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Securities Code No. 6146

May 30, 2024

(Start date for electronic provision measures: May 24, 2024)

To: Shareholders

Kazuma Sekiya, Director, Representative Executive  
Officer, President

**DISCO CORPORATION**

2-13-11 Omori-Kita, Ota-ku, Tokyo

## Notice for the 85th General Shareholders Meeting

We are pleased to announce that the 85th General Shareholders Meeting for DISCO CORPORATION (the “Company”) will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights via the internet, etc. or in writing. Please review the reference materials for the General Shareholders Meeting before placing your votes.

With regard to holding this General Shareholders Meeting, the Company has taken electronic provision measures to provide information constituting the contents of the General Shareholders Meeting reference documents, etc. (items for which information is provided in an electronic format) in an electronic format, and this information has been posted as “Notice of the 85th Annual General Shareholders Meeting” on the Company’s website. Please access the Company’s website from the link below to review any information.

The Company website: <https://www.disco.co.jp/jp/ir/stock/meeting.html> (in Japanese)

In addition to the above website, the Company also posts items subject to electronic provision measures on the Tokyo Stock Exchange, Inc. (TSE) website. To access this information, go to the TSE website (Listed Company Search) using the link below, enter the issue name (DISCO) or issue code (6146), click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.”

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

### **If you wish to vote via the internet, etc.:**

Please access our designated voting website (<https://evote.tr.mufg.jp/>) and use the “login id” and “password” on the enclosed voting form. When voting, please enter your approval or disapproval for each proposal in accordance with the onscreen instructions no later than 5:45 p.m. on Thursday June 20, 2024 (Japan Standard Time).

### **If you wish to vote in writing (by mail):**

Please indicate your approval or disapproval for each proposal on the enclosed voting form and return the form by postal mail so that it reaches us no later than 5:45 p.m. on Thursday June 20, 2024 (Japan Standard Time).

**1. Date & Time:** Friday, June 21, 2024, at 2:00 p.m. (Japan Standard Time)  
(Reception desk will open at 1:00 p.m.)

(Please note that the time of the meeting is different from that of typical years.)

**2. Place:** Meeting Room 301B, Vision Center SHINAGAWA  
Keikyu No. 7 Building, 4-10-8 Takanawa, Minato-ku, Tokyo

### **3. Purposes of the Meeting**

#### **Matters to be Reported**

1. Business report, consolidated financial statements, and audit reports from the Accounting Auditor and Audit Committee on the consolidated financial statements for the 85th fiscal year (from April 1, 2023 to March 31, 2024)
2. Financial statements for the 85th fiscal year (from April 1, 2023 to March 31, 2024)

#### **Matters to be Resolved**

**Proposal 1**                      Appropriation of Retained Earnings

**Proposal 2**                      Election of Eleven Directors

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◎ In accordance with the provisions of laws and regulations and Article 15 of the Company's Articles of Incorporation, the Company has posted the following items on the Company's website and on TSE's website; therefore these have been omitted from the documents to be delivered to shareholders who have requested so (documents containing items subject to electronic provision measures).

1. Matters concerning share acquisition rights
2. Structure to ensure the appropriateness of business
3. Overview of the operational status of the structure to ensure the appropriateness of business
4. Basic concept toward eliminating anti-social forces and its development status
5. Basic policy on internal control concerning financial reporting
6. Notes on consolidated financial statements
7. Notes on financial statements

Thus, the documents attached to this notice for the general shareholders meeting are a part of the business report, consolidated financial statements, and financial statements that were audited when the Audit Committee wrote the audit report and when the Accounting Auditor wrote the accounting audit report.

◎ If a revision is made to the items subject to electronic provision measures, a notice of the revision and details of the item before and after the revision will be posted on the Company's website and the TSE website.

## Reference Materials for the General Shareholders Meeting

### Proposal 1 Appropriation of Retained Earnings

It is proposed that the retained earnings be appropriated as follows.

**(1) Type of assets to be distributed:**

Cash

**(2) Matters on the allocation of assets to be distributed and the total amount thereof:**

¥231 per share of the Company's common stock

Total distribution: ¥25,028,583,426

**(3) Effective date of the dividend from retained earnings:**

June 24, 2024

<Fundamental policy>

With respect to the dividend, the Company pays dividends according to its business performance and maintains dividends of "25% of the consolidated half-yearly net income."

However, even if its profitability is at a low level, the Company will maintain a half-yearly dividend of ¥10 (an annual dividend of ¥20) to ensure stable dividend payments.

Furthermore, in the case that the balance of cash and cash equivalents has exceeded the budgeted funds necessary as of the end of the fiscal year, then, except in the case of a deficit, the Company's fundamental policy is to pay an additional dividend of approximately one-third of surplus funds.

[Reference]

Interim dividend	¥76	25% of the consolidated <b>first-half</b> net income
Year-end dividend	¥231	25% of the consolidated <b>second-half</b> net income
Portion of performance-based dividends	¥119	
Portion of additional dividends	¥112	One-third of surplus funds (See reference information on P19)
Annual dividend	¥307	
Dividend payout ratio (consolidated)	39.5%	

## Proposal 2 Election of Eleven Directors

The terms of office for all ten Directors expire at the close of this General Shareholders Meeting. Therefore, it is proposed that eleven Directors including eight Outside Directors be elected pursuant to the decision of the Nominating Committee.

The candidates for Directors are as follows.

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
1 Reappointment	Kazuma Sekiya (February 14, 1966) Male  Attendance at Board of Directors meetings: 100% (13/13)  Attendance at Nominating Committee meetings: 100% (3/3)  Attendance at Compensation Committee meetings: 100% (6/6)	July 1989 Joined the Company	2,100,000 shares
		Apr. 1994 General Manager of Engineering Development Department, PS Division of the Company	
		June 1995 Director, Deputy General Manager of PS Division of the Company	
		July 1998 Vice President of PS Company of the Company	
		July 2002 Managing Director of the Company	
		Apr. 2003 President of PS Company of the Company	
		Apr. 2009 Representative Director, President, and General Manager of Engineering R&D Division of the Company	
		June 2022 Director, Representative Executive Officer, President, and General Manager of Engineering R&D Division of the Company (current position)	
		(Key concurrent posts) None	
		Reasons for nomination as a candidate for Director: The Company expects Mr. Kazuma Sekiya to continue demonstrating strong leadership in the future with his technological development expertise, deep knowledge of business as a whole, and his wealth of ideas in the Company. Therefore, the Company has nominated him as a candidate for Director. In addition, after his election, he will continue to be involved as a member of the Nominating Committee and Compensation Committee, representing the Company's executive side in making decisions regarding personnel-related affairs of Directors and on the officer remuneration system.	

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
<p>2 Reappointment</p>	<p>Noboru Yoshinaga (August 23, 1957) Male</p> <p>Attendance at Board of Directors meetings: 100% (13/13)</p>	<p>Apr. 1982      Joined the Company</p> <p>July 2004      General Manager of Global Management Department, PS Company of the Company</p> <p>July 2006      Operating Officer, General Manager of Global Sales Department, PS Company of the Company</p> <p>June 2011      Executive Operating Officer, General Manager of Sales Division and General Manager of Service Department of the Company</p> <p>June 2015      Senior Executive Operating Officer, General Manager of Sales Division and General Manager of Global Sales Department of the Company</p> <p>Aug. 2017      General Manager of Customer Engineering Department of the Company</p> <p>June 2019      Senior Managing Director, General Manager of Sales Division of the Company</p> <p>June 2021      General Manager of Global Sales Department of the Company (current position)</p> <p>June 2022      Director, Executive Officer, Executive Vice President, and General Manager of Sales Division of the Company</p> <p>June 2023      Director, Representative Executive Officer, Executive Vice President, and General Manager of Sales Division of the Company (current position)</p> <p>(Key concurrent posts) Representative Director and Chairman of DISCO HI-TEC AMERICA, INC. Representative Director and Chairman of DISCO HI-TEC (SINGAPORE) PTE LTD Chairman of the Board of DISCO HI-TEC CHINA CO., LTD. Chairman of the Board of DISCO HI-TEC TAIWAN CO., LTD. Representative Director of DISCO HI-TEC KOREA Corporation</p>	<p>12,283 shares</p>
		<p>Reasons for nomination as a candidate for Director: Following an extensive period of overseas experience, Mr. Noboru Yoshinaga has been in charge of global sales divisions and overseas subsidiaries for many years, and has contributed greatly to the growth and development of the Company through his services in the sales field amidst rapidly changing market conditions. The Company has nominated him as a candidate for Director in order to incorporate his personal connections with a broad range of clients and his abundant experience into the management of the Company.</p>	

