

August 5, 2024

## Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2025 <under Japanese GAAP>

Company name: **USHIO INC.**  
 Listing: Prime Market of the Tokyo Stock Exchange  
 Stock code: 6925  
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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, 2025 (from April 1, 2024 to June 30, 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	%
First three months ended June 30, 2024	37,539	(4.4)	342	(83.3)	1,459	(48.4)	297	(83.4)
June 30, 2023	39,281	(1.1)	2,055	(54.1)	2,825	(55.1)	1,794	(53.5)

(Note) Comprehensive income

For the first three months ended June 30, 2024: ¥ 7,311 million [(54.4 %)]

For the first three months ended June 30, 2023: ¥ 16,024 million [20.8 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First three months ended June 30, 2024	2.92	—
June 30, 2023	15.36	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	339,337	235,253	69.3
March 31, 2024	337,546	236,975	70.2

(Reference) Equity

As of June 30, 2024 : ¥ 235,244 million

As of March 31, 2024: ¥ 236,963 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, 2024	—	—	—	50.00	50.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecast)		—	—	70.00	70.00

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

## 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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Yen
Fiscal year ending March 31, 2025	175,000	(2.5)	5,000	(61.5)	6,500	(59.6)	4,500 (58.3)	46.79

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

### \* Notes

- (1) Significant changes in the scope of consolidation during the period: 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: None
  - d. Restatements: None

(Note) For details, see page 10 of the attached document, “(3) Notes to Quarterly Consolidated Financial Statements (Notes on Changes in Accounting Policies)”.

### (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, 2024	107,500,000 shares
As of March 31, 2024	107,500,000 shares

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

As of June 30, 2024	6,958,879 shares
As of March 31, 2024	5,072,501 shares

#### c. Average number of shares during the period

As of June 30, 2024	101,845,021 shares
As of June 30, 2023	116,841,430 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.

\* Review procedures by certified public accountants or audit firm on the attached Quarterly Consolidated Financial Statements: None

\* Notes on the proper use of earnings forecasts and other special matters

(Caution Regarding Forward-Looking Statements)

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 5 of the appended materials regarding earnings forecasts.

(How to obtain Financial Presentation)

The financial results presentation for securities analysts and institutional investors is planned on August 5, 2024.

The Financial Presentation will be posted on the website of USHIO INC. on August 5, 2024.

[Attached document]

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## **1. Overview of Financial Results for the Period**

### **(1) Overview of Business Performance**

The global economic outlook remained uncertain in the first quarter of the fiscal year ending March 31, 2025. This was despite a gradual recovery and reflected such ongoing geopolitical risks as the conflict in Ukraine and a prolonged slowdown in Chinese economic growth.

It was under those circumstances that the semiconductor, electronic devices, and printed circuit board markets experienced signs of a turnaround in end-use demand for PCs and smartphones worldwide. While operations picked up, a recovery in related capital investments was slow, with such spending remaining restrained. In the server market, despite a new surge in demand for servers driven by generative AI, investment in existing data center servers remains constrained. In the flat panel display market, LCD panel manufacturers continued to adjust operations in response to lackluster demand. In the visual imaging market, movie shortages owing to Hollywood strikes and other factors slowed cinema operations, temporarily shrinking investment appetites. The general imaging market conditions remained firm amid a rising need for advanced video production for events and other activities.

The average exchange rate during the term was ¥155 to the dollar, down ¥19 from a year earlier.

Consolidated net sales decreased 4.4% year on year, to ¥37,539 million. Operating profit fell 83.3%, to ¥342 million. Ordinary profit was down 48.4%, to ¥1,459 million. Profit attributable to owners of parent dropped 83.4%, to ¥297 million.

Segment results were as follows.

#### **Industrial Processes Business**

##### *UV Lamps*

Sales were sluggish for LCD panel offerings owing to ongoing production adjustments among LCD panel manufacturers. On the upside, sales for semiconductors and electronic devices rose on steady operations of installed equipment following a recovery trend in final demand for PCs, smartphones, and other products. Sales of UV lamps thus increased, with currency effects from the depreciation of the yen also contributing.

