Environmental Sustainability Report 2006



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About This Publication

In October 2003, Ushio Inc. published the Harima Division Environmental Site Report 2003 as a step to inform stakeholders about the environmental activities undertaken at our individual sites. In subsequent years we expanded the scope of this annual reporting, and in June 2006 we published the most recent Ushio Sustainability Report, a comprehensive document covering the environmental, economic, and social activities and achievements for all group companies operating within the scope of our consolidated environmental management (see chart below).

Reports on our environmental activities were originally published only in Japanese. Starting last year we began making some of this material available in English on our website, but we have received requests for more of this information from many stakeholders. In response, we have created this special English report focusing on our efforts to address the global environmental issues that confront us all.

This report will be distributed to stakeholders including the general public, shareholders, investors, partners, employees, local communities, government agencies, and nongovernmental and nonprofit organizations.

We used the following guidelines in preparing this publication:

- Ministry of the Environment: Environmental Report Guidelines (2003 Edition)
- Global Reporting Initiative: Sustainability Reporting Guideline 2002

Report Content

This report contains information on all group companies in Japan and abroad as included in the scope of our consolidated environmental management approach.

Report Period

This publication covers the period from April 1, 2005, to March 31, 2006, as well as some projects and projections running through June 2006.

* We hope this report will promote communication between Ushio and our stakeholders. We welcome your opinions and impressions, which will help us to further improve our activities. Please take a moment to fill out the questionnaire attached to this report and return it to us. Thank you.

Corporate Profile

(As of June 29, 2006)

 Establishment
 March 1964

 Paid-In Capital
 ¥19,556,326,316

Board of Directors

Corporate Auditors

Statutory Auditors

Chairman and Ushio Group Representative Representative Director and Vice Chairman President and Chief Executive Officer Directors and Corporate Executive Vice Presidents

Shiro Sugata Manabu Goto Soichi Shide Tadashi Taki Seiji Oshima Shiro Ushio Tadashi Shibuichi Katsunori Kakimi Shinji Sekiguchi Shuichi Hattori Koji Aso

Jiro Ushio

Akihiro Tanaka

Number of Employees (As of March 31, 2006)

Ushio Inc.	1,589
Group Companies (Japan)	518
Group Companies (Overseas)	2,283
Total	4,390

Consolidated Financial Results (April 2005–March 2006;	¥ billion)
Net sales	,
Operating income	18.5
Operating income ratio (%)	14.3
Total assets	213.0
Shareholders' equity	150.5
Shareholders' equity ratio (%)	70.7
Return on equity (%)	10.7
Net income	14.8
Net income per share (¥)	107

Major Operations

Electronics Super-high-pressure UV lamps, exposure

systems

Visual Image Equipment Data projector lamps, cinema and industrial projection equipment

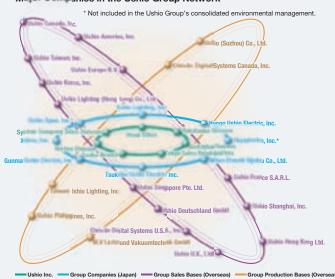
Illumination Systems for retail and other

commercial spaces, studios, and ceremonial halls

Office Automation Equipment Light sources for copiers and printers and

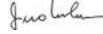
toner fixing heat sources

Major Companies in the Ushio Group Network





Achieving a Sustainable Society with a Lofty Vision and Bold Concepts



Jiro Ushio

Chairman and Ushio Group Representative

Doing What Is Best Without Fearing Change

As economist Joseph Schumpeter noted, the key to corporate success lies in innovative management, which requires putting inventions into action. To me, this means it is not enough to think of the future as an extension of the past; one must start with a clean slate and take a hard, realistic look at what the times really demand.

This also means that corporate managers should not be preoccupied with short-term profits or makeshift remedies but look far and wide to gain a full grasp of the long-term picture. They should not flinch from making decisions, moreover, when bold reforms are necessary.

I believe that a company's environmental and CSR activities should be approached in the same way. The cost of seeking short-term profits or implementing makeshift remedies is the destruction of the environment. These actions also erode society's trust in the company. For this reason, I believe that it is essential for Ushio to be guided by a lofty vision in our endeavors to achieve a sustainable society.

Promoting Innovation with "Ushio Power"

What, then, leads to innovation? One key factor, I believe, is "environ-

mental power," by which I refer to a company's ability to make productive use of environmental and other resources. A company with this power does not consider environmental activities to be an obligation; instead, it views them as core strategic tools that can not only improve the performance and competitiveness of the company but also contribute to the development of society and economy as a whole. Inasmuch as consumer appetite for ecological products and the idea of green purchasing have become fairly well established, environmental power is fast becoming an indispensable corporate asset.

Ushio has other strengths as well in such areas as intellectual power and civil power, the human strength of individual employees, and the ability to pool the collective strength of the entire Ushio Group. These five strengths together make up "Ushio Power," and with this we are taking on the challenge of implementing "light innovations" in a variety of fields, including environmental conservation and CSR.

We will continue to actively work to protect the environment and contribute to society through "light innovations," and I ask for your continued understanding and support.

Increasing Corporate Value Through Proactive Social Contributions



President and Chief Executive Officer
Chairman of the Environment Committee and Group Environmental Council



Making Ushio Society's Choice

Since the foundation of Ushio Inc., we have aimed to become a company that can meet the needs of our customers as a pioneering developer of light sources. In fiscal 2004 we celebrated our fortieth anniversary. We view this milestone as our second birth, and the period since then has been marked by new business plans and organizational reform. The changing times have brought into sharper relief the issues confronting society. We have incorporated these in our corporate policy and have carried out initiatives to maximize corporate value. We are strengthening the systems governing research and development, manufacturing, and sales and adopting optimization measures, such as by speeding up management decisions.

Our goal of achieving sustainable management will finally be reached when these measures are fully implemented across the group in a timely manner.

Furthermore, by meeting people's expectations through our "light innovations" and by carrying out environmental-conservation and other CSR activities, we will continue to aim to be a company of choice for society. We will seek to be a corporate group that works toward bringing about a sustainable society. We consider these challenges to be our corporate mission.

Phase Two of Our Environmental Action Plan

In fiscal 2005 I became chairman of both the Environment Committee and the Group Environmental Council, succeeding former President Akihiro Tanaka (currently representative director and vice chairman), who has steadily driven forward the company's environmental efforts since the launch of the Environment Committee. In order to proactively develop new strategies to further advance Ushio's environmental ef-

forts, we have identified objectives and targets under phase two of Ushio's Environmental Action Plan and clarified the issues we need to tackle.

1. Environmental management

Enhanced efficiency of environmental production through strengthened links between the environment and production activities; strengthening of environmental risk management and environmental governance.

- Activities to promote environmentally conscious products
 Expanded lineup of environmentally conscious products; establishment of a recycling system; implementation of measures to deal with chemical substances.
- Activities to promote environmentally conscious operations
 Strengthened prevention of global warming and waste-reduction measures.
- 4. Activities that contribute to the environment and society Enhanced communication with stakeholders; implementation of social contribution programs.

We will continue to push ahead with efforts in these four areas, recognizing them to be of enormous importance in sustainable management. We will actively work to protect the environment and meet our other social responsibilities through "light innovations" and by contributing to the richness and bounty of society, industry, and lifestyles. These efforts should lead to raising Ushio's corporate value.

We will continue to work to become a fully accountable corporate group that meets society's expectations. I ask for your understanding and support as we strive to attain these goals.

