

Our Value Creation Story

Since its founding, Ushio has contributed to societal growth by fully leveraging the power of light.

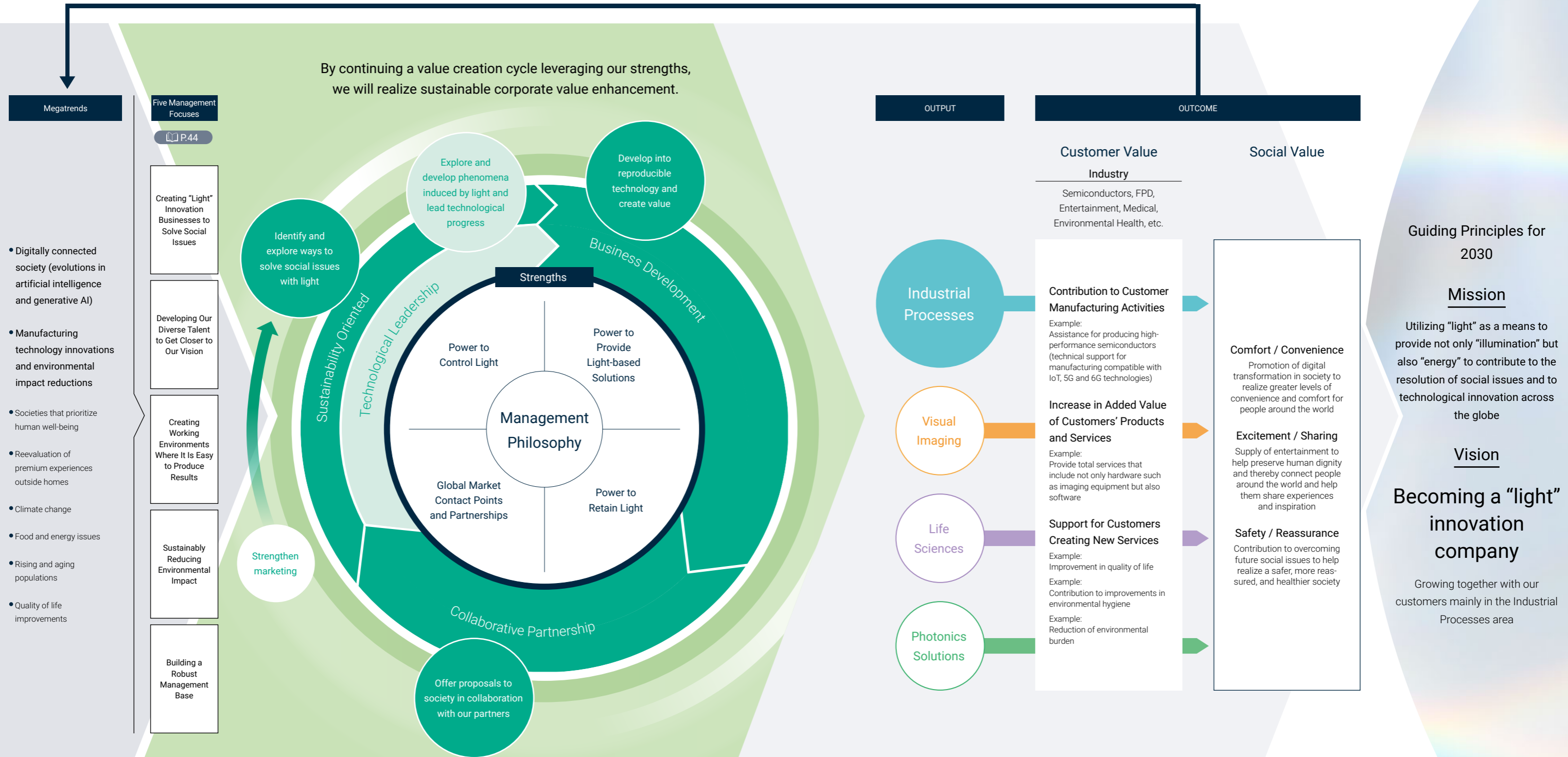
Going forward into the future, Ushio will create social value and achieve sustainable enhancement of its corporate value as a "light" innovation company.



Ushio's Value Creation Process

We aim to be a "light" innovation company that continues to create both social and economic value by resolving social issues through our unique light technologies.

Understanding of Issues That Serves as the Starting Point for Capital Circulation and Value Creation



The DNA of Ushio: Guiding Us Into the Future

Since its founding, Ushio has believed in the potential of “light.” Guided by this belief, Ushio has contributed to the resolution of social issues and to technological innovation across the globe by utilizing light as a means to provide not only illumination but also energy.

