

# 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 1<sup>st</sup>, 2023 through March 31<sup>st</sup>, 2024.

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I'm Asahi, President and Chief Executive Officer of Ushio Inc.

Based on financial results disclosed on our website earlier today, I would like to explain the details of our financial results for the fiscal year ended March 31, 2024.

Please refer to page 2.

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

\*1 : year-on-year

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

Today, I would mainly like to share three topics listed on the slide.

FY2023 results showed a year-on-year increase in sales and a decrease in profits. For the next fiscal year, FY2024, we forecast lower sales and profits.

In addition, I will also explain the New Growth Strategy developed based on outcome of reviewing the Medium-Term Management Plan.

Firstly, I would like to explain our FY2023 results. Please move on to page 4.

**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)

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As a summary of FY2023 results, net sales increased 2.5% to JPY179.4 billion.

Deterioration of semiconductor and flat panel display markets conditions continued, and sales in Industrial Processes decreased. Meanwhile, in Visual Imaging, where sales of digital cinema projector increased as a result of progress in resolving materials shortages, sales increased, partly due to positive impact from weakening yen.

Operating profit decreased 18.2% to JPY12.9 billion. Despite an increase in sales, earnings declined due to changes in product mix and an expansion in development investments for the future.

Net income declined 21.3% to JPY10.7 billion due to impairment losses and other factors, despite a positive effect of gains on sales of investment securities.

The following step-by-step chart explains the details of increase or decrease in operating profit. Please move on to page 6.

## FY2023 Summary of Financial Results

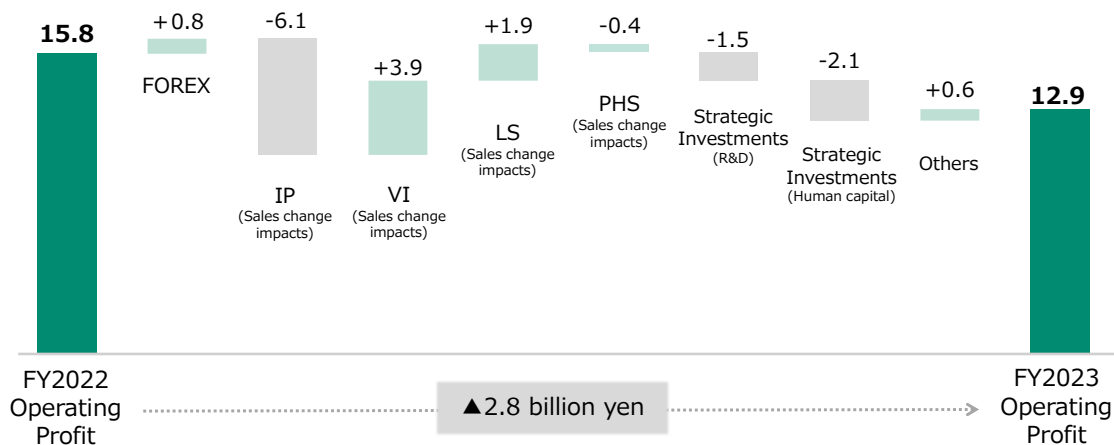
(Billions of yen)	FY2022 Result	FY2023 Result	YoY comparison		Previous Forecast (2024.2.9)	Comparison (with previous forecast)		
			Changes	(%)		Changes	Achievement (%)	
Net Sales	175.0	<b>179.4</b>	+4.3	+2.5%	178.0	+1.4	100.8%	
Operating Profit* <sup>1</sup>	15.8	<b>12.9</b>	-2.8	-18.2%	12.5	+0.4	103.8%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

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

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## YoY Variation Analysis of Operating Profit for FY2023

(Billions of yen)



IP = Industrial Processes  
VI = Visual Imaging

LS = Life Sciences  
PHS = Photonics Solutions

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Here is a main breakdown of JPY2.8 billion decrease in operating profit. Foreign exchange effects of a weaker yen increased profit by JPY0.8 billion.

Regarding business aspects, due to sales increase and decrease, profits decreased in Industrial Processes but increased in Visual Imaging and Life Sciences.

Regarding non-business aspects, we expanded strategic investments by a total of JPY3.6 billion for the future.

Next, I will explain the financial results by business segment. Please refer to page 7.

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

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Here are the financial results by segment.

