

USHIO Lighting—Edge Technologies

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/en/>

Please contact us if you have any comments or questions about the USHIO Sustainability Report 2009.

**Environmental Management Group
Corporate Social Responsibility Department
Administration Division
Ushio Inc.**

6-1, Otemachi 2-chome, Chiyoda-ku,
Tokyo 100-8150, Japan
E-mail: kankyo@ushio.co.jp



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Sustainability Report

2009



USHIO Lighting—Edge Technologies



USHIO Sustainability Report 2009

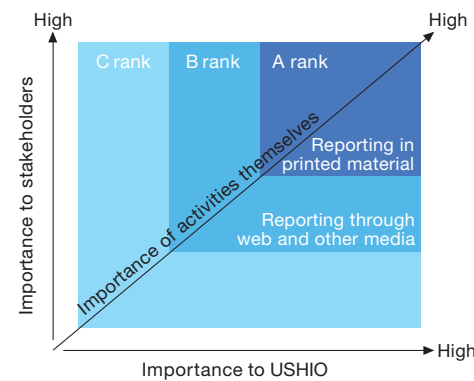
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Information Provided by this Sustainability Report

The USHIO Group is engaged in an extremely broad range of efforts to be sustainable. We report on these activities through a variety of media – including our annual reports, securities reports and website – but in choosing the material for this Sustainability Report, we focused in particular on the concerns of people who read this report. The most critical matters were selected for reporting, as indicated in the following diagram:

Approach to Materiality at the USHIO Group



This report was written in our own format based on:
 ·Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, Generation 3 (GRI G3)
 ·Environmental Report Guidelines (2007 edition) from the Japanese Ministry of the Environment

Scope of Report

Time Period: This report basically covers FY2008 (April 1, 2008 to March 31, 2009), but also includes some continuing activities from before FY2008, and some activities in FY2009.
Organizations: All USHIO business sites and group companies worldwide

Corporate Profile

Company Name	USHIO INC.	Shiro Ushio
Establishment	March 1964	Ryutaro Tada
Head Office	6-1 Otemachi 2-chome, Chiyoda-ku, Tokyo, Japan	Hiroaki Banno
Scope of Business	Light application products, industrial equipment and other businesses	Akihiro Tanaka
Representative	Shiro Sugata	Susumu Nakaichi
Paid-In Capital	¥19,556,326,316	Osamu Monoe
Settlement Term	March 31	Shigeki Nakayama
Board of Directors (As of June 26, 2009)		Shuichi Hattori
Chairman and USHIO Group Representative	Jiro Ushio	Koji Aso
President and Chief Executive Officer	Shiro Sugata	
Directors	Manabu Goto	
	Seiji Oshima	
	Tadashi Taki	

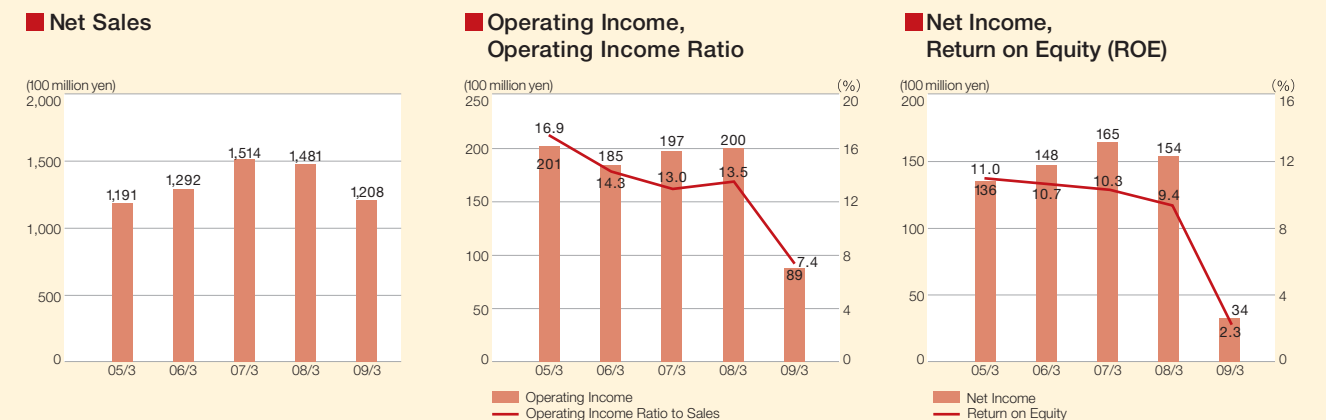
List of business establishments

Head Office	
Development and Manufacture	Harima Division Yokohama Division Gotemba Division
Sales	Tokyo Sales Headquarters Osaka Branch
Group Companies (Japan)	USHIO LIGHTING, INC. HYOGO USHIO LIGHTING, INC. TSUKUBA USHIO ELECTRIC, INC. XEBEX INC. NIHON DENSHI GIJUTSU CO., LTD. EPITEX INC. GIGAPHOTON INC. USHIO SPAX, INC. 4 other companies

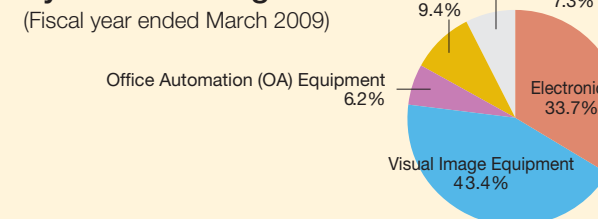
Group Companies (Overseas)

Development/Manufacturing	<North America> CHRISTIE DIGITAL SYSTEMS CANADA, INC. VISTA CONTROLS SYSTEMS, CORP. <Europe> BLV Licht-und Vakuumtechnik GmbH XTREME technologies GmbH USHIO PHILIPPINES, INC. <Asia> USHIO(SUZHOU) CO., LTD. TAIWAN USHIO LIGHTING., INC.
Sales	<North America> USHIO AMERICA, INC. USHIO CANADA, INC. CHRISTIE DIGITAL SYSTEMS U.S.A., INC. <Europe> USHIO EUROPE B.V. USHIO U.K., LTD. USHIO DEUTSCHLAND GmbH USHIO FRANCE S.A.R.L. USHIO KOREA, INC. <Asia> USHIO TAIWAN, INC. USHIO HONG KONG LTD. USHIO SINGAPORE PTE LTD. USHIO SHANGHAI, INC. 12 other companies

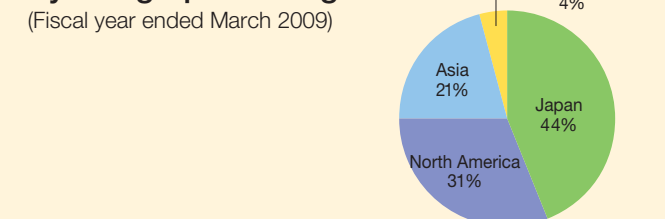
Key Management Indicators



Proportion of Total Sales by Business Segment



Proportion of Total Sales by Geographical Segment



Three Different Colored Leaves Symbolizing USHIO Group Activities



Since the *USHIO Sustainability Report* in fiscal 2005, the cover has featured three colored leaves. This design is based on the three primary colors of light and a motif of young leaves embodying the environment. The colors represent the three elements of sustainable management: red for the economy, blue for society, and green for the environment. Through steady progress in our daily activities, we nurture these leaves so they can thrive, grow and build a sturdy trunk.

Striving to be a Society which is Friendly to People and the Environment

21st Century Society

In the 21st century, society will need to incorporate green management for more beneficial and enriched living.

Corporations must go beyond their conventional values – earning high profits and improving competitiveness by lowering costs – and address the increasingly important issues of protecting nature and eliminating waste of finite resources.

An “ecological footprint” is a measure of people’s dependence on the global environment, and according to this concept, if everyone on Earth were to adopt the same lifestyle as people in developed countries, it is estimated we would need anywhere from 2 to 5 or more planets. Through technological innovation, we need to transform into a new economy and society which minimizes environmental load on the globe and makes the most of the productive potential of nature. In other words, we need to transition to a low-carbon, recycling-oriented society.

Corporations must improve their “environmental power,” put it to work, and actively contribute to this transformation.

There is also demand for approaches which value

human beings, and warmth and kindness are highly regarded in today’s corporate management. If the employees of a firm can choose a variety of fulfilling life paths, they will work with a sense of meaning in their job and life. This improves the quality of their work, and allows them to lead fulfilling lives in the workplace. In activities outside the organization, our employees broaden their “people power” by strengthening their involvement with the local community, and this helps create a more enriching society.

Contributing to the World with “Environmental Power” and “People Power”

Japan accumulated advanced environmental and energy-saving technologies in order to overcome severe pollution problems during the country’s period of high economic growth, and the “oil shock” energy crises. In the 21st century, as developing countries such as China and India take their places as economic driving forces, and advanced countries like the US recover, the world will need Japan to provide technology by leveraging its lead in the environmental and energy-saving fields.

The USHIO Group will contribute to achieving both global growth and a green economy through our “environmental power” based on clean light product technologies, and our “people power” based on management which values each individual.



Chairman and USHIO Group Representative

Expanding our Business by Linking the Environment with Management based on our “Environmental Vision”

Environmental Vision of a Green Economy

I believe that corporations must take the initiative and drive the shift to a sustainable society where the environmental load of humanity falls within the regenerative capacity of the earth.

The USHIO Group has newly established “USHIO’s 2020 Environmental Vision” describing how USHIO must change by the year 2020 in order to minimize the expected future impact of global warming, resource depletion and destruction of the ecosystem. By working back from this vision, we will formulate and carry out Phase Three of our Environmental Targets and Action Plan, and help drive the shift to a green economy.