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
3 Reappointment	Takao Tamura (September 16, 1955) Male  Attendance at Board of Directors meetings: 100% (13/13)	Apr. 1977      Joined the Company	3,000 shares
		June 1995      Director of the Company	
July 1997      Acting General Manager of Corporate Support Division and General Manager of General Affairs Department of the Company			
Apr. 1999      General Manager of Corporate Support Division of the Company (current position)			
Aug. 2002      General Manager of Accounting Department of Corporate Support Division of the Company			
June 2011      Managing Director of the Company			
Sept. 2011      General Manager of Human Resource Department, Corporate Support Division of the Company			
Jan. 2018      General Manager of General Affairs Department, Corporate Support Division of the Company			
June 2022      Director, Managing Executive Officer (current position)			
	(Key concurrent posts) None		
	Reasons for nomination as a candidate for Director: After building up experience overseas through projects such as launching an overseas local subsidiary, Mr. Takao Tamura has served as the person responsible for supervising administrative departments in the Company and overseeing subsidiaries in Japan and overseas. The Company has nominated him as a candidate for Director in order to incorporate this extensive experience and knowledge into the management of the Company.		

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
<p>4 Reappointment</p> <p>Outside Director</p> <p>Independent Officer</p>	<p>Ichiro Inasaki (April 3, 1941) Male</p> <p>Attendance at Board of Directors meetings: 100% (13/13)</p> <p>Attendance at Nominating Committee meetings: 100% (3/3)</p> <p>Attendance at Compensation Committee meetings: 100% (6/6)</p>	<p>Apr. 1984 Professor of the Faculty of Science and Technology at Keio University</p> <p>Mar. 1998 Visiting professor at University of California, Berkeley in U.S.A.</p> <p>May 2001 Dean of the Faculty of Science and Technology at Keio University Dean of the Graduate School of Science and Technology at Keio University</p> <p>Apr. 2007 Professor emeritus at Keio University Professor at Chubu University Director of the Institute of Science and Technology Research at Chubu University</p> <p>Apr. 2011 Dean of Chubu University</p> <p>June 2011 Director of Chubu Institute for Advanced Studies at Chubu University</p> <p>Mar. 2012 Outside Auditor of Mitsubishi Pencil Co., Ltd.</p> <p>Apr. 2012 Appointed Professor at Chubu University</p> <p>June 2013 Outside Director of the Company (current position)</p> <p>Apr. 2015 Director of Chubu University</p> <p>Mar. 2018 Outside Director of Sodick Co., Ltd.</p> <p>(Key concurrent posts) None</p> <p>Reasons for nomination as a candidate for Outside Director, expected roles, etc.: Mr. Ichiro Inasaki's efforts have led to the achievement of outstanding outcomes in research related to machine processing engineering and production engineering, which are the business fields of the Company, and he was awarded the Georg-Schlesinger-Preis, a prestigious award given to honor researchers who have contributed to the advancement of production engineering in Germany. He is recognized as being a global authority on these business fields and has a deep understanding of the Company's business. Therefore, the Company has nominated him as a candidate for Outside Director so that he can use his depth of insight to strengthen the Company's business.</p> <p>In addition, as the Chairman of the Nominating Committee, he has been making efforts to select the candidates to be considered for the position of new Directors, and as the Chairman of the Compensation Committee, he has been leading the discussions in the Compensation Committee meetings to ensure that the remuneration system is in line with social demands. These activities are contributing to the enhancement of the Company's corporate value and adequately fulfill the roles expected of him by the Company.</p> <p>After his election, the Company expects that he will use his expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. Also, as the Chairman of the Nominating Committee and Compensation Committees, he will continue to be involved in the selection of candidates to be considered for the position of the Company's Directors and in decisions on the remuneration system for officers from an objective and neutral standpoint.</p> <p>He has never been involved in the management of a company except as an external executive. However, the Company judges he will appropriately fulfill his duties as an Outside Director based on the above reasons.</p>	<p>0 shares</p>

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
<p>5 Reappointment</p> <p>Outside Director</p> <p>Independent Officer</p>	<p>Shinichi Tamura (March 30, 1944) Male</p> <p>Attendance at Board of Directors meetings: 100% (13/13)</p> <p>Attendance at Nominating Committee meetings: 100% (3/3)</p> <p>Attendance at Compensation Committee meetings: 100% (6/6)</p>	<p>Oct. 1988 Professor at the Biomedical Research Center, Osaka University Medical School</p> <p>Apr. 2007 Professor emeritus at Osaka University, Guest Professor at The Center for Advanced Medical Engineering and Informatics, Osaka University</p> <p>Apr. 2007 Director and Head of the Technology Laboratory of NBL Co., Ltd.</p> <p>Aug. 2010 Director and Head of the Laboratory of NBL Technovator Co., Ltd. (current position)</p> <p>June 2015 Outside Director of the Company (current position)</p> <p>(Key concurrent posts) Director and Head of the Laboratory of NBL Technovator Co., Ltd.</p>	<p>0 shares</p>
		<p>Reasons for nomination as a candidate for Outside Director, expected roles, etc.: Mr. Shinichi Tamura is a pioneering researcher in the field of image processing technology, a technology that is integrally important for the Company's products, in addition to also having experience as a corporate management executive. Therefore, the Company has nominated him as a candidate for Outside Director so that he can use his depth of expertise to strengthen the Company's business. In addition, after his election, the Company expects that he will use his expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. Also, as a member of the Nominating Committee and Compensation Committee, he will continue to be involved in the selection of candidates to be considered for the position of the Company's Directors and in decisions on the remuneration system for officers from an objective and neutral standpoint.</p>	



Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
6 Reappointment  Outside Director  Independent Officer	Yusei Yamaguchi January 10, 1948 Male  Attendance at Board of Directors meetings: 100% (13/13)  Attendance at Audit Committee meetings: 100% (14/14)	Apr. 1971	0 shares
		Joined The Sanwa Bank, Limited (now MUFG Bank, Ltd.)	
June 1999	Executive officer of The Sanwa Bank, Limited		
May 2002	Managing Executive Officer of UFJ Bank Limited (now MUFG Bank, Ltd.)		
June 2003	Resigned as Managing Executive Officer of UFJ Bank Limited		
June 2003	Representative Director and Vice President of Towa Real Estate Development Co., Ltd. (now Mitsubishi Jisho Residence Co., Ltd.)		
June 2009	Representative Director and Senior Managing Executive Officer of Unitika Ltd.		
June 2015	Outside Company Auditor of the Company		
June 2015	Outside Director of SHINNIHON CORPORATION		
June 2022	Outside Director of the Company (current position)		
	(Key concurrent posts) None		
		Reasons for nomination as a candidate for Outside Director, expected roles, etc.: The Company has nominated Mr. Yusei Yamaguchi as a candidate for Outside Director because of his extensive experience and broad knowledge in corporate management over many years, including serving as a Representative Director of two listed companies, as well as his extensive insight into finance, accounting, and legal matters based on his long history of experience in finance-related business operations. In addition, after his election, the Company expects that he will use his expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. As a member of the Audit Committee, he will be involved in auditing the execution of duties by Executive Officers and Directors and in determining the Accounting Auditor from an objective and neutral standpoint.	