##### *OA Lamps*

Sales of OA lamps increased owing to the end of inventory adjustments among set manufacturers and steady demand.

##### *Optical Equipment Lamps*

Sales of optical equipment lamps were down despite the lower yen, as demand remained sluggish for light sources, primarily for LCD panels, as a result of ongoing production adjustments by LCD panel manufacturers.

##### *Optical Equipment (Lithography Equipment)*

Despite rising demand for new servers, mainly because of generative AI, constraints and postponements of capital investment are ongoing due to weak demand for existing data center servers and for such end products as PCs. Thus, Sales of steppers and direct imaging lithography equipment declined.

##### *Optical Equipment (Others)*

Sales decreased owing to a downturn in maintenance services revenues from EUV light sources for EUV

lithography mask inspection that resulted from lower operations.

With sales down, the Company increased forward development investments necessary for future growth, mainly in the Optical Equipment (Lithography Equipment) segment, which lowered earnings.

Industrial Processes business sales therefore declined 10.8%, to ¥15,583 million. Operating profit dropped 53.3%, to ¥1,050 million.

### **Visual Imaging Business**

#### *Projector Lamps*

Sales of xenon lamps for cinema projectors were down owing to a decline in cinema operations that stemmed largely from movie shortages as a result of Hollywood strikes. Sales of lamps for general imaging projectors declined because of a shift to solid-state light sources. Sales of projector lamps thus fell.

#### *Imaging Equipment (Cinema Projectors)*

Sales of digital cinema projectors decreased because of a temporary decline in investment appetites caused by movie shortages stemming from Hollywood strikes and other factors.

#### *Imaging Equipment (General Imaging Projectors)*

Sales of general imaging projectors increased because demand remained robust for advanced video production, particularly for events. The currency effects from the depreciation of the yen also contributed to higher sales.

In addition to the decline in sales, profit margins declined owing to inventory write-downs related to maintenance service parts and an increase in selling, general and administrative expenses due to higher labor costs and the currency impact of the depreciation of the yen. Earnings thus declined.

Visual Imaging business sales therefore declined 0.4%, to ¥17,578 million. There was an operating loss of ¥474 million, compared with an operating profit of ¥624 million in the previous corresponding period.

### **Life Sciences Business**

Higher sales of sodium lamps boosted revenues. The sale of these lamps helped to increase overall profit margins, as the Company had already recorded their inventory write-downs in the past, which lifted earnings.

Life Sciences business sales therefore increased 11.2%, to ¥1,544 million. There was an operating loss of ¥171 million, compared with an operating loss of ¥454 million in the previous corresponding period.

### **Photonics Solutions Business**

Sales increased driven primarily by higher sales in semiconductor market-related areas. With sales up, the Company boosted earnings from constraining investments.

Photonics Solutions business sales thus increased 1.9%, to ¥2,550 million. There was an operating loss of ¥59 million, compared with an operating loss of ¥323 million in the previous corresponding period.

### **Others**

Sales of power supply increased on recovery in capacity utilization at customer production lines.

Others sales thus increased 3.7%, to ¥293 million. There was an operating profit of ¥3 million, compared with an operating loss of ¥64 million in the previous corresponding period.

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

### **Assets**

Total assets at the end of the first quarter were ¥339,337 million yen, up ¥1,791 million from a year earlier. This rise largely reflected higher inventories from postponed sales of some optical equipment. Another key factor was an increase in property, plant and equipment from investments to develop next-generation lithography equipment for advanced semiconductor packaging. Partly offsetting this rise was a decrease in cash and deposits, owing primarily to dividend and tax payments and share repurchases.

### **Liabilities**

Total liabilities rose ¥3,513 million, to ¥104,084 million. Principal factors in this increase were higher long-term debt to cover such temporary capital needs as dividend payments and share repurchases and a rise in contract liabilities associated with sales of optical equipment and other products.

### **Net Assets**

Net assets decreased ¥1,721 million, to ¥235,253 million. This stemmed mainly from lower retained earnings as a result of dividend payments and a rise in treasury shares through acquisition. The decline offset an increase in foreign currency translation adjustments because of the yen's depreciation toward the end of the term.

