Translation

November 6, 2026

Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2027 <under Japanese GAAP>

Company name: **USHIO INC.**
Listing: Prime Market of the Tokyo Stock Exchange
Stock code: 6925
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Scheduled date of semi-annual securities report filing: November 13, 2026
Scheduled date for commencement of dividend payments: —
Supplementary documents for financial results: Yes
Holding of financial results briefing: Yes (for analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the first six months of the fiscal year ending March 31, 2027 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
First six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	103,538	27.2	9,788	143.8	9,674	92.2	5,367	—
September 30, 2025	81,425	(4.9)	4,014	(6.0)	5,032	(7.6)	240	(89.6)

(Note) Comprehensive income
For the first six months ended September 30, 2026: ¥ 28,259million [536.5%]
For the first six months ended September 30, 2025: ¥ 4,439 million [—%]

	Basic earnings per share	Diluted earnings per share
First six months ended	Yen	Yen
September 30, 2026	67.59	—
September 30, 2025	2.77	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	366,905	219,519	59.8
March 31, 2026	331,078	198,338	59.9

(Reference) Equity
As of September 30, 2026: ¥ 219,506million
As of March 31, 2026 ¥ 198,324 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	—	—	—	70.00	70.00
Fiscal year ending March 31, 2027	—	—			
Fiscal year ending March 31, 2027 (Forecast)			—	70.00	70.00

(Note) Revisions to the forecasts of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	220,000	22.8	18,000	50.5	18,000	34.9	12,000	50.1	151.16

(Note) Revisions to the consolidated earnings forecasts most recently announced: Yes

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of a specific accounting procedure for preparing semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatements

a. Changes in accounting policies due to revisions to accounting standards: None

b. Changes in accounting policies due to other reasons: None

c. Changes in accounting estimates: None

d. Restatements: None

(4) Number of issued shares (common stock)

a. Total number of issued shares at the end of the period (including treasury stock)

As of September 30, 2026	83,500,000 shares
As of March 31, 2026	83,500,000 shares

b. Number of shares of treasury stock at the end of the period

As of September 30, 2026	4,151,012 shares
As of March 31, 2026	3,682,810 shares

c. Average number of shares during the period

As of September 30, 2026	79,414,910shares
As of September 30, 2025	86,896,316 shares

(Note) The Company's shares held in trust introduced with respect to its stock remuneration plan for directors as treasury shares within shareholders' equity are included in the number of treasury shares.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Notes on the proper use of earnings forecasts and other special matters

(Caution Regarding Forward-Looking Statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors.

See page 4 of the appended materials regarding earnings forecasts.

(How to obtain Financial Presentation)

The financial results presentation for securities analysts and institutional investors is planned on November 6, 2026.

The Financial Presentation will be posted on the website of USHIO INC. on November 6, 2026.

[Attached document]

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1. Overview of Financial Results for the Period

(1) Overview of Business Performance

During the first six months of the fiscal year ending March 31, 2027, the global economy remained uncertain as a result of factors that include geopolitical risks such as energy-related challenges arising from the situation in the Middle East and the destabilization of Japan-China relations, and exchange rate trends.
Against this backdrop, the semiconductor, electronic device, printed circuit board, and server markets are seeing an increase in capital investment driven by rising new demand related to generative AI. In the flat panel display market, liquid crystal display (LCD) panel manufacturers operated at solid levels, supported by a temporary recovery in LCD panel demand related to the replacement of LCD televisions. In the visual imaging market, theater attendance remained solid and investment appetite also remained firm. General imaging market conditions remained solid amid growing demand for advanced video production for amusement parks, global events and other activities, despite the ongoing diversification of entertainment industry.

The average exchange rate for the first six months was ¥160 to the U.S. dollar, with the yen depreciating by ¥14 year on year.

Consolidated net sales increased 27.2% year on year, to ¥103,538 million. Operating profit increased 143.8%, to ¥9,788 million. Ordinary profit increased 92.2%, to ¥9,674 million. Profit attributable to owners of parent amounted to ¥5,367 million, while profit attributable to owners of parent in the same period of the previous fiscal year was ¥240 million.

Segment results were as follows.

