

# 1st Quarter FY2014 Financial Results

USHIO INC.

July. 31, 2014

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.

# USHIO

Lighting—Edge Technologies



Thank you  
50th Anniversary

- 
- I. Financial Results for 1Q FY2014**
  - II. Forecasts for FY2014
  - III. Supplementary Information

# Highlights of Financial Results for 1Q FY2014



The results for 1Q/FY14 showed a decrease in revenue and profits with a 2.8% decrease in net sales to 34.4 billion yen, and a 36.7% decrease in OP to 1.4 billion yen from the previous year.

- Plans for the full fiscal year are unchanged, with plans to build from 2Q onward -

Equipment	Imaging	While the imaging equipment business structure has entered a transitional phase, declined in sales of digital cinema projectors (DCP) was not completely covered by others such as general imaging equipment, showed a 19.9% decrease YoY.
	Optical	In addition to the existed seasonal factors, the sales decreased of 7.5% YoY by reason of sales accounted for EUV light sources in 1Q/FY13.
	Operating Income	Due to the reason of sales accounted for EUV light sources in the same period of FY13, profits decreased by 1.7b yen YoY, in addition to the decrease in sales of DCP and increase in R&D costs.
Light Sources	Discharge	Despite UV lamps for lithography remained steady, sales increased for the rest of the product range including cinema and data projectors, a 15.6% increase YoY.
	Halogen	Sales increase of 8.1% YoY. Halogen lamps for OA remained especially promising.
	Operating Income	Increase in profit of 0.9 billion yen YoY due to the high utilization rate generated by the sales increase of primarily discharge lamps for DCP, data projectors and OA halogen lamps.

➤ No change from projected results for 2Q (total) or the full fiscal year.

# Summary of Financial Results 1Q FY2014



(Billions of yen)	FY13	FY14	YoY		FY13	FY14	YoY	
	1Q	1Q	Changes	%	4Q	1Q	Changes	%
Net Sales	35.4	34.4	▲0.9	▲2.8	43.9	34.4	▲9.4	▲21.5
Operating Income	2.2	1.4	▲0.8	▲36.7	3.6	1.4	▲2.1	▲60.2
Operating Income Ratio (%)	6.4	4.2	▲2.2P	-	8.3	4.2	▲4.1P	-
Ordinary Income	3.4	1.7	▲1.7	▲49.2	3.7	1.7	▲1.9	▲52.1
Net Income	3.0	1.3	▲1.6	▲54.5	1.5	1.3	▲0.1	▲10.7
EPS (Yen)	23.38	10.66			11.89	10.66		
Forex (Yen)								
USD	99	102			103	102		
EUR	130	141			140	141		

Annual Forex Sensitivity (Billions of Yen)	Net Sales	Operating Income	Ordinary Income
USD	1.0	0.1	0.1

# Financial Results by Business Segments



(Billions of Yen)		FY13	FY14	YoY		FY13	FY14	YoY	
Business Segments		1Q	1Q	Changes	%	4Q	1Q	Changes	%
Equipment	Net Sales	20.0	16.8	▲3.2	▲16.4	25.8	16.8	▲9.0	▲34.9
	Operating Income	1.1	▲0.5	▲1.7	-	▲0.1	▲0.5	▲0.4	-
	Operating Income(%)	5.6	▲3.5	▲9.1P	-	▲0.7	▲3.5	▲2.8P	-
Light Sources	Net Sales	14.8	16.9	+2.0	+14.0	16.9	16.9	▲0.0	▲0.1
	Operating Income	1.1	2.0	+0.9	+80.0	3.8	2.0	▲1.7	▲46.0
	Operating Income(%)	7.7	12.1	+4.4P	-	22.4	12.1	▲10.3P	-
Others	Net Sales	0.4	0.6	+0.2	+45.0	1.1	0.6	▲0.4	▲37.9
	Operating Income	▲0.0	0.0	+0.0	-	0.0	0.0	▲0.0	▲99.0
	Operating Income(%)	▲0.6	0.0	+0.6P	-	1.4	0.0	▲1.3P	-

Note : Net Sales indicates sales to unaffiliated customers.