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
7 Reappointment  Outside Director  Independent Officer	Kazuyoshi Tokimaru (March 28, 1959) Male  Attendance at Board of Directors meetings: 100% (13/13)  Attendance at Audit Committee meetings: 100% (14/14)	<p>Apr. 1982      Joined The Sumitomo Trust and Banking Company, Limited (now Sumitomo Mitsui Trust Bank, Limited)</p> <p>June 2006      General Manager of the Retail Sales Development Department of The Sumitomo Trust and Banking Company, Limited</p> <p>Feb. 2008      General Manager of Structured Finance Department of The Sumitomo Trust and Banking Company, Limited</p> <p>May 2009      General Manager of Legal and Compliance Department of The Sumitomo Trust and Banking Company, Limited</p> <p>Apr. 2011      General Manager of Internal Audit Department of The Sumitomo Trust and Banking Company, Limited and General Manager of Internal Audit Department of Sumitomo Mitsui Trust Holdings, Inc.</p> <p>Apr. 2012      General Manager of Internal Audit Department of Sumitomo Mitsui Trust Bank, Limited and General Manager of Internal Audit Department of Sumitomo Mitsui Trust Holdings, Inc.</p> <p>Apr. 2015      Executive Officer, General Manager of Internal Audit Department of Sumitomo Mitsui Trust Bank, Limited and Executive Officer, General Manager of Internal Audit Department of Sumitomo Mitsui Trust Holdings, Inc.</p> <p>June 2015      Standing Outside Audit &amp; Supervisory Board Member of Minebea Co., Ltd. (now MinebeaMitsumi Inc.)</p> <p>June 2019      Outside Company Auditor of the Company</p> <p>June 2022      Outside Director of the Company (current position)</p> <p>(Key concurrent posts) None</p>	0 shares
<p>Reasons for nomination as a candidate for Outside Director, expected roles, etc.: The Company has nominated Mr. Kazuyoshi Tokimaru as a candidate for Outside Director since he has a wealth of insight regarding finance, accounting, and legal affairs based on his experience in finance and legal-related operations for many years. In addition, after his election, the Company expects that he will use his expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. As a full-time member of the Audit Committee, he will continue to be involved in auditing the execution of duties by Executive Officers and Directors and in determining the Accounting Auditor from an objective and neutral standpoint.</p>			

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
8 Reappointment	Noriko Oki (May 25, 1958) Female	<p>Apr. 1982      Joined Chase Manhattan Bank (currently JPMorgan Chase Bank, N.A.)</p> <p>Apr. 1988      Joined Morgan Stanley Japan Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.) Stock Research Department of Morgan Stanley Japan Securities Co., Ltd.</p> <p>Dec. 2001      Managing Director of Morgan Stanley Japan Securities Co., Ltd.</p> <p>Oct. 2004      Senior Advisor, Investment Banking Division of Morgan Stanley Japan Securities Co., Ltd.</p> <p>June 2020      Outside Director of ALPS ALPINE CO., LTD. (current position)</p> <p>June 2022      Outside Director of the Company (current position)</p> <p>(Key concurrent posts) Outside Director of ALPS ALPINE CO., LTD.</p>	0 shares
Outside Director	Attendance at Board of Directors meetings: 100% (13/13)	Reasons for nomination as a candidate for Outside Director, expected roles, etc.: As a securities analyst, Ms. Noriko Oki has a wealth of knowledge and high level of expertise in finance and accounting in the semiconductor manufacturing equipment industry, to which the Company belongs, and the precision equipment industry, to which our customers belong through her many years of experience in these industries. Based on this, the Company has nominated her as a candidate for Outside Director because she has a high level of insight in analyzing a company from various perspectives. In addition, after her election, the Company expects that she will use her expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. As a member of the Audit Committee, she will be involved in auditing the execution of duties by Executive Officers and Directors and in determining the Accounting Auditor from an objective and neutral standpoint.	
Independent Officer	Attendance at Audit Committee meetings: 100% (14/14)	She has never been involved in the management of a company except as an external executive. However, the Company judges she will appropriately fulfill her duties as an Outside Director based on the above reasons.	

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
9 Reappointment  Outside Director  Independent Officer	Akiko Matsuo (December 1, 1964) Female  Attendance at Board of Directors meetings: 100% (10/10)  Attendance at Audit Committee meetings: 100% (10/10)	Apr. 1989      Joined Recruit Co., Ltd. Mar. 1993      Resigned from Recruit Co., Ltd. Apr. 2008      Professor at the Faculty of Science and Technology, Department of Mechanical Engineering at Keio University (current position) Apr. 2020      President of the Japan Society for Aeronautical and Space Sciences June 2023      Outside Director of the Company (current position)  (Key concurrent posts) Professor at the Faculty of Science and Technology, Department of Mechanical Engineering at Keio University	0 shares
		Reasons for nomination as a candidate for Outside Director, expected roles, etc.: Ms. Akiko Matsuo has specialized knowledge in physics and mechanical engineering, particularly in the area of computer simulation, and has an outstanding record of research accomplishments, including winning the A.K. Oppenheim Prize, a prize awarded to researchers who have made extensive contributions to research on explosions and combustion in the USA. She was also the youngest ever part-time member of a council for the Ministry of Land, Infrastructure, Transport and Tourism, and is held in high esteem by society. The Company has nominated her as a candidate for Outside Director in the belief that she will utilize her deep insight to strengthen the Company's business. In addition, after her election, the Company expects that she will use her expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. As a member of the Audit Committee, she will be involved in auditing the execution of duties by Executive Officers and Directors and in determining the Accounting Auditor from an objective and neutral standpoint. She has never been involved in the management of a company except as an external executive. However, based on her past achievements, the Company judges she will perform her duties as an Outside Director with sincerity and from a fair and open perspective.	

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
<p>10 New election</p> <p>Outside Director</p> <p>Independent Officer</p>	<p>Etsuko Kobayashi (December 6, 1972) Female</p> <p>Attendance at Board of Directors meetings: -</p>	<p>Sept. 2006      Assistant Professor at the Graduate School of Engineering at the University of Tokyo</p> <p>Apr. 2007      Associate Professor at the Graduate School of Engineering at the University of Tokyo</p> <p>Mar. 2018      Associate Professor at Tokyo Women's Medical University Institute of Advanced Biomedical Engineering and Science</p> <p>Apr. 2020      Professor in the Department of Precision Engineering at the University of Tokyo Graduate School of Engineering (current position)</p> <p>(Key concurrent posts) Professor in the Department of Precision Engineering at the University of Tokyo Graduate School of Engineering</p> <p>Reasons for nomination as a candidate for Outside Director, expected roles, etc.: Ms. Etsuko Kobayashi has an excellent research record in the precision engineering field, specializing in treatment support engineering and working on research on technology such as minimally invasive surgical support systems using surgical robots and other mechatronic technology. She also co-wrote <i>Ensuring Gender Equity on JSCAS</i> and is actively involved in activities to promote diversity in her university and in academia. The Company has nominated her as a candidate for Outside Director in the belief that, as a mechatronic technology researcher in the precision engineering field, she will utilize her deep insight to strengthen the Company's business. In addition, after her election, it is expected that she will utilize this knowledge to contribute to decisions on important business matters at Board of Directors' meetings and oversee business execution. Moreover, as a member of the Nominating Committee, she will drive discussions that incorporate the perspective of gender diversity, and as a member of the Compensation Committee, she will contribute to decisions on matters such as Director and Officer compensation from an objective, neutral standpoint. She has never been involved in the management of a company except as an external executive. However, based on her past achievements, the Company judges she will perform her duties as an Outside Director with sincerity and from a fair and open perspective.</p>	<p>0 shares</p>

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
11 New election  Outside Director  Independent Officer	Miki Mogi (December 15, 1964) Female  Attendance at Board of Directors meetings: —	<p>Apr. 1988      Joined The Sumitomo Trust and Banking Company, Limited (now Sumitomo Mitsui Trust Bank, Limited)</p> <p>Apr. 2021      Fellow Officer of Sumitomo Mitsui Trust Bank, Limited and Fellow Officer of Sumitomo Mitsui Trust Holdings, Inc. (current position)</p> <p>Apr. 2022      Fellow Officer and General Manager of Governance Consulting Department of Sumitomo Mitsui Trust Bank, Limited</p> <p>(Key concurrent posts) Fellow Officer of Sumitomo Mitsui Trust Bank, Limited Fellow Officer of Sumitomo Mitsui Trust Holdings, Inc.</p> <p>Reasons for nomination as a candidate for Outside Director, expected roles, etc.: The Company has nominated Ms. Miki Mogi as a candidate for Outside Director as she possesses extensive knowledge not only in finance, accounting, and law, but also in corporate governance from her long years of experience in areas such as legal affairs and consulting in the real estate sales department, stock transfer agency department, and corporate governance consulting department of trust banks, and in the belief that she will utilize this knowledge for purposes such as strengthening the Company's governance. In addition, after her election, the Company expects that she will use her expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. As a member of the Audit Committee, she will be involved in auditing the execution of duties by Executive Officers and Directors and in determining the Accounting Auditor from an objective and neutral standpoint.</p>	0 shares

