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Securities Code No. 6146  
June 3, 2019

To: Shareholders

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

## **Notice for the 80th General Shareholders Meeting**

We are pleased to announce the 80th General Shareholders Meeting for DISCO CORPORATION (the “Company”) and cordially invite you to attend. Additional details are provided below.

If you are unable to attend the meeting, you can exercise your voting rights via one of the methods below. Please review the attached reference materials for the general shareholders meeting before placing your votes.

### **If you wish to vote in writing:**

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 24, 2019 (Japan Standard Time).

### **If you wish to vote via the Internet:**

Please go to our designated voting website (<https://evote.tr.mufig.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 Monday, June 24, 2019 (Japan Standard Time).

**1. Date & Time:** Tuesday, June 25, 2019, at 2:00 p.m. (Japan Standard Time)  
(Reception desk will open at 1:00 p.m.)

**2. Place:** 8F Conference Room, Building A  
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 80th fiscal year (from April 1, 2018 to March 31, 2019)
2. Financial statements for the 80th fiscal year (from April 1, 2018 to March 31, 2019)

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

- |                   |   |
|-------------------|---|
| <b>Proposal 1</b> | Appropriation of Retained Earnings                  |
| <b>Proposal 2</b> | Partial Amendments to the Articles of Incorporation |
| <b>Proposal 3</b> | Election of Six Directors                           |
| <b>Proposal 4</b> | Election of Three Corporate Auditors                |

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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:**

¥208 per share of the Company's common stock

Total distribution: ¥7,472,659,584

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

June 26, 2019

<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 the excess amount.

[Reference]

Interim dividend	¥114	25% of the consolidated <b>first-half</b> net income
Year-end dividend	¥208	
Portion of performance-based dividends	¥87	25% of the consolidated <b>second-half</b> net income
Portion of additional dividends	¥121	One-third of the excess amount (See reference information on P13)
Annual dividend	¥322	
Dividend payout ratio (consolidated)	40.1%	

## Proposal 2                      Partial Amendments to the Articles of Incorporation

### 1. Reasons for the proposal

In preparation for the occurrence of a shortage in the number of Corporate Auditors governed by laws and regulations, the Company shall establish a rule concerning substitute Corporate Auditors and clarify the terms of office for situations in which a substitute Corporate Auditor assumes the position of Corporate Auditor.

### 2. Amendment details

Detailed information regarding the amendments is as follows:

(Underlined portions indicate amendments.)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 5 Corporate Auditors and Board of Corporate Auditors (Number of Corporate Auditors and Method of Election) Article 27.</p> <p>1. The Company shall have not more than five (5) Corporate Auditors and the Corporate Auditors shall be elected at the general shareholders meeting.</p> <p>2. 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. (Newly established)</p> <p>(Newly established)</p> <p>(Term of Office) Article 28.</p> <p>1. 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.</p>	<p>Chapter 5 Corporate Auditors and Board of Corporate Auditors (Number of Corporate Auditors and Method of Election) Article 27.</p> <p>1. (Unchanged)</p> <p>2. (Unchanged)</p> <p>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 Meeting of Shareholders to fill a vacant position should the number of corporate auditors fall below the number required by laws and regulations.</u></p> <p>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></p> <p>(Term of Office) Article 28.</p> <p>1. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>2. 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.</p>	<p>2. 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. <u>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></p>

### Proposal 3 Election of Six Directors

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

Candidates for Directors are as follows.

