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# USHIO INC.

**Fiscal Year 2006 3rd Quarter Results**

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**January 31, 2007**

Lighting-Edge Technologies

**USHIO**

# Consolidated Statements , FY2006 3rd Quarter

(Billions of yen)

|                            | Actual<br>FY2005 3Q<br>(‘05.10~12) | Actual<br>FY2006 3Q<br>(‘06.10~12) | Y/Y<br>Changes | Actual<br>FY2005 3Q<br>(‘05.4~12) | Actual<br>FY2006 3Q<br>(‘06.4~12) | Y/Y<br>Changes | Actual<br>FY2005<br>(‘05.4~‘06.3) | Projected<br>FY2006<br>(‘06.4~‘07.3) | Changes from<br>the prior<br>period results |
|----------------------------|------------------------------------|------------------------------------|----------------|-----------------------------------|-----------------------------------|----------------|-----------------------------------|--------------------------------------|---|
| Net Sales                  | 31.6                               | 39.5                               | 25.1%          | 90.6                              | 111.3                             | 22.9%          | 129.3                             | 145.0                                | 12.2%                                       |
| Operating Income           | 4.2                                | 5.4                                | 29.5%          | 12.9                              | 15.9                              | 23.4%          | 18.5                              | 20.5                                 | 10.8%                                       |
| Ordinary Income            | 5.4                                | 7.4                                | 38.1%          | 16.8                              | 20.5                              | 21.7%          | 23.2                              | 24.0                                 | 3.4%  |
| Net Income                 | 3.4                                | 4.9                                | 46.7%          | 10.8                              | 13.4                              | 24.7%          | 14.9                              | 15.2                                 | 2.0%  |
| Operating Margin Ratio     | 13.3%                              | 13.7%                              |                | 14.2%                             | 14.3%                             |                | 14.3%                             | 14.1%                                |   |
| Ordinary Margin Ratio      | 17.0%                              | 18.7%                              |                | 18.6%                             | 18.4%                             |                | 18.0%                             | 16.6%                                |   |
| Net Margin Ratio           | 10.7%                              | 12.5%                              |                | 11.9%                             | 12.1%                             |                | 11.5%                             | 10.5%                                |   |
| EPS                        | —                                  | —                                  |                | ¥77.96                            | ¥97.49                            |                | ¥107.81                           | ¥110.31                              |   |
| ROE                        | —                                  | —                                  |                | —                                 | —                                 |                | 10.7%                             | 9.6%                                 |   |
| Exchange rate<br>(average) |                                    |                                    |                |                                   |                                   |                |                                   |                                      |   |
| U.S. Dollars               |                                    |                                    |                | ¥112.85                           | ¥116.14                           |                | ¥113.93                           | ¥115                                 |   |
| EURO                       |                                    |                                    |                | ¥137.20                           | ¥148.85                           |                | ¥138.13                           | ¥137                                 |   |

※All figures in these materials have been rounded to the nearest hundred million yen unless otherwise noted.

