Translation

May 9, 2013

Consolidated Financial Results for the Fiscal Year Ended March 31, 2013 <under Japanese GAAP>

Company name: **USHIO INC.**
Listing: First Section of the Tokyo Stock Exchange
Stock code: 6925
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Scheduled date of ordinary general meeting of shareholders: June 27, 2013
Scheduled date to commence dividend payments: June 28, 2013
Scheduled date to file Securities Report: June 27, 2013
Preparation of supplementary material on earnings: Yes
Holding of earnings performance review: Yes (for analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2013	143,461	(4.4)	7,582	(29.1)	10,539	(19.6)	7,155	(18.2)
March 31, 2012	150,087	3.4	10,696	(23.8)	13,112	(24.5)	8,748	(8.7)

(Note) Comprehensive income
For the fiscal year ended March 31, 2013: ¥17,665 million [98.6%]
For the fiscal year ended March 31, 2012: ¥8,895 million [129.5%]

	Net income per share	Diluted net income per share	Net income/ equity	Ordinary income/ total assets	Operating income/ net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2013	54.57	—	4.3	4.7	5.3
March 31, 2012	66.26	—	5.6	5.9	7.1

(Reference) Equity in earnings (losses) of affiliates
For the fiscal year ended March 31, 2013: (¥16 million)
For the fiscal year ended March 31, 2012: ¥107 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2013	228,657	176,784	75.9	1,324.13
March 31, 2012	224,412	162,048	70.8	1,211.51

(Reference) Equity
As of March 31, 2013 ¥173,629 million
As of March 31, 2012 ¥158,865 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Period-end cash and cash equivalents
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2013	14,443	(8,649)	(7,092)	43,261
March 31, 2012	12,382	1,911	(7,615)	41,585

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2012	–	–	–	22.00	22.00	2,884	33.2	1.8
Fiscal year ended March 31, 2013	–	–	–	22.00	22.00	2,884	40.3	1.7
Fiscal year ending March 31, 2014 (Forecast)	–	–	–	22.00	22.00		28.8	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months ending September 30, 2013	75,000	5.2	5,000	30.3	6,000	87.3	4,000	207.0	30.50
Fiscal year ending March 31, 2014	160,000	11.5	12,500	64.9	14,500	37.6	10,000	39.8	76.26

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and restatement of prior period financial statements after error corrections

a. Changes in accounting policies due to revisions to accounting standards: Yes
b. Changes in accounting policies due to other reasons: None
c. Changes in accounting estimates: Yes
d. Restatement of prior period financial statements after error corrections: None

(3) Number of issued shares (common stock)

a. Total number of issued shares at the end of the period (including treasury stock)

As of March 31, 2013	139,628,721 shares
As of March 31, 2012	139,628,721 shares

b. Number of shares of treasury stock at the end of the period

As of March 31, 2013	8,501,642 shares
As of March 31, 2012	8,499,147 shares

c. Average number of shares during the period

For the fiscal year ended March 31, 2013	131,128,123 shares
For the fiscal year ended March 31, 2012	132,025,141 shares

(Reference) Non-consolidated operating results

Non-consolidated performance for the fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income (loss)	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2013	41,387	(5.7)	1,297	(18.0)	5,399	19.0	6,066	–
March 31, 2012	43,891	(10.5)	1,582	(58.7)	4,538	(22.4)	(5,085)	–

	Net income (loss) per share	Diluted net income per share
Fiscal year ended	Yen	Yen
March 31, 2013	46.26	–
March 31, 2012	(38.52)	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2013	132,845	111,725	84.1	852.04
March 31, 2012	130,934	106,706	81.5	813.75

(Reference) Equity

As of March 31, 2013 ¥111,725 million
As of March 31, 2012 ¥106,706 million

*	Indication regarding execution of audit procedures

At the time of disclosure of this earnings report, the audit procedures for financial statements in accordance with the Financial Instruments and Exchange Act are in progress.

*	Proper use of earnings forecasts and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to page 3 of Attached Material for matters regarding earnings forecasts.

[Attached document]

Contents

1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

In the fiscal year ended March 31, 2013, the global economy remained on a modest recovery track on the whole, despite the economic slowdown in China in addition to the lingering European debt crisis. The Japanese economy held firm, supported mainly by post-earthquake reconstruction demand, despite persistent concerns about a global economic slowdown. Japan started to see positive signs such as improving stock prices, as well as a correction of the yen’s appreciation, mainly due to fiscal and monetary policies.