Various countries have adopted Green New Deal policies which attempt to develop and broaden adoption of environmental technology as a way to innovate our way out of the current economic crisis. I believe the transition to a green economy will change the world of the 21st century into a sustainable society.

The Key for Management is to Fulfill Our Social Responsibilities

The social responsibility of a corporation is to create and offer competitive new products and improved services, and to secure a stable profit.

When the overall value of a product – including service and other factors – is competitive, this is evidence that materials, energy, personnel and other resources have been used efficiently to meet customer needs. Stable profits are returned to society through payment of taxes and dividends, and retained as investment capital for future growth. Profits are also the basis of ensuring a stable livelihood for employees, growth of business partners, harmonious coexistence with society, and protection of the global environment.

Expanding Business while Protecting the Environment

To expand our business in an environmentally sound fashion, we are shifting to green processes as part of productivity improvement – incorporating energy-saving targets into work targets and reducing waste by adopting material flow cost accounting.

In developing environmentally conscious products, we propose to the customer the “required environmental performance” in each industrial application field, and strive to reduce the environmental load through the entire product life cycle, with energy and resource-saving products, and product recovery and recycling.

In Phase Two of USHIO’s Environmental Action Plan, launched in fiscal year 2007, we have been promoting three activities:

- Improvement of environmental productivity in manufacturing
- Development of “Lighting-edge Technologies and Products” with enhanced environmental performance
- Strengthening management of environmental risk

In this fiscal year, we are operating in a severe management environment. However we hope to further increase the corporate value of the USHIO Group by deploying effective “attack” and “defense” measures to close out the final year of Phase Two. USHIO’s objective is to link “environmental power” with the output of corporate activities, and contribute to environmental protection through light.

I ask for your continued understanding and support as we forge ahead.



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

USHIO Group Management Philosophy

- (1) Build both a prosperous Company and prosperous employees.
- (2) Deliver products and services that are competitive in the global market.
- (3) Contribute to society through superior products and innovative research and development.
- (4) Expand profits, corporate responsibility and competitiveness through open and free-thinking business operations.

In fiscal year 2004, 40 years after USHIO's founding, we established a new Management Philosophy to act as the foundation of all activities carried out by the employees of USHIO and the USHIO Group. The central objective of this philosophy is to fulfill our social responsibility as a company – an increasingly important priority due to changing times. We regard this as our second founding, and an opportunity to start afresh with new business strategies and organizational restructuring.

USHIO's Vision for the Three Years to March 31, 2012

1. Maintain steady growth in digital cinema products and deploy related technologies in other product sectors

The renewed popularity of 3-D movies in North America promises to stimulate demand in Europe and in Asia. We will nurture business in 3-D cinema products worldwide, promote 3-D products for other applications, and develop business in maintenance and technical support for our entire range of 3-D offerings.

2. Develop business in products and technologies that address concerns about environmental quality

Our technologies position us especially well to contribute to energy conservation, as in LED alternatives to incandescent and fluorescent illumination.

3. Develop business in solid-state light sources

We will develop business aggressively in solid-state light sources, including lasers and LEDs, by appealing to customers with a comprehensive range of product specifications.

4. Maximize our growth potential through strategic alliances, joint ventures, and mergers and acquisitions

Strategic alliances, joint ventures, and mergers and acquisitions have long been part of our growth strategy. The present economic downturn presents opportunities to secure businesses and technologies on favorable terms, and we will step up our activity in reaching outside our company to secure useful assets.

5. Strengthen our market position in advanced exposure products

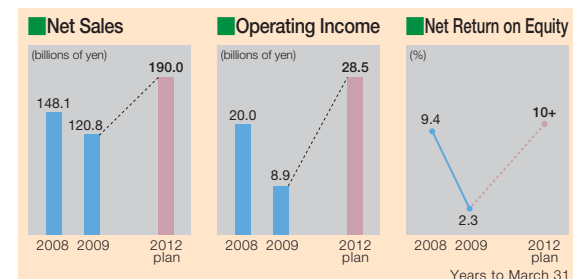
We will focus on extreme UV wavelengths with an eye to putting new-generation products into mass production within a few years. Leading our development effort in this sector will be XTREME Technologies GmbH., a former joint venture in Germany that we acquired outright in 2008.

6. Deploy products and technologies that contribute to advances in LCDs, semiconductors, and fine printed circuitry

Our efforts will include developing new solutions by combining our strengths in light sources and in related equipment.

7. Expand our business in new product sectors while reinforcing the competitiveness of established products

We will work to expand our presence in the medical sector, for example, by building on footholds in blood analyzers and in UV therapeutic equipment. We will also continue working to strengthen our market position in established products.



Basic Policy

The basic policy of the USHIO Group is to ensure transparency and efficiency in company management, and increase corporate value in response to the expectations of all stakeholders. To this end, we place the establishment and maintenance of systems of internal control, incorporating compliance and J-SOX regulations, as a top management priority and make every effort to promote these systems.

Corporate Governance System

Within the management control structures of USHIO, we have established a Board of Directors as the body for decision-making on key issues such as management policy and overseeing operations, and Representative Directors as the persons responsible for actually carrying out operations. The Board of Directors has a regular meeting once a month, and unscheduled meetings are held when necessary. We also use a Board of Auditors system. As the auditing body we have established a Board of Auditors and three of the five auditors on the board are statutory. Each auditor conducts auditing within their specialized field of auditing.

Furthermore, we have established a Management Council, Group Management Committee, and a Group Corporate Officer System to discuss management strategies, medium-term management policy and other important issues relating to USHIO and the Group overall. To support decision-making by the Board of Directors, and improve and speed-up operations by the Representative Directors, we have also adopted an In-House Company System and a Corporate Officer System.

Approach to Internal Governance

In the USHIO Group, we have established action guidelines to ensure that all Group employees act in compliance with laws, regulations, our Articles of Incorporation, and our Management Philosophy. To ensure strict compliance, we have established a Compliance Committee. The Operational Auditing Office works together with this Compliance Committee to audit management of the compliance system, and reports its results to the Board of Directors when appropriate. Based on those results, the Board of Directors reports to the Board of Auditors on implementation of internal auditing and related matters.

To address risks involving compliance, the environment, quality, financial affairs, legal affairs, accidents, information and export controls, the respective supervising departments establish rules and guidelines, conduct training, prepare and distribute manuals and carry out other activities.

To ensure compliance with the Financial Instruments and Exchange Law, we are building a trustworthy internal control system – by setting up a J-SOX Committee, formulating plans for introducing an internal control system, and promoting documentation, effectiveness evaluation and remediation of all our operations. We are also taking the same measures at Group companies, and working to develop a system suited to USHIO based on remediation advice from this Committee. The Committee is tasked with reporting every quarter on the propriety of operations by Group companies, and USHIO's Operational Auditing Office also conducts auditing as appropriate.

CSR TOPICS

Incorporation in SRI* Indices

In the USHIO Group, we have always fulfilled our social responsibility to ensure our continuing development as a company. These social activities have been highly regarded, and as a result we have been incorporated into SRI indices such as the UK's FTSE4Good Index (for 6 consecutive years since 2004), and SRI funds such as the Sompo Japan Green Open (Nickname: Buna-no-mori "Beech Forest").



*SRI: Socially Responsible Investment

Group Activities

Emergency Training

As part of risk management, we are working to prevent all types of accidents and raise awareness of disasters by, for example, conducting disaster training at each business site of the USHIO Group.



Fire-fighting drill at Taiwan Ushio Lighting



Disaster drill at Nihon Denshi Gijutsu

Improving Customer Satisfaction with a New Environmentally Conscious Network Operations Center

(Christie Digital Systems, Inc.)

Christie Digital Systems opened a new Network Operations Center in January 2009. In the future, this newly completed facility will be capable of monitoring 35,000 digital cinema screens and 150,000 devices throughout the US. If there is a problem with the operating status of any projector in North America, the call center and help desk respond to the theater by telephone, and field service dispatches a service engineer in the nearby area to the customer's location. The final result is a highly-functional, dedicated customer support system which is available 24 hours a day, 365 days a year. This system has raised the operation rate of digital cinema projectors of North American customers (percentage of time screening as scheduled, without interruptions due to problems) to 99.99% overall.



This new Network Operations Center was built by using recyclable building materials and reusing original furnishings, in accordance with our Environmental Management Initiative. We expect to achieve a high level of customer satisfaction from this environmentally conscious and elegant new facility.

CSR and Equitable Procurement

At USHIO, we abide by the Anti-Monopoly Act and the Subcontract Act, and conduct procurement with a focus on prosperous coexistence with business partners. To ensure equitable, fair and free competition, we search broadly for the best business partners, regardless of whether they are domestic or foreign, and we evaluate, select and conduct environmental/quality auditing of business partners from the standpoints of quality, cost, delivery period and environment. We also actively investigate reports of design problems and VA proposals from business partners.

Listening to Our Customers

System Company

•Database of Customer Comments

Information on customer needs, opinions and problems is stored and managed in a central database, and used for product development and support. In the field of LCD and semiconductor manufacturing equipment, we have to work to individual customer specifications, and we prepare checklists to ascertain product quality in a timely fashion from the manufacturing stage. By sharing information among relevant departments, we can completely resolve problems before shipment and greatly reduce in-house quality costs.

Lamp Company

•Customer Surveys

In each business unit of the Lamp Company, the Quality Assurance Department works to improve quality by gathering and analyzing data on customer satisfaction. This is done primarily through surveys, and quality meetings and visits with customers. Questionnaires are administered to customers every year, and the data is used to promote improvement by comparing whether performance on each point has improved over the previous year.

