

FY2016 Financial Results

The logo for USHIO, consisting of the word "USHIO" in a bold, white, sans-serif font, positioned on a solid teal background.

USHIO INC.

May 11, 2017

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.**

Main Points of Today's Presentation

- FY2016

Net Sales and earnings decreased YoY for the fiscal year ended March 31, 2017

Net sales achieved forecast, operating income slightly below

- FY2017

Forecast higher net sales and earnings

Minor boost from cuts in fixed costs at USHIO

- Operating income ¥15 billion, operating income ratio 7.5%

(Targets to be achieved under the new Medium-term Management Plan with FY2019 as its final fiscal year)

I. Financial Results for FY2016

II. Forecasts for FY2017

III. Medium-Term Management Plan

IV. Supplementary Information

Highlights of Financial Results for FY2016

Consolidated Net Sales down 3.5% year on year to ¥172.8 billion
Consolidated Operating Income down 34.5% year on year to ¥8.6 billion

Versus targets: Net Sales 102%, operating income 96%

Net Sales: 172.8 billion yen (▲6.2 billion yen YoY, down 3.5%)

- A negative impact of about ¥12.0 billion on Net Sales due to the yen's appreciation

Operating Income: ¥8.6 billion (▲¥4.5 billion YoY, down 34.5%)

- A negative impact of about ¥1.8 billion on earnings from the yen's appreciation.
- Restructuring in imaging equipment business unable to offset worsening in profitability on gross profit basis

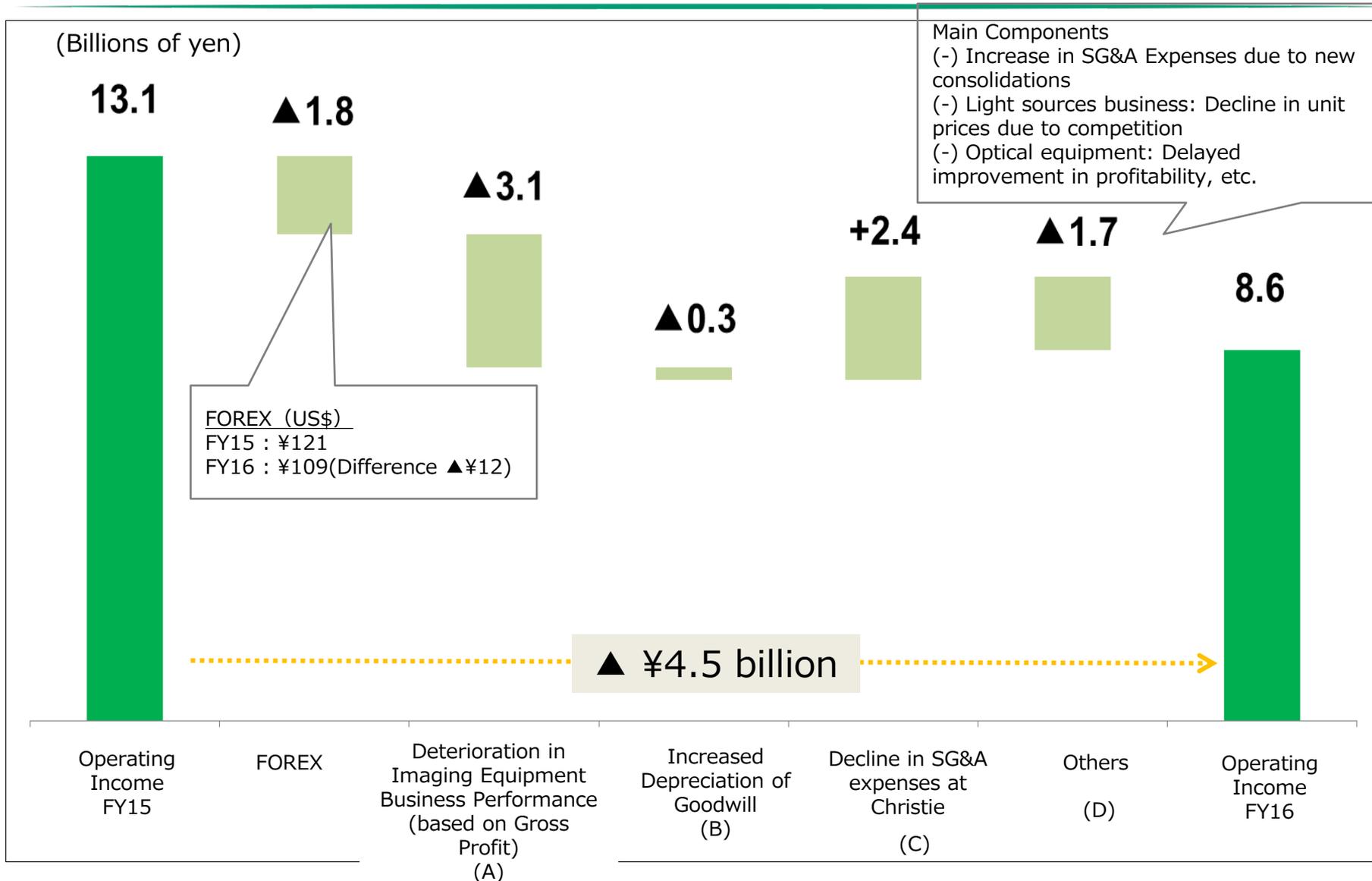
Profit Attributable to Owners of Parent: ¥7.0 billion (▲¥4.0 billion YoY,
down 36.6%)

- Gain on sales of investment securities of ¥2.7 billion under extraordinary income, business structural reform expenses of ¥2.0 billion under extraordinary losses

Summary of Financial Results FY2016

(Billions of yen)	FY15	FY16	YoY		
			Changes	%	
Net Sales	179.1	172.8	▲6.2	▲3.5	
Operating Income	13.1	8.6	▲4.5	▲34.5	
Operating Income Ratio (%)	7.3	5.0	▲2.4P	-	
Ordinary Income	14.6	11.0	▲3.6	▲24.8	
Profit Attributable to Owners of Parent	11.1	7.0	▲4.0	▲36.6	
EPS (Yen)	85.83	55.06	▲30.79	▲35.9	
ROE (%)	5.2	3.3	▲1.9P	-	
Dividend (Yen)	26	26	-	-	
Payout Ratio (%)	30.3	47.2	+16.9P	-	
Forex (Yen)					
	USD	121	109	▲12	-
	EUR	133	119	▲13	-

Variation Analysis of Operating Income (FY16)



Note: Values of (A), (B), (C) and (D) exclude FOREX impact.

Comparison of Full-year Forecasts with Actual Results

(Billions of Yen)	FY16 (Forecast) ※announced on July 29	FY16 (Actual Results)	Changes	Achievement Rate(%)	
Net Sales	170.0	172.8	+2.8	101.7	
Operating Income	9.0	8.6	▲0.3	95.6	
Operating Income (%)	5.3	5.0	▲0.3P	-	
Ordinary Income	10.0	11.0	+1.0	110.0	
Profit Attributable to Owners of Parent	7.0	7.0	+0.0	100.6	
EPS (Yen)	54.72	55.06	+0.34	100.6	
Capital Expenditures	8.0	10.2	+2.2	128.2	
Depreciation and Amortization	7.0	6.5	▲0.4	94.1	
R&D Expenses	11.0	9.8	▲1.1	89.2	
Forex (Yen)					
	USD	105	109	+4	-
	EUR	115	119	+4	-

Financial Results by Business Segments

(Billions of Yen)		FY15	FY16	YoY	
				Changes	%
Equipment	Net Sales	98.7	97.6	▲1.0	▲1.1
	Operating Income	1.7	0.0	▲1.6	▲95.7
	Operating Income(%)	1.7	0.1	▲1.7P	-
Light Sources	Net Sales	77.2	71.9	▲5.3	▲6.9
	Operating Income	10.9	8.1	▲2.8	▲26.0
	Operating Income(%)	14.2	11.3	▲2.9P	-
Others	Net Sales	3.1	3.2	+0.1	+4.2
	Operating Income	0.1	0.0	▲0.1	▲77.0
	Operating Income(%)	5.7	1.3	▲4.5P	-
Elimination and corporate	Operating Income	0.2	0.3	+0.1	+49.4

Note : Net Sales indicates sales to unaffiliated customers.

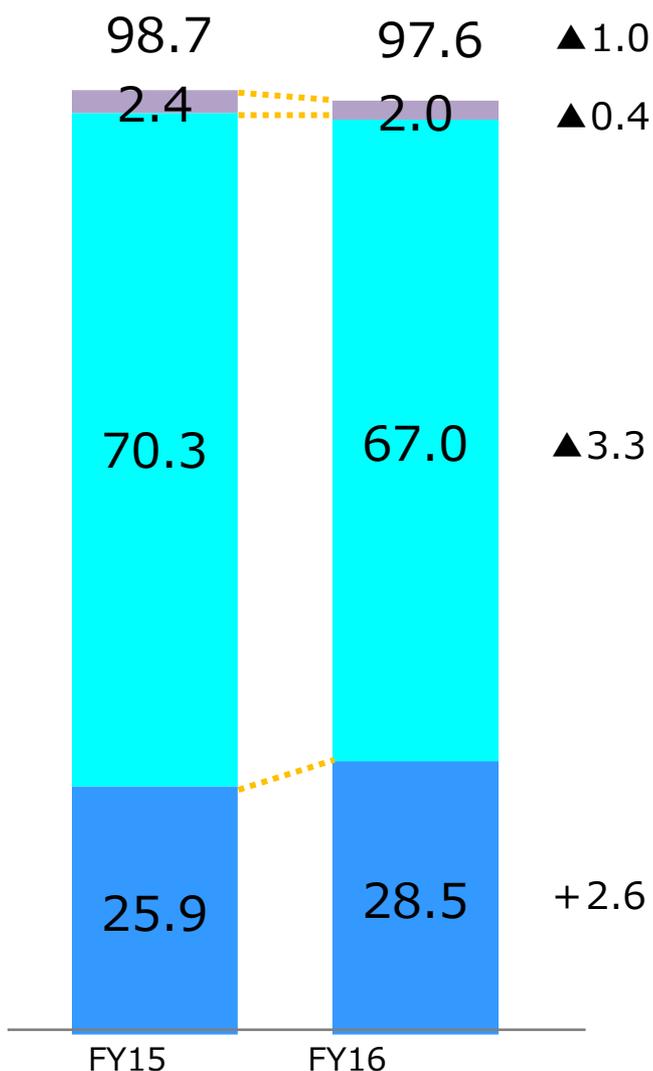
Operating income ratio indicates the ratio of operating income against sales to unaffiliated customers.

Equipment Business Segment «Net Sales»

«1-4Q ttl»

(Billions of Yen)

Net Sales



Equipment Total

Net Sales

97.6 Billions of yen
Changes ▲1.0 Billions of yen ▲1.1%

Fiscal year overview

Sales of imaging equipment decreased YoY due to the impact of the yen's appreciation and intensified competition. Sales of optical equipment increased YoY on higher volumes and better mix.

Illumination

2.0 Billions of yen
Changes ▲0.4 Billions of yen ▲16.5%

– Factors behind YoY change, excluding foreign exchange impact–

- Large project for a theme park in previous fiscal year

Imaging

67.0 Billions of yen
Changes ▲3.3 Billions of yen ▲4.7%

- **Cinema: +7%**
Digital cinema projector (DCP) shipments increased 13% YoY
- **General Imaging : ▲13%**
Demand declined for indoor stationary imaging due to inroads made by fluorescent laser type and flat panels

Optical

28.5 Billions of yen
Changes +2.6 Billions of yen +10.1%

- **UV equipment : +12%**
Projection lithography equipment for devices declined but stayed strong for packaging
- **Cure equipment : +18%**
Shipments of photo-alignment equipment for TVs in addition to smartphones. Volume up 30% YoY.

FY15

FY16

Note : Net Sales indicates sales to unaffiliated customers.

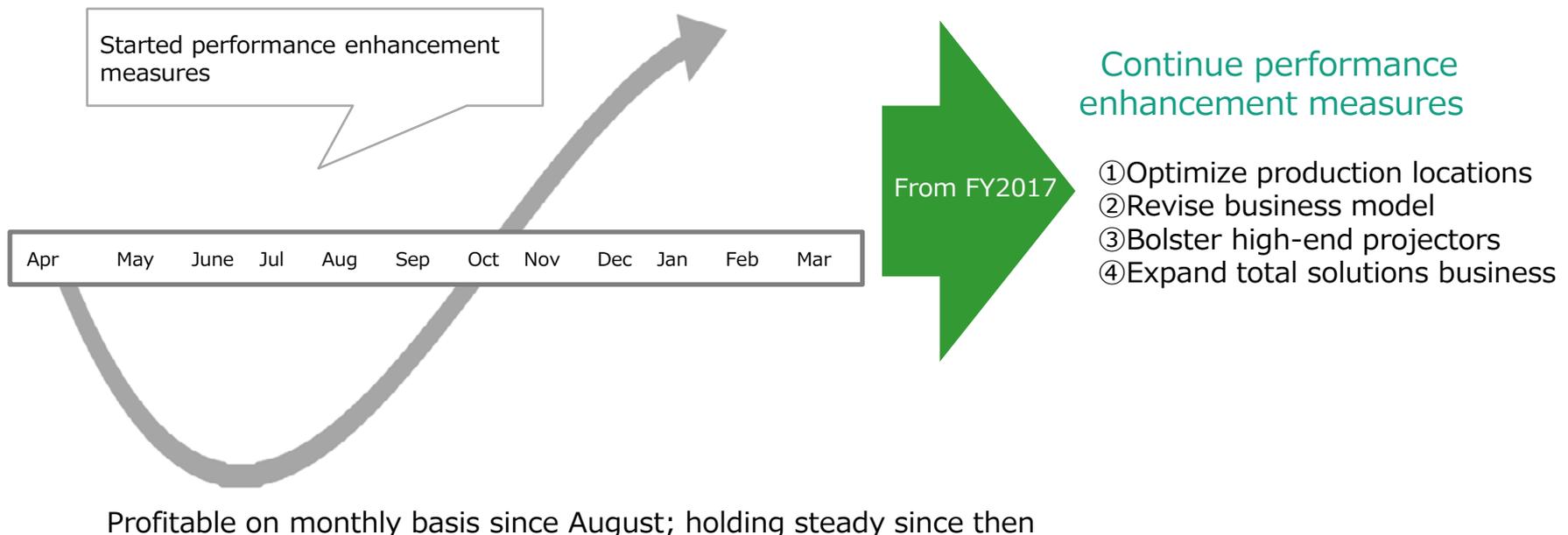
Progress on Performance Enhancement Measures in the Imaging Equipment Business