## **(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking statements**

Management has retained the full-year consolidated earnings forecasts announced on May 14 for the fiscal year ending March 31, 2025. It based these forecasts on information currently available to the Company and certain assumptions that it deems reasonable.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	65,651	61,884
Notes and accounts receivable - trade, and contract assets	39,753	37,038
Securities	4,120	1,790
Merchandise and finished goods	37,038	36,410
Work in process	25,030	28,147
Raw materials and supplies	29,982	32,050
Other	11,607	11,048
Allowance for doubtful accounts	△1,683	△1,749
Total current assets	211,501	206,620
Non-current assets		
Property, plant and equipment		
Buildings and structures	52,543	53,589
Accumulated depreciation	△34,143	△35,110
Buildings and structures, net	18,400	18,478
Machinery, equipment and vehicles	27,049	28,410
Accumulated depreciation	△22,981	△23,791
Machinery, equipment and vehicles, net	4,067	4,618
Land	9,062	9,227
Right-of-use assets	5,022	5,353
Accumulated depreciation	△1,365	△1,713
Right-of-use assets, net	3,657	3,639
Construction in progress	2,106	6,609
Other	35,849	35,648
Accumulated depreciation	△27,288	△27,073
Other, net	8,560	8,574
Total property, plant and equipment	45,854	51,148
Intangible assets		
Goodwill	780	793
Other	7,816	8,228
Total intangible assets	8,596	9,022
Investments and other assets		
Investment securities	54,305	54,850
Long-term loans receivable	28	33
Deferred tax assets	4,211	4,465
Retirement benefit asset	10,682	10,717
Other	2,502	2,618
Allowance for doubtful accounts	△136	△139
Total investments and other assets	71,593	72,546
Total non-current assets	126,045	132,717
Total assets	337,546	339,337

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	21,648	20,225
Short-term borrowings	2,455	2,587
Lease liabilities	940	967
Income taxes payable	4,362	2,133
Contract liabilities	11,294	14,579
Provision for bonuses	2,616	1,485
Provision for bonuses for directors (and other officers)	77	88
Provision for product warranties	4,068	4,145
Other	11,788	12,321
Total current liabilities	59,252	58,534
Non-current liabilities		
Long-term borrowings	26,410	30,410
Lease liabilities	3,046	3,019
Deferred tax liabilities	6,706	6,955
Provision for retirement benefits for directors (and other officers)	159	179
Provision for share awards for directors (and other officers)	298	294
Retirement benefit liability	3,654	3,744
Asset retirement obligations	326	329
Other	717	616
Total non-current liabilities	41,318	45,550
Total liabilities	100,571	104,084
<b>Net assets</b>		
Shareholders' equity		
Share capital	19,556	19,556
Capital surplus	27,767	27,767
Retained earnings	140,163	135,315
Treasury shares	△9,155	△13,044
Total shareholders' equity	178,331	169,595
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,146	20,049
Foreign currency translation adjustment	35,004	42,226
Remeasurements of defined benefit plans	3,481	3,372
Total accumulated other comprehensive income	58,632	65,648
Non-controlling interests	11	9
Total net assets	236,975	235,253
Total liabilities and net assets	337,546	339,337

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

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	39,281	37,539
Cost of sales	24,792	23,574
Gross profit	14,488	13,965
Selling, general and administrative expenses	12,433	13,622
Operating profit	2,055	342
Non-operating income		
Interest income	339	344
Dividend income	542	448
Foreign exchange gains	—	316
Other	69	125
Total non-operating income	950	1,235
Non-operating expenses		
Interest expenses	64	63
Foreign exchange losses	46	—
Share of loss of entities accounted for using equity method	30	34
Other	39	20
Total non-operating expenses	180	118
Ordinary profit	2,825	1,459
Extraordinary income		
Gain on sale of non-current assets	7	8
Gain on sale of investment securities	300	—
Total extraordinary income	308	8
Extraordinary losses		
Loss on retirement of non-current assets	24	35
Loss on sale of non-current assets	0	0
Impairment losses	—	47
Loss on valuation of investment securities	11	—
Total extraordinary losses	36	82
Profit before income taxes	3,097	1,384
Income taxes - current	811	909
Income taxes - deferred	493	179
Total income taxes	1,305	1,089
Profit	1,792	294
Loss attributable to non-controlling interests	△2	△2
Profit attributable to owners of parent	1,794	297