Our Environmental Action Plan

Ushio's Environmental Policy

Basic Philosophy

We at USHIO recognize symbiosis with the global environment to be one of today's most important challenges for enterprises. We pledge to contribute to the creation of a sustainable society by incorporating measures for environmental protection into every aspect of our business activities.

Action Guidelines

- We will make every effort to achieve our own environmental protection goals, in compliance with the laws, regulations and environmental rules both in Japan and abroad.
- We will endeavor to reduce waste and the use of hazardous substances, and to recycle and save resources and energy to reduce environmental impact in all fields of business.
- We will continue to work on the development and supply of environmentally conscious "Lighting-edge Technologies and Products."
- We will strive to prevent environmental risks, such as contamination of natural resources by chemicals or waste.
- We will improve environmental management system continuously through the regular audit of environmental protection activities.
- We will provide public information on our environmental protection activities and make every effort to enhance the quality of that information based on close communication and mutual understanding.
- Every employee of USHIO will contribute to realize a recyclingbased society through the awareness of each individual's role in protecting the environment.

March 1, 2005



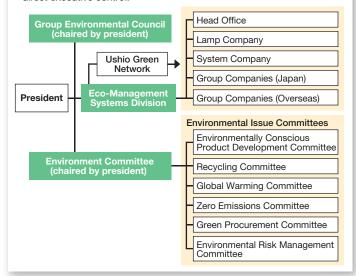
Shiro Sugata President and Chief Executive Officer

Implementing Structure

The Environment Committee and the Group Environmental Council, both chaired by the company president, are the highest decision-making bodies for Ushio's environmental policy and planning.

Immediately below the Environment Committee are six specialized groups: the Environmentally Conscious Product Development Committee, the Recycling Committee, the Global Warming Committee, the Zero Emissions Committee, the Green Procurement Committee, and the Environmental Risk Management Committee. These give guidance and undertake specific action at all the sites of the Ushio Group. Activities are developed through the Eco-Management Systems Division and the Ushio Green Network to ensure that environment-related goals are met at every site.

The Ushio Group's consolidated environmental management is being implemented in accordance with this integrated structure under direct executive control.



Fiscal 2005 Environmental Actions: Targets and Results

	Topic	Division Responsible for Implementaion	Fiscal 2005 Target	Evaluation*
Contribute to the market through products	(1) Develop environmentally conscious products	Environmentally Conscious Product Development Committee	Ensure that 80% or more of main products developed are environmentally conscious (Ushio Inc.)	0
anough products	(2) Build a recycling system	Recycling Committee	Achieve 99% or higher reuse of materials in UV lamps	Δ
	(1) Gather data on the environmental load of business operations	Eco-Management Systems Division	Gather data for 100% of business locations (all group companies)	0
Promote environmental- preservation activities at places of business	(2) Promote energy-saving measures (prevent global warming)	Global Warming Committee	Reduce CO ₂ emissions per unit sales (energy used, crude oil equivalent) by 9% or more below fiscal 1990 levels (Ushio Inc.)	×
	(3) Promote zero emissions	Zero Emissions Committee	Achieve effective usage rate of 99% or more (group companies in Japan)	Δ
3. Promote green partnerships	(1) Promote green procurement of parts and materials	Green Procurement Committee	Achieve green procurement level of 99% or more (group companies in Japan)	Δ
	(1) Build environmental management system (based on ISO14001 certification)	Eco-Management Systems Division	Expand environment management system (group companies in Japan)	0
Improve environmental management system	(2) Create environmental accounting system	Eco-Management Systems Division	Implement environmental accounting (all group companies)	0
	(3) Strengthen environmental risk management system	Environmental Risk Management Committee	Formulate rules for direct reporting of environmental risk information	0
Promote contributions to the environment and society (strengthen environmental communications)	(1) Issue Environmental Report and Sustainability Report	Eco-Management Systems Division	Publish Sustainability Report 2005 in June, covering group's fiscal 2004 activities	0

Phase Two Objectives and Targets (Fiscal 2007–2009)

Fiscal 2006 marks the end of the first phase of the Ushio Environmental Action Plan that the company has been implementing. The Ushio Group is pooling its collective strength to reach the plan's targets and is proactively developing new strategies to advance its environmental protection efforts. It is formulating objectives and targets of phase two of the Environmental Action Plan and is clarifying the issues that need to be tackled.

	Topic	Division Responsible for Implementation	Objectives and Targets	
	Strengthened environmental governance	Eco-Management Systems Division	Establishment of Ushio Group environmental management system	
Environmental management	Enhanced efficiency of environmental production* through strengthened links between the environment and production activities	Eco-Management Systems Division	Visualization of environment-related information with direct bearing on management and enhancement of environmental productivity	
	Strengthened environmental risk management	Environmental Risk Management Committee	Reduction of environmental risks through stronger countermeasures	
	Expanded lineup of environmentally conscious products	Environmentally Conscious Product Development Committee	Introduction of environmentally conscious product standards overseas and creation of "super-green products"	
Activities to promote environmentally conscious products	Expansion of product recycling system	Recycling Committee	Establishment of product recycling systems	
	Implementation of measures to deal with chemical substances	Green Procurement Committee	Reduction, replacement, and eradication of certain hazardous substances in response to globalization of markets	
Activities to promote environmentally conscious operations (including in	Strengthened global warming countermeasures (energy-saving measures)	Global Warming Committee	Reduction of energy use measured as CO ₂ emissions (crude oil equivalent) per unit sales by 13% or more over fiscal 1990 levels Reduction in CO ₂ emissions by 10% or more over fiscal 2006 levels through improvements in distribution	
offices)	Reduction of waste	Zero Emissions Committee	Curbing of generated waste and proactive efforts to reduce cost and environmental load	
Activities that contribute to the environment and	Enhanced communication with stakeholders	Eco-Management Systems Division	Active communication of Ushio's environmental philosophy and environmental efforts to stakeholders	
society (shared activities)	Strengthening (expansion) of social contribution programs	Eco-Management Systems Division	Environmental contributions at both the local and global levels	

^{*} Environmental productivity: The creation of competitive products and services through processes in harmony with the environment, by strengthening the links between production activities (total productive maintenance) and material flow cost accounting and by improving productivity from an environmental perspective.