Collaboration with Overseas Manufacturing Bases

At the production plants in China where we manufacture products for our Document BU (Business Unit), QA Staff first conduct self-evaluations, and then compare these with the results of customer questionnaires. Improvements are made by emphasizing points where there is a large difference. We have installed new analysis equipment to improve the quality support capabilities of Ushio Guangzhou, and enhanced the support system for the Suzhou Plant and the consignment manufacturing plant in Panyu. At our Photolithography BU, Opto BU and Projection BU, we are working together with sales bases in South Korea and Europe to reduce problems so that we can meet the high quality requirements of our customers.

Efforts towards Ecosystem Conservation

Participation in Arbor Day in Cypress, California
(Ushio America, Inc., and Christie Digital Systems U.S.A., Inc.)

Every year in early April, trees are planted throughout the US in celebration of Arbor Day. In 2008, Christie Digital Systems U.S.A. and Ushio America began donating willow trees, peppermint and other plants to the city of Cypress. Tree planting is an easy way for us to help reduce atmospheric CO₂ and prevent global warming, and we will continue to support tree planting in the future.



Tree planting

Forest Volunteer Activities

•Maintaining Local Woodlands
(Ushio Inc., Harima Division)

Every month Ushio Inc. employees join forces in local woodland maintenance as part of volunteer activities organized by the non-profit organization Hyogo-moriclub.



Working together with Hyogo-moriclub

Efforts towards Harmony with Society

Contributing to the Local Community through the United Way
(Christie Digital Systems Canada, Inc.)

United Way is a large non-profit organization which gathers

and distributes contributions to fund volunteer and NPO activities, and every year, Christie Digital Systems Canada has conducted a United Way Campaign. These activities continued in 2008, and the company was recognized as a "Pacemaker" corporate sponsor, and various events were held in-house to support United Way, primarily organized by volunteers. In one week starting from October 20, contributions gathered through these activities exceeded 60,000 Canadian dollars (about ¥4.3 million).

*The term "Pacemaker" indicates a group or individual who can contribute financially prior to the start of United Way official campaigns.

Relief Activities

•Relief Activities for Wildfires in Southern California
(Ushio America, Inc.)

In October 2007, wildfires devastated Southern California, burning a total area of 2,000 km², and destroying about 15,000 homes. Ushio America employees contributed \$525 and the company itself contributed \$3,000 as relief funds, for a total donation of \$3,525 to the American Red Cross. Ushio America was forced to temporarily close its Irvine Factory during these wildfires.

•Relief Activities for the Sichuan Earthquake
(USHIO Group companies in China)

In response to the unprecedented damage caused by the 2008 Sichuan Earthquake, USHIO Group companies in China, and employees of the consignment manufacturing plant in Panyu, collected contributions and contributed relief funds totaling 187,500 yuan to various charity organizations.

Environmental Communication

Environment Education for Earth Day
(Ushio America, Inc., Christie Digital Systems U.S.A., Inc.)

On Earth Day (April 22, 2008) people throughout the world joined together to recognize the importance of the environment and protecting critical resources. Christie Digital Systems and Ushio America hosted an event with exhibitions, presentations and a quiz on environment issues.



Earth Day event

Christie Canada Supports Electric Car Race
(Christie Digital Systems Canada, Inc.)

For the third year in a row Christie Canada has supported a local high school to compete in an electric car race. Students learn how electric vehicles operate, how to design and how to build a new vehicle each year, and they are given the opportunity to compete with other schools across Canada for the best performing vehicle.

Students also learn how to manage a project and work together as a team to solve difficult challenges. Christie is helping students learn and have fun while promoting environmentally-friendly solutions for future generations.



The Ushio Festival
(Ushio, Inc.)

As part of efforts to bring the importance of environmental issues to children during their summer holidays, we introduced "Ecocandles," made from waste oil produced by the company cafeteria, at the Ushio Festival 2008. Lowering the cafeteria lights and staging our own candle night was the perfect opportunity to think about issues such as material resources and global warming.



USHIO Group Support for Culture and Learning

Activities of the Ushio Foundation

The Group's Ushio Foundation was established in 1994 to commemorate the 30th anniversary of the founding of

USHIO. Its purpose is to contribute to the development of human resources, learning and culture. Its projects include scholarships for students, and financial support for academic research and cultural activities.

In 2008, the foundation provided scholarships to 40 graduate students (including foreign students), 1 undergraduate, and 9 students in specialized courses at colleges of technology. To promote culture, the foundation provided financial support to Ms. Momo Kodama, an internationally active Japanese pianist. Ms. Kodama performed in the "Messiaen Project" to commemorate the 100th anniversary of the birth of Maestro Olivier Messiaen, one of the great figures of 20th century music. For this achievement, she was awarded the Art Encouragement Prize for New Artists by the Minister of Education, Culture, Sports, Science and Technology.



Messiaen Project

Establishment of USHIO Group's Jiangsu Ushio Scholarship Fund for Gifted Students

In September 2008, Ushio (Suzhou) Co., Ltd. of the USHIO Group established the "Jiangsu Ushio Scholarship Fund for Gifted Students" – a non-profit foundation which aims to contribute to the first education project in Jiangsu, China to be funded with foreign capital. The goal of this foundation is to contribute to public service projects such as scientific research and technology development – with a particular focus on developing human resources – in more rural areas of China where it is hard for students to advance to and through university due to economic constraints. As its first project in January 2009, the foundation concluded an agreement with Suzhou University on an Ushio scholarship program for the University.



Signing agreement on USHIO scholarship program for Suzhou University

USHIO's 2010 Environmental Vision

In order to realize a recycling-oriented, low-carbon society, the USHIO Group has formulated its 2010 Environmental Vision, and is carrying out Phase Two of its Environmental

Action Plan. Five committees promote action at all Group sites, focusing on four themes: environmental management, activities to promote environmentally conscious product performance, activities to promote environmentally conscious operations, and activities that contribute to the environment and society.

USHIO's 2010 Environmental Vision

- Improvement of environmental productivity* through the integration of environmental activities and management
- Expansion of performance improvement activities for environmentally conscious products
- Enhancement of environmental risk management for products and production activities

***Improvement of environmental productivity**

USHIO seeks to strengthen the connection between production activities (total productivity management (TPM)) and material flow cost accounting (MFCA), increase productivity from an environmental perspective and create products and services that are competitive in the marketplace through environmentally conscious processes. Specifically, we practice management that focuses on the efficient use of resources and energy in production processes and the creation of added value from an economic perspective with a focus on waste reduction and recycling.

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

- (1) 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.
- (2) 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.
- (3) We will continue to work on the development and supply of environmentally conscious "Lighting-edge Technologies and Products."
- (4) We will strive to prevent environmental risks, such as contamination of natural resources by chemicals or waste.
- (5) We will improve the environmental management system continuously through the regular audit of environmental protection activities.
- (6) 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.
- (7) Every employee of USHIO will contribute to realize a recycling-based society through the awareness of each individual's role in protecting the environment.

(4) We will strive to prevent environmental risks, such as contamination of natural resources by chemicals or waste.

(5) We will improve the environmental management system continuously through the regular audit of environmental protection activities.

(6) 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.

(7) Every employee of USHIO will contribute to realize a recycling-based society through the awareness of each individual's role in protecting the environment.

March 1, 2005
President and Chief Executive Officer
(Chairman of the Environmental Committee)
Ushio Inc.

Besides USHIO's Environmental Policy, we have formulated and implemented an environmental policy for each in-house company and Group company. USHIO's Environmental Policy is positioned as the top policy, and is reflected in the environmental policies in use around the world to ensure an appropriate level of consistency.

Formulation of a 2020 Environmental Vision

The USHIO Group has formulated a 2020 Environmental Vision looking beyond its 2010 Environmental Vision. While continuing to work toward a low-carbon, recycling-oriented society, we will identify the specific contributions the USHIO Group can make to achieving a society that supports biological diversity in Phase Three of our Environmental Action Plan (3-year plan) starting in 2010.

USHIO's 2020 Environmental Vision

Through Lighting-edge technologies, we will contribute to :

- Creation of a low-carbon society
- Conservation of resources
- Preservation of biodiversity

Eight Items for Enhanced Group Environmental Governance (G8)

In tandem with leveraging each company's distinct characteristics, Group-wide environmental initiatives are exemplified by a common direction based on the Eight Items for Enhanced Group Environmental Governance (G8) formulated by the Group Environmental Council in February 2005.

Since fiscal 2008, in addition to activities by the USHIO Green Network (UGN), we have been convening meetings made up of environmental management representatives from each site to share information and drive mutual enlightenment aimed at furthering the integration of Group environmental activities. In fiscal 2008, we held a council of environmental management representatives (EMR) from the Asia, Kanto (Japan) and North America regions, and discussed Action Plan Targets for 2009 and beyond.



