

# FY2022 First Quarter Financial Results

July. 21, 2022

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# FY2022 1Q Earnings Results



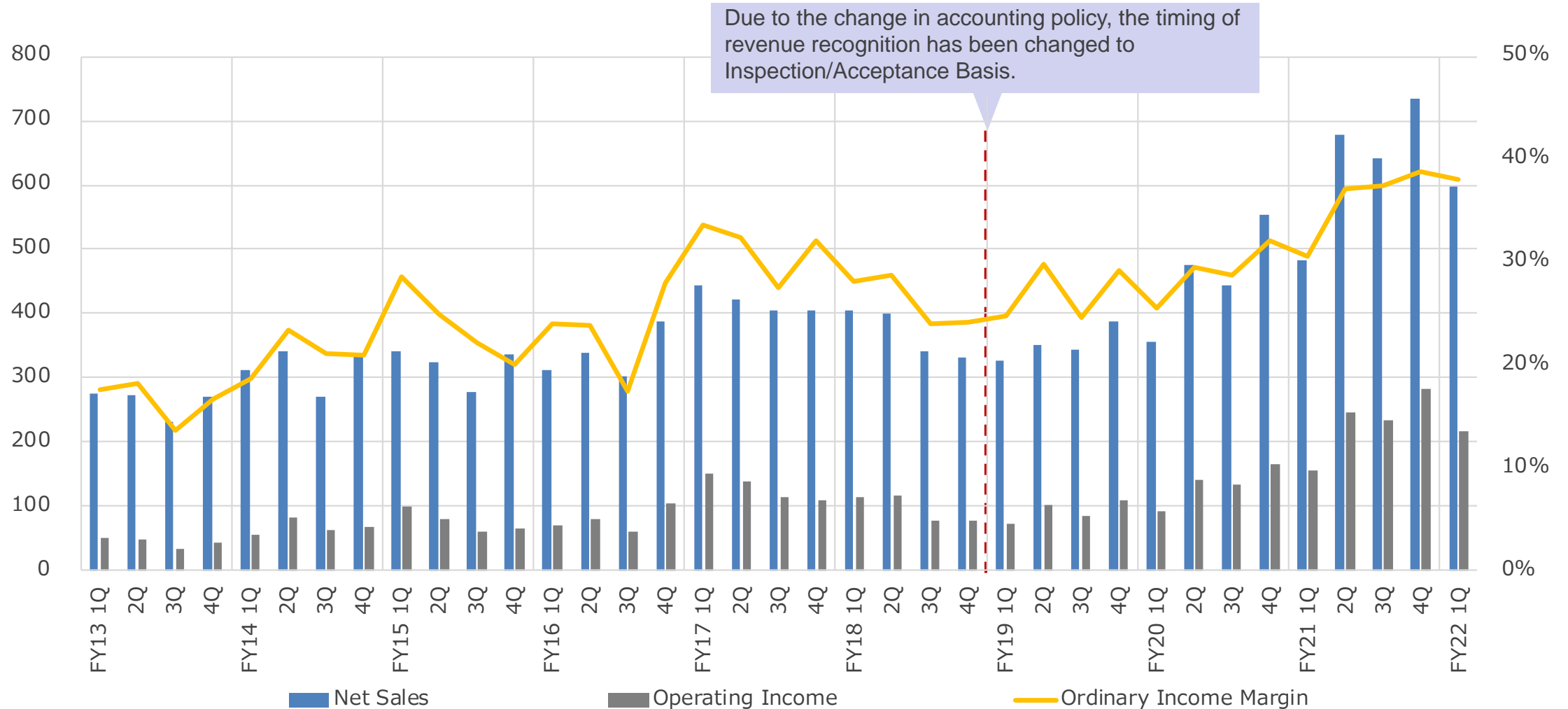
Millions of Yen	FY2022 1Q	FY2021 4Q	QoQ		FY2021 1Q	YoY	
			Amount	(%)		Amount	(%)
Net Sales	59,749	73,512	-13,763	-18.7%	48,291	11,458	23.7%
Gross Profit	38,135	45,010	-6,876	-15.3%	29,427	8,707	29.6%
Gross Profit Margin	63.8%	61.2%	2.6p	-	60.9%	2.9p	-
SG&A	16,542	16,747	-205	-1.2%	13,982	2,560	18.3%
Operating Income	21,592	28,263	-6,671	-23.6%	15,444	6,148	39.8%
Ordinary Income	22,763	28,552	-5,789	-20.3%	14,750	8,012	54.3%
Ordinary Income Margin	38.1%	38.8%	-0.7p	-	30.5%	7.6p	-
Income before income taxes and minority interests	22,737	28,514	-5,776	-20.3%	14,716	8,021	54.5%
Net Income	16,039	20,697	-4,657	-22.5%	10,581	5,458	51.6%

Sales: QoQ fluctuation seen due to inspection/acceptance timing. YoY increased due to high level of shipments and inspection/acceptance.