Candidate No.	Name (Date of birth)	Career Summary, Title, Responsibilities	Number of Company Shares Owned
1 Reappointment	Kazuma Sekiya (February 14, 1966) Attendance at Board of Directors meetings: 100% (14/14)	<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&amp;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 a wealth of ideas in the Company. Therefore, the Company has nominated him as a candidate for Director.</p>	608,197 shares

Candidate No.	Name (Date of birth)	Career Summary, Title, Responsibilities	Number of Company Shares Owned
2 New election	Noboru Yoshinaga (August 23, 1957)  Attendance at Board of Directors meetings: —	<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 (current position)</p> <p>Aug. 2017    General Manager of Customer Engineering Department, Sales Division of the Company (current position)</p> <p>Mar. 2019    General Manager of Osaka Branch Office, Domestic Sales Department, 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 served as Operating Officer in charge of global sales divisions and overseas subsidiaries for many years, and has contributed greatly to the growth and development of the Company from his services in the sales field amidst rapidly changing market conditions. The Company has nominated him as a candidate for Director to make use of his personal connections with a broad range of clients and the breadth of his experience in management.</p>	5,000 shares

Candidate No.	Name (Date of birth)	Career Summary, Title, Responsibilities	Number of Company Shares Owned
3 Reappointment	Hideyuki Sekiya (January 12, 1952)  Attendance at Board of Directors meetings: 100% (14/14)	<p>Apr. 1974    Joined Dai-ichi Seitoshō Co., Ltd. (now DISCO Corporation)</p> <p>Apr. 1985    Director of the Company</p> <p>Apr. 1999    Deputy General Manager of Hiroshima Works of the Company</p> <p>July 1999    General Manager of General Affairs Department of Hiroshima Works of the Company (current position)</p> <p>June 2002    General Manager of Hiroshima Works of the Company (current position)</p> <p>Dec. 2010    Environmental Management Office Manager of the Company</p> <p>June 2011    Managing Director of the Company (current position)</p> <p>(Key concurrent posts) Representative Director of DISCO Asset Management Corporation</p> <p>Reasons for nomination as a candidate for Director: Mr. Hideyuki Sekiya has strived to secure safe working environments and quality in the Hiroshima Plants (Kuwabata Plant and Kure Plant) as the person responsible for Hiroshima Works in the Company. We expect him to continue promoting a manufacturing stance that seeks customer satisfaction while taking into account the environmental burden. Therefore, the Company has nominated him as a candidate for Director.</p>	294,197 shares
4 Reappointment	Takao Tamura (September 16, 1955)  Attendance at Board of Directors meetings: 100% (14/14)	<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 (current position)</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 to make use of the breadth of his experience and knowledge in management.</p>	2,000 shares



Candidate No.	Name (Date of birth)	Career Summary, Title, Responsibilities	Number of Company Shares Owned
5 Reappointment  Outside Director  Independent Officer	Ichiro Inasaki (April 3, 1941)  Attendance at Board of Directors meetings: 100% (14/14)	<p>Apr. 1984    Professor of the Faculty of Science and Technology at Keio University</p> <p>Mar. 1998    Guest 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 (current position)</p> <p>Mar. 2018    Outside Director of Sodick Co., Ltd. (current position)</p> <p>(Key concurrent posts) Director of Chubu University (scheduled to retire from this position in June 2019) Outside Director of Sodick Co., Ltd.</p> <p>Reasons for nomination as a candidate for Outside Director: Mr. Ichiro Inasaki has specialized knowledge in the business fields of the Company, as well as a deep understanding of the Company's 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 management of a company other than as an outside officer, the Company judges him capable of appropriately carrying out the duties of Outside Director for the aforementioned reasons.</p>	0 shares

Candidate No.	Name (Date of birth)	Career Summary, Title, Responsibilities	Number of Company Shares Owned
6 Reappointment  Outside Director  Independent Officer	Shinichi Tamura (March 30, 1944)  Attendance at Board of Directors meetings: 100% (14/14)	<p>Oct. 1988      Professor at the Biomedical Research Center, Osaka University Medical School</p> <p>Apr. 2007      Professor emeritus at Osaka University Guest Professor at The Center for Advanced Medical Engineering and Informatics, Osaka University</p> <p>Apr. 2007      Director and Head of the Technology Laboratory of NBL Co., Ltd.</p> <p>Aug. 2010      Director and Head of the Laboratory of NBL Technovator Co., Ltd. (current position)</p> <p>June 2015      Outside Director of the Company (current position)</p> <p>(Key concurrent posts) Director and Head of the Laboratory of NBL Technovator Co., Ltd.</p> <p>Reasons for nomination as a candidate for Outside Director: 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, since he has experience as a business manager, the Company judges him capable of appropriately carrying out the duties of Outside Director and therefore has nominated him as a candidate for Outside Director.</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 six 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 four 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.