■ Performance Enhancement Measures (FY16)

- Reduced fixed costs by implementing restructuring
- Reduced personnel costs (froze new recruitment, reduced headcount, reduced bonuses, etc.)
 - Reduced other operating expenses (reduced IT, advertising and other expenses)

Decline in annual SG&A expenses
¥2.4 billion YoY
Excluding forex impact

■ Cumulative operating income of Christie (FY16)

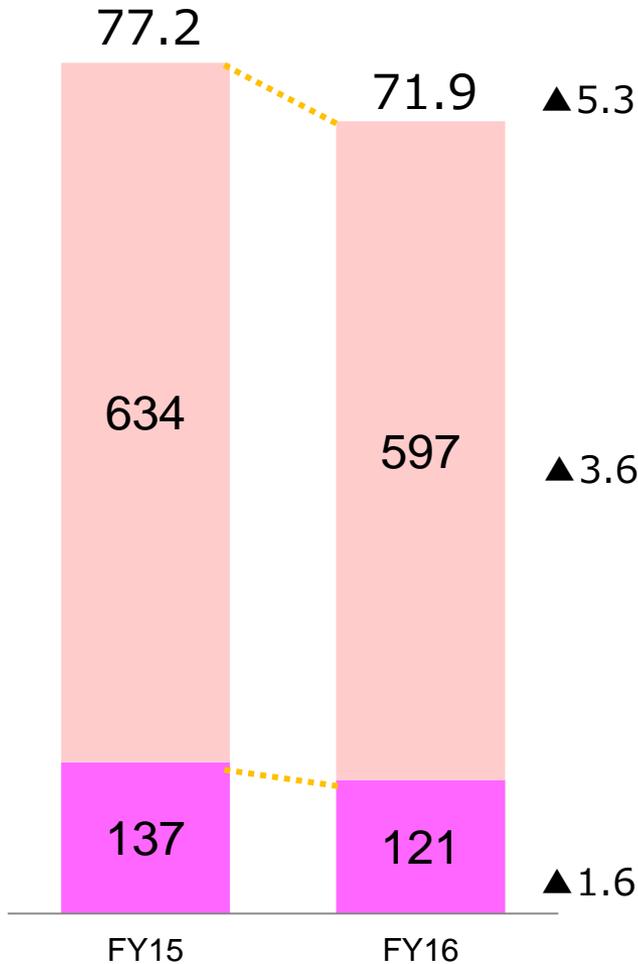


Light Sources Business Segment 《Net Sales》

《1-4Q ttl》

Net Sales

(Billions of Yen)



Light Sources Total	Net Sales	Fiscal year overview
	71.9 Billions of yen Changes ▲5.3 Billions of yen ▲6.9%	Market demand brisk overall, but sales down YoY owing mainly to yen's appreciation

– Factors behind YoY change, excluding foreign exchange impact–

- **UV lamps : ▲4%**
Unit prices continued to decline due to intensified competition, but operating rates remained high at customers, and capital investment was strong
- **Lamps for cinema : ▲14%**
Unit prices declined, but volume increased
- **Lamps for data projector : ▲1%**
Volume increased, mainly for new long-lasting products and general imaging applications
- **Lamps for OA : ▲12%**
Printing demand continued to decrease, but demand held steady for high-value-added environmentally friendly products

Note : Net Sales indicates sales to unaffiliated customers.

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III. Medium-Term Management Plan

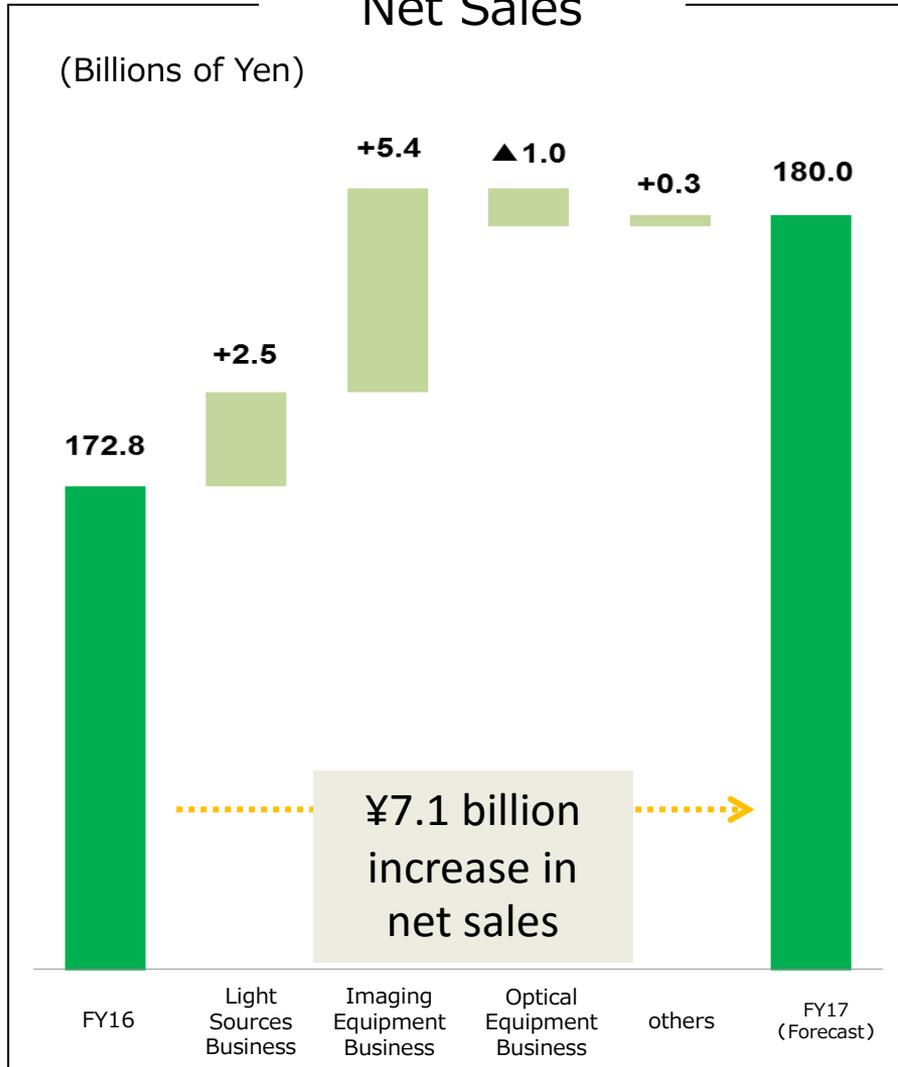
IV. Supplementary Information

Forecasts for FY2017

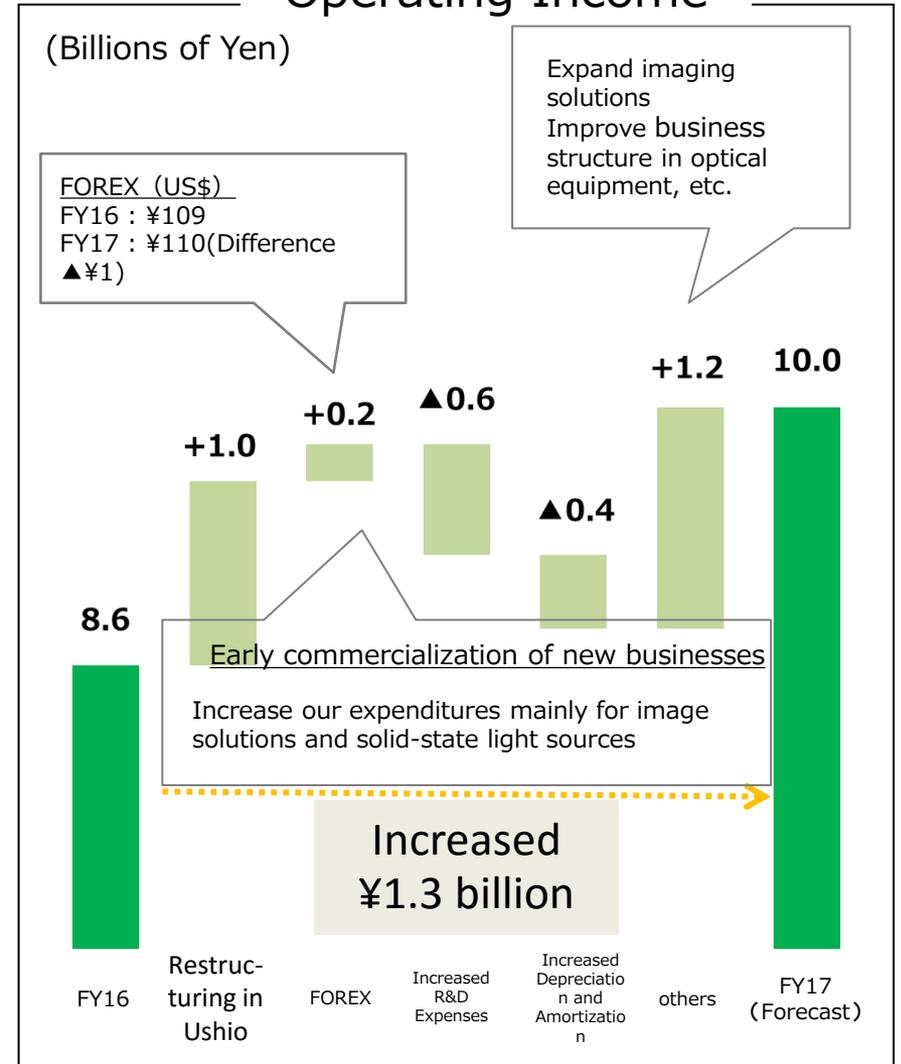
(Billions of Yen)	FY16 (Actual Results)	FY17 (Forecast)	YoY		1H/FY17 (Forecast)
			Changes	%	
Net Sales	172.8	180.0	+7.1	+4.1	87.0
Operating Income	8.6	10.0	+1.3	+16.2	4.5
Operating Income (%)	5.0	5.6	+0.6P	-	5.2
Ordinary Income	11.0	11.5	+0.4	+4.5	5.5
Profit Attributable to Owners of Parent	7.0	11.0	+3.9	+56.2	8.5
EPS (Yen)	55.06	86.10	+31.04	+56.4	66.53
ROE (%)	3.3	5.1	+1.8P	-	-
Dividend (Yen)	26	26	-	-	-
Payout Ratio (%)	47.2	30.3	▲16.9P	-	-
Capital Expenditures	10.2	8.0	▲2.2	▲22.0	-
Depreciation and Amortization	6.5	7.0	+0.4	+6.3	-
R&D Expenses	9.8	10.5	+0.6	+7.0	-
Forex (Yen) USD	109	110	+1		110
EUR	119	115	▲4		115
Annual Forex Sensitivity (Billions of Yen)	Net Sales	Operating Income			
against USD	1.0	0.15			

Earnings Forecasts for FY2017: Analysis of YoY Changes in Net Sales and Operating Income

Net Sales



Operating Income



Forecasts for FY2017 《Net Sales by Business Segments》

(Billions of Yen)		FY16 (Actual Results)	FY17 (Forecast)	YoY	
				Changes	%
Equipment	Imaging equipment	67.0	72.5	+5.4	+8.2
	Optical equipment	28.5	27.5	▲1.0	▲3.8
	Illumination and others	2.0	2.5	+0.4	+22.7
	Sub-total	97.6	102.5	+4.8	+5.0
Light Sources	Discharge lamps	59.7	62.5	+2.7	+4.5
	Halogen lamps	12.1	12.0	▲0.1	▲0.9
	Sub-total	71.9	74.5	+2.5	+3.6
Other	Machinery for industrial use and other	3.2	3.0	▲0.2	▲9.1
Total		172.8	180.0	+7.1	+4.1

Note : Net Sales indicates sales to unaffiliated customers.

Business Outlook by Main Sub-segments

Equipment +5.0%

Imaging equipment

+8.2%

- Decline in DCP sales volume (slower uptake by new customers in emerging countries, especially China)
- Increase in laser projectors for premium movie theaters like Dolby Cinema
- Higher sales of imaging equipment for entertainment, such as events and theme parks
- Expansion of total solutions business

Optical equipment

▲3.8%

- Decline in sales due to focus on orders with better margins
- Weaker demand for LCD-related equipment
- Higher sales of projection lithography equipment amid sensor-related electronic parts and next-generation high-density printed circuit boards both due to IoT, as well as direct image exposure systems for main substrates of next-generation smartphones

Light Sources +3.6%

Discharge lamps

+4.5%

- Slightly stronger demand for UV lamps and cinema lamps, but flat sales growth as unit prices decline from intensified competition
- Growth in solid-state light sources for industrial applications, such as for projectors and printing

