



New Growth Strategy: “Revive Vision 2030”

Ushio Inc. PRIME | 6925

May 14, 2024

I would like to explain Ushio's new growth strategy, “Revive Vision 2030,” starting from fiscal year 2024.

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Part 2	Review of Previous Medium-Term Management Plan ▶See supplementary materials on pages 38~42 for review of previous medium-term management plan	P8
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Today, I would mainly like to share the four topics listed on the slide.

First, I would like to explain the “Overview of the New Growth Strategy.”



Part 1

Overview of New Growth Strategy

Backdrop to Review of Medium-Term Management Plan

Semiconductor market changing

Semiconductor market landscape has transformed owing largely to extended slowdowns in the server and PC sectors

Other companies' light sources emerging

The rise of other companies' light sources for EUV mask inspections prompted a strategic reassessment



Revised strategy

in response to significant changes in climate for Industrial Processes business



Developed New Growth Strategy:

Revive Vision 2030

The word "Revive" expresses Ushio's determination to "realize our goals through great transformation"

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We formulated the second Medium-Term Management Plan starting from fiscal year 2023. However, subsequently, due to significant changes in the semiconductor market and the emergence of other companies' light sources for EUV mask inspection, the environment of our main business, the Industrial Processes, changed, forcing us to review the plan.

In light of the current business environment changes and newly visible growth potential, we have reviewed the plan and decided to revise our strategy and develop the new growth strategy, "Revive Vision 2030," with 2030 as the final fiscal year.

We use the word "Revive" to express our determination to "realize our goals through great transformation."

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

Industrial Processes (IP)

Helping to create convenient and comfortable social infrastructure through optical processing technologies

Manufacturing processes for semiconductors, electronic devices, EVs, building materials, printing, etc.

Visual Imaging (VI)

Delighting people and delivering shared experiences to people through imaging and lighting technologies

Large-scale video projection and operation of equipment for entertainment spaces (theme parks, movie theaters, events, etc.)
Public facilities, corporate control rooms, and video systems

Photonics Solutions (PHS)

Creating and providing value with customers in order to contribute to society's advancement through photonics technology

For semiconductor manufacturing equipment
Integration with laser cinemas and AR/VR
Gene sequencing and medical examinations/testing in ophthalmology and internal medicine

Life Sciences (LS)

Providing the world and its people with peace of mind and safety through the use of optical technologies

Extending healthy life expectancy (environmental sanitation, healthcare, pharmaceuticals, and drug discovery)
Helping to improve and maintain conditions for people
Eliminating conditions that cause disease and helping to maintain health

In “Revive Vision 2030”, we aim to grow together with our customers by making the Industrial Processes, a promising area, a major pillar of our business and providing society with innovations utilizing “light”.

Target



ROE: **8%** or more

※ One year behind the previous medium-term management plan
(achieve a **PBR greater than 1** early on)



ROE: **12%** or more

Reference: Operating margin of **12%** or more

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”



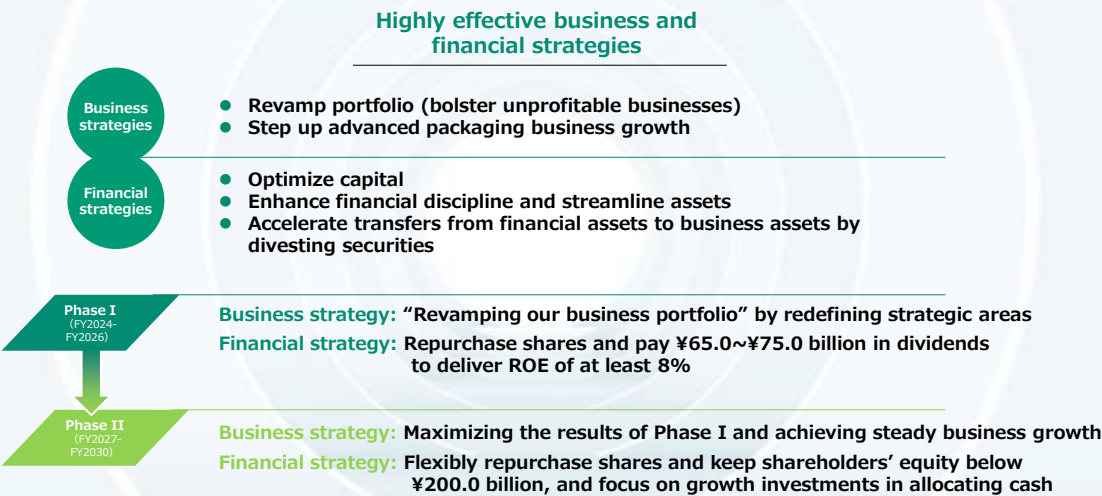
Balance investment in growth and increased capital efficiency

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In Revive Vision 2030, we set fiscal year 2024 to fiscal year 2026 as Phase I, and fiscal year 2027 to fiscal year 2030 as Phase II, aiming to achieve an ROE of 8% or more by fiscal year 2026 and to swiftly attain PBR of over 1 as soon as possible. Furthermore, in Phase II, we aim to achieve an ROE of 12% or more by fiscal year 2030.

To steadily progress towards our goals, we will place even greater importance on management efficiency than before. We will implement the strategy with the policy of concentrating investments and resources on the Industrial Processes, a promising area, pursuing profit margins rather than scale and balancing growth investments with capital efficiency.



In aiming to achieve Revive Vision 2030, we have formulated more effective “Business Strategies” and “Financial Strategies”.

The overview is as described, but details will be explained later in Part 3.

First, I would like to explain the “Review of the Previous Medium-Term Management Plan”.



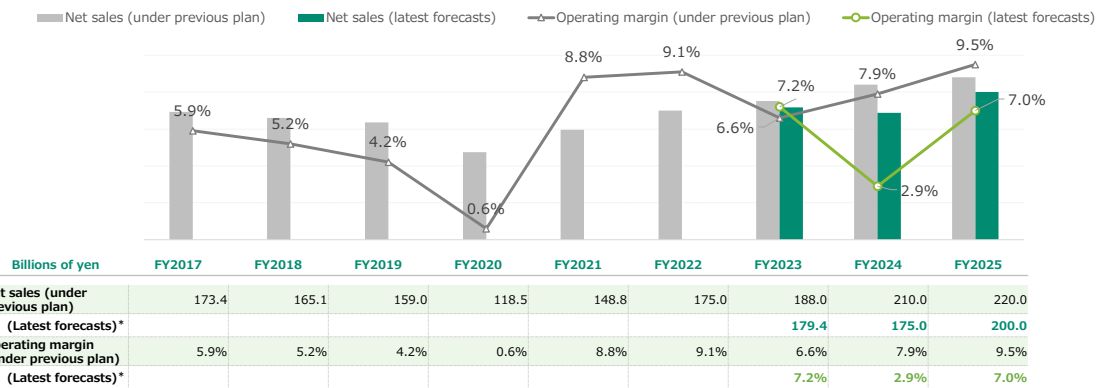
Part 2

Review of Previous Medium-Term Management Plan

Revising Our Forecasts ①

Our performance deteriorates in FY2024 amid significant business climate changes.
Recovery trend is expected in FY2025, the final year of our previous medium-term management plan, but should be below targets.

Progress under previous plan and latest forecasts



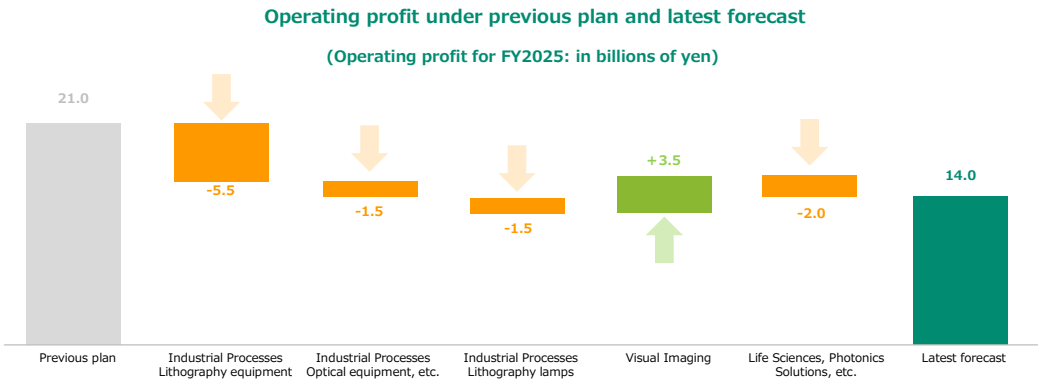
*Figures for FY2023 are results

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As mentioned earlier, the previous Medium-Term Management Plan released in fiscal year 2023 is expected to fall short of both net sales and operating margin in fiscal year 2025, the final year, due to significant changes in the business environment.

Revising Our Forecasts ②

In FY2025, the final year of the previous medium-term management plan, sales of lithography equipment and EUV light sources in the IP Business should be far below target despite plans to expand growth investments for the future. With anticipated earnings gains in the VI Business insufficient to cover the shortfall, operating profit should be around ¥7.0 billion lower than under the previous plan.



Furthermore, the previous Medium-Term Management Plan aimed to generate profits in the Industrial Processes and the Visual Imaging to cover strategic investments, but it is now expected that they will not be sufficiently covered due to the changes in the business environment of the Industrial Processes.

Factors in Forecast Revisions

External factors

Changes in market trends for semiconductor manufacturing equipment and a sharp slowdown in the package substrates for PCs market

Market conditions were substantially down in the first quarter of FY2023. Projected negative growth for manufacturers of semiconductor back-end processing manufacturing equipment

▶ See Appendix on P39 for details

Strategic partnership with Applied Materials

The potential for new growth via a full lineup of lithography equipment provided in partnership with Applied Materials

▶ See P24-25 for details

Internal factors

① Dependence on key customer bases in growing businesses

Our level of dependence on key customer bases has been affected by the sharp slowdown in PC demand and fluctuations in different companies' shares of server demand, necessitating a substantial revision of the forecast

▶ See Appendix on P40 for details

② Changes in the competitive environment for EUV light sources

The rise of light sources from other companies has necessitated a revision of the forecast

▶ See Appendix on P41 for details

③ Impact of unprofitable business areas

Unsuccessful actions to improve the earnings of unprofitable business areas

▶ See Appendix on P42 for details

Upon analyzing the factors necessitating outlook revision, we have recognized the following factors: the external factor, “Changes in market trends for semiconductor manufacturing equipment and a sharp slowdown in the package substrates for PCs market”, and the internal factors, “Dependence on key customer segments in growing businesses,” “Changes in the competitive environment for EUV light sources” and “Impact of unprofitable business areas.”

