

FY2024 Financial Results

Ushio Inc.
May 13, 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 am Asahi, President and CEO of Ushio Inc.

Thank you for joining our financial results briefing for the fiscal year ended March 31, 2025, despite your busy schedule.

I will explain the financial results based on the materials disclosed on our website today.

FY2024 Results:

- While down year-on-year, revenues and earnings exceeded 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
- Inventory reduction progressed through enhanced balance sheet management, leading to improved free cash flow

FY2025 Forecasts:

- Looking to increase earnings on structural reforms
- Generate shareholder returns in line with New Growth Strategy

Progress with New Growth Strategies*:

- Business portfolio revamp progressing steadily
- Maintaining management policies and numerical targets

• For details, please see Progress Report on New Growth Strategy: https://www.ushio.co.jp/en/ir/library/brief_note/

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There are three points I want to share today.

Although our FY2024 results showed a decline in both sales and profits, we exceeded our initial plan and revised forecasts in both revenue and earnings. We expanded forward investments for future growth, but improved profitability through strategic business selection.

Also, due to time constraints, I will omit detailed explanations today, but we made progress in reducing inventory through enhanced balance sheet management, which improved free cash flow.

For fiscal year 2025, we are planning for lower sales but higher profits. Regarding shareholder returns, we intend to implement them in line with our New Growth Strategy.

Later, I will explain the progress made in the first year of New Growth Strategy and our future direction.

Now, let me explain financial results for FY2024.

(Move on to slide 4)

I. Financial Results for FY2024

II. Full-Year Forecasts for FY2025

III. Supplementary Information

FY2024: Summary of Financial Results



Net Sales
177.6 billion yen

YoY Comparison: -1.8 billion yen (-1.0%)

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

Operating Profit
8.8 billion yen

YoY Comparison: -4.1 billion yen (-32.0%)

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

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

YoY Comparison: -3.9 billion yen (-37.0%)

- Extraordinary income
 - Gain on sale of investment securities: 9.5 billion yen (FY2023: 7.0 billion yen)
- Extraordinary loss
 - Business restructuring expenses: 5.7 billion yen (FY2023: -)
 - Impairment losses: 1.1 billion yen (FY2023: 7.1 billion yen)

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Regarding FY2024 results, net sales decreased by 1.8 billion yen, operating profit declined by 4.1 billion yen, and profit attributable to owners of parent decreased by 3.9 billion yen.

Net sales declined due to lower sales of lithography equipment amid the downturn in the semiconductor market.

Operating profit decreased due to the sales decline, inventory write-down losses associated with business portfolio revamp, and expanded forward investments for future growth.

Profit attributable to owners of parent declined despite recording gains on sales of investment securities, due to business restructuring expenses.

Both net sales and operating profit exceeded our previous forecasts.
Details will be explained later on the segment performance page.

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

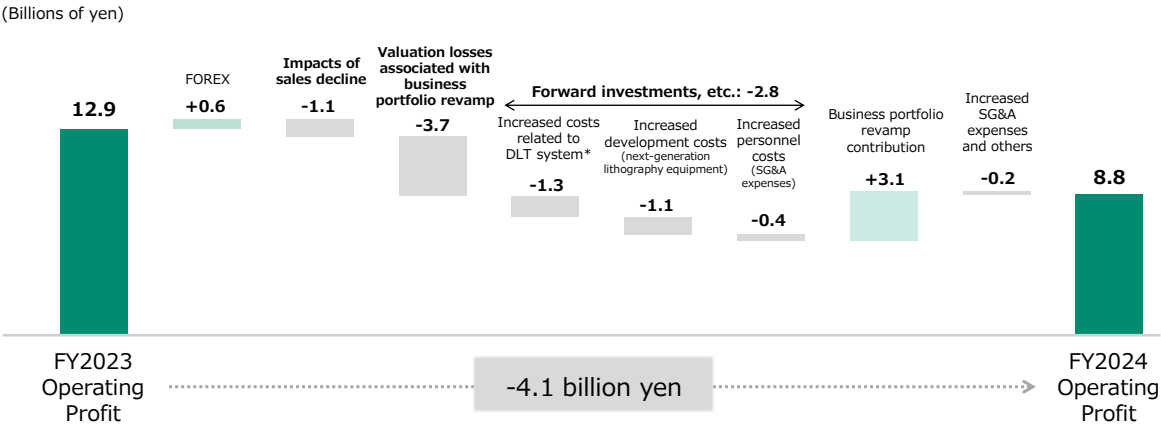
(Move on to slide 6)

FY2024: Financial Highlights

| (Billions of yen) | | FY2023 Results | FY2024 Results | YoY Comparison | | Forecasts (11/6/2024) | Comparison (with forecasts) | |
|--|-----|-------------------|-------------------|----------------|--------|--------------------------|--------------------------------|--------------------|
| | | | | Changes | (%) | | Changes | Achievement (%) |
| Net Sales | | 179.4 | 177.6 | -1.8 | -1.0% | 175.0 | +2.6 | 101.5% |
| Operating Profit | | 12.9 | 8.8 | -4.1 | -32.0% | 7.5 | +1.3 | 117.7% |
| Operating Margin | | 7.2% | 5.0% | -2.3P | - | 4.3% | +0.7P | - |
| Ordinary Profit | | 16.0 | 12.4 | -3.6 | -22.6% | 9.5 | +2.9 | 131.1% |
| Profit Attributable to Owners of Parent | | 10.7 | 6.7 | -3.9 | -37.0% | 6.0 | +0.7 | 113.3% |
| EPS (yen) | | 97.22 | 70.27 | -26.95 | -27.7% | 62.39 | +7.88 | 112.6% |
| ROE | | 4.5% | 3.1% | -1.4P | - | 2.7% | +0.4P | - |
| FOREX rate (yen) | USD | 144 | 153 | +9 | - | 150 | +3 | - |
| | EUR | 156 | 164 | +8 | - | 161 | +3 | - |

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



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

The main factors behind the 4.1 billion yen decrease in operating profit were an 1.1 billion yen decline due to lower sales, a 3.7 billion yen inventory write-down losses associated with our business portfolio revamp, and a 2.8 billion yen increase in forward investments for future growth. On the other hand, the business portfolio revamp has started to yield results, contributing a 3.1 billion yen increase in profit.

