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Securities Code No. 6146
June 7, 2021

To: Shareholders

Kazuma Sekiya, President, CEO and COO
DISCO CORPORATION
2-13-11 Omori-Kita, Ota-ku, Tokyo

Notice for the 82nd General Shareholders Meeting

We are pleased to announce that the 82nd General Shareholders Meeting for DISCO CORPORATION (the “Company”) will be held as described below.

From the standpoint of preventing the spread of the novel coronavirus disease (COVID-19), this year we strongly request that shareholders make all efforts to exercise their voting rights in advance either in writing or via the internet, etc. and refrain from attending the meeting in person regardless of their personal state of health.

Please review the attached reference materials for the general shareholders meeting before placing your votes.

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 Monday, June 28, 2021 (Japan Standard Time).

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

Please go to our designated voting website (<https://evote.tr.mufg.jp/>) and use the “login id” and “password” included 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 Monday, June 28, 2021 (Japan Standard Time).

- 1. Date & Time:** Tuesday, June 29, 2021, at 10:00 a.m. (Japan Standard Time)
(Reception desk will open at 9:00 a.m.)
(Please note that the time of the meeting is different from that of last year.)
- 2. Place:** DISCO Corporation Head Office and R&D Center
2-13-11 Omori-Kita, Ota-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 Board of Corporate Auditors on the consolidated financial statements for the 82nd fiscal year (from April 1, 2020 to March 31, 2021)
2. Financial statements for the 82nd fiscal year (from April 1, 2020 to March 31, 2021)

Matters to be Resolved

- | | |
|-------------------|--|
| Proposal 1 | Appropriation of Retained Earnings |
| Proposal 2 | Election of Five Directors |
| Proposal 3 | Election of One Corporate Auditor |
| Proposal 4 | Amendment of Amount of Remuneration Related to Stock Options for Directors and Determination of Specific Details |

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- ◎ In accordance with relevant laws and regulations and Article 15 of the Company's Articles of Incorporation, the items listed below are posted on the Company website (<https://www.disco.co.jp/jp/ir/stock/meeting.html>; in Japanese only) and therefore not described in the attached documents of this notice for the general shareholders meeting.

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 Corporate Auditors wrote the audit report and when the Accounting Auditor wrote the accounting audit report.

- ◎ If any part of the reference materials for the general shareholders meeting, business report, consolidated financial statements, and/or financial statements requires modification or revision, notification of such will be made on the Company 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:

¥561 per share of the Company's common stock

Total distribution: ¥20,226,636,771

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

June 30, 2021

<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	¥116	25% of the consolidated first-half net income
Year-end dividend	¥561	
Portion of performance-based dividends	¥156	25% of the consolidated second-half net income
Portion of additional dividends	¥405	One-third of the excess amount (See reference information on P13)
Annual dividend	¥677	
Dividend payout ratio (consolidated)	62.4%	

Proposal 2 Election of Five Directors

The terms of office for all six Directors expire at the close of this General Shareholders Meeting. Therefore, it is proposed that five Directors be elected.

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) Attendance at Board of Directors meetings: 100% (13/13)	<p>July 1989 Joined the Company</p> <p>Apr. 1994 General Manager of Engineering Development Department, PS Division of the Company</p> <p>June 1995 Director, Deputy General Manager of PS Division of the Company</p> <p>July 1998 Vice President of PS Company of the Company</p> <p>July 2002 Managing Director of the Company</p> <p>Apr. 2003 President of PS Company of the Company</p> <p>Apr. 2009 Representative Director, President, and General Manager of Engineering R&D Division of the Company (current position)</p> <p>(Key concurrent posts) None</p> <p>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.</p>	700,000 shares

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
2 Reappointment	Noboru Yoshinaga (August 23, 1957) Attendance at Board of Directors meetings: 100% (13/13)	<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, Sales Division of the Company (current position)</p> <p>June 2019 Senior Managing Director, 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</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>	3,100 shares

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
3 Reappointment	Takao Tamura (September 16, 1955) Attendance at Board of Directors meetings: 100% (13/13)	<p>Apr. 1977 Joined the Company</p> <p>June 1995 Director of the Company</p> <p>July 1997 Acting General Manager of Corporate Support Division and General Manager of General Affairs Department of the Company</p> <p>Apr. 1999 General Manager of Corporate Support Division of the Company (current position)</p> <p>June 2011 Managing Director of the Company (current position)</p> <p>Sept. 2011 General Manager of Human Resource Department, Corporate Support Division of the Company</p> <p>Jan. 2018 General Manager of General Affairs Department, Corporate Support Division of the Company (current position)</p> <p>(Key concurrent posts) Representative Director of KKM INVESTMENT Co., Ltd. Representative Director of DISCO Asset Management Corporation</p> <p>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.</p>	2,000 shares

