

FY2024

First Quarter Financial Results

July 18, 2024

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FY2024 1Q Earnings Results



Billions of Yen	FY2024 1Q
Net Sales	82.8
Gross Profit	57.7
Gross Profit Margin	69.7%
SG&A	24.3
Operating Income	33.4
Ordinary Income	33.6
Ordinary Income Margin	40.6%
Income before income taxes and minority interests	33.5
Net Income	23.7

FY2023 4Q	QoQ	
	Amount	(%)
104.3	-21.5	-20.6%
71.3	-13.6	-19.1%
68.4%	1.3p	-
25.2	-0.9	-3.5%
46.1	-12.8	-27.6%
46.7	-13.0	-27.9%
44.7%	-4.1p	-
46.5	-13.0	-28.0%
35.4	-11.7	-33.1%

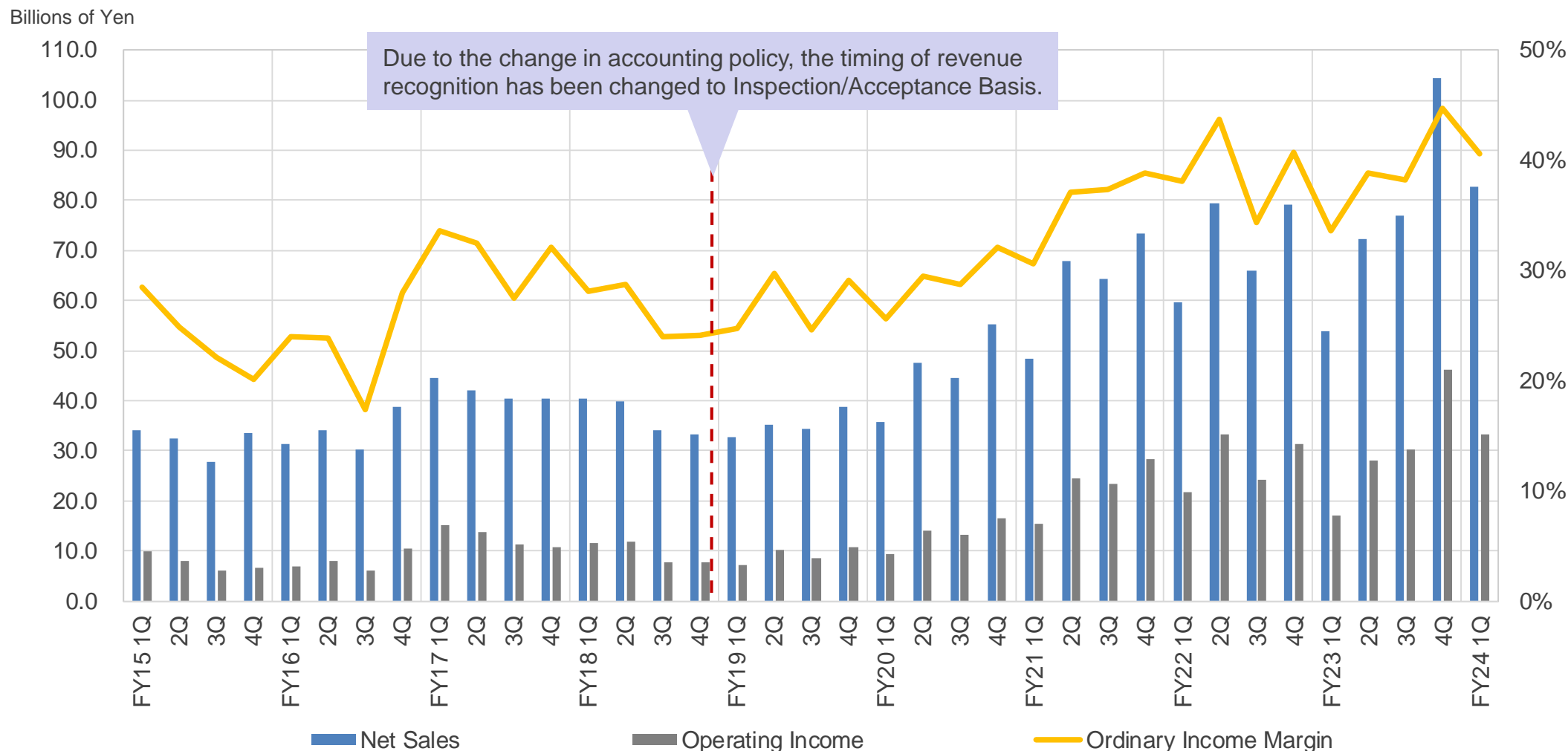
FY2023 1Q	YoY	
	Amount	(%)
54.0	28.8	53.4%
35.2	22.5	64.0%
65.2%	4.5p	-
18.2	6.1	33.6%
17.0	16.4	96.7%
18.2	15.5	85.1%
33.7%	6.9p	-
18.1	15.3	84.4%
12.7	11.0	87.0%

Sales: YoY increase due to increased equipment shipment and progress in equipment inspection/acceptance.

GP margin: YoY increase due to the exchange rate, high-added value cases, etc.

