

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Financial Results Briefing for the Second Quarter of the Fiscal Year ending March 31, 2026 of Ushio Inc.

Major Questions and Answers

Date and Time: November 6, 2025/ 18:15 – 19:00

Method: Online

Presenter: Takabumi Asahi, Representative Director President and Chief Executive Officer

Notice: The 'Major Questions and Answers' is provided for reference for those who were not able to attend the financial results briefing. Please note that the information contained herein is a concise summary at the Company's discretion. Please also note that the forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable by the Company, and actual results may differ materially due to various factors

◆ Questioner: Mr. Wadaki, Morgan Stanley MUFG Securities

Q : Since the decision to acquire OSRAM's businesses, have you already seen any tangible benefits—such as easing price competition and improving profitability for your company?

A : We are still working toward the closing of the transaction, so no such benefits have materialized at this point. Looking ahead, however, we believe the acquisition will help stabilize market pricing, drive cost improvements, and ultimately enhance profitability. We will move forward with specific post-merger integration (PMI) initiatives, including deepening mutual understanding between the parties, to promote seamless business integration.

Q : A leading U.S. semiconductor manufacturer currently has relatively stronger competitiveness in back-end processes compared to front-end processes, and the U.S. government has expressed its support for strengthening advanced packaging. Given this trend, there are expectations that this manufacturer's back-end business will rebound. Do you anticipate any benefits for your company?

A : At present, global overinvestment in the substrate field continues, so we believe that a meaningful rebound will take some more time. On the other hand, we are currently working on multiple projects related to various technological developments for cutting-edge packaging. Therefore, when major semiconductor manufacturers begin to improve their performance in

this area, we expect to be able to participate and benefit as well.

Q : Regarding DLT systems, were this fiscal year's sales made to a single customer? Also, I assume that currently units are being shipped one at a time for evaluation purposes. When do you expect sales for mass production to begin?

A : Only a small number of units have been shipped so far. We expect confirmed and provisional orders to be finalized in due course. The current deliveries are essentially for pre-mass-production evaluations, and we foresee a full-scale ramp-up for mass-production deployments in fiscal 2027.

Q : For the next fiscal year, roughly how much revenue growth do you expect from lithography equipment in total—namely DI lithography systems, steppers, and DLT systems?

A : We are still in the process of reviewing our outlook for next fiscal year, but we are seeing some positive signs for DI lithography equipment. On the other hand, the recovery in demand for steppers and the full-scale ramp-up of DLT systems, which we initially expected in fiscal year 2026, now appear likely to slip by one year to FY2027. We will continue to closely monitor the situation.

Q : Is there any possibility that your company will become involved in 310mm square substrates going forward?

A : We cannot say we are deeply involved at this stage, but we do not believe that there is no possibility.

Q : I'd like to ask about the competitive landscape. An i-line scanner has recently entered the market and is being considered by some as the potential mainstream technology for advanced packaging. Other competitors are also offering maskless exposure equipment that uses multi-lens technology. Could you comment on the advantages and disadvantages of your DLT systems compared to these other approaches?

A : We believe our DLT system delivers performance that allows it to occupy a strong position in the market. In certain cases, its throughput may be slightly lower than that of steppers, but it can draw lines with extremely high precision while flexibly accommodating a wide range of substrate specifications. Thanks to its superior light-manipulation capability, it can cover throughput requirements adequately. Moreover, despite its high performance, the DLT system

is priced appropriately, and we believe this gives it a cost-performance edge. We will continue to monitor competitors closely.

◆ **Questioner: Mr. Nakanomyo, Jefferies Japan Limited**

Q : By how much did operating profit exceed your internal plan in the first half?

A : By several hundred million yen.

Q : You have kept the full-year guidance unchanged, citing delays in DLT systems. Some DLT sales originally planned for the second half were actually recognized in the first half ahead of schedule. Does this mean that, on a full-year basis, sales could still fall short of the initial plan?

A : While some sales were recognized ahead of schedule, considering lead times and other factors, there is a possibility that some sales may not be recognized in time this fiscal year. Taken as a whole, the timing is skewing later than we had initially assumed.

Q : While the timing for demand expansion and the start of mass production have been pushed back, is it correct to say that some sales were recognized ahead of schedule because evaluations of DLT systems are progressing smoothly?

A : That is correct. There are cases where evaluations have proceeded quickly and smoothly, which have led to earlier-than-expected sales.

Q : You have indicated that the OSRAM acquisition is on track for closing in the fourth quarter of this fiscal year. I understand that approvals from the relevant authorities in each country regarding changes in competition are required. Is that approval process proceeding on schedule and without any issues?

A : Yes. At this stage, we have not encountered any major issues.

Q : When combining your business with OSRAM's, there may be a perception that your market share will become quite high. Could this become an issue with the authorities?

