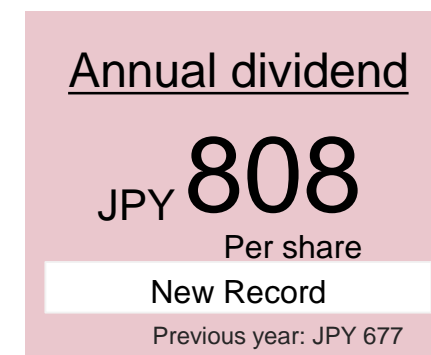
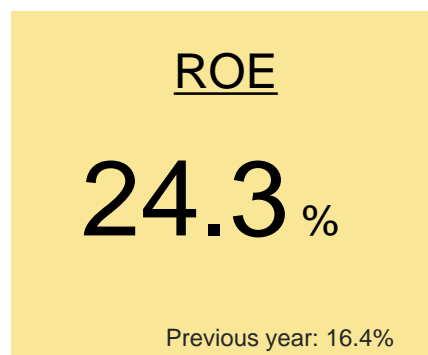
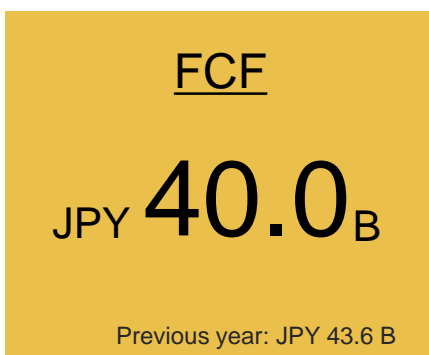
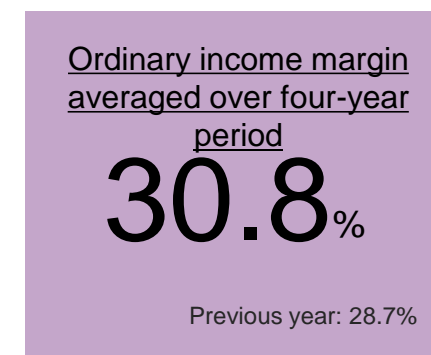
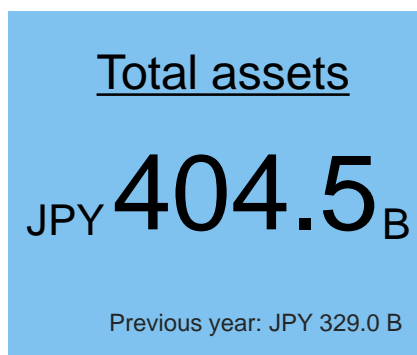
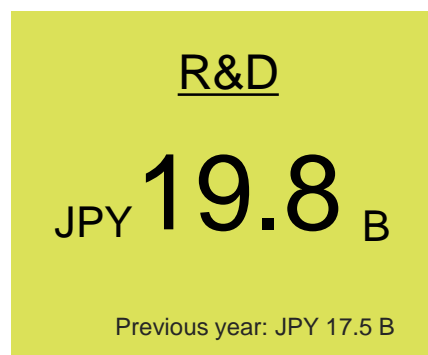
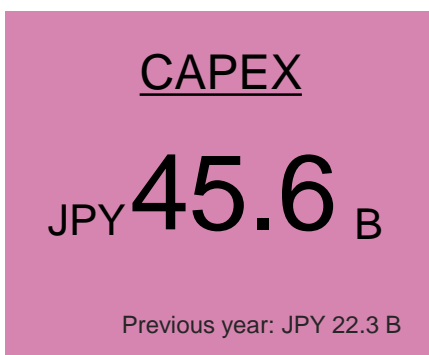
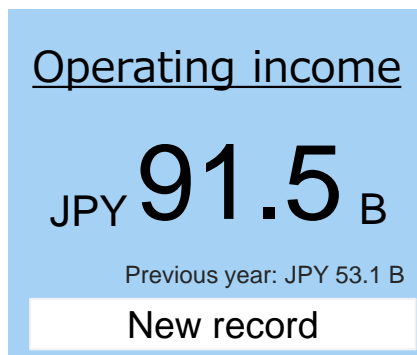
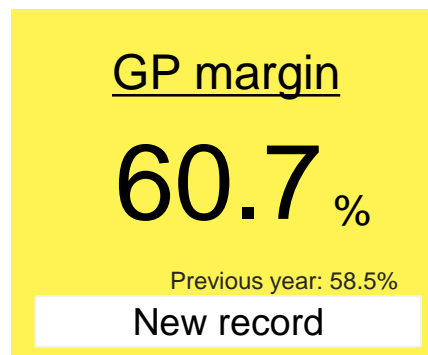
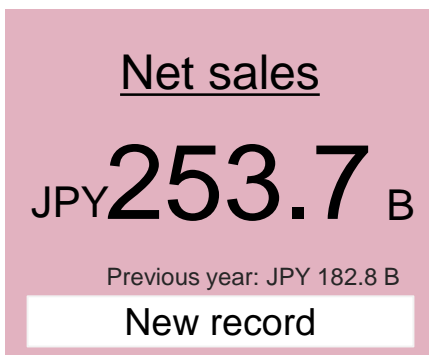


FY2021 Financial Results and FY2022 Forecast

Apr. 21, 2022

DISCLAIMER

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



FY2021 4Q Earnings Results (Consolidated)



Millions of Yen	FY2021	FY2021	QoQ		FY2020	YoY	
	4Q	3Q	Amount	(%)	4Q	Amount	(%)
Net Sales	73,512	64,186	9,326	14.5%	55,248	18,264	33.1%
Gross Profit	45,010	39,157	5,854	14.9%	31,412	13,599	43.3%
Gross Profit Margin	61.2%	61.0%	0.2p	-	56.9%	4.3p	-
SG&A	16,747	15,865	882	5.6%	14,978	1,769	11.8%
Operating Income	28,263	23,292	4,971	21.3%	16,433	11,830	72.0%
Ordinary Income	28,552	24,001	4,551	19.0%	17,742	10,810	60.9%
Ordinary Income Margin	38.8%	37.4%	1.4p	-	32.1%	6.7p	-
Income before income taxes and minority interests	28,514	23,901	4,612	19.3%	17,689	10,824	61.2%
Net Income	20,697	16,916	3,780	22.3%	13,464	7,233	53.7%

Sales: Both QoQ and YoY increased due to a high level of shipments and inspection/acceptance. (Record high)
 GP margin: Increased due to the effect of exchange rates and improvement activities (cost reduction and increase in added value).
 SG&A: Increased mainly for performance-based expenses.

FY2021 Earnings Results



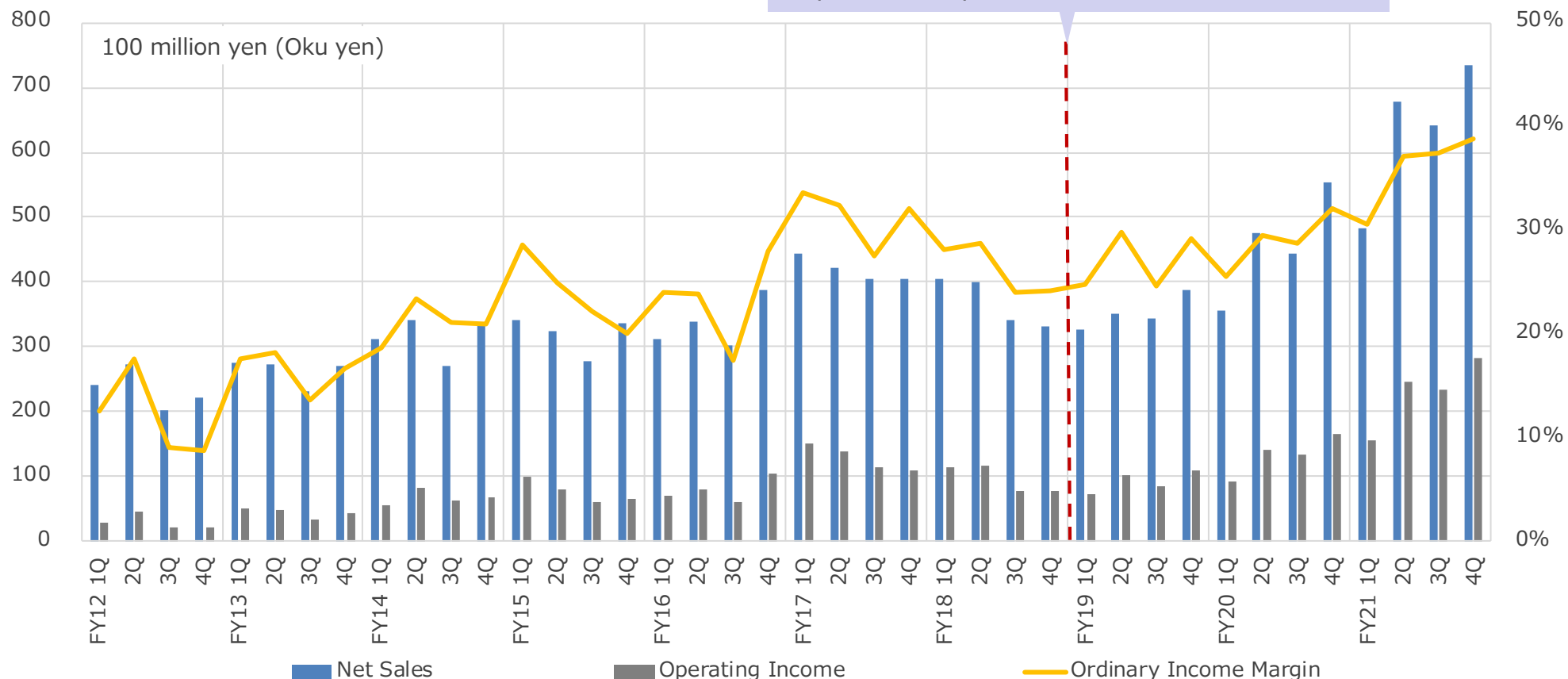
Millions of Yen	FY2021 Full Year	FY2020 Full Year	YoY	
			Amount	(%)
Net Sales	253,781	182,857	70,924	38.8%
Gross Profit	154,011	106,883	47,128	44.1%
Gross Profit Margin	60.7%	58.5%	2.2p	-
SG&A	62,498	53,776	8,721	16.2%
Operating Income	91,513	53,106	38,407	72.3%
Ordinary Income	92,449	53,629	38,820	72.4%
Ordinary Income Margin	36.4%	29.3%	7.1p	-
Income before income taxes and minority interests	92,251	53,434	38,817	72.6%
Net Income	66,206	39,091	27,115	69.4%

Sales: Both inspection/acceptance and sales grew supported by favorable product shipments. (Record high)
 GP margin: Increased due to the effect of exchange rates and improvement activities (cost reduction and increase in added value).
 SG&A: Increased mainly for performance-based expenses.