Operating income ratio indicates the ratio of operating income against sales to unaffiliated customers.

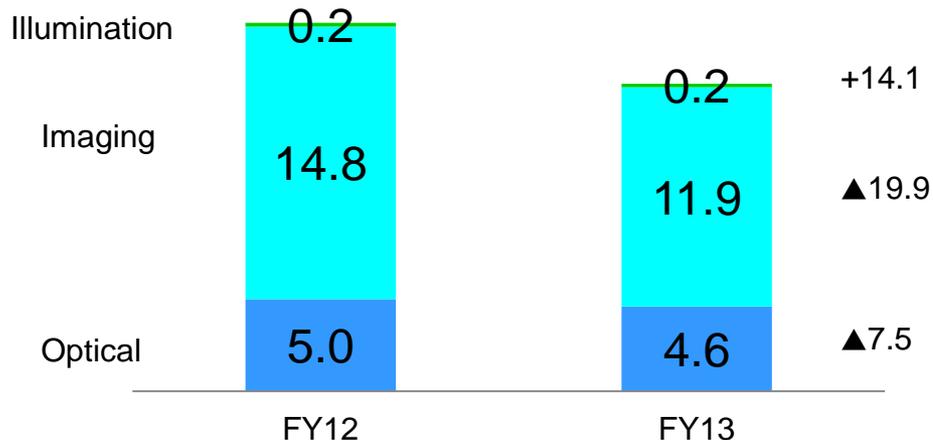
# Equipment Business Segment 《Net Sales》

《1Q》

Net Sales

(Billions of Yen)

Changes(%)



## Imaging

Decrease in sales of cinema equipment YoY and QoQ. Increase in general imaging YoY.

## Optical

Increase in sales of UV and curing equipment YoY. "Others" greatly decreased in sales YoY and QoQ due to contraction of business in EUV.

《YoY》		FY13	FY14	YoY	《QoQ》		FY13	FY14	QoQ
(Billions of Yen)		1Q	1Q		(Billions of Yen)		4Q	1Q	
Net Sales	Imaging	14.8	11.9	▲2.9	Net Sales	Imaging	15.6	11.9	▲3.7
	Optical	5.0	4.6	▲0.3	Optical	Optical	9.4	4.6	▲4.7
	Illumination	0.2	0.2	+0.0	Illumination	Illumination	0.7	0.2	▲0.4
Total		20.0	16.8	▲3.2	Total	Total	25.8	16.8	▲9.0

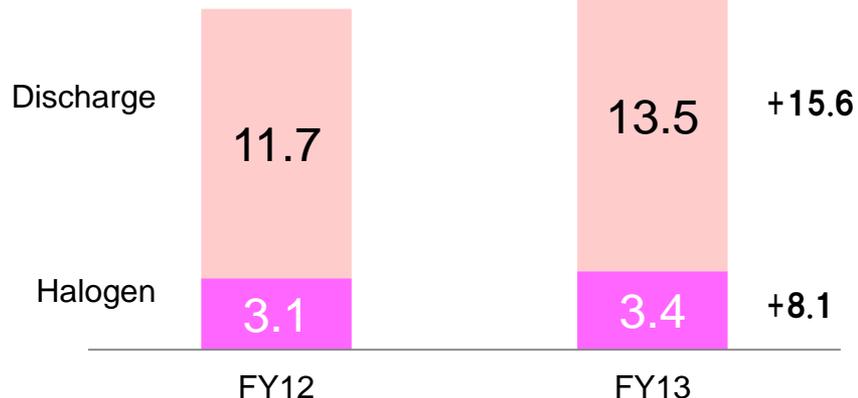
# Light Sources Business Segment 《Net Sales》

《1Q》

Net Sales

(Billions of Yen)

Changes(%)



## Discharge

Sales of UV lamps remained steady YoY.  
Sales of cinema lamps increased YoY. Sales of data projector lamps increased YoY and QoQ.

