

## Company Profile

- Established in 1964, Ushio Inc. is an electrical equipment manufacturer specializing in light-applied products and industrial machinery, holding many products with top market shares.
- FY2024: Net sales ¥177.6bn, operating profit ¥8.8bn, net profit ¥6.7bn.
- Overseas sales ≈80% of total; overseas employees >60%. Shows strong global presence.
- Focusing on Industrial Processes business, aiming to expand and increase profitability in the advanced packaging market.
- New Growth Strategy, Revive Vision 2030: Target ROE ≥8% (Phase I), ≥12% (Phase II).
- Growth strategy aims to further enhance corporate value via portfolio revamp (portfolio transformation), growth investment, and financial strategies (stronger shareholder returns & BS management).

## Business Portfolio & Key Products

~ Light Innovation Company — Giving Shape to Light ~

### Ushio in Numbers

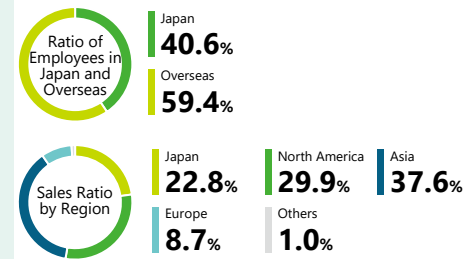
Net sales <b>¥177.6 bn</b>	Operating profit <b>¥8.8 bn</b>	Operating margin <b>5.0%</b>
ROE <b>3.1%</b>	Dividend Payout Ratio <b>99.6%</b>	
Ratio of Outside Directors <b>63.6%</b>	Total Group Employees <b>6,013</b>	

### Business Segments & Key Business Areas

<b>Industrial Processes(IP) business</b>	
Optical equipment for the electronics field, primarily focused on semiconductors, and lamps for equipment, among others	Net sales <b>¥78.9 bn</b> Seg. Breakdown <b>44.4%</b>
<b>Visual Imaging(VI) business</b>	
Digital cinema projectors, projectors for general imaging, and lamps for projectors, among others	Net sales <b>¥80.8 bn</b> Seg. Breakdown <b>45.6%</b>
<b>Life Sciences(LS) business</b>	
Medical devices such as UV phototherapy devices	Net sales <b>¥6.1 bn</b> Seg. Breakdown <b>3.4%</b>
<b>Photonics Solutions(PHS) business</b>	
Solid-state light sources and lasers (device/module)	Net sales <b>¥10.3 bn</b> Seg. Breakdown <b>5.8%</b>

\*Sales and sales composition ratios (seg. breakdowns) are after elimination of intercompany transactions

## 80% of sales are overseas — Ushio operates globally



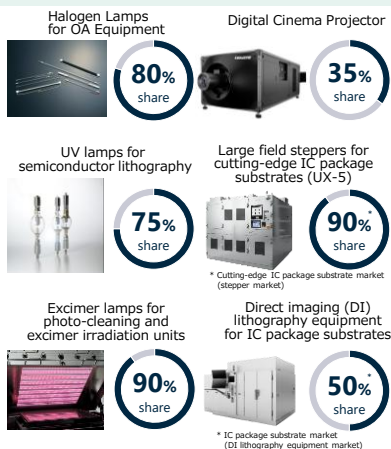
- Early global expansion, aiming to become a leading mid-sized global company
- Swiftly addressing global customer needs with high value-added offerings

## Our Strengths

~ Solving bottlenecks in technological innovation with light; Leading presence in global niche markets ~

### Strength 1: Solid Earnings Base (Light Source Business & High Market Share Products)

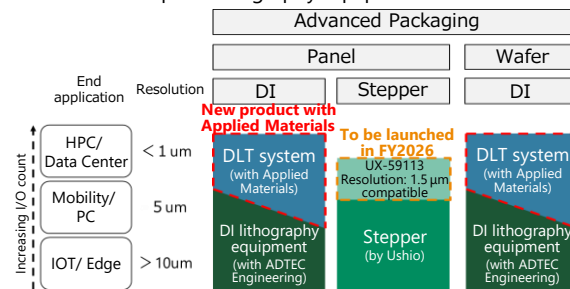
- Created many high market share products through a niche-top strategy since our founding
- Established a solid earnings base with stable replacement demand in the light source business
- Further strengthened our revenue base by deciding to acquire the lamp business of competitor ams OSRAM AG (closing scheduled for March 2026)