## Proposal 4 Election of Three Corporate Auditors

The terms of office for the Corporate Auditors Tadao Takayanagi, Tadahiko Kuronuma, and Yusei Yamaguchi expire at the close of this General Shareholders Meeting. It is proposed that three Corporate Auditors be elected. This proposal has the agreement of the Board of Corporate Auditors.

The candidates for Corporate Auditors are as follows.

Candidate No.	Name (Date of birth)	Career Summary, Title	Number of Company Shares Owned
1 Reappointment  Outside Corporate Auditor  Independent Officer	Tadao Takayanagi (March 28, 1952)  Attendance at Board of Directors meetings: 93% (13/14) Attendance at Board of Corporate Auditors meetings: 93% (13/14)	<p>Apr. 1974    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> <p>Reasons for nomination as a candidate for Outside Corporate Auditor: Since Mr. Tadao Takayanagi has a depth of insight regarding finance, accounting, and law based on his knowledge and experience from participating in finance-related operations for many years, the Company has nominated him as a candidate for Outside Corporate Auditor. It is expected that he will continue to provide supervision of general management as a Corporate Auditor and effective advice and suggestions utilizing his previous experience.</p>	0 shares
2 Reappointment  Outside Corporate Auditor  Independent Officer	Yusei Yamaguchi (January 10, 1948)  Attendance at Board of Directors meetings: 100% (14/14) Attendance at Board of Corporate Auditors meetings: 100% (14/14)	<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> <p>Reasons for nomination as a candidate for Outside Corporate Auditor: Mr. Yusei Yamaguchi has a depth of insight regarding finance, accounting, and law based on his experience from participating in finance-related operations for many years. The Company has nominated him as a candidate for Outside Corporate Auditor to continue to reflect his rich experience and wide-ranging knowledge as a business manager over many years in the auditing of the Company.</p>	0 shares