Industrial Processes Business
UV Lamps
Sales increased due to the solid operation of installed equipment and other factors, driven by demand related to generative AI semiconductors. Sales also increased due to the effect of the acquisition of the light source business of ams-OSRAM AG, among other factors.

OA Lamps
Although the shift toward paperless operations continues, sales increased as customers completed inventory adjustments, resulting in higher sales.

Optical Equipment Lamps
Sales increased due to higher demand for thermal process-related products in the semiconductor field, supported by strong operating levels in the semiconductor-related market, and due to solid demand related to flat panel displays against the backdrop of replacement demand for LCD televisions and other factors. Sales also increased due to the effect of the acquisition of the light source business of ams-OSRAM AG.

Optical Equipment (Lithography Equipment)
Driven by higher demand related to generative AI, sales of direct imaging lithography equipment mainly increased, resulting in higher sales. In addition, inquiries and orders for each type of lithography equipment, centered on projection lithography equipment, continue to show an increasing trend.

Optical Equipment (Others)
Revenue from maintenance services for EUV light sources for EUV mask inspection declined as a result of the suspension of operations of some light sources, resulting in lower revenue,

In terms of profits, although there was an impact from soaring prices of raw materials such as tungsten, a key component of light sources, a net reversal of valuation losses on inventories was recognized based on revised estimates of their sales prospects following the recovery in demand for lithography equipment. In addition, sales of semiconductor-related light sources remained strong and the product mix improved, which enhanced profitability and resulted in higher profit. The impact of soaring tungsten prices is expected to be mitigated going forward through measures being taken.

Industrial Process business sales therefore increased 34.7%, to ¥ 46,369million. Operating profit increased 177.8%, to ¥ 5,689 million.

Visual Imaging Business
Projector Lamps
Although the penetration of laser projectors continues to advance and sales of projector lamps remain on a declining trend, sales increased due to the effect of the acquisition of the light source business of ams-OSRAM AG and the yen's depreciation.

Cinema Projectors
While investment appetite at theaters remained solid and replacement demand for projectors continued, net sales remained flat due to a decrease in the number of projects compared with the previous fiscal year.

General Imaging Projectors
Sales increased due to steady demand for video production in the entertainment area.

In terms of profits, there was an impact from soaring prices of raw materials such as tungsten, a key component of light sources, as well as from a temporary rise in costs due to the acquisition of the light source business of ams-OSRAM AG. Despite these factors, profit increased as the benefits of the structural reforms began to materialize. The impact of soaring tungsten prices is expected to be mitigated going forward through measures being taken.

Visual Imaging business sales therefore increased 22.3%, to ¥ 46,563 million. Operating profit increased 26.2%, to ¥ 2,278 million.

Life Sciences Business
Sales increased mainly due to the effect of the acquisition of the light source business of ams-OSRAM AG. In addition, SG&A expenses decreased due to the effect of selecting investment targets for new projects undertaken in the previous fiscal year and other factors, which improved profitability and resulted in higher profit.

Life Science business sales therefore increased 10.4%, to ¥ 3,628 million. Operating profit increased 133.5%, to ¥ 395 million.

Photonics Solutions Business
Sales increased due to solid sales of devices and modules for semiconductors. In addition, cost of sales and SG&A expenses decreased due to the effects of improved operations associated with higher sales and structural reforms and other factors, substantially improving profitability and resulting in higher profit.

Photonics Solution business sales therefore increased 28.4%, to ¥ 6,388 million. Segment income was ¥1,404 million (¥85 million in the same period of the previous fiscal year).

Others
Sales of power supplies decreased due to lower capacity utilization at customer production lines, but profits rose mainly as a result of lower selling, general and administrative expenses.

Others segment sales thus decreased 10.0%, to ¥600 million. Operating profit was ¥71 million, compared with an operating loss of ¥45 million in the previous corresponding period.

(2) Overview of Financial Position

Assets

Consolidated total assets at the end of the interim period under review were ¥366,905 million, up ¥35,827 million from the end of the previous fiscal year. The main factors behind this increase were an increase in inventories resulting from an increase in orders for optical equipment and other products, and an increase in investment securities owing to higher unrealized gains on investment securities.

