

May 14, 2024

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 <under Japanese GAAP>

Company name: **USHIO INC.**  
 Listing: Prime Market of the Tokyo Stock Exchange  
 Stock code: 6925  
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Scheduled date of ordinary general meeting of shareholders: June 27, 2024  
 Scheduled date to commence dividend payments: June 28, 2024  
 Scheduled date to file Securities Report: June 27, 2024  
 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, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	179,420	2.5	12,976	(18.2)	16,088	(20.1)	10,785	(21.3)
March 31, 2023	175,025	17.6	15,861	21.4	20,144	32.6	13,699	8.7

(Note) Comprehensive income

For the fiscal year ended March 31, 2024: ¥28,246 million [42.1%]

For the fiscal year ended March 31, 2023: ¥19,881 million [(26.9)%]

	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, 2024	97.22	—	4.5	4.9	7.2
March 31, 2023	115.69	—	5.7	6.2	9.1

(Reference) Equity in losses of affiliates

For the fiscal year ended March 31, 2024: ¥(164) million

For the fiscal year ended March 31, 2023: ¥(115) 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, 2024	337,546	236,975	70.2	2,313.48
March 31, 2023	323,622	244,105	75.4	2,074.27

(Reference) Equity

As of March 31, 2024: ¥236,963 million

As of March 31, 2023: ¥244,092 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, 2024	8,966	5,394	(13,489)	62,498
March 31, 2023	871	(1,175)	(26,811)	57,516

### 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, 2023	–	–	–	50.00	50.00	5,895	43.2	2.5
Fiscal year ended March 31, 2024	–	–	–	50.00	50.00	5,145	51.4	2.3
Fiscal year ending March 31, 2025 (Forecast)	–	–	–	70.00	70.00		149.6	

### 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Fiscal year ending March 31, 2025	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	175,000	(2.5)	5,000	(61.5)	6,500	(59.6)	4,500	(58.3)	46.79

#### \* 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

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: None

d. Restatements: None

(3) Number of issued shares (common stock)

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

As of March 31, 2024	107,500,000 shares
As of March 31, 2023	123,500,000 shares

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

As of March 31, 2024	5,072,501 shares
As of March 31, 2023	5,823,752 shares

c. Average number of shares during the period

For the fiscal year ended March 31, 2024	110,933,321 shares
For the fiscal year ended March 31, 2023	118,414,343 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, 2024 (from April 1, 2023 to March 31, 2024)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	66,051	(4.9)	873	(88.2)	20,433	49.3	20,010	43.7
March 31, 2023	69,421	15.6	7,427	32.7	13,683	51.1	13,928	84.6

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
March 31, 2024	180.39	—
March 31, 2023	117.63	—

**(2) Non-consolidated financial position**

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	178,089	115,497	64.9	1,127.60
March 31, 2023	170,907	131,097	76.7	1,114.05

(Reference) Equity

As of March 31, 2024: ¥115,497 million

As of March 31, 2023: ¥131,097 million

< Reason for the difference of the current fiscal year's non-consolidated result compared with the previous year >

There is a significant difference between the result for the current fiscal year and the one for the previous fiscal year, mainly due to an increase in dividend income received from consolidated subsidiaries.

\* 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.

See page 6 of the appended materials regarding performance forecasts.

\*To obtain Financial Presentation

The financial results presentation for securities analysts and institutional investors is planned on May 14, 2024.

The Financial Presentation will be posted on the website of USHIO INC. on May 14, 2024

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## **1. Summary of Financial Results for Term**

### **(1) Business Performance**

The global business climate remained uncertain for the Ushio Group in the fiscal year ended March 31, 2024. Downside factors included an ongoing worldwide recession, rising energy and raw materials prices owing to an ongoing war between Russia and Ukraine and further hikes in policy interest rates amid continued inflation in Europe and the United States. On top of that, the world economy slowed down amid sluggish domestic and external demand, one negative factor being a downturn in real estate development investments in China.

Under these circumstances, the semiconductor, electronic devices, and printed circuit board markets are showing signs of recovery of end-use demand for PCs, smartphones and other products worldwide. However, related capital investments are currently restrained and operations remain sluggish. For related cutting-edge IC package substrates market, demand also continues to be sluggish for final products, resulting in temporary curtailment of capital investment, which is a situation that requires keeping close tabs on trends. On the other hand, 5G deployments and the utilization of Internet of Things and artificial intelligence technologies are progressing, and related demand is expected to grow over the medium to long term. In the flat panel display market, LCD panels manufacturers continue to operate at low levels because stay-at-home demand had run its course. In the visual imaging market, cinema operations and capital investment worldwide recovered as normal economic activity resumed after the COVID-19 pandemic. The general imaging market environment remained solid as events and other activities continued to turn around.

