

January 31, 2014

**Consolidated Financial Results for the First Nine Months of the Fiscal Year  
Ending March 31, 2014  
<under Japanese GAAP>**

Company name: **USHIO INC.**  
 Listing: First Section of the Tokyo Stock Exchange  
 Stock code: 6925  
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Scheduled date to file Quarterly Securities Report: February 7, 2014  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly earnings: Yes  
 Holding of quarterly 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, 2014 (from April 1, 2013 to December 31, 2013)**

**(1) Consolidated operating results (cumulative)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First nine months ended December 31, 2013	113,893	7.7	8,479	56.7	12,191	93.2	9,215	199.2
December 31, 2012	105,787	(4.4)	5,411	(40.0)	6,312	(38.5)	3,080	(56.9)

(Note) Comprehensive income

For the first nine months ended December 31, 2013: ¥25,589 million [332.0%]

For the first nine months ended December 31, 2012: ¥5,923 million [619.0%]

	Net income per share	Diluted net income per share
First nine months ended	Yen	Yen
December 31, 2013	70.28	—
December 31, 2012	23.49	—

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2013	258,027	199,504	76.0
March 31, 2013	228,657	176,784	75.9

(Reference) Equity

As of December 31, 2013: ¥196,069 million

As of March 31, 2013: ¥173,629 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, 2013	–	–	–	22.00	22.00
Fiscal year ending March 31, 2014	–	–			
Fiscal year ending March 31, 2014 (Forecast)			–	22.00	22.00

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

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

(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, 2014	160,000	11.5	12,500	64.9	14,500	37.6	10,000	39.8	76.26

(Note) Revisions to the consolidated earnings forecasts most recently announced: None

### \* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a 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: Yes

c. Changes in accounting estimates: None

d. Restatements: None

(Note)

Subject to Article 10-5 of the Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Financial Statements, etc.

(4) Number of issued shares (common stock)

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

As of December 31, 2013	139,628,721 shares
As of March 31, 2013	139,628,721 shares

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

As of December 31, 2013	8,505,391 shares
As of March 31, 2013	8,501,642 shares

c. Average number of shares during the period

For the first nine months ended December 31, 2013	131,125,260 shares
For the first nine months ended December 31, 2012	131,128,433 shares

\* Indication regarding execution of the quarterly review procedures

This quarterly earnings report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly earnings report, the quarterly review procedures for quarterly consolidated financial statements in accordance with the Financial Instruments and Exchange Act are incomplete.

\* 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 results may differ substantially due to various factors.

## Consolidated financial statements

### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
Assets		
Current assets		
Cash and deposits	42,136	49,557
Notes and accounts receivable – trade	34,565	34,160
Short-term investment securities	14,140	15,924
Merchandise and finished goods	21,757	23,467
Work in process	5,817	8,255
Raw materials and supplies	10,405	11,259
Deferred tax assets	5,042	5,579
Other	7,497	7,555
Allowance for doubtful accounts	(717)	(653)
Total current assets	140,646	155,106
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	37,546	39,291
Accumulated depreciation	(19,743)	(21,181)
Buildings and structures, net	17,802	18,110
Machinery, equipment and vehicles	22,521	23,578
Accumulated depreciation	(18,775)	(19,743)
Machinery, equipment and vehicles, net	3,745	3,834
Land	9,057	9,290
Construction in progress	1,220	1,789
Other	20,492	23,539
Accumulated depreciation	(15,542)	(17,276)
Other, net	4,949	6,263
Total property, plant and equipment	36,776	39,287
Intangible assets	2,863	3,253
Investments and other assets		
Investment securities	45,384	57,002
Long-term loans receivable	26	15
Deferred tax assets	636	1,015
Other	2,453	2,447
Allowance for doubtful accounts	(129)	(100)
Total investments and other assets	48,371	60,380
Total noncurrent assets	88,011	102,921
Total assets	228,657	258,027

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable – trade	16,610	17,290
Short-term loans payable	1,904	1,729
Current portion of long-term loans payable	4,732	3,192
Income taxes payable	1,927	2,353
Deferred tax liabilities	146	73
Provision for bonuses	2,581	1,508
Provision for product warranties	1,549	1,659
Provision for loss on orders received	17	6
Other	8,481	12,063
<b>Total current liabilities</b>	<b>37,950</b>	<b>39,877</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	2,791	3,642
Deferred tax liabilities	1,089	5,764
Provision for retirement benefits	2,441	2,840
Provision for directors' retirement benefits	253	504
Asset retirement obligations	211	214
Other	7,136	5,678
<b>Total noncurrent liabilities</b>	<b>13,922</b>	<b>18,645</b>
<b>Total liabilities</b>	<b>51,873</b>	<b>58,523</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	19,556	19,556
Capital surplus	28,371	28,371
Retained earnings	126,912	133,243
Treasury stock	(12,231)	(12,235)
<b>Total shareholders' equity</b>	<b>162,609</b>	<b>168,935</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	14,666	23,089
Deferred losses on hedges	(23)	(2)
Foreign currency translation adjustment	(3,623)	4,048
<b>Total accumulated other comprehensive income</b>	<b>11,019</b>	<b>27,134</b>
<b>Minority interests</b>	<b>3,155</b>	<b>3,434</b>
<b>Total net assets</b>	<b>176,784</b>	<b>199,504</b>
<b>Total liabilities and net assets</b>	<b>228,657</b>	<b>258,027</b>

