

3rd Quarter FY2011 Financial Results

The logo for USHIO, consisting of the word "USHIO" in a bold, white, sans-serif font.

Lighting —Edge Technologies

USHIO Inc.

Jan. 31, 2012

This report contains forward-looking statements which reflect management's views at the time of the announcement with respect to certain future events and financial performance. Actual results may differ materially from those forward-looking statements .

* All figures in the material have been rounded down to the nearest billion yen unless otherwise noted.

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- I. Financial Results for 3Q FY2011**
 - II. Forecasts for FY2011
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Highlights of Financial Results for 3Q FY2011

- Sales for 3Q (October - December) was down by 3.1% and operating income was down by 16.2% from the same period last year, resulting in “decreased sales and operating profit.” (Background: Changes in environment such as the stronger yen)
- Sales for cumulative 3Q (April - December) was up by 3.3% and operating income was down by 16.8% from the same period last year, resulting in “increased sales and decreased operating profit.” (Background: Changes in product mix, etc.)
- In the field of imaging equipment business, digital cinema projectors as well as each type of non-cinema products remained strong. In the optical equipment field, sales of equipments related to LCD, semiconductor, and LED, as well as that of manufacturing equipments related to other electronic parts remained low.
- In the field of light sources business, xenon lamps for cinema projectors remained steady. Demands for replacing UV lamps for lithography tools remained weak, and lamps for data projectors and halogen lamps were both negatively affected by economic stagnation.
- R&D investments, such as those in EUV light source equipments, were still in the investment phase.

Summary of Financial Results 3Q FY2011

(Billions of Yen)	FY10	FY11	YoY		FY10	FY11	YoY	
	3Q	3Q	Changes	%	1-3Q ttl	1-3Q ttl	Changes	%
Net Sales	36.7	35.5	▲1.1	▲3.1	107.1	110.6	3.5	+3.3
Operating Income	3.0	2.5	▲0.4	▲16.2	10.8	9.0	▲1.8	▲16.8
Operating Income Ratio (%)	8.2	7.1	▲1.1P	-	10.1	8.2	▲2.0P	-
Ordinary Income	4.2	3.4	▲0.8	▲19.6	12.6	10.2	▲2.4	▲19.0
Net Income	2.7	2.5	▲0.1	▲6.6	8.5	7.1	▲1.3	▲16.3
EPS (Yen)	20.74	19.73			63.95	54.05		
Forex (Yen)								
USD	86	79			86	79		
EUR	112	111			112	111		

Annual Forex Sensitivity (Billions Yen)	Net Sales	Operating Income	Ordinary Income
USD	▲13	▲2	▲3

*Exchange rates of 2Q and 3Q are the average rates of the period over 6 months or 9 months, respectively.

Financial Results Trend

(Billions of Yen)		1Q	2Q	3Q
Net Sales		35.5	39.5	35.5
Operating Income		2.7	3.7	2.5
Operating Income Ratio (%)		7.7	9.5	7.1
Ordinary Income		3.7	3.0	3.4
Net Income		3.4	1.1	2.5
EPS (Yen)		25.68	8.58	19.73
Forex (Yen)	USD	81	79	79
	EUR	118	114	111

*Exchange rates of 2Q and 3Q are the average rates of the period over 6 months or 9 months, respectively.

Financial Results by Business Segments

(Billions of Yen)	FY10	FY11	YoY		FY10	FY11	YoY	
Business Segments	3Q	3Q	Changes	%	1-3Q ttl	1-3Q ttl	Changes	%
Equipment								
Net Sales	21.9	22.2	+0.3	+1.6	61.6	69.2	+7.5	+12.3
Operating Income	1.3	0.8	▲0.5	▲37.9	4.1	3.0	▲1.1	▲26.9
Operating Income Ratio (%)	6.1	3.8	▲2.3P	-	6.7	4.4	▲2.3P	-
Light Sources								
Net Sales	14.0	12.5	▲1.5	▲10.6	43.5	39.1	▲4.3	▲10.1
Operating Income	1.6	1.5	▲0.1	▲6.3	6.5	5.7	▲0.8	▲12.2
Operating Income Ratio (%)	11.5	12.0	+0.5P	-	15.1	14.7	▲0.4P	-
Others								
Net Sales	0.6	0.7	+0.0	+3.9	2.0	2.3	+0.3	+16.6
Operating Income	0.0	0.0	+0.0	+91.8	0.1	0.0	▲0.0	▲14.0
Operating Income Ratio (%)	5.4	10.1	+4.7P	-	5.3	3.9	▲1.4P	-

