

First Quarter FY2025 Financial Results

Ushio Inc.
August 5, 2025

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- * Amounts in this document have been rounded down to the nearest 100 million yen.
- * Sales to external customers and operating profit as a percentage of sales to external customers are shown
- * FY2025 starts from April 1st, 2025 through March 31st, 2026.
- * IP: Industrial Processes business, VI: Visual Imaging business, LS: Life Sciences business, PHS: Photonics Solutions business



I am Asahi, President and CEO of Ushio Inc.

Thank you for joining our financial results briefing for Q1 of the fiscal year ending March 31, 2026, despite your busy schedule.

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

Q1 FY2025 Results:

- Boosted revenues and earnings in line with initial plans
 - Efforts to revamp business portfolio enhanced profitability
 - Increase forward investments in DLT systems and other lithography equipment as planned

FY2025 Forecasts:

- Unchanged
- Resolved to repurchase ¥20.0 billion in shares as part of shareholder returns

New Growth Strategy Progress Report

- Steadily implemented measures and delivered results
- Decided to make an acquisition to strengthen foundation business

There are three key points I would like to share with you today.

The results for the first quarter showed increases in both revenue and profit. While we expanded forward investments for future growth, profitability improved thanks to a reduction in inventory valuation losses and the positive outcomes of our business portfolio revamp.

There is no change to our full-year earnings forecast for fiscal 2025. Additionally, today we resolved to repurchase ¥20.0 billion in shares.

Regarding our New Growth Strategy, the effects of each initiative are beginning to materialize, and I will provide an update on the progress shortly.

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

(Move on to slide 4)

I. Financial Results for Q1 FY2025

II. Full-Year Forecasts for FY2025

III. New Growth Strategy Progress Report and Financial Highlights

IV. Supplementary Information

- ① Full-Year Forecasts (Additional Information)
- ② Others

Net Sales
38.3 billion yen

YoY Comparison: +0.8 billion yen (+2.2%)

- Industrial Processes business: Lithography equipment sales slightly decreased due to sluggish semiconductor investments
- Visual Imaging business: DCP sales rose amid the investment recovery trend

Operating Profit
0.9 billion yen

YoY Comparison: +0.6 billion yen (+182.5%)

- Earnings increased due to lower loss on valuation of inventories YoY, and strategic selection of investment targets
- Expanded forward investments in DLT systems and other lithography equipment

**Loss Attributable
to Owners of
Parents**
2.8 billion yen

YoY Comparison: -3.1 billion yen

- Extraordinary loss
- Business restructuring expenses: 3.6 billion yen (FY2024 : -)

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For the first-quarter results, net sales increased by ¥0.8 billion, operating profit rose by ¥0.6 billion, while profit attributable to owners of parent fell by ¥3.1 billion.

Net sales saw a slight decline in lithography equipment due to continued subdued investments in semiconductor sectors excluding generative AI.

Conversely, investments in movie theaters recovered to some extent, leading to increased sales of digital cinema projectors and overall revenue growth.

Operating profit increased despite expanded forward investments in lithography equipment such as DLT systems, driven by a reduction in inventory valuation losses and the positive effects of strategic investment selection.

Profit attributable to owners of parent declined due to the recording of business restructuring expenses.

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

(Move on to slide 6)

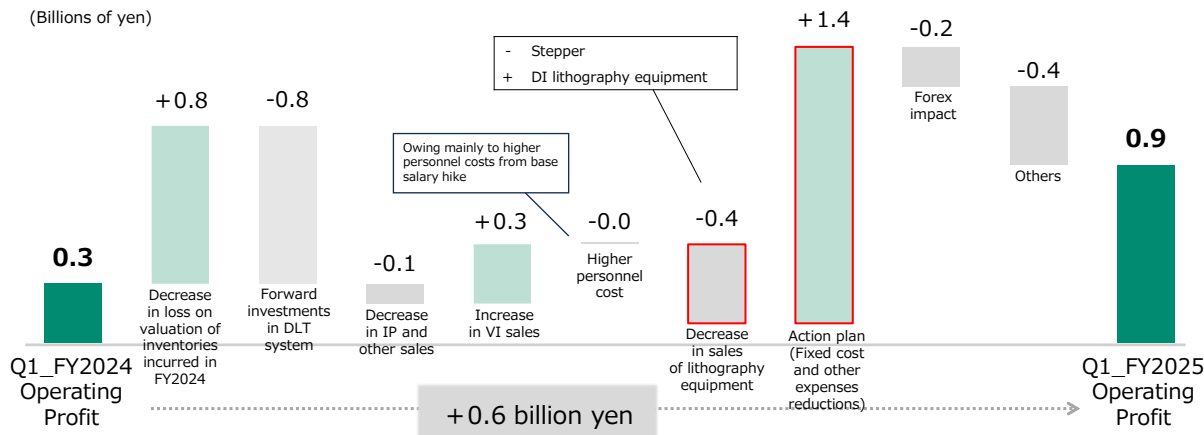
Q1 FY2025: Financial Highlights



| (Billions of yen) | | Q1 FY2024 Results | Q1 FY2025 Results | YoY Comparison | |
|---|-----|----------------------|----------------------|----------------|---------|
| | | | | Changes | (%) |
| Net Sales | | 37.5 | 38.3 | +0.8 | +2.2% |
| Operating Profit | | 0.3 | 0.9 | +0.6 | +182.5% |
| Operating Margin | | 0.9% | 2.5% | +1.6P | - |
| Ordinary Profit | | 1.4 | 1.6 | +0.1 | +10.1% |
| Profit/Loss Attributable to Owners of Parent | | 0.2 | -2.8 | -3.1 | - |
| EPS (yen) | | 2.92 | -32.06 | -34.99 | - |
| FOREX rate (yen) | USD | 155 | 145 | -10 | - |
| | EUR | 167 | 163 | -4 | - |

Q1 FY2025: YoY Variation Analysis of Operating Profit

Earnings increased despite higher forward investments in DLT systems and decreased lithography equipment sales, driven by the execution of fixed cost and other expenses reduction action plans



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The main factors behind the ¥0.6 billion increase in operating profit were a ¥2.2 billion increase driven by a reduction in inventory valuation losses recorded in the previous fiscal year and cost-cutting effects including fixed cost reductions, partially countered by a 1.2 billion yen decrease due to forward investments and lower sales of lithography equipment.

Next, I will explain the performance by business segment.

(Move on to slide 8)

Q1 FY2025: Financial Results by Business Segment



| | | Q1 FY2024 Results | Q1 FY2025 Results | YoY Comparison | |
|----------------------|--|----------------------|------------------------|--------------------|---------------|
| | | | | Changes | (%) |
| Industrial Processes | Net Sales | 15.5 | 15.8 | + 0.2 | + 1.6% |
| | Operating Profit [Operating Margin] | 1.0 [6.7%] | 0.3 [2.1%] | -0.7 [-4.7P] | -68.9% - |
| Visual Imaging | Net Sales | 17.5 | 18.3 | + 0.7 | + 4.1% |
| | Operating Profit [Operating Margin] | -0.4 [-2.7%] | 0.3 [1.9%] | + 0.8 [+ 4.6P] | - - |
| Life Sciences | Net Sales | 1.5 | 1.5 | + 0.0 | + 3.1% |
| | Operating Profit [Operating Margin] | -0.1 [-11.1%] | 0.1 [7.2%] | + 0.2 [+ 18.3P] | - - |
| Photonics Solutions | Net Sales | 2.5 | 2.3 | -0.2 | -8.8% |
| | Operating Profit [Operating Margin] | -0.0 [-2.3%] | 0.2 [9.8%] | + 0.2 [+ 12.1P] | - - |
| Others | Net Sales | 0.2 | 0.3 | + 0.0 | +9.0% |
| | Operating Profit [Operating Margin] | 0.0 [1.1%] | -0.0 [-7.3%] | -0.0 [-8.5P] | - - |
| Total | Net Sales | 37.5 | 38.3 | + 0.8 | + 2.2% |
| | Operating Profit [Operating Margin] | 0.3 [0.9%] | 0.9 [2.5%] | + 0.6 [+ 1.6P] | + 182.5% - |