## Halogen

Sales of lamps for OA increased YoY and QoQ.

《YoY》		FY13	FY14	YoY	《QoQ》		FY13	FY14	QoQ
(Billions of Yen)		1Q	1Q		(Billions of Yen)		4Q	1Q	
Net Sales	Discharge	11.7	13.5	+1.8	Net Sales	Discharge	13.5	13.5	▲0.0
	Halogen	3.1	3.4	+0.2	Halogen	Halogen	3.3	3.4	+0.0
Total		14.8	16.9	+2.0	Total	Total	16.9	16.9	▲0.0

Note : Net Sales indicates sales to unaffiliated customers.

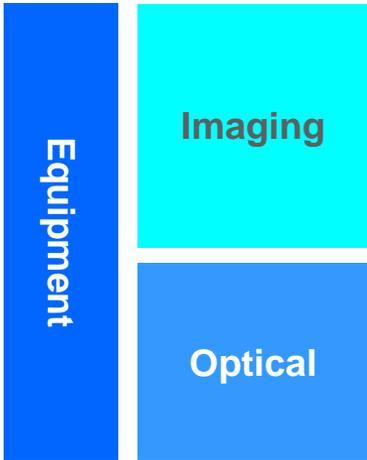
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# Forecast for FY2014



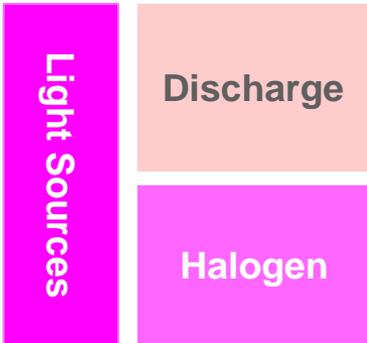
(Billions of Yen)	1Q	% of Target (1H FY14)	1H(Forecast)	FY14(Forecast)
Net Sales	34.4	44.2	78.0	170.0
Operating Income	1.4	26.3	5.5	14.0
Operating Income (%)	4.2	-	7.1	8.2
Ordinary Income	1.7	27.0	6.6	16.0
Net Income	1.3	27.8	5.0	11.0
EPS (Yen)	10.66	-	38.20	84.03
ROE (%)	0.7	-	2.7	5.7
Dividend (Yen)	24	-	-	24
Payout Ratio (%)	225.14	-	-	28.6
Capital Expenditures	0.9	-	-	8.0
Depreciation and Amortization	1.3	-	-	5.5
R&D Expenses	2.4	-	-	10.5
Forex (Yen)	USD	102	100	100
	EUR	141	130	130

# Future Prospects



Sales of DCP continued decreasing, however, the pace of decline is predicted to level out gradually. Expect to increase sales in 2Q with increasing general imaging business opportunities such as simulation and virtual reality. Business in new cinema products such as cinema audio are expected from second half of fiscal year.

At 2Q, a great increase in sales will be forecasted from mainly optical aligner and exposure equipment by completing the acceptance inspections at customers securely. However buildup toward the new model of the UX series has been pushed back.

