FY2026 Q1

DISCO's Tidbits

July 2026

Notes

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Important Points

- **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 manufacturing process, production capacity, inquiry and investment trends, confidential production information, etc.

  Each semiconductor manufacturer may have different technologies and manufacturing processes, which constitute confidential production information of each company.
  In principle, we do not provide answers regarding specific customers' orders, equipment specifications, throughput, etc.

- **Responses regarding market conditions are to be based on the outlook at the time of the financial results announcement.**

  Revisions to market condition assessments or related comments will not be made during the applicable period (except for matters subject to timely disclosure).

Market Situation Overview: Comparison to 3 Months Ago

- ✓ Generative AI-related applications continued to lead the overall market. (Quarterly breakdown is not disclosed.)

  In addition to HBM and logic, expansion into related devices, such as power semiconductors for AI data centers, was observed.

- ✓ Equipment shipment value for OSAT remained at a high level. Consumable shipment trends will continue to be monitored closely.

- ✓ For general-purpose memory, in addition to the demand environment, customers' production capacity expansion trends will continue to be monitored closely.

- ✓ For advanced packaging, customers' R&D and evaluation projects continued.

  Demand for evaluation and demo equipment has been increasing, and we are monitoring the timing of the transition to mass production.

- ✓ Production support measures have been implemented to increase production capacity and efficiency, including supporting production at plants, fostering multi-skilled personnel, and optimizing personnel allocation.

  Estimated shipment value levels are not disclosed, as they fluctuate depending on product mix, equipment prices, exchange rates, and shipment timing.

- ✓ The impact of changes in the procurement environment and rising parts and raw material costs remains limited at this point.

  We will continue to improve customer productivity while enhancing the value of our service and support.

Generative AI

- ✓ **Actual results of shipment for generative AI: FY25 approx. 75 billion yen**

  Detailed breakdown by region, product, and quarterly transition is not disclosed.

- ✓ **The situation is fluid as investment plans in back-end processes are difficult to predict, and orders are not finalized until just before shipment.**
  - Investment plans will fluctuate depending on changes in the final demand trend and outlook for generative AI.
  - Our customers' investment appetite varies depending on the market share held by each semiconductor manufacturer.
  - Each manufacturer's capital investment differs in terms of capacity expansion, technology trends, etc.

- ✓ **Forecast amount is not disclosed.**

  Difficult to discern future demand due to the various factors mentioned above.

  Details are not disclosed as the information is related to the capital investment status of specific customers.

Composition Ratio of All Equipment (Shipment Basis)

Composition ratio of all equipment (Shipment Basis)

		FY25				FY26 (Actual)	FY26 (Forecast)
		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Apr-Jun
Customer	OSAT	30%	Slightly less than 30%	Slightly less than 30%	Slightly more than 30%	35%	30%
Application	Memory *	Slightly more than 40%	Slightly less than 40%	Slightly less than 20%	Slightly less than 30%	35%	Slightly more than 30%
	Power	Slightly less than 10%	Slightly less than 10%	Slightly more than 10%	Slightly less than 10%	Slightly less than 10%	Slightly less than 10%

* Including generative AI related

Perspective on GPM and SG&A

Outlook for the July-September period

- **GPM** Formulated based on QoQ decrease of approx. 1.0 points.
  (assumed exchange rate: USD/JPY 159)
  For equipment, the forecast was formulated based on past trends rather than detailed profit plans for individual projects. For diamond, the forecast was formulated taking the current situation into consideration.
  The actual GPM may fluctuate depending on the product and application mix.

- **SG&A** : Over 34 billion yen
  Perspective on SG&A
  1. The majority of SG&A is personnel expenses (including personnel expenses in R&D costs).
  2. Fluctuates significantly due to provision for bonuses linked to business performance.
  3. As it is mainly linked to the shipment amount, it may fluctuate on a quarterly basis.

R&D/CAPEX Forecast

F26 Forecast:

■ **CAPEX**

Approx. 33 billion yen Continued expenditures due to facility expansion are expected.

(No change from the previous forecast)

Reference: Plans to Construct Gohara Plant as Part of Hiroshima Works (2025/4/18)

■ **DEP**

Approx. 16.0 billion yen

(previous forecast: approx. 15.0 billion yen)

■ **R&D**

Approx. 38.0 billion yen Proactive engagement in R&D will continue.

(previous forecast: approx. 36.0 billion yen)

To Investors Considering Purchasing DISCO Shares

DISCO believes that striving to increase our Mission-achievability connects to an increase in our Value-exchangeability and competitiveness, enabling 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.

These materials
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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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