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Securities Code No. 6146
June 7, 2022

To: Shareholders

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

Notice for the 83rd General Shareholders Meeting

We are pleased to announce that the 83rd 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 Tuesday June 28, 2022 (Japan Standard Time).

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 Tuesday June 28, 2022 (Japan Standard Time).

- 1. Date & Time:** Wednesday, June 29, 2022, at 10:00 a.m. (Japan Standard Time)
(Reception desk will open at 9:00 a.m.)
- 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 83rd fiscal year (from April 1, 2021 to March 31, 2022)
2. Financial statements for the 83rd fiscal year (from April 1, 2021 to March 31, 2022)

Matters to be Resolved

- | | |
|-------------------|---|
| Proposal 1 | Appropriation of Retained Earnings |
| Proposal 2 | Partial Amendments to the Articles of Incorporation |
| Proposal 3 | Election of Ten Directors |

◎ 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:

¥609 per share of the Company's common stock

Total distribution: ¥21,979,285,629

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

June 30, 2022

<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	¥199	25% of the consolidated first-half net income
Year-end dividend	¥609	25% of the consolidated second-half net income
Portion of performance-based dividends	¥261	
Portion of additional dividends	¥348	One-third of the excess amount (See reference information on P28)
Annual dividend	¥808	
Dividend payout ratio (consolidated)	44.0%	

Proposal 2 Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

(1) Transition to a Company with Three Committees

The Company proposes to transition to a Company with Three Committees to ensure appropriate and prompt decision-making by execution and to strengthen the supervisory function by the Board of Directors. Accordingly, required changes will be made including the establishment of provisions related to the Nominating Committee, Compensation Committee, Audit Committee, and Executive Officers, and the deletion of provisions related to Corporate Auditors and Board of Corporate Auditors.

(2) Exemption of Directors, etc. from liability

Article 32 (Exemption of Directors, etc. from Liability) in “Proposed Amendments” shall be newly established to provide that Directors and Executive Officers may be exempted from liability to the extent provided in laws and regulations by a resolution of the Board of Directors and that liability limitation agreements may be concluded with Directors who are not Executive Directors, etc., so that they can fulfill their expected roles.

The newly established Article 32 (Exemption of Directors, etc. from Liability) in “Proposed Amendments” has the agreement of each Corporate Auditor.

(3) Organizational body to determine Dividends of Surplus, etc.

To ensure a flexible dividend policy, Article 36 (Year-end Dividend) and Article 37 (Interim Dividend) of the current Articles of Incorporation shall be amended to enable Dividends of Surplus, etc. by resolution of the Board of Directors in accordance with the provisions of Article 459, paragraph 1 of the Companies Act.

(4) Introduction of measures for providing reference materials for the General Shareholders Meeting, etc. in electronic format

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation for the introduction of a system for providing informational materials for the General Shareholders Meeting in electronic format.

- (i) Article 15 (Measures, etc. for Providing Information in Electronic Format), paragraph 1 in “Proposed Amendments” below shall be newly established, as the Articles of Incorporation are required to stipulate that the Company shall take measures for providing information that constitutes the content of reference materials for the General Shareholders Meeting, etc. in electronic format.
- (ii) Among items for which the measures for providing information that constitutes the content of reference materials for the General Shareholders Meeting, etc. in electronic format will be taken, Article 15 (Measures, etc. for Providing Information in Electronic Format), paragraph 2 in “Proposed Amendments” below shall be newly established to enable the scope of the matters to be included in the document to be delivered to shareholders who have requested document delivery to be limited to the scope prescribed by the Ministry of Justice Order.
- (iii) With the introduction of the system for providing informational materials for the General Shareholders Meeting in electronic format, as the provisions for Article 15 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Materials for the General Shareholders Meeting, Etc.) will no longer be required, they will be deleted.
- (iv) Supplementary provisions regarding the enforcement of the aforementioned establishment and deletion of provisions will be established. These supplementary provisions shall be deleted after the fixed date.

(5) Other

In accordance with the above amendments, the chapter and article numbers shall change.

2. Amendment details

Detailed information regarding the amendments is as follows. The amendments to the Articles of Incorporation pertaining to this proposal shall take effect at the conclusion of this General Shareholders Meeting.

(Underlined portions indicate amendments.)

Current Articles of Incorporation	Proposed Amendments
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 1 to Article 3 (Text omitted) (Organs) Article 4. The Company shall have, in addition to the General Shareholders Meeting and Directors, the following organs: (1) Board of Directors (2) <u>Corporate Auditors</u> (3) <u>Board of Corporate Auditors</u> (4) Accounting Auditor Article 5. (Text omitted)	Article 1 to Article 3 (Unchanged) (Organs) Article 4. <u>As a Company with Three Committees</u> the Company shall have, in addition to the General Shareholders Meeting and Directors, the following organs: (1) Board of Directors (2) <u>Nominating Committee, Compensation Committee, and Audit Committee</u> (3) <u>Executive Officers</u> (4) Accounting Auditor Article 5. (Unchanged)
Chapter 2 Shares	Chapter 2 Shares
Article 6 to Article 11 (Text omitted)	Article 6 to Article 11 (Unchanged)
Chapter 3 General Shareholders Meeting	Chapter 3 General Shareholders Meeting
Article 12 to Article 13 (Text omitted) (Convener and Chairmanship) Article 14. 1. <u>The Director and President shall convene</u> General Shareholders Meetings <u>and chair the meetings.</u> 2. <u>In cases where the Director and President is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall do so.</u> <u>(Internet Disclosure and Deemed Provision of Reference Materials for the General Shareholders Meeting, Etc.)</u> Article 15. <u>When the Company convenes a General Shareholders Meeting, if it discloses information that is to be stated or presented in the reference materials for the general shareholders meeting, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u>	Article 12 to Article 13 (Unchanged) (Convener and Chairmanship) Article 14. 1. <u>The Director appointed by the Board of Directors in advance shall convene</u> General Shareholders Meetings. 2. <u>The General Shareholders Meeting shall be chaired by the Director appointed by the Board of Directors in advance. In cases where the Director is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene a General Shareholders Meeting and chair the meeting.</u> (Deleted)

