

Third Quarter FY2024 Financial Results

Ushio Inc.
February 7, 2025

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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
- * FY2024 starts from April 1st, 2024 through March 31st, 2025.



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

Thank you very much for taking time out of your busy schedule today to attend our financial results briefing for the third quarter of the fiscal year ending March 31, 2025.
explain the details of the financial results based on the materials disclosed on our website today.

Q3 FY2024 Results:

- While down year-on-year, revenues and earnings exceeded initial forecasts
 - Improved profitability by enhancing efficiency through strategic business selection
 - Investment deferrals owing to semiconductor market downturn hampered performance
 - Lifted forward growth investments
 - Posted valuation losses associated with business portfolio revamp

FY2024 Forecasts:

- Maintaining full-year forecasts
- Still plan to pay annual dividend of ¥70 per share (up ¥20 year-on-year)

New Growth Strategies:

- Business portfolio revamp progressing steadily
- Assessing impact of semiconductor market recovery delay on new growth strategy

Today, I would like to share three key points with you.

The first point is the cumulative results for the third quarter.

At the company-wide level, profitability improved due to strategic business selection, and results exceeded our initial forecasts.

However, we experienced a decline in both revenue and profit due to the impact of the semiconductor market downturn, increased forward investments, and valuation losses associated with the revamp of our business portfolio.

The second point is our full-year forecast, which remains unchanged from the previous revision.

While the cumulative results for the third quarter show a high progress rate in terms of profit, we anticipate several factors that will lead to a decline in profit margins in the fourth quarter. Therefore, we have decided to maintain our current forecast.

As for the annual dividend, there will be no changes. As initially planned, we will increase the dividend by ¥20 per share, bringing it to ¥70 per share.

The third point is our new growth strategy.

We are currently assessing the impact of the delayed recovery in the semiconductor market on our new growth strategy. However, the various measures under our business portfolio revamp are progressing steadily.

Moving forward, we will continue to implement structural reforms and aim for further improvements in profitability.

Now, let me begin by explaining our third-quarter results.

(Move on to slide 4)

I. Financial Results for Q3 FY2024

II. Full-Year Forecasts for FY2024

III. Progress with New Growth Strategies

IV. Supplementary Information

- ①Full-year forecasts (Additional Information)
- ②Others

Net Sales
128.0 billion yen

YoY Comparison: -4.4 billion yen (-3.3%)

- Industrial Processes business: Revenues dropped on semiconductor market downturn
- Visual Imaging business: Weaker yen boosted revenues

Operating Profit
7.3 billion yen

YoY Comparison: -2.8 billion yen (-27.5%)

- Posted inventory write-down losses associated with business portfolio revamp
- Lifted forward investments

**Profit Attributable
to Owners of
Parent**
5.7 billion yen

YoY Comparison: -2.9 billion yen (-33.9%)

- Extraordinary income
 - Gain on sale of investment securities: 0.0 billion yen (Q3 FY2023: 0.3 billion yen)
- Extraordinary loss
 - Loss on valuation of investment securities: 0.5 billion yen (Q3 FY2023: 0.0 billion yen)

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For the third-quarter results, net sales decreased by ¥4.4 billion, operating profit declined by ¥2.8 billion, and profit attributable to owners of parent fell by ¥2.9 billion.

Net sales decreased due to a decline in sales of lithography equipment, impacted by the downturn in the semiconductor market.

Operating profit declined not only due to the decrease in sales but also because of inventory write-down losses associated with the business portfolio revamp and an increase in forward investments for future growth.

Profit attributable to owners of parent also decreased due to factors such as a loss on valuation of investment securities.

Next, I will explain the factors behind the changes in operating profit using a step chart.

(Move on to slide 6)

Q3 FY2024: Financial Highlights

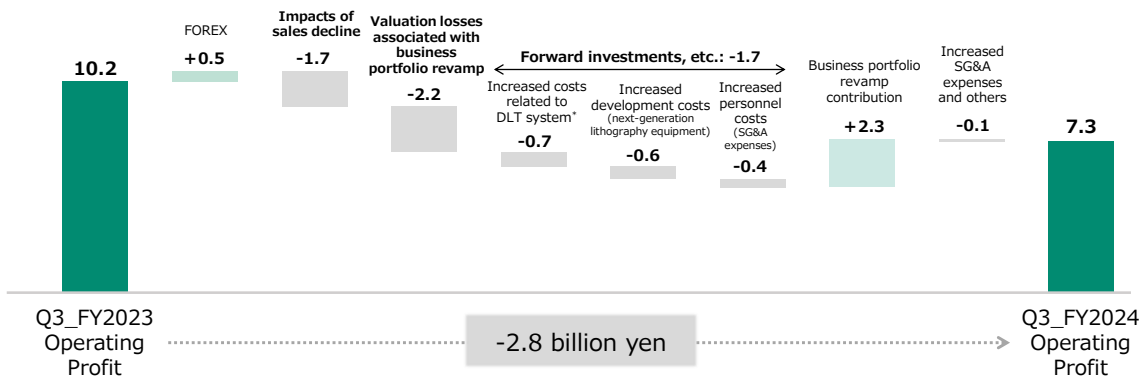


(Billions of yen)		Q3 FY2023 Results	Q3 FY2024 Results	YoY Comparison	
				Changes	(%)
Net Sales		132.5	128.0	-4.4	-3.3%
Operating Profit		10.2	7.3	-2.8	-27.5%
Operating Margin		7.7%	5.8%	-1.9P	-
Ordinary Profit		12.6	10.4	-2.1	-17.1%
Profit Attributable to Owners of Parent		8.6	5.7	-2.9	-33.9%
EPS (yen)		76.84	58.22	-18.62	-24.2%
FOREX rate (yen)	USD	143	152	+9	-
	EUR	155	165	+10	-

Q3 FY2024: YoY Variation Analysis of Operating Profit

Although business portfolio revamp contributed to performance, earnings declined owing to lower revenues, higher forward investments, etc. , and valuation losses

(Billions of yen)



* DLT system: lithography equipment using digital lithography technology through partnership with Applied Materials. Hereinafter referred to as the same.

