

USHIO INC. and Consolidated Subsidiaries

Consolidated Statement of Income

	Years ended March 31		
	2017	2016	2017
	(Millions of yen)		(Thousands of U.S. dollars) (Note 2)
Net sales	¥172,840	¥179,121	\$1,540,603
Cost of sales (Note 5)	112,383	110,717	1,001,722
Gross profit	60,456	68,403	538,880
Selling, general and administrative expenses (Notes 6 and 7)	51,854	55,273	462,204
Operating income	8,602	13,130	76,675
Other income (expenses):			
Interest and dividend income	2,147	1,899	19,138
Interest expenses	(308)	(250)	(2,751)
Foreign exchange gains (losses), net	(649)	11	(5,785)
Gain (loss) on trading securities	435	(341)	3,878
Gain on investments in money held in trust	371	–	3,312
Share of loss of entities accounted for using equity method	(8)	(12)	(80)
Gain on sales of investment securities, net	2,761	253	24,616
Gain on bargain purchase	–	579	–
Loss on valuation of investment securities (Note 13)	(10)	–	(90)
Impairment loss (Note 8)	(240)	(244)	(2,146)
Extra retirement payment	(10)	(50)	(94)
Provision for environmental measures	–	(236)	–
Office transfer expenses (Note 9)	(136)	(543)	(1,216)
Business structure improvement expenses	(2,089)	–	(18,625)
Loss on liquidation of subsidiaries and associates, net	–	(50)	–
Other, net	753	1,043	6,720
	3,015	2,057	26,875
Profit before income taxes	11,617	15,187	103,551
Income taxes (Note 4):			
Current	3,459	3,003	30,839
Deferred	1,284	998	11,451
	4,744	4,001	42,290
Profit	6,872	11,186	61,260
Profit (loss) attributable to non-controlling interests	(170)	80	(1,515)
Profit attributable to owners of the parent (Note 18)	¥ 7,042	¥ 11,105	\$ 62,776

See notes to consolidated financial statements.

USHIO INC. and Consolidated Subsidiaries

Consolidated Statement of Comprehensive Income

	Years ended March 31		
	2017	2016	2017
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars) (Note 2)</i>
Profit	¥ 6,872	¥ 11,186	\$ 61,260
Other comprehensive income <i>(Note 16)</i> :			
Valuation difference on available-for-sale securities	(665)	1,179	(5,927)
Deferred gains or losses on hedges	(26)	(0)	(236)
Foreign currency translation adjustment	(1,270)	(8,244)	(11,327)
Remeasurements of defined benefit plans	3,271	(4,515)	29,156
Share of other comprehensive income of entities accounted for using equity method	(20)	0	(181)
Total other comprehensive income	1,288	(11,580)	11,483
Comprehensive income	¥ 8,161	¥ (394)	\$ 72,743
Comprehensive income attributable to owners of the parent	¥ 8,382	¥ (279)	\$ 74,712
Comprehensive income attributable to non-controlling interests	(220)	(114)	(1,968)

See notes to consolidated financial statements.