



December 13, 2023

Company Name: USHIO INC.
Name and Title of Representative:
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(Code Number: 6925,
Prime Market of the Tokyo Stock Exchange)
Name and Title of Contact Person:
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Ushio and Applied Materials Form Strategic Partnership to Develop Next-Generation Lithography Technology for Advanced Semiconductor Packaging Market

Ushio Inc. (hereinafter, the “Company” or “Ushio”) hereby announces that the Company concluded the following strategic partnership with Applied Materials, Inc. (hereinafter, “Applied Materials”) based on the resolution of its Board of Directors dated November 13, 2023. Both companies are simultaneously announcing this agreement today.

1. Reason for the business alliance

Rapidly growing AI workloads are driving the need for larger chips with greater functionality in the advanced semiconductor package substrates market. Semiconductor manufacturers increasingly seek to improve performance by mounting multiple chiplets in an advanced package. Lithography systems for package substrates will accordingly require sub-micron line widths (1-micron line widths and beyond) that the world's top semiconductor manufacturers seek. Combining Ushio's more than 20 years of experience developing and manufacturing lithography equipment for packaging applications with Applied Materials' new Digital Lithography Technology will make it possible to provide solutions for these technical challenges.

Ushio will leverage this strategic partnership to fortify its business foundations as a top lithography equipment manufacturer in this substrate market while reinforcing its product portfolio expansion strategies in line with its roadmap over the medium through long terms to further expand the growth of its core Industrial Processes field during that timeframe.

2. Details, etc. of the business alliance

Through this partnership, Ushio will conduct joint research and development with Applied Materials, the pioneer of the technology behind the DLT system. Ushio will also draw on the manufacturing technology and customer infrastructure (including customer support system) that it has cultivated over the years. Drawing on the strengths of both companies to provide higher value-added solutions for the advanced semiconductor package substrate market will enable them to address the needs on customers' advanced substrate roadmaps.

3. Overview of the counterparty to the business alliance

(1)	Name	Applied Materials, Inc.	
(2)	Location	3050 Bowers Avenue, Santa Clara, CA 95054, U.S.A.	
(3)	Job title and name of representative	Gary E. Dickerson	
(4)	Description of business	Development, manufacturing, selling, and servicing manufacturing equipment and software for the semiconductor, display, and related industries	
(5)	Share capital (As of July 30, 2023)	US\$8,914 million	
(6)	Date of establishment	November 10, 1967	
(7)	Major shareholders and ownership ratios (As of September 30, 2023)	The Vanguard Group: 8.7% BlackRock Fund Advisors: 5.4% State Street Global Advisors: 4.4%	
(8)	Relationship between the Company and said company	Capital relationship	Not applicable
		Personnel relationship	Not applicable
		Business relationship	An Ushio subsidiary supplies products to the Allied Materials Group
		Related party relationship	Not applicable
(9)	Consolidated operating results and consolidated financial positions of said company for the last three years (In millions of the United States dollar, except for per share amounts)		
	Fiscal year ended	October 31, 2021 (Audited)	October 30, 2022 (Audited)
			October 29, 2023 (Unaudited)
	Total stockholders' equity	12,247	12,194
	Total assets	25,825	26,726
	Net sales	23,063	25,785
	Income from operations	6,889	7,788
	Net income	5,888	6,525
	Diluted earnings per share	6.40	7.44
	Dividend per common share	0.94	1.02
			1.22

4. Timetable

(1)	Board of Directors resolution date	November 13, 2023
(2)	Agreement conclusion date	November 13, 2023
(3)	Partnership initiation date	December 1, 2023

5. Future outlook

While the Company expects the impact of this strategic partnership on the consolidated financial results for the fiscal year ending March 31, 2024 to be immaterial, it believes that this partnership will help enhance its Group enterprise value over the medium through long terms. Ushio will promptly disclose if any matters arise that should be announced.

For details, please refer to the following news release, issued separately on the same day: “Breakthrough Digital Lithography Technology from Applied Materials and Ushio To Enable More Powerful Computing Systems for the AI Era.”