

Consolidated Financial Results
for the Fiscal Year Ended March 31, 2012
<Japanese GAAP>

Company name: **USHIO INC.**
 Listing: First Section of the Tokyo Stock Exchange
 Stock code: 6925
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Scheduled date of annual general meeting of shareholders: June 28, 2012
 Scheduled date to commence dividend payments: June 29, 2012
 Scheduled date to file Securities Report: June 28, 2012
 Preparation of supplementary material on earnings: Yes
 Holding of earnings performance review: Yes (for analysts)

(Millions of yen rounded down to the nearest million yen)

1. Consolidated performance for the fiscal year ended March 31, 2012
(from April 1, 2011 to March 31, 2012)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2012	150,087	3.4	10,696	(23.8)	13,112	(24.5)	8,748	(8.7)
March 31, 2011	145,125	21.9	14,034	93.2	17,362	86.9	9,577	35.4

(Note) Comprehensive income

For the fiscal year ended March 31, 2012: ¥8,895 million [129.5%]

For the fiscal year ended March 31, 2011: ¥3,875 million [(71.6%)]

	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, 2012	66.26	–	5.6	5.9	7.1
March 31, 2011	71.72	–	6.2	8.3	9.7

(Reference) Equity in earnings (losses) of affiliates

For the fiscal year ended March 31, 2012: ¥107 million

For the fiscal year ended March 31, 2011: ¥1,585 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, 2012	224,412	162,048	70.8	1,211.51
March 31, 2011	217,292	157,867	71.9	1,169.42

(Reference) Equity

As of March 31, 2012 ¥158,865 million

As of March 31, 2011 ¥156,166 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, 2012	12,382	1,911	(7,615)	41,585
March 31, 2011	8,390	(1,679)	1,081	34,954

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, 2011	—	—	—	22.00	22.00	2,937	30.7	1.9
Fiscal year ended March 31, 2012	—	—	—	22.00	22.00	2,884	33.2	1.8
Fiscal year ending March 31, 2013 (Forecast)	—	—	—	22.00	22.00	—	28.8	—

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2013 (from April 1, 2012 to March 31, 2013)

(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, 2012	80,000	6.5	4,500	(30.8)	5,500	(19.7)	4,000	(12.4)	30.50
Fiscal year ending March 31, 2013	165,000	9.9	12,000	12.2	14,500	10.6	10,000	14.3	76.26

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the 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
- Changes in accounting policies due to revisions to accounting standards: None
 - Changes in accounting policies due to other reasons: None
 - Changes in accounting estimates: None
 - 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, 2012	139,628,721 shares
As of March 31, 2011	139,628,721 shares

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

As of March 31, 2012	8,499,147 shares
As of March 31, 2011	6,086,575 shares

- c. Average number of shares during the period

For the fiscal year ended March 31 2012	132,025,141 shares
For the fiscal year ended March 31 2011	133,544,439 shares

(Note) Please refer to "Per share information" on page 19 for the number of shares that forms the basis for calculating net income per share (consolidated).

(Reference) Non-consolidated operating results

Non-consolidated performance for the fiscal year ended March 31, 2012

(from April 1, 2011 to March 31, 2012)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2012	43,891	(10.5)	1,582	(58.7)	4,538	(22.4)	(5,085)	–
March 31, 2011	49,061	19.6	3,833	–	5,846	290.8	2,804	103.1

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
March 31, 2012	(38.52)	–
March 31, 2011	21.00	–

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2012	130,934	106,706	81.5	813.75
March 31, 2011	144,787	117,400	81.1	879.13

(Reference) Equity

As of March 31, 2012 ¥106,706 million
As of March 31, 2011 ¥117,400 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.

* Notes on the 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 document for matters regarding earnings forecasts.

[Attached document]

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1. Operating results

(1) Analysis of operating results

In the fiscal year ended March 31, 2012, the Japanese economy faced challenging conditions, including a severe environment surrounding employment and income, as private-sector capital investments weakened following a decline in corporate earnings. These conditions principally reflected certain negative impacts such as the yen's appreciation and the Thai floods, as well as the Great East Japan Earthquake. Overseas, as a result of widening financial instability in Europe, the U.S. economy experienced a weak recovery in housing demand and personal consumption, while the Asian economy witnessed slower growth rates in China, India and other countries.

