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Securities Code No. 6146

June 2, 2026

(Start date for electronic provision measures: May 28, 2026)

To: Shareholders

Kazuma Sekiya, Director, Representative Executive
Officer, President

DISCO CORPORATION

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

Notice for the 87th General Shareholders Meeting

We are pleased to announce that the 87th General Shareholders Meeting for DISCO CORPORATION (the “Company”) will be held as described below.

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

With regard to holding this General Shareholders Meeting, the Company has taken electronic provision measures to provide information constituting the contents of the General Shareholders Meeting reference documents, etc. (items for which information is provided in an electronic format) in an electronic format, and this information has been posted as “Notice of the 87th Annual General Shareholders Meeting” on the Company’s website. Please access the Company’s website from the link below to review any information.

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

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

TSE website (Listed Company Search):

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

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

Please access our designated voting website (<https://evote.tr.mufig.jp/>) and use the “login id” and “password” on the 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 23, 2026 (Japan Standard Time).

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

Please indicate your approval or disapproval for each proposal on the voting form and return the form by postal mail so that it reaches us no later than 5:45 p.m. on Tuesday, June 23, 2026 (Japan Standard Time).

1. Date & Time: Wednesday, June 24, 2026, at 2:00 p.m. (Japan Standard Time)
(Reception desk will open at 1:00 p.m.)

2. Place: Congrès Square Haneda (Haneda Innovation City Zone J)
1-1-4 Haneda Airport, 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 Audit Committee on the consolidated financial statements for the 87th fiscal year (from April 1, 2025 to March 31, 2026)
2. Financial statements for the 87th fiscal year (from April 1, 2025 to March 31, 2026)

Matters to be Resolved

Proposal 1 Appropriation of Retained Earnings

Proposal 2 Election of Ten Directors

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

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

Thus, the documents to be delivered are a part of the business report, consolidated financial statements, and financial statements that were audited when the Audit Committee wrote the audit report and when the Accounting Auditor wrote the accounting audit report.

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

Reference Materials for the General Shareholders Meeting

Proposal 1 Appropriation of Retained Earnings

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

(1) Type of assets to be distributed:

Cash

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

¥376 per share of the Company's common stock

Total distribution: ¥40,781,721,400

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

June 25, 2026

<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	¥129	25% of the consolidated first-half net income
Year-end dividend	¥376	
Portion of performance-based dividends	¥184	25% of the consolidated second-half net income
Portion of additional dividends	¥192	One-third of surplus funds (See reference information of P16)
Annual dividend	¥505	
Dividend payout ratio (consolidated)	40.4%	

Proposal 2**Election of Ten Directors**

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

The candidates for Directors are as follows.

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
1 Reappointment	Kazuma Sekiya (February 14, 1966) Male Attendance at Board of Directors meetings: 100% (13/13) Attendance at Nominating Committee meetings: 100% (3/3) Attendance at Compensation Committee meetings: 100% (7/7)	July 1989 Joined the Company Apr. 1994 General Manager of Engineering Development Department, PS Division of the Company June 1995 Director, Deputy General Manager of PS Division of the Company July 1998 Vice President of PS Company of the Company July 2002 Managing Director of the Company Apr. 2003 President of PS Company of the Company Apr. 2009 Representative Director, President, and General Manager of Engineering R&D Division of the Company June 2022 Director, Representative Executive Officer, President, and General Manager of Engineering R&D Division of the Company Apr. 2026 Director, Representative Executive Officer, President, General Manager of Engineering R&D Division, and General Manager of Nagano Works of the Company (current position) (Key concurrent posts) None	2,101,400 shares
		Reasons for nomination as a candidate for Director: The Company expects Mr. Kazuma Sekiya to continue demonstrating strong leadership in the future with his technological development expertise, deep knowledge of business as a whole, and his wealth of ideas in the Company. Therefore, the Company has nominated him as a candidate for Director. In addition, after his election, he will continue to be involved as a member of the Nominating Committee and Compensation Committee, representing the Company's executive side in making decisions regarding personnel-related affairs of Directors and on the officer remuneration system.	

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
2 Reappointment	Noboru Yoshinaga (August 23, 1957) Male Attendance at Board of Directors meetings: 100% (13/13)	Apr. 1982 Joined the Company July 2004 General Manager of Global Management Department, PS Company of the Company July 2006 Operating Officer, General Manager of Global Sales Department, PS Company of the Company June 2011 Executive Operating Officer, General Manager of Sales Division and General Manager of Service Department of the Company June 2015 Senior Executive Operating Officer, General Manager of Sales Division and General Manager of Global Sales Department of the Company Aug. 2017 General Manager of Customer Engineering Department of the Company June 2019 Senior Managing Director, General Manager of Sales Division of the Company June 2021 General Manager of Global Sales Department of the Company June 2022 Director, Executive Officer, Executive Vice President, and General Manager of Sales Division of the Company June 2023 Director, Representative Executive Officer, Executive Vice President, and General Manager of Sales Division of the Company (current position) (Key concurrent posts) Representative Director and Chairperson of DISCO HI-TEC AMERICA, INC. Representative Director and Chairperson of DISCO HI-TEC (SINGAPORE) PTE LTD Chairperson of the Board of DISCO HI-TEC CHINA CO., LTD. Chairperson of the Board of DISCO HI-TEC TAIWAN CO., LTD. Representative Director of DISCO HI-TEC KOREA Corporation	10,283 shares
Reasons for nomination as a candidate for Director: Since joining the Company, Mr. Noboru Yoshinaga has gained experience as an application engineer and has subsequently applied that experience to sales, primarily overseas. He 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.			

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
3 Reappointment	Takao Tamura (September 16, 1955) Male Attendance at Board of Directors meetings: 100% (13/13)	Apr. 1977 Joined the Company June 1995 Director of the Company July 1997 Acting General Manager of Corporate Support Division and General Manager of General Affairs Department of the Company Apr. 1999 General Manager of Corporate Support Division of the Company (current position) Aug. 2002 General Manager of Accounting Department of Corporate Support Division of the Company June 2011 Managing Director of the Company Sept. 2011 General Manager of Human Resource Department, Corporate Support Division of the Company Jan. 2018 General Manager of General Affairs Department, Corporate Support Division of the Company June 2022 Director, Managing Executive Officer (current position) (Key concurrent posts) None	3,500 shares
		Reasons for nomination as a candidate for Director: After building up experience overseas through projects such as launching an overseas local subsidiary, Mr. Takao Tamura has served as the person responsible for supervising administrative departments in the Company and overseeing subsidiaries in Japan and overseas. The Company has nominated him as a candidate for Director in order to incorporate this extensive experience and knowledge into the management of the Company.	

