

FY2023 Financial Results

Ushio Inc.

May 14, 2024

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- * Amounts in the material have been rounded down to the hundred millions of yen.
- * Sales to external customers and operating profit as a percentage of sales to external customers are shown
- * FY2023 starts from April 1st, 2023 through March 31st, 2024.

Confidential



1. FY2023 Results: **Higher revenues and lower earnings***1
2. Projecting **lower revenues and lower earnings***1 in FY2024
3. Outcome from reviewing Medium-Term Management Plan (New Growth Strategy)*2

*1 : year-on-year

*2 : Presented in a separate document on Ushio's website

I. Financial Results for FY2023

II. Full-Year Forecasts for FY2024

III. Supplementary Information

Net Sales
179.4 billion yen

YoY Comparison: +4.3 billion yen (+2.5%)

- Industrial Processes Business: Sales decreased owing to deteriorating conditions in semiconductor and flat panel display markets
- Visual Imaging Business: Sales rose on higher digital cinema projector (DCP) sales from materials shortage resolution and impact of lower yen

Operating Profit
12.9 billion yen

YoY Comparison: -2.8 billion yen (-18.2%)

- Although Sales were up, Operating Profit was down owing to product mix changes and higher strategic growth investments

Profit Attribute to Owners of Parent
10.7 billion yen

YoY Comparison: -2.9 billion yen (-21.3%)

Non-operating Income

- Forex gain: 0.5 billion yen (FY2022: 1.9 billion yen)

Extraordinary income

- Gain on sale of investment securities : 7.0 billion yen (FY2022: 0.9 billion yen)

Extraordinary losses

- Impairment losses: 7.1 billion yen (FY2022: 0.5 billion yen)

FY2023 Summary of Financial Results

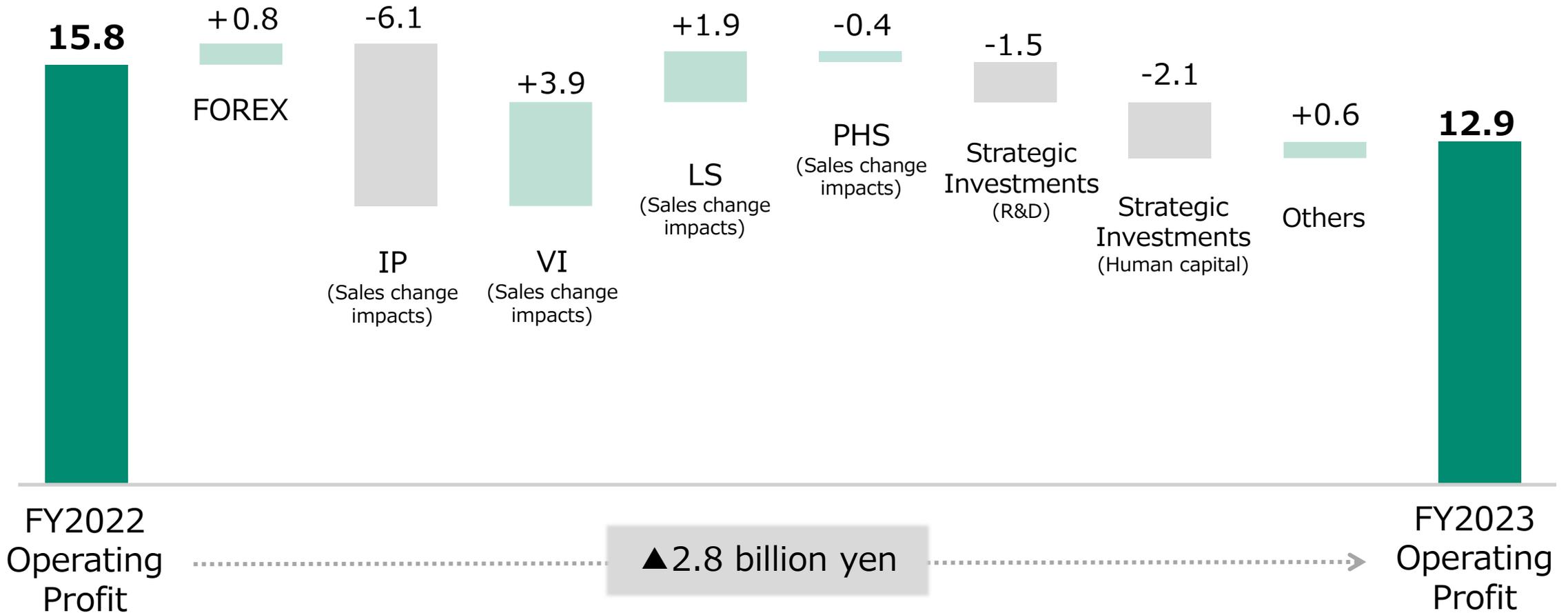


(Billions of yen)	FY2022 Result	FY2023 Result	YoY comparison		Previous Forecast (2024.2.9)	Comparison (with previous forecast)		
			Changes	(%)		Changes	Achievement (%)	
Net Sales	175.0	179.4	+4.3	+2.5%	178.0	+1.4	100.8%	
Operating Profit* ¹	15.8	12.9	-2.8	-18.2%	12.5	+0.4	103.8%	
Operating Margin* ¹	9.1%	7.2%	-1.8P	-	7.0%	+0.2P	-	
Ordinary Profit	20.1	16.0	-4.0	-20.1%	14.0	+2.0	114.9%	
Profit Attributable to Owners of Parent	13.6	10.7	-2.9	-21.3%	10.0	+0.7	107.9%	
EPS (yen)	115.69	97.22	-18.47	-16.0%	90.58	+6.64	107.3%	
ROE	5.7%	4.5%	-1.2P	-	4.3%	+0.2P	-	
FOREX rate (yen)	USD	135	144	+9	-	141	+3	-
	EUR	141	156	+15	-	153	+3	-

(Reference) EBITDA (=Operating Profit + Depreciation and Amortization and Amortization of Goodwill): FY2023 ¥21.4 billion (FY2022 ¥23.6 billion)

YoY Variation Analysis of Operating Profit for FY2023

(Billions of yen)



IP = Industrial Processes
 VI = Visual Imaging

LS = Life Sciences
 PHS = Photonics Solutions

FY2023 Financial Results by Business Segments



	(Billions of yen)	FY2022 Result	FY2023 Result	YoY comparison		Previous Forecast (2024.2.9)	Comparison (with previous forecast)	
				Changes	(%)		Changes	Achievement (%)
Industrial Processes	Net Sales	89.4	82.1	-7.3	-8.2%	83.0	-0.8	98.9%
	Operating Profit [Operating Margin]	18.2 [20.4%]	10.8 [13.2%]	-7.3 [-7.1P]	-40.4% -	10.0 [12.0%]	+0.8 [+1.2P]	108.8% -
Visual Imaging	Net Sales	68.9	80.5	+11.6	+16.9%	78.0	+2.5	103.2%
	Operating Profit [Operating Margin]	3.4 [5.0%]	5.8 [7.3%]	+2.4 [+2.3P]	+69.5% -	5.5 [7.1%]	+0.3 [+0.3P]	107.0% -
Life Sciences	Net Sales	5.6	5.2	-0.4	-7.2%	4.5	+0.7	115.8%
	Operating Profit [Operating Margin]	-5.1 [-91.4%]	-2.3 [-44.7%]	+2.8 [+46.7P]	- -	-2.0 [-44.4%]	-0.3 [-0.2P]	- -
Photonics Solutions	Net Sales	9.2	10.2	+0.9	+10.6%	10.5	-0.2	97.6%
	Operating Profit [Operating Margin]	-0.2 [-3.2%]	-1.5 [-14.8%]	-1.2 [-11.6P]	- -	-1.0 [-9.5%]	-0.5 [-5.3P]	- -
Others	Net Sales	1.7	1.3	-0.4	-25.5%	2.0	-0.6	65.3%
	Operating Profit [Operating Margin]	-0.3 [-22.5%]	0.1 [10.4%]	+0.5 [+32.9P]	- -	0.0 [0.0%]	+0.1 [+10.4P]	- -
Total	Net Sales	175.0	179.4	+4.3	+2.5%	178.0	+1.4	100.8%
	Operating Profit [Operating Margin]	15.8 [9.1%]	12.9 [7.2%]	-2.8 [-1.8P]	-18.2% -	12.5 [7.0%]	+0.4 [+0.2P]	103.8% -