Under these economic conditions, the USHIO Group continued to actively execute R&D investments in new technologies and products for the future. At the same time, the USHIO Group remained focused on making Group-wide efforts to improve its business performance by raising productivity, lowering manufacturing costs, reducing expenses, building and expanding global production and sales systems, and promoting production in optimal locations.

As a result, for the fiscal year ended March 31, 2013, consolidated net sales decreased by 4.4% year on year to ¥143,461 million, and operating income decreased by 29.1% to ¥7,582 million, while ordinary income declined by 19.6% to ¥10,539 million. Net income was down by 18.2% year on year to ¥7,155 million.

Business results for each segment were as follows.

(Light Sources Business)

In the light sources business, sales of xenon lamps for cinema projectors increased steadily on the back of greater penetration of digital cinema projectors. On the other hand, sales of ultraviolet lamps for lithography were soft because of low capacity utilization rates for facilities of LCD panel and semiconductor manufacturers; however, these rates showed signs of a slow recovery. Replacement demand for these lamps was also weak. Sales of halogen lamps increased year on year, centered on sales related to office automation and lighting. The USHIO Group promoted product development in such areas as achieving longer replacement cycles, high luminance and high efficiency for various lamps, while actively conducting R&D activities focused on solid-state light source products, namely light-emitting diodes (LEDs) and laser diodes.

As a result, sales in the light sources business increased by 4.0% year on year to ¥54,652 million. Segment profit was down by 19.5% year on year to ¥6,197 million.

(Equipment Business)

In the equipment business, the visual image equipment field saw a decline in sales, reflecting the advanced degree of penetration of digital cinema projectors in developed countries. In the optical equipment field, the markets for smartphones and tablet PCs steadily expanded, but sales related to LCD panels and semiconductors, LEDs and other electronic components remained weak due to the protracted slump in demand for LCD TVs and PCs, which caused manufacturers to restrain or delay capital expenditure. In this business, the USHIO Group actively executed R&D investment directed at new technologies and products that will lead to business expansion and improvement in the future.

As a result, equipment business sales were ¥85,927 million, a decrease of 9.1% year on year. Segment profit decreased by 58.6% year on year to ¥1,158 million.

(Other Businesses)

In industrial machinery products categorized under other businesses, capital expenditure demand in the packaging machinery market and the injection molding market grew firmly overall; however, there was a slowdown in demand related to electronic components.
As a result, sales in other businesses decreased 1.9% year on year to ¥3,299 million, while segment profit declined 3.4% to ¥109 million.

In regard to the outlook for the fiscal year ending March 31, 2014, the USHIO Group’s business environment should see a continued gradual recovery in the global economy underpinned by improving conditions in the U.S. and Chinese economies. However, while the Japanese economy has started to show positive signs, the outlook will remain shrouded by concerns about the impact of lingering issues, such as financial uncertainty in Europe and U.S. fiscal problems.

In terms of market trends, in the visual image equipment-related market, demand for digitalization of cinema projectors will peak out after progressing to a certain extent; however, demand for lamps is expected to steadily increase in step with penetration of digital cinema projectors. In addition, in the LCD panel- and semiconductor-related markets, as well as other electronic component-related markets, demand for PCs is expected to remain weak. However, a recovery in capital expenditures and the capacity utilization rate for facilities in each of these markets is anticipated in step with further expansion in the market for smartphones and tablet PCs.

In these circumstances, the entire USHIO Group will endeavor to strengthen its business foundations. To this end, the Group will focus on various measures spanning all aspects of production, sales and development, such as R&D activities in cutting-edge fields that take full advantage of light source and optical technologies, since these are the Group’s core strengths. The Group will also continue to work hard to rigorously reduce manufacturing and administration costs, develop new products and applications in new fields, and create new businesses.

For the fiscal year ending March 31, 2014, the USHIO Group is forecasting net sales of ¥160.0 billion, up 11.5% year on year; operating income of ¥12.5 billion, up 64.9% year on year; ordinary income of ¥14.5 billion, up 37.6% year on year; and net income of ¥10.0 billion, up 39.8% year on year.

The USHIO Group is assuming foreign exchange rates of ¥90 to the U.S. dollar and ¥120 to the euro for its forecasts for the fiscal year ending March 31, 2014.