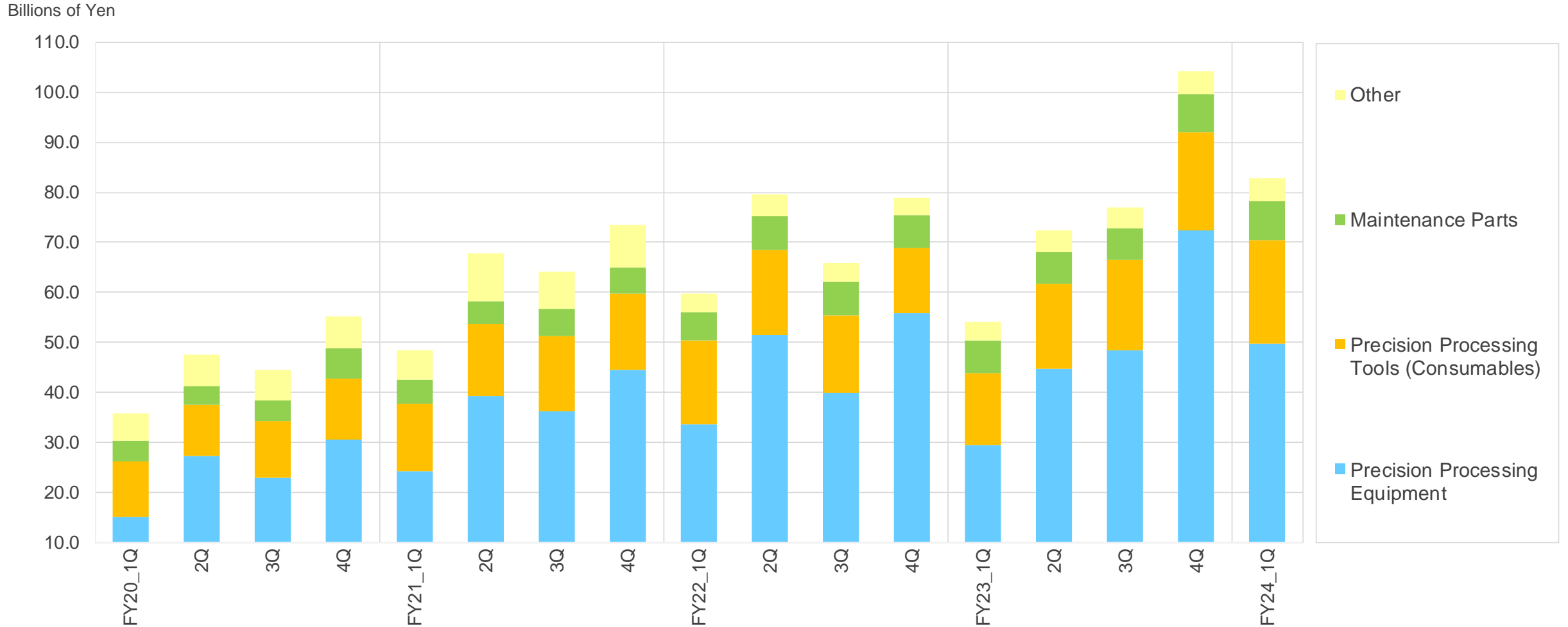
SG&A: YoY increase mainly due to personnel and R&D expenses.

Quarterly Financial Results



Operating income margin trended at over 40% owing to the high GP margin
 (FY24_1Q Operating income margin 40.3%, Ordinary income margin 40.6%, Net income margin 28.6%)

