

# FY2022 Financial Results

Ushio Inc.  
May 11, 2023

This report contains forward-looking statements, including earnings forecasts, which are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Please be advised that actual results may differ substantially from those forward-looking statements due to various factors.

- \* All figures in the material have been rounded down to the nearest billion yen.
- \* FY2022 starts from April 1<sup>st</sup>, 2021 through March 31<sup>st</sup>, 2023.

Copyright © 2023 Ushio Inc. All rights reserved.



I'm Asahi, General Manager, Corporate Headquarters of USHIO INC. I would like to explain the details of our financial results for Q4 FY2022 based on the financial results materials disclosed on our website yesterday.

Now, please see page two of the slides.

1. FY2022 **revenues and earnings increased**
2. Projecting **higher revenues and lower earnings** in FY2023
3. Reportable segments changed as of FY2023

Today, I will explain the three main items here.

FY2022 revenues and earnings YoY increased. We plan higher revenues and lower earnings in FY2023. In addition, business segments will be significantly changed from the next fiscal year. I will explain the details later on.

Please see page four.

- I. Financial Results for FY2022**
- II. Full-Year Forecast for FY2023
- III. Supplementary Information

**Net Sales**  
175.0 billion yen

**+26.2 billion yen YoY (+17.6%)**

- Sales increased stemming from forex impact
- Optical Equipment: Sales increased due to demand increase in UV equipment
- Imaging Equipment: Sales increased owing to recovery trend from COVID-19 in general imaging

**Operating Profit**  
15.8 billion yen

**+2.7 billion yen YoY (+21.4%)**

- Impact of net sales increase (including forex impact)
- SG&A reduction from structural reforms

**Profit Attribute to Owners of Parent**  
13.6 billion yen

**+1.0 billion yen YoY (+8.7%)**

- Non-operating Income
- Forex gain and loss: 1.9 billion yen (FY2021: 0.3 billion yen)
  - Extraordinary Income
  - Gain on sales of fixed assets: 0.2 billion yen (FY2021: 1.1 billion yen)

Copyright © 2022 Usbio Inc. All rights reserved.

Here is the financial results summary.

Net sales increased by 17.6% to JPY175 billion. The increase in sales was mainly due to the weaker yen in forex and contributions from optical and imaging equipment.

Operating profit increased by 21.4% to JPY15.8 billion. In addition to net sales increase, the increase is attributable to the effect of fixed cost reductions from structural reforms and other factors.

As for foreign exchange gain and loss, thanks to the depreciation of the yen against the US dollar by JPY23 YoY, net sales increased by about JPY18 billion and operating profit by about JPY2 billion.

Profit attribute to owners of parent increased by 8.7% to JPY13.6 billion.

Next, I will explain the details of operating profit gain and loss using a step chart, so please see page six.

## Summary of Financial Results

**USHIO**

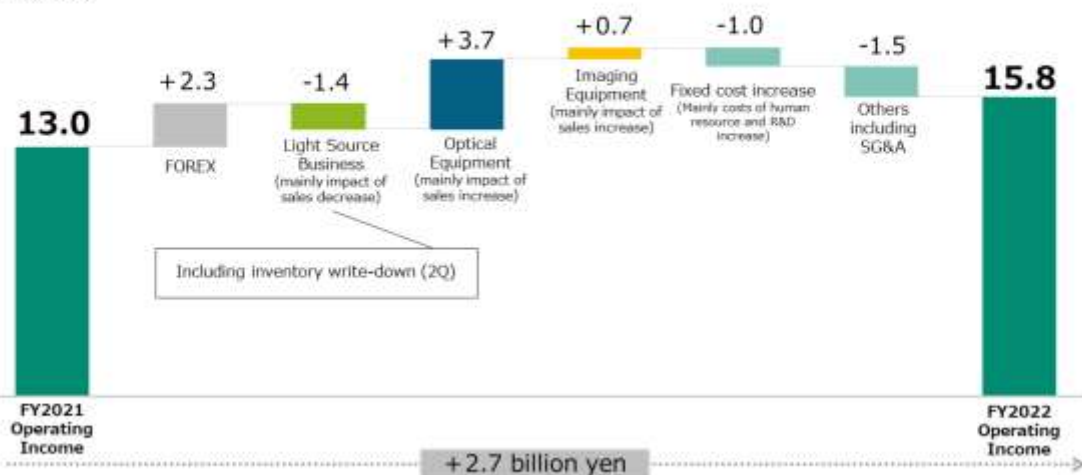
	(Billions of yen)	FY2021 Result	FY2022 Result	YoY comparison	
				Changes	%
Net Sales		148.8	175.0	+26.2	+17.6%
Operating Profit		13.0	15.8	+2.7	+21.4%
Operating Margin		8.8%	9.1%	+0.3P	-
Ordinary Profit		15.1	20.1	+4.9	+32.6%
Profit Attributable to Owner of Parent		12.6	13.6	+1.0	+8.7%
EPS (yen)		104.54	115.69	+11.15	+10.7%
FOREX (yen)	USD	112	135	+23	-
	EUR	131	141	+10	-

Copyright © 2022 Ushio Inc. All rights reserved.

5

## YoY Variation Analysis of Operating Income

(billions of yen)



Note: 「Light Source Business (mainly impact of net sales up/down)」～「Others including SG&A」 exclude 「FOREX」

Copyright © 2022 Usbio Inc. All rights reserved.

5

This is the main breakdown of the JPY2.7 billion increase in operating profit.

It increased by JPY2.3 billion thanks to the effect of yen depreciation in foreign exchange.

In the business, it increased by JPY3 billion from an increase in sales of lithography equipment, despite lower sales of UV lamps and the impact of inventory write-downs recorded in Q2.

On the other hand, there was a JPY2.5 billion increase in SG&A and other expenses, including additional investments in human resources and R&D.

Next, I will explain the financial results by business segment. Please see page seven.

## Financial Results by Business Segments



Net sales increased in all segments, but operating profit decreased in imaging equipment.