Next, I will explain the performance by segment.

FY2024: Financial Results by Business Segment

| | (Billions of yen) | FY2023 Results | FY2024 Results | YoY comparison | | Forecasts (11/6/2024) | Comparison (with forecasts) | |
|-------------------------|--|-------------------|-------------------------|------------------|-------------|--------------------------|--------------------------------|--------------------|
| | | | | Changes | (%) | | Changes | Achievement (%) |
| Industrial Processes | Net Sales | 82.1 | 78.9 | -3.1 | -3.9% | 80.0 | -1.0 | 98.7% |
| | Operating Profit [Operating Margin] | 10.8 [13.2%] | 9.6 [12.2%] | -1.2 [-1.1P] | -11.5% - | 7.5 [9.4%] | +2.1 [+2.8P] | 128.3% - |
| Visual Imaging | Net Sales | 80.5 | 80.8 | +0.3 | +0.5% | 78.0 | +2.8 | 103.7% |
| | Operating Profit [Operating Margin] | 5.8 [7.3%] | 0.7 [0.9%] | -5.1 [-6.4P] | -87.6% - | 2.0 [2.6%] | -1.2 [-1.7P] | 36.5% - |
| Life Sciences | Net Sales | 5.2 | 6.1 | +0.8 | +17.2% | 5.5 | +0.6 | 111.1% |
| | Operating Profit [Operating Margin] | -2.3 [-44.7%] | -1.0 [-17.7%] | +1.2 [+27.0P] | - - | -1.4 [-25.5%] | +0.3 [+7.8P] | - - |
| Photonics Solutions | Net Sales | 10.2 | 10.3 | +0.0 | +0.7% | 10.0 | +0.3 | 103.1% |
| | Operating Profit [Operating Margin] | -1.5 [-14.8%] | -0.4 [-4.0%] | +1.0 [+10.7P] | - - | -0.6 [-6.0%] | +0.1 [+2.0P] | - - |
| Others | Net Sales | 1.3 | 1.3 | +0.0 | +5.2% | 1.5 | -0.1 | 91.6% |
| | Operating Profit [Operating Margin] | 0.1 [10.4%] | 0.0 [6.0%] | -0.0 [-4.4P] | -39.4% - | 0.0 [0.0%] | +0.0 [+6.0P] | - - |
| Total | Net Sales | 179.4 | 177.6 | -1.8 | -1.0% | 175.0 | +2.6 | 101.5% |
| | Operating Profit [Operating Margin] | 12.9 [7.2%] | 8.8 [5.0%] | -4.1 [-2.3P] | -32.0% - | 7.5 [4.3%] | +1.3 [+0.7P] | 117.7% - |

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I will provide detailed explanations for each segment regarding FY2024 results shortly.

Compared to the previous forecast, additional revenue was recognized due to contract changes in some lithography equipment deals. Furthermore, cost control measures were advanced, and operating losses caused by low utilization were mitigated, leading to improved profit margins.

In Visual Imaging business, sales increased due to the weaker yen, but operating profit fell short of the forecast due to a one-time inventory write-down loss recorded in Q4.

FY2024: Industrial Processes Results

| (Billions of yen) | FY2023 Results | FY2024 Results | YoY Comparison | |
|--------------------------------|-------------------|-------------------|----------------|----------|
| | | | Changes | (%) |
| Net Sales | 82.1 | 78.9 | -3.1 | -3.9% |
| Operating Profit | 10.8 | 9.6 | -1.2 | -11.5% |
| Operating Margin | 13.2% | 12.2% | -1.1P | - |
| Net Sales by Subsegment | | | | |
| UV Lamps | 14.0 | 14.9 | +0.8 | +6.1% ③ |
| OA Lamps | 5.5 | 6.0 | +0.5 | +9.4% |
| Optical Equipment Lamps | 10.2 | 10.9 | +0.6 | +6.8% |
| Light Source Business | 29.8 | 31.9 | +2.0 | +6.9% |
| Lithography Equipment | 32.9 | 29.0 | -3.8 | -11.7% ① |
| Other Optical Equipment | 19.3 | 17.9 | -1.4 | -7.3% ② |
| Optical Equipment Business | 52.2 | 46.9 | -5.2 | -10.1% |
| Total | 82.1 | 78.9 | -3.1 | -3.9% |

■ Net Sales: down 3.1 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 1.2 billion yen YoY

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

Next, I will explain the performance by segment.
First, Industrial Processes business.

Net sales decreased by 3.1 billion yen due to lower sales of lithography equipment and reduced maintenance revenue for EUV.

Operating profit declined by 1.2 billion yen. Although cost control was achieved by narrowing down EUV development projects, the decrease in lithography equipment sales and expanded forward investments led to the profit decline.

FY2024: Visual Imaging Results

| (Billions of yen) | FY2023 Results | FY2024 Results | YoY Comparison | |
|--------------------------------|-------------------|-------------------|----------------|----------|
| | | | Changes | (%) |
| Net Sales | 80.5 | 80.8 | +0.3 | +0.5% |
| Operating Profit | 5.8 | 0.7 | -5.1 | -87.6% |
| Operating Margin | 7.3% | 0.9% | -6.4P | - |
| Net Sales by Subsegment | | | | |
| Projector Lamps | 12.6 | 10.5 | -2.1 | -16.7% ③ |
| Illumination Lamps | 3.6 | 3.6 | -0.0 | -1.6% |
| Light Source Business | 16.3 | 14.1 | -2.1 | -13.3% |
| Cinema | 31.3 | 31.9 | +0.6 | +2.2% ② |
| General Imaging | 32.8 | 34.7 | +1.8 | +5.6% ① |
| Imaging Equipment | 64.1 | 66.7 | +2.5 | +4.0% |
| Total | 80.5 | 80.8 | +0.3 | +0.5% |

■ Net Sales: up 0.3 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 5.1 billion yen YoY

- Recorded inventory write-down losses (¥3.2 billion) associated with business portfolio revamp
- SG&A expenses (including personnel costs) rose

Next is Visual Imaging business.

