

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 <under Japanese GAAP>

Company name: **USHIO INC.**
 Listing: Prime Market of the Tokyo Stock Exchange
 Stock code: 6925
 URL: <https://www.ushio.co.jp/en>
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Scheduled date of ordinary general meeting of shareholders: June 29, 2022
 Scheduled date to commence dividend payments: June 30, 2022
 Scheduled date to file Securities Report: June 29, 2022
 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 fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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	%
Fiscal year ended March 31, 2022	148,821	25.5	13,068	—	15,195	346.0	12,606	—
March 31, 2021	118,558	(25.4)	764	(88.5)	3,407	(61.0)	(687)	—

(Note) Comprehensive income

For the fiscal year ended March 31, 2022: ¥27,188 million [103.8%]

For the fiscal year ended March 31, 2021: ¥13,342 million [760.5%]

	Net income per share	Diluted net income per share	Net income/ Equity	Ordinary income/ total assets	Operating income/ net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	104.54	—	5.7	5.0	8.8
March 31, 2021	(5.70)	—	(0.3)	1.2	0.6

(Reference) Equity in losses of affiliates

For the fiscal year ended March 31, 2022: ¥(86) million

For the fiscal year ended March 31, 2021: ¥(80) million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	321,096	235,202	73.2	1,949.73
March 31, 2021	290,275	211,180	72.7	1,750.79

(Reference) Equity

As of March 31, 2022: ¥235,118 million

As of March 31, 2021: ¥211,102 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Period-end cash and cash equivalents
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	21,628	(5,519)	(10,625)	81,619
March 31, 2021	14,517	(3,418)	(784)	70,418

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2021	–	–	–	26.00	26.00	3,141	–	1.5
Fiscal year ended March 31, 2022	–	–	–	50.00	50.00	6,041	47.8	2.7
Fiscal year ending March 31, 2023 (Forecast)	–	–	–	50.00	50.00		42.4	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	170,000	14.2	17,000	30.1	18,500	21.7	14,000	11.1	117.79

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatements

- Changes in accounting policies due to revisions to accounting standards: Yes
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: Yes
- Restatements: None

(3) Number of issued shares (common shares)

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

As of March 31, 2022	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 March 31, 2022	6,409,833 shares
As of March 31, 2021	6,424,307 shares

c. Average number of outstanding shares during the period

For the fiscal year ended March 31, 2022	120,586,712 shares
For the fiscal year ended March 31, 2021	120,551,331 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.

**Non-consolidated performance for the fiscal year ended March 31, 2022
(from April 1, 2021 to March 31, 2022)**

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	60,061	36.0	5,596	983.3	9,055	137.3	7,546	40.8
March 31, 2021	44,172	(6.6)	516	(45.8)	3,815	1.3	5,359	(27.1)

	Net income per share		Diluted net income per share	
Fiscal year ended	Yen		Yen	
March 31, 2022	62.58		—	
March 31, 2021	44.46		—	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	165,251	128,910	78.0	1,069.00
March 31, 2021	149,898	120,747	80.6	1,001.42

(Reference) Equity

As of March 31, 2022: ¥128,910 million

As of March 31, 2021: ¥120,747 million

*This Consolidated Financial Results 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 results presentation for securities analysts and institutional investors is planned on May 12, 2022.

The Financial Presentation will be posted on the website of USHIO INC. on May 11, 2022.

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	73,670	88,687
Notes and accounts receivable - trade	34,024	—
Notes and accounts receivable - trade, and contract assets	—	35,292
Securities	2,915	4,937
Merchandise and finished goods	22,885	26,169
Work in process	17,884	20,282
Raw materials and supplies	17,110	18,891
Other	10,585	10,134
Allowance for doubtful accounts	△2,716	△2,686
Total current assets	176,359	201,708
Non-current assets		
Property, plant and equipment		
Buildings and structures	44,919	47,161
Accumulated depreciation	△27,943	△29,767
Buildings and structures, net	16,975	17,393
Machinery, equipment and vehicles	26,314	27,875
Accumulated depreciation	△19,006	△20,212
Machinery, equipment and vehicles, net	7,307	7,662
Land	8,650	8,630
Construction in progress	2,268	2,708
Other	38,114	41,498
Accumulated depreciation	△28,494	△31,730
Other, net	9,620	9,768
Total property, plant and equipment	44,822	46,162
Intangible assets		
Goodwill	335	235
Other	3,075	2,755
Total intangible assets	3,411	2,991
Investments and other assets		
Investment securities	56,364	59,146
Long-term loans receivable	517	15
Deferred tax assets	1,994	4,135
Retirement benefit asset	5,391	5,592
Other	1,950	1,924
Allowance for doubtful accounts	△535	△580
Total investments and other assets	65,682	70,234
Total non-current assets	113,915	119,388
Total assets	290,275	321,096

