FY2026

First Quarter Financial Results

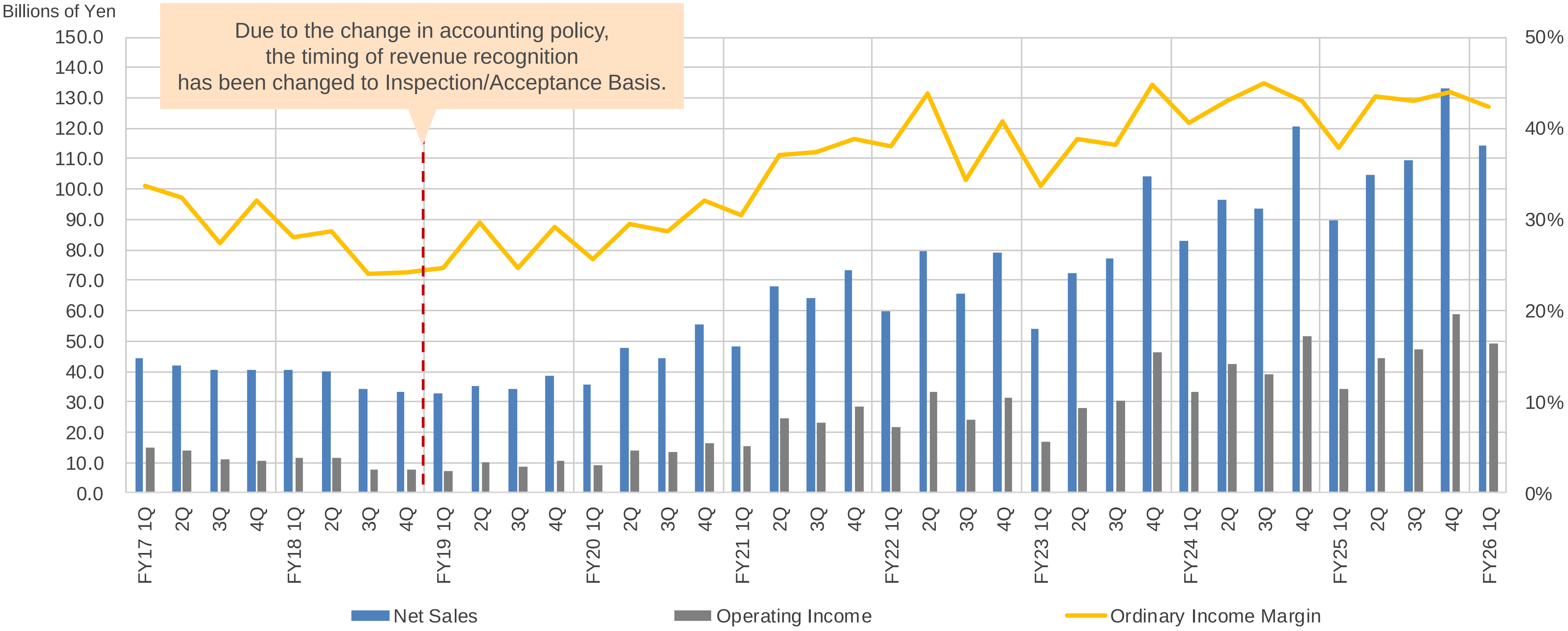
July 23, 2026

FY2026 1Q Earnings Results

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

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

Quarterly Financial Results

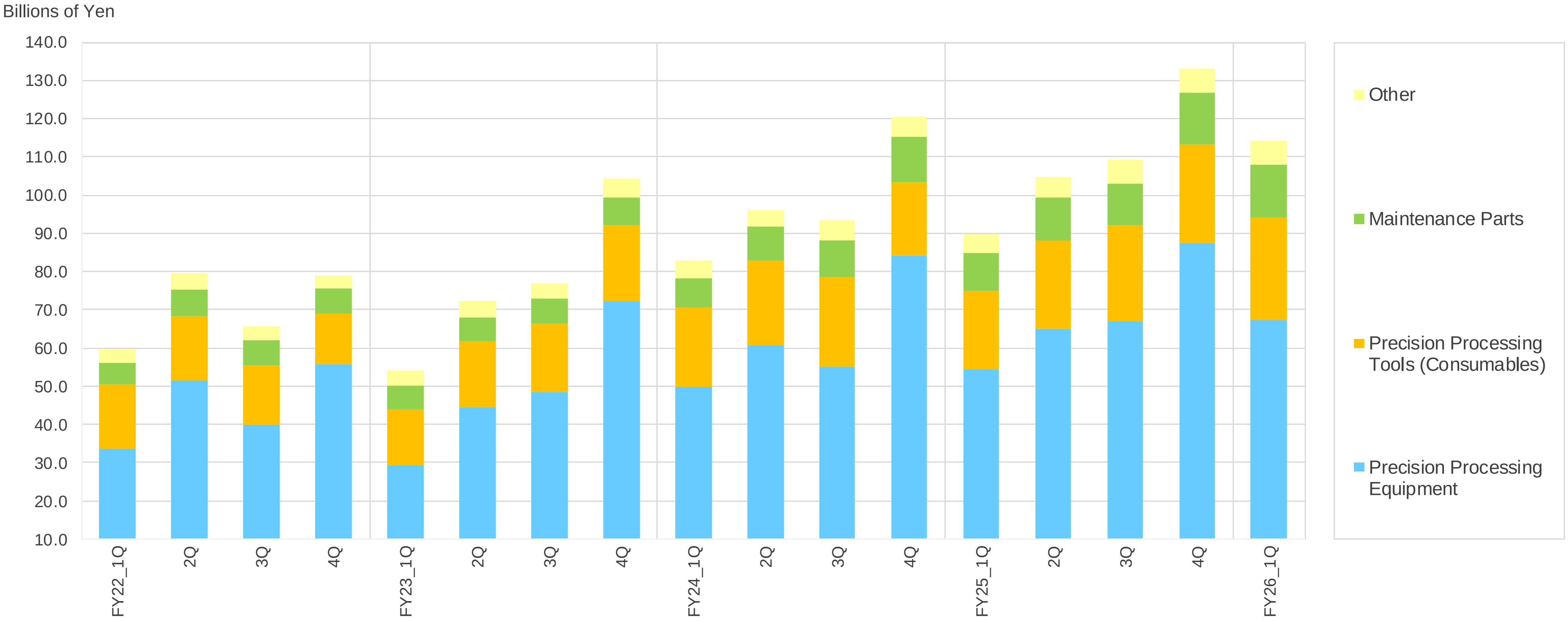