Joint meeting of EMR at Ushio (Suzhou)

Creation of USHIO Group's EMS

The companies Ushio Hong Kong Ltd. and Ushio Shanghai, Inc. obtained ISO 14001 certification in fiscal 2008. Six companies in Japan and eleven overseas have now obtained certification. (For details, see page 19-21)

System for Promoting Environmental Management

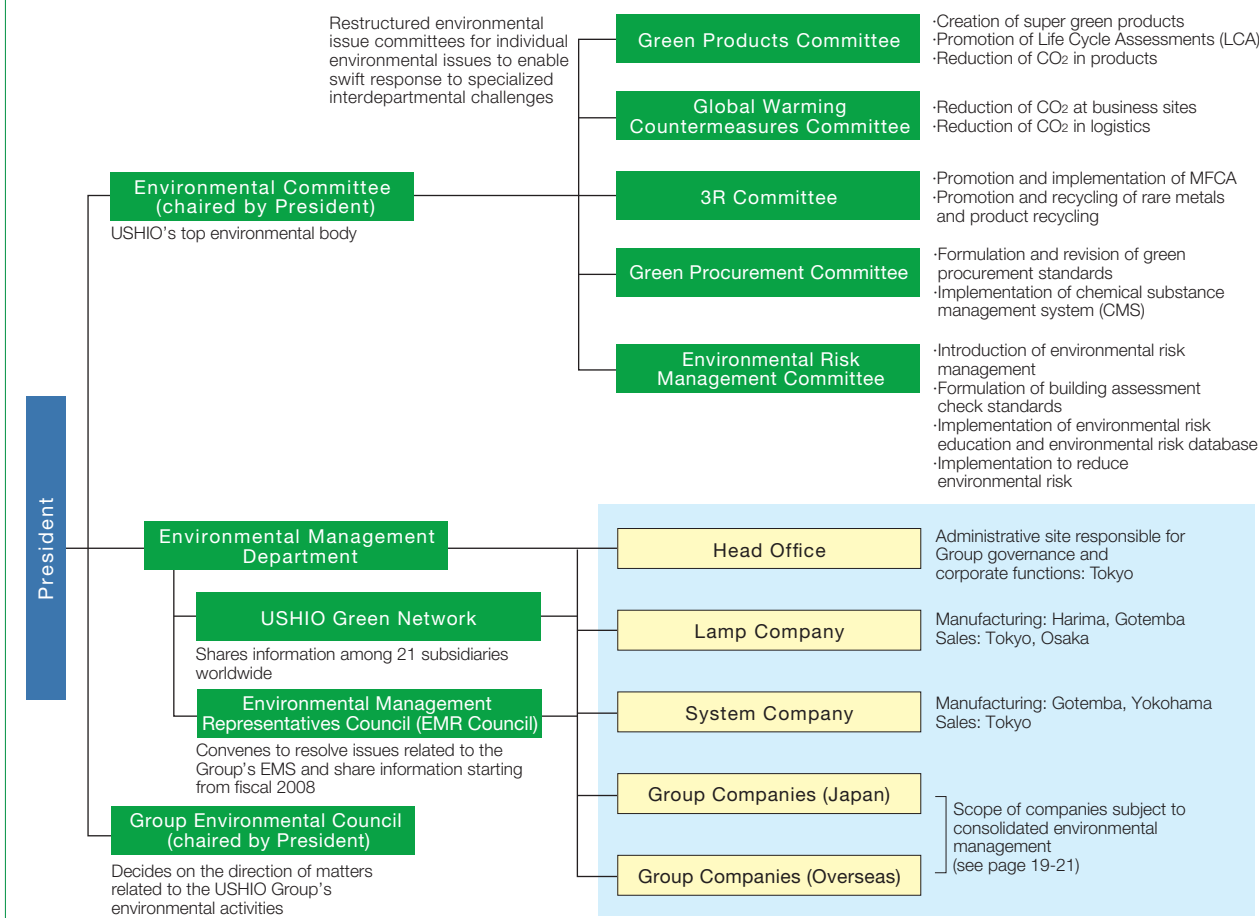
The Environment Committee and the Group Environmental Council, both chaired by the company president, are the top decision-making bodies respectively responsible for USHIO's environmental activities and the environmental policy of the entire USHIO Group.

There are five environmental issue committees under the

Environment Committee. The Environment Committee, Group Environmental Council and environmental issue committees discuss themes related to the environment, and each decision made is relayed to each in-house company and Group company through the Environmental Management Department and the USHIO Green Network.

Each in-house company and Group company promotes environmental activities independently and strives to achieve Group-wide targets.

Group Organization Chart for Environmental Management (April 1, 2009)



Eight Items for Enhanced Group Environmental Governance (G8)

1. Environmental activities shall be conducted by all Group companies
2. The USHIO Environmental Action Plan shall apply to all Group companies
3. Activities in Japan shall be based on ISO standards, activities overseas shall be based on ISO standards or independent EMS standards
4. Manufacturing companies shall adhere to ISO standards
5. The implementation status of environmental activities shall be verified by internal audits
6. Environmental communication shall be coordinated and conducted through the Environmental Management Department
7. Environmental performance figures, environmental accounting and other environmental data shall be disclosed
8. Group environmental production activities shall be supported

Group Activities

Education and Training of Internal Auditors (Ushio Taiwan, Inc.)

At Ushio Taiwan, we conducted auditor education and training from May to June 2008. Training was provided to ISO promotion members, and focused on internal auditing, and review based on environmental law. The aim is to improve the level of internal auditing, and promote environmental activities based on an effective PDCA cycle.



Ushio Taiwan, study group of ISO members

Phase Two of Our Environmental Action Plan: Objectives and Targets

Here we report achievements and evaluation of activities in fiscal 2008 based on Phase Two of our Environmental Action Plan (fiscal 2007-2009).

A number of themes were evaluated to be at the △ level (in progress but not complete). In terms of enhancing

efficiency of environmental production, there were good results in using MFCA, but indicator targets for environmental productivity were not achieved. In terms of developing environmentally conscious products, targets for super green products were not achieved. In terms of reducing CO₂

emissions, Group targets and logistics related targets were achieved, but targets for Ushio Inc. were not achieved.

In fiscal 2009 (the final year of the plan), we will wrap up Phase Two, and shift to Phase Three of our Environmental Action Plan.

Phase Two Environmental Action Plan: Objectives and Targets, Fiscal 2008 Achievements, Fiscal 2009 Targets

Evaluation: ○ = target achieved, △ = in progress but not complete, × = less than 60% complete

Environmental Themes	Division Responsible for Implementation	Objectives and Targets	Fiscal 2008 Targets	Major Activities and Achievements in 2008	Evaluation	Fiscal 2009 Targets	Related Pages	
1. Environmental management	Strengthen environmental governance	Environmental Management Department	Establish USHIO Group Environmental Management System (EMS)	Enhance USHIO Group EMS Enhance USHIO's Environmental Action Guidelines (English version etc.)	Formulated Environmental Vision for the next phase Two Group subsidiaries obtained ISO 14001 certification Strengthened Group EMS by convening Environmental Management Representatives Council (North America, Asia and Japan regions) Conducted joint internal auditor education Analyzed environmental indicators at each site using ECO-SYS	○	Enhance USHIO Group EMS	P10 P11
	Enhance efficiency of environmental production through stronger links between the environment and production activities	Global Warming Countermeasures Committee 3R Committee	Visualize environment-related information with direct bearing on management and enhance environmental productivity (Boost environmental productivity by 1.2 times versus fiscal 2006 levels)	(Ushio Inc.) Boost environmental productivity by 1.1 times versus fiscal 2006 levels Implement material flow cost accounting (MFCA)	Only achieved about 50% of target (Due to worsening economic conditions) Implemented MFCA for all processes of the UV lamp manufacturing process Reduced combustion gases by 10% in bulb fabrication process Increased number of products made from one raw material glass tube from 3 to 4	△	1.2 times versus fiscal 2006 levels Aim to reach target by taking measures suited to changes in economic conditions	P14 P16
	Strengthen environmental risk management	Environmental Risk Management Committee	Reduce environmental risks through stronger countermeasures	Introduce environmental risk management guidelines to overseas Group companies Introduce environmental risk education platform	Deployed environmental risk management guidelines at Group bases worldwide Conducted a series of environmental risk management education programs worldwide Provided environmental risk management education and training to improve environmental risk sensitivity for directors of Ushio Inc. Conducted activities to investigate environmental risks and prepare hazard maps at all Group bases	○	Promote reduction of environmental risk at all sites	P17
2. Activities to promote environmentally conscious product performance	Expand lineup of environmentally conscious products	Green Products Committee	Introduce environmentally conscious product assessment standards at Group companies Create super green products	Create super green products Achieve an LCA rate of 50% for main products	Selected candidates for super green products Achieved LCA rate higher than 50% for Lamp Company main products Achieved LCA rate of 100% for SHBU products Created system diagram of product groups which can take advantage of overlap and established other techniques to enable more effective LCA Subcommittee on environmental law and regulation conducted investigation and reporting	△	Create super green products from each business unit (BU) Achieve an LCA rate of 100% for main products	P15
	Expand product recycling system	3R Committee	Establish product recycling systems	Establish product recycling systems	Started recovery and recycling of used products through wide-area accreditation	○	Increase product recycling volume Expand product recycling systems	P16
	Implement measures to manage chemical substances	Green Procurement Committee	Reduce, replace and eliminate specified hazardous substances in response to globalization of markets	Update green procurement standards and chemical management standards Strengthen management system and ties between Group companies to increase environmental responsiveness	Conducted review of laws and regulations at meeting to review registration, based on legal and regulatory information obtained from in-house and outside sources, and registered as needed in list of laws and regulations Developed progress management database for investigation process to strengthen ability to respond to customers' environmental requirements Created database for managing substances contained in products to make management of contained chemical substances more efficient, and started trial operation Continued lateral deployment of CMS to Group companies worldwide Provided support to business partners for obtaining Eco-Action 21	○	Strengthen operation of, and globally deploy, chemical substance management system (CMS) Strengthen green supply chain activities based on environmental information	P17
3. Activities to promote environmentally conscious operations (including in offices)	Strengthen global warming countermeasures (energy-saving measures)	Global Warming Countermeasures Committee	Reduce CO ₂ emissions per actual unit sales by 47% or more below fiscal 1990 levels Reduce CO ₂ emissions by 10% or more below fiscal 2006 levels through improvements in distribution	(Ushio Inc.) Reduce CO ₂ emissions per actual unit sales by 45% or more below fiscal 1990 levels (All Group companies) Reduce CO ₂ emissions per unit sales by 2% or more below fiscal 2005 levels (Ushio Inc.) Reduce CO ₂ emissions by 8% or more below fiscal 2006 levels by improving distribution	(Ushio Inc.) Reduction in emissions per actual unit sales below 1990 levels: 25.6% (All Group companies) Reduction in emissions per actual unit sales below 2005 levels: 3.2% (Ushio Inc.) Reduction in CO ₂ emissions from distribution: 29%	△	(Ushio Inc.) Reduce CO ₂ emissions per actual unit sales by 47% or more below fiscal 1990 levels (All Group companies) Reduce CO ₂ emissions per unit sales by 3% or more below fiscal 2005 levels (Ushio Inc.) Reduce CO ₂ emissions by 10% or more below fiscal 2006 levels by improving distribution	P14 P18
	Reduce waste	3R Committee	Curb generated waste and promote proactive efforts to reduce costs and environmental loads	(Domestic Group companies) Reduce waste processing cost by 5% versus the previous fiscal year	(Domestic Group companies) Reduced waste processing cost by 7% versus the previous fiscal year Promoted recycling of metal wastes	○	(Domestic Group companies) Reduce waste processing cost by 5% versus the previous fiscal year	P16
4. Activities that contribute to the environment and society (shared activities)	Enhance communication with stakeholders	Environmental Management Department	Actively communicate USHIO's environmental philosophy and environmental efforts to stakeholders	Continue publishing the <i>Group Sustainability Report</i> including CSR information Continue publishing an English digest version of the <i>Group Sustainability Report</i> including CSR information	Continued publishing the <i>Group Sustainability Report</i> including CSR information Continued publishing an English version of the <i>Group Sustainability Report</i> including CSR information Provided information on environmental efforts at various exhibitions Provided information on environmental efforts within the Group through our in-house magazine etc.	○	Continue publishing the <i>Group Sustainability Report</i> including CSR information Continue publishing an English digest version of the <i>Group Sustainability Report</i> including CSR information	Inside cover P7,P8
	Strengthen (expand) social contribution programs	Environmental Management Department	Contribute to regional and global environment	Promote widespread social contribution activities Hold environmental events (continuation of previous events)	Provided information in-house on social contributions Conducted environmental education activities through summer festivals and exhibitions etc.	○	Expand social contribution activities Hold environmental events (continuation of previous events)	P7,P8