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>(Newly established)</p> <p>Article 16. (Text omitted) (Proxy Voting)</p> <p>Article 17. Every shareholder may exercise his/her votes by having one other shareholder <u>with voting rights</u> act as a proxy on his/her behalf. In this case, a document evidencing the proxy's authority to represent must be submitted <u>at each general meeting</u>.</p>	<p><u>(Measures, etc. for Providing Information in Electronic Format)</u> <u>Article 15.</u></p> <p><u>1. When the Company convenes a General Shareholders Meeting, it shall take measures for providing information that constitutes the content of reference materials for the General Shareholders Meeting, etc. in electronic format.</u></p> <p><u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p> <p>Article 16. (Unchanged) (Proxy Voting)</p> <p>Article 17. Every shareholder may exercise his/her votes by having one other shareholder <u>of the Company with voting rights</u> act as a proxy on his/her behalf. In this case, a document evidencing the proxy's authority to represent must be submitted <u>at each General Shareholders Meeting</u>.</p>
Chapter 4 Directors and Board of Directors	Chapter 4 Directors and Board of Directors
<p>Article 18 to Article 19 (Text omitted) (Term of Office)</p> <p>Article 20.</p> <p>1. The term of office of a Director shall expire at the conclusion of the General Shareholders Meeting for the last business year out of the business years terminating within <u>two</u> years after the election of the Director.</p> <p>2. (Text omitted)</p> <p>(Directors With Special Titles)</p> <p><u>Article 21. The Board of Directors may appoint, by its resolution, one Director and President and, where necessary, one or a small number of Director and Chairmen, one or a small number of Director and Vice Chairmen, one or a small number of Director and Vice Presidents, one or a small number of Senior Managing Directors, and one or a small number of Managing Directors.</u></p> <p><u>(Representative Director)</u></p> <p><u>Article 22. The Board of Directors shall appoint representative Director(s) by its resolution.</u></p> <p>(Convener and Chairmanship <u>of Meeting of the Board of Directors</u>)</p> <p>Article <u>23</u>.</p> <p>1. Unless otherwise provided for by laws and regulations, the <u>Director and President shall convene meetings</u> of the Board of Directors and <u>chair the meetings</u>.</p>	<p>Article 18 to Article 19 (Unchanged) (Term of Office)</p> <p>Article 20.</p> <p>1. The term of office of a Director shall expire at the conclusion of the General Shareholders Meeting for the last business year out of the business years terminating within <u>one</u> year after the election of the Director.</p> <p>2. (Unchanged) (Deleted)</p> <p>(Deleted)</p> <p>(Convener and Chairmanship)</p> <p>Article <u>21</u>.</p> <p>1. Unless otherwise provided for by laws and regulations, the <u>Director appointed by the Board of Directors in advance shall convene</u> meetings of the Board of Directors.</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>2. In the case a Director and Chairman who is a Representative Director (hereinafter “Director and Chairman”) is appointed, the Director and Chairman shall convene and chair the meetings regardless of the preceding paragraph. However, this shall not apply in cases where the Director and Chairman is prevented from so acting.</u></p> <p><u>3. In cases where the Director and President is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene and chair the meeting.</u></p>	<p>(Deleted)</p> <p><u>2. The Board of Directors shall be chaired by the Director appointed by the Board of Directors in advance. In cases where the Director is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene and chair the meeting.</u></p>
<p>(Convocation)</p> <p>Article <u>24.</u></p> <p>1. When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director <u>and Corporate Auditor</u> at least <u>four</u> days before the day of the meeting. However, this period may be reduced in case of an urgent need to convene the meeting.</p> <p>2. With the consent of all Directors <u>and Corporate Auditors</u>, a meeting of the Board of Directors may be held without following the convening procedures.</p>	<p>(Convocation)</p> <p>Article <u>22.</u></p> <p>1. When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director at least <u>three</u> days before the day of the meeting. However, this period may be reduced in case of an urgent need to convene the meeting.</p> <p>2. With the consent of all Directors, a meeting of the Board of Directors may be held without following the convening procedures.</p>
<p>(Resolutions)</p> <p>Article <u>25.</u></p> <p>1. Resolutions of the Board of Directors shall be adopted by a majority of the Directors present at a meeting where a majority of the Directors who can participate in voting are present.</p> <p>2. If <u>all Directors</u> agree in writing or electronically <u>to the matters to be resolved by the Board of Directors, the Company shall deem</u> that the Board of Directors has made a decision to approve the resolution of the applicable matter. <u>However, this shall not apply if the Corporate Auditors object.</u></p>	<p>(Resolutions)</p> <p>Article <u>23.</u></p> <p>1. (Unchanged)</p> <p>2. <u>Notwithstanding the provisions of the preceding paragraph, in the event that a Director proposes a matter with the aim of resolution by the Board of Directors, and all of the Directors (limited to those who can participate in voting on the matter) agree in writing or electronically, it shall be deemed</u> that the Board of Directors has made a decision to approve the resolution of the applicable matter.</p>
<p>(Newly established)</p>	<p>(Regulations of the Board of Directors)</p> <p><u>Article 24. Matters concerning the Board of Directors shall be governed by the Regulations of the Board of Directors established by the Board of Directors, in addition to applicable laws and regulations and these Articles of Incorporation.</u></p>
<p>(Remuneration, Etc.)</p> <p>Article <u>26. Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties (hereinafter referred to as the “Remuneration, Etc.”) to Directors shall be determined by resolution of a General Shareholders Meeting.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<u>Chapter 5 Corporate Auditors and Board of Corporate Auditors</u>	(Deleted)
<p><u>(Number of Corporate Auditors and Method of Election)</u> <u>Article 27.</u></p> <ol style="list-style-type: none"> <li data-bbox="261 376 767 499">1. <u>The Company shall have not more than five (5) Corporate Auditors and the Corporate Auditors shall be elected at the General Shareholders Meeting.</u> <li data-bbox="261 506 767 689">2. <u>Resolutions on the election of a Corporate Auditor shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</u> <li data-bbox="261 696 767 913">3. <u>Pursuant to the provisions of Article 329, paragraph 3 of the Companies Act, a substitute Corporate Auditor may be elected at a General Shareholders Meeting to fill a vacant position should the number of corporate auditors fall below the number required by laws and regulations.</u> <li data-bbox="261 920 767 1104">4. <u>The period of validity for the resolution relating to the election of a substitute Corporate Auditor provided in the preceding paragraph shall be until the start of the General Shareholders Meeting relating to the last fiscal year to terminate within four years after the resolution.</u> 	(Deleted)