FY26 1Q Operating income margin 42.9%, Ordinary income margin 42.4%, Net income margin 29.9%

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

Quarterly Sales Breakdown by Product

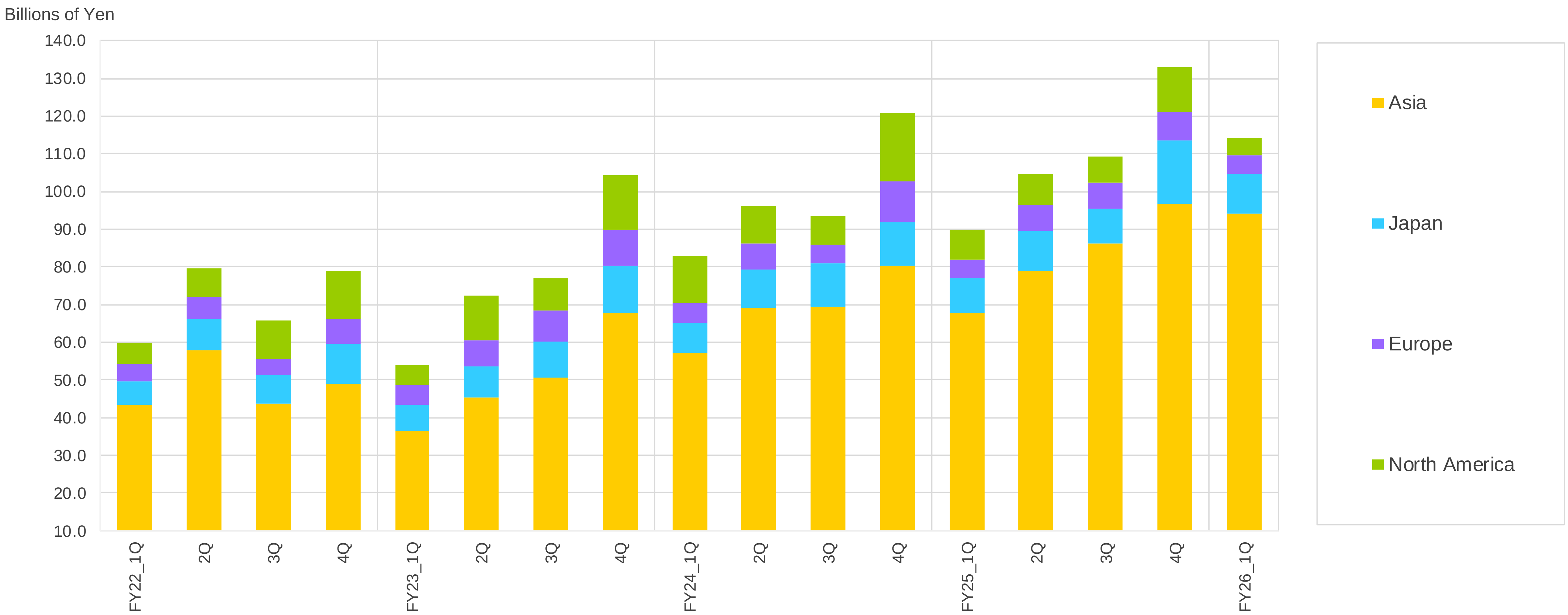
Inspection/Acceptance Basis



Note: Composition percentages are available in the "Consolidated Financial Information" on DISCO's website.