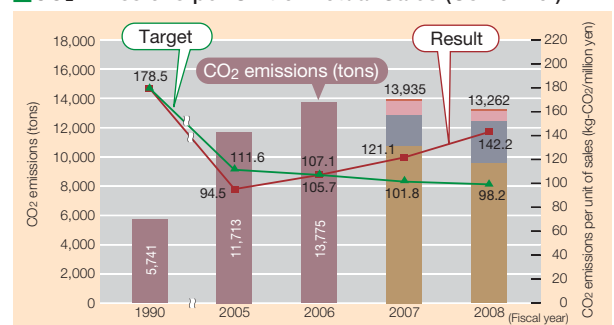
Reduction of CO2 Emissions in 2008

We reduced CO2 emissions due to energy consumption by Ushio Inc. (per actual unit sales) by 26% below fiscal 1990 levels, but we failed to achieve our target.

The absolute amount of CO2 emissions decreased from the previous year. The factors underlying this decrease were a drop in the operating rate of production equipment due to poor economic conditions, and energy-saving activities, with the drop in operating rate acting as the primary factor.

We achieved our target for all Group companies by reducing emissions per unit sales by 3% below fiscal 2005 levels.

CO2 Emissions per Unit of Actual Sales (Ushio Inc.)



Figures for fiscal 2008 and 2009 show CO2 emission by site
 ■ Head Office, Sales Offices ■ Yokohama Division ■ Gotemba Division ■ Harima Division

Efforts to Save Energy

<Harima Division>

Efforts to Save Energy and Increase Productivity

We formed an Energy-Saving Promotion Council comprised of three working groups (WG) to promote conservation of energy used in infrastructure and production equipment. Implementation plans were formulated by each WG, and efforts were carried out as part of productivity improvement activities of the Manufacturing Department.

Reduction of CO2 Emissions through Green IT

We achieved a reduction corresponding to 2% of CO2 emissions of all Group companies by installing systems for teleconferencing within the Group and reducing business trips.

We are also making bulk purchases of energy-saving models when buying new PCs and OA equipment.

Purchasing Renewable Energy

At the Oregon Operations Division of Ushio America, we continue to purchase wind-generated power developed and

operated by Portland General Electric Company.

The amount purchased in 2008 eliminated 25.8t of CO2 emissions (the amount of CO2 absorbed in 1 year by 1,850 cedar trees). We will continue these purchases to help increase usage of renewable energy.



Group Activities

Saving Energy by Adjusting Air Conditioning (Ushio (Suzhou) Co., Ltd.)

Energy consumption is being reduced by setting building air-conditioning to shut off prior to the end of the working day.

Saving Heating Energy by Using Waste Heat and by Improving Insulation (Christie Digital Systems Canada, Inc.)

Wasted heat from projectors is recycled to heat warehouse space in fall, winter and spring months. In the summer months the heat is expelled outside to reduce air conditioning costs. Improved insulation was added to 35,000sq foot of roof space which included a very light color roofing material to improve roof reflectivity thereby reducing heat absorption in the summer.



Pine room

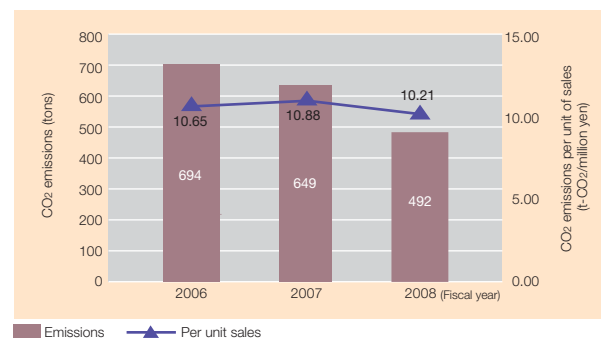
Saving Energy by Improving Insulation (Ushio Hong Kong Ltd.)

To reduce power used for air conditioning, Ushio Hong Kong affixed sun blocking film to the windows of its main entrance.

Reduction of CO2 Emissions in Logistics Operations

We reduced CO2 emissions due to transport by 29% below fiscal 2006 levels and achieved our target.

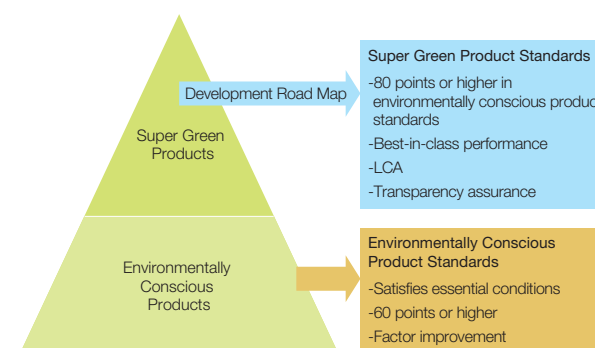
Ushio Inc. CO2 Emissions in Logistics



Development of Environmentally Conscious Products

At USHIO, we incorporate our Environmentally Conscious Product Assessment Manual into our Design Standards so we can pre-evaluate the environmental impact of our products starting in the design stage. When the environmental performance of a product has been improved based on this evaluation, it is certified as an Environmentally Conscious Product. If a product is outstanding even among environmentally conscious products, and uses innovative environmental technology on a completely different level from existing products, it is certified as a Super Green (SG) product.

USHIO's System of Environmentally Conscious Products



Implementing LCA

At the Lamp Company, we achieved a Life Cycle Assessment (LCA) rate of more than 50% for our leading lamp and power supply products in fiscal 2008. CO2 emissions at the use stage constitute 90% or more of total life cycle emissions for lamp products. Development of energy-saving lamps is one of our top priorities.

More information: <http://www.ushio.co.jp/en/eco/plan/lca.html>

Compliance with Environmental Laws and Regulations

Some lamps produced by the USHIO Group use chemical substances such as mercury to produce light of specific wavelengths. The Green Products Committee has formed a Subcommittee on Environmental Law and Regulation, and to ensure an appropriate and quick response to changing international regulation of contained chemical substances, the Committee has developed a system for ascertaining content rates, surveying product compliance with regulatory requirements for labeling, and ensuring compliance through in-house standards.

Environmentally Conscious Products

Development of LED Light Bulbs which Recreate the Warm Color and Brightness of Incandescent Bulbs (Ushio Lighting, Inc.)

In our "Let" LED Filament Bulbs, LEDs are arranged in the shape of a filament, just like the light emitting part of a conventional incandescent bulb. Light colors and lamp shapes are designed to resemble conventional incandescent bulbs and ornamental bulbs. This is achieved by using USHIO's unique phosphor blending technology and LED mounting method in the filament part. The bulbs are made from classic transparent glass, and can be used in sockets for incandescent bulbs. "Let" bulbs use LEDs to recreate the warm color produced by incandescent bulbs, and make it possible to match lighting to the required atmosphere of the room while still minimizing power consumption.



Let lighting (Chandelier bulbs)

Christie HD10K-M - Energy-saving Projector with High Brightness and Low Noise (Christie Digital Systems, Inc.)