<p><u>(Term of Office)</u> <u>Article 28.</u></p> <ol style="list-style-type: none"> <li data-bbox="261 1173 767 1328">1. <u>The term of office of a Corporate Auditor shall expire at the conclusion of the General Shareholders Meeting for the last business year out of the business years terminating within four years after the election of the Corporate Auditor.</u> <li data-bbox="261 1335 767 1776">2. <u>The term of office for a Corporate Auditor elected as the substitute for a Corporate Auditor who retired from office before the expiration of their term of office shall continue until the time the term of office of the Corporate Auditor who retired from office is to expire. However, in cases where the substitute Corporate Auditors appointed in accordance with paragraph 3 of the preceding Article assumed their office as Corporate Auditor, their tenure shall not continue after the completion of the General Shareholders Meeting related to the last business year that ends within four years from the time of their appointment as substitute Corporate Auditors.</u> 	(Deleted)
<p><u>(Permanent Corporate Auditor)</u> <u>Article 29. The Board of Corporate Auditors shall appoint Permanent Corporate Auditor(s) by its resolution.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Convocation)</u> <u>Article 30.</u> 1. <u>When convening a meeting of the Board of Corporate Auditors, a notice shall be dispatched to each Corporate Auditor at least four days before the day of the meeting. However, this period may be reduced in case of an urgent need to convene the meeting.</u> 2. <u>With the consent of all Corporate Auditors, a meeting of the Board of Corporate Auditors may be held without following the convening procedures.</u></p> <p><u>(Resolutions)</u> <u>Article 31. Unless otherwise provided for by laws and regulations, resolutions of the Board of Corporate Auditors shall be adopted by a majority of the Corporate Auditors.</u></p> <p><u>(Remuneration, Etc.)</u> <u>Article 32. The Remuneration, Etc. to Corporate Auditors shall be determined by resolution of a General Shareholders Meeting.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>
(Newly established)	<u>Chapter 5 Nominating Committee, Compensation Committee, and Audit Committee</u>
<p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p><u>(Selection Method of Committee Members)</u> <u>Article 25.</u> 1. <u>Members of the Nominating Committee, Compensation Committee, and Audit Committee shall be selected from among the Directors by resolution of the Board of Directors.</u> 2. <u>The Chairman for each committee shall be selected by resolution of the Board of Directors.</u></p> <p><u>(Regulations of the Committees)</u> <u>Article 26. Matters concerning each committee shall be governed by the regulations of each committee established by the Board of Directors, in addition to applicable laws and regulations, these Articles of Incorporation, and Regulations of the Board of Directors.</u></p>
(Newly established)	<u>Chapter 6 Executive Officers</u>
<p>(Newly established)</p> <p>(Newly established)</p>	<p><u>(Election)</u> <u>Article 27. Executive Officers shall be selected by resolution of the Board of Directors.</u></p> <p><u>(Term of Office)</u> <u>Article 28. The term of office of an Executive Officer shall expire at the conclusion of the first convened meeting of the Board of Directors after concluding the General Shareholders Meeting for the last business year out of the business years terminating within one year after the election of the Executive Officer.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>(Newly established)</p>	<p><u>(Representative Executive Officers and Executive Officers in Positions of Responsibilities)</u> <u>Article 29.</u> 1. <u>Representative Executive Officer(s) shall be selected from the Executive Officers by resolution of the Board of Directors.</u> 2. <u>One President and Executive Officer and, where necessary, Executive Officer(s) in Positions of Responsibilities may be selected from the Executive Officers by resolution of the Board of Directors.</u></p>
Chapter 6 Accounting Auditor	Chapter 7 Accounting Auditor
Article 33 to Article 34 (Text omitted)	Article 30 to Article 31 (Unchanged)
(Newly established)	<u>Chapter 8 Exemption from Liability</u>
<p>(Newly established)</p> <p>(Newly established)</p>	<p><u>(Exemption of Directors, etc. from Liability)</u> <u>Article 32.</u> 1. <u>Pursuant to the provisions of Article 426, paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt a Director (including a person who was formerly a Director) or Executive Officer (including a person who was formerly an Executive Officer) from liability for damages under Article 423, paragraph 1 of the same Act to the extent permitted by laws and regulations where the Director or Executive Officer has acted in good faith and without gross negligence.</u> 2. <u>Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company may enter into an agreement with a Director who is not an executive director, etc. limiting his/her liability for damages pursuant to Article 423, paragraph 1 of the same Act; provided, however, that the maximum liability for damages under such agreement shall be the minimum liability amount as prescribed by laws and regulations.</u></p>
Chapter 7 Accounts	Chapter 9 Accounts
<p>Article 35. (Text omitted) <u>(Year-end Dividend)</u> <u>Article 36. The Company may, by resolution of a General Shareholders Meeting, pay Dividends of Surplus (hereinafter "Year-end Dividends") to shareholders or registered share pledgees listed or recorded in the final shareholders' list as of March 31 of each year.</u> <u>(Interim Dividend)</u> <u>Article 37. The Company may, by resolution of the Board of Directors, pay Dividends of Surplus provided for in Article 454, paragraph 5 of the Companies Act (hereinafter "Interim Dividends") to shareholders or registered share pledgees listed or recorded in the final shareholders' list as of September 30 of each year.</u></p>	<p>Article 33. (Unchanged) (Deleted)</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p><u>(Prescription for Payment of Year-end Dividends, etc.)</u> <u>Article 38.</u></p> <p><u>1. In cases where Year-end Dividends and Interim Dividends have not been received after the lapse of three full years from the date of commencement of payment, the Company shall be exempt from the obligation to pay such dividends.</u></p> <p><u>2. No interest shall be paid on unpaid Year-end Dividends and Interim Dividends.</u></p>	<p><u>(Organizational Body to Determine Dividends of Surplus, Etc.)</u> <u>Article 34. Unless otherwise provided for by laws and regulations, the Company may, by resolution of the Board of Directors, determine Dividends of Surplus and other matters set forth in the items of Article 459, paragraph 1 of the Companies Act.</u></p> <p><u>(Record Date for Dividends of Surplus)</u> <u>Article 35.</u></p> <p><u>1. The record date for Year-end Dividends of the Company shall be March 31 of each year.</u></p> <p><u>2. The record date for Interim Dividends of the Company shall be September 30 of each year.</u></p> <p><u>(Prescription for Payment of Dividends)</u> <u>Article 36.</u></p> <p><u>1. In cases where the dividend property is monetary and the dividends have not been received after the lapse of three full years from the date of commencement of payment thereof, the Company shall be exempt from the obligation to pay such dividends.</u></p> <p><u>2. No interest shall be paid on unpaid dividend property.</u></p>
<p>(Newly established)</p>	<p><u>Supplementary Provisions</u></p>
<p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p><u>1. The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Materials for the General Shareholders Meeting, Etc.) in the pre-amended Articles of Incorporation and the establishment of the new Article 15 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from September 1, 2022, the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the pre-amended Articles of Incorporation shall remain effective regarding any General Shareholders Meeting held on a date within six months from the Date of Enforcement.</u></p> <p><u>3. These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the General Shareholders Meeting in the preceding paragraph, whichever is later.</u></p>