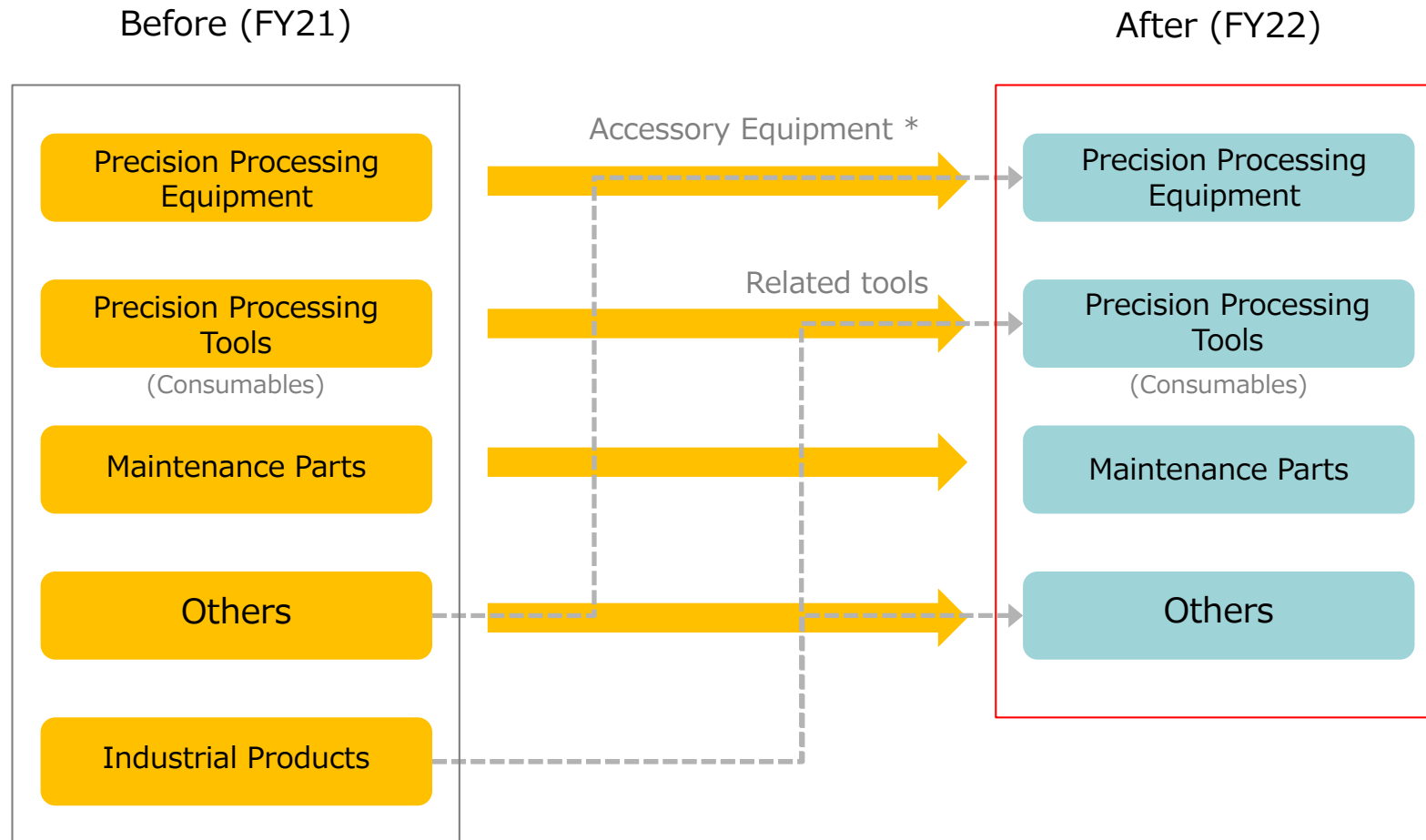
GP margin: Increased mainly due to the exchange rate.

SG&A: Remained at a high level, particularly for personnel expenses and R&D costs.

# Quarterly Financial Results



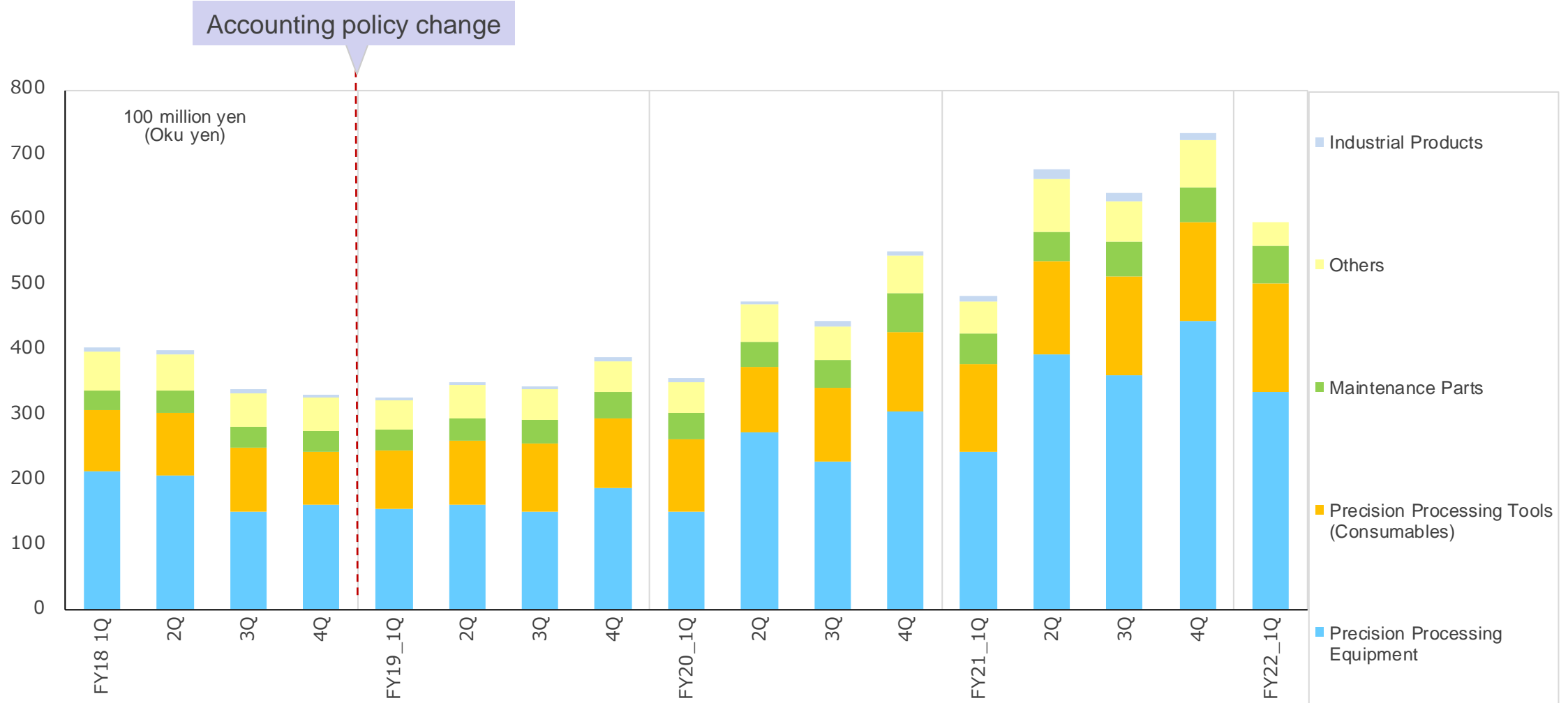
Sales fluctuated depending on the inspection/acceptance timing. Profit margin continued to remain at a high level. (FY22\_1Q Operating profit margin 36.1%, Ordinary income 38.1%, Net profit 26.8%)