The main factors behind the ¥2.8 billion decline in operating profit include a ¥1.7 billion impact from lower sales, a ¥2.2 billion inventory write-down losses associated with our business portfolio revamp, and a ¥1.7 billion increase in forward investments aimed at future growth.

On the other hand, the results of the business portfolio revamp have begun to materialize, contributing ¥2.3 billion to improved profitability.

Next, I will explain the performance by business segment.

(Move on to slide 8)

Q3 FY2024: Financial Results by Business Segment

(Billions of yen)		Q3 FY2023 Results	Q3 FY2024 Results	YoY Comparison	
				Changes	(%)
Industrial Processes	Net Sales	60.3	54.6	-5.7	-9.5%
	Operating Profit [Operating Margin]	8.0 [13.3%]	7.1 [13.0%]	-0.9 [-0.3P]	-11.6% -
Visual Imaging	Net Sales	59.2	60.3	+1.1	+1.9%
	Operating Profit [Operating Margin]	4.5 [7.8%]	1.4 [2.4%]	-3.1 [-5.3P]	-68.3% -
Life Sciences	Net Sales	4.0	4.4	+0.4	+11.9%
	Operating Profit [Operating Margin]	-1.6 [-41.7%]	-0.7 [-17.7%]	+0.8 [+24.0P]	- -
Photonics Solutions	Net Sales	7.9	7.6	-0.3	-4.0%
	Operating Profit [Operating Margin]	-0.8 [-10.7%]	-0.3 [-4.3%]	+0.5 [+6.3P]	- -
Others	Net Sales	0.9	0.9	+0.0	+3.4%
	Operating Profit [Operating Margin]	0.0 [5.6%]	0.0 [3.2%]	-0.0 [-2.4P]	-41.6% -
Total	Net Sales	132.5	128.0	-4.4	-3.3%
	Operating Profit [Operating Margin]	10.2 [7.7%]	7.3 [5.8%]	-2.8 [-1.9P]	-27.5% -

Q3 FY2024: Industrial Processes Results

(Billions of yen)	Q3 FY2023 Results	Q3 FY2024 Results	YoY Comparison	
			Changes	(%)
Net Sales	60.3	54.6	-5.7	-9.5%
Operating Profit	8.0	7.1	-0.9	-11.6%
Operating Margin	13.3%	13.0%	-0.3P	-
Net Sales by Subsegment				
UV Lamps	10.5	11.2	+0.6	+6.1% ③
OA Lamps	4.1	4.6	+0.5	+12.0%
Optical Equipment Lamps	8.0	8.4	+0.3	+4.4%
Light Source Business	22.7	24.2	+1.5	+6.6%
Lithography Equipment	23.8	17.2	-6.6	-27.7% ①
Other Optical Equipment	13.7	13.0	-0.6	-4.5% ②
Optical Equipment Business	37.5	30.3	-7.2	-19.3%
Total	60.3	54.6	-5.7	-9.5%

■ Net Sales: Down 5.7 billion yen YoY

- A semiconductor market downturn prompted investment postponements, with equipment sales dropping ①
- EUV-related maintenance revenues were down ②
- Robust operations and weak yen boosted revenues ③

■ Operating Profit: Down 0.9 billion yen YoY

- Impact of lower lithography equipment sales and higher forward investments
- Constrained SG&A expenses by paring projects

Let’s begin with the Industrial Processes business.

Net sales decreased by ¥5.7 billion, primarily due to a decline in sales of lithography equipment and reduced maintenance revenues for EUV light sources. Operating profit declined by ¥0.9 billion due to a deteriorated product mix resulting from lower lithography equipment sales and an increase in forward investments. On the other hand, we narrowed down projects in areas such as EUV business, which helped control costs.

Q3 FY2024: Visual Imaging Results

(Billions of yen)	Q3 FY2023 Results	Q3 FY2024 Results	YoY Comparison	
			Changes	(%)
Net Sales	59.2	60.3	+1.1	+1.9%
Operating Profit	4.5	1.4	-3.1	-68.3%
Operating Margin	7.8%	2.4%	-5.3P	-
Net Sales by Subsegment				
Projector Lamps	9.5	8.3	-1.1	-12.4% ③
Illumination Lamps	2.4	2.7	+0.2	+9.3%
Light Source Business	12.0	11.0	-0.9	-7.9%
Cinema	23.5	24.4	+0.9	+4.0% ②
General Imaging	23.7	24.8	+1.1	+4.8% ①
Imaging Equipment	47.2	49.3	+2.0	+4.4%
Total	59.2	60.3	+1.1	+1.9%

■ Net Sales: Up 1.1 billion yen YoY

- Despite fewer large deals than in previous term, revenues rose on weaker yen ①
- Weaker yen supported higher revenues despite negative impact of Hollywood strike ②
- Sales of lamps declined owing to lower cinema operations ③

■ Operating Profit: Down 3.1 billion yen YoY

- Recorded inventory write-down losses associated with business portfolio revamp
- SG&A expenses (including personnel costs) rose

Next is the Visual Imaging business.