Quarterly Consolidated Financial Results

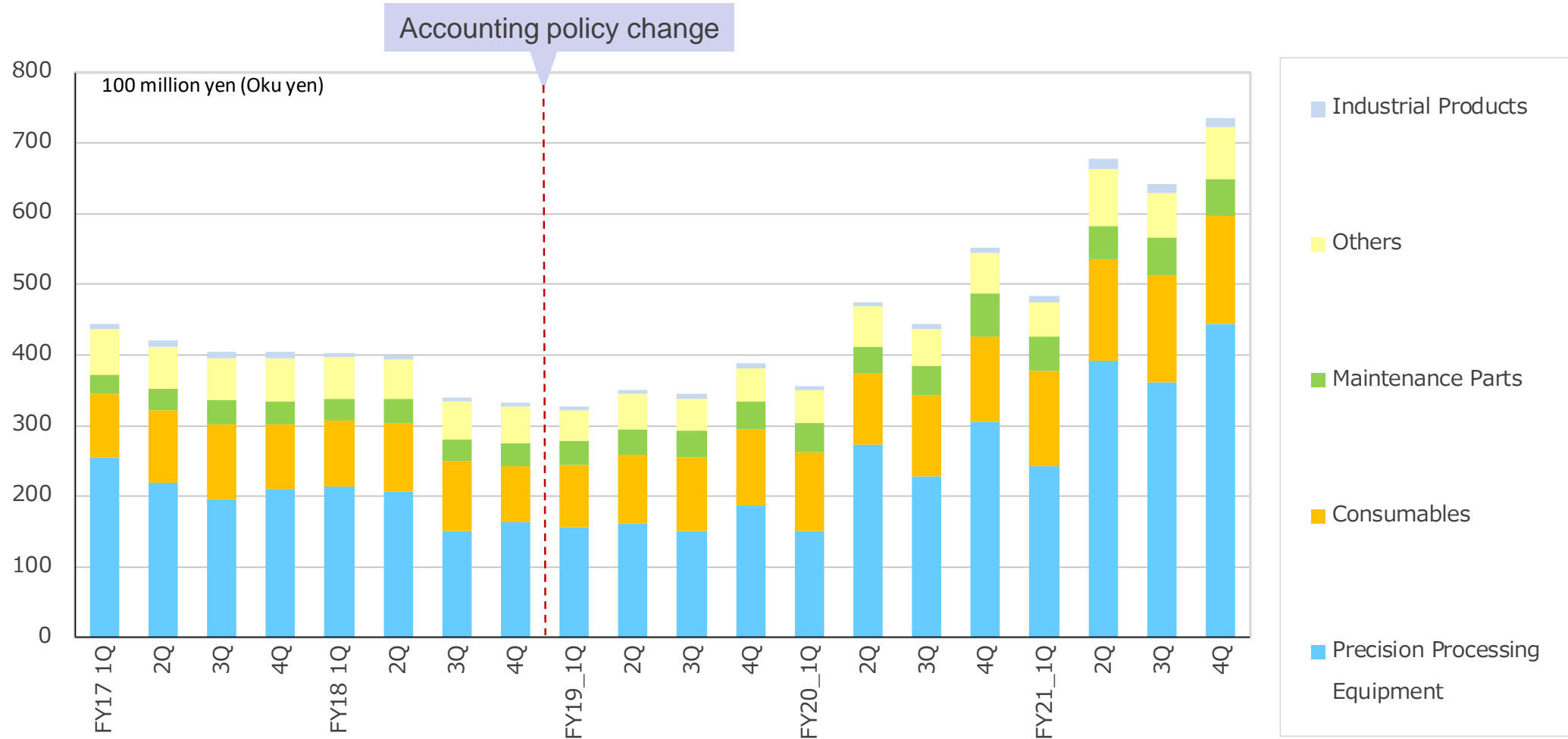


Due to the change in accounting policy, the timing of revenue recognition has been changed to Inspection/Acceptance Basis.



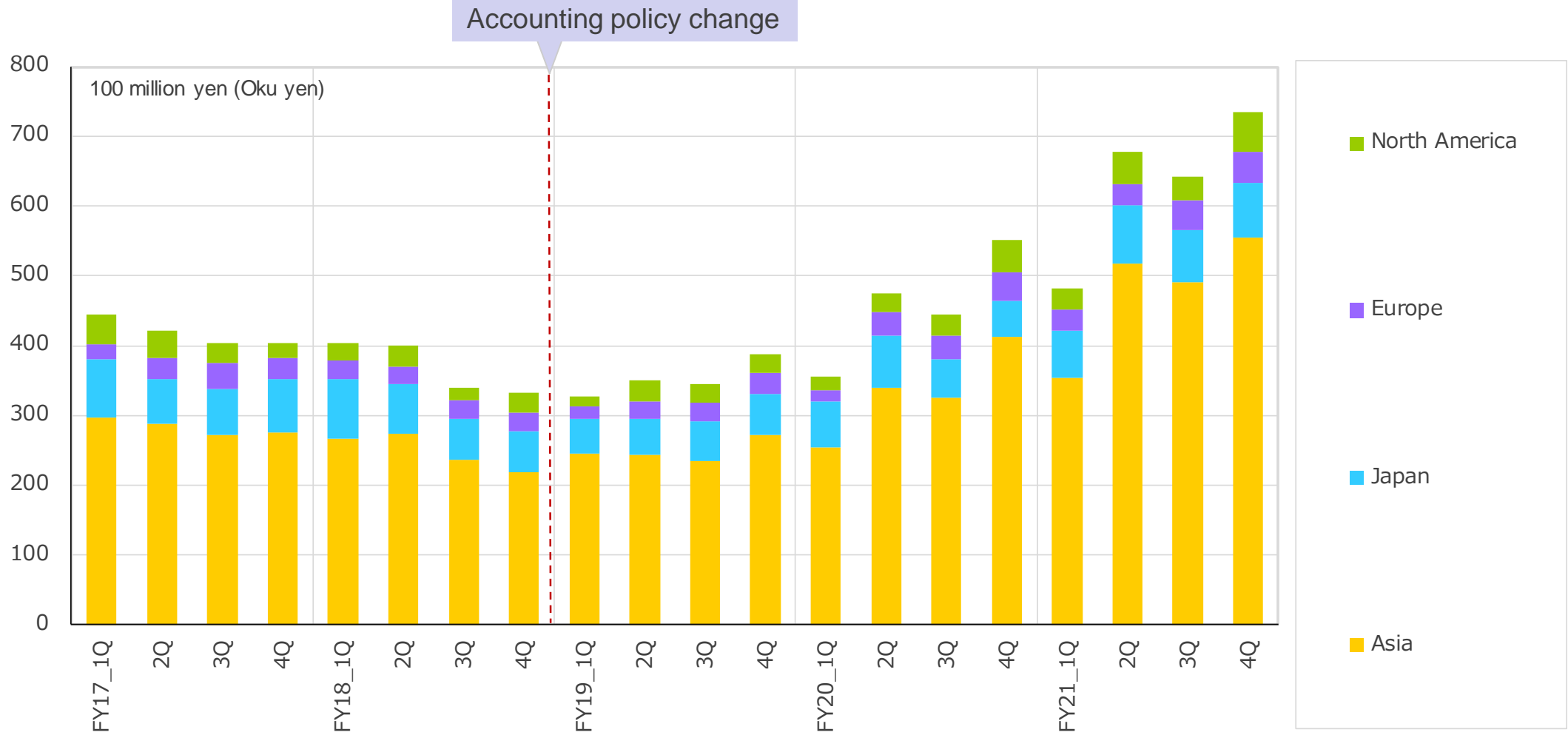
Both performance and each individual profit margin reached record highs (on a quarterly basis).
 (FY21_4Q Operating profit margin 38.4%, Ordinary profit 38.8%, Net income 28.2%)