Net sales slightly increased due to the weaker yen, despite a decline in unit sales caused by fewer large deals compared to the previous fiscal year and the impact of the Hollywood strike.

On the other hand, operating profit decreased by 5.1 billion yen due to a one-time inventory write-down loss of 3.2 billion yen.

FY2024: Life Sciences and Photonics Solutions Results

Life Sciences

| (Billions of yen) | FY2023 Results | FY2024 Results | YoY Comparison | |
|-------------------|-------------------|-------------------|----------------|--------|
| | | | Changes | (%) |
| Net Sales | 5.2 | 6.1 | +0.8 | +17.2% |
| Operating Profit | -2.3 | -1.0 | +1.2 | - |
| Operating Margin | -44.7% | -17.7% | +27.0P | - |

■ Net Sales: up 0.8 billion yen YoY

- Higher sales of sodium lamps for horticulture

■ Operating Profit: up 1.2 billion yen YoY

- Focused investments on promising projects and controlled costs

Photonics Solutions

| (Billions of yen) | FY2023 Results | FY2024 Results | YoY Comparison | |
|-------------------|-------------------|-------------------|----------------|-------|
| | | | Changes | (%) |
| Net Sales | 10.2 | 10.3 | +0.0 | +0.7% |
| Operating Profit | -1.5 | -0.4 | +1.0 | - |
| Operating Margin | -14.8% | -4.0% | +10.7P | - |

■ Net Sales: up 0.0 billion yen YoY

- Sales of semiconductor-related devices remained solid

■ Operating Profit: up 1.0 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 FY2024

II. Full-Year Forecasts for FY2025

III. Supplementary Information

Summary of FY2025 Full-Year Forecasts

- Sales will probably decline amid ongoing weakness in semiconductor market (after excluding generative AI) and impact of higher yen
- Anticipating higher earnings on structural reforms*¹

*1: For details, please see the "Progress Report on New Growth Strategy Phase I"
https://www.ushio.co.jp/en/ir/library/brief_note/

| | |
|---|--|
| Net Sales | <ul style="list-style-type: none"> ● 170.0 billion yen (down ¥7.6 billion YoY) <ul style="list-style-type: none"> - Industrial Processes (down ¥2.9 billion YoY) <ul style="list-style-type: none"> • Lower sales of existing lithography equipment. DLT system sales to be recognized despite delays in some deals - Visual Imaging (down ¥4.8 billion YoY) <ul style="list-style-type: none"> • While projector sales remained solid, shift to solid-state light sources in the cinema business and higher yen detracted from performance |
| Operating Profit | <ul style="list-style-type: none"> ● 10.0 billion yen (up ¥1.1 billion YoY) <ul style="list-style-type: none"> - Industrial Processes (down ¥3.1 billion YoY) <ul style="list-style-type: none"> • Reflected lower sales and higher forward investments related to DLT systems - Visual Imaging (up ¥3.7 billion YoY) <ul style="list-style-type: none"> • Improved profitability by lowering inventory write-downs recorded a year earlier and undertaking structural reforms |
| Profit Attributable to Owners of Parent | <ul style="list-style-type: none"> ● 7.0 billion yen*² (up ¥0.2 billion YoY) <p>*2: While assuming gain on sales of investment securities (including cross-shareholdings) and business restructuring expenses, have excluded them from forecasts as they are hard to estimate at this juncture</p> |
| FOREX rate | <ul style="list-style-type: none"> ● Foreign exchange rates: USD = ¥140, EUR = ¥155 <p>(Reference) Forex sensitivity: Annual impact from 1 yen fluctuation [vs USD] Net sales: Approximately ¥1.00 billion, Operating profit: Approximately ¥0.12 billion</p> |

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The full-year forecast for fiscal year 2025 anticipates lower sales but higher profits.

Net sales are expected to decline due to the continued weakness in the semiconductor market excluding generative AI, as well as the impact of higher yen. Operating profit is projected to increase despite higher forward investments related to DLT systems, thanks to further structural reforms.

In line with the New Growth Strategy, gains on sales of investment securities and business restructuring expenses related to the expansion of the Second Life Support Program and structural reforms are expected. However, these are excluded from the forecast as they are difficult to estimate at this juncture.

The foreign exchange assumptions are 140 yen to the US dollar and 155 yen to the euro.

Key risks and responses

Risk 1: Additional tariffs on cinema and general imaging projectors exported to United States



We manufacture around 80% of these projectors in China, exporting some to the United States.

Response: Mitigate impact by lifting production ratio in Canada, which currently accounts for around 20% of the total

Risk 2: Additional tariffs on light source exports to United States



Mainly produce these offerings in Japan and the Philippines, shipping some to the United States

Response: Alleviate impact by adjusting prices to pass on costs

Risk 3: Key indirect impact concerns



- Delayed or standstill investment decisions in semiconductor sector in response to uncertainties surrounding tariff and other developments
- Impacts of tariffs on foreign films on U.S. cinema operations and Hollywood film production

Forecasts reflect some but not all impacts owing to high uncertainty

We will keep monitoring trends and act as necessary to minimize their impacts on performance

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Regarding the impact of U.S. tariff measures on our business, it mainly affects Visual Imaging and light source businesses.

However, we believe we can mitigate these impacts through measures such as optimizing production sites and passing on costs through price adjustments. Therefore, the full-year forecast for FY2025 does not significantly factor in the impact of tariff measures.

As indirect impacts, there are concerns about delayed or stalled investment decisions in the semiconductor industry due to uncertainties surrounding tariff and other developments.

Additionally, impacts on U.S. cinema operations and Hollywood film production stemming from tariffs on foreign films are anticipated.

While some of these impacts are reflected in the forecast, most remain highly uncertain and are not factored into.

We will continue to closely monitor these trends and take actions to minimize their impact on our performance.

Next, I will explain the breakdown of the forecasted increase in operating profit for FY2025.