Net sales increased by ¥1.1 billion, despite a decline in unit sales due to fewer large-scale projects compared to the previous fiscal year and the impact of the Hollywood strike, supported by the effects of the weaker yen.

Operating profit, however, declined by ¥3.1 billion due to the recording of temporary inventory write-down losses and an increase in selling, general, and administrative expenses, including personnel costs.

Q3 FY2024: Life Sciences and Photonics Solutions Results

Life Sciences

(Billions of yen)	Q3 FY2023 Results	Q3 FY2024 Results	YoY Comparison	
			Changes	(%)
Net Sales	4.0	4.4	+0.4	+11.9%
Operating Profit	-1.6	-0.7	+0.8	-
Operating Margin	-41.7%	-17.7%	+24.0P	-

■ Net Sales: Up 0.4 billion yen YoY

- Higher sales of sodium lamps for horticulture

■ Operating Profit: Up 0.8 billion yen YoY

- Focused investments on promising projects and controlled costs

Photonics Solutions

(Billions of yen)	Q3 FY2023 Results	Q3 FY2024 Results	YoY Comparison	
			Changes	(%)
Net Sales	7.9	7.6	-0.3	-4.0%
Operating Profit	-0.8	-0.3	+0.5	-
Operating Margin	-10.7%	-4.3%	+6.3P	-

■ Net Sales: Down 0.3 billion yen YoY

- Sales of laser modules for industrial applications declined

■ Operating Profit: Up 0.5 billion yen YoY

- Controlled costs by reviewing investment projects

Next is the Life Sciences business.

Net sales increased by ¥0.4 billion, driven by higher sales of sodium lamps for horticultural applications.

Operating profit rose by ¥0.8 billion as we controlled costs by focusing investments on promising projects after assessing new business opportunities.

Finally, the Photonics Solutions business.

Net sales decreased by ¥0.3 billion due to a decline in module sales for industrial applications.

Operating profit, however, increased by ¥0.5 billion as we controlled costs by reviewing investment projects.

Now, let me move on to the full-year forecast.

(Move on to slide 12)

I. Financial Results for Q3 FY2024

II. Full-Year Forecasts for FY2024

III. Progress with New Growth Strategies

IV. Supplementary Information

- ①Full-year forecasts (Additional Information)
- ②Others

Remain as announced on November 6, 2024

(Billions of yen)	FY2023 Results	FY2024 Forecasts	YoY Comparison	
			Changes	(%)
Net Sales	179.4	175.0	-4.4	-2.5%
Operating Profit	12.9	7.5	-5.4	-42.2%
Operating Margin	7.2%	4.3%	-2.9P	-
Ordinary Profit	16.0	9.5	-6.5	-41.0%
Profit Attributable to Owners of Parent	10.7	6.0	-4.7	-44.4%
EPS (yen)	97.22	62.39	-34.83	-35.8%
ROE	4.5%	2.7%	-1.8P	-
Annual dividend (yen)	50	70	20	-
FOREX rate (yen)	USD	144	+ 6	-
	EUR	156	+6	-

* Forex assumption for Q4: USD=145 yen, EUR=155 yen (Forex results for the first nine months of FY2024: USD =152 yen, EUR=165 yen)
(Reference) Forex sensitivity: Annual impact from 1 yen fluctuation

[vs USD] Net Sales: Approximately ¥1.00 billion, Operating profit: Approximately ¥0.12 billion

As mentioned at the beginning, full-year forecast remains unchanged from the previous one.

On the next slide, I will provide an outlook for the fourth quarter, broken down by business segment.

FY2024 Full-Year Forecasts: by Business Segment

	(Billions of yen)	FY2024 Forecasts (Remains as 11/6/2024)	Q3 FY2024 Results	Progress rate	Outlook for Q4
Industrial Processes	Net Sales	80.0	54.6	68.3%	<ul style="list-style-type: none"> Production adjustments should increase one-time costs Looking to lift forward growth investments Higher projected sales of lithography equipment will probably include low-margin deals
	Operating Profit [Operating Margin]	7.5 [9.4%]	7.1 [13.0%]	94.7% -	
Visual Imaging	Net Sales	78.0	60.3	77.4%	<ul style="list-style-type: none"> Seasonal factors and project postponements should cause sales to decline
	Operating Profit [Operating Margin]	2.0 [2.6%]	1.4 [2.4%]	72.8% -	
Life Sciences	Net Sales	5.5	4.4	81.7%	<ul style="list-style-type: none"> Will keep controlling costs by concentrating investments
	Operating Profit [Operating Margin]	-1.4 [-25.5%]	-0.7 [-17.7%]	56.9% -	
Photonics Solutions	Net Sales	10.0	7.6	76.2%	<ul style="list-style-type: none"> Will continue to control costs by reviewing investment projects
	Operating Profit [Operating Margin]	-0.6 [-6.0%]	-0.3 [-4.3%]	55.1% -	
Others	Net Sales	1.5	0.9	65.7%	
	Operating Profit [Operating Margin]	0.0 [0.0%]	0.0 [3.2%]	- -	
Total	Net Sales	175.0	128.0	73.2%	
	Operating Profit [Operating Margin]	7.5 [4.3%]	7.3 [5.8%]	98.6% -	

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The full-year forecasts for each segment also remain unchanged from the previous revisions.

For the fourth-quarter outlook, there are several factors that are expected to temporarily weigh on operating margins.

In the Industrial Processes business, while sales of lithography equipment are expected to increase, the inclusion of low-margin deals is likely to limit the extent of profit growth.

Additionally, expanded forward investments aimed at future growth and production adjustments for related equipment due to the prolonged downturn in the semiconductor market are the main factors expected to lower profit margins in the fourth quarter.