Quarterly Consolidated Sales Breakdown by Product



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

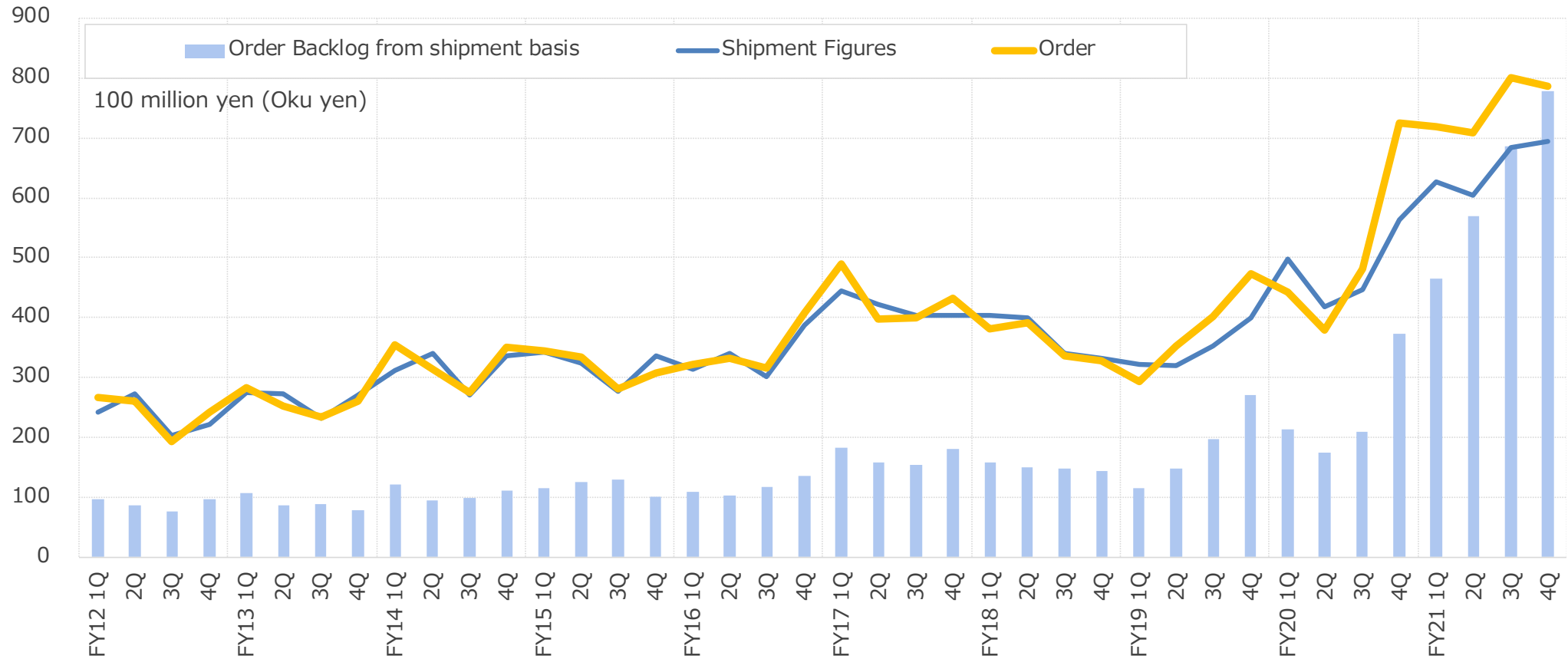
Consolidated Sales Breakdown by Region



FY21_4Q Overseas sales ratio: 89.4%

Quarterly Consolidated Shipment/Orders

Shipment Basis

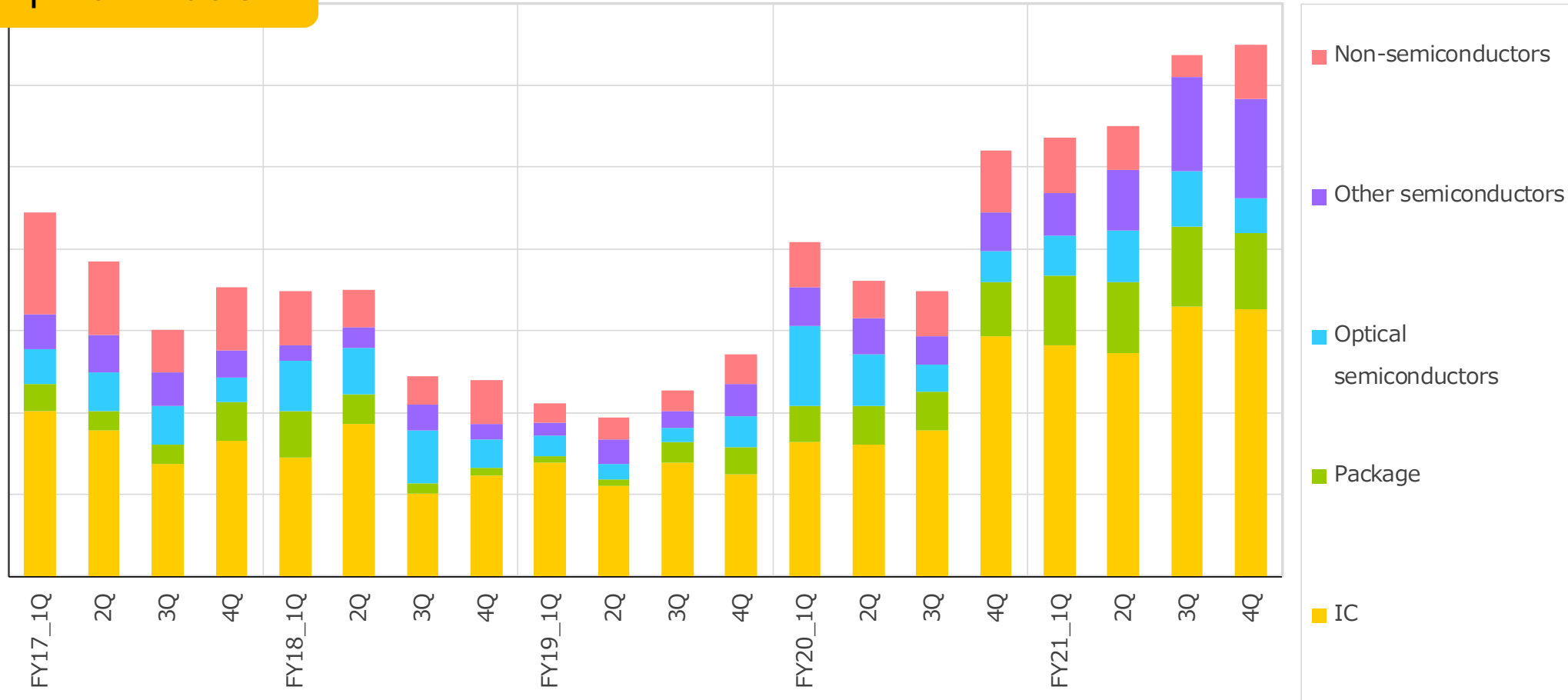


FY21_4Q Order volume: approx. JPY 78.5 B, Shipment volume: approx. JPY 69.3 B, Order balance not-yet-shipped: approx. JPY 77.8 B

Note: Disclosure of order volume and order balance not-yet-shipped will end with this report.

Non-consolidated Sales by Usage of Dicing Saws

Shipment Basis

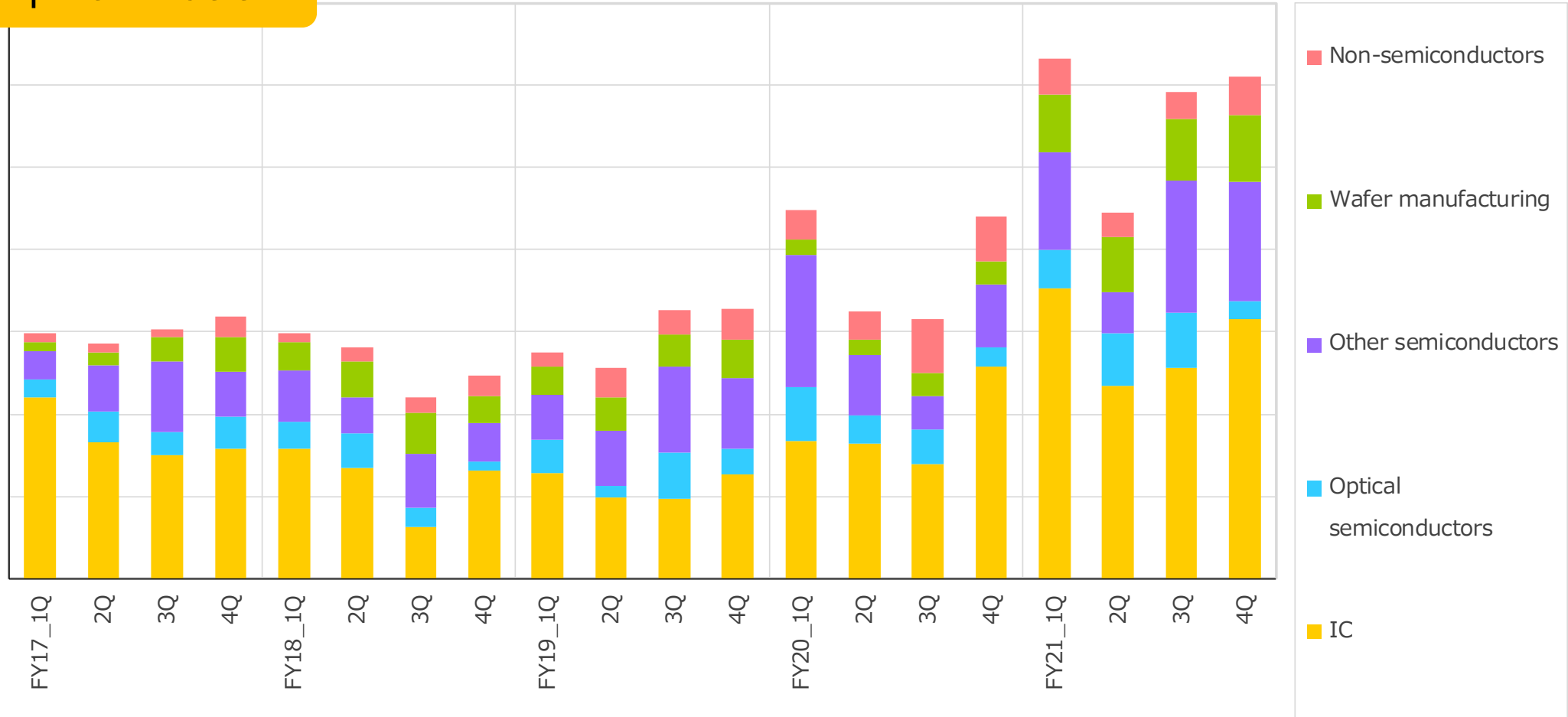


QoQ: In addition to the steady demand for IC and power semiconductor applications supported the whole.