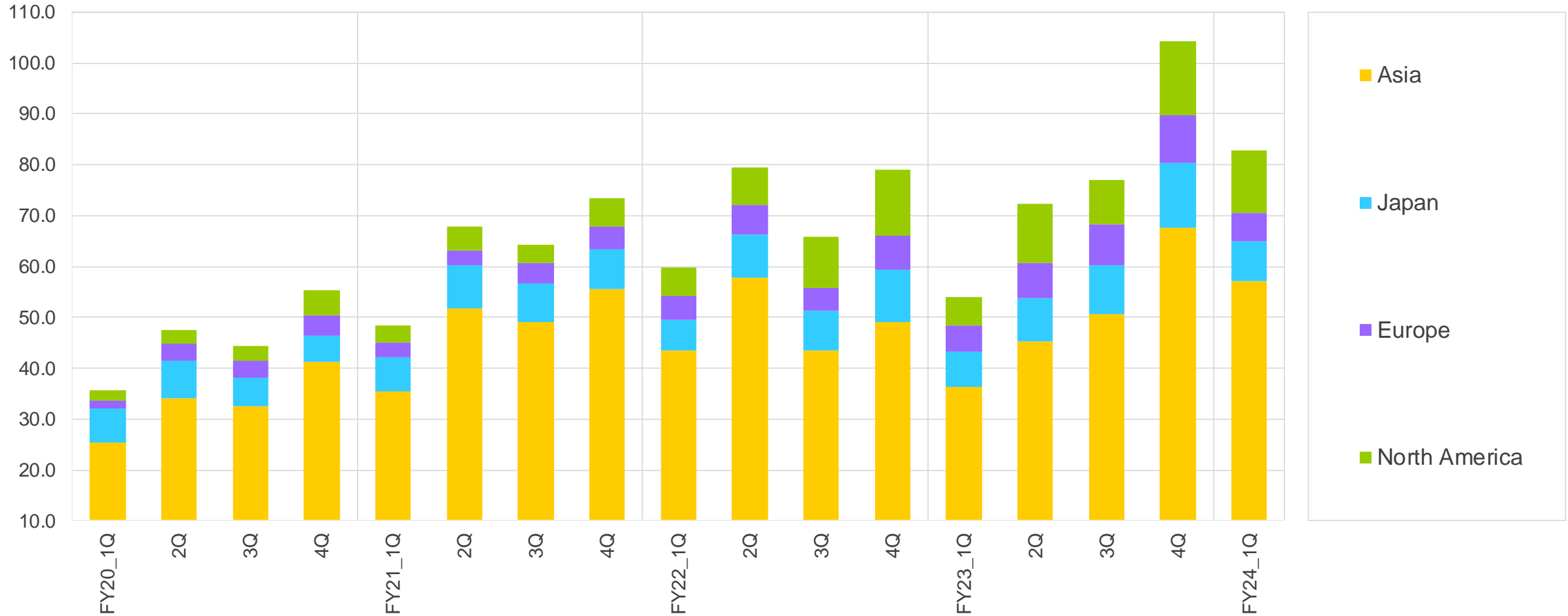
Quarterly Sales Breakdown by Product



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

Quarterly Sales Breakdown by Region

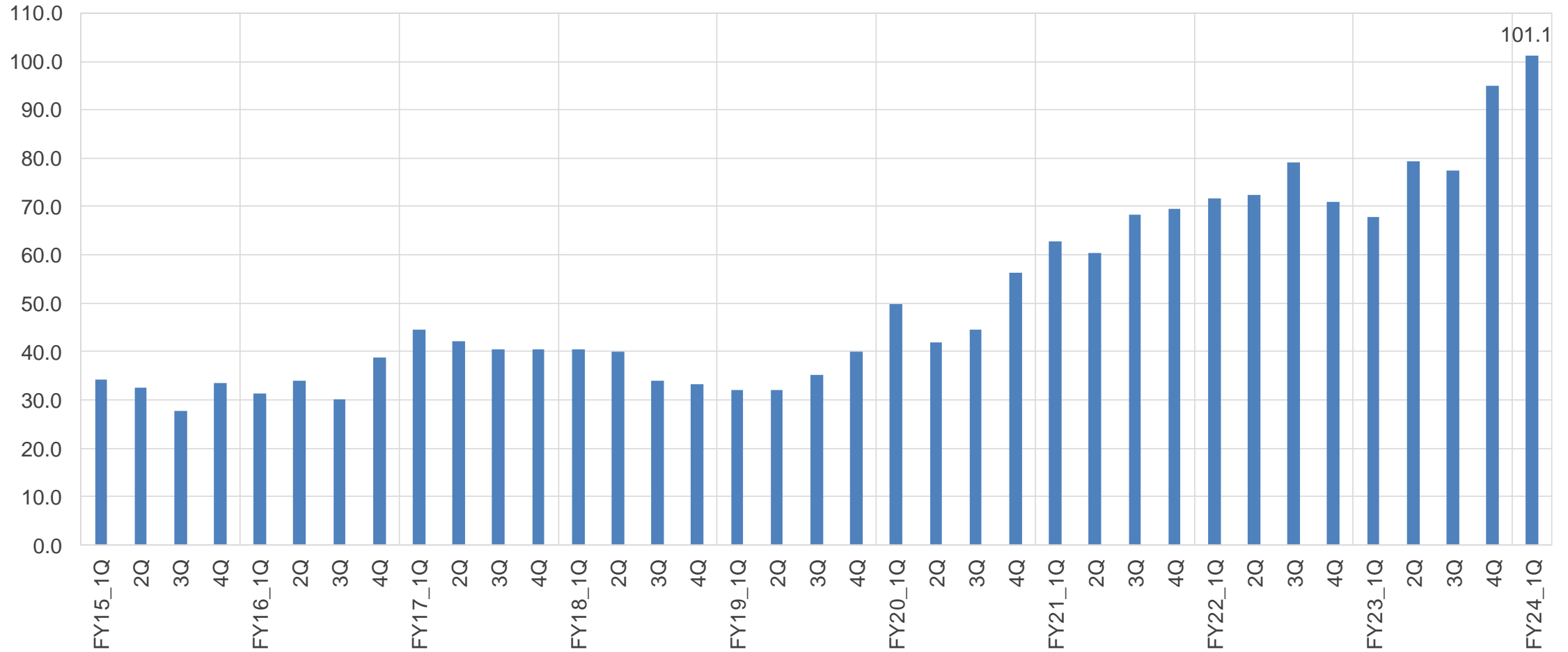
Billions of Yen



FY24_1Q Overseas sales ratio: 90.6%

Quarterly Shipments

Billions of Yen



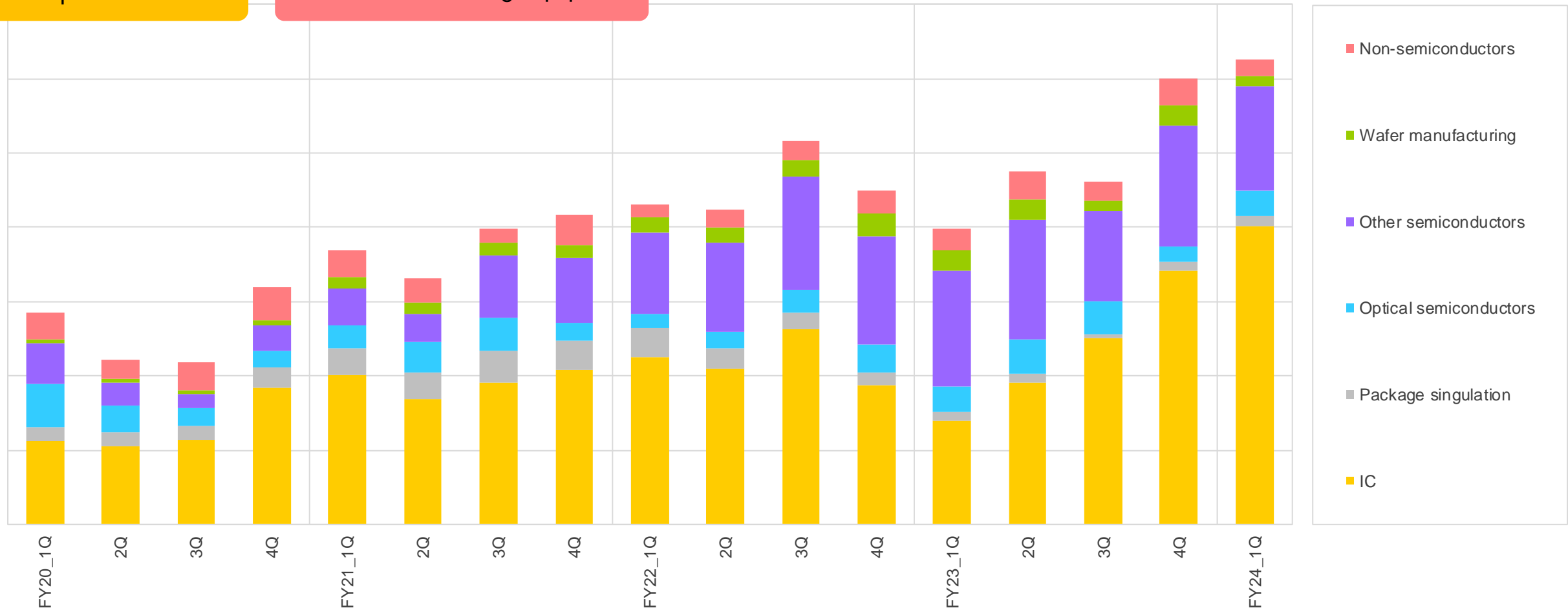
FY24_1Q Shipment volume: approx. 101.1 billion yen