A : It depends on how the relevant market is defined, but we have confirmed that the sales involved are not especially large. While we cannot say with absolute certainty at this stage that no issues will arise, we have encountered no major issues to date and expect the process to proceed smoothly.

Q : With respect to lithography equipment for substrate-related applications, you mentioned that the current state of overinvestment is easing and that investment could pick up somewhat next year. Could you elaborate on the background to this outlook?

A : Up through last fiscal year, many projects—including those for which we had already received orders—were postponed. Since the beginning of this year, however, the number of postponements has fallen to just a few units, and we are even seeing some requests to move deliveries forward, resulting in a mixed situation. More recently, we have begun receiving a significant number of inquiries for projects targeting fiscal year 2027 and beyond. We will work to secure these orders, but due to lead times, the contribution to next fiscal year's results is likely to be limited. We anticipate a certain degree of demand recovery and contribution to performance from fiscal year 2027 onward. From FY2027 onward, however, we expect a certain degree of demand recovery that should contribute to business performance.

◆ **Questioner: Mr. Saita, Mizuho Securities Co., Ltd.**

Q : Regarding the potential one-year delay in the full-scale ramp-up of DLT systems, is this primarily due to technical hurdles, or was the original schedule simply too optimistic? I assume that the fact that 300 mm square substrates have become the mainstream at present, rather than the anticipated 500 mm square substrates, has had some impact. Even with 300 mm square substrates, I would think certain layers favor maskless DLT systems over mask-based exposure. Are there additional technical difficulties we should be aware of?

A : The main reason for the delay is that our customers have encountered higher-than-expected hurdles in adapting their lines to larger substrates. Across the industry, the move to 500 mm or 600 mm square substrates for mass production is generally being pushed back. Scaling up to 500 mm square substrates, for example, presents challenges in both technical execution and production stability. That said, there is a shared industry consensus that larger substrates are ultimately essential, and we are simultaneously working on numerous projects to align technologies for that transition. Although the timeline has slipped, we remain confident that demand will eventually materialize.

Q : My understanding is that the delay is not due to any fundamental issues with the DLT system itself. Looking ahead, are there additional development tasks or adjustments that your company will need to undertake?

A : While I cannot go into specifics, each customer has different operating methods and places emphasis on different functions, so we do need to fine-tune the system to their requirements. In that sense, some additional development will be required.

Q : For the DLT system, could you tell us which field the customer belongs to for the order that was accepted ahead of schedule in the first half? Also, to the extent possible, could you comment on the customers behind the orders expected in the second half?

A : While we cannot disclose specific details, we can say that discussions are progressing with a broad range of customers—including semiconductor manufacturers, OSATs, and industry consortiums—both for the projects that were recognized ahead of schedule and for those to be ordered or confirmed in the second half.

Q : The advanced packaging market appears poised for growth, and many companies have announced plans to enter the field. Has the competitive landscape changed significantly? My impression is that your company is ahead in this field, would you agree?

A : We believe that we are well ahead in the field of utilizing DLT. That said, the advanced packaging market encompasses a wide range of concepts and specifications. Customers are increasingly adopting a mix-and-match approach—using DI lithography equipment or steppers with specifications that differ from those of DLT, or combining these technologies—so the competitive environment is becoming more diverse.

Q : The full-scale ramp-up of DLT systems has been delayed. Focusing solely on the forward investments related to DLT systems, roughly how much are you spending this fiscal year? Also, do you expect those expenditures to stay around the current level next year, or will they increase?

A : The exact figures are confidential, but we can say that a certain amount of expenditure is being incurred. We will continue to invest in development next fiscal year; however, we do not currently anticipate a significant increase from the present level. There may be additional investments required for customized responses to customer needs and for future generational upgrades, and such costs are likely to arise as demand ramps up.

Q : This fiscal year, forward investments related to DLT systems have been recorded as expenses. If spending remains at roughly the same level next fiscal year, is it fair to assume that there will be no further profit pressure from these investments?

A : That is correct. Once mass production ramps up, we expect those investments to translate into a significant positive contribution to profits rather than an additional burden.

◆ **Questioner: Mr. Ujihara, SBI SECURITIES Co., Ltd.**

Q : The ¥1.7 billion in forward investments related to DLT systems this fiscal year—does that include customization costs to meet specifications for customers with firm orders? Could you clarify the main components of this spending?

A : While customization costs are included, the majority of the expenses are related to core development activities. That accounts for a relatively large proportion.

Q : Could additional development expenses arise in the second half that would exceed your current forward investment assumptions?

A : Since we have a clear view of the development items required, we do not currently anticipate any significant costs beyond our expectations.

Q : Once these forward investments (development costs) settle down, can we expect significant contribution to profits in fiscal year 2027?

A : That is our expectation.

[END]