

November 2, 2021

**Consolidated Financial Results**  
**for the First Six 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>  
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Scheduled date to file Quarterly Securities Report: November 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 six months of the fiscal year ending March 31, 2022**  
**(from April 1, 2021 to September 30, 2021)**

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
First six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2021	71,594	37.6	6,566	—	7,682	—	6,506	—
September 30, 2020	52,021	(36.6)	(1,068)	—	403	(93.1)	(1,971)	—

(Note) Comprehensive income

For the first six months ended September 30, 2021: ¥ 11,251 million [—%]

For the first six months ended September 30, 2020: ¥ (822) million [—%]

	Net income per share	Diluted net income per share
First six months ended	Yen	Yen
September 30, 2021	53.96	—
September 30, 2020	(16.36)	—

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2021	294,829	219,268	74.3
March 31, 2021	290,275	211,180	72.7

(Reference) Equity

As of September 30, 2021: ¥ 219,194 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)			—	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, 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	11,000	—	12,500	266.9	10,000	—	82.93

(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 September 30, 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 September 30, 2021	6,408,503 shares
As of March 31, 2021	6,424,307 shares

- c. Average number of outstanding shares during the period

As of September 30, 2021	120,583,254 shares
As of September 30, 2020	120,529,884 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 Highlights

The Financial Highlights will be posted on the website of USHIO INC. on November 2, 2021.

Consolidated Financial Statements  
(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	73,670	77,077
Notes and accounts receivable - trade	34,024	—
Notes and accounts receivable - trade, and contract assets	—	33,234
Securities	2,915	4,078
Merchandise and finished goods	22,885	23,117
Work in process	17,884	18,835
Raw materials and supplies	17,110	16,641
Other	10,585	9,152
Allowance for doubtful accounts	△2,716	△2,605
<b>Total current assets</b>	<b>176,359</b>	<b>179,531</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	44,919	45,194
Accumulated depreciation	△27,943	△28,578
Buildings and structures, net	16,975	16,616
Machinery, equipment and vehicles	26,314	26,161
Accumulated depreciation	△19,006	△19,150
Machinery, equipment and vehicles, net	7,307	7,010
Land	8,650	8,442
Construction in progress	2,268	2,544
Other	38,114	38,981
Accumulated depreciation	△28,494	△29,606
Other, net	9,620	9,375
<b>Total property, plant and equipment</b>	<b>44,822</b>	<b>43,989</b>
<b>Intangible assets</b>		
Goodwill	335	251
Other	3,075	2,804
<b>Total intangible assets</b>	<b>3,411</b>	<b>3,055</b>
<b>Investments and other assets</b>		
Investment securities	56,364	58,943
Long-term loans receivable	517	19
Deferred tax assets	1,994	2,493
Retirement benefit asset	5,391	5,443
Other	1,950	1,893
Allowance for doubtful accounts	△535	△540
<b>Total investments and other assets</b>	<b>65,682</b>	<b>68,252</b>
<b>Total non-current assets</b>	<b>113,915</b>	<b>115,298</b>
<b>Total assets</b>	<b>290,275</b>	<b>294,829</b>

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	16,356	17,745
Short-term borrowings	6,058	2,209
Current portion of long-term borrowings	3,520	1,679
Income taxes payable	1,056	1,844
Provision for bonuses	2,021	1,998
Provision for product warranties	2,355	2,394
Provision for loss on order received	0	—
Other	16,639	17,056
Total current liabilities	48,007	44,927
Non-current liabilities		
Long-term borrowings	15,056	13,520
Deferred tax liabilities	7,005	8,397
Provision for retirement benefits for directors (and other officers)	286	285
Provision for share awards for directors (and other officers)	87	90
Retirement benefit liability	4,098	4,222
Asset retirement obligations	272	274
Other	4,280	3,842
Total non-current liabilities	31,087	30,633
Total liabilities	79,094	75,561
<b>Net assets</b>		
Shareholders' equity		
Share capital	19,556	19,556
Capital surplus	27,727	27,727
Retained earnings	152,448	155,777
Treasury shares	△9,055	△9,029
Total shareholders' equity	190,676	194,031
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,280	21,527
Deferred gains or losses on hedges	△3	—
Foreign currency translation adjustment	3,582	4,718
Remeasurements of defined benefit plans	△1,433	△1,084
Total accumulated other comprehensive income	20,426	25,162
Non-controlling interests	77	74
Total net assets	211,180	219,268
<b>Total liabilities and net assets</b>	<b>290,275</b>	<b>294,829</b>