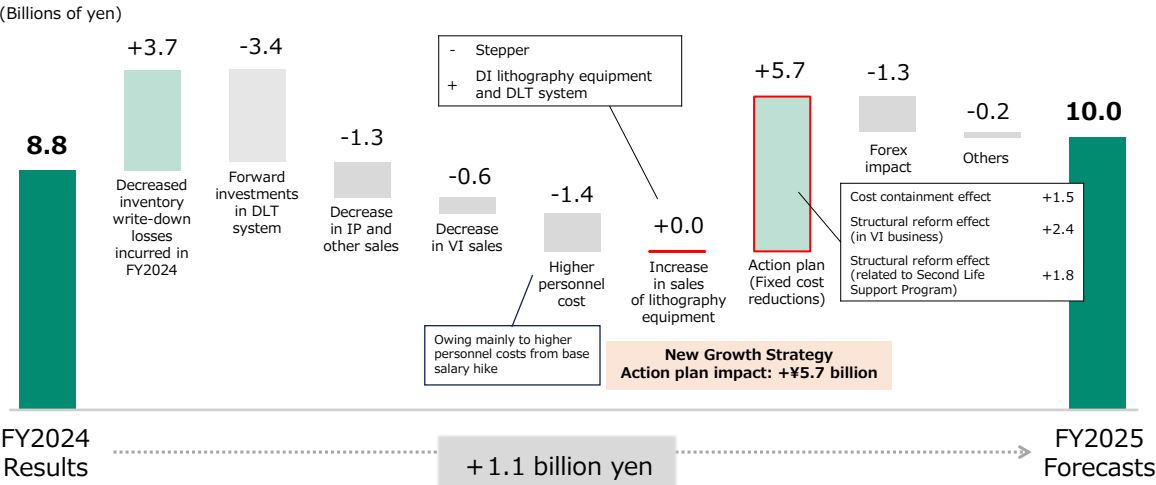
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FY2025 Full-Year Forecasts: Summary

| (Billions of yen) | FY2024 Results | FY2025 Forecasts | YoY Comparison | |
|--|-------------------|---------------------|----------------|--------|
| | | | Changes | (%) |
| Net Sales | 177.6 | 170.0 | -7.6 | -4.3% |
| Operating Profit | 8.8 | 10.0 | +1.1 | +13.3% |
| Operating Margin | 5.0% | 5.9% | +0.9P | - |
| Ordinary Profit | 12.4 | 10.5 | -1.9 | -15.7% |
| Profit Attributable to Owners of Parent | 6.7 | 7.0 | +0.2 | +3.0% |
| EPS (yen) | 70.27 | 79.45 | +9.18 | +13.1% |
| ROE | 3.1% | 3.5% | +0.4P | - |
| Annual dividend (yen) | 70 | 70 | - | - |
| FOREX rate (yen) | USD | 153 | -13 | - |
| | EUR | 164 | -9 | - |

(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 FY2025



The factors behind the 1.1 billion yen increase in operating profit include expected decreases in profit due to a 3.4 billion yen increase in forward investments related to DLT system, a 1.4 billion yen rise in personnel cost from base salary hike, and a 1.3 billion yen negative impact from higher yen.

On the other hand, we anticipate an overall profit increase thanks to a 3.7 billion yen reduction in inventory write-down losses recorded in FY2024, along with a 5.7 billion yen fixed cost reduction effect from the structural reform action plan.

I will explain the fixed cost reduction action plan in more detail later in the New Growth Strategy progress report section.

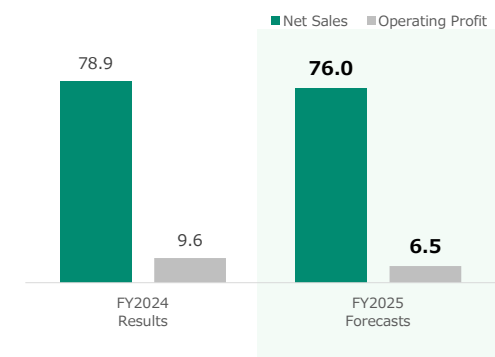
FY2025 Full-Year Forecasts: By Business Segments

| (Billions of yen) | | FY2024 Results | FY2025 Forecasts | YoY Comparison | |
|----------------------|--|-------------------|---------------------|-------------------|---------------|
| | | | | Changes | (%) |
| Industrial Processes | Net Sales | 78.9 | 76.0 | -2.9 | -3.7% |
| | Operating Profit [Operating Margin] | 9.6 [12.2%] | 6.5 [8.6%] | -3.1 [-3.6P] | -32.5% - |
| Visual Imaging | Net Sales | 80.8 | 76.0 | -4.8 | -6.1% |
| | Operating Profit [Operating Margin] | 0.7 [0.9%] | 4.5 [5.9%] | + 3.7 [+ 5.0P] | + 516.7% - |
| Life Sciences | Net Sales | 6.1 | 6.0 | -0.1 | -1.8% |
| | Operating Profit [Operating Margin] | -1.0 [-17.7%] | -0.6 [-10.0%] | + 0.4 [+ 7.7P] | - - |
| Photonics Solutions | Net Sales | 10.3 | 10.5 | + 0.1 | + 1.8% |
| | Operating Profit [Operating Margin] | -0.4 [-4.0%] | -0.4 [-3.8%] | + 0.0 [+ 0.2P] | - - |
| Others | Net Sales | 1.3 | 1.5 | + 0.1 | + 9.2% |
| | Operating Profit [Operating Margin] | 0.0 [6.0%] | 0.0 [0.0%] | -0.0 [-6.0P] | - - |
| Total | Net Sales | 177.6 | 170.0 | -7.6 | -4.3% |
| | Operating Profit [Operating Margin] | 8.8 [5.0%] | 10.0 [5.9%] | + 1.1 [+ 0.9P] | + 13.3% - |

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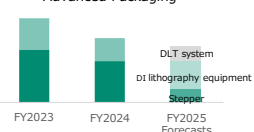
The forecasts for FY2025 by business segment are as shown.
 I will provide detailed explanations on the following pages.