Precision Processing Equipment: Sales by Application



Shipment Basis

Precision Processing Equipment



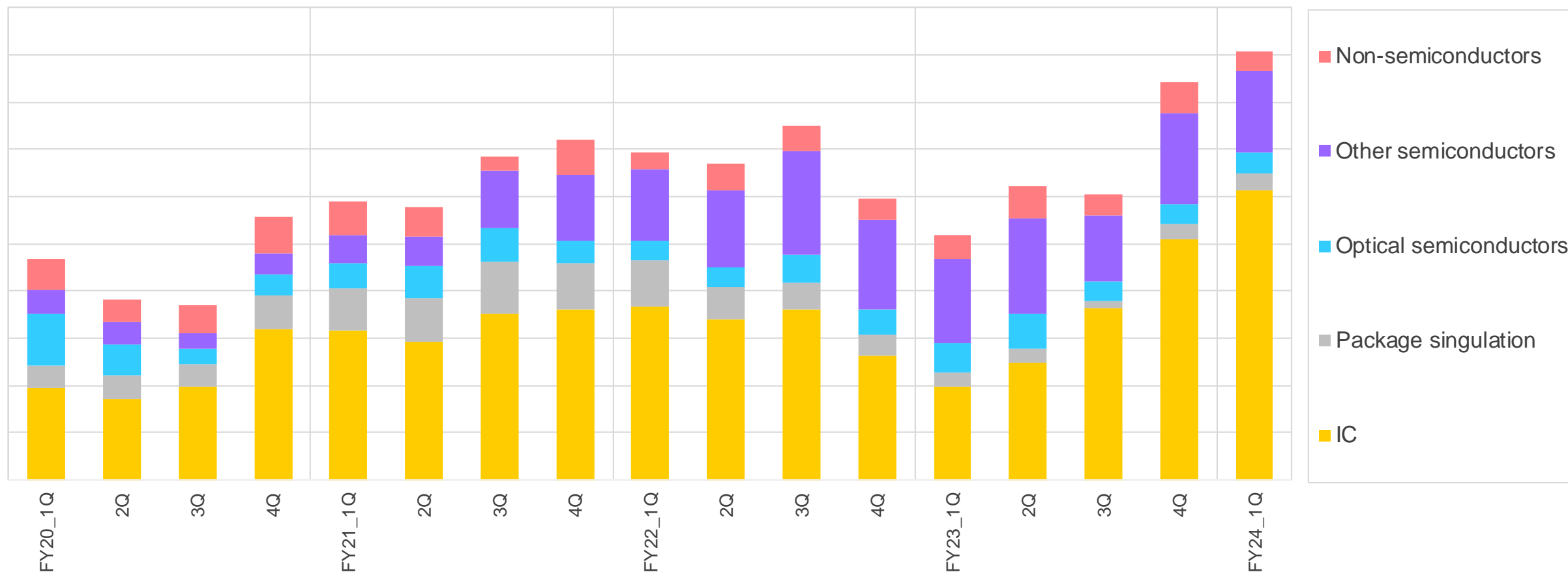
QoQ: Increased for IC mainly for generative AI.

YoY: Increased for IC due to an increased demand for generative AI.