1964

Ushio Inc. was established in 1964. In the following year, Ushio established four basic principles based on the desire to create an indispensable company for all by drawing on the wisdom of employees in order to grow. After their establishment, these four principles continued to be passed down as the guideposts determining the direction in which the Company should head. With the addition of certain wording to illustrate Ushio’s corporate social responsibility, these four basic principles were enshrined in the Ushio Group Management Philosophy, which serves as the foundation for all of Ushio’s corporate activities.



Founder
Jiro Ushio

Four Basic Principles at the Time of Our Founding

1. Build both a prosperous Company and prosperous employees.
2. Deliver products and services that are competitive in the global market.
3. Contribute to society through superior products and innovative research and development.
4. Show the world the true value of a medium-sized enterprise and, in doing so, secure stable profits.

Culture and Strengths That Have Guided Us Since Our Founding

Conviction to Build Both a Prosperous Company and Prosperous Employees

Soon after our founding, we began to pursue various initiatives to build both a prosperous company and prosperous employees, including formulating long-term plans that adopted policies to raise employee salaries and increase their number of holidays. This management approach of valuing employees remains at the core of the Company to this day.

Leading Niche Position in Global Markets

In accordance with our basic policy, we began to build a business foundation in global markets directly after our establishment, upon which we built a global network. With a particular focus on specialized light sources, we fortified our brand power and carved out a unique position as a leading niche company that can compete on equal ground with the world’s best-known companies. We also placed our focus on markets in which we could draw on the technological strengths of light based on an awareness of ourselves as a “global medium-sized enterprise” that emphasizes uniqueness over business scale. By doing so, we provided the world with numerous one-of-a-kind products with high added value.

Decision-Making Criteria That Emphasize Social Contribution

Facing the impact of the rapid decline in overall demand that directly followed the 1973 oil crisis, we were forced to respond in ways such as narrowing the types of products we offered. Meanwhile, we prioritized our responsibility of supply to our customers over Company sales by providing customers with replacement products made by other companies. In this way, we adopted social contribution as the basis of our decision-making. This approach has served as the foundation of the Ushio brand and our sustainability initiatives.

Present

The corporate activities that we have consistently promoted in accordance with the four basic principles that reflect Ushio’s views when we were first founded have helped us form our corporate culture and accumulate various strengths. These corporate activities are also embedded in our current philosophical framework as DNA that we must continue to pass on, while adding the perspective of “what needs to change” in order to realize sustainable corporate value enhancement into the future.

Our Promise

“Applying Light to Life” is our promise to our customers, to our community, and to ourselves. To fulfill this promise, it is essential for each Ushio Group employee to believe in the possibilities of light, dream about the future, and live each day with excitement. We believe that our passion to pursue our dreams is the power that will enable us to create a future that goes beyond our imagination.

Through the cycle of the Ushio Value Model, we will deliver innovation and fulfill our promise, working together with partners that share the same dream.

Our Vision

The Light Innovation Company

We hope to resolve problems faced by our partners and society through light innovation to fulfill our promise of “Applying Light to Life.” As light professionals, we will support human well-being and societal growth by creating new light markets through further expansion of the functionality and application of light, including ultraviolet rays, visible light, infrared rays, and the surrounding wavelength range.

Our Value

Ushio Value Model

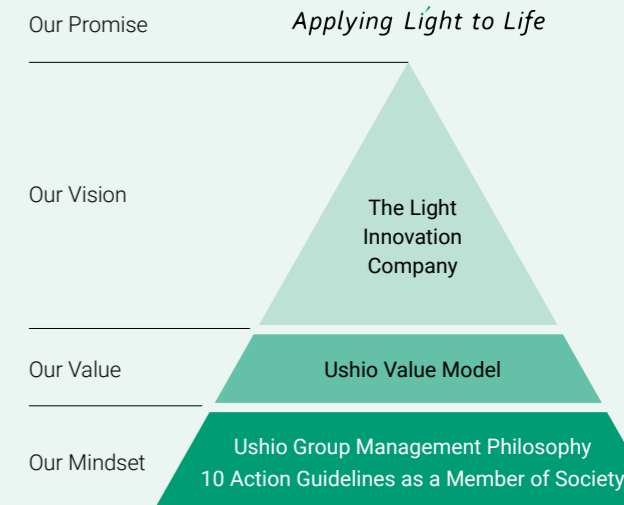
In order to resolve social issues (Sustainability Oriented), Ushio takes fundamental elements of cutting-edge light technology developed through R&D (Technological Leadership) and turns them into reproducible technology, creating value for society and its customers (Business Development), while also offering proposals to society with our partner companies (Collaborative Partnership). These are our values.