YoY: Increased due to the expansion of semiconductor demand for a wide range of applications.

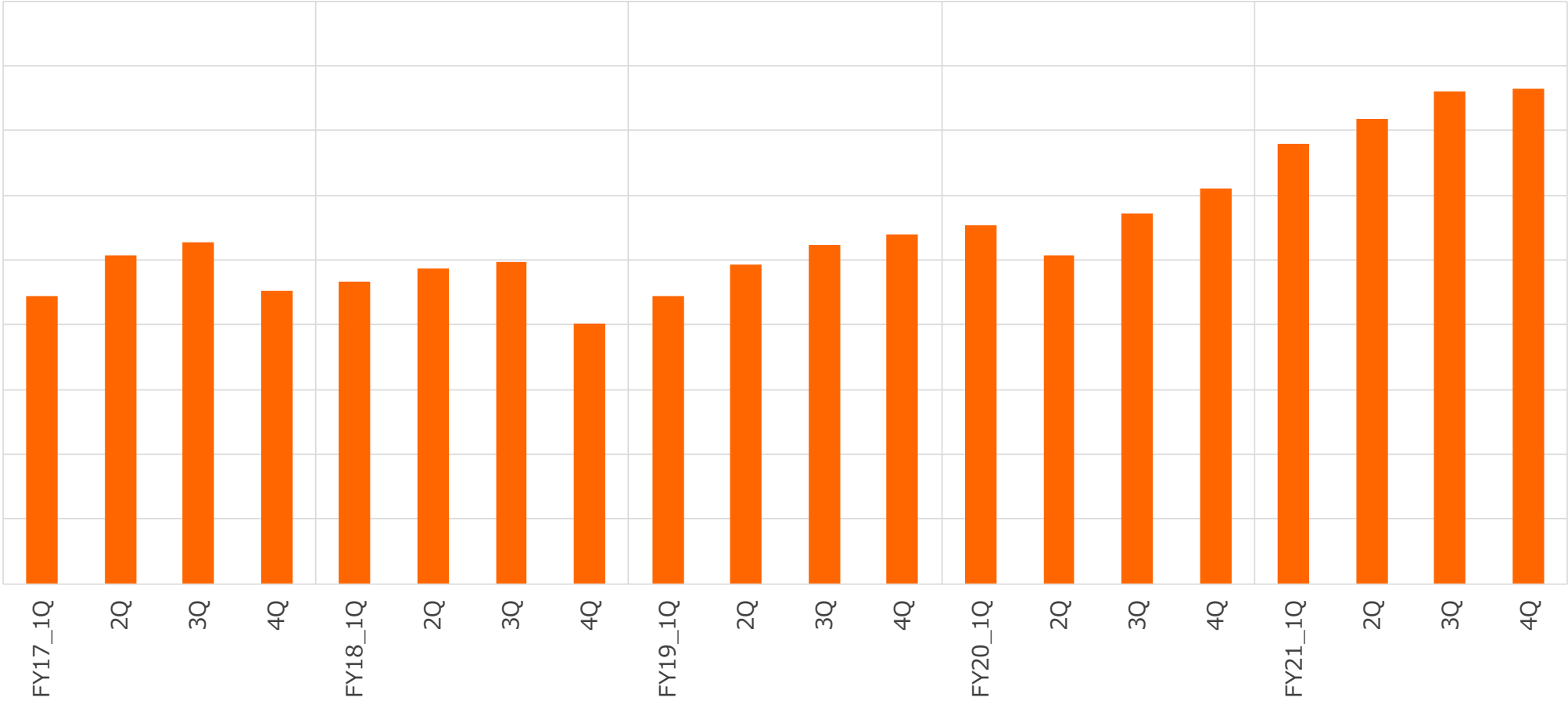
Non-consolidated Sales by Usage of Grinders

Shipment Basis



QoQ: Growth in IC applications focused mainly on memory devices supported the whole.
 YoY : Increased due to the expansion of semiconductor demand for a wide range of applications including power devices and wafer manufacturing.

Consolidated Consumable Sales



Consumable shipments remained steady, supported by high customer facility operation rates.

Balance Sheet (Summary)

Millions of Yen	FY2021 4Q	FY2021 3Q	Amount
Cash and deposits	125,771	130,217	-4,447
Notes and account receivable	38,689	36,324	2,365
Inventories	68,479	66,656	1,823
Total current assets	244,933	241,376	3,557
Property, plant and equipment	144,427	117,295	27,132
Total noncurrent assets	159,606	130,403	29,203
Total assets	404,540	371,780	32,760
Current liabilities	109,851	99,579	10,272
Noncurrent liabilities	876	714	163
Total liabilities	110,728	100,293	10,435
Total net assets	293,812	271,486	22,325
Total liabilities and net assets	404,540	371,780	32,760
Equity Ratio	72.3%	72.7%	-0.4p

Total assets: Increased based on fixed assets, reflecting the acquisition of real estate in Tokyo (Haneda R&D Center).

Liabilities: Increased due to an increase in allowance for bonuses and outstanding corporation taxes.

Net assets: Increased mainly due to an increase in earned surplus.

Cash Flow (Summary)

Millions of Yen	FY2021 Full Year	FY2020 Full Year	Amount
Net cash provided by (used in) operating activities	83,654	56,709	26,945
Income before income taxes and minority interests	92,251	53,434	38,817
Depreciation and amortization	8,551	6,815	1,736
Decrease (increase) in notes and accounts receivable-trade	-2,923	-6,058	3,135
Decrease (increase) in inventories	-9,594	-3,825	-5,770
Increase (decrease) in notes and accounts payable-trade	6,476	6,412	64
Income taxes (paid) refund	-21,182	-6,860	-14,322
Others	10,075	6,789	3,286
Net cash provided by (used in) investing activities	-43,591	-13,107	-30,485
Purchase of property, plant and equipment	-43,576	-21,026	-22,550
Others	-15	7,919	-7,935
Free cash flow	40,062	43,602	-3,540
Net cash provided by (used in) financing activities	-27,193	-15,825	-11,368
Cash dividends paid	-27,401	-16,653	-10,748
Others	208	827	-620
Net change in of cash and cash equivalents	15,961	30,026	-14,065
Cash and cash equivalents at beginning of period	109,809	79,782	30,027
Cash and cash equivalents at end of period	125,771	109,809	15,962

- Sales cash flow: approx. JPY 83.6 B (increase)
Increased mainly due to the profit before taxes
- Investment cash flow: approx. JPY 43.9 B (decrease)
Decreased mainly due to payments for the purchase of Haneda R&D Center and new building construction at Kuwabata Plant
- Free cash flow:
Approx. JPY 43.6 B (increase)
- Financial cash flow: approx. JPY 27.4 B (decrease)
Decreased mainly due to the payment of dividend
→ Cash balance as of the end of March: approx. JPY 125.7 B

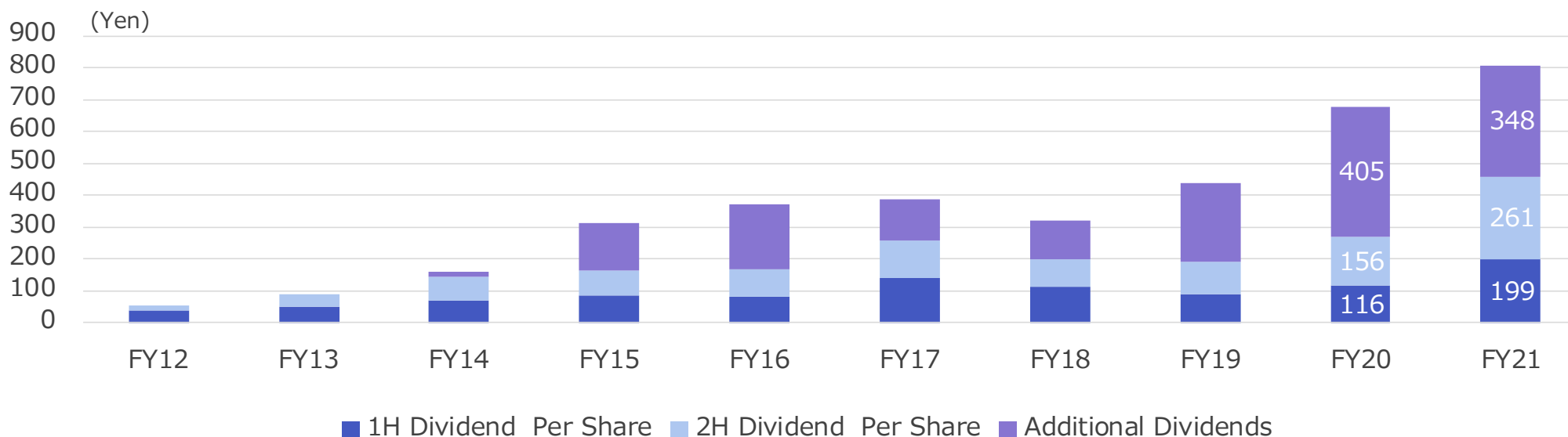
Dividend Policy and Dividend Payments

Dividend Policy

- Decisions concerning the distribution of surpluses are made at the general shareholders meetings, in the case of final dividends, and by the Board of Directors, in the case of interim dividends.
- 1. Adopting a performance-linked dividend policy and aiming at giving clearer priority to shareholder returns, our target dividend payout ratio is 25% of the consolidated half-yearly net income. There will be interim and final dividends, each of which will be equivalent to 25% of the half-yearly consolidated net income.
- 2. Irrespective of the level of income, a reliable dividend of ¥10 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]

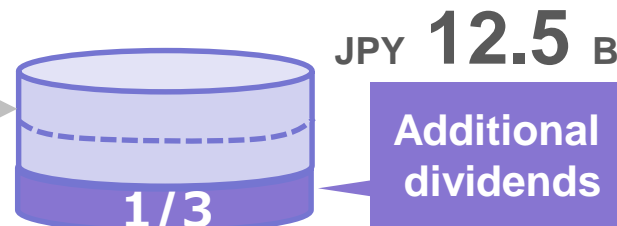
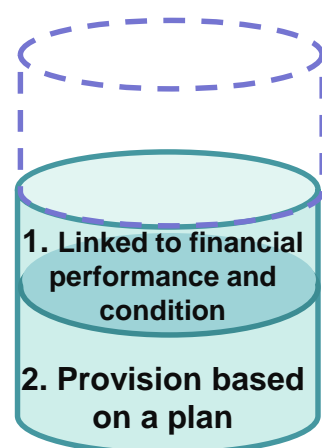
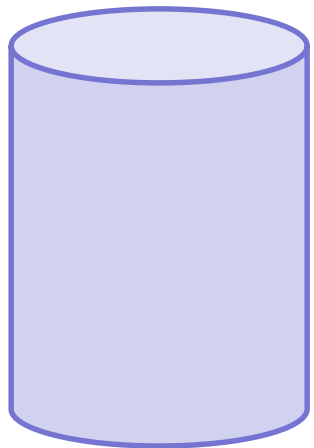
The ¥20 payout stipulated in our stable dividend policy may be reviewed if there are consolidated net losses for three consecutive years.