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
4 Reappointment Outside Director Independent Officer	Ichiro Inasaki (April 3, 1941) Attendance at Board of Directors meetings: 100% (13/13)	<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. (current position)</p> <p>(Key concurrent posts) Outside Director of Sodick Co., Ltd.</p> <p>Reasons for nomination as a candidate for Outside Director and expected roles, etc.: Mr. Ichiro Inasaki has specialized knowledge in the business fields of the Company, as well as a deep understanding of the business lineup. 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. Although he has not been involved in the management of a company other than as an outside officer, due to the aforementioned reasons, the Company expects that after his election as Outside Director, he will provide appropriate and beneficial suggestions and advice regarding management from an objective and expert perspective.</p>	0 shares

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
5 Reappointment Outside Director Independent Officer	Shinichi Tamura (March 30, 1944) Attendance at Board of Directors meetings: 100% (13/13)	<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)</p> <p>Director and Head of the Laboratory of NBL Technovator Co., Ltd.</p> <p>Reasons for nomination as a candidate for Outside Director and expected roles, etc.: Mr. Shinichi Tamura has advanced academic knowledge in technical fields related to the products of the Company, as well as a deep understanding of the manufacturing technologies of the Company. Therefore, he can use his depth of insight to strengthen the Company's business. Furthermore, the Company has nominated him as a candidate for Outside Director since he has experience as a business manager. The Company expects that after his election as Outside Director of the Company, he will provide appropriate and beneficial suggestions and advice regarding management from an objective and expert perspective.</p>	0 shares

- Notes:
1. There are no special interests between the candidates and the Company.
 2. Mr. Ichiro Inasaki and Mr. Shinichi Tamura are candidates for the position of Outside Director.
 3. Mr. Ichiro Inasaki is currently an Outside Director of the Company. His term of office will be eight years at the close of this General Shareholders Meeting.
 4. Mr. Shinichi Tamura is currently an Outside Director of the Company. His term of office will be six years at the close of this General Shareholders Meeting.
 5. The Company has registered Mr. Ichiro Inasaki and Mr. Shinichi Tamura as independent officers based on the regulations of the Tokyo Stock Exchange. If Mr. Ichiro Inasaki and Mr. Shinichi Tamura are reappointed, the Company intends for them to continue acting as independent officers.
 6. 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 25, in Japanese only). If the election of a candidate for Director is approved, they will continue to be included as an insured person under the above-mentioned insurance.

Proposal 3 Election of One Corporate Auditor

The term of office of the Corporate Auditor Tsutomu Mimata expires at the close of this General Shareholders Meeting. Therefore, it is proposed that one Corporate Auditor be elected.

This proposal has the agreement of the Board of Corporate Auditors.

The candidate for Corporate Auditor is as follows.

Name (Date of birth)	Career History, Title	Number of Company Shares Owned
<p>Tsutomu Mimata (June 14, 1944) Reappointment Outside Corporate Auditor Independent Officer</p> <p>Attendance at Board of Directors meetings: 100% (13/13)</p> <p>Attendance at Board of Corporate Auditors meetings: 100% (14/14)</p>	<p>Apr. 1963 Joined Hitachi, Ltd.</p> <p>Feb. 1989 Seconded to Hitachi Tokyo Electronics Co., Ltd.</p> <p>Feb. 1993 Joined Hitachi Tokyo Electronics Co., Ltd.</p> <p>Feb. 1999 Retired from Hitachi Tokyo Electronics Co., Ltd.</p> <p>Mar. 1999 Joined Shinkawa Ltd.</p> <p>June 2001 Director of Shinkawa Ltd.</p> <p>June 2004 Managing Director of Shinkawa Ltd.</p> <p>June 2008 Resigned as Managing Director of Shinkawa Ltd.</p> <p>June 2008 Advisor of Shinkawa Ltd.</p> <p>June 2009 Permanent Corporate Auditor for the Company (current position)</p> <p>(Key concurrent posts) None</p>	0 shares
	<p>Reasons for nomination as a candidate for Outside Corporate Auditor: In addition to his experience at a customer of the Company, he has also served as an officer at other companies. He also has deep insight and operational expertise in the technical field surrounding the Company's business, and is therefore a valuable asset to the Company as a Corporate Auditor. Utilizing this experience and these skills, he has sufficiently fulfilled the role expected of him by the Company over the long period in his current position. When looking at all Outside Corporate Auditors a team, it is made up of members who maintain a balance between length of term of office and the traits and background that the Company seeks, and Mr. Mimata is an essential member of this team. He is also a member of the Nomination and Compensation Advisory Committee and is the chairman of the Representative Director Evaluation Committee, and contributes to Company management by serving as the representative of the outside officers. The Company has nominated him as a candidate for Outside Corporate Auditor so that he can continue to supervise management as a whole and offer effective advice and remarks.</p>	