Our Mindset

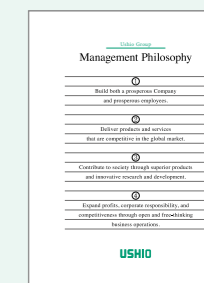
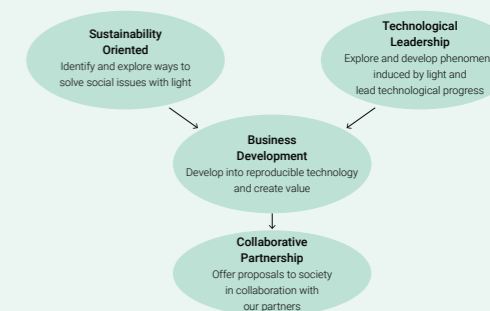
Ushio Group Management Philosophy

The Ushio Group Management Philosophy represents the foundation for all of our activities as a company. We established four basic principles in 1965, the year after our founding, based on the desire to create an indispensable company for all by drawing on the wisdom of employees to grow. Our current Management Philosophy centers on these four basic policies and has had certain wording added to it that illustrates Ushio’s corporate social responsibility.

Philosophical Framework



Please refer to the following website for more details.
<https://www.ushio.co.jp/en/company/outline.html>



Value Creation through Implementation of Our Management Philosophy (History)

Using light as illumination and energy:

As light professionals, Ushio has utilized light to resolve issues with technological innovation around the world.

Note: Non-consolidated sales are shown for the period between fiscal 1965 and fiscal 1980, with consolidated sales shown from fiscal 1981 onward.

Net Sales
¥179.4
Billion



Background of Each Era

- Contributed to the transition from black and white to color
- Office automation trend

- Osaka Expo
- Japan's national space development plan

- Increasing popularization of laptop computers (1980s)
- Increasing popularization of LCD TVs (1990s)

- Development of digitization in movies

- Increasing popularization of new electronic devices, including smartphones

- Advancements in IoT and AI

1960

1970

1980

1990

2000

2010

2020-

► Development of First Halogen Lamps in Japan

Brightening lamps means that they don't last long. Extending their lifespan makes them dimmer. Halogen lamps, which were considered to be the most advanced incandescent electric lamps at that time, had overcome these contradictory conditions. The inception of this halogen lamp development began by acquiring the license for using iodine lamps, which are the technological base for halogen lamps, from a U.S. corporation. Following this, Ushio commenced development of lamps unrestricted by royalties and was successful in 1966, the second year after the Company's establishment. This was the beginning of Ushio's history as a pioneer of domestically-produced halogen lamps.



Halogen lamps

► Development of UV Lamps for Use in Semiconductor Lithography

After the oil crisis in 1973, energy conservation became extremely valuable and a trend emerged in a shift from a structure emphasizing sheer scale, to one that emphasizes compactness and flexibility. Japan as a nation promoted the development of semiconductor lithography technology. Amid these changes, Ushio developed deep-UV lamps for semiconductor lithography in the face of increasing needs for lamps that use shorter wavelengths and have a higher output than previous ones in light sources used for exposure of very large scale integrated circuits (LSCIs). The technology for increasing output has become the base for increasing the illumination of super-high-pressure UV lamps in the future.



Deep-UV lamps

► Development of the World's First Excimer Lamp

In 1993, Ushio developed the world's first excimer lamp. Excimer lamps emit high-energy, short-wavelength vacuum UV (VUV) light through intense plasma discharge, based on newly conceived light emission principles not found in traditional discharge lamps. Ozone cleaning equipment equipped with these excimer lamps was introduced mainly for cleaning liquid crystal display (LCD) panels and today it has taken hold as standard processing equipment in the manufacturing process of LCD panels.



Excimer irradiation units for cleaning panels

► Development of Digital Cinema Projectors

Christie Digital Systems (CDS), a leading film-based cinema projector company, became one of the first companies to market digital cinema projectors before the major technological shift from film to digital cinema. Additionally, by developing, manufacturing, and marketing light sources for digital cinema projectors in Ushio Inc., Ushio has become the only manufacturer with the vital light sources and projectors for digital cinema.