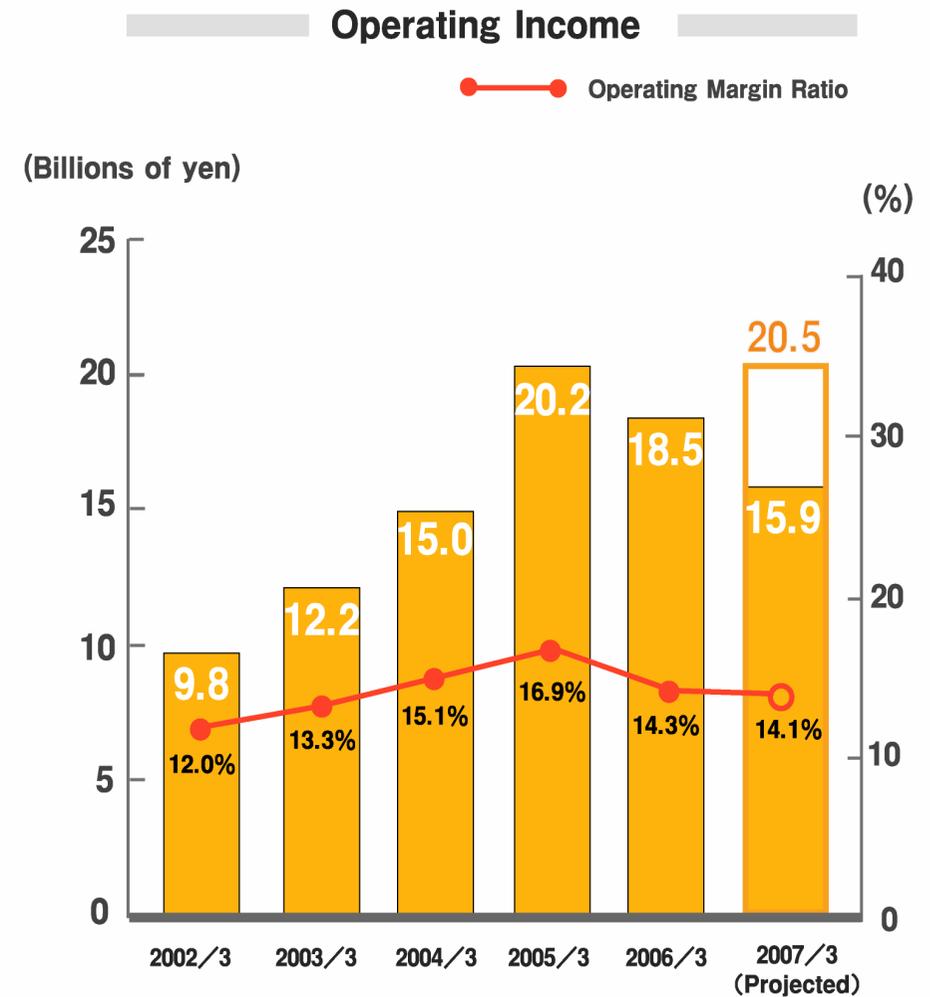
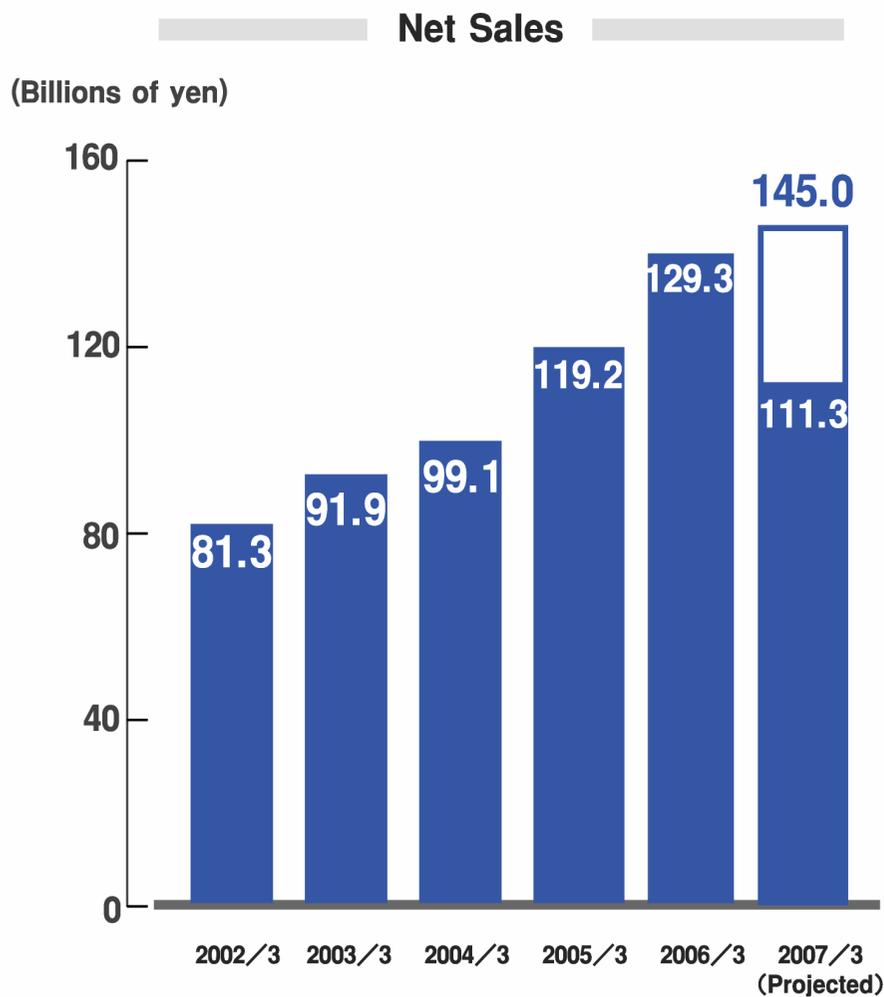
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①

# Consolidated Statements Transition



# Results of Operation [Quarter Transition] ①

**FY 2006**

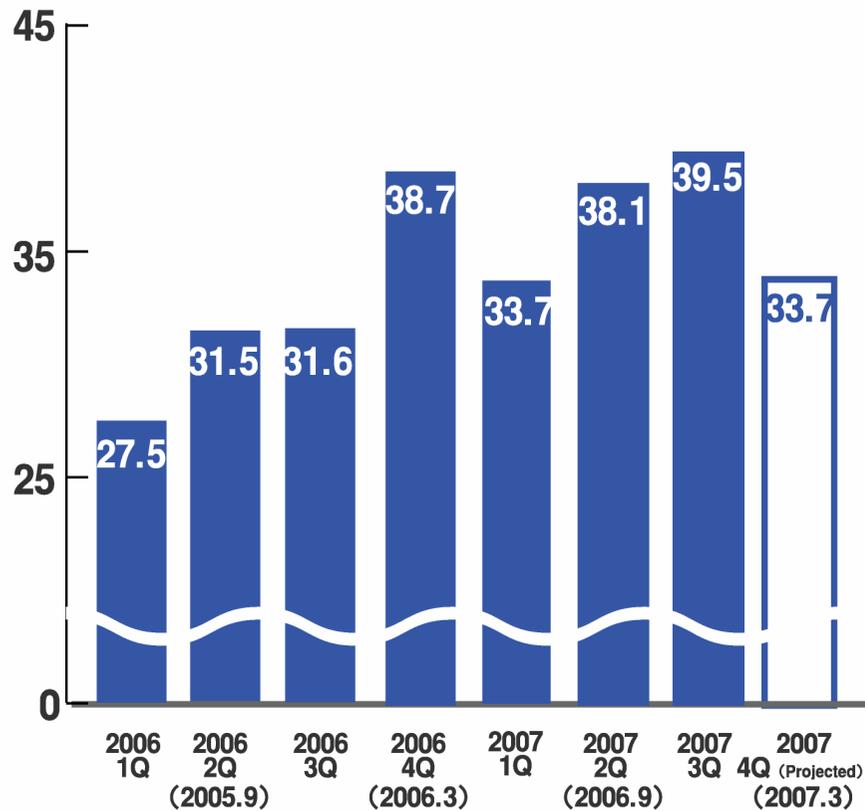
(Billions of yen)

