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Securities Code No. 6146

June 2, 2025

(Start date for electronic provision measures: May 29, 2025)

To: Shareholders

Kazuma Sekiya, Director, Representative Executive  
Officer, President

**DISCO CORPORATION**

2-13-11 Omori-Kita, Ota-ku, Tokyo

## **Notice for the 86th General Shareholders Meeting**

We are pleased to announce that the 86th General Shareholders Meeting for DISCO CORPORATION (the “Company”) will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights via the internet, etc. or in writing (by mail). Please review the reference materials for the General Shareholders Meeting before placing your votes.

With regard to holding this General Shareholders Meeting, the Company has taken electronic provision measures to provide information constituting the contents of the General Shareholders Meeting reference documents, etc. (items for which information is provided in an electronic format) in an electronic format, and this information has been posted as “Notice of the 86th Annual General Shareholders Meeting” on the Company’s website. Please access the Company’s website from the link below to review any information.

The Company website: <https://www.disco.co.jp/jp/ir/stock/meeting.html> (in Japanese)

In addition to the above website, the Company also posts items subject to electronic provision measures on the Tokyo Stock Exchange, Inc. (TSE) website. To access this information, go to the TSE website (Listed Company Search) using the link below, enter the issue name (DISCO) or issue code (6146), click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.”

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

### **If you wish to vote via the internet, etc.:**

Please access our designated voting website (<https://evote.tr.mufig.jp/>) and use the “login id” and “password” on the voting form. When voting, please enter your approval or disapproval for each proposal in accordance with the onscreen instructions no later than 5:45 p.m. on Monday, June 23, 2025 (Japan Standard Time).

### **If you wish to vote in writing (by mail):**

Please indicate your approval or disapproval for each proposal on the voting form and return the form by postal mail so that it reaches us no later than 5:45 p.m. on Monday, June 23, 2025 (Japan Standard Time).

- 1. Date & Time:** Tuesday, June 24, 2025, at 2:00 p.m. (Japan Standard Time)  
(Reception desk will open at 1:00 p.m.)
- 2. Place:** Congrès Square Haneda (Haneda Innovation City Zone J)  
1-1-4 Haneda Airport, Ota-ku, Tokyo  
(Please note that the venue of the meeting is different from last year.)

### **3. Purposes of the Meeting**

#### **Matters to be Reported**

1. Business report, consolidated financial statements, and audit reports from the Accounting Auditor and Audit Committee on the consolidated financial statements for the 86th fiscal year (from April 1, 2024 to March 31, 2025)
2. Financial statements for the 86th fiscal year (from April 1, 2024 to March 31, 2025)

#### **Matters to be Resolved**

- |                   |                                    |
|-------------------|------------------------------------|
| <b>Proposal 1</b> | Appropriation of Retained Earnings |
| <b>Proposal 2</b> | Election of Nine Directors         |

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- ◎ In accordance with the provisions of laws and regulations and Article 15 of the Company's Articles of Incorporation, the Company has posted the following items on the Company's website and on TSE's website; therefore these have been omitted from the documents to be delivered to shareholders who have requested so (documents containing items subject to electronic provision measures).
1. Matters concerning share acquisition rights
  2. Structure to ensure the appropriateness of business
  3. Overview of the operational status of the structure to ensure the appropriateness of business
  4. Basic concept toward eliminating anti-social forces and its development status
  5. Basic policy on internal control concerning financial reporting
  6. Notes on consolidated financial statements
  7. Notes on financial statements
- Thus, the documents to be delivered are a part of the business report, consolidated financial statements, and financial statements that were audited when the Audit Committee wrote the audit report and when the Accounting Auditor wrote the accounting audit report.
- ◎ If a revision is made to the items subject to electronic provision measures, a notice of the revision and details of the item before and after the revision will be posted on the Company's website and the TSE website.

## Reference Materials for the General Shareholders Meeting

### Proposal 1                      Appropriation of Retained Earnings

It is proposed that the retained earnings be appropriated as follows.

**(1) Type of assets to be distributed:**

Cash

**(2) Matters on the allocation of assets to be distributed and the total amount thereof:**

¥289 per share of the Company's common stock

Total distribution: ¥31,328,954,543

**(3) Effective date of the dividend from retained earnings:**

June 25, 2025

<Fundamental policy>

With respect to the dividend, the Company pays dividends according to its business performance and maintains dividends of "25% of the consolidated half-yearly net income."

However, even if its profitability is at a low level, the Company will maintain a half-yearly dividend of ¥10 (an annual dividend of ¥20) to ensure stable dividend payments.

Furthermore, in the case that the balance of cash and cash equivalents has exceeded the budgeted funds necessary as of the end of the fiscal year, then, except in the case of a deficit, the Company's fundamental policy is to pay an additional dividend of approximately one-third of surplus funds.

[Reference]		
Interim dividend	¥124	25% of the consolidated <b>first-half</b> net income
Year-end dividend	¥289	25% of the consolidated <b>second-half</b> net income  One-third of surplus funds (See reference information on P19)
Portion of performance-based dividends	¥163	
Portion of additional dividends	¥126	
Annual dividend	¥413	
Dividend payout ratio (consolidated)	36.1%	

**Proposal 2****Election of Nine Directors**

The terms of office for all eleven Directors expire at the close of this General Shareholders Meeting. Therefore, it is proposed that nine Directors including six Outside Directors be elected pursuant to the decision of the Nominating Committee.

The candidates for Directors are as follows.

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
1 Reappointment	Kazuma Sekiya (February 14, 1966) Male  Attendance at Board of Directors meetings: 100% (13/13)  Attendance at Nominating Committee meetings: 100% (5/5)  Attendance at Compensation Committee meetings: 100% (7/7)	<p>July 1989      Joined the Company</p> <p>Apr. 1994      General Manager of Engineering Development Department, PS Division of the Company</p> <p>June 1995      Director, Deputy General Manager of PS Division of the Company</p> <p>July 1998      Vice President of PS Company of the Company</p> <p>July 2002      Managing Director of the Company</p> <p>Apr. 2003      President of PS Company of the Company</p> <p>Apr. 2009      Representative Director, President, and General Manager of Engineering R&amp;D Division of the Company</p> <p>June 2022      Director, Representative Executive Officer, President, and General Manager of Engineering R&amp;D Division of the Company (current position)</p> <p>(Key concurrent posts) None</p>	2,100,600 shares
		<p>Reasons for nomination as a candidate for Director: The Company expects Mr. Kazuma Sekiya to continue demonstrating strong leadership in the future with his technological development expertise, deep knowledge of business as a whole, and his wealth of ideas in the Company. Therefore, the Company has nominated him as a candidate for Director. In addition, after his election, he will continue to be involved as a member of the Nominating Committee and Compensation Committee, representing the Company's executive side in making decisions regarding personnel-related affairs of Directors and on the officer remuneration system.</p>	

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
2 Reappointment	Noboru Yoshinaga (August 23, 1957) Male  Attendance at Board of Directors meetings: 100% (13/13)	<p>Apr. 1982      Joined the Company</p> <p>July 2004      General Manager of Global Management Department, PS Company of the Company</p> <p>July 2006      Operating Officer, General Manager of Global Sales Department, PS Company of the Company</p> <p>June 2011      Executive Operating Officer, General Manager of Sales Division and General Manager of Service Department of the Company</p> <p>June 2015      Senior Executive Operating Officer, General Manager of Sales Division and General Manager of Global Sales Department of the Company</p> <p>Aug. 2017      General Manager of Customer Engineering Department of the Company</p> <p>June 2019      Senior Managing Director, General Manager of Sales Division of the Company</p> <p>June 2021      General Manager of Global Sales Department of the Company</p> <p>June 2022      Director, Executive Officer, Executive Vice President, and General Manager of Sales Division of the Company</p> <p>June 2023      Director, Representative Executive Officer, Executive Vice President, and General Manager of Sales Division of the Company (current position)</p> <p>(Key concurrent posts) Representative Director and Chairperson of DISCO HI-TEC AMERICA, INC. Representative Director and Chairperson of DISCO HI-TEC (SINGAPORE) PTE LTD Chairperson of the Board of DISCO HI-TEC CHINA CO., LTD. Chairperson of the Board of DISCO HI-TEC TAIWAN CO., LTD. Representative Director of DISCO HI-TEC KOREA Corporation</p>	12,683 shares
<p>Reasons for nomination as a candidate for Director: Since joining the Company, Mr. Noboru Yoshinaga has gained experience as an application engineer and has subsequently applied that experience to sales, primarily overseas. He has been in charge of global sales divisions and overseas subsidiaries for many years, and has contributed greatly to the growth and development of the Company through his services in the sales field amidst rapidly changing market conditions. The Company has nominated him as a candidate for Director in order to incorporate his personal connections with a broad range of clients and his abundant experience into the management of the Company.</p>			