Financial Results Trend by Business Segments

(Billions of Yen)

	Business Segments	1Q	2Q	3Q
Net Sales	Equipment	21.4	25.5	22.2
	Light Sources	13.5	13.0	12.5
	Others	0.6	0.9	0.7
	Total	35.5	39.5	35.5
Operating Income	Equipment	0.6	1.5	0.8
	Light Sources	1.9	2.2	1.5
	Others	0.0	0.0	0.0
	Total	2.7	3.7	2.5
Operating Income Ratio (%)	Equipment	3.1	5.9	3.8
	Light Sources	14.7	17.4	12.0
	Others	3.0	0.1	10.1
	Total	7.7	9.5	7.1

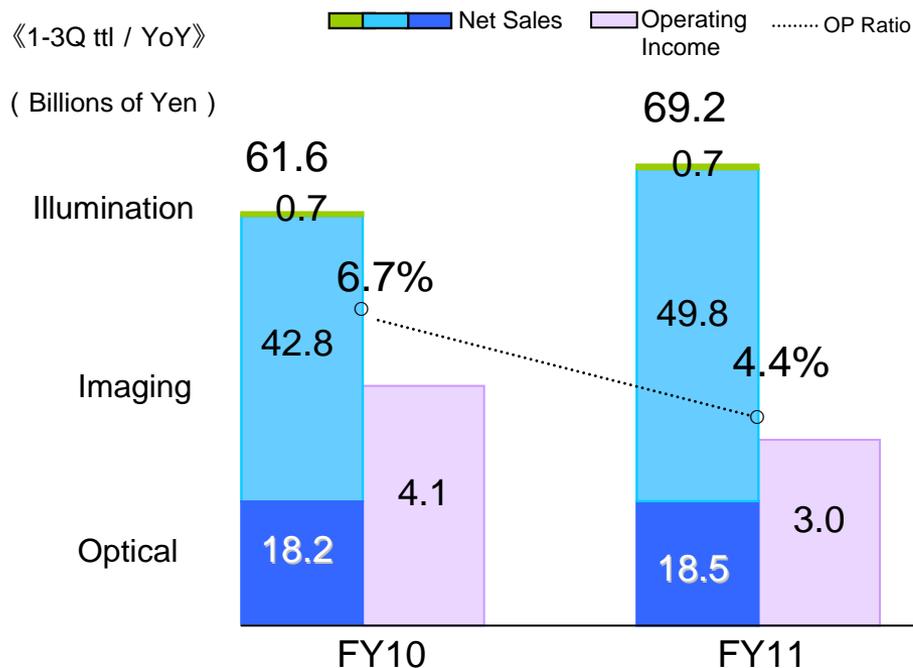
Equipment Business Segment

◆ Imaging Equipment:

Digital cinema projectors as well as non-cinema products remained strong, resulting in increased sales (YoY).

◆ Optical Equipment:

Products related to LCD, semiconductor, LED, and manufacturing equipments related to electronic parts remained almost flat (YoY).



《QoQ》
(Billions of Yen)

	2Q	3Q	QoQ
Net Sales			
Imaging	17.0	16.6	▲0.4
Optical	8.2	5.3	▲2.9
Illumination	0.4	0.2	▲0.2
Total	25.5	22.2	▲3.3

《YoY》
(Billions of Yen)

		FY10 1-3Q ttl	FY11 1-3Q ttl	YoY
Net Sales				
Imaging	42.8	49.8	+7.0	
Optical	18.2	18.5	+0.3	
Illumination	0.7	0.7	+0.0	
Total	61.6	69.2	+7.6	

*In this page, values by business segments are rounded down while values by products are rounded off to the nearest hundred-million yen.