Under these economic conditions, looking at the markets related to the USHIO Group, the visual image equipment-related market saw high investment sentiment in digitalization, despite stagnant demand for digital cinema projectors in certain parts of Europe due to the economic slowdown. Meanwhile, in the LCD panel- and semiconductor-related markets and other electronic component-related markets, there was buoyant demand for LCD panels and semiconductors in step with the expanding market for smartphones and tablet PCs. However, LCD panel and semiconductor manufacturers reexamined capital expenditures following a large drop in the capacity utilization rate for facilities, after a sharp slowdown and slump in demand for LCD TVs and PCs.

Under the foregoing conditions, the USHIO Group converted ADTEC Engineering Co., Ltd., with whom it had forged a capital and business alliance, into a subsidiary through a tender offer for its shares, with the aim of further strengthening the equipment business. The USHIO Group also actively executed R&D investments in new technologies and products for the future, such as extreme ultraviolet (EUV) light source equipment. The USHIO Group remained focused on making Group-wide efforts to improve its business results by raising productivity, lowering manufacturing costs, reducing expenses, building and expanding global marketing channels, and promoting production in optimal locations. As a result, consolidated net sales rose by 3.4% year on year to ¥150,087 million. However, operating income decreased by 23.8% year on year to ¥10,696 million while ordinary income declined by 24.5% year on year to ¥13,112 million. Net income was down by 8.7% year on year to ¥8,748 million.

Business results for each segment were as follows:

(Light Sources Business)

In the light sources business, sales of xenon lamps for cinema projectors continued to increase steadily on the back of increased sales of digital cinema projectors. Meanwhile, data projector lamps and halogen lamps were affected by sluggish economic conditions and other factors. In addition, demand for replacement sales of ultraviolet lamps for lithography and other products was lackluster due to the lower capacity utilization rate for facilities at LCD panel and semiconductor manufacturers. The USHIO Group promoted product development in such areas as achieving longer replacement cycles, and 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 (LDs).

As a result, sales in the light sources business decreased by 8.6% year on year to ¥52,535 million. Segment profit was down by 8.5% year on year to ¥7,699 million.

(Equipment Business)

In the equipment business, the visual image equipment field saw higher demand for digital cinema projectors as investment schemes for the transition to digitalization of cinema projectors were launched in various regions around the world. In non-cinema fields, demand for various products held firm. On the other hand, in the optical equipment field, equipment sales related to LCD panels and semiconductors, LEDs, and other electronic components weakened, reflecting widening moves to curtail or postpone capital expenditures in the LCD panel and semiconductor industries due to decreased demand for LCD TVs and PCs. In this business, the USHIO Group actively executed R&D investment directed at new technologies and products such as EUV light source equipment, which

could lead to strong business results in the future.

As a result, equipment business sales were ¥94,511 million, an increase of 11.4% year on year. Segment profit decreased by 48.3% year on year to ¥2,795 million.

(Other Businesses)

In industrial machinery products categorized under other businesses, capital expenditure demand in the packaging machinery market grew steadily, but demand in the injection molding market was sluggish.

As a result, sales in other businesses rose by 5.7% year on year to ¥3,364 million. Segment profit declined by 24.9% year on year to ¥113 million.

In regard to the outlook for the fiscal year ending March 31, 2013, the USHIO Group's business environment should see a gradual improvement as the Japanese economy is expected to be underpinned by recovery demand from the Great East Japan Earthquake and stable foreign exchange markets. Nevertheless, the world economic outlook is still shrouded in uncertainty, in part due to the risk of financial unease in Europe weighing down economic conditions.

In terms of market trends, in the visual image equipment-related market, progress on the transition to digital projectors is anticipated primarily in emerging markets, although demand could wane in developed nations, where digitalization has already progressed to a certain extent. In addition, the LCD panel- and semiconductor-related markets as well as other electronic component-related markets remain in an adjustment phase. However, a rebound in capital expenditures and the capacity utilization rate for facilities is anticipated in each of these markets in step with further inventory adjustments and expansion in the market for smartphones and tablet PCs.

