

January 29, 2021

**Consolidated Financial Results**  
**for the First Nine Months of the Fiscal Year Ending March 31, 2021**  
**<under Japanese GAAP>**

Company name: **USHIO INC.**  
 Listing: First Section of the Tokyo Stock Exchange  
 Stock code: 6925  
 URL: <https://www.ushio.co.jp/en>  
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Scheduled date to file Quarterly Securities Report: February 10, 2021  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on earnings: Yes  
 Holding of earnings performance review: Yes (for analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

**1. Consolidated performance for the first nine months of the fiscal year ending March 31, 2021**  
**(from April 1, 2020 to December 31, 2020)**

**(1) Consolidated operating results (cumulative)** (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First nine months ended								
December 31, 2020	82,431	(31.3)	(409)	—	1,694	(79.9)	(1,047)	—
December 31, 2019	120,063	(1.9)	6,349	(8.1)	8,414	(11.4)	8,821	55.4

(Note) Comprehensive income

For the first nine months ended December 31, 2020: ¥ 1,844 million [(79.8%)]

For the first nine months ended December 31, 2019: ¥ 9,111 million [124.2%]

	Net income per share		Diluted net income per share	
	Yen		Yen	
First nine months ended				
December 31, 2020	(8.69)		—	
December 31, 2019	71.71		—	

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of			
December 31, 2020	278,216	199,489	71.7
March 31, 2020	274,904	200,705	73.0

(Reference) Equity

As of December 31, 2020: ¥ 199,427 million

As of March 31, 2020 : ¥ 200,616 million

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	—	—	—	26.00	26.00
Fiscal year ending March 31, 2021	—	—	—		
Fiscal year ending March 31, 2021 (Forecast)				26.00	26.00

(Note) Revisions to the forecasts of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2021	115,000	(27.7)	(500)	—	1,500	(82.8)	(2,000)	—	(16.59)

(Note) Revisions to the consolidated earnings forecasts most recently announced: Yes

### \* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in the scope of consolidation): None
- (2) Application of a specific accounting procedure for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatements
  - a. Changes in accounting policies due to revisions to accounting standards: None
  - b. Changes in accounting policies due to other reasons: None
  - c. Changes in accounting estimates: None
  - d. Restatements: None

### (4) Number of issued shares (common shares)

#### a. Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2020	127,000,000 shares
As of March 31, 2020	127,000,000 shares

#### b. Number of shares of treasury shares at the end of the period

As of December 31, 2020	6,423,512 shares
As of March 31, 2020	6,480,983 shares

#### c. Average number of outstanding shares during the period

As of December 31, 2020	120,543,965 shares
As of December 31, 2019	123,006,432 shares

(Note) The Company's shares held in trust introduced with respect to its stock remuneration plan for directors as treasury shares within shareholders' equity are included in the number of treasury shares.

\* This Consolidated Financial Review is not subject to audit procedures by Certified Public Accountants or audit firm.

### \* Notes on the proper use of earnings forecasts and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors.

### \*To obtain Financial Presentation

The Financial Presentation will be posted on the website of USHIO INC. on January 29, 2021.

Consolidated Financial Statements  
(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	60,679	70,699
Notes and accounts receivable - trade	40,326	31,074
Securities	4,222	2,638
Merchandise and finished goods	25,758	23,987
Work in process	15,409	19,174
Raw materials and supplies	16,014	17,440
Other	10,467	10,956
Allowance for doubtful accounts	△2,043	△2,473
<b>Total current assets</b>	<b>170,835</b>	<b>173,500</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	44,619	44,867
Accumulated depreciation	△26,222	△27,335
Buildings and structures, net	18,396	17,532
Machinery, equipment and vehicles	23,676	24,859
Accumulated depreciation	△17,904	△18,436
Machinery, equipment and vehicles, net	5,772	6,423
Land	8,393	8,351
Construction in progress	2,061	2,858
Other	36,018	37,494
Accumulated depreciation	△26,400	△27,935
Other, net	9,617	9,559
<b>Total property, plant and equipment</b>	<b>44,242</b>	<b>44,725</b>
Intangible assets		
Goodwill	698	416
Other	3,048	3,004
<b>Total intangible assets</b>	<b>3,746</b>	<b>3,420</b>
Investments and other assets		
Investment securities	50,278	50,982
Long-term loans receivable	18	23
Deferred tax assets	1,963	1,780
Retirement benefit asset	1,949	1,987
Other	2,398	2,304
Allowance for doubtful accounts	△529	△508
<b>Total investments and other assets</b>	<b>56,079</b>	<b>56,570</b>
<b>Total non-current assets</b>	<b>104,069</b>	<b>104,716</b>
<b>Total assets</b>	<b>274,904</b>	<b>278,216</b>