Details of these factor analyses are listed in the Appendix, so please check them later.

On the other hand, as a positive factor, “Strategic partnership with Applied Materials” announced last December can be mentioned. I will explain details for this later.

New Growth Strategy Framework based on Key Challenges



Based on those factors, we have recognized the five key issues listed and formulated the framework of a new growth strategy. In the new growth strategy, we have constructed a corporate value enhancement scenario with higher feasibility by promoting revamp of the business portfolio and close monitoring of the plan, in order to strengthen strategic focus areas identified through the review.

Next, I would like to explain the “Specific measures for New Growth Strategy: Revive Vision 2030.”



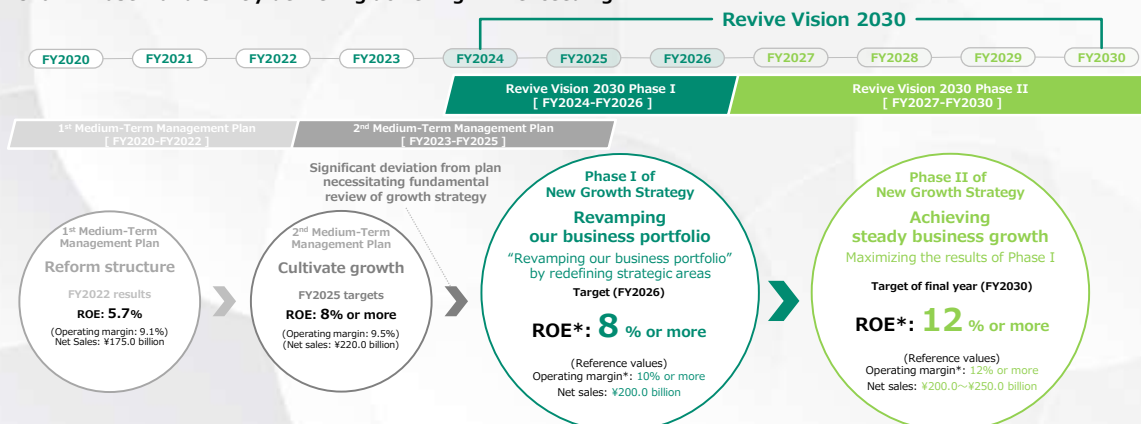
Part 3

Specific Measures for New Growth Strategy: Revive Vision 2030

Positioning of Revive Vision 2030

Shift focus from pursuing volume to enhancing efficiency.

Concentrate investments in strategic areas to lay growth groundwork, targeting return on equity (ROE) exceeding 8% in Phase I and swiftly delivering achieving PBR exceeding 1x.



* Ushio could experience unexpected temporary performance impacts from engaging in selection and concentration initiatives (business acquisitions, divestitures, and withdrawals) in revamping its business portfolio to enhance corporate value. It will promptly disclose any such developments.

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In Revive Vision 2030, we will focus on management efficiency and pursue profit “margins”.

In Phase I, which sets fiscal year 2026 as its final year, we will achieve an ROE of 8% or more and aim for early realization of PBR of over 1 by implementing portfolio revamping through the redefinition of strategic areas.

In Phase II, which sets fiscal year 2030 as its final year, we will optimize the results of Phase I as much as possible and deliver steady growth of the business.

Then, I would like to explain the specific strategies in Phase I.

Basic Policies and Overview of New Growth Strategy (Phase I)

Redefine strategic areas and reinforce strategic focus areas while revamping business portfolio, emphasizing selection and concentration

Strategies		Phase I (FY2024-2026) targets	FY2030 targets
Business strategies	Bolstering unprofitable businesses and revamping our business portfolio Details on P17-22	<ul style="list-style-type: none"> Proactively investing in priority businesses (areas) such as the IP business by optimizing the allocation of management resources while distinguishing unprofitable businesses in light of their future potential 	<div>ROE</div> <div>12% or more</div> <div>(Reference values)</div> <div>Operating margin:</div> <div>12% or more</div> <div>Net sales:</div> <div>¥200.0-¥250.0 billion</div>
	Expanding a promising IP business Details on P23	<ul style="list-style-type: none"> IP business: Net sales for FY2023: ¥82.1 billion → FY2026: ¥110.0 billion → FY2030: ¥140.0-150.0 billion Operating margin for FY2023: 13.2% → FY2026: 14% or more → FY2030: 18-20% 	
	Accelerating growth in the advanced packaging market Details on P24~25	<ul style="list-style-type: none"> Expanding the growth of lithography equipment in the IP business, a growth area, at a compound annual growth rate (CAGR) of 15% or more from FY2023 to FY2030 	
	Policy on investing in development Details on P.26	<ul style="list-style-type: none"> Revising the plan for more balanced investing Prioritizing and expanding investment in the area of IPs, which is expected to grow and expand In PHS business and LS business (including new businesses), focusing on areas offering better growth prospects 	
Financial strategies	Reviewing capital efficiency and the balance sheet Details on P.27-32	<ul style="list-style-type: none"> Seeking to achieve an ROE of 8% or more in FY2026 and achieving a PBR greater than 1 early on Plans to use ¥65.0-75.0 billion yen to repurchase shares and pay dividends, stipulating a minimum dividend of ¥70 per share Reducing securities holdings by at least ¥35.0 billion (plans are to reduce securities holdings by at least ¥15.0 billion in Phase II) Shareholders' equity shall be ¥200.0 billion or less 	

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In Phase I, we will redefine strategic areas and emphasize the selection and concentration of businesses.

In business strategies, first, by concentrating management resources on priority areas and assessing unprofitable businesses, we will realize the revamp of the business portfolio.

We will focus on expanding the Industrial Processes, a promising area, especially accelerating growth in the advanced packaging market.

For development investments, while focusing on the promising Industrial Process areas, we will also invest in cultivation of new businesses by assessing the growth potential and selectively judging projects.

In financial strategies, we will review capital policies, including capital efficiency and balance sheet.

In fiscal year 2030, the final year of Phase II, we aim to achieve an ROE of 12% or more.

Reference Values by Segments

(Billions of yen)

Segment	FY2023 results			Phase I (FY2026)		
	Sales	Operating profit/ loss	Operating margin	Sales	Operating profit/ loss	Operating margin
Industrial Processes (IP)	82.1	10.8	13%	110.0	15.5	14%
Visual Imaging (VI)	80.5	5.8	7%	70.0	5.5	8%
Life Sciences (LS)	5.2	-2.3	-45%	7.0	-1.0	-14%
Photonics Solutions (PHS)	10.2	-1.5	-15%	12.0	0.3	3%
Consolidated totals*	179.4	12.9	7%	200.0	20.0	10%

*Consolidated totals include "Others" segment

FY2030 Goals

Operating margin: 12% or more
(Net sales: ¥200.0-¥250.0 billion)



Build business portfolio centered on Industrial Processes (IP: Target operating margin of 18-20%)



Cultivate new businesses (including Life Sciences)



Make Visual Imaging and photonics Solutions stable cash-generating businesses (Target operating margin of at least 12%)

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As a reference, I would like to explain the coefficients by segment.

By fiscal year 2030, we aim to achieve an operating margin of 12% or more for the consolidated total.

Industrial Processes will be expanded as a pillar of the business portfolio, aiming for a business with an operating margin of 18-20% in fiscal year 2030.

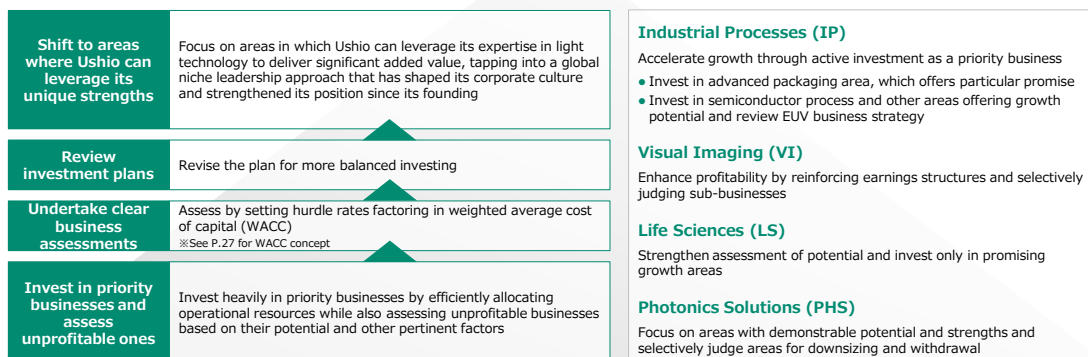
For Visual imaging and the Photonics Solutions, we will assess businesses and improve profitability, aiming for an operating margin of 12% or more to make those businesses that stably generate cash.

Life Sciences, which includes new and cultivating businesses, is currently a loss-making business, but we will pursue certain growth by selectively judging which project to invest in.

Next, I would like to explain the details of the business and financial strategies.

Approach to Revamp of Portfolio

Revamp portfolio to enhance profitability by bolstering unprofitable businesses (FY2030: Generate operating margin of 12% or more)



Note: Constantly reassess Visual Imaging and Photonics Solutions businesses with a view to generating anticipated profit margins

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Regarding the approach of business portfolio revamping in business strategies, we will first optimize the allocation of management capital and actively invest in priority businesses while assessing unprofitable businesses based on future prospects.

Subsequently, we will undertake clear business assessments based on hurdle rates such as weighted average cost of capital, review investment plans, and allocate resources to areas where we can leverage Ushio's strength.

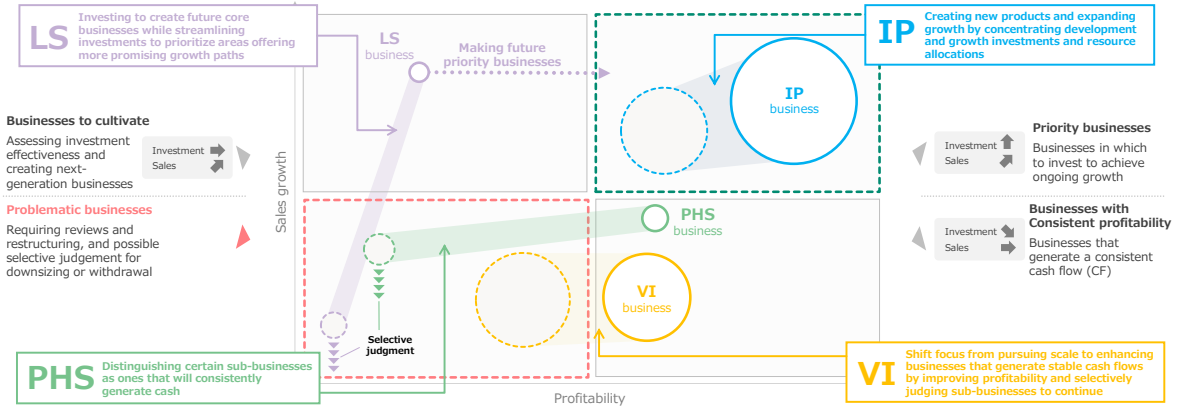
By executing such portfolio revamping, we aim to achieve an operating margin of 12% or more in fiscal year 2030.