Dicer: Sales by Application

Shipment Basis

Dicer



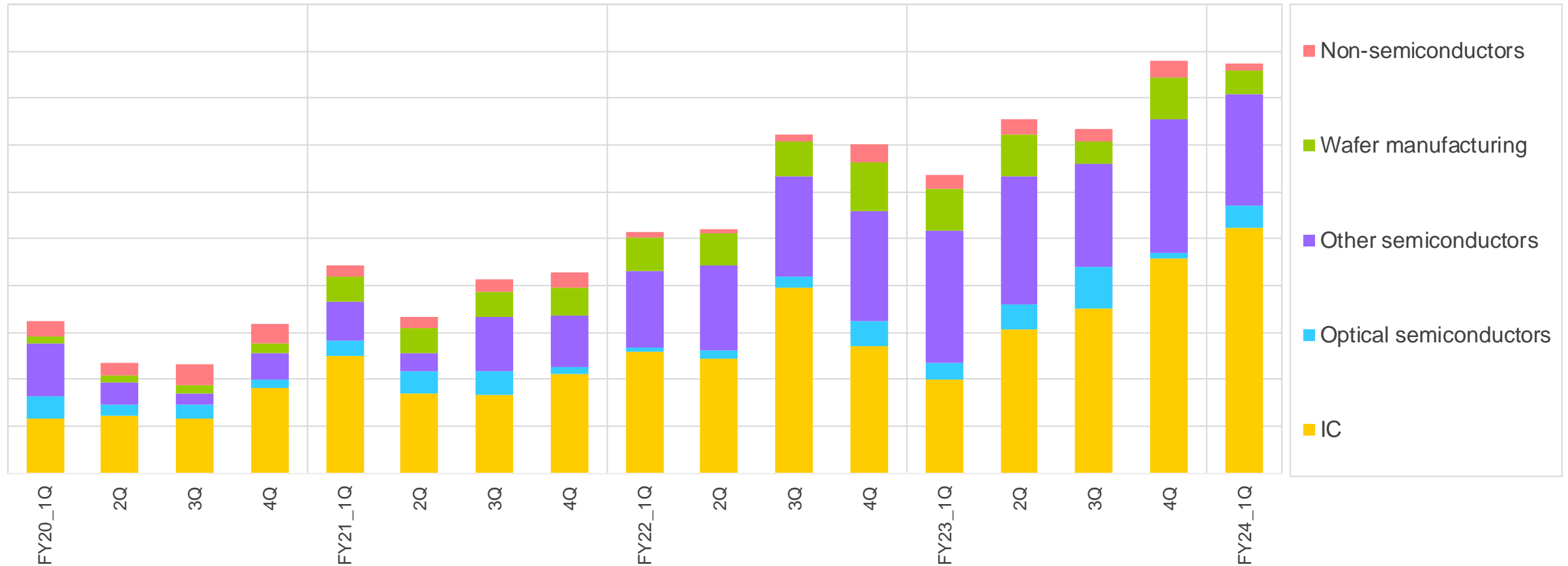
QoQ: Increased for IC mainly for generative AI.

YoY: Increased significantly for IC due to an increased demand for generative AI.

Grinder: Sales by Application

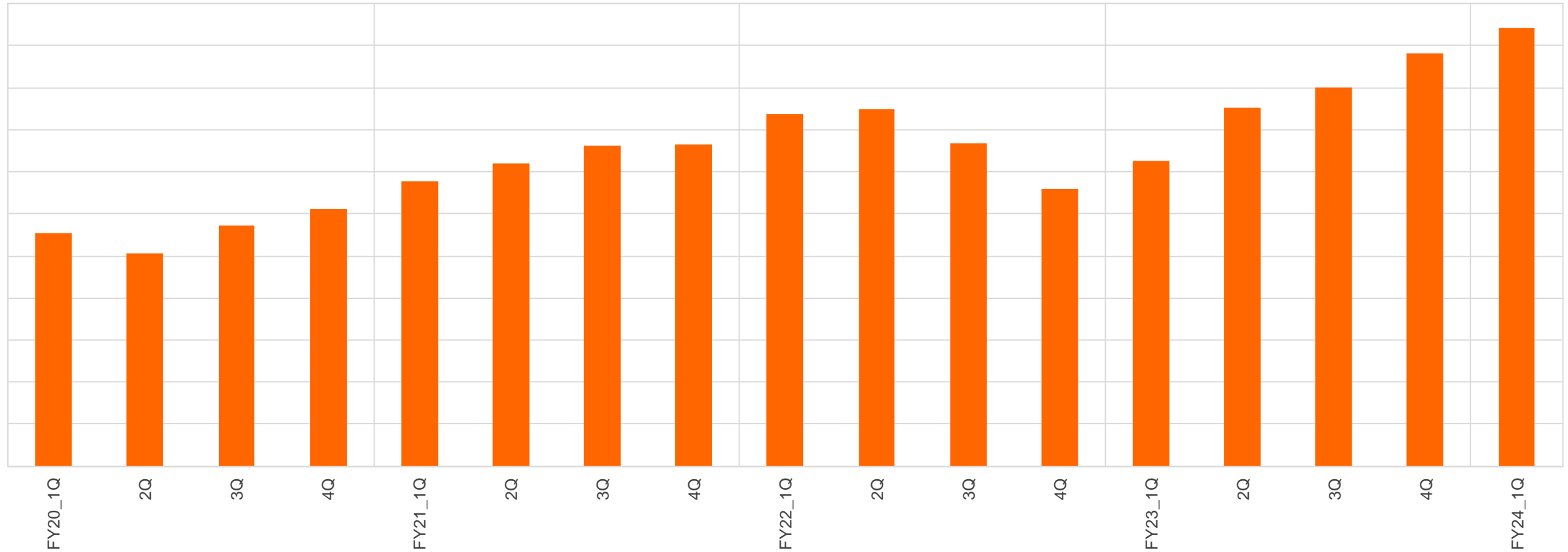
Shipment Basis

Grinder



QoQ: Decreased for “Other semiconductors” (mainly power semiconductors), but sales for IC supported the whole.
YoY: Increased significantly for IC due to an increased demand for generative AI.

Precision Processing Tools Sales (Consumables)



Precision processing tool (consumables) shipments remained steady. Reached a record high linked to an upward trend in customer facility operation rates.