- Notes:
- There are no special interests between the candidates and the Company.
  - Mr. Ichiro Inasaki, Mr. Shinichi Tamura, Mr. Yusei Yamaguchi, Mr. Kazuyoshi Tokimaru, Ms. Noriko Oki, Ms. Akiko Matsuo, Ms. Etsuko Kobayashi, and Ms. Miki Mogi are candidates for Outside Director.
  - Mr. Ichiro Inasaki is currently an Outside Director of the Company. His term of office will be eleven years at the close of this General Shareholders Meeting.
  - Mr. Shinichi Tamura is currently an Outside Director of the Company. His term of office will be nine years at the close of this General Shareholders Meeting.
  - Mr. Yusei Yamaguchi is currently an Outside Director of the Company. His term of office will be two years at the close of this General Shareholders Meeting. Furthermore, he was an Outside Company Auditor of the Company prior to his appointment as an Outside Director of the Company, and his term of office, including the seven years he served, will be nine years.
  - Mr. Kazuyoshi Tokimaru is currently an Outside Director of the Company. His term of office will be two years at the close of this General Shareholders Meeting. Furthermore, he was an Outside Company Auditor of the Company prior to his appointment as an Outside Director of the Company, and his term of office, including the three years he served, will be five years.
  - Ms. Noriko Oki is currently an Outside Director of the Company. Her term of office will be two years at the close of this General Shareholders Meeting.
  - Ms. Akiko Matsuo is currently an Outside Director of the Company. Her term of office will be one year at the close of this General Shareholders Meeting.
  - The Company has registered Mr. Ichiro Inasaki, Mr. Shinichi Tamura, Mr. Yusei Yamaguchi, Mr. Kazuyoshi Tokimaru, Ms. Noriko Oki, and Ms. Akiko Matsuo as independent officers based on the regulations of the Tokyo Stock Exchange. If each of these candidates is reappointed, the Company intends for them to continue acting as an independent officer.  
Furthermore, Ms. Etsuko Kobayashi and Ms. Miki Mogi satisfy the requirements to be an independent officer based on the regulations of the Tokyo Stock Exchange, and thus, should they be elected, the Company intends to register them as independent officers with the exchange.
  - The Company has concluded agreements with Mr. Ichiro Inasaki, Mr. Shinichi Tamura, Mr. Yusei Yamaguchi, Mr. Kazuyoshi Tokimaru, Ms. Noriko Oki, and Ms. Akiko Matsuo, who are non-executive directors, limiting their liability for damages in Article 423, paragraph 1 of the Companies Act, based on the provisions in Article 427, paragraph 1 of the same Act. The maximum liability for damages under such an agreement shall be the minimum liability amount as stated in Article 425, paragraph 1 of the Companies Act. If the reappointment of these six members is approved, the said agreements will be continued. If the election of Ms. Etsuko Kobayashi

and Ms. Miki Mogi is approved, the Company plans to enter into the same limited liability agreement with them as well.

11. The Company has entered into a Directors and Officers Liability Insurance (D&O Insurance) agreement with an insurance company as stipulated in Article 430-3, paragraph 1 of the Companies Act. An outline of this insurance agreement is provided in the Business Report (page 32, in Japanese only). If the reappointment or election of a candidate for Director is approved, they will be included as an insured person under the above-mentioned insurance. In addition, the Company plans to renew the policy with the same terms at the next renewal.
12. Ms. Akiko Matsuo's attendance at the Board of Directors meetings only covers the meetings held after her election as a director at the 84th Annual General Meeting of Shareholders held on June 29, 2023.
13. Outside Director Ms. Etsuko Kobayashi's name is entered as "Etsuko Masamune" in her family register.
14. Candidates for Directors of the Company are written in order of rank and candidates for Outside Directors are written in order of term length.

[Reference]

1. Concurrent Service of Each Director as an Executive Officer and the Committee to Which They Are Expected to Belong

The composition of the committees when Proposal 2 “Election of Eleven Directors” is approved is as follows.

Candidate No.	Name	Representative Executive Officer	Executive Officer	Nominating Committee		Compensation Committee		Audit Committee		Representative Executive Officer Evaluation Committee	
				Chairman	Member	Chairman	Member	Chairman	Member	Chairman	Member
1	Kazuma Sekiya	✓			✓		✓				
2	Noboru Yoshinaga	✓									
3	Takao Tamura		✓								
4	Ichiro Inasaki			✓		✓					✓
5	Shinichi Tamura				✓		✓				✓
6	Yusei Yamaguchi								✓		✓
7	Kazuyoshi Tokimaru							✓		✓	
8	Noriko Oki								✓		✓
9	Akiko Matsuo								✓		✓
10	Etsuko Kobayashi				✓		✓				✓
11	Miki Mogi								✓		✓

Note: Outside Directors are in gray on the table.



## 2. Director Skill Matrix

The Board of Directors of the Company shall fundamentally comprise of personnel with a balance of business knowledge, experience, and abilities, in addition to Outside Directors with knowledge of innovation and technology, thus considered appropriate from the standpoint of diversity as well. In addition to the knowledge and experience of each Director, the skills required are identified in light of key business strategies that include “to be a corporation that contributes to the realization of a sustainable society through all of its corporate activities” as stated in DISCO VISION 2030. This skill matrix will be reviewed as appropriate based on the external environment and the situation of the Company.

Candidate No.	Name	Gender		Business management	Experience and knowledge of the Company's business and industry	Innovation and technology	International business and international experience	Finance and accounting	Legal affairs and risk management	Environmental, social, and governance (ESG)
		Male	Female							
1	Kazuma Sekiya	✓		✓	✓	✓	✓	✓	✓	✓
2	Noboru Yoshinaga	✓		✓	✓	✓	✓	✓	✓	✓
3	Takao Tamura	✓		✓	✓		✓	✓	✓	✓
4	Ichiro Inasaki	✓			✓	✓	✓			✓
5	Shinichi Tamura	✓		✓	✓	✓	✓			
6	Yusei Yamaguchi	✓		✓			✓	✓	✓	✓
7	Kazuyoshi Tokimaru	✓						✓	✓	✓
8	Noriko Oki		✓		✓		✓	✓		✓
9	Akiko Matsuo		✓			✓	✓			✓
10	Etsuko Kobayashi		✓			✓	✓			✓
11	Miki Mogi		✓					✓	✓	✓

Note: Outside Directors are in gray on the table.

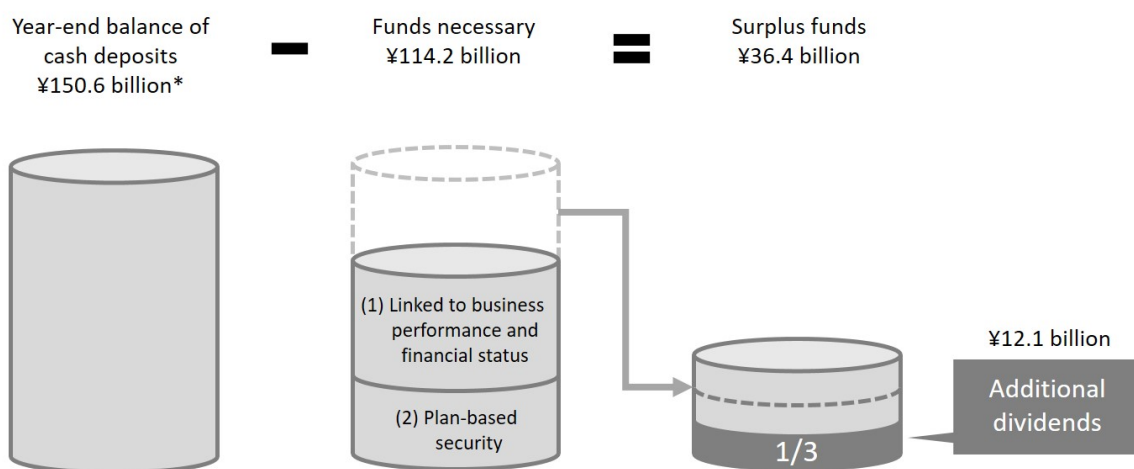
### 3. Independence Criteria

The Company will judge there to be no independence if any of the following applies with regard to the independence of a candidate to be elected as an independent Outside Director.

