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Financial Results Briefing for the Fiscal Year ended March 31, 2026 of Ushio Inc. Major Questions and Answers

Date and Time: May 14, 2026/ 18:30 – 19:30

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. Nakanomyo, Jefferies Japan Limited

Q: Regarding steppers, you mentioned that inquiries for package substrate applications have been increasing recently, and that they are expected to begin contributing meaningfully to sales from FY2027. Could you share your view on the extent of recovery and expansion you expect, including from FY2027 onward?

A: Due to factors such as production lead times, the inquiries we expect to receive during the current fiscal year, FY2026, will begin to ramp up in earnest and contribute to sales from FY2027. Based on the current level of inquiries, we have a fairly high degree of visibility for the two-year period from FY2027 to FY2028. We are also receiving various requests for the period beyond that, and we believe a certain level of demand will continue from FY2028 onward. At the same time, it will be necessary to further enhance the specifications of our lithography equipment. Accordingly, we will expand investments in next-generation models, including steppers, toward FY2028 and beyond to address these needs.

Q: Sales of lithography equipment for package substrates were quite strong in the past, around FY2022, if I recall correctly. Should we expect sales to recover to that level?

A: We believe there is potential for that this time. As package substrates continue to become more miniaturized, customers are also starting to require specifications that go beyond conventional levels. Our sense is that demand for package substrates is expanding as it captures some of the needs for RDL layers. Given the expansion of the market, we expect

demand for steppers to continue growing steadily. However, there are areas where it is difficult to clearly distinguish this demand from demand for interposer substrate layers, and there is also demand for direct imaging (DI) lithography equipment. Therefore, we recognize the need to continue monitoring the market closely.

Q: Some observers believe that, as package substrates become finer and package sizes continue to increase, DI will account for a larger share of the market. Given that demand for steppers is also recovering solidly, and that your company offers both solutions, do you expect this to work to your advantage?

A: We do believe that, as package substrates become larger, there will be more areas where DI lithography equipment is used. However, many customers also place importance on the stable productivity of steppers, so we believe we can capture a certain level of demand. It will depend on the future size of the substrate, but we expect a certain division of roles between DI and steppers to emerge.

Q: Historically, your steppers had a very high market share in package substrate-related applications. As the market recovers from FY2027 onward, do you expect to maintain a strong presence?

A: We expect DI to be adopted in some areas. However, overall demand for substrates is expanding, and within that market, we believe our steppers will be able to maintain a solid presence.

Q: New Growth Strategy Phase I will conclude in the current fiscal year. Although the timing for achieving the target of ROE of 8% or more has been pushed back, I believe many of the specific initiatives you set out to implement have been coming to fruition. I assume that the basic direction of Phase II will not change significantly from what you previously indicated, but could you share your current thinking on matters such as the timing of the Phase II announcement and the direction you intend to pursue?

A: The overall direction of Phase II itself remains largely unchanged. We have been taking various measures to drive growth in Phase II, and our direction of growing mainly through the Industrial Processes business remains unchanged. As technological requirements and application areas related to semiconductors for generative AI continue to expand, we intend to drive that growth by formulating and executing strategies such as making R&D investments and strengthening collaboration frameworks. Investments in lithography equipment that can support larger package substrates, as well as in optical processes that help address semiconductor production challenges, will be key. We believe these areas will account for a

significant portion of growth in Phase II going forward.

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

Q: You made a strong comment that inquiries for lithography equipment have surged recently. Regarding substrates, my understanding is that, amid ongoing investment in AI semiconductors and data centers, inquiries are being driven by industry-wide discussions about investments by manufacturers in Japan, South Korea, Taiwan and other regions. How are inquiries for your UX-5 and UX-4 in other areas, such as for OSATs, or for electronic components used by consortium-type development organizations? Also, is it correct to understand that, among steppers, DI lithography equipment and DLT systems, inquiries are currently most active for steppers?

A: For substrates, as you pointed out, we are in discussions with major substrate manufacturers in Japan, South Korea, Taiwan, China and other regions, and inquiries are expanding. For the UX-5, inquiries are mainly coming from this area. For the UX-4, inquiries have been increasing for components related to photoelectronic fusion, including switching-related applications. As for DI lithography equipment, at present, demand is becoming stronger not for AI substrates — in other words, not for package substrates — but for main boards, or printed circuit boards, where finer patterns and thicker, heavier, and more multilayered structures are being required. Inquiries for DI lithography equipment are strengthening for these thick, heavy, and multilayer boards. With regard to DLT systems, there are many projects, and there is no doubt that demand will begin to ramp up in earnest from FY2027. However, because this is closely linked to the trend toward larger-format interposer substrates, the situation has not changed significantly in the near term. Therefore, current inquiries are strong for steppers used for substrates and for DI lithography equipment used for thick, heavy, and multilayer boards. For the current fiscal year, FY2026, we expect steppers and DI lithography equipment to see demand and sales momentum ahead of DLT systems.