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Q1 FY2025: Industrial Processes Results

| (Billions of yen) | Q1 FY2024 Results | Q1 FY2025 Results | YoY Comparison | |
|--------------------------------|----------------------|----------------------|----------------|---------|
| | | | Changes | (%) |
| Net Sales | 15.5 | 15.8 | +0.2 | +1.6% |
| Operating Profit | 1.0 | 0.3 | -0.7 | -68.9% |
| Operating Margin | 6.7% | 2.1% | -4.7P | - |
| Net Sales by Subsegment | | | | |
| UV Lamps | 3.7 | 3.7 | +0.0 | +0.4% ③ |
| OA Lamps | 1.4 | 1.3 | -0.1 | -8.7% |
| Optical Equipment Lamps | 2.7 | 2.8 | +0.1 | +3.9% |
| Light Source Business | 8.0 | 8.0 | -0.0 | -0.1% |
| Lithography Equipment | 3.8 | 3.8 | -0.0 | -1.4% ① |
| Other Optical Equipment | 3.7 | 4.0 | +0.3 | +8.1% ② |
| Optical Equipment Business | 7.5 | 7.8 | +0.2 | +3.3% |
| Total | 15.5 | 15.8 | +0.2 | +1.6% |

■ Net Sales: up 0.2 billion yen YoY

- While direct imaging lithography equipment sales remained steady, stepper sales declined due to customers' weak investments ①
- Although EUV mask inspection light source maintenance revenues were down, sales of photo-alignment equipment increased ②
- Notwithstanding a stronger yen, sales slightly increased amid a recovery trend in semiconductor factory utilization rates ③

■ Operating Profit: down 0.7 billion yen YoY

- Expanded forward investments in DLT systems and other lithography equipment
- Constrained EUV development investments

Let's begin with the Industrial Processes business.

Net sales slightly increased, driven by sales of photo-alignment equipment for flat panel displays, despite a decline in stepper sales due to continued weak investments in semiconductors excluding generative AI.

Operating profit decreased by ¥0.7 billion, primarily due to expanded forward investments, although investments in the EUV business were restrained.

Q1 FY2025: Visual Imaging Results

| (Billions of yen) | Q1 FY2024 Results | Q1 FY2025 Results | YoY Comparison | |
|--------------------------------|----------------------|----------------------|----------------|----------|
| | | | Changes | (%) |
| Net Sales | 17.5 | 18.3 | +0.7 | +4.1% |
| Operating Profit | -0.4 | 0.3 | +0.8 | - |
| Operating Margin | -2.7% | 1.9% | +4.6P | - |
| Net Sales by Subsegment | | | | |
| Projector Lamps | 2.8 | 2.2 | -0.5 | -20.4% ② |
| Illumination Lamps | 0.9 | 0.7 | -0.1 | -18.1% |
| Light Source Business | 3.7 | 3.0 | -0.7 | -19.9% |
| Cinema | 5.9 | 7.5 | +1.5 | +26.6% ① |
| General Imaging | 7.8 | 7.6 | -0.1 | -1.4% ③ |
| Imaging Equipment | 13.7 | 15.2 | +1.4 | +10.7% |
| Total | 17.5 | 18.3 | +0.7 | +4.1% |

■ Net Sales: up 0.7 billion yen YoY

- DCP sales were boosted by a moderate recovery in cinema-related investment ①
- Shift to solid-state light sources and stronger yen detracted from sales ②
- While demand remained firm, sales were flat owing to stronger yen ③

■ Operating Profit: up 0.8 billion yen YoY

- Decrease in loss on valuation of inventories YoY
- Product portfolio review efforts yielded results

Next is Visual Imaging business.

Net sales increased by ¥0.7 billion, driven by a moderate recovery in cinema-related investments that boosted sales of digital cinema projectors, despite a decline in projector lamp sales due to the shift to solid-state light sources.

Operating profit increased by ¥0.8 billion, driven by a decrease in inventory valuation losses recorded in the previous fiscal year and the positive effects of product portfolio reviews.

Q1 FY2025: Life Sciences and Photonics Solutions Results

Life Sciences

| (Billions of yen) | Q1 FY2024 Results | Q1 FY2025 Results | YoY Comparison | |
|-------------------------|----------------------|----------------------|----------------|-------|
| | | | Changes | (%) |
| Net Sales | 1.5 | 1.5 | +0.0 | +3.1% |
| Operating Profit | -0.1 | 0.1 | +0.2 | - |
| Operating Margin | -11.1% | 7.2% | +18.3P | - |

■ **Net Sales: up 0.0 billion yen YoY**

- Sales solid overall

■ **Operating Profit: up 0.2 billion yen YoY**

- Earnings increased due to strategic selection of investment targets in new projects

Photonics Solutions

| (Billions of yen) | Q1 FY2024 Results | Q1 FY2025 Results | YoY Comparison | |
|-------------------------|----------------------|----------------------|----------------|-------|
| | | | Changes | (%) |
| Net Sales | 2.5 | 2.3 | -0.2 | -8.8% |
| Operating Profit | -0.0 | 0.2 | +0.2 | - |
| Operating Margin | -2.3% | 9.8% | +12.1P | - |

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

- Lower sales of devices for industrial applications

■ **Operating Profit: up 0.2 billion yen YoY**

- Earnings increased as focused selection and concentration of projects improved profitability

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Next is Life Sciences business.

Net sales remained flat, supported by generally steady sales.

Operating profit increased by ¥0.2 billion, reflecting the positive impact of strategic selection of investment targets in new business projects.

Finally, Photonics Solutions business.

Net sales declined by ¥0.2 billion due to lower sales of devices for industrial applications.

On the other hand, operating profit increased by ¥0.2 billion, driven by improved profitability through strategic selection of development projects and other investments.

Next, I will explain the full-year earnings forecast.

(Move on to slide 12)

I. Financial Results for Q1 FY2025

II. Full-Year Forecasts for FY2025

III. New Growth Strategy Progress Report and Financial Highlights

IV. Supplementary Information

- ① Full-Year Forecasts (Additional Information)
- ② Others

FY2025 Full-Year Forecasts: Summary

Remain unchanged from the initial plan

| (Billions of yen) | FY2024 Results | FY2025 Forecasts | YoY Comparison | | Progress rate |
|---|-------------------|---------------------|----------------|--------|------------------|
| | | | Changes | (%) | |
| Net Sales | 177.6 | 170.0 | -7.6 | -4.3% | 22.6% |
| Operating Profit | 8.8 | 10.0 | +1.1 | +13.3% | 9.7% |
| Operating Margin | 5.0% | 5.9% | +0.9P | - | - |
| Ordinary Profit | 12.4 | 10.5 | -1.9 | -15.7% | 15.3% |
| 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 | -12 | - | - |
| | EUR | 164 | -7 | - | - |

*Forex assumption for Q2 and beyond: USD at ¥140 yen, EUR at ¥155 (Forex rates for the first three months of FY2025: USD at ¥145, EUR at ¥163)

