

February 7, 2025

Consolidated Financial Results
for the First Nine 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
 URL: <https://www.ushio.co.jp/en/>
 Representative: Takabumi Asahi, President and Chief Executive Officer
 Inquiries: Hiromi Ito, General Manager, Accounting & Finance Department
 TEL: +81-3-5657-1000 (from overseas)

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 nine months of the fiscal year ending March 31, 2025
(from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (Cumulative)

(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 nine months ended December 31, 2024	128,099	(3.3)	7,395	(27.5)	10,461	(17.1)	5,747	(33.9)
December 31, 2023	132,510	3.2	10,206	(24.5)	12,615	(30.1)	8,691	(28.0)

(Note) Comprehensive income

For the first nine months ended December 31, 2024: ¥ 9,390 million [(54.3)%]

For the first nine months ended December 31, 2023: ¥ 20,527 million [39.0%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First nine months ended December 31, 2024	58.22	—
December 31, 2023	76.84	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	325,640	221,958	68.2
March 31, 2024	337,546	236,975	70.2

(Reference) Equity

As of December 31, 2024: ¥ 221,948 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)	7,500	(42.2)	9,500	(41.0)	6,000 (44.4)	62.39

(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 December 31, 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 December 31, 2024	14,418,889 shares
As of March 31, 2024	5,072,501 shares

c. Average number of shares during the period

As of December 31, 2024	98,718,071 shares
As of December 31, 2023	113,115,750 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 February 7, 2025.

The Financial Presentation will be posted on the website of USHIO INC. on February 7, 2025.

[Attached document]

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1. Overview of Financial Results for the Period

(1) Overview of Business Performance

The global economy remained uncertain during the nine months 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.

A recovery in the semiconductor, electronic device, and printed circuit board markets against this backdrop was only gradual. This was because although these markets benefited from stable operations worldwide of PCs and smartphones, related capital investments remained sluggish. While the server market experienced new demand driven by generative AI, investment in existing data center servers was again constrained and postponed. Although the flat panel display market saw a gradual recovery in demand for organic light-emitting diode (OLED) displays for smartphones and tablets, LCD panel manufacturers continued to adjust production in response to persistently weak demand. In the visual imaging market, movie shortages owing to Hollywood strikes and other factors slowed cinema operations, temporarily shrinking investment appetites. 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 ¥152 to the dollar, down ¥9 from a year earlier.

Consolidated net sales decreased 3.3% year on year, to ¥128,099 million. Operating profit fell 27.5%, to ¥7,395 million. Ordinary profit was down 17.1%, to ¥10,461 million. Profit attributable to owners of parent dropped 33.9%, to ¥5,747 million.

Segment results were as follows.

Industrial Processes Business

UV Lamps

Sales were up despite a slow recovery in final demand for such products as PCs and smartphones. This was due primarily to higher semiconductor-related demand growth through solid operations of installed equipment on robust generative AI demand in semiconductor back-end processes. A weaker yen also contributed to sales.

OA Lamps

Segment sales increased on steady demand following the end of inventory adjustments among set manufacturers and the weaker yen.

Optical Equipment Lamps

While LCD panel revenues were down, higher sales for OLED displays for smartphones and tablets and the weaker yen drove overall sales growth.

Optical Equipment (Lithography Equipment)

Demand was weak for servers for existing data centers and for such final products as PCs, smartphones, and electronic devices. After excluding generative AI-related areas, investments in advanced packaging substrates and printed circuit boards were again constrained or postponed. Segment sales thus declined owing to reduced stepper and direct imaging lithography equipment revenues.

Optical Equipment (Others)

Segment sales fell from maintenance services revenue declining as a result of lower operations of EUV

light sources for EUV lithography mask inspections.

Earnings fell despite efforts to control selling, general, and administrative expenses through investment project reviews. The key downside factors were a weaker product mix from lower lithography equipment sales and higher upfront development investments required to support growth, particularly in Optical Equipment (Lithography Equipment).

Industrial Processes business sales therefore declined 9.5%, to ¥54,627 million. Operating profit dropped 11.6%, to ¥7,101 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. Segment sales thus fell.

Imaging Equipment (Cinema Projectors)

Sales of digital cinema projectors decreased owing to a temporary decline in investment appetites attributable to movie shortages stemming from the Hollywood strikes. Segment sales rose, however, as a result of the weaker yen.

Imaging Equipment (General Imaging Projectors)

While decreases in large deals posted in the previous second quarter detracted from revenues, demand remained steady for advanced video production, particularly for events. This factor and the weaker yen increased segment sales.

Earnings declined for the term, owing primarily to one-time inventory write-down losses from product lineup reviews to improve the earnings structure as part of business portfolio revamping. Higher selling, general, and administrative expenses, stemming largely from increased personnel costs, also fueled the decrease.

Visual Imaging business sales therefore increased 1.9%, to ¥60,384 million. Operating profit dropped 68.3%, to ¥1,456 million.

