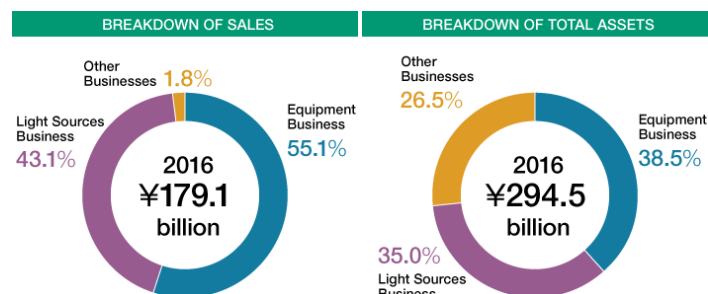
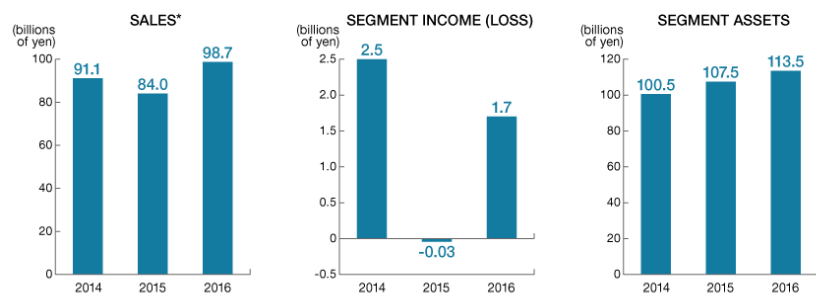


Business Overview

At a Glance



Equipment Business



*Sales indicates sales to unaffiliated customers

○ Imaging equipment

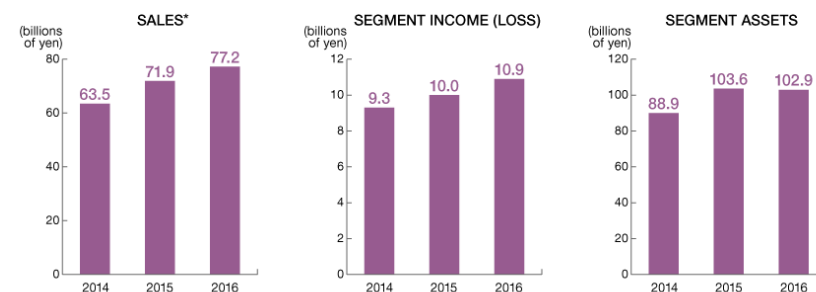
- Digital cinema projectors
- Digital projectors for general imaging, control rooms, simulators, digital signage and virtual reality systems

○ Optical equipment

- Optical equipment for manufacturing semiconductors, flat panel displays and electronic components (lithography equipment, photo-cleaning units, optical alignment equipment, and others)
- UV phototherapy devices and other medical devices
- EUV light sources equipment for semiconductor inspection and development applications

Business Overview

Light Sources Business



*Sales indicates sales to unaffiliated customers

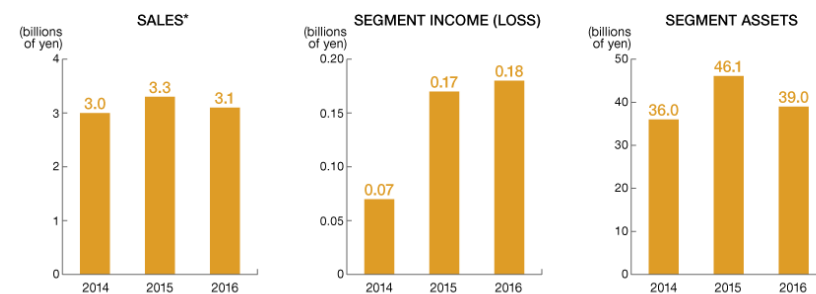
○ Discharge lamps, LED and LD

- UV lamps for manufacturing semiconductors, flat panel displays and electronic components
- Light sources for use in cinema projectors, data projectors, office automation equipment, illumination, and industry

○ Halogen lamps

- For office automation equipment
- For illumination applications (commercial facilities, stage and studio lighting, specialized lighting and others)
- Industrial halogen heaters

Machinery for Industrial Use and Other



*Sales indicates sales to unaffiliated customers

- Plastic forming applications, peripheral machinery
- Machinery and systems for industrial use
- Others

