

Strategy

Key Strategies under the Current Medium-term Management Plan

Maintain and Improve Earning Capability in Existing Businesses

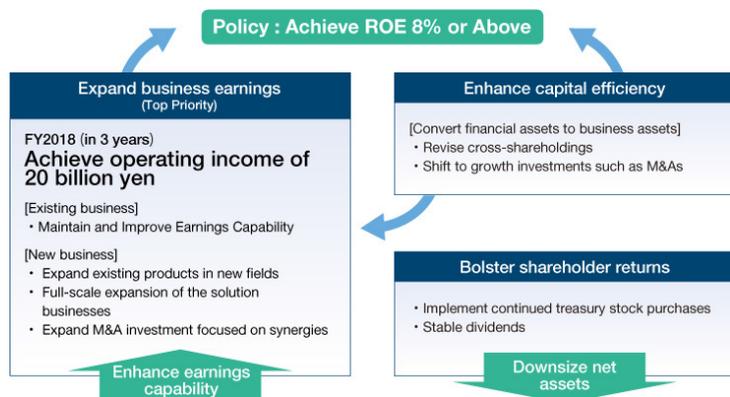
- Move to second stage of structural reform in the optical equipment business
- Increase cost competitiveness in Light Sources and Equipment businesses

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

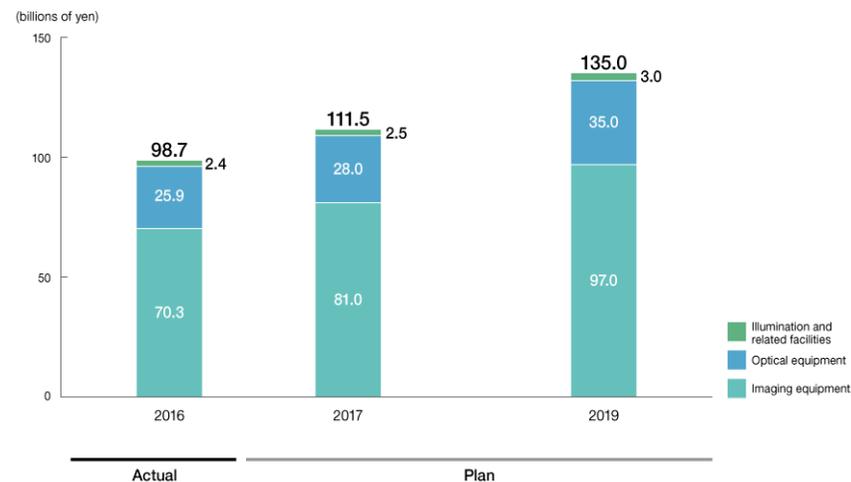
Increasing USHIO's Corporate Value

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



	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

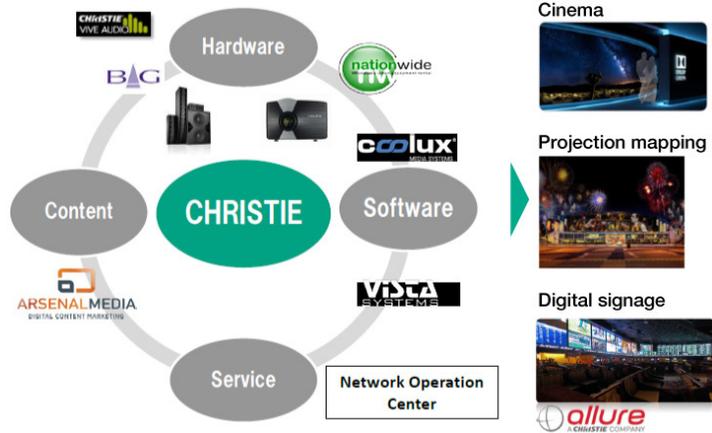
Strategy

Business Environment and Measures

Imaging equipment

Field	Business Environment & Strategy	Measures
Cinema	+ Continued expansion of demand in developing countries and demand for premium cinema screens	Expand the total solution business
	+ Increase provision of high-end cinema (Laser projector + Audio system, etc.)	
General imaging	+ Expand the digital signage business - a growth field	<ul style="list-style-type: none"> • Establish solution provision-type business model • Establish stable revenue model

Expand Total Solutions for Imaging



Optical equipment

Field	Business Environment & Strategy	Measures
UV equipment	+ Innovate semiconductor packaging technology	Structural reform aimed at normalizing profitability
	+ Invest in automotive and infrastructure, expand data center	
	+ Investment opportunities through introduction of OLED	
Cure equipment	- Slowdown in smartphone growth	<ul style="list-style-type: none"> • Revise Group strategy
	+ Continued LCD investment in China	
	+ Continued needs for higher resolution in small-/medium-sized LCDs	
	- Decline in demand as OLED replaces LCD	

Structural Reform in the Optical Equipment Business