- (1) A person who is, or was, a business executor (a “business executor” refers to a director, executive officer, corporate officer, manager, or other employee who executes the business of a corporation or other organization; the same applies hereinafter) in the Company or an associated firm of the Company (the “DISCO Group”)
- (2) An organization for whom the DISCO Group is a major business partner (a “major business partner” refers to an organization that has made or received payments exceeding 2% of the annual consolidated sales of the Company in relation to business with the DISCO Group in the most recent fiscal year, or an organization that has lent to the DISCO Group an amount exceeding 20% of the total liabilities of the DISCO Group; the same applies hereinafter) or a business executor of that organization
- (3) A major business partner of the DISCO Group or a business executor of that organization
- (4) A consultant, accounting expert, or legal expert who receives a large amount (a “large amount” refers to an amount for which the average annual amount paid in the last three fiscal years exceeds ¥10,000,000) of money or other property other than officer’s remuneration from the DISCO Group. (If it is an organization, such as a corporation or association, which is receiving said property, a person belonging to that organization)
- (5) A major shareholder (a “major shareholder” refers to a person or organization which directly or indirectly holds more than 5% of the total voting rights in the Company) or a business executor of that organization
- (6) An organization of which the DISCO Group directly or indirectly holds more than 5% of the total voting rights or a business executor of that organization
- (7) A person to whom one or more of the aforementioned (2) to (6) has applied in the past 10 years, including the current fiscal year
- (8) If a person to whom one of the aforementioned (1) to (7) applies is a key person (a “key person” refers to a director (excluding outside director), executive officer, corporate officer, or an employee in a senior management position of the department manager class or above), a person equivalent to a spouse, or a relative within the second degree of kinship of that person

#### 4. Formula for calculating additional dividends

Additional dividends: A target of one-third of surplus funds added to performance-based dividends



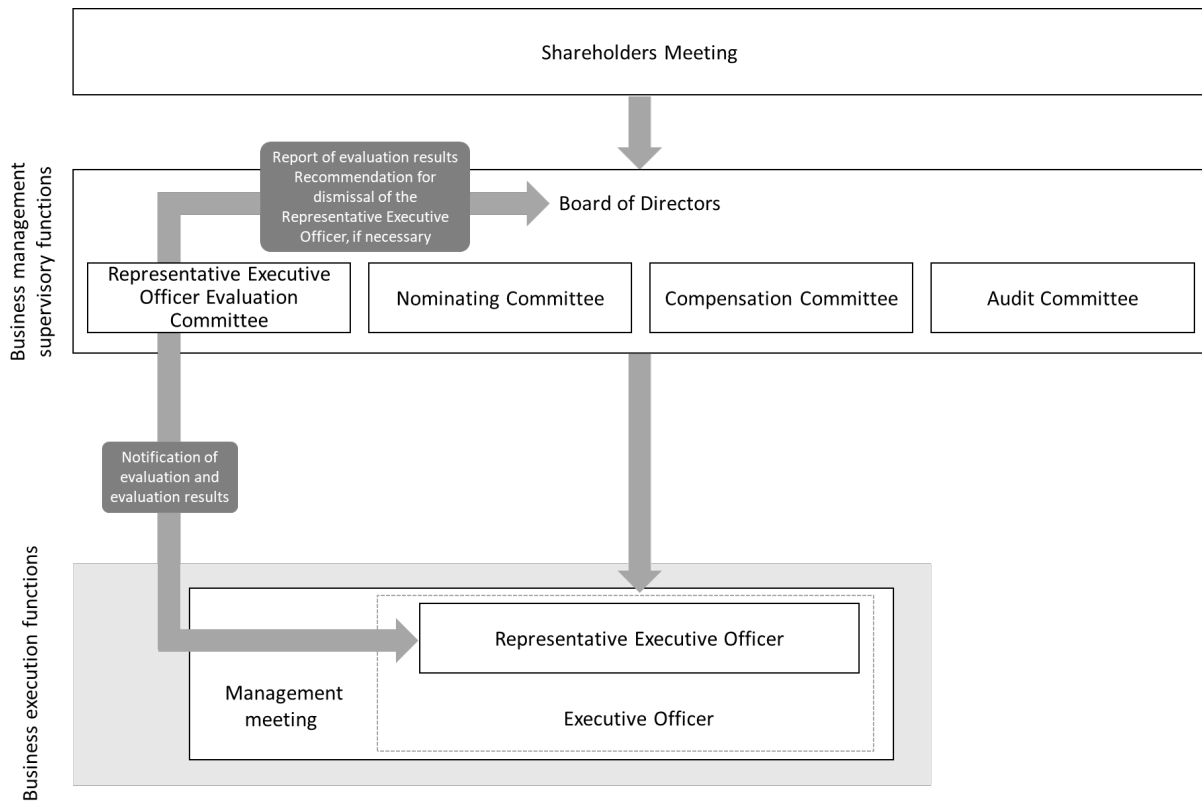
#### Breakdown of funds necessary

(1)	Working capital (Consolidated net sales for the previous period ÷ 12 months × 2 months)	¥51.2 billion	Funds for repaying long-term interest-bearing debt	-
	Reserve funds for technology acquisitions (including M&As) (Average consolidated net sales for the past 3 years × 10%)	¥24.0 billion	Taxes, dividends, etc.	¥24.0 billion
(2)	Funds for facility extensions (Rebuilding of Haneda R&D Center, etc.)	¥15.0 billion		

\* Contract liability (advances received) amounts, etc. taken into consideration

## 5. Representative Executive Officer Evaluation Committee

The Representative Executive Officer Evaluation Committee, which evaluates the appropriateness of the Representative Executive Officer's execution of duties, is comprised of seven independent Outside Directors. It evaluates the core management policies, business performance, etc. of the Representative Executive Officer up to the previous business year, notifies the Representative Executive Officer of the evaluation results, and reports these results to the Board of Directors so that they can be reported at the first Board of Directors meeting held after the end of the business year in December. Furthermore, it provides advice to the Board of Directors concerning the dismissal, etc. of the Representative Executive Officer, wherever necessary.



(Reference)

Business Report  
( From April 1, 2023 to )  
March 31, 2024 )

A part of the business report, consolidated financial statements and financial statements are provided.

(i) Remuneration by category of officers, remuneration by type, and number of officers applicable

Officer category	Total amount of remuneration (Millions of yen)	Remuneration by type (Millions of yen)				Number of officers applicable
		Fixed remuneration	Performance-linked remuneration			
		Base remuneration	Stock options	Bonuses	Total	
Executive Officers	1,377	235	192 (107)	949	1,141	6
Outside Directors	134	134	-	-	-	8

- Notes:
1. The above includes one Outside Director who retired at the close of the 84th General Shareholders Meeting on June 29, 2023.
  2. The total amount of remuneration paid to Executive Officers who also serve as Directors and the number of officers applicable is indicated in the column for Executive Officers.
  3. The amount of share remuneration-type stock options is displayed in parentheses.

(ii) Policy concerning determining the amount of remuneration for officers or the method for calculating the amount

(a) Purpose of remuneration (remuneration philosophy)

The Company has established the following remuneration principles as its remuneration philosophy.

- It should be a remuneration system that promotes increased value for shareholders and ensures that Executive Officers (including those who concurrently serve as Directors) share the same interests as shareholders.
- It should be a remuneration system that motivates the achievement of DISCO's strategic business performance goals.
- By offering competitive remuneration, it should have a level of remuneration that makes talented human resources who contribute to the growth of the Company and share the Company's values, DISCO VALUES, want to work together.
- The decision-making process for the remuneration system should be highly objective and transparent.

(b) Remuneration level

With regard to the remuneration level, as stated in the third objective, the Company aims to achieve a level that is at a "competitive and comparable level" to those of our peer group (semiconductor production equipment manufacturers, semiconductor and electronic component manufacturers, and other major companies that can serve as benchmarks). Specifically, the Company participates in the annual management executive compensation database conducted by Willis Towers Watson (WTW), a major foreign consulting firm, and uses the approximate midpoint of remuneration for each position as a guideline to decide the level.