Then, I would like to explain the revamp of business portfolio.

Revamp of Business Portfolio for All Segments

...Present ...Goals for 2030

USHIO



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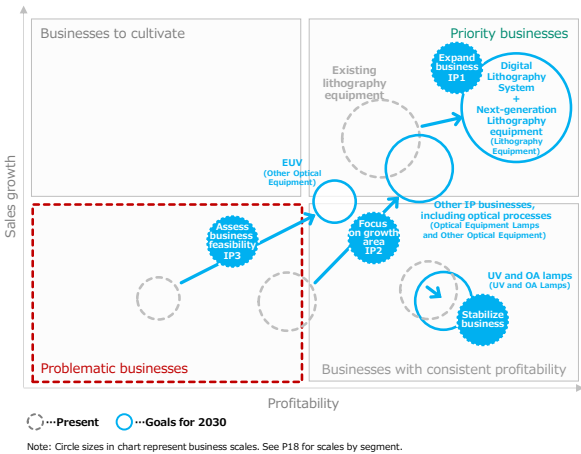
The image of the revamp of business portfolio for each segment is as described.

In the following pages, I will explain the portfolio image and detailed measures for each segment, but in all businesses, investments will be focused on priority areas, and we will assess unprofitable businesses and selectively judge projects and businesses.

Segment Portfolios and Measures (IP)

Creating new products and expanding growth by concentrating development and growth investments and resource allocations

Envisaged Industrial Processes business portfolio



Specific measures

	Priority areas (sub-segment)	Measures	Development Investment (Slide 26)
Grow by increasing and sustaining investments	IP1 Digital Lithography System* Next-generation lithography equipment (Lithography equipment)	Concentrate development investments and resources on projects related to strategic partnership with Applied Materials to create full product lineup to become leading company in advanced packaging area ▶ See P.24-25 for details	IP1
	IP2 Other IP businesses, including optical processes (Optical Equipment Lamps and Other Optical Equipment)	Focus on promising semiconductor-related field to pursue business expansion while investing to bolster product competitiveness ▶ See P.45-46 for details	IP2
	IP3 EUV (Other Optical Equipment)	Continue product development with view to entering the market with High-NA lithography, etc. while looking to downsize or withdraw from market if business is no longer feasible ▶ See P.47 for details	IP3
Stabilize	UV and OA lamps (UV and OA Lamps)	Maintain as stable cash-generating business through ongoing investments to boost competitiveness based on stable market trends ▶ UV Lamp: See P.48 for details	IP2

Leading Prospective Growth Driver Businesses

Pursuing new potential in market for inspection and analysis equipment, particularly in increasingly sophisticated semiconductor area, by leveraging our unique light source technologies

* Direct Imaging lithography equipment using digital lithography technology through partnership with Applied Materials
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Industrial Processes is positioned as a priority area, aiming for continuous growth expansion through concentration of development and growth investments and allocation of resources.

As one of the areas aiming for growth through investment expansion, we first aim to grow in the advanced packaging market by creating a full product lineup for the lithography equipment business. The others are industrial processes businesses such as optical processes aiming for business expansion through product competitiveness enhancement, and the EUV business aiming to enter the High-NA area. These three are priority areas, however, for the EUV business, we will assess business feasibility simultaneously.

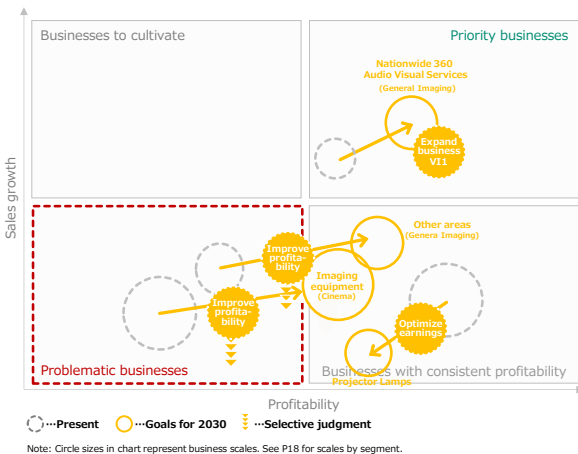
For the UV and OA lamps businesses, we will invest to boost competitiveness and maintain them as businesses that generate stable cash flows.

As a promising business that could become a future growth driver, we are simultaneously pursuing new potential in the market for inspection and analysis equipment, where Ushio's unique light source technologies can be leveraged. We will report at the appropriate time if there are any developments in the future.

Segment Portfolios and Measures (VI)

Shift focus from pursuing scale to enhancing businesses that generate stable cash flows by improving profitability and selectively judging sub-businesses to continue

Envisaged Visual Imaging business portfolio



Specific measures

	Priority areas (sub-segment)	Measures	Development Investment (Slide 26)
Grow by increasing investments	VII Nationwide 360 Audio Visual Services (General Imaging)	Prioritize in Nationwide 360 Audio Visual Services, a high value-added business ● Consolidate resources to scale up operations and drive revenue growth ▶ See P50 for details	VII
Control investments and generate stable earnings	Other areas (General Imaging)	With market growth limited, focus on improving and enhancing profitability rather than pursuing business scale while considering for selectively judging sub-businesses ● Improve profitability through selection and concentration while considering for selective judgment	
	Imaging equipment (Cinema)	● Increase proportion of recurring businesses and product services earnings ● Efficiently optimize product lineup to remain competitive by strengthening cooperation in production outsourcing and other areas ▶ See P50 for details	
Shrink	Projector lamps (Projector Lamps)	Downsize business due to shifting to solid-state light sources ● Maintain and expand market share, and optimize earnings by prioritizing cost reductions through consolidation of sites and improvement of commercial channels	

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Visual Imaging is positioned as a profit improvement business, aiming for making it a stable cash-generating business by improving profitability without pursuing business scale.

The area aiming for growth through investment expansion is the Nationwide 360 Audio Visual Services, which is a high-value-added business.

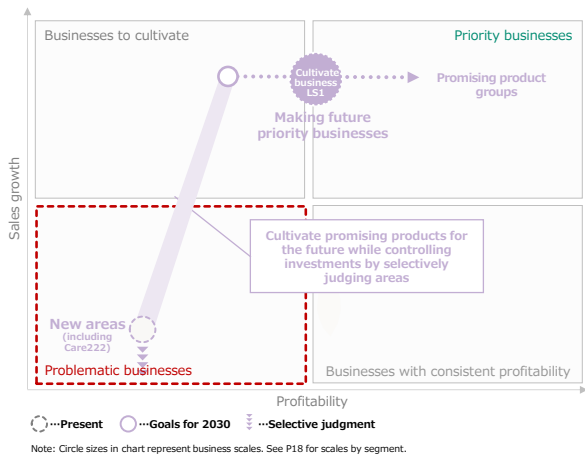
The areas aiming for controlling investments and generating stable earnings are the other areas of general imaging and the imaging equipment business for cinema. Since market growth for these is limited, we will focus on improving and enhancing profitability through selection and concentration without pursuing business scale.

For the projector lamps business, as the market will shrink due to the impact of shifting to solid-state light sources, we will aim to optimize earnings by prioritizing cost reductions while maintaining and expanding market share.

Segment Portfolios and Measures (LS)

Investing to create future core businesses while streamlining investments to prioritize areas offering more promising growth paths

Envisaged Life Science business portfolio



Specific measures

	Priority areas (sub-segment)	Measures	Development Investment (Slide 26)
Cultivate new businesses	New areas (including Care222)	Develop promising product categories for tomorrow while managing investments by selectively judging focus areas	LS1
	Promising product groups	Expand business while controlling investments and monitoring business progress	LS1
Stabilize	Medical devices and Healthcare business	Keep refreshing product lineup and secure stable earnings in areas with consistent demand and proven revenue streams	

Promising product groups

- Pioneer progress in bio-functional chips through surface modification technology employing specific wavelengths to address drug discovery challenges
- New pulsed light spectroscopy technology contributing to quality inspections



Life Sciences is positioned as a cultivating business, and we will cultivate sub-businesses through selectively judging projects more than ever.

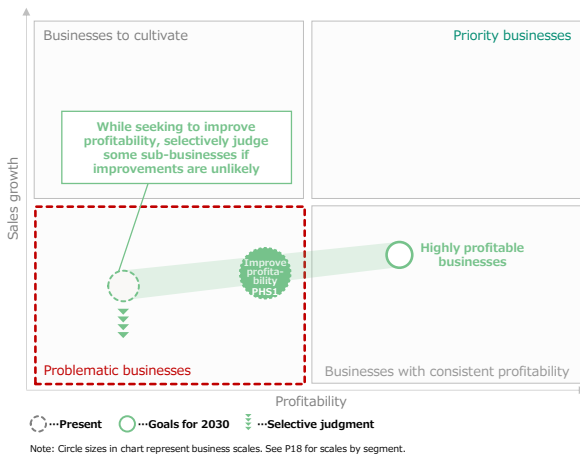
In the area of cultivating new business, we will first control investments and selectively judge projects, and invest in those deemed to have a high certainty of business growth and cultivating them as promising product groups.

For the medical devices and healthcare business included in Life Sciences, as it generates stable earnings, we will secure stable earnings by continuing to refresh the product lineup.

Segment Portfolios and Measures (PHS)

Distinguishing certain sub-businesses as ones that will consistently generate cash

Envisaged Photonics Solution business portfolio



Specific measures

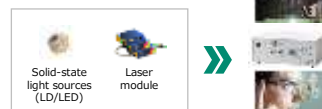
	Priority areas (sub-segment)	Measures	Development Investment (Slide 26)
Selectively judge	Selectively judge sub-businesses	Selectively judge sub-businesses that are uncompetitive and have few prospects for growth and earnings improvement	
Stabilize	PHS1 Highly profitable businesses	For businesses offering high profitability, develop them to generate stable cash flows through appropriate investments	PHS1

Highly profitable businesses

- Expand businesses, focusing on module business in response to megatrends offering growth potential
- Collaborate (through acquisitions and alliances) with key growth area leaders

Priority megatrends

Including semiconductors, medical care, and augmented/virtual reality



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Photonics Solutions is positioned as a growth and review business, and we will make it a stable cash-generating business by selectively judging areas to invest in and to be reviewed.

