

USHIO INC. and Consolidated Subsidiaries

Consolidated Statement of Income

	Years ended March 31		
	2016	2015	2016
	(Millions of yen)		(Thousands of U.S. dollars) (Note 2)
Net sales	¥179,121	¥159,365	\$1,589,647
Cost of sales	110,717	98,030	982,583
Gross profit	68,403	61,335	607,064
Selling, general and administrative expenses (Note 5)	55,273	50,977	490,532
Operating income	13,130	10,357	116,532
Other income (expenses):			
Interest and dividend income	1,899	1,819	16,853
Interest expenses	(250)	(193)	(2,221)
Foreign exchange gains	11	757	98
Loss on trading securities	(341)	—	(3,030)
Gain on trading securities	—	445	—
Share of loss of entities accounted for using equity method	(12)	(43)	(115)
Gain on sales of investment securities, net	253	3,296	2,250
Gain on bargain purchase	579	277	5,142
Loss on valuation of investment securities (Note 10)	—	(86)	—
Impairment loss (Note 6)	(244)	(1,521)	(2,168)
Extra retirement payment	(50)	(84)	(448)
Provision for environmental measures	(236)	—	(2,094)
Office transfer expenses (Note 7)	(543)	—	(4,826)
Loss on liquidation of subsidiaries and associates, net	(50)	—	(447)
Other, net	1,043	521	9,262
	2,057	5,187	18,256
Profit before income taxes	15,187	15,545	134,788
Income taxes (Note 4):			
Current	3,003	3,342	26,653
Deferred	998	660	8,862
	4,001	4,002	35,515
Profit	11,186	11,542	99,274
Profit attributable to non-controlling interests	80	263	712
Profit attributable to owners of the parent (Note 15)	¥ 11,105	¥ 11,279	\$ 98,562

See notes to consolidated financial statements.

USHIO INC. and Consolidated Subsidiaries

Consolidated Statement of Comprehensive Income

	Years ended March 31		
	2016	2015	2016
	(Millions of yen)		(Thousands of U.S. dollars) (Note 2)
Profit	¥ 11,186	¥11,542	\$ 99,274
Other comprehensive income (Note 13):			
Valuation difference on available-for-sale securities	1,179	8,485	10,467
Deferred gains or losses on hedges	(0)	7	(6)
Foreign currency translation adjustment	(8,244)	11,020	(73,166)
Remeasurements of defined benefit plans	(4,515)	(597)	(40,070)
Share of other comprehensive income of entities accounted for using equity method	0	2	1
Total other comprehensive income (losses)	(11,580)	18,919	(102,774)
Comprehensive income (losses)	¥ (394)	¥30,462	\$ (3,500)
Comprehensive income attributable to owners of the parent	¥ (279)	¥30,009	\$ (2,480)
Comprehensive income attributable to non-controlling interests	(114)	452	(1,020)

See notes to consolidated financial statements.