**(2) Consolidated statements of income and Consolidated statements of comprehensive income**

Consolidated statements of income (cumulative)

(Millions of yen)

	First nine months ended December 31, 2012	First nine months ended December 31, 2013
Net sales	105,787	113,893
Cost of sales	70,631	73,312
Gross profit	35,155	40,580
Selling, general and administrative expenses	29,743	32,101
Operating income	5,411	8,479
Non-operating income		
Interest income	269	431
Dividends income	814	896
Foreign exchange gains	—	1,490
Gain on trading securities	92	358
Equity in earnings of affiliates	2	—
Gain on sales of investment securities	6	166
Other	335	643
Total non-operating income	1,521	3,986
Non-operating expenses		
Interest expenses	133	168
Foreign exchange losses	68	—
Equity in losses of affiliates	—	24
Other	418	80
Total non-operating expenses	620	274
Ordinary income	6,312	12,191
Extraordinary income		
Gain on sales of noncurrent assets	5	5
Gain on sales of investment securities	15	1,921
Total extraordinary income	20	1,926
Extraordinary loss		
Loss on retirement of noncurrent assets	65	64
Loss on sales of noncurrent assets	14	0
Impairment loss	30	63
Loss on valuation of investment securities	435	952
Loss on liquidation of business	—	171
Loss on sales of stocks of subsidiaries and affiliates	—	4
Loss on step acquisitions	—	5
Loss on valuation of membership	—	2
Loss on sales of membership	—	3
Special extra retirement payments and related expenses	—	39
Other	0	2
Total extraordinary losses	546	1,308
Income before income taxes and minority interests	5,786	12,809
Income taxes – current	2,486	4,280
Income taxes – deferred	306	(678)
Total income taxes	2,793	3,601
Income before minority interests	2,992	9,207
Minority interests in losses	(87)	(7)
Net income	3,080	9,215

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	First nine months ended December 31, 2012	First nine months ended December 31, 2013
Income before minority interests	2,992	9,207
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	(382)	8,422
Deferred gains on hedges	—	20
Foreign currency translation adjustment	3,312	7,930
Share of other comprehensive income of associates accounted for using equity method	—	8
Total other comprehensive income	2,930	16,381
Comprehensive income	5,923	25,589
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,883	25,329
Comprehensive income attributable to minority interests	39	259

### (3) Notes regarding the consolidated financial statements

(Notes on premise of going concern)

No items to report

(Notes on significant changes in shareholders' equity)

No items to report

(Segment information)

I. First nine months of the fiscal year ended March 31, 2013 (from April 1, 2012 to December 31, 2012)

Information concerning net sales and profit by reporting segment

(Millions of yen)

	Reporting Segment			Others (Note 1)	Total	Total Adjustment (Note 2)	Amount on consolidated financial statements (Note 3)
	Light Sources	Equipment	Total				
Sales							
Sales to outside customers	39,761	63,586	103,347	2,439	105,787	—	105,787
Inter-segment sales or transfer among segment	202	48	251	8	260	(260)	—
Total	39,964	63,635	103,599	2,448	106,048	(260)	105,787
Segment profit	4,254	854	5,108	86	5,195	216	5,411

(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, 2014 (from April 1, 2013 to December 31, 2013)

1. Information concerning net sales and profit by reporting segment

(Millions of yen)

	Reporting Segment			Others (Note 1)	Total	Total Adjustment (Note 2)	Amount on consolidated financial statements (Note 3)
	Light Sources	Equipment	Total				
Sales							
Sales to outside customers	46,603	65,390	111,993	1,899	113,893	—	113,893
Inter-segment sales or transfer among segment	469	35	505	12	517	(517)	—
Total	47,072	65,426	112,498	1,911	114,410	(517)	113,893
Segment profit	5,584	2,730	8,314	62	8,376	102	8,479

(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.

Previously, the Company and its domestic consolidated subsidiaries had primarily adopted the declining-balance method as the depreciation method for property, plant and equipment (however, the straight-line method was adopted for buildings and structures acquired after April 1, 1998 (excluding accompanying facilities)). However, from the first quarter of the fiscal year ending March 31, 2014, the depreciation method has been changed primarily to the straight-line method.

Accompanying this change, compared to the previous method used, segment profit for the light sources business, the equipment business and others business for the first nine months of the current fiscal year increased by ¥404 million, ¥142 million, and ¥17 million, respectively.