### Strength 2: Lithography Equipment Driving Generative AI Advancement

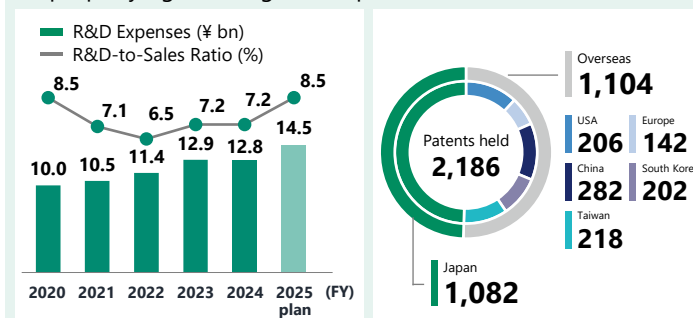
- Steppers with a high market share (90%) in semiconductor back-end processes
- Expanded lineup through strategic partnership with Applied Materials (added DLT systems)
- Full lineup strategy to meet diverse customer needs

#### Ushio's Lineup of Lithography Equipment



### Strength 3: Active R&D Investment and Patent Strategy

- Maintaining R&D-to-sales ratio at around 7–8%
- Growth strategy includes ¥40.5 bn R&D investment for FY2024–2026
- Patent strategy to maximize profits via stronger intellectual property rights and global expansion



# New Growth Strategy

~ Growth Strategy Focused on Management Efficiency ~

## Guiding Principles for 2030

### Mission

Utilizing light as a means to provide not only illumination but also energy to contribute to the resolution of social issues and to technological innovation across the globe

### Vision

**Becoming a light innovation company**

Growing together with our customers mainly in the Industrial Processes area

## Overview of the New Growth Strategy

### Policy

A growth strategy emphasizing management efficiency

Investing more in growth and development and concentrating resources in the **IP business**, and expanding growth

× **Enhancing efficiency** ×

Balance investment in growth and increased capital efficiency

### Targets

**Phase I (FY2024~FY2026)** ROE **8%** or more

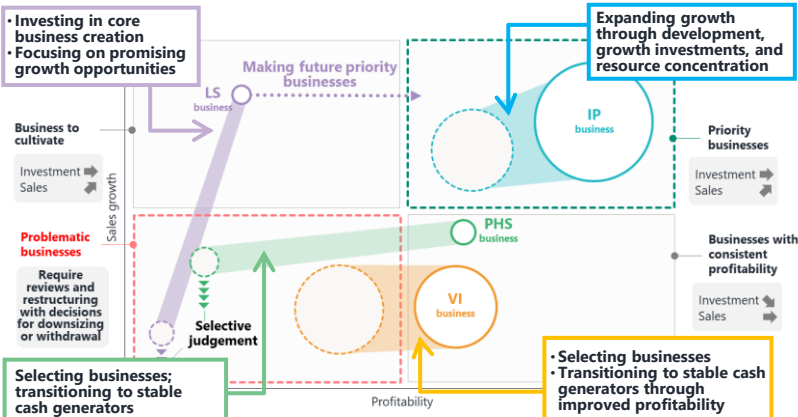
**Phase II (FY2027~FY2030)** ROE **12%** or more

## Business Strategy Revamping business portfolio

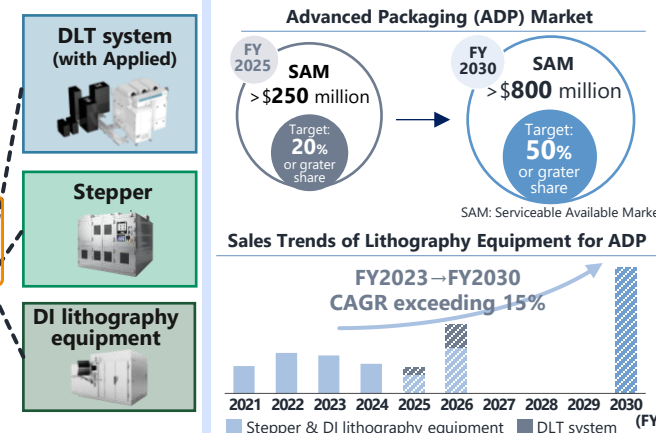
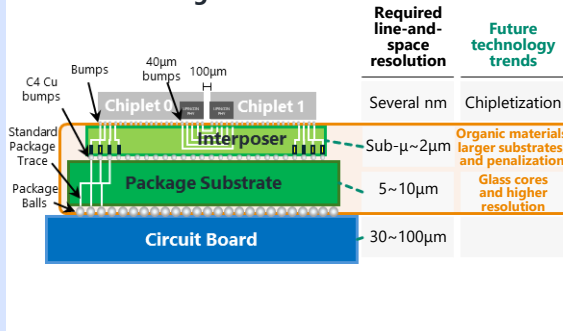
Developed and implementing a fixed cost reduction action plan to achieve Phase I goals