Q: Is it correct to understand that existing customers are making investments to expand capacity, and that this is leading to increased inquiries for your existing equipment?

A: That is correct. We are seeing increased inquiries in relation to customers' moves to further expand capacity and add production lines for package substrates, which they had originally planned.

Q: Regarding the next-generation UX-5, the 1.5 μm model that was announced previously, how are inquiries developing? Also, to what extent have you factored DLT systems into your sales plan for the current fiscal year?

A: As for the next-generation UX-5, the 1.5 μm model, given the sharp increase in inquiries for package substrate applications, the timing of the ramp-up remains unchanged from our initial plan, with earnings contribution expected to begin from 2028 onward. That said, as the technology becomes more complex, we believe there is a possibility that customer requirements for a shift to next-generation models will increase. As for DLT systems, we expect them to begin ramping up in earnest from FY2027, and for the current fiscal year, we are assuming sales of only a limited number of units.

Q: I understand that sales of DLT systems were also limited to a small number of units in the previous fiscal year, FY2025. Is it correct to understand that they have also been factored into the plan for the current fiscal year, while still on a limited scale?

A: That is correct.

Q: Regarding the OSRAM business acquisition, you mentioned that the impact on operating profit this fiscal year would be a positive ¥2.8 billion from consolidation and a negative ¥3.3 billion from one-time expenses. Looking ahead to the next fiscal year, FY2027, is it correct to understand that, of the ¥3.3 billion negative impact from one-time expenses, all items other than goodwill amortization will be eliminated?

A: The main component of the one-time expenses is PMI costs, which will be recognized only in the current fiscal year. Goodwill amortization will continue thereafter, amounting to ¥1.3 billion per year.

Q: Is it correct to understand that, of the ¥3.3 billion in one-time expenses, ¥2.0 billion will drop off from the next fiscal year?

A: Yes, that is correct.

Q: I believe demand for lithography equipment is currently ramping up rapidly. My understanding is that you had previously adjusted production levels for steppers. Amid the current uncertainty, including the situation in the Middle East, have you secured the necessary manufacturing capacity and procurement of components from suppliers to respond to this sudden ramp-up in demand?

A: The key issue is whether we can secure a production framework to meet this increase in demand. The biggest challenge is how to secure the necessary components. We are therefore working closely with our business partners and doing everything we can to secure supply, including placing orders and making arrangements in advance. Regarding manufacturing capacity as well, we are not limiting ourselves to in-house production. We are currently

considering various options, including working with partners, in order to establish the most appropriate and efficient production framework. While the pace and extent of future demand growth remain factors to consider, we are working to ensure that we can respond to demand, including by coordinating delivery schedules with customers.

Q: At this point, are lead times beginning to lengthen? Or are you still generally able to meet customers' requested delivery schedules?

A: Some customers have requested shorter lead times, but we are working with them on an individual basis to coordinate deliveries at the appropriate timing.

◆ **Questioner: Ms. Tamura, Morgan Stanley MUFG Securities Co., Ltd.**

Q: In relation to steppers, you mentioned EMIB-T this time. Is it correct to understand that adoption of your steppers for related applications is making solid progress? Also, could you explain again what business opportunities EMIB-T could create for your company, and what competitive advantages you have in this area?

A: We believe demand for the EMIB-T approach is gradually expanding, and we see this as an area where our steppers can leverage their strengths. Given our relationships with customers, we cannot go into details. However, EMIB-T is one of the technologies supporting demand driven by AI semiconductors. We are beginning to see incremental demand emerge in addition to the approach that has effectively been the de facto standard over the past one to two years, and EMIB-T is among the technologies being discussed in that context. Within that trend, particularly as demand for package substrates expands, we believe demand for steppers will also increase.

Q: We understand that your customers are planning investments around 2027, and therefore assume that related equipment will be shipped toward that timeframe. Could you share your expectations regarding the timing of sales recognition and the potential scale of sales?

A: While unit sales in the current fiscal year, FY2026, are expected to remain limited, we expect shipments of steppers to increase heading into FY2027 and FY2028. For FY2027, we expect shipments to increase substantially compared with the current fiscal year. We are still examining the specific scale of sales for FY2027, and will provide updates in stages as soon as we are able to do so.

◆ **Questioner: Mr. Fukuyama, Daiwa Securities Co., Ltd.**

Q: Based on your materials, it appears that the number of DLT systems in FY2026 will be limited. Even so, should we understand that DLT systems will drive the increase in lithography equipment sales in FY2026?

A: In FY2026, we expect some increase in steppers as well, but we expect a more substantial increase from FY2027 onward. Accordingly, while the number of DLT systems sold will not be large, we believe your understanding is broadly correct in terms of the overall trend in lithography equipment sales.

Q: Based on your materials, it appears that you are expecting FY2027 sales to be roughly 1.2 times the previous peak sales level. Could you comment on that?

A: We expect sales to increase significantly in FY2027, but we are still examining the specific magnitude.

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