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
3 Reappointment	Takao Tamura (September 16, 1955) Male  Attendance at Board of Directors meetings: 100% (13/13)	Apr. 1977      Joined the Company June 1995      Director of the Company July 1997      Acting General Manager of Corporate Support Division and General Manager of General Affairs Department of the Company  Apr. 1999      General Manager of Corporate Support Division of the Company (current position)  Aug. 2002      General Manager of Accounting Department of Corporate Support Division of the Company  June 2011      Managing Director of the Company Sept. 2011      General Manager of Human Resource Department, Corporate Support Division of the Company  Jan. 2018      General Manager of General Affairs Department, Corporate Support Division of the Company  June 2022      Director, Managing Executive Officer (current position)  (Key concurrent posts) None	3,200 shares
		Reasons for nomination as a candidate for Director: After building up experience overseas through projects such as launching an overseas local subsidiary, Mr. Takao Tamura has served as the person responsible for supervising administrative departments in the Company and overseeing subsidiaries in Japan and overseas. The Company has nominated him as a candidate for Director in order to incorporate this extensive experience and knowledge into the management of the Company.	

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
4 Reappointment  Outside Director  Independent Officer	Kazuyoshi Tokimaru (March 28, 1959) Male  Attendance at Board of Directors meetings: 100% (13/13)  Attendance at Audit Committee meetings: 100% (14/14)	<p>Apr. 1982      Joined The Sumitomo Trust and Banking Company, Limited (now Sumitomo Mitsui Trust Bank, Limited)</p> <p>June 2006      General Manager of the Retail Sales Development Department of The Sumitomo Trust and Banking Company, Limited</p> <p>Feb. 2008      General Manager of Structured Finance Department of The Sumitomo Trust and Banking Company, Limited</p> <p>May 2009      General Manager of Legal and Compliance Department of The Sumitomo Trust and Banking Company, Limited</p> <p>Apr. 2011      General Manager of Internal Audit Department of The Sumitomo Trust and Banking Company, Limited and General Manager of Internal Audit Department of Sumitomo Mitsui Trust Holdings, Inc. (now Sumitomo Mitsui Trust Group, Inc.)</p> <p>Apr. 2012      General Manager of Internal Audit Department of Sumitomo Mitsui Trust Bank, Limited and General Manager of Internal Audit Department of Sumitomo Mitsui Trust Holdings, Inc. (now Sumitomo Mitsui Trust Group, Inc.)</p> <p>Apr. 2015      Executive Officer, General Manager of Internal Audit Department of Sumitomo Mitsui Trust Bank, Limited and Executive Officer, General Manager of Internal Audit Department of Sumitomo Mitsui Trust Holdings, Inc. (now Sumitomo Mitsui Trust Group, Inc.)</p> <p>June 2015      Standing Outside Audit &amp; Supervisory Board Member of Minebea Co., Ltd. (now MinebeaMitsumi Inc.)</p> <p>June 2019      Outside Company Auditor of the Company</p> <p>June 2022      Outside Director of the Company (current position)</p> <p>(Key concurrent posts) None</p>	0 shares
<p>Reasons for nomination as a candidate for Outside Director, expected roles, etc.: The Company has nominated Mr. Kazuyoshi Tokimaru as a candidate for Outside Director since he has a wealth of insight regarding finance, accounting, legal affairs, and risk management based on his experience in finance and legal-related operations for many years.</p> <p>In addition, after his election, the Company expects that he will use his expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. As the full-time Chairperson of the Audit Committee, he will continue to be involved in auditing the execution of duties by Executive Officers and Directors and in determining the Accounting Auditor from an objective and neutral standpoint.</p>			

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
5 Reappointment	Noriko Oki (May 25, 1958) Female	<p>Apr. 1982      Joined Chase Manhattan Bank (currently JPMorgan Chase Bank, N.A.)</p> <p>Apr. 1988      Joined Morgan Stanley Japan Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.) Stock Research Department of Morgan Stanley Japan Securities Co., Ltd.</p> <p>Dec. 2001      Managing Director of Morgan Stanley Japan Securities Co., Ltd.</p> <p>Oct. 2004      Senior Advisor, Investment Banking Division of Morgan Stanley Japan Securities Co., Ltd.</p> <p>June 2020      Outside Director of ALPS ALPINE CO., LTD. (current position)</p> <p>June 2022      Outside Director of the Company (current position)</p> <p>(Key concurrent posts) Outside Director of ALPS ALPINE CO., LTD.</p>	0 shares
Outside Director	Attendance at Board of Directors meetings: 100% (13/13)	<p>Reasons for nomination as a candidate for Outside Director, expected roles, etc.: As a securities analyst, Ms. Noriko Oki has a wealth of knowledge and high level of expertise in finance and accounting in the semiconductor manufacturing equipment industry, to which the Company belongs, and the precision equipment industry, to which our customers belong through her many years of experience in these industries. Based on this, the Company has nominated her as a candidate for Outside Director because she has a high level of insight in analyzing a company from various perspectives.</p> <p>In addition, after her election, the Company expects that she will use her expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. As a member of the Audit Committee, she will be involved in auditing the execution of duties by Executive Officers and Directors and in determining the Accounting Auditor from an objective and neutral standpoint.</p> <p>She has never been involved in the management of a company except as an external executive. However, the Company judges she will appropriately fulfill her duties as an Outside Director based on the above reasons.</p>	
Independent Officer	Attendance at Audit Committee meetings: 100% (14/14)		



Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
6 Reappointment	Akiko Matsuo (December 1, 1964) Female	<p>Apr. 1989      Joined Recruit Co., Ltd.</p> <p>Mar. 1993      Resigned from Recruit Co., Ltd.</p> <p>Apr. 2008      Professor at the Faculty of Science and Technology, Department of Mechanical Engineering at Keio University (current position)</p> <p>Apr. 2020      President of the Japan Society for Aeronautical and Space Sciences</p> <p>June 2023      Outside Director of the Company (current position)</p> <p>(Key concurrent posts) Professor at the Faculty of Science and Technology, Department of Mechanical Engineering at Keio University</p>	0 shares
		<p>Reasons for nomination as a candidate for Outside Director, expected roles, etc.: Ms. Akiko Matsuo has specialized knowledge in physics and mechanical engineering, particularly in the area of computer simulation, and has an outstanding record of research accomplishments, including winning the A.K. Oppenheim Prize, a prize awarded to researchers who have made extensive contributions to research on explosions and combustion in the USA. She was also the youngest ever part-time member of a council for the Ministry of Land, Infrastructure, Transport and Tourism, and is held in high esteem by society. The Company has nominated her as a candidate for Outside Director in the belief that she will utilize her deep insight to strengthen the Company's business. In addition, after her election, the Company expects that she will use her expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. Moreover, as a member of the Nominating Committee, she will drive discussions that incorporate the perspective of gender diversity, and as the Chairperson of the Compensation Committee, she will lead the discussions in the Compensation Committee meetings to ensure that the remuneration system is in line with social demands, and contribute to decisions on matters such as Director and Officer compensation from an objective, neutral standpoint. She has never been involved in the management of a company except as an external executive. However, based on her past achievements, the Company judges she will perform her duties as an Outside Director with sincerity and from a fair and open perspective.</p>	
Outside Director	Attendance at Board of Directors meetings: 100% (13/13)		
Independent Officer	Attendance at Audit Committee meetings: 100% (14/14)		