|                               | <b>1Q</b>    | <b>2Q</b>    | <b>3Q</b>    | <b>4Q (Projected)</b> |
|-------------------------------|--------------|--------------|--------------|-----------------------|
| <b>Net Sales</b>              | <b>33.7</b>  | <b>38.1</b>  | <b>39.5</b>  | <b>33.7</b>           |
| <b>Operating Income</b>       | <b>5.3</b>   | <b>5.1</b>   | <b>5.4</b>   | <b>4.6</b>            |
| <b>Ordinary Income</b>        | <b>6.7</b>   | <b>6.4</b>   | <b>7.4</b>   | <b>3.5</b>            |
| <b>Net Income</b>             | <b>4.3</b>   | <b>4.2</b>   | <b>4.9</b>   | <b>1.8</b>            |
| <b>Operating Margin Ratio</b> | <b>15.9%</b> | <b>13.5%</b> | <b>13.7%</b> | <b>13.7%</b>          |
| <b>Ordinary Margin Ratio</b>  | <b>19.8%</b> | <b>16.7%</b> | <b>18.7%</b> | <b>10.5%</b>          |
| <b>Net Margin Ratio</b>       | <b>12.6%</b> | <b>11.1%</b> | <b>12.5%</b> | <b>5.3%</b>           |

# Results of Operation [Quarter Transition] ②

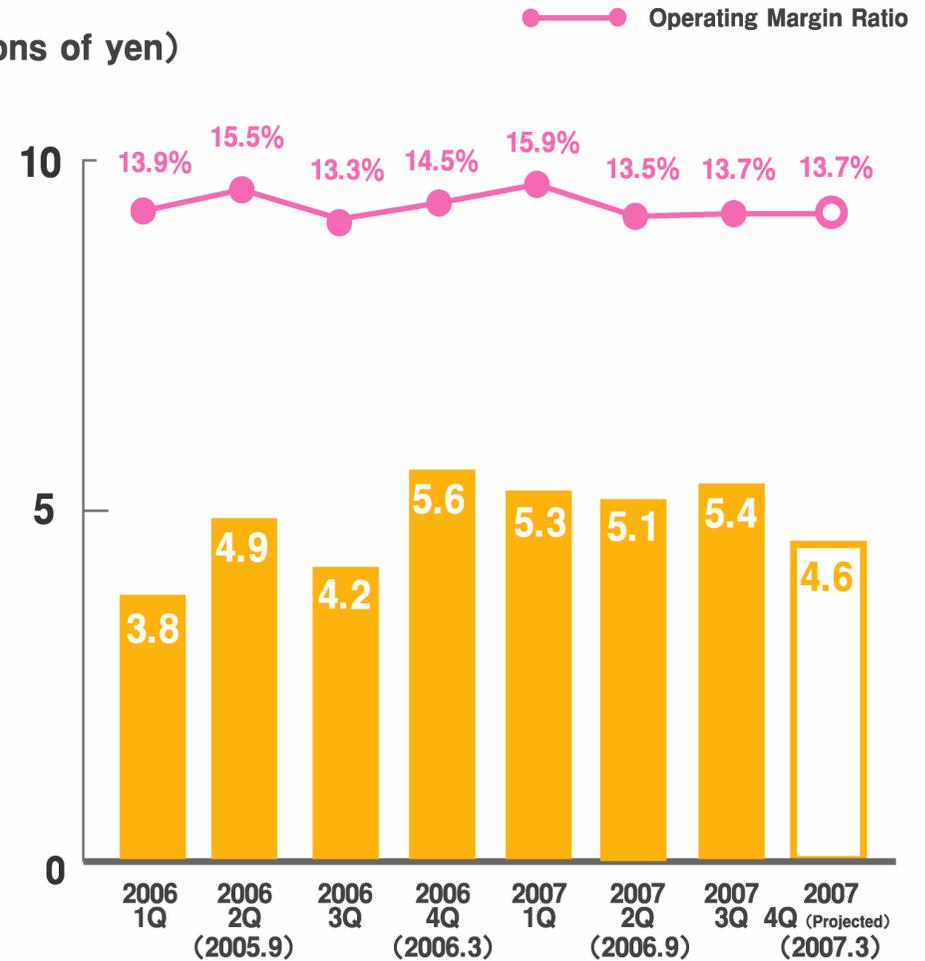
## Net Sales

(Billions of yen)