FY21 Interim (actual figure): JPY 199
 Final (actual figure): JPY 609 Yearly (actual figure): JPY 808
 Breakdown: Performance-based JPY 261 Additional dividends JPY 348

Current Forecast

Year-end balance JPY 104.8 B	-	Necessary funds JPY 67.3 B	=	Surplus funds JPY 37.5 B
--	---	--------------------------------------	---	------------------------------------



Contents of necessary funds:

Operating funds		JPY 42.3 B
Previous year Consolidated sales ÷ 12 months x 2		
1	Technical purchases (including M&A)	JPY 0.6 B
Consolidated sales Average of past 3 years x 10%		
Refund of interest bearing debt		-
Taxes and dividends		JPY 19.1 B
2	Facility expansion	JPY 5.3 B
D zone in Kuwabata plant B building in Nagano plant		

*1 Amount for contract liabilities (advances received) and payment amount for the purchase of Haneda R&D Center have been deducted.

*2 Reserve fund for technology purchases was used since the real estate acquisition was a technology-related expense.

Earnings Forecast 1Q FY2022



100 million yen (Oku yen)

Forecast

	FY21 1Q	2Q	3Q	4Q	FY22 1Q
Net Sales	483	678	642	735	624
Operating Income	154	245	233	283	222
Ordinary Income	148	251	240	286	223
Net Income	106	180	169	207	157
Operating Income Margin	32.0%	36.2%	36.3%	38.4%	35.6%
Ordinary Income Margin	30.5%	37.1%	37.4%	38.8%	35.7%
Net Income Margin	21.9%	26.6%	26.4%	28.2%	25.2%
Shipment Figures	627	604	684	694	683

Assumed exchange rate: USD 1 = JPY 115, EUR 1 = JPY 125

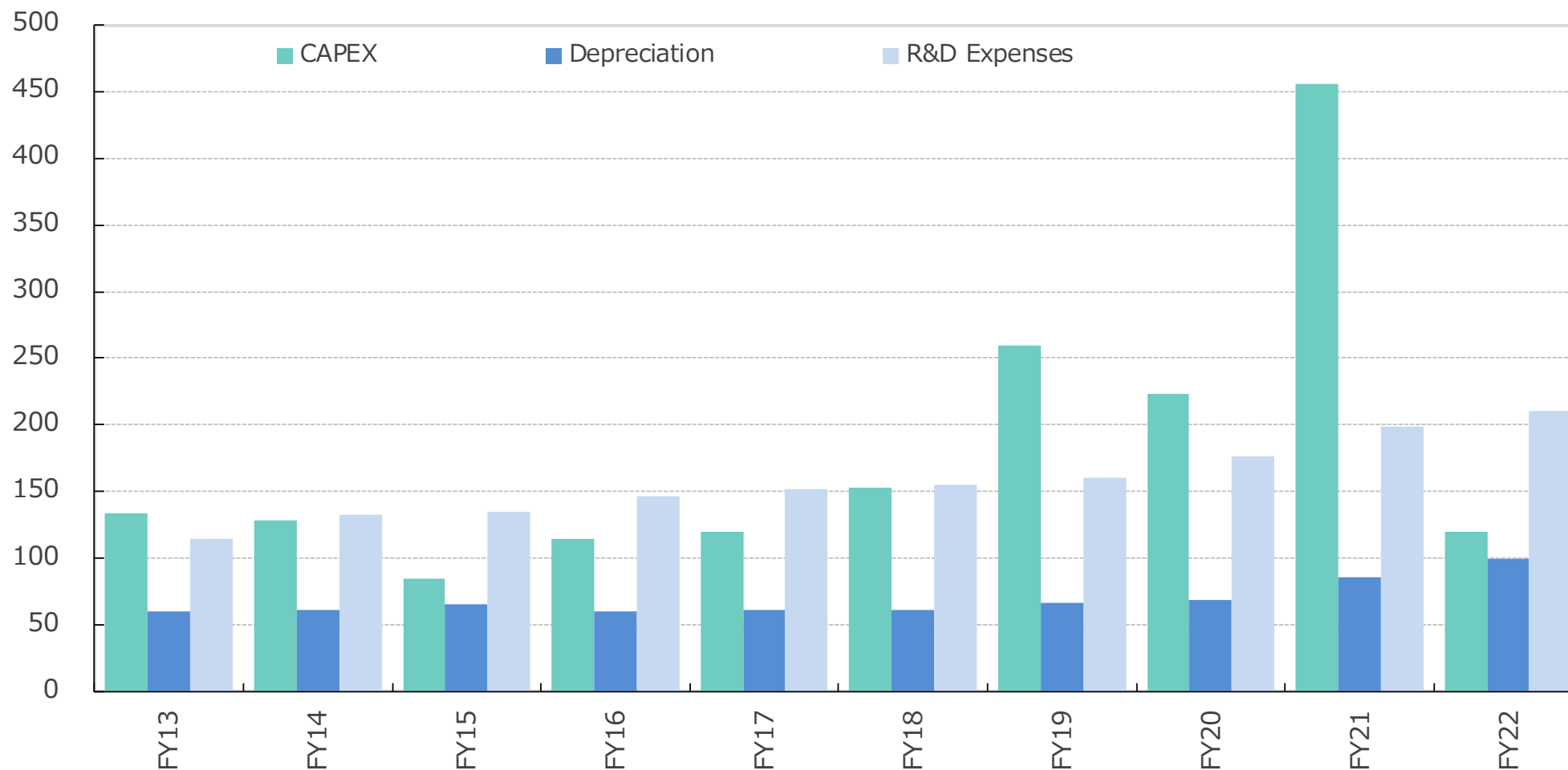
Currency sensitivity (consolidated, annualized) USD: Approx. JPY 1,200M, EUR: Approx. JPY 30 M

Sales Forecast By Product

Shipment Basis

Product		Forecast FY22_1Q (QoQ)
	Blade dicers	-10%
	Laser Saws	flat
Dicers		-7%
	DGP (for thin wafers)	20%
	Other Grinders	5%
Grinders		15%
Precision Processing Equipment		flat
Consumables		flat
Others		-10%