- Notes:
1. There are no special interests between the candidate and the Company.
 2. Mr. Tsutomu Mimata is currently an Outside Corporate Auditor of the Company. His term of office will be 12 years at the close of this General Shareholders Meeting.
 3. The Company has registered Mr. Tsutomu Mimata as an independent officer based on the regulations of the Tokyo Stock Exchange. If Mr. Tsutomu Mimata is reappointed, the Company intends for him to continue acting as an independent officer.
 4. 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 25, in Japanese only). If the election of a candidate for Corporate Auditor is approved, they will continue to 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.

Proposal 4 Amendment of Amount of Remuneration Related to Stock Options for Directors and Determination of Specific Details

At the 67th General Shareholders Meeting held on June 23, 2006, a proposal was approved to establish the upper limit of remuneration paid to Directors of the Company (excluding Outside Director; hereinafter the “Eligible Directors,” applicable for the rest of this proposal) as ¥160,000,000 a year as a result of setting off remuneration claim they hold against the Company in lieu of the obligation to pay the amount for the share acquisition rights issued as stock options. These share acquisition rights were intended to provide Eligible Directors with mid-to-long term incentives and enhance their morale and motivation to improve business performance.

In order to further enhance the Eligible Directors’ morale and motivation to improve business performance, the Company seeks to amend this upper limit on remuneration to “¥300,000,000 or less a year.”

Within the remuneration of “¥300,000,000 or less a year” as described above, there are two types of share acquisition rights that are paid to be offset by the remuneration claim held against the Company. The Company proposes the below specific details, based on the provisions of the Companies Act enforced on March 1, 2021.

If Proposal 2 is approved as proposed, there will be three Eligible Directors.

[Conventional stock options]

(1) Monetary amount to be paid upon exercising share acquisition rights

The amount equal to at least the share price of one share of common stock of the Company around the day before the grant date.

(2) Period during which the share acquisition rights are exercisable

As determined by the Board of Directors of the Company within the range of eight years from the grant date.

(3) Total number of share acquisition rights

The total number of share acquisition rights are limited to 800 each year (a year is defined as one year from the day of the General Shareholders Meeting for the current fiscal year to the General Shareholders Meeting for the next fiscal year; the same applies hereinafter).

(4) Class and number of shares to be issued upon exercise of the share acquisition rights

The class of shares to be issued upon exercise of the share acquisition rights shall be common stock of the Company. 100 shares will be issued upon exercise of each of the share acquisition rights.

(5) Issuance price of share acquisition rights

The price cannot be significantly lower than the share acquisition right fair option value calculated based on the option evaluation theory at the time the share acquisition right is issued.

(6) Total amount of issuance price of share acquisition rights

The amount of share acquisition right option value calculated based on the option evaluation theory at the time of issuance multiplied by the number of share acquisition rights issued in one fiscal year and the amount listed in [Share remuneration-type stock options] (6) below in total shall not exceed ¥300,000,000 a year.

(7) Conditions to exercise share acquisition rights

- (i) When exercising share acquisition rights, the holder must be in a position of Director, Operating Officer, or employee of the Company (including advisors and consultants), or a Director or employee of a subsidiary of the Company (including advisors and consultants). However, this does not apply if the holder leaves their position due to retirement from fulfilling their term of office, retirement from reaching the retirement age, or other reasons deemed appropriate. Furthermore, if a holder who has currently transferred into the Company or a subsidiary of the Company from a company other than the Company or a subsidiary of the Company is recalled to their original

employer, the holder will lose their position as a Director, Operating Officer, or employee of the Company or as Director or employee of a subsidiary of the Company. If a holder who retires from the Company due to fulfilling their term of office or reaching the retirement age is rehired as an employee of the Company or a subsidiary of the Company, they will not be treated as having lost their position as Director, Operating Officer, or employee of the Company, or as Director or employee of a subsidiary of the Company.