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
7 Reappointment  Outside Director  Independent Officer	Etsuko Kobayashi (December 6, 1972) Female	Sept. 2006      Assistant Professor at the Graduate School of Engineering at the University of Tokyo	0 shares
		Apr. 2007      Associate Professor at the Graduate School of Engineering at the University of Tokyo	
		Mar. 2018      Associate Professor at Tokyo Women's Medical University Institute of Advanced Biomedical Engineering and Science	
		Apr. 2020      Professor in the Department of Precision Engineering at the University of Tokyo Graduate School of Engineering (current position)	
		June 2024      Outside Director of the Company (current position)	
	Attendance at Board of Directors meetings: 100% (10/10)	(Key concurrent posts) Professor in the Department of Precision Engineering at the University of Tokyo Graduate School of Engineering	
	Attendance at Nominating Committee meetings: 100% (3/3)	Reasons for nomination as a candidate for Outside Director, expected roles, etc.: Ms. Etsuko Kobayashi has an excellent research record in the precision engineering field, specializing in treatment support engineering and working on research on technology such as minimally invasive surgical support systems using surgical robots and other mechatronic technology. She also co-wrote Ensuring Gender Equity on JSCAS and is actively involved in activities to promote diversity in her university and in academia. The Company has nominated her as a candidate for Outside Director in the belief that, as a mechatronic technology researcher in the precision engineering field, she will utilize her deep insight to strengthen the Company's business.	
	Attendance at Compensation Committee meetings: 100% (5/5)	In addition, after her election, it is expected that she will utilize this knowledge to contribute to decisions on important business matters at Board of Directors' meetings and oversee business execution. Moreover, as the Chairperson of the Nominating Committee, with respect to the selection of candidates for the Company's Directors, she will drive discussions that incorporate the perspective of gender diversity, and as a member of the Compensation Committee, she will contribute to decisions on matters such as Director and Officer compensation from an objective, neutral standpoint. She has never been involved in the management of a company except as an external executive. However, based on her past achievements, the Company judges she will perform her duties as an Outside Director with sincerity and from a fair and open perspective.	

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
8 New election  Outside Director  Independent Officer	Christina L. Ahmadjian (March 5, 1959) Female  Attendance at Board of Directors meetings: —	<p>Jan. 1995      Assistant Professor of Columbia Business School</p> <p>Oct. 2001      Assistant Professor of Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>Jan. 2004      Professor of Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>June 2009      Outside Director of Eisai Co., Ltd.</p> <p>Apr. 2010      Dean of Graduate School, Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>Apr. 2012      Professor of Graduate School of Commerce and Management, Hitotsubashi University</p> <p>June 2012      Outside Director of Mitsubishi Heavy Industries, Ltd.</p> <p>June 2014      Outside Director of Japan Exchange Group, Inc.</p> <p>Apr. 2018      Professor of Graduate School of Business Administration, Hitotsubashi University</p> <p>June 2018      Outside Director of Sumitomo Electric Industries, Ltd. (current position)</p> <p>Mar. 2019      Outside Director of Asahi Group Holdings, Ltd.</p> <p>June 2021      Outside Director of NEC Corporation (current position)</p> <p>Apr. 2022      Professor Emeritus of Hitotsubashi University</p> <p>                 Specially Appointed Professor of Department of Global Business, College of Business, Rikkyo University</p> <p>June 2022      Outside Director of Niterra Co., Ltd. (current position)</p> <p>Jan. 2023      Outside Director of The University of Tokyo Edge Capital Partners Co., Ltd. (current position)</p> <p>Apr. 2024      Executive Director (part-time) of Hokkaido University (current position)</p> <p>Apr. 2025      Outside Director of Daiwa Securities Co. Ltd. (current position)</p> <p>(Key concurrent posts) Outside Director of Sumitomo Electric Industries, Ltd. (scheduled to retire in June 2025) Outside Director of NEC Corporation (scheduled to retire in June 2025) Outside Director of Niterra Co., Ltd. Outside Director of The University of Tokyo Edge Capital Partners Co., Ltd. Executive Director (part-time) of Hokkaido University Outside Director of Daiwa Securities Co. Ltd.</p>	0 shares

		<p>Reasons for nomination as a candidate for Outside Director, expected roles, etc.: Ms. Christina L. Ahmadjian has abundant experience and deep insight as a researcher of corporate management, corporate governance, and organizational culture, and has been involved in management as an outside director at a number of companies. We have nominated her as a candidate for Outside Director in the belief that she will draw on her extensive experience and insight to strengthen our governance and organizational culture.</p> <p>She has never been involved in the management of a company except as an external executive. However, after her election, the Company expects that she will use her expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. As a member of the Audit Committee, she will be involved in auditing the execution of duties by Executive Officers and Directors and in determining the Accounting Auditor from an objective and neutral standpoint.</p>
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Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
9 New election  Outside Director  Independent Officer	Atsushi Murakami (May 9, 1961) Male  Attendance at Board of Directors meetings: —	<p>Apr. 1984      Joined The Sanwa Bank, Limited (now MUFG Bank, Ltd.)</p> <p>June 2010      Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (now MUFG Bank, Ltd.)</p> <p>June 2010      Executive Officer of Mitsubishi UFJ Financial Group, Inc.</p> <p>May 2016      Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc.</p> <p>June 2016      Managing Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>June 2017      Resigned as Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2018      Senior Managing Executive Officer of MUFG Bank, Ltd.</p> <p>June 2019      Representative Director and President of MST Insurance Service Co., Ltd.</p> <p>Oct. 2023      Representative Director, President and CEO of MST Marsh, Inc. (current position)</p> <p>(Key concurrent posts) Representative Director, President and CEO of MST Marsh, Inc.</p>	0 shares
<p>Reasons for nomination as a candidate for Outside Director, expected roles, etc.: Mr. Atsushi Murakami has gained all-round experience in financial operations at financial institutions, including planning, international operations, and retail, and as a senior managing executive officer, he was in charge of global commercial banking. In addition, he has a wealth of experience and extensive knowledge as a manager, including serving as representative director and president and representative director of two companies, and has been admitted to the bar in the State of New York, USA. We have nominated him as a candidate for Outside Director based on this knowledge and experience.</p> <p>In addition, after his election, the Company expects that he will use his expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. As a member of the Audit Committee, he will be involved in auditing the execution of duties by Executive Officers and Directors and in determining the Accounting Auditor from an objective and neutral standpoint.</p>			

- Notes:
1. There are no special interests between the candidates and the Company.
  2. Mr. Kazuyoshi Tokimaru, Ms. Noriko Oki, Ms. Akiko Matsuo, Ms. Etsuko Kobayashi, Ms. Christina L. Ahmadjian, and Mr. Atsushi Murakami are candidates for Outside Director.
  3. Mr. Kazuyoshi Tokimaru is currently an Outside Director of the Company. His term of office will be three years at the close of this General Shareholders Meeting. Furthermore, he was an Outside Company Auditor of the Company prior to his appointment as an Outside Director of the Company, and his term of office, including the three years he served, will be six years.
  4. Ms. Noriko Oki is currently an Outside Director of the Company. Her term of office will be three years at the close of this General Shareholders Meeting.
  5. Ms. Akiko Matsuo is currently an Outside Director of the Company. Her term of office will be two years at the close of this General Shareholders Meeting.
  6. Ms. Etsuko Kobayashi is currently an Outside Director of the Company. Her term of office will be one year at the close of this General Shareholders Meeting.
  7. The Company has registered Mr. Kazuyoshi Tokimaru, Ms. Noriko Oki, Ms. Akiko Matsuo, and Ms. Etsuko Kobayashi as independent officers based on the regulations of the Tokyo Stock Exchange. If each of these candidates is reappointed, the Company intends for them to continue acting as an independent officer.  
Furthermore, Ms. Christina L. Ahmadjian and Mr. Atsushi Murakami satisfy the requirements to be an independent officer based on the regulations of the Tokyo Stock Exchange, and thus, should they be elected, the Company intends to register them as independent officers with the exchange.
  8. The Company has concluded agreements with Mr. Kazuyoshi Tokimaru, Ms. Noriko Oki, Ms. Akiko Matsuo, and Ms. Etsuko Kobayashi, who are non-executive directors, limiting their liability for damages in Article 423, paragraph 1 of the Companies Act, based on the provisions in Article 427, paragraph 1 of the same Act. The maximum liability for damages under such an agreement shall be the minimum liability amount as stated in Article 425, paragraph 1 of the Companies Act. If the reappointment of each of these members is approved, the said agreements will be continued. If the election of Ms. Christina L. Ahmadjian and Mr. Atsushi Murakami is approved, the Company plans to enter into the same limited liability agreement with them as well.
  9. The Company has entered into a Directors and Officers Liability Insurance (D&O Insurance) agreement with an insurance company as stipulated in Article 430-3, paragraph 1 of the Companies Act. An outline of this insurance agreement is provided in the Business Report (in Japanese only). If the reappointment or election of a candidate for Director is approved, they will be included as an insured person under the above-mentioned insurance. In addition, the Company plans to renew the policy with the same terms at the next renewal.
  10. Ms. Etsuko Kobayashi's attendance at the Board of Directors meetings only covers the meetings held after her election as a Director at the 85th Annual General Meeting of Shareholders held on June 21, 2024.
  11. Outside Director Ms. Etsuko Kobayashi's name is entered as "Etsuko Masamune" in her family register.
  12. Candidates for Directors of the Company are written in order of rank and candidates for Outside Directors are written in order of term length.

