

September 12, 2018

Dear Shareholders,

Your Company's sales for the fiscal year ended March 31, 2018 increased 5.6% to \$14,873,189 versus \$14,083,428 for the same period last year. USI reported a net loss of \$2,262,310, or \$0.98 per basic and diluted share for the 2018 fiscal year, versus a net loss of \$2,058,902 or \$0.89 per basic diluted share for the prior fiscal year.

We are starting to see improvements in our domestic sales as evidenced by a 26% increase in our 4th quarter sales. We anticipate that this sales trend should continue during the coming fiscal year as both our retail and new home construction segments are continuing to add new customers. Our Hong Kong Joint Venture continues to lose money due to lower sales in Europe. We have taken steps to reduce the Joint Venture's losses by closing our Nan'an factory and moving production into the Fujian facility. Our Joint Venture has listed the Nan'an facility for sale or lease.

We are continuing to add electrical products to our existing product line and anticipate these items will contribute to our fiscal 2019 sales growth.

We would like to take this opportunity to thank our customers, sales agents and dedicated employees for their support. Also, we thank our dedicated shareholders, for your continued support and look forward to sharing more news with you.

Respectfully,



Harvey B. Grossblatt
President & CEO