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,356	21,164
Contract liabilities	—	14,388
Short-term borrowings	6,058	2,185
Current portion of long-term borrowings	3,520	16,402
Income taxes payable	1,056	3,828
Provision for bonuses	2,021	2,699
Provision for product warranties	2,355	2,597
Provision for loss on orders received	0	—
Other	16,639	9,126
Total current liabilities	48,007	72,393
Non-current liabilities		
Long-term borrowings	15,056	—
Deferred tax liabilities	7,005	7,823
Provision for retirement benefits for directors (and other officers)	286	270
Provision for share awards for directors (and other officers)	87	146
Retirement benefit liability	4,098	4,054
Asset retirement obligations	272	302
Other	4,280	903
Total non-current liabilities	31,087	13,500
Total liabilities	79,094	85,893
Net assets		
Shareholders' equity		
Share capital	19,556	19,556
Capital surplus	27,727	27,727
Retained earnings	152,448	161,877
Treasury shares	△9,055	△9,032
Total shareholders' equity	190,676	200,129
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,280	21,399
Deferred gains or losses on hedges	△3	—
Foreign currency translation adjustment	3,582	14,186
Remeasurements of defined benefit plans	△1,433	△598
Total accumulated other comprehensive income	20,426	34,988
Non-controlling interests	77	84
Total net assets	211,180	235,202
Total liabilities and net assets	290,275	321,096

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

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	118,558	148,821
Cost of sales	78,719	94,792
Gross profit	39,839	54,029
Selling, general and administrative expenses	39,074	40,960
Operating profit	764	13,068
Non-operating income		
Interest income	1,010	670
Dividend income	884	914
Foreign exchange gains	—	377
Realized and unrealized profit on trading securities, net	284	207
Gain on investments in investment partnerships	129	26
Gain on specified money in trust	213	—
Subsidies for employment adjustment	1,432	468
Other	447	338
Total non-operating income	4,402	3,004
Non-operating expenses		
Interest expenses	442	329
Foreign exchange losses	1,015	—
Share of loss of entities accounted for using equity method	80	86
Provision of allowance for doubtful accounts	6	—
Loss on specified money in trust	—	101
Settlement payments	—	119
Other	214	240
Total non-operating expenses	1,759	877
Ordinary profit	3,407	15,195
Extraordinary income		
Gain on sale of non-current assets	53	1,153
Gain on sale of investment securities	278	17
Gain on change in equity	507	—
Total extraordinary income	838	1,171
Extraordinary losses		
Loss on retirement of non-current assets	121	98
Loss on sale of non-current assets	25	11
Impairment losses	143	164
Loss on sale of investment securities	61	15
Loss on valuation of investment securities	320	1
Business restructuring expenses	2,129	161
Loss on temporary closure	1,312	151
Total extraordinary losses	4,115	603
Profit before income taxes	130	15,762
Income taxes - current	1,492	5,470
Income taxes - deferred	△675	△2,327
Total income taxes	817	3,143
Profit (loss)	△687	12,619
Profit attributable to non-controlling interests	0	13
Profit (loss) attributable to owners of parent	△687	12,606

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit (loss)	△687	12,619
Other comprehensive income		
Valuation difference on available-for-sale securities	6,405	3,119
Deferred gains or losses on hedges	6	3
Foreign currency translation adjustment	4,863	10,553
Remeasurements of defined benefit plans, net of tax	2,790	835
Share of other comprehensive income of entities accounted for using equity method	△36	56
Total other comprehensive income	14,029	14,569
Comprehensive income	13,342	27,188
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,341	27,169
Comprehensive income attributable to non-controlling interests	1	19

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,556	27,727	156,082	△9,148	194,218
Changes during period					
Dividends of surplus			△3,141		△3,141
Loss attributable to owners of parent			△687		△687
Purchase of treasury shares				△3	△3
Disposal of treasury shares				96	96
Change in scope of consolidation			193		193
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	△3,634	93	△3,541
Balance at end of period	19,556	27,727	152,448	△9,055	190,676