In these circumstances, the USHIO Group will endeavor to further strengthen Group-wide business foundations. To this end, the Group will focus intently 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 — the Group's core strengths. These measures will be centered on the digital visual imaging business, the solid-state light source business, high-density surface-mounting businesses, and the lithography business. 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, 2013, the USHIO Group is forecasting net sales of ¥165.0 billion, up 9.9% year on year; operating income of ¥12.0 billion, up 12.2% year on year; ordinary income of ¥14.5 billion, up 10.6% year on year; and net income of ¥10.0 billion, up 14.3% year on year.

The USHIO Group is assuming foreign exchange rates of ¥80 to the U.S. dollar and ¥105 to the Euro for its forecasts for the fiscal year ending March 31, 2013.

(2) Analysis of financial position

<Current assets>

At the fiscal year-end, current assets totaled ¥143,120 million, an increase of ¥12,389 million from the previous fiscal year-end. The main factors behind this increase were higher cash and deposits at Group companies, increased notes and accounts receivable-trade accompanying higher business volume toward the fiscal year-end, and increased short-term investment securities reflecting the investment of surplus funds.

<Noncurrent assets>

At the fiscal year-end, noncurrent assets totaled ¥81,292 million, a decrease of ¥5,269 million from the previous fiscal year-end. The main factor increasing noncurrent assets was an increase in property, plant and equipment through capital expenditure, while the main factors decreasing noncurrent assets were the sales of stock of subsidiaries and affiliates and a decrease in investment securities in line with a slump in stock prices.

<Current Liabilities and Long-Term Liabilities>

At the fiscal-year end, total liabilities were ¥62,364 million, an increase of ¥2,939 million from the previous fiscal year-end. The main factor behind this increase was an increase in long-term loans payable resulting from a change in the scope of consolidation. The main factors decreasing total liabilities were lower short-term loans payable, a reduction in the statutory effective tax rate following a tax code amendment, and decreased deferred tax liabilities resulting from a reduction in the tax component of unrealized gains on investment securities due to weakened stock prices.

<Net Assets>

At the fiscal year-end, net assets totaled ¥162,048 million, an increase of ¥4,180 million from the previous fiscal year-end. The main factor behind this increase was an increase in retained earnings in the fiscal year under review. Factors decreasing net assets included an increase in treasury stock following the purchase of treasury stock, and cash dividends paid.

Cash and cash equivalents at the fiscal year-end totaled ¥41,585 million, up ¥6,630 million from the previous fiscal year-end. Cash flows are broken down as follows:

(Net Cash Provided by Operating Activities)

Operating activities in the fiscal year ended March 31, 2012 provided net cash of ¥12,382 million (compared with net cash of ¥8,390 million provided in the previous year).

The main positive contributions to this result were ¥13,762 million in income before income taxes and minority interests, a ¥7,139 million adjustment for depreciation and amortization, and a decrease in inventories of ¥384 million. Meanwhile, factors reducing cash included a ¥684 million increase in notes and accounts receivable-trade, a ¥2,695 million decrease in notes and accounts payable-trade and corporate income taxes paid of ¥6,789 million.

(Net Cash Provided by Investing Activities)

Investing activities provided net cash of ¥1,911 million (compared with net cash of ¥1,679 million used in the previous year).

Cash was mainly provided by proceeds from withdrawal of time deposits of ¥13,630 million, proceeds from sales and redemption of investment securities of ¥2,366 million, proceeds from purchase of investments in subsidiaries resulting in change in the scope of consolidation of ¥1,117 million and proceeds from sales of stocks of affiliates of ¥7,500 million. Cash was mainly used by payments into time deposits of ¥10,934 million, as well as payments for purchase of short-term investment securities of ¥2,301 million, purchase of property, plant and equipment of ¥6,588 million and purchase of investment securities of ¥2,275 million.

(Net Cash Provided by Financing Activities)

Financing activities used net cash of ¥7,615 million (compared with net cash of ¥1,081 million provided in the previous year).