I will then explain the details of each segment on slide eight.

## Common

**Impact of shortage of materials for semiconductors continues in some businesses, but is easing**  
**Rising material costs, energy prices, and logistics costs continue to affect some businesses**

## Electronics Field

**Signs of near-term adjustment in semiconductor industry amid growth over medium through long terms, with LCD panel production entering adjustment phase**

- Flat panel displays: Solid stay-at-home demand for LCD panels ran its course, with inventories and production entering adjustment phase
- Semiconductor market: Notwithstanding anticipated growth over medium through long terms on IoT and 5G innovation progressing, some adjustments amid slowing end-use demand
- With data volumes increasing through IoT uptakes, market for advanced semiconductor packaging solutions continued to expand on faster data processing and lower power consumption of these devices, including technological innovation necessity

## Visual Imaging Field

**Markets on recovery paths through global economic activity returning to normal from pandemic, and impact of material shortages and cost increases are easing**

- Cinema market: Recovery in operating rates worldwide; full-scale investments should recover from FY2023. While COVID-zero policy has caused low operating rates in China, a policy shift should drive a recovery there
- General imaging market: Investment recovered due to the lifting of restrictions and resumption of events
- Office automation equipment: Inventory adjustment due to economic slowdown despite easing impact of component shortages at set manufacturers

First, let me explain our current business environment.

Major change from Q3 is uncertainty of general market conditions in the electronics field.

The market for advanced semiconductor package solutions is expected to continue to see increased demand, but there is a current trend toward investment postponement. The deterioration in the semiconductor and flat panel display markets also seem to have bottomed out but is expected to remain flat for some time.

I will now explain the situation by segment. Please see page nine.



(Billions of yen)	FY2021	FY2022	YoY comparison	
	Result	Result		
Net Sales	57.8	61.8	+4.0	+6.9%
UV Lamp	38.3	38.7	+0.4	+1.1%
Halogen Lamps	10.4	12.9	+2.4	+23.8%
Solid State Light Source	9.0	10.0	+1.0	+11.9%
Operating Profit	8.2	9.0	+0.7	+8.8%
Operating Margin	14.3%	14.6%	+0.3P	-

**Discharge lamps Net Sales YoY comparison**

- **UV lamps (-0.7 billion yen, -6%)**  
Sales for LCD panel dropped
- **Cinema lamps (+1.7 billion yen, +24%)**  
Sales increased as cinemas reopened and operations recovering from pandemic's impact and owing to foreign exchange changes
- **Data projector lamps (+0.6 billion yen, +17%)**  
Sales for high-end projectors rose on event and other recoveries
- **Optical equipment lamps (+0.2 billion yen, +3%)**  
Sales of optical equipment for LCD panel production were down but increased in yen terms owing to foreign exchange changes
- **Others (-1.4 billion yen, -35%)**  
Sodium lamp sales fell amid rapid shift to solid-state light sources

**Halogen lamps Net Sales YoY comparison**

- **OA lamps (+1.4 billion yen, +33%)**  
Sales increased as parts procurement issues relaxed among set manufacturers
- **Others (+0.6 billion yen, +15%)**  
Heater lamp sales increased, primarily for semiconductors on higher semiconductor demand

**Solid state light source Net Sales YoY comparison**

- **Solid state light source (+1.0 billion yen, +12%)**  
Sales increased on recoveries from pandemic in entertainment- and sensor-related markets and owing to foreign exchange changes

Both sales and profit increased in the light source segment. Net sales increased by 6.9% to JPY61.8 billion. As a result, operating profit increased by 8.8% to JPY9 billion.

There were sales and profit loss contributors such as the decrease in sales of light sources for LCD panel-related products due to a drop in stay-at-home demand, a decline in sales of sodium lamps due to the shift to solid-state light sources, and a loss on valuation of inventories.

On the other hand, sales of projector-related products for cinema and other applications and office automation applications increased thanks to the market recovery from the pandemic, resulting in an increase in overall light source sales and profit.

Next, I will explain equipment business on slide 10.

## Optical equipment

(Billions of yen)	FY2021	FY2022	YoY comparison	
	Result	Result		
Net Sales	48.3	57.7	+9.4	+19.4%
Operating Profit	4.6	7.1	+2.5	+55.0%
Operating Margin	9.5%	12.4%	+2.8P	-

## Optical equipment sales

- **UV equipment (+9.6 billion yen, +33%)**  
Sales increased for large field stepper for cutting-edge IC Package substrates and Direct Imaging lithography equipment
- **Curing equipment (-1.1 billion yen, -22%)**  
LCD equipment sales decreased because demand for LCD panels ran its course
- **Others (+0.8 billion yen, +6%)**  
Higher maintenance revenues offset lower unit sales of EUV light sources

## Imaging equipment

(Billions of yen)	FY2021	FY2022	YoY comparison	
	Result	Result		
Net Sales	39.1	51.3	+12.1	+31.0%
Operating Profit	-0.0	-0.6	-0.5	-
Operating Margin	(0.1)%	(1.3)%	(1.1)P	-

## Imaging equipment sales

- **Cinemas (+3.7 billion yen, +22%)**  
While unit shipments of DCP declined because of shortages of semiconductors and other materials, sales were up owing to a lower yen
- **General imaging (+7.7 billion yen, +39%)**  
Sales of related products increased owing to event businesses recovering particularly in North America

In optical equipment, net sales increased by 19.4% to JPY57.7 billion and operating profit increased by 55% to JPY7.1 billion.

Demand for semiconductor packaging is on the rise, and sales of each lithography equipment are increasing significantly. In addition, concerning light sources for EUV mask inspection, existing light source maintenance services revenues offset lower unit sales of the light source itself in an adjustment phase.

Overall optical equipment sales and profits increased significantly. The status of promising products is shown on slide 11, which you will see later.

In imaging equipment, net sales increased by 31%, but operating profit declined by JPY500 million to a loss of JPY600 million due to soaring material costs and other factors. In cinemas, sales of digital cinema projectors declined due to the continued impact of procurement shortages of key parts throughout the year. On the other hand, sales of general imaging increased after the pandemic for steady investment in events and other entertainment-related activities.