Business Overview

Equipment Business

Basic Strategies

Field	Main Products	Basic Strategies	
		Target	Measures
Imaging equipment	<ul style="list-style-type: none"> Digital cinema projectors Digital projectors for general imaging, control rooms, simulators, digital signage and virtual reality systems 	Expand the total solution business	<ul style="list-style-type: none"> Establish solution provision-type business model Establish stable revenue model
Optical equipment	<ul style="list-style-type: none"> Optical equipment for manufacturing semiconductors, flat panel displays and electronic components (lithography equipment, photo-cleaning units, optical alignment equipment, and others) UV phototherapy devices and other medical devices EUV light source equipment for semiconductor inspection and development applications 	Structural reform for constant profit	<ul style="list-style-type: none"> Revise Group strategy

Financial Results

In the imaging equipment field, sales were slightly lower for general imaging but grew for cinema-related business as laser projector uptake advanced and digital cinema projector (DCP) shipments rose due to the continued expansion of digital cinema screens in developing countries, centered on China.

In the optical equipment field, sales grew for projection lithography equipment for electronic devices. Sales also rose for optical alignment equipment for high-definition LCD panels for mobile applications, fueled by sustained demand for higher-definition small- and medium-sized LCD panels.

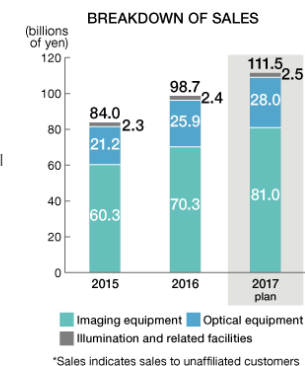
As a result, equipment business sales were ¥98,828 million, an increase of 17.4% year on year. Segment income was ¥1,726 million.

Initiatives Ahead

In imaging equipment, we anticipate broadly flat DCP sales volume. Further, we expect to increase sales of laser projectors due to the spread of Dolby Cinema™. Moreover, we forecast growth for the total solutions business from cinema and general imaging.

In optical equipment, we believe the sales volume of projection lithography equipment will be on par with the current fiscal year. However, we expect optical alignment equipment shipments to grow, driven by continued demand for higher-definition small- and medium-sized LCD panels.

Sales	2015	2016	2017 (plan)
Imaging equipment	¥60.3 billion	¥70.3 billion	¥81.0 billion
Optical equipment	¥21.2 billion	¥25.9 billion	¥28.0 billion
Illumination and related facilities	¥2.3 billion	¥2.4 billion	¥2.5 billion



Business Overview

Light Sources Business

Basic Strategies

Field	Main Products	Basic Strategies	
		Target	Measures
Discharge lamps, LED and LD	<ul style="list-style-type: none"> UV lamps for manufacturing semiconductors, flat panel displays and electronic components Light sources for use in cinema projectors, data projectors, office automation equipment, illumination, and industry 	Maintain profitability and grow sustainably	<ul style="list-style-type: none"> Existing domains: Maintain share and improve manufacturing costs New domains: Aggressively enter growth markets
Halogen lamps	<ul style="list-style-type: none"> For office automation equipment For illumination applications (commercial facilities, stage and studio lighting, specialized lighting and others) Industrial halogen heaters 		

Financial Results

Among discharge lamps, sales declined for UV lamps for lithography, owing to price competition as well as greater uptake of long-life type products in the semiconductor and LCD panel fields. In contrast, sales of xenon lamps for cinema projectors grew on a rise in the total number of DCPs installed, mainly in China and other developing countries. In solid state light sources, sales increased due to the expansion of the semiconductor laser business through M&A and the LED business.

Sales of halogen lamps for office automation applications declined, hampered by economic weakness in developing countries.

As a result, sales in the light sources business increased by 7.6% year on year to ¥78,574 million. Segment profit was up by 9.0% year on year to ¥10,976 million.

Initiatives Ahead

In discharge lamps, sales will likely grow for solid state light sources but be flat or slightly lower for UV lamps for lithography, owing partially to price competition in xenon lamps for cinema applications.

We forecast halogen lamp sales will decline, owing to the impact on office automation applications of the economic slowdown in developing countries.

Sales	2015	2016	2017 (plan)
Discharge lamps (including solid state light sources)	¥57.6 billion	¥63.4 billion	¥63.5 billion
Halogen lamps	¥14.2 billion	¥13.7 billion	¥13.0 billion