Operating profit fell short of the previously revised forecasts in Life Sciences and Photonics Solutions, but in the other businesses, operating profit exceeded the forecasts.

The following pages describe details by segment.

## FY2023: Industrial Processes Results

(Billions of yen)	FY2022 Result	FY2023 Result	YoY Comparison	
			Changes	(%)
<b>Net Sales</b>	89.4	<b>82.1</b>	-7.3	-8.2%
<b>Operating Profit</b>	18.2	<b>10.8</b>	-7.3	-40.4%
<b>Operating Margin</b>	20.4%	<b>13.2%</b>	-7.1P	-
<b>Net Sales by Subsegments</b>				
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	<b>82.1</b>	-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

In Industrial Processes, both sales and profits declined.

Net sales decreased 8.2% to JPY82.1 billion, and operating profit decreased 40.4% to JPY10.8 billion.

The run-out of stay-at-home demand and deteriorating market conditions of final products, such as servers and PCs resulted in a curtailment in related capital investments. Accordingly, sales of equipment and light sources for LCD panel and UV equipment decreased.

For operating profits, in addition to a decrease due to lower sales, operating margin declined due to lower sales of high value-added products in light sources and UV equipment and an expansion of development investments in UV equipment and EUV light sources for future growth.

I will explain the results of Visual Imaging on page 9.



## FY2023: Visual Imaging Results

(Billions of yen)	FY2022 Result	FY2023 Result	YoY Comparison	
			Changes	(%)
<b>Net Sales</b>	68.9	<b>80.5</b>	+11.6	+16.9%
<b>Operating Profit</b>	3.4	<b>5.8</b>	+2.4	+69.5%
<b>Operating Margin</b>	5.0%	<b>7.3%</b>	+2.3P	-
<b>Net Sales by Subsegments</b>				
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

In Visual Imaging, both sales and profits increased.

Net sales increased 16.9% to JPY80.5 billion, and operating profit increased 69.5% to JPY5.8 billion.

Sales of digital cinema projectors increased as materials shortages were resolved and we were able to meet replacement demand from movie theaters. Sales in general imaging area increased due to stable demand, including an acceptance inspection for a large deal in Q2.

On the other hand, sales of projector lamps declined as a shift to solid-state light sources accelerated.

Operating profit increased due to the higher sales and the cost of purchases normalization. An increase in sales proportion of high-margin RGB laser projector in general imaging also boosted operating margin.

I will explain Life Sciences and Photonics Solutions on page 10.

## FY2023: Life Sciences and Photonics Solutions Results

### Life Sciences

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

	FY2022 Result	FY2023 Result	YoY Comparison	
			Changes	(%)
(Billions of yen)				
<b>Net Sales</b>	9.2	<b>10.2</b>	+0.9	+10.6%
<b>Operating Profit</b>	-0.2	<b>-1.5</b>	-1.2	-
<b>Operating Margin</b>	-3.2%	<b>-14.8%</b>	-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 expenses from M&A and expanded R&D investments

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In Life Sciences, sales decreased, and profits increased.

Net sales decreased 7.2% to JPY5.2 billion, while operating profit improved by JPY2.8 billion to a loss of JPY2.3 billion.

A decrease in sales was mainly due to lower sales of products for environmental hygiene solutions.

Operating profit, on the other hand, increased due to an absence of inventory write-downs that were recorded in Q2 of the previous fiscal year and a curtailment of investment as a result of selective judgement of areas to invest.

In Photonics Solutions, sales increased, and profits decreased.

Net sales increased 10.6% to JPY10.2 billion, while operating profit decreased JPY1.2 billion to a loss of JPY1.5 billion.

An increase in sales was mainly due to higher sales of laser modules and an effect of M&A.

Operating profit, on the other hand, decreased due to an increase in SG&A expenses from M&A and expansion of development investment.

These are the explanations for FY2023 results.

Next, I will explain our forecasts for the next fiscal year, FY2024.

Please move on to page 12.