Activities, Achievements in Fiscal 2005	Fiscal 2006 Target
 Achieved 100% in Lamp Company Achieved 80% in System Company Standards set for environmentally conscious products in design review Standards set for "super-green products" and guidelines defined for lamp life-cycle assessments (March) 	Make all mainstay products environmentally conscious
 Began full-scale processing of large UV lamps, achieving material reuse level of nearly 100% Began trial processing of small and medium-sized UV lamps, including investigation of transportation methods; full-scale launch scheduled for fiscal 2006 	Achieve reuse level of 99% or higher for all UV lamps
Collected information for Ushio Group (all companies participating in consolidated environmental management)	-
 Annual target achieved by Yokohama Division, Head Office and Tokyo Sales Headquarters, and others Harima Division did not meet target due to market changes that affected CO₂ per-unit-sales emissions levels Overall CO₂ emissions per sales unit were 173.7 kg/¥ million, above target of 147.9 kg/¥ million 	Reduce the conversion coefficient of CO ₂ emissions by 10% or more of 1990 level (Ushio Inc.)
 Recycling plan promoted at all offices and locations; Yokohama Division and Osaka Branch achieved zero emissions, but target not met by all group companies; effective usage rate for Ushio Inc. in fourth quarter was 97.6% 	Achieve zero emissions (all group companies)
 Harima Division achieved 100% green procurement (Lamp Company) Information on green procurement standards distributed, explained to about 500 primary component suppliers; response rate was approximately 90% (System Company) Guidelines for hazardous materials management during production introduced for group companies in the Asian region; system created to promote green procurement in cooperation with Ushio Inc. 	Achieve green procurement level of 99% or more
 ISO14001 certification acquired; certification completed or planned for all selected sites for group companies in Japan (except two new companies); one overseas sales company acquired certification; noncertified sites began work on environmental management system 	Expand environmental management system (all group companies)
Data collected for Ushio Inc. and all group companies	Perform material flow cost accounting
 Environmental Risk Management Committee established in August; now examining ways to strengthen risk management system and to implement it evenly throughout the group Standards set in March at Ushio Inc. to centralize environmental risk information 	Introduce the Environmental Risk Management Guidelines (all group companies)
Publication released on July 20 describing the activities of Ushio Inc. companies and major group companies in Japan and overseas, detailing site data, and reporting some CSR activities	Publish Sustainability Report 2006, covering group's fiscal 2005 activities Establish an environmental information center (corporate governance)

Environmental Risk Management

Activity Principles and Objectives

Reinforcement of the crisis management structure and environmental risk management system

The Ushio Group is taking steps to prevent and reduce environmental and other risks and to strengthen its crisis management structure throughout the group. It has also moved to reinforce its compliance with environmental laws and regulations and other requirements, its preparations for and responses to emergencies, and other items in its environmental management system in order to strengthen its management of environmental risk.

Overview of Activities

Drafting of the Environmental Risk Management Guidelines

Under the direction of the Environmental Risk Management Committee established in August 2005, Ushio has conducted surveys of environmental-risk-related conditions at each company site and considered measures to be implemented on a companywide basis.

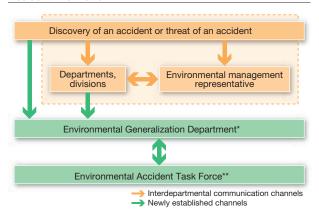
During fiscal 2005, an action plan was formulated for the Environmental Risk Management Committee, and steps were taken to centralize environmental risk information, thus providing the basis for the drafting of Ushio's Environmental Risk Management Guidelines.



A training course on environmental risk management.

- tives (at the Head Office, Yokohama Division, and Harima Division).
- Establishment of a system to centralize environmental risk information, enabling reliable communication and response in keeping with such rules as the company's internal provisions and Environmental Manual in case of an environment-related accident, or a threat of such an accident, resulting from a natural or other disaster.
- Adoption of measures to respond promptly and appropriately to unforeseen circumstances, including the establishment when necessary of a special task force to gather environmental risk information and prepare a rapid response.
- 4. Consideration of companywide measures based on environmental-risk surveys conducted at all company sites and completion of a study on the formulation of the Environmental Risk Management Guidelines, which will be applied throughout the Ushio Group.

Channels for Communicating Environmental Risk and Accident Information



- * This department consists primarily of the Eco-Management Systems Division.
- ** The head of the Environmental Generalization Department will set up an Environmental Accident Task Force when, based on the information provided, there is judged to be a major risk. Permanent members will include the company president, the director in charge of administrative affairs, and the head of the Environmental Generalization Department; they will appoint additional members depending on the nature of the risk.

Achievements in Fiscal 2005

Centralization of environmental risk information

The Environmental Risk Management Committee comprises members from not only Ushio's eco-related divisions but also from the legal and general affairs departments and administrative departments at the Head Office and the Harima, Yokohama, and Gotemba Divisions. The committee meets once a month and prepares an action plan in accordance with the company's action principles and designated issues and roles. The committee has taken the following actions to achieve the company's objectives.

1. Implementation of environmental risk training for execu-

Future Efforts

Ability to respond resolutely to environmental accidents

To prevent and reduce environmental risks, Ushio will take additional concrete steps to systematically (1) build and strengthen its environmental risk management system and (2) strengthen its groupwide crisis management system.

Given the indispensable nature of a risk management structure for any company today, Ushio intends to further strengthen its current framework. During fiscal 2006, Ushio will complete the activities planned for implementation during the year and devote its efforts to becoming a company that is trusted by society and is capable of responding resolutely to environmental accidents and other emergencies.

Environmentally Conscious Product Development

Activity Principles and Objectives

Creating groundbreaking environmentally conscious products

At Ushio, we see concern about the environment as a business opportunity, and we are pursuing a strategy of aggressively developing and supplying products that place less strain on the environment. We aim to reach for new heights in environmental consciousness by meeting existing environmental standards and by actively addressing market and technological needs and customer demands.

Overview of Activities

Assessing products for environmentally conscious

- Environmental awareness has increased since Ushio began conducting product assessments for environmental consciousness during the development and design stages, and product design activities now take environmental concerns into account as a matter of course. As a result, all 40 major products developed by Ushio were certified as being environmentally conscious* in fiscal
- The Lamp Company conducted life-cycle assessment (LCA) briefings and "super-green product" standards briefings** for engineers and environmental managers.
- 3. LCAs were made for Ushio lamps, and the results for two types—external-electrode rare-gas fluorescent lamps for copier document illumination and high-inten-



LCA briefing.

- sity discharge lamps for data projectors—were posted on Ushio's website. Ushio also established guidelines to facilitate the implementation of LCAs.
- 4. Standards for "super-green products" were defined with an eye toward their market launch.

"Super-Green Products"

Products meeting environmentally conscious standards and having superior environmental features to the leading products in their respective industries or in the Japanese or global markets have been labeled "super-green products" by Ushio.

Achievements in Fiscal 2005

Development of environmentally conscious products and implementation of LCAs

Environmentally Conscious Products

To promote the development of environmentally conscious products, Ushio conducts assessments in all engineering departments from the development stage. In the case of our 25kW super-high-pressure UV lamp, this led to an improve-



Super-high-pressure UV lamp.

ment in the per-weight illumination intensity and a 10% increase in environmental efficiency, compared with previous products. Further sharp reductions in the environmental burden were achieved when the lamp was combined with a customer's device.

Life-Cycle Assessment

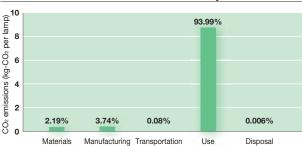
Ushio calculated the CO₂ emissions of external-electrode rare-gas fluorescent lamps for copier document illumination for each process in their product life cycle. As a result, we learned that CO₂ emissions



Rare-gas fluorescent lamps.

during lamp use accounted for about 94% of the amount for the whole life cycle, mostly coming from electric power consumption. Efforts are being made, therefore, to develop energy-saving lamps.

CO₂ Emissions for Each Process in the Life Cycle



Note: An external-electrode rare-gas fluorescent lamp was used for the assessment.

Future Efforts

Creating "super-green products" and incorporating LCAs into product development

- 1. During fiscal 2006 as well, all key products developed by Ushio will retain their environmentally conscious status.
- LCAs that were conducted for lamps will be incorporated into the design and development stages for all products; assessments will also be made for power supplies and devices.
- The "super-green product" standards will be applied to create groundbreaking environmentally conscious products.