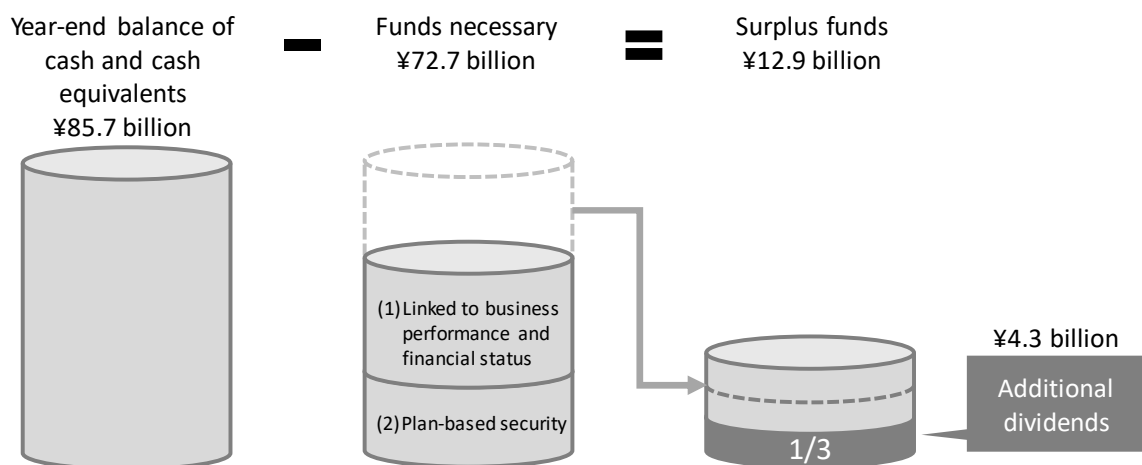
Candidate No.	Name (Date of birth)	Career Summary, Title	Number of Company Shares Owned
3 New election  Outside Corporate Auditor  Independent Officer	Kazuyoshi Tokimaru (March 28, 1959)  Attendance at Board of Directors meetings: — Attendance at Board of Corporate Auditors meetings: —	<p>Apr. 1982    Joined The Sumitomo Trust and Banking Company, Limited (now Sumitomo Mitsui Trust Bank, Limited)</p> <p>June 2006    General Manager of the Retail Sales Development Department of The Sumitomo Trust and Banking Company, Limited</p> <p>Feb. 2008    General Manager of Structured Finance Department of The Sumitomo Trust and Banking Company, Limited</p> <p>May 2009    General Manager of Legal and Compliance Department of The Sumitomo Trust and Banking Company, Limited</p> <p>Apr. 2011    General Manager of Internal Audit Department of The Sumitomo Trust and Banking Company, Limited and General Manager of Internal Audit Department of Sumitomo Mitsui Trust Holdings, Inc.</p> <p>Apr. 2012    General Manager of Internal Audit Department of Sumitomo Mitsui Trust Bank, Limited and General Manager of Internal Audit Department of Sumitomo Mitsui Trust Holdings, Inc.</p> <p>Apr. 2015    Executive Officer, General Manager of Internal Audit Department of Sumitomo Mitsui Trust Bank, Limited and Executive Officer, General Manager of Internal Audit Department of Sumitomo Mitsui Trust Holdings, Inc.</p> <p>June 2015    Standing Outside Audit &amp; Supervisory Board Member of Minebea Co., Ltd. (now MinebeaMitsumi Inc.) (current position)</p> <p>(Key concurrent posts) Standing Outside Audit &amp; Supervisory Board Member of MinebeaMitsumi Inc. (scheduled to retire from this position in June 2019)</p> <p>Reasons for nomination as a candidate for Outside Corporate Auditor: Mr. Kazuyoshi Tokimaru has a depth of insight regarding finance, accounting, and legal affairs based on his experience from participating in finance and legal-related operations for many years. In addition to wishing for his aforementioned insight to be reflected in the audits of the Company, the Company judges him capable of appropriately carrying out the duties of Outside Corporate Auditor and therefore has nominated him as a candidate for Outside Corporate Auditor.</p>	0 shares

- Notes:
1. There are no special interests between the candidates and the Company.
  2. Mr. Tadao Takayanagi, Mr. Yusei Yamaguchi and Mr. Kazuyoshi Tokimaru are candidates for Outside Corporate Auditor.
  3. Mr. Tadao Takayanagi 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.
  4. Mr. Yusei Yamaguchi is currently an Outside Corporate Auditor of the Company. His term of office will be four years at the close of this General Shareholders Meeting.
  5. The Company has registered Mr. Tadao Takayanagi and Mr. Yusei Yamaguchi as independent officers based on the regulations of the Tokyo Stock Exchange. If Mr. Tadao Takayanagi and Mr. Yusei Yamaguchi are reappointed, the Company intends for them to continue acting as independent officers. Furthermore, Mr. Kazuyoshi Tokimaru satisfies the requirements to be an independent officer based on the regulations of the Tokyo Stock Exchange, and thus, should he be elected, the Company intends to register him as an independent officer with the exchange.