The Christie HD10K-M, built on a 3-chip DLP (r), dual mercury lamp platform, offers our customers distinct environmental and cost of ownership advantages. These advantages include:

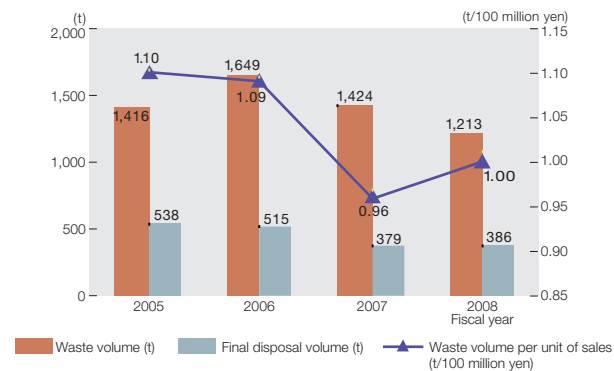


- Efficiency - the Christie HD10K-M model achieves 10,000 lumens using 110V (1300W).
- Energy savings - feedback systems determine the number of lamps and power level required to cool the system and an automatic shut-off feature determines when the projector should power down to stand-by mode. A dust-sealed engine and filter-free design reduce the amount of energy required and noise produced.
- Recyclability - eighty percent of the components and parts used in the M Series are recyclable.

Reducing Waste

We reduced waste processing costs of domestic Group companies by 7% versus fiscal 2007, and thus achieved our target. At the Harima Division, we reduced processing costs by about 20% through improved recycling and reuse of waste. The number of sites with zero emissions status stayed level at three, maintaining our performance from last year.

Waste Volume (all Group companies)



Implementation of MFCA

At the Lamp Company, we are continuing to implement material flow cost accounting (MFCA) in the UV lamp production process.

With MFCA, costs are allotted to cutting scraps and other waste (negative product) which do not appear as a loss in conventional cost accounting. This makes it possible to visualize the waste as material loss.

We have achieved good results in the process where lamp bulbs are produced using a high-temperature flame. Because vaporization of fused quartz was identified as a loss, we reviewed heating conditions and reduced consumption of combustion gas by about 10%. We also reduced material input by increasing the number of lamp bulbs made from one raw material glass tube from 3 to 4.

Many issues remain in terms of design and quality. We have taken a committee-based approach, and with the cooperation of each department, we are initiating efforts to broaden loss and cost reduction activities, and optimize raw material input.

Establishing a Product Recycling System

In fiscal 2007 we obtained wide-area accreditation for recovery and recycling of used UV lamps, and we have recommended this type of recycling to semiconductor and LCD manufacturers nationwide. The recovered lamps are crushed by a specialist processing firm, heated to separate out mercury, sorted into rare metals, fused quartz and other components, and then recycled as appropriate according to material type. In the future, USHIO will continue its efforts to broaden adoption of recovery and recycling systems, and thereby achieve more effective utilization of resources and reduce environment load.

Group Activities

Reduction of Packaging Material (Christie Digital Systems U.S.A. Inc.)

Christie has reduced packaging volume and cost by changing the shock-absorbing materials it uses from plastic to recyclable paper.

Lamp Recycling Program (Ushio America, Inc.)

Ushio America has started offering RECYCLEPAK in partnership with Veolia, a provider of lamp recycling services within the US. These packs include shipping costs to the recycling facility, processing costs, a recycling certificate and insurance. This service enables the safe and proper disposal of used lamps, which cannot be disposed of as general waste.

Improving Awareness of Waste with "Did You Know?" Posters (Ushio America, Inc.)

Ushio America is hanging "Did You Know?" posters as one way to raise awareness of the environment. The idea is to make people think of the environment in more familiar terms. For example, the posters show how much each person can help protect the environment by recycling and reusing materials in the workplace or the home. They also show people who don't care as much about the greater environmental context how much money they can save by using environmental ideas. We believe hanging "Did You Know?" posters for everyone to see is a small but effective way to encourage people to waste less.



Our Group is Working as a Team to Expand Environmental Risk Management Activities

Group-wide Sharing of Environmental Risk Management Guidelines

By disseminating Environmental Risk Management Guidelines to all Group business sites throughout the world, we have made progress in inspecting hazardous chemical storerooms and pollution prevention facilities, and in preparing environmental hazard maps. Furthermore, we carry out environmental risk assessments and are minimizing risk through the Plan, Do, Check, Act cycle.

Implementation of Environmental Risk Management Education at Group Companies

At USHIO Inc., we are providing company executives with environmental risk management education, and training to improve environmental risk sensitivity. In fiscal 2008, we also conducted training to improve environmental risk sensitivity at the Ushio Suzhou Factory in China. We regard environmental risk management as one part of comprehensive risk management, and we communicate to our employees the importance of routine risk inspection and management.

Hazard Map Preparation and Environmental Risk Investigation

As one example of hazard map inspection, we compared the content of chemical storerooms against chemical lists, and checked chemical storage management conditions through environmental risk investigation at the Yokohama Division, Harima Division and other sites. At the Gotemba Division, we conducted an environmental risk investigation of 31 facilities, and took measures such as providing double covers to prevent leakage from chemical pipes.



Environmental risk investigation

Group Activities

Chemical Emergency Training (Ushio Hong Kong Ltd.)

In March 2009, the Yuen Long Center conducted an emergency response drill based on the scenario of a chemical spill. The drill was carried out in full protective gear, including protective suits and masks, and was completed without any major problems. Such training will continue in the future so that workers can respond calmly in the event of a real emergency.



Chemical emergency drill

Green Procurement Standards

At USHIO, we have established Green Procurement Standards to guide material purchasing, and these standards are posted on our web site. While complying with the RoHS directive and other laws and regulations specific to each country, we stipulate our own list of chemical substances with an environmental impact, and comply with both internal and external requirements relating to chemical substances contained in products.

We issue forms for self-assessment of standard compliance systems, and request that our business partners put in place an Environmental Management System (EMS).

For more information on how we support development of EMS by our business partners, please see "Working with Business Partners" on page 6.

REACH Compliance

From June 2008 onwards, the REACH European Union Regulation will come into effect with the aim of protecting human health and the environment by strengthening the assessment and regulation of chemical substances used in industry. USHIO has exhaustively reviewed the requirements for registration and reporting that are stipulated under REACH and taken appropriate action.

Coordination with Overseas Production Bases

We hold periodic conferences to exchange environmental information and strengthen management of chemical substances at overseas production bases. In 2008, we focused particularly on improving management systems at production bases in China.

Business Partner Environmental Auditing (Ushio (Suzhou) Co., Ltd.)

Ushio Suzhou performs environmental audits on its suppliers based on green procurement standards, chemical substance management classification lists and environmental auditing reports. Nine companies were assessed in fiscal 2008. Suppliers with inadequate compliance were requested to take remedial measures and all issues were resolved.

Ecological Balance

Each year, we numerically determine the environmental load of the entire USHIO Group, and these figures are used to reduce environmental load, and check the effectiveness of environmental management.

Load information for each site is constantly tabulated and monitored using ECO-SYS (Environmental Management

Information System), and this aids reduction of loads through real-time collaboration with each site.

In the future, we will go beyond business activities, and work to monitor environmental loads from the perspective of carbon management.

IN		Fiscal 2008	
Manufacturing	Energy (GJ)	578,164	
	Electric power (10,000 kWh)	5,308	
	Town gas (m³)	634,937	
	LPG (kg)	53,629	
	LNG (kg)	37,545	
	Water (m³)	380,940	
Transportation	Chemicals (t)	10.8	
	Fuel (L)	549,152	

OUT		Fiscal 2008	
Atmospheric Emissions	CO ₂ (t-CO ₂)	24,012	
	NO _x (kg)	—	
	SO _x (kg)	—	
Waste	Total output (t)	1,315	
	Thermal recycling volume (t)	91	
	Material recycling volume (t)	736	
	Final disposal volume (t)	390	
	Sewage (m³)	340,238	
Sewage	BOD (kg)	139	
	COD (kg)	184	
	Chemicals (t)	7.9	
Transportation	Atmospheric emissions (t-CO ₂)	1,393	

•Period: April 1, 2008 - March 31, 2008 •Scope: Companies covered by consolidated environmental management (sites and Group companies indicated on P.19-21)
 •Chemicals (PRTR): Total volume of chemicals emitted or moved
 •A factor of 0.41 (emission factor according to the Federation of Electric Power Companies of Japan) is used as the CO₂ conversion factor for electricity.
 •No greenhouse gases other than CO₂ were emitted. •Fuel is used to transport products (by truck) and people using commercial vehicles (company cars) or other means.

Environmental Accounting

In the USHIO Group, we conduct environmental accounting every year. We improve and promote environmental management by evaluating whether Group investment has been effective and efficient, and the results of that evaluation are used to review investment for the following year.

In fiscal 2008, our total costs were approximately 702 million yen (a 26% increase), and total benefits were about 383 million yen (a 172% increase). This is because there was an increase in global environmental conservation costs compared with fiscal 2007, and a dramatic increase in R&D costs which were unusually low last year. Major factors

behind the increase in costs were the installation of roof insulation, the Group's adoption of a teleconferencing system, investment in the development of environmentally conscious projectors, and an increase in costs incurred to comply with REACH and other environmental regulations, but we also booked estimated benefits as a result. In particular, we introduced teleconferencing systems at our locations throughout the world to improve work efficiency and reduce CO₂ emissions. This system was used about 300 times each month – thereby reducing CO₂ emissions by 651 tons.