\* Wafer Mounter, Deionized Water Recycling Unit, Other Equipment

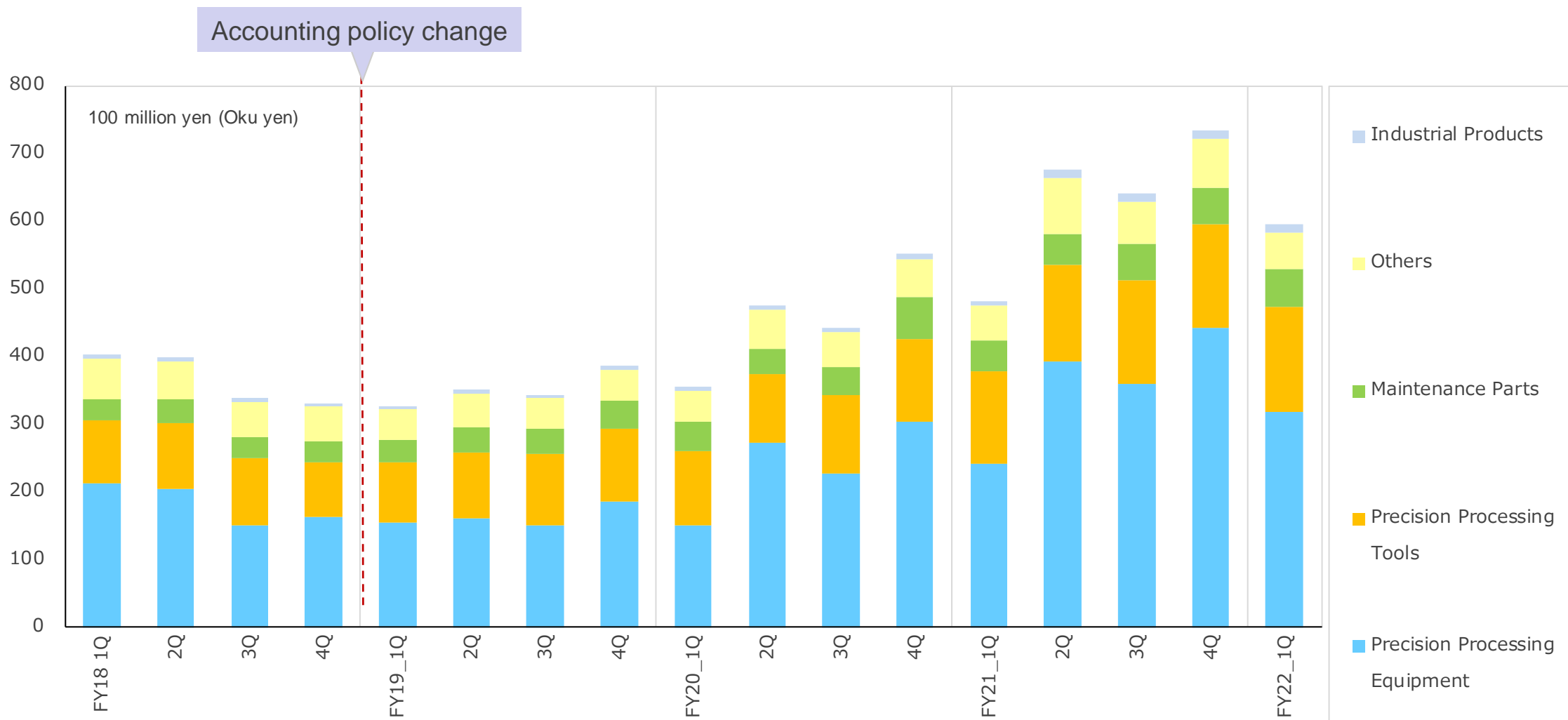
The "Other" and "Industrial Products" categories have changed.

# Quarterly Sales Breakdown by Product



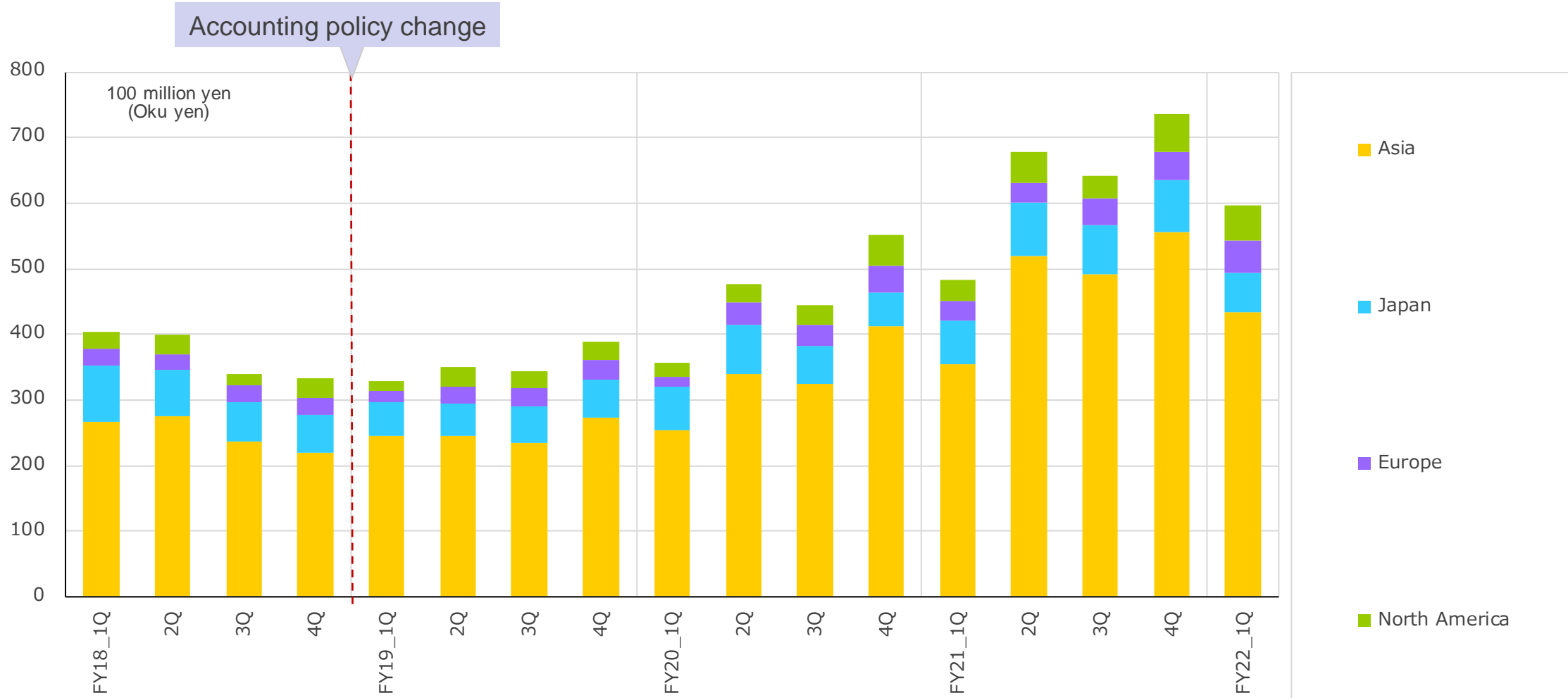
Note: Composition percentages are listed as additional information on the DISCO website.