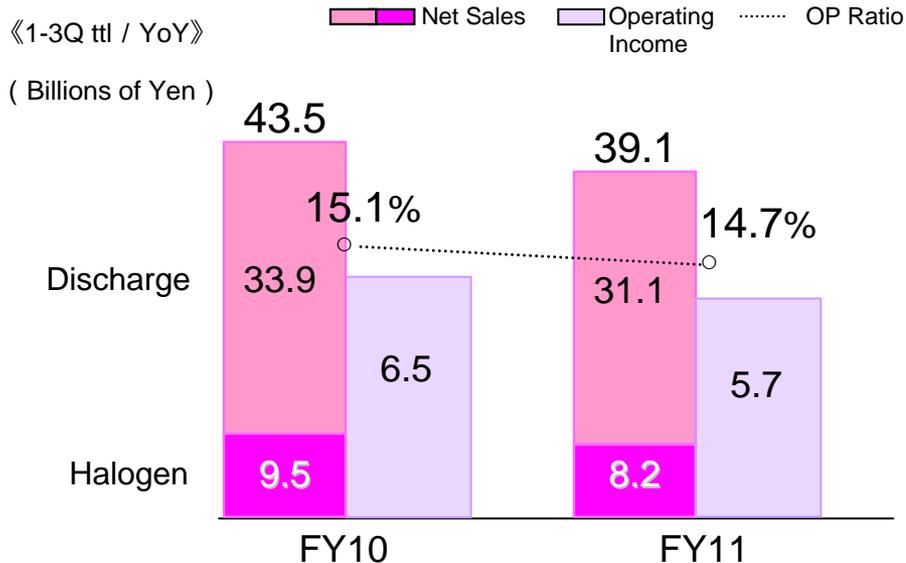
Light Sources Business Segment

◆ Discharge Lamps :

Xenon lamps for cinema projectors remained strong. Demands for replacing UV lamps for lithography tools remained weak.

◆ Halogen Lamps :

Under the influence of economic stagnation, there was a decrease in sales from the same period last year (YoY).



《QoQ》

		(Billions of Yen)		
		2Q	3Q	QoQ
Net Sales	Discharge	10.2	10.1	▲0.2
	Halogen	2.7	2.7	▲0.0
Total		13.0	12.5	▲0.2

《YoY》

		(Billions of Yen)		
		FY10 1-3 Q ttl	FY11 1-3Q ttl	YoY
Net Sales	Discharge	33.9	31.1	▲2.8
	Halogen	9.5	8.2	▲1.3
Total		43.5	39.1	▲4.1

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Forecast for FY2011

(Billions of Yen)	1-3Q ttl	4Q (Plan)	Forecast (Revised Oct 2011)
Net Sales	110.6	44.3	155.0
Operating Income	9.0	3.9	13.0
Operating Income Ratio (%)	8.2	9.0	8.4
Ordinary Income	10.2	4.7	15.0
Net Income	7.1	2.8	10.0
EPS (Yen)	54.05	-	75.74
ROE (%)	4.7	-	6.3
Dividend (Yen)	-	-	2.4
Payout Ratio (%)	44.4	-	31.7

Business Outlook for FY2011

Market Outlook

Visual Image Market: Digital cinema projectors, xenon lamps for cinema projectors, and non-cinema products will likely to remain strong.

Electronics Market: In a market of products related to LCD and semiconductor as well as that of other electronic parts, there is an increasing demand for smartphones and tablet terminals, and a high expectation that the market will restore, with some semiconductor manufactures announcing active capital investment programs. However, the market is still in an adjustment phase, where for the most part severe conditions in capacity utilization and capital investment will continue, and thus the demands for UV lamps for lithography tools and optical equipments are expected to remain weak for some time in the future.

Equipment Business

◆ Imaging Equipment

- Annual shipments of DCP are as expected

◆ Optical Equipment

- Demands for LCD-related optical equipments, with the exception of the ones for mid-to-small sized panels, remain weak.

- Shipments of lithography tools will be concentrated in 4Q. Receipt of many inquiries.