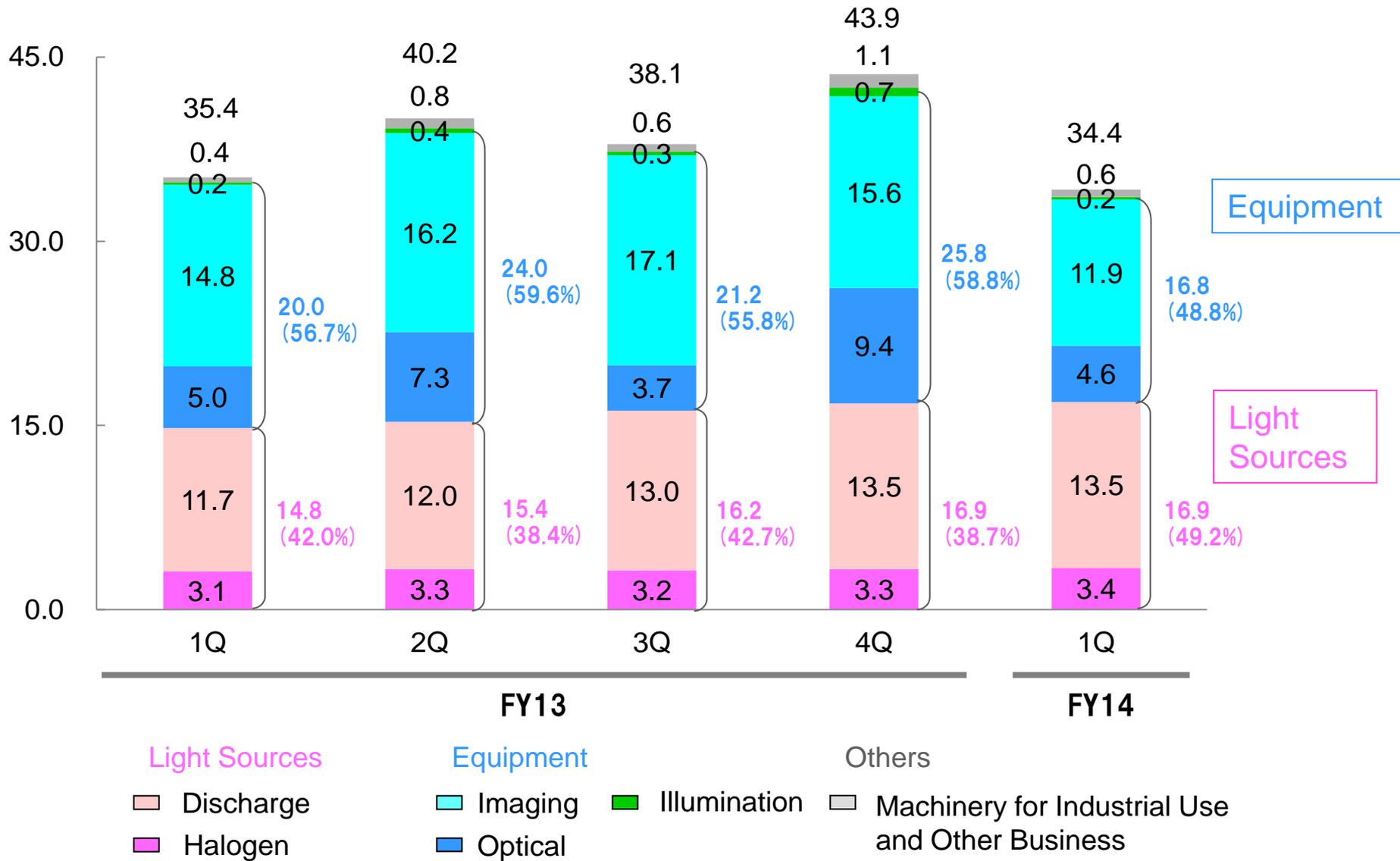


Sales momentum of cinema and data projector lamps continues strongly, forecasting an increase in sales comparatively for 1Q. Further increase in the share of cinema lamps is planned.

Slightly weaker market for OA halogen lamps may be expected comparatively for 1Q. Forecast an increase in sales with industrial uses bringing up halogen lamps as a whole.

