

USHIO INC. and Consolidated Subsidiaries

Consolidated Balance Sheet

	As of March 31		
	2017 <i>(Millions of yen)</i>	2016	2017 <i>(Thousands of U.S. dollars)</i> <i>(Note 2)</i>
<b>Assets</b>			
Current assets:			
Cash and deposits <i>(Notes 3, 12 and 19)</i>	¥ 63,963	¥ 54,595	\$ 570,133
Notes and accounts receivable – trade <i>(Notes 3 and 12)</i>	42,349	38,424	377,482
Securities <i>(Notes 12 and 13)</i>	8,342	7,893	74,364
Merchandise and finished goods	28,369	30,705	252,873
Work in process	10,301	10,215	91,823
Raw materials and supplies	13,750	15,716	122,565
Deferred tax assets <i>(Note 4)</i>	4,789	5,070	42,691
Prepaid expenses and other current assets	9,577	8,677	85,369
Less: Allowance for doubtful accounts <i>(Note 12)</i>	(1,110)	(1,125)	(9,900)
Total current assets	180,334	170,173	1,607,403
Property, plant and equipment, at cost:			
Buildings and structures	43,515	40,115	387,875
Machinery, equipment and other <i>(Note 8)</i>	52,849	49,766	471,068
Land	9,577	10,119	85,364
Construction in progress	2,753	3,118	24,538
	108,695	103,119	968,847
Less: Accumulated depreciation	(63,885)	(60,809)	(569,437)
Property, plant and equipment, net	44,809	42,310	399,410
Intangible assets	9,223	10,786	82,213
Investments and other assets:			
Investment securities <i>(Notes 12 and 13)</i>	67,909	65,724	605,304
Investments in and advances to associates	14	21	129
Deferred tax assets <i>(Note 4)</i>	1,033	1,116	9,211
Net defined benefit asset <i>(Note 15)</i>	30	23	271
Other assets	5,075	4,371	45,240
Total investments and other assets	74,062	71,256	660,156
Total assets	¥308,430	¥294,525	\$2,749,183

	<b>As of March 31</b>		
	<b>2017</b>	2016	<b>2017</b>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 2)</i>
<b>Liabilities and net assets</b>			
<b>Current liabilities:</b>			
Notes and accounts payable – trade <i>(Note 12)</i>	¥ 16,859	¥ 17,797	\$ 150,276
Short-term loans payable <i>(Notes 3 and 12)</i>	5,763	5,049	51,374
Current portion of long-term loans payable <i>(Notes 3 and 12)</i>	4,701	3,066	41,905
Income taxes payable	1,163	382	10,366
Deferred tax liabilities <i>(Note 4)</i>	92	183	823
Provision for bonuses	2,050	2,472	18,276
Provision for product warranties	2,100	1,828	18,718
Provision for loss on order received	31	2	280
Provision for environmental measures	–	236	–
Other current liabilities	21,830	18,443	194,585
<b>Total current liabilities</b>	<b>54,592</b>	49,463	<b>486,608</b>
<b>Long-term liabilities:</b>			
Long-term loans payable <i>(Notes 3 and 12)</i>	17,307	6,397	154,269
Deferred tax liabilities <i>(Note 4)</i>	6,459	4,325	57,577
Provision for directors' retirement benefits	553	756	4,936
Provision for directors' stock payment	123	102	1,099
Net defined benefit liability <i>(Note 15)</i>	9,960	14,946	88,783
Other long-term liabilities	6,143	7,235	54,762
<b>Total long-term liabilities</b>	<b>40,548</b>	33,765	<b>361,430</b>
<b>Net assets:</b>			
<b>Shareholders' equity:</b>			
<b>Capital stock:</b>			
Authorized – 300,000,000 shares			
Issued – 139,628,721 shares	19,556	19,556	174,314
Capital surplus	27,772	27,672	247,552
Retained earnings	155,545	151,856	1,386,446
Treasury shares, at cost	(17,216)	(16,027)	(153,457)
<b>Total shareholders' equity</b>	<b>185,658</b>	183,057	<b>1,654,856</b>
<b>Accumulated other comprehensive income:</b>			
Valuation difference on available-for-sale securities	30,407	31,072	271,033
Deferred gains or losses on hedges	(26)	–	(236)
Foreign currency translation adjustment	3,135	4,375	27,949
Remeasurements of defined benefit plans	(6,529)	(9,800)	(58,198)
<b>Total accumulated other comprehensive income</b>	<b>26,987</b>	25,647	<b>240,548</b>
Non-controlling interests	643	2,590	5,739
<b>Total net assets <i>(Note 17)</i></b>	<b>213,289</b>	211,296	<b>1,901,144</b>
<b>Total liabilities and net assets</b>	<b>¥308,430</b>	¥294,525	<b>\$2,749,183</b>

*See notes to consolidated financial statements.*