^{*} To gain environmentally conscious certification, a product must clear energy-conservation standards, eliminate or reduce the use of hazardous substances, and accommodate the three Rs of "reduce, reuse, and recycle," in addition to meeting traditional product quality and performance standards. It must satisfy all mandatory criteria and achieve a passing score on a certification test.

^{**} An LCA briefing was held on October 28, 2005, and attended by 32 engineers and others, while a "super-green product" standards briefing was held on March 30, 2006, and attended by 30 engineers and others.

Prevention of Global Warming

Activity Principles and Objectives

Reducing CO₂ emissions by 9% or more from fiscal 1990 levels (per unit sales)

Ushio has established a medium-term target of reducing CO₂ emissions from its sites by 10% or more compared to fiscal 1990 levels (measured per unit sales) by fiscal 2006.

Under this plan, the target to be reached by fiscal 2005 was a reduction of 9% or more. To achieve this target, Ushio developed specific emissions-reduction initiatives in line with the following main strategies.

- Promotion of energy-saving efforts and adoption of measures to eliminate energy waste or loss on a site-by-site basis, spearheaded by energy conservation groups at each site.
- Achievement of energy efficiency, particularly at production plants, through full-fledged energy-saving measures for production and utility equipment and meticulous supervision of its use.
- Review of existing energy supply systems with the aim of introducing more efficient systems that help reduce CO₂ emissions.

Overview of Activities

Emissions were reduced, but target remained elusive

1. Adoption of Gas Heat Pumps (Harima Division)

Ushio managed to curb CO_2 emissions by installing gas heat pumps for the air conditioning systems in two new buildings constructed in fiscal 2004. Another building constructed in fiscal 2005 was also outfitted with the same gas heat pump system, resulting in total CO_2 reductions of approximately 100 tons per year.

2. Meeting on Saving Energy (Harima Division)

A meeting on energy-saving efforts was held in November 2005 and attended by 39 people, including Ushio President Sugata, plant managers, and general managers of each department. Participants presented the efforts made by



Meeting on saving energy.

each department, helping to ensure the balanced development of energy-saving measures across the company and heightened awareness of energy-saving issues.

3. Visualization of Electricity Use (Harima and Yokohama Divisions)

Ushio has installed monitors at the Harima and Yokohama Divisions to enable the visualization of electricity consumption levels. An accurate grasp of electricity use during each manufacturing stage and process has made possible finely tuned energy management.

4. Raising Awareness

Ushio has worked to reduce its CO₂ emissions through active participation in various government energy-saving schemes.

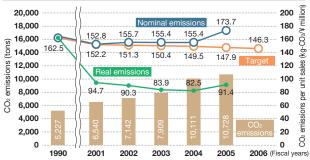
These efforts include joining the "Team Minus 6%" project and producing posters promoting "Cool Biz" and "Warm Biz," encouraging staff members to dress coolly in the summer and warmly in the winter. Ushio also extinguished the lights on the advertising tower at the Harima Division during the "Black Illumination 2005" event.

Through these initiatives, Ushio curbed CO_2 emissions by approximately 500 tons (4.5%). Even with the addition of new buildings at its Harima and Gotemba Divisions, Ushio was able to keep the increase in CO_2 emissions to 6% in fiscal 2005.

Emissions per unit sales have increased, however, as a result of market changes, and Ushio failed to achieve its perunit-sales target for fiscal 2005.

Drawing from this lesson, Ushio aims to further reduce CO₂ emissions during fiscal 2006 by introducing even more energy-efficient equipment and by thoroughly eliminating onsite energy waste and loss.

CO₂ Emissions per Unit Sales



While "nominal emissions" per unit sales have increased since fiscal 1990, there has been a 40% reduction in real terms.* The latter figures have been adopted by four electricity and electronics industry organizations to standardize their targets.

Future Efforts

Efforts to reduce total energy use

- Under the revisions to the Law Concerning the Rational Use of Energy and the Law Concerning the Promotion of Measures to Cope with Global Warming, companies in Japan are required to carry out total energy management. In addition to the measures to curb CO₂ emissions that Ushio already had in place, it is now streamlining and improving the efficiency of its energy use across all business activities to reduce emissions of all greenhouse gases, not just CO₂.
- In the spirit of legal compliance, we are also carrying out measures to conserve energy in our distribution and construction operations to contribute to the reductions of greenhouse gas emissions.
- 3. We are looking at a range of measures, including a shift in energy sources, such as the introduction of cogeneration systems and reduced use of heavy crude oil.

^{*} Real emissions per unit sales are calculated by adjusting nominal sales figures using the Bank of Japan corporate goods price index (for electric equipment).

Green Procurement

Activity Principles and Objectives

Green procurement for over 99% of components and environmentally conscious production processes

To achieve compliance with the European Union's RoHS directive regarding restrictions on the use of hazardous substances in electrical and electronic equipment, and to meet our customers' demands for compliance in anticipation of the directive, Ushio is making in-house efforts and seeking the cooperation of suppliers to create and operate a system for the management of hazardous substances in components.

This is a three-point system for the comprehensive management of chemical substances in components and materials, consisting of (1) guarantees from suppliers that prohibited substances are not included; (2) examination of the substances contained in each component; and (3) tests to check for the presence of prohibited substances to reduce risk. The target is for a green procurement ratio of over 99% for components used by all Ushio Group companies in Japan.

Ushio is also strengthening management systems to eliminate exposure to prohibited substances during the production process, based on guidelines for the management of hazardous substances in business units and production processes.

Overview of Activities

Accelerating the pace of green procurement

In February 2003 Ushio released the first edition of its Green Procurement Standards. They were subsequently updated, and after Ushio became a party to the Japan Green Procurement Survey Standardization Initiative in April 2005, a third edition of the standards and a classification table for hazardous substances were drafted.

Under the new standards Ushio has worked with its suppliers to reach its target of over 99% green procurement for all components. The Ushio Group's Lamp Company achieved 100% green procurement during fiscal 2005, and efforts are continuing to establish a uniform, groupwide procurement system based on this goal in fiscal 2006.

Achievements in Fiscal 2005

Initiatives to reach the 99% target

- The target of over 99% green procurement of components has been achieved at the Lamp Company. The suppliers of some 20,000 components were asked for guarantees that prohibited substances are not used and for the results of chemical examinations. This information has been crosschecked against Ushio's standards and recorded in a database.
- 2. All components containing substances prohibited under the RoHS directive have been replaced and discontinued by the Lamp Company.
- 3. Fluorescent X-ray spectrometers were installed in the Lamp Company in September 2005 and in Ushio Hong



A fluorescent X-ray spectrometer

Kong in April 2006. The addition of fluorescent X-ray spectroscopy to the precision analysis methods already in use improved efficiency and strengthened internal analysis systems to reduce the risk of contamination.

- 4. When new products are developed, checks are made for substances prohibited in Ushio's environmentally conscious product assessment manual, and reference is made to the components chemical database when selecting components.
- Steps were taken by the Green Procurement Committee to draft guidelines for hazardous substances management systems based on JGPSSI guidelines for our fiscal 2006 suppliers.
- Control of hazardous substances in the production process was made stronger and more exhaustive during fiscal 2005 in line with the guidelines for the management of hazardous substances in business units and production processes, formulated and announced in February 2005.
- 7. To promote green partnerships, the System Company invited outside experts to give lectures to suppliers, who were encouraged to obtain certification under Eco-Action 21, a program run by the Japanese Ministry



An EcoAction 21 lecture.

of the Environment to help small and medium-sized businesses develop environmental management systems. There are now 31 companies taking part, and they have been requested to create an environmental management system.