Liabilities

Consolidated total liabilities at the end of the interim period under review were ¥147,386 million, up ¥14,646 million from the end of the previous fiscal year. The main factors behind this increase were an increase in contract liabilities owing to sales of optical equipment and other products, and an increase in deferred tax liabilities for unrealized gains on investment securities. Meanwhile, the main negative factor was a decrease in borrowings resulting from a partial repayment of external loans payable.

Net Assets

Consolidated net assets at the end of the interim period under review were ¥219,519 million, up ¥21,181 million from the end of the previous fiscal year. The main factor behind this increase was a higher valuation difference on available-for-sale securities owing to higher unrealized gains on investment securities.

Consolidated cash and cash equivalents at the end of the interim period under review were ¥70,642 million, down ¥1,225 million from the end of the previous fiscal year. The status of each cash flow is as follows.

Cash Flows from Operating Activities

Consolidated net cash provided by operating activities during the interim period under review was ¥13,022 million (net cash of ¥8,318 million provided during the same period of the previous fiscal year).
The main factors behind this were inflows of ¥8,706 million from income before income taxes and minority interests, ¥6,281 million from an increase in contract liabilities, ¥5,717 million from an increase in trade payables, and ¥4,589 million from depreciation and amortization, partially offset by outflows of ¥9,352 million for an increase in inventories and ¥2,145 million in incomes taxes.

Cash Flows from Investing Activities

Consolidated net cash provided by investing activities during the interim period under review was ¥2,683 million (net cash of ¥2,660 million used during the same period of the previous fiscal year).
The main factors behind this were proceeds of ¥3,054 million from withdrawal of time deposits, ¥2,593 million from sale and redemption of investment securities, and ¥1,299 million from sale and redemption of securities, partially offset by ¥3,041 million for acquisition of property, plant and equipment and payments of ¥1,598 million into time deposits.

Cash Flows from Financing Activities

Consolidated net cash used in financing activities during the interim period under review was ¥16,359 million (net cash of ¥779 million provided during the same period of the previous fiscal year).
The main components were inflows of ¥15,000 million from long-term loans payable, and outflows of ¥25,000 million for repayment of long-term borrowings and ¥5,603 million in dividends paid.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking statements

For the fiscal year ending March 31, 2027, management has revised the full-year consolidated earnings forecasts announced on May 14, 2026 in light of the actual results for the interim period under review and the current conditions. For details, see the Notice Concerning Revision of Earnings Forecasts released today (November 6, 2026). These forecasts are based on information currently available to the Company and on certain assumptions that management deems reasonable. Actual results may vary due to various factors.

2. Semi-annual Consolidated Financial Statements and Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	75,749	73,116
Notes and accounts receivable - trade, and contract assets	39,801	40,889
Securities	2,231	2,790
Merchandise and finished goods	36,489	37,368
Work in process	16,923	24,848
Raw materials and supplies	25,268	25,036
Other	11,716	10,959
Allowance for doubtful accounts	△1,673	△1,794
Total current assets	206,507	213,214
Non-current assets		
Property, plant and equipment		
Buildings and structures	54,470	54,425
Accumulated depreciation	△37,378	△37,923
Buildings and structures, net	17,092	16,501
Machinery, equipment and vehicles	33,866	33,921
Accumulated depreciation	△24,884	△25,483
Machinery, equipment and vehicles, net	8,982	8,437
Land	8,552	8,486
Right-of-use assets	7,456	7,627
Accumulated depreciation	△2,331	△2,794
Right-of-use assets, net	5,125	4,832
Construction in progress	2,057	1,724
Other	41,084	41,298
Accumulated depreciation	△29,509	△30,486
Other, net	11,574	10,811
Total property, plant and equipment	53,384	50,794
Intangible assets		
Goodwill	7,063	6,544
Other	4,101	3,140
Total intangible assets	11,164	9,684
Investments and other assets		
Investment securities	39,033	72,387
Long-term loans receivable	15	20
Deferred tax assets	2,129	1,913
Retirement benefit asset	16,299	16,348
Other	2,718	2,715
Allowance for doubtful accounts	△174	△173
Total investments and other assets	60,021	93,212
Total non-current assets	124,570	153,691
Total assets	331,078	366,905