Quarterly Sales Breakdown by Region

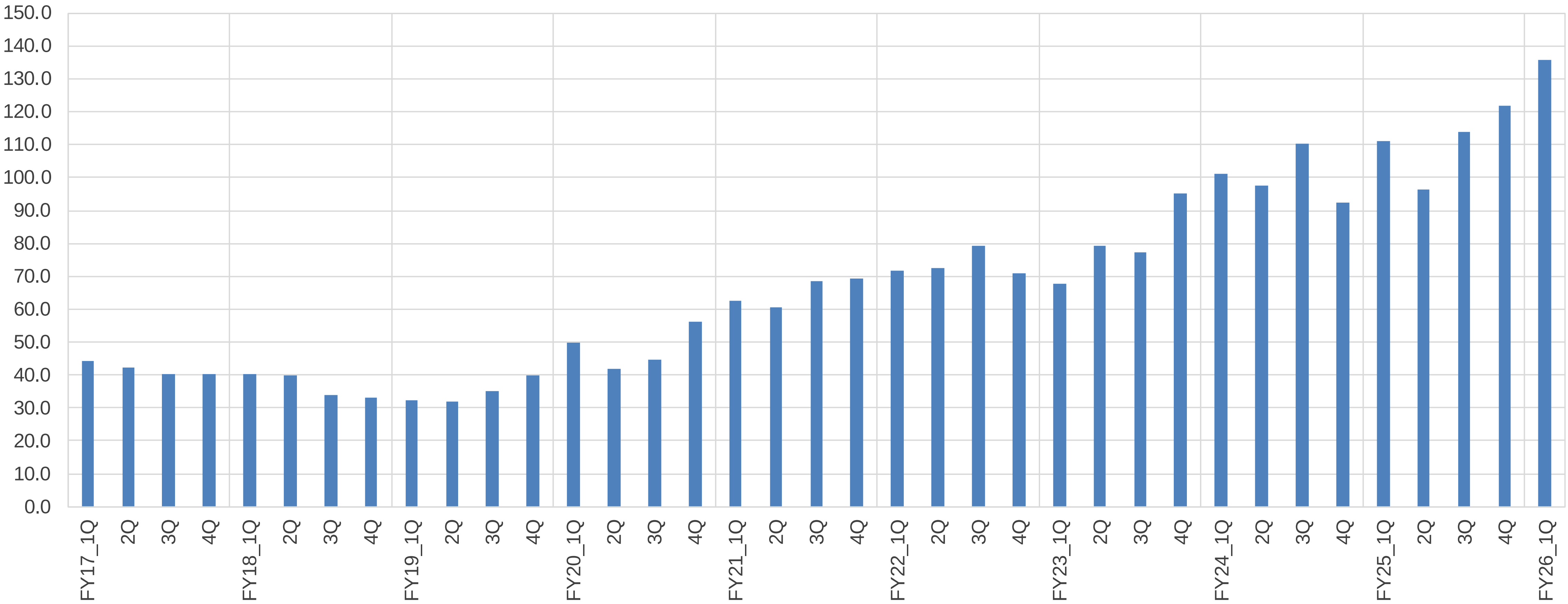
Inspection/Acceptance Basis



FY26 1Q Overseas sales ratio: 90.8%

Quarterly Shipments

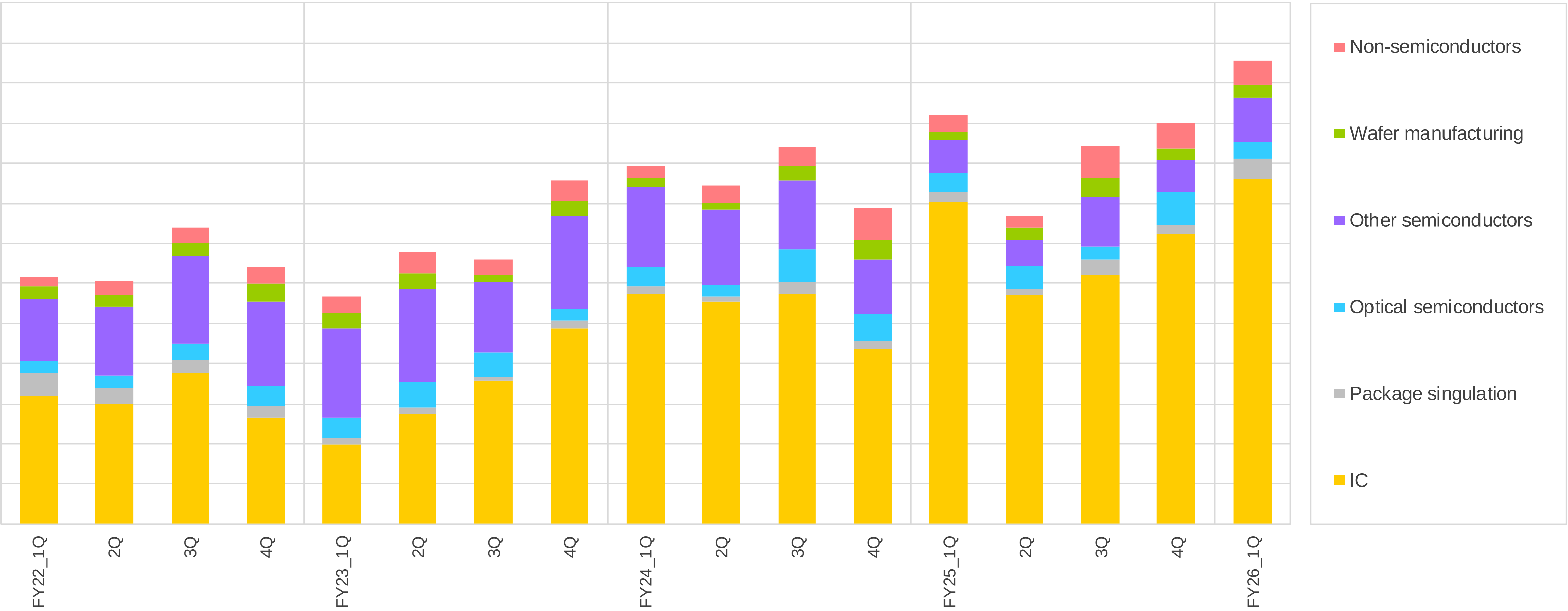
Billions of Yen