The average exchange rate during the period under review was ¥144 to the dollar, with yen depreciating ¥9 from the previous year.

Consolidated net sales increased 2.5% year on year, to ¥179,420 million. Operating profit dropped 18.2%, to ¥12,976 million. Ordinary profit fell 20.1%, to ¥16,088 million. Profit attributable to owners of parent declined 21.3%, to ¥10,785 million.

Segment results were as follows.

Ushio changed its reporting segments from the fiscal year ended March 31, 2024. It presents year-on-year comparisons and analyses based on the new segmentation.

### **Industrial Processes**

#### *UV Lamps*

Sale for LCD panels remained sluggish due to the continued production adjustments at LCD panel manufacturers as stay-at-home demand had run its course. However, sales of UV lamps increased due to the solid sales for semiconductors and electronics devices following a gradual recovery in final demand for PCs, smartphones and other products. The currency effects from the depreciation of the yen also contributed to higher sales.

#### *OA Lamps*

Although demand was solid, sales of OA lamps declined as a reaction to increased demand in the previous term due to the easing of material shortages among set manufacturers.

#### *Optical Equipment Lamps*

Sales of optical equipment lamps declined due to the decrease in sales of light sources, primarily for LCD panels, caused by ongoing production adjustments by LCD panel manufacturers.

#### *UV Equipment*

Although demand for data center servers and others continues to rise along with the progress of 5G deployments and the utilization of Internet of Things and artificial intelligence technologies, sales of the large field stepper for cutting-edge IC package substrates and direct imaging lithography equipment declined as a result of the curtailment of capital investment due to the prolonged deterioration of the semiconductor market.

### *Optical Equipment*

Sales of optical equipment related to LCD panel declined mainly due to a slowdown in capital investments for LCD panels as stay-at-home demand had run its course, resulting in revenues to fall.

In addition to the decrease in sales, earnings declined from greater strategic investments in R&D and other activities to drive future growth, primarily for optical equipment, and shrinking profit margins from lower sales of such high-value-added offerings as optical equipment, optical equipment lamps and other products.

Industrial Processes business sales thus dropped 8.2% from the previous corresponding term, to ¥82,131 million. Operating profit fell 40.4%, to ¥10,876 million.

### **Visual Imaging**

#### *Projector Lamps*

Although the demand for xenon lamps for cinema projectors was solid as an improvement in cinema operations following the recovery from the circumstances during the COVID-19 pandemic, sales of lamps for projectors in general imaging field declined due to the shift toward solid-state light sources. Accordingly, sales of projector lamps declined.

#### *Cinema Projectors*

Sales of digital cinema projectors increased as a result of the progress in resolving the previous fiscal year's material shortages as well as our capturing demand for projector replacements in cinemas. The currency effects from the depreciation of the yen also contributed to higher sales.

#### *General Imaging Projectors*

Sales increased due to solid demand as the need for advanced video production continued to grow, particularly for events and other activities, and the acceptance inspection for a large deal in the second quarter of the current fiscal year. The currency effects from the depreciation of the yen also contributed to higher sales.

In addition to the increase in sales, earnings increased from improved profit margins due to an improvement in purchasing costs driven by the normalization of material prices for imaging equipment from an easing in the material cost hikes experienced in the previous fiscal year, as well as an increase in the sales proportion of high-end models for the general imaging.

Visual Imaging sales therefore rose 16.9%, to ¥80,557 million. Operating profit increased 69.5%, to ¥5,887 million.

### **Life Sciences**

Sales were down primarily because of lower revenues from light source for environmental hygiene solutions. Earnings were up, however, from the decrease in inventory write-downs recorded in the previous term and constrained investments stemming from a strategic review of the environmental hygiene business.

Life Sciences sales accordingly declined 7.2%, to ¥5,215 million. An operating loss of ¥2,329 million was lower than the ¥5,135 million posted a year earlier.

### **Photonics Solutions**

Sales increased on higher revenues for laser modules and others and the effect of increased sales from business acquisitions. Earnings were off, however, amid the increased selling, general and administrative expenses due to business acquisitions and the higher development costs.

Photonics Solutions sales advanced 10.7%, to ¥10,250 million. There was an operating loss of ¥1,513 million, compared with an operating loss of ¥293 million in the previous fiscal year.

## **Others**

Sales of power supply decreased as capacity utilization declined at customer production lines.

Other business sales dropped 25.2%, to ¥1,327 million. There was an operating profit of ¥136 million, compared with an operating loss of ¥394 million in the previous fiscal year.

