

Translation



July 31, 2020

**Consolidated Financial Results**  
**for the First Three 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/>  
Representative: Koji Naito, President and Chief Executive Officer  
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TEL: +81-3-5657-1000 (from overseas)

Scheduled date to file Securities Report: August 7, 2020  
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 three months of the fiscal year ending March 31, 2021**  
**(from April 1, 2020 to June 30, 2020)**

**(1) Consolidated operating results**

(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 three months ended								
June 30, 2020	23,686	(39.1)	(742)	—	325	(89.1)	(1,055)	—
June 30, 2019	38,907	(2.6)	2,152	(15.3)	2,980	(24.7)	1,253	(44.5)

(Note) Comprehensive income (loss)  
For the first three months ended June 30, 2020: ¥ 1,385 million [(—)%]  
For the first three months ended June 30, 2019: ¥ (140) million [(—)%]

	Net income per share	Diluted net income per share
First three months ended	Yen	Yen
June 30, 2020	(8.76)	—
June 30, 2019	10.02	—

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2020	274,146	198,961	72.5
March 31, 2020	274,904	200,705	73.0

(Reference) Equity  
As of June 30, 2020 : ¥ 198,878 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: Yes

## 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		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2021	125,000	(21.4)	(5,000)	—	(3,500)	—	(7,500)	—	(62.23)
	~135,000	~(15.1)	~500		~2,000		~(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 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: None

c. Changes in accounting estimates: None

d. Restatements: None

(4) Number of issued shares (common stock)

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

As of June 30, 2020	127,000,000 shares
As of March 31, 2020	127,000,000 shares

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

As of June 30, 2020	6,474,011 shares
As of March 31, 2020	6,480,983 shares

c. Average number of shares during the period

As of June 30, 2020	120,521,947 shares
As of June 30, 2019	125,111,996 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 July 31, 2020.

**Consolidated Financial Statements**  
**(1) Consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	60,679	63,155
Notes and accounts receivable - trade	40,326	29,152
Securities	4,222	4,437
Merchandise and finished goods	25,758	26,886
Work in process	15,409	17,347
Raw materials and supplies	16,014	17,008
Other	10,467	12,031
Allowance for doubtful accounts	△2,043	△1,996
Total current assets	170,835	168,022
Non-current assets		
Property, plant and equipment		
Buildings and structures	44,619	44,758
Accumulated depreciation	△26,222	△26,641
Buildings and structures, net	18,396	18,117
Machinery, equipment and vehicles	23,676	23,962
Accumulated depreciation	△17,904	△18,156
Machinery, equipment and vehicles, net	5,772	5,806
Land	8,393	8,394
Construction in progress	2,061	2,538
Other	36,018	36,718
Accumulated depreciation	△26,400	△27,292
Other, net	9,617	9,426
Total property, plant and equipment	44,242	44,282
Intangible assets		
Goodwill	698	604
Other	3,048	3,188
Total intangible assets	3,746	3,793
Investments and other assets		
Investment securities	50,278	52,531
Long-term loans receivable	18	18
Deferred tax assets	1,963	1,731
Retirement benefit asset	1,949	1,906
Other	2,398	2,384
Allowance for doubtful accounts	△529	△524
Total investments and other assets	56,079	58,047
Total non-current assets	104,069	106,123
<b>Total assets</b>	<b>274,904</b>	<b>274,146</b>