FY2025 Full-Year Forecasts: Industrial Processes

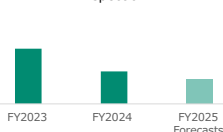


[Reference: Sales Transition]

Lithography Equipment for Advanced Packaging



EUV Light Source for EUV Mask Inspection



■ Business environment assumptions

While generative AI-related markets should grow, expecting only a moderate recovery in overall semiconductor market, and will monitor impact of U.S. tariff measures on semiconductor sector

- Overcapacity to keep afflicting substrate market, with investments remaining weak
- Demand for smartphones, PCs, and other final products to slowly recover
- Demand for power semiconductors and electronic devices to remain uncertain
- Rising uncertainties from tariff and other developments fueling concerns over customers delaying investment decisions

■ Net Sales: down 2.9 billion yen YoY

- Stepper sales to decline. Sales of direct imaging lithography equipment to edge up
- DLT system sales to be recognized from Q4 despite some deal delays amid market uncertainties
- UV lamp and other light source demand to remain unchanged owing to stable operations
- EUV sales down owing to lower prices, albeit with cost reductions helping maintain profitability

■ Operating Profit: down 3.1 billion yen YoY

- DLT systems-related forward investments to increase
- Anticipating gradual improvement in capacity utilization rate for lithography equipment

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Industrial Processes business is expected to see a decline in both sales and profits compared to the previous fiscal year.

Although there are signs of recovery in the semiconductor market, the substrate market continues to face overcapacity, and investments are expected to remain sluggish.

Additionally, uncertainties surrounding U.S. tariff and other developments have raised concerns about delays in customers' investment decisions.

Against this backdrop, sales of stepper are expected to decline, resulting in lower net sales.

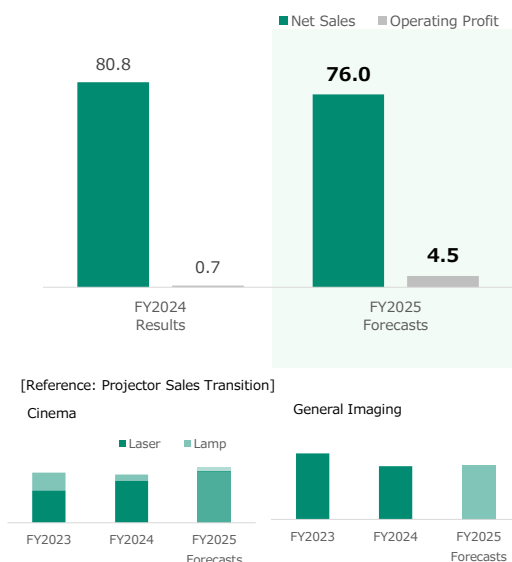
Sales of direct imaging lithography equipment are projected to slightly increase due to a moderate recovery in smartphones and other devices.

Sales of DLT system are expected to be recognized from Q4, but amid the current uncertain market environment, customers' cautious investment decisions have led to delays in some deals.

Operating profit is expected to decline due to increased forward investments related to DLT system.

Looking ahead to FY2026, we anticipate improvements in these conditions, including the resolution of overcapacity in the substrate market and increased sales of DLT system. This is expected to lead to improved production utilization, which has been sluggish. Details will be explained later in the "Progress Report on New Growth Strategy."

FY2025 Full-Year Forecasts: Visual Imaging



Business environment assumptions

While demand should remain firm, will monitor impacts of Chinese economy and U.S. tariff measures

Cinema market

- Cinema operations and projector replacement demand should remain strong
- Trend toward projectors employing solid-state light sources should continue
- Performance impact of concerns over prospective tariffs on foreign films remains unclear

General imaging market

- Demand should be solid for large-scale productions and advanced video production needs

Net Sales: down 4.8 billion yen YoY

- Unit sales of cinema and general imaging projectors should both increase
- Projector lamp sales to decline amid shift to solid-state light sources
- Yen's appreciation to lower sales

Operating Profit: up 3.7 billion yen YoY

- Profitability should improve on lower inventory write-downs and structural reforms

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Visual Imaging business is expected to see lower sales but higher profits compared to the previous fiscal year.

In the cinema market, the impact of the Hollywood strike has been resolved, and replacement demand at movie theaters is expected to remain strong. Demand in the general imaging market is also expected to remain solid, leading to increased projector sales.

However, due to the shift to solid-state light sources in projectors, lamp sales are expected to decline, and higher yen will have a negative impact, resulting in an overall decrease in net sales.

The following page includes forecasts for the number of cinema screens going forward, so please refer to it later.

Although concerns remain over prospective tariff on foreign films, its impact on our performance is uncertain and therefore not factored into the forecast.

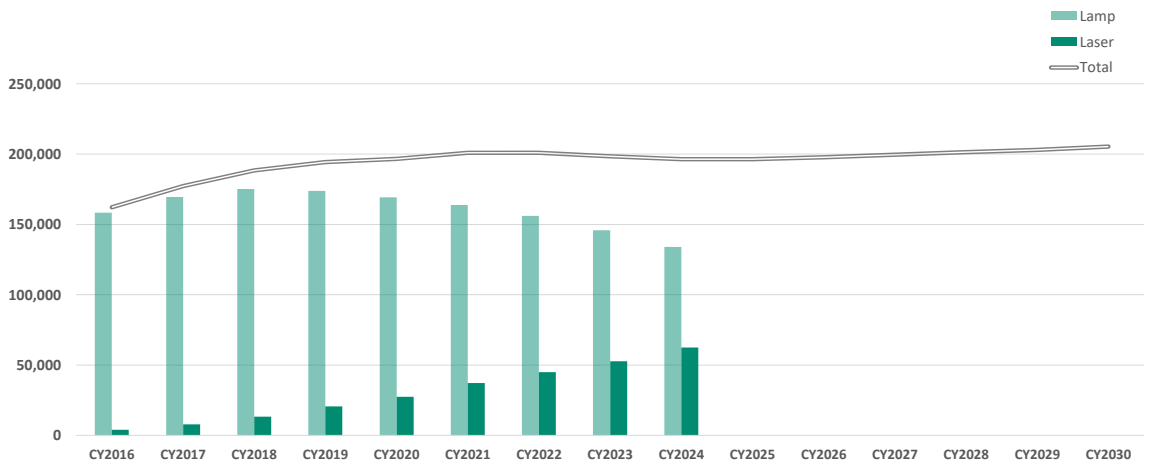
Operating profit is expected to increase as lower inventory write-down losses recorded in the previous fiscal year and structural reforms contribute to improved profitability.