Now, please see page 12.

## Latest Status of Promising Products: Optical Equipment

Product	Latest Status	Sales Forecast												
Large Field Stepper for Latest IC Package Substrates	<ul style="list-style-type: none"> <li>Continued growth in the IC package market has led to firm orders and inquiries, but there is a tendency to postpone investment at present</li> <li>For further demand increase, production capacity was increased (1.3 times) in the H2/FY2022, and planning more than double the capacity after FY2023</li> <li>Investment in development of next-generation lithography equipment (high productivity X high resolution)</li> </ul>	<table border="1"> <caption>Sales Forecast Data (Estimated)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>FY2018</td> <td>Low</td> </tr> <tr> <td>FY2019</td> <td>Low</td> </tr> <tr> <td>FY2020</td> <td>Low</td> </tr> <tr> <td>FY2021</td> <td>Low</td> </tr> <tr> <td>FY2022</td> <td>High</td> </tr> </tbody> </table>	Fiscal Year	Result	FY2018	Low	FY2019	Low	FY2020	Low	FY2021	Low	FY2022	High
Fiscal Year	Result													
FY2018	Low													
FY2019	Low													
FY2020	Low													
FY2021	Low													
FY2022	High													
Direct Imaging Exposure System	<ul style="list-style-type: none"> <li>With evolution of IoT and 5G, package substrates market and print circuit boards market are growing steady</li> <li>Sales of high resolution model (2<math>\mu</math>mL/5) has started and will be contributing to sales in FY22</li> </ul> <p>Target: latest IC package (Fan-out) and organic package substrates markets</p>	<table border="1"> <caption>Sales Forecast Data (Estimated)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>FY2018</td> <td>Low</td> </tr> <tr> <td>FY2019</td> <td>Low</td> </tr> <tr> <td>FY2020</td> <td>Low</td> </tr> <tr> <td>FY2021</td> <td>Low</td> </tr> <tr> <td>FY2022</td> <td>High</td> </tr> </tbody> </table>	Fiscal Year	Result	FY2018	Low	FY2019	Low	FY2020	Low	FY2021	Low	FY2022	High
Fiscal Year	Result													
FY2018	Low													
FY2019	Low													
FY2020	Low													
FY2021	Low													
FY2022	High													
EUV Light Source for Mask Inspection	<ul style="list-style-type: none"> <li>Although EUV lithography mask inspection market continues to grow, FY2023 will be still demand adjusting phase</li> <li>High brightness APMI* actual implementation will be after FY2025</li> <li>Maintenance demand increase as planned</li> </ul>	<table border="1"> <caption>Sales Forecast Data (Estimated)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>FY2018</td> <td>Low</td> </tr> <tr> <td>FY2019</td> <td>Low</td> </tr> <tr> <td>FY2020</td> <td>Low</td> </tr> <tr> <td>FY2021</td> <td>Low</td> </tr> <tr> <td>FY2022</td> <td>High</td> </tr> </tbody> </table>	Fiscal Year	Result	FY2018	Low	FY2019	Low	FY2020	Low	FY2021	Low	FY2022	High
Fiscal Year	Result													
FY2018	Low													
FY2019	Low													
FY2020	Low													
FY2021	Low													
FY2022	High													

\*APMI: Actinic Patterned Mask Defect Inspection

## Summary of Financial Results for FY2022

USHIO

While lower than initially targeted owing to deteriorating semiconductor market conditions and materials shortages, results surpassed previously announced forecast revision because of minimal impact of light source production adjustments in Q4

(Billions of yen)	FY2022 Result	Previous Revision February 3, 2023			Initial Plan May 11, 2022		
		Full Year Forecast	Changes	Achievement rate (%)	Full Year Forecast	Changes	Achievement rate (%)
Net Sales	175.0	170.0	+5.0	103.0%	170.0	+5.0	103.0%
Operating Profit	15.8	15.0	+0.8	105.7%	17.0	-1.1	93.3%
Operating Margin	9.1%	8.8%	+0.2P	-	10.0%	(0.9)P	-
Ordinary Profit	20.1	19.5	+0.6	103.3%	18.5	+1.6	108.9%
Profit Attributable to Owners of Parent	13.6	13.0	+0.6	105.4%	14.0	-0.3	97.9%
EPS (yen)	115.69	109.78	+5.91	105.4%	117.79	-2.10	98.2%
ROE (%)	5.7%	5.5%	+0.2P	-	5.9%	(-0.2)P	-
Annual dividend (yen)	50	50	-	-	50	-	-
Forex rate (yen)	USD	135	+2	-	120	+15	-
	EUR	141	+2	-	130	+11	-

Copyright © 2022 Ushio Inc. All rights reserved.

12

We fell short of our initial plan due to the impact of the deteriorating market conditions for semiconductors and LCDs and the shortage of materials for imaging equipment. However, compared to the forecast made in Q3, our results were better because of minimal impact of light source production adjustment.

I will explain these discrepancies by segment in the next page. Please see page 13 of the slides.