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,874	△10	△1,242	△4,223	6,397	89	200,705
Changes during period							
Dividends of surplus							△3,141
Loss attributable to owners of parent							△687
Purchase of treasury shares							△3
Disposal of treasury shares							96
Change in scope of consolidation							193
Net changes in items other than shareholders' equity	6,405	6	4,825	2,790	14,028	△12	14,016
Total changes during period	6,405	6	4,825	2,790	14,028	△12	10,474
Balance at end of period	18,280	△3	3,582	△1,433	20,426	77	211,180

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,556	27,727	152,448	△9,055	190,676
Cumulative effects of changes in accounting policies			△35		△35
Restated balance	19,556	27,727	152,412	△9,055	190,641
Changes during period					
Dividends of surplus			△3,141		△3,141
Profit attributable to owners of parent			12,606		12,606
Purchase of treasury shares				△5	△5
Disposal of treasury shares				28	28
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	9,465	22	9,487
Balance at end of period	19,556	27,727	161,877	△9,032	200,129

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	18,280	△3	3,582	△1,433	20,426	77	211,180
Cumulative effects of changes in accounting policies							△35
Restated balance	18,280	△3	3,582	△1,433	20,426	77	211,145
Changes during period							
Dividends of surplus							△3,141
Profit attributable to owners of parent							12,606
Purchase of treasury shares							△5
Disposal of treasury shares							28
Net changes in items other than shareholders' equity	3,119	3	10,603	835	14,562	6	14,569
Total changes during period	3,119	3	10,603	835	14,562	6	24,057
Balance at end of period	21,399	—	14,186	△598	34,988	84	235,202

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	130	15,762
Depreciation	6,988	6,939
Impairment losses	143	164
Increase (decrease) in retirement benefit liability	41	△55
Amortization of goodwill	359	163
Increase (decrease) in allowance for doubtful accounts	592	△360
Business restructuring expenses	2,129	161
Interest and dividend income	△1,895	△1,585
Subsidies for employment adjustment	△1,432	△468
Loss (gain) on change in equity	△507	—
Interest expenses	442	329
Profit / Loss on sale / revaluation of available-for-sale securities	△284	△207
Share of loss (profit) of entities accounted for using equity method	80	86
Settlement payments	—	119
Loss (gain) on sale of non-current assets	△27	△1,142
Loss on retirement of non-current assets	121	98
Loss (gain) on sale of investment securities	△216	△2
Loss (gain) on valuation of investment securities	320	1
Decrease (increase) in trade receivables	6,880	474
Decrease (increase) in inventories	△472	△4,329
Increase (decrease) in trade payables	△2,446	4,142
Increase Decrease In Contract Liabilities	—	673
Increase (decrease) in advances received	1,873	—
Other, net	1,166	1,076
Subtotal	13,988	22,042
Interest and dividends received	2,054	1,641
Interest paid	△437	△333
Subsidy income for employment adjustment	1,272	688
Payments for business structure improvement expenses	△776	△930
Income taxes paid	△1,584	△1,479
Net cash provided by (used in) operating activities	14,517	21,628
Cash flows from investing activities		
Payments into time deposits	△6,819	△10,449
Proceeds from withdrawal of time deposits	5,448	7,329
Short-term loan advances	△10	△38
Proceeds from collection of short-term loans receivable	30	326
Purchase of securities	△85	△89
Proceeds from sale and redemption of securities	1,835	1,472
Purchase of property, plant and equipment	△6,304	△5,958
Proceeds from sale of property, plant and equipment	94	1,545
Purchase of intangible assets	△483	△235
Purchase of investment securities	△2,395	△3,652
Proceeds from sale and redemption of investment securities	5,255	3,903
Payments for acquisition of businesses	—	△52
Long-term loan advances	△17	△10
Proceeds from collection of long-term loans receivable	0	370
Other, net	31	18
Net cash provided by (used in) investing activities	△3,418	△5,519

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,646	△3,960
Proceeds from long-term borrowings	5,778	—
Repayments of long-term borrowings	△6,564	△3,520
Purchase of treasury shares	△3	△5
Dividends paid	△3,141	△3,139
Proceeds from allocation of new shares to a third party of consolidated subsidiaries	500	—
Net cash provided by (used in) financing activities	△784	△10,625
Effect of exchange rate change on cash and cash equivalents	1,575	5,717
Net increase (decrease) in cash and cash equivalents	11,890	11,200
Cash and cash equivalents at beginning of period	59,046	70,418
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	△517	—
Cash and cash equivalents at end of period	70,418	81,619

(5) Notes regarding the consolidated financial statements

(Segment Information)

1. Overview of Reporting Segments

The Company's reporting segments reflect the basic business units that comprise the Company for which separate financial data are available, with businesses evaluated by the Board of Directors. To facilitate decisions regarding the distribution of management resources and the evaluation of business performance, reporting segments are subject to periodic review.