## **(2) Review of Financial Position**

### **Assets**

Total assets at the end of the term were ¥337,546 million, up ¥13,923 million from a year earlier. This was due primarily to greater inventories from postponed sales of some optical equipment. This factor offset a decrease in property, plant and equipment owing to impairment losses on non-current assets.

### **Liabilities**

Total liabilities rose ¥21,054 million, to ¥100,571 million. This owed mainly to an increase in long-term borrowings because of dividend payment and share repurchase commitments.

### **Net Assets**

Net assets decreased ¥7,130 million, to ¥236,975 million. Key factors in this decline were an increase in foreign currency translation adjustment because of the yen's depreciation toward the close of the term and an increase in retained earnings from posting profit attributable to owners of parent. These factors offset the impacts of lower retained earnings owing to dividend payments and a treasury stock retirement.

## **(3) Overview of Cash Flows**

Cash and cash equivalents at the close of the term were up ¥4,982 million from a year earlier, to ¥62,498 million. Cash flows were as follows.

### **Cash Flows from Operating Activities**

Net cash provided by operating activities was ¥8,966 million yen, from ¥871 million in the previous corresponding period. This was due largely to ¥15,681 million in profit before income taxes, ¥8,325 million in depreciation, ¥7,171 million in impairment losses, a ¥6,987 million gain/loss on sale of investment securities, a ¥3,000 million increase in inventories, a ¥5,698 million decrease in trade payables, and ¥5,904 million in income taxes paid.

### **Cash Flows from Investing Activities**

Net cash provided by investing activities was ¥5,394 million, from ¥1,175 million in net cash used in investing activities a year earlier. Key factors were ¥12,453 million in proceeds from withdrawal of time deposits, ¥9,898 million in proceeds from sale and redemption of securities, ¥8,188 million in payments into time deposits, and ¥7,936 million in purchase of property, plant and equipment.

### **Cash Flows from Financing Activities**

Net cash used in financing activities was ¥13,489 million, down from ¥26,811 million. This owed largely to ¥25,000 million in proceeds from long-term borrowings, a ¥30,654 million purchase of treasury shares, and ¥5,891 million in cash dividends paid.

Group cash flow indicator trends are below.

	Years ended March 31				
	2020	2021	2022	2023	2024
Equity ratio (%)	73.0	72.7	73.2	75.4	70.2
Market value-based equity ratio (%)	45.3	60.6	68.6	60.5	59.2
Cash flow to interest-bearing debt ratio (years)	18.9	1.7	0.9	6.1	3.2
Interest coverage ratio (times)	1.8	33.2	64.9	4.1	34.6

Equity ratio: Shareholders' equity ÷ Total assets

Market value-based equity ratio: Market capitalization ÷ Total assets

Cash flow to interest-bearing debt ratio: Interest-bearing debt ÷ Operating cash flows

Interest coverage ratio: Operating cash flows ÷ Interest payments

**Notes**

1. All figures based on consolidated financial figures.
2. Market capitalization is based on the number of issued and outstanding shares and excludes treasury stock.
3. Cash flow is based on operating cash flows.
4. Interest-bearing debt includes all liabilities on the consolidated balance sheets for which interest is paid.



#### **(4) Outlook**

While the global economy is gradually recovering, the outlook remains uncertain due to the ongoing geopolitical risks such as the situation in Ukraine and the prolonged slowdown in Chinese economic growth.

For the next fiscal year, the Company accordingly forecasts net sales of ¥175,000 million, down 2.5% year-on-year, operating profit of ¥5,000 million, down 61.5% year-on-year, ordinary profit of ¥6,500 million, down 59.6% year-on-year, and profit attributable to owners of parent of ¥4,500 million, down 58.3% year-on-year.

The exchange rate assumptions for these forecasts are ¥145 to the U.S. dollar and ¥155 to the euro.

#### **Industrial Processes Business**

Regarding UV lamps for LCD panel, production adjustments at LCD panel manufactures will probably continue owing to sluggish demand for LCD panels. At the same time, final demand for semiconductors, electronic devices, and printed circuit boards is recovering, while operations should recover, with overall sales of UV lamps expected to increase. With regard to lithography equipment for the advanced packaging, while the assumption of increased demand in the medium-to-long-term associated with the progress of 5G deployments and the utilization of Internet of Things and artificial intelligence technologies remains unchanged, sales should decline due to the impact of the postponement of capital investment plans.

For EUV light source for EUV lithography mask inspection, maintenance service revenues should decrease owing to low operations.

In terms of earnings, the Company will boost forward investments, such as development of lithography equipment for the advanced packaging, including for digital lithography system through a partnership with Applied Materials, Inc., and of EUV light sources, which aims to enter the High-NA lithography market. In addition, the Company expects losses from lower operating levels due to temporary production reductions of lithography equipment.