Please be advised that these earnings forecasts represent forward-looking statements based on information currently available to the Company and certain assumptions deemed to be reasonable. Actual business results may differ substantially due to various factors.

(2) Analysis of Financial Position

<Current assets>

Current assets were ¥140,646 million as of March 31, 2013, a decrease of ¥2,474 million from the previous fiscal year-end. The main factors behind this decline were decreases in notes and accounts receivable–trade and merchandise and finished goods. Meanwhile, short-term investment securities increased, reflecting the investment of surplus funds.

<Noncurrent assets>

Noncurrent assets were ¥88,011 million as of March 31, 2013, an increase of ¥6,719 million from the previous fiscal year-end. The main factor increasing noncurrent assets was an increase in investment securities supported by purchases of bonds and a recovery in stock prices.

<Current Liabilities and Long-Term Liabilities>

Total liabilities were ¥51,873 million as of March 31, 2013, a decrease of ¥10,490 million from the previous fiscal year-end. The main factors behind this decrease were a decline in notes and accounts payable–trade accompanying lower business volume, and decreases in short-term loans payable due to repayment of bank loans.

<Net Assets>

Net assets totaled ¥176,784 million as of March 31, 2013, an increase of ¥14,736 million from the previous fiscal year-end. The main factors behind this rise were an increase in foreign currency translation adjustment due to the yen’s depreciation toward the fiscal year-end, and an increase in valuation difference on available-for-sale securities in line with higher unrealized gains on securities held.

Cash and cash equivalents as of March 31, 2013 were ¥43,261 million, an increase of ¥1,676 million from the previous fiscal year-end. Cash flows are broken down as follows:

(Cash Flows from Operating Activities)

Operating activities in the fiscal year ended March 31, 2013 provided net cash of ¥14,443 million (compared with net cash of ¥12,382 million provided in the previous year).

Cash was mainly provided by ¥6,050 million in income before income taxes and minority interests, a ¥6,741 million adjustment for depreciation and amortization, a ¥5,282 million decrease in notes and accounts receivable—trade and a ¥5,067 million decrease in inventories. Meanwhile, factors reducing cash included a ¥2,705 million decrease in notes and accounts payable–trade, and corporate income taxes paid of ¥5,702 million.

(Cash Flows from Investing Activities)

Investing activities used net cash of ¥8,649 million (compared with net cash of ¥1,911 million provided in the previous year).

Cash was mainly provided by proceeds from the withdrawal of time deposits of ¥16,529 million, proceeds from sales and redemption of short-term investment securities of ¥7,345 million, and proceeds from sales and redemption of investment securities of ¥2,719 million. Cash was mainly used by deposit into time deposits of ¥17,915 million, purchase of short-term investment securities of ¥4,768 million, investment in property, plant and equipment of ¥6,435 million, and purchase of investment securities of ¥6,850 million.

(Cash Flows from Financing Activities)

Financing activities used net cash of ¥7,092 million (compared with net cash of ¥7,615 million used in the previous year).

Cash was mainly used for a decrease in short-term loans payable of ¥2,729 million, repayment of long-term loans payable of ¥1,432 million, and payment of dividend of ¥2,885 million.

Trends in cash flow indicators of the Group are as shown below.

Fiscal year ended:	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013
Equity ratio (%)	78.5	76.8	71.9	70.8	75.9
Market value equity ratio (%)	100.2	104.8	100.0	68.0	55.9
Interest-bearing debt to cash flow ratio (years)	0.9	0.5	1.5	1.0	0.7
Interest coverage ratio (factor)	31.7	77.1	39.3	61.1	68.5

Equity ratio: equity / total assets

Market value equity ratio: market capitalization / total assets

Interest-bearing debt to cash flow ratio: interest-bearing debt / operating cash flow

Interest coverage ratio: operating cash flow / paid interest

(Note 1) All indicators are calculated by using consolidated-based financial indicators.

(Note 2) Market capitalization is calculated based on the number of issued shares excluding treasury shares.

(Note 3) The figure used for cash flow is operating cash flow.

(Note 4) Interest-bearing debt includes all liabilities recorded on the consolidated balance sheets on which we paid interest.

(3) Basic Policy on Profit Distribution and Dividends for the Fiscal Year Ended March 31, 2013 and Fiscal Year Ending March 31, 2014

USHIO’s basic policy is to provide stable returns of profits to shareholders, while endeavoring to enhance its financial position and business foundations. At the same time, management strives to constantly remain cognizant of the fact that returning profits to shareholders is one of the top priorities of corporations.