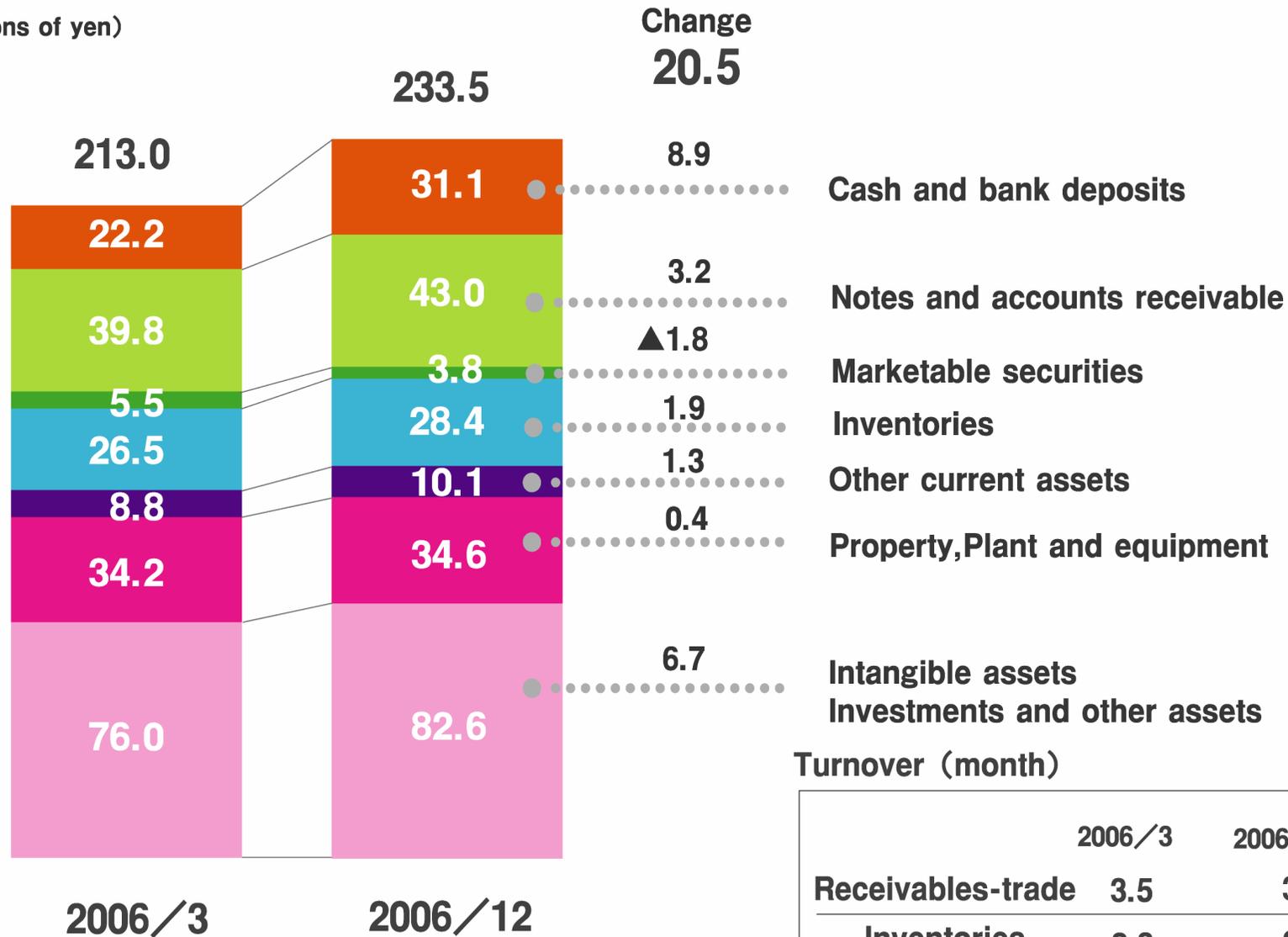
## Operating Income

(Billions of yen)



# Assets

(Billions of yen)