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities		Number of Company Shares Owned
4 Reappointment Outside Director Independent Officer	Kazuyoshi Tokimaru (March 28, 1959) Male Attendance at Board of Directors meetings: 100% (13/13) Attendance at Audit Committee meetings: 100% (15/15)	Apr. 1982	Joined The Sumitomo Trust and Banking Company, Limited (now Sumitomo Mitsui Trust Bank, Limited)	0 shares
		June 2006	General Manager of the Retail Sales Development Department of The Sumitomo Trust and Banking Company, Limited	
		Feb. 2008	General Manager of Structured Finance Department of The Sumitomo Trust and Banking Company, Limited	
		May 2009	General Manager of Legal and Compliance Department of The Sumitomo Trust and Banking Company, Limited	
		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. (now Sumitomo Mitsui Trust Group, Inc.)	
		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. (now Sumitomo Mitsui Trust Group, Inc.)	
		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. (now Sumitomo Mitsui Trust Group, Inc.)	
		June 2015	Standing Outside Audit & Supervisory Board Member of Minebea Co., Ltd. (now MinebeaMitsumi Inc.)	
		June 2019	Outside Company Auditor of the Company	
		June 2022	Outside Director of the Company (current position)	
(Key concurrent posts) None				
Reasons for nomination as a candidate for Outside Director, expected roles, etc.: The Company has nominated Mr. Kazuyoshi Tokimaru as a candidate for Outside Director since he has a wealth of insight regarding finance, accounting, legal affairs, and risk management based on his experience in finance and legal-related operations for many years. In addition, after his election, the Company expects that he will use his expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. As the full-time Chairperson of the Audit Committee, he will continue to be involved in auditing the execution of duties by Executive Officers and Directors and in determining the Accounting Auditor from an objective and neutral standpoint.				

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
5 Reappointment	Noriko Oki (May 25, 1958) Female	Apr. 1982 Joined Chase Manhattan Bank (currently JPMorgan Chase Bank, N.A.) 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. Dec. 2001 Managing Director of Morgan Stanley Japan Securities Co., Ltd. Oct. 2004 Senior Advisor, Investment Banking Division of Morgan Stanley Japan Securities Co., Ltd. June 2020 Outside Director of ALPS ALPINE CO., LTD. (current position) June 2022 Outside Director of the Company (current position) (Key concurrent posts) Outside Director of ALPS ALPINE CO., LTD.	0 shares
Outside Director	Attendance at Board of Directors meetings: 100% (13/13)	Reasons for nomination as a candidate for Outside Director, expected roles, etc.: As a securities analyst, Ms. Noriko Oki has a wealth of knowledge and high level of expertise in finance and accounting in the semiconductor manufacturing equipment industry, to which the Company belongs, and the precision equipment industry, to which our customers belong through her many years of experience in these industries. Based on this, the Company has nominated her as a candidate for Outside Director because she has a high level of insight in analyzing a company from various perspectives. In addition, after her election, the Company expects that she will use her expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. As a member of the Audit Committee, she will be involved in auditing the execution of duties by Executive Officers and Directors and in determining the Accounting Auditor from an objective and neutral standpoint. She has never been involved in the management of a company except as an external executive. However, the Company judges she will appropriately fulfill her duties as an Outside Director based on the above reasons.	
Independent Officer	Attendance at Audit Committee meetings: 100% (15/15)		

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
6 Reappointment Outside Director Independent Officer	Akiko Matsuo (December 1, 1964) Female	Apr. 1989 Joined Recruit Co., Ltd.	0 shares
		Mar. 1993 Resigned from Recruit Co., Ltd.	
		Apr. 2008 Professor at the Faculty of Science and Technology, Department of Mechanical Engineering at Keio University (current position)	
		Apr. 2020 President of the Japan Society for Aeronautical and Space Sciences	
		June 2023 Outside Director of the Company (current position)	
		(Key concurrent posts) Professor at the Faculty of Science and Technology, Department of Mechanical Engineering at Keio University	
	Attendance at Board of Directors meetings: 100% (13/13)	Reasons for nomination as a candidate for Outside Director, expected roles, etc.: Ms. Akiko Matsuo has specialized knowledge in physics and mechanical engineering, particularly in the area of computer simulation, and has an outstanding record of research accomplishments, including winning the A.K. Oppenheim Prize, a prize awarded to researchers who have made extensive contributions to research on explosions and combustion in the USA. In addition to these accomplishments, during her time at Recruit Co., Ltd., she worked at the Supercomputer Research Institute, where she was primarily engaged in research and development related to computer simulations of compressible chemically reacting fluids (large-scale computing and numerical analysis). Accordingly, she has practical industry experience in the information technology sector. She was also the youngest ever part-time member of a council for the Ministry of Land, Infrastructure, Transport and Tourism, and is held in high esteem by society. The Company has nominated her as a candidate for Outside Director in the belief that she will utilize her deep insight to strengthen the Company's business. In addition, after her election, the Company expects that she will use her expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. Moreover, as a member of the Nominating Committee, she will drive discussions that incorporate the perspective of gender diversity, and as the Chairperson of the Compensation Committee, she will lead the discussions in the Compensation Committee meetings to ensure that the remuneration system is in line with social demands, and contribute to decisions on matters such as Director and Officer compensation from an objective, neutral standpoint. She has never been involved in the management of a company except as an external executive. However, based on her past achievements, the Company judges she will perform her duties as an Outside Director with sincerity and from a fair and open perspective.	
	Attendance at Nominating Committee meetings: 100% (1/1)		
	Attendance at Compensation Committee meetings: 100% (6/6)		
	Attendance at Audit Committee meetings: 100% (4/4)		

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
7 Reappointment Outside Director Independent Officer	Etsuko Kobayashi (December 6, 1972) Female	Sept. 2006 Assistant Professor at the Graduate School of Engineering at the University of Tokyo Apr. 2007 Associate Professor at the Graduate School of Engineering at the University of Tokyo Mar. 2018 Associate Professor at Tokyo Women's Medical University Institute of Advanced Biomedical Engineering and Science Apr. 2020 Professor in the Department of Precision Engineering at the University of Tokyo Graduate School of Engineering (current position) June 2024 Outside Director of the Company (current position) (Key concurrent posts) Professor in the Department of Precision Engineering at the University of Tokyo Graduate School of Engineering	0 shares
		Reasons for nomination as a candidate for Outside Director, expected roles, etc.: Ms. Etsuko Kobayashi has an excellent research record in the precision engineering field, specializing in treatment support engineering and working on research on technology such as minimally invasive surgical support systems using surgical robots and other mechatronic technology. In particular, through her research on surgical support robots and devices, intraoperative biological measurement and device control that take prognosis into account, and other areas, she has developed advanced expertise in precise mechanical structure design and control technologies, which are closely related to the precision processing and mechatronics technologies required for the development of the Company's semiconductor manufacturing equipment. She also co-wrote Ensuring Gender Equity on JSCAS and is actively involved in activities to promote diversity in her university and in academia. The Company has nominated her as a candidate for Outside Director in the belief that, as a mechatronic technology researcher in the precision engineering field, she will utilize her deep insight to strengthen the Company's business.	
		In addition, after her election, it is expected that she will utilize this knowledge to contribute to decisions on important business matters at Board of Directors' meetings and oversee business execution. Moreover, as the Chairperson of the Nominating Committee, with respect to the selection of candidates for the Company's Directors, she will drive discussions that incorporate the perspective of gender diversity, and as a member of the Compensation Committee, she will contribute to decisions on matters such as Director and Officer compensation from an objective, neutral standpoint. She has never been involved in the management of a company except as an external executive. However, based on her past achievements, the Company judges she will perform her duties as an Outside Director with sincerity and from a fair and open perspective.	
	Attendance at Board of Directors meetings: 100% (13/13)		
	Attendance at Nominating Committee meetings: 100% (3/3)		
	Attendance at Compensation Committee meetings: 100% (7/7)		