Proposal 3 Election of Ten Directors

The Company will transition from a Company with a Board of Corporate Auditors to a Company with Three Committees subject to approval of Proposal 2 “Partial Amendments to the Articles of Incorporation.” Accordingly, the terms of office for all five Directors and four Corporate Auditors expire at the close of this General Shareholders Meeting. Therefore, it is proposed that ten Directors including seven Outside 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) Male 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) Representative Director and President of DISCO Manufacturing Corporation</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. In addition, under the new system, he will be involved as a member of the Nominating Committee and Compensation Committee, representing the Company’s executive side in making decisions regarding personnel of Directors and Executive Officers and on the officer compensation system.</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) Male 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>June 2021 General Manager of Global Sales Department 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>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) Male 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>Aug. 2002 General Manager of Accounting Department of Corporate Support Division of the Company</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</p> <p>(Key concurrent posts) None</p> <hr/> <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>	1,000 shares

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
<p style="text-align: center;">4 Reappointment</p> <p style="text-align: center;">Outside Director</p> <p style="text-align: center;">Independent Officer</p>	<p style="text-align: center;">Ichiro Inasaki (April 3, 1941) Male</p> <p>Attendance at Board of Directors meetings: 100% (13/13)</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. (current position)</p> <p>(Key concurrent posts) Outside Director of Sodick Co., Ltd.</p> <hr/> <p>Reasons for nomination as a candidate for Outside Director and expected roles, etc.:</p> <p>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> <p>In addition, under the new system, he is expected to be the Chairman of the Nominating Committee and Compensation Committee and be involved in an objective and neutral position in making decisions regarding selecting officer candidates and on the officer compensation system.</p>	<p style="text-align: center;">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>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> <hr/> <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. In addition, under the new system, he is expected to be a member of the Nominating Committee and Compensation Committee and be involved in an objective and neutral position in making decisions regarding selecting officer candidates.</p>	<p>0 shares</p>

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
<p>6 New election</p> <p>Outside Director</p> <p>Independent Officer</p>	<p>Tsutomu Mimata (June 14, 1944) Male</p> <p>Attendance at Board of Directors meetings (as Corporate Auditor): 100% (13/13)</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 Outside Corporate Auditor of the Company (current position)</p> <p>(Key concurrent posts) None</p> <hr/> <p>Reasons for nomination as a candidate for Outside Director and expected roles, etc.:</p> <p>Mr. Tsutomu Mimata worked in developing manufacturing equipment and process development as an engineer at a major semiconductor manufacturer, and later served as an executive at Shinkawa Ltd., a semiconductor packaging equipment manufacturer. The Company has nominated him as a candidate for Outside Director since he is a rare management talent who has both profound technical knowledge and management experience.</p> <p>In the semiconductor manufacturing process, he was involved in the development and commercialization of the production line at Hitachi, Ltd., including the dicing process, and he is familiar with dicing equipment, which is our main product. During his time at Shinkawa Ltd., he deepened his knowledge of equipment, manufacturing, sales, and purchasing, as well as equipment development for die bonding and wire bonding processes. Using his broad insight, he has provided suggestions and advice on the direction of R&D and technology management from an independent and objective perspective at meetings of the Company's Board of Directors and managerial committee, and has fully fulfilled the roles expected of him by the Company. He is also the Chairman of the Representative Director Evaluation Committee comprised completely of outside officers, contributes to Company management of the outside officers, and after his election, he is expected to continue to supervise management as a whole and offer effective advice.</p> <p>Under the new system, he is expected to be involved in auditing the execution of duties of Executive Officers and Directors and determining Accounting Auditors as the chairman of the Audit Committee and full-time Audit Committee member. In addition, he is expected to serve as the chairman of the Representative Executive Officer Evaluation Committee (currently the Representative Director Evaluation Committee) comprised completely of Outside Directors and evaluate the business activities of the Representative Executive Officer across the board.</p>	<p>0 shares</p>