**I. Financial Results for FY2023**

**II. Full-Year Forecasts for FY2024**

**III. Supplementary Information**

## 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\*)

Net Sales	<ul style="list-style-type: none"> <li>● <b>175.0 billion yen (Down 4.4 billion yen YoY)</b> <ul style="list-style-type: none"> <li>- Industrial Processes (Down ¥3.1 billion YoY)                             <ul style="list-style-type: none"> <li>• Lower lithography equipment sales and EUV light source maintenance revenues</li> </ul> </li> <li>- Visual Imaging (Down ¥2.5 billion YoY)                             <ul style="list-style-type: none"> <li>• Reduced sales owing to lower investments and capacity utilization restraints, primarily in cinema area, offsetting solid demand for general imaging equipment</li> </ul> </li> </ul> </li> </ul>	*For details, please see the New Growth Strategy: <a href="#">Financial Results / Financial Presentation   USHIO INC.</a>
Operating Profit	<ul style="list-style-type: none"> <li>● <b>5.0 billion yen (Down 7.9 billion yen YoY)</b> <ul style="list-style-type: none"> <li>- Industrial Processes (Down ¥7.3 billion YoY)                             <ul style="list-style-type: none"> <li>• Decrease reflecting lower sales, impact from temporary reduction in lithography equipment production and expanded forward investments</li> </ul> </li> <li>- Visual Imaging (Down ¥1.3 billion YoY)                             <ul style="list-style-type: none"> <li>• Decrease owing to lower sales</li> </ul> </li> </ul> </li> </ul>	
Profit Attributable to Owner of Parent	<ul style="list-style-type: none"> <li>● <b>4.5 billion yen* (Down 6.2 billion yen YoY)</b> <ul style="list-style-type: none"> <li>* 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</li> </ul> </li> </ul>	
FOREX rate	<ul style="list-style-type: none"> <li>● <b>Foreign exchange rates: USD=145 yen, EUR=155 yen</b> <ul style="list-style-type: none"> <li>(Reference) Forex sensitivity: Annual impact from 1 yen fluctuation [vs USD] Net sales: Approximately ¥1.00 billion, Operating profit: Approximately ¥0.12 billion</li> </ul> </li> </ul>	

Full-year results for FY2024 are expected to show declines in both sales and profits.

In Industrial Processes, sales of lithography equipment should decline mainly in H1 of the fiscal year due to deteriorating semiconductor market conditions. In addition, sales in Visual Imaging, which had been improving, should decline due to a temporary stagnation of the cinema market.

Operating profit should decline due a temporary reduction in production volume of lithography equipment and plans to expand forward investment in next-generation lithography equipment in Industrial Processes, in addition to an impact of lower sales.

For detailed coefficients, please refer to page 13.

Although business environment will be difficult in FY2024, we expect growth and expansion in FY2025 and beyond, which will be explained in more detail later in the New Growth Strategy.

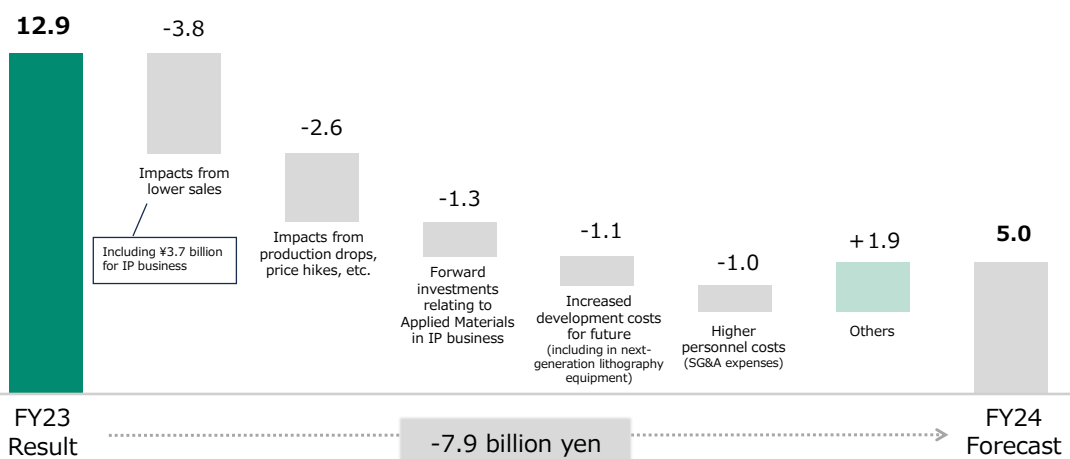
We expect a decrease in operating profit for FY2024 to be JPY7.9 billion, and I would like to explain the factors behind the decrease in detail on page 14.