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

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	52,021	71,594
Cost of sales	33,813	45,722
Gross profit	18,208	25,872
Selling, general and administrative expenses	19,276	19,306
Operating profit (loss)	△1,068	6,566
Non-operating income		
Interest income	522	349
Dividend income	462	461
Realized and unrealized profit on trading securities, net	—	89
Gain on investments in investment partnerships	57	—
Gain on specified money in trust	150	9
Subsidies for employment adjustment	867	410
Other	234	140
Total non-operating income	2,296	1,460
Non-operating expenses		
Interest expenses	228	170
Foreign exchange losses	417	48
Share of loss of entities accounted for using equity method	37	44
Realized and unrealized loss on investments in securities, net	60	—
Other	80	79
Total non-operating expenses	824	344
Ordinary profit	403	7,682
Extraordinary income		
Gain on sale of non-current assets	6	1,139
Gain on sale of investment securities	277	17
Total extraordinary income	284	1,157
Extraordinary losses		
Loss on retirement of non-current assets	55	29
Loss on sale of non-current assets	6	10
Business restructuring expenses	825	79
Impairment losses	12	91
Loss on sale of investment securities	4	7
Loss on valuation of investment securities	82	1
Loss on temporary closure	896	151
Total extraordinary losses	1,884	370
Profit (loss) before income taxes	△1,196	8,468
Income taxes - current	599	2,398
Income taxes - deferred	186	△445
Total income taxes	786	1,952
Profit (loss)	△1,982	6,515
Profit (loss) attributable to non-controlling interests	△10	9
Profit (loss) attributable to owners of parent	△1,971	6,506

## (Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit (loss)	△1,982	6,515
Other comprehensive income		
Valuation difference on available-for-sale securities	1,796	3,247
Deferred gains or losses on hedges	1	3
Foreign currency translation adjustment	△866	1,140
Remeasurements of defined benefit plans, net of tax	226	349
Share of other comprehensive income of entities accounted for using equity method	2	△4
Total other comprehensive income	1,160	4,735
Comprehensive income	△822	11,251
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△809	11,242
Comprehensive income attributable to non-controlling interests	△13	9

## (3) Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	△1,196	8,468
Depreciation	3,460	3,456
Impairment losses	12	91
Increase (decrease) in retirement benefit liability	405	67
Amortization of goodwill	180	84
Increase (decrease) in allowance for doubtful accounts	326	△142
Business restructuring expenses	825	79
Interest and dividend income	△985	△810
Subsidies for employment adjustment	△867	△410
Interest expenses	228	170
Profit / Loss on sale / revaluation of available-for-sale securities	60	△89
Loss (gain) on valuation of investment securities	82	1
Share of loss (profit) of entities accounted for using equity method	37	44
Loss (gain) on sale of non-current assets	0	△1,129
Loss on retirement of non-current assets	55	29
Loss (gain) on sale of investment securities	△273	△10
Decrease (increase) in trade receivables	12,401	1,006
Decrease (increase) in inventories	△4,283	△369
Increase (decrease) in trade payables	△3,779	1,296
Increase (decrease) in advances received	562	△293
Other, net	△412	1,431
<b>Subtotal</b>	<b>6,841</b>	<b>12,971</b>
Interest and dividends received	1,070	855
Interest paid	△224	△174
Payments for business structure improvement expenses	△536	△289
Income taxes paid	△322	△798
Subsidy income for employment adjustment	562	408
<b>Net cash provided by (used in) operating activities</b>	<b>7,392</b>	<b>12,974</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	△3,684	△3,904
Proceeds from withdrawal of time deposits	2,367	2,957
Short-term loan advances	△11	△38
Proceeds from collection of short-term loans receivable	13	321
Purchase of securities	△33	△24
Proceeds from sale and redemption of securities	865	268
Purchase of property, plant and equipment	△3,516	△2,852
Proceeds from sale of property, plant and equipment	23	1,480
Purchase of intangible assets	△258	△118
Purchase of investment securities	△2	△716
Proceeds from sale and redemption of investment securities	2,602	1,397
Payments for acquisition of businesses	—	△26
Long-term loan advances	△3	△7
Proceeds from collection of long-term loans receivable	6	370
Other, net	31	0
<b>Net cash provided by (used in) investing activities</b>	<b>△1,600</b>	<b>△892</b>

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	8,797	△3,831
Proceeds from long-term borrowings	1,588	—
Repayments of long-term borrowings	△2,234	△3,520
Purchase of treasury shares	△1	△2
Dividends paid	△3,140	△3,136
Net cash provided by (used in) financing activities	5,009	△10,491
Effect of exchange rate change on cash and cash equivalents	△850	641
Net increase (decrease) in cash and cash equivalents	9,951	2,231
Cash and cash equivalents at beginning of period	59,046	70,418
Cash and cash equivalents at end of period	68,997	72,650



(4) Notes regarding the consolidated financial statements

(Segment information)

I. First six months of the fiscal year ended March 31, 2021 (from April 1, 2020 to September 30, 2020)

1. 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	21,051	16,348	13,414	50,814	1,206	52,021	—	52,021
Inter-segment sales or transfer among segment	28	24	2	55	12	68	(68)	—
Total	21,079	16,373	13,416	50,869	1,219	52,089	(68)	52,021
Segment profit (loss)	677	160	(1,934)	(1,096)	(23)	(1,119)	51	(1,068)

(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 six months of the fiscal year ending March 31, 2022 (from April 1, 2021 to September 30, 2021)

1. 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	28,014	24,468	17,626	70,108	1,486	71,594	—	71,594
Inter-segment sales or transfer among segment	37	42	2	82	12	94	(94)	—
Total	28,051	24,510	17,628	70,190	1,498	71,688	(94)	71,594
Segment profit (loss)	4,515	2,433	(448)	6,500	17	6,518	47	6,566

(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 income in the quarterly consolidated statements of income.