Halogen lamps

▲0.9%

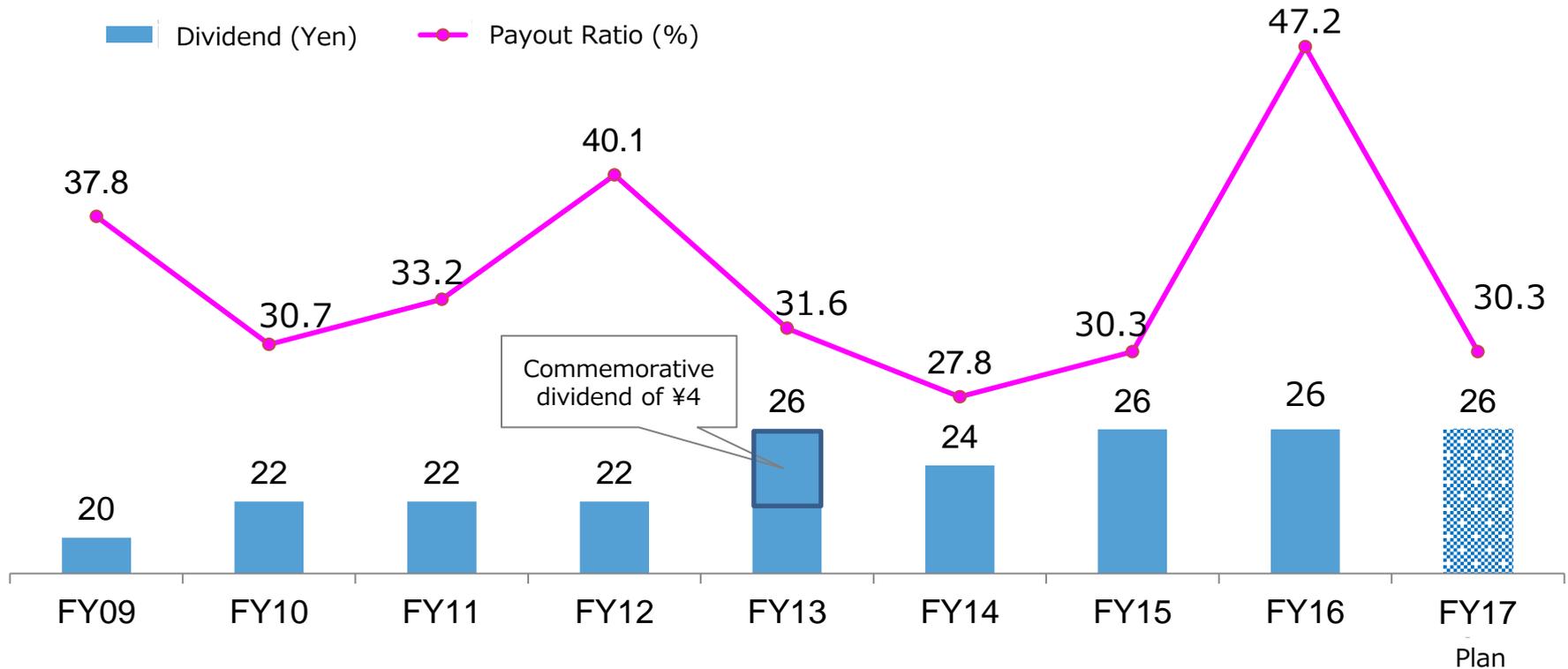
- Decline in demand for OA applications, but growth should be flat due to high value-added lamps

* YoY change versus FY2016

Return of Profits to Shareholders

Policy: Return profits in a reliable and consistent manner

Cash Dividends : 26 yen (FY16)



Share buybacks: Flexible approach while considering share prices

Agenda

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Review of Previous Medium-Term Management Plan (Rolling Targets; for FY16 to FY18)

May 2016 announcement

Transformation into a Highly Profitable Company

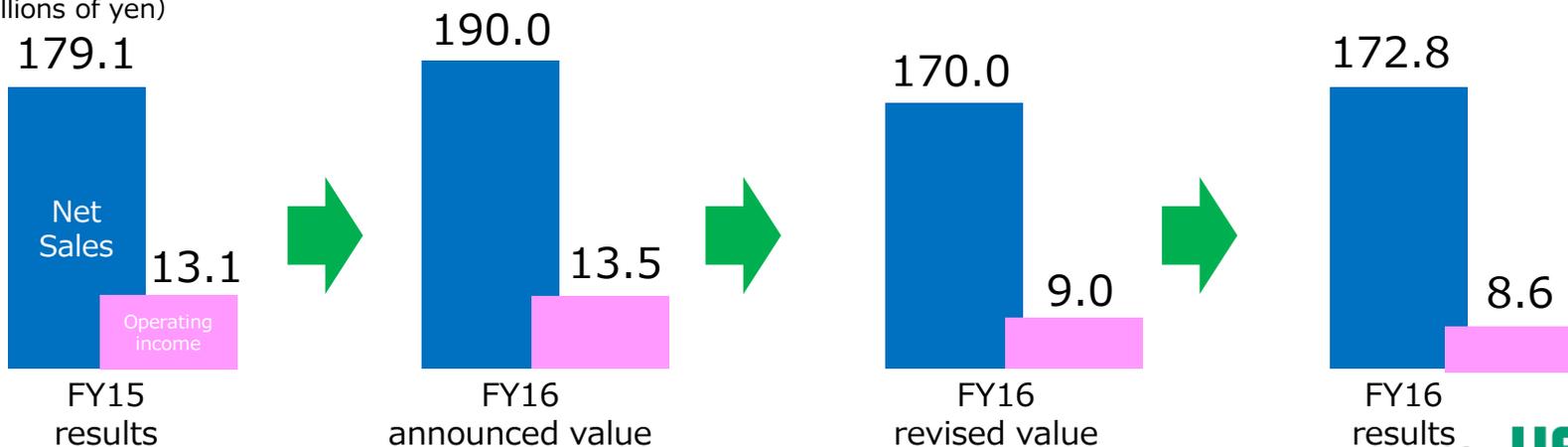
FY2018 targets: Operating Income ¥20 billion (margin: 8.7%), Net Sales ¥230 billion

Basic policies: Maintain and improve profitability in existing businesses, pursue new growth opportunities

July	Lowered full-year forecasts with 1Q results	Reduced personnel at Christie (about 100 people)
Oct.	Withdrew from numerical targets in previous medium-term plan	–
Dec.	–	Early retirement offered to about 100 employees at USHIO

Focused on cost reductions in previous fiscal year

(Billions of yen)



Review of Previous Medium-Term Management Plan (Rolling Targets; for FY16 to FY18)

Assessment of Key Measures:

Still a work in progress with the exception of personnel reductions and other cost reductions

Maintain and Improve Earning Capability in Existing Businesses	Structural reform in the optical equipment business	Some progress made with standardization, but transfer of production halted in order to align with market environment
	Increase cost competitiveness in Light Sources and Equipment businesses	Costs reduced through personnel cuts at USHIO and Christie
Pursue New Growth Opportunities	Expand existing products in new fields	New products did not contribute much to results, still reliant on existing businesses
	Full-scale expansion of the solutions businesses	Orders on the rise, but limited contributions to sales and profits
	Expand M&A investment focused on synergies	Multiple deals being examined, only a few deals have gone through

*** Improve corporate governance structure**

- External directors for a majority of directors
- Transition to a Company with Audit and Supervisory Committee



More discussion of medium-term plans at Board of Directors meetings

Continue aforementioned key measures in next medium-term plan with the aim of taking a leap

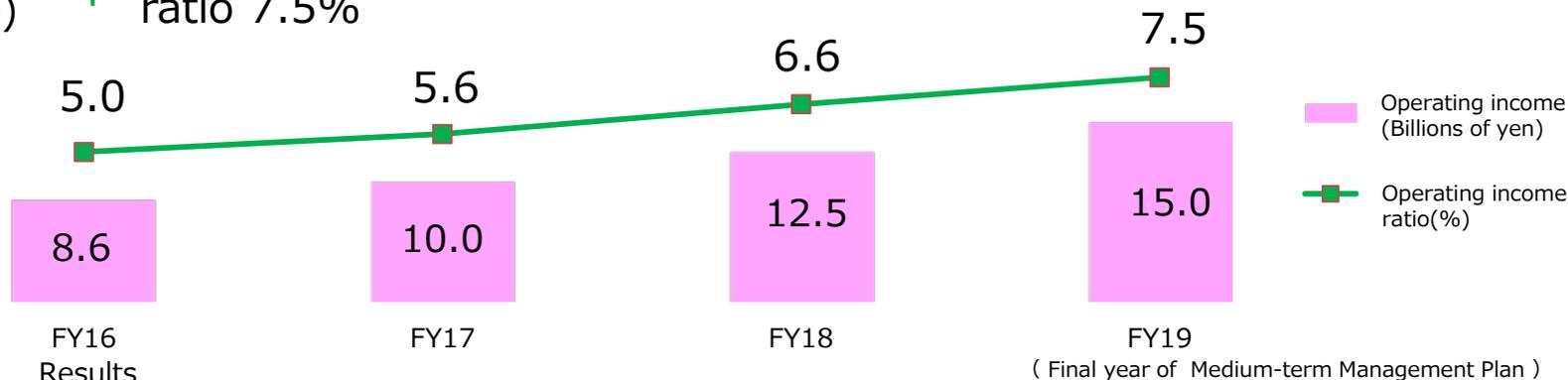
Solidify the foundation to make the next leap forward

Business Priorities

1. Maintain profitability and improve existing businesses
 - Secure profits and maintain market share by strengthening competitiveness in existing markets
2. Pursue new growth opportunities
 - Develop new markets and create new businesses by leveraging USHIO's strengths
 - Accelerate development of new markets through M&A investments that emphasize synergy

Numerical Targets (FY19)

Key performance indicators (KPI)
 Operating income ¥15 billion, operating margin ratio 7.5%



* Beginning with the new medium-term plan, switch from rolling targets to fixed three-year targets

Overview of New Medium-term Plan (Fixed Targets; FY17~FY19)

Key Performance Indicator (KPI)

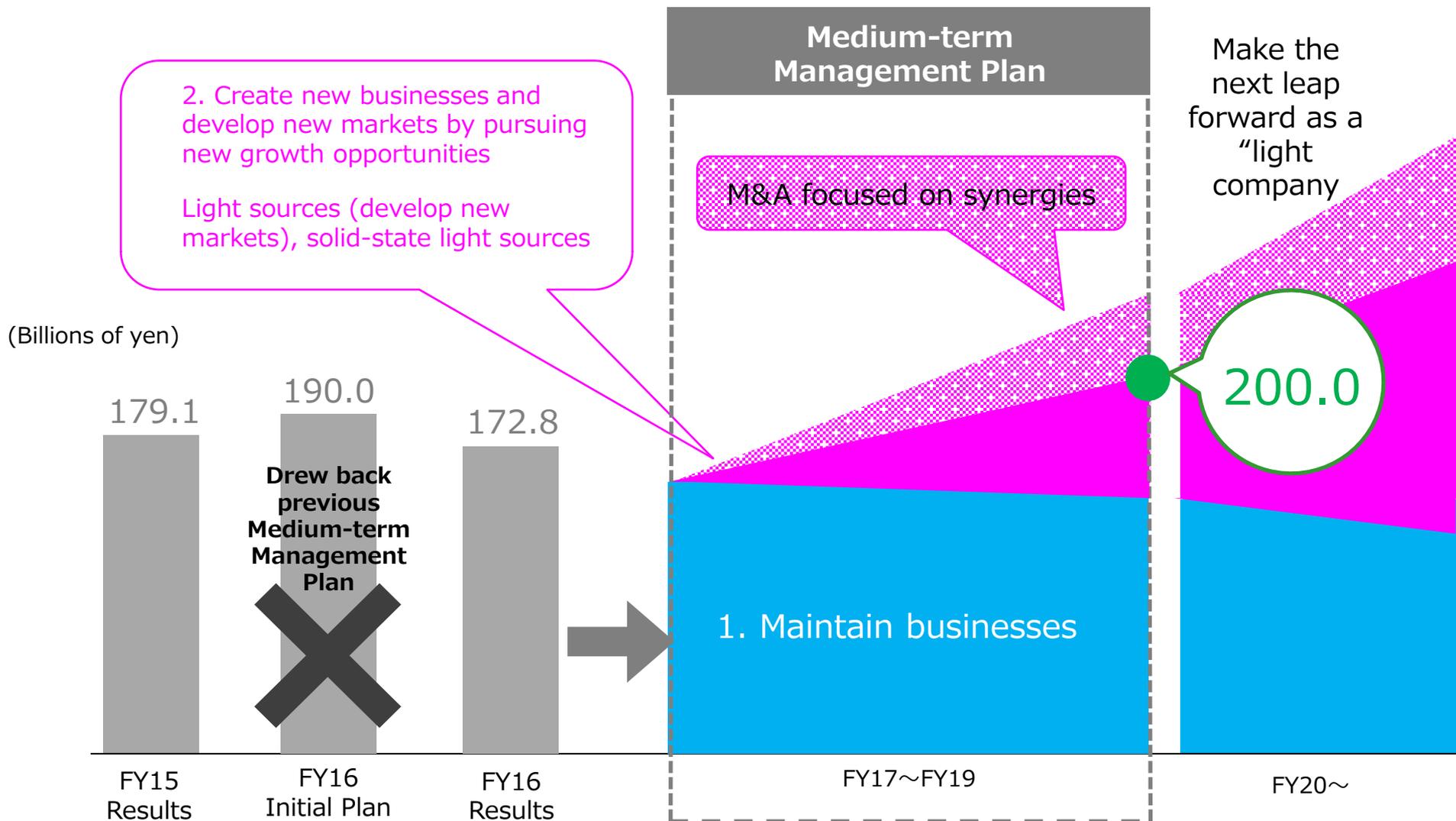
	FY16 Forecast	FY17 (First year of MTMP)	FY18 (Second year of MTMP)	FY19 (Final year of MTMP)	Average annual growth rate (3 years of MTMP)
Operating income (billion of yen)	8.6	10.0	12.5	15.0	20.4%
Operating income ratio(%)	5.0	5.6	6.6	7.5	—