The Company accordingly expects revenues and earnings for Industrial Processes to decline in the next fiscal year.

#### **Visual Imaging Business**

For cinema related business field, sales should decline despite the need for digital cinema projector replacement, reflecting lower appetite for cinema investments owing to content shortages as a result of a Hollywood strike. In general imaging business field, sales should rise due to strong demand for commercial facilities and events amid a continuing increase in demand for advanced video production, particularly for events. Projector lamp sales should decrease owing to lower operating rates at cinemas and a shift to solid-state light sources.

Higher expenses for lamps for projectors, due largely to surging costs of xenon gas and other raw materials, will probably hamper earnings.

The Company accordingly expects revenues and earnings for Visual Imaging to decline in the next fiscal year.

#### **Life Sciences Business**

Although demand for light-based equipment in the medical industry should remain stable, sales should decline because of inventory adjustments. The Company, however, expects to control costs by assessing and prioritizing investments for new businesses and reducing selling, general and administrative expenses.

The Company accordingly expects revenues to decline and earnings to increase for Life Sciences in the next fiscal year.

#### **Photonics Solutions Business**

Sales of modules should increase owing primarily to solid demand for applications employing photonics technology in the semiconductor and sensor markets and other industrial applications. In terms of earnings, the Company will look to control costs by assessing and prioritizing development investments.

The Company accordingly expects revenues and earnings for Photonics Solutions to increase in the next fiscal year.

These forecasts are based on information currently available to the Company and certain assumptions that the Company considers to be reasonable.

#### **(5) Basic Policy on Profit Distribution and Dividends for Current and Next Fiscal Years**

Delivering shareholder returns remains a top priority for the Ushio Group. Its basic policy is to provide stable returns while strengthening its financial position and business foundations. In view of that stance and its operating results and business development in the year ahead, Ushio plans to pay an annual dividend of ¥50 per share for the year ended March 31, 2024. This is unchanged from the preceding term. The consolidated ratio of dividends to net assets would therefore be 2.3%.

Management seeks to pay an annual dividend of ¥70 per share for the year ending March 31, 2025, up ¥20 year-on-year. Ushio will allocate retained earnings for R&D investments in new products and technologies from long-term perspectives, in capital expenditure to enhance productivity, and in investments in growth businesses to bolster corporate value.

#### **2. Basic Approach to Choosing Accounting Standards**

The Group's policy for the foreseeable future is to prepare its consolidated financial statements in accordance with Generally Accepted Accounting Principles in Japan, factoring in the comparability of consolidated financial statements from period to period and comparability among companies.

Ushio applies International Financial Reporting Standards in light of a range of domestic and international circumstances.

### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	64,219	65,651
Notes and accounts receivable - trade, and contract assets	38,491	39,753
Securities	2,591	4,120
Merchandise and finished goods	31,481	37,038
Work in process	25,101	25,030
Raw materials and supplies	26,872	29,982
Other	11,787	11,607
Allowance for doubtful accounts	△2,025	△1,683
<b>Total current assets</b>	<b>198,519</b>	<b>211,501</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	48,513	52,543
Accumulated depreciation	△31,365	△34,143
Buildings and structures, net	17,147	18,400
Machinery, equipment and vehicles	28,146	27,049
Accumulated depreciation	△21,058	△22,981
Machinery, equipment and vehicles, net	7,087	4,067
Land	8,684	9,062
Right-of-use assets	3,589	5,022
Accumulated depreciation	△783	△1,365
Right-of-use assets, net	2,806	3,657
Construction in progress	3,363	2,106
Other	42,767	35,849
Accumulated depreciation	△31,377	△27,288
Other, net	11,389	8,560
<b>Total property, plant and equipment</b>	<b>50,480</b>	<b>45,854</b>
<b>Intangible assets</b>		
Goodwill	252	780
Other	2,782	7,816
<b>Total intangible assets</b>	<b>3,034</b>	<b>8,596</b>
<b>Investments and other assets</b>		
Investment securities	58,484	54,305
Long-term loans receivable	20	28
Deferred tax assets	4,333	4,211
Retirement benefit asset	6,647	10,682
Other	2,224	2,502
Allowance for doubtful accounts	△121	△136
<b>Total investments and other assets</b>	<b>71,588</b>	<b>71,593</b>
<b>Total non-current assets</b>	<b>125,103</b>	<b>126,045</b>
<b>Total assets</b>	<b>323,622</b>	<b>337,546</b>