Life Sciences Business

Sales increased on higher demand for sodium lamps for horticulture. This growth boosted profitability, as the Company had previously recorded inventory write-down losses for these offerings. Earnings also benefited from cost control measures, including concentrating investments in promising projects.

Life Sciences business sales therefore increased 11.9%, to ¥4,494 million. There was an operating loss of ¥795 million, compared with an operating loss of ¥1,676 million in the previous corresponding period.

Photonics Solutions Business

Revenues declined due to lower sales of laser modules for industrial applications and others. Earnings were up, however, as cost controls from investment project reviews improved profitability.

Photonics Solutions business sales thus declined 4.0%, to ¥7,617 million. There was an operating loss of ¥330 million, compared with an operating loss of ¥845 million in the previous corresponding period.

Others

Although power supply sales increased on capacity utilization recoveries at customer production lines, earnings declined primarily due to an increase in selling, general, and administrative expenses.

Others segment sales thus increased 2.7%, to ¥993 million. Operating profit dropped 41.6%, to ¥31 million.

(2) Overview of Financial Position

Assets

Total assets at the end of the third quarter were ¥325,640 million, down ¥11,906 million from a year earlier. This was despite higher capital investment in machinery, equipment and vehicles, reflecting lower cash and deposits owing to dividend payments and share repurchases and a decline in inventories from sales of imaging equipment.

Liabilities

Total liabilities increased ¥3,110 million, to ¥103,681 million. This was due largely to higher long-term debt to cover dividend payments and share repurchases, which offset a reduction in notes and accounts payable from a purchasing volume decline.

Net Assets

Net assets were down ¥15,016 million, to ¥221,958 million. This owed principally to an increase in treasury stock and a decline in retained earnings because of dividend payments. This offset the impacts of higher retained earnings from recognizing profit attributable to owners of parent and an increase in foreign currency translation adjustments stemming from the yen's depreciation toward the end of the term.

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

For the fiscal year ending March 31, 2025, management has retained the full-year forecasts announced on November 6, 2024. These forecasts are based on information currently available to the Company and on certain assumptions that management deems reasonable. Actual results may vary due to various factors.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	65,651	58,717
Notes and accounts receivable - trade, and contract assets	39,753	36,812
Securities	4,120	3,252
Merchandise and finished goods	37,038	33,533
Work in process	25,030	25,303
Raw materials and supplies	29,982	28,784
Other	11,607	9,743
Allowance for doubtful accounts	△1,683	△1,662
Total current assets	211,501	194,485
Non-current assets		
Property, plant and equipment		
Buildings and structures	52,543	53,741
Accumulated depreciation	△34,143	△35,471
Buildings and structures, net	18,400	18,269
Machinery, equipment and vehicles	27,049	32,435
Accumulated depreciation	△22,981	△24,053
Machinery, equipment and vehicles, net	4,067	8,381
Land	9,062	9,140
Right-of-use assets	5,022	4,673
Accumulated depreciation	△1,365	△1,356
Right-of-use assets, net	3,657	3,317
Construction in progress	2,106	1,962
Other	35,849	37,285
Accumulated depreciation	△27,288	△26,947
Other, net	8,560	10,338
Total property, plant and equipment	45,854	51,409
Intangible assets		
Goodwill	780	718
Other	7,816	8,156
Total intangible assets	8,596	8,875
Investments and other assets		
Investment securities	54,305	52,940
Long-term loans receivable	28	24
Deferred tax assets	4,211	4,201
Retirement benefit asset	10,682	10,822
Other	2,502	3,025
Allowance for doubtful accounts	△136	△144
Total investments and other assets	71,593	70,870
Total non-current assets	126,045	131,155
Total assets	337,546	325,640

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,648	17,337
Short-term borrowings	2,455	2,464
Current portion of long-term borrowings	—	1,410
Lease liabilities	940	986
Income taxes payable	4,362	2,041
Contract liabilities	11,294	13,109
Provision for bonuses	2,616	1,448
Provision for bonuses for directors (and other officers)	77	58
Provision for product warranties	4,068	3,792
Provision for loss on orders received	—	0
Other	11,788	10,528
Total current liabilities	59,252	53,178
Non-current liabilities		
Long-term borrowings	26,410	35,000
Lease liabilities	3,046	2,728
Deferred tax liabilities	6,706	7,748
Provision for retirement benefits for directors (and other officers)	159	122
Provision for share awards for directors (and other officers)	298	135
Retirement benefit liability	3,654	3,723
Asset retirement obligations	326	311
Other	717	733
Total non-current liabilities	41,318	50,503
Total liabilities	100,571	103,681
Net assets		
Shareholders' equity		
Share capital	19,556	19,556
Capital surplus	27,767	27,789
Retained earnings	140,163	140,765
Treasury shares	△9,155	△28,439
Total shareholders' equity	178,331	159,671
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,146	20,748
Foreign currency translation adjustment	35,004	38,153
Remeasurements of defined benefit plans	3,481	3,375
Total accumulated other comprehensive income	58,632	62,277
Non-controlling interests	11	10
Total net assets	236,975	221,958
Total liabilities and net assets	337,546	325,640

