

February 3, 2022

Consolidated Financial Results
for the First Nine Months of the Fiscal Year Ending March 31, 2022
<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>
 Representative: Koji Naito, President and Chief Executive Officer
 Inquiries: Hideaki Takizawa, General Manager, Accounting & Finance Department
 TEL: +81-3-5657-1000 (from overseas)

Scheduled date to file Quarterly Securities Report: February 14, 2022
 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, 2022
(from April 1, 2021 to December 31, 2021)

(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, 2021	109,714	33.1	10,807	—	12,562	641.5	10,187	—
December 31, 2020	82,431	(31.3)	(409)	—	1,694	(79.9)	(1,047)	—

(Note) Comprehensive income

For the first nine months ended December 31, 2021: ¥ 17,135 million [829.1%]

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

	Net income per share		Diluted net income per share	
	Yen		Yen	
First nine months ended				
December 31, 2021	84.48		—	
December 31, 2020	(8.69)		—	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of						
December 31, 2021	304,744		225,150		73.9	
March 31, 2021	290,275		211,180		72.7	

(Reference) Equity

As of December 31, 2021: ¥ 225,071 million

As of March 31, 2021 : ¥ 211,102 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, 2021	—	—	—	26.00	26.00
Fiscal year ending March 31, 2022	—	—	—		
Fiscal year ending March 31, 2022 (Forecast)				50.00	50.00

(Note) Revisions to the forecasts of cash dividends most recently announced: Yes

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2022	150,000	26.5	12,500	—	14,000	310.9	11,000	—	91.22

(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: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: Yes
 - 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, 2021	127,000,000 shares
As of March 31, 2021	127,000,000 shares

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

As of December 31, 2021	6,409,173 shares
As of March 31, 2021	6,424,307 shares

c. Average number of outstanding shares during the period

As of December 31, 2021	120,585,588 shares
As of December 31, 2020	120,543,965 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 February 3rd, 2022.

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	73,670	83,513
Notes and accounts receivable - trade	34,024	—
Notes and accounts receivable - trade, and contract assets	—	33,013
Securities	2,915	4,979
Merchandise and finished goods	22,885	24,437
Work in process	17,884	20,006
Raw materials and supplies	17,110	17,754
Other	10,585	9,212
Allowance for doubtful accounts	△2,716	△2,465
Total current assets	176,359	190,451
Non-current assets		
Property, plant and equipment		
Buildings and structures	44,919	45,629
Accumulated depreciation	△27,943	△29,126
Buildings and structures, net	16,975	16,502
Machinery, equipment and vehicles	26,314	26,468
Accumulated depreciation	△19,006	△19,603
Machinery, equipment and vehicles, net	7,307	6,865
Land	8,650	8,492
Construction in progress	2,268	3,100
Other	38,114	39,937
Accumulated depreciation	△28,494	△30,492
Other, net	9,620	9,444
Total property, plant and equipment	44,822	44,404
Intangible assets		
Goodwill	335	271
Other	3,075	2,727
Total intangible assets	3,411	2,999
Investments and other assets		
Investment securities	56,364	57,768
Long-term loans receivable	517	21
Deferred tax assets	1,994	2,286
Retirement benefit asset	5,391	5,474
Other	1,950	1,891
Allowance for doubtful accounts	△535	△552
Total investments and other assets	65,682	66,889
Total non-current assets	113,915	114,293
Total assets	290,275	304,744

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,356	21,239
Short-term borrowings	6,058	2,474
Current portion of long-term borrowings	3,520	15,552
Income taxes payable	1,056	2,245
Provision for bonuses	2,021	1,223
Provision for product warranties	2,355	2,379
Provision for loss on order received	0	—
Other	16,639	17,678
Total current liabilities	48,007	62,794
Non-current liabilities		
Long-term borrowings	15,056	—
Deferred tax liabilities	7,005	8,043
Provision for retirement benefits for directors (and other officers)	286	255
Provision for share awards for directors (and other officers)	87	112
Retirement benefit liability	4,098	4,250
Asset retirement obligations	272	289
Other	4,280	3,849
Total non-current liabilities	31,087	16,800
Total liabilities	79,094	79,594
Net assets		
Shareholders' equity		
Share capital	19,556	19,556
Capital surplus	27,727	27,727
Retained earnings	152,448	159,458
Treasury shares	△9,055	△9,031
Total shareholders' equity	190,676	197,711
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,280	20,782
Deferred gains or losses on hedges	△3	—
Foreign currency translation adjustment	3,582	7,489
Remeasurements of defined benefit plans	△1,433	△911
Total accumulated other comprehensive income	20,426	27,360
Non-controlling interests	77	78
Total net assets	211,180	225,150
Total liabilities and net assets	290,275	304,744

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

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	82,431	109,714
Cost of sales	53,994	69,099
Gross profit	28,436	40,615
Selling, general and administrative expenses	28,845	29,807
Operating profit (loss)	△409	10,807
Non-operating income		
Interest income	790	471
Dividend income	882	913
Foreign exchange gains	—	82
Realized and unrealized profit on trading securities, net	60	119
Gain on investments in investment partnerships	167	—
Gain on specified money in trust	239	—
Subsidies for employment adjustment	1,178	434
Other	358	298
Total non-operating income	3,676	2,320
Non-operating expenses		
Interest expenses	350	244
Foreign exchange losses	1,024	—
Share of loss of entities accounted for using equity method	63	76
Settlement package	—	119
Other	134	123
Total non-operating expenses	1,572	565
Ordinary profit	1,694	12,562
Extraordinary income		
Gain on sale of non-current assets	9	1,142
Gain on sale of investment securities	277	17
Total extraordinary income	286	1,160
Extraordinary losses		
Loss on retirement of non-current assets	68	49
Loss on sale of non-current assets	27	11
Impairment losses	93	91
Loss on valuation of investment securities	81	1
Loss on sale of investment securities	32	15
Business restructuring expenses	943	118
Loss on temporary closure	1,109	151
Total extraordinary losses	2,355	438
Profit (loss) before income taxes	△374	13,284
Income taxes - current	620	3,353
Income taxes - deferred	62	△268
Total income taxes	683	3,085
Profit (loss)	△1,058	10,199
Profit (loss) attributable to non-controlling interests	△10	11
Profit (loss) attributable to owners of parent	△1,047	10,187

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit (loss)	△1,058	10,199
Other comprehensive income		
Valuation difference on available-for-sale securities	3,841	2,502
Deferred gains or losses on hedges	4	3
Foreign currency translation adjustment	△1,308	3,928
Remeasurements of defined benefit plans, net of tax	339	522
Share of other comprehensive income of entities accounted for using equity method	24	△20
Total other comprehensive income	2,902	6,936
Comprehensive income	1,844	17,135
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,858	17,121
Comprehensive income attributable to non- controlling interests	△14	13

(2) Notes regarding the consolidated financial statements

(Segment information)

I. First nine months of the fiscal year ended 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.

II. First nine months of the fiscal year ending March 31, 2022 (from April 1, 2021 to December 31, 2021)

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	43,218	35,305	28,739	107,264	2,450	109,714	—	109,714
Inter-segment sales or transfer among segment	61	71	3	137	18	155	(155)	—
Total	43,280	35,377	28,743	107,401	2,468	109,869	(155)	109,714
Segment profit	6,999	3,523	96	10,619	93	10,712	95	10,807

(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 profit in the quarterly consolidated statements of income.