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

Precision Processing Equipment: Sales by Application

Shipment Basis

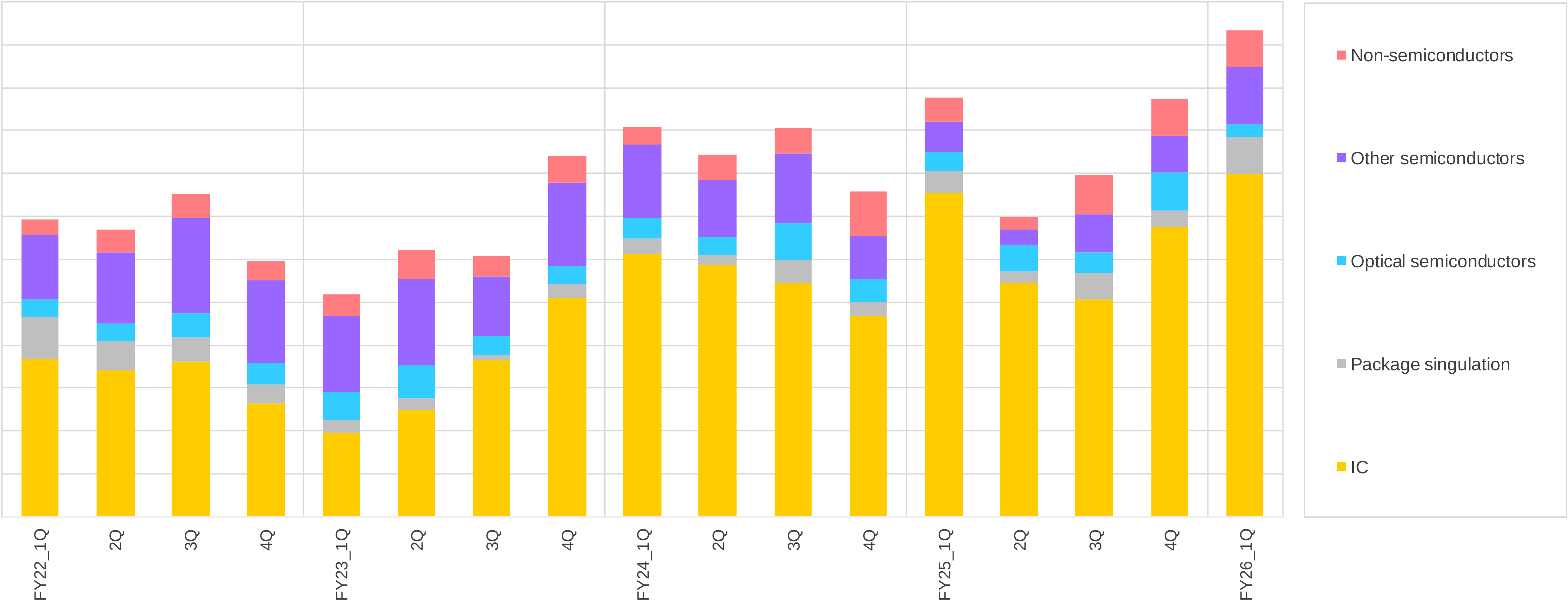


QoQ increased for IC, mainly for generative AI.