(c) Remuneration for Directors who are non-executive Directors

As for the remuneration of Directors who are non-executive Directors such as Outside Directors, since their role is to supervise the execution of business, the remuneration is not linked to performance and is paid only as a base remuneration.

(d) Remuneration mix for Executive Officers (including those who concurrently serve as Directors)

Remuneration for Executive Officers (including those who concurrently serve as Directors) consists of (i) base remuneration, (ii) officer bonuses, (iii) conventional stock options, and (iv) share remuneration-type stock options. Of these, only (i) is fixed remuneration, while (ii) through (iv) are all variable remuneration (performance-linked and evaluation-linked).

Regarding officer bonuses (variable remuneration), when the Company achieves a single-year consolidated ordinary profit margin of 30% and a consolidated ordinary profit margin of 20% for 4 cumulative years, the ratio of fixed to variable remuneration will be 1.0 to 3.25 (variable

remuneration breakdown of officer bonuses to stock options will be 2.25 to 0.6-1.0) as shown in the chart on the next page.

Also, when this is the case, the ratio of profit-linked bonuses to individual evaluation bonuses as a breakdown of officer bonuses will be 4 to 1.

Furthermore, since officer bonuses are linked to the single-year consolidated ordinary profit margin and the consolidated ordinary profit margin for 4 cumulative years that are used as performance evaluation indicators, when the base remuneration for officers is set at 1.0, the ratio of officer bonuses varies in the range of 0 to 5.625.

	Fixed remuneration	Variable remuneration		
Ratio	1.0	3.25		
		Breakdown		
	Base remuneration	Officer bonus		Conventional stock options
		2.25		Share remuneration-type stock options
	Ratio	Profit-linked: Individual evaluation 4:1*		Chairman/ President: 0.5 Vice President: 0.45 Senior Managing Executive Officer: 0.4 Managing Executive Officer: 0.35 Without title: 0.3
		Cash		Non-cash

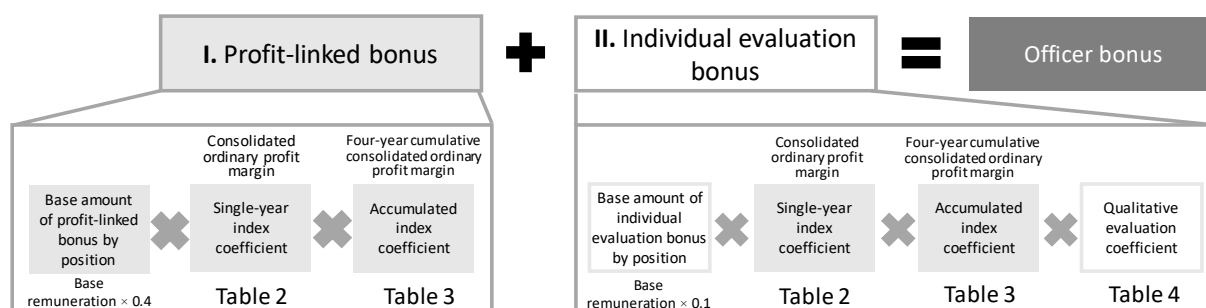
\*When the individual evaluation is a standard evaluation (individual evaluation “C” in Table 4 “Individual evaluation bonus: qualitative evaluation coefficient”)

(i) Base remuneration

The base amount consists of the officers’ main salary and allowances based on their positions and roles, and is calculated based on a table for which resolution was passed at the Compensation Committee in accordance with the position and role of each Executive Officer (including those who concurrently serve as Directors) (Table 1).

(ii) Officer bonuses

Officer bonuses are positioned as short-term incentives, and from the fiscal year that ended in March 31, 2018, “performance-based compensation” was introduced, and Executive Officers (including those who concurrently serve as Directors) will receive profit-linked bonuses (performance-based compensation) and individual evaluation bonuses as officer bonuses calculated based on the following formula. When the single-year consolidated ordinary profit margin is 30% or more and the standard individual evaluation is “individual evaluation bonus: qualitative evaluation coefficient “C”,” the payment ratio is 1 for the individual evaluation bonus with regard to 4 for profit-linked bonuses (performance-based compensation).



## I. Profit-linked bonus

### 1. Calculation method

The amount of bonuses will be calculated based on the above formula in order to increase motivation to achieve the following performance business strategy indicators: “single-year consolidated ordinary profit margin of 20% or more” and a “consolidated ordinary profit margin of 20% or more for 4 cumulative years” (amounts less than one thousand yen are rounded to the nearest thousand yen). The base amount of profit-linked bonus by position is calculated by multiplying the amount calculated according to the base remuneration in Table 1 by 0.4.

### 2. Reasons for selecting performance indicators

As stated above, one principle for remuneration is “It should be a remuneration system that promotes increased value for shareholders and ensures that Executive Officers (including those who concurrently serve as Directors) share the same interests as shareholders,” and it is a remuneration system that motivates the achievement of our two strategic business performance goals.

#### - Single-year consolidated ordinary profit margin of 20% or more

The Company aims to have sufficient capacity and structure to support the Company’s growth without pursuing the scope of our sales, and has chosen consolidated ordinary profit margin as an indicator to measure the degree to which we have achieved this goal. Generally, “a single year ordinary profit margin of 10% or more” is considered the benchmark of a major company, but we consider this target value appropriate for “first-class corporate activities” as stated in our Company’s corporate philosophy, DISCO VALUES.

#### - Consolidated ordinary profit margin of 20% or more for 4 cumulative years

In the semiconductor industry, to which the majority of the Company’s customers belong, there is a wave of economic fluctuations known as the silicon cycle, in which market conditions fluctuate according to the industry-specific supply-demand balance. Because of this, we believe that we can more accurately measure the Company’s growth using this compared to the results of a single year, and thus we have positioned the consolidated ordinary profit margin for 4 cumulative years as a key performance indicator.

Changes in actual performance indicators related to officer bonuses

(Rounded down to the second decimal place)

Category	The 83rd fiscal year Apr. 1, 2021 - Mar. 31, 2022	The 84th fiscal year Apr. 1, 2022 - Mar. 31, 2023	The 85th fiscal year (Current consolidated fiscal year) Apr. 1, 2023 - Mar. 31, 2024
Single-year consolidated ordinary profit margin	36.4%	39.5%	39.7%
Consolidated ordinary profit margin for 4 cumulative years	30.8%	34.4%	37.0%

#### Points to note:

- These profit-linked bonuses are performance-based compensation as stipulated in Article 34, paragraph (1), item (iii) of the Corporation Tax Law, and are payable to Executive Officers (including those who concurrently serve as Directors) as stipulated in the item (iii). This does not include Outside Directors.
- The “indicator of the status of profit for a business year ending on or after the date of commencement of the period of execution of duties” as stipulated in Article 34, paragraph (1), item (iii) (a) of the Corporate Tax Law shall be the single-year consolidated ordinary profit margin and consolidated ordinary profit margin for 4 cumulative years.
- The “fixed amount” stipulated in Article 34, paragraph 1, item (iii) (a) (1) of the Corporation Tax Act in relation to the limit of profit-linked bonuses to be paid is limited to 710 million yen.
- For the abovementioned “profit-linked bonuses,” upper limits are set for each position according to Table 5 to provide a designed maximum value in cases where the single-year consolidated ordinary profit margin is 50% or more and the consolidated ordinary profit margin for 4 cumulative years is 20% or more.

Table 1: Base amount of base remuneration for each position\*1

Unit: thousands of yen (amounts less than one thousand yen are rounded down)

Executive Officer position	Base amount	Director add-on amount*2	Representative add-on amount	COO add-on amount	CEO add-on amount*3
Executive Officer, Chairman	56,100				
Executive Officer, President	53,400				
Executive Officer, Vice President	43,800	2,100	6,900	9,900	7,200
Senior Managing Executive Officer	37,500				
Managing Executive Officer	32,400				
Executive Officer	22,200				

Common to Table 1 and Table 2

\*1: A role-specific amount is added to the base amount set for each position.

\*2: Added when an Executive Officer also serves concurrently as a Director.

\*3: The CEO add-on amount is not added when the CEO serves concurrently as the COO.