※Reference values

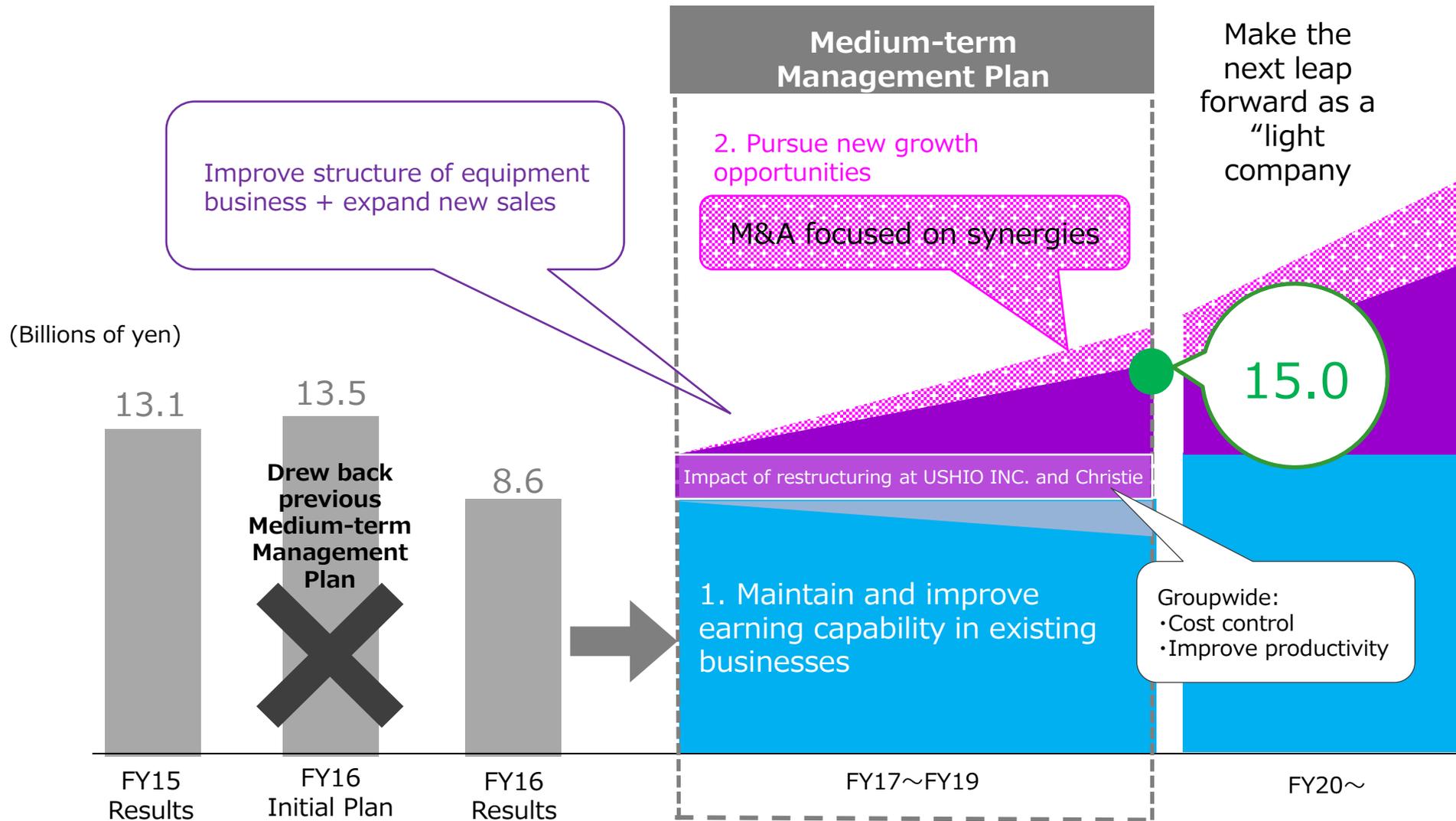
	FY16 Forecast	FY17 (First year of MTMP)	FY18 (Second year of MTMP)	FY19 (Final year of MTMP)	Average annual growth rate (3 years of MTMP)
Net Sales (Billions of yen)	172.8	180.0	190.0	200.0	5.0%
ROE(%)	3.3	5.1※	4.2	5.0 or more	—
Operating income before goodwill amortization, etc. (Billions of yen)	10.2	11.8	14.2	16.2	16.8%
Operating income ratio before goodwill amortization, etc ratio(%)	5.9	6.5	7.5	8.1	—

※With special factors (special benefits)

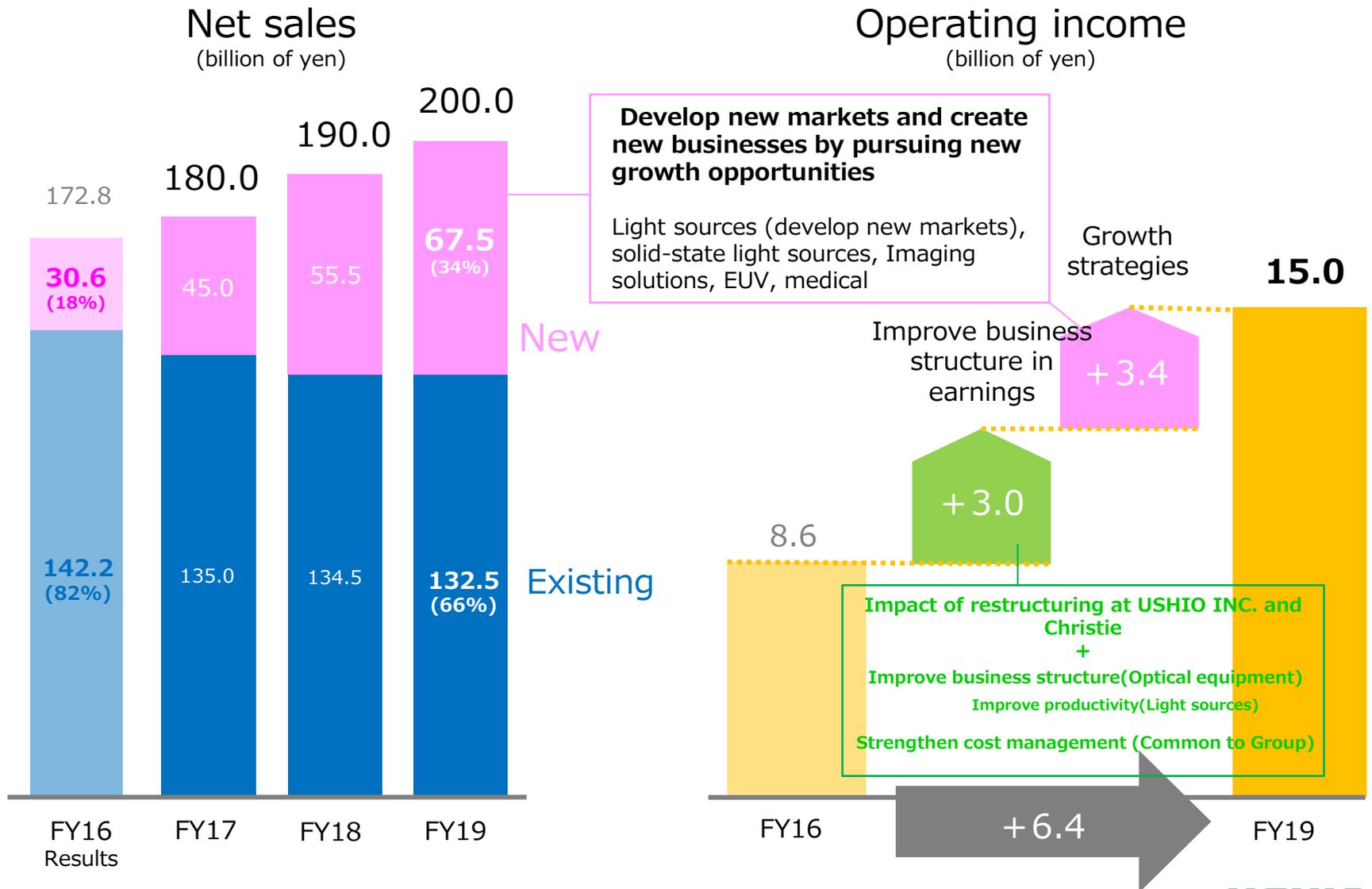
Final year of New Medium-term Management Plan (FY19) Business Growth Image (Net Sales)



Final year of New Medium-term Management Plan (FY19) Business Growth Image (Operating Income)



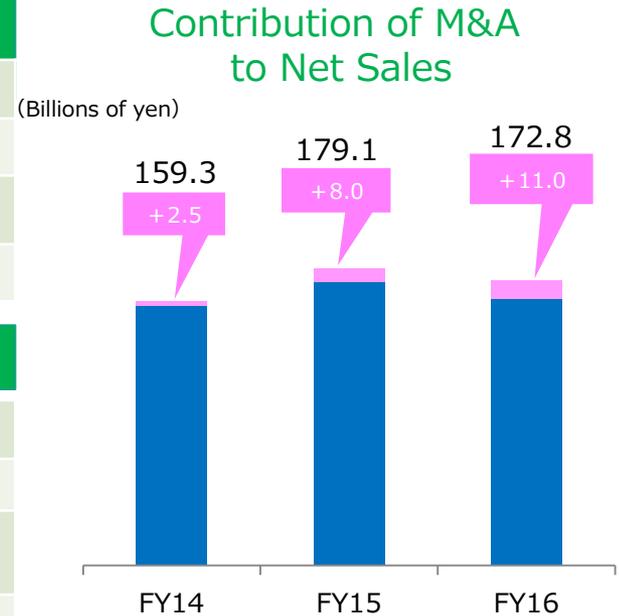
Net Sales and Operating Income in New Medium-term Plan (FY17-FY19)



Expand M&A investment focused on synergies

Consider and execute M&A targeting 4 priority areas below as

Light Sources Business	A. Lamp (Development of new markets)
	B. Solid state light sources
Equipment Business	C. Optical equipment (Medical)
	D. Imaging equipment (Total solution)



Past M&A deals (FY14~FY16)

	Name of acquisition target company	Area	Business outline or purpose of M&A
May 2014	Arsenal Media	D Imaging total solution	Digital content production
Oct. 2014	Oclaro Japan, Inc. (demerger of business)	B Solid state light sources	Acquisition of semiconductor device technology
Dec. 2014	BG Radia	D Imaging total solution	Audio system
Jan. 2015	coolux GmbH	D Imaging total solution	Imaging processor
Apr. 2015	MAXRAY INC.	B Solid state light sources	LED illumination
Nov. 2015	Allure Global Solutions, Inc.	D Imaging total solution	Digital signage-related
Jan. 2016	American Green Technology, Inc.	A Lamp(Development of new markets)	Lamps for space hygiene and sales channel
Feb. 2016	PD-LD, Inc.	B Solid state light sources	Laser light source for imaging-related
Apr. 2016	sunsorit Co., Ltd	C Medical	Skin care

Contribution of M&A to Operating Income*

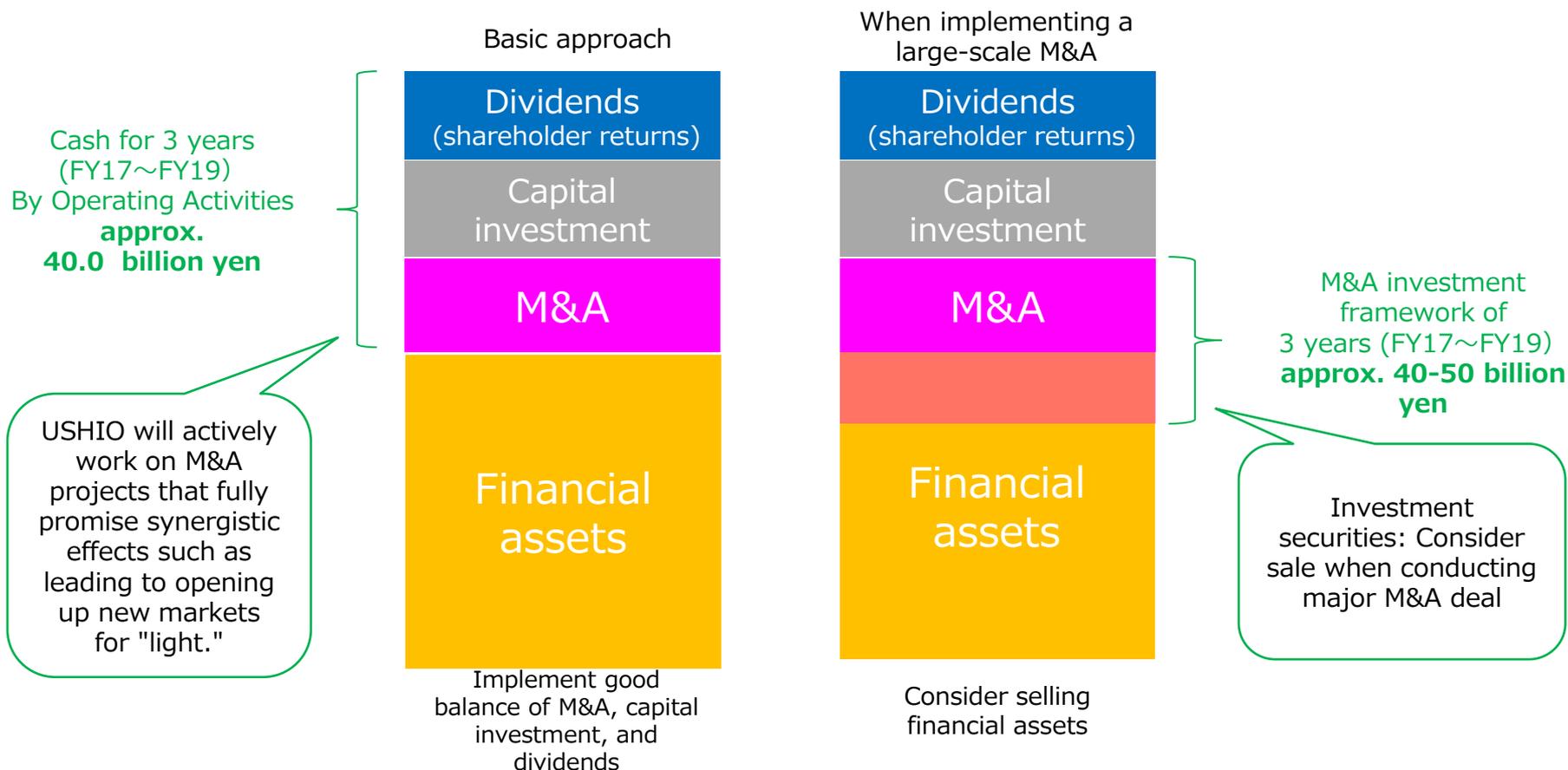
Approx. 7.0 Billions of yen

Accumulated contribution amount for the past 10 years (FY07~FY16)

*Operating income ratio before goodwill amortization, etc.