## Financial Results by Sub-Segment for 2022

USHIO

(Billions of yen)		FY2022 Result	Previous Revision February 3, 2022			Initial Plan May 11, 2022		
			Full Year Forecast	Changes	Achievement rate (%)	Full Year Forecast	Changes	Achievement rate (%)
Light source	Net Sales	61.8	59.0	+2.8	104.8%	63.0	-1.1	98.1%
	Operating Profit	9.0	7.7	+1.3	117.2%	9.8	-0.7	92.2%
	Operating Margin	14.6%	13.1%	+1.5P	-	15.6%	(1.0)P	-
Optical equipment	Net Sales	57.7	56.0	+1.7	103.2%	51.0	+6.7	113.3%
	Operating Profit	7.1	8.0	-0.8	89.5%	5.7	+1.4	125.6%
	Operating Margin	12.4%	14.3%	(1.9)P	-	11.2%	+1.2P	-
Imaging equipment	Net Sales	51.3	51.0	+0.3	100.6%	52.0	-0.6	98.7%
	Operating Profit	-0.6	-0.9	+0.2	-	1.3	-1.9	-
	Operating Margin	(1.3)%	(1.8)%	+0.5P	-	2.5%	(3.8)P	-
Others	Net Sales	4.0	4.0	+0.0	102.2%	4.0	+0.0	102.2%
	Operating Profit	0.1	0.2	-0.0	95.9%	0.2	-0.0	95.9%
	Operating Margin	4.7%	5.0%	(0.3)P	-	5.0%	(0.3)P	-
Total	Net Sales	175.0	170.0	+5.0	103.0%	170.0	+5.0	103.0%
	Operating Profit	15.8	15.0	+0.8	105.7%	17.0	-1.1	93.3%
	Operating Margin	9.1%	8.8%	+0.2P	-	10.0%	(0.9)P	-

Copyright © 2022 Usbio Inc. All rights reserved. 13

The results for each segment are shown with the initial plan and the revised forecast in Q3.

Light sources exceeded the revised forecast. Our revision was conservative due to concerns about the impact of production adjustments caused by rapidly deteriorating market conditions for semiconductors, LCDs, and other products, but the results were higher than expected for only minor production adjustments made.

On the other hand, Q4 results for optical equipment were lower than expected due to the write-down of some inventories and the profit impact of product mix.

Please look at our earnings forecast for FY2023. Please see slide 15.

- I. Financial Results for FY2022
- II. Full-year Forecast for FY2023**
- III. Supplementary Information

## Summary of FY2023 Financial Forecast

Sales should increase due to the easing trend in the visual imaging-related materials problem, but business conditions remained uncertain, especially in the semiconductor market. Expand strategic investments to achieve the 2nd Medium-Term Management Plan and future business expansion. Management plans to maintain annual dividends at ¥50 per share.

(Billions of yen)	FY2022 Result	FY2023 Forecast	YoY Comparison	
Net Sales	175.0	188.0	+12.9	+7.4%
Operating Profit *1	15.8	12.5	-3.3	(21.2)%
Operating Margin *1	9.1%	6.6%	(2.4)P	-
EBITDA *2	23.6	21.0	-2.6	(11.2)%
EBITDA Margin	13.5%	11.2%	(2.3)P	-
Ordinary Profit	20.1	14.0	-6.1	(30.5)%
Profit Attributable to Owner of Parent	13.6	10.0	-3.6	(27.0)%
EPS (yen)	115.69	90.58	-25.11	(21.7)%
ROE (%)	5.7%	4.3%	(1.4)P	-
Dividend per year (yen)	50	50	-	-
FOREX (yen)	USD	135	-0	-
	EUR	141	+4	-

FOREX sensitivity:  
Amount of impact from 1 yen fluctuations (full-year)

	Net Sales	Operating Profit
vs USD	Approx. 1.2 billion yen	Approx. 0.13 billion yen

\*1 FY2023 operating profit, operating margin and ROE targets exclude new goodwill amortization  
\*2 EBITDA = operating profit + depreciation and amortization and amortization of goodwill

Copyright © 2022 Ushio Inc. All Rights Reserved. 15

First, we will set EBITDA and ROE as key KPIs along with the start of the new medium-term management plan, which will be explained later today. Details will be explained in the medium-term management plan section.

As for our full-year forecast for FY2023, we plan to increase net sales and decrease profits.

While the problem of visual imaging-related materials is easing and sales will increase, we expect business conditions to remain uncertain, especially in the semiconductor market.

Under these circumstances, we will expand strategic investments such as R&D and human resource investments for the achievement of the new medium-term management plan and beyond.

The exchange rate assumptions for FY2023 are JPY135 to 1USD and JPY145 to 1EUR for the full year. The annual dividends will be maintained at JPY50 per share.

Next, I will explain by segment. Please see slide 16.

## Reporting Segment Changes

Changed reporting segments from 2<sup>nd</sup> Medium-Term Management Plan (FY2023~2025) to market-centered segments

Old business segments	Subsegments		New business segments Reporting segments	Ref: Relevance to former business segments		
				Subsegments	Reporting segments	
Light Source Business	Halogen lamps	• OA	Industrial Processes	● Halogen lamps: OA, other	(Light Source)	
		• Lamps		● Discharge lamps: UV lamps, Optical equipment lamps		
		• Others		● UV equipment		
	Discharge lamps	• UV lamps		● Curing equipment		(Optical Equipment)
		• Cinema		● Other (EUV, etc.)		(Others)
Solid state light sources	• Data projector	● Machinery for industrial use and other businesses	(Others)			
	• Optical equipment	● Halogen lamps: Illumination	(Light Source)			
	• Others	● Discharge lamps: Cinema lamps, Data projector lamps				
Optical Equipment Business	• UV equipment	Visual Imaging	● Cinema	(Imaging Equipment)		
	• Curing equipment		● General imaging			
	• Others		● Illumination equipment, etc.			
Imaging equipment Business	• Cinema	Life Sciences	● Discharge lamps: Optical equipment	(Light Source)		
	• General imaging		● Other (Medical, etc.)		(Optical Equipment)	
	• Lighting equipment, etc.		● Solid-state light sources		(Light Source)	
Others	• Machinery for industrial use and others	Photronics Solutions	● Solid-state light sources	(Light Source)		
			Others		● Others	(Optical Equipment)

Copyright © 2022 Ushio Inc. All Rights Reserved. 11

Before starting my explanation by segment, we have reporting segment changes from the conventional product-centered segments to market-centered segments from the Second Medium-Term Management Plan.

The detailed background and direction of the changes in segmentation will be explained in the medium-term management plan section, but the relevance of the former segments is shown on this page.

Based on these changes, I will give my explanation from the next page. Please see slide 17.