# [Reference] Quarterly Sales Breakdown by Product

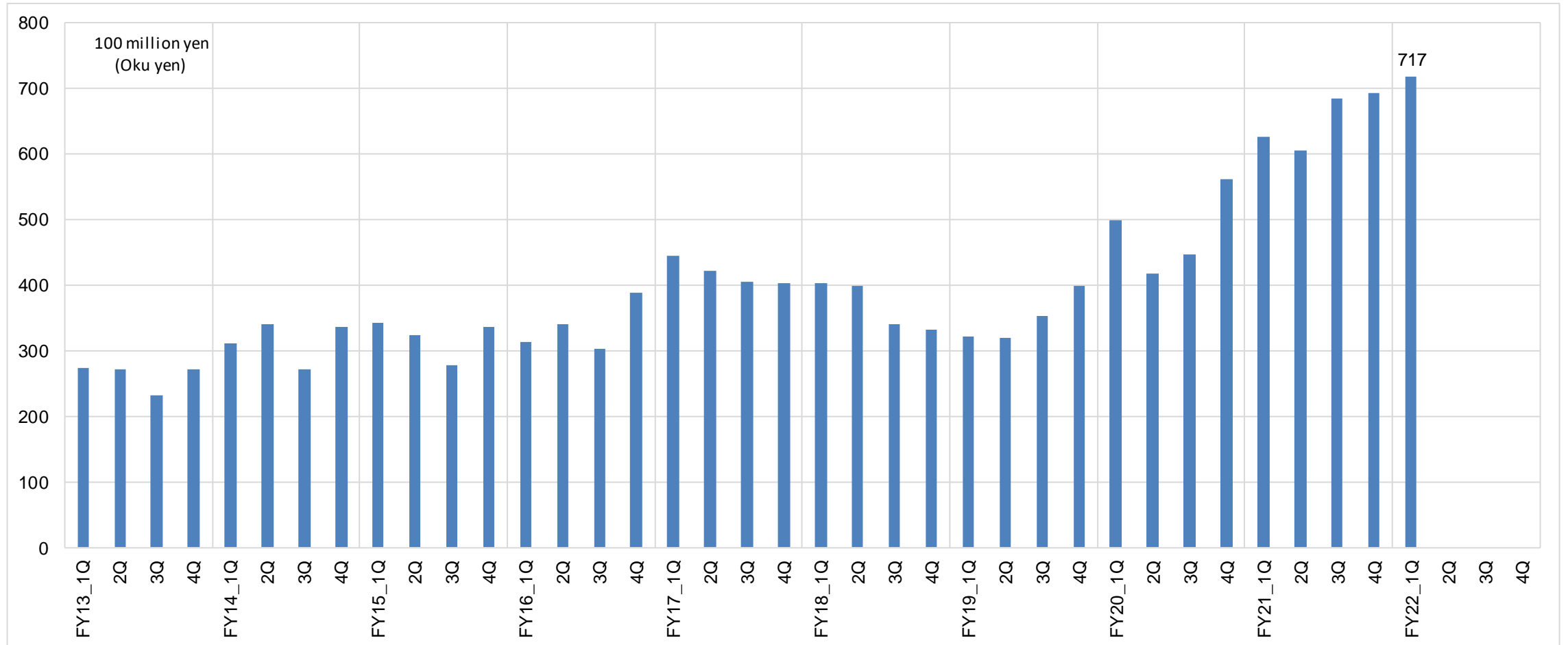


Trends for the previously used categories

# Quarterly Sales Breakdown by Region



FY22\_1Q Overseas sales ratio: 89.8%

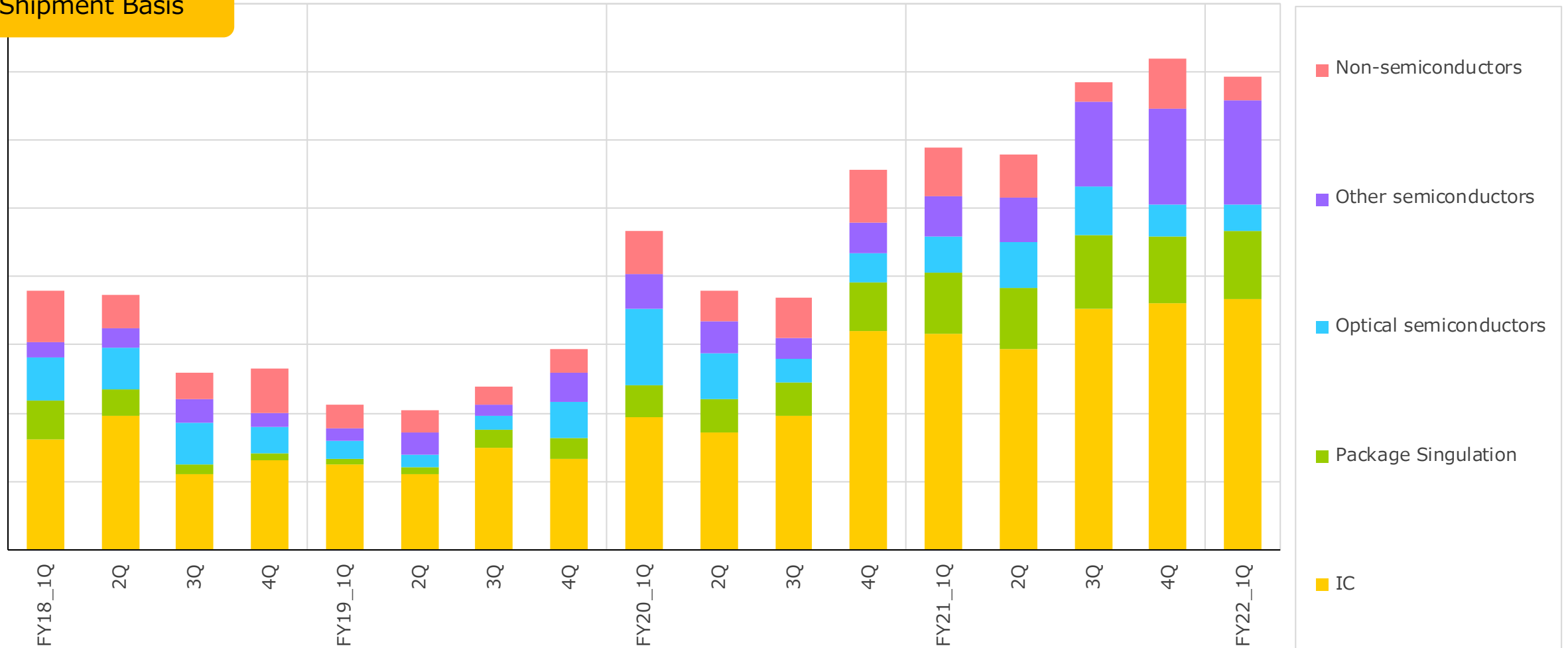


FY22\_1Q Shipment volume: approx. JPY 71.7 B



# Sales by Usage of Dicing Saws

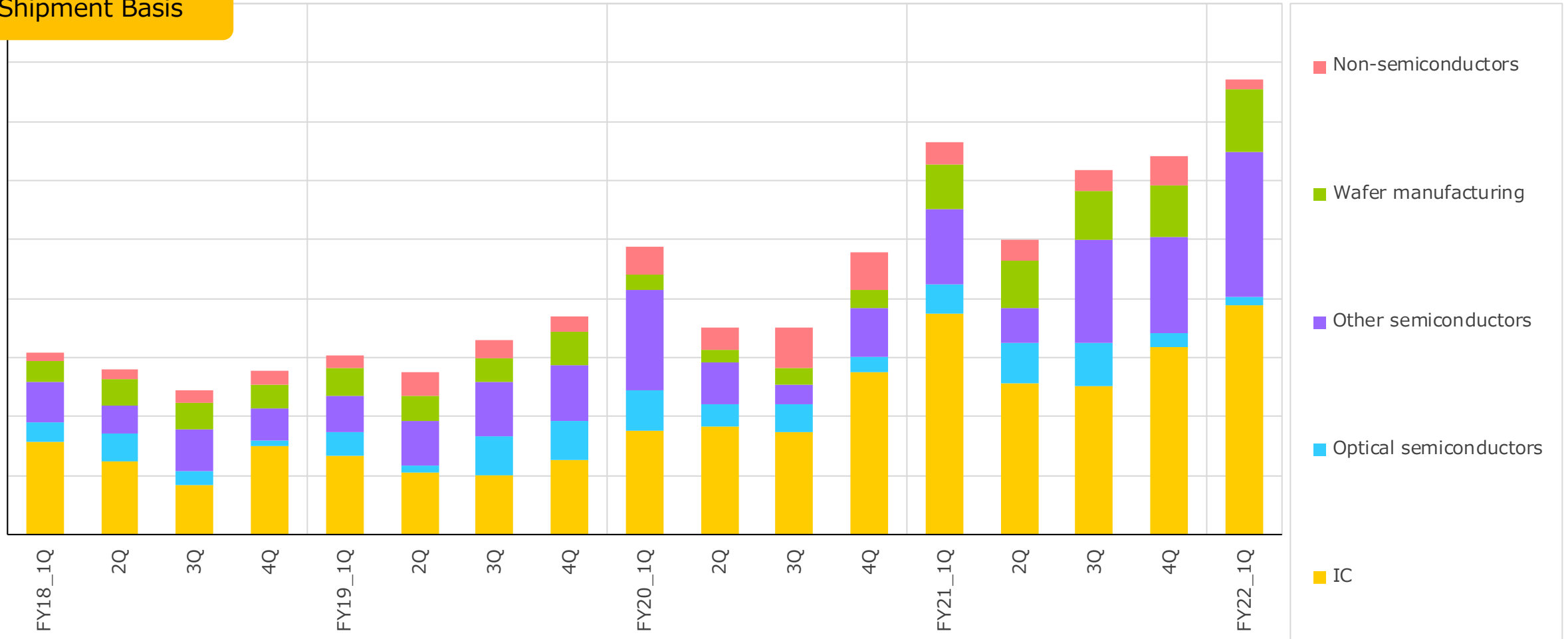
Shipment Basis



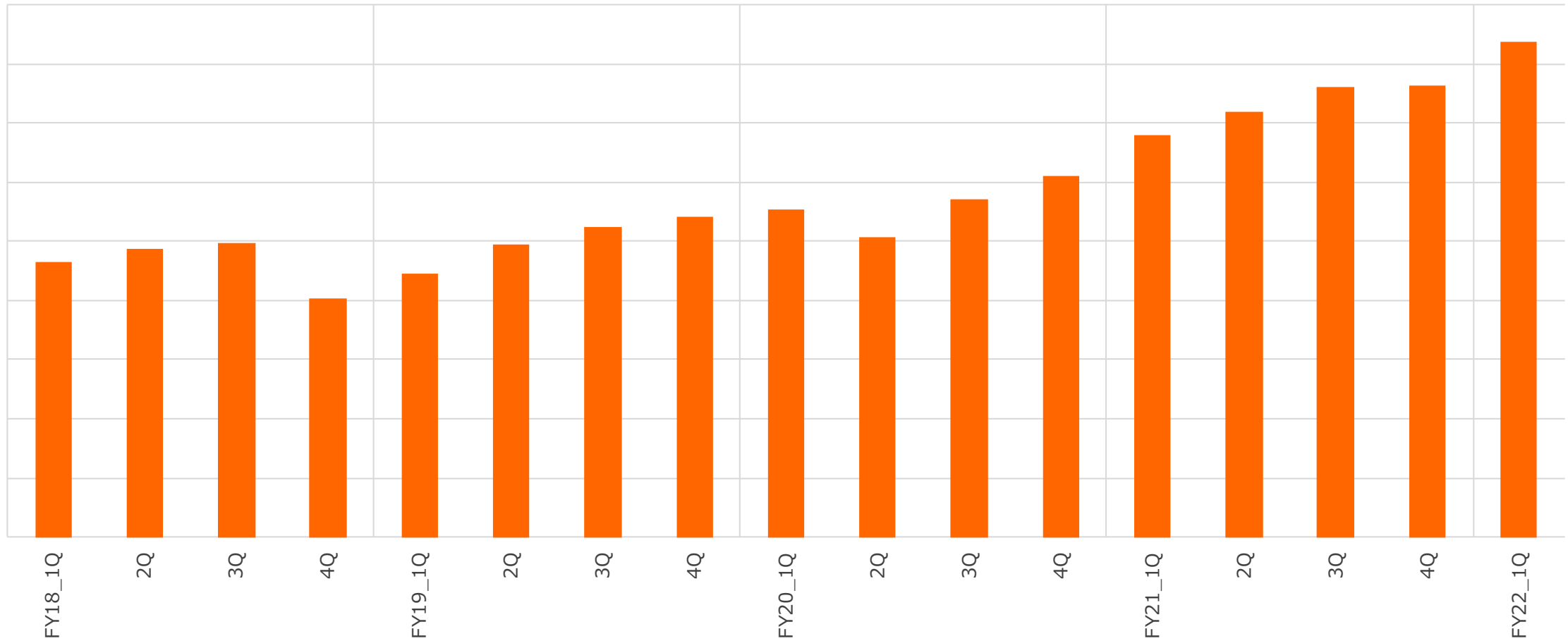
QoQ: In addition to a robust IC market, growth in the power semiconductor field (under “Other semiconductors”) supported the whole.  
 YoY: Growth in the power semiconductor field (under “Other semiconductors”) drove the whole higher.