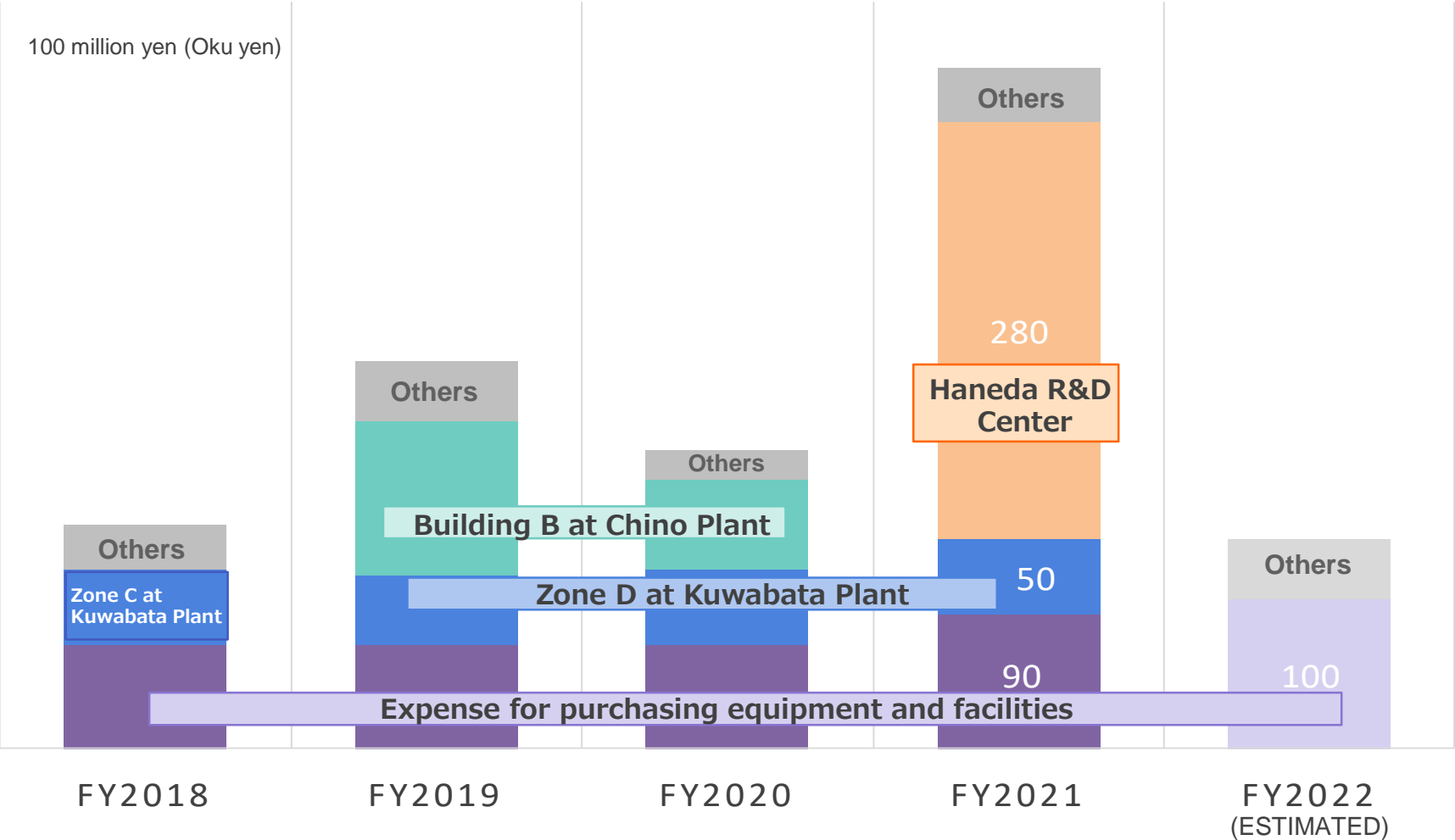
R&D/CAPEX Forecast



FY22 Forecast
 Capital investment: Mainly rationalization investment.
 Depreciation: Depreciation of assets acquired in the previous fiscal year.
 Research and Development: Proactive research and development planned.

Approx. JPY 14 B (FY21 actual figure JPY 45.6 B)
 Approx. JPY 10 B (FY21 actual figure JPY 8.5 B)
 Approx. JPY 21 B (FY21 actual figure JPY 19.8 B)

CAPEX Expenses



FY22 Forecast

Purchase of machines and facilities
Others (expansion of offices, etc.)

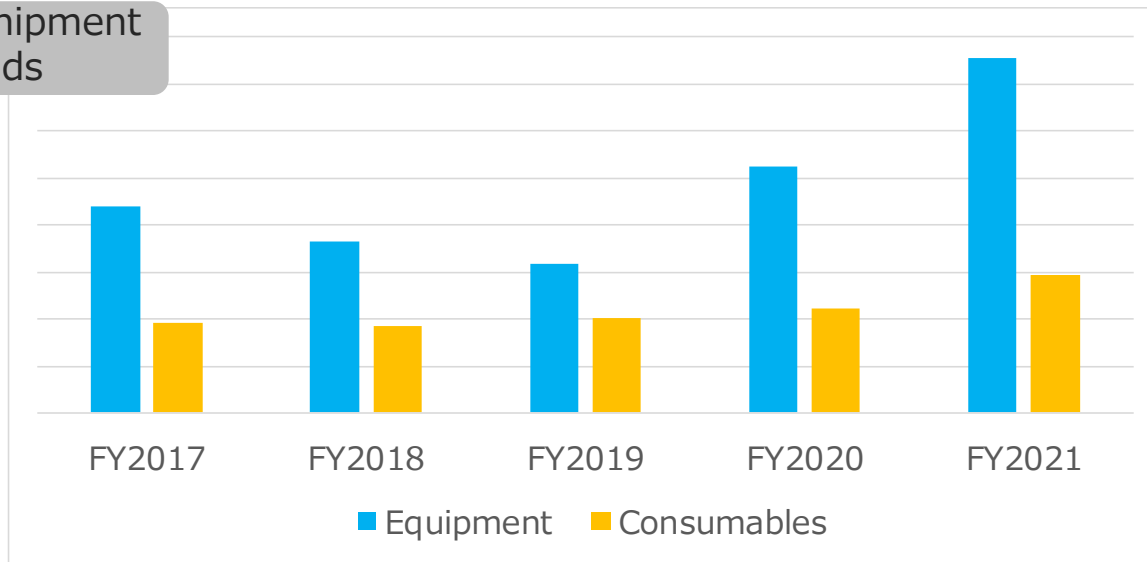
Approx. JPY 10 B
Approx. JPY 4 B

■ Shipment Trends

DISCO is continuing to enhance production capacity through plant expansion, manufacturing support, recruitment, and improvement activities while also implementing infection prevention measures for COVID-19.

Both equipment and consumable shipments reached significant record highs.

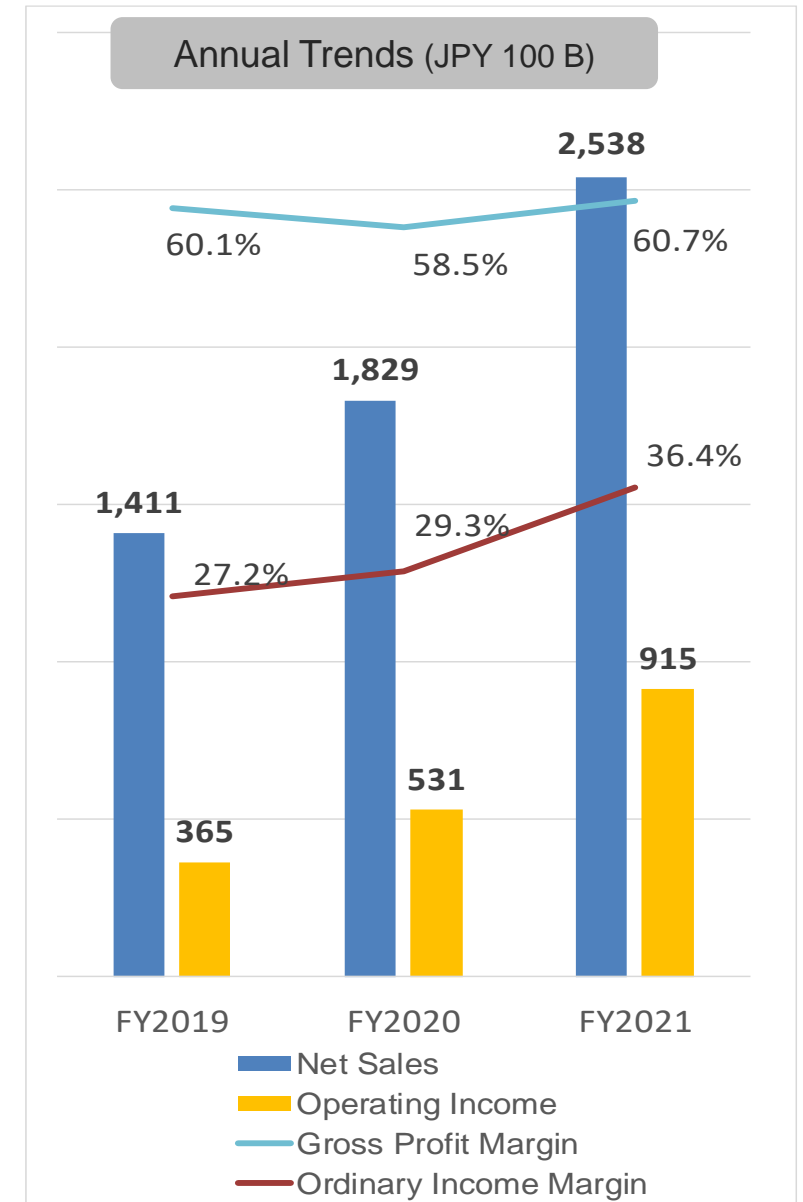
Annual Shipment trends



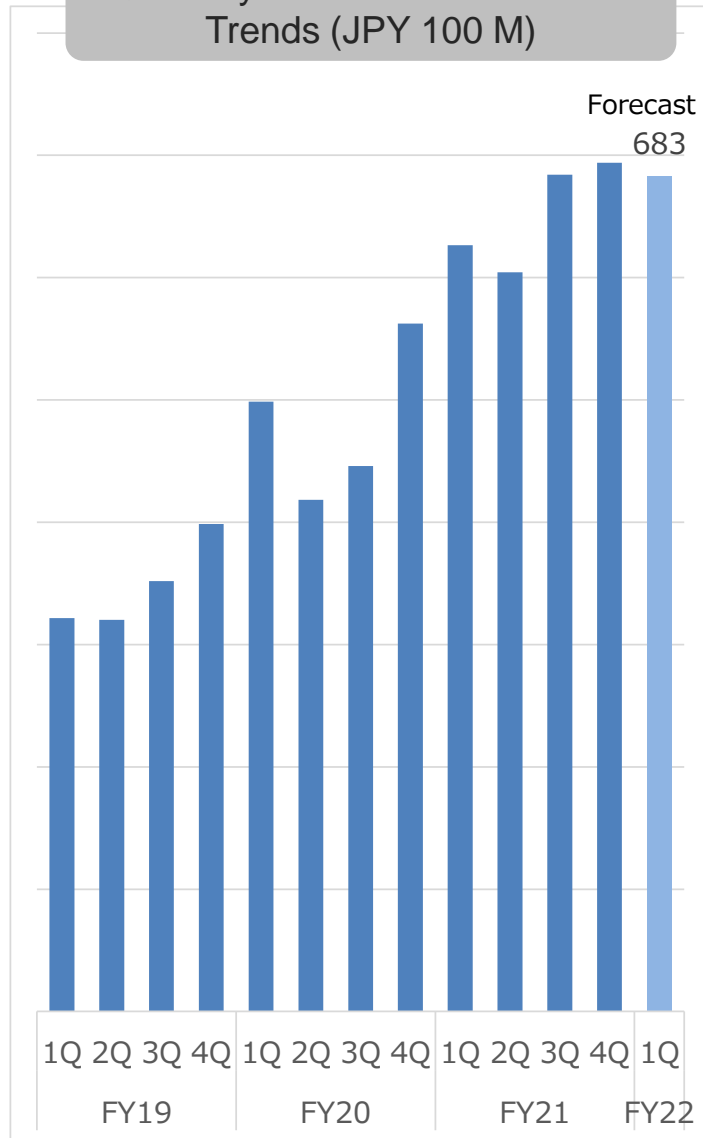
- Record high results were achieved for two consecutive fiscal years and profitability increased.