(Reference) Forex sensitivity: Annual impact from 1 yen fluctuation

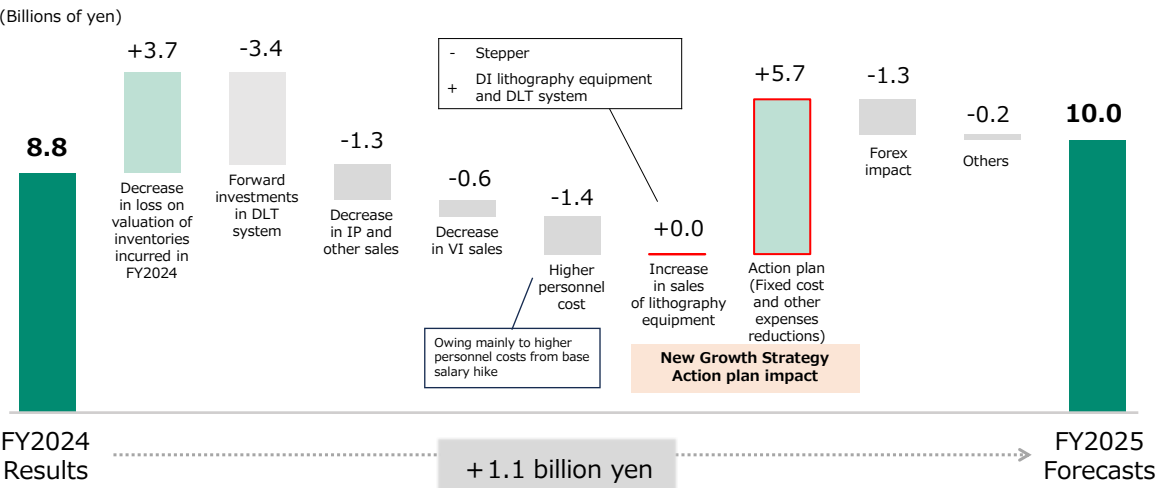
[vs USD] Net Sales: Approximately ¥1.00 billion, Operating profit: Approximately ¥0.12 billion

As mentioned at the beginning, there are no changes to the full-year earnings forecasts from the initial plan.

(Move on to slide 14)

YoY Variation Analysis of Operating Profit for FY2025

Remain unchanged from the initial plan



Q1 Progress (by Segment) toward Full-Year Forecasts for FY2025

| | (Billions of yen) | FY2024 Results | FY2025 Forecasts <small>(Interim)</small> | YoY Comparison | | Progress rate | Outlook for Q2 and Beyond |
|-------------------------|--|-------------------|---|-----------------|--------------|------------------|--|
| | | | | Changes | (%) | | |
| Industrial Processes | Net Sales | 78.9 | 76.0 | -2.9 | -3.7% | 20.8% | <ul style="list-style-type: none"> Stepper sales should rise from H2 Should post DLT system sales from Q4 Will make forward investments related to DLT systems and other lithography equipment as planned |
| | Operating Profit [Operating Margin] | 9.6 [12.2%] | 6.5 [8.6%] | -3.1 [-3.6P] | -32.5% - | 5.0% - | |
| Visual Imaging | Net Sales | 80.8 | 76.0 | -4.8 | -6.1% | 24.1% | <ul style="list-style-type: none"> Demand in line with projections made at start of term Undertaking structural reforms Impact of U.S. tariff measures to remain within expected range (see slide 29 for details) |
| | Operating Profit [Operating Margin] | 0.7 [0.9%] | 4.5 [5.9%] | +3.7 [+5.0P] | +516.7% - | 7.8% - | |
| Life Sciences | Net Sales | 6.1 | 6.0 | -0.1 | -1.8% | 26.5% | <ul style="list-style-type: none"> Sales to remain flat Strategic investment selection effect continues |
| | 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% | 22.1% | <ul style="list-style-type: none"> Sales to remain flat Strategic project selection effect continues |
| | 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% | 20.9% | |
| | 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% | 22.6% | |
| | Operating Profit [Operating Margin] | 8.8 [5.0%] | 10.0 [5.9%] | +1.1 [+0.9P] | +13.3% - | 9.7% - | |

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There are also no changes to the earnings forecasts by segment.

In Industrial Processes business, expansion of sales for lithography equipment, including DLT systems, is expected from the second half of the fiscal year and beyond.

In Visual Imaging business, the impact of the U.S. tariff measures that had been a concern has so far remained within the expected range. I will provide more details on this later.

Shareholder Returns

USHIO

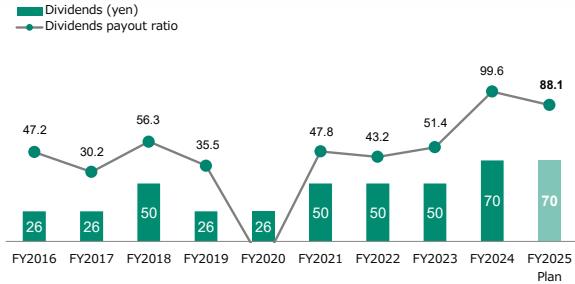
Dividends per Share

【Dividend policy】

Generating stable returns

FY2025: ¥70 per share (plan)

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



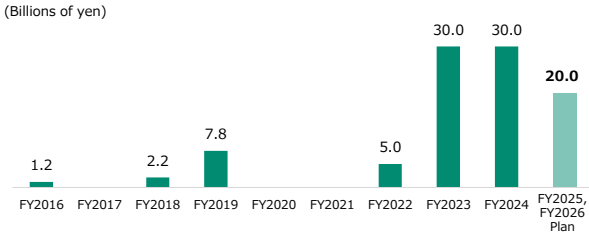
Share Buybacks

【Buyback policy】

Flexibly repurchase shares

Announcement on Aug. 5, 2025
Purchase period: Aug. 6, 2025 to Apr. 30, 2026
Total amount to be purchased: 20.0 billion yen (max)
Total number of shares to be purchased: 15.00 million shares (max)
Of these, 3.50 million shares are scheduled for acquisition through ToSTNeT-3

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



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Regarding shareholder returns, today the Board of Directors resolved to repurchase ¥20.0 billion in shares.

Of the 15.00 million shares to be repurchased, 3.50 million shares will be acquired through ToSTNeT-3, an off-market trading platform.

We are steadily advancing these measures in line with the New Growth Strategy aimed at improving capital efficiency.

For more details, please refer to the release issued today.

This concludes my explanation of the first quarter results and the full-year earnings forecasts.

Next, I will explain the progress of the New Growth Strategy and financial highlights.

(Move on to slide 17)

I. Financial Results for Q1 FY2025

II. Full-Year Forecasts for FY2025

III. New Growth Strategy Progress Report and Financial Highlights

IV. Supplementary Information

- ① Full-Year Forecasts (Additional Information)
- ② Others

Overview of Progress Report on New Growth Strategy

Steadily implementing all measures and delivering results

① Growth businesses (Advanced packaging business, Expanding IP business)

- Obtained additional DLT system equipment orders and made first shipment (see slide 18)
- Planned launch of new UX-5 series product, strategic product for advanced packaging (see slide 19)
- Strengthen light source business profit base through acquisitions (see slides 20~23)

② Business portfolio revamping (strategic selection of businesses, structural reforms)

Structural reforms: Steadily reinforced earnings structure

- VI business: Progressed with efforts to improve earnings structure by deploying fixed cost reduction action plan (see slides 24~25)
- PHS business: Focused selection and concentration of projects improved profitability. Further measures are under consideration
- Selection and concentration of new businesses: Out of 27 projects, 14 have been discontinued (as of End_06/2025)
Ongoing projects include; PFAS decomposition, new pulsed light spectroscopy technology, and interference lithography tool

③ Financial Strategies

In keeping with New Growth Strategy, decided to repurchase ¥20.0 billion in shares (see slide 26)

Expansion of Second Life Support Program Results

The number of applicants has been finalized, and an extraordinary loss has been recognized (see slide 28)

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Regarding the progress with New Growth Strategy, we are steadily executing each of the planned measures.