YoY remained at a high level for IC due to continued demand for generative AI.

Dicer: Sales by Application

Shipment Basis

DISCO

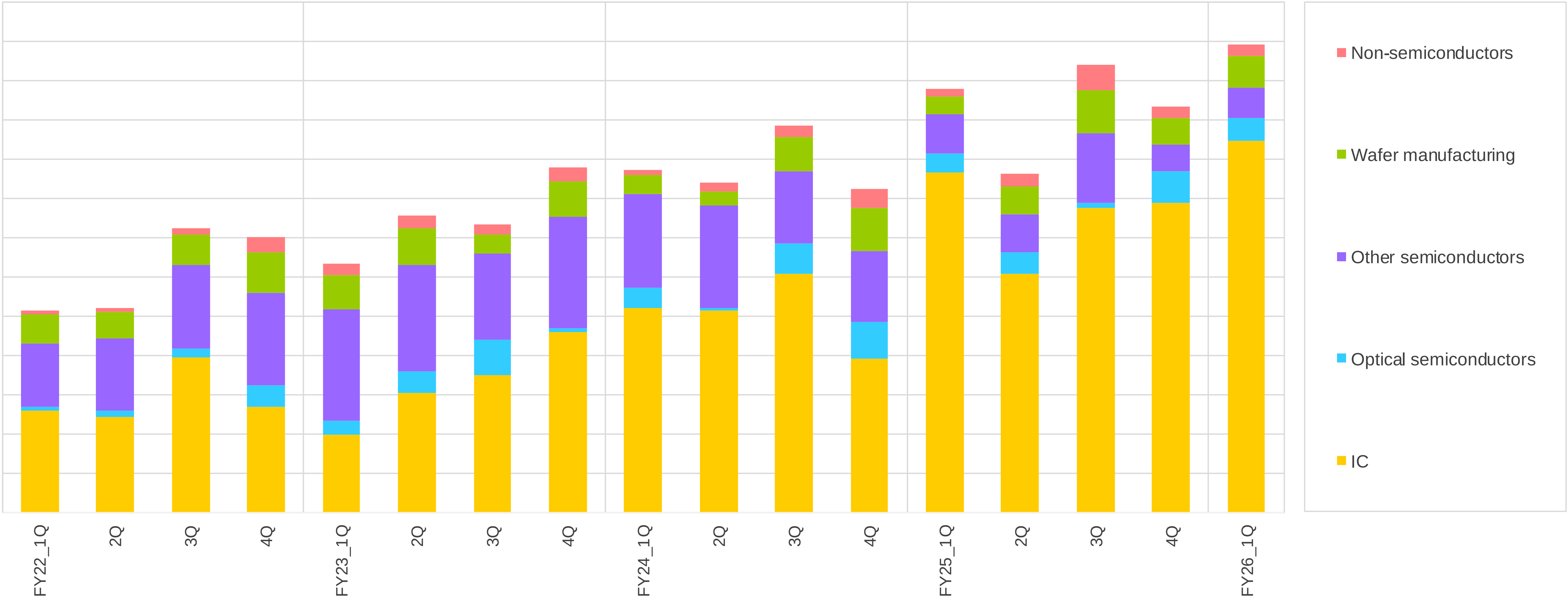


QoQ increased for IC and other semiconductors (mainly power semiconductors.)