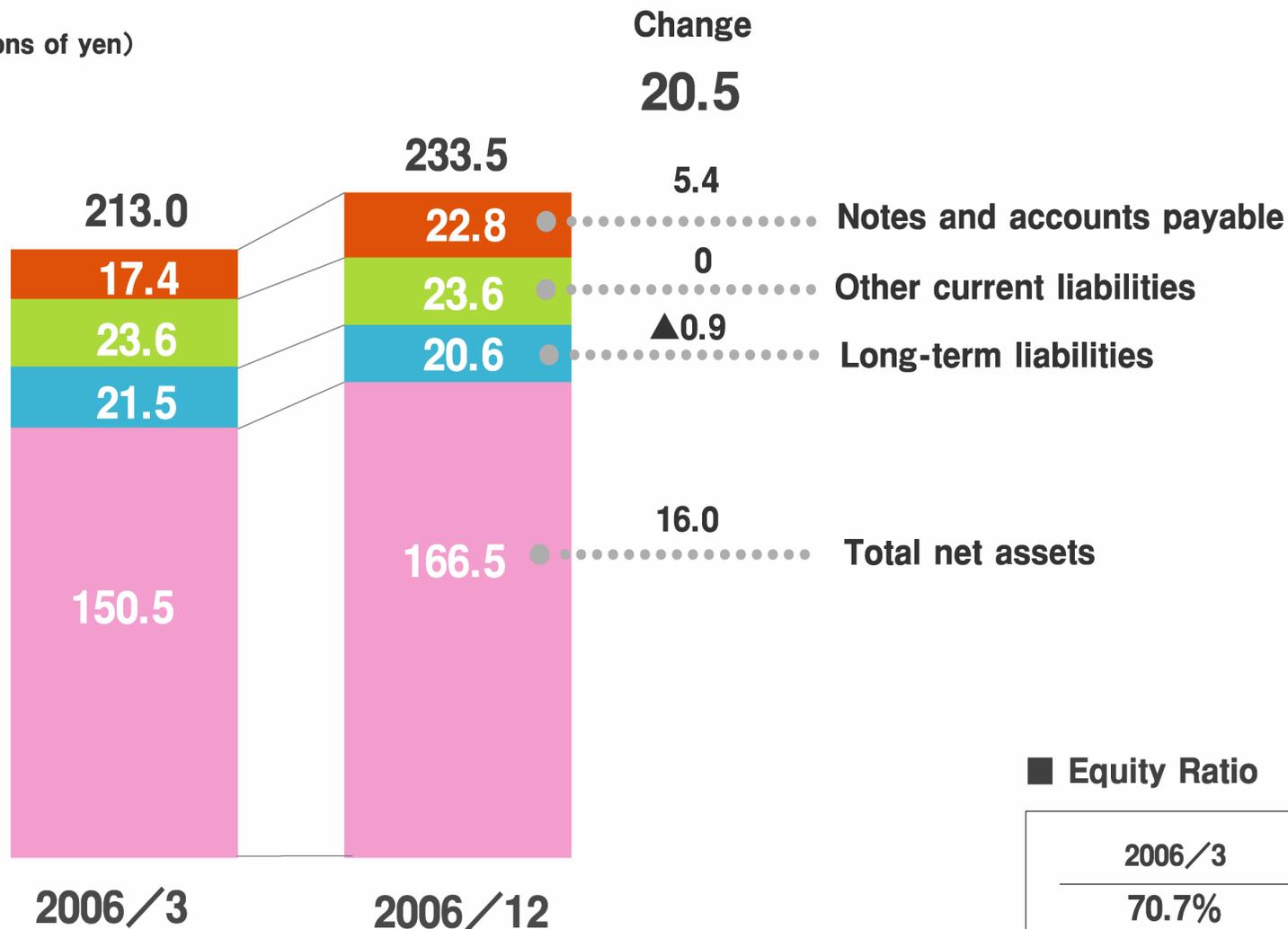


Turnover (month)

|                   | 2006/3 | 2006/4~12 |
|-------------------|--------|-----------|
| Receivables-trade | 3.5    | 3.3       |
| Inventories       | 2.3    | 2.2       |