## FY2023 Financial Forecasts by Sub-segment

IP: Decrease due to continued uncertainty in the semiconductor market and increased investment in development  
 VI: Increase in sales and income due to easing of material issues

(billions of yen)	Net Sales				Operating Profit			
	FY2022 Result (Reference*1)	FY2023 Forecast*2)	YoY Comparison		FY2022 Result (Reference*1)	FY2023 Forecast*2)	YoY Comparison	
Industrial Processes	88.1	86.0	-2.1	(2.4)%	17.2 (19.6%)	11.0 (12.8%)	-6.2 (-6.8)P)	(36.4)%
Visual Imaging	67.7	83.5	+15.7	+23.2%	3.0 (4.5%)	4.0 (4.8%)	+0.9 (+0.3)P)	+32.2%
Life Sciences	4.6	4.5	-0.1	(3.3)%	-4.9 (-106.0)%	-2.0 (-44.4)%	+2.9 (+61.6)P)	-
Photonics Solutions	10.1	10.5	+0.3	+3.7%	-0.2 (-2.9)%	-1.0 (-9.5)%	-0.7 (-6.6)P)	-
Others	4.3	3.5	▲0.8	(19.4)%	0.7 (17.7%)	0.5 (14.3%)	-0.2 (-3.4)P)	(34.8)%
<b>Total</b>	<b>175.0</b>	<b>188.0</b>	<b>+12.9</b>	<b>+7.4%</b>	<b>15.8</b> (9.1%)	<b>12.5</b> (6.6%)	<b>-3.3</b> (-2.4)P)	<b>(21.2)%</b>

\*1. FY2022 segment figures are reference values that Ushio prepared for comparative purposes

\*2. FY2023 operating profit target excludes new goodwill amortization.

Copyright © 2022 Ushio Inc. All Rights Reserved. 17

FY2023 forecasts for each new segment are as shown.

In industrial processes, the market conditions for semiconductors, flat panels, and other products in general remained uncertain, and no marked improvement in market conditions could be expected. On the other hand, we expect a decrease in both sales and profits as we expand strategic investments for the upcoming demand growth period.

In visual imaging, the shortage of key parts for cinema projectors and other products is expected to gradually ease, and sales are expected to increase from H2.

Detailed segment forecasts are shown on slide 18. I will explain only key points.

## FY2023 Segment Forecasts

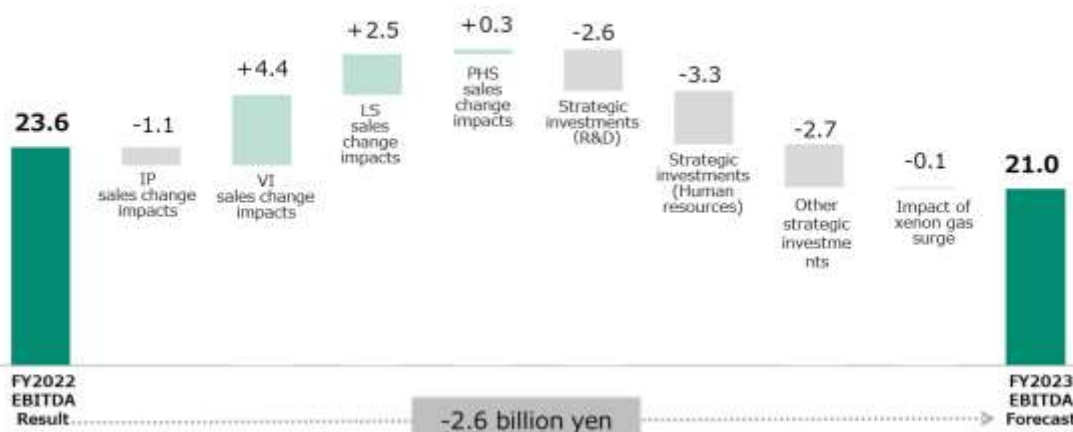
	Business climate assumptions	Outlooks
<b>Industrial Processes</b>	<p><b>Business climate to remain generally uncertain, with moderate semiconductor market recovery from H2</b></p> <ul style="list-style-type: none"> <li>Semiconductor market capacity utilization adjustments to continue amid final demand slowdown, with recovery beginning in second half of year</li> <li>Demand to remain robust in cutting-edge IC package market, with trends remaining intact over medium and long terms, albeit with investment plans currently tending to be pushed back</li> <li>Flat panel display market demand to remain flat after capacity utilization drops in response to stay-at-home demand running course</li> </ul>	<ul style="list-style-type: none"> <li>Slightly higher sales of projection and Direct Imaging lithography equipment owing to some investment plan postponements</li> <li>In EUV, sales only for maintenance amid ongoing total costs of ownership issues</li> <li>UV lamp sales down from year earlier owing to ongoing operational adjustments</li> <li>Investments expanding in lithography equipment and EUV to strengthen development and support structure with view to future</li> </ul>
<b>Visual Imaging</b>	<p><b>Cinema market recovery ushering in full-fledged replacement demand, while general imaging market performing solidly</b></p> <ul style="list-style-type: none"> <li>In cinema market, Chinese market recovering, driving robust replacement demand for digital cinema projectors</li> <li>General imaging market solid, including for events and theme parks</li> <li>Shortages easing of parts and materials for high-end projectors</li> </ul>	<ul style="list-style-type: none"> <li>Sales of digital cinema projectors rising amid easing of parts and materials shortages and full-fledged replacement demand</li> <li>Higher sales of general imaging-related equipment owing to robust high-end demand</li> <li>Sales of cinema lamps up on Chinese market recovery</li> <li>Sales of data projector lamps dropping because of lower demand and shift to solid-state light sources</li> </ul>
<b>Life Sciences</b>	<ul style="list-style-type: none"> <li>Moderate demand growth for light-based equipment in medical sector</li> </ul>	<ul style="list-style-type: none"> <li>UV light therapy equipment sales up on new product launches and market share gains</li> <li>Higher medical lamp light source sales on demand boost</li> <li>Sodium lamp sales off in shift to solid-state light sources</li> </ul>
<b>Photonics Solutions</b>	<ul style="list-style-type: none"> <li>Steady growth on expanding optical applications, improved energy efficiency, and other factors</li> </ul>	<ul style="list-style-type: none"> <li>Higher sales of devices and modules for medical, healthcare, industrial sensor markets</li> <li>Module sales up for OA printing and curing applications</li> </ul>

In industrial processes segment, under the market environment assumptions described here, sales of large field stepper for cutting-edge IC package substrates and direct imaging lithography equipment increases slightly from the previous fiscal year because the current trend of investment postponement. EUV does not anticipate sales of the main unit at this time due to the ongoing total costs of ownership issues, and we expect only maintenance revenues.