Light Sources Business

◆ Discharge Lamps

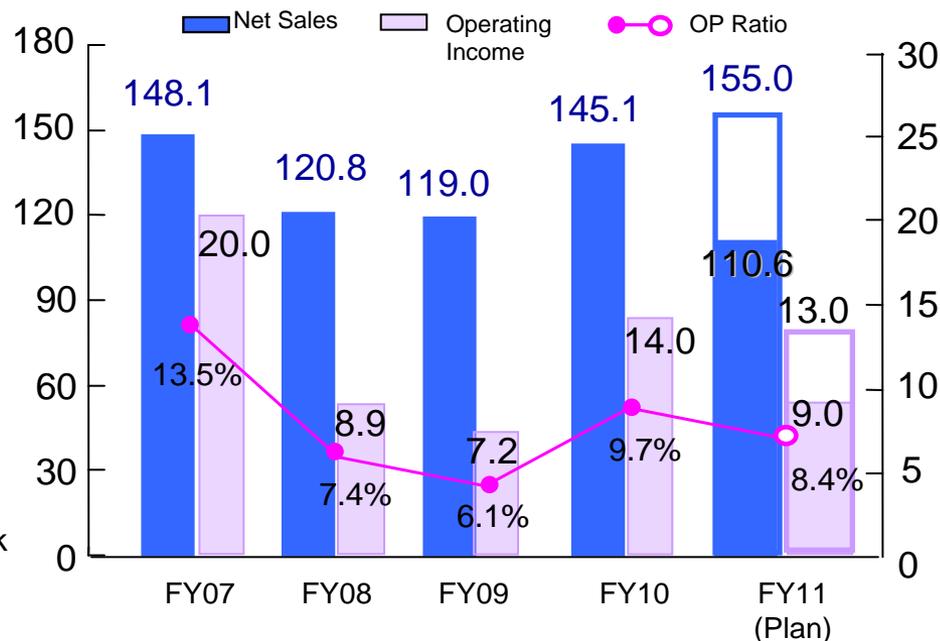
- Xenon lamps for imaging remain strong

- Demands for replacing UV lamps will remain relatively weak for some time in the future

◆ Halogen Lamps

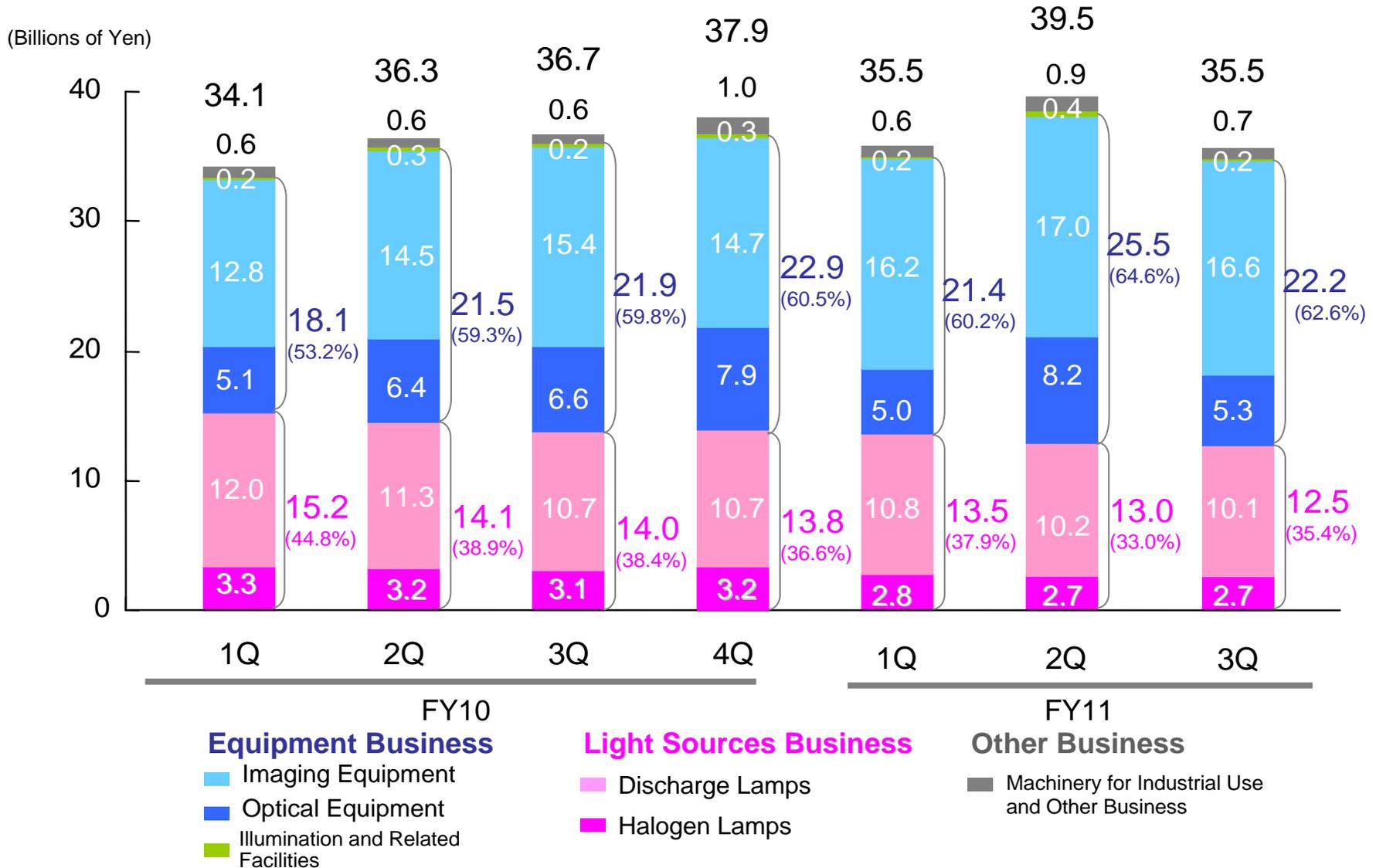
- Halogen lamps for office equipment are expected to increase the market share.