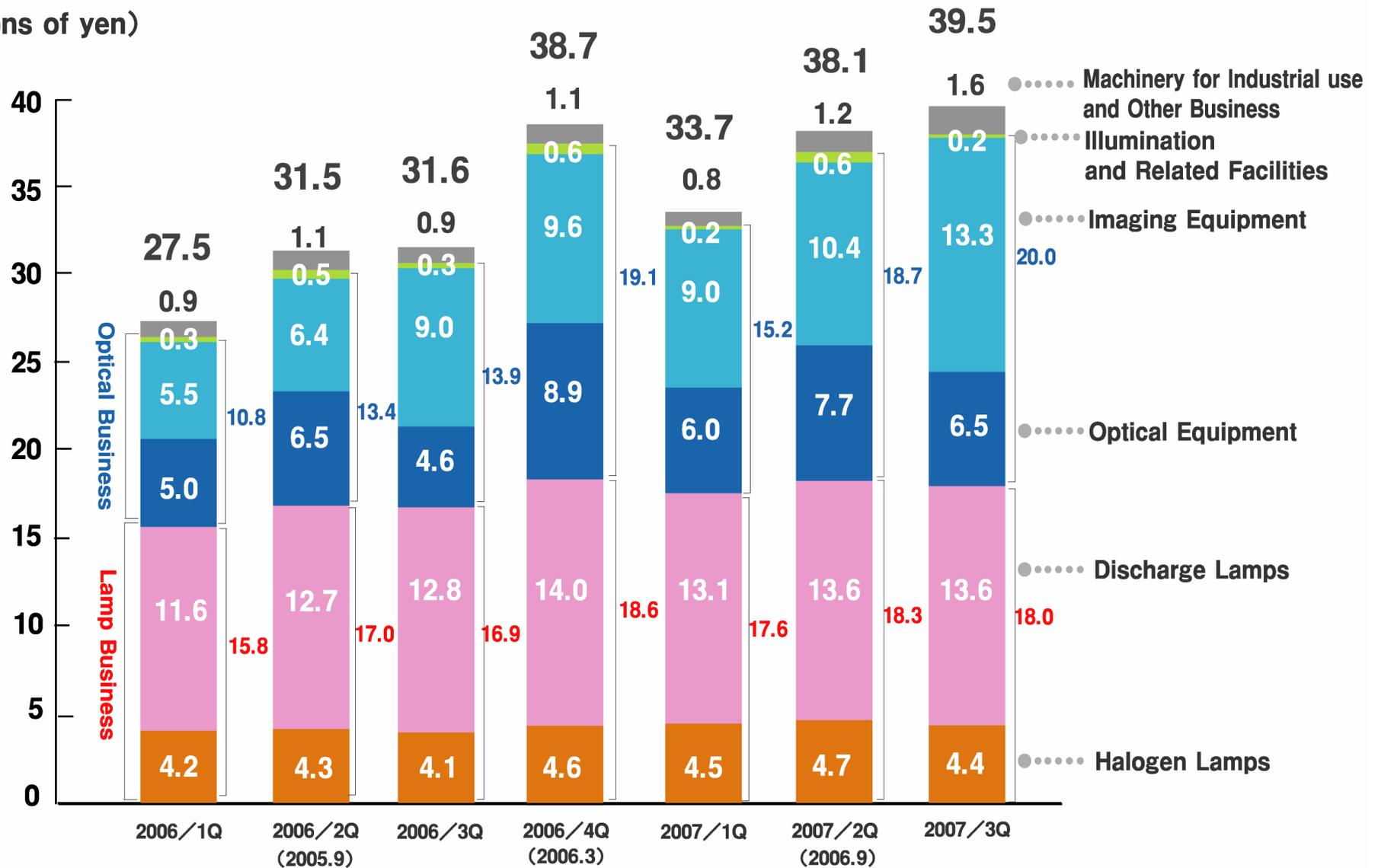
# Liabilities · Total net assets

(Billions of yen)



# Sales by Product Groups [Quarter Transition]

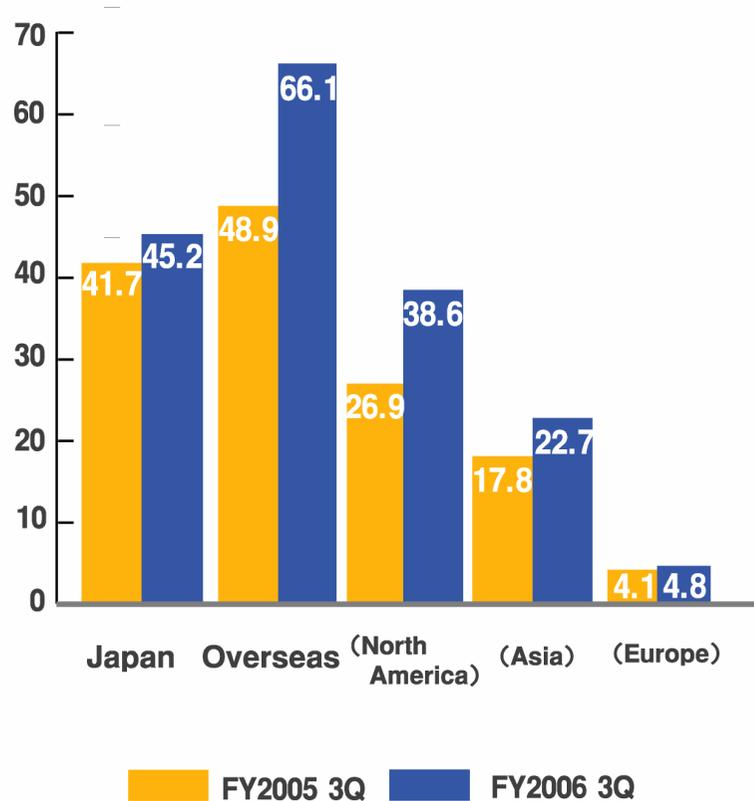
(Billions of yen)