Visual imaging expects sales to increase because of easing material problems in digital cinema projectors and capturing replacement demand. Demand for general imaging equipment is expected to be strong for events and theme parks, while demand for cinema lamps is expected to be solid also because of the recovery of the Chinese market. On the other hand, sales of data projector lamps are expected to decrease significantly due to the impact of the shift to solid-state light sources and lower demand.

Next, please look at slide 19.

YoY Variation Analysis of EBITDA



As I explained earlier, we expect EBITDA to decrease by JPY2.6 billion, but on the business front, we plan to increase strategic investments in human resources and R&D to achieve our medium-term management plan and future business expansion, while growing mainly in the visual imaging business.

Finally, I would like to explain our shareholder returns. Please see page 20 of the slide.

Shareholder Returns

Dividends per Share

**【Dividend policy】** Generating stable returns



50 yen for FY2022 (plan)  
50 yen for FY2023 (continuation)

Share Buybacks

**【Buyback policy】**

Ushio will flexibly repurchase shares. It will limit treasury stock holdings to 5% of the total number of issued and outstanding shares, annually retiring portions exceeding the 5% threshold

Purchase period: May 29, 2023 to May 10, 2024  
Total amount to be purchased: 30 billion yen (max)  
Total number to be purchased: 20 million shares (max)



Copyright © 2022 Ushio Inc. All Rights Reserved 20

We will continue to aim for stable dividends in FY2023 and beyond, although we will explain this in detail in the medium-term management plan section.

In the first year of the new medium-term management plan, we will conduct a large-scale share buyback of up to JPY30 billion and 20 million shares. More details are found in the May 11 release and in the following medium-term management plan section.

That concludes my explanation.

- I. Financial Results for FY2022
- II. Full-year Forecast for FY2023
- III. Supplementary Information**

**USHIO**

**EUV light source for next-generation semiconductor mass-production process**  
Development, Production, Sales



(Provided by TNO)



Sales of light source  
Maintenance

**Mask Inspection equipment manufacturer/  
Research & development institution**

Next-generation semiconductor mass-production needs with EUV lithography technology evolution

**Semiconductor device manufacturers**

Increase EUV light source needs for inspection and development

**Contribution of Ushio's EUV light source**

Expect to expand business opportunities of EUV light source for mask inspection

**Ushio EUV Light Source Development History**

- 2000 EUV light source development started
- 2001 Established EUVA\*  
\*Extreme Ultraviolet Lithography System Development Association
- 2013 Withdrew from Lithography related development
- 2016 Delivered EUV light source to TNO
- 2018 Delivered first EUV light source for inspection (for test purpose)
- 2019 Delivered and received first acceptance for mass production process

**Ushio Strength**

Long business experience in semiconductor industry

+

Many years of experience in EUV technology  
(Compact/High-brightness/High Power)



**Large Field Stepper (UX-5)**  
Production and sales

■ **World wide share:**

**Maintain 90%**

Cutting-edge IC package substrate market  
(Stepper market)



Cutting-edge & Next generation  
package demand expansion



**Package substrate  
manufacturer**



With IoT evolution, demand increased for servers for data centers processing high capacity and high speed data processing

**Data center market**

>20% growth per year (self-survey)

⇒ Expanding Adoption of next-generation package substrates

■ **Ushio Strength**

1. Large-area projection  
→ **High productivity & low CoO**

---

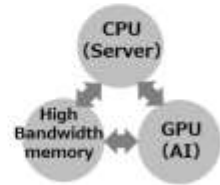
2. Non-contact mask work  
→ **Yield enhancement**

---

3. Deep depth of focus  
→ **Process margin & substrate warping**

---

4. High Resolution/alignment accuracy  
→ **Pitch miniaturization & process margin**





**Direct Imaging Lithograph Equipment**

Development · Production · Sales

- Refinement
- High Productivity



Print-wired board demand increasing as application innovation



**Print-wired board Package substrate manufacturer**

- High Density
- Multi-layering



**As 5G progressed**  
Innovation of each application and demand increasing



**Ushio Strength**


- High Resolution (High end products)
- World's fastest High Productivity (Middle end products)

+

● **World wide share : 20%** (seF-survey)

Customer-first maintenance support capability



**Care222®: Disinfection and Virus Inactivation Solution** 

**Our Goal : Safe and reassured environment, which prevents from Pandemics**

Towards the needs for disinfection and virus inactivation under occupied space (providing safe and reassurance)

**Ushio Strength**

- Exclusive licensee of ultraviolet disinfection process, which is harmless to humans (Columbia University)
- Accumulated effective radiation process appropriate to spatial form
- High-quality excimer lamp/module production technology acquired from LCD and semiconductor industries



Our Efforts	
STEP0	<ul style="list-style-type: none"> <li>• <b>Build production system/product expansion</b> Expanding product lineup by collaborative development and requirement</li> <li>• <b>Awareness and brand value improvement</b> Participating in exhibitions and advertising, opening brand site, and collaborating with sales partners</li> <li>• <b>Expanding evidence/spreading safety of UV rays</b> Continuous Conference presentation and clinical research Applying to worldwide certification with ACGIH* revision to accelerate relaxation of IEC standards* and international regulations</li> </ul>
STEP1	<ul style="list-style-type: none"> <li>• <b>Space infrastructure with high affinity</b> ⇒ MaaS market/medical care market</li> </ul>