We have secured additional orders for DLT systems.

Furthermore, the development of next-generation stepper is progressing smoothly, and today we announced plans to launch a new product for advanced packaging in the near future.

We have decided on an acquisition to build a solid profit base in our light source business, a foundation business of Industrial Processes segment.

We continue to advance strategic selection and concentration of businesses, as well as structural reforms.

Business portfolio revamp has entered the structural reform phase, with action plans underway to improve profitability, mainly focusing on Visual Imaging business.

In terms of financial strategy, we have resolved to make an additional share repurchase.

I will explain these points in more detail on the following pages.

① Growth Businesses (Advanced Packaging Business)

DLT systems business news

- **Have obtained additional orders**, with customer qualifications of systems progressing well
- ADTEC Engineering's Nagaoka plant **shipped first unit** in June 2025



Shipment from plant

Update on next-generation package substrate business climate

Notwithstanding some delays in decisions on DLT system adoption, **future potential remains high**

- Advanced packaging market is **certain to grow steadily (to exceed \$800 million by 2030)**
- Currently, conventional technologies are prioritized to meet growing AI semiconductor demand; investment in new technologies is delayed
- **Strong demand for panelization, large-size panels, and silicon bridges to improve performances and yields by addressing substrate warping and die shift issues**
(For detail, see slide 28-30 of "[Progress Report on New Growth Strategy Phase I](#)" (released on May 13, 2025))
- **Hopes are high for DLT systems to serve as a powerful solution for these issues**
- **Many customers* are currently assessing and discussing DLT systems for next-generation substrates** *Mainly in Japan, Korea, Taiwan, China, United States, and Europe
- Assessments encompassing everything from wafer level packages to organic substrates, redistribution layers, panel level packages, and glass substrates
- Generative AI semiconductor and HPC market growth should **expand production of advanced package substrates**: Pursuing growth opportunities in steppers and other related equipment

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Let me provide an update on the advanced packaging business, which is one of our growth businesses.

We made the first shipment of our DLT system in June and have secured additional orders.

Let me reiterate our understanding of the business environment for next-generation package substrates.

While we maintain our view that demand for advanced packaging will continue to grow, we recognize that currently, conventional technologies are being prioritized to meet the expanding demand for generative AI semiconductors, resulting in postponed investments in new technologies.

However, the need for improved performance and yield remains strong, and many substrate-related manufacturers are evaluating DLT systems as a promising solution to address these challenges, with ongoing business discussions.

Furthermore, there is a growing trend toward scaling up production of high-precision package substrates, including substrate boards, and we are advancing efforts to reliably capture this demand.

① Growth Businesses (Advanced Packaging Business)

Announcement of the planned launch of a 1.5μm resolution stepper

~ Expanding the product lineup for advanced packaging~

Established development plan for UX-59113 as a stepper for advanced packaging, which enables single-shot, stitchless exposure of substrates 100mm square or larger at 1.5μm resolution, improving yield and productivity during mass production. Planned to launch within fiscal year 2026

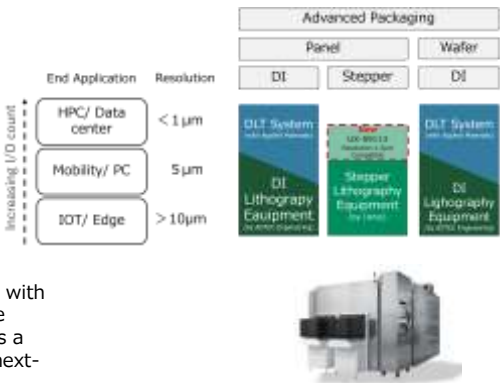
■ Main features

- Single-shot exposure of substrates 100mm square or larger at 1.5μm resolution
- Light source and other components designed and incorporated into the equipment in-house
- Transport platform compatible with full-panel-size organic and glass substrates

With the addition of the new stepper product "UX-59113," which is compatible with interposer substrates that play an important role in advanced packaging, to the stepper lineup, we are able to build a comprehensive product lineup that meets a wider range of customer needs and contributes to technological innovation in next-generation package substrates, particularly for generative AI semiconductors.

For details, see "[Announcement of the planned launch of a 1.5μm resolution stepper - Expanding the product lineup for advanced packaging -](#)" (issued on August 5, 2025)

Ushio's lithography equipment lineup



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Today, we announced the steady progress in the development of the next-generation stepper lithography equipment as a strategic product for semiconductor advanced packaging, moving toward commercialization.

The new product, "UX-5," supports a line-and-space resolution of 1.5 microns and enables wide-area exposure exceeding 100mm square in a single shot. This significantly enhances our capability to address the increasingly important interposer substrates.

Currently, we are focusing on expanding sales of the new "DLT system," developed through a strategic partnership with Applied Materials. The UX-5 is designed to support the DLT system by precisely meeting customer needs such as improving productivity and yield in mass production processes. We expect it to make a significant contribution to future market expansion.

With the introduction of this product, our lithography equipment lineup will be further strengthened, and we believe our competitive advantage in the advanced packaging field will be further enhanced.

In this way, our lithography equipment centered on the DLT system will continue to contribute to the technological evolution of advanced packaging.

① Growth Businesses (Expanding IP business: Decided to make acquisitions)

● **Strengthening foundation business through acquisition of certain business units of ams-OSRAM AG**

Goals: Bolster competitiveness of light source business, the core of foundation businesses, and solidify long-term profit base

• **Tap demand growth to expand earnings from specialty lamps for semiconductor manufacturing equipment**

- Build competitive edge by increasing global presence
- Enhance cost competitiveness

■ **Strengths of the Business to be acquired**

- Manufacturing line automation and process standardization will greatly streamline production structure and minimized inventory
- Customer base centered in Europe

■ **Synergies**

- Greater production efficiency, expanded customer base, improved organizational efficiency and procurement

■ **New Growth Strategy benefits**

- Acquisition of the business expected to achieve a return on invested capital exceeding 10%
- Prospective contributions to expansion of IP business (semiconductors)

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We have decided on an acquisition to drive growth and expansion in Industrial Processes business.

The business to be acquired is the industrial and entertainment lamp business of Osram, our largest competitor in the light source business.

Through this acquisition, we will further strengthen the competitiveness of our light source business, which is the core of our foundation businesses, enabling us to improve profitability and secure a sustainable profit base.

This business is expected to achieve a return on invested capital exceeding 10%, making it a significant contributor to the growth and expansion of Industrial Processes business. Furthermore, it will help us build a stronger foundation to support the growth of the advanced packaging business, our primary business.

For more details on the business to be acquired, please refer to the next page and the release dated July 29, 2025.

(Move on to slide 22)

Appendix: Acquisition Detail

■ About ams-OSRAM AG



A global leader in semiconductor and traditional automotive & industrial specialty lamps technologies, engaged in the design, manufacture, and sale of semiconductor devices such as LEDs, lasers, and sensors for automotive, industrial, medical, and consumer applications, as well as specialty lamps for semiconductor manufacturing equipment.