In the Visual Imaging business, seasonal factors, along with project postponements caused by the economic slowdown in China, are expected to result in a decline in sales.

Next, I will explain our shareholder returns.

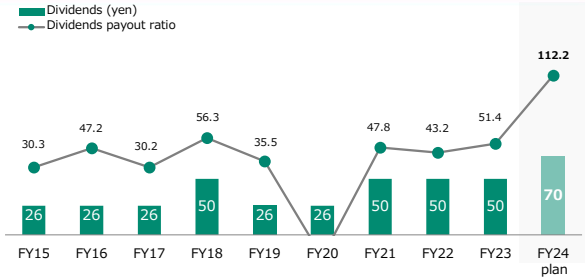
Dividends
per Share

【Dividend policy】

Generating stable returns

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

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

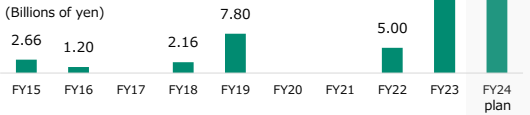
Announcement on May 14, 2024
Acquisition period: May 24, 2024~April 30, 2025
Total purchase: 30.0 billion yen (max)
Total number of shares purchased: 20.00 million shares
(max)

Steady progress with share buybacks

Status of purchase of treasury shares as of January 31,
2025

Total amount of purchased: **22.6 billion yen**

Total number of purchased: **11.00 million shares**



For this fiscal year, in line with the policy of our new growth strategy, the annual dividend plan remains unchanged from the initial, with an increase of ¥20 per share, bringing it to ¥70 per share.

Regarding our share buyback program, as of January 31, we have repurchased a cumulative total of ¥22.6 billion and 11 million shares, achieving a progress rate of approximately 76% against the maximum planned buyback amount of ¥30.0 billion. For further details, please refer to the release dated February 4.

Next, I will provide an update on the progress of our new growth strategy.

(Move on to slide 16)

I. Financial Results for Q3 FY2024

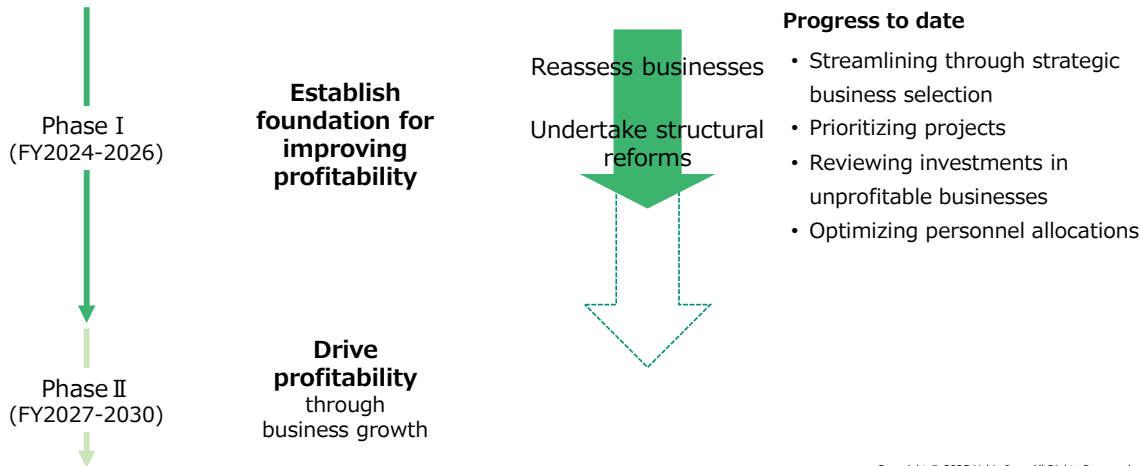
II. Full-Year Forecasts for FY2024

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- ②Others

Progressing as planned toward implementing and completing the revamp in Phase I, and have begun formulating action plans for next phase



Here is an update on the progress of our new growth strategy. First, regarding the revamping of our business portfolio, we are beginning to see some results.

We have largely completed the reassessment of our businesses and are now working on concrete action plans.

The outcomes achieved so far will be explained on the following pages.

Generating savings (profit contribution) by revamping business portfolio while also incurring one-time costs to drive growth

	Details	Savings
Savings ¥2.3 billion	• Streamlining operations through strategic business selection	Visual Imaging ¥0.7 billion
	• Reviewing investments in unprofitable businesses	Life Sciences, Photonics Solutions ¥0.6 billion
	• Prioritizing projects	New businesses, EUV business, etc. ¥1.0 billion
	Details	Costs
One-time costs ¥2.2 billion	• Bolstering financial position Reviewing asset valuations to enhance future profitability	Products and maintenance parts in Visual Imaging business ¥1.7 billion
	• Reallocating resources to reorganize assets Assessing projects with low growth potential to reorganize related assets	Industrial Processes, Life Sciences, Photonics Solutions ¥0.5 billion

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This fiscal year, we achieved a ¥2.3 billion improvement in profit, driven by three main factors.

First, in the Visual Imaging business, we implemented strategic selection and prioritization to establish an appropriate cost structure.
Second, in unprofitable businesses, as part of our efforts to improve their structure and achieve profitability, we thoroughly reviewed investments and strictly controlled costs.
Third, we prioritized high-growth projects by rigorously reassessing each one and enhancing efficiency through the reevaluation of projects with high uncertainty.

On the other hand, we recorded one-time costs of ¥2.2 billion.
As shown in the breakdown, the primary factor was valuation losses resulting from the rigorous reassessment of assets.
We believe these initiatives will contribute to strengthening a solid foundation for future profitability.