Cash was mainly used by cash dividends paid of ¥2,940 million and the purchase of treasury stock of ¥3,013 million. The main cash inflow was proceeds from long-term loans payable of ¥1,184 million.

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

	45th term	46th term	47th term	48th term	49th term
Fiscal year ended:	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012
Equity ratio (%)	74.3	78.5	76.8	71.9	70.8
Market value equity ratio (%)	118.1	100.2	104.8	100.0	68.0
Interest-bearing debt to cash flow ratio (years)	0.8	0.9	0.5	1.5	1.0
Interest coverage ratio (factor)	41.7	31.7	77.1	39.3	61.1

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 based on consolidated financial values.

(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, 2012 and Fiscal Year Ending March 31, 2013

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, the Company 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, 2012, the Company 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 33.2% for the fiscal year ended March 31, 2012. Consolidated dividend on equity (net assets basis) stood at 1.8%. For the fiscal year ending March 31, 2013, the Company 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) Target management indicators

The USHIO Group will implement various initiatives in an effort to expand earnings primarily through the key business strategies set forth in its Medium-Term Vision. Specifically, the USHIO Group is targeting consolidated net sales of ¥200 billion, consolidated operating income of ¥25 billion and consolidated ROE of more than 10% for the fiscal year ending March 31, 2015.

<Key Business Strategies>

- Aiming at steady growth of digital cinema business and further development of non-cinema business
- Reinforcing the development of leading-edge lithography and promotion of its business
- Promotion of solid-state lighting business
- Providing the products and technology that contribute to LCDs, semi and fine PCB markets
- Promotion of the development of new products and businesses
- Active promotion of business alliances, joint ventures, and M&A

(3) Medium- to long-term corporate management strategies

The USHIO Group will actively work to develop new products, pioneer new applications and create new businesses, 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 is actively developing key businesses over the medium and long terms. These include the “digital visual imaging business,” where the industry is advancing high luminance, high resolution technologies and large-screen high-definition technologies; the “solid-state light source business,” where the Group is developing LEDs, laser diodes and other light sources which are finding uses in various fields; the “high-density surface-mounting business” that is rapidly being developed for reducing size and weight, and raising functionality and performance in information processing products and other electronics; and the “lithography business,” ranging from extreme ultraviolet (EUV) light sources for next-generation manufacturing equipment for semiconductor memory devices, which are reaching higher levels of integration and fineness, to flat panel displays (FPDs) and printed circuit boards. Other key businesses include life sciences in the bio-medical sector, MEMS, nanotechnology and environmental fields.

(4) 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 progress on the transition to digital cinema projectors in emerging markets, following on from developed countries. 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 and expanding markets for smartphones and tablet PCs.

To address these operating conditions and market developments, the USHIO Group will actively execute R&D investment centered on the Group’s key businesses, including the “visual imaging business,” “solid-state light source business,” “high-density surface-mounting business” and the “lithography business”. In this manner, the USHIO Group will actively make investments needed to drive 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, 2011	As of March 31, 2012
Assets		
Current assets		
Cash and deposits	38,496	41,692
Notes and accounts receivable-trade	34,300	37,582
Short-term investment securities	8,447	12,043
Merchandise and finished goods	23,065	22,207
Work in process	6,675	8,314
Raw materials and supplies	9,766	9,918
Deferred tax assets	4,593	5,065
Other	5,805	6,819
Allowance for doubtful accounts	(419)	(523)
Total current assets	130,730	143,120
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	31,231	34,968
Accumulated depreciation	(15,523)	(18,187)
Buildings and structures, net	15,708	16,780
Machinery, equipment and vehicles	22,608	23,450
Accumulated depreciation	(17,166)	(18,646)
Machinery, equipment and vehicles, net	5,441	4,803
Land	8,849	8,885
Construction in progress	1,126	941
Other	19,058	23,152
Accumulated depreciation	(13,726)	(16,736)
Other, net	5,331	6,415
Total property, plant and equipment	36,457	37,827
Intangible assets	3,039	3,900
Investments and other assets		
Investment securities	45,134	36,905
Long-term loans receivable	25	23
Deferred tax assets	510	541
Other	1,536	2,220
Allowance for doubtful accounts	(142)	(126)
Total investments and other assets	47,064	39,564
Total noncurrent assets	86,561	81,292
Total assets	217,292	224,412