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
8	Christina L. Ahmadjian (March 5, 1959) Female	Jan. 1995 Assistant Professor of Columbia Business School Oct. 2001 Assistant Professor of Graduate School of International Corporate Strategy, Hitotsubashi University Jan. 2004 Professor of Graduate School of International Corporate Strategy, Hitotsubashi University June 2009 Outside Director of Eisai Co., Ltd. Apr. 2010 Dean of Graduate School, Graduate School of International Corporate Strategy, Hitotsubashi University Apr. 2012 Professor of Graduate School of Commerce and Management, Hitotsubashi University June 2012 Outside Director of Mitsubishi Heavy Industries, Ltd. June 2014 Outside Director of Japan Exchange Group, Inc. Apr. 2018 Professor of Graduate School of Business Administration, Hitotsubashi University June 2018 Outside Director of Sumitomo Electric Industries, Ltd. Mar. 2019 Outside Director of Asahi Group Holdings, Ltd. June 2021 Outside Director of NEC Corporation Apr. 2022 Professor Emeritus of Hitotsubashi University Specially Appointed Professor of Department of Global Business, College of Business, Rikkyo University June 2022 Outside Director of Niterra Co., Ltd. (current position) Jan. 2023 Outside Director of The University of Tokyo Edge Capital Partners Co., Ltd. (current position) Apr. 2024 Executive Director (part-time) of Hokkaido University (current position) Apr. 2025 Outside Director of Daiwa Securities Co. Ltd. (current position) June 2025 Outside Director of Yokogawa Electric Corporation (current position) June 2025 Outside Director of the Company (current position) (Key concurrent posts) Outside Director of Niterra Co., Ltd. (scheduled to retire in June 2026) Outside Director of The University of Tokyo Edge Capital Partners Co., Ltd. Executive Director (part-time) of Hokkaido University Outside Director of Daiwa Securities Co. Ltd. (scheduled to retire in June 2026) Outside Director of Yokogawa Electric Corporation	0 shares
Reappointment	Attendance at Board of Directors meetings: 100% (10/10)		
Outside Director	Attendance at Audit Committee meetings: 100% (11/11)		
Independent Officer			

		Reasons for nomination as a candidate for Outside Director, expected roles, etc.: Ms. Christina L. Ahmadjian has abundant experience and deep insight as a researcher of corporate management, corporate governance, and organizational culture, and has been involved in management as an outside director at a number of companies. We have nominated her as a candidate for Outside Director in the belief that she will draw on her extensive experience and insight to strengthen our governance and organizational culture. She has never been involved in the management of a company except as an external executive. However, after her election, the Company expects that she will use her expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. As a member of the Audit Committee, she will be involved in auditing the execution of duties by Executive Officers and Directors and in determining the Accounting Auditor from an objective and neutral standpoint.
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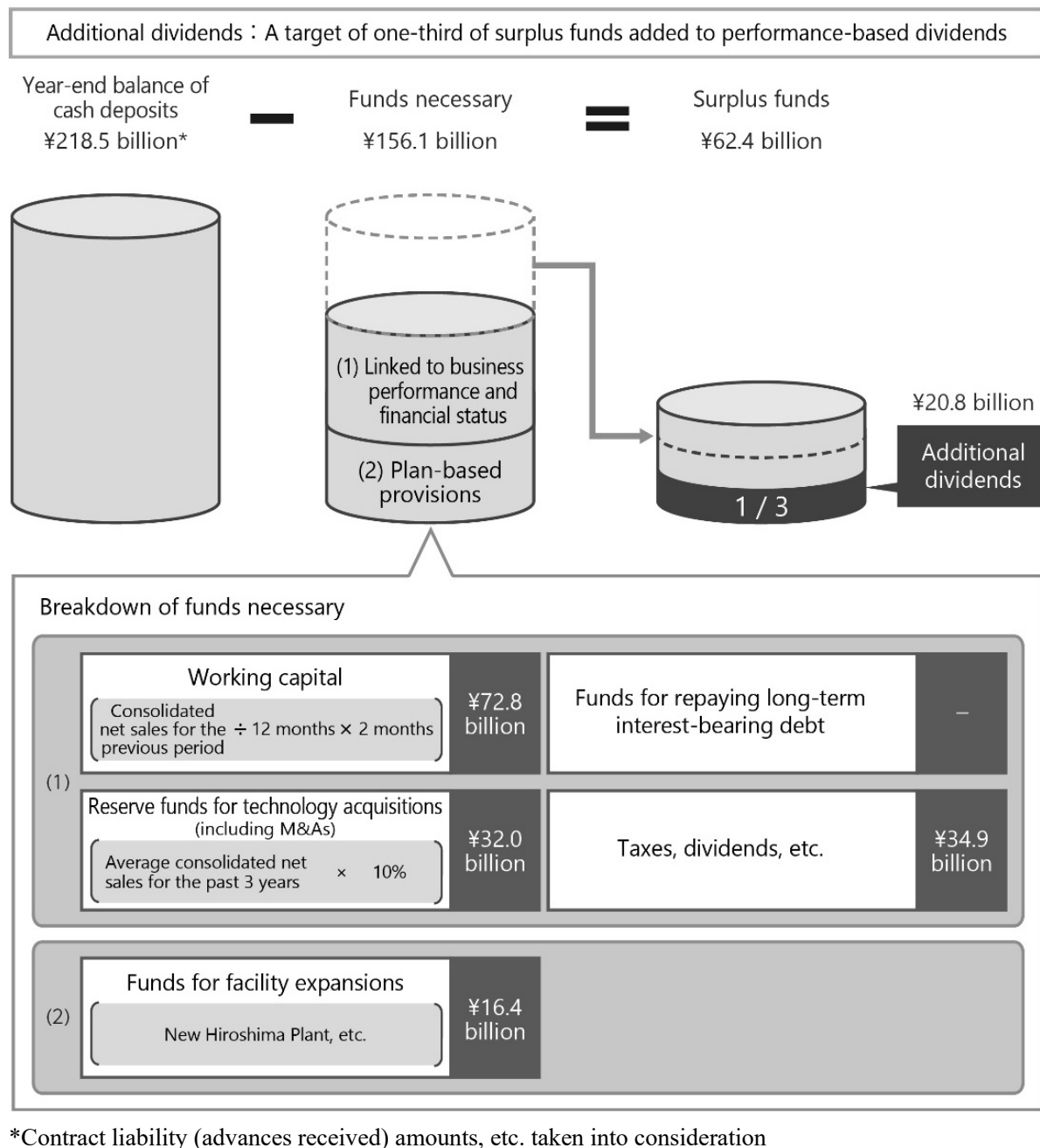
Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
9 Reappointment Outside Director Independent Officer	Atsushi Murakami (May 9, 1961) Male Attendance at Board of Directors meetings: 90% (9/10) Attendance at Audit Committee meetings: 91% (10/11)	Apr. 1984 Joined The Sanwa Bank, Limited (now MUFG Bank, Ltd.) June 2010 Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (now MUFG Bank, Ltd.) June 2010 Executive Officer of Mitsubishi UFJ Financial Group, Inc. May 2016 Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc. June 2016 Managing Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd. June 2017 Resigned as Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. May 2018 Senior Managing Executive Officer of MUFG Bank, Ltd. June 2019 Representative Director and President of MST Insurance Service Co., Ltd. Oct. 2023 Representative Director, President and CEO of MST Marsh, Inc. (current position) June 2025 Outside Director of the Company (current position) (Key concurrent posts) Representative Director, President and CEO of MST Marsh, Inc. Reasons for nomination as a candidate for Outside Director, expected roles, etc.: Mr. Atsushi Murakami has gained all-round experience in financial operations at financial institutions, including planning, international operations, and retail, and as a senior managing executive officer, he was in charge of global commercial banking. In addition, he has a wealth of experience and extensive knowledge as a manager, including serving as representative director and president and representative director of two companies, and has been admitted to the bar in the State of New York, USA. We have nominated him as a candidate for Outside Director based on this knowledge and experience. In addition, after his election, the Company expects that he will use his expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. As a member of the Audit Committee, he will be involved in auditing the execution of duties by Executive Officers and Directors and in determining the Accounting Auditor from an objective and neutral standpoint.	0 shares