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	18,730	17,000
Short-term borrowings	3,110	4,918
Current portion of long-term borrowings	6,298	6,238
Income taxes payable	955	865
Provision for bonuses	1,999	1,013
Provision for product warranties	2,202	2,109
Provision for loss on order received	15	14
Other	14,416	15,370
Total current liabilities	47,729	47,530
Non-current liabilities		
Long-term borrowings	12,847	12,703
Deferred tax liabilities	3,863	5,364
Provision for retirement benefits for directors (and other officers)	243	249
Provision for share-based remuneration for directors (and other officers)	186	178
Retirement benefit liability	3,829	3,829
Asset retirement obligations	240	259
Other	5,257	5,069
Total non-current liabilities	26,468	27,654
Total liabilities	74,198	75,184
Net assets		
Shareholders' equity		
Share capital	19,556	19,556
Capital surplus	27,727	27,727
Retained earnings	156,082	151,885
Treasury shares	△9,148	△9,136
Total shareholders' equity	194,218	190,032
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,874	14,376
Deferred gains or losses on hedges	△10	△9
Foreign currency translation adjustment	△1,242	△1,409
Remeasurements of defined benefit plans	△4,223	△4,110
Total accumulated other comprehensive income	6,397	8,846
Non-controlling interests	89	82
Total net assets	200,705	198,961
Total liabilities and net assets	274,904	274,146

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

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	38,907	23,686
Cost of sales	24,711	14,986
Gross profit	14,196	8,700
Selling, general and administrative expenses	12,044	9,442
Operating profit (loss)	2,152	△742
Non-operating income		
Interest income	450	310
Dividend income	564	437
Gain on investments in investment partnerships	312	8
Realized and unrealized profit on trading securities, net	24	33
Gain on specified money in trust	31	90
Subsidies for employment adjustment	—	457
Other	137	90
Total non-operating income	1,520	1,428
Non-operating expenses		
Interest expenses	199	161
Foreign exchange losses	428	168
Share of loss of entities accounted for using equity method	0	14
Other	63	15
Total non-operating expenses	692	359
Ordinary profit	2,980	325
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	10	255
Total extraordinary income	11	255
Extraordinary losses		
Loss on retirement of non-current assets	5	1
Loss on sales of non-current assets	0	0
Loss on valuation of investment securities	—	81
Retirement benefit expenses	543	—
Business restructuring expenses	284	228
Loss on temporary closure	—	620
Total extraordinary losses	833	931
Profit (loss) before income taxes	2,158	△350
Income taxes - current	457	△52
Income taxes - deferred	454	764
Total income taxes	911	711
Profit (loss)	1,247	△1,062
Loss attributable to non-controlling interests	△6	△6
Profit (loss) attributable to owners of parent	1,253	△1,055

**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit (loss)	1,247	△1,062
Other comprehensive income		
Valuation difference on available-for-sale securities	1,130	2,502
Deferred gains or losses on hedges	△1	0
Foreign currency translation adjustment	△2,623	△163
Remeasurements of defined benefit plans, net of tax	106	112
Share of other comprehensive income of entities accounted for using equity method	0	△3
Total other comprehensive income	△1,387	2,447
Comprehensive income	△140	1,385
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△131	1,393
Comprehensive income attributable to non- controlling interests	△9	△7

(3) Notes regarding the consolidated financial statements

(Segment information)

I. First three months of the fiscal year ended March 31, 2020 (from April 1, 2019 to June 30, 2019)

1. Information concerning net sales and profit/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	15,484	8,969	13,734	38,188	719	38,907	—	38,907
Inter-segment sales or transfer among segment	38	12	1	52	1	54	(54)	—
Total	15,523	8,981	13,736	38,241	721	38,962	(54)	38,907
Segment profit (loss)	1,941	111	(20)	2,032	18	2,050	101	2,152

(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 profit in the quarterly consolidated statements of income.

II. First three months of the fiscal year ending March 31, 2021 (from April 1, 2020 to June 30, 2020)

1. Information concerning net sales and profit/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	10,453	7,142	5,431	23,027	659	23,686	—	23,686
Inter-segment sales or transfer among segment	15	12	1	30	6	36	(36)	—
Total	10,469	7,154	5,433	23,057	665	23,723	(36)	23,686
Segment profit (loss)	483	77	(1,295)	(733)	(23)	(757)	14	(742)

(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 quarter, 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 quarter has been prepared based on the new reporting segments.