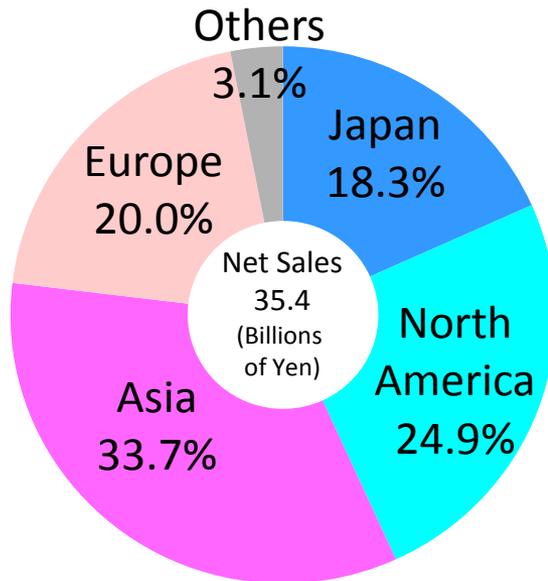
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# Sales Trend by Product Groups

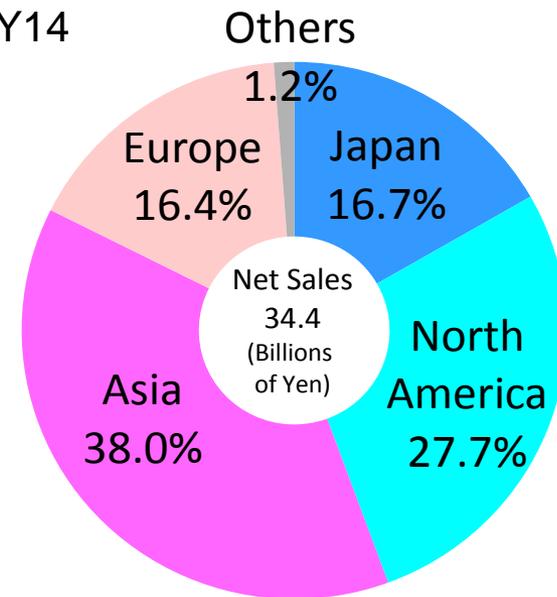


# Foreign Sales Ratio 《1Q》

◆FY13



◆FY14



# Other Income and Expenses 《1Q》

(Billions of Yen)	FY13	FY14	YoY
Other Income	1.2	0.9	▲0.3
Dividend	0.3	0.4	+0.0
Exchange Gain	0.4	-	▲0.4
Others	0.4	0.4	+0.0
Other Expenses	0.0	0.5	+0.5
Exchange Loss	-	0.4	+0.4
Others	0.0	0.1	+0.0
Other Income and Expenses	1.2	0.3	▲0.8