Sub-businesses that are not expected to improve profitability after considering competitiveness and growth potential will be selectively judged based on assessment.

Next, I would like to explain the details of growth expansion in Industrial Processes, a promising area.

Industrial Processes Strategic Policies

Grow and reinforce IP business with advanced packaging business, focusing resources to accelerate business development

Strategic policies (vision)

Expand presence in growing advanced packaging market and achieve high profitability by strategically selecting and focusing on priority areas

Focus investments on priority areas	<ul style="list-style-type: none"> Concentrate resources and investments in semiconductor fields* offering growth potential *Advanced packaging area and thermal processes that offer market growth potential
Strengthen product lineup	<ul style="list-style-type: none"> Strengthen product lineup through strategic partnership with Advanced Materials to expand presence in evolving advanced packaging area Introducing new LED light sources for thermal processes, cultivating semiconductor thermal solutions area with three light sources Strengthen product lineup of UV lamps to expand into new business fields
Improve profitability	<ul style="list-style-type: none"> Strategically enhance product mix in line with business climate changes Create business structure covering sales through after-sales service, primarily for lithography equipment Look to assess areas with little business potential
Human resources strategy	<ul style="list-style-type: none"> Expand human resources in Industrial Processes by reskilling from other businesses

Business climate

Semiconductor market

Signs of demand recovery emerging, anticipating market expansion across medium through long term, primarily for AI development demand

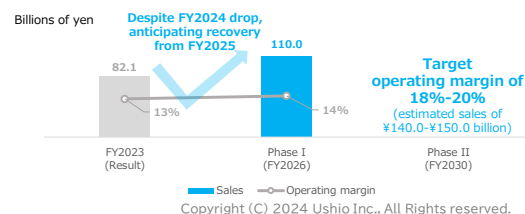
Advanced packaging market

Server and PC markets deteriorating, lowering related capital investments, but AI-related investments expanding on broad adoption of generative AI, which should drive transition to larger package substrates and chiplets, thus increasing demand for advanced packaging substrates

Flat panel display market

While the rebound from stay-at-home demand that spiked during the COVID-19 pandemic has bottomed out, market needs should remain stagnant for the foreseeable future

Coefficient targets



The environment surrounding Industrial Processes is challenging due to the worsening market conditions for servers and PCs. On the other hand, with the progress in utilization of AI and Internet of Things, the need for advanced packages is increasing, and certain growth is expected in the medium to long term.

Therefore, we set the policy to strengthen efforts to expand our presence in the advanced packaging market, a growth field, and to focus on semiconductor-centered businesses, enhancing resources and investments to aim for further profitability improvement.

Specifically, we will enhance the product lineup strategically and sales and after-sales systems.

Next, I would like to explain “Accelerate growth in Advanced Packaging market.”



Expand Presence in the Advanced Packaging Market ①

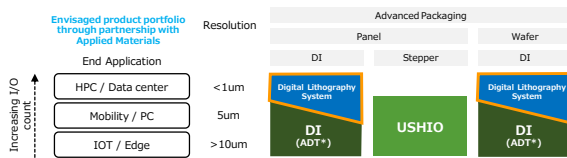
Become leading company in advanced packaging market by building full product lineup and expanding customer coverage

Strategic policies (Vision)

Become leading company in advanced packaging market

① Building full lineup

- Partnership with Applied Materials adds Digital Lithography System and builds full product lineup, including existing steppers and direct imaging lithography equipment, to cater to diverse applications and customer needs in ever-evolving packaging substrate market



② Strengthen sales by growing customer base

- Incorporating newly added Digital Lithography System should reduce dependence on current key customers, diversifying customer base and ensuring sales stability

* ADT = ADTEC Engineering, our group company

Business climate

- High-performance computing and data centers becoming foundational infrastructure as generative AI advances worldwide, with advanced semiconductor market growing to cater to escalating data volumes
- To meet the increasing data volume and power demands, new packaging substrate structures have been developed to enhance semiconductor performance and efficiency, with a reassessment of semiconductor materials accompanying a shift toward larger chips and chiplets

Business strategies

- Leverage partnership with Applied Materials to address demand for 2μm and below and boost presence and competitiveness in semiconductor-related sector
- Expand reach for needs, including for existing DI lithography equipment, and achieve organic substrates growth by collaborating more with ADTEC Engineering
- Strengthen sales and after-sales business strategy by combining existing lithography equipment with new products to offer turnkey solutions for all customer needs

Building stable sales base

- Enhance sales to non-traditional customer segments through full product lineup
- Strategically lower proportion of sales to key customers to reduce the risk of relying on specific ones

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In the business of lithography equipment for advanced packaging, we aim to become a leading company in the market by building a full product lineup and expanding customer coverage.

In the market, although we already have a strong product lineup, we will build a full lineup by adding the Digital Lithography System, the new lithography equipment through the strategic partnership with Applied Materials announced last December, in order to cater to the evolution of high-end package substrates.

This will not only provide a range of products that meet the needs of advanced packaging but also enable us to offer turnkey solutions for all customer needs as the Ushio Group.

By expanding our customer base through this initiative, we will also make progress in reducing our dependence on key customer segments, an issue we have faced, and by building a stable sales base, we will expand the presence of the Ushio Group in the market.

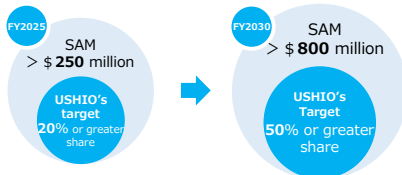


Expand Presence in the Advanced Packaging Market ②

USHIO

Leverage partnership with Allied Materials to drive sales growth in expanding advanced packaging market through Digital Lithography System

Advanced packaging market to cater to with Digital Lithography System



● **SAM to expand from \$250 million in FY2025 to \$800 million in FY2030**

Cutting-edge IC package substrates should evolve significantly with AI advances, which drives:

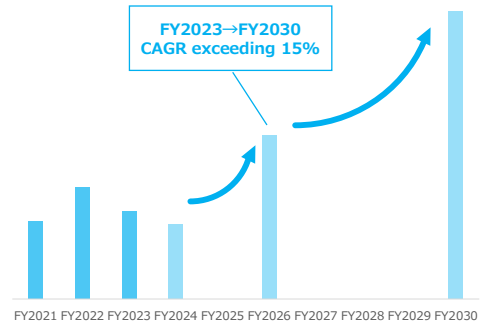
- Rising demand for chiplets and larger package substrates
- More sophisticated package substrates to cater to semiconductor performance and power efficiency improvements
- (→ greater requirements for sub-2 μm to sub-sub-μm packages)

● **Why we foresee adoption of our Digital Lithography System adoption in the market**

Incorporating the digital lithography technology (DLT) into conventional DI lithography equipment enables:

- [For larger package substrates] Handling larger substrates without compromising productivity or conventional tact times
- [For more sophisticated package substrates] Accurate response to distortion and die placement errors arising from chipletization
- => Adaptability to changes in interposer substrates, including panelization, bridge structures (silicon + resin), and redistribution layers

Overall sales for lithography equipment for advanced packaging*



*Including steppers, digital imaging lithography equipment, and digital lithography system

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For expanding our presence in the advanced packaging market, it is necessary to commercialize and to grow the Digital Lithography System through strategic partnership with Applied Materials.

The target market will steadily expand towards 2030, and we aim to increase our share in the market from 20% to 50% or more by 2030.







As a result, although the net sales of related lithography equipment, including the System, should temporarily decrease in fiscal year 2024, it is expected to grow at an annual rate of over 15% towards the fiscal year 2030.

Development investment policy

Invest to achieve contributions to earnings in Phase II towards our goals for 2030.

However, more closely monitor investment periods and profit contribution and review investment area allocations annually.

Consider reviewing investment strategy for EUV under Industrial Processes, Visual Imaging, and Photonics Solutions in line with their business directions.

Billions of yen	Cumulative development investment (FY2024~2026)	Development investment details			Details Icons represent priority areas on P.19~22
IP Industrial Processes	28.0	Lithography equipment	Approximately ¥15.0 billion	<ul style="list-style-type: none"> Develop and launch Digital Lithography System with Applied Materials Develop next-generation lithography equipment 	 IP1 ▶ See P.19 for details
		EUV	Approximately ¥6.0 billion	<ul style="list-style-type: none"> Develop to enhance brightness and stability and reduce costs to enter High-NA area 	 IP3 ▶ See P.19 for details
		Others	Approximately ¥7.0 billion	<ul style="list-style-type: none"> UV Lamp: Enhance illumination and service lives, Develop new lamps for emerging fields Semiconductor thermal processes: Innovate LED heating sources, etc. 	 IP2 ▶ See P.19 for details
VI Visual Imaging	7.5	Imaging equipment	Approximately ¥7.5 billion	<ul style="list-style-type: none"> Develop new products to provide high added value, etc. 	 VI1 ▶ See P.20 for details
LS Life Sciences	8.5	—	Approximately ¥8.5 billion	<ul style="list-style-type: none"> Invest in and cultivate products for promising areas Undertake initiatives to create promising businesses 	 LS1 ▶ See P.21 for details
PHS Photonics Solutions	3.5	—	Approximately ¥3.5 billion	<ul style="list-style-type: none"> Develop to expand product lineup and become more competitive 	 PHS1 ▶ See P.22 for details
Total	47.5				

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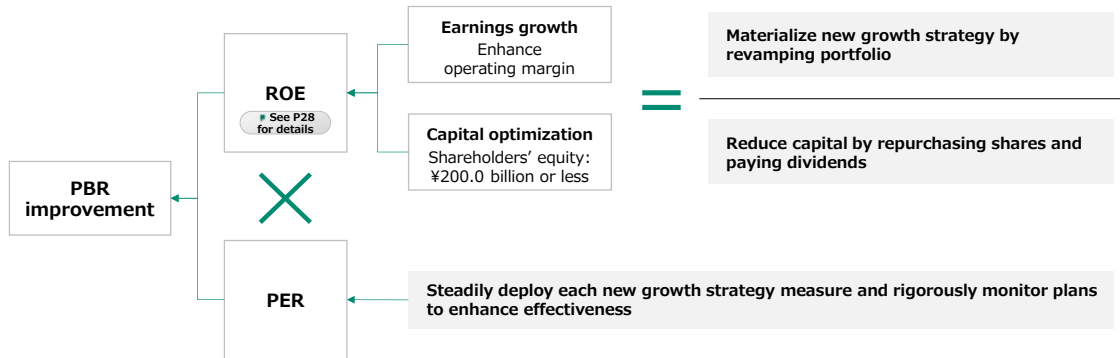
Development investment will be conducted with a view to achieving earnings contributions in Phase II.