The efforts to revamp our business portfolio will not be limited to this fiscal year but will continue to be steadily advanced in the years ahead.
Through these measures, we aim to achieve sustainable growth and further enhance profitability.

Steadily implementing measures to further enhance profitability through structural reforms

Industrial Processes	<ul style="list-style-type: none">Progressing toward generating revenues from digital lithography systems for advanced packaging next fiscal yearAccelerating advanced technology development for steppers and direct imaging lithography equipmentIn EUV business, monitoring market and technology trends and curbing some investments while shifting personnel to growth areasAssessing impact of prolonged semiconductor market downturn on medium-term outlook
Visual Imaging	<ul style="list-style-type: none">Focusing on high-end areas offering competitive edges and high profitabilityDeploying structural reform measures to boost profitability
Life Sciences	<ul style="list-style-type: none">Paring down business projects by reassessing new ones and deciding to terminate more than half of them and more closely monitoring ongoing projects
Photonics Solutions	<ul style="list-style-type: none">Reviewing investment projects and reviewing development items and personnel while taking steps to boost profitability

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Let me provide an update on the progress for each segment.

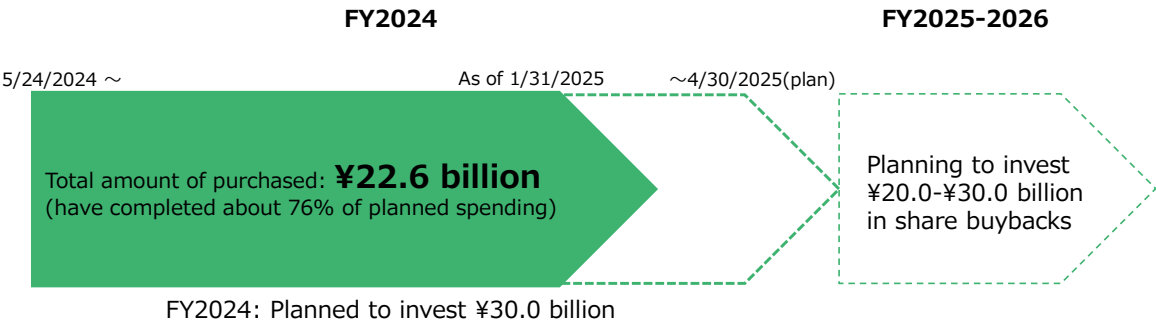
In the Industrial Processes business, customers’ evaluations of our digital lithography system for advanced packaging are progressing steadily, and we have begun production preparations for revenue recognition in the next fiscal year. Additionally, we are accelerating the development of steppers and direct imaging lithography equipment as promising options for next-generation technologies. Regarding the EUV business, after assessing related market and technological trends, we have revised certain development projects. As a result, we are curbing investments and reallocating resources to growth areas. At the same time, we are also advancing evaluations of promising projects that leverage our unique EUV light source technology.

In the Visual Imaging business, we are focusing on high-end areas with strong competitive advantages and profitability potential to establish a stable revenue base for the future. We are also implementing specific measures aimed at fundamentally improving our profitability structure.

In the Life Sciences and Photonics Solutions businesses, we are reviewing projects and investments while strengthening subsequent monitoring to drive profitability improvements.

Given the prolonged downturn in the semiconductor market, we are assessing its potential impact on future performance. However, our efforts to revamp our business portfolio are progressing steadily. Through structural reforms, we are working to improve fixed costs and transition to a leaner and more resilient business structure. This will enable us to build a foundation that can flexibly adapt to changing market environments.

Buying back shares as planned as planned to optimize capital under New Growth Strategy



Phase I: Planned to invest **total of ¥50.0-¥60.0 billion**

Next, I will explain our financial strategy.
As part of our efforts to optimize capital under our new growth strategy, we are advancing our share buyback program.
First, we aim to complete the ongoing share buyback program.
Over the next two years, we plan to execute additional share buybacks on a scale of ¥20.0 to ¥30.0 billion.

Through these initiatives, we are committed to improving capital efficiency and maximizing corporate value.

Human Capital Strategy: Expansion of Second Life Support Program

Improving operational efficiency through optimizing organizational workforce

● Background behind expansion of the program

- Aiming for streamlined structure by improving labor productivity in line with the business portfolio revamp
- Conducting a special offering for a limited time, expanding the eligibility and enhancing the benefits of the "Second Life Support Program," which has been in operation. This initiative aims to support the diversifying career perspectives and life plans of its employees, while also considering the optimization of its organizational workforce for the further growth of USHIO

● Outline of the special offering

Applicable to: Employees meeting specific criteria
Offering period: March through June 2025
Benefits: Special retirement lump-sum payments, Support for re-employment
Profit/Loss Impact: To be recorded in the financial results for FY2024 and FY2025

Reference: "Notice Concerning Expansion of Second Life Support Program and Special Offering" (Released February 7, 2025)

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Finally, let me explain our human capital strategy.

We have decided to expand our Second Life Support Program with the aim of improving operational efficiency through the optimization of organizational workforce.

By enhancing this program, we aim to improve labor productivity and establish a leaner business structure, thereby accelerating our efforts to achieve the goals of our new growth strategy.

For detailed information about the program, please refer to today's release titled "Notice Concerning the Expansion of the Second Life Support Program and Special Offering."

In conclusion, the business portfolio revamp presented in our new growth strategy is a commitment that we, the management team, are determined to accomplish. With the entire company working together, we will work to improve our profit structure with a forward-looking perspective, aiming for sustainable growth and enhanced corporate value.