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

Grinder: Sales by Application

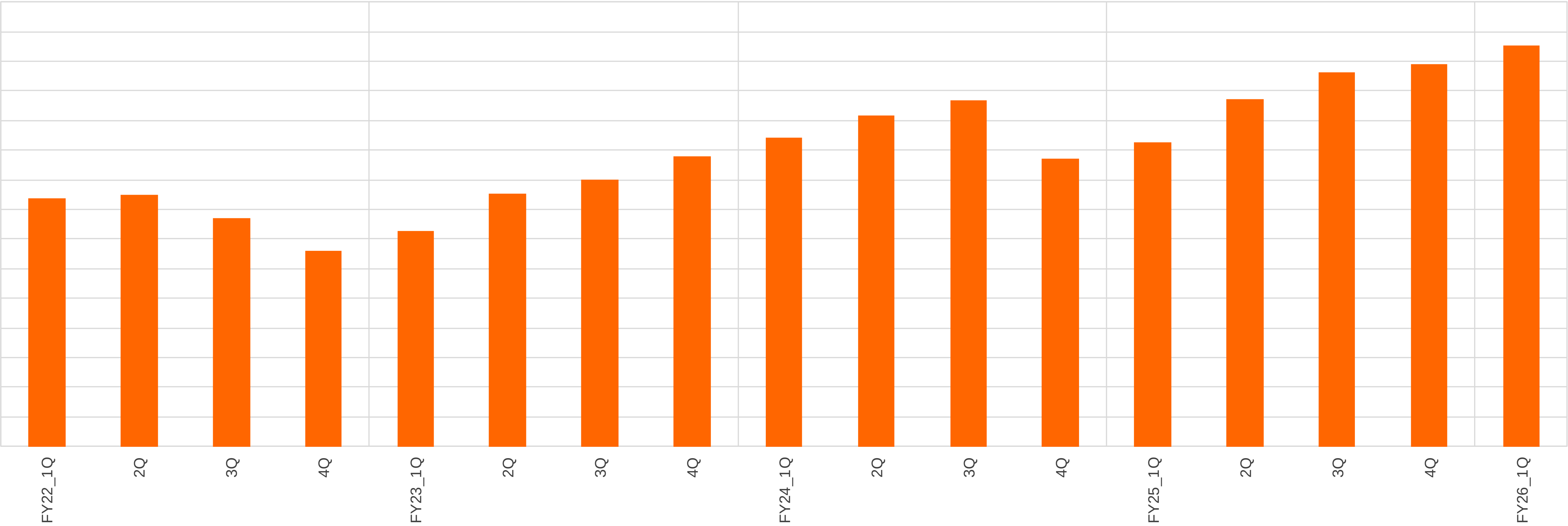
Shipment Basis



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

Precision Processing Tools Sales (Consumables)

Shipment Basis



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

Balance Sheet (Summary)

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

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

Earnings Forecast 2Q FY2026

Billions of Yen | Forecast

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

*Rounded to the nearest 100 million yen

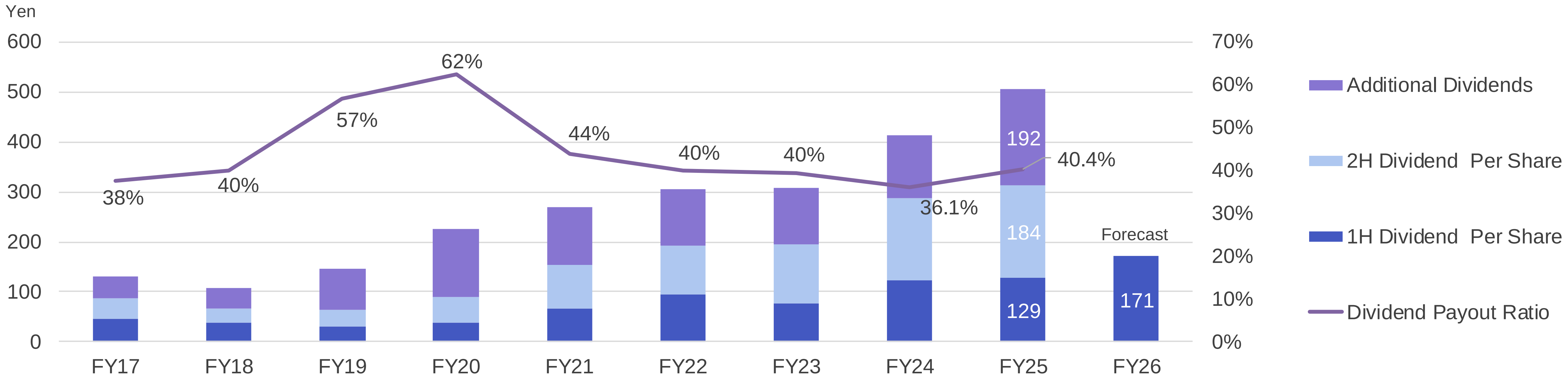
Assumed exchange rate for 2Q (Jul-Sep): 1 US dollar = 159 yen, 1 euro = 182 yen
Currency sensitivity (annualized) US dollar: Approx. 1.9 billion yen, Euro: Approx. 0.1 billion yen