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,062	19,557
Short-term borrowings	1,471	1,429
Current portion of long-term borrowings	26,725	11,725
Lease liabilities	1,707	1,655
Income taxes payable	2,526	2,136
Contract liabilities	13,215	19,406
Provision for bonuses	2,823	2,977
Provision for bonuses for directors (and other officers)	81	32
Provision for product warranties	3,703	3,346
Other	9,979	10,984
Total current liabilities	76,297	73,249
Non-current liabilities		
Long-term borrowings	39,775	44,775
Lease liabilities	4,929	4,534
Deferred tax liabilities	6,375	19,166
Provision for retirement benefits for directors (and other officers)	74	63
Provision for share awards for directors (and other officers)	220	250
Retirement benefit liability	3,935	4,250
Asset retirement obligations	368	373
Other	762	721
Total non-current liabilities	56,441	74,136
Total liabilities	132,739	147,386
Net assets		
Shareholders' equity		
Share capital	19,556	19,556
Capital surplus	27,767	27,775
Retained earnings	94,132	93,887
Treasury shares	△7,728	△9,202
Total shareholders' equity	133,728	132,017
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,993	40,761
Foreign currency translation adjustment	41,653	40,020
Remeasurements of defined benefit plans	6,948	6,707
Total accumulated other comprehensive income	64,595	87,489
Non-controlling interests	14	13
Total net assets	198,338	219,519
Total liabilities and net assets	331,078	366,905

(2) Semi-annual Consolidated Statements of Income and Semi-annual Consolidated Statements of Comprehensive Income

(Semi-annual Consolidated Statements of Income)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	81,425	103,538
Cost of sales	51,798	63,548
Gross profit	29,627	39,990
Selling, general and administrative expenses	25,612	30,201
Operating profit	4,014	9,788
Non-operating income		
Interest income	655	668
Dividend income	341	209
Gain on sale of securities	9	—
Gain on investments in investment partnerships	41	—
Other	341	225
Total non-operating income	1,388	1,103
Non-operating expenses		
Interest expenses	147	547
Loss on redemption of investment securities	59	—
Foreign exchange losses	117	595
Loss on investments in investment partnerships	—	12
Other	46	61
Total non-operating expenses	371	1,217
Ordinary profit	5,032	9,674
Extraordinary income		
Gain on sale of non-current assets	20	12
Gain on sale of investment securities	1,848	208
Total extraordinary income	1,868	220
Extraordinary losses		
Loss on retirement of non-current assets	130	107
Loss on sale of non-current assets	2	30
Impairment losses	371	918
Loss on valuation of investment securities	159	131
Business restructuring expenses	4,082	—
Total extraordinary losses	4,746	1,188
Profit before income taxes	2,154	8,706
Income taxes - current	1,544	1,489
Income taxes - deferred	367	1,850
Total income taxes	1,912	3,340
Profit	241	5,366
Profit (loss) attributable to non-controlling interests	0	△1
Profit attributable to owners of parent	240	5,367

(Semi-annual Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	241	5,366
Other comprehensive income		
Valuation difference on available-for-sale securities	3,334	24,767
Foreign currency translation adjustment	995	△1,633
Remeasurements of defined benefit plans, net of tax	△131	△240
Total other comprehensive income	4,198	22,893
Comprehensive income	4,439	28,259
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,438	28,260
Comprehensive income attributable to non-controlling interests	0	△1

