

Securities Code: 6925

June 6, 2019

To Our Shareholders:

1-6-5 Marunouchi, Chiyoda-ku, Tokyo

**USHIO INC.**

Jiro Ushio, Chairman and Chief Executive Officer

## Notice of the 56<sup>th</sup> Annual General Meeting of Shareholders

The Company would hereby like to request shareholders to attend the Company's 56<sup>th</sup> Annual General Meeting of Shareholders as described below.

**If you are unable to attend the meeting on the date, you may also exercise your voting rights in writing or by an electromagnetic method. We kindly request you to read the following Reference Document for the Annual General Meeting of Shareholders and exercise your voting rights by no later than 5:15 p.m., June 26, 2019 (Wednesday).**

Sincerely yours,

1. **Date:** 10:00 a.m., June 27, 2019 (Thursday) (The reception desk opens at 9:00 a.m.)

2. **Venue:** 11F, *Kujaku* Hall, KKR Hotel Tokyo

1-4-1 Otemachi, Chiyoda-ku, Tokyo

3. **Purposes:**

**Matters to be reported:**

The Business Report, the Consolidated and Non-Consolidated Financial Statements and the Results of Consolidated Financial Statement Audits by the Accounting Auditor and the Audit and Supervisory Committee for the 56<sup>th</sup> business period (April 1, 2018 to March 31, 2019)

**Matters to be resolved:**

**Proposal No. 1:** Appropriation of Surplus

**Proposal No. 2:** Election of Nine (9) Directors (excluding directors who are Audit & Supervisory Committee Members)

- 
- Please be advised that no gifts will be provided to attending shareholders.
  - "Notes to the Consolidated Financial Statements" and "Notes to the Non-consolidated Financial Statements" are available (Japanese only) online via the Company's website(<https://www.ushio.co.jp>), pursuant to provisions of laws and regulations as well as the Articles 15 of the Articles of Incorporation of the Company.  
The aforementioned documents posted on the Company's website are subject to audits by the Accounting Auditor and the Audit and Supervisory Committee.
  - If there are any revisions to the Reference Document for the Annual General Meeting of Shareholders, Business Report, and/or the Consolidated and the Non-Consolidated Financial Statements, such revision will be shown on the Company's website (<https://www.ushio.co.jp>).

## Reference Document for the Annual General Meeting of Shareholders

### Proposals and Referential Matters

#### Proposal No. 1: Appropriation of Surplus

The Company would like to appropriate surplus as follows.

##### Year-end Dividend

Striving to constantly remain cognizant of the fact that returning profits to shareholders is one of the top priorities of corporations, the USHIO Group's basic policy is to provide stable and consistent returns of profits to shareholders, while endeavoring to enhance its financial position and business foundations.

Based on this policy, in order to enhance shareholder value through intensifying shareholder returns and improving capital efficiency, the Company would like to distribute the year-end dividend to assign an annual dividend of 50 yen per common share, increase a regular dividend amount 24 yen per common share from the previous fiscal year as indicated below.

- (1) Kind of the dividend property  
Cash
- (2) Matters regarding assignment of the dividend property and the total amount of the dividend property  
An annual dividend: 50 yen per common share  
The total amount of the dividend property: 6,316,996,700 yen.
- (3) The day on which such distribution of dividend of surplus takes effect  
On June 28, 2019

#### Proposal No. 2: Election of Nine (9) Directors (excluding directors who are Audit & Supervisory Committee Members)

Mr. Kenji Hamashima retired from the position of Director of the Company as of March 31, 2019, and the terms of office of all six (6) Directors (excluding directors who are Audit & Supervisory Committee Members; the same applies hereafter in this proposal) will expire at the close of this Annual General Meeting of Shareholders. The Company hereby proposes the election of nine (9) Directors, increasing the number of Directors in order to reinforce the Company's management system.

The Audit & Supervisory Committee has judged that all candidates for Directors are eligible with regard to this agenda.

The following are candidates for Directors.

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
1	Jiro Ushio (February 12, 1931)	Mar. 1964    Established USHIO INC. and served as President and Chief Executive Officer Apr. 1979    Chairman and Chief Executive Officer (incumbent) (Significant concurrent position) Chairman, The USHIO Foundation Chairman, Nippon Institute for Research Advancement	2,636,714
<Reasons for electing Mr. Jiro Ushio as a candidate for Director> Mr. Jiro Ushio, as founder of the Company, has directed the management of the Company for many years and adequately performed supervisory functions, while making key decisions and executing business. He has also held a number of critical posts at other organizations and gained a wealth of knowledge and insights through extensive management experience, as well as a broad-ranging network. Based on the above, the Company has judged that his continued engagement in the management of the Company is critical. Accordingly, the Company proposes him as a candidate for Director.			