- (ii) If the holder commits an act that violates laws and regulations, or internal Company rules (included but not limited to cases of holders receiving a guilty verdict for criminal acts, bearing liability for damage against the Company according to Article 423, paragraph (1) of the Companies Act, being dismissed, or receiving a disciplinary dismissal), if a holder takes a position as a director, auditor, employee, contractor, advisor, or consultant for a company in competition with the Company, or if there is another reasonable reason for not exercising the share acquisition rights to the holder for the purposes of the issuance of the share acquisition rights, the holder will be unable to exercise share acquisition rights after that point in time.
 - (iii) Other conditions to exercise share acquisition rights correspond to the share acquisition right allocation contract.
- (8) Restriction on transfer of share acquisition rights
- The transfer of share acquisition rights shall be subject to approval by the Board of Directors of the Company. However, this does not prevent the Company from establishing other restrictions on transfer of share acquisition rights in the share acquisition right allocation contract.
- (9) Other matters regarding share acquisition rights
- Details of (1) to (8) above and other specifics related to share acquisition rights shall be determined at the Board of Directors meeting to decide items for subscription of share acquisition rights.

[Share remuneration-type stock options]

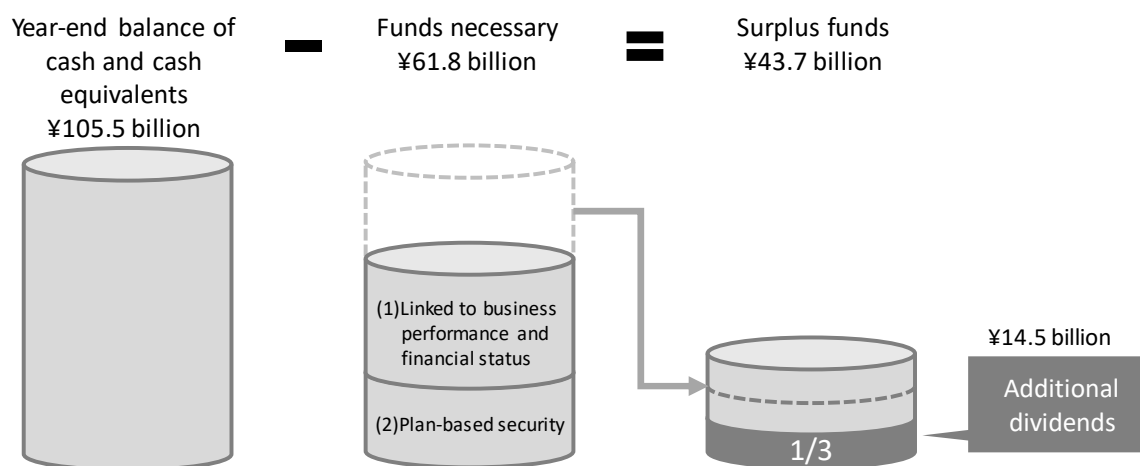
- (1) Monetary amount to be paid upon exercising share acquisition rights
- ¥1 per share.
- (2) Period during which the share acquisition rights are exercisable
- As determined by the Board of Directors of the Company within the range of 20 years from the grant date.
- (3) Total number of share acquisition rights
- Limited to 200 a year.
- (4) Class and number of shares to be issued upon exercise of the share acquisition rights
- The class of shares to be issued upon exercise of the share acquisition rights shall be common stock of the Company. 100 shares will be issued upon exercise of each of the share acquisition right.
- (5) Issuance price of share acquisition rights
- The price cannot be significantly lower than the share acquisition right fair option value at the time the share acquisition right is issued calculated based on the option evaluation theory.
- (6) Total amount of issuance price of share acquisition rights
- The amount of share acquisition right option value at the time of issuance calculated based on the option evaluation theory multiplied by the number of share acquisition rights issued in one fiscal year and the amount listed in [Conventional stock options] (6) above in total shall not exceed ¥300,000,000 a year.
- (7) Conditions to exercise share acquisition rights
- (i) Holders may exercise share acquisition rights only after retiring from a position of Director or Operating Officer of the Company (does not apply for situations in which a Director or Operating Officer is reelected, or if an Operating Officer retires to be appointed as a Director, or if a Director retires to be appointed as an Operating Officer).