# Sales by Usage of Grinders

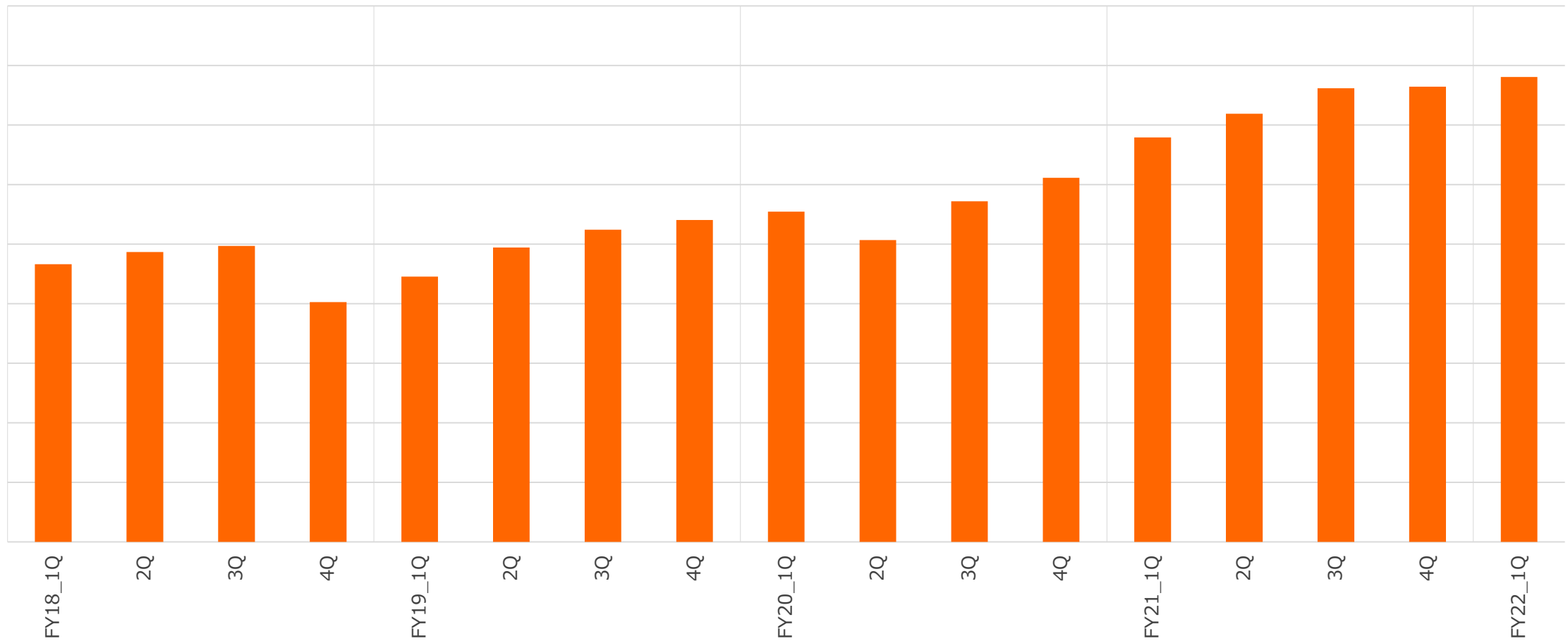
Shipment Basis



QoQ: In addition to a robust market for IC thinning applications, the power semiconductor field (under “Other semiconductors”) drove the whole higher.  
 YoY: Semiconductor demand expanded across a wide range of applications, including power semiconductors and wafer manufacturing.



Precision processing tool (consumables) shipments remained at a high level.  
Note: From FY22\_1Q, this includes the “Related tools” category, which was conventionally under another category.



Trends for the previously used categories

# Balance Sheet (Summary)



Millions of Yen	FY2022 1Q	FY2021 4Q	Amount
Cash and deposits	113,382	125,771	-12,389
Notes and account receivable	40,115	38,689	1,426
Inventories	78,729	68,479	10,250
Total current assets	235,539	244,933	-9,395
Property, plant and equipment	145,145	144,427	718
Total noncurrent assets	158,733	159,606	-873
Total assets	394,273	404,540	-10,268
Current liabilities	103,389	109,851	-6,462
Noncurrent liabilities	913	876	37
Total liabilities	104,303	110,728	-6,425
Total net assets	289,969	293,812	-3,843
Total liabilities and net assets	394,273	404,540	-10,268
Equity Ratio	73.3%	72.3%	1.0p

Total assets: Cash and deposits decreased, mainly due to payments such as dividends, corporate taxes, etc.

