May 9, 2013

USHIO INC.
Name and Title of Representative: Shiro Sugata, President and Chief Executive Officer
(Code Number: 6925, First Section of Tokyo Stock Exchange)
Name and Title of Contact Person:
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Notice Concerning Dissolution of Consolidated Subsidiary, Booking of Extraordinary Loss, and Difference between Full-Year Forecasts and Results

USHIO INC. has announced that at a meeting held today, the Board of Directors passed a resolution to dissolve its consolidated subsidiary XTREME technologies GmbH (hereinafter "XTREME") on May 31, 2015.
In conjunction with this resolution, USHIO now expects to book an extraordinary loss in its consolidated financial results for the fiscal year ended March 31, 2013, as detailed below. Accordingly, USHIO announced the difference between its actual results announced today and the consolidated earnings forecasts for the fiscal year ended March 31, 2013 announced on October 31, 2012. Details are as follows.

1. Course of Events Leading to Dissolution

XTREME is a research and development firm specializing in extreme ultraviolet (EUV) light sources for next-generation semiconductor lithography. Considered the ultimate light source in semiconductor lithography, EUV light sources have an extremely short wavelength of 13.5 nm, making them essential to semiconductor manufacturing for the 22 nm generation and beyond.
Now that twelve years have passed since the establishment of XTREME, USHIO has carefully considered the feasibility of continuing this consolidated subsidiary's business operations from the standpoint of optimizing Group-wide management efficiency. As a result, USHIO has decided to internalize XTREME's business operations, and dissolve and liquidate XTREME.

2. Profile of Consolidated Subsidiary to Be Dissolved

(1)	Name	XTREME technologies GmbH
(2)	Head Office	Steinbachstrasse 15, 52074 Aachen, Germany
(3)	Name and Title of Representative	Tatsushi Igarashi, President and CEO
(4)	Business Activities	Development, manufacture and sales of EUV light source equipment
(5)	Capital Stock	25,000 euros
(6)	Established	October 23, 2000
(7)	Major Shareholder and Shareholding	USHIO INC., 100%

3. Dissolution Schedule

May 9, 2013　Resolution passed by USHIO's Board of Directors

May 31, 2015　Complete liquidation of consolidated subsidiary (planned)

4. Losses on Dissolution of Consolidated Subsidiary

In conjunction with the dissolution of this consolidated subsidiary, USHIO booked an extraordinary loss of ¥3.3 billion in its consolidated financial results for the fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013).

This extraordinary loss includes expenses and other charges expected to be incurred for liquidating the business until the liquidation is complete.

5. Difference between Earnings Forecasts and Actual Results

(1) Difference between Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2013 and Actual Results (April 1, 2012 to March 31, 2013)

（Millions of yen）

	Net Sales	Operating income	Ordinary income	Net income	Net income per share
Previously announced forecast（A）	145,000	8,000	10,000	5,500	41.94 yen
Results announced today（B）	143,461	7,582	10,539	7,155	54.57 yen
Difference（B－A）	(1,538)	(417)	539	1,655	-
Difference（%）	(1.1)	(5.2)	5.4	30.1	-
(Reference) Full-year results for the fiscal year ended March 31, 2012.	150,087	10,696	13,112	8,748	66.26 yen

(2) Reasons for Differences

Looking at consolidated financial results for the fiscal year ended March 31, 2013, the USHIO Group's net sales and operating income for the fiscal year ended March 31, 2013 fell slightly below the forecasts announced with second-quarter results, despite a boost in sales and earnings from the yen's depreciation. This largely reflects the advanced degree of penetration of digital cinema projectors in developed countries, along with a softer-than-anticipated capacity utilization rate in the LCD panel and semiconductor industries. However, ordinary income slightly exceeded the forecast due to the positive impact of the yen's depreciation and the increase in stock prices since the end of 2012. Net income was much higher than the forecast mainly due to recording deferred tax assets (presented as an offset against deferred tax liabilities) in relation to a loss on valuation of investments in XTREME, despite a loss on liquidation of business associated with the dissolution of this consolidated subsidiary.