Digital cinema projector

► Development of Photo-Alignment Equipment

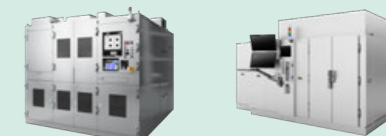
Smart devices, such as smartphones, are required to be even higher resolution, even slimmer, even more energy saving, and have even faster responses than LCD TVs. Liquid crystals can be displayed by aligning liquid crystal molecules in the same direction, however there were numerous issues with conventional alignment, in terms of not only environmental and cost aspects but also key image quality aspects. These issues have been addressed through Ushio's optical alignment technology. By aligning liquid crystals in a non-contact state with special light, Ushio has prevented a reduction in yield rate due to contaminants or static electricity. At the same time, Ushio has reduced costs, improved contrast, enhanced the response speed of liquid crystal molecules, and significantly reduced electricity consumption as a result of reducing man-hours.



Photo-alignment equipment

► Expanding Development and Sales of Next-Generation Lithography Equipment

With recent advancements in IoT technology, 5G, and mobility, the quantity of information processed has increased sharply. As a result, further evolutions in semiconductor technology are essential, an issue that requires next-generation semiconductor package substrates to resolve. As more multilayered, larger, and finer package substrates are developed, high resolution, productivity, and yields are required. Our lithography equipment for cutting-edge IC package substrates rises to this challenge. Even with recent surges in demand, we aim to become a leading company in the ever-evolving advanced packaging area by accelerating and expanding development and introduction of next-generation equipment.



Stepper

Direct imaging lithography equipment

► Promotion of OA Trends

At first, halogen lamps were not used in general lighting and we targeted and rolled out products into professional markets, including plain paper copiers, vehicles, and studio lights. Among these markets, there was progress with the technological innovations in the photocopying machine domain, such as the shift from wet printing (blue-printing photocopiers and blue copies) to dry printing through UV light, and from photosensitive paper to plain paper. Ushio's halogen lamps have contributed to the spread of plain paper copiers as a light source for original exposure and a heat source for fixing toner. While competitors have adopted a standard strategy, Ushio's customizable strategy has produced results and has been adopted by various photocopying machine manufacturers. Accordingly, this became a foothold for promoting the shift to office automation (OA).

► Significant Contribution to the Technological Innovation of Semiconductors

Printing substrates, which previously took several minutes, has been shortened to only a few seconds due to Ushio's deep-UV lamps for semiconductor lithography. This has greatly increased productivity. Shortening the wavelength of light sources and increasing input contributes to increased intensity and innovation of production technology, and has become the cornerstone of today's development in the electronics market.

► Contribution to the Spread of LCD Displays

Compared to conventional cleaning methods, excimer irradiation units for cleaning panels provide higher cleaning capability, higher speed cleaning, lower power consumption, and lower temperature treatment which reduces damage to substrates. Through this technology, Ushio has addressed serious LCD panel manufacturing issues. In addition to excimer irradiation units, development of UV lamps for use in LCD color filters that expose large substrates in line with the increase in size of LCD panel substrates and development of curing equipment for bonding large LCD panels has led to enhanced productivity and lower costs for LCD panels. Ushio has greatly contributed to the spread of LCD displays.

► Contribution to the Spread of Cinema Complexes and Expansion of Market Scope

In 1999, Star Wars: Episode I – The Phantom Menace, which was at the forefront of digital cinema, was first released in the U.S. through CDS cinema projectors. The end of 2009 also saw a sudden acceleration to the digitalization of cinema projectors due to the massive hit 3D movie Avatar. Following this, there has been an increase in popularity for cinema complexes and today they have spread around the world as new entertainment bases where customers can enjoy watching not only movies but also sports and concerts in real time.

► Acceleration of Spread of Smart Devices

Ushio's light, such as photo-alignment equipment, touch panel bonding equipment, and lithography equipment for package substrates, supports the production of smart devices, including smartphones. As a result, Ushio has enhanced the productivity of smart device production and the performance of panels, meeting global demand for smart devices and contributing to the increased resolution and functionality of panels.

► Acceleration of IoT Through 5G and Contribution to Advancement in AI

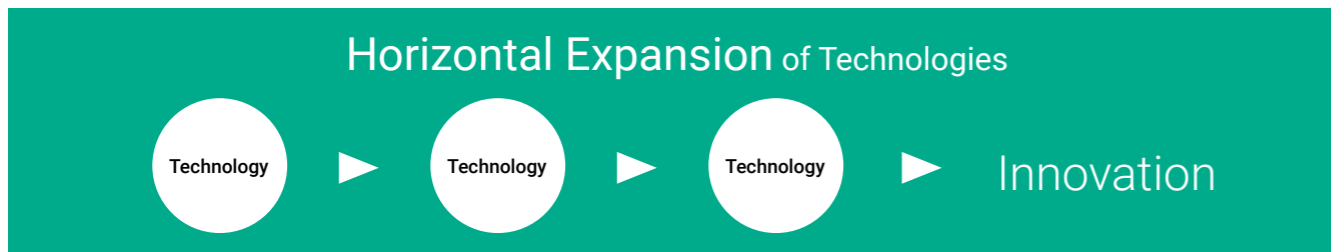
Advances in both miniaturization technology, which is primarily involved in front-end semiconductor processes, and packaging technology in back-end processes enable high-speed processing and management of large amounts of data relating to servers and electronic devices. This is supported by Ushio's lithography equipment. Through this, we hope to contribute to accelerating progress towards an IoT society and advancements in areas such as AI.