FY2023: Industrial Processes Results

(Billions of yen)	FY2022 Result	FY2023 Result	YoY Comparison	
			Changes	(%)
Net Sales	89.4	82.1	-7.3	-8.2%
Operating Profit	18.2	10.8	-7.3	-40.4%
Operating Margin	20.4%	13.2%	-7.1P	-
Net Sales by Subsegments				
UV Lamps	13.6	14.0	+0.4	+3.2%
OA Lamps	6.3	5.5	-0.8	-12.9% ③
Optical Equipment Lamps	11.5	10.2	-1.3	-11.3%
Light Source Business	31.5	29.8	-1.6	-5.4%
UV Equipment	34.5	32.9	-1.6	-4.8% ②
Other Optical Equipment	23.3	19.3	-4.0	-17.2% ①
Optical Equipment Business	57.9	52.2	-5.6	-9.8%
Total	89.4	82.1	-7.3	-8.2%

■ Net Sales: Down 7.3 billion yen YoY

- Sales of equipment for LCD panel declined owing to decreased demand ①
- Sales of equipment declined owing to curtailed capital investment reflecting final demand slowdown ②
- Sales declined owed mainly to absence of previous year's demand spike ③

■ Operating Profit: Down 7.3 billion yen YoY

- Profit margins declined owing to lower sales of high-value-added products
- Expanded strategic investments (R&D) for future growth

FY2023: Visual Imaging Results

(Billions of yen)	FY2022 Result	FY2023 Result	YoY Comparison	
			Changes	(%)
Net Sales	68.9	80.5	+11.6	+16.9%
Operating Profit	3.4	5.8	+2.4	+69.5%
Operating Margin	5.0%	7.3%	+2.3P	-
Net Sales by Subsegments				
Projector Lamps	13.8	12.6	-1.2	-8.7% ③
Illumination Lamps	3.6	3.6	+0	+0.5%
Light Source Business	17.5	16.3	-1.1	-6.7%
Cinema	20.7	31.3	+10.5	+50.6% ①
General Imaging	30.5	32.8	+2.2	+7.5% ②
Imaging Equipment	51.3	64.1	+12.8	+24.9%
Total	68.9	80.5	+11.6	+16.9%

■ Net Sales: Up 11.6 billion yen YoY

- DCP sales benefited from elimination of materials shortages and rose on replacement demand ①
- Sales increased on an acceptance inspection for a large deal in Q2 and steady capital investments ②
- Lamp sales decreased owing to shift to solid-state light sources in projectors for general imaging applications ③
- Lower yen contributed to sales gains

■ Operating Profit: Up 2.4 billion yen YoY

- Purchasing cost conditions improved on parts prices returning to normal
- Profitability improved from high-end models in general imaging accounting for a greater proportion of sales
- Expanded development investments to reinforce product lineup in high value-added businesses

FY2023: Life Sciences and Photonics Solutions Results

Life Sciences

(Billions of yen)	FY2022 Result	FY2023 Result	YoY Comparison	
			Changes	(%)
Net Sales	5.6	5.2	-0.4	-7.2%
Operating Profit	-5.1	-2.3	+2.8	-
Operating Margin	-91.4%	-44.7%	+46.7P	-

■ Net Sales: Down 0.4 billion yen YoY

- Sales decreased in light source for environmental hygiene solutions

■ Operating Profit: Up 2.8 billion yen YoY

- Increase came from inventory write-downs recorded in the previous fiscal year and restraint of investment for environmental hygiene solutions

Photonics Solutions

(Billions of yen)	FY2022 Result	FY2023 Result	YoY Comparison	
			Changes	(%)
Net Sales	9.2	10.2	+0.9	+10.6%
Operating Profit	-0.2	-1.5	-1.2	-
Operating Margin	-3.2%	-14.8%	-11.6P	-

■ Net Sales: Up 0.9 billion yen YoY

- Increase stemmed from sales of laser modules and other offerings and M&A

■ Operating Profit: Down 1.2 billion yen YoY

- Increased SG&A expanses from M&A and expanded R&D investments

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Summary of FY2024 Full-Year Forecasts

Revenues and earnings should decline owing to dip in lithography equipment sales and expanded forward investments (performance is expected to recover from FY2025*)

*For details, please see the New Growth Strategy:
[Financial Results / Financial Presentation | USHIO INC.](#)

Net Sales

- **175.0 billion yen (Down 4.4 billion yen YoY)**

- Industrial Processes (Down ¥3.1 billion YoY)
 - Lower lithography equipment sales and EUV light source maintenance revenues
- Visual Imaging (Down ¥2.5 billion YoY)
 - Reduced sales owing to lower investments and capacity utilization restraints, primarily in cinema area, offsetting solid demand for general imaging equipment

Operating Profit

- **5.0 billion yen (Down 7.9 billion yen YoY)**

- Industrial Processes (Down ¥7.3 billion YoY)
 - Decrease reflecting lower sales, impact from temporary reduction in lithography equipment production and expanded forward investments
- Visual Imaging (Down ¥1.3 billion YoY)
 - Decrease owing to lower sales

Profit Attributable to Owner of Parent

- **4.5 billion yen* (Down 6.2 billion yen YoY)**

* Execution of the sale of certain policy shares and other securities is planned for FY2024, but their impacts on performance have not been factored into those forecasts

FOREX rate

- **Foreign exchange rates: USD=145 yen, EUR=155 yen**

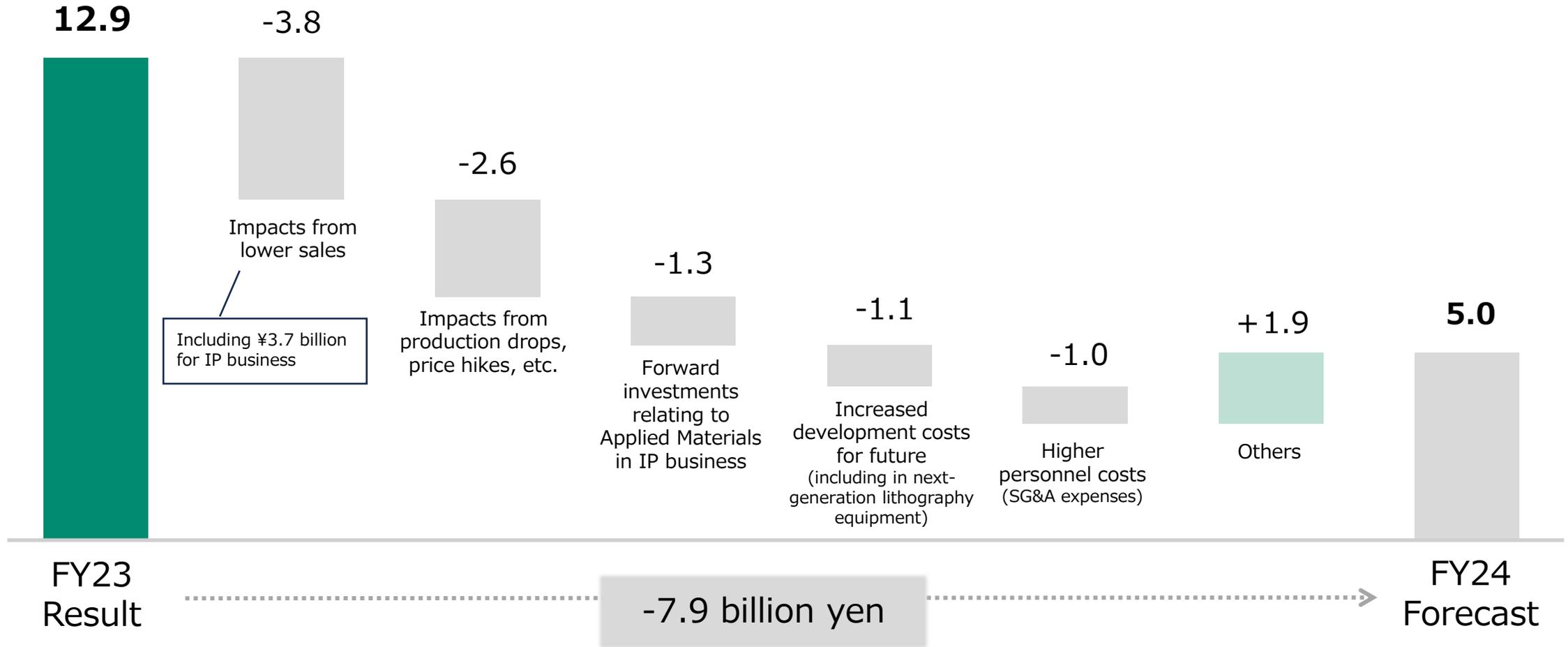
(Reference) Forex sensitivity: Annual impact from 1 yen fluctuation
[vs USD] Net sales: Approximately ¥1.00 billion, Operating profit: Approximately ¥0.12 billion