# Segment Information

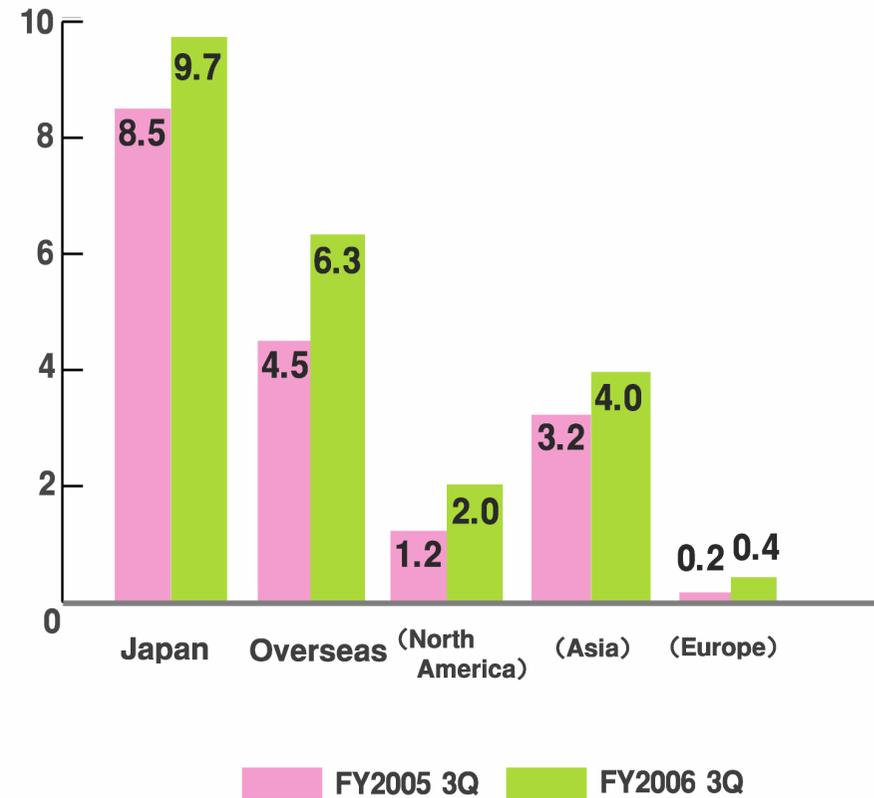
## Net Sales by Region

(Billions of yen)



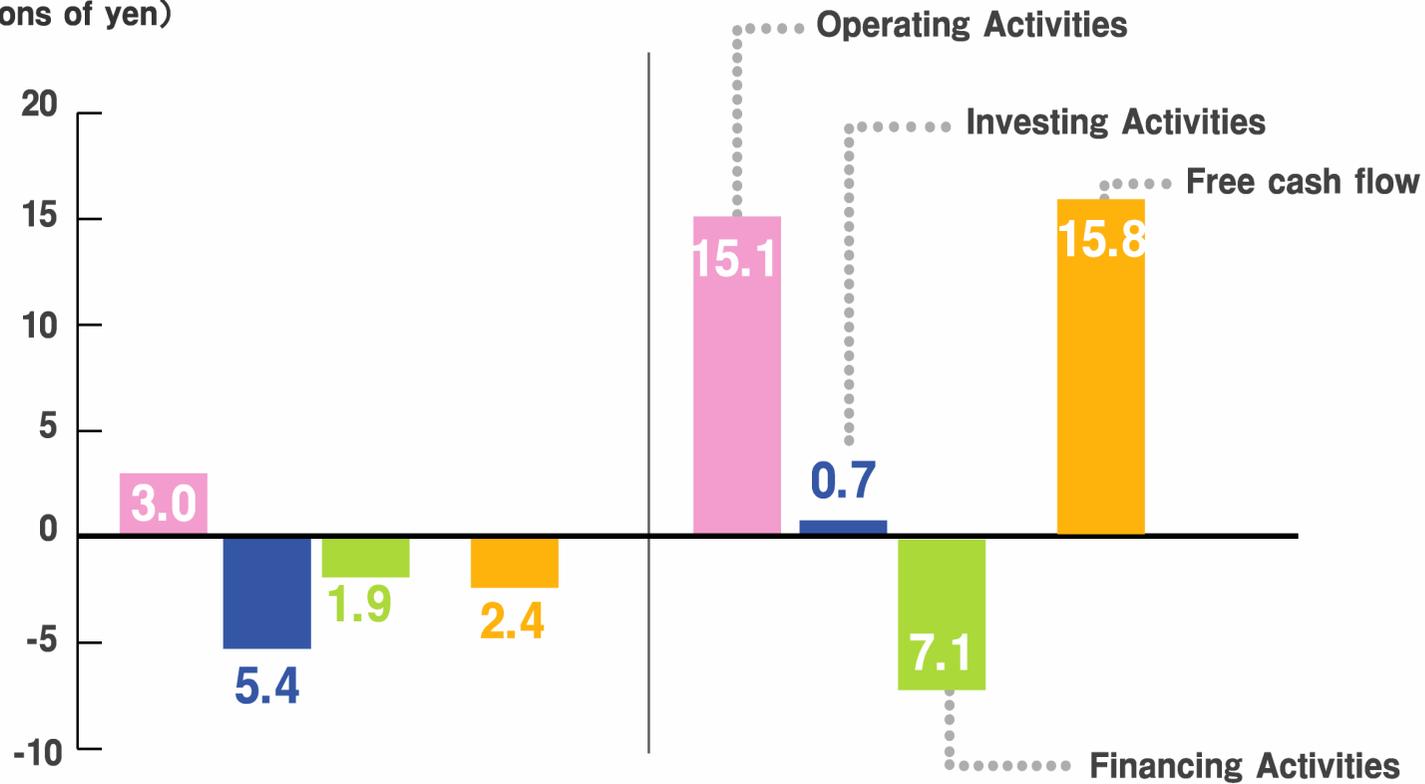
## Operating Income by Region

(Billions of yen)



# Cash Flows

(Billions of yen)