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
<p>7 New election</p> <p>Outside Director</p> <p>Independent Officer</p>	<p>Tadao Takayanagi (March 28, 1952) Male</p> <p>Attendance at Board of Directors meetings (as Corporate Auditor): 100% (13/13)</p>	<p>Apr. 1974 Joined The Sanwa Bank, Limited (now MUFG Bank, Ltd.)</p> <p>Oct. 1979 Retired from The Sanwa Bank, Limited Joined the Ministry of Foreign Affairs</p> <p>Feb. 1980 Embassy of Japan in Venezuela</p> <p>Aug. 1982 Retired from the Ministry of Foreign Affairs Joined The Sanwa Bank, Limited (now MUFG Bank, Ltd.)</p> <p>July 2005 Retired from The Sanwa Bank, Limited</p> <p>July 2005 Operating Officer and Business Manager of the Zenitaka Corporation</p> <p>Mar. 2007 Retired from the Zenitaka Corporation</p> <p>June 2007 Permanent Outside Corporate Auditor of the Company (current position)</p> <p>(Key concurrent posts) None</p> <hr/> <p>Reasons for nomination as a candidate for Outside Director and expected roles, etc.:</p> <p>Mr. Tadao Takayanagi has long been active in the financial industry and has a wealth of insight regarding finance, accounting, and law. In the financial industry, he has been involved in investment banking, syndicate loan origination, and opening branches in numerous overseas locations such as Chile, Portugal, the UK, Spain, and China. In addition, he was nominated as a candidate for Outside Director based on his work experience at the Embassy of Japan in Venezuela and his knowledge of global business practices and country risks as well as his insight on finance. Based on this experience, in addition to his suggestions and comments at meetings of the Board of Directors and managerial committee, he has also provided suggestions and advice from an independent and objective perspective to the heads of overseas offices on country risks and business practice risks in Latin American countries at Affiliate Office Manager Meetings, and he is expected to continue to supervise management as a whole and offer effective advice.</p> <p>In addition, under the new system, he is expected to be involved in auditing the execution of duties of Executive Officers and Directors and determining Accounting Auditors as a full-time Audit Committee member.</p>	<p>0 shares</p>

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
<p>8 New election</p> <p>Outside Director</p> <p>Independent Officer</p>	<p>Yusei Yamaguchi (January 10, 1948) Male</p> <p>Attendance at Board of Directors meetings (as Corporate Auditor): 100% (13/13)</p>	<p>Apr. 1971 Joined The Sanwa Bank, Limited (now MUFG Bank, Ltd.)</p> <p>June 1999 Executive officer of The Sanwa Bank, Limited</p> <p>May 2002 Managing Executive Officer of UFJ Bank Limited (now MUFG Bank, Ltd.)</p> <p>June 2003 Resigned as Managing Executive Officer of UFJ Bank Limited</p> <p>June 2003 Representative Director and Vice President of Towa Real Estate Development Co., Ltd. (now Mitsubishi Jisho Residence Co., Ltd.)</p> <p>June 2009 Representative Director and Senior Managing Executive Officer of Unitika Ltd.</p> <p>June 2015 Outside Corporate Auditor of the Company (current position)</p> <p>June 2015 Outside Director of SHINNIHON CORPORATION (current position)</p> <p>(Key concurrent posts) Outside Director of SHINNIHON CORPORATION</p> <hr/> <p>Reasons for nomination as a candidate for Outside Director and expected roles, etc.: Mr. Yusei Yamaguchi has a wealth of insight regarding finance, accounting, and law based on his experience from participating in finance-related operations for many years. Furthermore, the Company has nominated him as a candidate for Outside Director since he has abundant experience and a wide range of knowledge including working as a representative director at two publicly traded companies. After his election, he is expected to continue to supervise management as a whole and offer effective advice. In addition, under the new system, he is expected to be involved in an objective and neutral position in auditing the execution of duties of Executive Officers and Directors and determining Accounting Auditors as an Audit Committee member.</p>	<p>0 shares</p>

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
<p>9 New election</p> <p>Outside Director</p> <p>Independent Officer</p>	<p>Kazuyoshi Tokimaru (March 28, 1959) Male</p> <p>Attendance at Board of Directors meetings (as Corporate Auditor): 100% (13/13)</p>	<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 & Supervisory Board Member of Minebea Co., Ltd. (now MinebeaMitsumi Inc.)</p> <p>June 2019 Outside Corporate Auditor of the Company (current position)</p> <p>(Key concurrent posts) None</p> <hr/> <p>Reasons for nomination as a candidate for Outside Director and 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 from participating in finance and legal-related operations for many years. After his election, he is expected to continue to supervise management as a whole and offer effective advice. In addition, under the new system, he is expected to be involved in an objective and neutral position in auditing the execution of duties of Executive Officers and Directors and determining Accounting Auditors as an Audit Committee member.</p>	<p>0 shares</p>

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
10 New election Outside Director Independent Officer	Noriko Oki (May 25, 1958) Female Attendance at Board of Directors meetings: 0 shares	<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>(Key concurrent posts) Outside Director of ALPS ALPINE CO., LTD.</p> <p>Reasons for nomination as a candidate for Outside Director and expected roles, etc.: The Company has nominated Noriko Oki as a candidate for Outside Director since, as a securities analyst, she has long been in charge of the semiconductor manufacturing equipment industry, to which the Company belongs, and the precision equipment industry, to which our customers belong, and she has a wealth of industry knowledge and deep insight regarding analyzing companies from various perspectives based on this knowledge. Although she has not been involved in the management of a company other than as an outside officer, the Company expects that after her election as Outside Director, she will provide appropriate and beneficial suggestions and advice regarding management from an objective and expert perspective. Under the new system, she is expected to be involved in an objective and neutral position in auditing the execution of duties of Executive Officers and Directors and determining Accounting Auditors as an Audit Committee member.</p>	0 shares