## FY2024 Full-Year Forecast : Summary

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



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The JPY7.9 billion decrease in operating profit is primarily due to a decrease by JPY3.8 billion resulting from a decline in net sales, mainly in Industrial Processes. A temporary reduction in production volume should lead lower capacity utilization in Industrial Processes and rising material and energy prices should increase cost, also causing a decrease by JPY2.6 billion. Forward investments for future business expansion through a strategic partnership with Applied Materials should also cause a decrease by JPY1.3 billion. This includes depreciation and amortization costs from approximately JPY3.0 billion in capital investments for production system establishment. In addition, development investments in next-generation lithography equipment and other products should cause a decrease by JPY1.1 billion. Accordingly, a larger decrease in operating profit is due to the impact of Industrial Processes. Furthermore, an increase in personnel expenses from wage base-ups mainly in Japan and North America should cause a decrease by JPY1.0. On the other hand, cost reductions due to management efficiency improvements and a decline in depreciation and amortization costs from impairment of fixed assets recorded in the previous fiscal year should result an increase by 1.9 billion in 'Others' ,

While the decrease in operating profit should be larger in fiscal year 2024, an increase in sales of lithography equipment and products for semiconductor manufacturing processes is expected from fiscal year 2025 and beyond, with plans to improve the impact of temporary production volume reductions.

Next, I will briefly explain the key points of the forecasts by segment. Please see page 15.

## FY2024 Full-Year Forecast : By Business Segments

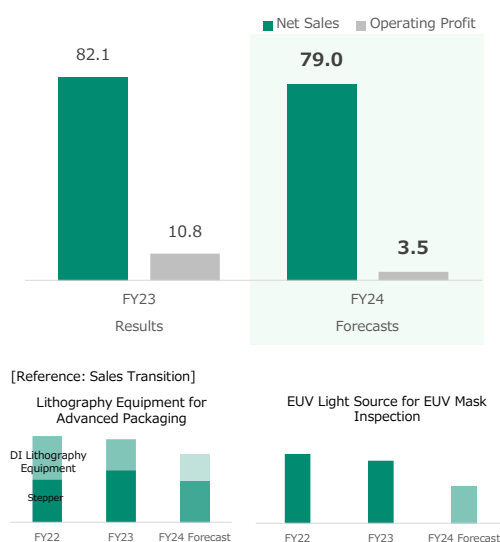
	(Billions of yen)	FY2023 Result	FY2024 Forecasts	YoY Comparison	
				Changes	(%)
<b>Industrial Processes</b>	Net Sales	82.1	<b>79.0</b>	-3.1	-3.8%
	Operating Profit [Operating Margin]	10.8 [13.2%]	<b>3.5</b> [4.4%]	-7.3 [-8.8P]	-67.8% -
<b>Visual Imaging</b>	Net Sales	80.5	<b>78.0</b>	-2.5	-3.1%
	Operating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

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Here are the forecasts for FY2024 by segment.  
I will explain the details of the forecast by segment in the following pages.

## FY2024 Full-Year Forecasts : Industrial Processes



### ■ 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

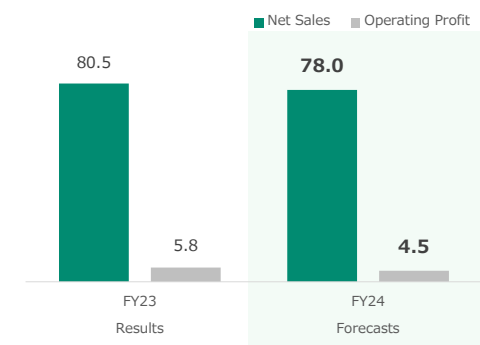
For Industrial Processes, net sales and operating profit should decrease compared to the previous fiscal year.

The semiconductor market is showing signs of recovery, but we expect a gradual recovery beginning from the latter half of 2024. Therefore, sales of lithography equipment related to advanced packaging are expected to decline mainly in H1 of FY2024 due in part to the postponement of investment, and although the sales will gradually recover from H2 of FY2024, they are not expected to cover the decline in the H1. In addition, a decrease in maintenance revenues is expected for EUV light sources due to reduced operation.