- (ii) If the holder commits an act that violates laws and regulations, or internal Company rules (included but not limited to cases of holders receiving a guilty verdict for criminal acts, bearing liability for damage against the Company according to Article 423, paragraph (1) of the Companies Act, or being dismissed), if a holder takes a position as a director, auditor, employee, contractor, advisor, or consultant for a company in competition with the Company, or if there is another reasonable reason for not exercising the share acquisition rights to the holder for the purposes of the issuance of the share acquisition rights, the holder will be unable to exercise share acquisition rights after that point in time.
 - (iii) Other conditions to exercise share acquisition rights correspond to the share acquisition right allocation contract.
- (8) Restriction on transfer of share acquisition rights
- The transfer of share acquisition rights shall be subject to approval by the Board of Directors of the Company. However, this does not prevent the Company from establishing other restrictions on transfer of share acquisition rights in the share acquisition right allocation contract.
- (9) Other matters regarding share acquisition rights
- Details of (1) to (8) above and other specifics related to share acquisition rights shall be determined at the Board of Directors meeting to decide items for the subscription of share acquisition rights.

Reference

1. 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)	¥30.5 billion	Funds for repaying long-term interest-bearing debt	—
	Reserve fund for technology purchases (including M&As) (Average consolidated net sales for the past 3 years × 10%)	¥15.0 billion	Taxes, dividends, etc.	¥9.6 billion
(2)	Funds for facility extensions (D-Zone, Kuwabata Plant, etc.)	¥6.7 billion		

* For the year-end balance of cash and cash equivalents, a portion of the defined payment obligation as of the end of the fiscal year is deducted.

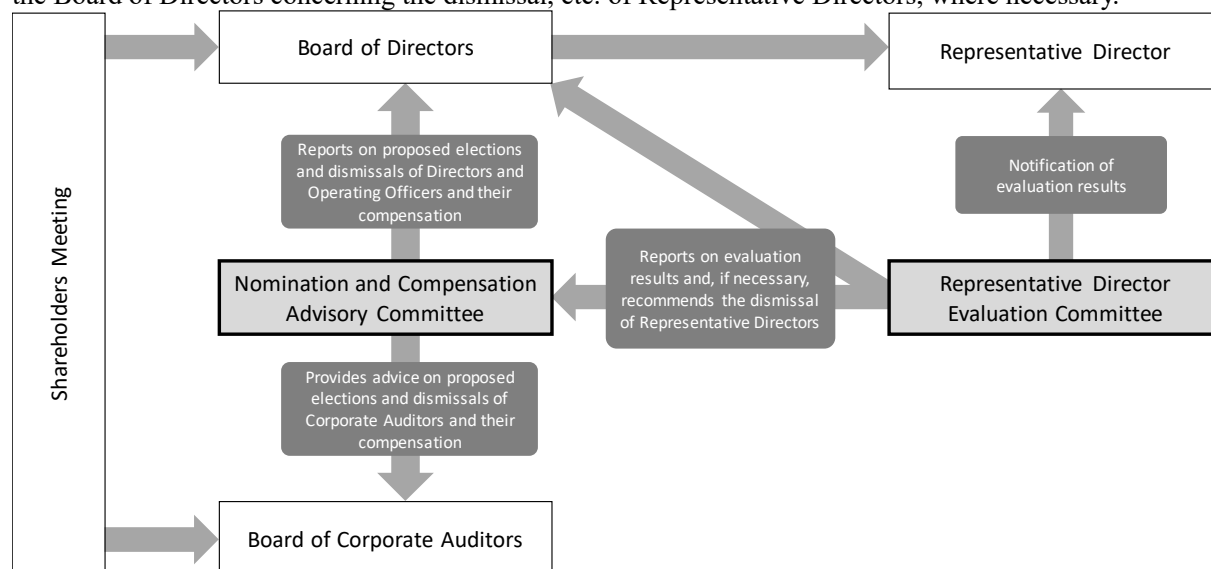
2. Nomination and Compensation Advisory Committee

The Nomination and Compensation Advisory Committee is composed of five members - the Representative Director and President, two Outside Directors, one Outside Corporate Auditor, and one person with the experience of being a Director. As an advisory body to the Board of Directors, it reviews proposed elections and dismissals of each of the candidates for Directors and Operating Officers and their compensation, and reports its findings to the Board of Directors. It also advises the Board of Corporate Auditors on proposed elections and dismissals of each of the candidates for Corporate Auditors and their compensation.