Dividend Policy and Dividend Payments

Dividend Policy

1. Adopting a performance-linked dividend policy and aiming at giving clearer priority to shareholder returns, our target dividend payout ratio is 25% of the consolidated half-year net income.
2. Irrespective of the level of income, a reliable dividend of ¥10 per half-year will be maintained. This means that the minimum yearly dividend will be ¥20. The ¥20 payout stipulated in our stable dividend policy may be reviewed if there are consolidated net losses for three consecutive years.
3. Unless there is a loss, if the year-end balance of cash and deposits after payment of dividends and income taxes is greater than the projected funding requirements*, one-third of that surplus will be added to dividends.

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

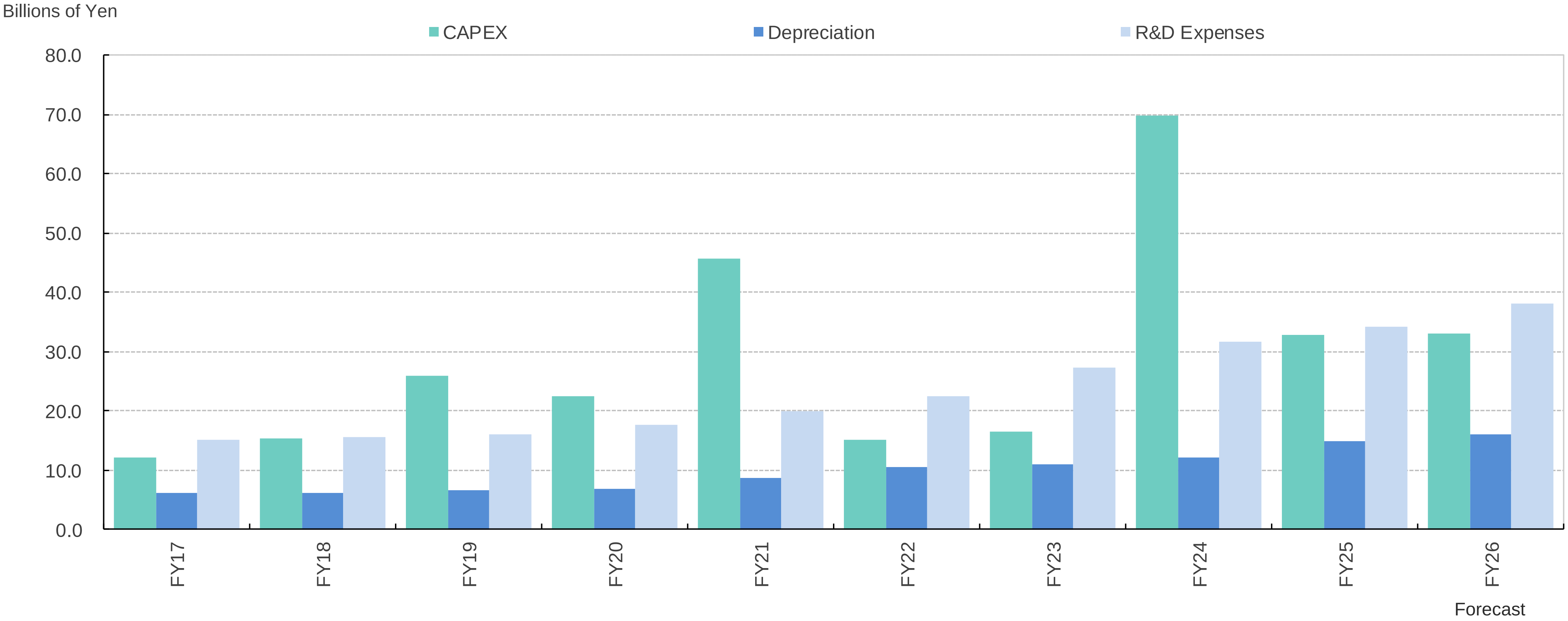


FY26 (forecast) Interim: 171 yen Year-end: undecided

*The Company implemented a stock split in the proportion of 1 share into 3 shares effective as of April 1, 2023

(The dividend trend before FY22 has been represented under the assumption that the applicable stock split has been done)