For the fiscal year ended March 31, 2013, management plans to declare an annual dividend of ¥22 per share, the same amount as in the previous fiscal year. This will bring the consolidated dividend payout ratio to 40.3% for the fiscal year ended March 31, 2013. Consolidated dividend on equity (net assets basis) stood at 1.7%. For the fiscal year ending March 31, 2014, management plans to maintain an annual dividend of ¥22 per share.

The Company plans to continue allocating retained earnings primarily to R&D investments focused on new products and technologies from a long-term perspective, as well as capital expenditures designed to improve productivity and business investments. Through these investments, the Company aims to build a stronger enterprise and increase corporate value.

2. Management Policies

(1) Fundamental Management Policies

As an original, innovative “light creator,” the USHIO Group aims to drive business expansion by developing and providing high-value-added products and services that meet customer needs precisely. To this end, the USHIO Group seeks to constantly anticipate customer needs in the global markets for optical solutions.

Furthermore, the USHIO Group upholds high business ethics based on global standards in every aspect of its operations, and implements innovative and speedy management. At the same time, the Group strives to attain a harmonious co-existence with society and the environment, with the view to answering the trust and expectations of stakeholders.

(2) Medium- to Long-term Corporate Management Strategies and Target Management Indicators

The USHIO Group will actively promote strategic investment needed to develop new products, pioneer new applications and commercialize new fields, while strengthening existing businesses, with the view to maximize consolidated earnings and drive expansion in the optical business to achieve long-term growth.

The USHIO Group has established a Medium-Term Vision targeting consolidated net sales of ¥190 billion, consolidated operating income of ¥19 billion and consolidated ROE of 8% or more for the fiscal year ending March 31, 2016. The Group will implement business strategies in each of its core businesses to achieve these targets.

In the equipment business, the USHIO Group will strive in the optical equipment field to upgrade and expand product lineups that support diversifying market needs. In the EUVL light source business, the Group will focus on business activities targeting EUV light sources for inspection and development leveraging the special features of the DPP method—a key method pursued by the Group that has strong market potential going forward. In the visual imaging business, the Group will strive to advance the digital cinema business with an emphasis on profitability, while working to drive steady growth and expansion in the general imaging business.

In the light source business, the Group will upgrade and expand research and sales activities in solid-state light sources (LEDs and laser diodes), while maintaining its high share based on its high quality and technological capabilities. Through these efforts, the Group aims to further expand the size of this business.

In an effort to achieve long-term growth and business expansion, the Group will work to commercialize the life sciences field as a new business. The Group aims to rapidly commercialize this field by actively promoting development investments, business alliances, joint ventures and M&As, as well as by upgrading and expanding product lineups.

(3) Tasks Faced by the Company

In regard to the outlook for the business environment surrounding the USHIO Group, as global economic conditions gradually recover, the visual image equipment-related market is expected to see demand for digital cinemas in emerging markets due to progress on the transition to digital cinema projectors in these markets, following on from developed countries. Expansion in demand is also anticipated in the general imaging business centered on emerging markets. Furthermore, in the LCD panel- and semiconductor-related markets and other electronic component markets, a rebound in capital expenditures and the capacity utilization rate for facilities is anticipated in step with progress on inventory adjustments, expanding markets for smartphones and tablet PCs, and growing demand for TVs in China.

To address these operating conditions and market developments, the USHIO Group will actively make strategic investments needed to develop new products, pioneer new applications and commercialize new fields, with the goal of driving business expansion.

The Group will also work to step up the expansion of its production and sales bases as well as its network around the world. Other priorities include upgrading and expanding product lineups in line with diversifying market needs, rigorously reducing manufacturing costs, and improving quality and productivity. Efforts will also be directed at expanding sales of light sources, optical equipment and visual image equipment in the global market, along with upgrading the service structure. Besides internal development, the USHIO Group will also consider business alliances, investments and other measures as viable options for developing agile businesses.

Meanwhile, as part of CSR activities, the USHIO Group will position environmental issues as a key management priority. Accordingly, the Group will actively implement measures including energy and resource conservation initiatives, reduction and recycling of waste materials, and steps to reduce environmental impact.