Focusing on the Industrial Processes, a promising area, we plan to invest a total of 47.5 billion yen by fiscal year 2026. By closely monitoring the investment period and timing of profit contribution and reviewing the investment strategy annually, we will achieve more certain investment and growth.

Next, I would like to explain the financial strategies.

Initiatives to Boost PBR

Achieve ROE target exceeding cost of shareholders' equity* and swiftly attain PBR exceeding 1x by steadily deploying New Growth Strategy and optimizing capital by enhancing shareholder returns



* Cost of shareholders' equity: **Approximately 7%** Estimated weighted average cost of capital (WACC): **Approximately 6%**

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One of our challenges is improving the PBR.

In Revive Vision 2030, we will improve ROE through enhancing operating margin by executing the strategies we have set and optimizing capital by expanding shareholder returns.

Furthermore, by enhancing the effectiveness through close monitoring to steadily deploy the plan and achieve results, we aim to increase the PER and swiftly attain PBR of more than 1.

Stance and Specific Measures to Improve ROE

Reach ROE of 12% or higher by deploying new growth strategy and enhancing balance sheets, including by optimizing capital (see slide 29)

	FY2023 (Result)	FY2026	Measures to improve ROE
ROE	4.5 %	8 %以上	FY2030 : 12 % or more
II			
Net profit margin Net profit/Sales ✕	6.0 %	Around 8 %	<ul style="list-style-type: none"> Improve net profit margin by deploying all new growth strategy measures in line with portfolio revamping
Assets turnover Sales/Total assets ✕	0.53 times	Around 0.6 times	<ul style="list-style-type: none"> While planning higher working capital from expansion of business for advanced packaging, reduce asset levels by improving production lead times, particularly for lithography equipment Accelerate the sales of securities to shift funds from financial assets into business assets and shareholder returns
Financial leverage Total assets/Shareholders' equity	1.42 -fold	Around 1.7 -fold	<ul style="list-style-type: none"> In Phase I: Increase shareholder returns by lifting share repurchases and stipulating minimum dividend levels to optimize capital*. (*Keep shareholders' equity below ¥200.0 billion) In Phase II: Flexibly repurchase shares Use interest-bearing debt to enhance financial leverage

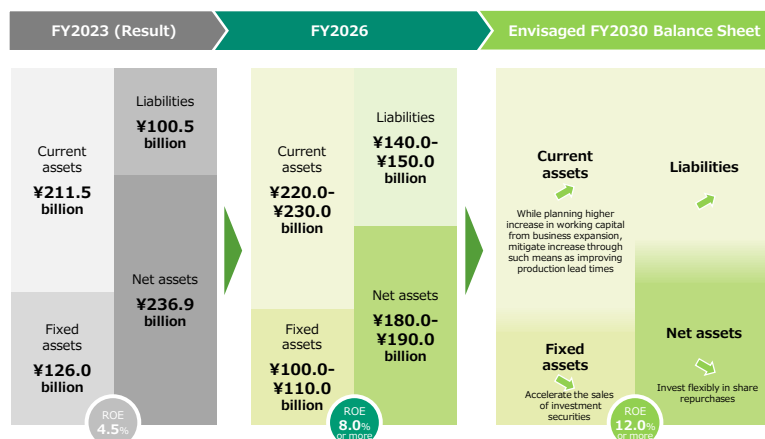
As measures to improve ROE, we aim to improve the net profit margin through business strategies and improve the balance sheet, aiming to achieve ROE of 8% or more by fiscal year 2026 and 12% or more by fiscal year 2030.

Balance Sheet Management Policies

Maintain financial discipline and improve asset efficiency while expanding growth investments

Balance sheet management policies

- Keep shareholders' equity below ¥200.0 billion by controlling capital through increased shareholder returns
- Accelerate the sales of securities to shift funds from financial assets into business assets and shareholder returns
- While planning working capital expansions in Phase II through growth investments and business growth, more closely monitor asset turnover ratio
- Use interest-bearing debt to enhance financial leverage



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Regarding the balance sheet, while expanding growth investments, we will maintain financial discipline and improve asset efficiency. Primarily, we will keep shareholders' equity below 200 billion yen. Also, through the sale of securities, we will accelerate the shift of funds from financial assets to business assets and shareholder returns. Furthermore, although we plan to expand working capital through business expansion, we will conduct balance sheet management, such as strengthening the monitoring of each asset turnover rate.

Cash Allocation and Growth Investments

Under Phase I, boost ROE to at least 8% by divesting securities and allocating interest-bearing debt to drive growth and boost shareholder returns, swiftly boosting PBR to above 1x

(Under Phase II, target ROE **above 12%** by expanding growth investments based on operating cash flows while balancing shareholder returns)



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Next, I would like to explain cash allocation and growth investment.

In Phase I, in order to achieve an ROE of 8% or more while balancing growth investment and shareholder returns, we will utilize interest-bearing debt in addition to divesting securities.

For growth investments, we plan to allocate over 40.0 billion yen in total over three years, focusing on the Industrial Processes.

In Phase II, we will allocate cash primarily for growth investments from the free cash flow generated during the period, aiming for an ROE of 12% or more.

Securities Divestment Schedule and Reduction of Cross-Shareholdings

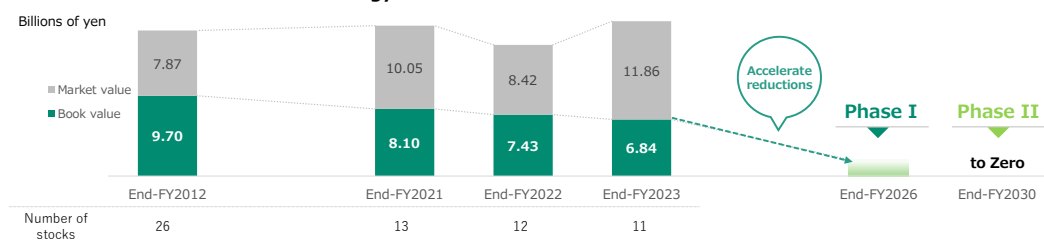
Securities* Divestment Schedule (on cash flow basis)



*Policy shareholdings, long-term bonds and net investment securities

Reducing Cross-Shareholdings

Accelerate reductions in line with strategy



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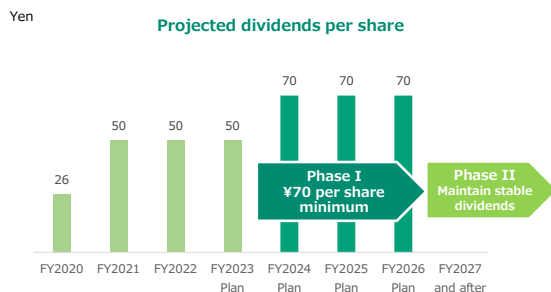
31

As for the sale of securities, including policy shareholdings, we plan to divest about 35.0 billion yen in Phase I and more than 15.0 billion yen in Phase II.

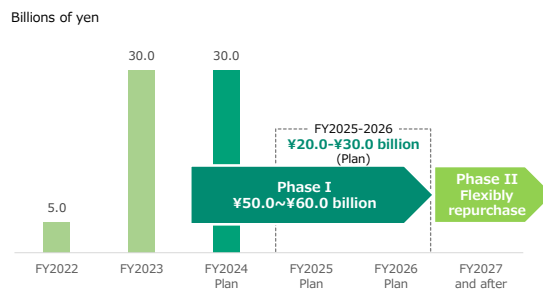
Shareholder Return Policies

Phase I: Stipulate minimum dividend at ¥70 per share and plan to repurchase ¥50.0~¥60.0 billion in shares
(Phase II: Keep shareholders' equity below ¥200.0 billion by flexibly repurchasing shares)

Dividends policy



Share buybacks



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Next, I would like to explain our shareholder return policies.

During Phase I, we will set a minimum dividend of 70 yen per share. In addition, as with fiscal year 2023, we will repurchase 30.0 billion yen of shares in fiscal year 2024, and plan for a total of 50.0 to 60.0 billion yen over the three fiscal years from 2024 to 2026.

Through these initiatives, we aim for an ROE of 8% or more by fiscal year 2026.

Finally, I would like to explain the “ESG Initiatives.”

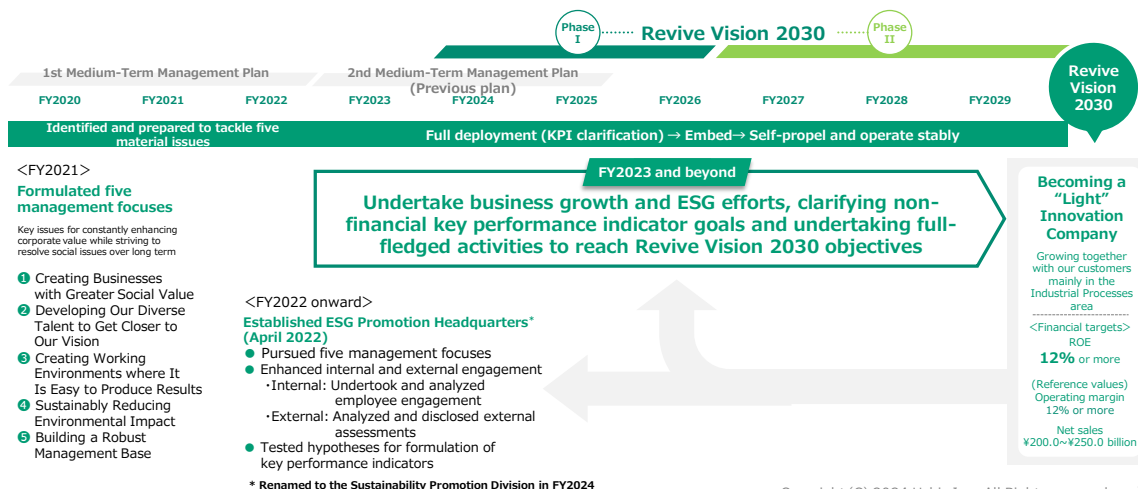


Part 4

ESG Initiatives

Bolster Sustainability — Manage Alongside Businesses

Uphold ESG initiatives to reach Revive Vision 2030 objectives, delivering real ESG value that is supported, shared and understood



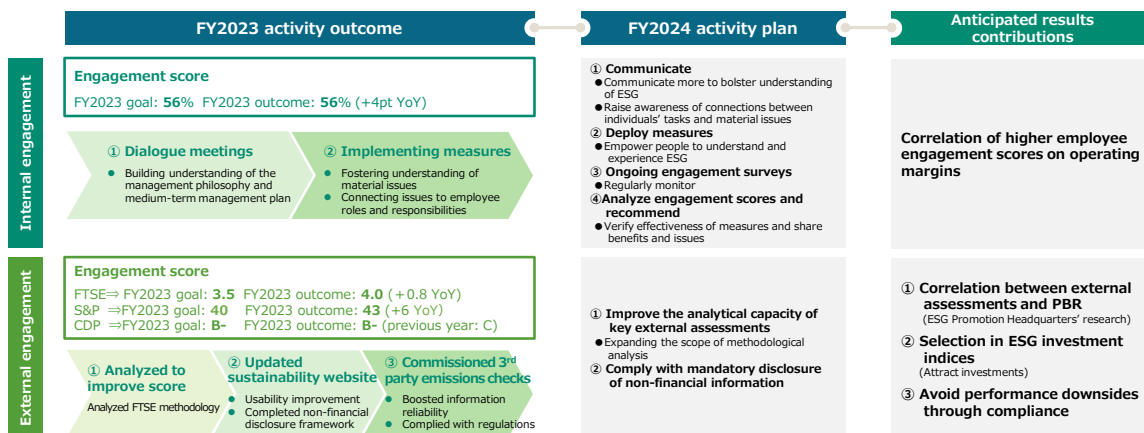
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In Revive Vision 2030, we will continue to actively promote initiatives aimed at achieving our non-financial key performance indicator goals set in fiscal year 2023 through undertaking business growth and ESG efforts.

