

Strategy

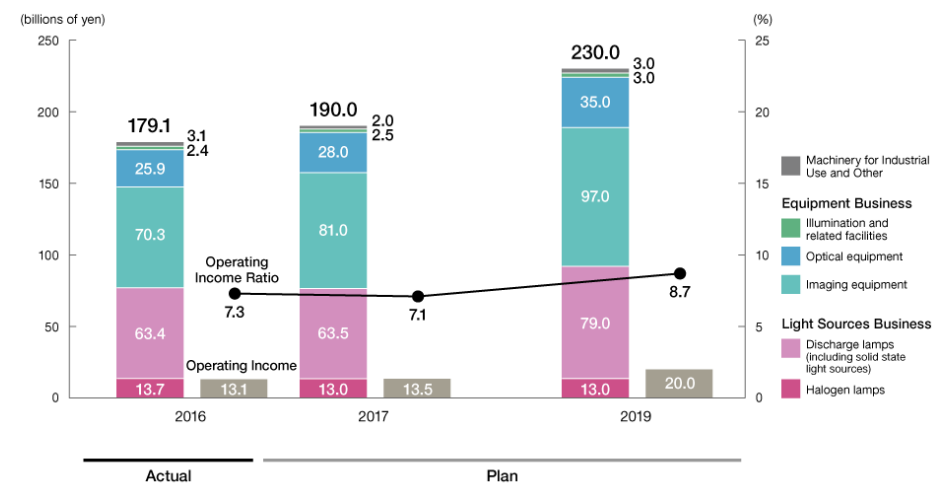
Strategy

Medium-term Management Plan

Objectives for the Year Ending March 31, 2019

NET SALES		OPERATING INCOME	
2016 (Actual)	2019 (Plan)	2016 (Actual)	2019 (Plan)
¥179.1 billion	¥230.0 billion	¥13.1 billion	¥20.0 billion
	+¥50.9 billion, growth rate 28%		+¥6.9 billion, growth rate 53%
OPERATING INCOME RATIO		ROE	
2016 (Actual)	2019 (Plan)	2016 (Actual)	
7.3%	8.7% +1.4 percentage points	5.2%	Above 8%

Sales (by sub-segments) and Operating Income



Segments	Sub-Segments	March 2019 (Plan) (Billions of Yen)	For the Next 3 Years		CAGR
			Amount of Increase (Billions of Yen)	Growth Rates	
Equipment Business	Imaging equipment	97.0	+26.7	38%	11%
	Optical equipment	35.0	+9.1	35%	11%
	Illumination and related facilities	3.0	+0.6	25%	8%
	Sub-total	135.0	+36.3	37%	11%
Light Sources Business	Discharge lamps (including solid state light sources)	79.0	+15.6	25%	8%
	Halogen lamps	13.0	-0.7	-5%	-2%
	Sub-total	92.0	+14.8	19%	6%
Others	Machinery for industrial use and other business	3.0	-0.1	-3%	-1%
Total		230.0	+50.9	28%	9%

Strategy

Key Strategies under the Current Medium-term Management Plan

○ Maintain and Improve Earning Capability in Existing Businesses

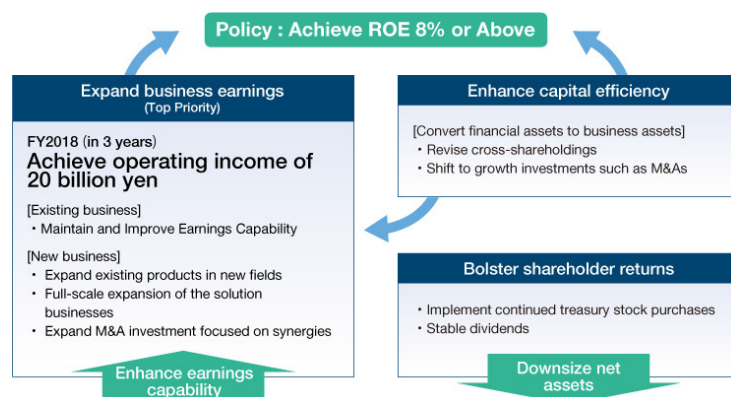
- Move to second stage of structural reform in the optical equipment business
- Increase cost competitiveness in Light Sources and Equipment businesses

○ Pursue New Growth Opportunities

- Expand existing products in new fields
- Full-scale expansion of the solutions businesses
 - Establish solution-type business model in the imaging field
 - Expand solution-type business into other business fields
- Expand M&A investment focused on synergies

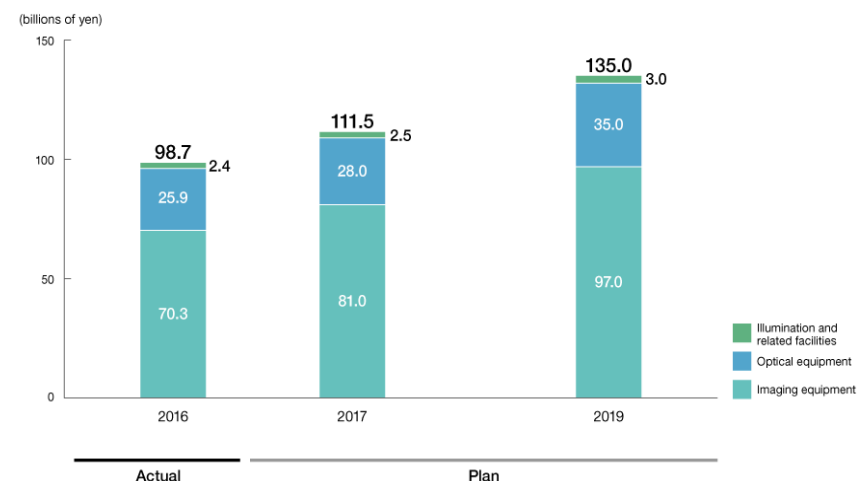
Increasing USHIO's Corporate Value

We will expand business earnings and aim to swiftly attain an ROE of 8% at the same time by enhancing our capital efficiency and bolstering shareholder returns.



Equipment Business

Medium-term Management Plan for Equipment Business



	(billions of yen)		
	2016 (actual)	2017 (plan)	2019 (plan)
Imaging equipment	70.3	81.0	97.0
Optical equipment	25.9	28.0	35.0
Illumination and related facilities	2.4	2.5	3.0