Future Efforts

Creating a groupwide procurement system based on uniform standards

To increase the reliability of chemical testing of components and to reduce the risk of shipping contaminated components and products, Ushio is asking suppliers to enhance their inspection systems and strengthening its own systems for testing supplied components for designated high-risk components.

Furthermore, efforts are being to establish a green procurement system for components based on uniform standards across the Ushio Group.

Pursuing Zero Emissions

Activity Principles and Objectives

Our zero-emissions goal for fiscal 2005

Managing the disposal of waste can be just as important as reducing waste volume and promoting the efficient use and reuse of materials.

In working toward our goal of zero emissions (an effective usage rate higher than 99%) in fiscal 2005, we strengthened environmental governance by developing groupwide wastedisposal management guidelines patterned after the Japanese Ministry of Economy, Trade, and Industry's Waste Recycling Governance Guidelines for Waste-Generating Companies.

Overview of Activities

A range of activities to raise our effective usage rate

Resource Recovery Processing of UV Lamps (Harima Division)

We have set a goal of allowing no disposal of mercury-containing lamps as solid waste. We are close to achieving this goal, which represents a major step toward zero emissions.

2. New Resource Recovery Methods Developed (Yokohama Division)

We established a new process for the reuse of compound machine parts that used to be disposed of as solid waste. Coupled with thermal recycling, this process lets us reuse all waste, thereby achieving our zero-emissions goal.

3. Negotiations and Surveys to Increase Expertise (Head Office, Tokyo Sales Headquarters, and Osaka Branch)

The Head Office, Tokyo Sales Headquarters, and Osaka Branch rent office space in their respective locations, which has made it difficult to establish optimal waste-disposal practices. By negotiating waste-disposal issues with the building management company and surveying disposal processes, the Osaka Branch was able to confirm that all waste was being handled as efficiently as possible, including through thermal cycling. This helped the branch achieve its zero-emissions goal.

The Head Office and Tokyo Sales Headquarters are currently engaged in similar discussions with the property-management and waste-disposal companies. This will produce more environmentally conscious solutions to the disposal of material that currently ends up in solid waste dumps.

4. A New Fluorescent Lamp Rental Business (Gotemba Division)

This division introduced a new rental service for fluorescent lamps, thus helping to ensure that the materials in these products are recovered and recycled.

5. Guidelines Issued for Disposal and Recycling

To keep up with progress in zero-emissions activities, we are bolstering our management of waste-disposal activities. July

2005 saw the release of the Waste Recycling Management Guidelines, which have been distributed to all business locations to promote proper waste management.

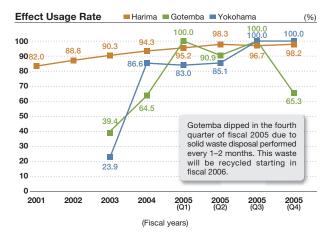
Achievements in Fiscal 2005

05

Two Ushio locations achieve zero-emissions status

Two of the six main Ushio Inc. locations in Japan—the Yo-kohama Division and Osaka Branch—have achieved zero-emissions status.

Though the other locations did not meet this target in fiscal 2005, they did steadily improve their effective usage rates. The Harima and Gotemba Divisions are expected to hit this target in the first half of fiscal 2006.



Future Efforts

Expanding environmental activities throughout the Ushio Group

- The Harima and Gotemba Divisions are on course to achieve zero-emissions status in the first half of fiscal 2006, and higher effective usage rates are slated for the Head Office and Tokyo Sales Headquarters.
- We will work toward zero-emissions status for all companies, actively reducing our total waste volume and the environmental load of our activities.
- We will review the waste-management systems at each location against our guidelines and build safe, secure systems at every location.
- 4. We will expand these activities to all group companies, promoting waste reduction and the development of a management system for the entire Ushio Group.

Achieving an Ecological Balance

Activity Principles and Objectives

Efficiently reducing our environmental load

We are assessing the environmental load of all the Ushio Group's business activities and examining the life cycles of our products in order to reduce that load.

Achievements in Fiscal 2005

Evaluation from an eco-balance perspective

We are working hard to understand the environmental load of all of the Ushio Group's business activities. In this connection we are evaluating our products at every stage of their life cycles, ensuring that they will be balanced ecologically.

Overview of Activities

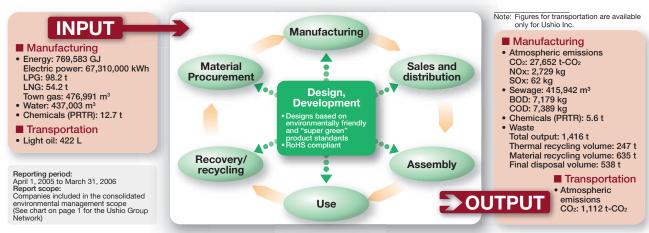
Looking at the whole life cycle and its stages

We use life-cycle assessments in developing new products. These examine the cycle as a whole, as well as each of its stages, to reduce environmental load.

Future Efforts

For better environmental management

We will broaden the scope of our examination of our environmental load - that of the business activities of the group and the product at each stage of the life cycle-to improve our management of environmental issues.



INPUT

Energy: Amount of electricity and fuel used in fiscal 2005 calculated using the Ministry of the Environment's "guidelines for enterprises to be used in calculating greenhouse gas emission volumes."

Water: Water resources—both tap water and industrial use water—used at factories and other locations in fiscal 2005.

Chemicals: Volume of chemicals used in fiscal 2005 that are on the PRTR list.

OUTPUT

Chemicals: Volume of chemicals used in fiscal 2005 that are on the PRTR list.

Atmospheric emissions: C2o equivalent greenhouse gas emissions. Emissions put out by factories and other locations in fiscal 2005 through electric power consumption (indirect emissions) and fuel consumption (direct emissions). For NOx, SOx: Volume of emissions due to burning fuel (LPG, etc.) in factories and other locations in fiscal 2005.

Sewage: Sewage volume. Amount of sewage discharged in rivers or other waters and into sewer systems. BOD: A measurement of organic pollution emissions in company sewage, which represents the volume of oxygen consumed when microorganisms break down organic matter in water. COD: A measurement of organic pollution emissions in company sewage, which represents the volume of oxygen consumed when an oxidizer is used to chemically break down organic matter in water.

Chemicals: Total volume reported of chemicals listed in the PRTR (Pollutant Release and Transfer Register) law that were moved or emitted in fiscal 2005.

Waste: Total output: Total volume of solid waste put out by the factories and other locations. Final disposal volume: The volume of solid waste that made it into landfills or was incinerated.

Environmental Accounting

Believing it necessary to make effective investments in environmental conservation activities, Ushio has introduced a groupwide environmental accounting system to accurately gauge the group's environmental management standards. Calculations were made by all Japanese and overseas Ushio Group companies (coming under consolidated environmental management) in fiscal 2005 using unified standards. By gaining a broader, more detailed picture of the environmental load of Ushio Group activities and the life cycle of Ushio products, and by making more effective investments in environmental conservation activities, the Ushio Group is further strengthening its environmental management.

In fiscal 2005 the total cost of environmental activities was ¥218 million, and total benefits (actual and estimated benefits) came to ¥134 million. The benefits declined in comparison to fiscal 2004, the main reason being reductions in newly recycled components due to the already extensive reuse of resources.