## 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)	¥24.5 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%)	¥14.0 billion	Taxes, dividends, etc.	¥1.6 billion
(2)	Funds for facility extensions (D-Zone, Kuwabata Plant, Nagano Works B-Building, etc.)	¥32.5 billion		

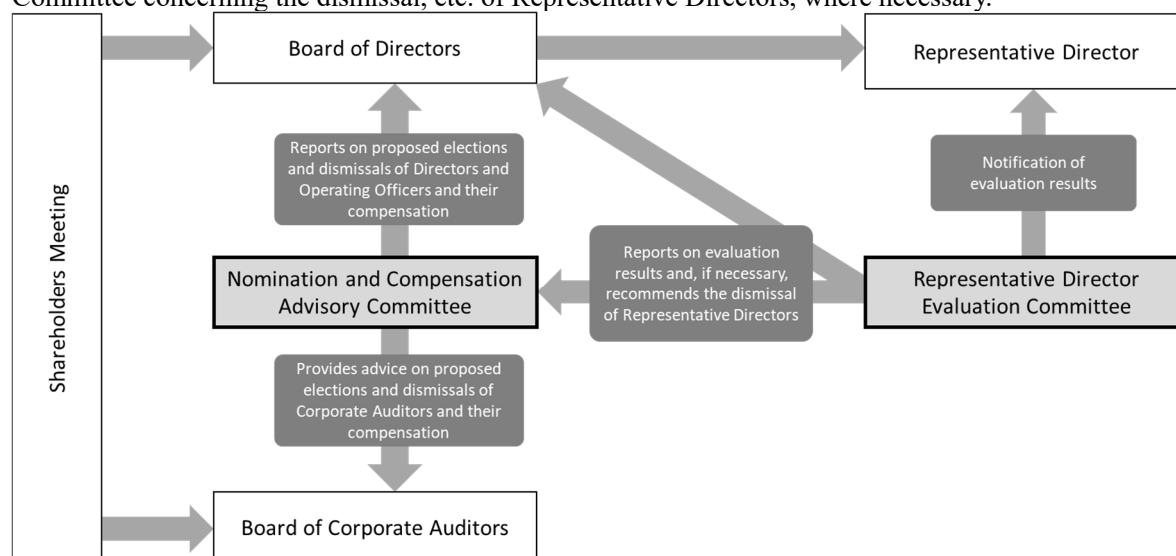
## 2. Nomination and Compensation Advisory Committee

The Nomination and Compensation Advisory Committee is composed of the Representative Director and President, Director and Chairman, two Outside Directors, and one Outside Corporate Auditor. As an advisory body to the Board of the Directors, it reviews proposed elections and dismissals of 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 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 which 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.

Following the end of the business year, the Committee evaluates core management policies and business performance, etc., notifies Representative Directors of its findings, and reports said findings to the Board of Directors and the Nomination and Compensation Advisory Committee. Furthermore, the Committee provides recommendations to the Board of Directors and the Nomination and Compensation Advisory Committee 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, 2019)

(In millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
<b>Current assets</b>	<b>169,795</b>	<b>Current liabilities</b>	<b>37,616</b>
Cash and deposits	91,380	Notes and accounts payable - trade	3,368
Notes and accounts receivable - trade	34,900	Electronically recorded obligations - operating	13,178
Merchandise and finished goods	6,940	Income taxes payable	1,782
Work in process	12,585	Provision for bonuses	7,790
Raw materials and supplies	19,066	Provision for directors' bonuses	177
Other	4,979	Provision for product warranties	453
Allowance for doubtful accounts	(57)	Asset retirement obligations	27
<b>Non-current assets</b>	<b>88,384</b>	Other	10,838
<b>Property, plant and equipment</b>	<b>76,868</b>	<b>Non-current liabilities</b>	<b>454</b>
Buildings and structures, net	45,584	Asset retirement obligations	207
Machinery, equipment, and vehicles (net)	8,630	Other	247
Tools, furniture and fixtures (net)	787	<b>Total liabilities</b>	<b>38,071</b>
Land	14,610	<b>Net Assets</b>	
Construction in progress	7,256	<b>Shareholders' equity</b>	<b>217,029</b>
<b>Intangible assets</b>	<b>400</b>	<b>Capital stock</b>	<b>20,663</b>
<b>Investments and other assets</b>	<b>11,116</b>	<b>Capital surplus</b>	<b>22,651</b>
Investment securities	2,875	<b>Retained earnings</b>	<b>173,739</b>
Deferred tax assets	4,122	<b>Treasury shares</b>	<b>(25)</b>
Net defined benefit asset	821	<b>Accumulated other comprehensive income</b>	<b>1,823</b>
Other	3,314	Valuation difference on available-for-sale securities	476
Allowance for doubtful accounts	(17)	Foreign currency translation adjustment	1,320
		Remeasurements of defined benefit plans	26
		<b>Share acquisition rights</b>	<b>1,108</b>
		<b>Non-controlling interests</b>	<b>148</b>
		<b>Total net assets</b>	<b>220,109</b>
<b>Total assets</b>	<b>258,180</b>	<b>Total liabilities and net assets</b>	<b>258,180</b>