Measures to Improve Engagement

Largely achieved FY2023 goals, steadily undertaking activities in FY2024 and beyond to lift engagement, which should contribute to results

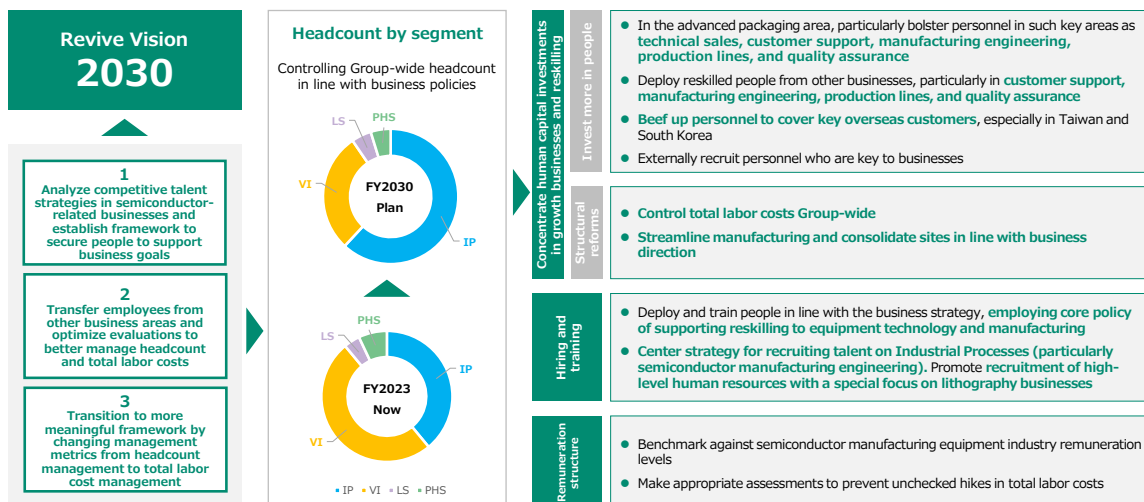


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As for the status of efforts to improve engagement, the goals set in fiscal year 2023 were largely achieved both internally and externally. We will continue to promote steady activities in fiscal year 2024, aiming to contribute to performance improvement. We especially believe it is important to enhance engagement both internally and externally, and we will strengthen our efforts at doing so.

Human Capital Strategies—Basic Policies on Investing in Talent under New Growth Strategy



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Regarding human capital strategies, we will expand the Industrial Processes, which is our priority area.

We will conduct necessary human capital investments and reskilling within the company. At the same time, we will control labor costs across the group in line with the direction of the business, aiming for an optimal personnel composition.

This concludes my presentation.

Due to time constraints today, I was unable to explain the review of the previous medium-term management plan and the strategy for each business segment based on the revamp of the business portfolio. These are included in the Appendix, so please look at them later.



Appendix



Supplement to Review of Previous Medium-Term Management Plan

Changes in market trends for semiconductor manufacturing equipment and a sharp slowdown in the package substrates for PCs market



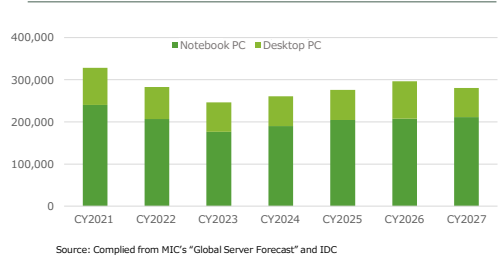
Package substrate market should remain stagnant from overcapacity amid production adjustments stemming from slowing PC market demand.

Back-end process equipment makers have therefore experienced negative year-on-year downturns from Q3 FY2022.

PC market trends

- A teleworking surge due to the pandemic led to record sales of 350 million units in 2021, with demand decreasing as pandemic risks waned from 2022 and production plunging in 2023.
- By 2023, pandemic-related demand had ceased, and although supply-demand adjustments are ongoing, market conditions should normalize by the H1 2024.

Global PC market sales and forecasts (thousands of units)



Semiconductor manufacturing equipment market trends

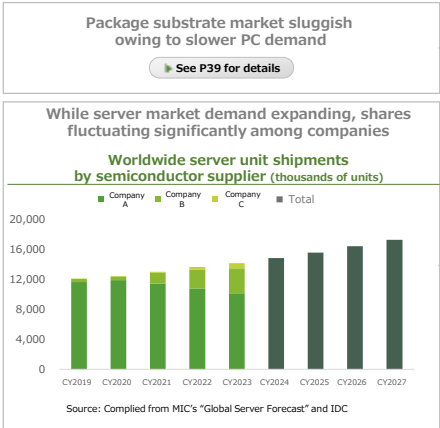
- As manufacturers raised capex amid market expansion through 2022, overcapacity after 2023, when demand declined, should continue through around 2025.
- A back-end process equipment maker downturn accordingly continued from Q3 FY2022.

Comparisons with performances of six companies in semiconductor back-end equipment sector: YoY sales growth (%)



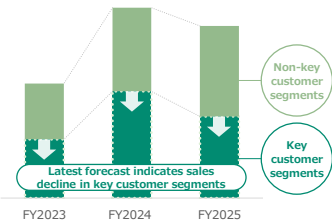
Dependence on key customer bases in growing businesses

PC demand slowed, and server market shares changed a lot among companies despite rising demand
Highly dependent on key customers, especially for mainstay steppers, which was prime factor in revenue and earnings shortfalls



Outlook for stepper business, which depends heavily on key customer segments, has therefore been significantly impacted

Stepper sales by customer segment as envisioned under the previous medium-term management plan



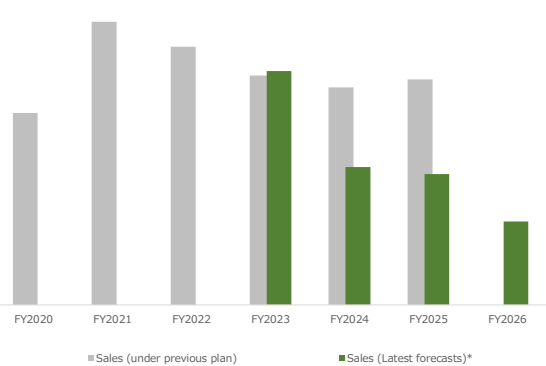
New growth strategy aims to resolve dependency issues

See P24 for details

Changes in the competitive environment for EUV light sources

The rise of other companies’ light sources for EUV mask inspections necessitated outlook revision.

Latest sales forecast
(compared with previous medium-term management plan)



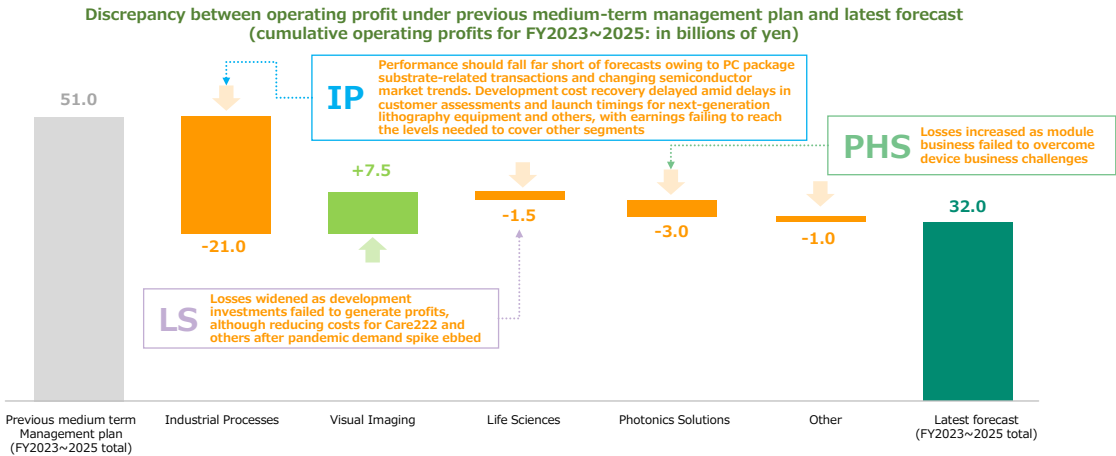
Factors in revising forecast

Market factors	<ul style="list-style-type: none">Declining customer investments mirror semiconductor market downturn due to weak PC sales and other factors, including retreat from pandemic-driven spikes
Customer factors	<ul style="list-style-type: none">Hard for some time to secure new offers due to the rise of other companies’ light sourcesSemiconductor suppliers imposing strict demands to reduce operational costs
Competitive factors	<ul style="list-style-type: none">Despite Ushio’s leading position in providing light sources for EUV mask inspection applications, other companies’ light sources have emerged
Internal factors	<ul style="list-style-type: none">Failed to address cost issues in particular

Impact of Unprofitable Business Areas

Delay in development investments contributing to profits, affecting earnings under previous medium-term management plan

IP business likely to fall significantly short of forecasts, disrupting scenario for covering unprofitable businesses