Capital Policy, Cash Allocation, etc. in New Medium-term Plan (FY17-FY19)

Shareholder returns: Return profits in a stable and consistent manner

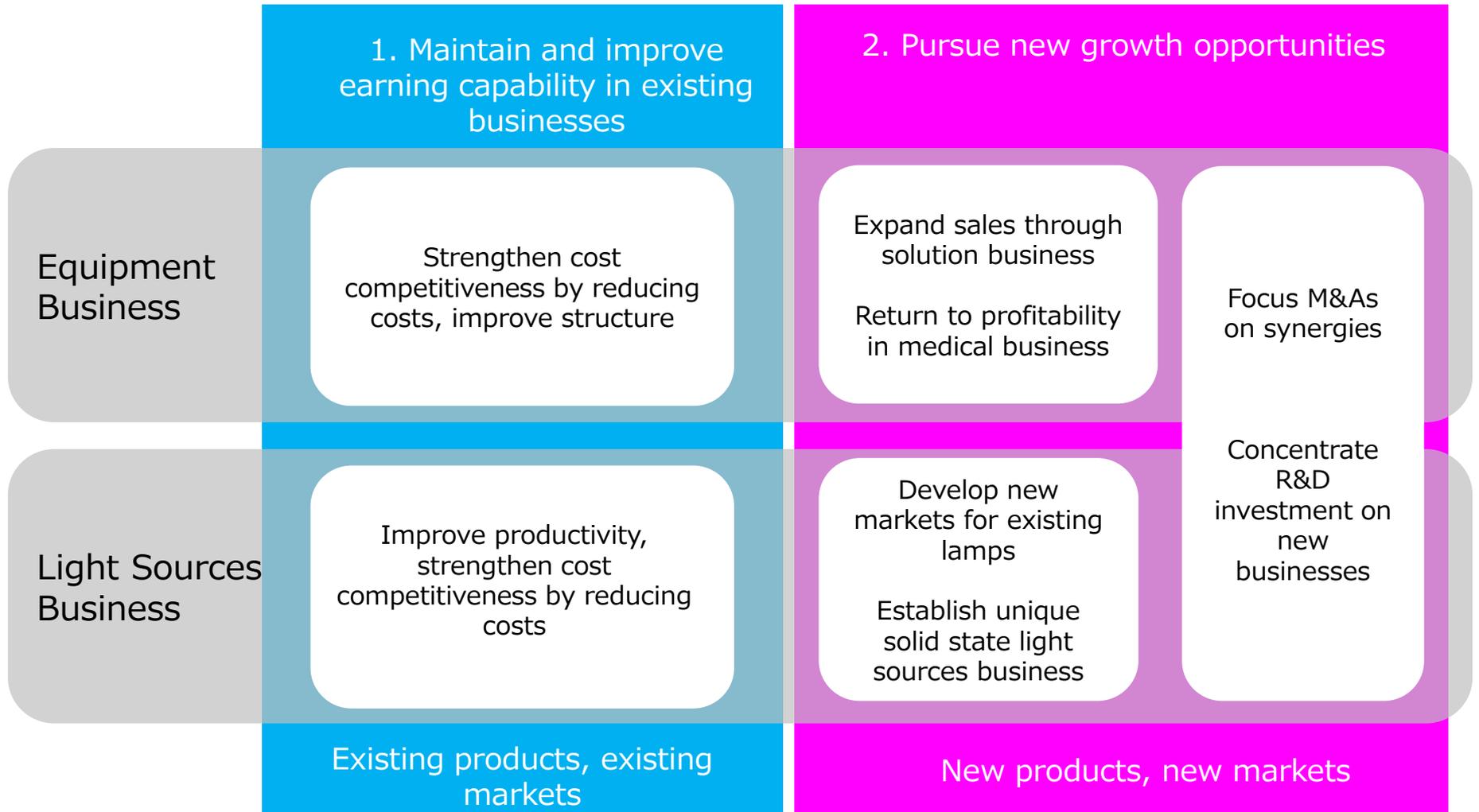


ROE improvement: Aim to improve by increasing operating income

Share buybacks: Flexible approach while considering share price levels

Key Measures by Business in New Medium-term Plan (FY17~FY19)

Maintain and improve earning capability in existing businesses & Pursue new growth opportunities

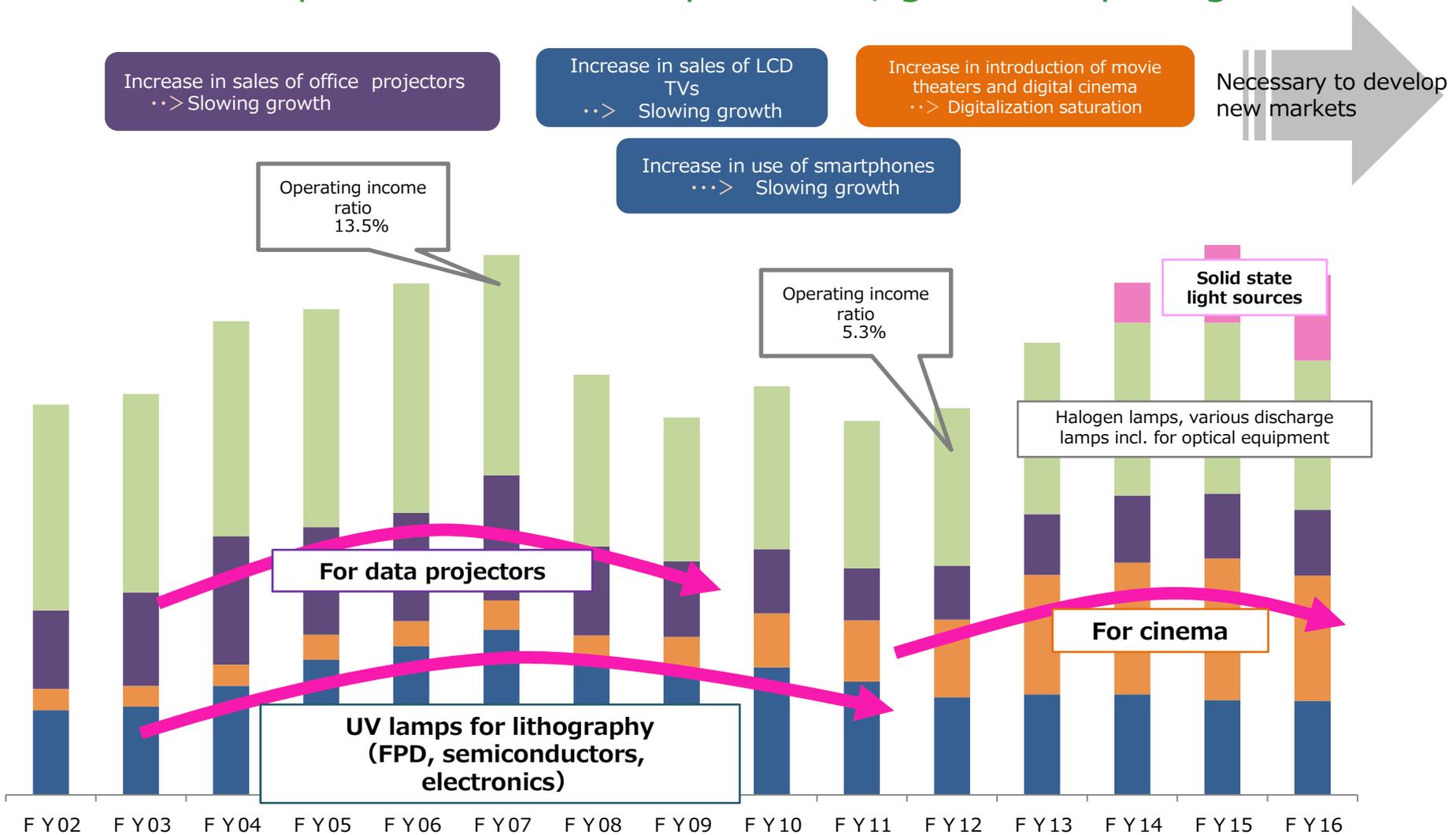


Net Sales by Business in New Medium-term Plan (FY17~FY19)

Segment	Sub-segment			1 st year	2 st year	3 st year	Changes in 3 years (FY19-FY16)		CAGR
		FY15	FY16	FY17	FY18	FY19	(billion yen)	(%)	(%)
		(Results)	(Results)	(Plan)	(Plan)	(Plan)			
Equipment Business	Imaging equipment	70.3	67.0	72.5	74.0	77.5	10.5	16	5
	Optical equipment	25.9	28.5	27.5	30.5	33.0	4.5	16	5
	Illumination and others	2.4	2.0	2.5	2.5	2.5	0.5	25	8
	Sub-total	98.7	97.6	102.5	107.0	113.0	15.4	16	5
Light Sources Business	Discharge lamps (incl. SSLs)	63.4	59.7	62.5	69.0	73.0	13.3	22	7
	Halogen lamps	13.7	12.1	12.0	11.0	11.0	-1.1	-9	-3
	Sub-total	77.2	71.9	74.5	80.0	84.0	12.1	17	5
Other	Machinery for industrial use and other	3.1	3.2	3.0	3.0	3.0	-0.2	-6	-2
Total		179.1	172.8	180.0	190.0	200.0	27.2	16	5
Company-wide basis	Operating income (billion yen)	13.1	8.6	10.0	12.5	15.0	6.4	74	20
	Operating income ratio (%)	7.3	5.0	5.6	6.6	7.5	2.5p	-	-

Strategy by Business: Light Source Business (Sales Trends)

Growth phase over for lamp market, growth tapering off



Necessary to develop new markets

Strategy by Business: Light Source Business

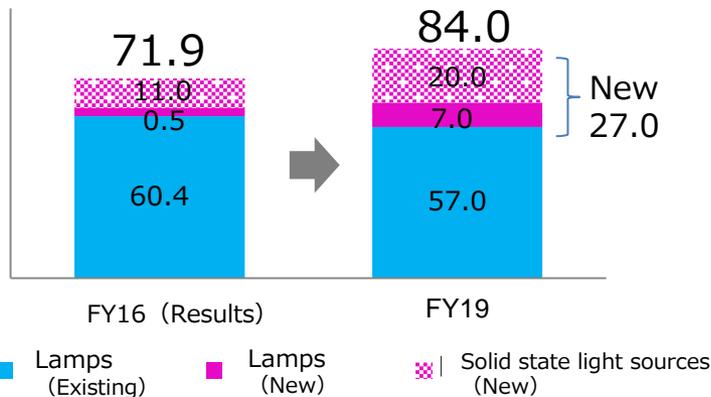
1. Maintain and improve earning capability in existing businesses

– Reduce manufacturing costs with IT and robotics, optimize ratio of domestic and overseas production

2. Pursue new growth opportunities

– Develop new applications for existing lamps for new markets, solid-state light sources*, M&A

Net sales (Billions of yen)



New markets x Existing products



Business examples for a safe, secure, comfortable and convenient society:
XeFlria ozonizer for space sterilization and deodorization

Now building a new solution-type business model



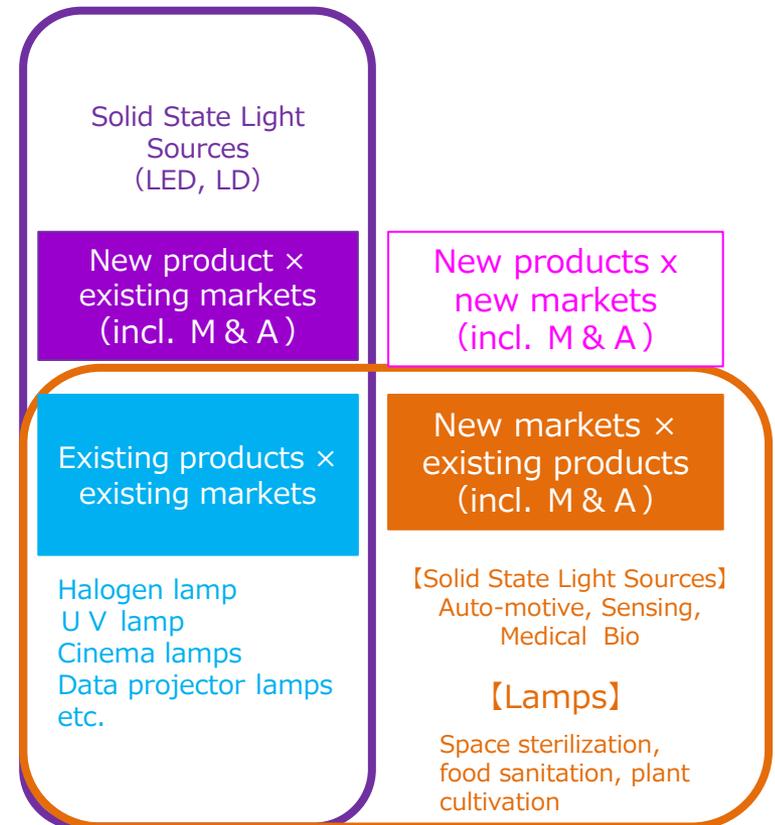
Use of sodium lamps to grow plants:



In use at a paprika plant in Kushiro

※ The Sales of solid state light sources is under Light Source segment in this material.

Growth strategy



(Reference : Strategy by Business: Light Source Business, Solid State Light Sources)

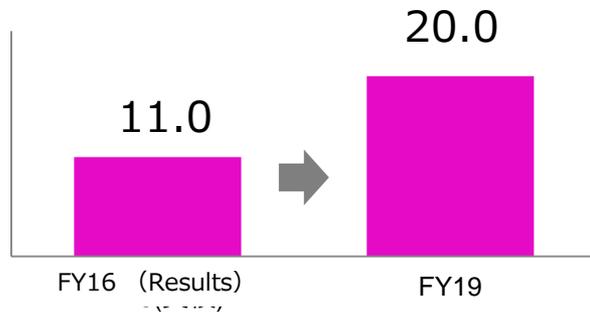
Switching from existing lamps

- Aim to maintain USHIO's market share in lamps and solid-state light sources (Example: lighting, cinema projectors, UV printing)

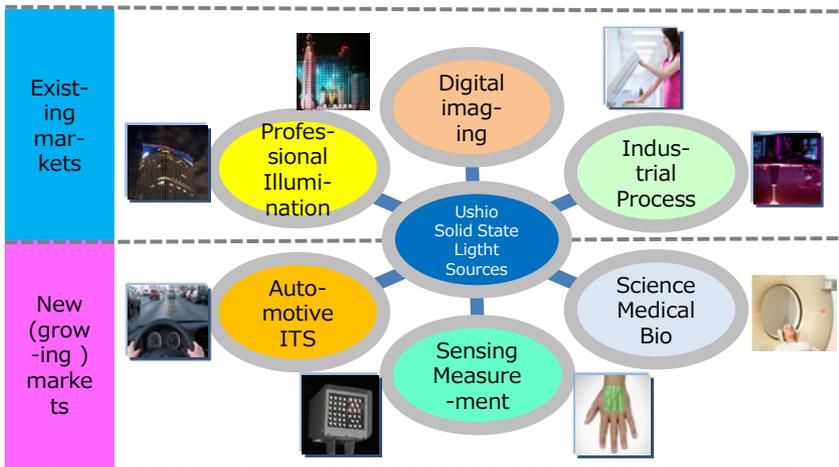
Development of new application by utilizing the strength of solid state light sources

- Contribute to market share gains (example: HUD, sensors, medical, etc.)