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Supplementary Information on Visual Imaging Business



■ Cinema Screen Numbers and Light Source Trend Forecasts

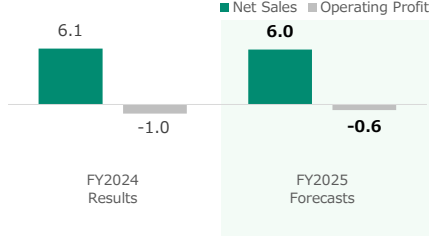


As of May 13, 2025, Ushio's research

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FY2025 Full-Year Forecasts: Life Sciences and Photonics Solutions

Life Sciences



■ Business environment assumptions

Demand should remain stable for medical equipment and other offerings

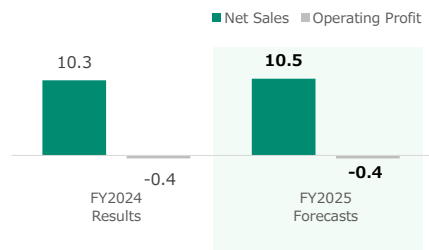
■ Net Sales: down 0.1 billion yen YoY

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

■ Operating Profit: up 0.4 billion yen YoY

- Should improve profitability by more closely monitoring new business projects and controlling costs

Photonics Solutions



■ Business environment assumptions

Demand to remain stable, primarily for semiconductor and other industry applications

■ Net Sales: up 0.1 billion yen YoY

- Sales likely to remain flat, primarily in semiconductor-related areas

■ Operating Profit: up 0.0 billion yen YoY

- Looking to improve profitability by reviewing development projects

The Life Sciences and Photonics Solutions businesses are expected to see net sales remain largely flat with no significant changes. Operating profit is projected to increase as we continue to improve profitability through selective focus on a project-by-project basis.

Shareholder Returns

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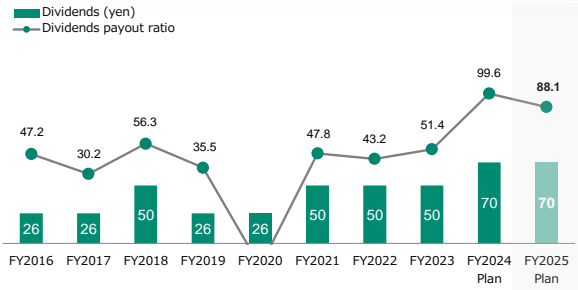
Dividends per Share

[Dividend policy]

Generating stable returns

Will set dividend floor of ¥70 per share annually for FY2024-FY2026 in line with New Growth Strategy

FY2025: **¥70 per share (plan)**



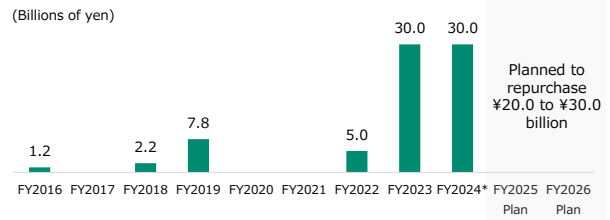
Share Buybacks

[Buyback policy]

Flexibly repurchase shares

FY2024-FY2026: Invest cumulative ¥50.0-¥60.0 billion in share repurchases in line with New Growth Strategy

FY2025-FY2026:
Planned to repurchase ¥20.0 to ¥30.0 billion



* Including shares repurchased up to April 4, 2025

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Regarding shareholder returns for FY2025, we plan to implement them in accordance with New Growth Strategy.

We intend to maintain a dividend floor of 70 yen per share.
Regarding share buybacks, we plan to execute the remaining 20 to 30 billion yen over FY2025 and FY2026, in line with New Growth Strategy.
However, for this year's buybacks, as we are currently considering the implementation of various measures under New Growth Strategy, we plan to commence at an appropriate timing in the future.

This concludes my explanation of FY2024 results and FY2025 forecasts.

I. Financial Results for FY2024

II. Full-Year Forecasts for FY2025

III. Supplementary Information

(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> |  |  |  |  |  | (Source: TNO) |
| 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> |  |  |  |  |  |  |
| Life Sciences | <p>Light Source: Care222 related products</p> <p>Equipment: UV Medical Devices, etc.</p> |  |  | | | | |
| Photonics Solutions | <p>Light Source: Solid-state light sources (Laser Diode/LED)</p> |  |  | | | | |