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	18,052	18,477
Short-term loans payable	6,512	4,383
Current portion of long-term loans payable	849	1,042
Income taxes payable	3,564	3,049
Deferred tax liabilities	129	150
Provision for bonuses	2,819	2,662
Provision for product warranties	2,337	1,897
Provision for loss on order received	103	–
Other	7,089	8,971
Total current liabilities	41,458	40,634
Noncurrent liabilities		
Long-term loans payable	4,922	7,439
Deferred tax liabilities	8,277	5,954
Provision for retirement benefits	1,053	1,764
Provision for directors' retirement benefits	112	379
Asset retirement obligations	194	206
Other	3,406	5,984
Total noncurrent liabilities	17,966	21,729
Total liabilities	59,424	62,364
Net assets		
Shareholders' equity		
Capital stock	19,556	19,556
Capital surplus	28,371	28,371
Retained earnings	116,831	122,642
Treasury stock	(9,215)	(12,228)
Total shareholders' equity	155,544	158,341
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,245	12,628
Foreign currency translation adjustment	(11,622)	(12,103)
Total accumulated other comprehensive income	622	524
Minority interests	1,700	3,183
Total net assets	157,867	162,048
Total liabilities and net assets	217,292	224,412

**(2) Consolidated statements of income and consolidated statements of comprehensive income
(Consolidated statements of income)**

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net sales	145,125	150,087
Cost of sales	96,962	101,635
Gross profit	48,163	48,451
Selling, general and administrative expenses	34,129	37,755
Operating income	14,034	10,696
Non-operating income		
Interest income	299	303
Dividends income	849	930
Realized and unrealized profit on trading securities, net	–	53
Equity in earnings of affiliates	1,585	107
Gain on sales of investment securities	1,261	1,407
Other	511	412
Total non-operating income	4,507	3,216
Non-operating expenses		
Interest expenses	217	202
Foreign exchange losses	430	428
Realized and unrealized loss on trading securities, net	2	–
Loss on investments in partnership	129	65
Loss on specified money in trust	127	–
Withholding tax - nondeductible	68	–
Other	203	103
Total non-operating expenses	1,179	799
Ordinary income	17,362	13,112
Extraordinary income		
Gain on sales of noncurrent assets	25	1
Gain on sales of investment securities	79	1
Gain on sales of subsidiaries' and affiliates' stocks	–	2,972
Gain on negative goodwill	–	896
Total extraordinary income	105	3,871

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Extraordinary loss		
Loss on retirement of noncurrent assets	163	165
Loss on sales of noncurrent assets	5	10
Impairment loss	154	651
Loss on valuation of investment securities	732	1,150
Loss on sales of investment securities	–	392
Loss on liquidation of business	–	378
Loss on valuation of membership	60	–
Loss on adjustment for changes of accounting standard for asset retirement obligations	100	–
Loss on step acquisitions	–	375
Other	–	96
Total extraordinary losses	1,218	3,221
Income before income taxes and minority interests	16,248	13,762
Income taxes-current	6,343	6,286
Income taxes-deferred	(8)	(1,558)
Total income taxes	6,335	4,728
Income before minority interests	9,913	9,034
Minority interests in income	335	286
Net income	9,577	8,748

(Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Income before minority interests	9,913	9,034
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,424)	383
Foreign currency translation adjustment	(4,616)	(535)
Share of other comprehensive income of associates accounted for using equity method	3	12
Total other comprehensive income	(6,037)	(139)
Comprehensive income	3,875	8,895
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,628	8,649
Comprehensive income attributable to minority interests	247	245