Net sales (Billions of yen)



Among key fields, focus on growth fields of automobiles, sensing, science, medical



Strengthening the USHIO Solid-state Light Source Business

1. Extensive wavelength lineup specializing in industrial applications
2. Maximize light use efficiency with optical technology accumulated in lamps, realize high performance
3. High reliability for professional use
4. Integrated Group supply of devices, modules and systems (equipment)



Devices



Modules



Systems

Strategy by Business: Equipment Business/Optical Equipment

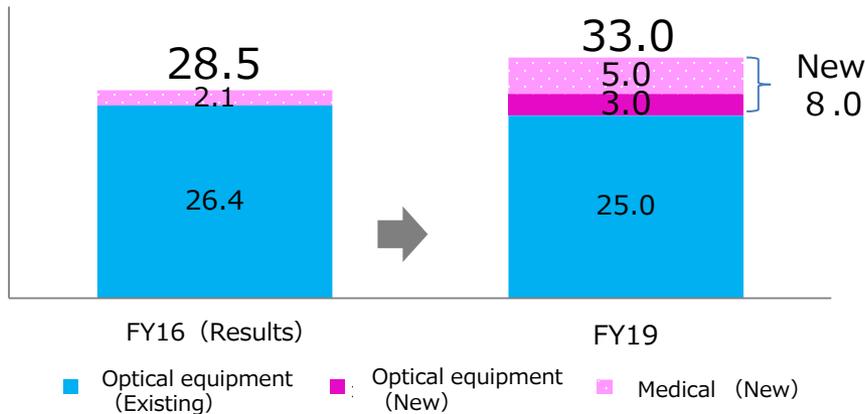
1. Maintain and improve earning capability in existing businesses

– Return to profitability in optical equipment by thoroughly improving business structure

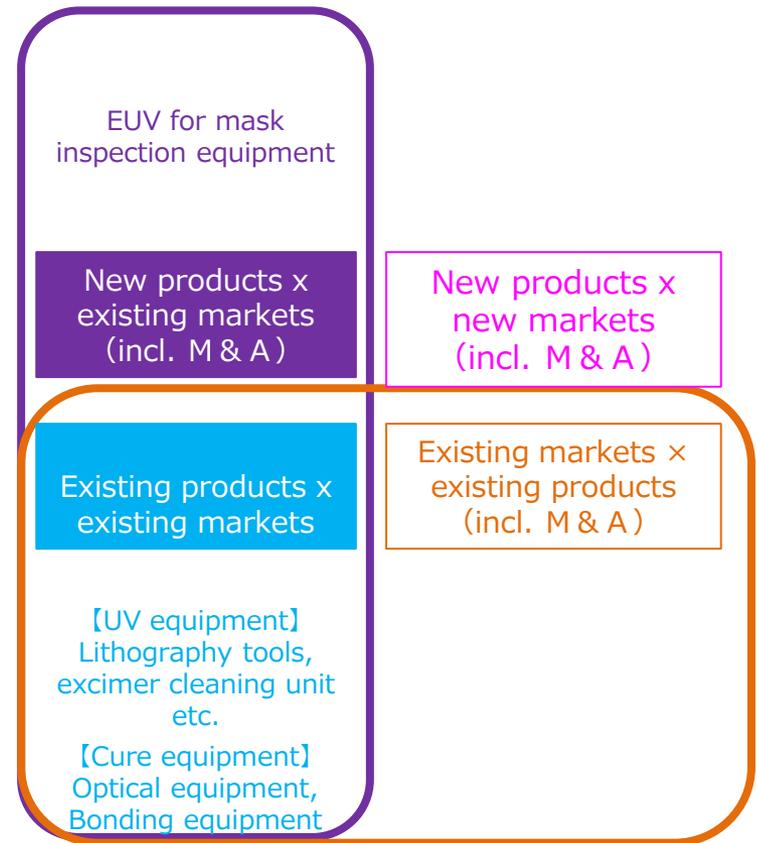
2. Pursue new growth opportunities

– Establish EUV business for inspection equipment

Net sales (Billions of yen)



Growth strategy



Maintain and improve profitability (USHIO products)

1. Screen orders for profitability
2. Standardize design of UX series (plan to complete during new medium-term plan)
3. Reduce costs in materials procurement through design standardization

EUV

1. Plan to post sales from FY2018
 2. Target sales of about ¥3 billion in FY2019
- Aim for double-digit growth in shipment volume over 10 years

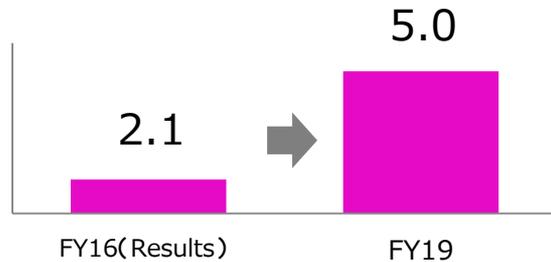


※The Sales of medical is under Optical Equipment segment in this material.

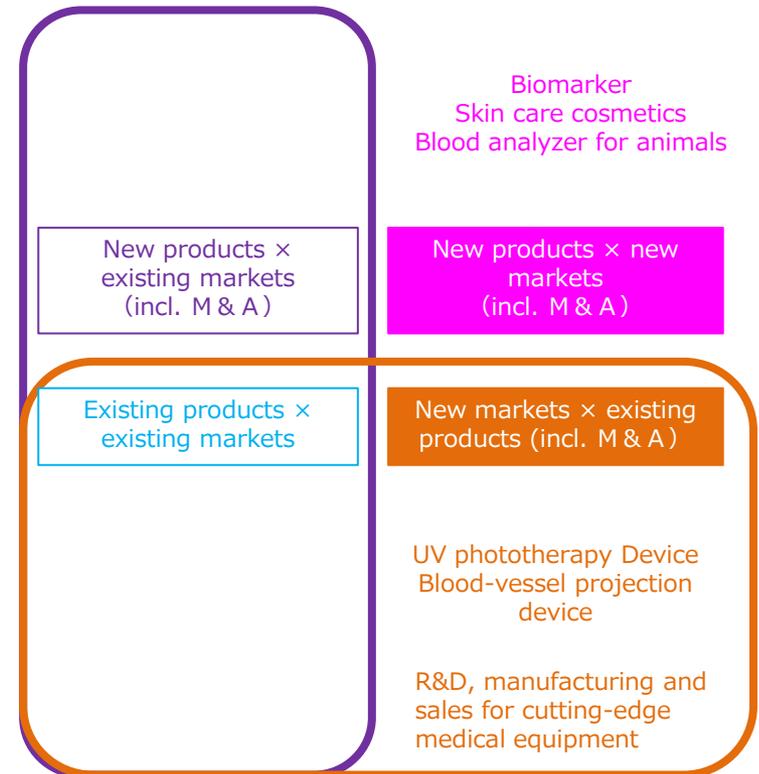
(Reference : Strategy by Business: Equipment Business, Medical)

1. Skin care business – Develop new products and add new sales items in the skin treatment field, sell cosmetics in Asia region
2. Blood testing system for veterinary use – Sell outside China, add inspection items
3. Develop business in China market through USHIO Medical Technology (Suzhou)
4. Biomarker business – Expand sales channels

Net sales (Billions of yen)

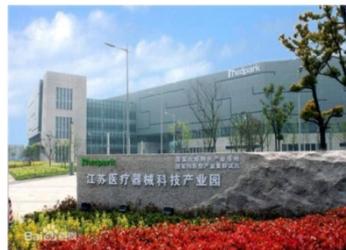
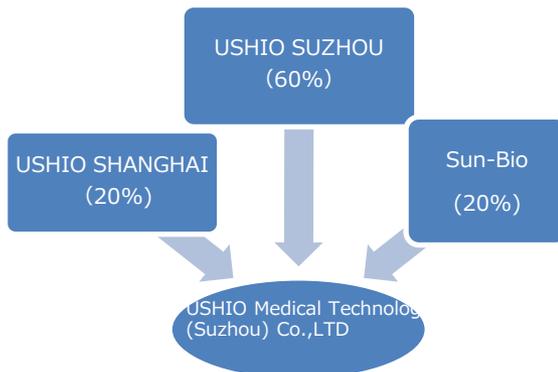


Growth strategy



USHIO Medical Technology (Suzhou)Co., LTD.

R&D, manufacturing and sales joint venture for cutting-edge medical equipment and peripheral devices. Plans to start selling new products



Strategy by Business: Equipment Business/Imaging Equipment

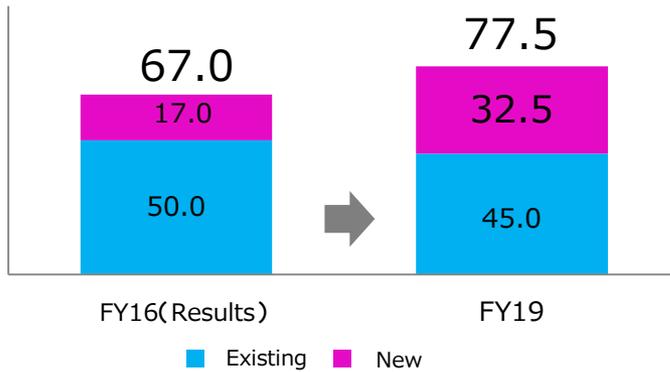
1. Maintain and improve earning capability in existing businesses

— Emphasize cost performance balance in investments, improve productivity with robotics

2. Pursue new growth opportunities

— Expand sales through solution business

Net sales (Billions of yen)



Solution business expansion

General imaging: Christie360 (stationary projection mapping)

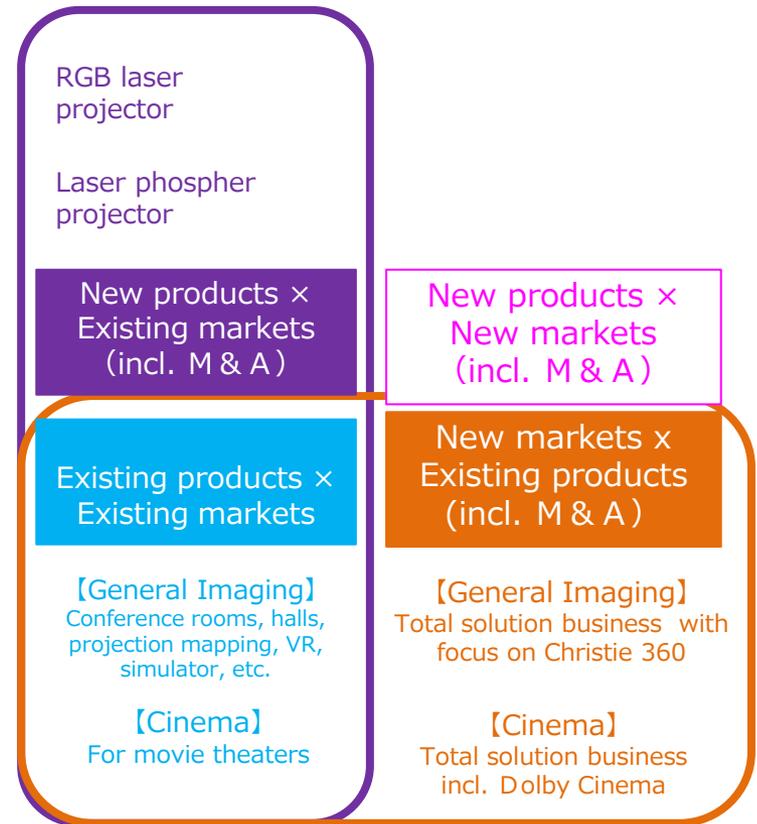
New solutions-type business that provides everything from hardware to content, software and monitoring

Cinema: Dolby Cinema (Premium theaters with laser projectors)

Number of sites: more than 90 sites (as of April 2017)
 Expand to 140 sites by end of September 2017
 Forecast increase to total of 325 sites globally



Growth strategy



Reference : Christie360 (Stationary projection mapping)



CHRISTIE® 360
Experiential Studios



Christie Boxer (Projector)



CHRISTIE® 
MYSTIQUE

Christie MYSTIQUE
(Software)



Christie Twist
(Imaging blending equipment)



Christie Pandora Box
(Media server)

※See the links below for more examples

<https://www.youtube.com/watch?v=I9EZqN5AkvE>
<https://www.youtube.com/watch?v=v5cRoQgQzdw>
<https://www.youtube.com/watch?v=ZnMlv3APXNo>
<https://www.youtube.com/watch?v=ky4DR-iljLQ>
<https://www.youtube.com/watch?v=vxk9lVpYfDY>
https://www.youtube.com/watch?v=eVB8C_-7uuU

Reference : Press release in 4Q (Summary)

Established holding company for strengthening entertainment business in Japan

– Maximize Group resources in lighting, imaging and sound, with the aim of providing total solutions –

In order to strengthen the entertainment business centered on lighting, imaging, and sound in Japan, Ushio Entertainment Holdings was established on April 3, 2017, as a holding company for three Group companies: Ushio Lighting, Maxray and Xebex



Examples of collaboration by these three companies



I. Financial Results for FY2016

II. Forecasts for FY2017

III. Medium-Term Management Plan

IV. Supplementary Information

Financial Results Trend 《Quarterly Comparison》

(Billions of Yen)	(A)		(B)	(B-A)		
	FY16 1Q	FY16 2Q	FY16 3Q	FY16 4Q	QoQ Changes	QoQ %
Net Sales	39.9	42.5	42.4	47.8	+5.3	+12.7
Operating Income	0.9	2.1	2.5	2.8	+0.2	+10.6
Operating Income Ratio (%)	2.4	5.1	6.1	6.0	▲0.1P	-
Ordinary Income	0.4	2.6	4.9	2.9	▲2.0	▲41.2
Profit Attributable to Owners of Parent	0.1	1.6	4.2	0.9	▲3.2	▲77.5
EPS (Yen)	1.24	13.24	33.15	7.48	▲25.67	▲77.4
Forex (Yen)						
USD	111	104	106	114	+8	-
EUR	125	115	116	121	+5	-