					(¥ million)	
Category	Major activities	Cost	Investment in environmental	Benefits*		
Oategory	iviajor activities	0031	equipment	Actual	Estimated	
Pollution prevention	Prevention of pollution through the use of hydrofluoric acid treatment equipment; confirmation of pollution status by soil analyses; etc.	41.9		0.1	49.8	
Global environment conservation	Energy savings through the introduction of high-efficiency air conditioning systems; renewal of lighting; etc.	46.2		21.9	2.1	
Reuse of resources	Improvements in waste-disposal sites; costs of waste disposal; etc.	46.1		40.2	0.0	
Upstream/ downstream activities	Design and procurement changes to meet RoHS directive; meetings to explain green procurement; etc.	11.0	44.0	1.4	0.0	
Maintenance activities	Maintenance of environmental management systems; reduction of risk through use of monitoring wells; etc.	48.8	(includes antipollu- tion equipment, monitoring wells,	0.0	16.3	
R&D	Design changes to reduce hazardous substances; inspections using fluorescent X-ray spectrometers; etc.	22.3	and fluorescent X-ray spectrom-	0.0	1.2	
Social contributions	Donations, landscaping, and tree planting activities, etc.	1.5	eters)	0.0	1.0	
Response to environ- mental deterioration	_	0.0		0.0	0.0	
Total		217.8		63.6	70.3	

Overall reduction in CO ₂ emissions**
127,241 tons of CO ₂

Period: April 1, 2005–March 31, 2006 Range: Companies covered by consolidated environmental management (see figure on page 1) Costs: Environmental conservation costs include personnel costs and depreciation of investments. A five-year, straight-line depreciation is used to calculate the latter. When environmental conservacalculate the latter. When environmental conserve tion costs are incurred along with other costs, only the amount directly related to environmental conservation was used in the calculations. Benefits: Actual benefits are calculated as they accrue, while estimated benefits are calculated according to estimations of possibility.

Benefits represent the reductions in energy use due to the use of major energy-saving products manufactured by Ushio Inc. and the Ushio Group

^{**}Reduction in CO_2 emissions = (reduction in electricity use) × (number of units shipped in fiscal 2005) × (CO_2 conversion factor).

Communication

Activity Principles and Objectives

Communicating our contributions

Ushio communicates with the public at large by publishing environment-related reports and disclosing information on our website. We also communicate this information through internal enlightenment activities including our public company newsletter and a section on environmental information in our internal newsletter.

Ushio's employees take on proactive roles in their communities. At the same time, they strive to be active as global citizens.

Achievements in Fiscal 2005

Information disclosure

In addition to reporting on environmental issues in our Sustainability Report, we have focused on these issues in our annual reports and investors' guides, raising the public profile of Ushio's environmental initiatives. This Environmental Sustainability Report is our first such English publication.

Moreover, the Ushio Inc. website includes a section focusing on environmental issues (http://www.ushio.co.jp/eco), which provides a wide range of relevant information.



We pursue full disclosure through our annual reports.



Environmental information for investors.

Enlightenment activities

The Ushio Green Network comprises 38 members from 15 selected group companies (see organization diagram on page 3). Once a month we publish information received from these members regarding environmental law and the current state of our environmental activities in the UGN News.

Ushio's internal newsletter also includes the "Green Times," a regular section on environmental issues that aims to promote ongoing education within the company and boost environmentally conscious activities among employees.



Ushio publications share environmental information with stakeholders.

Community outreach

Many Ushio offices and group companies participate in activities in the communities where they operate. They undertake a broad range of ventures, such as cooperating with local businesses to clean the areas around their factories and conducting educational tours of their facilities for students at nearby elementary schools.





Making the Earth a more beautiful place.

Environmental conservation activities

Ushio America, Inc. assists businesses that are researching and developing wind-powered electricity generation and donates to support activities promoting environmental conservation. Christie Digital Systems Canada, Inc. sponsors a team from its community in an electric car race.

We believe that by carrying out individual efforts like these to contribute to communities and to society as a whole, Ushio can contribute toward future improvements and environmental conservation on a global scale.



Ushio supports research on tomorrow's technologies

Group Environmental Management Systems

Activity Principles and Objectives

Becoming an attractive environmental company

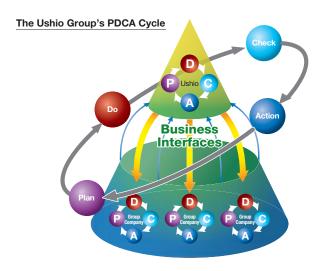
At Ushio we believe our duty as a company is to be the best supplier we can be to our customers, to respond appropriately to the needs of all our stakeholders, and to make public our environmental information. This is the philosophy that informs our Environmental Action Plan, which we aim to put into practice throughout the Ushio Group.

Once per year our chief executive officer (the president of Ushio Inc.) chairs the meeting of the Group Environmental Council. Here Ushio directors and CEOs of group companies gather to review results, make adjustments, and discuss other important matters aimed at the implementation of consolidated environmental management.

Overview of Activities

A global, standardized PDCA system

Ushio is crafting a "Plan Do Check Action" system on a groupwide basis. Group companies in Japan base their activities on the ISO14001 standard, while those in other countries practice procedures compliant with ISO or equivalent EMS standards. While each company maintains its own independent systems, Ushio is implementing its PDCA system in group companies around the globe, aiming for the continuous improvement of its business practices.



Sample Cases

ISO certification in Ushio

As of June 2006, five group companies in Japan and four overseas have received ISO14001 certification. Tsukuba Ushio Electric, Inc. and Taiwan Ushio Lighting, Inc. were certified in fiscal 2005, while Gunma Ushio Electric, Inc. received certification in May 2006. Other group companies are strengthening ties with Ushio, moving steadily toward implementing EMS structures.



Japan

Company/division name	ISO14001 certification received
Ushio Inc. Lamp Company (Harima Division)	Oct. 1997
Ushio Lighting Inc. (Fukusaki Head Office/Plant)	Jan. 2003
Ushio System Company	Feb. 2004
Nihon Denshi Gijutsu Co., Ltd.	Aug. 2004
Ushio Inc. Lamp Company, expanded (Gotemba Division, Tokyo Sales Head- quarters, Osaka Branch)	Oct. 2004
Ushio Inc. Head Office	Dec. 2004
Tsukuba Ushio Electric, Inc.	Apr. 2005
Ushio Lighting, Inc., expanded (five locations including Tokyo Head Office)	Mar. 2006
Gunma Ushio Electric, Inc.	May 2006
Xebex, Inc.	Has begun implement- ing EMS systems

Other countries

Company/division name	ISO14001 certification received			
Taiwan Ushio Lighting, Inc.	Apr. 2004			
Ushio Philippines, Inc.	Jun. 2004			
Ushio (Suzhou) Co., Ltd.	Mar. 2005			
Ushio Taiwan, Inc.	Feb. 2006			
Ushio America, Inc.	Has begun implement- ing EMS systems			
Christie Digital Systems Canada, Inc.	Has begun implement- ing EMS systems			
BLV Light- und Vakuumtechnik GmbH	Has begun implement- ing EMS systems			
Ushio Europe B.V.	Has begun implement- ing EMS systems			

Intragroup exchanges on environmental issues

We have implemented exchange and education programs that focus on the environment, aiming to promote awareness of environmental issues and improve capabilities throughout the Ushio Group. The flow of information from these exchanges, conducted around the globe, contributes to a continuous cycle of improvement in these areas.



Working together around the world.