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	26,205	21,648
Short-term borrowings	3,921	2,455
Lease liabilities	796	940
Income taxes payable	3,210	4,362
Contract liabilities	11,731	11,294
Provision for bonuses	2,530	2,616
Provision for bonuses for directors (and other officers)	—	77
Provision for product warranties	3,775	4,068
Provision for loss on orders received	0	—
Other	10,239	11,788
Total current liabilities	62,410	59,252
Non-current liabilities		
Long-term borrowings	1,410	26,410
Lease liabilities	2,189	3,046
Deferred tax liabilities	7,997	6,706
Provision for retirement benefits for directors (and other officers)	237	159
Provision for share awards for directors (and other officers)	193	298
Retirement benefit liability	3,839	3,654
Asset retirement obligations	318	326
Other	921	717
Total non-current liabilities	17,106	41,318
Total liabilities	79,517	100,571
<b>Net assets</b>		
Shareholders' equity		
Share capital	19,556	19,556
Capital surplus	27,767	27,767
Retained earnings	164,332	140,163
Treasury shares	△8,733	△9,155
Total shareholders' equity	202,922	178,331
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,869	20,146
Foreign currency translation adjustment	20,779	35,004
Remeasurements of defined benefit plans	520	3,481
Total accumulated other comprehensive income	41,170	58,632
Non-controlling interests	12	11
Total net assets	244,105	236,975
Total liabilities and net assets	323,622	337,546

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	175,025	179,420
Cost of sales	111,809	114,504
Gross profit	63,215	64,916
Selling, general and administrative expenses	47,353	51,939
Operating profit	15,861	12,976
Non-operating income		
Interest income	1,602	1,581
Dividend income	1,051	1,111
Foreign exchange gains	1,909	560
Realized and unrealized profit on trading securities, net	10	—
Gain on investments in investment partnerships	24	29
Fair value adjustment of contingent consideration	—	195
Subsidy income	—	145
Other	353	447
Total non-operating income	4,951	4,070
Non-operating expenses		
Interest expenses	218	305
Loss on sale of securities	57	14
Share of loss of entities accounted for using equity method	115	164
Loss on valuation of securities	80	6
Loss on specified money in trust	87	—
Commission expenses	22	167
Loss on tax purpose reduction entry of non-current assets	—	120
Other	87	178
Total non-operating expenses	668	958
Ordinary profit	20,144	16,088
Extraordinary income		
Gain on sale of non-current assets	216	1
Gain on sale of investment securities	963	7,006
Gain on sale of businesses	360	—
Total extraordinary income	1,539	7,007
Extraordinary losses		
Loss on retirement of non-current assets	81	189
Loss on sale of non-current assets	9	0
Impairment losses	588	7,171
Loss on sale of investment securities	35	18
Loss on valuation of investment securities	212	34
Loss on sale of shares of subsidiaries and associates	188	—
Business restructuring expenses	348	—
Total extraordinary losses	1,463	7,414
Profit before income taxes	20,220	15,681
Income taxes - current	6,432	7,075
Income taxes - deferred	93	△2,177
Total income taxes	6,526	4,898
Profit	13,693	10,783
Loss attributable to non-controlling interests	△6	△1
Profit attributable to owners of parent	13,699	10,785

**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	13,693	10,783
Other comprehensive income		
Valuation difference on available-for-sale securities	△1,529	276
Foreign currency translation adjustment	6,558	14,168
Remeasurements of defined benefit plans, net of tax	1,118	2,960
Share of other comprehensive income of entities accounted for using equity method	41	57
Total other comprehensive income	6,188	17,463
Comprehensive income	19,881	28,246
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,880	28,247
Comprehensive income attributable to non-controlling interests	1	△1

### (3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(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	161,877	△9,032	200,129
Changes during period					
Dividends of surplus			△6,041		△6,041
Profit (loss) attributable to owners of parent			13,699		13,699
Purchase of treasury shares				△5,004	△5,004
Disposal of treasury shares				6	6
Cancellation of treasury shares			△5,296	5,296	—
Purchase of shares of consolidated subsidiaries		40			40
Change in scope of consolidation			92		92
Net changes in items other than shareholders' equity					—
Total changes during period	—	40	2,454	299	2,793
Balance at end of period	19,556	27,767	164,332	△8,733	202,922

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	21,399	14,186	△598	34,988	84	235,202
Changes during period						
Dividends of surplus						△6,041
Profit (loss) attributable to owners of parent						13,699
Purchase of treasury shares						△5,004
Disposal of treasury shares						6
Cancellation of treasury shares						—
Purchase of shares of consolidated subsidiaries					△73	△33
Change in scope of consolidation						92
Net changes in items other than shareholders' equity	△1,529	6,592	1,118	6,181	1	6,182
Total changes during period	△1,529	6,592	1,118	6,181	△72	8,902
Balance at end of period	19,869	20,779	520	41,170	12	244,105