■ About business to be acquired

Lamp business for industrial (mainly for semiconductor) and entertainment applications
→ Including specialty lamps for semiconductor manufacturing equipment, among others (see slide 22 for details)

■ Funding for the acquisition

Planning to use our own funds and funds through borrowings from financial institutions

■ Transaction Overview

- Acquisition price: Approx. ¥15.2 billion (€88.3 million)
- Structure:
 - Acquire all shares of a subsidiary that OSRAM GmbH plans to establish
 - Take over related business assets
 - Conclude a share and asset transfer agreement for the takeover
- Scale of business to be acquired: Around ¥28.8 billion in sales for the year ended December 2024
- Number of employees to be accepted: Around 500

■ Schedule

- July 28, 2025: Acquisition approved by the Board of Directors
- Targeted transaction closing during Q4 FY2025

■ Results impact

Impact on operating results for FY2026/03 is currently under close scrutiny, and we will announce any impact that should be disclosed as soon as such an impact is found

For details, see ["Ushio acquires the Industrial and Entertainment lamps business of ams-OSRAM Group"](#) and ["Notice Concerning the Acquisition of Shares in a Newly Established Subsidiary of ams-OSRAM AG \(Making it a Subsidiary of USHIO\)"](#) (both issued on July 29, 2025)

Appendix: Acquisition Detail

Details of the business to be acquired

| Applications | Ushio's business segment | Post-acquisition |
|--|--------------------------|---|
| Semiconductor lamps Exposure (i-line), inspection, and thermal processes | IP business | Market trend: Certain to grow steady Results contributions: Higher revenues and earnings from improved competitiveness |
| <ul style="list-style-type: none">• Cinema lamps• Airport lamps• Stage, studio, theater, and stadium lamps | VI business | Market trend: Cinema lamps down; Specialty lamps steady Results contributions: Stable cash generation from streamlined production |
| <ul style="list-style-type: none">• Medial lamps | LS business | Market trend: Stable Results contributions: Stable earnings |

Reference: Sales of the business to be acquired were around ¥28.8 billion for the year ended December 2024

The business to be acquired spans multiple segments within our company.

Approximately half of it is related to the semiconductor field within Industrial Processes business, where sustainable growth is expected. It also includes areas related to Visual Imaging and Life Sciences businesses.

While some areas, such as light sources for projectors, are expected to experience a decline in demand, we anticipate stable cash generation after the acquisition through improved production efficiency.

Manufacturing network of ams-OSRAM AG

- Only the Berlin manufacturing site (in Germany) is to be acquired

Manufacturing network of Ushio's light source business

Key Manufacturing site Key Products

| | | |
|----------------|-----------------------------------|--|
| Japan | Ushio Harima Division | • UV Lamps |
| | Ushio Lighting Fukushima Division | • Semiconductor heater lamps • Lighting |
| China | Ushio Guangzhou/Shaoguan | • Lamps for projectors • Halogen lamps for industrial use |
| Southeast Asia | Ushio Philippines | • Lamps for projectors |
| North America | Ushio America | • Halogen lamps for industrial use • Semiconductor heater lamps |
| Europe | Ushio Poland | • Sodium lamps • Heater / IR lamps |

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Through this acquisition, we will take over Osram's Berlin manufacturing site and welcome approximately 500 employees.

Initially, we will operate the manufacturing lines by leveraging the strengths of both the Osram and Ushio brands, allowing their respective advantages to coexist. This parallel operation will facilitate a smooth integration and establish a stable production system.

Subsequently, while closely monitoring demand trends for each product, we will optimize manufacturing processes and work toward building an efficient production system.

Through these efforts, we aim to further reduce costs, strengthen competitiveness, and maximize synergy effects.

② Progress with Business Portfolio Revamping

● **Visual Imaging business: Progress with structural reforms****Steadily overhauling profit structure****Direction** (reaffirming New Growth Strategy)**Improve profitability and transition to stable cash-generating businesses**

All options on table if improvement efforts stall

Business backdrop (business environment, etc.)• **Stable demand**

Number of cinema screens* remains stable and demand growing for high-end visual content. While lamp replacements advance, we strategically secure profits

*See slide 33 for screen number trends

• **Strong competitiveness edge**

Bolster competitiveness by specializing in high-end fields with advanced technological capabilities

• **Progress with structural reforms**

Earnings structure improved through product portfolio reviews

On track to deliver operating margin of at least 10%

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Let me provide an update on the progress with structural reforms in Visual Imaging business.

To reiterate, Visual Imaging business is undergoing a transformation to improve profitability and become a stable cash-generating business—a true cash cow.

Demand surrounding this business is expected to remain stable going forward, and by focusing on the high-end segment where we possess strong technological capabilities, we can secure a high level of competitive advantage.

Furthermore, structural reforms are progressing smoothly, and we expect steady improvements in profitability.

② Progress with Business Portfolio Revamping

● **Visual Imaging business: Progress with structural reforms (continued)**

Fixed cost reduction action plan: Striving to trim costs by ¥3.4 billion

Organizational reviews*¹

- **Workforce optimization (approx. 10% reduction*²)**
- **Site consolidations (reduced number of sites by 3, from 17 to 14)**

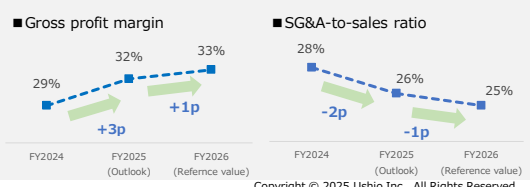
* 1: Executed at group companies related to VI business
 * 2: As of June 30, 2025 (vs. December 31, 2024)

Cost-cutting efforts*¹

Strategic selection and concentration of development projects and sales promotional activities, along with lowering administrative costs

**Improving business by improving earnings structure**

Steadily improving business fundamentals by focusing on high-end fields through product portfolio reviews and undertaking structural reforms



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In Visual Imaging business, we plan to reduce fixed costs by 3.4 billion yen over the two fiscal years 2025 and 2026.

As a concrete example of progress, we have optimized personnel through a review of organizational operations, resulting in approximately a 10% reduction in the workforce across group companies related to this segment. We have also decided to close multiple sites.

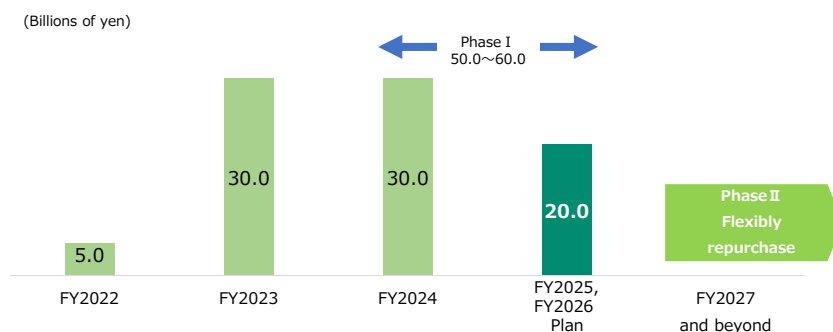
Furthermore, we are advancing cost reductions through the strategic selection and concentration of development projects and sales promotion activities, as well as by reviewing the product portfolio to reduce administrative costs.

As a result, improvements in the profit structure are underway. The gross profit margin is steadily improving, while the ratio of selling, general and administrative expenses to net sales is trending downward.