The USHIO Group will also take initiatives to meet the trust of all stakeholders. To this end, the Group will endeavor to enhance its internal control system by strengthening corporate governance and compliance structures, as well as ensure stable business continuity by developing risk management systems including business continuity plans.

3. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Assets		
Current assets		
Cash and deposits	41,692	42,136
Notes and accounts receivable-trade	37,582	34,565
Short-term investment securities	12,043	14,140
Merchandise and finished goods	22,207	21,757
Work in process	8,314	5,817
Raw materials and supplies	9,918	10,405
Deferred tax assets	5,065	5,042
Other	6,819	7,497
Allowance for doubtful accounts	(523)	(717)
Total current assets	143,120	140,646
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	34,968	37,546
Accumulated depreciation	(18,187)	(19,743)
Buildings and structures, net	16,780	17,802
Machinery, equipment and vehicles	23,450	22,521
Accumulated depreciation	(18,646)	(18,775)
Machinery, equipment and vehicles, net	4,803	3,745
Land	8,885	9,057
Construction in progress	941	1,220
Other	23,152	20,492
Accumulated depreciation	(16,736)	(15,542)
Other, net	6,415	4,949
Total property, plant and equipment	37,827	36,776
Intangible assets	3,900	2,863
Investments and other assets		
Investment securities	36,905	45,384
Long-term loans receivable	23	26
Deferred tax assets	541	636
Other	2,220	2,453
Allowance for doubtful accounts	(126)	(129)
Total investments and other assets	39,564	48,371
Total noncurrent assets	81,292	88,011
Total assets	224,412	228,657

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	18,477	16,610
Short-term loans payable	4,383	1,904
Current portion of long-term loans payable	1,042	4,732
Income taxes payable	3,049	1,927
Deferred tax liabilities	150	146
Provision for bonuses	2,662	2,581
Provision for product warranties	1,897	1,549
Provision for loss on order received	–	17
Other	8,971	8,481
Total current liabilities	40,634	37,950
Noncurrent liabilities		
Long-term loans payable	7,439	2,791
Deferred tax liabilities	5,954	1,089
Provision for retirement benefits	1,764	2,441
Provision for directors' retirement benefits	379	253
Asset retirement obligations	206	211
Other	5,984	7,136
Total noncurrent liabilities	21,729	13,922
Total liabilities	62,364	51,873
Net assets		
Shareholders’ equity		
Capital stock	19,556	19,556
Capital surplus	28,371	28,371
Retained earnings	122,642	126,912
Treasury stock	(12,228)	(12,231)
Total shareholders’ equity	158,341	162,609
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,628	14,666
Deferred losses on hedges	–	(23)
Foreign currency translation adjustment	(12,103)	(3,623)
Total accumulated other comprehensive income	524	11,019
Minority interests	3,183	3,155
Total net assets	162,048	176,784
Total liabilities and net assets	224,412	228,657

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net sales	150,087	143,461
Cost of sales	101,635	95,196
Gross profit	48,451	48,264
Selling, general and administrative expenses	37,755	40,682
Operating income	10,696	7,582
Non-operating income		
Interest income	303	452
Dividends income	930	964
Realized and unrealized profit on trading securities, net	53	405
Equity in earnings of affiliates	107	—
Foreign exchange gains	—	255
Gain on sales of investment securities	1,407	901
Other	412	564
Total non-operating income	3,216	3,544
Non-operating expenses		
Interest expenses	202	211
Foreign exchange losses	428	—
Equity in losses of affiliates	–	16
Loss on investments in partnership	65	72
Provision of allowance for doubtful accounts	–	119
Other	103	167
Total non-operating expenses	799	587
Ordinary income	13,112	10,539
Extraordinary income		
Gain on sales of noncurrent assets	1	6
Gain on sales of investment securities	1	50
Gain on sales of subsidiaries and affiliates' stocks	2,972	—
Gain on negative goodwill	896	—
Total extraordinary income	3,871	57

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Extraordinary loss		
Loss on retirement of noncurrent assets	165	86
Loss on sales of noncurrent assets	10	77
Impairment loss	651	69
Loss on valuation of investment securities	1,150	243
Loss on sales of investment securities	392	—
Loss on liquidation of business	378	4,042
Loss on valuation of membership	–	0
Loss on step acquisitions	375	—
Other	96	24
Total extraordinary losses	3,221	4,545
Income before income taxes and minority interests	13,762	6,050
Income taxes-current	6,286	4,591
Income taxes-deferred	(1,558)	(5,516)
Total income taxes	4,728	(924)
Income before minority interests	9,034	6,975
Minority interests in income	286	(179)
Net income	8,748	7,155