Reference: Summary of Quarterly Financial Results



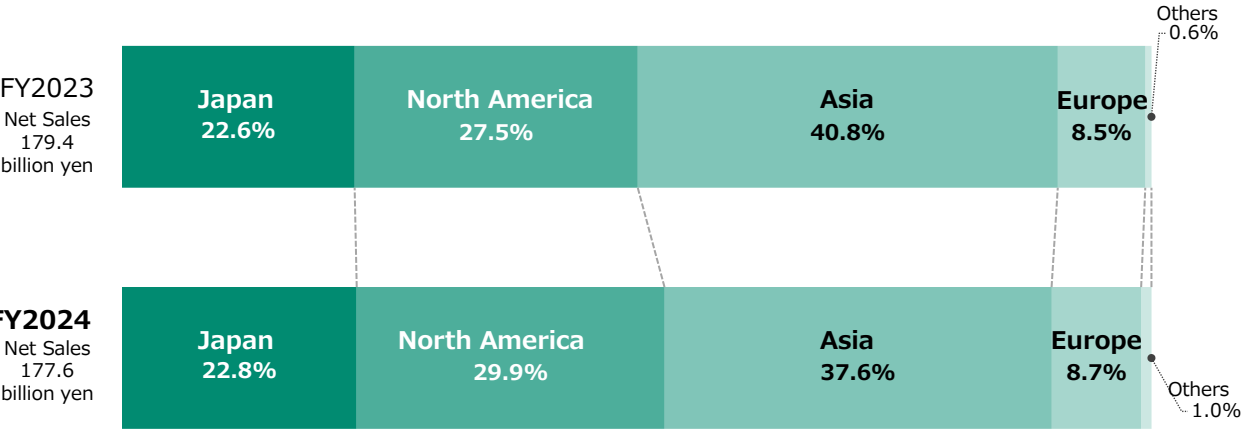
| (Billions of yen) | FY2023 | | | | FY2024 | | | | YoY Comparison | |
|---|--------|-------|-------|-------|--------|-------|-------|-------|----------------|--------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Changes | (%) |
| Net Sales | 39.2 | 45.7 | 47.5 | 46.9 | 37.5 | 48.1 | 42.4 | 49.5 | +2.6 | +5.6% |
| Operating Profit | 2.0 | 2.9 | 5.2 | 2.7 | 0.3 | 3.9 | 3.1 | 1.4 | -1.3 | -48.3% |
| Operating Margin | 5.2% | 6.4% | 11.0% | 5.9% | 0.9% | 8.2% | 7.4% | 2.9% | -3.0P | - |
| Ordinary Profit | 2.8 | 3.4 | 6.3 | 3.4 | 1.4 | 3.9 | 5.0 | 1.9 | -1.4 | -42.7% |
| Profit Attributable to Owners of Parent | 1.7 | 2.4 | 4.4 | 2.0 | 0.2 | 2.0 | 3.4 | 1.0 | -1.0 | -49.9% |
| EPS (yen) | 15.36 | 21.65 | 40.72 | 20.06 | 2.92 | 20.26 | 36.07 | 11.56 | -8.50 | -42.4% |
| FOREX rate (yen) | USD | 136 | 144 | 149 | 147 | 155 | 153 | 149 | +7 | - |
| | EUR | 148 | 158 | 159 | 160 | 167 | 166 | 162 | +0 | - |

Reference: Summary of Quarterly Financial Results by Business Segments

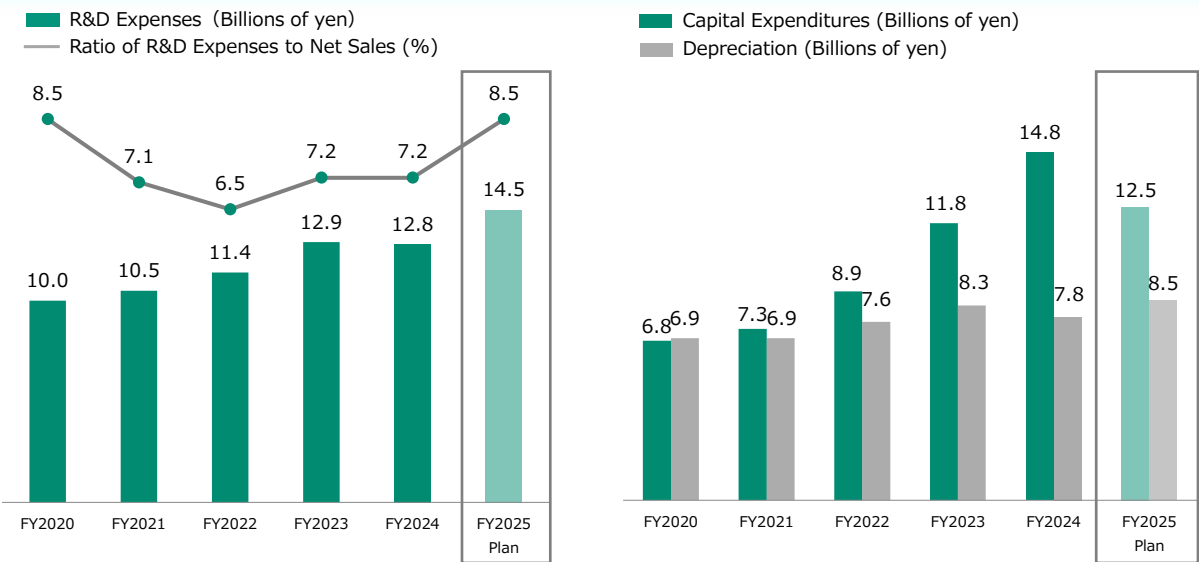


| (Billions of yen) | | FY2023 | | | | FY2024 | | | | YoY Comparison | |
|----------------------|------------------|--------|--------|--------|--------|--------|--------|--------|--------|----------------|--------|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Changes | (%) |
| Industrial Processes | Net Sales | 17.4 | 20.3 | 22.5 | 21.7 | 15.5 | 22.0 | 17.0 | 24.3 | +2.5 | +11.7% |
| | Operating profit | 2.2 | 1.7 | 4.0 | 2.8 | 1.0 | 4.1 | 1.8 | 2.5 | -0.3 | -11.2% |
| | Operating Margin | 12.9% | 8.4% | 18.1% | 13.1% | 6.7% | 19.1% | 10.9% | 10.4% | -2.7P | - |
| Visual Imaging | Net Sales | 17.6 | 21.2 | 20.3 | 21.2 | 17.5 | 21.6 | 21.1 | 20.5 | -0.7 | -3.6% |
| | Operating profit | 0.6 | 2.3 | 1.5 | 1.2 | -0.4 | 0.3 | 1.5 | -0.7 | -2.0 | - |
| | Operating Margin | 3.5% | 11.2% | 7.8% | 6.1% | -2.7% | 1.6% | 7.5% | -3.5% | -9.6P | - |
| Life Sciences | Net Sales | 1.3 | 1.3 | 1.3 | 1.1 | 1.5 | 1.5 | 1.4 | 1.6 | +0.4 | +34.8% |
| | Operating profit | -0.4 | -0.7 | -0.4 | -0.6 | -0.1 | -0.3 | -0.2 | -0.2 | +0.3 | - |
| | Operating Margin | -32.7% | -57.1% | -36.1% | -54.6% | -11.1% | -25.4% | -16.7% | -17.6% | +37.0P | - |
| Photonics Solutions | Net Sales | 2.5 | 2.5 | 2.8 | 2.3 | 2.5 | 2.5 | 2.4 | 2.6 | +0.3 | +16.6% |
| | Operating profit | -0.3 | -0.3 | -0.1 | -0.6 | -0.0 | -0.2 | -0.0 | -0.0 | +0.5 | - |
| | Operating Margin | -12.9% | -14.9% | -5.0% | -28.9% | -2.3% | -8.6% | -2.0% | -3.1% | +25.8P | - |
| Others | Net Sales | 0.2 | 0.3 | 0.3 | 0.3 | 0.2 | 0.3 | 0.3 | 0.3 | +0.0 | +10.2% |
| | Operating profit | -0.0 | -0.0 | 0.1 | 0.0 | 0.0 | 0.0 | -0.0 | 0.0 | -0.0 | -37.9% |
| | Operating Margin | -22.9% | -16.7% | 51.7% | 23.5% | 1.1% | 8.8% | -0.6% | 13.2% | -10.3P | - |
| Total | Net Sales | 39.2 | 45.7 | 47.5 | 46.9 | 37.5 | 48.1 | 42.4 | 49.5 | +2.6 | +5.6% |
| | Operating profit | 2.0 | 2.9 | 5.2 | 2.7 | 0.3 | 3.9 | 3.1 | 1.4 | -1.3 | -48.3% |
| | Operating Margin | 5.2% | 6.4% | 11.0% | 5.9% | 0.9% | 8.2% | 7.4% | 2.9% | -3.0P | - |