FY2024 Full-Year Forecast : Summary

(Billions of yen)	FY2023 Result	FY2024 Forecasts	YoY Comparison		
			Changes	(%)	
Net Sales	179.4	175.0	-4.4	-2.5%	
Operating Profit	12.9	5.0	-7.9	-61.5%	
Operating Margin	7.2%	2.9%	-4.4P	-	
Ordinary Profit	16.0	6.5	-9.5	-59.6%	
Profit Attributable to Owners of Parent	10.7	4.5	-6.2	-58.3%	
EPS (yen)	97.22	46.79	-50.43	-51.9%	
ROE	4.5%	2.0%	-2.5P	-	
Annual dividend (yen)	50	70	+20	-	
FOREX rate (yen)	USD	144	145	+1	-
	EUR	156	155	-1	-

(Reference) Forex sensitivity: Annual impact from 1 yen fluctuation
 [vs USD] Net Sales: Approximately ¥1.00 billion, Operating profit: Approximately ¥0.12 billion

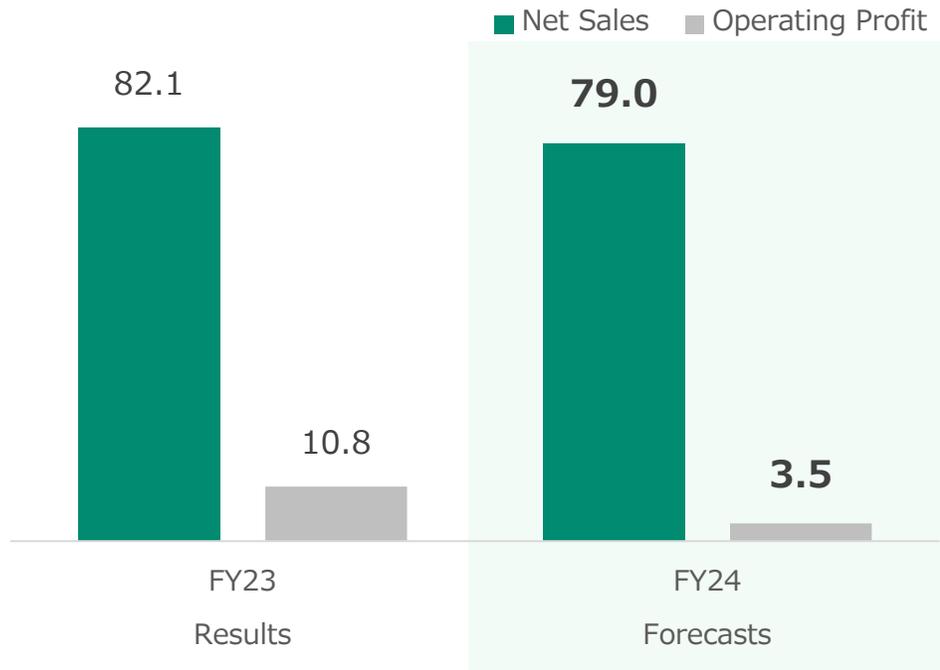
YoY Variation Analysis of Operating Profit for FY2024



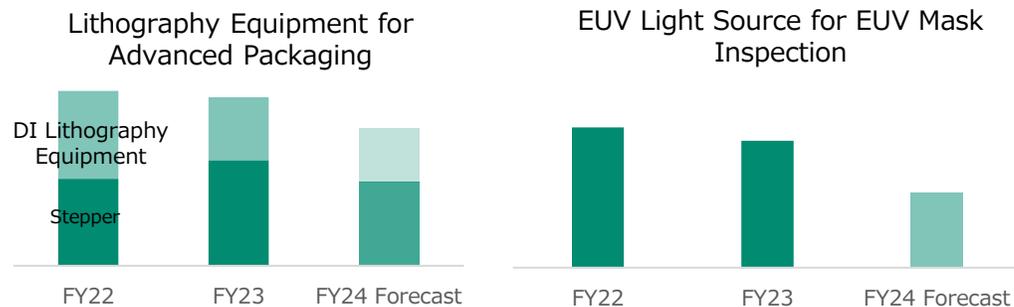
FY2024 Full-Year Forecast : By Business Segments



	(Billions of yen)	FY2023 Result	FY2024 Forecasts	YoY Comparison	
				Changes	(%)
Industrial Processes	Net Sales	82.1	79.0	-3.1	-3.8%
	Operating Profit [Operating Margin]	10.8 [13.2%]	3.5 [4.4%]	-7.3 [-8.8P]	-67.8% -
Visual Imaging	Net Sales	80.5	78.0	-2.5	-3.1%
	Operating Profit [Operating Margin]	5.8 [7.3%]	4.5 [5.8%]	-1.3 [-1.5P]	-23.6% -
Life Sciences	Net Sales	5.2	5.0	-0.2	-4.1%
	Operating Profit [Operating Margin]	-2.3 [-44.7%]	-2.0 [-40.0%]	+0.3 [+4.7P]	- -
Photonics Solutions	Net Sales	10.2	11.5	+1.2	+12.3%
	Operating Profit [Operating Margin]	-1.5 [-14.8%]	-1.0 [-8.7%]	+0.5 [+6.1P]	- -
Others	Net Sales	1.3	1.5	+0.1	+14.9%
	Operating Profit [Operating Margin]	0.1 [10.4%]	0.0 [0.0%]	-0.1 [-10.4P]	- -
Total	Net Sales	179.4	175.0	-4.4	-2.5%
	Operating Profit [Operating Margin]	12.9 [7.2%]	5.0 [2.9%]	-7.9 [-4.4P]	-61.5% -



[Reference: Sales Transition]



■ Business environment assumptions

While demand to remain weak, emerging signs of gradual recovery

- Semiconductor market should gradually recover from second half of 2024
- In advanced packaging market, investments should remain sluggish, but demand should gradually recover and expand from 2025 on generative AI-related investments
- In flat panel display market, demand should bottom out but remain sluggish