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Income before minority interests	9,034	6,975
Other comprehensive income		
Valuation difference on available-for-sale securities	383	2,040
Deferred losses on hedges	—	(23)
Foreign currency translation adjustment	(535)	8,662
Share of other comprehensive income of associates accounted for using equity method	12	10
Total other comprehensive income	(139)	10,689
Comprehensive income	8,895	17,665
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	8,649	17,650
Comprehensive income attributable to minority interests	245	14

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	19,556	19,556
Changes of items during the period		
Total changes of items during the period	–	—
Balance at the end of current period	19,556	19,556
Capital surplus		
Balance at the beginning of current period	28,371	28,371
Changes of items during the period		
Total changes of items during the period	–	—
Balance at the end of current period	28,371	28,371
Retained earnings		
Balance at the beginning of current period	116,831	122,642
Changes of items during the period		
Dividends from surplus	(2,937)	(2,884)
Net income	8,748	7,155
Total changes of items during the period	5,810	4,270
Balance at the end of current period	122,642	126,912
Treasury stock		
Balance at the beginning of current period	(9,215)	(12,228)
Changes of items during the period		
Purchase of treasury stock	(3,013)	(2)
Total changes of items during the period	(3,013)	(2)
Balance at the end of current period	(12,228)	(12,231)
Total shareholders' equity		
Balance at the beginning of current period	155,544	158,341
Changes of items during the period		
Dividends from surplus	(2,937)	(2,884)
Net income	8,748	7,155
Purchase of treasury stock	(3,013)	(2)
Total changes of items during the period	2,796	4,268
Balance at the end of current period	158,341	162,609

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	12,245	12,628
Changes of items during the period		
Net changes of items other than shareholders' equity	382	2,038
Total changes of items during the period	382	2,038
Balance at the end of current period	12,628	14,666
Deferred losses on hedges		
Balance at the beginning of current period	—	—
Changes of items during the period		
Net changes of items other than shareholders' equity	—	(23)
Total changes of items during the period	—	(23)
Balance at the end of current period	—	(23)
Foreign currency translation adjustment		
Balance at the beginning of current period	(11,622)	(12,103)
Changes of items during the period		
Net changes of items other than shareholders' equity	(481)	8,480
Total changes of items during the period	(481)	8,480
Balance at the end of current period	(12,103)	(3,623)
Total accumulated other comprehensive income		
Balance at the beginning of current period	622	524
Changes of items during the period		
Net changes of items other than shareholders' equity	(98)	10,495
Total changes of items during the period	(98)	10,495
Balance at the end of current period	524	11,019
Minority interests		
Balance at the beginning of current period	1,700	3,183
Changes of items during the period		
Net changes of items other than shareholders' equity	1,482	(27)
Total changes of items during the period	1,482	(27)
Balance at the end of current period	3,183	3,155
Total net assets		
Balance at the beginning of current period	157,867	162,048
Changes of items during the period		
Dividends from surplus	(2,937)	(2,884)
Net income	8,748	7,155
Purchase of treasury stock	(3,013)	(2)
Net changes of items other than shareholders' equity	1,383	10,467
Total changes of items during the period	4,180	14,736
Balance at the end of current period	162,048	176,784

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	13,762	6,050
Depreciation and amortization	7,139	6,741
Impairment loss	651	69
Loss on business liquidation	378	4,042
Interest and dividends income	(1,234)	(1,417)
Interest expenses	202	211
Profit/loss on sale/revaluation of available-for-sale securities	(53)	(405)
Loss (gain) on investments in partnership	65	72
Equity in (earnings) losses of affiliates	(107)	16
Loss (gain) on sales of noncurrent assets	8	71
Loss on retirement of noncurrent assets	165	86
Loss (gain) on sales of investment securities	(1,016)	(952)
Loss (gain) on valuation of investment securities	1,150	243
Loss (gain) on sales of stocks of subsidiaries and affiliates	(2,972)	—
Decrease (increase) in notes and accounts receivable-trade	(684)	5,282
Decrease (increase) in inventories	384	5,067
Increase (decrease) in notes and accounts payable-trade	(2,695)	(2,705)
Other, net	3,016	(3,503)
Subtotal	18,161	18,972
Interest and dividends income received	1,212	1,384
Interest expenses paid	(202)	(210)
Income taxes (paid) refund	(6,789)	(5,702)
Net cash provided by (used in) operating activities	12,382	14,443