Candidate No.	Name (Date of birth)	Career History, Title, Responsibilities	Number of Company Shares Owned
10 New election Outside Director Independent Officer	Hideshi Sano (October 17, 1964) Male Attendance at Board of Directors meetings: -	Apr. 1987 Joined The Sumitomo Trust and Banking Company, Limited (now Sumitomo Mitsui Trust Bank, Limited) Apr. 2016 Executive Officer, General Manager of Corporate Business Department II, Osaka Office of Sumitomo Mitsui Trust Bank, Limited Apr. 2017 Executive Officer, General Manager of Global Credit Supervision Department I of Sumitomo Mitsui Trust Bank, Limited Apr. 2019 Managing Executive Officer of Sumitomo Mitsui Trust Bank, Limited Apr. 2024 Chairman of SUMITOMO MITSUI TRUST INVESTMENT CO., LTD. Apr. 2025 Audit & Supervisory Board Member of Sumitomo Mitsui Trust Guarantee Co., Ltd. (current position) (Key concurrent posts) Audit & Supervisory Board Member of Sumitomo Mitsui Trust Guarantee Co., Ltd.	0 shares
		Reasons for nomination as a candidate for Outside Director, expected roles, etc.: Mr. Hideshi Sano has long been engaged in financial operations and has extensive experience, in areas including wholesale, operational audits, and credit screening. Based on these achievements, as well as his deep insight into finance, accounting, and risk management, the Company has nominated him as a candidate for Outside Director. In addition, after his election, the Company expects that he will use his expertise as part of the Board of Directors and contribute toward taking decisions on important management matters and toward the supervision of business execution. As a member of the Audit Committee, he will be involved in auditing the execution of duties by Executive Officers and Directors and in determining the Accounting Auditor from an objective and neutral standpoint.	

- Notes:
1. There are no special interests between the candidates and the Company.
 2. Mr. Kazuyoshi Tokimaru, Ms. Noriko Oki, Ms. Akiko Matsuo, Ms. Etsuko Kobayashi, Ms. Christina L. Ahmadjian, Mr. Atsushi Murakami, and Mr. Hideshi Sano are candidates for Outside Director.
 3. Mr. Kazuyoshi Tokimaru is currently an Outside Director of the Company. His term of office will be four years at the close of this General Shareholders Meeting. Furthermore, he was an Outside Company Auditor of the Company prior to his appointment as an Outside Director of the Company, and his term of office, including the three years he served, will be seven years.
 4. Ms. Noriko Oki is currently an Outside Director of the Company. Her term of office will be four years at the close of this General Shareholders Meeting.
 5. Ms. Akiko Matsuo is currently an Outside Director of the Company. Her term of office will be three years at the close of this General Shareholders Meeting.
 6. Ms. Etsuko Kobayashi is currently an Outside Director of the Company. Her term of office will be two years at the close of this General Shareholders Meeting.
 7. Ms. Christina L. Ahmadjian is currently an Outside Director of the Company. Her term of office will be one year at the close of this General Shareholders Meeting.
 8. Mr. Atsushi Murakami is currently an Outside Director of the Company. His term of office will be one year at the close of this General Shareholders Meeting.
 9. The Company has registered Mr. Kazuyoshi Tokimaru, Ms. Noriko Oki, Ms. Akiko Matsuo, Ms. Etsuko Kobayashi, Ms. Christina L. Ahmadjian, and Mr. Atsushi Murakami as independent officers based on the regulations of the Tokyo Stock Exchange. If each of these candidates is reappointed, the Company intends for them to continue acting as an independent officer.
Furthermore, Mr. Hideshi Sano 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.
 10. The Company has concluded agreements with Mr. Kazuyoshi Tokimaru, Ms. Noriko Oki, Ms. Akiko Matsuo, Ms. Etsuko Kobayashi, Ms. Christina L. Ahmadjian, and Mr. Atsushi Murakami, who are non-executive directors, limiting their liability for damages in Article 423, paragraph 1 of the Companies Act, based on the provisions in Article 427, paragraph 1 of the same Act. The maximum liability for damages under such an agreement shall be the minimum liability amount as stated in Article 425, paragraph 1 of the Companies Act. If the reappointment of each of these members is approved, the said agreements will be continued. If the election of Mr. Hideshi Sano is approved, the Company plans to enter into the same limited liability agreement with him as well.
 11. The Company has entered into a Directors and Officers Liability Insurance (D&O Insurance) agreement with an insurance company as stipulated in Article 430-3, paragraph 1 of the Companies Act. An outline of this insurance agreement is provided in the Business Report (in Japanese only). If the reappointment or election of a candidate for Director is approved, they will be included as an insured person under the above-mentioned insurance. In addition, the Company plans to renew the policy with the same terms at the next renewal.
 12. Attendance of Ms. Christina L. Ahmadjian and Mr. Atsushi Murakami at the Board of Directors meetings only covers the meetings held after their election as Directors at the 86th Annual General Meeting of Shareholders held on June 24, 2025.
 13. Outside Director Ms. Etsuko Kobayashi's name is entered as "Etsuko Masamune" in her family register.
 14. Candidates for Directors of the Company are written in order of rank and candidates for Outside Directors are written in order of term length.

[Reference]

1. Formula for calculating additional dividends



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 “Election of Ten Directors” is approved is as follows.

Candidate No.	Name	Representative Executive Officer	Executive Officer	Nominating Committee		Compensation Committee		Audit Committee		Representative Executive Officer Evaluation Committee	
				Chair-person	Member	Chair-person	Member	Chair-person	Member	Chair-person	Member
1	Kazuma Sekiya	✓			✓		✓				
2	Noboru Yoshinaga	✓									
3	Takao Tamura		✓								
4	Kazuyoshi Tokimaru							✓		✓	
5	Noriko Oki								✓		✓
6	Akiko Matsuo				✓	✓					✓
7	Etsuko Kobayashi			✓			✓				✓
8	Christina L. Ahmadjian								✓		✓
9	Atsushi Murakami								✓		✓
10	Hideshi Sano								✓		✓

Note: Outside Directors are in gray on the table.

3. Director Skill Matrix

The Board of Directors of the Company will endeavor to ensure diversity, including international and gender diversity, while giving due consideration to the balance of knowledge, experience, and abilities relevant to the Company's business, as well as expertise in innovation and technology. Furthermore, with regard to gender diversity, the Company has set a target of achieving "a female Director ratio of 30% or higher."

In addition to the knowledge and experience of each Director, the skills required are identified in light of key business strategies that include "to be a corporation that contributes to the realization of a sustainable society through all of its corporate activities" as stated in DISCO VISION 2030.

This skill matrix will be reviewed as appropriate based on the external environment and the situation of the Company.

Candidate No.	Name	Gender		Business management	Experience and knowledge of the Company's business and industry	Innovation and technology	International business and international experience	Finance and accounting	Legal affairs	Risk management	Environmental, social, and governance (ESG)
		Male	Female								
1	Kazuma Sekiya	✓		✓	✓	✓	✓	✓	✓	✓	✓
2	Noboru Yoshinaga	✓		✓	✓	✓	✓	✓	✓	✓	✓
3	Takao Tamura	✓		✓	✓		✓	✓	✓	✓	✓
4	Kazuyoshi Tokimaru	✓		✓				✓	✓	✓	✓
5	Noriko Oki		✓		✓		✓	✓			✓
6	Akiko Matsuo		✓			✓	✓				✓
7	Etsuko Kobayashi		✓			✓	✓				✓
8	Christina L. Ahmadjian		✓	✓			✓				✓
9	Atsushi Murakami	✓		✓			✓	✓	✓	✓	✓
10	Hideshi Sano	✓		✓				✓		✓	✓

Note: Outside Directors are in gray on the table.

Definitions of skills as stipulated in the Director Skills Matrix

Skill	Definition
Business management	Experience in corporate management (director, executive officer, or operating officer) or knowledge in business administration *However, experience solely as an outside director is excluded
Experience and knowledge of the Company's business and industry	Knowledge and experience related to the semiconductor industry
Innovation and technology	High level of expertise or outstanding research achievements in technology, production, or quality
International business and international experience	- Experience in management and business operations in international companies - Experience in organizational management at international institutions - Work experience and outstanding research achievements at international companies or institutions Must possess one of the above
Finance and accounting	- Experience of working in a financial institution - Holds the title of certified public accountant or other qualifications - Experience as a financial manager in an operating company (including subsidiaries, associates, etc.) - Insight and experience in dialogue with capital markets Must possess one of the above
Legal affairs	- Knowledge and experience in corporate legal affairs, compliance, and governance - Legal-related national qualification such as for lawyers and other law-related professionals Must possess one of the above
Risk management	- Insight and experience in risk management - Experience of serving on committees (executive level) related to risk management Must possess one of the above
Environmental, social, and governance (ESG)	Possesses sustainability-related insight and experience, including climate change, human capital, governance, etc.

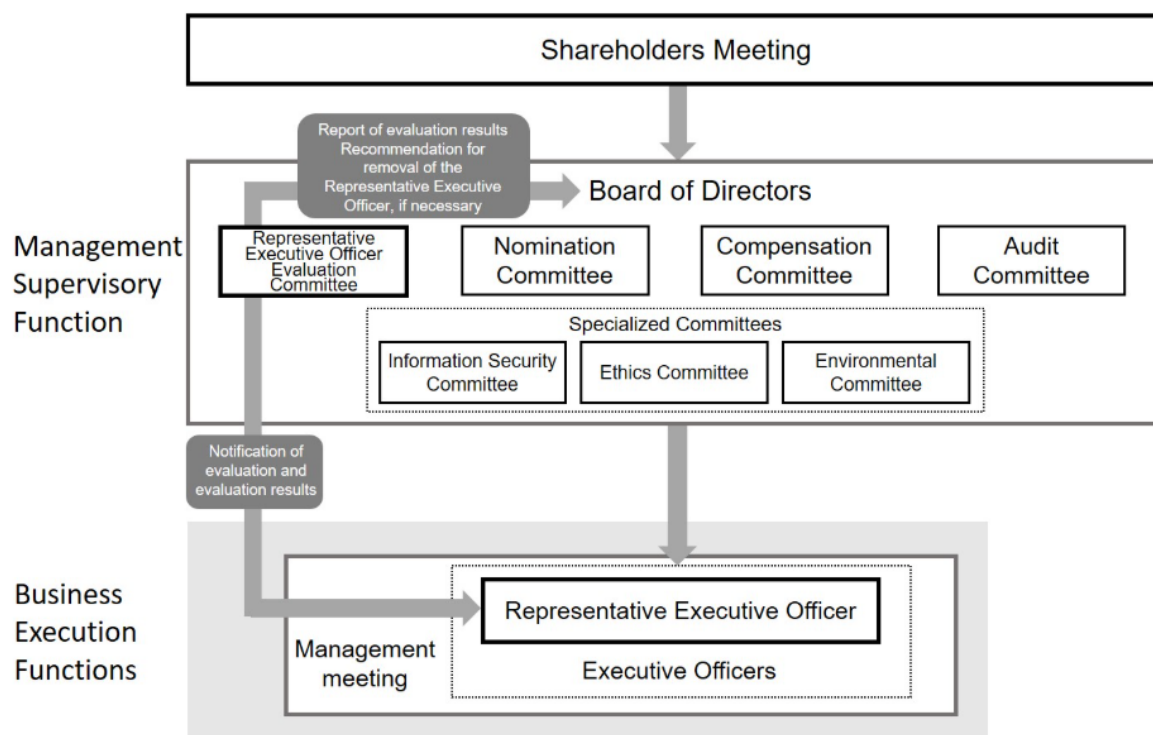
4. Independence Criteria

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, operating 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, operating 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
- (9) A person who has served as an external executive (Outside Director or Outside Company Auditor) of the Company for a total of more than 10 years.

5. Representative Executive Officer Evaluation Committee

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



(Reference)

Business Report
(From April 1, 2025 to
March 31, 2026)

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

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

17 Remuneration by category of officers, remuneration by type, and number of officers applicable						
Officer category	Total amount of remuneration (Millions of yen)	Remuneration by type (Millions of yen)				Number of officers applicable
		Base remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.		
			Officer bonuses	Stock options	Restricted stock-based remuneration	
Executive Officers	1,552	223	1,139	86	103	6
Outside Directors	124	124	—	—	—	10

- Notes:
1. The above includes four Outside Directors who retired at the close of the 86th General Shareholders Meeting on June 24, 2025, and one Executive Officer who retired at the close of the Board of Directors meeting held on the same day.
 2. The total amount of remuneration paid to Executive Officers who also serve as Directors and the number of officers applicable is indicated in the column for Executive Officers.

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

(a) Purpose of remuneration (remuneration philosophy)

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

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

(b) Remuneration level

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

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

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

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

Remuneration for Executive Officers (including those who concurrently serve as Directors) consists of (i) base remuneration, (ii) officer bonuses, (iii) conventional stock options, and (iv)

restricted stock-based remuneration. Of these, only (i) is fixed remuneration, while (ii) through (iv) are all variable remuneration (performance-linked and evaluation-linked).

Regarding officer bonuses (variable remuneration), when the Company achieves a single-year consolidated ordinary profit margin of 30% and a consolidated ordinary profit margin for 4 cumulative years of 20%, the ratio of fixed to variable remuneration will be 1.0 to 3.25 (with the breakdown of variable remuneration being as follows: officer bonuses, 2.25; conventional stock options, 0.3-0.5; and restricted stock-based remuneration, 0.3-0.5), as shown in the chart below.

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

Furthermore, since officer bonuses are linked to the single-year consolidated ordinary profit margin and the consolidated ordinary profit margin for 4 cumulative years that are used as performance evaluation indicators, when the base remuneration for officers is set at 1.0, the ratio of officer bonuses varies in the range of 0 to 6.9375.

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

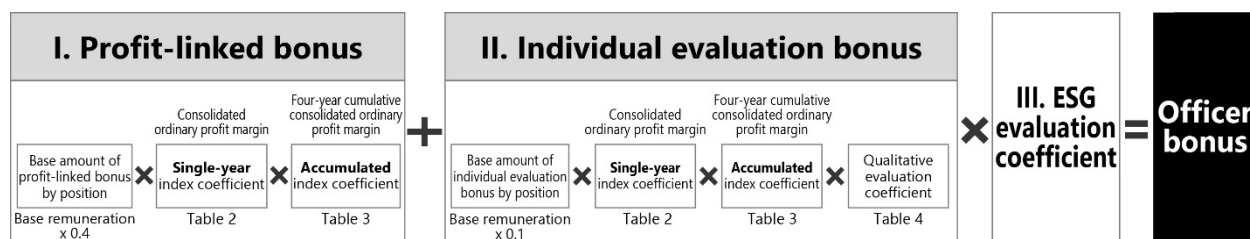
* When the individual evaluation is a standard evaluation (individual evaluation “C” in Table 4 “Individual evaluation bonus: qualitative evaluation coefficient”) and the ESG evaluation coefficient is 1.0.

(i) Base remuneration

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

(ii) Officer bonuses

Officer bonuses are positioned as short-term incentives, and from the fiscal year ended March 31, 2018, “performance-based compensation” was introduced. From the fiscal year ended March 31, 2026, the Company began linking officer bonuses to ESG indicators. Executive Officers (including those who concurrently serve as Directors) will receive profit-linked bonuses (performance-based compensation) and individual evaluation bonuses as officer bonuses calculated based on the following formula. When the single-year consolidated ordinary profit margin is 30% or more, the individual evaluation is standard (individual evaluation bonus: qualitative evaluation coefficient “C”), and the ESG evaluation coefficient is 1.0, the payment ratio between profit-linked bonuses (performance-based compensation) and individual evaluation bonuses is 4 to 1.



I. Profit-linked bonus

1. Calculation method

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

2. Reasons for selecting performance indicators

As stated above, one of the purposes of remuneration is to establish a “remuneration system that motivates the achievement of DISCO’s strategic business performance goals.” Accordingly, the Company has adopted a remuneration system that motivates the achievement of the two strategic business performance goals below.

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

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

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

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

Changes in actual performance indicators related to officer bonuses

(Rounded down to the first decimal place)

Category	The 85th fiscal year Apr. 1, 2023 - Mar. 31, 2024	The 86th fiscal year Apr. 1, 2024 - Mar. 31, 2025	The 87th fiscal year (Current consolidated fiscal year) Apr. 1, 2025 - Mar. 31, 2026
Single-year consolidated ordinary profit margin	39.7%	42.9%	42.3%
Consolidated ordinary profit margin for 4 cumulative years	37.0%	40.0%	41.4%

Points to note:

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

Table 1 Base amount of base remuneration for each position^{*1}

Executive Officer position	Base amount	Unit: thousands of yen			
		Director add-on amount ^{*2}	Representative add-on amount	COO add-on amount	CEO add-on amount ^{*3}
Executive Officer, Chairperson	56,100	2,100	6,900	9,900	7,200
Executive Officer, President	53,400				
Executive Officer, Vice President	43,800				
Senior Managing Executive Officer	37,500				
Managing Executive Officer	32,400				
Executive Officer	22,200				

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

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

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

Table 2 Single-year index coefficient

Single-year consolidated ordinary profit margin ^{*4}	Single-year index coefficient
Less than 5%	0
5% or more	0.50 - 5.00 ^{*5}

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

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

Table 3 Cumulative index coefficient

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

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

Table 4 Individual evaluation bonus: qualitative evaluation coefficient

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

Table 5 Maximum profit-linked bonus by position

Unit: thousands of yen

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

^{*7}: With concurrent position as CEO^{*8}: With concurrent position as COO

II. Individual evaluation bonus

Calculation method

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

Points to note:

- An individual evaluation bonus will not be paid when the qualitative evaluation is in the bottom three levels.
- An individual evaluation bonus will not be paid when performance is poor. (Targeting a single-year consolidated ordinary profit margin of less than 5%)

III. ESG evaluation coefficient

ESG evaluation is conducted using three evaluation indicators: the GHG emissions reduction rate (Scopes 1 and 2), employee satisfaction (ES) survey results, and the MSCI ESG Rating. The bonus amount is calculated by multiplying the "individual evaluation bonus" described in II. above by the ESG evaluation coefficient, which is determined by multiplying coefficients (1) through (3) derived based on Table 6.

The ESG evaluation coefficient ranges from a minimum of 0.512 to an upper limit of 1.5.

Table 6 ESG evaluation coefficient^{*9}

Indicator	GHG emissions reduction rate (Scopes 1 and 2)		Employee satisfaction (ES) survey results		MSCI ESG Rating ^{*11}	
Target	Annual target achieved ^{*10}		Positive response rate of 80% or higher		A or higher	
Evaluation table	Achievement status (vs. annual target)	Coefficient (1)	Positive response rate	Coefficient (2)	Rating	Coefficient (3)
	10% or more above target	1.2	95% or higher	1.2	AAA	1.2
	5% to less than 10% above target	1.1	90% or higher but less than 95%	1.1	AA	1.1
	Target achieved but less than 5% above target	1.0	80% or higher but less than 90%	1.0	A	1.0
	Less than 5% below target	0.9	70% or higher but less than 80%	0.9	BBB	0.9
	5% or more below target	0.8	0% or higher but less than 70%	0.8	CCC, B, BB	0.8

^{*9}: Calculated by multiplying coefficients (1) through (3), and ranges from a minimum of 0.512 to an upper limit of 1.5.

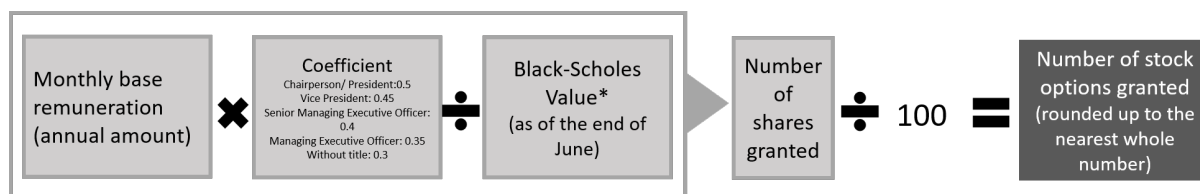
^{*10}: For the final target fiscal year (fiscal year 2030), the coefficient shall be 1.2 if carbon neutrality is achieved.

^{*11}: The rating as of the end of February of the applicable fiscal year shall be used.

(iii) Conventional stock options

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

Note that the number of stock options granted to each Executive Officer (including those who concurrently serve as Directors) for conventional stock options is calculated based on the following formula.



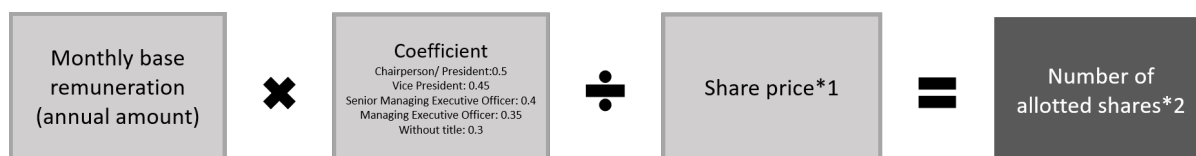
* Fair option value of share options calculated based on the option evaluation theory at the time when the share options were issued.

(iv) Restricted stock-based remuneration

In 2004, the Company abolished its retirement benefit plan and adopted a share remuneration-type stock option plan. The Company then abolished that system and introduced a restricted stock-based remuneration plan for Executive Officers (including those who concurrently serve as Directors). The purpose of this plan is to promote further shared value with shareholders by granting actual shares to management as long-term incentive remuneration and having them hold the actual shares.

The restricted period of transfer under this plan is 50 years from the date of allotment. However, the transfer restriction is lifted if a Director or Executive Officer retires for a reason deemed appropriate.

The number of shares to be allotted to each Executive Officer (including those who concurrently serve as Directors) will be calculated based on the following formula.



*1 Closing price on the business day before the allotment resolution date.

*2 If this calculation results in a number of shares to be allotted that is a fractional amount less than 100 shares, the number shall be rounded up to 100 shares as Article 8 of the Articles of Incorporation stipulates that the Company's trading lot is 100 shares.

(e) Malus and clawback

If it is determined that it is necessary to make revisions to financial statements because of an Executive Officer's serious violation of laws and regulations or the Company's internal rules, the Company shall take the following measures against the Executive Officer responsible for the situation ("Responsible Executive Officer") whether it was done intentionally or unintentionally.

(i) Reduction and denial or forfeiture of compensation (malus)

The Company will reduce, deny, or forfeit all or part of the fixed remuneration and unvested incentive remuneration (bonuses, conventional stock options, and restricted stock-based remuneration) scheduled to be paid by the Company to the Responsible Executive Officer.

(ii) Return of remuneration after lifting of transfer restrictions (clawback)

Of the vested incentive remuneration (bonuses, conventional stock options, and restricted stock-based remuneration) paid by the Company to the Responsible Executive Officer, the Company shall demand the return of the remuneration for the fiscal year in which the Board of Directors resolves that the Responsible Executive Officer's conduct constitutes an event subject to the clawback provision and the three fiscal years immediately preceding that year, from the Responsible Executive Officer (including after their retirement) or their heirs.

- (f) Authority to determine the policy concerning determining the amount of remuneration for officers or the method for calculating this amount

Matters such as remuneration of the Company's officers are decided by the Compensation Committee. The Compensation Committee consists of one Chairperson and at least two committee members, and is chaired by an Outside Director. Committee members and the Chairperson are appointed by a resolution passed by the Directors. Currently, there are three members: two Outside Directors and one Representative Executive Officer, President. The Compensation Committee met a total of seven times in fiscal year 2025. Details of the committee's activities are as follows.

Date held	Details of deliberations and resolutions passed
April 2025	- Passed a resolution on individual Executive Officers' bonuses to be paid for fiscal year 2024 (paid in June 2025) - Passed a resolution on the method for calculating the Executive Officers' bonuses for fiscal year 2025 - Deliberated on upper limits of bonuses for each Executive Officer
June 2025	- Passed a resolution on upper limits of profit-linked bonuses by position for Executive Officers' bonuses - Passed a resolution on individual monthly compensation of Directors and Executive Officers from July 2025
July 2025	- Passed a resolution on the number of conventional stock options to be granted to each individual Executive Officer - Passed a resolution to determine the details of conventional stock options - Passed a resolution on the number of restricted shares to be granted to each individual Executive Officer and the monetary claims to be paid upon the allotment of such shares - Reported on commencement of the third period to exercise share remuneration-type stock options - Passed a resolution to revise the officers' domestic travel expense regulations
November 2025	- Received an explanation on the latest status of the environment for management executive compensation and comparison of compensation levels at other firms from Willis Towers Watson (WTW), a major foreign consulting firm - Passed a resolution to revise the officers' condolence and congratulatory payments regulations
February 2026	- Deliberated on the revision of the stock ownership guidelines - Passed a resolution to change the number of restricted shares to be granted by position - Passed a resolution to revise the officers' remuneration regulations - Reported on partial revisions to the implementation guidelines for the 17th to 24th share acquisition rights
March 2026	- Passed a resolution on the review of peer companies for comparison benchmarking
March 2026	- Passed a resolution to revise the officers' remuneration regulations

- (g) Process for determining compensation, etc.

