

USHIO INC. and Consolidated Subsidiaries

Consolidated Statement of Income

	Years ended March 31		
	2014	2013	2014
	(Millions of yen)		(Thousands of U.S. dollars) (Note 2)
Net sales	¥ 157,800	¥ 143,461	\$ 1,533,234
Cost of sales	101,809	95,196	989,207
Gross profit	55,991	48,264	544,027
Selling, general and administrative expenses (Note 5)	43,881	40,682	426,361
Operating income	12,110	7,582	117,667
Other income (expenses):			
Interest and dividend income	1,574	1,417	15,302
Interest expenses	(214)	(211)	(2,085)
Foreign exchange gains	1,678	255	16,308
Gain on trading securities	271	405	2,640
Share of loss of entities accounted for using equity method	(36)	(16)	(359)
Gain on sales of investment securities, net	2,087	952	20,282
Loss on valuation of investment securities (Note 10)	(1,162)	(243)	(11,295)
Provision of allowance for doubtful accounts	—	(119)	—
Impairment loss (Note 6)	(419)	(69)	(4,072)
Loss on liquidation of business (Note 7)	(168)	(4,042)	(1,642)
Loss on step acquisitions	(5)	—	(49)
Extra retirement payment	(447)	—	(4,347)
Other, net	247	141	2,407
	3,405	(1,531)	33,090
Income before income taxes and minority interests	15,515	6,050	150,757
Income taxes (Note 4):			
Current	5,379	4,591	52,272
Deferred	(714)	(5,516)	(6,942)
	4,665	(924)	45,330
Income before minority interests	10,850	6,975	105,427
Minority interests	79	(179)	775
Net income (Note 15)	¥ 10,770	¥ 7,155	\$ 104,653

See notes to consolidated financial statements.