

FY2024 Q2

DISCO's Tidbits

November 2024

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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.

- ✓ Demand for power semiconductors seems to have hit a lull as the shift to EV is slowing down.
- ✓ Equipment shipment for generative AI is expected to stay high in the next quarter as well (amount is not disclosed).
- ✓ Equipment demand for mass production (logic, memory) has not fully recovered.
- ✓ OSAT investment trends vary by region.
- ✓ There are no significant changes in the competitive environment.

Composition Ratio of All Equipment (Shipment Basis)



Composition ratio of all equipment (Shipment Basis)

		FY24		(Forecast)
		Apr-Jun	Jul-Sep	Oct-Dec
Customer	OSAT	Slightly less than 30%	30%	20%
Application	Memory *	Slightly more than 30%	35%	30%
	Power	20%	20%	Slightly less than 20%
	Si	5%	Slightly less than 10%	-
	SiC	15%	Slightly more than 10%	-

* Including generative AI related

■ Actual results

- July–September, record-high GPM

High value-added projects and a decrease in fixed costs contributed to the results.

■ Profit plan (Fundamental way of thinking is the same as before)

- October–December (forecast), QoQ: approx. -4 to -5p

*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.
- There are no negative factors although a detailed profit plan for individual cases has not been calculated.

- Actual: 26.5 billion yen

Performance-based expenses increased compared to the plan (within expectations)

- Forecast: 27.0 billion yen

We will continue to proactively carry out R&D.

In addition, we have changed the provision timing for performance-based expenses.

Therefore, SG&A is expected to increase next quarter.

*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 at the Haneda R&D Center (Investment amount: Approx. 13 billion yen, from FY25)
→CAPEX level is expected to increase next fiscal year.
- ✓ Facility investment amount increased due to purchase of 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. 32 billion yen | Due to an increase in personnel and development themes (slight revision made to the previous forecast) |

These materials

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.

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