Trend of Net Sales, Operating Income and OP Ratio (Billions of Yen)



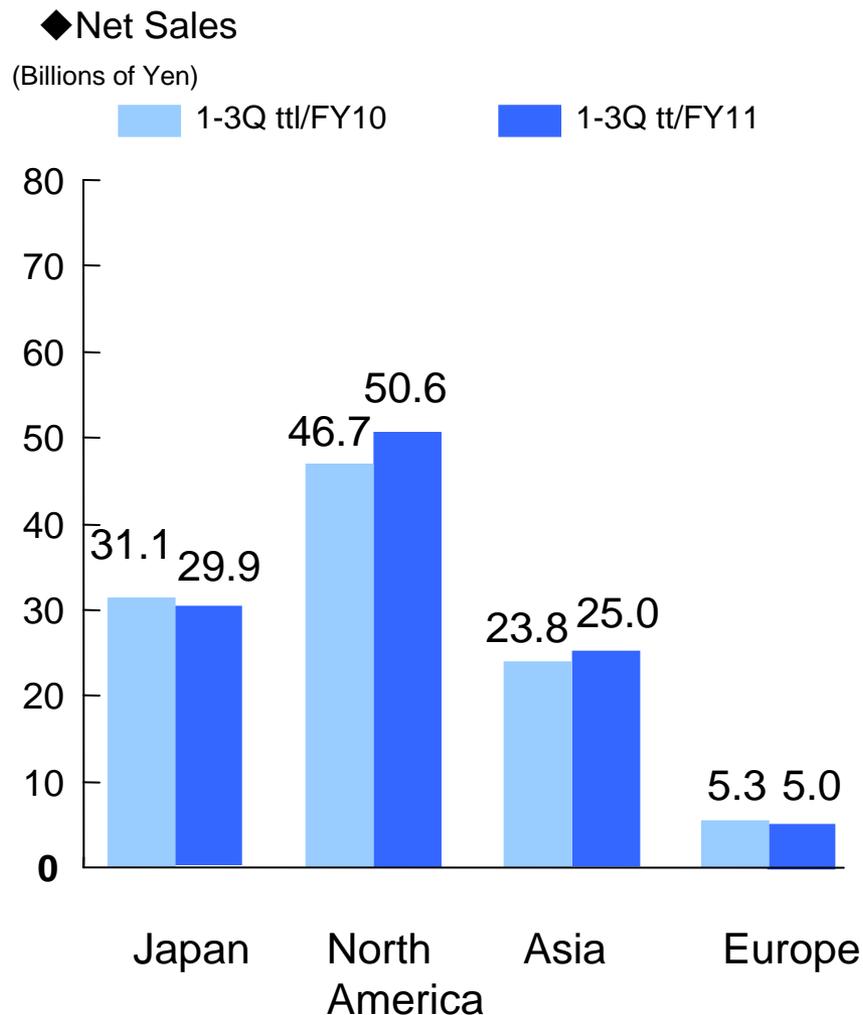
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Sales Trend by Product Groups