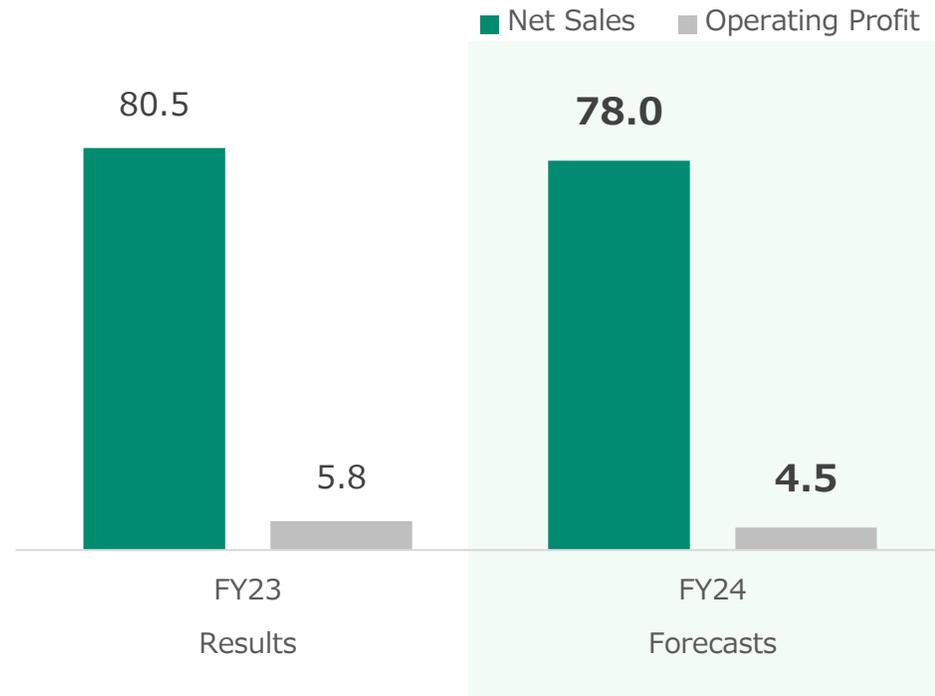
■ Net Sales: Down 3.1 billion yen YoY

- UV lamp sales should rise on gradual operational recovery
- Lithography equipment sales should drop on postponed investments
- EUV mask inspection light sources maintenance revenues should decline

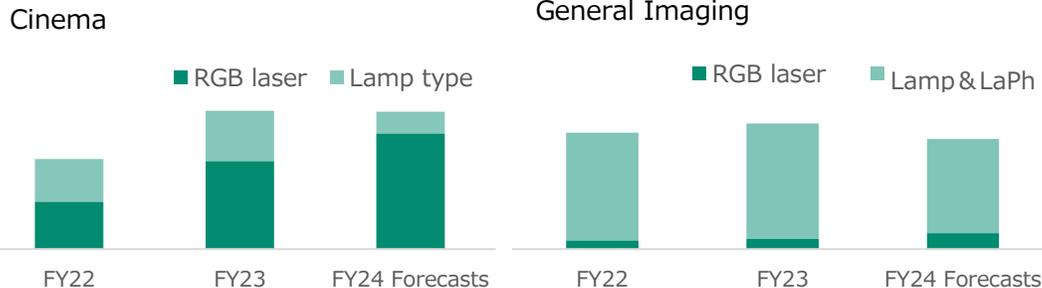
■ Operating Profit: Down 7.3 billion yen YoY

- Expanding forward (development) investments needed for future growth
 - Including in digital lithography system*, next-generation lithography equipment, and EUV light source
- Projecting losses from lower operating levels owing to temporary reduction in lithography equipment production

*Direct Imaging lithography equipment using digital lithography technology through partnership with Applied Materials



[Reference: Projector Sales Transition]



■ Business environment assumptions

While demand should be firm, keeping tabs on impact of worsening Chinese economy and Hollywood strike

Cinema market

- Temporarily reduced cinema operations owing to Hollywood strike
- Despite the need for digital cinema projector, investment appetites will probably weaken

General imaging market

- While demand should be solid for large-scale productions and advanced video production needs, will closely monitor impact of deteriorating Chinese economy

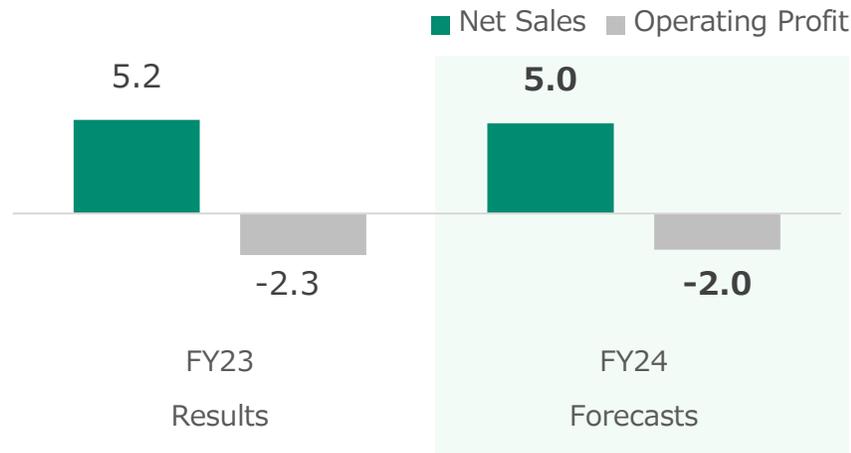
■ Net Sales: Down 2.5 billion yen YoY

- Cinema (digital cinema projector) sales will probably decline on lower capital investments
- Anticipating higher general imaging equipment sales on robust demand
- Projector lamp sales should decrease owing curtailed cinema operations and shift to solid-state light sources

■ Operating Profit: Down 1.3 billion yen YoY

- Earnings to decline because of lower revenues
- Higher raw material prices for projector lamps should detract from profitability

Life Sciences



■ Business environment assumptions

Demand should remain stable for medical equipment and other offerings

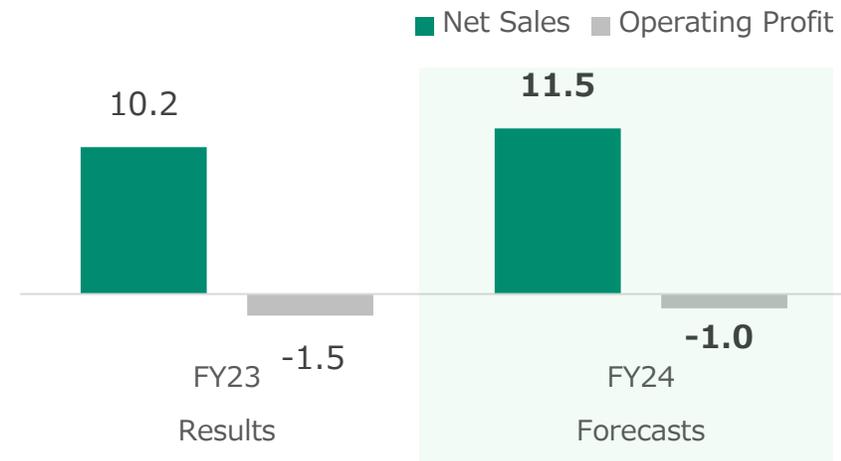
■ Net Sales: Down 0.2 billion yen YoY

- Sales to be flat for environmental hygiene solutions and medical equipment

■ Operating Profit: Up 0.3 billion yen YoY

- Further reducing SG&A expenses while selectively judging new business projects

Photonics Solutions



■ Business environment assumptions

Ongoing demand for photonics on need to improve energy efficiency in industrial applications and other factors

■ Net Sales: Up 1.2 billion yen YoY

- Anticipating higher sales in semiconductor, industrial sensor, and other markets