GP margin remained high, supported by the favorable market environment in addition to improvement activities.

- Dividends increased further due to dividend-linked performance and surplus funds, to JPY 808 / year (previous year: JPY 677 / year).



Quarterly Financial Performance Trends (JPY 100 M)



- Demand is steady for a wide range of applications, including ICs, memory devices, and power semiconductors. Shipments are expected to continue to remain high.
- Continuing to enhance the company’s ability to adapt to changes.
 - Improving production capacity and productivity
→ Completing new plant building construction and promoting recruitment (Plants continue to operate at full capacity.)
Implementing improvement through PIM activities (price reduction and increase in added value)
 - Enhancing development capacity: establishment of Haneda R&D Center
- Transitioning the governance system to a “Company with a Nominating Committee, etc.” system.
- Developing DISCO VISION 2030 and specifying sustainability issues. Continuing to implement and enhance activities that strengthen the company and resolve social issues through Will Accounting, PIM activities, and DISCO Values.

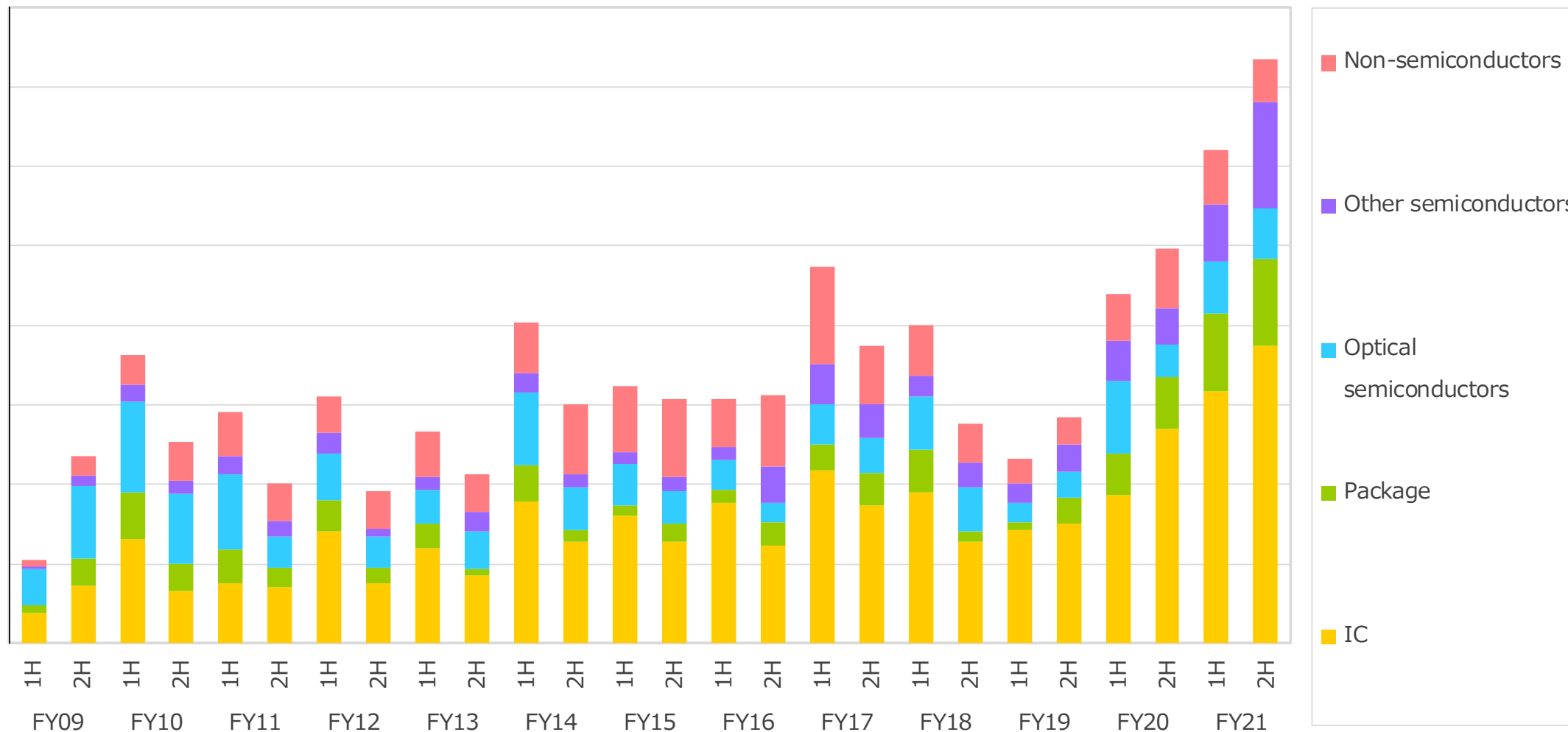
[Reference] Half-Year and Fiscal Year Transition Graph

