

Striving to Increase the Exchange of Value

We at DISCO consider corporate social responsibility to be, in essence, the practical application of DISCO Values, which we have established as our corporate philosophy. DISCO Values are based on the thinking that a company is a type of social system, one whose operations are supported by its stakeholders—customers, employees, shareholders, investors, suppliers, and local community members. For this reason, we regard Corporate Social Responsibility activities to be the faithful practice of corporate activities rooted in DISCO Values.

Growth for a company is defined in a variety of ways: as increased sales or expansion in scale, for example. DISCO, however, defines growth as an increase in the exchange of value with our stakeholders. This definition is also contained in DISCO Values.

DISCO has a mission to bring science to comfortable living through advanced *Kiru*, *Kezuru*, and *Migaku* technologies. Unless good relationships are built with stakeholders, however, it is not possible to fulfill this mission. Based on the conviction that a company is only of

value when it is welcomed by stakeholders and society, DISCO strives to achieve excellence in all of our corporate activities.

In fiscal 2006, we actively worked to improve the quality of our corporate culture. We strove to communicate our values and build a sense of unity among employees by carrying out activities to help DISCO Values become anchored more thoroughly within the organization. Our employees are important stakeholders, and at the same time they are the people who work to build good relationships with other stakeholders. We strongly feel that having happy employees who are full of energy and pride serves to improve customer satisfaction and raise corporate value.

With respect to environmental initiatives, we successfully acquired ISO 14001 certification for all business sites in Japan. Previously only Hiroshima Works, our manufacturing division, had been certified. We also devoted effort to reducing environmental impact throughout product lifecycles by engaging in green procurement and conducting lifecycle assessments. DISCO intends to continue to carry out activities on a global scale with the goal of being a progressive company in terms of environmental management.

This report summarizes our CSR activities in fiscal 2006. It is my hope that this report will provide all stakeholders with an understanding of DISCO's approach to these issues and its various activities. DISCO will continue to evolve as a company by pursuing its mission of greater value exchange with stakeholders. I thank you for your continuing support and cooperation.

Hitoshi Mizorogi

President and CEO
June 2007