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,556	27,767	164,332	△8,733	202,922
Changes during period					
Dividends of surplus			△5,895		△5,895
Profit (loss) attributable to owners of parent			10,785		10,785
Purchase of treasury shares				△30,486	△30,486
Disposal of treasury shares		122		881	1,004
Cancellation of treasury shares		△122	△29,058	29,181	—
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	△24,168	△422	△24,591
Balance at end of period	19,556	27,767	140,163	△9,155	178,331

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	19,869	20,779	520	41,170	12	244,105
Changes during period						
Dividends of surplus						△5,895
Profit (loss) attributable to owners of parent						10,785
Purchase of treasury shares						△30,486
Disposal of treasury shares						1,004
Cancellation of treasury shares						—
Net changes in items other than shareholders' equity	276	14,224	2,960	17,462	△0	17,461
Total changes during period	276	14,224	2,960	17,462	△0	△7,130
Balance at end of period	20,146	35,004	3,481	58,632	11	236,975



**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	20,220	15,681
Depreciation	7,615	8,325
Impairment losses	588	7,171
Increase (decrease) in retirement benefit liability	△141	△283
Amortization of goodwill	169	115
Increase (decrease) in allowance for doubtful accounts	△58	△483
Business restructuring expenses	348	—
Interest and dividend income	△2,653	△2,692
Fair value adjustment of contingent consideration	—	△195
Subsidy income	—	△145
Interest expenses	218	305
Commission expenses	—	167
Profit / Loss on sale / revaluation of available-for-sale securities	△10	—
Share of loss (profit) of entities accounted for using equity method	115	164
Loss (gain) on sale of non-current assets	△206	△0
Loss on retirement of non-current assets	81	189
Loss on tax purpose reduction entry of non-current assets	—	120
Loss (gain) on sale of investment securities	△927	△6,987
Loss (gain) on valuation of investment securities	212	34
Loss (gain) on sale of shares of subsidiaries and associates	188	—
Loss (gain) on sale of businesses	△360	—
Decrease (increase) in trade receivables	△2,696	1,340
Decrease (increase) in inventories	△16,549	△3,000
Increase (decrease) in trade payables	4,356	△5,698
Increase (decrease) in contract liabilities	△3,369	△1,563
Other, net	△1,070	146
Subtotal	6,069	12,711
Interest and dividends received	2,662	2,726
Interest paid	△210	△259
Payments for business structure improvement expenses	△170	△307
Income taxes paid	△7,346	△5,904
Settlement paid	△131	—
Net cash provided by (used in) operating activities	871	8,966
<b>Cash flows from investing activities</b>		
Payments into time deposits	△28,066	△8,188
Proceeds from withdrawal of time deposits	31,074	12,453
Short-term loan advances	△37	△52
Proceeds from collection of short-term loans receivable	50	42
Proceeds from sale and redemption of securities	3,887	3,237
Purchase of property, plant and equipment	△7,767	△7,936
Proceeds from sale of property, plant and equipment	423	239
Purchase of intangible assets	△348	△2,070
Purchase of investment securities	△3,207	△533
Proceeds from sale and redemption of investment securities	2,733	9,898
Payments for acquisition of businesses	△210	△1,286
Proceeds from sale of businesses	360	—
Long-term loan advances	△23	△26
Proceeds from collection of long-term loans receivable	2	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	△526
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	△47	—
Subsidies received	—	145
Other, net	0	△0
Net cash provided by (used in) investing activities	△1,175	5,394

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	1,591	△1,910
Proceeds from long-term borrowings	1,410	25,000
Repayments of long-term borrowings	△18,770	—
Purchase of treasury shares	△5,004	△30,654
Dividends paid	△6,037	△5,891
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	△33
Net cash provided by (used in) financing activities	△26,811	△13,489
Effect of exchange rate change on cash and cash equivalents	3,011	4,110
Net increase (decrease) in cash and cash equivalents	△24,103	4,982
Cash and cash equivalents at beginning of period	81,619	57,516
Cash and cash equivalents at end of period	57,516	62,498

## **(5) Notes to Consolidated Financial Statements**

### **(Notes on Premise of Going Concern)**

Not applicable.

### **(Change in Accounting Policy)**

#### **(Application of Financial Accounting Standards Board Accounting Standards Update 2016-13 Financial Instruments – Credit Losses (Topic 326))**

Foreign subsidiaries that have adopted Generally Accepted Accounting Principles in the United States applied Financial Accounting Standards Board Accounting Standards Update 2016-13 Financial Instruments – Credit Losses (Topic 326) at the start of the year under review. Ushio accordingly reviewed its classification and measurement approaches for financial instruments, and uses the expected credit loss model to recognize impairment losses for financial assets. In line with the application of this standard, Ushio recognizes as of the adoption date the cumulative impact of the change in accounting policy recognized as a transitional treatment. The impact of this application on the consolidated financial statements is immaterial.