Financial Results by Business Segments 《Quarterly Comparison》

(Billions of Yen)			(A)	(B)	(B-A)	
	FY16	FY16	FY16	FY16	QoQ	
	1Q	2Q	3Q	4Q	Changes	%
Equipment						
Net Sales	21.2	24.0	23.6	28.7	+5.1	+21.7
Operating Income	▲0.7	▲0.3	1.0	0.1	▲0.9	▲88.6
Operating Income(%)	▲3.6	▲1.5	4.6	0.4	▲4.1P	-
Light Sources						
Net Sales	18.1	17.7	17.6	18.3	+0.6	+3.6
Operating Income	1.7	2.3	1.4	2.6	+1.2	+83.7
Operating Income(%)	9.6	13.0	8.1	14.4	+6.3P	-
Others						
Net Sales	0.5	0.7	1.1	0.8	▲0.3	▲32.1
Operating Income	▲0.0	0.0	0.0	0.0	+0.0	+867.2
Operating Income(%)	▲3.3	2.3	0.4	5.0	+4.7P	-

Comparison to 4Q last year 《QoQ》

(Billions of yen)	FY15	FY16	QoQ	
	4Q	4Q	Changes	%
Net Sales	44.5	47.8	+3.2	+7.4
Operating Income	*2.6	2.8	+0.2	+8.7
Operating Income Ratio (%)	*5.9	6.0	+0.1P	-
Ordinary Income	*1.5	2.9	+1.3	+86.3
Profit Attributable to Owners of Parent	*1.5	0.9	▲0.6	▲38.7
EPS (Yen)	*11.98	7.48	▲4.52	▲37.7
Forex (Yen)				
USD	118	114	▲4	
EUR	129	121	▲8	

*As a provisional accounting for the previous nine months has been settled, the values of major management indicators for the previous consolidated fourth quarter were changed

(Billions of yen)	FY15	FY16	QoQ	
	4Q	4Q	Changes	%
Equipment				
Net Sales	24.5	28.7	+4.1	+16.9
Operating Income	*0.0	0.1	+0.0	+45.0
Operating Income Ratio (%)	*0.3	0.4	+0.1P	-
Light Sources				
Net Sales	18.9	18.3	▲0.6	▲3.5
Operating Income	*2.2	2.6	+0.3	+16.1
Operating Income Ratio (%)	*12.0	14.4	+2.4P	-
Others				
Net Sales	1.0	0.8	▲0.2	▲20.9
Operating Income	*0.1	0.0	▲0.0	▲69.0
Operating Income Ratio (%)	*12.8	5.0	▲7.7P	-

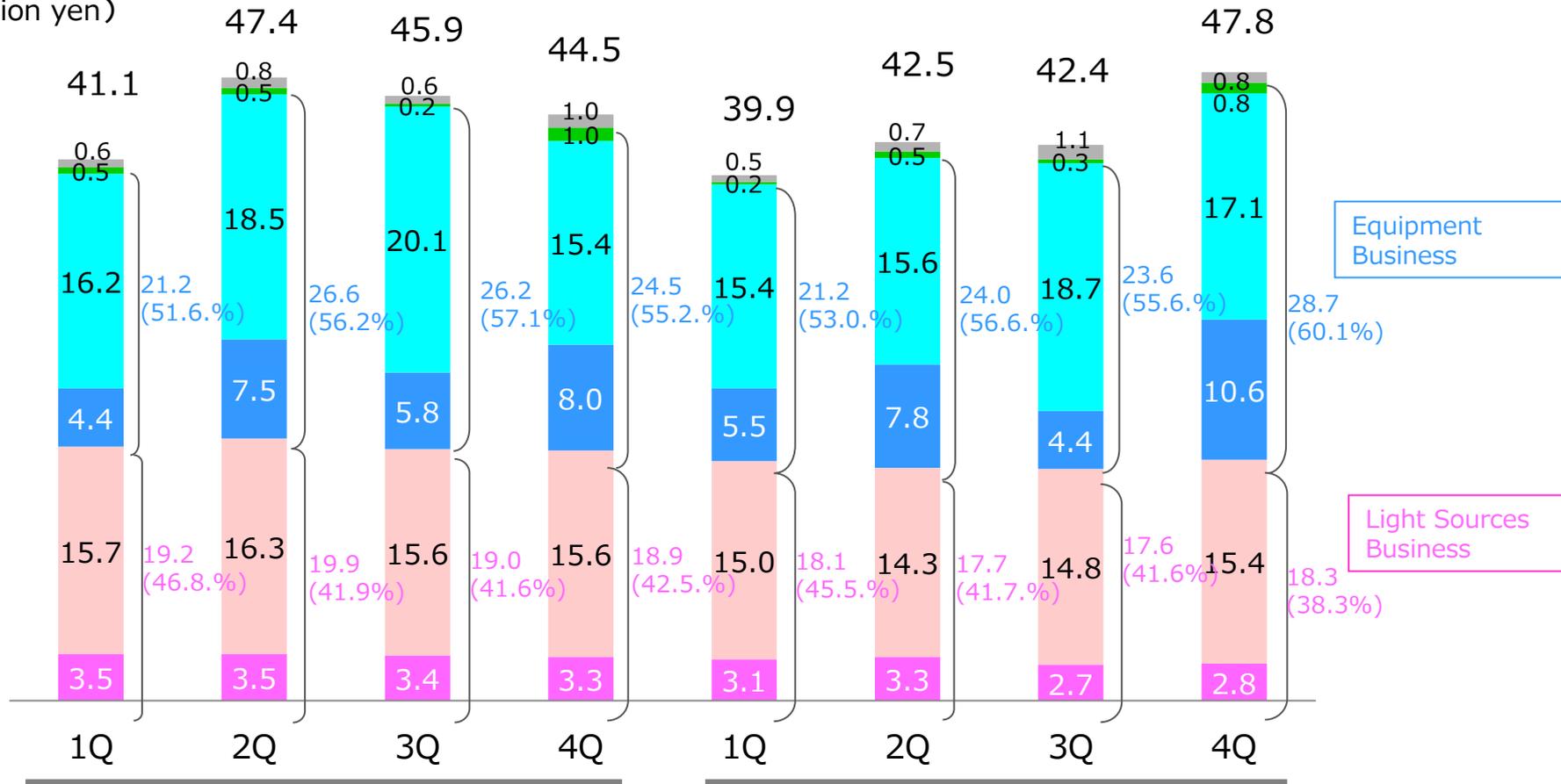
Reference: Other Income and Expenses, Extraordinary Income and Losses 《1Q-4Q》

(billion yen)	FY15	FY16	YoY
Other Income	2.3	3.4	+1.1
Interest income	0.7	0.8	+0.1
Dividend income	1.1	1.3	+0.1
Exchange gain	0.0	-	▲0.0
Realized and unrealized profit on trading securities, net	-	0.4	+0.4
Others	0.4	0.8	+0.4
Other Expenses	0.8	1.0	+0.2
Interest expenses	0.2	0.3	+0.0
Realized and unrealized loss on trading securities, net	0.3	-	▲0.3
Exchange loss	-	0.6	+0.6
Others	0.2	0.0	▲0.1
Other Income and Expenses	1.5	2.3	+0.8

(billion yen)	FY15	FY16	YoY
Extraordinary Income	2.0	3.2	+1.1
Gain on sales of non-current assets	1.1	0.4	▲0.6
Gain on sales of investment securities	0.2	2.7	+2.4
Gain on bargain purchase	0.5	-	▲0.5
Extraordinary Losses	1.4	2.6	+1.1
Business structural reform expenses	-	2.0	+2.0
Others	1.4	0.5	▲0.9

Reference: Net Sales by Sub-segment 《Quarter》

(billion yen)



Equipment

- Imaging
- Optical

Light Sources

- Discharge lamp
- Halogen lamp

Others

- Illumination and related facilities
- Machinery for industrial use and others

Reference: Sales Ratio 《1Q-4Q》

[North America]

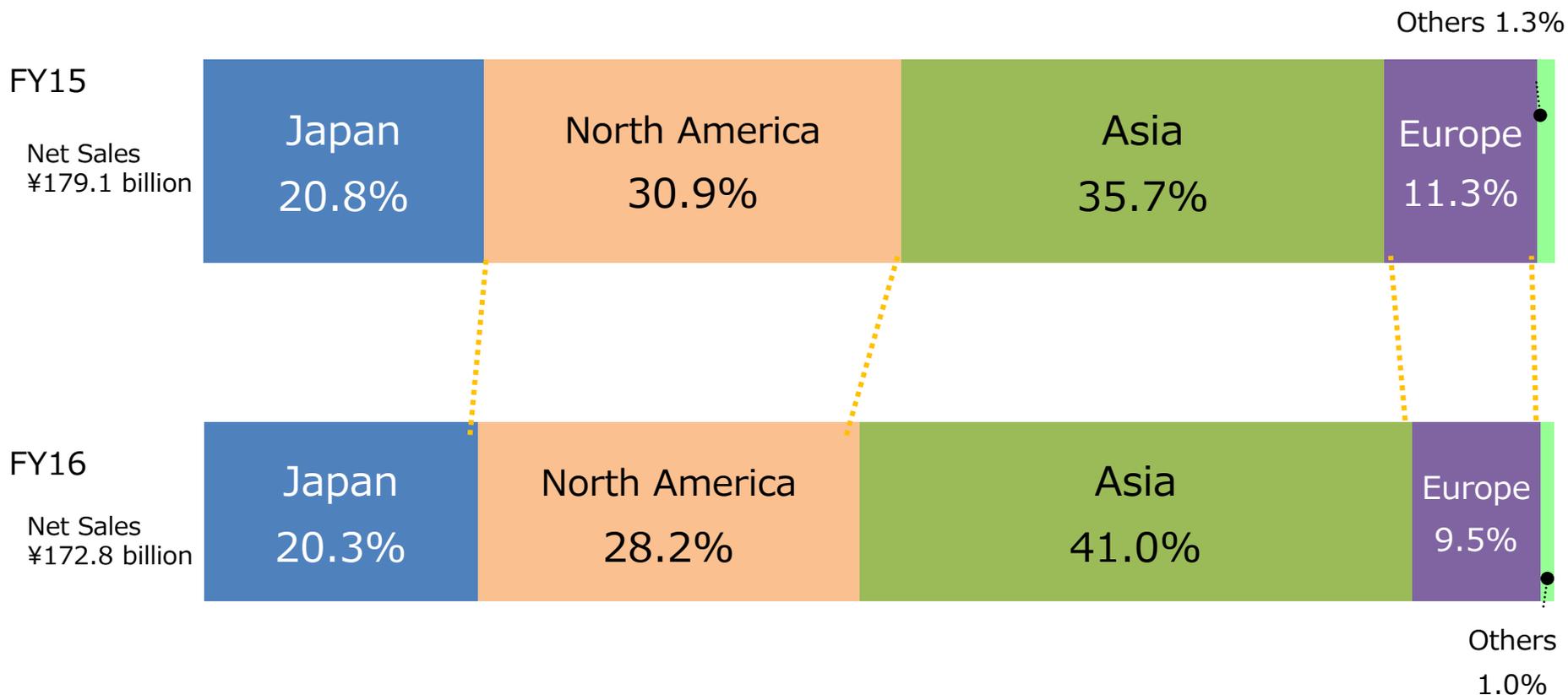
- Decline in sales of imaging equipment
- Yen's appreciation

[Europe]

- Decrease in DCP sales

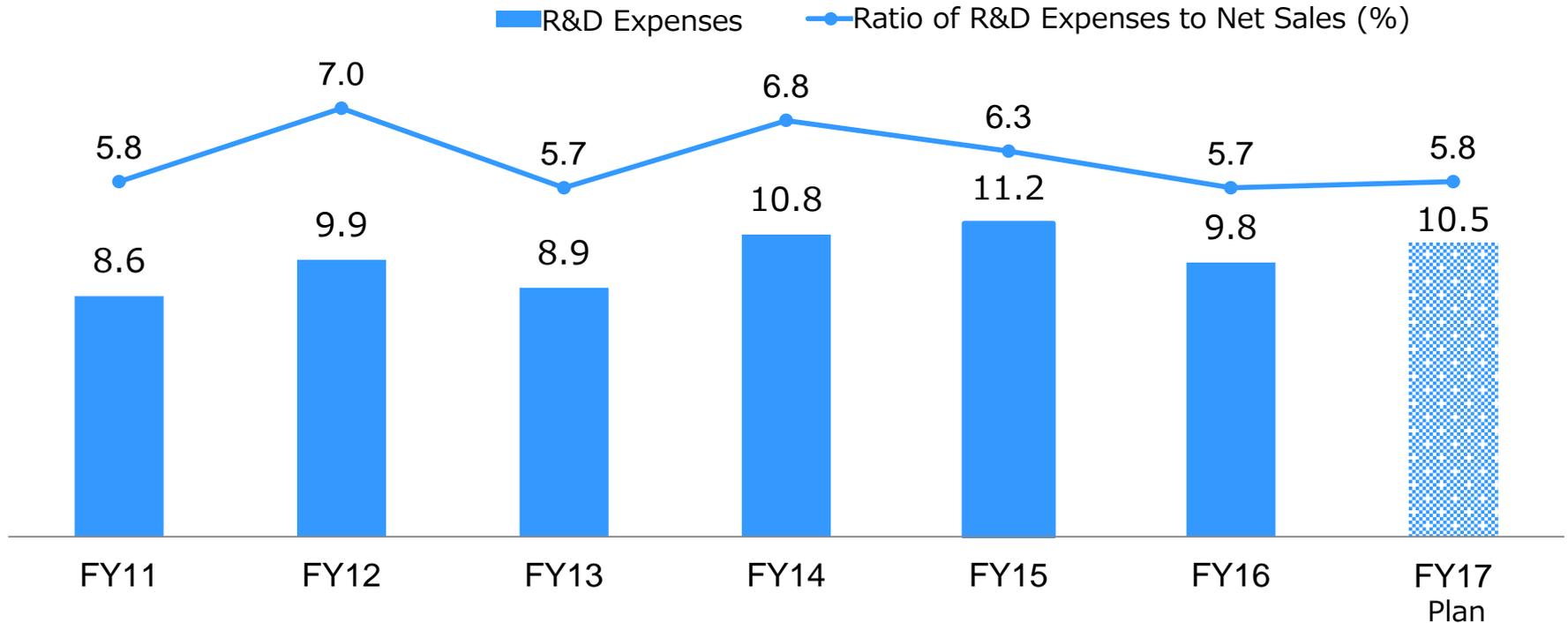
[Asia]