[Reference]

1. Concurrent Service of Each Director as an Executive Officer and the Committee to Which They Are Expected to Belong

The composition of the committees when Proposal 2 “Election of Nine Directors” is approved is as follows.

Candidate No.	Name	Representative Executive Officer	Executive Officer	Nominating Committee		Compensation Committee		Audit Committee		Representative Executive Officer Evaluation Committee	
				Chair-person	Member	Chair-person	Member	Chair-person	Member	Chair-person	Member
1	Kazuma Sekiya	✓			✓		✓				
2	Noboru Yoshinaga	✓									
3	Takao Tamura		✓								
4	Kazuyoshi Tokimaru							✓		✓	
5	Noriko Oki								✓		✓
6	Akiko Matsuo				✓	✓					✓
7	Etsuko Kobayashi			✓			✓				✓
8	Christina L. Ahmadjian								✓		✓
9	Atsushi Murakami								✓		✓

Note: Outside Directors are in gray on the table.

## 2. Director Skill Matrix

The Board of Directors of the Company shall fundamentally comprise of personnel with a balance of business knowledge, experience, and abilities, in addition to Outside Directors with knowledge of innovation and technology, thus considered appropriate from the standpoint of diversity as well.

In addition to the knowledge and experience of each Director, the skills required are identified in light of key business strategies that include “to be a corporation that contributes to the realization of a sustainable society through all of its corporate activities” as stated in DISCO VISION 2030.

This skill matrix will be reviewed as appropriate based on the external environment and the situation of the Company.

Candidate No.	Name	Gender		Business management	Experience and knowledge of the Company's business and industry	Innovation and technology	International business and international experience	Finance and accounting	Legal affairs	Risk management	Environmental, social, and governance (ESG)
		Male	Female								
1	Kazuma Sekiya	✓		✓	✓	✓	✓	✓	✓	✓	✓
2	Noboru Yoshinaga	✓		✓	✓	✓	✓	✓	✓	✓	✓
3	Takao Tamura	✓		✓	✓		✓	✓	✓	✓	✓
4	Kazuyoshi Tokimaru	✓		✓				✓	✓	✓	✓
5	Noriko Oki		✓		✓		✓	✓			✓
6	Akiko Matsuo		✓			✓	✓				✓
7	Etsuko Kobayashi		✓			✓	✓				✓
8	Christina L. Ahmadjian		✓	✓			✓				✓
9	Atsushi Murakami	✓		✓			✓	✓	✓	✓	✓

Note: Outside Directors are in gray on the table.



Definitions of skills as stipulated in the Director Skills Matrix

Skill	Definition
Business management	Experience in corporate management (director, executive officer, or operating officer) or knowledge in business administration *However, experience solely as an outside director is excluded
Experience and knowledge of the Company's business and industry	Knowledge and experience related to the semiconductor industry
Innovation and technology	High level of expertise or outstanding research achievements in technology, production, or quality
International business and international experience	- Experience in management and business operations in international companies - Experience in organizational management at international institutions - Work experience and outstanding research achievements at international companies or institutions Must possess one of the above
Finance and accounting	- Experience of working in a financial institution - Holds the title of certified public accountant or other qualifications - Experience as a financial manager in an operating company (including subsidiaries, associates, etc.) - Insight and experience in dialogue with capital markets Must possess one of the above
Legal affairs	- Knowledge and experience in corporate legal affairs, compliance, and governance - Legal-related national qualification such as for lawyers and other law-related professionals Must possess one of the above
Risk management	- Insight and experience in risk management - Experience of serving on committees (executive level) related to risk management Must possess one of the above
Environmental, social, and governance (ESG)	Possesses sustainability-related insight and experience, including climate change, human capital, governance, etc.

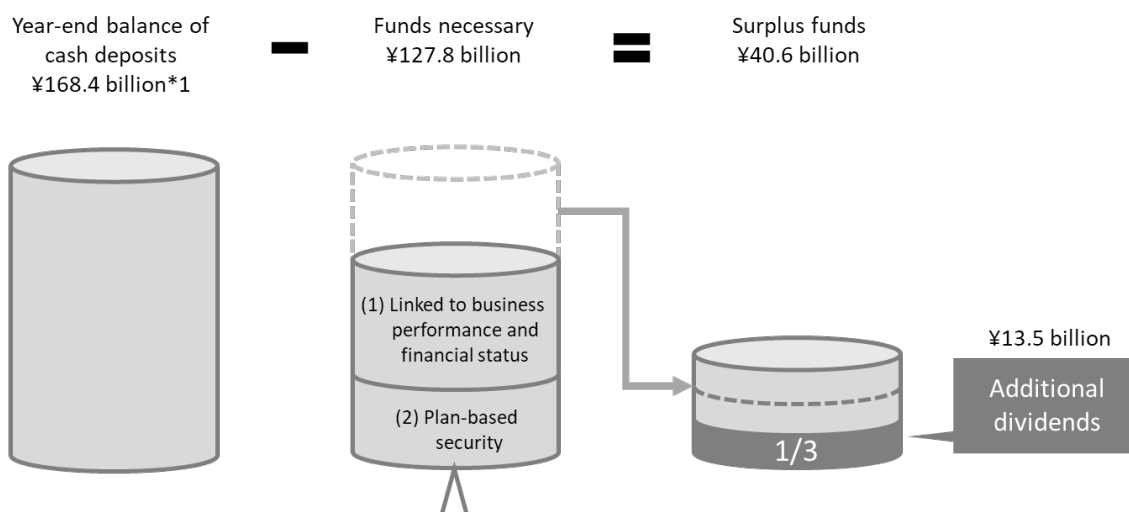
### 3. Independence Criteria

The Company will judge there to be no independence if any of the following applies with regard to the independence of a candidate to be elected as an independent Outside Director.

- (1) A person who is, or was, a business executor (a “business executor” refers to a director, executive officer, operating officer, manager, or other employee who executes the business of a corporation or other organization; the same applies hereinafter) in the Company or an associated firm of the Company (the “DISCO Group”)
- (2) An organization for whom the DISCO Group is a major business partner (a “major business partner” refers to an organization that has made or received payments exceeding 2% of the annual consolidated sales of the Company in relation to business with the DISCO Group in the most recent fiscal year, or an organization that has lent to the DISCO Group an amount exceeding 20% of the total liabilities of the DISCO Group; the same applies hereinafter) or a business executor of that organization
- (3) A major business partner of the DISCO Group or a business executor of that organization
- (4) A consultant, accounting expert, or legal expert who receives a large amount (a “large amount” refers to an amount for which the average annual amount paid in the last three fiscal years exceeds ¥10,000,000) of money or other property other than officer’s remuneration from the DISCO Group. (If it is an organization, such as a corporation or association, which is receiving said property, a person belonging to that organization)
- (5) A major shareholder (a “major shareholder” refers to a person or organization which directly or indirectly holds more than 5% of the total voting rights in the Company) or a business executor of that organization
- (6) An organization of which the DISCO Group directly or indirectly holds more than 5% of the total voting rights or a business executor of that organization
- (7) A person to whom one or more of the aforementioned (2) to (6) has applied in the past 10 years, including the current fiscal year
- (8) If a person to whom one of the aforementioned (1) to (7) applies is a key person (a “key person” refers to a director (excluding outside director), executive officer, operating officer, or an employee in a senior management position of the department manager class or above), a person equivalent to a spouse, or a relative within the second degree of kinship of that person
- (9) A person who has served as an external executive (Outside Director or Outside Company Auditor) of the Company for a total of more than 10 years.