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net cash provided by (used in) investing activities		
Payments into time deposits	(10,934)	(17,915)
Proceeds from withdrawal of time deposits	13,630	16,529
Payments of short-term loans receivable	(28)	(14)
Collection of short-term loans receivable	40	75
Purchase of short-term investment securities	(2,301)	(4,768)
Proceeds from sales and redemption of short-term investment securities	1,275	7,345
Purchase of property, plant and equipment	(6,588)	(6,435)
Proceeds from sales of property, plant and equipment	94	1,383
Purchase of intangible assets	(1,699)	(709)
Purchase of investment securities	(2,275)	(6,850)
Proceeds from sales and redemption of investment securities	2,366	2,719
Purchase of investments in subsidiaries	(304)	—
Payments for investments in capital of subsidiaries and affiliates	(78)	—
Purchase of investments in newly consolidated subsidiaries	—	(54)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	1,117	—
Proceeds from sales of stocks of subsidiaries and affiliates	7,500	—
Payments of long-term loans receivable	(27)	(16)
Collection of long-term loans receivable	14	11
Other, net	112	51
Net cash provided by (used in) investing activities	1,911	(8,649)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,931)	(2,729)
Proceeds from long-term loans payable	1,184	—
Repayment of long-term loans payable	(807)	(1,432)
Purchase of treasury stock	(3,013)	(2)
Cash dividends paid	(2,940)	(2,885)
Cash dividends paid to minority shareholders	(108)	(41)
Net cash provided by (used in) financing activities	(7,615)	(7,092)
Effect of exchange rate change on cash and cash equivalents	(47)	2,975
Net increase (decrease) in cash and cash equivalents	6,630	1,676
Cash and cash equivalents at beginning of period	34,954	41,585
Cash and cash equivalents at end of period	41,585	43,261

(5) Notes Regarding the Consolidated Financial Statements

(Notes on premise of going concern)

No items to report

Changes in accounting policies

(Change in depreciation method)

In accordance with amendments to the Corporation Tax Act, from the fiscal year ended March 31, 2013, the Company and its domestic consolidated subsidiaries have adopted a new depreciation method for tangible fixed assets acquired on or after April 1, 2012 based on the amended Corporation Tax Act.

This change had a negligible impact on operating income, ordinary income and income before income taxes and minority interests for the fiscal year ended March 31, 2013.

(Segment information)

1. Overview of reportable segments

The reportable segments of the Company are components of the Company whose separate financial information is available. These segments are periodically evaluated by the Board of Directors in evaluating the business, in deciding how to allocate management resources and in assessing the performance.

The Company has adopted a division system based on similarities in product type and market, and plans domestic and overseas comprehensive strategies for the group's operations including product development, manufacturing, sales and services and develops its business activities all over the world.

Accordingly, our segments are organized by product and market. The reportable segments of the Company consist of two business segments: the "Light Sources Business" and "Equipment Business."

The "Light Sources Business" manufactures and sells halogen lamps, discharge lamps and other products.

The "Equipment Business" manufactures and sells optical equipment, imaging equipment and other products.

2. Method of calculating amounts of net sales, income/loss, assets, liabilities and other items by reportable segment

The profit from reportable segments is the figure based on operating income.

The internal sales or transfer among segments are based on actual market prices.

3. Information concerning net sales, income/loss, assets, liabilities and other items by reportable segment

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Millions of yen)

	Reportable Segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated financial statements (Note 3)
	Light Sources Business	Equipment Business	Total				
Sales							
Sales to outside customers	52,436	94,365	146,802	3,284	150,087	–	150,087
Internal sales or transfer among segments	98	146	244	79	324	(324)	–
Total	52,535	94,511	147,047	3,364	150,411	(324)	150,087
Segment profit	7,699	2,795	10,495	113	10,608	87	10,696
Segment assets	71,289	100,015	171,304	24,327	195,632	28,780	224,412
Other items							
Depreciation cost	2,839	4,045	6,885	253	7,139	–	7,139
Amortization of goodwill	21	294	316	5	321	–	321
Investments in equity-method affiliates	–	132	132	–	132	–	132
Increase in property, plant and equipment and intangible assets	3,423	5,366	8,789	157	8,947	–	8,947

(Notes) 1. **The "Others" segment includes businesses that are not in the reportable segments, such as machinery for industrial uses and others**.