## Business Strategy Step up advanced packaging business growth

Providing a full lineup of lithography equipment for high-density packaging in semiconductor back-end processes essential for generative AI



## Advanced packaging structure needed for generative AI

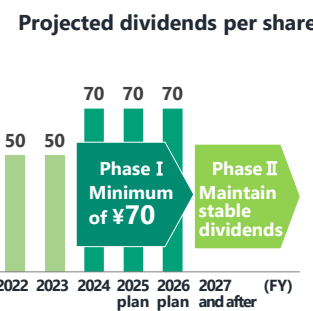


## Financial Strategy Enhancing asset efficiency by balancing growth investments and financial discipline

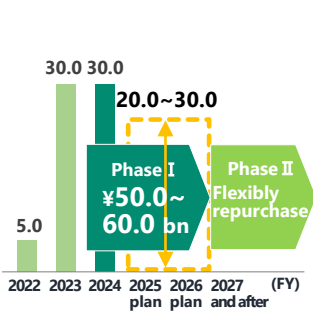
## (Reference) Analyst's comment

Source: Masahiro Nakanomyo (Jefferies Securities), \*Ushio Inc. (6925 JP) Equity Research,\* dated November 6, 2025

### Dividends Policy (yen)



### Share buybacks (¥ bn)



- Planning growth investments of over ¥40.0 bn (Phase I)
- Balance sheet policy:
  - Accelerate sale of marketable securities\*: Approx. ¥35.0 bn in FY2024~2026
  - Strengthen monitoring of asset turnover ratios
  - Increase shareholder returns to reduce equity capital to below ¥200.0 bn
  - Improve financial leverage by utilizing interest-bearing debt: 1.42x (FY2023) → approx. 1.7x (FY2026)

## Enhancing asset efficiency

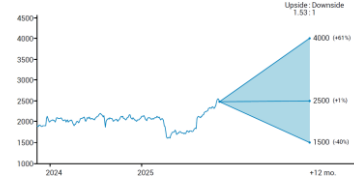
\* Including cross-shareholdings, long-term bonds and net investment securities

### The Long View: Ushio

**Investment Thesis / Where We Differ**

The company has a stable position in the equipment business and light source business. After bottoming out in FY2020, it is on a recovery trend partly due to the effects of structural reforms, it was on a recovery trend. However, amid major changes in the business environment, such as a slowdown in investment by major customers in lithography equipment for package substrates, which is Ushio's main business, the company announced new growth strategy, Revive Vision 2030, in May 2024. Ushio has established a growth strategy that emphasizes management efficiency, concentrating resources on growth areas and promoting the improvement of capital efficiency. Ushio are also conducting a large-scale share buyback in FY2023-2026.

### Risk/Reward - 12 Month View



### Base Case: ¥2500, +1%

- Improving profitability by leveraging unprofitable businesses and narrowing resources to growth areas
- Moderate recovery in demand for packaging substrate lithography equipment and direct-to-text imaging equipment
- Price target is ¥2,500 (FY3/27E PER 24x)

### Upside Scenario: ¥4000, +61%

- Launch of the digital lithography business that Ushio is promoting with AMAT and contribute to business results
- Recovery in demand for packaging substrate lithography equipment and expansion of customer base through the introduction of next-generation products
- Stock price in the upside scenario is ¥4,000 (FY3/27E PER 28x)

### Downside Scenario: ¥1500, -40%

- Intensifying competition in package substrate lithography equipment and direct imaging equipment
- Adjustments due to macro impact in the Cinema business
- Stock price in the downside scenario is ¥1,500 (FY3/27E PER 12x)



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URL: <https://www.ushio.co.jp/en/ir/>

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