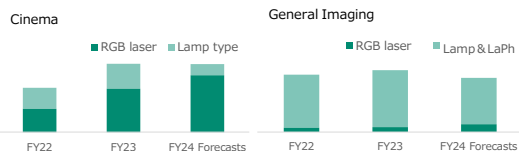
In terms of profit, in addition to the impact of lower sales, we expect impacts from a loss due to lower capacity utilization rates resulting from a temporary reduction in production volume of lithography equipment and an expansion of forward investments for future growth in the advanced packaging market.

Next, I will explain Visual Imaging.





[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

For Visual Imaging as well, net sales and operating profit should decrease compared to the previous fiscal year.

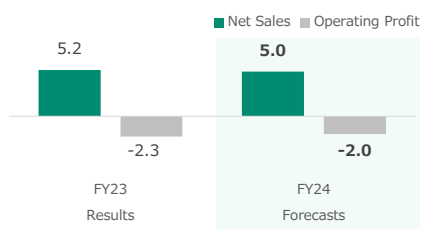
Although there is a need for replacement of digital cinema projectors in movie theaters in the cinema market, a decline in sales of both light sources and imaging equipment is expected due to a temporary reduction in operation and a decline in investment appetite, caused by a lack of content due to the Hollywood strike.

On the other hand, an increase in sales is expected in the general imaging market due to solid demand driven by an increasing need for advanced video production, but the impact of the worsening Chinese economy continues to require close attention.

For projector lamps, in addition to a decline in sales due to a reduction in movie theaters operation and the impact of a shift to solid-state light sources, an impact on profits due to rising raw material costs is expected.

Next, I will explain Life Sciences and Photonics Solutions.

Life Sciences



■ **Business environment assumptions**

Demand should remain stable for medical equipment and other offerings

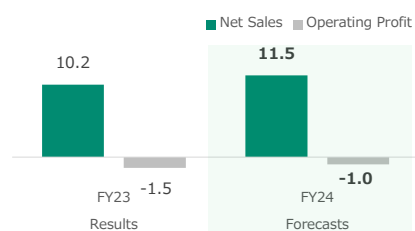
■ **Net Sales: Down 0.2 billion yen YoY**

- 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

For Life Sciences, demand is expected to remain generally flat. In addition, an increase in profits is expected by controlling SG&A and other expenses, through measures such as selectively judging projects.

For Photonics Solutions, sales are expected to increase due to continued demand in semiconductor, industrial sensor and other markets. In addition, we will improve profitability by selectively judging projects to invest.

The medium to long-term strategic policy by segment will be explained in the part of 'Outcome from reviewing Medium-Term Management Plan.'

Lastly, I would like to explain our shareholder return policy. Please see page 19.

## Shareholder Returns

### Dividends per Share

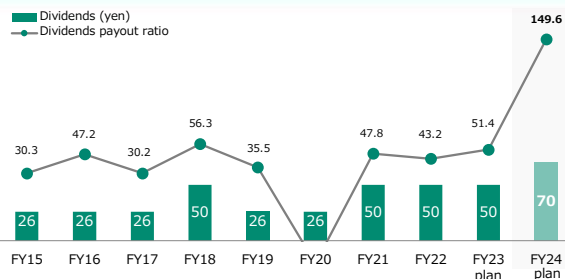
#### 【Dividend policy】

##### 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

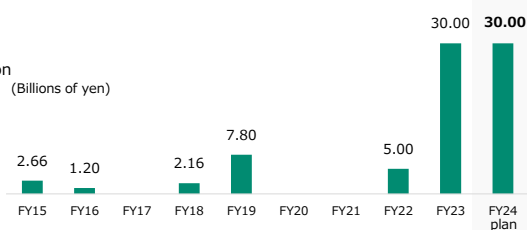
FY2024~FY2026: Invest cumulative ¥50.0-¥60.0 billion in share repurchases

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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The dividend per share for FY2023 is planned to be JPY50, as scheduled. From fiscal year 2024 and thereafter, we plan to set a minimum dividend of JPY70 per share, under the New Growth Strategy, .

Regarding share buybacks, we have announced today that, as with the previous fiscal year, we will repurchase up to JPY30.0 billion of shares for improving capital efficiency. For more details, please look at the release.

This concludes our explanation of the financial results for FY2023 and the forecast for FY2024.