- Increase in sales in China
- Increase in sales of optical equipment



Reference : R&D Expenses

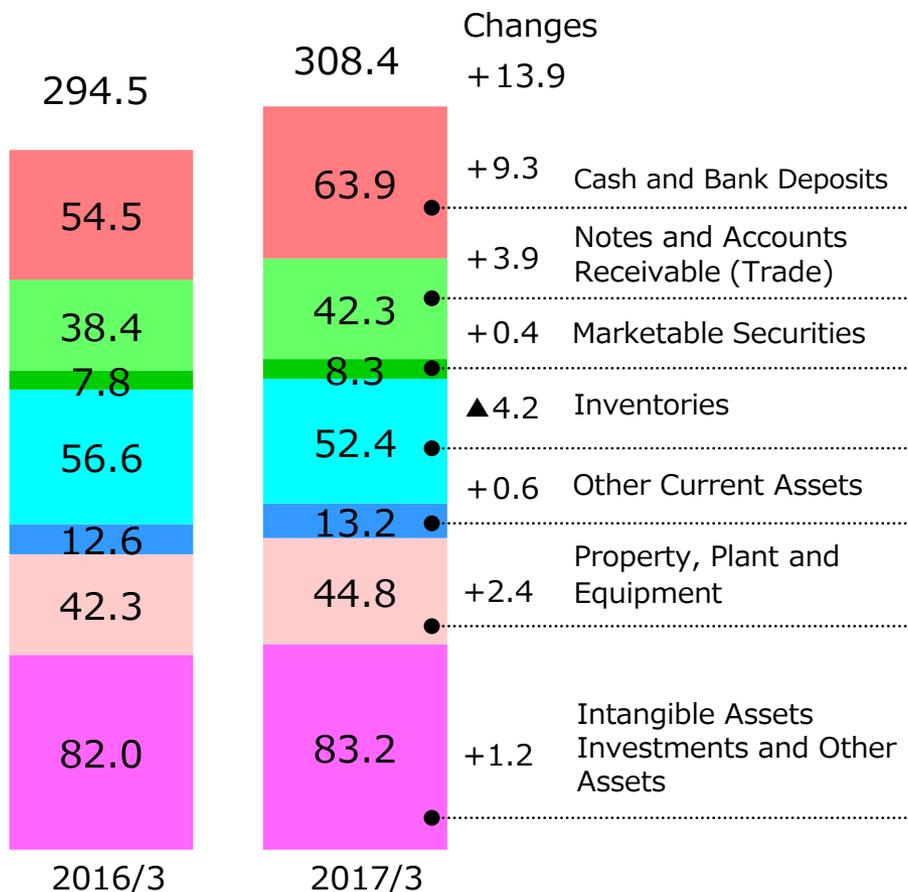
(billion yen)



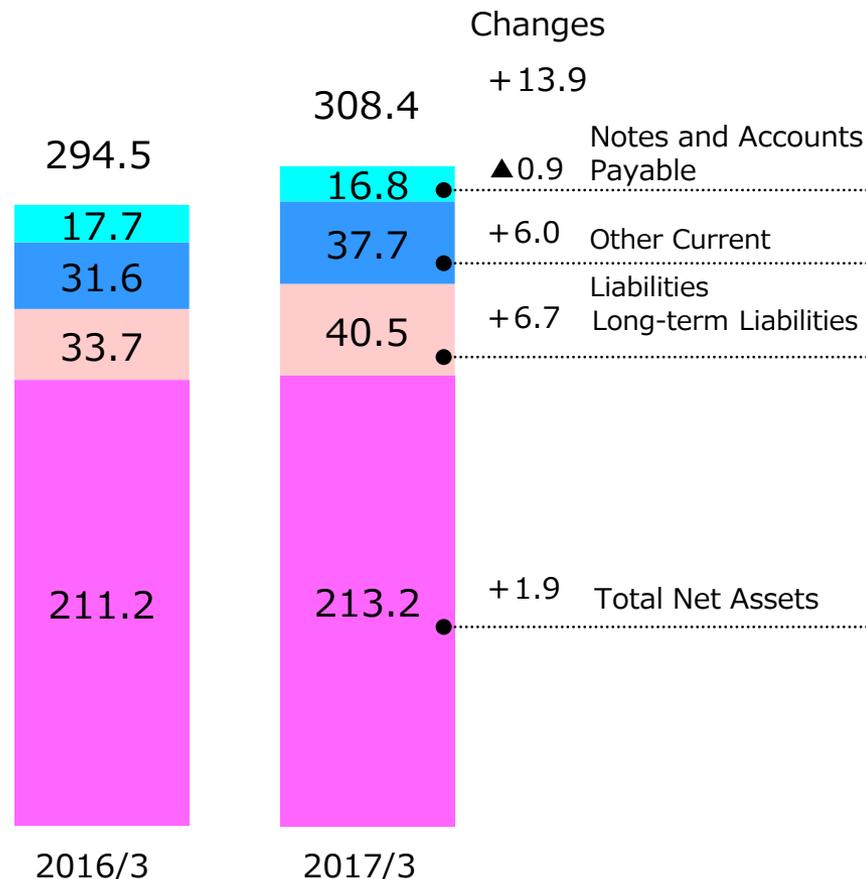
(billion yen)	FY15	FY16	YoY		Announced on July 29	Full-year plan	
			Changes	%		Changes	Achievement Rate(%)
R&D Expenses	11.2	9.8	▲1.4	▲12.6	11.0	▲1.1	89.2
Ratio of R&D Expenses to Net Sales(%)	6.3	5.7	▲0.6P	-	6.5	-	-

Reference: Balance Sheet

<Assets> (billion yen)



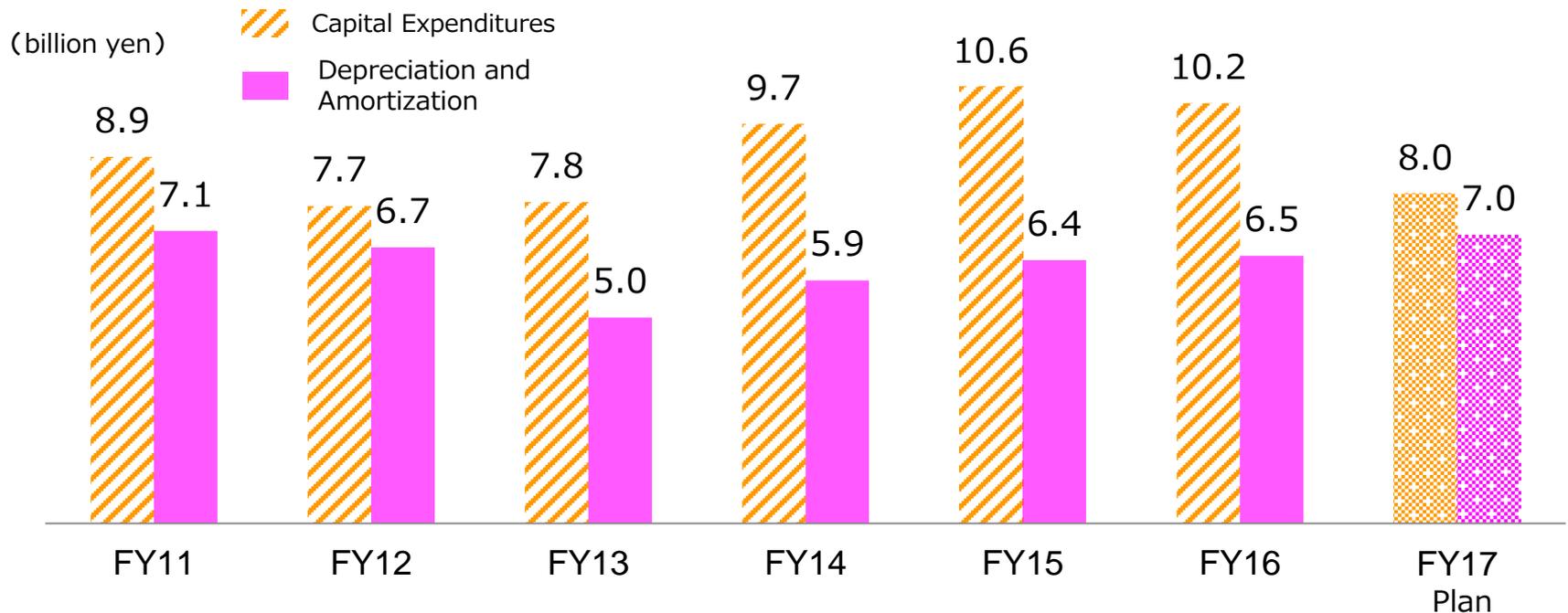
<Liabilities/Total Net Assets> (billion yen)



● Turnover (month)	2016/3	2017/3
Receivable-trade	2.6	2.8
Inventories	3.8	3.8

● Equity Ratio (%)	2016/3	2017/3
	70.9	68.9

Reference: Capital Expenditures, Depreciation and Amortization



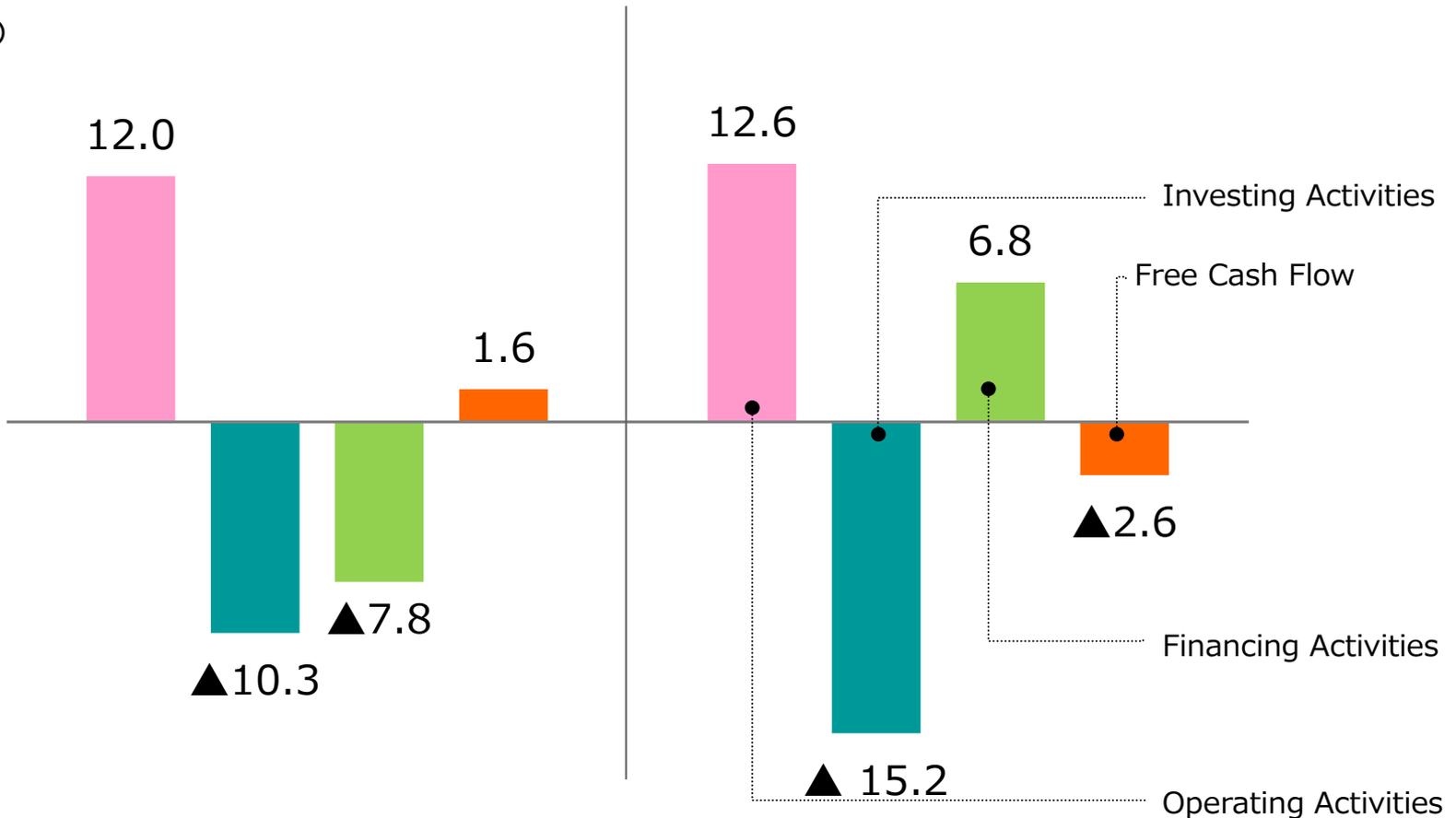
(billion yen)	FY15	FY16	YoY		Announced on July 29	Full-year plan	
			Changes	%		Changes	% of achievement
Capital Expenditures	10.6	10.2	▲0.4	▲3.9	8.0	+2,2	128.1
Depreciation and Amortization	6.4	6.5	+0.0	+1.4	7.0	▲0.4	94.1

Note 1. Capital Expenditures = Property, Plant and Equipment + Intangible assets (excluding Goodwill)

Note 2. Increase of Goodwill not included in Capital Expenditures: FY15:¥2.4billion, FY16:¥0.4billion

Reference : Cash Flow 《1Q-4Q》

(billion yen)



FY15

Cash and Cash Equivalents at the Beginning of the FY	56.9
Cash and Cash Equivalents in the End of the FY	47.8

FY16

Cash and Cash Equivalents at the Beginning of the FY	47.8
Cash and Cash Equivalents in the End of the FY	50.9

Reference: Purchase of Treasury Stock

		Amount	Number of Shares	Period
FY 15	Results	¥2.0 billion	1,138K shares	May 12, 2015 ~ June 11, 2015
	Results	¥0.96 billion	640K shares	February 1, 2016 ~ April 8, 2016
FY 16	Results	¥0.86 billion	670K shares	May 12, 2016 ~ June 13, 2016
	Results	¥0.0 billion	40K shares	August 1, 2016 ~ February 28, 2017

Reference : Glossary

DCP	Digital Cinema Projector
DI	Direct Imaging
EUV	Extreme Ultra Violet
IoT	Internet Of Things
OA	Office Automation
OLED	Organic Light Emitting Diode

USHIO

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