Non-consolidated Sales by Usage of Dicing Saws



Shipment Basis

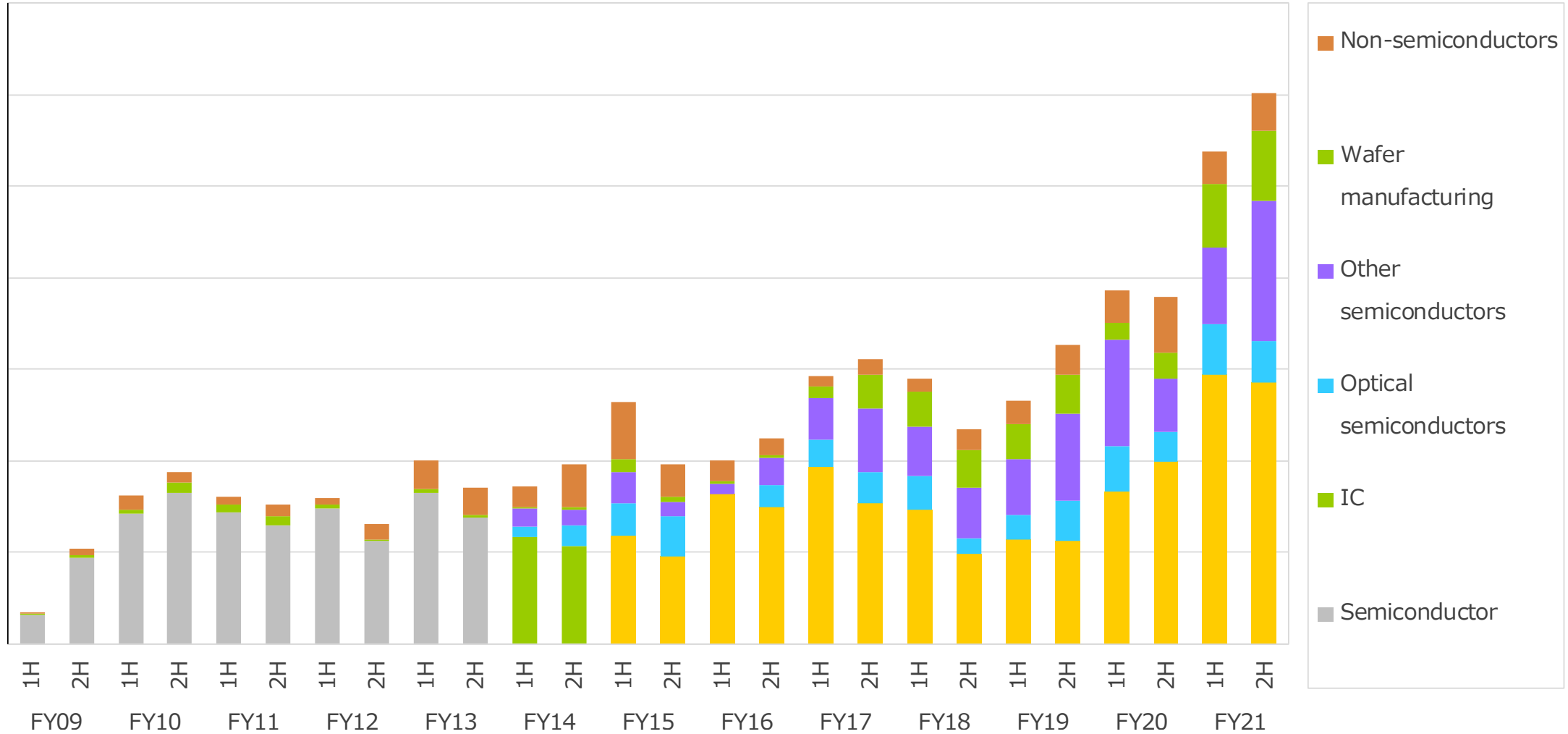
Half-Year



Non-consolidated Sales by Usage of Grinders

Shipment Basis

Half-Year

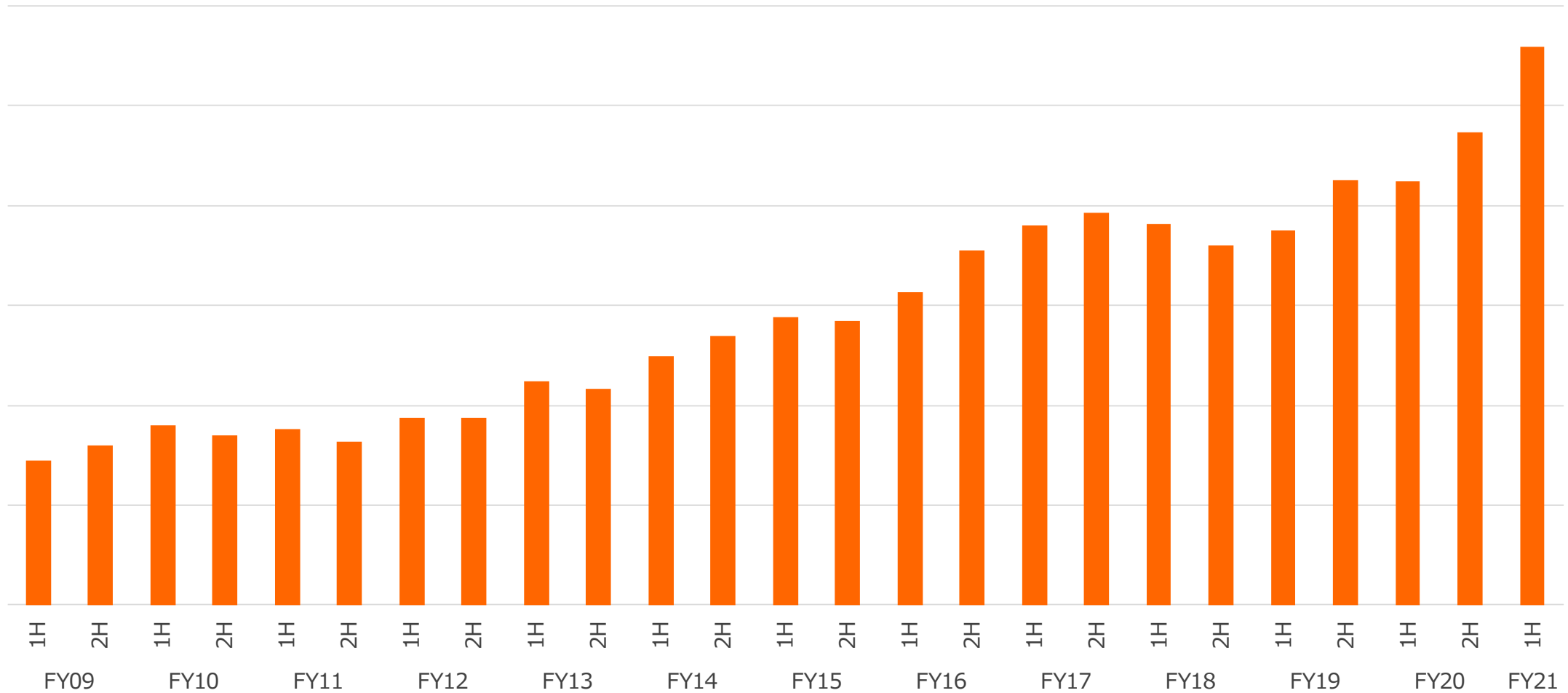


Consolidated Consumable Sales



Shipment Basis

Half-Year

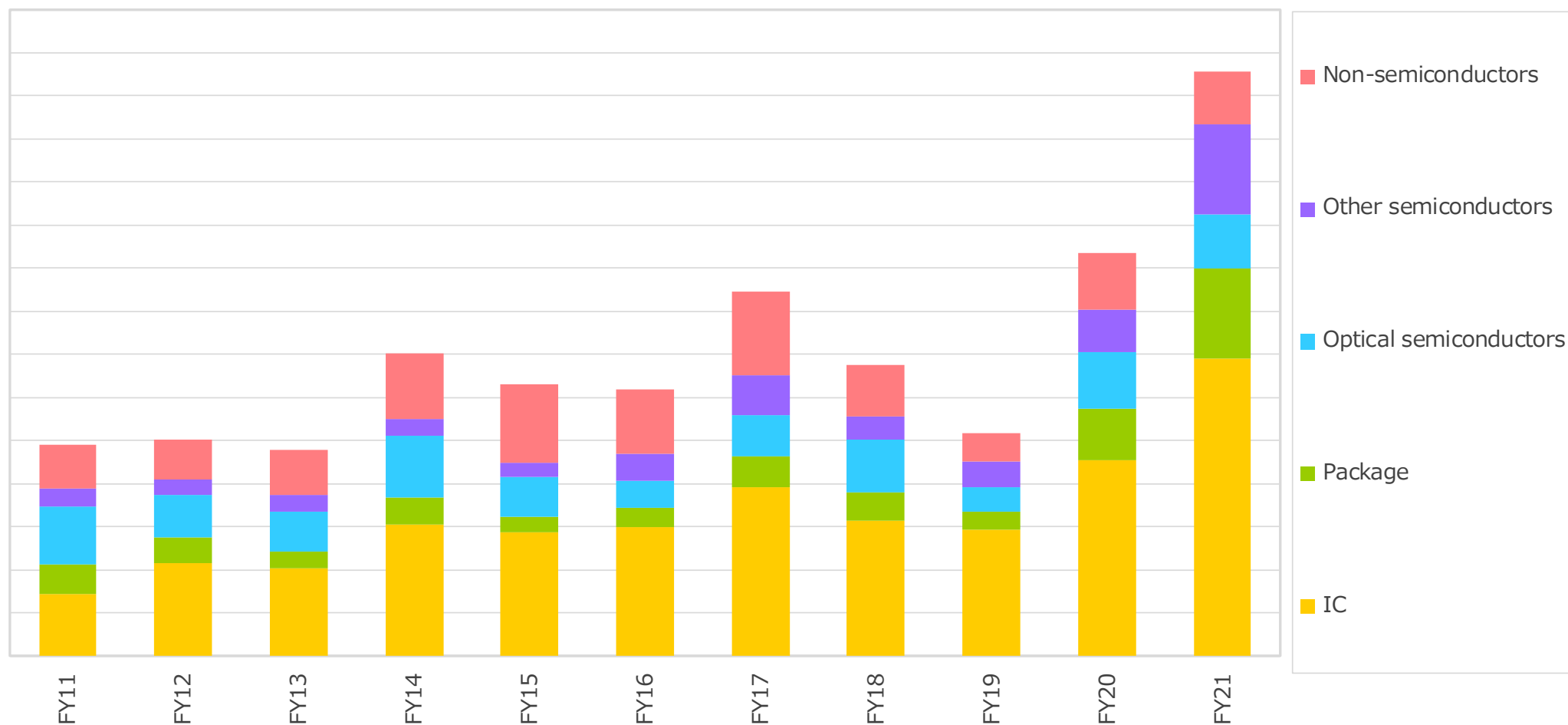


Non-consolidated Sales by Usage of Dicing Saws



Shipment Basis

Full-year

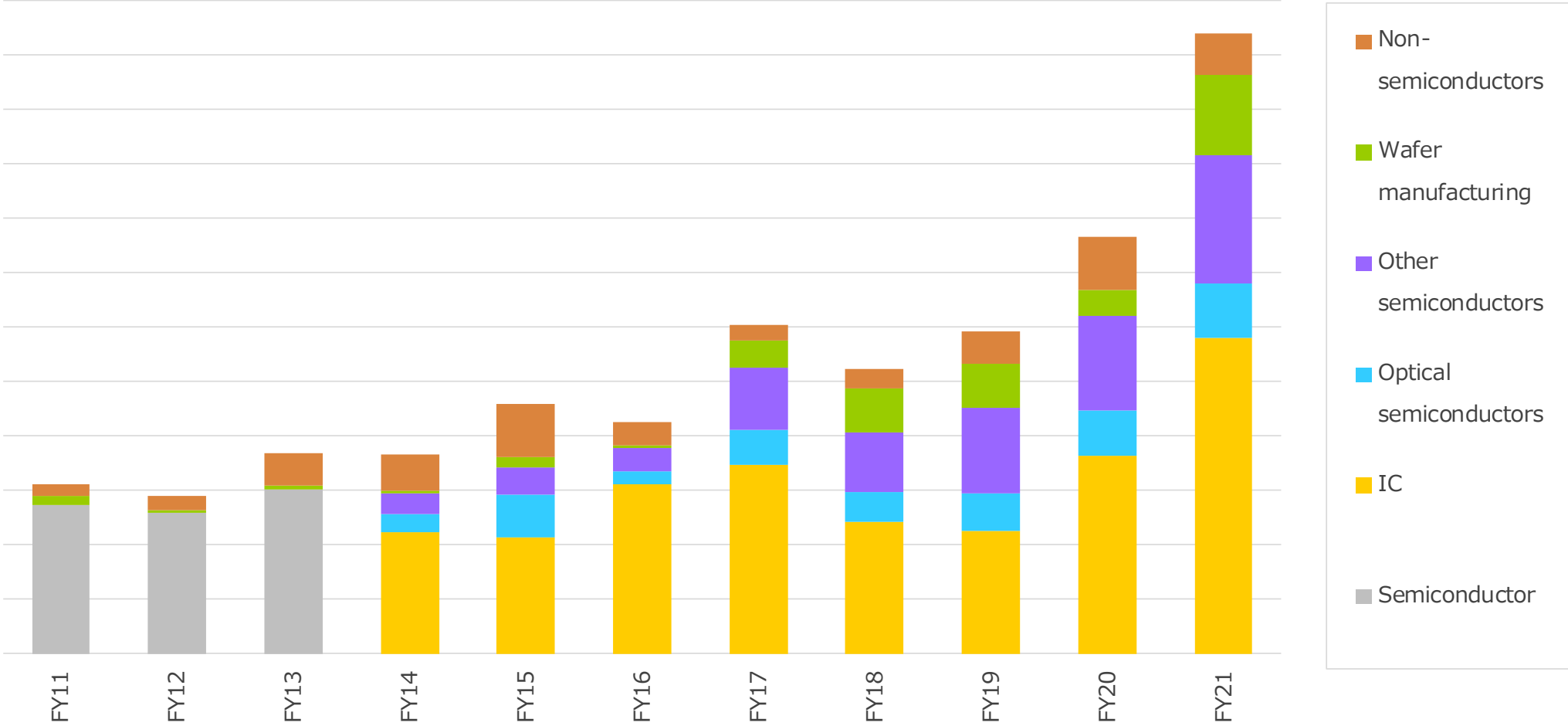


Non-consolidated Sales by Usage of Grinders



Shipment Basis

Full-year



Consolidated Consumable Sales



Shipment Basis

Full-year