- Notes:
1. There are no special interests between the candidates and the Company.
 2. Mr. Ichiro Inasaki, Mr. Shinichi Tamura, Mr. Tsutomu Mimata, Mr. Tadao Takayanagi, Mr. Yusei Yamaguchi, Mr. Kazuyoshi Tokimaru and Ms. Noriko Oki are candidates for Outside Director.
 3. Mr. Ichiro Inasaki is currently an Outside Director of the Company. His term of office will be nine 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 seven years at the close of this General Shareholders Meeting.
 5. Mr. Tsutomu Mimata is currently an Outside Corporate Auditor of the Company. His term of office will be 13 years at the close of this General Shareholders Meeting.
 6. Mr. Tadao Takayanagi is currently an Outside Corporate Auditor of the Company. His term of office will be 15 years at the close of this General Shareholders Meeting.
 7. Mr. Yusei Yamaguchi is currently an Outside Corporate Auditor of the Company. His term of office will be seven years at the close of this General Shareholders Meeting.
 8. Mr. Kazuyoshi Tokimaru is currently an Outside Corporate Auditor of the Company. His term of office will be three years at the close of this General Shareholders Meeting.
 9. The Company has registered Mr. Ichiro Inasaki, Mr. Shinichi Tamura, Mr. Tsutomu Mimata, Mr. Tadao Takayanagi, Mr. Yusei Yamaguchi, and Mr. Kazuyoshi Tokimaru as independent officers based on the regulations of the Tokyo Stock Exchange. If each of these candidates is reappointed or elected, the Company intends for them to continue acting as independent officers.
- Furthermore, Ms. Noriko Oki satisfies the requirements to be an independent officer based on the regulations of the Tokyo Stock Exchange, and thus, should she be elected, the Company intends to register her as an independent officer with the exchange.

10. Pending the approval of Proposal 2 and this proposal, the Company intends to enter into an agreement with Mr. Ichiro Inasaki, Mr. Shinichi Tamura, Mr. Tsutomu Mimata, Mr. Tadao Takayanagi, Mr. Yusei Yamaguchi, Mr. Kazuyoshi Tokimaru, and Ms. Noriko Oki, 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 agreement shall be the minimum liability amount as prescribed in Article 425, paragraph 1 of the Companies Act.
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 42, 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.

Reference: Supplementary explanation regarding the independence of Mr. Tsutomu Mimata, Candidate No. 6 for Outside Director

Mr. Tsutomu Mimata has been a Permanent Outside Corporate Auditor for 13 years and has contributed to strengthening the governance of the Company.

Mr. Mimata's recent activities also demonstrate that he has made suggestions from an independent and objective perspective on the status of the execution of directors' duties, and he has played an expected role in ensuring the effectiveness of audits. In addition, after the transition to a Company with Three Committees the scope of audits by the Audit Committee will extend to audits of appropriateness in addition to audits of legality, and Mr. Mimata's deep insight and experience will be indispensable.

■ Main activities of Mr. Mimata

2018: Establishment of Representative Director Evaluation Committee

As a core member of the Representative Director Evaluation Committee, comprising completely of Outside Directors and Outside Corporate Auditors, a committee which evaluates the status of the execution of directors' duties of Representative Directors, Mr. Mimata was involved in establishing the Committee, and he planned the functions of the Committee and the method of evaluation of Representative Directors, and proactively established rules and regulations to enhance objectivity and transparency of these. In addition, he was appointed as the first Committee Chairman.

2019: Major advice to the Board of Directors

During the report on the status of technological development, Mr. Mimata offered advice on the need to work more proactively on new technologies. This revealed a difference in perception between the Representative Directors and Executive Directors, and between the Outside Directors and Outside Corporate Auditors regarding R&D. In response to this, it was decided to hold technical inspection meetings where Outside Directors and Outside Corporate Auditors hear explanations on the status of technological R&D, visit development sites directly, and confirm the status of the execution of directors' duties through direct dialogue with engineers. The Company believes these suggestions were conducive to improving the functions of the Board of Directors and Board of Corporate Auditors.

2020: Establishment of Standards for Representative Director Evaluation Committee

As the Chairman of the Representative Director Evaluation Committee, Mr. Mimata contributed to improving the effectiveness of the Committee by creating standards for the Committee including a provision that the Committee shall make strict recommendations that include resignation when a Representative Director's execution of duties is in doubt, by resolution of the Committee.

Reference

1. Transition to a Company with Three Committees

(1) Background of the transition

The Company values the enhancement of corporate governance as an important management issue and has worked to strengthen the governance system by establishing a voluntary Nomination and Compensation Advisory Committee and appointing one-third or more Outside Directors.

In addition, the Company believes that the mobility of business execution is important to quickly respond to rapidly growing social interest in sustainability management and changes in the business environment in a fast-paced high-tech industry.

Under these circumstances, we have decided to shift to a Company with Three Committees which enables faster decision-making, in order to respond to the mandate of the shareholders and stakeholders and to realize medium- to long-term improvement in corporate value.

(2) Purpose of the transition

- (i) Strengthening the supervisory function of the Board of Directors by separating supervision and execution
- (ii) Clarifying the authority and responsibility in business execution and promotion of flexible management
- (iii) Improving the transparency and objectivity of management through the statutory Nominating Committee, Compensation Committee, and Audit Committee
- (iv) Building a governance system with a global perspective

2. 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 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of Ten Directors” are 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	Tsutomu Mimata							✓		✓	
7	Tadao Takayanagi								✓		✓
8	Yusei Yamaguchi								✓		✓
9	Kazuyoshi Tokimaru								✓		✓
10	Noriko Oki								✓		✓

Note: Outside Directors are in gray on the table.

3. 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	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	Tsutomu Mimata	✓		✓	✓	✓			
7	Tadao Takayanagi	✓					✓	✓	
8	Yusei Yamaguchi	✓		✓			✓	✓	
9	Kazuyoshi Tokimaru	✓					✓	✓	✓
10	Noriko Oki		✓		✓		✓		✓

Note: Outside Directors are in gray on the table.