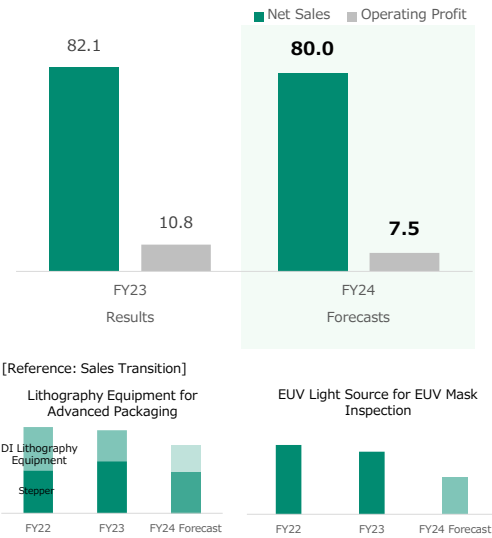
That concludes my presentation for today. Thank you.

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- ①Full-year forecasts (Additional Information)
- ②Others

FY2024 Full-Year Forecasts : Industrial Processes

Remain as announced on November 6, 2024



■ Business environment assumptions

While the generative AI-related market should grow, demand recovery of the semiconductor market overall remains uncertain

- Recovery of the semiconductor market overall should be further delayed
- The advanced packaging market related to generative AI should grow
- In flat panel display market, demand should bottom out but remain sluggish

■ Net Sales: Down 2.1 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

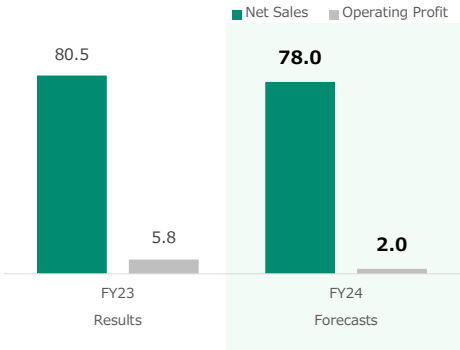
■ Operating Profit: Down 3.3 billion yen YoY

- 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, but profitability should improve by enhancing efficiency through strategic business selection

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

FY2024 Full-Year Forecasts : Visual Imaging

Remain as announced on November 6, 2024



[Reference: Projector Sales Transition]

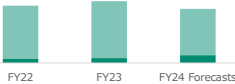
Cinema

■ RGB laser ■ Lamp type



General Imaging

■ RGB laser ■ Lamp & LaPh



■ Business environment assumptions

While demand should be firm, keeping tabs on impact of 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 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 3.8 billion yen YoY

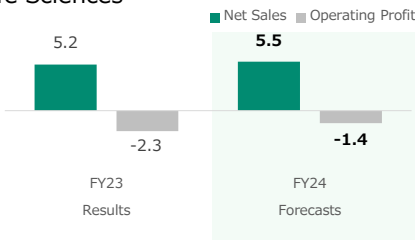
- Earnings to decline because of lower revenues
- Higher raw material prices for projector lamps should detract from profitability
- Recorded valuation losses associated with business portfolio revamping

FY2024 Full-Year Forecasts : Life Sciences and Photonics Solutions



Remain as announced on November 6, 2024

Life Sciences



■ Business environment assumptions

Demand should remain stable for medical equipment and other offerings

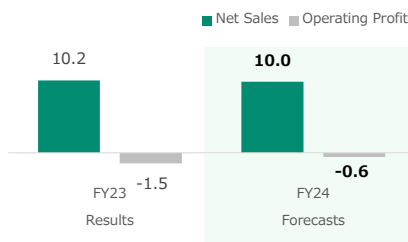
■ Net Sales: Up 0.2 billion yen YoY

- Sales to be flat for environmental hygiene solutions and medical equipment, with sodium lamp sales rising

■ Operating Profit: Up 0.9 billion yen YoY

- With sales rising, profitability should improve by enhancing efficiency through strategic business selection

Photonics Solutions



■ Business environment assumptions

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

■ Net Sales: Down 0.2 billion yen YoY

- Semiconductor-related sales should increase but revenues should decrease in other areas






■ Operating Profit: Up 0.9 billion yen YoY

- Profitability should improve by enhancing efficiency through strategic business selection

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- I. Financial Results for Q3 FY2024
- II. Full-Year Forecasts for FY2024
- III. Progress with New Growth Strategies
- IV. Supplementary Information
 - ①Full-year forecasts (Additional Information)
 - ②Others

(New) Business Segments and Main Products

New Business Segment	Main Products	Product Examples					
Industrial Processes	<p>Light Source: UV lamps, OA lamps, Optical equipment lamps, etc.</p> <p>Equipment: Lithography equipment, Curing equipment, EUV light source for mask inspection, Maintenance service etc.</p>	 UV lamps	 OA lamps	 Stepper	 Direct imaging lithography equipment	 (Source: TNO) EUV light source for EUV mask inspection	
Visual Imaging	<p>Light Source: Cinema lamps, Data projector lamps, etc.</p> <p>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
Life Sciences	<p>Light Source: Care222 related products</p> <p>Equipment: UV Medical Devices, etc.</p>	 Devices using "Care222," Filtered Far UV Technology	 UV Medical Devices "TheraBeam series"				
Photonics Solutions	<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