Supplement to Business Strategies

Industrial Processes Strategic Policies

Reprinted

USHIO

Grow and reinforce IP business with advanced packaging business, focusing resources to accelerate business development

Strategic policies (vision)

Expand presence in growing advanced packaging market and achieve high profitability by strategically selecting and focusing on priority areas

Focus investments on priority areas	<ul style="list-style-type: none"> Concentrate resources and investments in semiconductor fields* offer growth potential *Advanced packaging area and thermal processes that offer market growth potential
Strengthen product lineup	<ul style="list-style-type: none"> Strengthen product lineup through strategic partnership with Advanced Materials to expand presence in evolving advanced packaging area Introducing new LED light sources for thermal processes, cultivating semiconductor thermal solutions area with three light sources Strengthen product lineup of UV lamps to expand into new business fields
Improve profitability	<ul style="list-style-type: none"> Strategically enhance product mix in line with business climate changes Create business structure covering sales through after-sales service, primarily for lithography equipment Look to assess areas with little business potential
Human resources strategy	<ul style="list-style-type: none"> Expand human resources in Industrial Processes business by reskilling from other businesses

Business climate

Semiconductor market

Signs of demand recovery emerging, anticipating market expansion across medium through long term, primarily for AI development demand

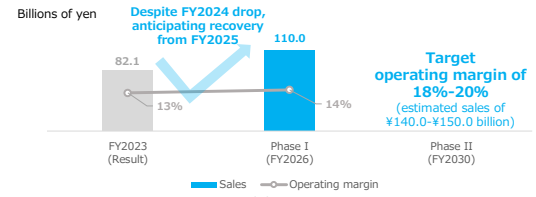
Advanced packaging market

Server and PC markets deteriorating, lowering related capital investments, but AI-related investments expanding on broad adoption of generative AI, which should drive transition to larger package substrates and chiplets, thus increasing demand for advanced packaging substrates

Flat panel display market

While the rebound from stay-at-home demand that spiked during the COVID-19 pandemic has bottomed out, market needs should remain stagnant for the foreseeable future

Coefficient targets





Shift Resources to Growth Businesses (Thermal Solution Area)

Other IP businesses, including optical processes
① Thermal solution area

USHIO

Focus on semiconductor thermal processes, a growth market, and help the semiconductor sector develop.

Strategic policies (Vision)

Leverage flash Lamps (FLP), halogen lamps (HL), and newly added LEDs to contribute to semiconductor sector development through optical thermal solutions

- Be trusted partner of semiconductor equipment manufacturers

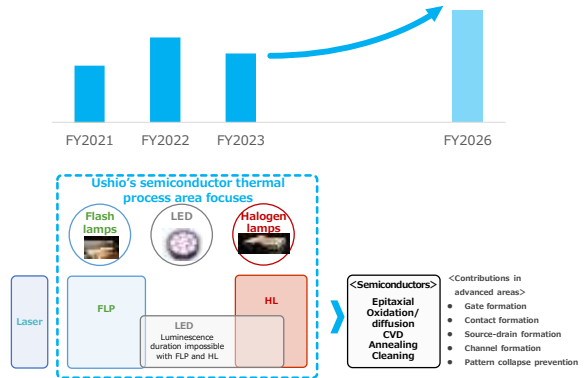
Business climate

- Increasing need for thermal processing technology with high temperature and thickness control due to advances in semiconductor miniaturization, leading to thinner films and three-dimensional structures
- Growth in epitaxial deposition processes for advanced logic and DRAM devices, driving demand for epitaxial growth equipment
- Expansion of the semiconductor market is expected to significantly advance the semiconductor front-end manufacturing equipment and silicon wafer markets
- Rising use of radiant heating in numerous heating processes

Business strategies

- Boost built-in adoption rate by major customers (HL)
- Strengthen relationships with partner companies (FLP)
- Enter new areas by introducing LED light sources (LEDs)
- Offer three distinct light sources enabling more controllable heat treatment technology

Estimated thermal solution area sales



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Shift Resources to Growth Businesses (Excimer Area)

Other IP businesses, including optical processes
② Excimer area



Shift focus areas, such as development investments in semiconductors, printed circuit boards, and packaging, and maintain stable business operations, reducing dependence on flat panel display market.

Strategic policies (Vision)

Reduce dependence on flat panel displays and concentrate on new priority areas

- Curb additional investments in flat panel display market, where market implementations are deteriorating
- Conduct R&D in line with product roadmap for customers in semiconductor, printed circuit board, and packaging fields

Business climate

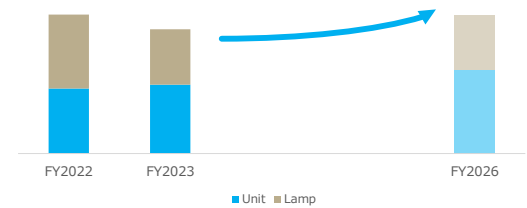
- Flat panel display market overstocked in reaction to pandemic demand hike, with postponements of new factory construction and capital investment
- Semiconductor market and other markets should grow


Business strategies

- Maintain 95%* global share in flat panel display market while shifting resources to semiconductors, printed circuit board, and packaging in view of slower market growth
- Expand business by targeting such new markets as construction materials and vehicles/batteries markets

* Market share in excimer irradiation units for cleaning panels (Ushio research, as of 31 March 2023)

Estimated excimer area sales



Excimer-related markets	Flat panel display market (including for OLED)	Semiconductor market (including printed circuit boards and packaging)	Other priority markets (Construction materials and vehicles/batteries)
Key applications 	● Panel cleaning, etc.	● Film removal from wafers etc. ● Surface preparation before plating/SR application	● Building materials matting ● Improving battery performance



Ongoing Efforts to Enter the High-NA area and Assess Business Feasibility

EUV

USHIO

Review business strategy and intensify efforts with new customers to enter the High-NA area in view of the rise of other companies' light sources.

However, may be possible to assess business direction based on future market and development trends.

Strategic policies (vision)

Aim to enter the High-NA area

- Continue developing products meeting performance (high brightness and stability) and cost requirements in High-NA area
- Adapt strategy in response to changes in business and technological trends, potentially downsizing or exiting business

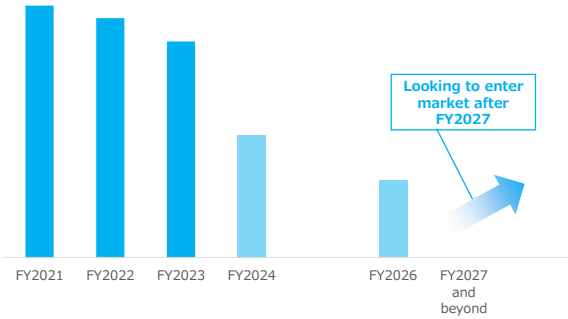
Business climate

- The rise of other companies' light sources making it hard for some time to secure new offers
- Shift to High-NA progressing in APMI* market, with market requiring greater brightness and stability

Business strategies

- Minimize decline in profitability through total cost of ownership reduction initiatives in response to revenue downturn from lower use
- Accelerate development with new customers, targeting further High-NA in development and commercialization for future adoption (evaluations underway for securing new offers after FY2027)
- Also consider downsizing or exiting business should operating and development environments differ from projections

EUV business sales forecasts



*APMI: Actinic Patterned Mask Defect Inspection (mask defect inspection equipment using EUV light)



Stabilize Earnings and Build Robust Earnings Base

UV Lamps

USHIO

Further expand market share in semiconductor sector and break into new areas by strengthening relationships with semiconductor inspection equipment manufacturers, and maintain dominant position and continue generating stable and fundamental earnings.

Strategic policies (Vision)

Keep contributing to Ushio's revenue base

- Further increase market share in semiconductor area
- Expand business by strengthening ties with semiconductor inspection equipment manufacturers

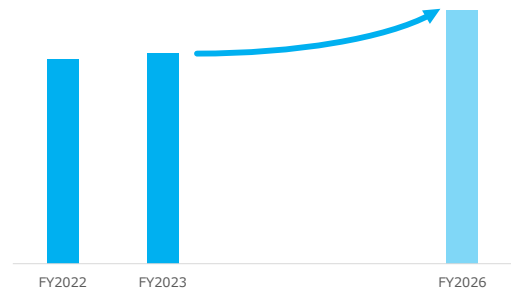
Business climate

- Semiconductor demand recovering, with expected increases in demand for i-line lithography equipment driven by growing needs for cutting-edge IC package substrates for logic and memory devices
- Demand for flat panel display should remain subdued due to reduced investments in new installations post-pandemic
- Demand for defect inspection systems likely to rise on semiconductor miniaturization

Business strategies

- Capture 80% or greater market share through strategic initiatives and alliances (currently at 70%-75%)
- Launch new models to penetrate new fields by meeting inspection needs from semiconductor miniaturization
- Develop new offerings providing higher illumination and longer lifespans, as well as products tailored for new fields
- Remain core earnings generator for Group by securing stable margins

UV lamps sales forecast



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Visual Imaging Strategy Policies

Instead of pursuing scale, improve profitability by concentrating investments in high-profit, high-growth areas while undertaking structural reforms and selective judgment for sub-businesses to boost profitability.