**I. Financial Results for FY2023**

**II. Full-Year Forecasts for FY2024**

**III. Supplementary Information**

(New) Business Segments and Main Products

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

Reference: Summary of Quarterly Financial Results



(Billions of yen)	FY2022				FY2023				YoY Comparison		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Changes	(%)	
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	-

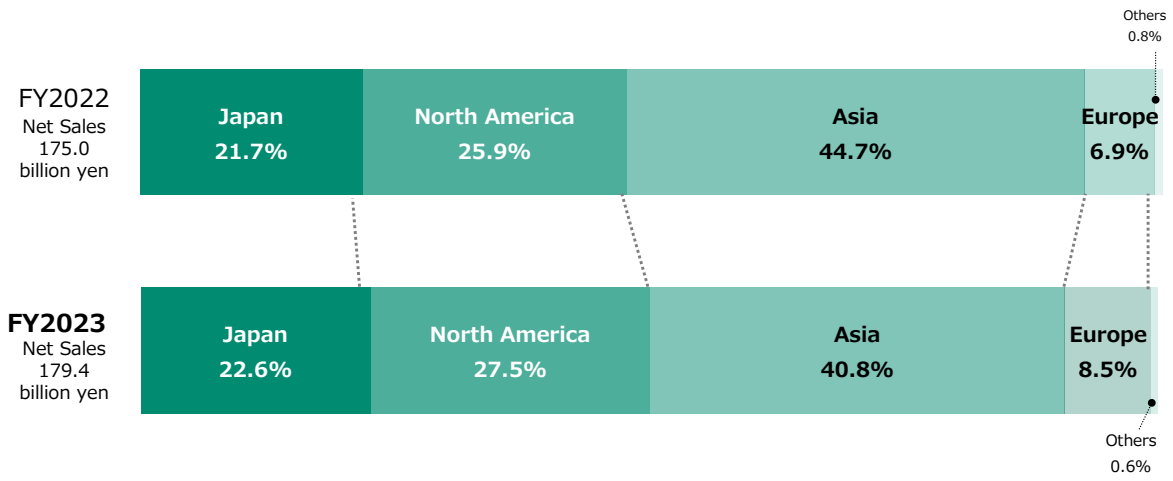
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## Reference: Summary of Quarterly Financial Results by Business Segments



(Billions of yen)		FY2022				FY2023				YoY Comparison	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Changes	(%)
<b>Industrial Processes</b>	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	-
<b>Visual Imaging</b>	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	-
<b>Life Sciences</b>	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	-
<b>Photonics Solutions</b>	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	-
<b>Others</b>	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	-
<b>Total</b>	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

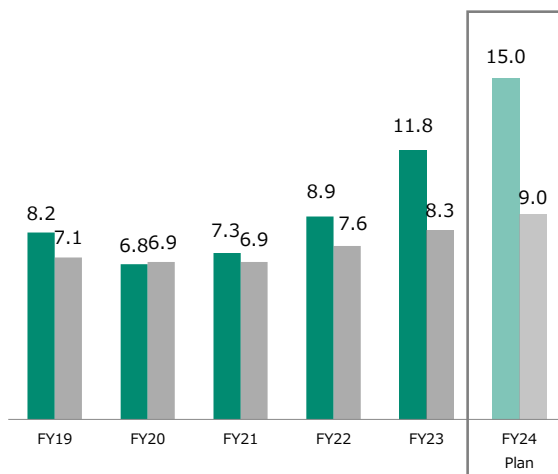
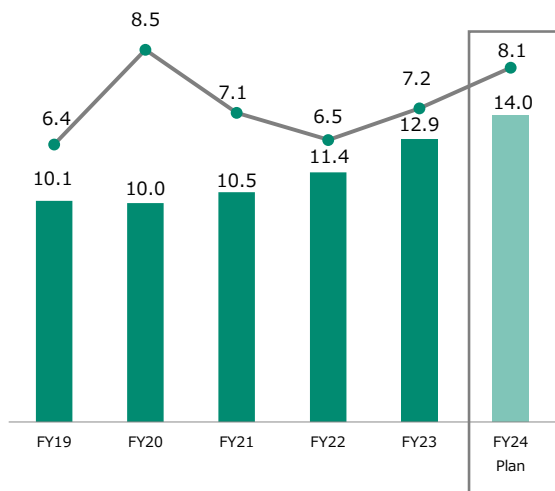