Ushio's Accomplishments

Impact on Society

Ushio's Constant Pursuit of the Potential of Light

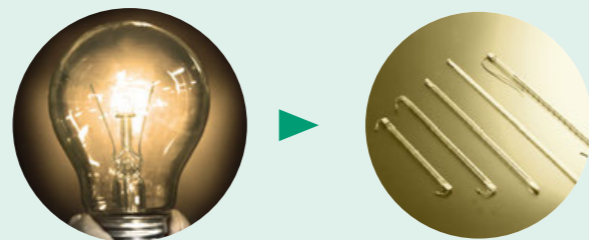
Seeking the power to control light as light professionals, Ushio develops light sources and their peripheral technologies. In addition, Ushio continues to create new technologies and products by combining these technologies and developing new applications for them.



CASE 1

Using Lamps as a Source for Energy

After becoming the first company in Japan to successfully develop halogen lamps, Ushio was referred to as the "trailblazer of domestic halogen lamps." At the time, rather than use halogen lamps as general lighting, we aimed to use them as a light source for scanning documents and a heat source for affixing toner within photocopying machines, which were becoming more technologically advanced. This expanded application of halogen lamps marked the first step toward realizing our mission of creating new markets by utilizing light not just as a source of illumination but also of energy, which we adopted at the time of our founding.



CASE 2

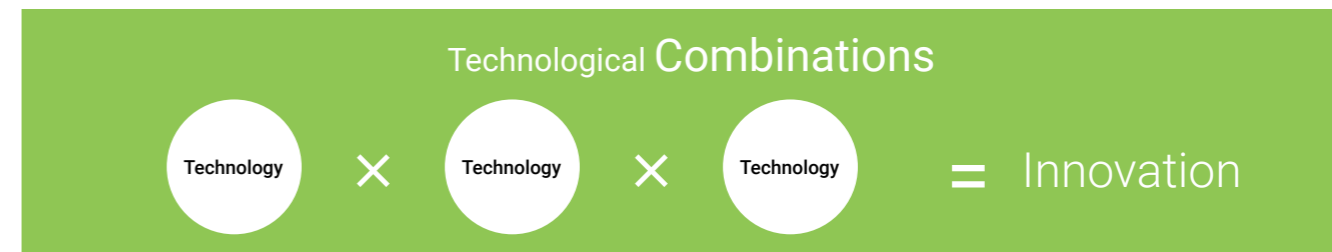


In 1993, we developed the world's first excimer lamp, which enabled the emission of high-energy vacuum UV light by applying the light emission principle to plasma discharge. These lamps realized the non-contact removal of organic substances that became attached to LCD panels and semiconductors during the manufacturing process, which had previously been an extremely difficult task. Compared with conventional wet cleaning using water or chemicals, this non-contact removal via excimer lamp enabled cleaning that was over 10 times faster and more thorough while only requiring one-third of the power consumption.

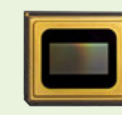
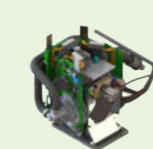
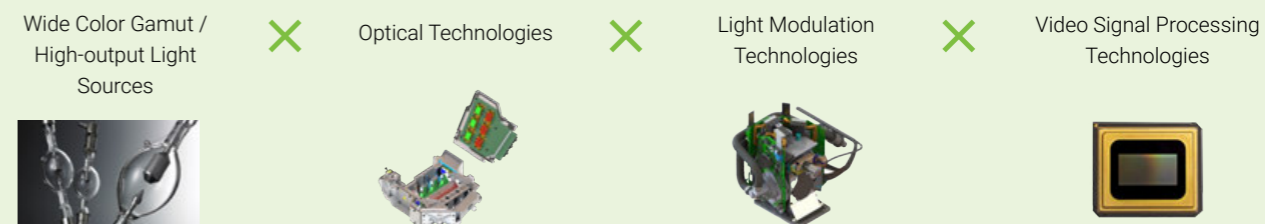
Putting this excimer lamp to use, we went on to develop excimer lamps with peak wavelengths of 308nm in the UV range. We also internally developed excimer filters that removed wavelengths in which erythema (redness of the skin) can easily occur. By applying this filter to these