### **(Segment Information)**

#### **1. Overview of Reporting Segments**

The Ushio Group's reporting segments are business units for which separate financial data are available. These segments are subject to periodic Board of Directors reviews to assess businesses and decide how to allocate operating resources and evaluate results.

The Group formulates comprehensive strategies to develop, manufacture, sell, and service Group products and do business worldwide.

Ushio accordingly organizes segments by market. Its four reportable segments are the Industrial Processes, Visual Imaging, Life Sciences, and Photonics Solutions.

The Industrial Processes produces and sells UV, office automation, and optical equipment lamps, primarily for the semiconductor market.

The Visual Imaging produces and sells lamps for projectors and imaging equipment, largely for the cinema and general imaging markets.

The Life Sciences produces and sells UV equipment and light sources, mainly for the environmental hygiene solutions and healthcare markets.

The Photonics Solutions produces and sells solid-state light sources.

#### **2. Matters Relating to Change in Reporting Segments**

##### **(Changes to Reporting Segments)**

From the year under review, Ushio changed its reporting segments after reorganizing to shift from a product-centric to market-centric approach to accelerate efforts to evolve into a "light" solutions company by 2030. The previous segments were Light Source, Optical Equipment, and Imaging Equipment. The new segments are Industrial Processes, Visual Imaging, Life Sciences, and Photonics Solutions.

The company has disclosed segment information for the previous term based on reporting segments for the year under review.

##### **(Change in Method for Calculating Earnings by Reporting Segments)**

From the year under review, Ushio reviewed methods for allocating some selling, general and administrative expenses to better reflect the performances of reporting segments, changing the method for calculating earnings by reporting segments.

The company has disclosed segment information for the previous term based on the method for calculations for the year under review.

#### **3. Methods for Calculating Net Sales, Earnings, Assets, Liabilities, and Other Line Items by Reporting Segments**

Ushio accounts for reportable business segments in line with the accounting principles and procedures used to prepare its consolidated financial statements. Earnings for these segments are based on operating profit. Inter-segment revenues and transfers are based on prevailing market prices.

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

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)  
(Information for previous fiscal year based on new reporting segments.)

(Millions of yen)

	Reporting Segment					Others (Note 1)	Total	Total Adjustment (Note 2)	Amount on Consolidated Financial Statements (Note 3)
	Industrial Processes	Visual Imaging	Life Sciences	Photonics Solutions	Total				
Sales									
Sales to outside customers	89,488	68,904	5,616	9,262	173,271	1,753	175,025	—	175,025
Inter-segment sales or transfer among segments	9	12	5	0	28	22	50	(50)	—
Total	89,498	68,916	5,621	9,262	173,299	1,775	175,075	(50)	175,025
Segment profit (loss)	18,247	3,472	(5,135)	(293)	16,291	(394)	15,896	(34)	15,861
Segment assets	145,151	91,585	8,123	19,317	264,178	9,301	273,479	50,143	323,622
Other line items									
Depreciation and amortization	3,338	2,705	478	889	7,412	202	7,615	—	7,615
Amortization of goodwill	106	49	—	13	169	—	169	—	169
Investments in equity-method affiliates	—	—	117	—	117	—	117	—	117
Increase in property, plant and equipment and intangible fixed assets (Notes 4)	4,362	3,412	530	749	9,053	53	9,107	—	9,107

(Notes)

- Others includes business segments not included in reportable segments and other revenue-producing operations.
- Adjustments are as follows:
  - Total adjustment of ¥34 million for segment profit (loss) includes ¥38 million in eliminations of inter-segment transactions and ¥79 million in corporate expenses. The latter expenses are general and administrative expenses that are not included in reportable segments or other revenue-generating business activities.
  - The total adjustment in segment assets of ¥50,143 million includes elimination of a ¥66 million loss in inter-segment receivables and payables and corporate assets of ¥50,202 million that are not included in reportable segments or other revenue-generating business activities. Corporate assets consist primarily of surplus operating capital (cash and marketable securities) and funds for long-term investment (investment securities).
- Segment profit (loss) is adjusted with operating profit in the consolidated statements of income.
- The increase in property, plant and equipment and intangible fixed assets includes an increase in long-term advanced payment expenses.