③ Financial Strategies

Board of Directors resolved to repurchase up to **¥20.0 billion** in shares in line with New Growth Strategy

- Total amount to be purchased: **20.0 billion yen (max)**
- Total number of shares to be purchased: **15.00 million shares (max)**
Of these, 3.50 million shares are scheduled for acquisition through ToSTNeT-3
- Purchase period: August 6, 2025 to April 30, 2026



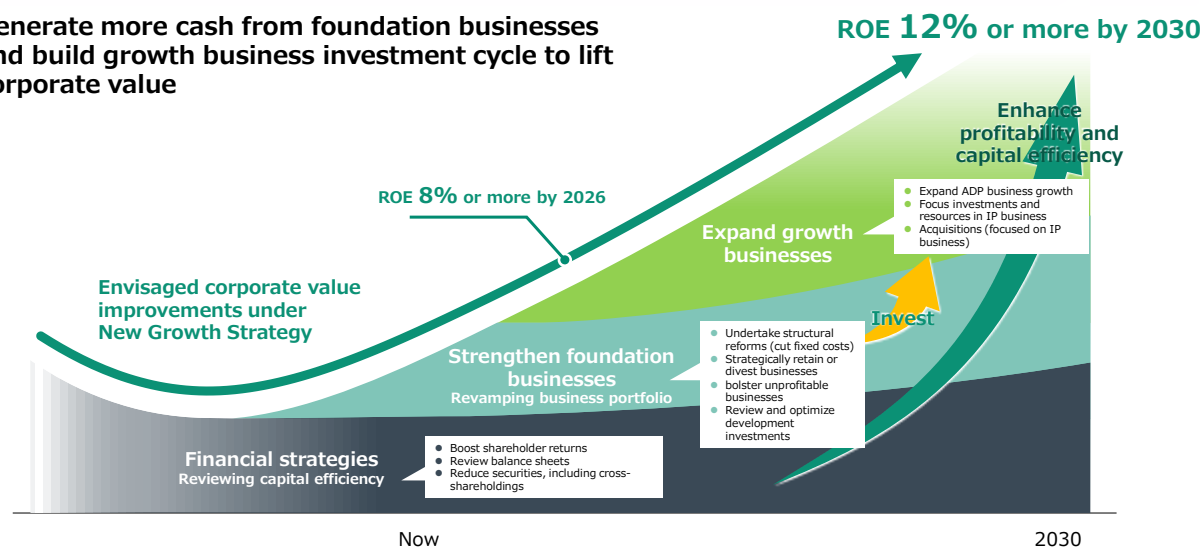
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Regarding our financial strategy, in line with the New Growth Strategy, the Board of Directors has resolved to repurchase up to ¥20.0 billion in shares.

We will continue to strengthen our efforts to improve capital efficiency.

Summary of New Growth Strategy Progress Report

Generate more cash from foundation businesses and build growth business investment cycle to lift corporate value



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The initiatives I have just explained are all aimed at improving profitability and capital efficiency.

By steadily advancing these efforts to strengthen our foundation businesses and financial strategies, and by expanding our growth businesses, we will enhance corporate value.

Final results report

Offering period: Monday, March 3, 2025 to Monday, June 30, 2025

Eligible employees: Employees of Ushio Inc., who satisfy the following two conditions as of April 1, 2025

- Have at least 3 years of continuous service; and are 56 years of age or older

Total number of applicants: **238 (finalized)**

Earnings impact: Extraordinary losses of ¥1.5 billion in FY2024 and **¥2.5 billion in Q1_FY2025**

For details, see "[Notice Concerning Results of Expansion of Second Life Support Program and Special Offering](#)" (issued on July 11, 2025)

Finally, I would like to report on the final results of the expansion of the Second Life Support Program and provide the latest update on the impact of U.S. tariff measures.

Regarding the expansion of the Second Life Support Program, as announced in the release dated July 11, the number of applicants has been finalized, with 238 employees confirmed to participate in the program. Accordingly, we recorded an extraordinary loss of ¥2.5 billion in this first quarter's financial results.

Have contained cost increases more than expected by tackling multiple risks

Key envisaged risks

Risk 1: Additional tariffs on cinema and general imaging projector exports to United States
→ **Reviewed supply chain**

Risk 2: Additional tariffs on lighting sources exports to United States
→ **Mitigated impact through price revisions and other measures**

Risk 3-1: Investment delays in semiconductor sector owing to tariff uncertainty
→ **Continues to monitor trends**

Risk 3-2: American box office and Hollywood film production impacts of tariffs on foreign films
→ **Have discerned no impacts to date**

The basis for these risks and measures is the tariff policies known as of July 31, 2025.

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Regarding the impact of U.S. tariff measures, based on the tariff policies currently recognized, we have taken appropriate countermeasures and, at this point, no cost increases beyond our expectations have occurred. We expect to contain the impact on our business performance.

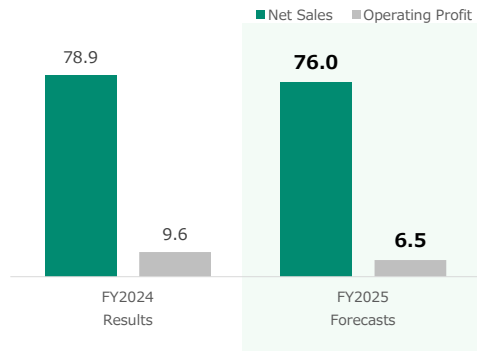
As outlined, we continue to monitor certain risks closely, and while some require ongoing attention, there are currently no indications of impacts exceeding our assumptions.

This concludes my explanation.

- I. Financial Results for Q1 FY2025
- II. Full-Year Forecasts for FY2025
- III. New Growth Strategy Progress Report and Financial Highlights
- IV. Supplementary Information
 - ① Full-Year Forecasts (Additional Information)
 - ② Others

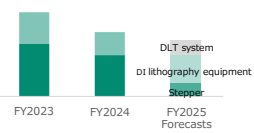
FY2025 Full-Year Forecasts: Industrial Processes

*Please refer to slide 29 for the latest information

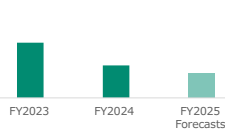


[Reference: Sales Transition]

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

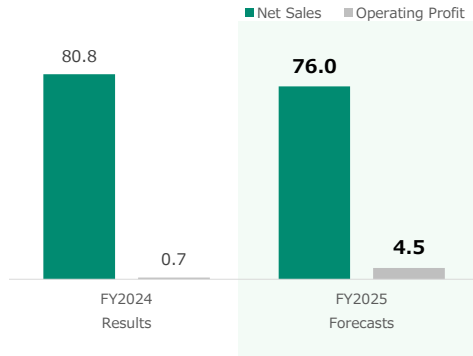
- Stepper sales to decline. Sales of direct imaging lithography equipment to edge up
- DLT system sales to be recognized from Q4 despite some deal delays amid market uncertainties
- UV lamp and other light source demand to remain unchanged owing to stable operations
- EUV sales down owing to lower prices,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

■ Operating Profit: down 3.1 billion yen YoY

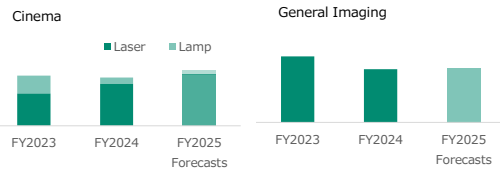
- DLT systems-related forward investments to increase
- Anticipating gradual improvement in capacity utilization rate for lithography equipment

FY2025 Full-Year Forecasts: Visual Imaging

*Please refer to slide 29 for the latest information



[Reference: Projector Sales Transition]