308nm excimer lamps, we were able to develop the TheraBeam UV308® Series, UV phototherapy devices that enable effective treatment of autoimmune disorders in the dermatology domain, such as vitiligo and psoriasis. In these ways, we promoted the utilization of light in the Life Sciences domain. After the development of the TheraBeam UV308® Series, we pursued the combination of unique optical filters with excimer lamps that have peak wavelengths of 222nm. By doing so, we were able to develop Care222, a Far UV-C disinfection technology using 222nm excimer lamps combined with an optical filter, which blocks wavelengths above 230nm that can be potentially harmful to human skin and eyes.

Through Care222, we aim to create a world without infectious diseases by enabling the use of UV rays, which are highly effective at reducing bacteria, in environments occupied by people.



CASE 1



Digital Cinema Projectors



Digital cinema projectors require the widest possible color gamut and high-output light sources. As a specialist light manufacturer, Ushio boasts the highest worldwide share in the xenon lamp market and has been an industry leader in the adoption of RGB lasers that can efficiently extract only the required wavelengths. In addition to continuous enhancements to energy saving and light utilization efficiency, we are working to

further improve the lifespan of our products. Our RGB laser projectors also efficiently concentrate light from the light source and use a proprietary drive method starting from the video signal to enable smooth projection with depth. In addition, in order to prevent theft of video signal data through means such as copying, our systems protect the video signal data with encryption that requires a screening permission key to decrypt.

CASE 2



Lithography Equipment



The lithography process, which involves the etching of circuit patterns, is an essential part of manufacturing the substrates and electrical components that are found in all kinds of electrical devices today. Our lithography equipment is actively being utilized in this process.

Our lithography equipment makes use of the solar simulator technologies that we first developed shortly after our founding. Specifically, this equipment is realized through the combination of technologies such as "high-output UV light sources," which we develop and manufacture

in-house; "optical technologies," which comprise mirrors and lenses that effectively concentrate light emitted from light sources and irradiate it in a highly uniform and parallel manner; "material handling equipment," which responds to irradiated materials (substrates); and "wafer and substrate control technologies," which align the light irradiation position to within an accuracy of several micrometers (roughly one-fiftieth the size of a strand of hair).

Our Long-Cultivated Strengths

As light professionals, we will continue to draw on the major strengths we have cultivated since our founding in order to enhance corporate value in a sustainable manner. By doing so, we will contribute to the growth of the society of the future.

Power to Control Light

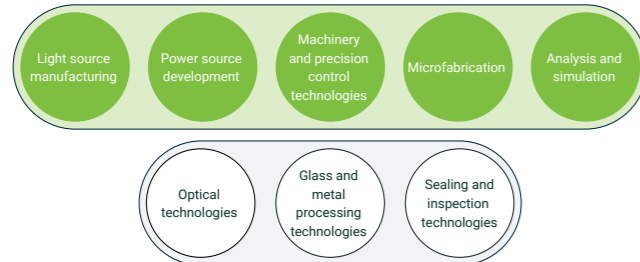
At the time of Ushio's founding, light was primarily only used as a source of illumination and the Company made it its mission to create new markets by utilizing light not just in this way but also as a source of energy. Based on this mission, we have harnessed the power of light to realize products such as light sources and optical and imaging equipment, and also peripheral services in accordance with the needs of our customers at the time. These products and services enabled us to resolve various issues impeding the progress of technological innovation. By working to leverage our long-cultivated light technologies and also discover new uses for them, we are further pursuing the potential of light and creating new technologies and products.

For more details on these initiatives, please refer to the following pages:

[P.38-39 Value Creation through Implementation of Our Management Philosophy \(History\)](#)

[P.40-41 Ushio's Constant Pursuit of the Potential of Light](#)

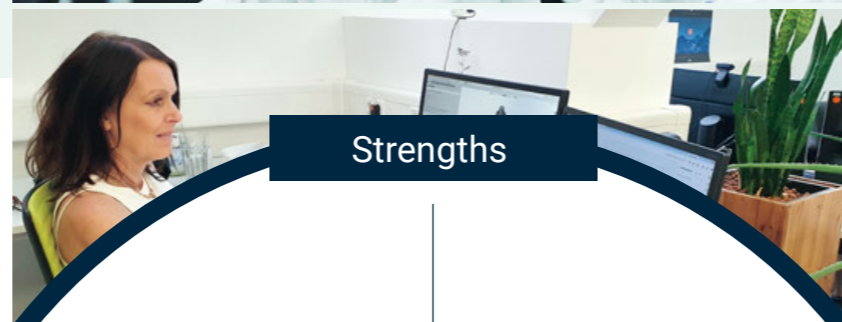
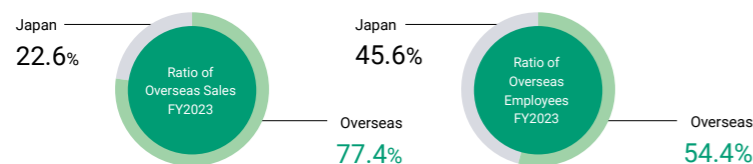
Core Technologies That Unlock the New Potential of Light