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	2,154	8,706
Depreciation	3,990	4,589
Impairment losses	371	918
Increase (decrease) in retirement benefit liability	△368	300
Amortization of goodwill	51	565
Increase (decrease) in allowance for doubtful accounts	124	160
Business restructuring expenses	4,082	—
Interest and dividend income	△997	△877
Interest expenses	147	547
Loss (gain) on valuation of investment securities	159	131
Loss (gain) on sale of non-current assets	△17	18
Loss on retirement of non-current assets	130	107
Loss (gain) on sale of investment securities	△1,848	△208
Decrease (increase) in trade receivables	5,901	△1,450
Decrease (increase) in inventories	299	△9,352
Increase (decrease) in trade payables	589	5,717
Increase (decrease) in contract liabilities	1,513	6,281
Other, net	△875	△1,356
Subtotal	15,408	14,800
Interest and dividends received	1,137	818
Interest paid	△166	△365
Payments for business structure improvement expenses	△4,824	△84
Income taxes paid	△3,236	△2,145
Net cash provided by (used in) operating activities	8,318	13,022
Cash flows from investing activities		
Payments into time deposits	△3,579	△1,598
Proceeds from withdrawal of time deposits	2,207	3,054
Short-term loan advances	△3	△8
Proceeds from collection of short-term loans receivable	19	14
Proceeds from sale and redemption of securities	1,770	1,299
Purchase of property, plant and equipment	△5,581	△3,041
Proceeds from sale of property, plant and equipment	136	614
Purchase of intangible assets	△395	△347
Purchase of investment securities	△4	△5
Proceeds from sale and redemption of investment securities	2,867	2,593
Payments for acquisition of businesses	△96	—
Long-term loan advances	△2	△10
Other, net	1	120
Net cash provided by (used in) investing activities	△2,660	2,683

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from financing activities		
Proceeds from long-term borrowings	16,500	15,000
Repayments of long-term borrowings	—	△25,000
Repayments of lease liabilities	—	△107
Purchase of treasury shares	△9,501	△648
Dividends paid	△6,219	△5,603
Net cash provided by (used in) financing activities	779	△16,359
Effect of exchange rate change on cash and cash equivalents	593	△572
Net increase (decrease) in cash and cash equivalents	7,029	△1,225
Cash and cash equivalents at beginning of period	59,995	71,868
Cash and cash equivalents at end of period	67,025	70,642

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on Segment Information)

I. First six months of the fiscal year ended March 31, 2026 (from April 1, 2025 to September 30, 2025)

Information concerning net sales and profit/loss by reportable segment

(Millions of yen)

	Reportable Segment					Others (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated financial statements (Note 3)
	Industrial Processes	Visual Imaging	Life Sciences	Photonics Solutions	Total				
Sales									
Sales to outside customers	34,433	38,071	3,285	4,975	80,765	659	81,425	—	81,425
Inter-segment sales or transfer among segment	0	6	2	0	9	7	17	(17)	—
Total	34,434	38,077	3,288	4,976	80,755	666	81,442	(17)	81,425
Segment profit (loss)	2,048	1,805	169	85	4,108	(45)	4,063	(48)	4,014

(Notes) 1. "Others" represents business segments that are not included in other reportable segments and other revenue-generating business activities.

2. Total adjustment of ¥(48) million for segment profit (loss) includes ¥0 million in eliminations of inter-segment transactions and ¥(58) million in corporate expenses. The latter expenses are primarily general and administrative expenses that are not included in reportable segments or other revenue-generating business activities.

3. Segment profit (loss) is adjusted with operating profit in the semi-annual consolidated statements of income.

II. First six months of the fiscal year ending March 31, 2027 (from April 1, 2026 to September 30, 2026)

Information concerning net sales and profit/loss by reportable segment

(Millions of yen)

	Reportable Segment					Others (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated financial statements (Note 3)
	Industrial Processes	Visual Imaging	Life Sciences	Photonics Solutions	Total				
Sales									
Sales to outside customers	46,369	46,559	3,627	6,388	102,944	594	103,538	—	103,538
Inter-segment sales or transfer among segment	0	4	1	—	5	6	11	(11)	—
Total	46,369	46,563	3,628	6,388	102,950	600	103,550	(11)	103,538
Segment profit	5,689	2,278	395	1,404	9,768	71	9,839	(51)	9,788

(Notes) 1. "Others" represents business segments that are not included in other reportable segments and other revenue-generating business activities.

2. Total adjustment of ¥(51) million for segment profit includes ¥4 million in eliminations of inter-segment transactions and ¥(53) million in corporate expenses. The latter expenses are primarily general and administrative expenses that are not included in reportable segments or other revenue-generating business activities.

3. Segment profit is adjusted with operating profit in the semi-annual consolidated statements of income.

(Notes on Significant Changes in the Amount of Shareholders' Equity)
Not applicable.

(Notes on Premise of Going Concern)
Not applicable.