(3) Consolidated statements of changes in net assets

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
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	109,925	116,831
Changes of items during the period		
Dividends from surplus	(2,670)	(2,937)
Net income	9,577	8,748
Total changes of items during the period	6,906	5,810
Balance at the end of current period	116,831	122,642
Treasury stock		
Balance at the beginning of current period	(9,209)	(9,215)
Changes of items during the period		
Purchase of treasury stock	(6)	(3,013)
Total changes of items during the period	(6)	(3,013)
Balance at the end of current period	(9,215)	(12,228)
Total shareholders' equity		
Balance at the beginning of current period	148,643	155,544
Changes of items during the period		
Dividends from surplus	(2,670)	(2,937)
Net income	9,577	8,748
Purchase of treasury stock	(6)	(3,013)
Total changes of items during the period	6,900	2,796
Balance at the end of current period	155,544	158,341

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	13,668	12,245
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,423)	382
Total changes of items during the period	(1,423)	382
Balance at the end of current period	12,245	12,628
Foreign currency translation adjustment		
Balance at the beginning of current period	(7,096)	(11,622)
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,526)	(481)
Total changes of items during the period	(4,526)	(481)
Balance at the end of current period	(11,622)	(12,103)
Total accumulated other comprehensive income		
Balance at the beginning of current period	6,572	622
Changes of items during the period		
Net changes of items other than shareholders' equity	(5,949)	(98)
Total changes of items during the period	(5,949)	(98)
Balance at the end of current period	622	524
Minority interests		
Balance at the beginning of current period	1,469	1,700
Changes of items during the period		
Net changes of items other than shareholders' equity	231	1,482
Total changes of items during the period	231	1,482
Balance at the end of current period	1,700	3,183
Total net assets		
Balance at the beginning of current period	156,685	157,867
Changes of items during the period		
Dividends from surplus	(2,670)	(2,937)
Net income	9,577	8,748
Purchase of treasury stock	(6)	(3,013)
Net changes of items other than shareholders' equity	(5,718)	1,383
Total changes of items during the period	1,182	4,180
Balance at the end of current period	157,867	162,048

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	16,248	13,762
Depreciation and amortization	6,476	7,139
Impairment loss	154	651
Loss on business liquidation	–	378
Interest and dividends income	(1,148)	(1,234)
Interest expenses	217	202
Profit/loss on sale/revaluation of available-for-sale securities	2	(53)
Loss (gain) on investments in partnership	129	65
Equity in (earnings) losses of affiliates	(1,585)	(107)
Loss (gain) on sales of noncurrent assets	(19)	8
Loss on retirement of noncurrent assets	163	165
Loss (gain) on sales of investment securities	(1,341)	(1,016)
Loss (gain) on valuation of investment securities	732	1,150
Loss (gain) on sales of stocks of subsidiaries and affiliates	–	(2,972)
Decrease (increase) in notes and accounts receivable-trade	(4,209)	(684)
Decrease (increase) in inventories	(14,157)	384
Increase (decrease) in notes and accounts payable-trade	5,633	(2,695)
Other, net	3,842	3,016
Subtotal	11,140	18,161
Interest and dividends income received	1,181	1,212
Interest expenses paid	(213)	(202)
Income taxes (paid) refund	(3,717)	(6,789)
Net cash provided by (used in) operating activities	8,390	12,382

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net cash provided by (used in) investing activities		
Payments into time deposits	(21,901)	(10,934)
Proceeds from withdrawal of time deposits	24,430	13,630
Payments of short-term loans receivable	(179)	(28)
Collection of short-term loans receivable	1,599	40
Purchase of short-term investment securities	(1,142)	(2,301)
Proceeds from sales and redemption of securities	2,704	1,275
Purchase of property, plant and equipment	(7,231)	(6,588)
Proceeds from sales of property, plant and equipment	103	94
Purchase of intangible assets	(213)	(1,699)
Purchase of investment securities	(1,911)	(2,275)
Proceeds from sales and redemption of investment securities	1,743	2,366
Purchase of investments in subsidiaries	(313)	(304)
Payments for investments in capital of subsidiaries and affiliates	–	(78)
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	(24)	(27)
Collection of long-term loans receivable	819	14
Payments for transfer of business	(188)	–
Other, net	25	112
Net cash provided by (used in) investing activities	(1,679)	1,911
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	2,175	(1,931)
Proceeds from long-term loans payable	4,548	1,184
Repayment of long-term loans payable	(2,887)	(807)
Purchase of treasury stock	(6)	(3,013)
Cash dividends paid	(2,671)	(2,940)
Cash dividends paid to minority shareholders	(75)	(108)
Net cash provided by (used in) financing activities	1,081	(7,615)
Effect of exchange rate change on cash and cash equivalents	(1,527)	(47)
Net increase (decrease) in cash and cash equivalents	6,264	6,630
Cash and cash equivalents at beginning of period	28,595	34,954
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	94	–
Cash and cash equivalents at end of period	34,954	41,585