**(Quarterly Consolidated Statements of Comprehensive Income (cumulative))**

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	1,792	294
Other comprehensive income		
Valuation difference on available-for-sale securities	4,844	△96
Foreign currency translation adjustment	9,306	7,197
Remeasurements of defined benefit plans, net of tax	41	△108
Share of other comprehensive income of entities accounted for using equity method	39	24
Total other comprehensive income	14,231	7,017
Comprehensive income	16,024	7,311
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,026	7,314
Comprehensive income attributable to non-controlling interests	△2	△2

### **(3) Notes to Quarterly Consolidated Financial Statements**

(Notes on Changes in Accounting Policies)

(Application of Accounting Standard for Current Income Taxes)

Ushio adopted the Revised Application of Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022, “the 2022 Revised Accounting Standard”) from the first quarter of the fiscal year ending March 31, 2025. With regard to a revision relating to the classification of income taxes (taxation on other comprehensive income), the Company adopted the transitional measures stipulated in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard. It also adopted the transitional measures stipulated in the proviso of Paragraph 65-2(2) of the Guidance on Accounting Standards for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022, “the 2022 Revised Application Guidance”). This accounting policy change had no impact on the quarterly consolidated financial statements under review.

Also, the Company adopted the 2022 Revised Application Guidance from the start of the first quarter regarding the amendments related to reviews in accounting in the consolidated financial statements for gains and losses on sales of subsidiary shares, and other transactions between consolidated companies when applying tax deferrals. The Company retroactively applied the change in accounting policy to the consolidated financial statements for the previous corresponding quarter and previous fiscal year. This accounting policy change had no impact on the quarterly consolidated financial statements of the previous corresponding quarter and previous fiscal year.

(Notes on Segment Information)

【Segment Information】

I. First three months of the fiscal year ended March 31, 2024 (from April 1, 2023 to June 30, 2023)

Information concerning net sales and profit/loss by reportable segment

(Millions of yen)

	Reportable Segment					Others (Note 1)	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	17,465	17,642	1,387	2,504	38,999	281	39,281	—	39,281
Inter-segment sales or transfer among segment	10	3	1	—	15	1	17	(17)	—
Total	17,475	17,645	1,389	2,504	39,015	283	39,298	(17)	39,281
Segment profit (loss)	2,247	624	(454)	(323)	2,094	(64)	2,030	25	2,055

- (Notes) 1. “Others” represents business segments that are not included in other reportable segments and other revenue-generating business activities.
2. Total adjustment of ¥25 million for segment profit (loss) includes ¥8 million in 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, 2025 (from April 1, 2024 to June 30, 2024)

Information concerning net sales and profit/loss by reportable segment

(Millions of yen)

	Reportable Segment					Others (Note 1)	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	15,581	17,575	1,544	2,550	37,252	287	37,539	—	37,539
Inter-segment sales or transfer among segment	2	2	0	—	5	6	11	(11)	—
Total	15,583	17,578	1,544	2,550	37,258	293	37,551	(11)	37,539
Segment profit (loss)	1,050	(474)	(171)	(59)	344	3	348	(5)	342

- (Notes) 1. “Others” represents business segments that are not included in other reportable segments and other revenue-generating business activities.
2. Total adjustment of ¥(5) million for segment profit (loss) includes ¥10 million in eliminations of inter-segment transactions and ¥(20) 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.
3. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statements of income.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Notes on Premise of Going Concern)

Not applicable.

(Notes to Quarterly Consolidated Statements of Cash Flows)

The Company has not prepared quarterly consolidated statements of cash flows for period under review. Depreciation (including depreciation related to intangible assets except goodwill) and amortization of goodwill for the first quarter of this fiscal year were as follows.

	First three months of the fiscal year ended March 31, 2024 (from April 1, 2023 to June 30, 2023)	First three months of the fiscal year ending March 31, 2025 (from April 1, 2024 to June 30, 2024)
Depreciation	1,858 Millions of yen	1,813 Millions of yen
Amortization of Goodwill	45	30