■ Operating Profit: Up 0.5 billion yen YoY

- Projecting higher earnings on increased sales and pared development investment

Dividends per Share

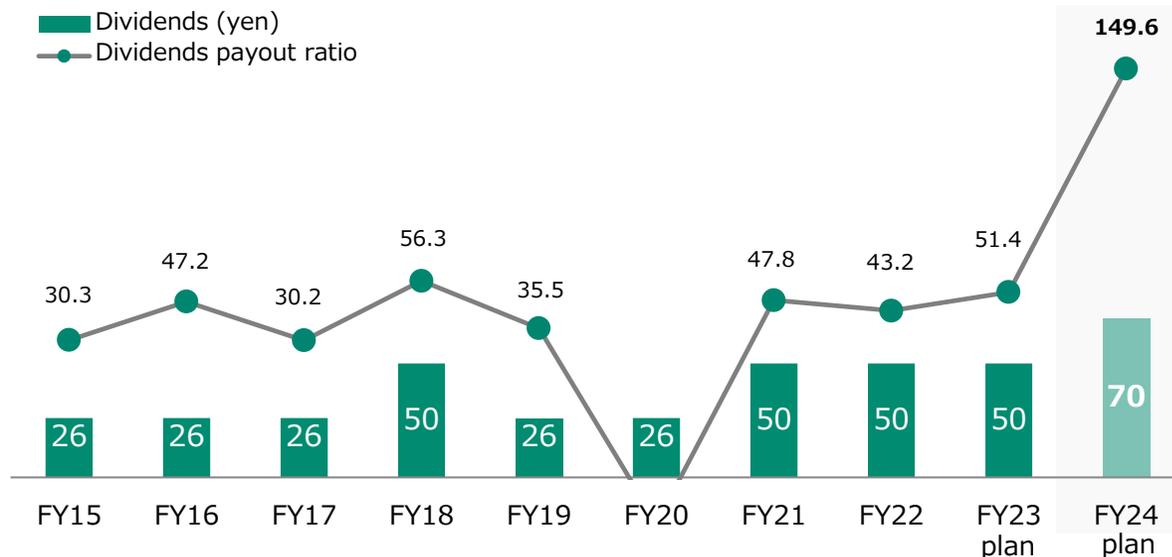
【Dividend policy】

Generating stable returns

Will set dividend floor of ¥70 per share annually for FY2024~FY2026

FY2023: **¥50** (Plan)

FY2024: Plan to increase to **¥70**



Share buybacks

【Buyback policy】

Flexibly repurchase shares

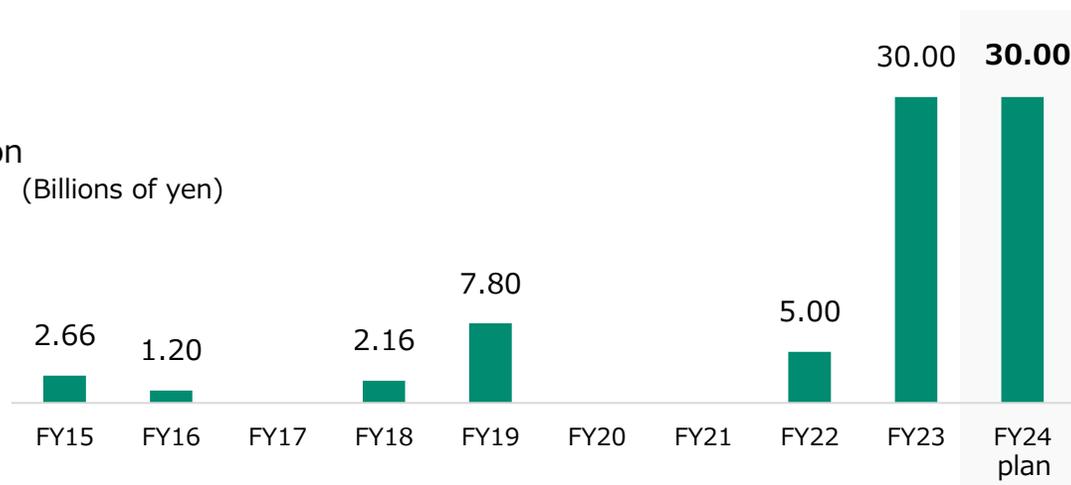
FY2024~FY2026: Invest cumulative ¥50.0-¥60.0 billion in share repurchases

Announcement on May 14, 2024

Acquisition period: May 24, 2024~April 30, 2025

Total purchase: 30.0 billion yen (max)

Total number of shares purchased: 20.00 million shares (max)



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(New) Business Segments and Main Products

New Business Segment	Main Products	Product Examples					
<p>Industrial Processes</p>	<p>Light Source: UV lamps, OA lamps, Optical equipment lamps, etc. Equipment: UV Equipment, Curing equipment, EUV light source for mask inspection, Maintenance service etc.</p>	 UV lamps	 OA lamps	 Large filed steppers	 Direct imaging lithography equipment	 EUV light source for EUV mask inspection <small>(提供 : TNO)</small>	
<p>Visual Imaging</p>	<p>Light Source: Cinema lamps, Data projector lamps, etc. Equipment: Digital cinema projectors, projectors for general imaging, Peripheral equipment, Maintenance, etc.</p>	 Cinema lamps	 Data projector lamps	 Digital cinema projector	 Projectors for general imaging	 LED wall display	 Peripheral equipment
<p>Life Sciences</p>	<p>Light Source: Care222 related products Equipment: UV Medical Devices, etc.</p>	 Devices using "Care222," Filtered Far UV Technology	 UV Medical Devices "TheraBeam series"				
<p>Photonics Solutions</p>	<p>Light Source: Solid-state light sources (Laser Diode/LED)</p>	 Solid-state light sources (LD/LED)	 Laser module				

Reference: Summary of Quarterly Financial Results



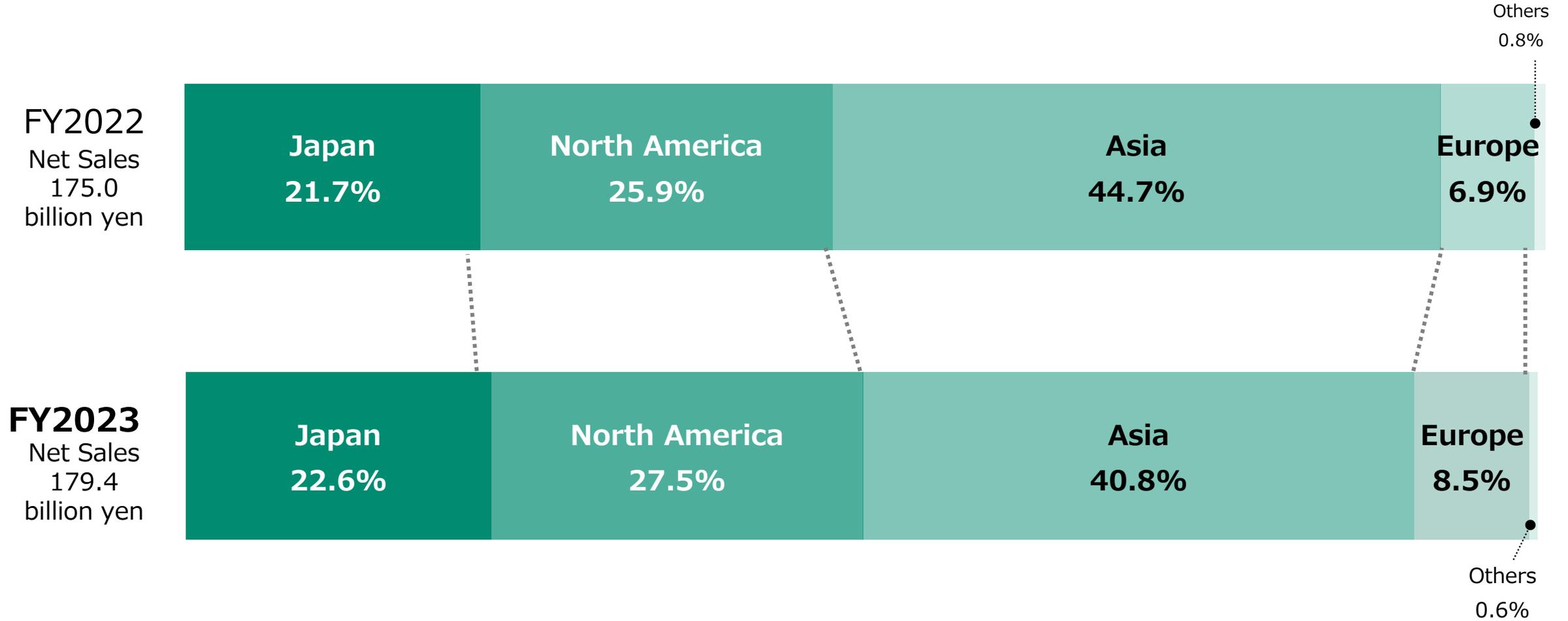
		FY2022				FY2023				YoY Comparison	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Changes	(%)
(Billions of yen)											
Net Sales		39.7	48.2	40.4	46.6	39.2	45.7	47.5	46.9	+0.2	+0.5%
Operating Profit		4.4	5.6	3.4	2.3	2.0	2.9	5.2	2.7	+0.4	+18.7%
Operating Margin		11.3%	11.7%	8.5%	5.0%	5.2%	6.4%	11.0%	5.9%	+0.9P	-
Ordinary Profit		6.2	7.3	4.3	2.1	2.8	3.4	6.3	3.4	+1.3	+64.9%
Profit Attributable to Owners of Parent		3.8	5.6	2.5	1.6	1.7	2.4	4.4	2.0	+0.4	+29.1%
EPS (yen)		32.18	47.87	21.80	13.78	15.36	21.65	40.72	20.06	+6.28	+45.6%
FOREX rate (yen)	USD	127	137	144	133	136	144	149	147	+14	-
	EUR	137	140	144	143	148	158	159	160	+18	-