USHIO Group's Environmental Accounting

Category	Major Activities	Costs	Investment in Environmental Equipment	Benefits	
				Actual	Estimated
Pollution prevention	Installed electric valves for waste liquid tanks Cleaning and sewage treatment equipment	45.3	27.6	1.0	54.6
Global environmental conservation	Improved electric power monitoring system Installed insulation equipment Adopted teleconferencing system	50.3	93.6	32.1	155.4
Reuse of resources	Waste disposal costs Gains on the sale of recycled waste	43.9	0.3	8.2	0.6
Upstream/downstream activities	Packaging recovery/return costs Promoted teleconferencing in supply chain RoHS inspection costs	1.2	0.0	0.1	0.0
Management activities	Established and maintained EMS Environmental education Environment-related software	202.9	72.7	39.8	23.5
R&D	Development costs for environmentally conscious products Compliance with REACH etc.	340.5	0.0	10.7	50.5
Social contributions	Local clean-up activities Support for environmental events Fund-raising	17.6	0.0	2.0	4.6
Response to environmental degradation	—	0.0	0.0	0.0	0.0
Fiscal 2008 total		701.7	194.1	93.9	289.2
Fiscal 2007 total		557.0	117.7	151.9	71.2

Overall reduction in CO₂ emissions thanks to "light": 163,604 tons

•Reduction in CO₂ emissions = (reduction in electricity use) x (number of units shipped in fiscal 2008) x (CO₂ conversion factor) •Evaluated based on reduction in CO₂ emissions when using energy-saving products representative of the USHIO Group, such as high-speed fuser roller heaters for office equipment, and halogen lamps for general and commercial lighting.
 •Period: April 1, 2008 - March 31, 2009 •Scope: Companies covered by consolidated environmental management (sites and Group companies indicated on P.19-21)
 •Environmental conservation costs baseline: (1) Costs include personnel costs and depreciation of investments. (2) A five-year straight-line depreciation method is used to calculate depreciation of investments. (3) When environmental conservation costs were incurred along with other costs, only the amount directly related to environmental conservation was used in the calculations. •Benefits: Actual benefits are calculated directly from financial data, while estimated benefits are calculated according to estimates.

Site Data

While retaining cohesiveness as a team, the companies in the USHIO Group are independently developing Environmental Management Systems (EMS) and conducting environmental activities in accordance with the Eight Items for Enhanced Group Environmental Governance (G8). The

following outlines major EMS activities and environmental performance at Group companies and sites. In fiscal 2008, there were no violations of environment-related laws, lawsuits, fines, penalties or accidents at any of our sites.

Production Sites

	Domestic	Overseas
USHIO INC. Harima Division	 <p>1194, Sazuchi Bessho-cho, Himeji, Hyogo 671-0224, Japan</p> <ul style="list-style-type: none"> •Development of EMS ISO 14001: Oct. 1997, ISO 9001: May 1993 •Major Environmental Activities <ul style="list-style-type: none"> -Monitored electric power usage of each piece of infrastructure using power monitors. -Implemented MFCA. -Provided support for obtaining Eco-Action 21 certification. -Continued environmental communication with the local community. •Main Products <ul style="list-style-type: none"> -Super-high-pressure UV lamps, NSH lamps, excimer lamps 	
USHIO INC. Gotemba Division	 <p>1-90, Komakado, Gotemba, Shizuoka 412-0038, Japan</p> <ul style="list-style-type: none"> •Development of EMS ISO 14001: Oct. 2004 (during expansion of Lamp Company certification), Feb. 2004 (System Company) ISO 9001: Oct. 1995 (during expansion of Lamp Company certification), Jul. 1997 (System Company) •Major Environmental Activities <ul style="list-style-type: none"> -Promoted energy-saving by adopting power monitors. -Reduced consumption of water resources by 25%. -Provided support for obtaining Eco-Action 21 certification. •Main Products <ul style="list-style-type: none"> -Super-high-pressure UV lamps, liquid crystal panel devices, exposure systems 	
USHIO INC. Yokohama Division	 <p>6409 Moto-Ishikawa-cho, Aoba-ku, Yokohama, Kanagawa 225-0004, Japan</p> <ul style="list-style-type: none"> •Development of EMS ISO 14001: Feb. 2004, ISO 9001: Jul. 1997 •Major Environmental Activities <ul style="list-style-type: none"> -Maintained waste utilization rate of 99%. -Conducted environmental patrols. •Main Business <ul style="list-style-type: none"> -Development of various types of equipment, customer service 	
USHIO LIGHTING, INC.	 <p>860-22, Saiji, Fukuoka-cho, Kanazaki-gun, Hyogo 679-2215, Japan</p> <ul style="list-style-type: none"> •Development of EMS ISO 14001: Jan. 2003 (expanded certification including 5 other branches/sites in Mar. 2006) ISO 9001: Dec. 2001, OHSAS 18001: Sep. 2004 •Major Environmental Activities <ul style="list-style-type: none"> -Promoted development of environmentally conscious products. -Reduced waste by 19.8%. -Prepared and began using environmental hazard map. -Adopted treatment facility for adhesive cleaning waste water, and improved method of storing chemical liquids. •Main Products <ul style="list-style-type: none"> -Halogen lamps for lighting, metal halide lamps, special heaters, optical fiber light sources 	
TSUKUBA USHIO ELECTRIC, INC.	 <p>5-2-1, Tokodai, Tsukuba, Ibaraki 300-2635, Japan</p> <ul style="list-style-type: none"> •Development of EMS ISO 14001: Apr. 2005, ISO 9001: Mar. 2004 •Major Environmental Activities <ul style="list-style-type: none"> -Promoted power conservation by installing demand alarm. -Eliminated hazardous chemical substances, and investigated substitute components. -Strengthened facility management through environmental risk investigation, and maintained zero accidents on site. •Main Products <ul style="list-style-type: none"> -Metal halide lamps, xenon flash lamps, water-cooled pulsed lamps 	
HYOGO USHIO LIGHTING, INC.	 <p>159-1, Igidani, Yamasaki-cho, Shiso, Hyogo 671-2517, Japan</p> <ul style="list-style-type: none"> •Development of EMS Development of EMS is in progress. •Major Environmental Activities <ul style="list-style-type: none"> -Promoted energy-saving with campaign to eliminate 3 major sources of waste. -Conserved water resources by reviewing manufacturing equipment. -Reduced volume of ordinary refuse by recycling paper refuse. -Established Green Procurement Standards. •Main Products <ul style="list-style-type: none"> -Halogen lamps for store lighting, halogen lamps for stage lighting, coil mounts for stage lighting 	
NIHON DENSHI GIJUTSU CO., LTD.	 <p>2-2-27, Takane, Sagami-hara, Kanagawa 229-0021, Japan</p> <ul style="list-style-type: none"> •Development of EMS ISO 14001: Aug. 2004, ISO 9001: May 1999 •Major Environmental Activities <ul style="list-style-type: none"> -Promoted design of environmentally conscious products and adoption of energy-saving equipment. -Switched over 80% of components used to types not containing hazardous substances. -Reduced cardboard waste by 35.7%. -Participated in "Forest Development by the People of Kanagawa Prefecture." •Main Products <ul style="list-style-type: none"> -Projector signal switches, PHOBOS Printed Wire Board (PWB) for projectors, PWBs for cameras used in TAB inspection devices 	
USHIO AMERICA, INC. (UAI)	 <p>5440 Cerritos Avenue, Cypress, CA 90630, U.S.A.</p> <ul style="list-style-type: none"> •Development of EMS ISO 14001: Nov. 2007 (UAI Head Office, Irvine Factory) ISO 14001: Mar. 2008 (UAI Oregon Operations Div.) ISO 9001: Oct. 2005 (UAI Operations Div.) •Major Environmental Activities <ul style="list-style-type: none"> -Reduced water consumption (Irvine) by 50.5%. -Achieved overall reduction of 35% in white paper consumption by conscientious efforts such as switching to paperless media and using double-sided printing. -Achieved a recycling rate of 90% for aluminum cans and plastic bottles. -Promoted lamp recycling program. •Main Products <ul style="list-style-type: none"> -Super-high-pressure UV lamps, metal halide lamps for office equipment, halogen lamps 	
EPITEX INC.	 <p>66-3, Minamikawabe-cho, Higashi-kujo, Minami-ku, Kyoto 601-8034, Japan</p> <ul style="list-style-type: none"> •Development of EMS ISO 9001: Aug. 2005 •Major Environmental Activities <ul style="list-style-type: none"> -Performed neutralization in sewage processing after water treatment. -Used lead-free solder in manufacturing processes. •Main Products <ul style="list-style-type: none"> -All types of LEDs 	
CHRISTIE DIGITAL SYSTEMS CANADA, INC. (CDSC)	 <p>809 Wellington Street, North Kitchener, Ontario, N2G 4Y7, Canada</p> <ul style="list-style-type: none"> •Development of EMS ISO 14001: Jun. 2007, ISO 9001: Jun. 1987 •Major Environmental Activities <ul style="list-style-type: none"> -Worked to reduce energy consumption per employee. -Reused projector exhaust to heat warehouse space. -Took action to manage and improve monthly waste volume and recycling volume. -Environmental Management Group held periodic "Lunch and Learn" events. -Provided support to local high school for battery car long-distance competition. -Organic recycling program for food waste. •Main Products <ul style="list-style-type: none"> -Development and manufacture of movie theater projection systems, digital projectors and other projectors, LED green projectors. 	

CHRISTIE DIGITAL SYSTEMS U.S.A., INC. (CDSU)



10550 Camden Drive, Cypress, CA 90630, U.S.A.

•**Development of EMS**
ISO 14001: Nov. 2007 (CDSU Head Office)
•**Major Environmental Activities**
-Reviewed facilities to conserve water resources.
-Reviewed recycling program for raw materials and waste.
-Changed packaging materials to plant-derived materials.
-Contributed to the community through events such as Arbor Day.
•**Main Products**
Development and manufacture of movie theater projection systems, light source-related equipment, digital projectors and other projectors

USHIO (SUZHOU) CO., LTD. (USZ)



6, Yuyang Street, Suzhou New District, Suzhou, P.R.C.

•**Development of EMS**
ISO 14001: Mar. 2005, ISO 9001: Mar. 2005, OHSAS 18001: May 2006
•**Major Environmental Activities**
-Conducted energy-saving activities by integrating management of air-conditioning.
-Held joint Environmental Management Representatives Council.
-Conducted RoHS audit of suppliers.
•**Main Products**
Halogen lamps for office equipment, inert gas fluorescent lamps, projector light sources and devices

TAIWAN USHIO LIGHTING, INC. (TULI)



No. 82, Taiho Rd., Chupei, Hsinchu Shien, Taiwan, R.O.C.