Strategic policies (vision)

Intensify efforts to improve and enhance profitability

Control costs and optimize resources	<ul style="list-style-type: none"> Lower management costs by optimally allocating resources and cutting SG&A expenses through business structure reviews and selective judgment For projector lamps where expect to see decreased demand, reallocate resources to areas with growing demand
Optimize product lineup	<ul style="list-style-type: none"> Optimize product lineups and minimize fixed costs by leveraging original equipment and design manufacturing
Expand recurring businesses	<ul style="list-style-type: none"> Maintain and optimize stable earnings from maintenance contract services Recurring business sales ratio: 15% in FY2023 → Target 20% in FY2026
Expand customer transactions	<ul style="list-style-type: none"> In high-value-added sectors, intensify localized engagement in Nationwide 360 Audio Visual Services and grow operations in theme parks
Selectively judge sub-businesses	<ul style="list-style-type: none"> Undertake selective judgment for sub-businesses, markets, and product development based on comprehensive factors such as growth potential, market position, capability to increase market share, and profit structure

Business climate

Cinema market

Recovery from the impact of COVID-19 underway, with strong replacement demand for digital cinema projectors. We expect stable demand in the medium to long term, though new installations may be limited due to factors like China's economic downturn

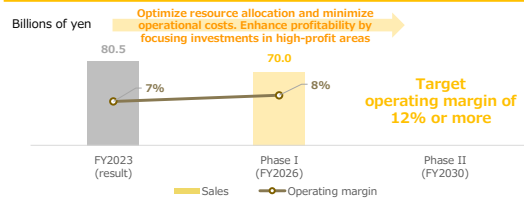
General imaging market

Capital investment in global events and theme parks should remain robust over medium to long term, although current economic downturn in China may reduce investment appetites

Common factors

Demand for projector lamps should gradually decline as the market shifts toward laser projector light sources

Coefficient targets



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Details of Measures (Visual Imaging)



Nationwide 360 Audio Visual Services, the high-value-added business (priority business)

Business climate

- Pandemic impact subsiding, demand for events with advanced visual effects resurging and growing worldwide
- Strong demand for high-end projectors, LED panels, and other imaging equipment

Measures

- Enhance customer satisfaction by strengthening local support systems, especially in key North American market
- Boost sales through development of broad product lineup to meet customer demand; focus on resource concentration by adding new locations and enhancing service capabilities



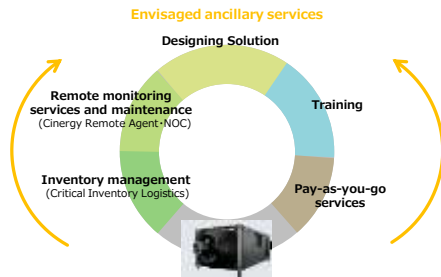
Lift proportion of recurring business associated with products (boost stable revenues)

Customer needs

- Effective turnkey services (including improved operability and convenience, quick responses to issues, and regular maintenance)
- Lower running costs, such as for repairs and maintenance parts

Measures

- Secure stable revenues by enhancing service offerings tailored to customer needs alongside product sales



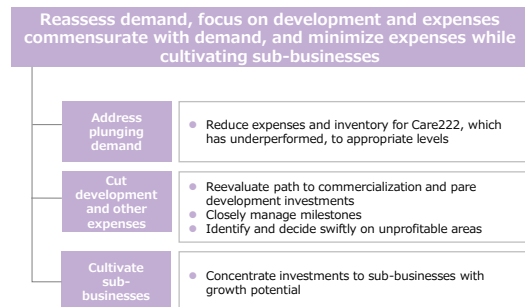
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Life Sciences Strategy Policies

While continuing to create new businesses to an extent, selectively judge areas with promising growth paths and invest.

Strategic policies (Vision)



Business climate

Care222

Demand weak since pandemic; potential to strengthen customer appeal through revisions to regulations, standards, and evidence acquisition

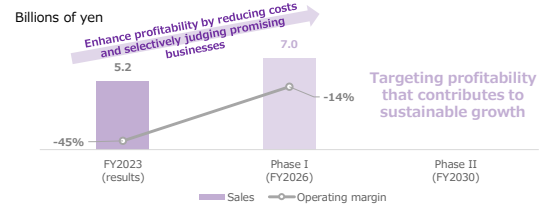
Medical devices

Steady demand for new installations and replacements in domestic market; differentiation through product downsizing and usability enhancements

Healthcare

Increase repeat and new customers by developing unique offerings in response to moderate market growth

Coefficient targets



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Photonics Solutions Strategy Policies

While selectively judge sub-businesses lacking competitiveness and growth potential, invest extensively in growth areas, including lamp replacements with solid-state light sources, and grow business through ongoing M&A and alliances.

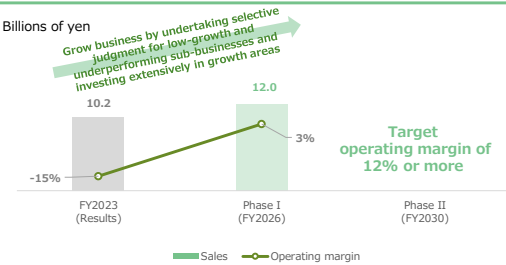
Strategic policies (Vision)

Maintain business structure centered on highly profitable module businesses and grow business through M&A and partnerships	
Selectively judge sub-businesses	<ul style="list-style-type: none">Undertake selective judgment for low-growth and underperforming sub-businesses
Enhance profitability	<ul style="list-style-type: none">Create synergies and rationalize operationsShift resources from mature and declining markets to growth marketsConstantly build and strengthen relationships with key customers
Expand investments in growth areas	<ul style="list-style-type: none">Maintain and expand extensive investments in megatrends offering significant growth potentialCollaborate with key players leading growth areas
M&A and alliances	<ul style="list-style-type: none">Seek business growth through M&A and partnerships

Business climate

- Steady growth amid shift to solid-state light sources and improved energy efficiency
- Expansion and emergence of life sciences, augmented and virtual reality, and heterogenous integration markets





Coefficient targets





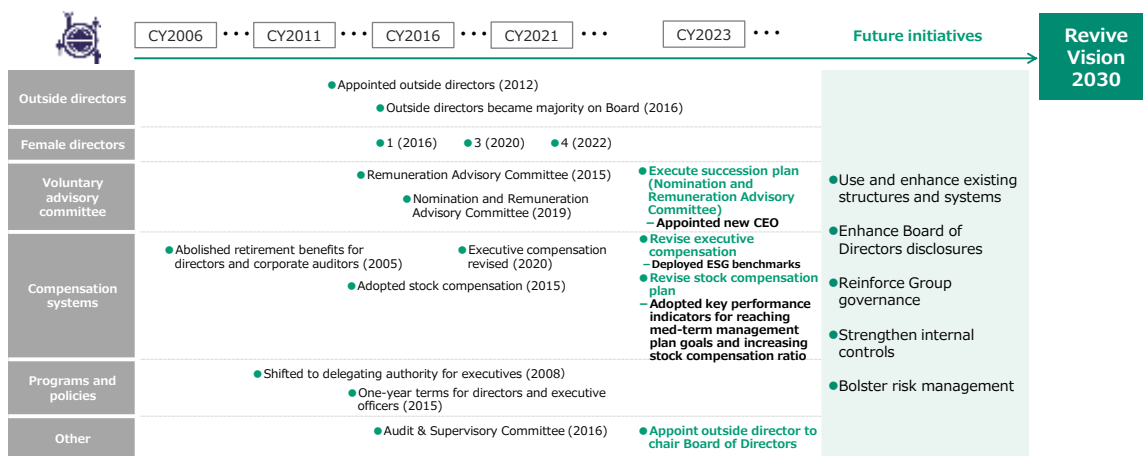
Supplement to ESG Initiatives

Five Management Focuses (Materiality) and Goals for 2030

Management focuses	Goals for 2030	Key performance indices for FY2025	Economic value connection
 Creating Businesses with Greater Social Value	<ul style="list-style-type: none"> Create businesses that address social issues of climate change, food supply, extending healthy life expectancies, and digitizing business processes 	<ul style="list-style-type: none"> R&D structure that constantly generates new value, with some themes on track for commercialization 	Expand revenues and earnings by creating new businesses
 Developing Our Diverse Talent to Get Closer to Our Vision	<ul style="list-style-type: none"> Undertake Group management and provide systematic training with diverse personnel Ensure global employee mobility 	<ul style="list-style-type: none"> Human capital bolstered, with focus on global/technical/managerial literacy capabilities Human capital identified through talent map that meets business needs, with rational management system in place 	Bolster talent to create new value that generates profits and accelerates growth strategies
 Creating Working Environments where It Is Easy to Produce Results	<ul style="list-style-type: none"> Build corporate culture that embraces diversity Enable employees to be physically and mentally healthy and enjoy their work Ensure high engagement levels so company and employees grow together 	<ul style="list-style-type: none"> Proportion of women in managerial positions: 15% or more and 10% on consolidated and non-consolidated bases, respectively Employee engagement score: 62% (up 10 percentage points from FY2022) 	Provide attractive workplaces and work practices for diverse people to boost engagement and productivity
 Sustainably Reducing Environmental Impact	<ul style="list-style-type: none"> Resolve social issues by undertaking biodiversity initiatives and cutting greenhouse gas emissions across value chain Offer products and services that lower environmental impact 	<ul style="list-style-type: none"> Reductions of in-house greenhouse gas (Scope 1 and 2) emissions: At least 34% from FY2017 level Reductions of greenhouse gas emissions (Scope 3 cat. 11) from company's products: At least 30% from FY2017 levels Measure and convey benefits of products helping shrink customers' environmental footprints 	Business creation through environmentally friendly products Maintain and expand corporate value by fulfillment corporate social responsibilities
 Building a Robust Management Base	<ul style="list-style-type: none"> Formulate and reach management, business, and employee goals Manage business portfolio through timely efforts to identify management resources Clarify business risks and groupwide risk responses Create corporate culture and framework for respecting human rights across value chain Reinforce and deepen governance 	<ul style="list-style-type: none"> Beginning groupwide to respond to social demands and earning some recognition for disclosure from external evaluation organizations and stakeholders 	Establish stable revenue base and safeguard corporate value

Deepen Governance Structure

Solidify corporate governance to materialize Revive Vision 2030 and accelerate ESG management



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Glossary



IP	IP	Industrial Processes
	Bridge	An approach to connecting multiple chips to facilitate communication between them
	DI	Direct Imaging : An exposure technique that draws patterns directly without using a mask
	DI Lithography equipment	A lithography equipment that uses direct imaging technique to draw patterns
	DLT	Digital Lithography Technology
	DRAM	Dynamic random-access memory
	Epi	Epitaxial growth
	EUV	Extreme Ultraviolet Radiation
	FLP	Flash lamp
	FPD	Flat panel display
	High-NA	An advanced EUV lithography technology enhances light utilization efficiency
	HL	Halogen lamp
	OA	Office Automation
	OLED	Organic light-emitting diode
	PCB	Printed circuit board
	PKG	Packaging

IP	RDL	Redistribution layer
	Interposer	A substrate that connects circuits on both sides with through-silicon vias and links multiple chips
	Excimer	An excimer lamp and units or devices equipped with it
	Thermal process	A semiconductor manufacturing process that heats wafers to high temperatures
	Stepper	A projection lithography equipment that uses a step-and-repeat technique to expose patterns
	Digital lithography system	Direct Imaging lithography equipment using digital lithography technology through partnership with Applied Materials
	Advanced packaging	An advanced packaging field for 2.xD and 3D integration of semiconductors, including chiplets
VI	VI	Visual Imaging
	DCP	Digital cinema projector
	ODM	Original design manufacturing
LS	LS	Life Sciences
	Care222	Far UV-C disinfection technology (222nm)
PHS	PHS	Photonics Solutions
	Laser module	A device that emits a laser beam
	Solid-state light source	A device that supplies to a solid material and emits light specific to that material when excited (an example being an LED)

This report contains forward-looking statements, including earnings forecasts, which are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Please be advised that actual results may differ substantially from those forward-looking statements due to various factors.

USHIO

Applying Light to Life

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