Reference: Summary of Quarterly Financial Results by Business Segments



		FY2022				FY2023				YoY Comparison	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Changes	(%)
Industrial Processes	Net Sales	19.8	27.5	19.3	22.8	17.4	20.3	22.5	21.7	-1.0	-4.6%
	Operating profit	3.9	6.9	4.1	3.1	2.2	1.7	4.0	2.8	-0.3	-11.0%
	Operating Margin	19.8%	25.4%	21.4%	14.0%	12.9%	8.4%	18.1%	13.1%	-1.0P	-
Visual Imaging	Net Sales	15.5	16.6	17.4	19.2	17.6	21.2	20.3	21.2	+2.0	+10.5%
	Operating profit	1.2	0.8	0.6	0.7	0.6	2.3	1.5	1.2	+0.5	+66.9%
	Operating Margin	7.8%	5.2%	3.6%	4.0%	3.5%	11.2%	7.8%	6.1%	+2.0P	-
Life Sciences	Net Sales	1.4	1.3	1.2	1.5	1.3	1.3	1.3	1.1	-0.3	-24.1%
	Operating profit	-0.6	-2.1	-1.1	-1.1	-0.4	-0.7	-0.4	-0.6	+0.4	-
	Operating Margin	-47.5%	-158.3%	-93.3%	-73.0%	-32.7%	-57.1%	-36.1%	-54.6%	+18.4P	-
Photonics Solutions	Net Sales	2.3	2.3	2.0	2.5	2.5	2.5	2.8	2.3	-0.2	-8.8%
	Operating profit	0.1	-0.0	-0.1	-0.1	-0.3	-0.3	-0.1	-0.6	-0.4	-
	Operating Margin	6.1%	-3.0%	-9.1%	-7.1%	-12.9%	-14.9%	-5.0%	-28.9%	-21.8P	-
Others	Net Sales	0.4	0.4	0.3	0.4	0.2	0.3	0.3	0.3	-0.1	-26.6%
	Operating profit	-0.1	-0.0	-0.0	-0.2	-0.0	-0.0	0.1	0.0	+0.3	-
	Operating Margin	-26.5%	-3.5%	-6.1%	-47.5%	-22.9%	-16.7%	51.7%	23.5%	+71.0P	-
Total	Net Sales	39.7	48.2	40.4	46.6	39.2	45.7	47.5	46.9	+0.2	+0.5%
	Operating profit	4.4	5.6	3.4	2.3	2.0	2.9	5.2	2.7	+0.4	+18.7%
	Operating Margin	11.3%	11.7%	8.5%	5.0%	5.2%	6.4%	11.0%	5.9%	+0.9P	-

