

## FY2023 Performance and Progress

### Material Issues

Material Issues		Tracking Indices	FY2030 Achievement Score	FY2023 Performance
■ Main elements that make up a corporation				
Corporate Vision	<ul style="list-style-type: none"> <li>To be a strong corporation with great vitality that evolves in the face of any environmental changes or risks</li> <li>To be a corporation that contributes to the realization of a sustainable society through all of its corporate activities</li> </ul>			
Business Vision	<ul style="list-style-type: none"> <li>To be recognized by those at the cutting edge of technology as the leader in the exploration of Kiru, Kezuru, Migaku</li> </ul>	<ul style="list-style-type: none"> <li>Affirmative response rate for the applicable item in Customer Satisfaction (CS) survey</li> </ul>	80% or more	87.6%
	<ul style="list-style-type: none"> <li>To dedicate ourselves to reducing the environmental impact of our value chain</li> </ul>	Response to climate change <ul style="list-style-type: none"> <li>Mid-term goal: Reduce carbon emissions that are produced through activities that are related to the company's operations by FY 2030 (Scope 1 + 2)</li> <li>Long-term goal: Reduce carbon emissions of the entire supply chain by FY 2050 (Scope 1 + 2 + 3)</li> </ul>	Carbon neutrality	GHG emissions Scope 1 + 2 41,967 t-CO2 Scope 1 + 2 + 3 1,127,758 t-CO2
Economic Vision	To have sufficient economic competent and structure to support our growth as a corporation	<ul style="list-style-type: none"> <li>Consolidated ordinary income margin averaged over four-year period</li> </ul>	20% or more	37.0%
		<ul style="list-style-type: none"> <li>Consolidated RORA in averaged over four year period</li> </ul>	20% or more	45.2%
Social Evaluation Vision	For the DISCO name to have a good reputation within society	<ul style="list-style-type: none"> <li>Number of articles published in the media about the company's promotion of sustainability</li> </ul>	3 every year	13
Organization Vision	To be a simple and organic organization that is able to respond quickly to changes	<ul style="list-style-type: none"> <li>Yearly structural cost reduction from improvement activities (compared to previous fiscal year)</li> <li>Percentage of divisions that have a Division Will Productivity (ordinary income ÷ total labor costs) of 1.0 or above</li> </ul>	5% or more	5.9%
		<ul style="list-style-type: none"> <li>Percentage of divisions that have a Division Will Productivity (ordinary income ÷ total labor costs) of 1.0 or above</li> </ul>	80% or more	94.8%
	<ul style="list-style-type: none"> <li>To possess the ability to self-correct regarding cheating</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of employees undergoing company compliance education</li> <li>Percentage of reports that are reported to the company report point of contact that are handled/solved</li> <li>Affirmative response rate for the applicable item in Employee Satisfaction (ES) survey</li> </ul>	100% 100% 80% or more	100% 100% 97.3% *1
Human Resources Vision	To be a group made up of individuals who empathize, share, and put into practice the values of DISCO	<ul style="list-style-type: none"> <li>Percentage of attendance in training workshops for DISCO VALUES</li> </ul>	95% or more	99.8%
		<ul style="list-style-type: none"> <li>Affirmative response rate for the applicable item in Employee Satisfaction (ES) survey</li> </ul>	80% or more	94.0% *1
Corporate Culture Vision	For the corporate culture to cultivate the individual, and the individual to improve upon the culture <ul style="list-style-type: none"> <li>To have a corporate culture in which diversity is mutually recognized and incorporated</li> </ul>	<ul style="list-style-type: none"> <li>Affirmative response rate for the applicable item in Employee Satisfaction (ES) survey</li> </ul>	80% or more	95.3% *1
		<ul style="list-style-type: none"> <li>Percentage of attendance in company education seminars regarding diversity</li> </ul>	100%	100%