Balance Sheet (Summary)

Billions of Yen	FY2024 1Q	FY2023 4Q	Amount
Cash and deposits	218.3	215.5	2.8
Notes and account receivable	42.4	46.8	-4.4
Inventories	124.4	115.0	9.4
Total current assets	388.9	386.9	1.9
Property, plant and equipment	150.3	147.5	2.8
Total noncurrent assets	170.1	169.1	1.0
Total assets	558.9	556.1	2.9
Current liabilities	151.0	148.7	2.2
Noncurrent liabilities	0.8	0.8	0.0
Total liabilities	151.8	149.5	2.3
Total net assets	407.2	406.6	0.6
Total liabilities and net assets	558.9	556.1	2.9
Equity Ratio	72.6%	72.9%	-0.3p

Total assets: Increase mainly in inventory assets, cash and deposits, etc.

Liabilities: Decrease in income taxes payable and provision for bonuses, and increase in contract liabilities.

Net assets: No large change as the dividend payout was equivalent to the Increase in net income for the current term.

Earnings Forecast 2Q FY2024



Billions of Yen

Forecast

	FY23 1Q	2Q	3Q	4Q	FY24 1Q	2Q
Net Sales	54.0	72.3	77.0	104.3	82.8	85.6
Operating Income	17.0	28.0	30.4	46.1	33.4	32.6
Ordinary Income	18.2	28.1	29.4	46.7	33.6	32.8
Net Income	12.7	20.0	16.1	35.4	23.7	23.1
Operating Income Margin	31.5%	38.8%	39.4%	44.2%	40.3%	38.1%
Ordinary Income Margin	33.7%	38.9%	38.2%	44.7%	40.6%	38.3%
Net Income Margin	23.5%	27.7%	20.9%	34.0%	28.6%	27.0%
Shipment Figures	67.8	79.4	77.3	95.0	101.1	100.9

Assumed exchange rate for 2Q (Jul-Sep): 1 US dollar = 150 yen, 1 euro = 165 yen
 Currency sensitivity (annualized) US dollar: Approx. 1.5 billion yen, Euro: Approx. 0.1 billion yen

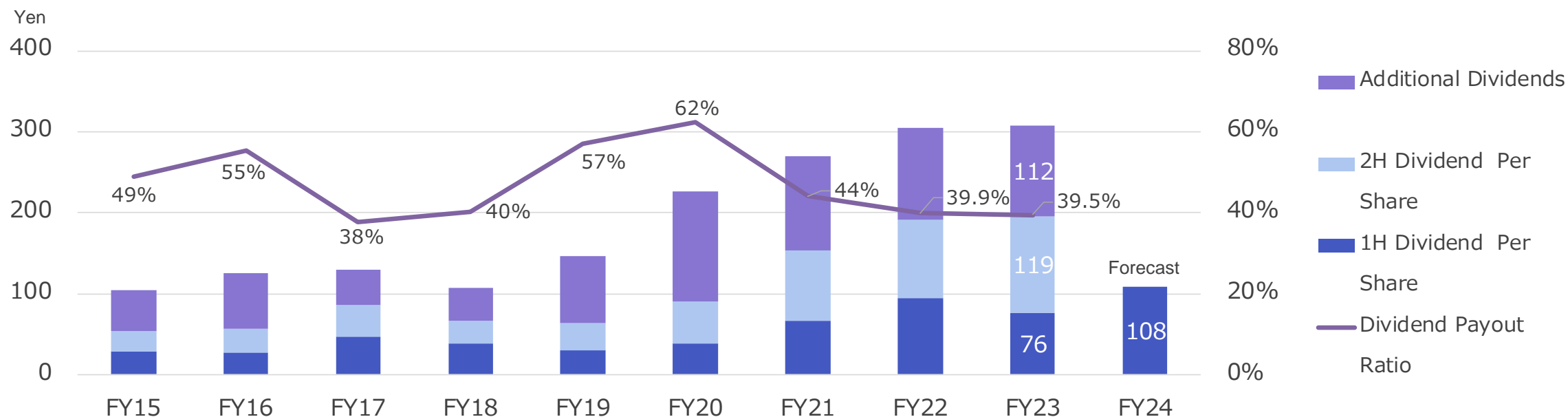
Dividend Policy and Dividend Payments

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]