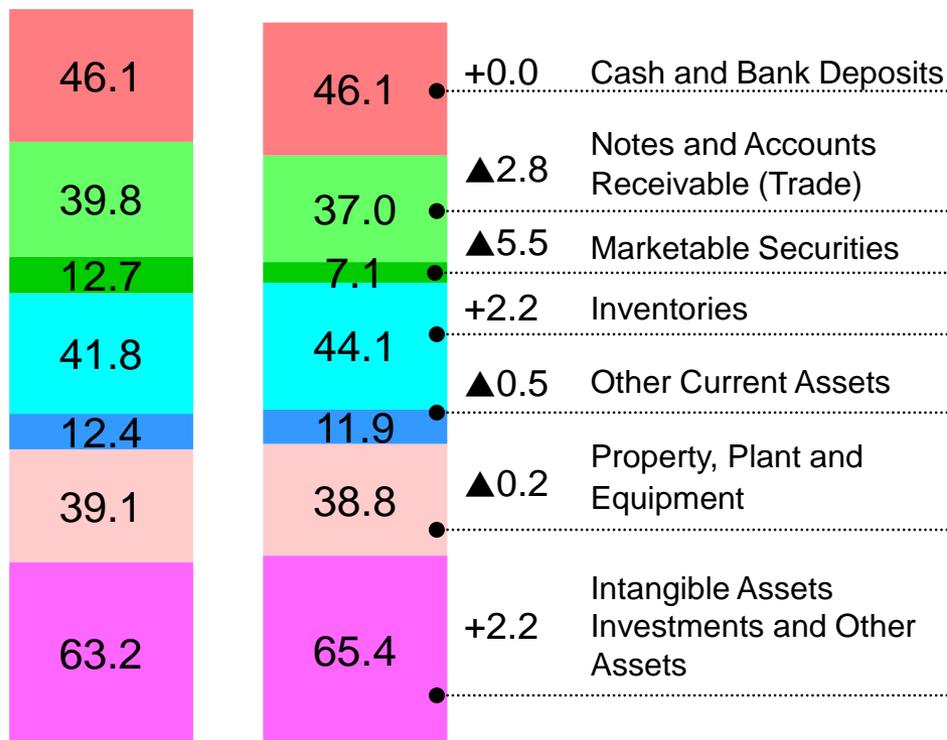
# Balance Sheet



## ◆ Assets

(Billions of Yen)

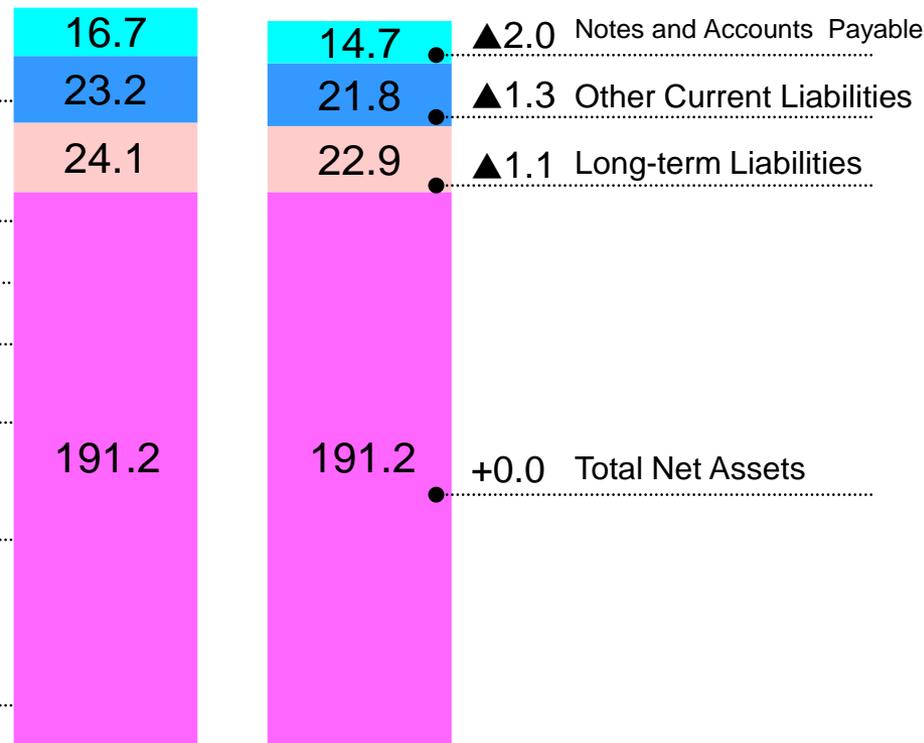
255.3      250.7      ▲4.5



## ◆ Liabilities • Total Net Assets

(Billions of Yen)

255.3      250.7      ▲4.5



2013/3

2014/3

2013/3

2014/3

● Turnover (month)

2014/3

2014/6

Receivable-trade

2.8

3.4

Inventories

3.0

3.7

● Equity Ratio (%)