**FY2005 3Q ('05.4~12)**

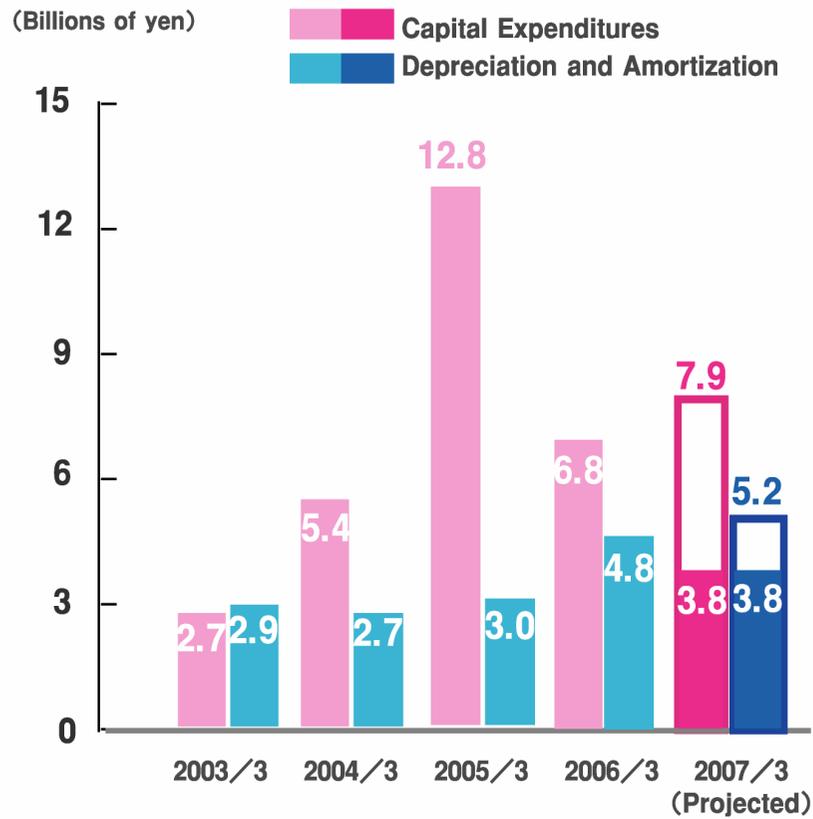
|  |      |
|--|------|
| Cash and cash equivalents at beginning of the year | 25.4 |
| Cash and cash equivalents at end of the year       | 22.1 |

**FY2006 3Q ('06.4~12)**

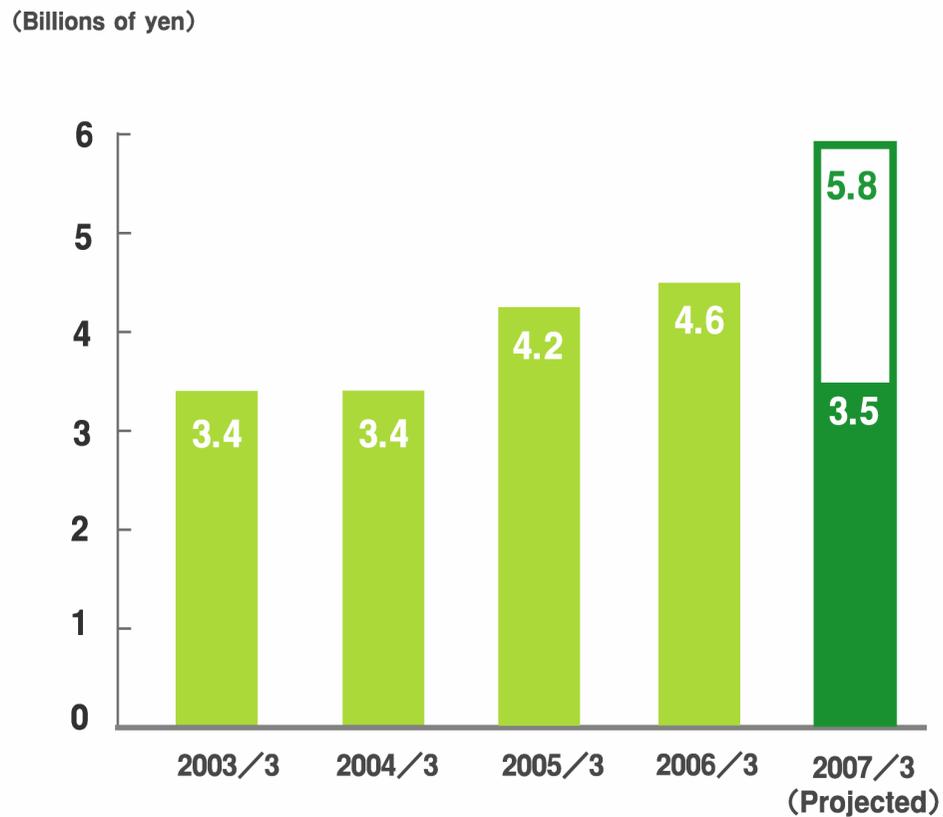
|  |      |
|--|------|
| Cash and cash equivalents at beginning of the year | 22.7 |
| Cash and cash equivalents at end of the year       | 31.9 |

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

**Capital Expenditures**  
 Depreciation and Amortization



**R&D Expenses**



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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 projected or implied in any forward-looking statements. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate.