

Message from the President



DISCO – Continuing to Evolve

Pursuing Solutions

In 2007 DISCO celebrated its 70th anniversary. The company was first established in 1937 under the name Dai-Ichi Seitoshō, and since that time we have consistently striven to do business in markets unspoiled by cutthroat competition while providing advanced abrasive processes that no other company could match.

In our long history we have evolved from being just a manufacturer of consumable blades and wheels to manufacturing precision equipment that effectively utilizes the consumables' superior performance. In recent years we have focused on technologies for advanced processing, including laser dicing and waterjet. Development of these processing technologies is driven by the fact that our customers are in constant need of optimal solutions. They come to us with challenging demands—“Can you somehow improve the precision of this process?” or “Is there any way to cut this faster?” Through trial and error we strive to meet their needs, and the results are then utilized in the next round of development. Our history can be seen as the repetition of this cycle.

Although DISCO has evolved as a manufacturer of both abrasive wheels and precision processing equipment, the ultimate purpose of these products is to deliver solutions to our customers. We, therefore, consider our true products to be the solutions that we provide.

DISCO's mission is to bring science to comfortable living through advanced *Kiru* (cutting), *Kezuru* (grinding) and *Migaku* (polishing) technologies. Which is another way of saying that we are committed to fulfilling our corporate responsibilities and contributing to society through advanced, *Kiru*, *Kezuru* and *Migaku* technologies.

Furthering Our Mission and Developing Good Relationships with Stakeholders

In order to fulfill our mission, it is essential that we maintain a good relationship with all stakeholders, exchange value with them and further increase the value of that exchange. Our stakeholders include, first and foremost, our customers, but also employees, shareholders, investors, suppliers and local communities.

A number of serious cases of corporate misconduct in recent years have led the public to be increasingly distrustful of corporations. Does it not make one wonder whether those companies have not placed too much emphasis on economic targets like sales and profits? We do not measure growth by sales and profits. Rather, DISCO considers growth to consist of furthering our mission and building better relationships with all stakeholders. We are united in our commitment to ongoing evolution in pursuit of this form of growth.

DISCO has many responsibilities it must fulfill, in areas ranging from corporate governance and ethics to improving quality, maintaining a safe, pleasant workplace and addressing environmental issues. Our goal is that both management and employees will utilize DISCO Values, our corporate philosophy, as basic principles and standards of action when dealing with all sorts of situations. To this end we intend to continue our effort to ensure DISCO Values are fully applied to everyday work activities.

CSR Starts With the Individual

Employees are stakeholders in the company. They are the means by which the company furthers its mission and builds better relationships with all stakeholders.

When each and every employee takes the views and opinions of other stakeholders to heart, thinks about what he or she can individually do to help, and acts on this basis, it brings about growth for DISCO and enables us to continue to evolve as a company. For this reason, in fiscal 2007, our efforts were focused again to make the company a meaningful place to work for all employees. This included various activities, such as raising awareness of our corporate philosophy, making improvements based on the results of our Employee Satisfaction Survey, and fostering unity among employees, such as through the DISCO Olympics.

In order to be a welcome presence in society, DISCO will continue to evolve by striving to further our mission and build better relationships with all our stakeholders. As we go forward, I thank you for your support and cooperation.

Hitoshi Mizorogi

President and CEO