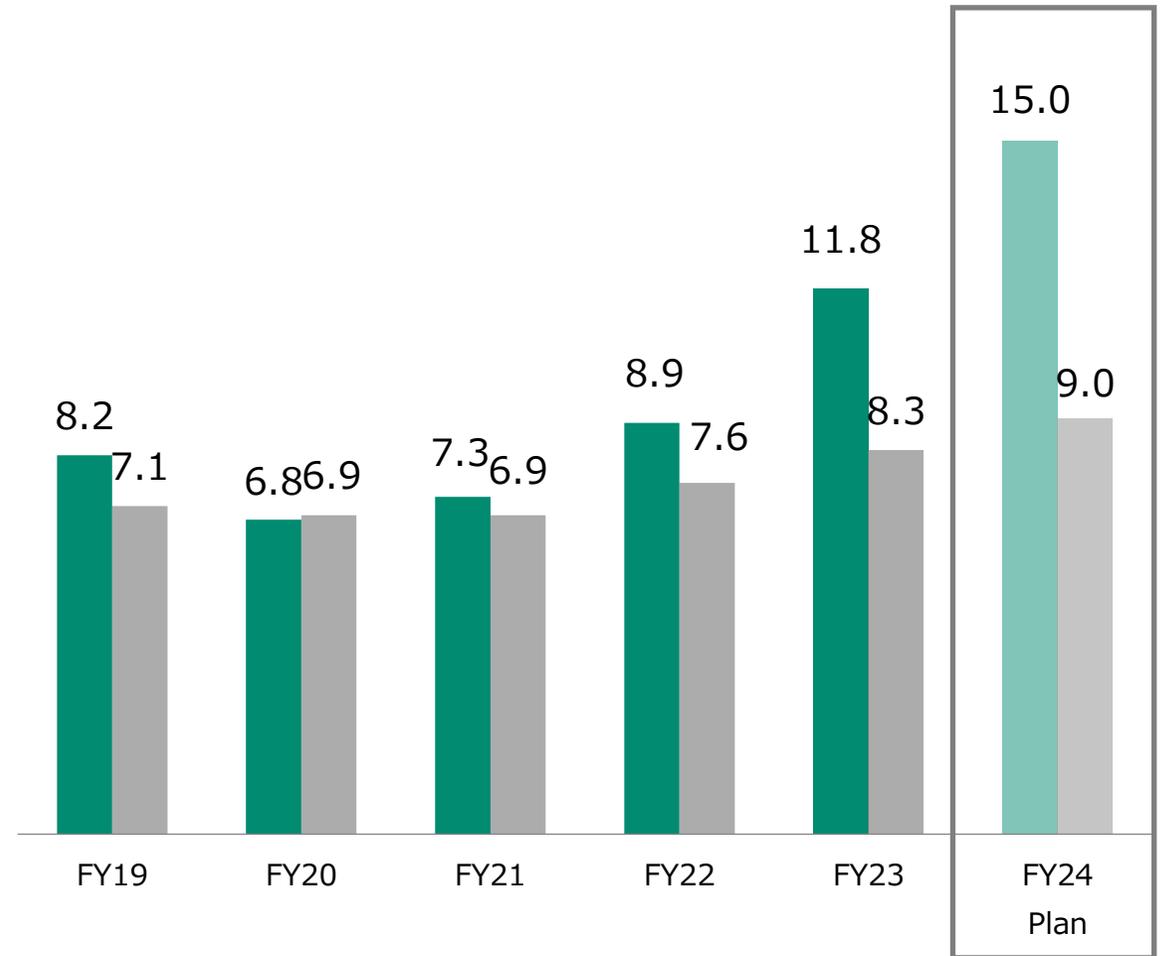
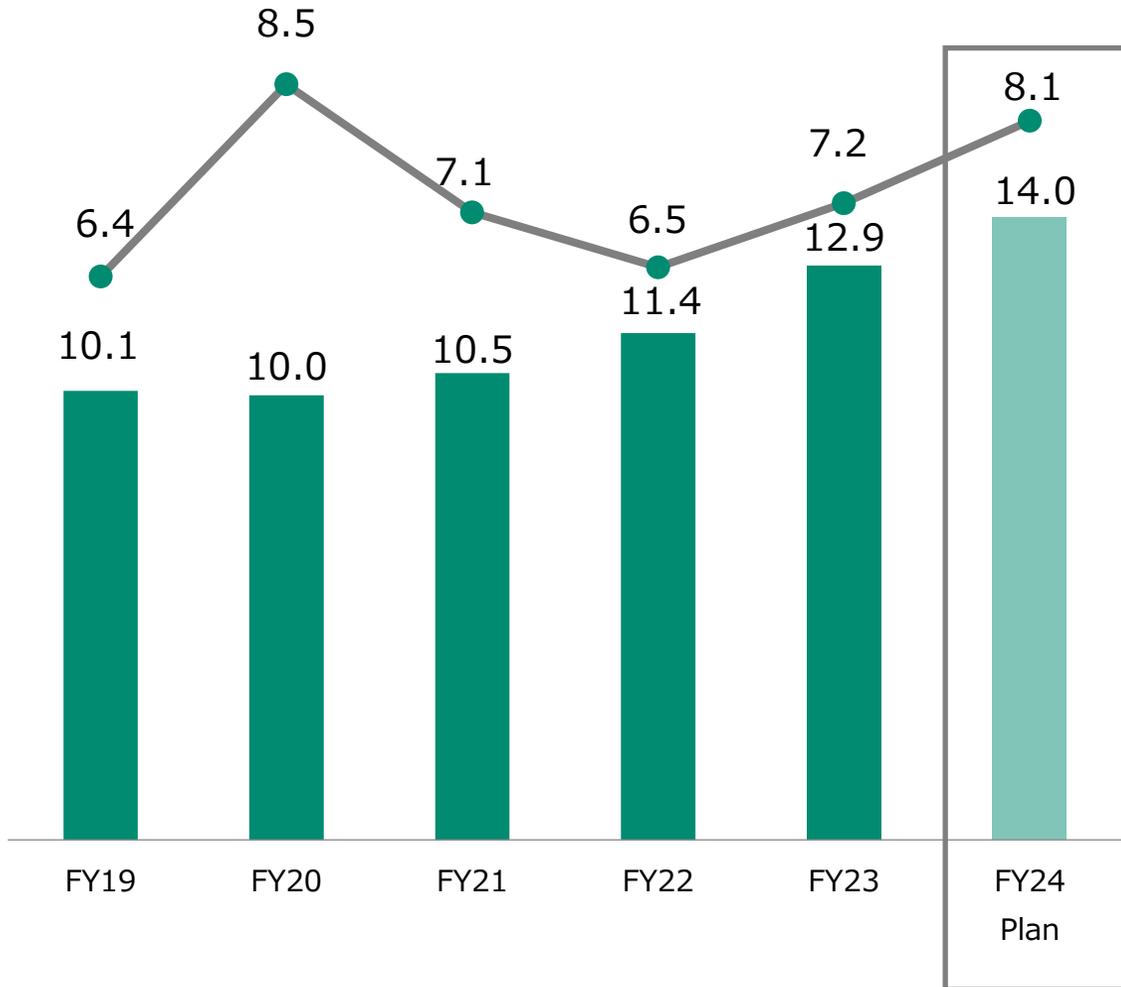
Reference: Sales Ratio by Region



Reference: R&D Expenses/Capital Expenditures and Depreciation

■ R&D Expenses (Billions of yen)
— Ratio of R&D Expenses to net sales (%)

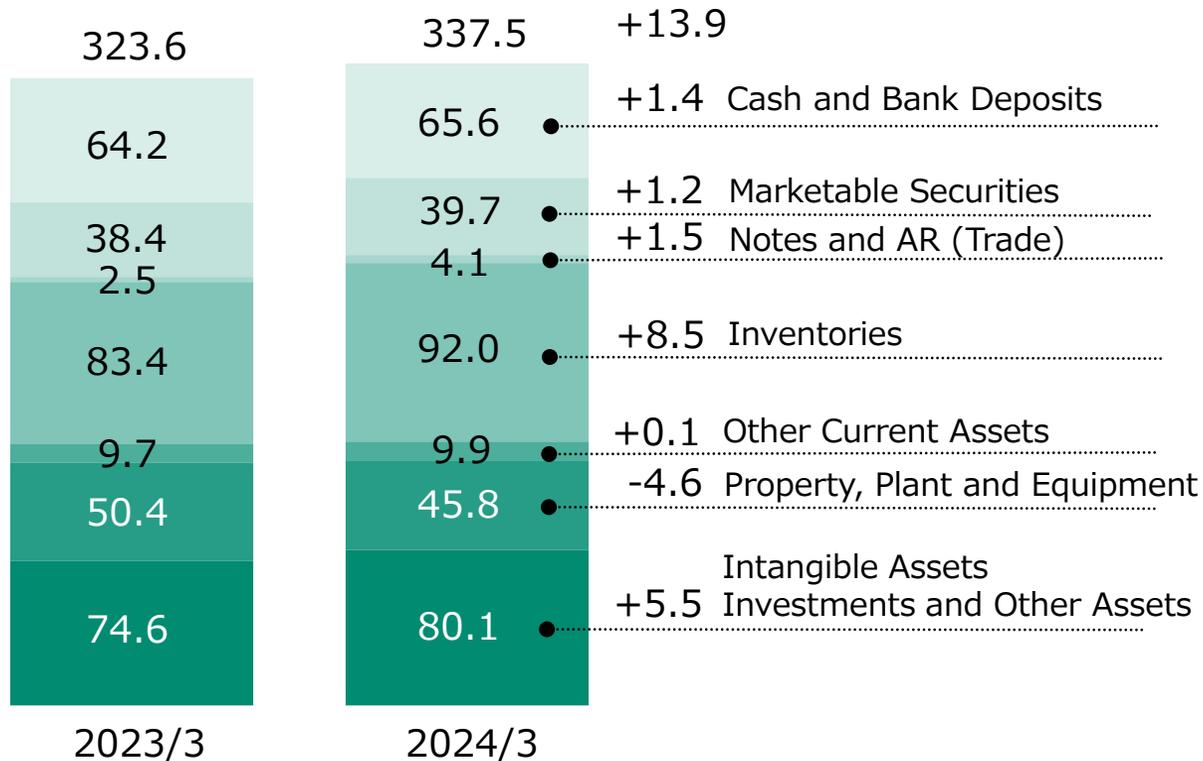
■ Capital Expenditures (Billions of yen)
■ Depreciation (Billions of yen)



Asset

(Billions of yen)