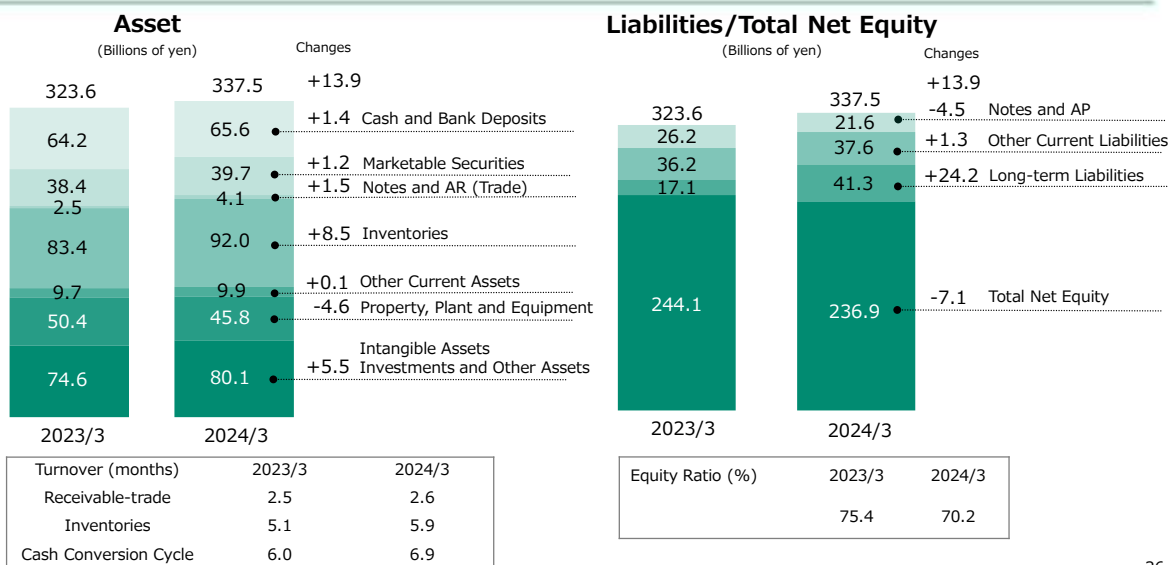
### Reference: R&D Expenses/Capital Expenditures and Depreciation

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

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



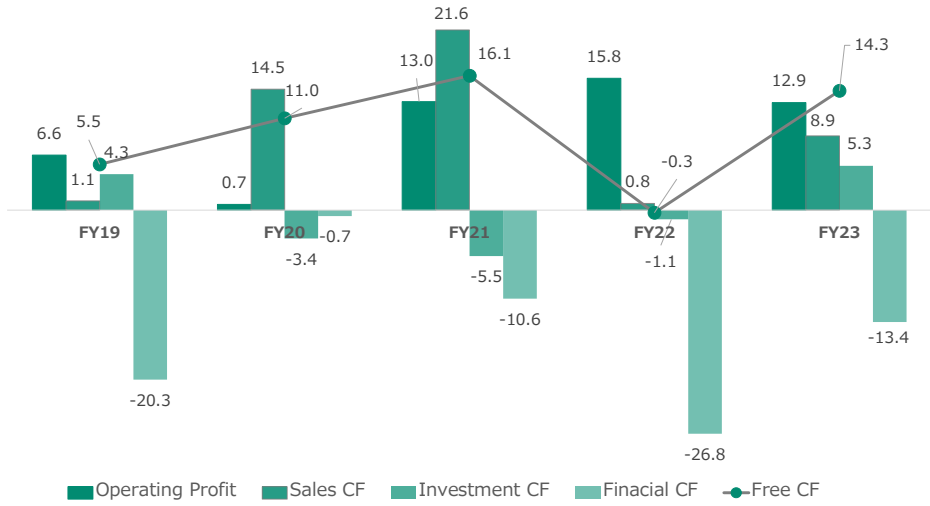
## Reference: Balance Sheet



# Reference: Cash Flow



(Billions of yen)



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## Glossary

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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 <sup>th</sup> 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.

Renewed Point  
**01**

Opened "To our individual shareholders" page



Renewed Point  
**02**

Set up new contents "Ushio in Life"



Renewed 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.**



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