#### 4. Formula for calculating additional dividends

Additional dividends: A target of one-third of surplus funds added to performance-based dividends



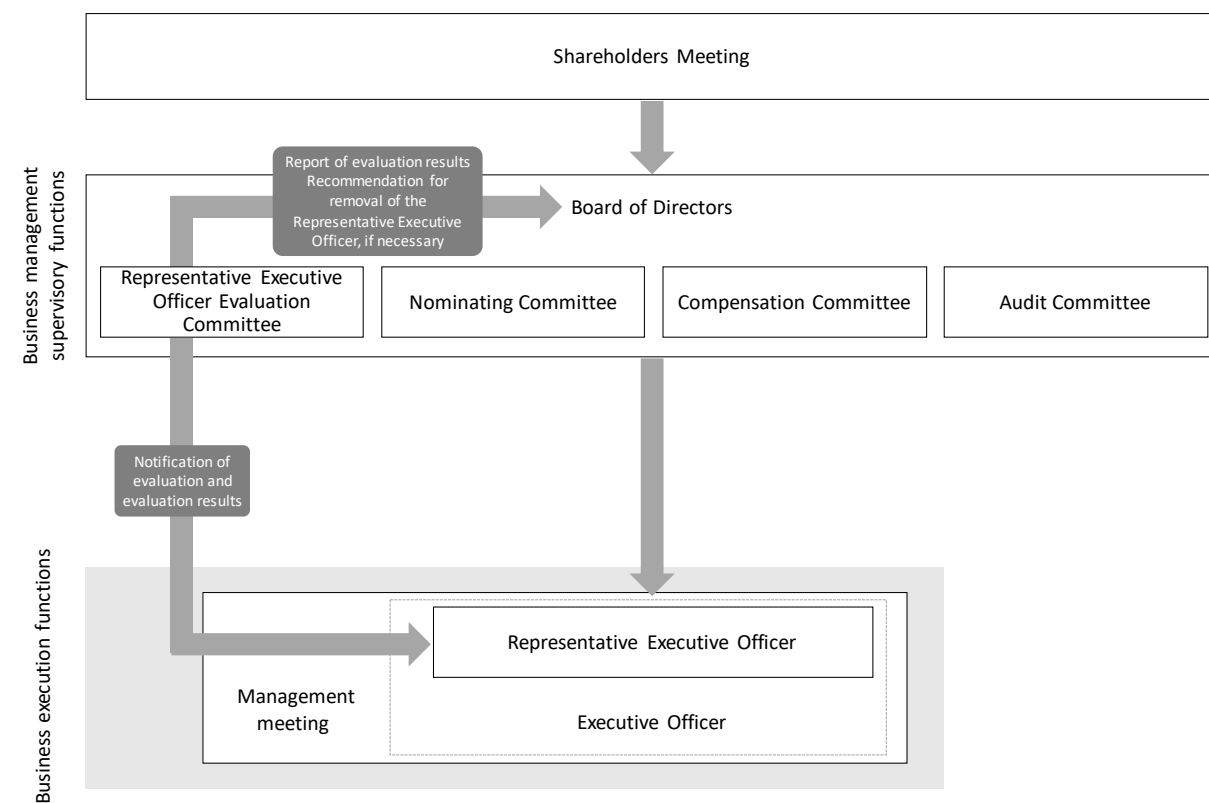
##### Breakdown of funds necessary

(1)	Working capital Consolidated net sales for the previous period $\div$ 12 months $\times$ 2 months	¥65.5 billion	Funds for repaying long-term interest-bearing debt	—
	Reserve funds for technology acquisitions (including M&As) Average consolidated net sales for the past 3 years $\times$ 10%	¥28.0 billion	Taxes, dividends, etc.	¥36.8 billion
(2)	Funds for facility extensions Rebuilding of Haneda R&D Center, etc.	¥22.5 billion		
(3)	Withdrawal from reserve funds for technology acquisitions*2	¥(25.0) billion		

- \*1. Year-end balance of cash deposits: Contract liability (advances received) amounts, etc. taken into consideration
- \*2. Withdrawal from reserve funds for technology acquisitions: Withdrawal from reserve funds for technology acquisitions in order to purchase real estate for R&D purposes

## 5. Representative Executive Officer Evaluation Committee

The Representative Executive Officer Evaluation Committee, which evaluates the appropriateness of the Representative Executive Officer's execution of duties, is comprised of eight independent Outside Directors. It evaluates the core management policies, business performance, etc. of the Representative Executive Officer up to the previous business year, notifies the Representative Executive Officer of the evaluation results, and reports these results to the Board of Directors so that they can be reported at the first Board of Directors meeting held after the end of the business year in December. Furthermore, it provides advice to the Board of Directors concerning the removal, etc. of the Representative Executive Officer, wherever necessary.



(Reference)

Business Report  
( From April 1, 2024 to  
March 31, 2025 )

A part of the business report, consolidated financial statements and financial statements are provided.

(i) Remuneration by category of officers, remuneration by type, and number of officers applicable

Officer category	Total amount of remuneration (Millions of yen)	Remuneration by type (Millions of yen)				Number of officers applicable
		Base remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.		
			Officer bonuses	Stock options	Restricted stock-based remuneration	
Executive Officers	1,456	240	1,009	127 (33)	79	6
Outside Directors	136	136	-	-	-	9

- Notes:
1. The above includes one Outside Director who retired at the close of the 85th General Shareholders Meeting on June 21, 2024.
  2. The total amount of remuneration paid to Executive Officers who also serve as Directors and the number of officers applicable is indicated in the column for Executive Officers.
  3. The amount of share remuneration-type stock options is displayed in parentheses.

(ii) Policy concerning determining the amount of remuneration for officers or the method for calculating the amount

(a) Purpose of remuneration (remuneration philosophy)

The Company has established the following remuneration principles as its remuneration philosophy.

- It should be a remuneration system that promotes increased value for shareholders and ensures that Executive Officers (including those who concurrently serve as Directors) share the same interests as shareholders.
- It should be a remuneration system that motivates the achievement of DISCO's strategic business performance goals.
- By offering competitive remuneration, it should have a level of remuneration that makes talented human resources who contribute to the growth of the Company and share the Company's values, DISCO VALUES, want to work together.
- The decision-making process for the remuneration system should be highly objective and transparent.

(b) Remuneration level

With regard to the remuneration level, as stated in the third objective, the Company aims to achieve a level that is at a "competitive and comparable level" to those of our peer group (semiconductor production equipment manufacturers, semiconductor and electronic component manufacturers, and other major companies that can serve as benchmarks). Specifically, the Company participates in the annual management executive compensation database conducted by Willis Towers Watson (WTW), a major foreign consulting firm, and uses the approximate midpoint of remuneration for each position as a guideline to decide the level.

(c) Remuneration for Directors who are non-executive Directors

As for the remuneration of Directors who are non-executive Directors such as Outside Directors, since their role is to supervise the execution of business, the remuneration is not linked to performance and is paid only as a base remuneration.

(d) Remuneration mix for Executive Officers (including those who concurrently serve as Directors)

Remuneration for Executive Officers (including those who concurrently serve as Directors) consists of (i) base remuneration, (ii) officer bonuses, (iii) conventional stock options, and (iv) restricted stock-based remuneration. Of these, only (i) is fixed remuneration, while (ii) through (iv) are all variable remuneration (performance-linked and evaluation-linked).

Regarding officer bonuses (variable remuneration), when the Company achieves a single-year consolidated ordinary profit margin of 30% and a consolidated ordinary profit margin of 20% for 4 cumulative years, the ratio of fixed to variable remuneration will be 1.0 to 3.25 (variable remuneration breakdown of officer bonuses to stock options will be 2.25 to 0.6-1.0) as shown in the chart below.

Also, when this is the case, the ratio of profit-linked bonuses to individual evaluation bonuses as a breakdown of officer bonuses will be 4 to 1.

Furthermore, since officer bonuses are linked to the single-year consolidated ordinary profit margin and the consolidated ordinary profit margin for 4 cumulative years that are used as performance evaluation indicators, when the base remuneration for officers is set at 1.0, the ratio of officer bonuses varies in the range of 0 to 5.625.