Global Market Contact Points and Partnerships

With the aim of becoming a global medium-sized company, we have promoted global business development from a very early stage for a company within the manufacturing industry. Our overseas net sales account for 70%-80% of total net sales, with overseas employees making up roughly 60% of our total employee base. By establishing this kind of global business foundation, we have been able to swiftly and accurately grasp the needs of customers and markets across the globe and, in turn, propose high-value-added solutions to meet these needs.

Our global foundation has also helped us to retain market contact points around the world and join forces with various business partners and, in doing so, not only support ongoing growth of Ushio's businesses but also mitigate the risk of supply chain disruptions.



Leading Niche Position in the Light Market



Power to Provide Light-based Solutions

In addition to the light sources themselves, we develop and manufacture equipment that incorporates them. Our ability to internally manufacture light sources, a key component of such equipment, provides us with a major source for differentiation. Also, engaging in the development, manufacture, and sale of equipment brings us closer to end users, which in turn helps us acquire useful information on future trends. As a result, we are able to resolve the issues facing our customers, as well as those impeding the progress of technological innovation.

Furthermore, by focusing our efforts on core technologies related to light as well as on securing and cultivating human capital with experience in a vast array of academic fields, we are enhancing our ability to foresee issues that may affect our customers in the future. Going forward, we will draw on this ability to comprehensively resolve social issues through both the provision of products and peripheral services.

For more details on these initiatives, please refer to the following pages:

[P.48-55 Business Creation and Intellectual Property Strategies to Create Social Value Through Light](#)

Power to Retain Light

Through our unique light technologies, we have helped resolve issues impeding the progress of technological innovation. In addition, we have been providing not only light sources but also equipment and after-sales services on a global basis. This has enabled us to work with a diverse range of customers within the value chain of each market while exploring solutions to various social issues through our customer contacts. We are also reinforcing our after-sales support in order to ensure that the light we provide continues to operate optimally for our customers in a stable, and sustainable manner. This approach enables us to offer highly trusted products in each of our business domains over long periods of time, and this is one of our strengths.

In this way, supported by our trust-based relationships with our customers, we strive to identify customer issues even more promptly and accurately, thereby developing new technologies and enhancing our awareness of social issues.

List of Five Management Focuses, Key Challenges, and Goals

Ushio has established Five Management Focuses. These represent important issues for the Company to address on a daily basis in order to improve its value as a corporation by working to resolve social issues over the long term. We determined KPIs for each phase with the aim of achieving our New Growth Strategy, Revive Vision 2030, and are steadily promoting initiatives toward achieving it.