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reporting Segment					Others (Note 1)	Total	Total Adjustment (Note 2)	Amount on Consolidated Financial Statements (Note 3)
	Industrial Processes	Visual Imaging	Life Sciences	Photonics Solutions	Total				
Sales									
Sales to outside customers	82,124	80,534	5,212	10,243	178,115	1,305	179,420	—	179,420
Inter-segment sales or transfer among segments	7	23	3	6	40	21	61	(61)	—
Total	82,131	80,557	5,215	10,250	178,155	1,327	179,482	(61)	179,420
Segment profit (loss)	10,876	5,887	(2,329)	(1,513)	12,920	136	13,056	(79)	12,976
Segment assets	161,824	102,848	6,066	19,578	290,317	6,541	296,859	40,686	337,546
Other line items									
Depreciation and amortization	3,571	3,182	342	1,038	8,135	189	8,325	—	8,325
Amortization of goodwill	33	18	—	63	115	—	115	—	115
Investments in equity-method affiliates	—	—	10	—	10	—	10	—	10
Increase in property, plant and equipment and intangible fixed assets (Notes 4)	5,829	4,779	451	2,024	13,084	139	13,223	—	13,223

(Notes)

1. Others includes business segments not included in reportable segments and other revenue-producing operations.
2. Adjustments are as follows:
  - (1) Total adjustment of ¥79 million for segment profit (loss) includes ¥4 million in eliminations of inter-segment transactions and ¥91 million in corporate expenses. The latter expenses are primarily general and administrative expenses that are not included in reportable segments or other revenue-generating business activities.
  - (2) The total adjustment in segment assets of ¥40,686 million includes elimination of a ¥134 million loss in inter-segment receivables and payables and corporate assets of ¥40,837 million that are not included in reportable segments or other revenue-generating business activities. 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.

**(Per Share Information)**

Year ended March 31, 2023		Year ended March 31, 2024	
Net assets per share	¥2,074.27	Net assets per share	¥2,313.48
Basic earnings per share	¥115.69	Basic earnings per share	¥97.22
Ushio does not present diluted basic earnings per share because there are no dilutive shares.		Ushio does not present diluted basic earnings per share because there are no dilutive shares.	

Note 1. The basis for calculating basic earnings per share is as follows.

	Year ended March 31, 2023	Year ended March 31, 2024
Profit attributable to owners of parent (millions of yen)	13,699	10,785
Amount not attributable to common shareholders (millions of yen)	—	—
Profit related to common stock attributable to owners of parent (millions of yen)	13,699	10,785
Average number of shares of common stock during period	118,414,343	110,933,321

Note 2: In calculating net assets per share, Ushio shares held in trust for the directors' stock compensation plan, recorded as treasury stock in shareholders' equity, are included in treasury stock and deducted from the total number of shares issued and outstanding at the ends of terms (230,100 in the year ended March 31, 2023, and 475,680 in the year ended March 31, 2024).

In calculating basic earnings per share, Ushio shares held in trust for the directors' stock compensation plan, recorded as treasury stock in shareholders' equity, are included in treasury stock and deducted from the average number of shares issued and outstanding during terms (230,700 in the year ended March 31, 2023, and 361,737 in the year ended March 31, 2024).

**(Significant Subsequent Events)****(Purchase of treasury shares)**

At the meeting of the Board of Directors held on May 14, 2024, the Company resolved to repurchase its own shares in accordance with Article 156 of the Companies Act as applied pursuant to Article 165, Paragraph 3 of the same act, as follows:

## 1. Reason for purchase of treasury shares

To raise capital efficiency and enable the implementation of an agile capital policy.

## 2. Details of purchase

Type of shares to be purchased:	Common shares of the Company
Total number of shares to be purchased:	20,000,000 shares (maximum)
Total amount of shares to be purchased:	¥30,000 million (maximum)
Purchase period:	May 24, 2024 to April 30, 2025
Purchasing method:	Market purchase on the Tokyo Stock Exchange

#### **4. Other**

##### **(1) Changes in Directors and Officers (on June 27, 2024)**

- (i) New director candidate (Audit and Supervisory Committee member)  
Makoto Kinoshita, full-time Audit and Supervisory Committee member (currently Executive Officer and General Manager of Global Human Resources & General Affairs Division)
- (ii) New director candidate (not Audit and Supervisory Committee member)  
Mika Masuyama, Outside Director
- (iii) Retiring directors (excluding Audit and Supervisory Committee members)  
Koji Naito, Director (continuing to serve as Senior Advisor to Ushio)  
Naoki Kawamura, Director (continuing to serve as Senior Advisor to Ushio)  
Yasufumi Kanemaru, Outside Director  
Sakie Tachibana Fukushima, Outside Director
- (iv) Retiring Audit and Supervisory Committee members  
Nobuyuki Kobayashi, Director (full-time Audit and Supervisory Committee member)

##### **(2) Other**

None.