Table 2 Single-year index coefficient

Single-year consolidated ordinary profit margin*4	Single-year index coefficient
Less than 5%	0
5% or more	0.50 or more*5

\*4: Single-year consolidated ordinary profit margin (%) = single-year consolidated ordinary profit ÷ consolidated sales x 100

\*5: Single-year consolidated ordinary profit margin (%) x 0.1 (rounded down to the third decimal place)

Table 3 Cumulative index coefficient

Consolidated ordinary profit margin for 4 cumulative years*6	Cumulative index coefficient
Less than 20%	1.0
20% or more	1.5

\*6: Consolidated ordinary profit margin for 4 cumulative years = accumulated consolidated ordinary profit for the last four years ÷ accumulated annual consolidated sales for the last four years

Table 4 Individual evaluation bonus: qualitative evaluation coefficient

Individual evaluation	Qualitative evaluation coefficient
S	3.5
A	2.5
B+	2.0
B	1.5
C	1.0
D – F	0



Table 5 Maximum profit-linked bonus by position

Unit: thousands of yen (amounts less than one thousand yen are rounded down)

Position	Representation rights	Concurrent position as Director	Upper limit
Executive Officer, Chairman	Yes	Yes	216,900 <sup>*7</sup>
Executive Officer, Chairman	No	Yes	174,600
Executive Officer, President	Yes	Yes	216,900 <sup>*8</sup>
Executive Officer, Vice President	Yes	Yes	158,400
Executive Officer, Vice President	No	Yes	137,700
Senior Managing Executive Officer	No	Yes	118,800
Senior Managing Executive Officer	No	No	112,500
Managing Executive Officer	No	Yes	103,500
Managing Executive Officer	No	No	97,200
Executive Officer	No	Yes	72,900
Executive Officer	No	No	66,600

<sup>\*7</sup>: With concurrent position as CEO

<sup>\*8</sup>: With concurrent position as COO

II. Individual evaluation bonus  
 Calculation method

The amount of bonus is calculated according to the coefficient derived from the individual’s qualitative evaluation and the company’s performance, using the above-mentioned formula for calculating officer bonuses (rounded to the nearest thousand yen). Unlike profit-linked bonuses, which are based solely on performance evaluation indicators, individual evaluation bonuses reflect an eight-level qualitative evaluation of each Executive Officer (including those who concurrently serve as Directors). The base amount of the individual evaluation bonus by position is calculated by multiplying the amount calculated according to the base remuneration in Table 1 by 0.1.

Points to note:

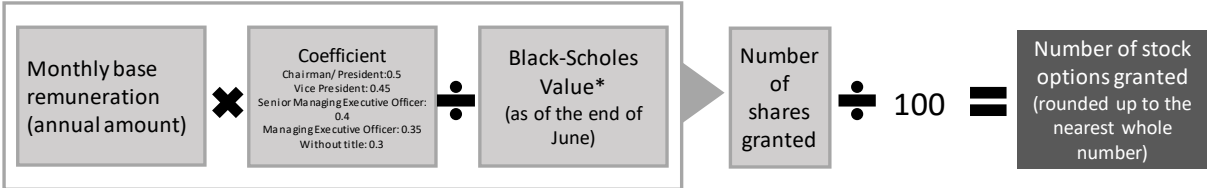
- An individual evaluation bonus will not be paid when the qualitative evaluation is in the bottom three levels.
  - An individual evaluation bonus will not be paid when performance is poor. (Targeting a single-year consolidated ordinary profit margin of less than 5%)
- The total amount of individual evaluation bonuses is limited to 630 million yen.

(iii) Conventional stock options

Conventional stock options are positioned as medium-term incentives, with a base amount set for each position and exercisable for six years from two years after being granted.

(iv) Share remuneration-type stock options

Share remuneration-type stock options are positioned as long-term incentives and are exercisable only after retirement (but for 20 years from the grant date). Note that the number of stock options granted to each Executive Officer (including those who concurrently serve as Directors) for both conventional stock options and share remuneration-type stock options is calculated based on the formula on the next page.



\*Fair option value of share options calculated based on the option evaluation theory at the time when the share options were issued.

- (e) Authority to determine the policy concerning determining the amount of remuneration for officers or the method for calculating this amount
- Matters such as remuneration of the Company’s officers are decided by the Compensation Committee. The Compensation Committee consists of one Chairman and at least two committee members, and is chaired by an Outside Director. Committee members and the Chairman are appointed by a resolution passed by the Directors. Currently, there are three members: two Outside Directors and one Representative Executive Officer, President. The Compensation Committee met a total of six times in fiscal year 2023. Details of the committee’s activities are as follows.

Date held	Details of deliberations and resolutions passed
April 2023	<ul style="list-style-type: none"> <li>- Passed a resolution on individual Executive Officers' bonuses to be paid for fiscal year 2022 (paid in June 2023)</li> <li>- Passed a resolution on the method for calculating the Executive Officers' bonuses for fiscal year 2023</li> <li>- Deliberated changes in upper limits of profit-linked and individual evaluation bonuses for each Executive Officer</li> <li>- Deliberated a proposal on individual monthly compensation of Directors and Executive Officers, beginning July 2023</li> <li>- Passed a resolution on remuneration for advisors, beginning July 2023</li> <li>- Reported on an officer notice regarding acquisition rights to issued shares after stock split</li> <li>- Passed a resolution on a change in the Compensation Committee office</li> </ul>
June 2023	<ul style="list-style-type: none"> <li>- Passed a resolution on individual monthly compensation of Directors and Executive Officers from July 2023</li> <li>- Passed a resolution on changes in upper limits of profit-linked and individual evaluation bonuses for each Executive Officer</li> </ul>
July 2023	<ul style="list-style-type: none"> <li>- Passed a resolution on the number of conventional stock options to be granted to each individual Executive Officer</li> <li>- Passed a resolution to determine the details of conventional stock options</li> <li>- Passed a resolution on the number of share remuneration-type stock options to be granted to each of the Executive Officers</li> <li>- Passed a resolution to determine the details of the share remuneration-type stock options</li> <li>- Reported on commencement of the first period to exercise share remuneration-type stock options</li> </ul>
September 2023	<ul style="list-style-type: none"> <li>- Deliberated introduction of restricted stock-based remuneration</li> </ul>
October 2023	<ul style="list-style-type: none"> <li>- Received an explanation on the latest status of the environment for management executive compensation and comparison of compensation levels at other firms from Willis Towers Watson (WTW), a major foreign consulting firm</li> </ul>
January 2024	<ul style="list-style-type: none"> <li>- Passed a resolution on introduction of restricted stock-based remuneration and design of system</li> </ul>

(f) Process for determining remuneration

The Compensation Committee confirmed that the method of determining the details of compensation, etc. for each individual Director for the current fiscal year and the details of compensation, etc. passed by resolution are consistent with the Company's policy on officer remuneration, and has judged that they are in line with the above-mentioned policy.

## Consolidated Balance Sheet

(As of March 31, 2024)

(In millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
<b>Current assets</b>	<b>386,945</b>	<b>Current liabilities</b>	<b>148,715</b>
Cash and deposits	215,486	Notes and accounts payable - trade	7,748
Notes receivable - trade	3,565	Electronically recorded obligations - operating	28,481
Accounts receivable - trade	43,242	Income taxes payable	19,463
Merchandise and finished goods	28,858	Contract liabilities	48,467
Work in process	35,365	Provision for bonuses	31,055
Raw materials and supplies	50,768	Provision for product warranties	1,621
Other	9,776	Asset retirement obligations	32
Allowance for doubtful accounts	(116)	Other	11,844
<b>Non-current assets</b>	<b>163,678</b>	<b>Non-current liabilities</b>	<b>781</b>
<b>Property, plant and equipment</b>	<b>147,451</b>	Asset retirement obligations	565
Buildings and structures, net	89,000	Other	215
Machinery, equipment and vehicles, net	15,245		
Tools, furniture and fixtures, net	1,675	<b>Total liabilities</b>	<b>149,497</b>
Land	27,271	<b>Net Assets</b>	
Construction in progress	14,258	<b>Shareholders' equity</b>	<b>391,917</b>
<b>Intangible assets</b>	<b>261</b>	<b>Share capital</b>	<b>21,838</b>
<b>Investments and other assets</b>	<b>21,399</b>	<b>Capital surplus</b>	<b>23,826</b>
Investment securities	3,346	<b>Retained earnings</b>	<b>346,293</b>
Deferred tax assets	14,044	<b>Treasury shares</b>	<b>(41)</b>
Retirement benefit asset	1,112	<b>Accumulated other comprehensive income</b>	<b>13,310</b>
Other	2,895	Valuation difference on available-for-sale securities	365
		Foreign currency translation adjustment	12,936
		Remeasurements of defined benefit plans	8
		<b>Share acquisition rights</b>	<b>1,136</b>
		<b>Non-controlling interests</b>	<b>195</b>
		<b>Total net assets</b>	<b>406,560</b>
<b>Total assets</b>	<b>556,058</b>	<b>Total liabilities and net assets</b>	<b>556,058</b>

Note: Figures are rounded down to the nearest million yen.