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	18,730	16,993
Short-term borrowings	3,110	9,442
Current portion of long-term borrowings	6,298	3,635
Income taxes payable	955	638
Provision for bonuses	1,999	1,050
Provision for product warranties	2,202	2,111
Provision for loss on order received	15	28
Other	14,416	16,428
Total current liabilities	47,729	50,326
Non-current liabilities		
Long-term borrowings	12,847	14,227
Deferred tax liabilities	3,863	5,390
Provision for retirement benefits for directors (and other officers)	243	223
Provision for share-based remuneration for directors (and other officers)	186	87
Retirement benefit liability	3,829	3,996
Asset retirement obligations	240	270
Other	5,257	4,204
Total non-current liabilities	26,468	28,400
Total liabilities	74,198	78,727
<b>Net assets</b>		
Shareholders' equity		
Share capital	19,556	19,556
Capital surplus	27,727	27,727
Retained earnings	156,082	151,893
Treasury shares	△9,148	△9,054
Total shareholders' equity	194,218	190,123
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,874	15,715
Deferred gains or losses on hedges	△10	△5
Foreign currency translation adjustment	△1,242	△2,522
Remeasurements of defined benefit plans	△4,223	△3,883
Total accumulated other comprehensive income	6,397	9,303
Non-controlling interests	89	62
Total net assets	200,705	199,489
<b>Total liabilities and net assets</b>	<b>274,904</b>	<b>278,216</b>

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
(Consolidated Statements of Income)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	120,063	82,431
Cost of sales	78,563	53,994
Gross profit	41,499	28,436
Selling, general and administrative expenses	35,149	28,845
Operating profit (loss)	6,349	△409
Non-operating income		
Interest income	1,295	790
Dividend income	1,129	882
Realized and unrealized profit on trading securities, net	119	60
Gain on investments in investment partnerships	335	167
Gain on specified money in trust	96	239
Subsidies for employment adjustment	—	1,178
Other	328	358
Total non-operating income	3,305	3,676
Non-operating expenses		
Interest expenses	497	350
Foreign exchange losses	423	1,024
Share of loss of entities accounted for using equity method	39	63
Other	279	134
Total non-operating expenses	1,240	1,572
Ordinary profit	8,414	1,694
Extraordinary income		
Gain on sales of non-current assets	5	9
Gain on sales of investment securities	5,453	277
Total extraordinary income	5,459	286
Extraordinary losses		
Loss on retirement of non-current assets	25	68
Loss on sales of non-current assets	17	27
Impairment loss	—	93
Loss on valuation of investment securities	—	81
Loss on valuation of shares of subsidiaries and associates	29	—
Loss on sales of investment securities	—	32
Retirement benefit expenses	543	—
Business restructuring expenses	476	943
Loss on temporary closure	—	1,109
Total extraordinary losses	1,092	2,355
Profit (loss) before income taxes	12,781	△374
Income taxes - current	3,026	620
Income taxes - deferred	955	62
Total income taxes	3,982	683
Profit (loss)	8,798	△1,058
Loss attributable to non-controlling interests	△22	△10
Profit (loss) attributable to owners of parent	8,821	△1,047

## (Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit (loss)	8,798	△1,058
Other comprehensive income		
Valuation difference on available-for-sale securities	1,248	3,841
Deferred gains or losses on hedges	5	4
Foreign currency translation adjustment	△1,272	△1,308
Remeasurements of defined benefit plans, net of tax	314	339
Share of other comprehensive income of entities accounted for using equity method	16	24
Total other comprehensive income	312	2,902
Comprehensive income	9,111	1,844
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,135	1,858
Comprehensive income attributable to non- controlling interests	△24	△14

(2) Notes regarding the consolidated financial statements

(Segment information)

I. First nine months of the fiscal year ended March 31, 2020 (from April 1, 2019 to December 31, 2019)

Information concerning net sales and income/loss by reporting segment

(Millions of yen)

	Reporting Segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated financial statements (Note 3)
	Light sources business	Optical equipment business	Imaging equipment business	Total				
Sales								
Sales to outside customers	44,831	24,707	48,084	117,623	2,440	120,063	—	120,063
Inter-segment sales or transfer among segment	86	31	38	156	6	163	(163)	—
Total	44,917	24,739	48,122	117,779	2,446	120,226	(163)	120,063
Segment profit	4,667	196	1,247	6,111	43	6,155	194	6,349

(Notes) 1. The “Others” classification refers to business segments not included in reporting segments, such as machinery for industrial uses and other businesses.

2. “Adjustment” refers to eliminations of inter-segment transactions.

3. Segment profit is adjusted with operating income in the quarterly consolidated statements of income.

II. First nine months of the fiscal year ending March 31, 2021 (from April 1, 2020 to December 31, 2020)

Information concerning net sales and income/loss by reporting segment

(Millions of yen)

	Reporting Segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated financial statements (Note 3)
	Light sources business	Optical equipment business	Imaging equipment business	Total				
Sales								
Sales to outside customers	32,714	25,800	21,996	80,511	1,919	82,431	—	82,431
Inter-segment sales or transfer among segment	42	22	9	74	27	101	(101)	—
Total	32,756	25,822	22,006	80,585	1,946	82,532	(101)	82,431
Segment profit (loss)	1,464	235	(2,218)	(518)	7	(510)	101	(409)

(Notes) 1. The “Others” classification refers to business segments not included in reporting segments, such as machinery for industrial uses and other businesses.

2. “Adjustment” refers to eliminations of inter-segment transactions.

3. Segment profit (loss) is adjusted with operating loss in the quarterly consolidated statements of income.

2. Changes to Reporting Segments

(Changes to Reporting Segments)

Beginning with the consolidated first nine months, the reporting segments have been changed from “Light Sources” and “Equipment” to “Light sources business,” “Optical equipment business,” and “Imaging equipment business.”

The change is that “Equipment” has been subdivided into “Optical equipment business” and “Imaging equipment business.”

Segment information for the previous first nine months has been prepared based on the new reporting segments.