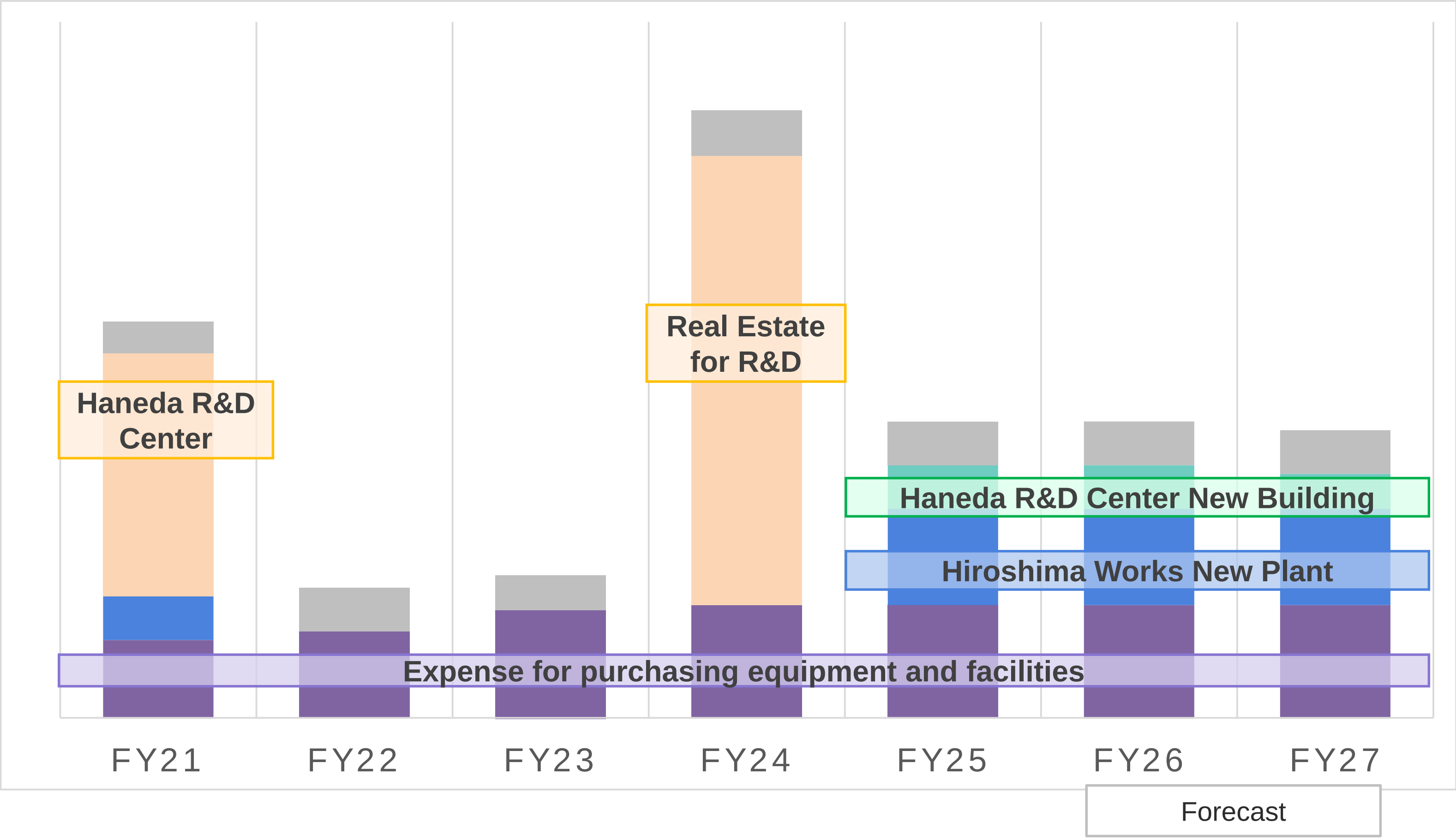
R&D/CAPEX Forecast



FY26 Forecast

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

Breakdown of CAPEX



Haneda R&D Center new building:	Approx. 14 billion yen	Payment timing: FY25~27
Hiroshima Works new plant:	Approx. 33 billion yen	Payment timing: FY25~27

Sales Forecast By Product

Shipment Basis

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

Product, Application, Region Composition

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

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

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

Note 1: Including sales to local factories of foreign manufacturers

To Investors Considering Purchasing DISCO Shares

DISCO believes that striving to increase Mission-achievability connects to increase in our Value-exchangeability and competitiveness, and enables us to respond to the expectations of all capital-market stakeholders.

✓Pursuing Quality of Business

✓Utilization of Tangible Net Worth and Purpose

✓Shareholder Return Policy

✓Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Click here for more details on our policy regarding the above

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Notation
The yearly accounting period from April of the current year to March of the following year is denoted by FY (Fiscal Year), and quarterly accounting periods are denoted by 1Q (April – June), 2Q (July – September), 3Q (October – December), and 4Q (January – March). Depending on the monetary unit, figures lower than the minimum unit may be rounded up or down, as a result of which the total sum may not match.
Percentages are calculated based on the actual figures.

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