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



## Consolidated Statements of Income

( From April 1, 2018  
to March 31, 2019 )

(In millions of yen)

Item	Amount	
<b>Net sales</b>		<b>147,500</b>
<b>Cost of sales</b>		<b>60,589</b>
<b>Gross profit</b>		<b>86,910</b>
<b>Selling, general and administrative expenses</b>		<b>48,264</b>
<b>Operating profit</b>		<b>38,645</b>
<b>Non-operating income</b>		
Interest income	93	
Share of profit of entities accounted for using equity method	293	
Rent income	63	
Subsidy income	490	
Other	215	1,156
<b>Non-operating expenses</b>		
Interest expenses	3	
Sales discounts	52	
Foreign exchange losses	751	
Depreciation	9	
Other	11	828
<b>Ordinary profit</b>		<b>38,974</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	19	
Gain on reversal of share acquisition rights	2	
Insurance income	208	229
<b>Extraordinary losses</b>		
Loss on sales and retirement of non-current assets	63	
Impairment loss	58	
Loss on valuation of investment securities	0	
Special retirement expenses	88	
Loss on disaster	533	
Demolition cost	202	946
<b>Profit before income taxes</b>		<b>38,256</b>
Income taxes - current	9,355	
Income taxes - deferred	36	9,392
<b>Profit</b>		<b>28,864</b>
Profit attributable to non-controlling interests		40
<b>Profit attributable to owners of parent</b>		<b>28,824</b>

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

## Consolidated Statement of Changes in Equity

( From April 1, 2018  
to March 31, 2019 )

(In millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,651	22,639	157,919	(25)	201,184
Changes of items during period					
Issuance of new shares	12	12			24
Dividends of surplus			(13,004)		(13,004)
Profit attributable to owners of parent			28,824		28,824
Net changes of items other than shareholders' equity					
Total changes of items during period	12	12	15,820	—	15,844
Balance at end of current period	20,663	22,651	173,739	(25)	217,029

(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	1,498	1,619	(47)	3,070	899	110	205,264
Changes of items during period							
Issuance of new shares							24
Dividends of surplus							(13,004)
Profit attributable to owners of parent							28,824
Net changes of items other than shareholders' equity	(1,022)	(298)	74	(1,246)	208	37	(1,000)
Total changes of items during period	(1,022)	(298)	74	(1,246)	208	37	14,844
Balance at end of current period	476	1,320	26	1,823	1,108	148	220,109

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

## Balance Sheet

(As of March 31, 2019)