\*ACGIH : American Conference of Governmental Industrial Hygienists, which prescribes Threshold Limit Values (TLVs)

\*IEC standards: Standards which International Electrotechnical Commission develops and publishes. Cover electrical safety, labeling, performance, test methods, and other guidelines for electrical and electronic products

## Reference: Summary of Quarterly Financial Results

**USHIO**

	FY2021				FY2022				YoY comparison		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Changes	%	
(Billions of yen)											
Net Sales	34.9	36.6	38.1	39.1	39.7	48.2	40.4	46.6	+7.5	+19.3%	
Operating Profit	2.5	3.9	4.2	2.2	4.4	5.6	3.4	2.3	-0.0	(3.2)%	
Operating Margin	7.4%	10.9%	11.1%	5.8%	11.3%	11.7%	8.5%	5.0%	(0.8)P	-	
Ordinary Profit	3.3	4.3	4.8	2.6	6.2	7.3	4.3	2.1	-0.5	(20.0)%	
Profit Attributable to Owner of Parent	3.3	3.1	3.6	2.4	3.8	5.6	2.5	1.6	-0.7	(33.0)%	
EPS (yen)	28.02	25.94	30.52	20.06	32.18	47.87	21.80	13.78	-6.28	(31.3)%	
FOREX (yen)	USD	110	110	113	115	126	137	144	133	+18	-
	EUR	132	130	130	129	137	140	144	143	+13	-

Copyright © 2022 Usbio Inc. All rights reserved. 25

## Reference: Summary of Quarterly Financial Results by Business Segments

(Billions of yen)		FY2021				FY2022				YoY comparison	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Light Source	Net Sales	13.6	14.3	15.2	14.5	16.0	16.4	15.0	14.2	-0.3	(2.3)%
	Operating Profit	1.9	2.5	2.4	1.2	3.1	2.0	2.1	1.7	+0.4	+37.5%
	Operating Margin	14.3%	17.8%	16.3%	8.8%	19.4%	12.2%	14.1%	12.4%	+3.6P	-
Optical equipment	Net Sales	12.4	12.0	10.8	13.0	11.5	18.6	11.3	16.1	+3.0	+23.6%
	Operating Profit	1.0	1.3	1.0	1.0	1.0	3.4	1.7	0.8	-0.2	(20.2)%
	Operating Margin	8.7%	11.3%	10.1%	8.4%	9.4%	18.7%	15.1%	5.4%	(3.0)P	-
Imaging equipment	Net Sales	8.2	9.4	11.1	10.4	11.3	11.9	12.9	15.0	+4.6	+44.2%
	Operating Profit/Loss	-0.4	0.0	0.5	-0.1	0.2	0.0	-0.5	-0.4	-0.2	(169.2)%
	Operating Margin	(5.8)%	0.3%	4.9%	(1.4)%	2.2%	0.2%	(3.9)%	(2.7)%	(1.2)P	-
Others	Net Sales	0.6	0.8	0.9	1.0	0.7	1.1	1.0	1.1	+0.1	+19.0%
	Operating Profit/Loss	-0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	+0.0	+170.4%
	Operating Margin	(0.2)%	2.2%	7.8%	2.0%	1.5%	6.2%	5.6%	4.5%	+2.5P	-
Total	Net Sales	34.9	36.6	38.1	39.1	39.7	48.2	40.4	46.6	+7.5	+19.3%
	Operating Profit/Loss	2.5	3.9	4.2	2.2	4.4	5.6	3.4	2.3	+0.0	+3.2%
	Operating Margin	7.4%	10.9%	11.1%	5.8%	11.3%	11.7%	8.5%	5.0%	(0.8)P	-

Copyright © 2022 Ushio Inc. All rights reserved.

27

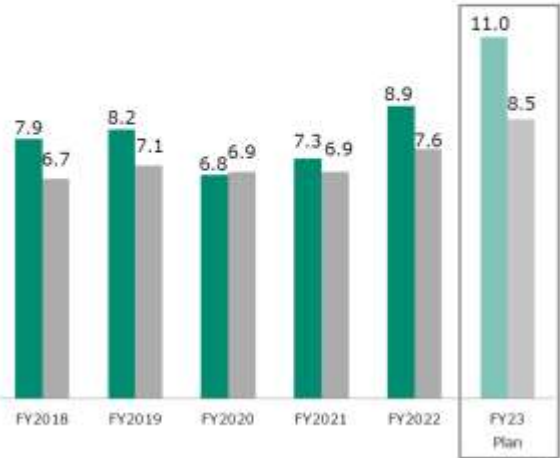
Reference: Sales Ratio by Region



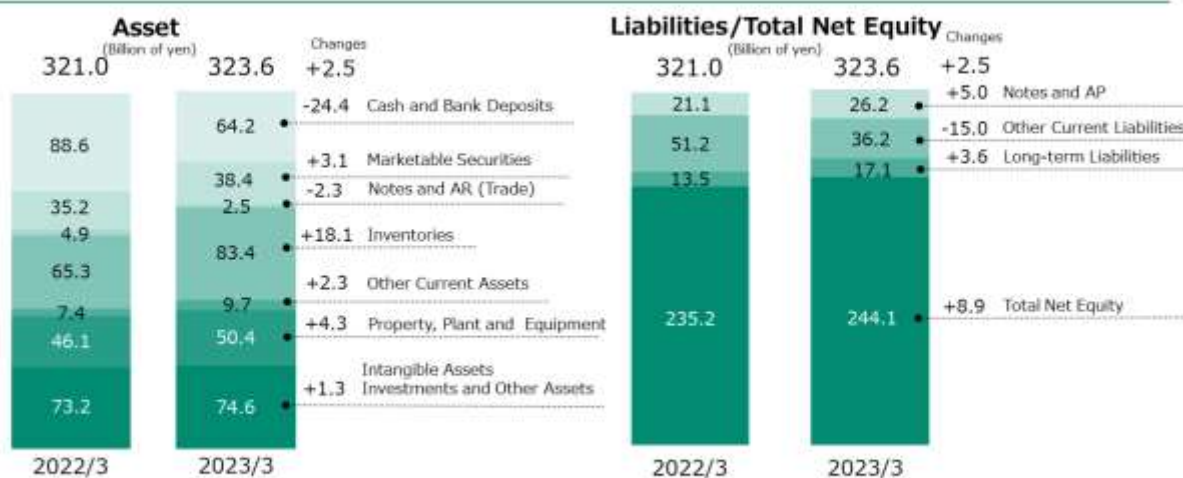
Reference: R&D Expenses/Capital Expenditures and Depreciation