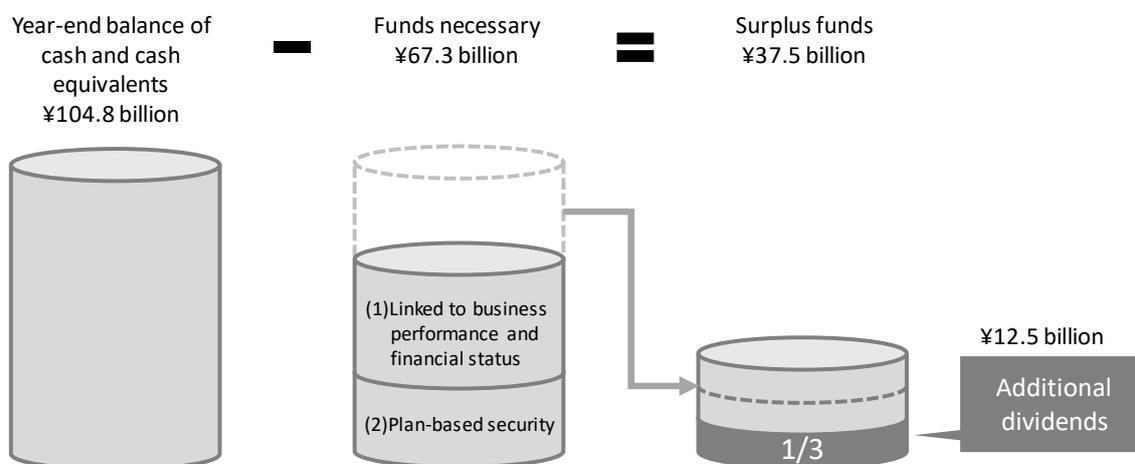
4. Independence Criteria

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.

- (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

5. Formula for calculating additional dividends

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



Breakdown of funds necessary

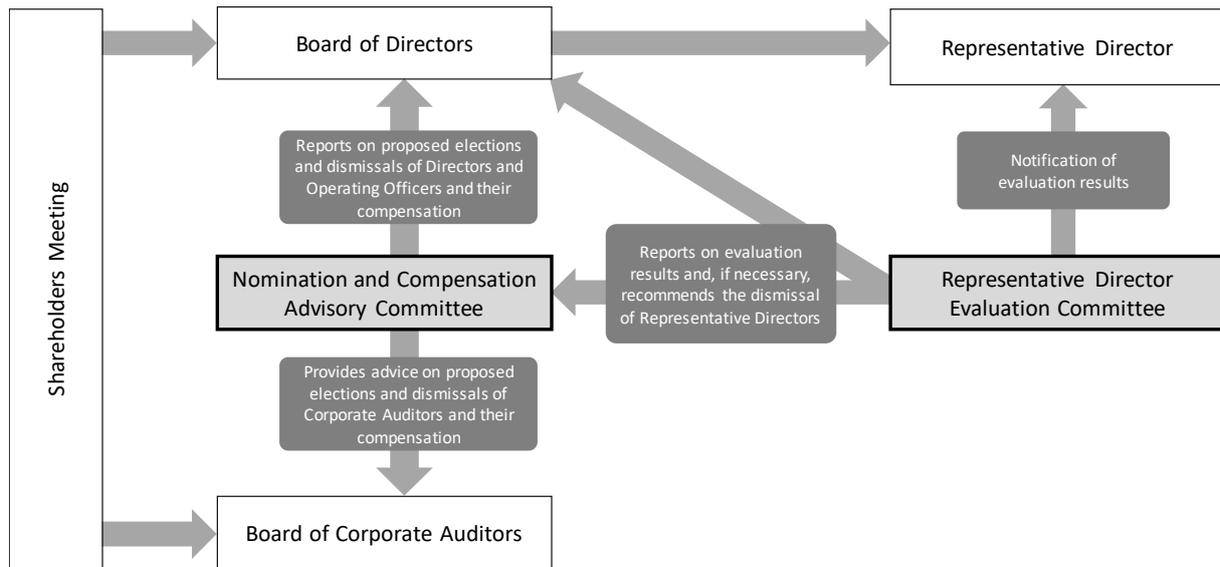
(1)	Working capital Consolidated net sales for the previous period / 12 months × 2 months	¥42.3 billion	Funds for repaying long-term interest-bearing debt	—
	Reserve fund for technology purchases (including M&As) Average consolidated net sales for the past 3 years × 10%	¥0.6 billion	Taxes, dividends, etc.	¥19.1 billion
(2)	Funds for facility extensions D-Zone, Kuwabata Plant	¥5.3 billion		

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

*2. Technology purchase reserve: The Haneda R&D Center acquisition uses the reserve fund for technology purchases.

6. Representative Director Evaluation Committee

The Representative Director Evaluation Committee for evaluating the appropriateness of the execution of duties of the Representative Directors is composed of six members – two independent Outside Directors and four independent Outside Corporate Auditors (the two independent Outside Directors also serve on the Nomination and Compensation Advisory Committee). 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.



If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved and passed, the aforementioned Representative Director Evaluation Committee shall continue to function under the name “Representative Executive Officer Evaluation Committee.”

Consolidated Balance Sheet

(As of March 31, 2022)

(In millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	244,933	Current liabilities	109,851
Cash and deposits	125,771	Notes and accounts payable - trade	8,048
Notes receivable - trade	1,961	Electronically recorded obligations - operating	20,902
Accounts receivable - trade	36,728	Income taxes payable	19,946
Merchandise and finished goods	21,755	Contract liabilities	27,622
Work in process	18,997	Provision for bonuses	23,315
Raw materials and supplies	27,725	Provision for bonuses for directors (and other officers)	142
Other	12,093	Provision for product warranties	942
Allowance for doubtful accounts	(98)	Other	8,930
Non-current assets	159,606	Non-current liabilities	876
Property, plant and equipment	144,427	Asset retirement obligations	565
Buildings and structures, net	94,868	Other	310
Machinery, equipment and vehicles, net	12,028	Total liabilities	110,728
Tools, furniture and fixtures, net	903	Net Assets	
Land	26,554	Shareholders' equity	287,648
Construction in progress	10,073	Share capital	21,608
Intangible assets	256	Capital surplus	23,596
Investments and other assets	14,922	Retained earnings	242,475
Investment securities	2,608	Treasury shares	(32)
Deferred tax assets	8,367	Accumulated other comprehensive income	5,009
Retirement benefit asset	982	Valuation difference on available-for-sale securities	269
Other	2,973	Foreign currency translation adjustment	4,765
Allowance for doubtful accounts	(10)	Remeasurements of defined benefit plans	(25)
		Share acquisition rights	884
		Non-controlling interests	269
Total assets	404,540	Total net assets	293,812
		Total liabilities and net assets	404,540