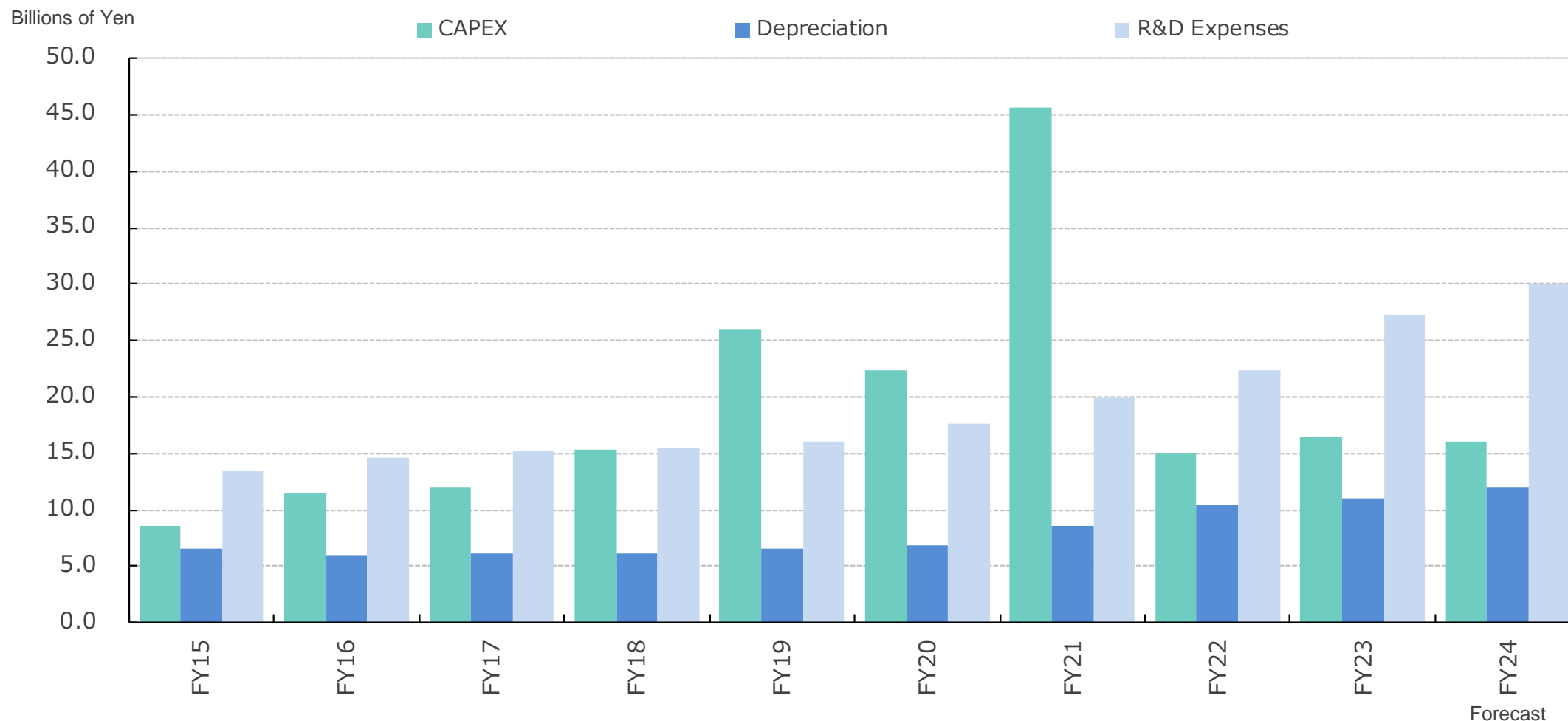
The ¥20 payout stipulated in our stable dividend policy may be reviewed if there are consolidated net losses for three consecutive years.



FY24 (forecast) Interim: 108 yen Year-end: undecided

*The Company implemented a stock split in the proportion of 1 share into 3 shares effective as of April 1, 2023
(The dividend trend before FY22 has been represented under the assumption that the applicable stock split has been done)

R&D/CAPEX Forecast



FY24 Forecast

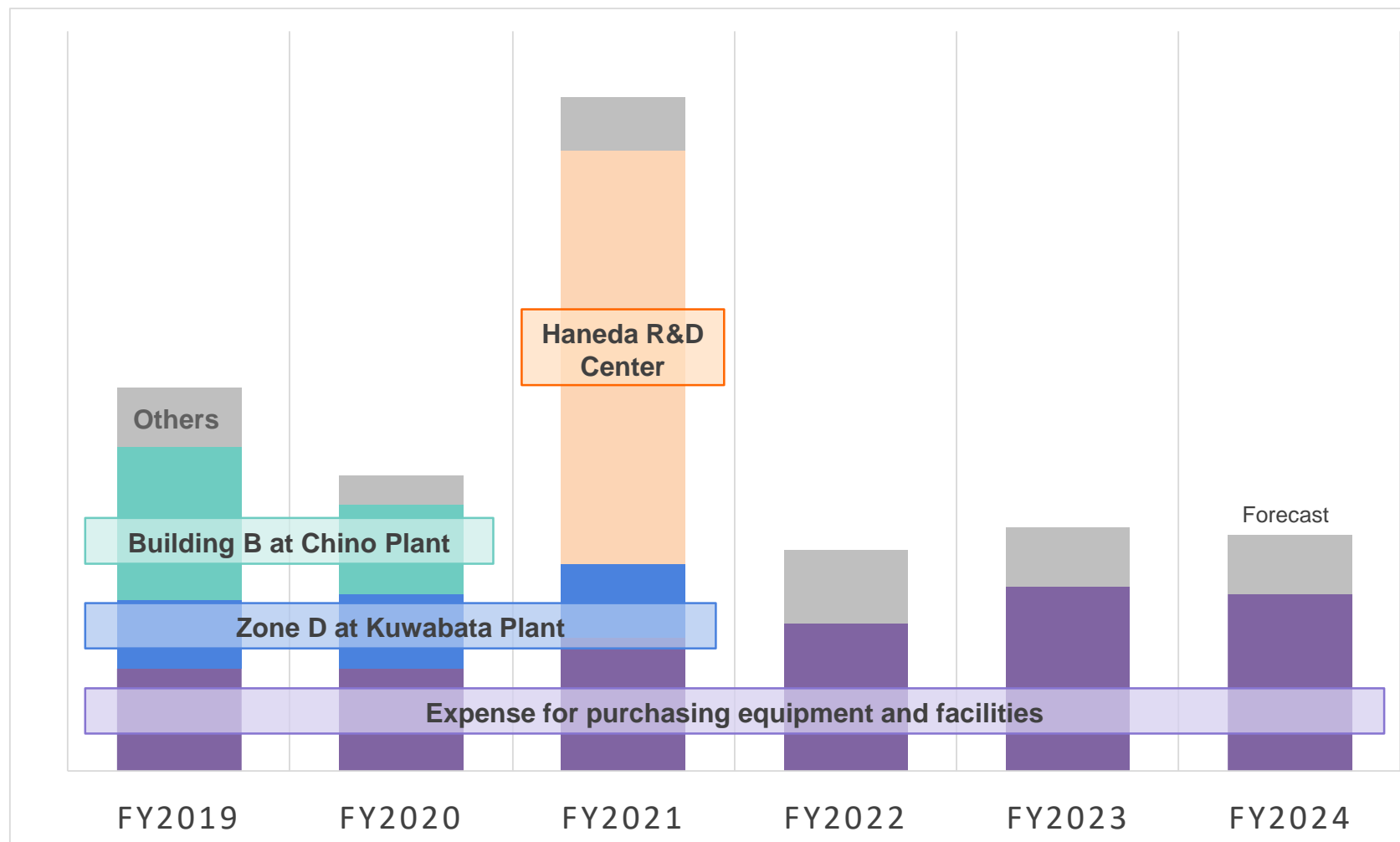
CAPEX: Approx. 16 billion yen; mainly investment for rationalization.