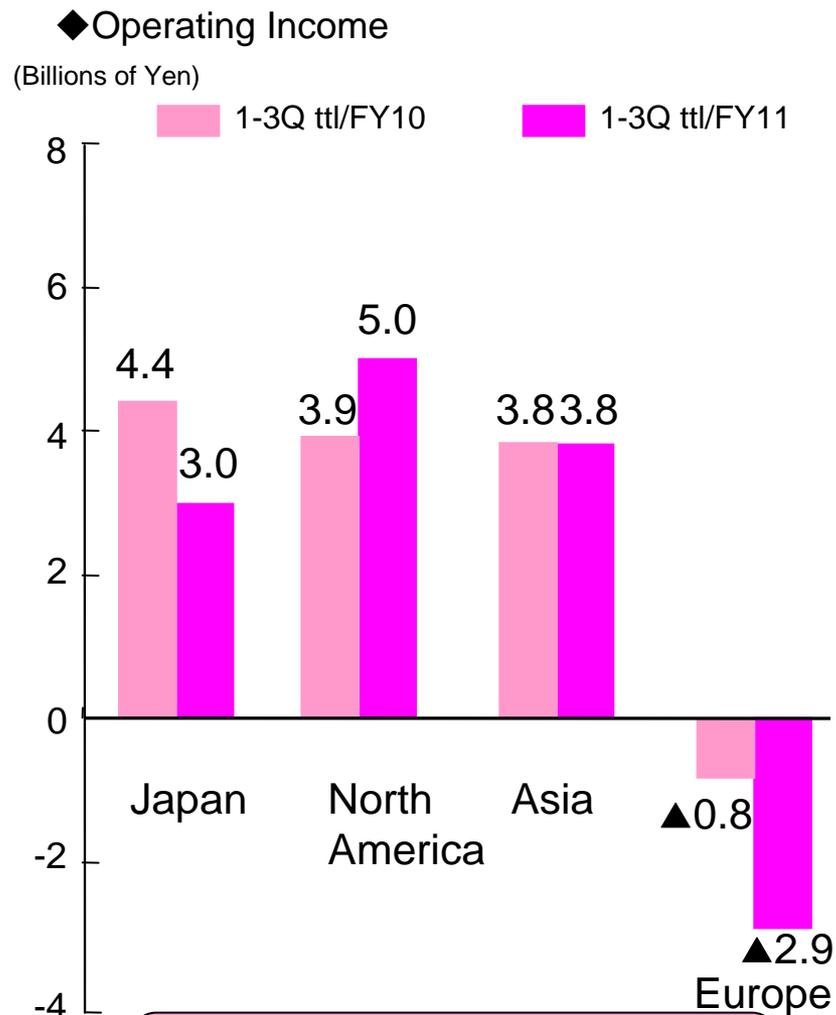


*In this page, values by business segments are rounded down while values by products are rounded off to the nearest hundred-million yen.

Net Sales and Operating Income by Geographic Segments



Overall : Decreased sales due to the stronger yen
 North America : Greatest contributions of imaging equipments



Overall: Decreased profit due to the stronger yen
 North America : Increased sales and improved profitability in the imaging field
 Europe: Effects from the burden of XTREME's development costs