The Company has adopted a business division system based on similarities in product type, sales markets, and other relevant factors. Business activities are conducted on a global basis, guided by comprehensive domestic and overseas strategies established for businesses involving the development, manufacture and sale of Group products, along with related services.

Accordingly, the Company's segments are separated along product or market lines, with "Light sources business", "Optical equipment business" and "Imaging equipment business" as the three reporting segments.

The "Light sources business" segment is involved in the production and sale primarily of halogen and discharge lamps.

The "Optical equipment business" segment is involved in the production and sale primarily of optical equipment.

The "Imaging equipment business" segment is involved in the production and sale primarily of imaging equipment.

2. Methods for Calculation of Monetary Figures for Net Sales, Profit or Loss, Assets, Liabilities, and Other Line Items for Reporting Segments

Profit figures for reporting segments are based on operating profit.

Inter-segment revenues or transfers are based on prevailing market prices.

3. Monetary Information Concerning Net Sales, Profit or Loss, Assets, Liabilities, and Other Line Items for Reporting Segments

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reporting Segment				Others (Note 1)	Total	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	45,774	38,999	31,052	115,826	2,732	118,558	—	118,558
Inter-segment sales or transfer among segments	58	42	10	111	31	143	(143)	—
Total	45,833	39,041	31,063	115,938	2,763	118,701	(143)	118,558
Segment profit (loss)	3,232	845	(3,491)	587	56	644	120	764
Segment assets	98,804	68,183	49,424	216,412	60,439	276,852	13,422	290,275
Other line items								
Depreciation and amortization	2,775	2,053	2,124	6,953	35	6,988	—	6,988
Amortization of goodwill	177	182	—	359	—	359	—	359
Investments in equity-method affiliates	—	221	—	221	—	221	—	221
Increase in property, plant and equipment and intangible fixed assets (Notes 4)	2,031	3,977	459	6,468	417	6,886	—	6,886

(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 the following:
 - (1) The total adjustment in segment profit (loss) of ¥120 million includes ¥150 million in eliminations of inter-segment transactions.
 - (2) The total adjustment in segment assets of ¥13,422 million includes elimination of a loss of ¥10,250 million in inter-segment credits or debts and corporate assets of ¥23,786 million not affiliated with any reporting segment. Corporate assets consist primarily of surplus operating capital (cash and marketable securities) and funds for long-term investment (investment securities).
3. Segment profit (loss) is adjusted with operating profit in the consolidated statements of income.
4. The increase in property, plant and equipment and intangible fixed assets includes an increase in long-term advanced payment expenses.

	Reporting Segment				Others (Note 1)	Total	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	57,811	48,386	39,173	145,371	3,450	148,821	—	148,821
Inter-segment sales or transfer among segments	9	24	7	41	36	77	(77)	—
Total	57,820	48,410	39,180	145,412	3,486	148,899	(77)	148,821
Segment profit (loss)	8,288	4,620	(53)	12,855	112	12,968	100	13,068
Segment assets	100,732	85,171	51,325	237,230	67,260	304,490	16,605	321,096
Other line items								
Depreciation and amortization	3,025	2,206	1,671	6,903	36	6,939	—	6,939
Amortization of goodwill	52	110	—	163	—	163	—	163
Investments in equity-method affiliates	—	191	—	191	—	191	—	191
Increase in property, plant and equipment and intangible fixed assets (Notes 4)	1,831	3,600	1,673	7,104	274	7,378	—	7,378

(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 the following:
 - (1) The total adjustment in segment profit (loss) of ¥100 million includes ¥107 million in eliminations of inter-segment transactions.
 - (2) The total adjustment in segment assets of ¥16,605 million includes elimination of a loss of ¥9,597 million in inter-segment credits or debts and corporate assets of ¥26,321 million not affiliated with any reporting segment. Corporate assets consist primarily of surplus operating capital (cash and marketable securities) and funds for long-term investment (investment securities).
3. Segment profit (loss) is adjusted with operating profit in the consolidated statements of income.
4. The increase in property, plant and equipment and intangible fixed assets includes an increase in long-term advanced payment expenses.