(Construction of a new building at the Haneda R&D Center is scheduled to begin in FY25)

Depreciation: Approx. 12 billion yen; expected to be equal to or a slight increase compared to the previous fiscal year.

Research and Development: Approx. 30 billion yen; proactive research and development continues.

Breakdown of CAPEX



FY24 Forecast

Purchase of machines and facilities: Approx. 12 billion yen

Others (expansion of offices, etc.): Approx. 4 billion yen

(Construction of a new building at the Haneda R&D Center is scheduled to begin in April 2025)

Sales Forecast By Product

Shipment Basis

Product		Forecast FY24_2Q (QoQ)
	Blade dicers	-15%
	Laser Saws	15%
Dicers		0%
	DGP (for thin wafers)	0%
	Other Grinders	45%
Grinders		15%
	Accessory Equipment	25%
Precision Processing Equipment		5%
Precision Processing Tools (Consumables)		-5%
Others		-25%

- Reference Data

Shipment Basis

Product	Composition	QoQ	YoY
	1Q	1Q	1Q
Precision Processing Equipment	65%	6%	56%
Dicers	36%	8%	75%
Blade Dicers	18%	3%	48%
Laser Saws	18%	14%	117%
Grinders	26%	-1%	37%
DGP (for thin wafers)	18%	35%	132%
Other Grinders	8%	-37%	-28%
Accessory Equipment	4%	56%	34%
Precision Processing Tools	21%	7%	45%
Others	14%	7%	30%
Total	100%	6%	49%

Composition by Application



Shipment Basis

		FY23				FY24
Product	Application	23-1Q	23-2Q	23-3Q	23-4Q	24-1Q
Dicers	IC	38%	40%	60%	61%	67%
	Package singulation	6%	4%	2%	4%	4%
	Optical semiconductors	12%	12%	7%	5%	5%
	Other semiconductors	34%	32%	23%	23%	19%
	Non-semiconductors	10%	11%	8%	8%	5%
Dicers		100%	100%	100%	100%	100%
Grinders	IC	32%	41%	48%	52%	60%
	Optical semiconductors	5%	7%	12%	1%	6%
	Other semiconductors	45%	36%	30%	32%	27%
	Wafer manufacturing	14%	12%	7%	10%	6%
	Non-semiconductors	5%	4%	3%	4%	2%
Grinders		100%	100%	100%	100%	100%

YoY by Application

Shipment Basis

		FY23				FY24
Product	Application	23-1Q	23-2Q	23-3Q	23-4Q	24-1Q
Dicers	IC	-46%	-27%	1%	94%	210%
	Package singulation	-71%	-60%	-76%	-32%	23%
	Optical semiconductors	55%	81%	-28%	-18%	-26%
	Other semiconductors	18%	23%	-37%	2%	-3%
	Non-semiconductors	40%	24%	-15%	35%	-17%
Dicers		-25%	-7%	-19%	41%	75%
Grinders	IC	-23%	25%	-11%	69%	160%
	Optical semiconductors	253%	207%	267%	-81%	46%
	Other semiconductors	74%	50%	3%	22%	-16%
	Wafer manufacturing	24%	37%	-37%	-15%	-45%
	Non-semiconductors	198%	244%	74%	-4%	-50%
Grinders		24%	45%	1%	25%	37%

Shipment Basis

		FY23				FY24
Product	Application	23-1Q	23-2Q	23-3Q	23-4Q	24-1Q
Dicers	IC	-25%	26%	46%	40%	20%
	Package singulation	-37%	-5%	-50%	126%	14%
	Optical semiconductors	22%	22%	-46%	1%	10%
	Other semiconductors	-6%	12%	-30%	39%	-11%
	Non-semiconductors	7%	38%	-33%	36%	-34%
Dicers		-13%	20%	-3%	39%	8%
Grinders	IC	-26%	53%	15%	31%	14%
	Optical semiconductors	-36%	55%	70%	-89%	402%
	Other semiconductors	21%	-3%	-20%	30%	-17%
	Wafer manufacturing	-15%	3%	-48%	85%	-45%
	Non-semiconductors	-23%	8%	-21%	46%	-59%
Grinders		-9%	19%	-3%	20%	-1%

Composition by Region

Inspection/Acceptance Basis

Composition by Region	FY2023				FY2024
	1Q	2Q	3Q	4Q	1Q
Japan	13%	12%	12%	12%	9%
North America	10%	16%	11%	14%	15%
Asia	67%	63%	66%	65%	69%
Singapore	8%	9%	7%	6%	6%
Taiwan	15%	11%	10%	12%	16%
Korea	8%	5%	9%	12%	14%
China (Note 1)	35%	36%	38%	34%	32%
Other	1%	2%	1%	0%	1%
Europe	10%	10%	11%	9%	7%
Total	100%	100%	100%	100%	100%

Note 1: Including sales to local factories of foreign manufacturers

This material

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