■ R&D Expenses (Billions of yen)  
 — Ratio of R&D Expenses to net sales (%)

■ Capital Expenditures (Billions of yen)  
 ■ Depreciation (Billions of yen)



Reference: Balance Sheet

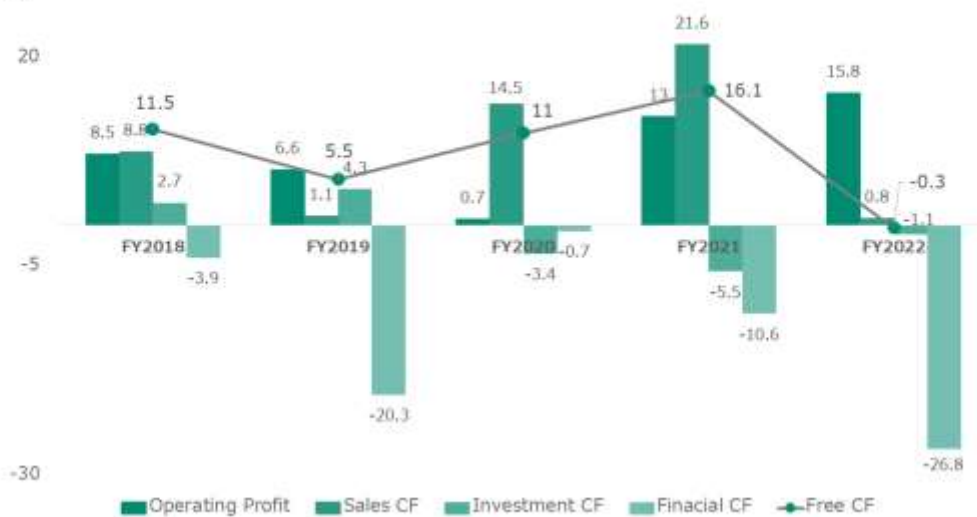


● Turnover (months)	2022/3	2023/3
Receivable-trade	2.8	2.5
Inventories	5.0	5.1

● Equity Ratio (%)	2022/3	2023/3
	73.2	75.4

Reference: Cash Flow

(Billions of yen)



- Our official website "Investor Relations Information" has been renewed. We have reorganized the contents to make it more accessible and to let you know about Ushio's present to future.
- We added new feature "IR E-mail distribution" to send our IR information in a timely manner to the shareholders. Please register for this feature.

Renewal Point  
**01**

Opened "To our individual shareholders" page



Renewal Point  
**02**

Set up new contents "Ushio in Life"



Renewal Point  
**03**

Added IR E-mail distribution feature



Copyright © 2023 Ushio Inc. All rights reserved.

32



AI	Artificial Intelligence
APMI	Actinic Patterned Mask Defect Inspection
BGA	Ball Grid Array
CoO	Cost of Ownership
CPU	Central Processing Unit
DCP	Digital Cinema Projector
DI	Direct Imaging
EUV	Extreme Ultraviolet Radiation
FPD	Flat Panel Display
GPU	Graphic Processing Unit
IoT	Internet of Things
OA	Office Automation
TNO	The Netherlands Organization of Applied Scientific Research
UV	Ultraviolet
5G	5 <sup>th</sup> Generation

(Old) Business Segments and Main Products



Business segments	Main products	Product examples
<p><b>Light Source</b></p>	<p>Discharge lamps Halogen lamps Solid state light sources</p>	      <p>UV lamps    Cinema lamps    Data projector lamps    OA lamps    Solid-state light sources (LD/LED)    Care222 related products</p>
<p><b>Optical Equipment</b></p>	<p>Large field steppers Direct imaging lithography equipment EUV light source for EUV mask inspection Maintenance services</p>	     <p>Large field steppers    Direct imaging lithography equipment    EUV light source for EUV mask inspection    Photo-alignment equipment    UV irradiation unit for bonding LCD panels</p>
<p><b>Imaging Equipment</b></p>	<p>Digital cinema projectors Projectors for general imaging Display Maintenance service</p>	    <p>Digital cinema projector    Projectors for general imaging    LED Wall Display    Peripheral equipment</p>

(New) Business Segments and Main Products

New Business Segment	Main Products	Product Examples
<p><b>Industrial Processes</b></p>	<p><b>Light Source:</b> UV lamps, OA lamps, Optical equipment lamps, etc. <b>Equipment:</b> UV Equipment, Curing equipment, EUV light source for mask inspection, Maintenance service etc.</p>	 UV lamps  OA lamps  Large filed steppers  Direct imaging lithography equipment  EUV light source for EUV mask inspection
<p><b>Visual Imaging</b></p>	<p><b>Light Source:</b> Cinema lamps, Data projector lamps, etc. <b>Equipment:</b> 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
<p><b>Life Sciences</b></p>	<p><b>Light Source:</b> Care222 related products <b>Equipment:</b> UV curing equipment, etc.</p>	 Deinfection and virus inactivation solution "Care222"  Excimer light phototherapy device "TheraBeam series"
<p><b>Photonics Solutions</b></p>	<p><b>Light Source:</b> Solid-state light sources (Laser Diode/LED)</p>	 Solid-state light sources (LD/LED)  Laser module

# USHIO

Contact:  
Investor Relations Section  
Corporate Communication Department  
Ushio Inc.  
Email: [ir@ushio.co.jp](mailto:ir@ushio.co.jp)  
<https://www.ushio.co.jp/en/>