Ratio	Fixed remuneration	Variable remuneration		
	1.0	3.25		
	Base remuneration	Breakdown		
		Officer bonus		
		2.25	Conventional stock options	Restricted stock-based remuneration
	Ratio		Chairperson/President: 0.5 Vice President: 0.45 Senior Managing Executive Officer: 0.4 Managing Executive Officer: 0.35 Without title: 0.3	Chairperson/President: 0.5 Vice President: 0.45 Senior Managing Executive Officer: 0.4 Managing Executive Officer: 0.35 Without title: 0.3
	Cash		Non-cash	

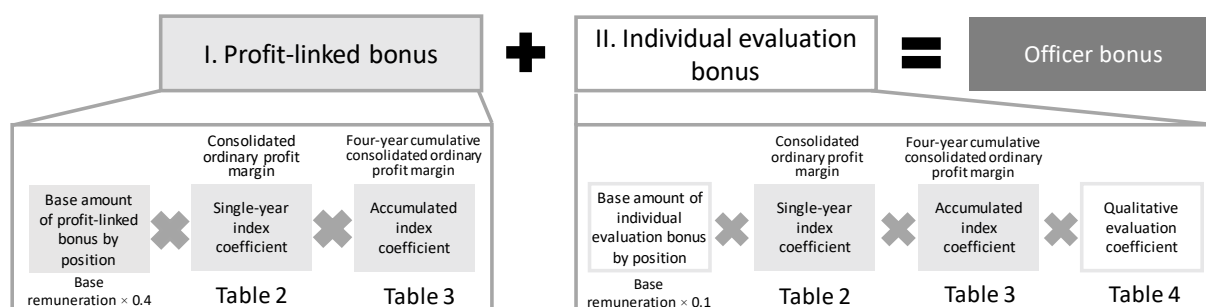
\* When the individual evaluation is a standard evaluation (individual evaluation “C” in Table 4 “Individual evaluation bonus: qualitative evaluation coefficient”)

(i) Base remuneration

The base amount consists of the officers’ main salary and allowances based on their positions and roles, and is calculated based on a table for which resolution was passed at the Compensation Committee in accordance with the position and role of each Executive Officer (including those who concurrently serve as Directors) (Table 1).

(ii) Officer bonuses

Officer bonuses are positioned as short-term incentives, and from the fiscal year that ended in March 31, 2018, “performance-based compensation” was introduced, and Executive Officers (including those who concurrently serve as Directors) will receive profit-linked bonuses (performance-based compensation) and individual evaluation bonuses as officer bonuses calculated based on the following formula. When the single-year consolidated ordinary profit margin is 30% or more and the standard individual evaluation is “individual evaluation bonus: qualitative evaluation coefficient “C”,” the payment ratio is 1 for the individual evaluation bonus with regard to 4 for profit-linked bonuses (performance-based compensation).



# I. Profit-linked bonus

## 1. Calculation method

The amount of bonuses will be calculated based on the above formula in order to increase motivation to achieve the following performance business strategy indicators: “single-year consolidated ordinary profit margin of 20% or more” and a “consolidated ordinary profit margin of 20% or more for 4 cumulative years” (amounts less than one thousand yen are rounded to the nearest thousand yen). The base amount of profit-linked bonus by position is calculated by multiplying the amount calculated according to the base remuneration in Table 1 by 0.4.

## 2. Reasons for selecting performance indicators

As stated above, one principle for remuneration is “It should be a remuneration system that promotes increased value for shareholders and ensures that Executive Officers (including those who concurrently serve as Directors) share the same interests as shareholders,” and it is a remuneration system that motivates the achievement of our two strategic business performance goals.

### - Single-year consolidated ordinary profit margin of 20% or more

The Company aims to have sufficient capacity and structure to support the Company’s growth without pursuing the scope of our sales, and has chosen consolidated ordinary profit margin as an indicator to measure the degree to which we have achieved this goal. Generally, “a single year ordinary profit margin of 10% or more” is considered the benchmark of a major company, but we consider this target value appropriate for “first-class corporate activities” as stated in our Company’s corporate philosophy, DISCO VALUES.

### - Consolidated ordinary profit margin of 20% or more for 4 cumulative years

In the semiconductor industry, to which the majority of the Company’s customers belong, there is a wave of economic fluctuations known as the silicon cycle, in which market conditions fluctuate according to the industry-specific supply-demand balance. Because of this, we believe that we can more accurately measure the Company’s growth using this compared to the results of a single year, and thus we have positioned the consolidated ordinary profit margin for 4 cumulative years as a key performance indicator.

Changes in actual performance indicators related to officer bonuses

(Rounded down to the second decimal place)

Category	The 84th fiscal year Apr. 1, 2022 - Mar. 31, 2023	The 85th fiscal year Apr. 1, 2023 - Mar. 31, 2024	The 86th fiscal year (Current consolidated fiscal year) Apr. 1, 2024 - Mar. 31, 2025
Single-year consolidated ordinary profit margin	39.5%	39.7%	42.9%
Consolidated ordinary profit margin for 4 cumulative years	34.4%	37.0%	40.0%

Points to note:

- These profit-linked bonuses are performance-based compensation as stipulated in Article 34, paragraph (1), item (iii) of the Corporation Tax Law, and are payable to Executive Officers (including those who concurrently serve as Directors) as stipulated in the item (iii). This does not include Outside Directors.
- The “indicator of the status of profit for a business year ending on or after the date of commencement of the period of execution of duties” as stipulated in Article 34, paragraph (1), item (iii) (a) of the Corporate Tax Law shall be the single-year consolidated ordinary profit margin and consolidated ordinary profit margin for 4 cumulative years.
- The “fixed amount” stipulated in Article 34, paragraph 1, item (iii) (a) (1) of the Corporation Tax Act in relation to the limit of profit-linked bonuses to be paid is limited to 710 million yen.
- For the abovementioned “profit-linked bonuses,” upper limits are set for each position according to Table 5 to provide a designed maximum value in cases where the single-year consolidated ordinary profit margin is 50% or more and the consolidated ordinary profit margin for 4 cumulative years is 20% or more.

Table 1 Base amount of base remuneration for each position<sup>\*1</sup>

Unit: thousands of yen

Executive Officer position	Base amount	Director add-on amount <sup>*2</sup>	Representative add-on amount	COO add-on amount	CEO add-on amount <sup>*3</sup>
Executive Officer, Chairperson	56,100	2,100	6,900	9,900	7,200
Executive Officer, President	53,400				
Executive Officer, Vice President	43,800				
Senior Managing Executive Officer	37,500				
Managing Executive Officer	32,400				
Executive Officer	22,200				

<sup>\*1</sup>: A role-specific amount is added to the base amount set for each position.<sup>\*2</sup>: Added when an Executive Officer also serves concurrently as a Director.<sup>\*3</sup>: The CEO add-on amount is not added when the CEO serves concurrently as the COO.

Table 2 Single-year index coefficient

Single-year consolidated ordinary profit margin <sup>*4</sup>	Single-year index coefficient
Less than 5%	0
5% or more	0.50 - 5.00 <sup>*5</sup>

<sup>\*4</sup>: Single-year consolidated ordinary profit margin (%) = single-year consolidated ordinary profit ÷ consolidated sales x 100<sup>\*5</sup>: Single-year consolidated ordinary profit margin (%) x 0.1 (rounded down to the third decimal place)

Table 3 Cumulative index coefficient

Consolidated ordinary profit margin for 4 cumulative years <sup>*6</sup>	Cumulative index coefficient
Less than 20%	1.0
20% or more	1.5

<sup>\*6</sup>: Consolidated ordinary profit margin for 4 cumulative years = accumulated consolidated ordinary profit for the last four years ÷ accumulated annual consolidated sales for the last four years

Table 4 Individual evaluation bonus: qualitative evaluation coefficient

Individual evaluation	Qualitative evaluation coefficient
S	3.5
A	2.5
B+	2.0
B	1.5
C	1.0
D – F	0



Table 5 Maximum profit-linked bonus by position

Unit: thousands of yen

Position	Representation rights	Concurrent position as Director	Upper limit
Executive Officer, Chairperson	Yes	Yes	216,900 <sup>*7</sup>
Executive Officer, Chairperson	No	Yes	174,600
Executive Officer, President	Yes	Yes	216,900 <sup>*8</sup>
Executive Officer, Vice President	Yes	Yes	158,400
Executive Officer, Vice President	No	Yes	137,700
Senior Managing Executive Officer	No	Yes	118,800
Senior Managing Executive Officer	No	No	112,500
Managing Executive Officer	No	Yes	103,500
Managing Executive Officer	No	No	97,200
Executive Officer	No	Yes	72,900
Executive Officer	No	No	66,600

<sup>\*7</sup>: With concurrent position as CEO<sup>\*8</sup>: With concurrent position as COO

## II. Individual evaluation bonus

### Calculation method

The amount of bonus is calculated according to the coefficient derived from the individual's qualitative evaluation and the company's performance, using the above-mentioned formula for calculating officer bonuses (rounded to the nearest thousand yen). Unlike profit-linked bonuses, which are based solely on performance evaluation indicators, individual evaluation bonuses reflect an eight-level qualitative evaluation of each Executive Officer (including those who concurrently serve as Directors). The base amount of the individual evaluation bonus by position is calculated by multiplying the amount calculated according to the base remuneration in Table 1 by 0.1.