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

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	132,510	128,099
Cost of sales	84,013	81,143
Gross profit	48,496	46,955
Selling, general and administrative expenses	38,289	39,560
Operating profit	10,206	7,395
Non-operating income		
Interest income	1,240	1,024
Dividend income	1,088	922
Foreign exchange gains	223	1,156
Gain on investments in investment partnerships	12	27
Other	349	392
Total non-operating income	2,915	3,522
Non-operating expenses		
Interest expenses	202	241
Share of loss of entities accounted for using equity method	134	—
Loss on sale of securities	14	—
Litigation expenses	—	125
Other	154	89
Total non-operating expenses	505	456
Ordinary profit	12,615	10,461
Extraordinary income		
Gain on sale of non-current assets	0	16
Gain on sale of investment securities	300	22
Total extraordinary income	301	39
Extraordinary losses		
Loss on retirement of non-current assets	77	169
Loss on sale of non-current assets	0	0
Impairment losses	66	108
Loss on valuation of investment securities	26	500
Total extraordinary losses	171	777
Profit before income taxes	12,746	9,722
Income taxes - current	4,115	3,079
Income taxes - deferred	△58	897
Total income taxes	4,057	3,976
Profit	8,689	5,745
Loss attributable to non-controlling interests	△2	△1
Profit attributable to owners of parent	8,691	5,747

(Quarterly Consolidated Statements of Comprehensive Income (cumulative))

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	8,689	5,745
Other comprehensive income		
Valuation difference on available-for-sale securities	4,504	601
Foreign currency translation adjustment	7,160	3,159
Remeasurements of defined benefit plans, net of tax	143	△105
Share of other comprehensive income of entities accounted for using equity method	29	△10
Total other comprehensive income	11,838	3,645
Comprehensive income	20,527	9,390
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,529	9,392
Comprehensive income attributable to non-controlling interests	△1	△1

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Changes in Accounting Policies)

(Application of Accounting Standard for Current Income Taxes and related guidelines)

Ushio adopted the revised Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, dated October 28, 2022) at the start of the first quarter. For amendments to the classification of income taxes (taxation on other comprehensive income), the Company follows transitional provisions in Section 20-3 of this standard and Section 65-2(2) of Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, dated October 28, 2022). This change in accounting policy has not affected the consolidated financial statements for the term.

Also, at the start of the first quarter, the Company applied the guidance to accounting for deferred gains and losses for tax purposes on sales of shares in subsidiaries between consolidated group companies. It applied accounting policy change retrospectively to consolidated financial statements for the previous quarter and fiscal year. This change in accounting policy has not affected the consolidated financial statements for the previous quarter or fiscal year.

(Notes on Segment Information)

【Segment Information】

I. First nine months of the fiscal year ended March 31, 2024 (from April 1, 2023 to December 31, 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	60,359	59,249	4,015	7,932	131,556	953	132,510	—	132,510
Inter-segment sales or transfer among segment	5	27	2	6	41	13	55	(55)	—
Total	60,365	59,276	4,017	7,939	131,598	967	132,565	(55)	132,510
Segment profit (loss)	8,035	4,597	(1,676)	(845)	10,111	53	10,164	42	10,206

(Notes) 1. “Others” represents business segments that are not included in other reportable segments and other revenue-generating business activities.

2. Total adjustment of ¥42 million for segment profit (loss) includes ¥30 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 nine months of the fiscal year ending March 31, 2025 (from April 1, 2024 to December 31, 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	54,624	60,377	4,493	7,617	127,113	985	128,099	—	128,099
Inter-segment sales or transfer among segment	3	6	1	0	11	7	18	(18)	—
Total	54,627	60,384	4,494	7,617	127,124	993	128,117	(18)	128,099
Segment profit (loss)	7,101	1,456	(795)	(330)	7,430	31	7,461	(66)	7,395

(Notes) 1. “Others” represents business segments that are not included in other reportable segments and other revenue-generating business activities.

2. Total adjustment of ¥(66) million for segment profit (loss) includes ¥1 million in eliminations of inter-segment transactions and ¥(67) 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)

Based on a resolution of the Board of Directors on May 14, 2024, the Company acquired 9,580,900 shares of treasury stock. Treasury stock increased ¥19,283 million in the period under review as a result of this purchase and other transactions.

(Notes on Premise of Going Concern)

Not applicable.

(Notes on Quarterly Consolidated Statements of Cash Flows)

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

	First nine months of the fiscal year ended March 31, 2024 (from April 1, 2023 to December 31, 2023)	First nine months of the fiscal year ending March 31, 2025 (from April 1, 2024 to December 31, 2024)
Depreciation	6,019 Millions of yen	5,724 Millions of yen
Amortization of Goodwill	85	90