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<b>■ Relationship with stakeholders</b>				
Employees	<ul style="list-style-type: none"> <li>To create a workplace of true colleagues who are able to share their honest opinions with each other</li> <li>To create an environment that readily realizes a lifetime work-life balance and have a system of remuneration in place that rewards contributions</li> <li>To create an environment that incorporates health, safety, and security</li> </ul>	<ul style="list-style-type: none"> <li>Affirmative response rate for the applicable item in Employee Satisfaction (ES) survey</li> </ul>	80% or more	83.9% *1
				78.9% *1
				96.2% *1
Customers	<ul style="list-style-type: none"> <li>To realize a high level of satisfaction through prompt support</li> <li>To realize hassle-free services</li> </ul>	<ul style="list-style-type: none"> <li>Affirmative response rate for the applicable item in Customer Satisfaction (CS) survey</li> </ul>	80% or more	91.3% 89.3%
Shareholders	To maintain an exceptional level of vitality and constantly evolve	<ul style="list-style-type: none"> <li>The predicted necessary funds were secured through cash equivalents at the end of the fiscal year, and these were tangible funds with no debt</li> <li>Additional dividends continue to be paid with surplus cash</li> <li>No. of new unique processes released</li> <li>Consolidated sales of consumables</li> </ul>	1 every 3 years 170 billion yen	Achieved Achieved (and continuing) 4 *2 78.9 billion yen
	To realize and constantly enhance sincere and high-quality governance	<ul style="list-style-type: none"> <li>Comprehensive evaluation of effectiveness of board of directors meeting (out of 6 points)</li> <li>Evaluation results of the representative executive officer's adequacy by the representative executive officer evaluation committee (out of 6 points)</li> <li>Percentage of sustainability issues recognized FY2022-FY2029 resolved</li> </ul>	5 or more 5 or more 100%	6 6 42.5%
Suppliers	To form relationships so that DISCO is given top priority as necessary	<ul style="list-style-type: none"> <li>Affirmative response rate for the applicable item in Supplier Satisfaction (SS) survey</li> </ul>	80% or more	97.7%
	<ul style="list-style-type: none"> <li>For both parties to share their challenges toward the realization of a sustainable society</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of amount paid to suppliers with whom we have shared our sustainability procurement policy (out of overall amount)</li> <li>Percentage of amount paid to suppliers who have agreed to our sustainability procurement policy (out of overall amount)</li> </ul>	95% or more 90% or more	73.1% 63.6%
Local Community	<ul style="list-style-type: none"> <li>To make DISCO-like contributions to the local community</li> <li>To respect the local culture</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of regional issues resolved per affiliate office</li> </ul>	90% or more	In progress

\*1 Calculated as the average ratio of positive responses across multiple questions.

\*2 Aiming toward releasing 1 process every 3 years. Number indicated in "Performance" is the number of processes released from 2020 onward.

## Environmental Vision

Material Issues		Tracking Indices	Achievement Score	FY2023 Performance
Climate change	Dedication to the reduction of greenhouse gases	· Greenhouse gas emissions related to DISCO's business activities	Carbon neutrality Scope 1 and 2 (by 2030) Scope 1, 2 and 3 (by 2050)	GHG emissions Scope 1 + 2 41,967 t-CO2 Scope 1 + 2 + 3 1,127,758 t-CO2
Water resources	Effective use of water resources in the DISCO Group	· Percentage recycled	90% or more (by 2040)	45.4%
Recycling of resources	Effective use of resources	· Percentage of recycled wastes *Head Office and production facilities	100% for two consecutive years (by 2030)	99.53%
Biodiversity	Reduced impact on the natural environment	· Percentage of supply chain for which environmental impact has been surveyed and identified.	99% or more (by 2025)	In progress
		· Percentage of implemented reductions to environmental impact, including in the supply chain	To be established based on the survey results	-
Prevention of chemical substances and pollution	· Prevention of environmental accidents	· No. of environmental accidents and near misses	Zero for two consecutive years (by 2030)	In progress Accidents: 1
	· To prevent environmental damage caused by the use and manufacturing of products	· Percentage of compliance for the following laws/regulations* : -(EU) RoHS Directive -(EU) REACH Regulation -(EU) POPs Regulation -(US) Toxic Substances Control Act (TSCA) -(CN) China RoHS -(JP) Chemical Substances Control Law	100% (by 2027)	In progress

\* We will respond individually for laws/regulations other than listed above.