Future Efforts

Ushio will implement regular education on environmental issues in group companies, both in Japan and overseas, as part of our comprehensive overall system of personnel training. We will also seek continued improvement in both our performance and our EMS practices as part of groupwide efforts to be a truly attractive enterprise for our customers.

Site Data

Ushio has defined fiscal 2005 as its first year of consolidated environmental management, making it a year of strengthened environmental preservation activities for the entire group (including EMS certification, the introduction of several new guidelines, and the implementation of environmental accounting). The following data on our sites includes data on PRTR results, PCB storage, asbestos problems, and other risk management results. The data does not list environmental regulatory violations for each site, pending lawsuits, penalties, fines, or accident reports.

Production Sites

Ushio Inc. Harima Division (Lamp Company)



1194, Sazuchi Bessho-cho, Himeji, Hyogo 671-0224, Japan

Primary Products: super-high-pressure UV lamps, halogen lamps, excimer lamps ISO Certification:

ISO14001 (Oct. 1997); ISO9001 (May 1993)

Major Environmental Activities:

(a) Introduced high-efficiency climate control, electricity monitoring systems.

- (b) Implemented UV lamp material reuse processes.
- (c) Installed on-site groundwater monitoring well; carried out environmental risk inspections.

Ushio Inc. Gotemba Division (Lamp Company, System Company)



1-90, Komakado, Gotemba, Shizuoka 412-0038, Japan

Primary Products: super-high-pressure UV lamps, liquid crystal panel devices, exposure systems

ISO Certification:

ISO14001 (LC: Oct. 2004; SC: Feb. 2004); ISO9001 (LC: Oct. 1995; SC: Jul. 1997)

Major Environmental Activities:

- (a) Introduced electric power and water monitoring systems.
- (b) Executed survey for improving solid waste recycling.
- (c) Installed all-electric food preparation systems in employee dining facilities.

Gunma Ushio Electric, Inc.



262, Kondo-cho, Tatebayashi, Gunma 374-8521, Japan

Primary Products: office equipment, medical equipment, light source equipment

ISO Certification:

ISO14001 (May 2006); ISO9001 (Jan. 2002) Major Environmental Activities:

(a) Carried out further environmental protection activities after ISO14001 certification.

(b) All employees performed 5S activities in and around site each week.

Nihon Denshi Gijutsu Co., Ltd.



2-2-27 Takane, Sagamihara, Kanagawa 229-0021, Japan

Primary Products: projector signal switches, substrate for cameras used in TAB inspection devices

ISO Certification:

ISO14001 (Aug. 2004); ISO9001 (May 1999) Major Environmental Activities:

- (a) Switched to electronic documents and saved 20,000 sheets of paper.
- (b) Saved on packing materials with reusable containers.
- (c) Communicated regularly with local residents; carried out environmental load survey.

BLV Licht- und Vakuumtechnik GmbH



Münchner Straße 10, 85643 Steinhöring, Germany

Primary Products: metal halide lamps, halogen lamps for lighting, super-highpressure UV lamps

ISO Certification:

ISO14001/EMS (in progress); ISO9001 (Dec. 1991)

Major Environmental Activities:

- (a) Switched to heating fuel with lower environmental load.
- (b) Achieved energy savings through use of heat converter.
- (c) Jointly established a lamp recycling company (WEEE compliant).

Ushio Philippines, Inc.



First Cavite Industrial Estate, Barangay Langkaan, Dasmarinas, Cavite, Philippines **Primary Products:** halogen lamps for lighting, halogen lamps for office equipment, xenon short-arc lamps

ISO Certification:

ISO14001 (Jun. 2004); ISO9001 (Dec. 2000)

Maior Environmental Activities:

- (a) Lowered CO volume; improved production environment.
- (b) Gave presentations to suppliers about green procurement
- (c) Installed plants in hallways to improve workplace environment.

Ushio Inc. Yokohama Division (System Company)



6409, Moto-Ishikawa-cho, Aoba-ku, Yokohama, Kanagawa 225-0004, Japan **Primary Products:** all types of exposure

Primary Products: all types of exposure devices, spot UV irradiation devices, light measuring devices

ISO Certification:

ISO14001 (Feb. 2004); ISO9001 (Jul. 1997) Major Environmental Activities:

- (a) Achieved 100% effective usage rate of waste in second half.
- (b) Introduced electricity monitoring system; performed data analysis to reduce electric power consumption.
- (c) Performed environmental education for suppliers (through external trainers).

Ushio Lighting, Inc.



860-22, Saiji, Fukusaki-cho, Kanzaki-gun, Hyogo 679-2215, Japan

Primary Products: halogen lamps for lighting, metal halide lamps, special heaters ISO Certification:

ISO14001 (Jan. 2003); ISO9001 (Dec. 2000)

Major Environmental Activities:

(a) Switched to intermittent air conditioning

and energy-efficient climate control.

(b) Reduced hazardous substance use by switching to new silver flux and

(c) Combined OHSAS18001 and ISO14001 for more efficient management.

Tsukuba Ushio Electric, Inc.



5-2-1 Tokodai, Tsukuba, Ibaraki 300-2635, Japan **Primary Products:** metal halide lamps, pulsed xenon lamps

ISO Certification:

ISO14001 (Apr. 2005); ISO9001 (Mar. 2004)

Major Environmental Activities:
(a) Promoted safe management of chemicals

and other hazardous materials and selfmanagement of environmental facilities.

(b) Promoted reuse through separation of waste materials.

Jshio America, Inc. (incl. Christie Digital Systems Canada, Inc.)



5440 Cerritos Avenue, Cypress, CA 90630, U.S.A. **Primary Products:** halogen lamps, projectors,

digital imaging systems ISO Certification:

ISO14001/EMS (in progress); ISO9001 (UAI: Oct. 2005; CDSC: Jun. 1987)

Major Environmental Activities:

 (a) Added an internal environmental ISO14001 auditor in preparation for building EMS (UAI).

(b) Contributed to development of wind power (UAI); sent team to participate in electric car race (CDSC).

Ushio Hong Kong Ltd. (incl. Ushio [Suzhou] Co., Ltd.)



Suites 3113–14, 31/F, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong **Primary Products:** halogen lamps for lighting, halogen lamps for office equipment **ISO Certification:**

ISO14001 (USZ: Mar. 2005); ISO9001 (UHK: Jun. 2003; USZ: Mar. 2005)

Major Environmental Activities

- (a) Increased efficiency through combined approach to ISO14001, ISO9001, and OHSAS18001 (USZ).
- (b) Displayed environmental posters each month; conducted green procurement classes (USZ).

Гаіwan Ushio Lighting, Inc.



No. 82 Taiho Road, Taiho-Li, Chupei, Hsinchu Hsien, Taiwan, R.O.C.

Primary Products: halogen lamps for stage lighting, metal halide lamps for SSTV **ISO Certification:**

ISO14001 (Apr. 2004); ISO9001 (Mar. 2003)

Major Environmental Activities:

(a) Launched employee campaign to take

home personal trash.

- (b) Supervisors and employees perform monthly 5S inspections.
- (c) All-hands cleaning done on weekends, with factory grounds cleaned every two weeks.

Nonproduction Sites

Ushio Inc. Head Office



6-1, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-8150, Japan

Primary Tasks: coordination of operations for Ushio Inc. and the Ushio Group

ISO Certification: ISO14001 (Dec. 2004)

Major Environmental Activities:

(a) Promoting projector use and use of audio/

video conference systems to reduce travel time, cost, energy usage.