■ 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

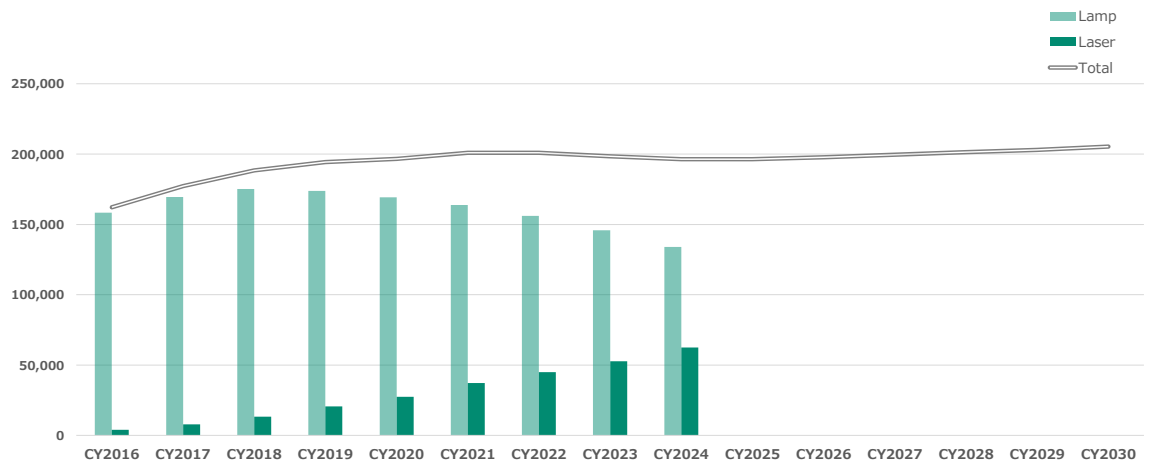
- Unit sales of cinema and general imaging projectors should both increase
- Projector lamp sales to decline amid shift to solid-state light sources
- Yen's appreciation to lower sales

■ Operating Profit: up 3.7 billion yen YoY

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

Supplementary Information on Visual Imaging Business

■ Cinema Screen Numbers and Light Source Trend Forecasts

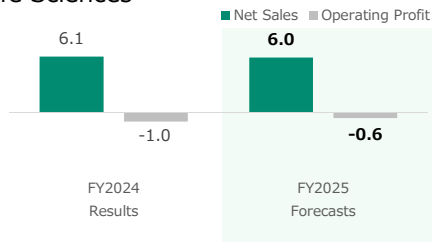


As of May 13, 2025, Ushio's research

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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

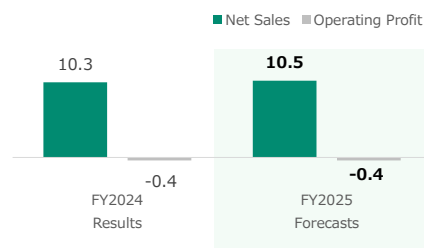
■ Net Sales: down 0.1 billion yen YoY

- 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

- I. Financial Results for Q1 FY2025
- II. Full-Year Forecasts for FY2025
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- IV. Supplementary Information
 - ① Full-Year Forecasts (Additional Information)
 - ② Others

(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, Maintenance service etc.</p> |  |  |  |  |  | UV lamps OA lamps Excimer lamp Stepper Direct imaging lithography equipment | |
| 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 module</p> <p>Equipment: UV Medical Devices, etc.</p> |  |  | | | | Module 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 | |

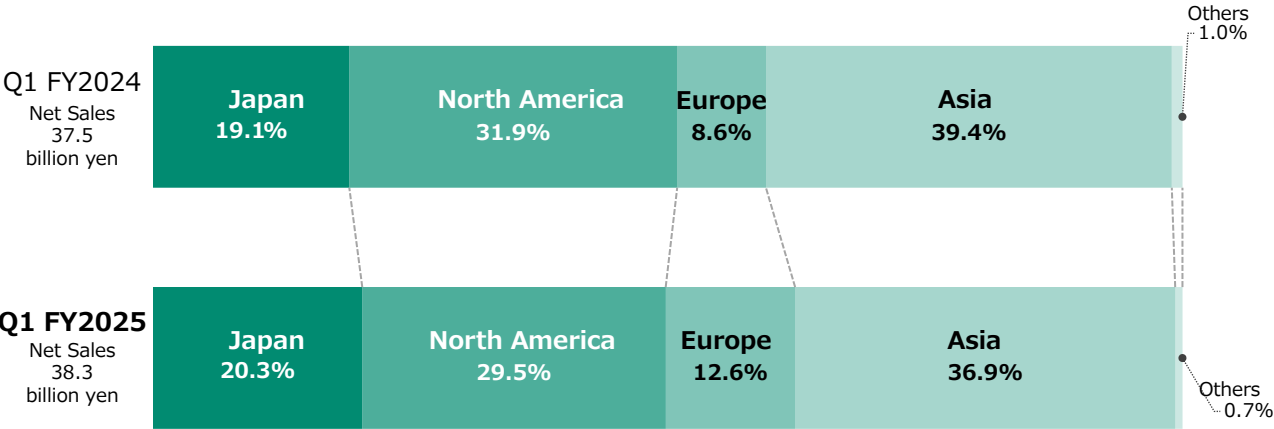
Reference: Summary of Quarterly Financial Results

| | | FY2024 | | | | FY2025 | YoY Comparison | |
|--|-----|--------|-------|-------|-------|--------|----------------|----------|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Changes | (%) |
| (Billions of yen) | | | | | | | | |
| Net Sales | | 37.5 | 48.1 | 42.4 | 49.5 | 38.3 | + 0.8 | + 2.2% |
| Operating Profit | | 0.3 | 3.9 | 3.1 | 1.4 | 0.9 | + 0.6 | + 182.5% |
| Operating Margin | | 0.9% | 8.2% | 7.4% | 2.9% | 2.5% | + 1.6P | - |
| Ordinary Profit | | 1.4 | 3.9 | 5.0 | 1.9 | 1.6 | + 0.1 | + 10.1% |
| Profit/Loss Attributable to Owners of Parent | | 0.2 | 2.0 | 3.4 | 1.0 | -2.8 | -3.1 | - |
| EPS (yen) | | 2.92 | 20.26 | 36.07 | 11.56 | -32.06 | -34.99 | - |
| FOREX rate (yen) | USD | 155 | 153 | 149 | 154 | 145 | -10 | - |
| | EUR | 167 | 166 | 162 | 160 | 163 | -4 | - |

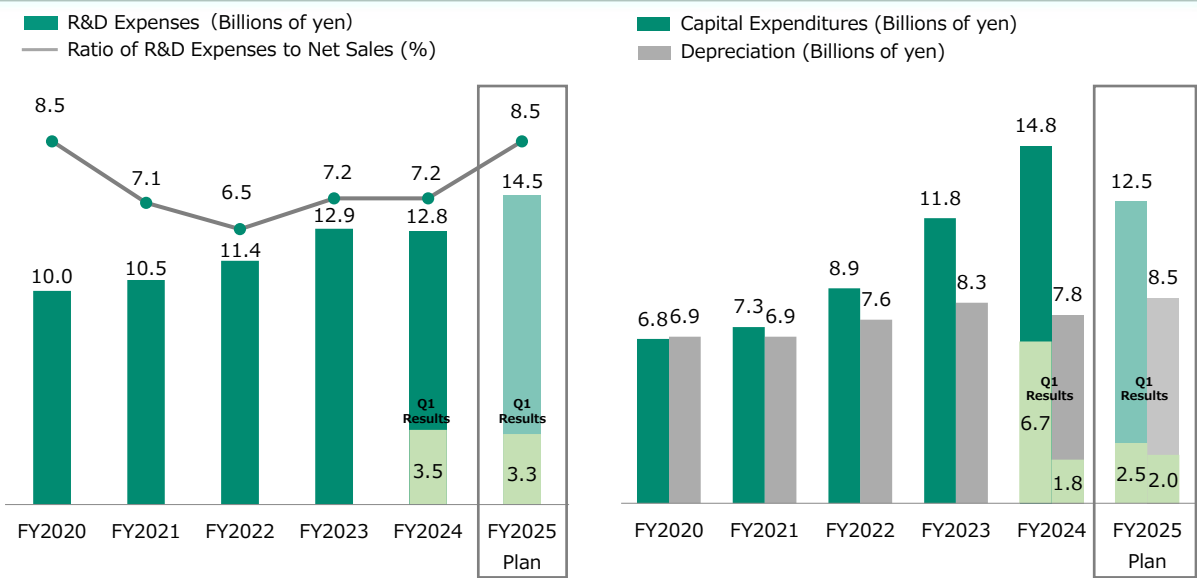
Reference: Summary of Quarterly Financial Results by Business Segments