Liabilities: Decreased mainly due to a decrease in outstanding corporate taxes.

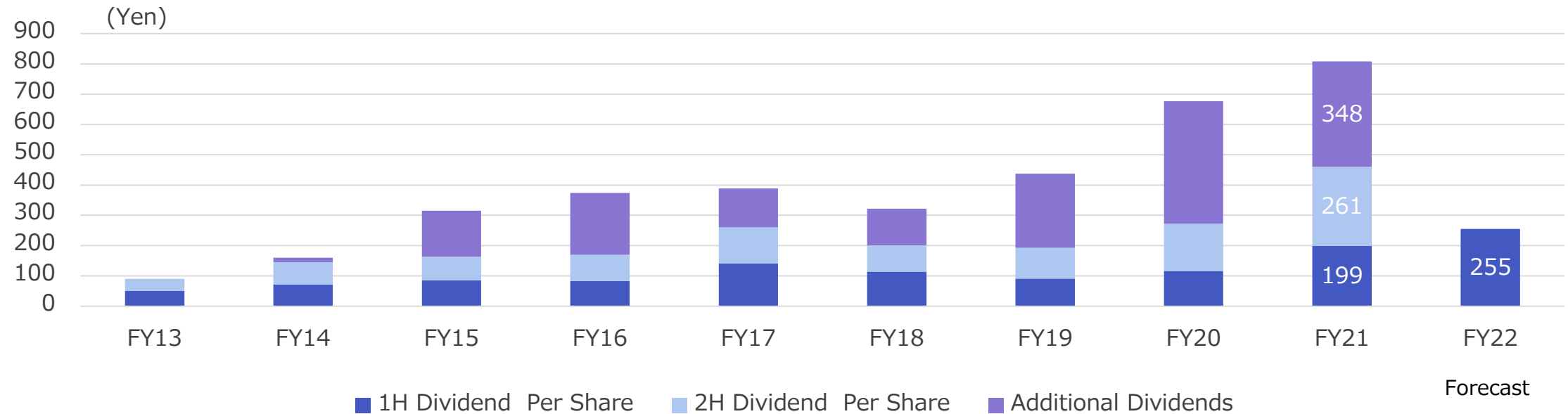
Net assets: While there was an increase in net profit, net assets decreased due to payment of dividends.

## 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.



FY22 interim (Forecast): JPY255

# Earnings Forecast 2Q FY2022



100 million yen (Oku yen)

Forecast

	FY21 1Q	2Q	3Q	4Q	FY22 1Q	2Q
Net Sales	483	678	642	735	597	749
Operating Income	154	245	233	283	216	291
Ordinary Income	148	251	240	286	228	292
Net Income	106	180	169	207	160	207
Operating Income Margin	32.0%	36.2%	36.3%	38.4%	36.1%	38.9%
Ordinary Income Margin	30.5%	37.1%	37.4%	38.8%	38.1%	39.1%
Net Income Margin	21.9%	26.6%	26.4%	28.2%	26.8%	27.6%
Shipment Figures	627	604	684	694	717	746

Assumed exchange rate: USD 1 = JPY 125, EUR 1 = JPY 135

Currency sensitivity (consolidated, annualized) USD: Approx. JPY 1.2B, EUR: Approx. JPY 0.3B