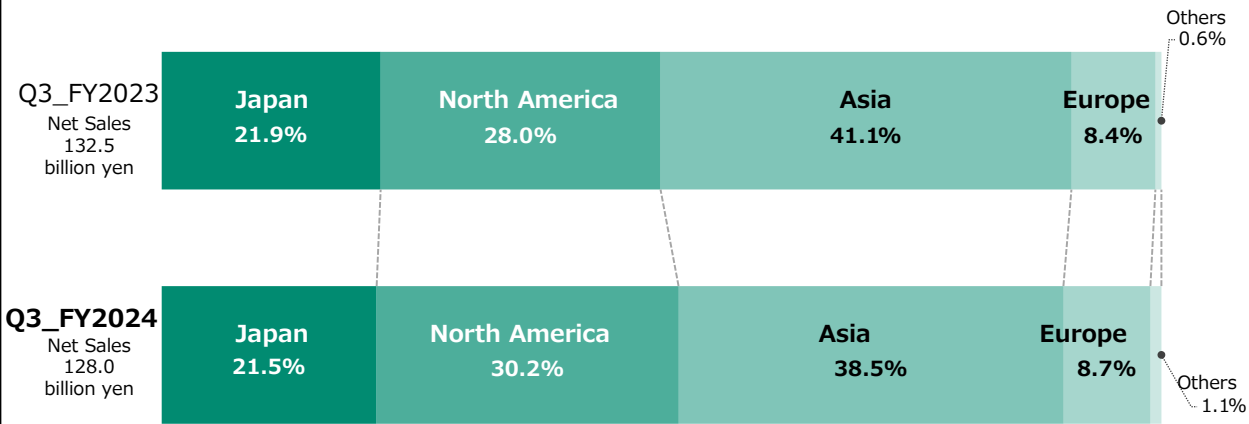
(Billions of yen)		FY2023				FY2024			YoY Comparison	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Changes	(%)
Net Sales		39.2	45.7	47.5	46.9	37.5	48.1	42.4	-5.0	-10.6%
Operating Profit		2.0	2.9	5.2	2.7	0.3	3.9	3.1	-2.1	-40.3%
Operating Margin		5.2%	6.4%	11.0%	5.9%	0.9%	8.2%	7.4%	-3.7P	-
Ordinary Profit		2.8	3.4	6.3	3.4	1.4	3.9	5.0	-1.3	-20.7%
Profit Attributable to Owners of Parent		1.7	2.4	4.4	2.0	0.2	2.0	3.4	-0.9	-22.3%
EPS (yen)		15.36	21.65	40.72	20.06	2.92	20.26	36.07	-4.65	-11.4%
FOREX rate (yen)	USD	136	144	149	147	155	153	149	+0	-
	EUR	148	158	159	160	167	166	162	+2	-