Ushio Inc. Tokyo Sales Headquarters



6-1, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-8150, Japan

Primary Products: light sources and light source units, devices

ISO Certification: ISO14001 (Oct. 2004)

Major Environmental Activities:

(a) Sharing information with the head office to

make environmental activities more efficient.

(b) Carrying out education on international regulations

Ushio Inc. Osaka Branch



Shin-Osaka MT Bldg.1, 5-13-9 Nishi-Nakajima, Yodogawa-ku, Osaka 532-0011, Japan Primary Products: light sources and light source units, devices ISO Certification:

ISO14001 (Oct. 2004)

Major Environmental Activities:

(a) Introduced lights-out campaign, energy

efficient equipment, hybrid cars, and other environmental activities. (b) Achieved 100% effective usage rate of waste.



Nishino Kinryo Bldg., 4-9-4 Hatchobori, Chuoku, Tokyo 104-0032, Japan

Primary Products: projection equipment for theaters, xenon lamps for projection equip-

ISO Certification:

ISO14001/EMS (in progress)

Major Environmental Activities:

- (a) Carrying out environmental education, group information exchanges.
- (b) Enforcing waste separation.
- (c) Displaying information about products that use asbestos.

Ushio Europe B.V.



Sky Park, Breguetlaan 16-18, 1438BC Oude Meer. The Netherlands

Primary Products: halogen lamps, superhigh-pressure UV lamps ISO Certification:

ISO14001/EMS (in progress)

Major Environmental Activities:

(a) Collecting information around Europe to

support environmental activities in group companies.

(b) Developing and marketing efficient lamps for cinemas.

Ushio Singapore Pte Ltd.



No. 1 Jalan Kilang #05-01, Dynasty Industrial Bldg., Singapore 159402

Primary Products: halogen lamps, super-

high-pressure UV lamps ISO Certification:

ISO14001/EMS (in progress)

Major Environmental Activities:

(a) Reduced energy consumption by improving

control of air conditioners

- (b) Reduced paper waste with company intranet.
- (c) Reduced waste through reuse of export packing materials.

Ushio Taiwan, Inc.



10/F, No. 31, Sec. 1 Chung-Shiaw E. Road, Taipei, Taiwan, R.O.C.

Primary Products: super-high-pressure UV lamps, projector lamps, all types of exposure devices

ISO Certification: ISO14001 (Feb. 2006)

Major Environmental Activities:

- (a) Newly acquired ISO14001 certification.
- (b) Reviewing garbage separation in and around site.

Ushio Korea, Inc



14/F Dukheung Bldg., 1328-10, Seocho-Dong, Seocho-ku, Seoul, Korea Primary Products: super-high-pressure UV

lamps, xenon short arc lamps, all types of exposure devices, optical devices ISO Certification:

ISO14001/EMS (in progress)

Major Environmental Activities:

- (a) Taking needed steps for ISO14001 certification.
- (b) Reusing printer, copier paper; doing away with paper cups.
- (c) Training employees to deal with hazardous gas leaks. (c) Carrying out survey of products that use asbestos

Environmental Load Data

Production Sites

					Ushio Inc.		Ushio Lighting,	Gunma	Tsukuba	Nihon Den-	Ushio	BLV Licht- und	Ushio	Ushio	Taiwan
			Harima Division	Yokohama Division	Gotemba Division	Inc.	Ushio Electric, Inc.	Ushio Electric, Inc.	shi Gijutsu Co., Ltd.	America, Inc.	Vakuumtechnik GmbH	Hong Kong Ltd.	Philippines, Inc.	Ushio Lighting, Inc.	
la a cat	Total e	energy input	GJ	269,527	27,706	32,028	58,280	5,177	10,546	845	236,670	41,563	30,626	29,339	15,821
Input	Water	resources	m ³	61,646	13,283	44,578	26,000	2,500	2,600	261	37,815	3,000	17,651	223,980	2,570
	Greenhouse gases t-CO2		8,550	1,073	1,063	2,197	205	381	36	9,184	1,593	1,103	1,038	611	
	NOx		243	21	150	490	50	8	30	1,155	78	64	390	49	
	SOx		0	10	48	0	0	0	0	1	1	0	0	0	
	Total effluent m ³		61,646	13,283	44,848	8,403	3	2,482	261	37,815	3,000	17,651	223,980	2,570	
	BOD Kg		5,184	_	67	43	0	3	_	_	_	_	1,881	_	
	COD Kg		Kg	2,688	_	54	78	_	_	_	_	_	_	4,569	_
Output		Chloroform	Kg	atmospheric 4,500	_	atmospheric 910	_	_	_	_	_	_	_	_	_
	PRTR	Molybdenum	Kg	liquid waste 1 solid waste 31	_	_	- solid waste 178	_	_	_	_	_	_	_	_
		Total output	Kg	387,100	121,620	70,173	134,056	1	12,340	4,040	335,300	89,100	151,969	33,100	21,400
	Solid	Final disposal		11,300	10,540	18,788	49,256				285,415			1,100	18,400
		Effective usage rate	%	97.1	91.3	73.2	63.3	58.0	72.5	94.1	14.9	94.6	22.0	96.7	14.0

Nonproduction Sites

					Ushio Inc.		V 1 1	Ushio Europe	Ushio Singapore	Ushio Taiwan.	Ushio Korea.
				Head Office	Tokyo Sales Headquarters	Osaka Branch	Xebex, Inc.	B.V.	Pte Ltd.	Inc.	Inc.
Innut	Total energy input GJ			1,913	929	244	1,136	368	682	2,824	3,358
Input	Water resources		m ³	I	-	_	_	496	131	492	_
	Greenhouse gases t-CO2		t-CO ₂	76	35	10	58	24	27	163	224
	Total effluent m ³		m ³	_	_	_	_	_	_	_	_
Output		Total output	Kg	15,950	10,120	1,000	1,856	54	1,964	2,200	6,720
	Solid waste	Final disposal volume	Kg	500	400	0	1,856	54	1,964	1,500	2,880
	wasie	Effective usage rate	0/6	96.9	96.3	100.0	0.0	0.0	0.0	31.8	51.7

The above site data includes figures from the following sites.

Listed site	Included sites
Ushio Lighting, Inc.	Hyogo Ushio Lighting, Inc.
Ushio America, Inc.	Ushio Canada, Inc., Event Audio Visual Group, Inc., Christie Digital Systems Canada, Inc.,
	Christie Digital Systems U.S.A., Inc., Christie Digital Systems (Shanghai), Ltd.
BLV Licht- und Vakuumtechnik GmbH	DiplIng. Reinhold Eggers GmbH
Ushio Hong Kong, Ltd.	Ushio (Suzhou) Co., Ltd., Ushio Shanghai, Inc.
Ushio Europe B.V.	Ushio France S.A.R.L., Ushio Deutschland GmbH, Ushio U.K., Ltd.



The Things You Can Do with Light!

Sometimes it feels as if technology is moving forward at the speed of light, getting smaller, faster, and more precise every day.

Light is helping to solve some of the problems this dizzying pace of change causes.

Ushio, the light creation company, is lighting the way to the future.

For further information, visit Ushio's website:

http://www.ushio.co.jp/english

Eco-Management Systems Division Ushio Inc.

6-1, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-8150, Japan

For comments or questions regarding Ushio's *Environmental Sustainability Report 2006*, contact: kankyo@ushio.co.jp







