

# FY2024 Q1

# DISCO's Tidbits

## August 2024

### **DISCLAIMER**

Statements in this PowerPoint with respect to DISCO's current strategies, plans, estimates, and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of DISCO. These statements are based on management's assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them. DISCO cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements, and you should not make decision on your investment thoroughly based on these statements. Such factors include, but not limited to, (i) general economic conditions and levels of demand in DISCO's markets; (ii) developments in technology and resulting changes in semiconductor and/or electronic component manufacturing process; (iii) levels of capital investment for manufacturing semiconductors and/or electronic components; (iv) expansions of the area for products and technologies using semiconductors and/or electronic components and its expanding speed; (v) DISCO's ability to continue to offer products and services corresponding to developments of new semiconductors and/or electronic components and new technologies for manufacturing them; (vi) exchange rates, particularly between the yen, the U.S. dollar, and the euro, and other currencies.

## **Disclaimer:**

Statements in this presentation with respect to DISCO's current plans, forecasts, strategies, and other statements that are not historical facts are forward-looking statements about DISCO's future performance. These statements are based on management's assumptions and beliefs in light of information currently available. Therefore undue reliance should not be placed on these statements. DISCO cautions that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such factors include, but are not limited to, economic trends worldwide and domestically within Japan, drastic fluctuations in exchange rates, war/terrorism, disaster, and/or spread of infectious disease.

## **Intellectual Property Rights:**

Copyright of the information contained in this presentation belongs to DISCO and unauthorized reproduction is prohibited. To use or quote this presentation beyond the scope defined and recognized by the laws of the relevant country, DISCO's approval in writing is required.

<https://www.disco.co.jp/eg>

## **We cannot answer questions regarding specific customers.**

Please note that we cannot answer questions that may lead to the prediction of a specific customer's production capacity, investment trends, confidential production information, etc.

E.g., in principle, we do not provide answers regarding specific customers' orders, equipment specifications, throughput, etc.

There have been no significant changes over the past 3 months.

- ✓ Demand for generative AI is as expected and has not experienced any significant changes (amount is not disclosed).
- ✓ Demand for power semiconductors continues to be steady.
- ✓ OSAT investment trends vary by region.
- ✓ Production capacity is being strengthened by hiring personnel, and by making production efficient and automated.

# Composition Ratio of All Equipment (Shipment Basis)



(Forecast)

		FY23				FY24	
		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Customer	OSAT	Slightly less than 20%	Slightly less than 20%	Slightly more than 20%	Slightly less than 20%	Slightly less than 30%	25%
	Application	Memory *	Slightly more than 10%	Slightly more than 10%	20%	30%	Slightly more than 30%
	Power	35%	32%	25%	25%	20%	25%
	Si	17%	14%	10%	10%	5%	-
	SiC	18%	18%	15%	15%	15%	-

\*Including generative AI-related memory

## Conventional Thinking (no significant changes)

- July–September (forecast), QoQ: approx. -1 to 2p  
\*This plan was formulated based on the previous year's trend (FY23).
- The GPM plan was formulated by adjusting the exchange rate based on the product group (dicer, laser, grinder, etc.) and/or regional trends.
- Detailed profit plans for individual cases have not been calculated.

## Simulations per Quarter (Billions of Yen)

	Sales	SG&A
Case 1	70–80	23.0–24.5
Case 2	80–90	24.0–25.5
Case 3	90–100	25.0–26.5
Case 4	100–110	26.0–27.5

\*This range has been modified slightly from last time (due to equalization of provisions, etc.).  
Actual SG&A may fluctuate due to various factors.

## There have been no significant changes over the past 3 months.

- ✓ The company is considering purchasing land in preparation for large capital investments such as factory expansion in the future.
- ✓ Decided to construct a new building in the Haneda R&D Center (Investment amount: Approx. 13 billion yen, from FY25)
- ✓ Facility investment amount increased due to R&D equipment, etc. Smaller capital investments such as expansion of branch offices and dormitory facilities are being made as needed.

### FY24 Forecast

- CAPEX            Approx. 16 billion yen            Investments for rationalization of manufacturing facilities, R&D, etc. in addition to site acquisition, etc.
- DEP             Approx. 12 billion yen            Mostly flat or slight increase due to manufacturing facility enhancement
- R&D             Approx. 30 billion yen            Due to an increase in personnel and development topics (slight revision made to previous forecast)



### This material

Below are the answers to questions asked during the one-on-one meeting with analysts and investors after presentation of the financial results. Although close attention is paid to the written contents, if there are any mistakes in the information and/or data tampering by a third party, DISCO does not take any responsibility. In addition, the purpose of this document is not for soliciting investment. Please invest based on your judgement.

### 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.

### Disclaimer

Statements in this document with respect to DISCO's current strategies, plans, estimates, and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of DISCO. These statements are based on management's assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them. DISCO cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements, and you should not make decision on your investment thoroughly based on these statements. Such factors include world and domestic business trends and steep exchange rate fluctuations, as well as war, terrorism, natural disasters, and epidemics.

### Intellectual Property Rights

All material on this website is protected under international copyright laws, treaty provisions, and other applicable laws. Except for personal, non-commercial internal use, you need to obtain DISCO's prior explicit approval to use (including copying, modifying, reproducing in whole or in part, uploading, transmitting, distributing, licensing, selling and publishing) any of the materials on this website.

Software that is made available from this website is the copyrighted work of the respective rightful owner, and is protected under international copyright laws, treaty provisions, and other applicable laws. Use of such software is subject to the terms and conditions of the software usage agreement.

The trademarks, product names, service names or logos of DISCO or any third party used in this website are protected under trademark law, anti-competitive practices law, and other laws. You need to obtain DISCO's or such third party's prior explicit approval for their use.

<https://www.disco.co.jp/eg/>