### Points to note:

- An individual evaluation bonus will not be paid when the qualitative evaluation is in the bottom three levels.

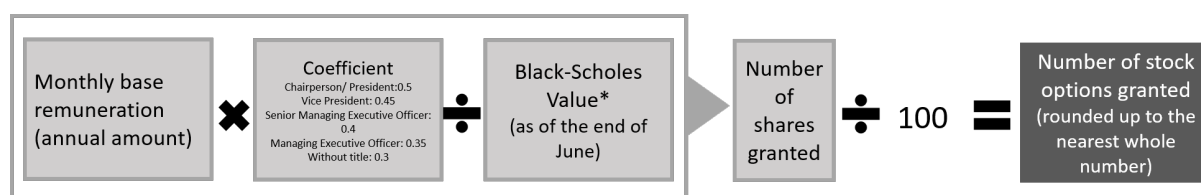
- An individual evaluation bonus will not be paid when performance is poor. (Targeting a single-year consolidated ordinary profit margin of less than 5%)

The total amount of individual evaluation bonuses is limited to 630 million yen.

### (iii) Conventional stock options

Conventional stock options are positioned as medium-term incentives, with a base amount set for each position and exercisable for six years from two years after being granted.

Note that the number of stock options granted to each Executive Officer (including those who concurrently serve as Directors) for conventional stock options is calculated based on the following formula.



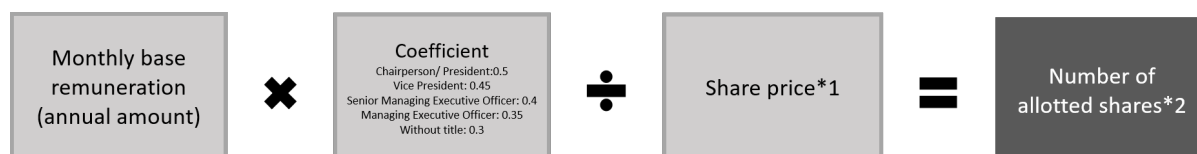
\* Fair option value of share options calculated based on the option evaluation theory at the time when the share options were issued.

### (iv) Restricted stock-based remuneration

In 2004, the Company abolished its retirement benefit plan and adopted a share remuneration-type stock option plan. The Company then abolished that system and introduced a restricted stock-based remuneration plan for Executive Officers (including those who concurrently serve as Directors). The purpose of this plan is to promote further shared value with shareholders by granting actual shares to management as long-term incentive remuneration and having them hold the actual shares.

The restricted period of transfer under this plan is 50 years from the date of allotment. However, the transfer restriction is lifted if a Director or Executive Officer retires for a reason deemed appropriate.

The number of shares to be allotted to each Executive Officer (including those who concurrently serve as Directors) will be calculated based on the following formula.



\*1 Closing price on the business day before the allotment resolution date.

\*2 If this calculation results in a number of shares to be allotted that is a fractional amount less than 100 shares, the number shall be rounded up to 100 shares as Article 8 of the Articles of Incorporation stipulates that the Company's trading lot is 100 shares.

### (e) Malus and clawback

If it is determined that it is necessary to make revisions to financial statements because of an Executive Officer's serious violation of laws and regulations or the Company's internal rules, the

Company shall take the following measures against the Executive Officer responsible for the situation (“Responsible Executive Officer”) whether it was done intentionally or unintentionally.

(i) Reduction and denial or forfeiture of compensation (malus)

The Company will reduce, deny, or forfeit all or part of the fixed remuneration and unvested incentive remuneration (bonuses, conventional stock options, and restricted stock-based remuneration) scheduled to be paid by the Company to the Responsible Executive Officer.

(ii) Return of remuneration after lifting of transfer restrictions (clawback)

Of the vested incentive remuneration (bonuses, conventional stock options, and restricted stock-based remuneration) paid by the Company to the Responsible Executive Officer, the Company shall demand the return of the remuneration for the fiscal year in which the Board of Directors resolves that the Responsible Executive Officer’s conduct constitutes an event subject to the clawback provision and the three fiscal years immediately preceding that year, from the Responsible Executive Officer (including after their retirement) or their heirs.

(f) Authority to determine the policy concerning determining the amount of remuneration for officers or the method for calculating this amount

Matters such as remuneration of the Company’s officers are decided by the Compensation Committee. The Compensation Committee consists of one Chairperson and at least two committee members, and is chaired by an Outside Director. Committee members and the Chairperson are appointed by a resolution passed by the Directors. Currently, there are four members: three Outside Directors and one Representative Executive Officer, President. The Compensation Committee met a total of seven times in fiscal year 2024. Details of the committee’s activities are as follows.

Date held	Details of deliberations and resolutions passed
April 2024	<ul style="list-style-type: none"> <li>- Passed a resolution on individual Executive Officers’ bonuses to be paid for fiscal year 2023 (paid in June 2024)</li> <li>- Passed a resolution on the method for calculating the Executive Officers’ bonuses for fiscal year 2024</li> <li>- Passed a resolution on changes in upper limits of profit-linked and individual evaluation bonuses for each Executive Officer</li> <li>- Deliberated a proposal on individual monthly compensation of Directors and Executive Officers, beginning July 2024</li> <li>- Passed a resolution on remuneration for advisors, beginning July 2024</li> </ul>
June 2024	<ul style="list-style-type: none"> <li>- Passed a resolution to introduce the malus and clawback scheme</li> <li>- Passed a resolution to change the policy regarding the determination of the amount of officer remuneration or the method of calculation thereof (addition of malus and clawback)</li> <li>- Deliberated revision and establishment of new officer-related rules and regulations in relation to malus and clawback</li> </ul>
June 2024	<ul style="list-style-type: none"> <li>- Passed a resolution to revise the officer remuneration rules and regulations</li> <li>- Passed a resolution on individual monthly compensation of Directors and Executive Officers from July 2024</li> </ul>
July 2024	<ul style="list-style-type: none"> <li>- Passed a resolution on the number of conventional stock options to be granted to each individual Executive Officer</li> <li>- Passed a resolution to determine the details of conventional stock options</li> <li>- Passed a resolution on the number of restricted shares to be granted to each individual Executive Officer and the monetary claims to be paid upon the allotment of such shares</li> <li>- Reported on commencement of the second period to exercise share remuneration-type stock options</li> </ul>
November 2024	<ul style="list-style-type: none"> <li>- Received an explanation on the latest status of the environment for management executive compensation and comparison of compensation levels at other firms from Willis Towers Watson (WTW), a major foreign consulting firm</li> </ul>
February 2025	<ul style="list-style-type: none"> <li>- Passed a resolution to revise remuneration for non-executive officers (Outside Directors)</li> <li>- Passed a resolution to introduce ESG assessment into the Executive Officer bonus scheme</li> </ul>
March 2025	<ul style="list-style-type: none"> <li>- Passed a resolution to revise the officer remuneration rules and regulations</li> </ul>

(g) Process for determining compensation, etc.

The Compensation Committee confirmed that the method of determining the details of compensation, etc. for each individual Director for the current fiscal year and the details of compensation, etc. passed by resolution are consistent with the Company's policy on officer remuneration, and has judged that they are in line with the above-mentioned policy.

## Consolidated Balance Sheet

(As of March 31, 2025)

(In millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
<b>Current assets</b>	<b>424,502</b>	<b>Current liabilities</b>	<b>160,392</b>
Cash and deposits	229,167	Notes and accounts payable - trade	7,950
Notes receivable - trade	3,205	Electronically recorded obligations - operating	22,918
Accounts receivable - trade	39,972	Income taxes payable	30,175
Merchandise and finished goods	32,955	Contract liabilities	43,933
Work in process	44,762	Provision for bonuses	41,639
Raw materials and supplies	61,285	Provision for product warranties	1,866
Other	13,293	Other	11,909
Allowance for doubtful accounts	(140)	<b>Non-current liabilities</b>	<b>991</b>
<b>Non-current assets</b>	<b>229,585</b>	Asset retirement obligations	593
<b>Property, plant and equipment</b>	<b>204,014</b>	Other	397
Buildings and structures, net	103,769	<b>Total liabilities</b>	<b>161,383</b>
Machinery, equipment and vehicles, net	18,539	<b>Net Assets</b>	
Tools, furniture and fixtures, net	1,942	<b>Shareholders' equity</b>	<b>477,838</b>
Land	62,816	<b>Share capital</b>	<b>22,089</b>
Construction in progress	16,946	<b>Capital surplus</b>	<b>24,077</b>
<b>Intangible assets</b>	<b>246</b>	<b>Retained earnings</b>	<b>431,718</b>
<b>Investments and other assets</b>	<b>25,324</b>	<b>Treasury shares</b>	<b>(47)</b>
Investment securities	3,510	<b>Accumulated other comprehensive income</b>	<b>13,327</b>
Deferred tax assets	17,952	Valuation difference on available-for-sale securities	348
Retirement benefit asset	1,131	Foreign currency translation adjustment	13,023
Other	2,729	Remeasurements of defined benefit plans	(45)
		<b>Share acquisition rights</b>	<b>1,188</b>
		<b>Non-controlling interests</b>	<b>348</b>
		<b>Total net assets</b>	<b>492,703</b>
<b>Total assets</b>	<b>654,087</b>	<b>Total liabilities and net assets</b>	<b>654,087</b>

Note: Figures are rounded down to the nearest million yen.