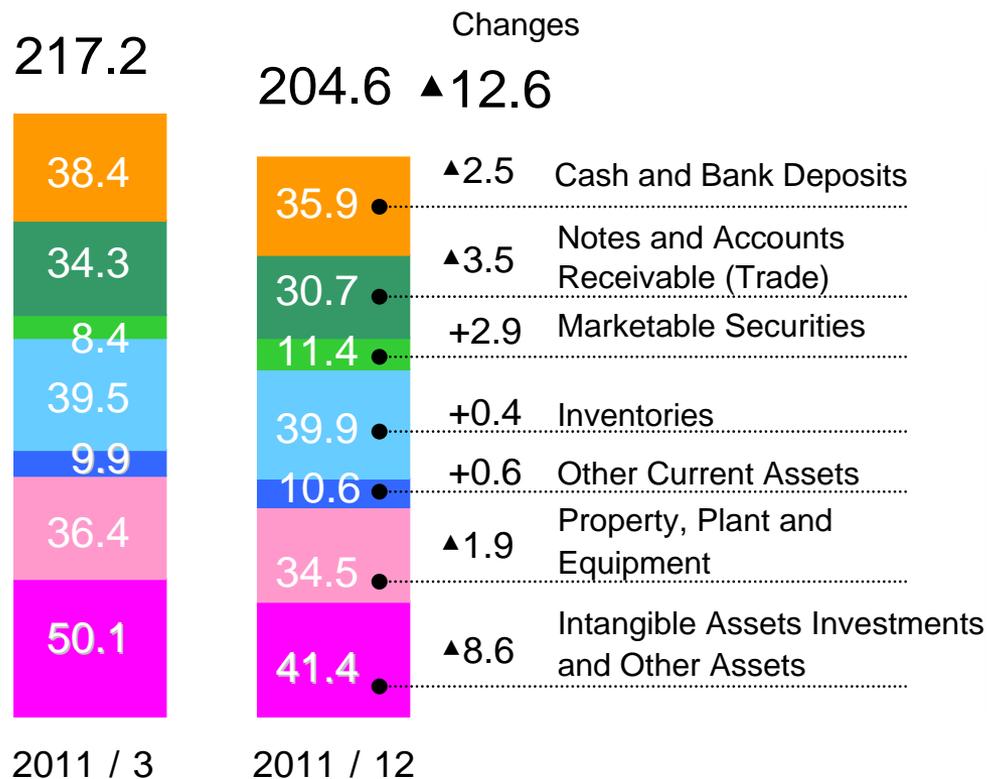
Other Income and Expenses

(Billions of Yen)	1-3Q ttl/FY10	1-3Q ttl/FY11	YoY
Other Income	3.4	2.7	▲0.6
Interest Income	0.2	0.2	▲0.0
Dividend	0.7	0.8	+0.0
Gain on Sales of Investment Securities	0.7	1.3	+0.6
Equity in Gains of Affiliates	1.3	0.0	▲1.3
Others	0.3	0.2	▲0.0
Other Expenses	1.5	1.4	▲0.1
Interest Expenses	0.1	0.1	+0.0
Exchange Loss	0.8	0.8	▲0.0
Loss on Revaluation of Available-for-sale Securities	0.0	0.2	+0.1
Others	0.4	0.2	▲0.2
Other Income and Expenses	1.8	1.2	▲0.5

Balance Sheet

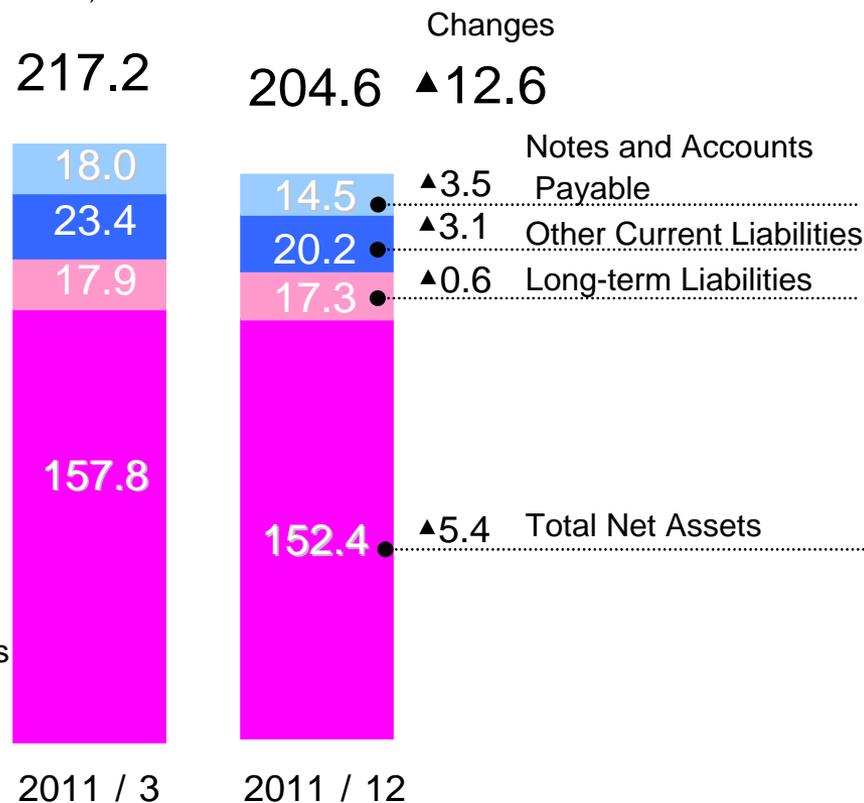
◆Assets

(Billions of Yen)



◆Liabilities · Total Net Assets

(Billions of Yen)



●Turnover (month)