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

Consolidated Statements of Income

(From April 1, 2021
to March 31, 2022)

(In millions of yen)

Item	Amount	
Net sales		253,781
Cost of sales		99,769
Gross profit		154,011
Selling, general and administrative expenses		62,498
Operating profit		91,513
Non-operating income		
Interest income	49	
Share of profit of entities accounted for using equity method	461	
Rental income	110	
Subsidy income	1,262	
Other	237	2,120
Non-operating expenses		
Foreign exchange losses	1,073	
Depreciation	46	
Other	65	1,185
Ordinary profit		92,449
Extraordinary income		
Gain on sale of non-current assets	6	
Gain on sale of investment securities	0	6
Extraordinary losses		
Loss on sale and retirement of non-current assets	80	
Loss on valuation of investment securities	0	
Extra retirement payments	123	204
Profit before income taxes		92,251
Income taxes - current	28,251	
Income taxes - deferred	(2,253)	25,997
Profit		66,253
Profit attributable to non-controlling interests		47
Profit attributable to owners of parent		66,206

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

Consolidated Statement of Changes in Equity

(From April 1, 2021
to March 31, 2022)

(In millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	21,424	23,412	203,677	(31)	248,482
Changes of items during period					
Issuance of new shares	184	184			368
Dividends of surplus			(27,407)		(27,407)
Profit attributable to owners of parent			66,206		66,206
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	184	184	38,798	(0)	39,165
Balance at end of current period	21,608	23,596	242,475	(32)	287,648

(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	599	2,218	(97)	2,720	937	212	252,352
Changes of items during period							
Issuance of new shares							368
Dividends of surplus							(27,407)
Profit attributable to owners of parent							66,206
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	(330)	2,547	72	2,289	(52)	57	2,294
Total changes of items during period	(330)	2,547	72	2,289	(52)	57	41,459
Balance at end of current period	269	4,765	(25)	5,009	884	269	293,812

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

Balance Sheet

(As of March 31, 2022)

(In millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	202,650	Current liabilities	96,600
Cash and deposits	100,502	Notes payable - trade	134
Notes receivable - trade	1,273	Electronically recorded obligations - operating	20,693
Accounts receivable - trade	24,654	Accounts payable - trade	7,653
Merchandise and finished goods	18,602	Accounts payable - other	5,608
Work in process	18,829	Accrued expenses	1,125
Raw materials and supplies	27,528	Income taxes payable	17,570
Other	11,263	Contract liabilities	23,950
Allowance for doubtful accounts	(3)	Provision for bonuses	18,176
Non-current assets	147,194	Provision for bonuses for directors (and other officers)	142
Property, plant and equipment	131,938	Provision for product warranties	439
Buildings	86,078	Other	1,104
Structures	1,409	Non-current liabilities	327
Machinery and equipment	8,161	Asset retirement obligations	193
Vessels	0	Other	134
Vehicles	47	Total liabilities	96,927
Tools, furniture and fixtures, net	616	Net Assets	
Land	25,746	Shareholders' equity	252,032
Construction in progress	9,878	Share capital	21,608
Intangible assets	192	Capital surplus	23,596
Patent right	8	Legal capital surplus	22,690
Software	152	Other capital surplus	906
Other	31	Retained earnings	206,860
Investments and other assets	15,063	Legal retained earnings	594
Investment securities	29	Other retained earnings	206,265
Shares of subsidiaries and associates	1,691	Reserve for advanced depreciation of non-current assets	679
Investments in capital of subsidiaries and associates	1,271	General reserve	16,970
Prepaid pension cost	1,016	Retained earnings brought forward	188,616
Deferred tax assets	8,484	Treasury shares	(32)
Other	2,570	Share acquisition rights	884
Total assets	349,845	Total net assets	252,917
		Total liabilities and net assets	349,845

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

Statements of Income

(From April 1, 2021
to March 31, 2022)

(In millions of yen)

Item	Amount	
Net sales		210,583
Cost of sales		93,409
Gross profit		117,174
Selling, general and administrative expenses		47,261
Operating profit		69,912
Non-operating income		
Interest income	6	
Dividend income	9,292	
Foreign exchange gains	1,960	
Subsidy income	1,037	
Other	364	12,660
Non-operating expenses		
Depreciation	41	
Other	35	76
Ordinary profit		82,496
Extraordinary income		
Gain on sale of non-current assets	4	
Gain on sale of investment securities	0	4
Extraordinary losses		
Loss on sale and retirement of non-current assets	68	
Loss on valuation of investment securities	0	
Extra retirement payments	122	190
Profit before income taxes		82,309
Income taxes - current	23,344	
Income taxes - deferred	(2,220)	21,123
Profit		61,185

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

Statement of Changes in Equity

(From April 1, 2021
to March 31, 2022)

(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	21,424	22,505	906	23,412	594
Changes of items during period					
Issuance of new shares	184	184		184	
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	184	184	-	184	-
Balance at end of current period	21,608	22,690	906	23,596	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 advanced depreciation of non-current assets	General reserve	Retained earnings brought forward						
Balance at beginning of current period	722	16,970	154,795	173,082	(31)	217,887	937	218,824	
Changes of items during period									
Issuance of new shares						368		368	
Dividends of surplus			(27,407)	(27,407)		(27,407)		(27,407)	
Profit			61,185	61,185		61,185		61,185	
Reversal of reserve for advanced depreciation of non-current assets	(42)		42	-		-		-	
Purchase of treasury shares					(0)	(0)		(0)	
Net changes of items other than shareholders' equity							(52)	(52)	
Total changes of items during period	(42)	-	33,820	33,777	(0)	34,145	(52)	34,092	
Balance at end of current period	679	16,970	188,616	206,860	(32)	252,032	884	252,917	

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