3. Representative Director Evaluation Committee

The Representative Director Evaluation Committee is composed of six members – two Outside Directors and four Outside Corporate Auditors (three of who also serve on the Nomination and Compensation Advisory Committee). The Representative Director Evaluation Committee evaluates the adequateness of the execution of business activities by Representative Directors.

It evaluates core management policies and business performance, etc. of Representative Directors up to the previous fiscal year, notifies Representative Directors of the evaluation results, and reports said results to the Nomination and Compensation Advisory Committee and the Board of Directors so that they can be reported at the first meeting of the Board of Directors held in December, after the end of the fiscal year. Furthermore, it provides recommendations to the Nomination and Compensation Advisory Committee and the Board of Directors concerning the dismissal, etc. of Representative Directors, where necessary.



4. 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 or independent Outside Corporate Auditor.

- (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

Consolidated Balance Sheet

(As of March 31, 2021)

(In millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	208,108	Current liabilities	75,927
Cash and deposits	109,809	Notes and accounts payable - trade	6,336
Notes and accounts receivable - trade	33,173	Electronically recorded obligations - operating	16,121
Merchandise and finished goods	18,605	Income taxes payable	12,539
Work in process	15,998	Sales deposits	17,518
Raw materials and supplies	21,142	Provision for bonuses	15,110
Other	9,453	Provision for bonuses for directors (and other officers)	181
Allowance for doubtful accounts	(75)	Provision for product warranties	705
Non-current assets	120,918	Other	7,413
Property, plant and equipment	108,448	Non-current liabilities	746
Buildings and structures, net	62,333	Asset retirement obligations	283
Machinery, equipment and vehicles, net	10,837	Other	463
Tools, furniture and fixtures, net	841	Total liabilities	76,674
Land	17,034	Net Assets	
Construction in progress	17,401	Shareholders' equity	248,482
Intangible assets	283	Share capital	21,424
Investments and other assets	12,186	Capital surplus	23,412
Investment securities	2,491	Retained earnings	203,677
Deferred tax assets	6,225	Treasury shares	(31)
Retirement benefit asset	844	Accumulated other comprehensive income	2,720
Other	2,642	Valuation difference on available-for-sale securities	599
Allowance for doubtful accounts	(17)	Foreign currency translation adjustment	2,218
		Remeasurements of defined benefit plans	(97)
		Share acquisition rights	937
		Non-controlling interests	212
Total assets	329,026	Total net assets	252,352
		Total liabilities and net assets	329,026

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

Consolidated Statements of Income

(From April 1, 2020
to March 31, 2021)

(In millions of yen)

Item	Amount	
Net sales		182,857
Cost of sales		75,973
Gross profit		106,883
Selling, general and administrative expenses		53,776
Operating profit		53,106
Non-operating income		
Interest income	45	
Share of profit of entities accounted for using equity method	289	
Rental income	126	
Subsidy income	355	
Other	272	1,088
Non-operating expenses		
Sales discounts	55	
Foreign exchange losses	446	
Depreciation	54	
Other	10	566
Ordinary profit		53,629
Extraordinary income		
Gain on sales of non-current assets	21	21
Extraordinary losses		
Loss on sales and retirement of non-current assets	55	
Loss on valuation of investment securities	19	
Extra retirement payments	141	216
Profit before income taxes		53,434
Income taxes - current	15,131	
Income taxes - deferred	(844)	14,286
Profit		39,147
Profit attributable to non-controlling interests		56
Profit attributable to owners of parent		39,091

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

Consolidated Statement of Changes in Equity

(From April 1, 2020
to March 31, 2021)

(In millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,793	22,781	181,239	(29)	224,785
Changes of items during period					
Issuance of new shares	630	630			1,260
Dividends of surplus			(16,653)		(16,653)
Profit attributable to owners of parent			39,091		39,091
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					
Total changes of items during period	630	630	22,438	(1)	23,697
Balance at end of current period	21,424	23,412	203,677	(31)	248,482