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

Consolidated Balance Sheet

(As of March 31, 2026)

(In millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	494,572	Current liabilities	154,458
Cash and deposits	284,575	Accounts payable	9,053
Notes receivable - trade	4,701	Electronically recorded obligations - operating	13,884
Accounts receivable - trade	52,776	Income taxes payable	22,523
Merchandise and finished goods	39,022	Contract liabilities	50,006
Work in process	43,107	Provision for bonuses	44,229
Raw materials and supplies	59,196	Provision for product warranties	2,121
Other	12,010	Other	12,638
Allowance for doubtful accounts	(817)	Non-current liabilities	826
Non-current assets	248,838	Asset retirement obligations	629
Property, plant and equipment	223,241	Other	197
Buildings and structures, net	101,636	Total liabilities	155,285
Machinery, equipment and vehicles, net	20,007	Net Assets	
Tools, furniture and fixtures, net	2,222	Shareholders' equity	568,583
Land	65,488	Share capital	22,359
Construction in progress	33,885	Capital surplus	24,348
Intangible assets	250	Retained earnings	521,924
Investments and other assets	25,346	Treasury shares	(48)
Investment securities	3,944	Accumulated other comprehensive income	17,991
Deferred tax assets	16,231	Valuation difference on available-for-sale securities	600
Retirement benefit asset	2,263	Foreign currency translation adjustment	16,698
Other	2,906	Remeasurements of defined benefit plans	692
		Share acquisition rights	1,184
		Non-controlling interests	366
		Total net assets	588,125
Total assets	743,410	Total liabilities and net assets	743,410

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

Consolidated Statement of Income

(From April 1, 2025
to March 31, 2026)

(In millions of yen)

Item	Amount	
Net sales		436,889
Cost of sales		130,412
Gross profit		306,477
Selling, general and administrative expenses		121,487
Operating profit		184,989
Non-operating income		
Interest income	282	
Share of profit of entities accounted for using equity method	135	
Rental income	404	
Subsidy income	821	
Compensation income	255	
Other	245	2,143
Non-operating expenses		
Foreign exchange losses	1,212	
Depreciation	975	
Commission expenses	6	
Other	2	2,197
Ordinary profit		184,936
Extraordinary income		
Gain on sale of non-current assets	10	10
Extraordinary losses		
Loss on sale and retirement of non-current assets	138	
Extra retirement payments	179	
Demolition cost	817	1,136
Profit before income taxes		183,811
Income taxes - current	46,752	
Income taxes - deferred	1,455	48,207
Profit		135,603
Profit attributable to non-controlling interests		81
Profit attributable to owners of parent		135,521

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

Consolidated Statement of Changes in Equity

(From April 1, 2025
to March 31, 2026)

(In millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current consolidated fiscal year	22,089	24,077	431,718	(47)	477,838
Changes during current consolidated fiscal year					
Issuance of new shares	270	270			541
Dividends of surplus			(45,316)		(45,316)
Profit attributable to owners of parent			135,521		135,521
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					
Total changes during current consolidated fiscal year	270	270	90,205	(1)	90,744
Balance at end of current consolidated fiscal year	22,359	24,348	521,924	(48)	568,583

(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 consolidated fiscal year	348	13,023	(45)	13,327	1,188	348	492,703
Changes during current consolidated fiscal year							
Issuance of new shares							541
Dividends of surplus							(45,316)
Profit attributable to owners of parent							135,521
Purchase of treasury shares							(1)
Net changes of items other than shareholders' equity	251	3,674	738	4,663	(4)	17	4,677
Total changes during current consolidated fiscal year	251	3,674	738	4,663	(4)	17	95,422
Balance at end of current consolidated fiscal year	600	16,698	692	17,991	1,184	366	588,125

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

Balance Sheet

(As of March 31, 2026)

(In millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	420,378	Current liabilities	121,378
Cash and deposits	236,222	Accounts payable - trade	9,087
Notes receivable - trade	3,847	Electronically recorded obligations - operating	13,769
Accounts receivable - trade	35,955	Accounts payable - other	7,094
Merchandise and finished goods	32,487	Accrued expenses	2,340
Work in process	42,729	Income taxes payable	18,030
Raw materials and supplies	58,934	Contract liabilities	37,522
Other	10,205	Provision for bonuses	31,773
Allowance for doubtful accounts	(4)	Provision for product warranties	826
Non-current assets	225,627	Other	933
Property, plant and equipment	204,161	Non-current liabilities	312
Buildings	91,043	Asset retirement obligations	141
Structures	1,072	Other	171
Machinery and equipment	14,022	Total liabilities	121,691
Vessels	0	Net Assets	
Vehicles	28	Shareholders' equity	523,130
Tools, furniture and fixtures, net	1,459	Share capital	22,359
Land	64,122	Capital surplus	24,348
Construction in progress	32,412	Legal capital surplus	23,441
Intangible assets	176	Other capital surplus	906
Patent right	2	Retained earnings	476,470
Software	152	Legal retained earnings	594
Other	21	Other retained earnings	475,876
Investments and other assets	21,289	Reserve for tax purpose reduction entry of non-current assets	534
Investment securities	9	General reserve	16,970
Shares of subsidiaries and associates	1,691	Retained earnings brought forward	458,371
Investments in capital of subsidiaries and associates	1,271	Treasury shares	(48)
Prepaid pension costs	1,249	Share acquisition rights	1,184
Deferred tax assets	14,769	Total net assets	524,314
Other	2,301	Total liabilities and net assets	646,005
Allowance for doubtful accounts	(4)		
Total assets	646,005		

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

Statement of Income

(From April 1, 2025
to March 31, 2026)

(In millions of yen)

Item	Amount	
Net sales		353,853
Cost of sales		124,310
Gross profit		229,543
Selling, general and administrative expenses		80,375
Operating profit		149,168
Non-operating income		
Interest income	237	
Dividend income	20,181	
Foreign exchange gains	3,122	
Subsidy income	202	
Other	1,087	24,831
Non-operating expenses		
Depreciation	974	
Other	2	976
Ordinary profit		173,023
Extraordinary income		
Gain on sale of non-current assets	8	8
Extraordinary losses		
Loss on sale and retirement of non-current assets	94	
Extra retirement payments	14	
Demolition cost	817	926
Profit before income taxes		172,105
Income taxes - current	38,814	
Income taxes - deferred	1,560	40,374
Profit		131,730

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

Statement of Changes in Equity

(From April 1, 2025
to March 31, 2026)

(In millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings
Balance at beginning of period	22,089	23,170	906	24,077	594
Changes during period					
Issuance of new shares	270	270		270	
Dividends of surplus					
Profit					
Reversal of reserve for tax purpose reduction entry of non-current assets					
Purchase of treasury shares					
Net changes of items other than shareholders' equity					
Total changes during period	270	270	–	270	–
Balance at end of period	22,359	23,441	906	24,348	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 tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward					
Balance at beginning of period	566	16,970	371,924	390,056	(47)	436,175	1,188	437,364
Changes during period								
Issuance of new shares						541		541
Dividends of surplus			(45,316)	(45,316)		(45,316)		(45,316)
Profit			131,730	131,730		131,730		131,730
Reversal of reserve for tax purpose reduction entry of non-current assets	(32)		32	—		—		—
Purchase of treasury shares					(1)	(1)		(1)
Net changes of items other than shareholders' equity							(4)	(4)
Total changes during period	(32)	—	86,446	86,414	(1)	86,954	(4)	86,950
Balance at end of period	534	16,970	458,371	476,470	(48)	523,130	1,184	524,314

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