2. The adjustment is as follows:

(1) The adjustment of ¥87 million on segment profit includes ¥115 million in inter-segment transaction eliminations.

(2) The adjustment of ¥28,780 million on segment assets includes negative ¥7,767 million in eliminations of inter-segment receivables and corporate assets of ¥36,563 million not allocated to any reportable segment. Corporate assets consist of surplus operating funds (cash and short-term investment securities) and long-term investment funds (investment securities) among others.

3. Segment profit is adjusted with operating income in the consolidated statements of income.

4. The increase in property, plant and equipment and intangible assets includes an increase in long-term prepaid expenses.

Fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(Millions of yen)

	Reportable Segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated financial statements (Note 3)
	Light Sources Business	Equipment Business	Total				
Sales							
Sales to outside customers	54,332	85,859	140,192	3,269	143,461	—	143,461
Internal sales or transfer among segments	319	67	387	29	417	(417)	—
Total	54,652	85,927	140,579	3,299	143,879	(417)	143,461
Segment profit	6,197	1,158	7,356	109	7,465	116	7,582
Segment assets	76,515	93,693	170,208	30,993	201,202	27,455	228,657
Other items							
Depreciation cost	2,509	4,197	6,707	34	6,741	—	6,741
Amortization of goodwill	24	176	200	0	201	—	201
Investments in equity-method affiliates	—	125	125	—	125	—	125
Increase in property, plant and equipment and intangible assets	3,140	4,455	7,595	180	7,776	—	7,776

(Notes) 1. **The "Others" segment includes businesses that are not in the reportable segments, such as machinery for industrial uses and others**
2. The adjustment is as follows:
   (1) The adjustment of ¥116 million on segment profit includes ¥120 million in inter-segment transaction eliminations.
   (2) The adjustment of ¥27,455 million on segment assets includes negative ¥15,441 million in eliminations of inter-segment receivables and corporate assets of ¥42,933 million not allocated to any reportable segment. Corporate assets consist of surplus operating funds (cash and short-term investment securities) and long-term investment funds (investment securities) among others.
3. Segment profit is adjusted with operating income in the consolidated statements of income.
4. The increase in property, plant and equipment and intangible assets includes an increase in long-term prepaid expenses.

(Per share information)

Fiscal year ended March 31, 2012		Fiscal year ended March 31, 2013	
Net assets per share	1,211.51 yen	Net assets per share	1,324.13yen
Net income per share	66.26 yen	Net income per share	54.57yen
Please note that diluted net income per share is not shown because the Company has not issued dilutive shares.		Please note that diluted net income per share is not shown because the Company has not issued dilutive shares.	

(Note) Basis for calculating net income per share is as shown below.

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net income (millions of yen)	8,748	7,155
Profit not attributable to common shareholders (millions of yen)	–	—
Net income related to common stock (millions of yen)	8,748	7,155
Average number of shares during the period (shares)	132,025,141	131,128,123

(Significant subsequent events)

No items to report

4. Others

(1) Changes in Directors and Corporate Auditors

(Dated June 27, 2013)

(i) Candidate for New Director

Yoneta Tanaka

New position: Director, Corporate Executive Vice President and General Manager of Technology & Engineering Division
(currently Corporate Senior Vice President and General Manager of Technology & Engineering Division)

Nobuyuki Kobayashi

New position: Director and Corporate Executive Vice President, General Manager of Corporate Management Division and General Manager of Business Planning Department
(currently Corporate Senior Vice President, General Manager of Corporate Management Division and General Manager of Business Planning Department)

(ii) Directors Scheduled to Retire

Seiji Oshima

Director and Corporate Executive Vice President responsible for Corporate Management Division

Manabu Goto

Director and Executive Chief Engineer

(iii) Candidate for New Corporate Auditor

Seiji Oshima

New position: Corporate Auditor
(currently Director and Corporate Executive Vice President responsible for Corporate Management Division)

(iv) Corporate Auditors Scheduled to Retire

Susumu Nakaichi

Corporate Auditor

Shigeki Nakayama

Corporate Auditor
(Scheduled to be appointed as a Corporate Advisor)

(2) Others

No items to report