Five Management Focuses	Vision for FY2030	Economic Value Connection	Key Performance Indices for FY2026	Initiatives for FY2024 to FY2026
<p>1</p> <p>Creating "Light" Innovation Businesses to Solve Social Issues</p> <p>We believe our mission is to put the light technologies we have cultivated as a "light innovation company" to use to contribute to resolving the issues facing society in the future.</p> <p>E S G</p>	<ul style="list-style-type: none"> ● New businesses and markets are continuously being created in foundational and new business areas through advances in Ushio's core technologies, incorporating them into our business model, etc. ● We are contributing to solving global social issues by creating new value and developing and providing competitive products leveraging our light source technology 	<ul style="list-style-type: none"> ● Expand revenue and earnings by creating new businesses 	<ul style="list-style-type: none"> ● Establishment of processes for R&D and new business creation which sustainably create new value and implementation across the Group ● Supporting miniaturization in the semiconductor industry through packaging, EUVs, optical thermal technology, etc. 	<ul style="list-style-type: none"> ● Establishment and implementation of business creation road map ● Establishment of business creation process ● Steady deployment of lithography equipment business strategies across the Group ● Development of next-generation EUV light sources and performance improvement of optical thermal products for semiconductors
<p>2</p> <p>Developing Our Diverse Talent to Get Closer to Our Vision</p> <p>We establish and provide enhanced human capital development programs in order to support the individual growth of our employees. By doing so, we aim to develop our talent on a Group-wide basis with the goal of getting closer to our Vision.</p> <p>E S G</p>	<ul style="list-style-type: none"> ● Practice Group management with diverse personnel who can contribute to the achievement of Revive Vision 2030 and provide systematic training opportunities for further development ● Achieve vision by evolving to a human capital management style that gets the most from employees' capabilities and skills and encourages further growth, along with ensuring that all employees, regardless of nationality, gender, and work style, can thrive 	<ul style="list-style-type: none"> ● Bolster talent to create new value that generates profits and accelerates growth strategies 	<ul style="list-style-type: none"> ● Human capital visualized through talent maps aligned with business needs, with rational management system in place ● Human capital who have undergone basic and specialized education on digital technology assigned to departments where they are needed 	<ul style="list-style-type: none"> ● Selective human capital development through the Global Human Capital Committee (GHCC) and Human Capital Development Committee ● Promotion of personnel exchanges within the Group ● Visualization of Group executives ● Promotion of digital education and sharing of success stories
<p>3</p> <p>Creating Working Environments Where It Is Easy to Produce Results</p> <p>To realize our Management Philosophy and achieve Revive Vision 2030, we aim to be a highly engaged organization that embraces contributions from and the development of both the Company and its employees.</p> <p>E S G</p>	<ul style="list-style-type: none"> ● Build a corporate culture of mutual respect that embraces diversity ● Implement health and productivity management that enables employees to be physically and mentally healthy and enjoy their work ● Achieve high engagement levels that enable the Company and employees to grow together and contribute to each other 	<ul style="list-style-type: none"> ● Provide attractive workplaces and work practices for diverse personnel to boost engagement and productivity 	<ul style="list-style-type: none"> ● Proportion of women in managerial positions: at least 15% and at least 10% on consolidated and non-consolidated bases, respectively ● Employee engagement score at least 62% 	<ul style="list-style-type: none"> ● More active participation by female employees and employees with disabilities ● Continuous initiatives for wide-ranging workplace environment improvements ● Consideration and provision of attractive working conditions ● Promotion of occupational health and safety activities to achieve zero work-related accidents
<p>4</p> <p>Sustainably Reducing Environmental Impact</p> <p>From a long-term perspective, we will pursue efforts to reduce our environmental burden, including within the supply chain.</p> <p>E S G</p>	<ul style="list-style-type: none"> ● Establish a resource circulation model and a model for coexistence with nature by promoting biodiversity conservation activities ● Resolve social issues by cutting greenhouse gas (GHG) emissions across the value chain ● Offer products and services that lower environmental impact 	<ul style="list-style-type: none"> ● Create businesses through green products ● Maintain and expand corporate value through fulfillment of corporate social responsibilities 	<ul style="list-style-type: none"> ● Reductions of in-house GHG (Scope 1 and 2) emissions: At least 38% from FY2017 level ● Reductions of GHG emissions (Scope 3 Category 11) from company's products: At least 23% from FY2017 levels ● Measuring and conveying benefits of products helping shrink customers' environmental footprints 	<ul style="list-style-type: none"> ● Systematic introduction of renewable energy (Scope 1 and 2) ● Effective utilization of water resources ● Development of products that contribute to reducing environmental impact in society (reducing GHG emissions, reuse / recycling, effective utilization of water resources, reducing use of chemical substances, etc.) ● Promotion of efforts for lifespan extension, efficiency improvement, and power consumption reduction of products
<p>5</p> <p>Building a Robust Management Base</p> <p>We will work to establish a robust management foundation, which will in turn underpin the four other focus points of our management.</p> <p>E S G</p>	<ul style="list-style-type: none"> ● Visualize and achieve management, business, and employee goals ● Manage business portfolio through timely efforts to identify management resources ● Clarify business risks and execute risk responses throughout the Group ● Create a corporate culture and framework for respecting human rights across the value chain ● Reinforce and deepen governance 	<ul style="list-style-type: none"> ● Visualize and accomplish management targets and each business's and employee's goals ● Ascertain management resources when necessary to manage business portfolio ● Clarify business risks and deploy risk responses throughout the Group ● Establish a culture and framework for upholding human rights throughout our value chain ● Strengthen and deepen governance 	<ul style="list-style-type: none"> ● Starting Group-wide activities to respond to social demands and earning recognition from external evaluation organizations and stakeholders through appropriate disclosure of information 	<ul style="list-style-type: none"> ● Establishment of KPI management ● Construction of global risk management system and strengthening of management ● Enhancement of measures to prevent bribery and corruption