## Consolidated Statements of Income

( From April 1, 2023  
to March 31, 2024 )

(In millions of yen)

Item	Amount	
<b>Net sales</b>		<b>307,554</b>
<b>Cost of sales</b>		<b>98,912</b>
<b>Gross profit</b>		<b>208,642</b>
<b>Selling, general and administrative expenses</b>		<b>87,151</b>
<b>Operating profit</b>		<b>121,490</b>
<b>Non-operating income</b>		
Interest income	79	
Share of profit of entities accounted for using equity method	141	
Rental income	205	
Subsidy income	1,031	
Other	390	1,848
<b>Non-operating expenses</b>		
Foreign exchange losses	889	
Depreciation	37	
Commission expenses	5	
Other	12	946
<b>Ordinary profit</b>		<b>122,393</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	11	11
<b>Extraordinary losses</b>		
Loss on sale and retirement of non-current assets	71	
Impairment losses	7,530	
Extra retirement payments	25	
Demolition cost	202	7,829
<b>Profit before income taxes</b>		<b>114,576</b>
Income taxes - current	35,005	
Income taxes - deferred	(4,641)	30,364
<b>Profit</b>		<b>84,211</b>
Profit attributable to non-controlling interests		5
<b>Profit attributable to owners of parent</b>		<b>84,205</b>

Note: Figures are rounded down to the nearest million yen.

## Consolidated Statement of Changes in Equity

( From April 1, 2023  
to March 31, 2024 )

(In millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	21,681	23,670	293,209	(32)	338,528
Changes during period					
Issuance of new shares	156	156			312
Dividends of surplus			(31,121)		(31,121)
Profit attributable to owners of parent			84,205		84,205
Purchase of treasury shares				(8)	(8)
Net changes of items other than shareholders' equity					
Total changes during period	156	156	53,084	(8)	53,389
Balance at end of period	21,838	23,826	346,293	(41)	391,917

(In millions of yen)

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	98	8,196	(23)	8,270	997	245	348,041
Changes during period							
Issuance of new shares							312
Dividends of surplus							(31,121)
Profit attributable to owners of parent							84,205
Purchase of treasury shares							(8)
Net changes of items other than shareholders' equity	267	4,740	32	5,040	139	(50)	5,129
Total changes during period	267	4,740	32	5,040	139	(50)	58,519
Balance at end of period	365	12,936	8	13,310	1,136	195	406,560

Note: Figures are rounded down to the nearest million yen.

## Balance Sheet

(As of March 31, 2024)

(In millions of yen)

<b>Assets</b>		<b>Liabilities</b>	
Item	Amount	Item	Amount
<b>Current assets</b>	<b>337,976</b>	<b>Current liabilities</b>	<b>129,584</b>
Cash and deposits	187,968	Notes payable - trade	124
Notes receivable - trade	2,890	Electronically recorded obligations - operating	28,279
Accounts receivable - trade	27,653	Accounts payable - trade	7,395
Merchandise and finished goods	24,683	Accounts payable - other	7,660
Work in process	35,000	Accrued expenses	1,823
Raw materials and supplies	50,499	Income taxes payable	17,868
Other	9,283	Contract liabilities	41,069
Allowance for doubtful accounts	(3)	Provision for bonuses	23,372
<b>Non-current assets</b>	<b>151,083</b>	Provision for product warranties	653
<b>Property, plant and equipment</b>	<b>131,344</b>	Asset retirement obligations	32
Buildings	78,697	Other	1,304
Structures	1,246	<b>Non-current liabilities</b>	<b>274</b>
Machinery and equipment	10,481	Asset retirement obligations	140
Vessels	0	Other	134
Vehicles	44	<b>Total liabilities</b>	<b>129,858</b>
Tools, furniture and fixtures, net	946	<b>Net Assets</b>	
Land	26,028	<b>Shareholders' equity</b>	<b>358,064</b>
Construction in progress	13,898	<b>Share capital</b>	<b>21,838</b>
<b>Intangible assets</b>	<b>196</b>	<b>Capital surplus</b>	<b>23,826</b>
Patent right	5	Legal capital surplus	22,920
Software	162	Other capital surplus	906
Other	28	<b>Retained earnings</b>	<b>312,440</b>
<b>Investments and other assets</b>	<b>19,542</b>	Legal retained earnings	594
Investment securities	10	Other retained earnings	311,845
Shares of subsidiaries and associates	1,691	Reserve for tax purpose reduction entry of non-current assets	607
Investments in capital of subsidiaries and associates	1,271	General reserve	16,970
Prepaid pension cost	1,093	Retained earnings brought forward	294,267
Deferred tax assets	13,072	<b>Treasury shares</b>	<b>(41)</b>
Other	2,407	<b>Share acquisition rights</b>	<b>1,136</b>
Allowance for doubtful accounts	(3)	<b>Total net assets</b>	<b>359,201</b>
<b>Total assets</b>	<b>489,059</b>	<b>Total liabilities and net assets</b>	<b>489,059</b>

Note: Figures are rounded down to the nearest million yen.

## Statements of Income

( From April 1, 2023  
to March 31, 2024 )

(In millions of yen)

Item	Amount	
<b>Net sales</b>		<b>256,295</b>
<b>Cost of sales</b>		<b>91,654</b>
<b>Gross profit</b>		<b>164,641</b>
<b>Selling, general and administrative expenses</b>		<b>61,976</b>
<b>Operating profit</b>		<b>102,665</b>
<b>Non-operating income</b>		
Interest income	29	
Dividend income	14,519	
Foreign exchange gains	3,007	
Subsidy income	622	
Other	468	18,648
<b>Non-operating expenses</b>		
Depreciation	26	
Other	5	32
<b>Ordinary profit</b>		<b>121,281</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	3	3
<b>Extraordinary losses</b>		
Loss on sale and retirement of non-current assets	52	
Impairment losses	7,530	
Extra retirement payments	24	
Demolition cost	202	7,809
<b>Profit before income taxes</b>		<b>113,474</b>
Income taxes - current	30,254	
Income taxes - deferred	(3,803)	26,450
<b>Profit</b>		<b>87,024</b>

Note: Figures are rounded down to the nearest million yen.



## Statement of Changes in Equity

( From April 1, 2023  
to March 31, 2024 )

(In millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings
Balance at beginning of period	21,681	22,763	906	23,670	594
Changes during period					
Issuance of new shares	156	156		156	
Dividends of surplus					
Profit					
Reversal of reserve for tax purpose reduction entry of non-current assets					
Purchase of treasury shares					
Net changes of items other than shareholders' equity					
Total changes during period	156	156	-	156	-
Balance at end of period	21,838	22,920	906	23,826	594

(In millions of yen)

	Shareholders' equity						Share acquisition rights	Total net assets
	Retained earnings				Treasury shares	Total shareholders' equity		
	Other retained earnings			Total retained earnings				
	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward					
Balance at beginning of period	643	16,970	238,329	256,537	(32)	301,856	997	302,853
Changes during period								
Issuance of new shares						312		312
Dividends of surplus			(31,121)	(31,121)		(31,121)		(31,121)
Profit			87,024	87,024		87,024		87,024
Reversal of reserve for tax purpose reduction entry of non-current assets	(35)		35	-		-		-
Purchase of treasury shares					(8)	(8)		(8)
Net changes of items other than shareholders' equity							139	139
Total changes during period	(35)	-	55,938	55,903	(8)	56,207	139	56,347
Balance at end of period	607	16,970	294,267	312,440	(41)	358,064	1,136	359,201

Note: Figures are rounded down to the nearest million yen.