Reference: Summary of Quarterly Financial Results by Business Segments

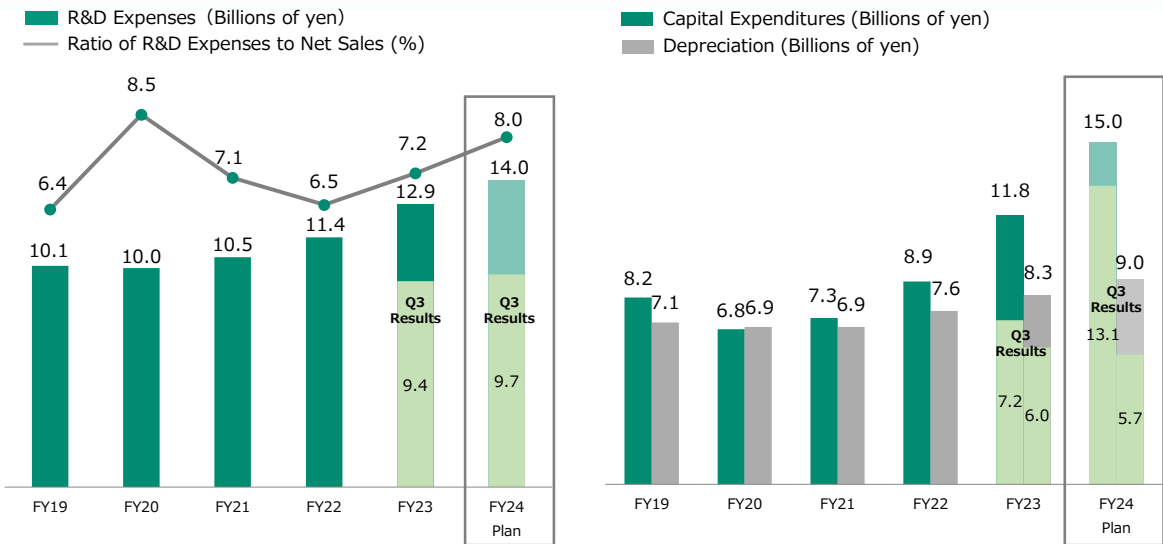


(Billions of yen)		FY2023				FY2024			YoY Comparison	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Changes	(%)
Industrial Processes	Net Sales	17.4	20.3	22.5	21.7	15.5	22.0	17.0	-5.5	-24.5%
	Operating profit	2.2	1.7	4.0	2.8	1.0	4.1	1.8	-2.2	-54.5%
	Operating Margin	12.9%	8.4%	18.1%	13.1%	6.7%	19.1%	10.9%	-7.2P	-
Visual Imaging	Net Sales	17.6	21.2	20.3	21.2	17.5	21.6	21.1	+0.7	+3.5%
	Operating profit	0.6	2.3	1.5	1.2	-0.4	0.3	1.5	-0.0	-1.1%
	Operating Margin	3.5%	11.2%	7.8%	6.1%	-2.7%	1.6%	7.5%	-0.3P	-
Life Sciences	Net Sales	1.3	1.3	1.3	1.1	1.5	1.5	1.4	+0.1	+8.8%
	Operating profit	-0.4	-0.7	-0.4	-0.6	-0.1	-0.3	-0.2	+0.2	-
	Operating Margin	-32.7%	-57.1%	-36.1%	-54.6%	-11.1%	-25.4%	-16.7%	+19.4P	-
Photonics Solutions	Net Sales	2.5	2.5	2.8	2.3	2.5	2.5	2.4	-0.3	-13.0%
	Operating profit	-0.3	-0.3	-0.1	-0.6	-0.0	-0.2	-0.0	+0.0	-
	Operating Margin	-12.9%	-14.9%	-5.0%	-28.9%	-2.3%	-8.6%	-2.0%	+3.0P	-
Others	Net Sales	0.2	0.3	0.3	0.3	0.2	0.3	0.3	+0.0	+7.1%
	Operating profit	-0.0	-0.0	0.1	0.0	0.0	0.0	-0.0	-0.1	-
	Operating Margin	-22.9%	-16.7%	51.7%	23.5%	1.1%	8.8%	-0.6%	-52.3P	-
Total	Net Sales	39.2	45.7	47.5	46.9	37.5	48.1	42.4	-5.0	-10.6%
	Operating profit	2.0	2.9	5.2	2.7	0.3	3.9	3.1	-2.1	-40.3%
	Operating Margin	5.2%	6.4%	11.0%	5.9%	0.9%	8.2%	7.4%	-3.7P	-

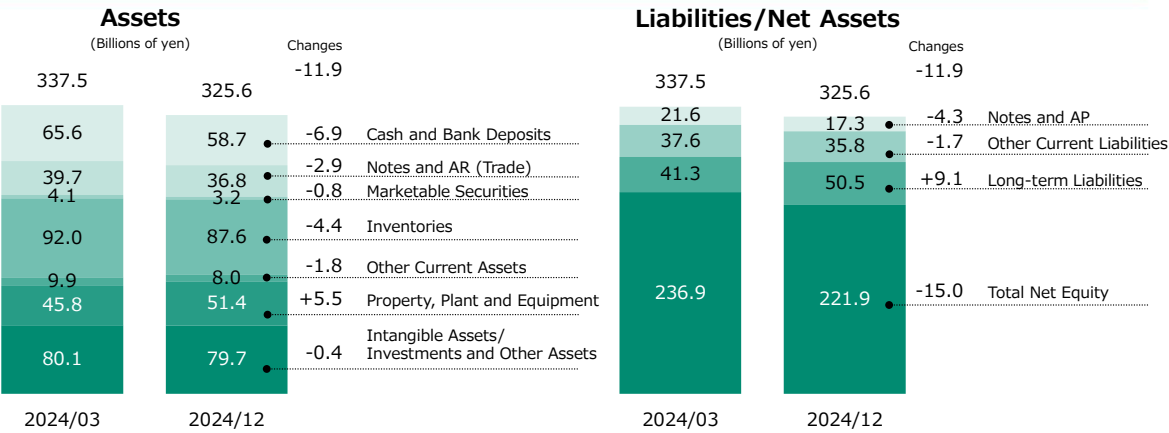
Reference: Sales Ratio by Region



Reference: R&D Expenses/Capital Expenditures and Depreciation



Reference: Balance Sheet

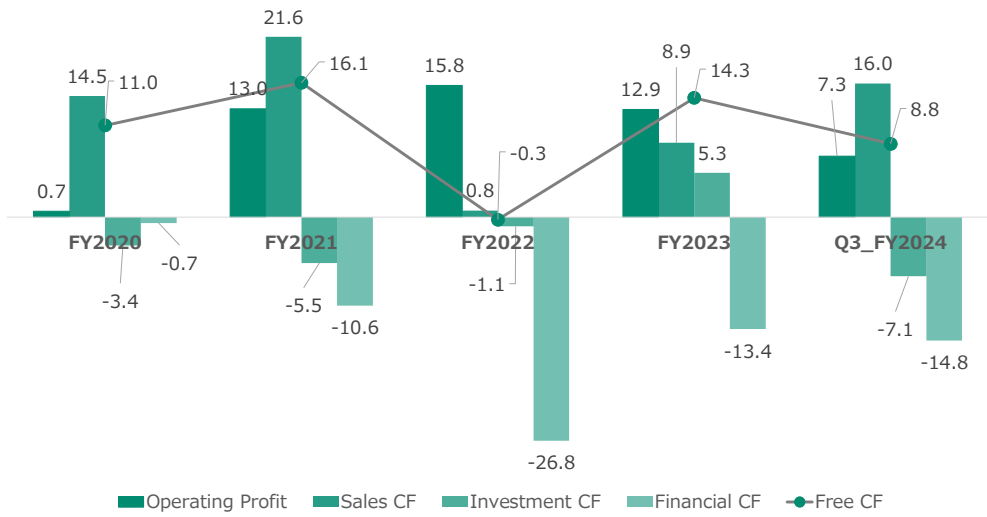


Turnover (months)	2024/03	2024/12
Receivable-trade	2.6	2.7
Inventories	5.9	6.3
Cash Conversion Cycle	6.9	7.6

Equity Ratio (%)	2024/03	2024/12
	70.2	68.2


Reference: Cash Flow


(Billions of yen)




AI	Artificial Intelligence
DCP	Digital Cinema Projector
DI	Direct Imaging: An exposure technique that draws patterns directly without using a mask
DLT	Digital Lithography Technology
EUV	Extreme Ultraviolet Radiation
FPD	Flat Panel Display
OA	Office Automation
Advanced packaging	An advanced packaging field for 2.xD and 3D integration of semiconductors, including chiplets


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Contact:
Investor Relations Office Ushio Inc.
Email: ir@ushio.co.jp
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