•**Development of EMS**
ISO 14001: Apr. 2004, ISO 9001: Mar. 2003 (following ISO 9002 certification in Jul. 1997 as Ushio Taiwan, Inc., standards changed after becoming a spinoff company)
•**Major Environmental Activities**
-Considered environmental factors when ordering new equipment.
-Conducted fire drills.
-Conducted environmental communication within Group.
•**Main Products**
Halogen lamps for stage lighting, halogen lamps for general lighting, metal halide lamps

BLV LICHT- UND VAKUUMTECHNIK GmbH (BLV)



Müchner Straße 10, 85643 Steinhöring, Germany

•**Development of EMS**
Development of EMS is in progress.
ISO 9001: Dec. 1991
•**Major Environmental Activities**
-Continued environmental communication within Group.
•**Main Products**
Metal halide lamps, halogen lamps for lighting, halogen lamps for heaters, high-pressure UV lamps

USHIO PHILIPPINES, INC. (UPI)



First Cavite Industrial Estate, Barangay Langkaan, Dasmariñas, Cavite, Philippines

•**Development of EMS**
ISO 14001: Jun. 2004, ISO 9002: Dec. 2000
•**Major Environmental Activities**
-Conducted environmental communication within Group.
•**Main Products**
Halogen lamps for lighting and office equipment

USHIO TAIWAN, INC.



#31, 10/F, Sec. 1 Chung-Shiaw E. Road, Taipei, Taiwan, R.O.C.

•**Development of EMS**
ISO 14001: Feb. 2006
•**Major Environmental Activities**
-Conducted education and training for members promoting internal auditing.
-Improved level of risk management by conducting fire drills etc.
•**Main Business**
Sales of super-high-pressure UV lamps, halogen lamps, all types of exposure devices and optical devices

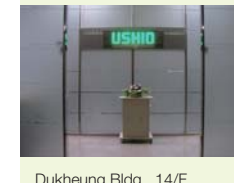
USHIO SINGAPORE PTE LTD.



#1, Jalan Kilang #05-01, Dynasty Industrial Bldg., Singapore 159402

•**Development of EMS**
ISO 14001: Dec. 2007, ISO 9001: Dec. 2007
•**Major Environmental Activities**
-Conducted environmental education.
•**Main Business**
Sale of super-high-pressure UV lamps, xenon short-arc lamps, halogen lamps, light system products

USHIO KOREA, INC.



Dukheung Bldg., 14/F, 1328-10, Seocho-dong, Seocho-ku, Seoul, Korea

•**Development of EMS**
ISO 14001: Dec. 2006
•**Major Environmental Activities**
-Held environmental workshops.
•**Main Business**
Sale of super-high-pressure UV lamps, xenon short-arc lamps, all types of exposure devices and optical devices

USHIO SHANGHAI, INC.



HSBC Tower, 10/F, 1000 Lujiazui Ring Road, Pudong New Area, Shanghai, 200120, P.R.C.

•**Development of EMS**
Acquired ISO 14001 certification on Mar. 6, 2009
•**Major Environmental Activities**
-Held joint Environmental Management Representatives Council.
-Acquired ISO 140001 certification.
•**Main Business**
Sale of light sources and equipment for semiconductors and LCDs, light sources for movie screens, light sources for illumination purposes

Environmental Performance Data by Site

■ Domestic ■ Overseas

Production Sites	INPUT							OUTPUT								
	Total energy input (MJ)	Water resources (m ³)	Greenhouse gases (t-CO ₂)	NOx (kg)	SOx (kg)	Total effluent (m ³)	BOD (kg)	COD (kg)	PRTR				Solid waste			
									Chloroform (kg) Atmospheric	Chloroform (kg) Solid waste	Molybdenum (kg) Liquid waste	Molybdenum (kg) Solid waste	Total output (kg)	Final disposal volume (kg)	Effective usage rate (%)	
USHIO INC.	Harima Division	226,683	43,903	9,611	—	—	37,772	—	—	5,645	0	0	405	231,633	34,085	85.3
	Gotemba Division	67,948	41,342	2,885	—	—	41,342	97	123	1,125	100	—	—	109,083	7,079	93.5
	Yokohama Division	15,538	9,004	644	—	—	8,811	—	—	—	—	—	—	14,409	0	100.0
Domestic Group	USHIO LIGHTING, INC.	53,438	8,650	2,057	—	—	6,346	42	61	—	—	—	114	146,961	30,815	79.0
	TSUKUBA USHIO ELECTRIC, INC.	10,793	1,261	424	—	—	1,262	—	—	—	—	—	—	8,687	590	93.2
	NIHON DENSHI GJUTSU CO., LTD.	871	275	38	—	—	275	—	—	—	—	—	—	4,250	0	100.0
	HYOGO USHIO LIGHTING, INC.	5,237	859	217	—	—	859	—	—	—	—	—	—	7,054	1,080	84.7
	EPITEX INC.	2,955	1,266	122	—	—	1,266	—	—	—	—	—	—	42,843	—	—
North America	USHIO AMERICA, INC.	26,047	19,768	1,089	—	—	19,768	—	—	—	—	—	—	138,456	87,677	36.7
	CHRISTIE DIGITAL SYSTEMS U.S.A., INC.	12,248	11,956	511	—	—	11,956	—	—	—	—	—	—	84,726	31,579	62.7
Europe	CHRISTIE DIGITAL SYSTEMS CANADA, INC.	63,802	4,359	2,753	—	—	4,359	—	—	—	—	—	—	266,678	65,230	75.5
	BLV Licht- und Vakuumtechnik GmbH	1,264	1,644	35	—	—	1,644	—	—	—	—	—	—	92,726	6,470	93.0
Asia	USHIO PHILIPPINES, INC.	27,245	210,416	968	—	—	178,706	—	—	—	—	—	—	28,840	405	98.6
	USHIO(SUZHOU) CO., LTD.	30,297	12,600	1,147	—	—	12,600	—	—	—	—	—	—	5,080	—	—
Asia	TAIWAN USHIO LIGHTING, INC.	13,630	3,556	531	—	—	3,556	—	—	—	—	—	—	9,921	5,838	41.2
	Nonproduction Sites															
USHIO INC.	Head Office	1,763	—	81	—	—	—	—	—	—	—	—	—	14,456	358	97.5
	Tokyo Sales Headquarters	806	—	33	—	—	—	—	—	—	—	—	—	8,044	269	96.7
	Osaka Branch	206	—	9	—	—	—	—	—	—	—	—	—	816	0	100.0
Domestic Europe	XEBEX, INC.	970	—	47	—	—	—	—	—	—	—	—	—	8,078	1,834	77.3
	USHIO EUROPE B.V.	2,132	2,772	58	—	—	2,772	—	—	—	—	—	—	2,076	—	—
Asia	USHIO HONG KONG LTD.	4,850	3,506	201	—	—	3,234	—	—	—	—	—	—	84,536	72,936	13.7
	USHIO SHANGHAI, INC.	203	—	8	—	—	—	—	—	—	—	—	—	2,527	—	—
	USHIO SINGAPORE PTE LTD.	779	358	35	—	—	266	—	—	—	—	—	—	420	—	—
	USHIO TAIWAN, INC.	3,649	2,631	197	—	—	2,631	—	—	—	—	—	—	1,901	524	72.4
USHIO KOREA, INC.	4,811	815	311	—	—	815	—	—	—	—	—	—	773	265	65.7	

Nonproduction Sites

USHIO INC. Head Office



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

•**Development of EMS**
ISO 14001: Dec. 2004
•**Major Environmental Activities**
-Made efforts to save energy and reduce waste, primarily led by the Environmental Promotion Committee.
-Conducted environmental communication with local community.
•**Main Business**
Coordination of operations for Ushio Inc. and the USHIO Group

USHIO INC. Tokyo Sales Headquarters



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

•**Development of EMS**
ISO 14001: Oct. 2004 (during expansion of Lamp Company certification)
ISO 14001: Feb. 2004 (System Company)
•**Major Environmental Activities**
-Took action to save energy and reduce waste under the direction of the Environmental Promotion Committee.
-Held REACH seminars for each department.
•**Main Business**
Sale of light sources, light source units and devices

USHIO INC. Osaka Branch



5-13-9, Nishi-Nakajima, Yodogawa-ku, Osaka 532-0011, Japan

•**Development of EMS**
ISO 14001: Oct. 2004 (during expansion of Lamp Company certification)
•**Major Environmental Activities**
-Took action to reduce waste.
•**Main Business**
Sale of light sources, light source units and devices

XEBEX INC.



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

•**Development of EMS**
ISO 14001: Jan. 2008
•**Major Environmental Activities**
-Promoted energy-saving activities.
-Reduced output volume of landfill refuse to 80% of the previous year.
•**Main Business**
Sales of projection equipment for cinemas, xenon lamps for projection equipment, cinema audio equipment

USHIO EUROPE B.V.



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

•**Development of EMS**
Development of EMS is in progress.
•**Major Environmental Activities**
-Conducted environmental communication.
•**Main Business**
Sales of super-high-pressure UV lamps, xenon short-arc lamps, halogen lamps, light system products

USHIO HONG KONG LTD.



Tower 6, 31/F, Suites 3113-14, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong

•**Development of EMS**
Acquired ISO 14001 certification on Apr. 11, 2008
•**Major Environmental Activities**
-Promoted risk management by conducting chemical spill emergency drills and fire evacuation drills.
-Conducted environmental education.
•**Main Business**
Sale of halogen lamps for office equipment, inert gas fluorescent lamps and units, projector light sources