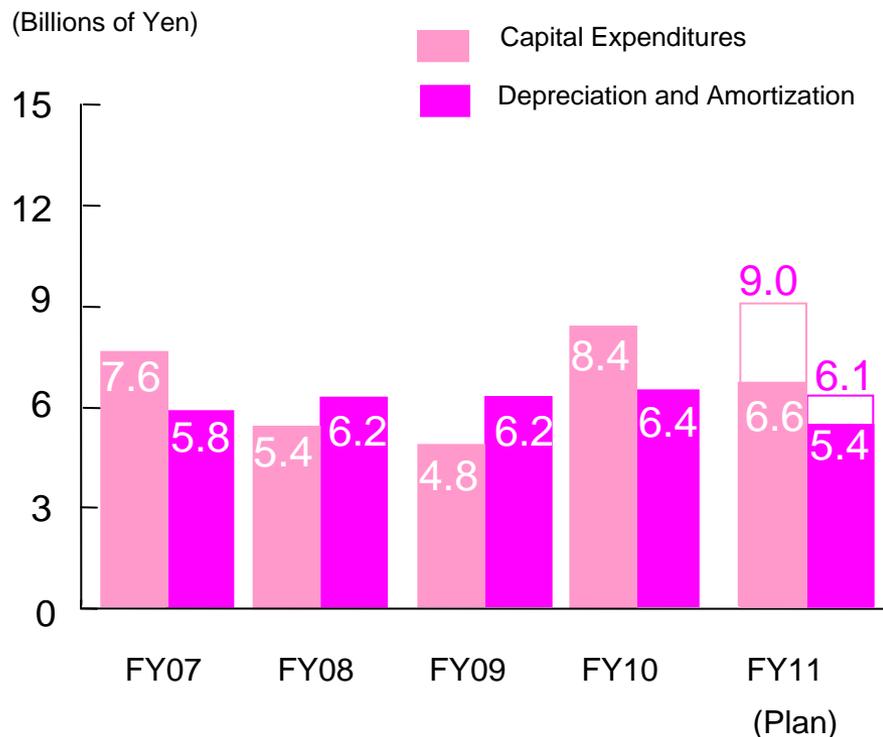
	2011 / 3	2011 / 12
Receivable-trade	2.7	2.6
Inventories	2.7	3.2

●Equity Ratio

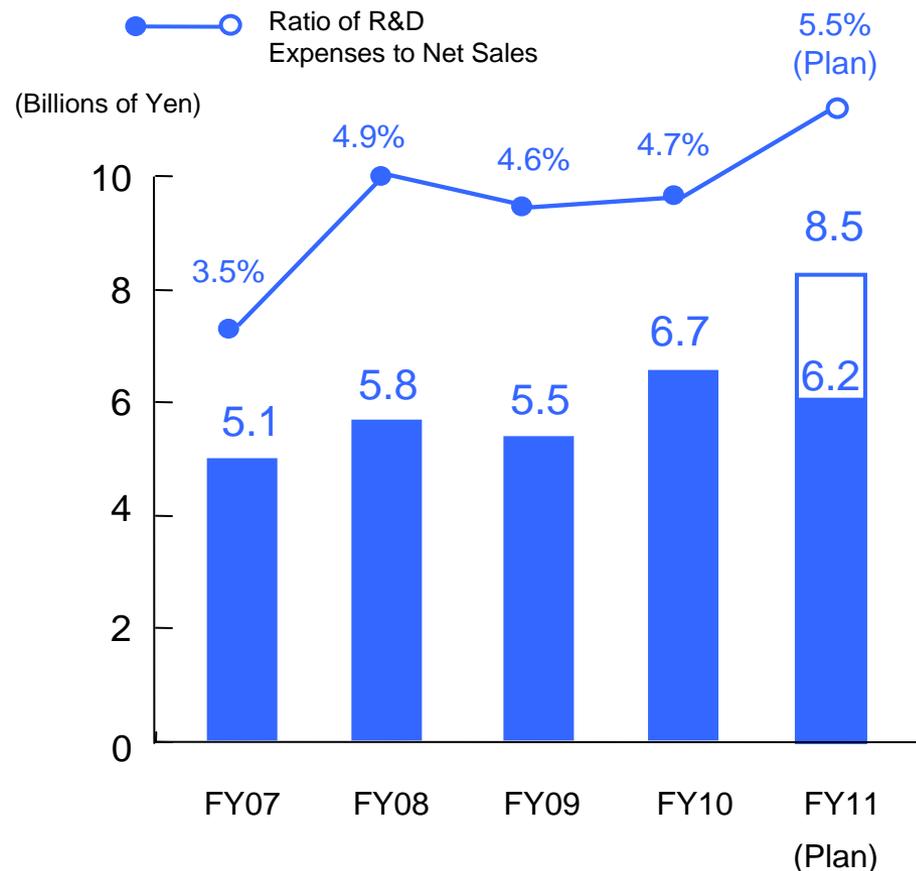
	2011 / 3	2011 / 12
Equity Ratio	71.9%	73.8%

Capital Expenditures, Depreciation and Amortization, R&D Expenses

◆ Capital Expenditures, Depreciation and Amortization



◆ R&D Expenses



USHIO

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