## Consolidated Statement of Income

( From April 1, 2024  
to March 31, 2025 )

(In millions of yen)

Item	Amount	
<b>Net sales</b>		<b>393,313</b>
<b>Cost of sales</b>		<b>115,743</b>
<b>Gross profit</b>		<b>277,570</b>
<b>Selling, general and administrative expenses</b>		<b>110,736</b>
<b>Operating profit</b>		<b>166,834</b>
<b>Non-operating income</b>		
Interest income	84	
Share of profit of entities accounted for using equity method	267	
Foreign exchange gains	811	
Rental income	255	
Subsidy income	582	
Other	247	2,247
<b>Non-operating expenses</b>		
Depreciation	119	
Commission expenses	6	
Other	12	138
<b>Ordinary profit</b>		<b>168,943</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	17	
Gain on reversal of share acquisition rights	6	23
<b>Extraordinary losses</b>		
Loss on sale and retirement of non-current assets	67	
Extra retirement payments	23	
Demolition cost	730	821
<b>Profit before income taxes</b>		<b>168,146</b>
Income taxes - current	47,860	
Income taxes - deferred	(3,790)	44,070
<b>Profit</b>		<b>124,075</b>
Profit attributable to non-controlling interests		184
<b>Profit attributable to owners of parent</b>		<b>123,891</b>

Note: Figures are rounded down to the nearest million yen.

## Consolidated Statement of Changes in Equity

( From April 1, 2024  
to March 31, 2025 )

(In millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current consolidated fiscal year	21,838	23,826	346,293	(41)	391,917
Changes during current consolidated fiscal year					
Issuance of new shares	250	250			501
Dividends of surplus			(38,465)		(38,465)
Profit attributable to owners of parent			123,891		123,891
Purchase of treasury shares				(5)	(5)
Net changes of items other than shareholders' equity					
Total changes during current consolidated fiscal year	250	250	85,425	(5)	85,290
Balance at end of current consolidated fiscal year	22,089	24,077	431,718	(47)	477,838

(In millions of yen)

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current consolidated fiscal year	365	12,936	8	13,310	1,136	195	406,560
Changes during current consolidated fiscal year							
Issuance of new shares							501
Dividends of surplus							(38,465)
Profit attributable to owners of parent							123,891
Purchase of treasury shares							(5)
Net changes of items other than shareholders' equity	(16)	87	(54)	16	51	153	221
Total changes during current consolidated fiscal year	(16)	87	(54)	16	51	153	86,142
Balance at end of current consolidated fiscal year	348	13,023	(45)	13,327	1,188	348	492,703

Note: Figures are rounded down to the nearest million yen.

## Balance Sheet

(As of March 31, 2025)

(In millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
<b>Current assets</b>	<b>369,639</b>	<b>Current liabilities</b>	<b>141,723</b>
Cash and deposits	196,315	Electronically recorded obligations - operating	22,779
Notes receivable - trade	2,879	Accounts payable - trade	7,434
Accounts receivable - trade	24,260	Accounts payable - other	6,785
Merchandise and finished goods	28,594	Accrued expenses	2,120
Work in process	44,374	Income taxes payable	27,171
Raw materials and supplies	60,959	Contract liabilities	42,214
Other	12,258	Provision for bonuses	30,941
Allowance for doubtful accounts	(3)	Provision for product warranties	913
<b>Non-current assets</b>	<b>209,760</b>	Other	1,362
<b>Property, plant and equipment</b>	<b>186,865</b>	<b>Non-current liabilities</b>	<b>312</b>
Buildings	93,474	Asset retirement obligations	140
Structures	1,135	Other	171
Machinery and equipment	13,078	<b>Total liabilities</b>	<b>142,035</b>
Vessels	0	<b>Net Assets</b>	
Vehicles	26	<b>Shareholders' equity</b>	<b>436,175</b>
Tools, furniture and fixtures, net	1,325	<b>Share capital</b>	<b>22,089</b>
Land	61,570	<b>Capital surplus</b>	<b>24,077</b>
Construction in progress	16,252	Legal capital surplus	23,170
<b>Intangible assets</b>	<b>182</b>	Other capital surplus	906
Patent right	3	<b>Retained earnings</b>	<b>390,056</b>
Software	153	Legal retained earnings	594
Other	25	Other retained earnings	389,461
<b>Investments and other assets</b>	<b>22,712</b>	Reserve for tax purpose reduction entry of non-current assets	566
Investment securities	9	General reserve	16,970
Shares of subsidiaries and associates	1,691	Retained earnings brought forward	371,924
Investments in capital of subsidiaries and associates	1,271	<b>Treasury shares</b>	<b>(47)</b>
Prepaid pension costs	1,190	<b>Share acquisition rights</b>	<b>1,188</b>
Deferred tax assets	16,330	<b>Total net assets</b>	<b>437,364</b>
Other	2,222	<b>Total liabilities and net assets</b>	<b>579,399</b>
Allowance for doubtful accounts	(3)		
<b>Total assets</b>	<b>579,399</b>		

Note: Figures are rounded down to the nearest million yen.



## Statement of Income

( From April 1, 2024  
to March 31, 2025 )

(In millions of yen)

Item	Amount	
<b>Net sales</b>		<b>331,820</b>
<b>Cost of sales</b>		<b>112,128</b>
<b>Gross profit</b>		<b>219,691</b>
<b>Selling, general and administrative expenses</b>		<b>76,489</b>
<b>Operating profit</b>		<b>143,202</b>
<b>Non-operating income</b>		
Interest income	50	
Dividend income	11,062	
Subsidy income	172	
Other	600	11,886
<b>Non-operating expenses</b>		
Foreign exchange losses	214	
Depreciation	108	
Other	4	327
<b>Ordinary profit</b>		<b>154,761</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	0	
Gain on reversal of share acquisition rights	6	7
<b>Extraordinary losses</b>		
Loss on sale and retirement of non-current assets	58	
Extra retirement payments	23	
Demolition cost	730	812
<b>Profit before income taxes</b>		<b>153,956</b>
Income taxes - current	41,132	
Income taxes - deferred	(3,258)	37,874
<b>Profit</b>		<b>116,082</b>

Note: Figures are rounded down to the nearest million yen.

## Statement of Changes in Equity

( From April 1, 2024  
to March 31, 2025 )

(In millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings
Balance at beginning of period	21,838	22,920	906	23,826	594
Changes during period					
Issuance of new shares	250	250		250	
Dividends of surplus					
Profit					
Reversal of reserve for tax purpose reduction entry of non-current assets					
Purchase of treasury shares					
Net changes of items other than shareholders' equity					
Total changes during period	250	250	-	250	-
Balance at end of period	22,089	23,170	906	24,077	594

(In millions of yen)

	Shareholders' equity						Share acquisition rights	Total net assets
	Retained earnings				Treasury shares	Total share-holders' equity		
	Other retained earnings			Total retained earnings				
	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward					
Balance at beginning of period	607	16,970	294,267	312,440	(41)	358,064	1,136	359,201
Changes during period								
Issuance of new shares						501		501
Dividends of surplus			(38,465)	(38,465)		(38,465)		(38,465)
Profit			116,082	116,082		116,082		116,082
Reversal of reserve for tax purpose reduction entry of non-current assets	(40)		40	-		-		-
Purchase of treasury shares					(5)	(5)		(5)
Net changes of items other than shareholders' equity							51	51
Total changes during period	(40)	-	77,657	77,616	(5)	78,111	51	78,163
Balance at end of period	566	16,970	371,924	390,056	(47)	436,175	1,188	437,364

Note: Figures are rounded down to the nearest million yen.