(5) Notes on premise of going concern

No items to report

(6) Additional information

Fiscal year ended March 31, 2012

The Company applies “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ statement No. 24 issued on December 4, 2009) and “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24 issued on December 4, 2009) according to the accounting changes and correction of prior errors implemented effective from the beginning of the current fiscal year.

(7) Notes regarding the consolidated financial statements

(Segment information)

1. Overview of reporting segments

The reporting 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, to decide how to allocate management resources and assess performance.

The Company has adopted a business unit structure 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 our business activities all over the world.

Accordingly, our segments are organized by product and market. The reporting 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 reporting segment

The profit from reporting 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 and income/loss by reporting segment

Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

	Reporting Segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated financial statements (Note 3)
	Light Sources	Equipment	Total				
Sales							
Sales to outside customers	57,393	84,627	142,020	3,105	145,125	–	145,125
Inter-segment sales or transfer among segments	104	236	341	77	419	(419)	–
Total	57,498	84,863	142,361	3,182	145,544	(419)	145,125
Segment profit	8,411	5,403	13,814	151	13,965	68	14,034
Segment assets	81,237	87,064	168,302	23,042	191,345	25,946	217,292
Other items							
Depreciation cost	2,769	3,543	6,313	163	6,476	–	6,476
Amortization of goodwill	2	270	273	–	273	–	273
Investments in equity-method affiliates	–	5,639	5,639	–	5,639	–	5,639
Increase in property, plant and equipment and intangible assets	3,279	5,041	8,321	95	8,416	–	8,416

(Notes) 1. The classification of "Others" is the business segment not included in reporting segments such as machinery for industrial uses and other businesses.

2. The adjustment is as follows:

(1) The adjustment of ¥68 million on segment profit includes ¥134 million in inter-segment transaction eliminations.

(2) The adjustment of ¥25,946 million on segment assets includes negative ¥11,083 million in eliminations of inter-segment receivables and payables and corporate assets of ¥36,993 million not allocated to any reporting 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.

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

(Millions of yen)

	Reporting Segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated financial statements (Note 3)
	Light Sources	Equipment	Total				
Sales							
Sales to outside customers	52,436	94,365	146,802	3,284	150,087	–	150,087
Inter-segment 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)
- The classification of “Others” is the business segment not included in reporting segments such as machinery for industrial uses and other businesses.
 - The adjustment is as follows:
 - The adjustment of ¥87 million on segment profit includes ¥115 million in inter-segment transaction eliminations.
 - The adjustment of ¥28,780 million on segment assets includes negative ¥7,767 million in eliminations of inter-segment receivables and payables and corporate assets of ¥36,563 million not allocated to any reporting segment. Corporate assets consist of surplus operating funds (cash and short-term investment securities) and long-term investment funds (investment securities) among others.
 - Segment profit is adjusted with operating income in the consolidated statements of income.

(Per share information)

Fiscal year ended March 31, 2011		Fiscal year ended March 31, 2012	
Net assets per share	1,169.42 yen	Net assets per share	1,211.51 yen
Net income per share	71.72 yen	Net income per share	66.26 yen
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, 2011	Fiscal year ended March 31, 2012
Net income (millions of yen)	9,577	8,748
Profit not attributable to common shareholders (millions of yen)	–	–
Net income related to common stock (millions of yen)	9,577	8,748
Average number of shares during the period (shares)	133,544,439	132,025,141

(Significant subsequent events)

No items to report