

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 ¥179.2bn, operating profit ¥11.9bn, net profit ¥7.9bn
- 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: Targeting ROE ≥8% at an early stage and ≥12% in 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)

Our Strengths

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

Business Portfolio & Key Products

~ Light Innovation Company — Giving Shape to Light ~

► Ushio in Numbers

Net sales	¥179.2bn	
Operating profit	¥11.9bn	Operating margin 6.7%
ROE	4.0% (Adjusted*1: 4.6%)	Dividend Payout Ratio*2 73.8%
Ratio of Outside Directors*3	63.6%	Total Group Employees 5,898

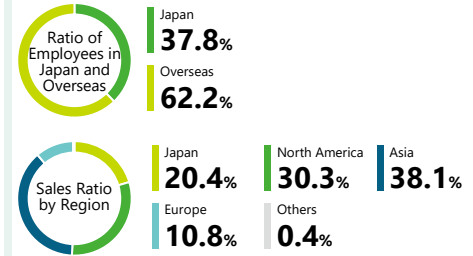
*1 Excludes one-time expenses related to the ams-OSRAM AG lamp business acquisition and the increase in valuation and translation adjustments, etc. in net assets since March 31, 2024.
 *2 Based on the planned year-end dividend of ¥70 per share for FY2026
 *3 Based on the Board of Directors' composition as of March 31, 2026

► Business Segments & Key Business Areas

Industrial Processes(IP) business	
Optical equipment for the electronics field, primarily focused on semiconductors, and lamps for equipment, among others	Net sales ¥77.1 bn Seg. Breakdown 43.1%
Visual Imaging(VI) business	
Digital cinema projectors, projectors for general imaging, and lamps for projectors, among others	Net sales ¥83.8 bn Seg. Breakdown 46.8%
Life Sciences(LS) business	
Medical devices such as UV phototherapy devices	Net sales ¥6.2 bn Seg. Breakdown 3.5%
Photonics Solutions(PHS) business	
Solid-state light sources and lasers (device/module)	Net sales ¥10.5 bn Seg. Breakdown 5.9%

* Sales and sales composition ratios (seg. breakdowns) are after elimination of intercompany transactions
 * Sales of the Others segment were ¥1.3 billion, with a Seg. Breakdown of 0.7%

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

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

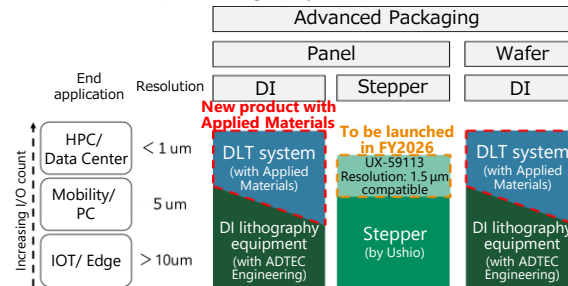
- Created many high market share products through a niche-top strategy since our founding
- Established a solid earnings base with stable replacement demand in the light source business
- Further strengthened our earnings base through acquisition of competitor ams-OSRAM AG's lamp business (closed and consolidated in March 2026)



Strength 2: Lithography Equipment Driving Generative AI Advancement

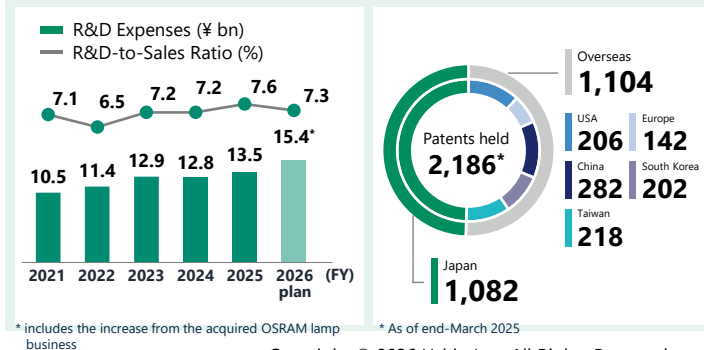
- Steppers with a high market share (90%) in semiconductor back-end processes
- Expanded lineup through strategic partnership with Applied Materials (added DLT systems)
- Full lineup strategy to meet diverse customer needs

► 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 ¥41.7 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
(aim to achieve as early as possible)

Phase II
(FY2027~FY2030)