(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 current period	368	366	18	754	1,212	138	226,890
Changes of items during period							
Issuance of new shares							1,260
Dividends of surplus							(16,653)
Profit attributable to owners of parent							39,091
Purchase of treasury shares							(1)
Net changes of items other than shareholders' equity	230	1,851	(116)	1,966	(275)	73	1,764
Total changes of items during period	230	1,851	(116)	1,966	(275)	73	25,462
Balance at end of current period	599	2,218	(97)	2,720	937	212	252,352

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

Balance Sheet

(As of March 31, 2021)

(In millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	167,348	Current liabilities	57,597
Cash and deposits	78,775	Notes payable - trade	85
Notes receivable - trade	735	Electronically recorded obligations - operating	15,987
Accounts receivable - trade	26,112	Accounts payable - trade	5,941
Merchandise and finished goods	16,296	Accounts payable - other	4,680
Work in process	15,855	Accrued expenses	941
Raw materials and supplies	20,998	Income taxes payable	10,641
Other	8,576	Sales deposits	5,575
Allowance for doubtful accounts	(3)	Provision for bonuses	12,247
Non-current assets	109,208	Provision for bonuses for directors (and other officers)	181
Property, plant and equipment	96,477	Provision for product warranties	316
Buildings	54,109	Other	998
Structures	1,115	Non-current liabilities	134
Machinery and equipment	7,159	Total liabilities	57,731
Vessels	0	Net Assets	
Vehicles	44	Shareholders' equity	217,887
Tools, furniture and fixtures, net	531	Share capital	21,424
Land	16,290	Capital surplus	23,412
Construction in progress	17,225	Legal capital surplus	22,505
Intangible assets	219	Other capital surplus	906
Patent right	10	Retained earnings	173,082
Software	166	Legal retained earnings	594
Other	42	Other retained earnings	172,487
Investments and other assets	12,511	Reserve for advanced depreciation of non-current assets	722
Investment securities	29	General reserve	16,970
Shares of subsidiaries and associates	1,591	Retained earnings brought forward	154,795
Investments in capital of subsidiaries and associates	1,271	Treasury shares	(31)
Prepaid pension cost	983	Share acquisition rights	937
Deferred tax assets	6,263	Total net assets	218,824
Other	2,371	Total liabilities and net assets	276,556
Total assets	276,556		

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

Statements of Income

(From April 1, 2020
to March 31, 2021)

(In millions of yen)

Item	Amount	
Net sales		153,290
Cost of sales		71,765
Gross profit		81,525
Selling, general and administrative expenses		42,282
Operating profit		39,243
Non-operating income		
Interest income	14	
Dividend income	3,439	
Foreign exchange gains	481	
Subsidy income	181	
Other	427	4,544
Non-operating expenses		
Sales discounts	18	
Depreciation	50	
Other	1	70
Ordinary profit		43,717
Extraordinary income		
Gain on sales of non-current assets	17	17
Extraordinary losses		
Loss on sales and retirement of non-current assets	45	
Loss on valuation of investment securities	0	
Extra retirement payments	132	177
Profit before income taxes		43,557
Income taxes - current	12,286	
Income taxes - deferred	(1,689)	10,597
Profit		32,959

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

Statement of Changes in Equity

(From April 1, 2020
to March 31, 2021)

(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 current period	20,793	21,875	906	22,781	594
Changes of items during period					
Issuance of new shares	630	630		630	
Dividends of surplus					
Profit					
Reversal of reserve for advanced depreciation of non-current assets					
Purchase of treasury shares					
Net changes of items other than shareholders' equity					
Total changes of items during period	630	630	—	630	—
Balance at end of current period	21,424	22,505	906	23,412	594

(In millions of yen)

	Shareholders' equity						Share acquisition rights	Total net assets
	Retained earnings				Treasury shares	Total share-holders' equity		
	Other retained earnings			Total retained earnings				
	Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward					
Balance at beginning of current period	768	16,970	138,443	156,775	(29)	200,321	1,212	201,533
Changes of items during period								
Issuance of new shares						1,260		1,260
Dividends of surplus			(16,653)	(16,653)		(16,653)		(16,653)
Profit			32,959	32,959		32,959		32,959
Reversal of reserve for advanced depreciation of non-current assets	(45)		45	—		—		—
Purchase of treasury shares					(1)	(1)		(1)
Net changes of items other than shareholders' equity							(275)	(275)
Total changes of items during period	(45)	—	16,352	16,306	(1)	17,565	(275)	17,290
Balance at end of current period	722	16,970	154,795	173,082	(31)	217,887	937	218,824

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