Reference: Sales Ratio by Region



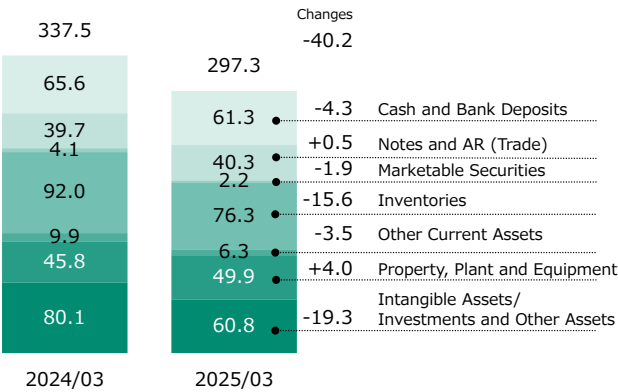
Reference: R&D Expenses/Capital Expenditures and Depreciation



Reference: Balance Sheet

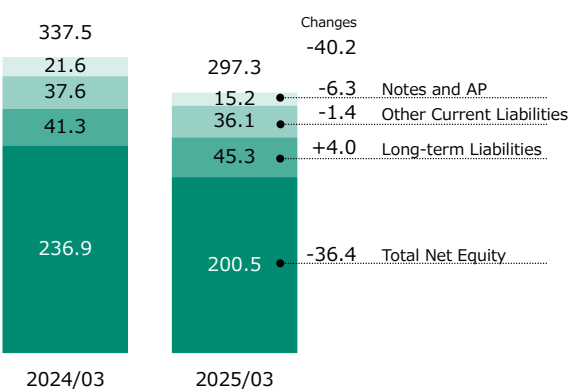
Assets

(Billions of yen)



Liabilities/Net Assets

(Billions of yen)



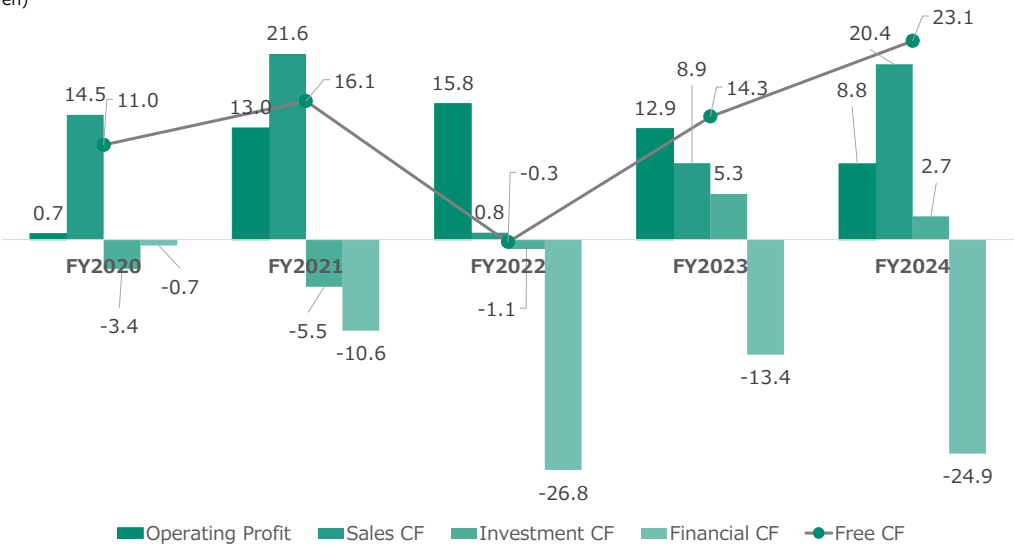
| | | |
|-----------------------|---------|---------|
| Turnover (months) | 2024/03 | 2025/03 |
| Receivable-trade | 2.6 | 2.7 |
| Inventories | 5.9 | 5.7 |
| Cash Conversion Cycle | 6.9 | 7.1 |

| | | |
|------------------|---------|---------|
| Equity Ratio (%) | 2024/03 | 2025/03 |
| | 70.2 | 67.4 |

Reference: Cash Flow

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(Billions of yen)



Glossary





| | |
|--------------------|---|
| 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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Ushio Report 2024





Received Excellence Award
in "2024 Internet IR Award" by
Daiwa Investor Relations Co. Ltd.



Selected as an AAA-grade website in
All Japanese Listed Companies'
Website Ranking in 2024 by Nikko
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Contact:
Investor Relations Office Ushio Inc.
Email: ir@ushio.co.jp
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