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Financial Results Briefing for the First Harf (First Six Months) of the Fiscal Year ending March 31, 2027 of Ushio Inc.
Major Questions and Answers

Date and Time: November 6, 2026/ 17:30 – 18:15
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: You mentioned that the results for the first half came in above expectations. To what extent did sales and profit exceed your forecasts?
A: Sales did not significantly exceed our forecast. However, profit exceeded our plan by several billion yen.

Q: Regarding measures to address the surge in tungsten prices, have price adjustments with customers already progressed to a certain extent, with the effects expected to start becoming apparent in the second half?
A: We have been working with our customers to obtain their understanding regarding the sharp increase in tungsten prices. As a result, although there has been a timing gap between the rise in tungsten prices and the realization of the effects of our measures, we have been able to make progress on price adjustments, with many customers accepting them. The effects of these price adjustments have been factored into our revised earnings forecast.
However, for some products, these effects have not yet been factored into the forecast.

Q: Looking ahead to FY2027, do you expect the impact of higher tungsten prices to worsen further?
A: We do not anticipate any further deterioration beyond the current level. However, we believe that tungsten prices themselves are unlikely to decline easily.
We are also reviewing our supply chain in response to the higher tungsten prices. However, changing sourcing locations and diversifying our sources will take time. Therefore, we expect the impact to continue to some extent in FY2027 as well.

Q: Could next fiscal year also see a negative impact of around ¥2.0 billion on operating profit, as in FY2026?
A: We are continuing to take measures to address the higher tungsten prices, so even if there is an impact next fiscal year, we expect it to be smaller than this fiscal year’s.

Q: We understand that mass production has begun for the DLT systems for which orders have been confirmed. Could you provide some details on the scale of these projects and the timing of revenue recognition?
A: Production has already begun, but shipments are scheduled for FY2027 and FY2028. Therefore, revenue contribution is expected in those fiscal years.

Q: Have mass-production orders been confirmed with multiple companies?
A: There are not yet many companies with confirmed mass-production orders, but there are multiple companies if we include projects involving relatively small numbers of units.

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

Q: Regarding lithography equipment, your customer base for the steppers (UX-5 series) has been expanding, and your customers have also publicly announced very aggressive investment plans. Against this backdrop, I would expect your UX-5 sales to exceed the previous peak early next fiscal year. Could you comment on this outlook?

A: Demand remains strong, and discussions with customers are progressing very actively. At the same time, we are facing challenges in terms of production capacity and component availability. In particular, it has become increasingly difficult for us to procure certain components. Accordingly, a key challenge is how to establish an appropriate supply chain. We are reviewing the situation while strengthening our procurement capabilities, but there are still many uncertainties.

Q: I understand that competitors have entered the package substrate market and have won some projects. Could you comment on the impact of this increased competition?

A: In the lithography equipment market for package substrates, we recognize that the direct imaging (DI) approach has emerged as an option alongside the stepper approach. In fact, we have begun to see some cases where customers have chosen to use lithography equipment from our product lineup that uses the direct imaging approach for certain applications.
At the same time, overall demand is currently expanding significantly, and we are receiving strong inquiries for lithography equipment based on both approaches.

Q: Given the strength of demand, is it fair to say that the key issue is whether you can secure sufficient supply capacity to meet demand, rather than win individual projects?

A: That is exactly the situation at present. However, over the longer term, we also need to take into account competition with the DI approach and how the two approaches are used depending on the application. Since DI equipment is also included in our lineup, we recognize the need to continue proposing the best solution for each customer by leveraging our full lineup of lithography equipment.

Q: I have some concerns about whether DI lithography equipment will be able to keep pace with future technological advancements.

A: In addition to technological advancements, customer requirements are becoming more diverse, and the equipment needs to be tailored to each customer's specific requirements. As it becomes more difficult to offer the same solution to every customer, we believe that the ability to respond quickly to those requirements is becoming increasingly important. We are also continuing our development efforts to keep pace with these changes.

Q: I understand that DLT systems have been very well received in the industry. I have heard comments that DLT would be the obvious choice for DI lithography equipment capable of high-resolution patterning. I have also heard that you may have already secured orders for approximately ten units. Could you share what you can about this?

A: Based on the feedback we have received from customers, we believe that they particularly value the accuracy and stability of DLT systems in applications where fine pitch is required. Against the backdrop of this positive customer feedback, we have recently begun receiving orders intended not only for development use but also for mass production.

Q: I understand that inquiries for the DI lithography equipment of Adtec Engineering, your subsidiary, have been increasing against the backdrop of the growing adoption of optoelectronic integration. Should I expect sales of DI lithography equipment to exceed the previous peak next fiscal year?

A: In addition to optoelectronic integration related to AI, multilayer substrates are also evolving toward finer pitches in upstream areas. Including PCBs used for AI applications, we are receiving extremely strong inquiries for Adtec Engineering's DI lithography equipment, and customers are actively approaching us regarding projects with a medium- to long-term horizon.
Accordingly, we are currently accelerating our efforts to strengthen our production capabilities and secure the necessary components to meet this demand. We expect this business to continue expanding going forward.

Q: One concern I have heard regarding DLT systems is that there may be issues with the support structure. At the same time, the fact that such feedback is being voiced could also be seen as evidence that DLT systems are already being used quite extensively. Could you comment, to the extent possible, on whether you are aware of such feedback and whether you are taking any measures to address it?

A: We recognize that there is room for improvement in terms of whether we have always been able to provide customer support that meets our customers' expectations with a sufficient sense of urgency. That said, the issue is not necessarily that the support itself is inadequate. Rather, because DLT systems need to accommodate demanding fine-pitch requirements, detailed adjustments or specification changes are often needed for individual customers. When we can leverage experience from previous cases, we are able to respond quickly. For new cases, however, we need to verify the conditions again, including how the system performs with different substrate materials. Currently, Applied Materials and Ushio are working together to strengthen the technical support structure and, through close communication between the two companies, further enhance the overall support structure.

Q: I understand that it is probably still too early to provide specific figures for next fiscal year. However, based on the current forecast of ¥18.0 billion in operating profit for this fiscal year, I believe there could be an increase of around ¥3.0 billion when excluding the one-time factors related to the OSRAM acquisition. I also believe that the current forecast for this fiscal year includes a certain level of buffer. In addition, with a greater contribution from lithography equipment expected next fiscal year, I think operating profit of around ¥26.0 billion could come into view. Could you share your current view of the outlook for next fiscal year, to the extent you are able to comment?

A: We are currently reviewing the outlook for next fiscal year, so it is difficult to provide specific details at this stage. However, we are addressing various challenges in order to achieve results that exceed those of the current fiscal year. In particular, procurement of components for lithography equipment is a major challenge, and we believe that reducing this risk as much as possible will be important.

Q: Other than component procurement, would it be fair to say that there do not appear to be any particularly significant risks?

A: It is difficult to say definitively at this point. However, the semiconductor market itself is currently in a highly uncertain situation, so we believe it is necessary to continue monitoring this as a potential risk. Aside from these uncertainties, we do not believe there are any significant risks at this point.

[End]