| | | FY2024 | | | | FY2025 | YoY Comparison | |
|----------------------|------------------|--------|--------|--------|--------|--------|----------------|---------|
| (Billions of yen) | | Q1 | Q2 | Q3 | Q4 | Q1 | Changes | (%) |
| Industrial Processes | Net Sales | 15.5 | 22.0 | 17.0 | 24.3 | 15.8 | +0.2 | +1.6% |
| | Operating profit | 1.0 | 4.1 | 1.8 | 2.5 | 0.3 | -0.7 | -68.9% |
| | Operating Margin | 6.7% | 19.1% | 10.9% | 10.4% | 2.1% | -4.7P | - |
| Visual Imaging | Net Sales | 17.5 | 21.6 | 21.1 | 20.5 | 18.3 | +0.7 | +4.1% |
| | Operating profit | -0.4 | 0.3 | 1.5 | -0.7 | 0.3 | +0.8 | - |
| | Operating Margin | -2.7% | 1.6% | 7.5% | -3.5% | 1.9% | +4.6P | - |
| Life Sciences | Net Sales | 1.5 | 1.5 | 1.4 | 1.6 | 1.5 | +0.0 | +3.1% |
| | Operating profit | -0.1 | -0.3 | -0.2 | -0.2 | 0.1 | +0.2 | - |
| | Operating Margin | -11.1% | -25.4% | -16.7% | -17.6% | 7.2% | +18.3P | - |
| Photonics Solutions | Net Sales | 2.5 | 2.5 | 2.4 | 2.6 | 2.3 | -0.2 | -8.8% |
| | Operating profit | -0.0 | -0.2 | -0.0 | -0.0 | 0.2 | +0.2 | - |
| | Operating Margin | -2.3% | -8.6% | -2.0% | -3.1% | 9.8% | +12.1P | - |
| Others | Net Sales | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | +0.0 | +9.0% |
| | Operating profit | 0.0 | 0.0 | -0.0 | 0.0 | -0.0 | -0.0 | - |
| | Operating Margin | 1.1% | 8.8% | -0.6% | 13.2% | -7.3% | -8.5P | - |
| Total | Net Sales | 37.5 | 48.1 | 42.4 | 49.5 | 38.3 | +0.8 | +2.2% |
| | Operating profit | 0.3 | 3.9 | 3.1 | 1.4 | 0.9 | +0.6 | +182.5% |
| | Operating Margin | 0.9% | 8.2% | 7.4% | 2.9% | 2.5% | +1.6P | - |

Reference: Sales Ratio by Region



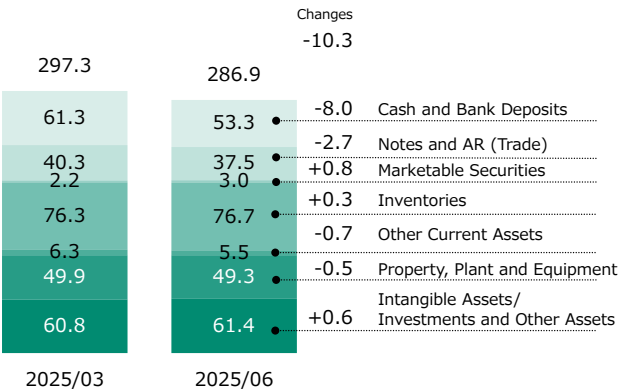
Reference: R&D Expenses/Capital Expenditures and Depreciation



Reference: Balance Sheet

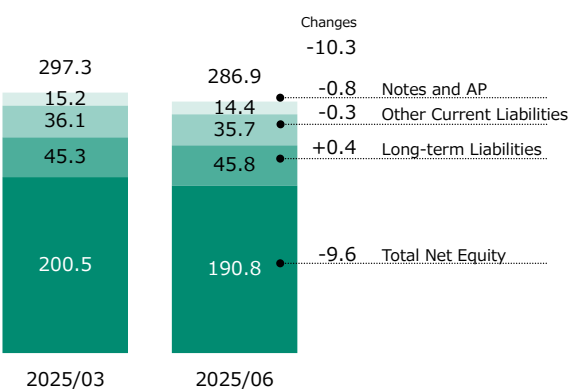
Assets

(Billions of yen)



Liabilities/Net Assets

(Billions of yen)

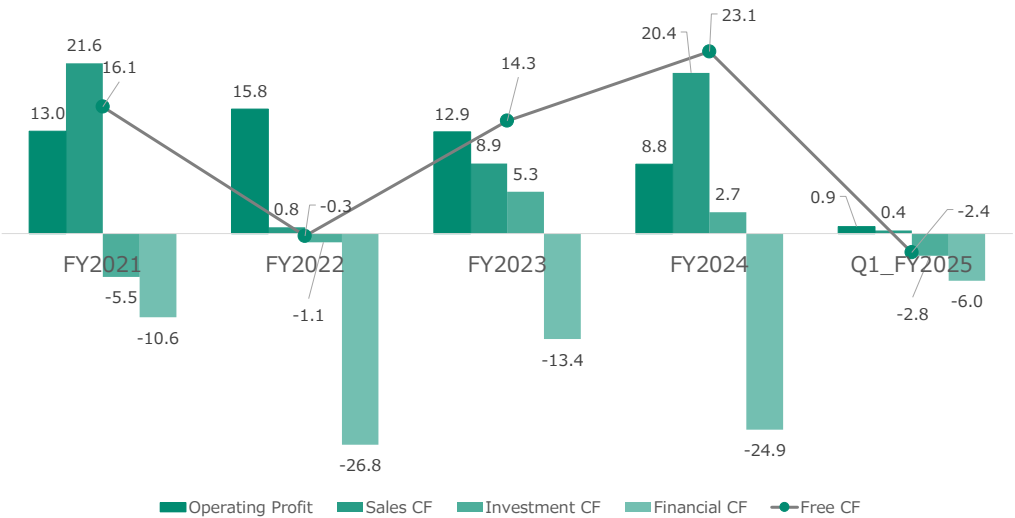


| | | |
|-----------------------|---------|---------|
| Turnover (months) | 2025/03 | 2025/06 |
| Receivable-trade | 2.7 | 3.0 |
| Inventories | 5.7 | 6.0 |
| Cash Conversion Cycle | 7.1 | 7.9 |

| | | |
|------------------|---------|---------|
| Equity Ratio (%) | 2025/03 | 2025/06 |
| | 67.4 | 66.5 |

Reference: Cash Flow

(Billions of yen)



Glossary

■ Business Segment-related Acronyms

| | |
|--------------|-------------------------------|
| IP business | Industrial Processes business |
| VI business | Visual Imaging business |
| LS business | Life Sciences business |
| PHS business | Photonics Solutions business |


■ Others

| | |
|--------------------------|---|
| 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 (ADP) | An advanced packaging field for 2.xD and 3D integration of semiconductors, including chiplets |


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Ushio Report 2024





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Daiwa Investor Relations Co. Ltd.



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All Japanese Listed Companies'
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