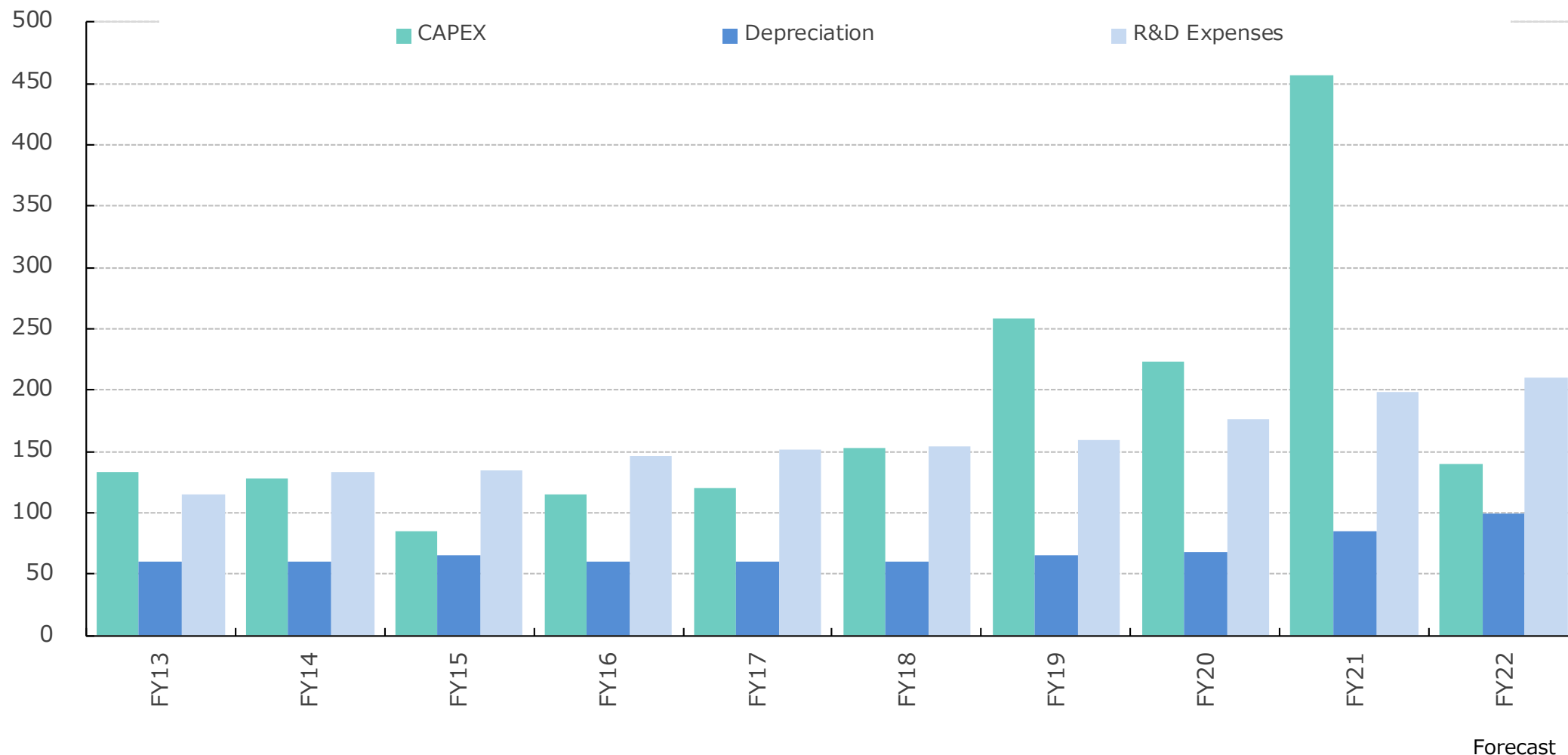
# Sales Forecast By Product

Shipment Basis

Product		Forecast FY22_2Q (QoQ)
	Blade dicers	Slight Decrease
	Laser Saws	15%
	<b>Dicers</b>	<b>5%</b>
	DGP (for thin wafers)	Slight Increase
	Other Grinders	10%
	<b>Grinders</b>	<b>5%</b>
	<b>Accessory Equipment</b>	<b>10%</b>
	Precision Processing Equipment	5%
	Precision Processing Tools (Consumables)	5%
	Others	-10%



# R&D/CAPEX Forecast

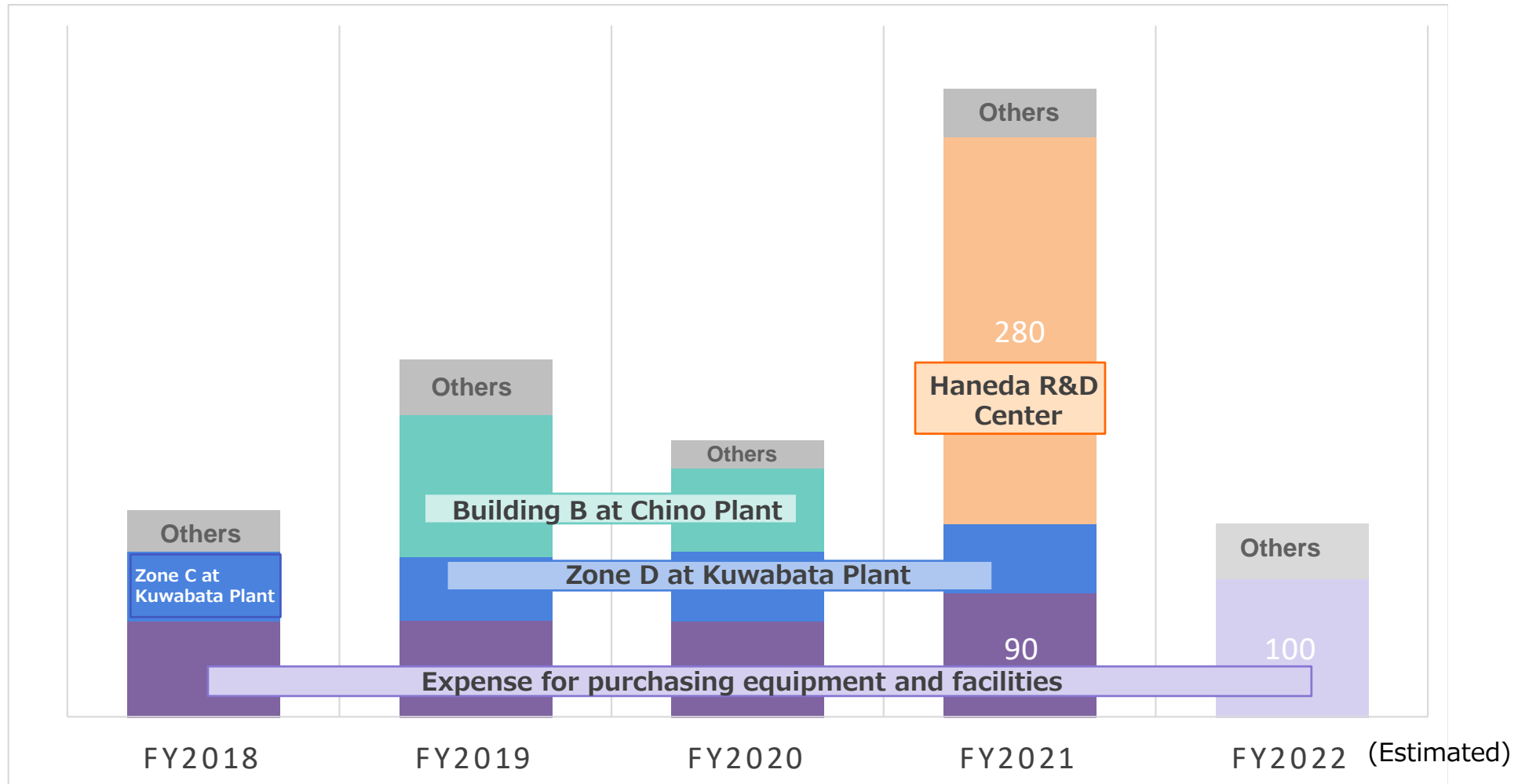


**FY22 Forecast** Capital investment: Mainly rationalization investment.  
 Depreciation: Depreciation of assets acquired in the previous fiscal year.  
 Research and Development: Proactive research and development planned.

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)

# Breakdown of CAPEX

100 million yen (Oku yen)



FY22 Forecast

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

Approx. JPY 10 B  
Approx. JPY 4 B

# Quarterly Sales Breakdown by Product (Composition)

Before	FY21_1Q	2Q	3Q	4Q	FY22_1Q
Precision Processing Equipment	50%	58%	56%	60%	53%
Precision Processing Tools	28%	21%	24%	21%	26%
Maintenance Parts	10%	7%	8%	7%	10%
Others	10%	12%	10%	10%	9%
Industrial Products	2%	2%	2%	2%	2%

After	FY21_1Q	2Q	3Q	4Q	FY22_1Q
Precision Processing Equipment	-	-	-	-	56%
Precision Processing Tools	-	-	-	-	28%
Maintenance Parts	-	-	-	-	10%
Others	-	-	-	-	6%
Industrial Products	-	-	-	-	-