ROE **12%** or more

Business Strategy

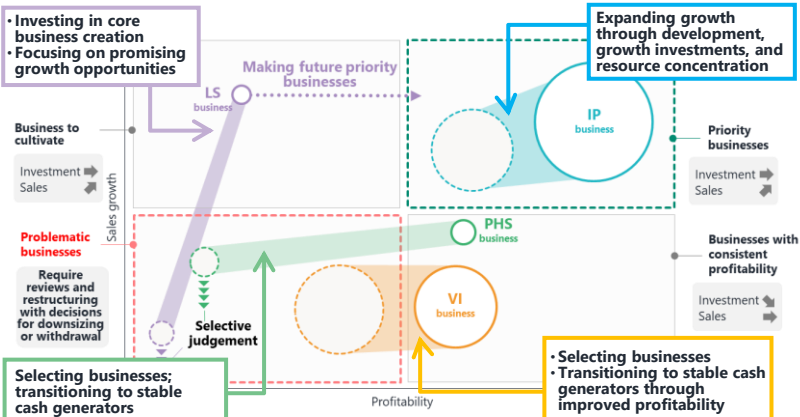
Revamping business portfolio

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

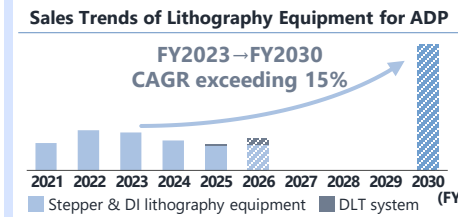
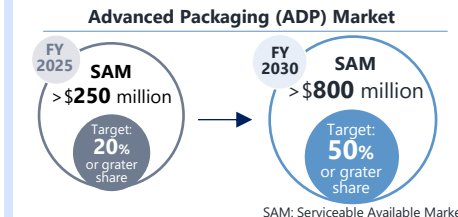
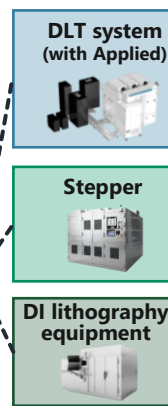
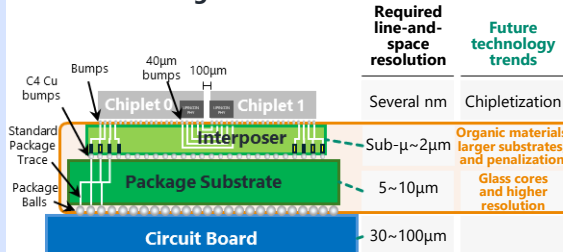
Business Strategy

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



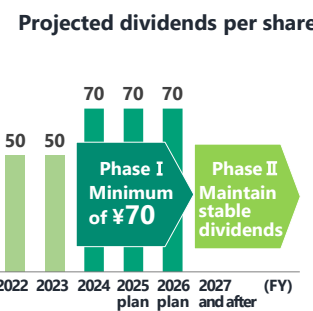
Financial Strategy

Enhancing asset efficiency by balancing growth investments and financial discipline

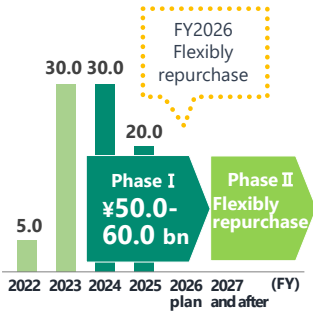
(Reference) Analyst's comment

Source: Masahiro Nakanomyo (Jefferies Securities), "Ushio Inc. (6925, JP) Equity Research," dated May 14, 2026

Dividends Policy (yen)



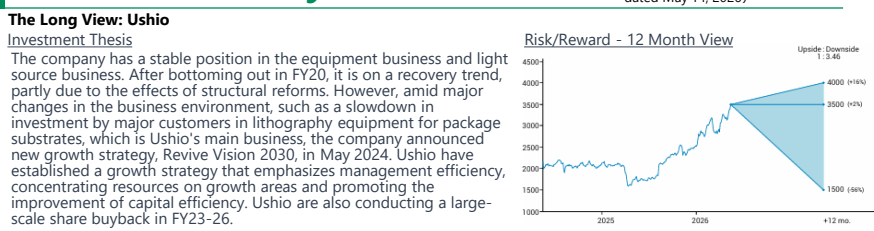
Share buybacks (¥ bn)



- 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. 1.67x (FY2026 forecast)

Enhancing asset efficiency

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



- Base Case: ¥3500, +2%**
- 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 ¥3,500 (FY3/28E PER 28x)
- Upside Scenario: ¥4000, +16%**
- 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 (FY3/28E PER 28x)
- Downside Scenario: ¥1500, -56%**
- 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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