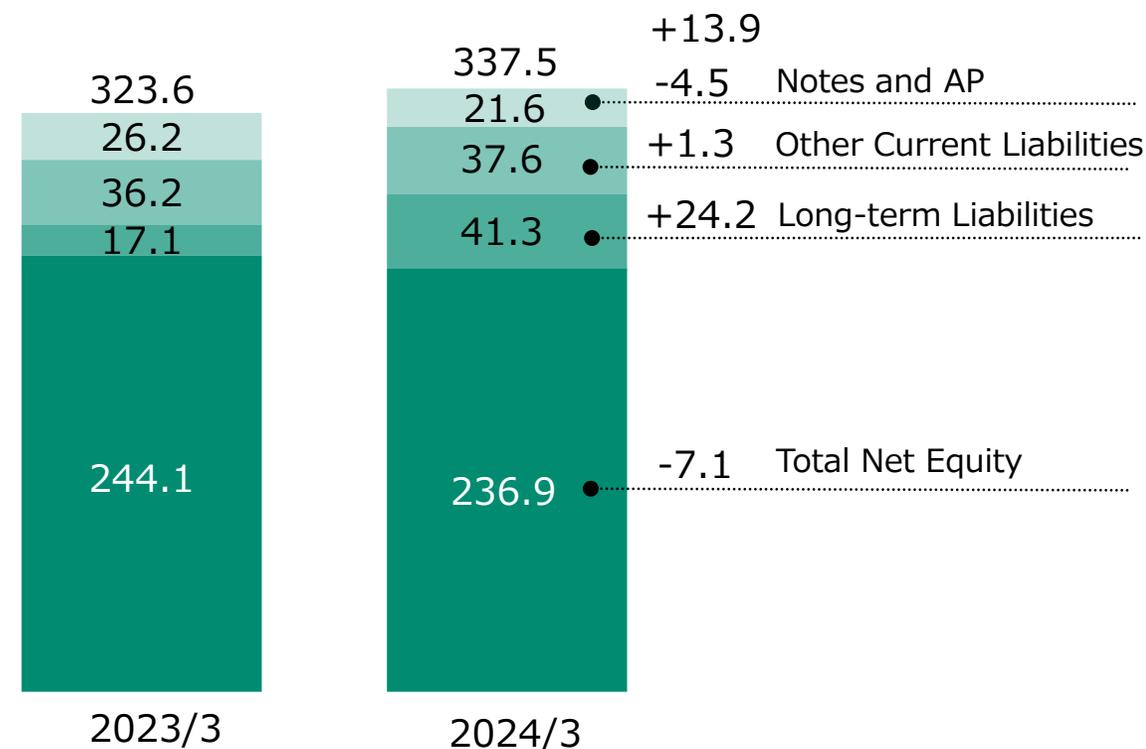
Changes



Liabilities/Total Net Equity

(Billions of yen)

Changes



Turnover (months)	2023/3	2024/3
Receivable-trade	2.5	2.6
Inventories	5.1	5.9
Cash Conversion Cycle	6.0	6.9

Equity Ratio (%)	2023/3	2024/3
	75.4	70.2

Reference: Cash Flow

(Billions of yen)



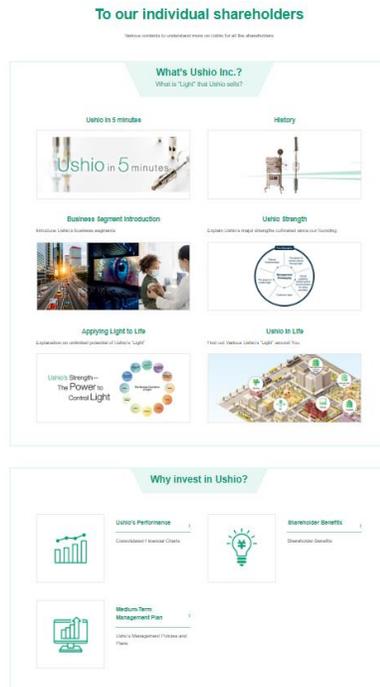
AI	Artificial Intelligence
APMI	Actinic Patterned Mask Defect Inspection
BGA	Ball Grid Array
CoO	Cost of Ownership
CPU	Central Processing Unit
DCP	Digital Cinema Projector
DI	Direct Imaging
EUV	Extreme Ultraviolet Radiation
FPD	Flat Panel Display
GPU	Graphic Processing Unit
IoT	Internet of Things
OA	Office Automation
TNO	The Netherlands Organization of Applied Scientific Research
UV	Ultraviolet
5G	5 th Generation

Renewed IR Website/ IR Mail Distribution Feature

- Our official website "Investor Relations Information" has been renewed. We have reorganized the contents to make it more accessible and to let you know about Ushio's present to future.
- We added new feature "IR E-mail distribution" to send our IR information in a timely manner to the shareholders. Please register for this feature.

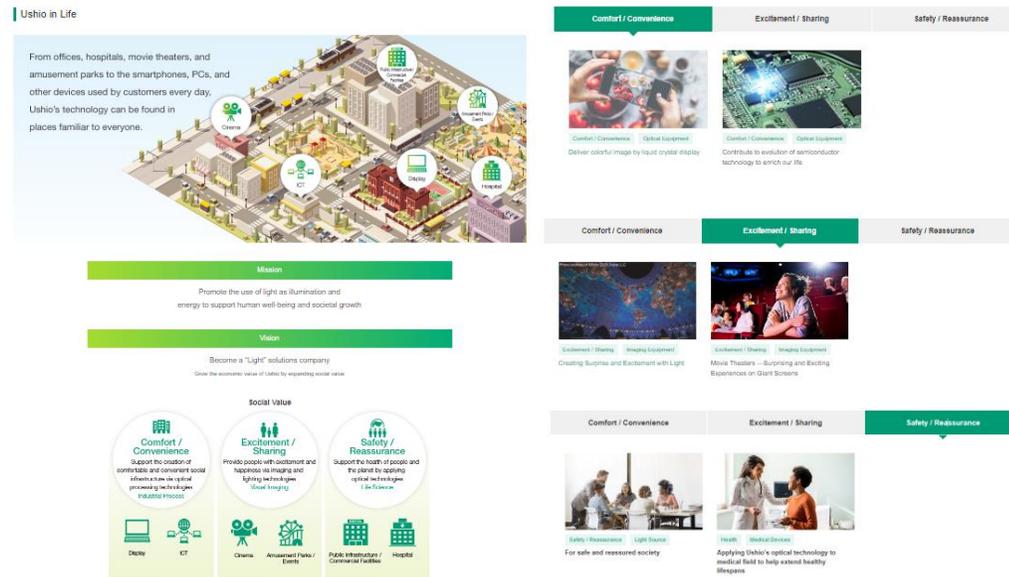
Renewal Point 01

Opened "To our individual shareholders" page



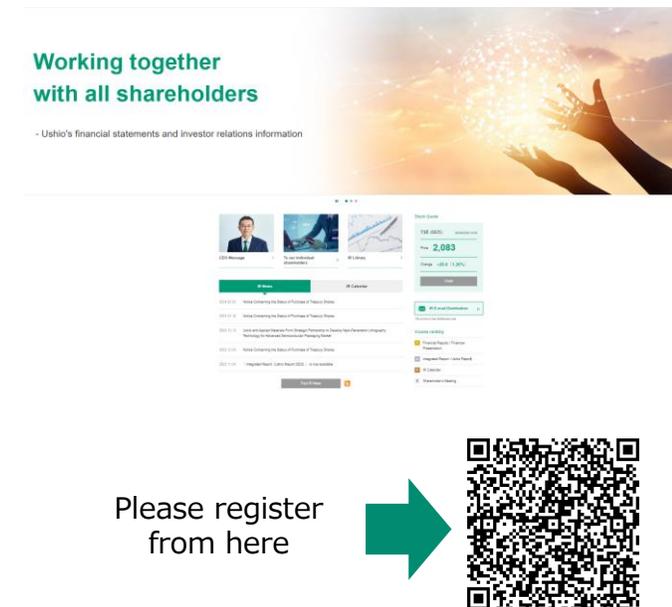
Renewal Point 02

Set up new contents "Ushio in Life"



Renewal Point 03

Added IR E-mail distribution feature



<Disclaimer>

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

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