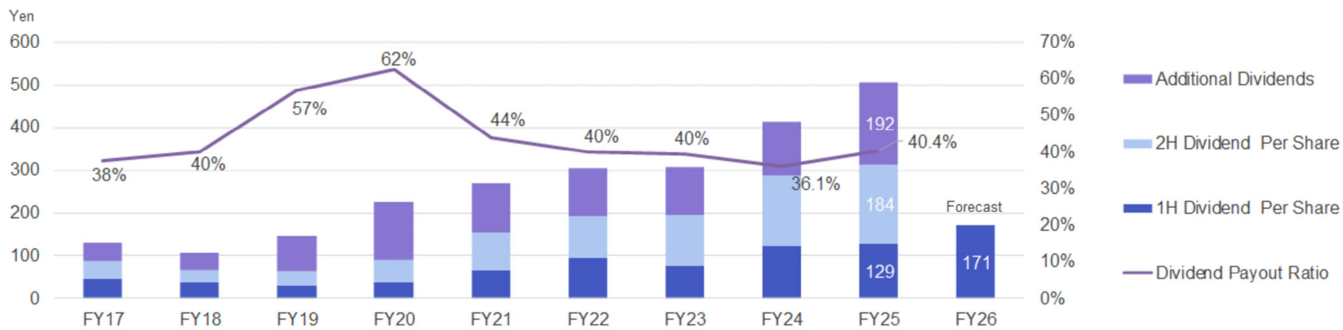
Dividend Policy and Dividend Payments

DISCO

Dividend Policy

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-year 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. The ¥20 payout stipulated in our stable dividend policy may be reviewed if there are consolidated net losses for three consecutive years.
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*, one-third of that surplus will be added to dividends.

*Including funds for technology acquisition, such as through patent purchases and investments in venture businesses, facility expansion, the retirement of interest-bearing debt, and other purposes



FY26 (forecast) Interim: 171 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)

This is the dividend forecast.

The interim dividend forecast is calculated based on a payout ratio of 25%, which is linked to the 1H earnings forecast.

At present, the interim dividend is expected to be 171 yen per share, but it may change depending on the actual business performance.

The year-end dividend is undecided at this time.

*The dividend trend before FY2022 has been represented under the assumption that the applicable stock split has been done.

R&D/CAPEX Forecast

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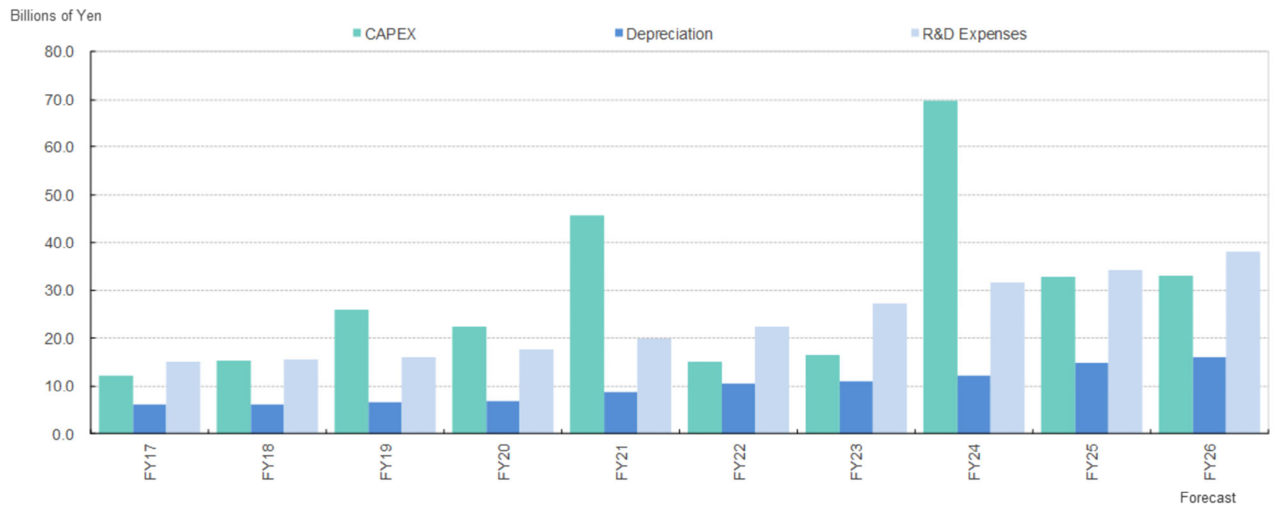