(In millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
<b>Current assets</b>	<b>148,315</b>	<b>Current liabilities</b>	<b>32,913</b>
Cash and deposits	78,464	Notes payable - trade	66
Notes receivable - trade	1,081	Electronically recorded obligations - operating	12,970
Accounts receivable - trade	28,724	Accounts payable - trade	3,041
Merchandise and finished goods	3,912	Accounts payable - other	6,645
Work in process	12,540	Accrued expenses	902
Raw materials and supplies	18,905	Income taxes payable	1,064
Other	4,689	Provision for bonuses	5,909
Allowance for doubtful accounts	(3)	Provision for directors' bonuses	177
<b>Non-current assets</b>	<b>79,460</b>	Provision for product warranties	308
<b>Property, plant and equipment</b>	<b>68,373</b>	Other	1,827
Buildings	40,926	<b>Non-current liabilities</b>	<b>181</b>
Structures	972	<b>Total liabilities</b>	<b>33,094</b>
Machinery and equipment	7,023	<b>Net Assets</b>	
Vessels	0	<b>Shareholders' equity</b>	<b>193,573</b>
Vehicles	112	<b>Capital stock</b>	<b>20,663</b>
Tools, furniture and fixtures	654	<b>Capital surplus</b>	<b>22,651</b>
Land	13,882	Legal capital surplus	21,745
Construction in progress	4,801	Other capital surplus	906
<b>Intangible assets</b>	<b>319</b>	<b>Retained earnings</b>	<b>150,283</b>
Patent right	50	Legal retained earnings	594
Software	118	Other retained earnings	149,689
Other	149	Reserve for advanced depreciation of non-current assets	817
<b>Investments and other assets</b>	<b>10,767</b>	General reserve	16,970
Investment securities	29	Retained earnings brought forward	131,902
Shares of subsidiaries and associates	1,879	<b>Treasury shares</b>	<b>(25)</b>
Investments in capital of subsidiaries and associates	1,271	<b>Share acquisition rights</b>	<b>1,108</b>
Prepaid pension cost	783	<b>Total net assets</b>	<b>194,681</b>
Deferred tax assets	4,011	<b>Total liabilities and net assets</b>	<b>227,776</b>
Other	2,792		
Allowance for doubtful accounts	(0)		
<b>Total assets</b>	<b>227,776</b>		

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

## Statements of Income

( From April 1, 2018  
to March 31, 2019 )

(In millions of yen)

Item	Amount	
<b>Net sales</b>		<b>124,490</b>
<b>Cost of sales</b>		<b>56,739</b>
<b>Gross profit</b>		<b>67,750</b>
<b>Selling, general and administrative expenses</b>		<b>38,408</b>
<b>Operating profit</b>		<b>29,341</b>
<b>Non-operating income</b>		
Interest income	54	
Dividend income	12,314	
Subsidy income	163	
Other	403	12,936
<b>Non-operating expenses</b>		
Foreign exchange losses	656	
Depreciation	9	
Other	30	695
<b>Ordinary profit</b>		<b>41,582</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	18	
Gain on reversal of share acquisition rights	2	
Insurance income	15	36
<b>Extraordinary losses</b>		
Loss on sales and retirement of non-current assets	59	
Impairment loss	58	
Loss on valuation of investment securities	0	
Special retirement expenses	88	
Loss on disaster	415	
Demolition cost	202	824
<b>Profit before income taxes</b>		<b>40,794</b>
Income taxes - current	7,103	
Income taxes - deferred	588	7,691
<b>Profit</b>		<b>33,103</b>

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

## Statement of Changes in Equity

( From April 1, 2018  
to March 31, 2019 )

(In millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings
Balance at beginning of current period	20,651	21,733	906	22,639	594
Changes of items during period					
Issuance of new shares	12	12		12	
Dividends of surplus					
Profit					
Reversal of reserve for advanced depreciation of non-current assets					
Net changes of items other than shareholders' equity					
Total changes of items during period	12	12	—	12	—
Balance at end of current period	20,663	21,745	906	22,651	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	871	16,970	111,748	130,184	(25)	173,449	899	174,349
Changes of items during period								
Issuance of new shares						24		24
Dividends of surplus			(13,004)	(13,004)		(13,004)		(13,004)
Profit			33,103	33,103		33,103		33,103
Reversal of reserve for advanced depreciation of non-current assets	(53)		53	—		—		—
Net changes of items other than shareholders' equity							208	208
Total changes of items during period	(53)	—	20,153	20,099	—	20,123	208	20,332
Balance at end of current period	817	16,970	131,902	150,283	(25)	193,573	1,108	194,681

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