2014/3

2014/6

73.5

74.9

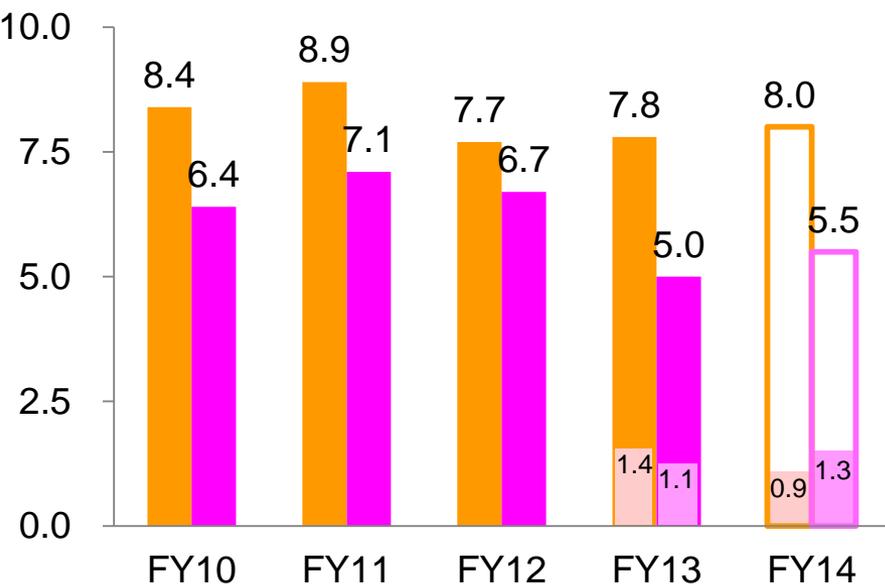
# Capital Expenditures, Depreciation and Amortization, R&D Expenses



## ◆ Capital Expenditures, Depreciation and Amortization

■ Capital Expenditures     ■ Depreciation and Amortization

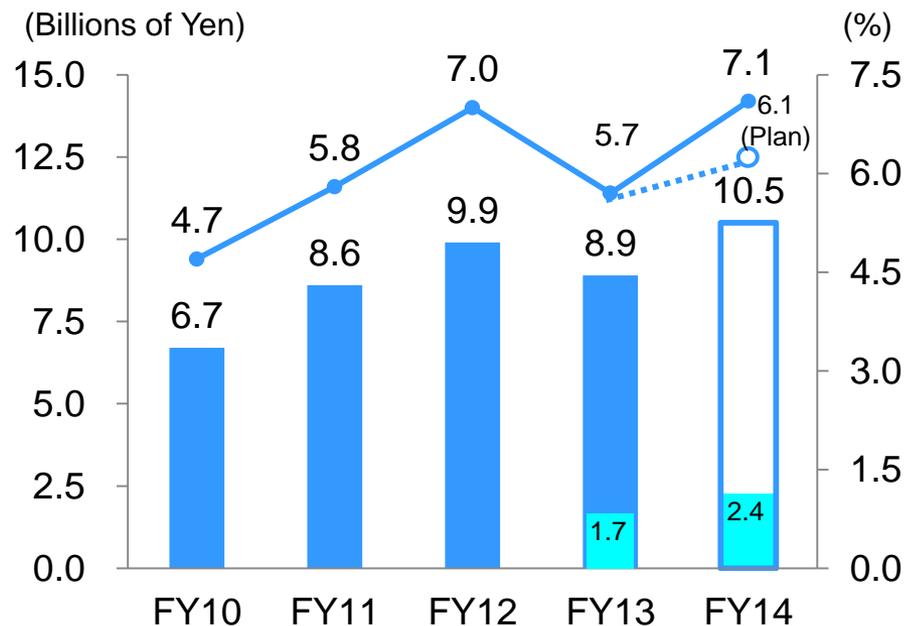
(Billions of Yen)



## ◆ R&D Expenses

■ R&D Expenses     ●—○ Ratio of R&D Expenses to Net Sales (%)

(Billions of Yen)





Thank you  
50th Anniversary

**USHIO**

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