FY26 Forecast

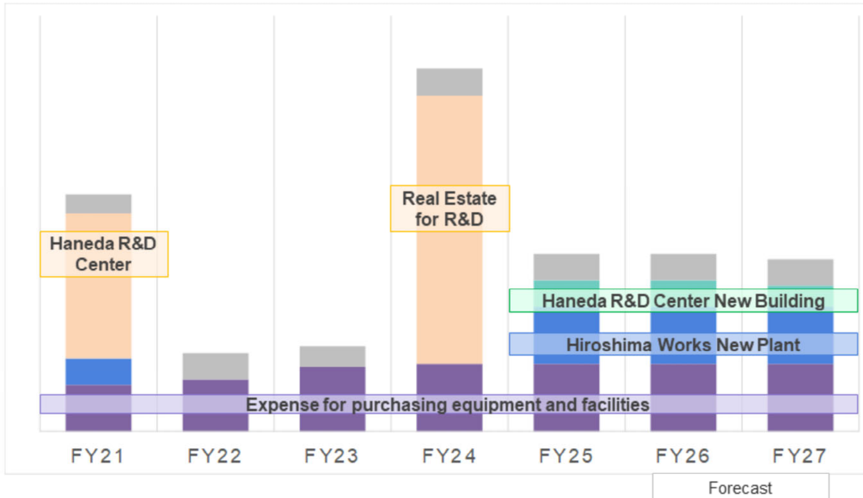
CAPEX:	Approx. 33.0 billion yen; including rationalization investment, reconstruction of the Haneda R&D Center, and construction of a new plant.
Depreciation:	Approx. 16.0 billion yen
R&D Expenses:	Approx. 38.0 billion yen; proactive research and development continues.

These are the actual results and forecasts for R&D and CAPEX.
As DISCO will continue to invest proactively to strengthen the company, CAPEX is expected to remain high.

The FY26 forecast has been slightly revised.

CAPEX: Approx. 33 billion yen (No change)
Depreciation: Approx. 16 billion yen (Before revision: Approx. 15 billion yen)
R&D expenses: Approx. 38 billion yen (Before revision: Approx. 36 billion yen)

Breakdown of CAPEX



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

This is an image of the breakdown of CAPEX.

There are no significant changes from the previous announcement made in April.

From FY2026 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.

Reference Press Releases

New Building Construction at Haneda R&D Center (October 19, 2023)
https://www.disco.co.jp/eg/news/corp/20231019.html

Plans to Construct Gohara Plant as Part of Hiroshima Works (April 18, 2025)
https://www.disco.co.jp/eg/news/corp/20250418.html

Sales Forecast By Product

Shipment Basis

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Product			Forecast FY26 2Q (QoQ)
		Blade dicers	20%
		Laser Saws	0%
	Dicers		10%
	Grinders		10%
	Accessory Equipment		20%
Precision Processing Equipment			10%
Precision Processing Tools (Consumables)			0%
Others			-20%

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

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

Product, Application, Region Composition

Product Shipment Basis FY26 1Q	Composition	QoQ	YoY
Precision Processing Equipment	**64%**	**15%**	**15%**
Dicers	33%	16%	16%
Blade Dicers	17%	20%	18%
Laser Saws	16%	13%	14%
Grinders	26%	15%	10%
Accessory Equipment	4%	9%	51%
Precision Processing Tools	**20%**	**6%**	**32%**
Others	**16%**	**5%**	**43%**
Total	**100%**	**12%**	**22%**

Application Shipment Basis FY26 1Q	
Dicers	**Composition**
IC	70%
Package singulation	8%
Optical semiconductors	3%
Other semiconductors	12%
Non-semiconductors	8%
Grinders	**Composition**
IC	79%
Optical semiconductors	5%
Other semiconductors	7%
Wafer manufacturing	7%
Non-semiconductors	2%

Region Inspection/Acceptance Basis FY26 1Q	
Region	**Composition**
Japan	9%
North America	4%
Asia	82%
Singapore	8%
Taiwan	34%
Korea	11%
China (Note 1)	27%
Other	3%
Europe	4%
Total	100%

Note 1: Including sales to local factories of foreign manufacturers

To Investors Considering Purchasing DISCO Shares

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

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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.

Disclaimer
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