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
2	<div style="background-color: #cccccc; padding: 2px; display: inline-block;">Newly Elected</div> Koji Naito (April 3, 1963)	Apr. 1986    Joined USHIO INC. Apr. 2014    General Manager, Business Division III Oct. 2014    Executive Officer Deputy General Manager, Light Source Business Division and General Manager, Sales Division, Light Source Business Division Apr. 2015    Senior Executive Officer General Manager, Light Source Business Division Apr. 2016    Managing Executive Officer Apr. 2019    Chief Executive Officer (incumbent)	2,100
		<p>&lt;Reasons for electing Mr. Koji Naito as a candidate for Director&gt;            Mr. Koji Naito has directed the light source business, which is core business of the USHIO Group, for many years. The Company has judged that with such extensive experience and knowledge, he is expected to drive the USHIO Group to improve its value and achieve further development. Based on the above, he has been appointed Chief Executive Officer since April, 2019 by a resolution of Board of Directors. Accordingly, the Company proposes him as a candidate for Director.</p>	
3	<div style="background-color: #cccccc; padding: 2px; display: inline-block;">Newly Elected</div> Naoki Kawamura (October 9, 1963)	Apr. 1986    Joined USHIO INC. Apr. 2014    General Manager Optical System Business Unit, Business Division II Oct. 2014    Deputy General Manager, Biomedical Division and General Manager, Sales Division, Biomedical Division Feb. 2015    General Manager, Biomedical Division and General Manager, Sales Division, Biomedical Division Apr. 2015    Executive Officer General Manager, Biomedical Division Nov. 2016    General Manager, System Solution Division Apr. 2017    Senior Executive Officer Apr. 2018    Managing Executive Officer Apr. 2019    Senior Managing Executive Officer (incumbent) General Manager, Business Management Headquarters and General Manager, System Solution Division, Business Management Headquarters (incumbent) May 2019    General Manager, Business Development Division, Business Management Headquarters (incumbent)	600
		<p>&lt;Reasons for electing Mr. Naoki Kawamura as a candidate for Director&gt;            Mr. Naoki Kawamura has directed optical equipment business of the Company for many years and contributed to the creation of new businesses in biomedical and other fields. The Company has judged that with such extensive experience and knowledge, he is expected to perform an appropriate role in overall management toward further improving corporate value. Accordingly, the Company proposes him as a candidate for Director.</p>	

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
4	Shiro Ushio (April 14, 1958)	<p>Apr. 1991    Joined USHIO U-TECH, INC. (currently, USHIO LIGHTING, INC.)</p> <p>Jun. 1991    Director, USHIO U-TECH, INC.</p> <p>Apr. 1992    Executive Director, USHIO U-TECH, INC.</p> <p>Feb. 1996    President and Chief Operating Officer, USHIO U-TECH, INC.</p> <p>Apr. 2004    Chairman and Chief Executive Officer, USHIO LIGHTING, INC. Group Senior Executive Officer</p> <p>Jun. 2004    Director and Group Senior Executive Officer</p> <p>Mar. 2005    Director and Managing Executive Officer</p> <p>Apr. 2010    Chairman and Chief Executive Officer, USHIO LIGHTING, INC. (incumbent) Director and Group Managing Executive Officer</p> <p>Jun. 2010    Director and Managing Executive Officer (incumbent)</p> <p>(Significant concurrent position) Chairman and Chief Executive Officer, USHIO LIGHTING, INC.</p>	171,833
<p>&lt;Reasons for electing Mr. Shiro Ushio as a candidate for Director&gt;</p> <p>Mr. Shiro Ushio has directed illumination and imaging-related businesses of domestic Group companies for many years, and contributed to the growth and development of businesses by implementing Group strategies. The Company has judged that with such extensive experience and knowledge, he is expected to continue to perform an appropriate role in overall management toward further improving corporate value. Accordingly, the Company proposes him as a candidate for Director.</p>			

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
5	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Newly Elected</div> Kazuhisa Kamiyama (September 25, 1968)	Sep. 1995    Joined USHIO INC. Nov. 2013    General Manager, Corporate Planning Department, Corporate Management Division Apr. 2016    Executive Officer General Manager, Corporate Headquarters and General Manager, Corporate Strategy Division, Corporate Headquarters Apr. 2018    General Manager, Corporate Headquarters Jul. 2018    Group Executive Officer Chief Financial Officer, CHRISTIE DIGITAL SYSTEMS INC. Apr. 2019    Group Senior Executive Officer (incumbent) President, CHRISTIE DIGITAL SYSTEMS INC. (incumbent) Chairman and Chief Executive Officer, CHRISTIE DIGITAL SYSTEMS USA, INC. (incumbent) Chairman and Chief Executive Officer, CHRISTIE DIGITAL SYSTEMS CANADA INC. (incumbent) (Significant concurrent position) President, CHRISTIE DIGITAL SYSTEMS INC. Chairman and Chief Executive Officer, CHRISTIE DIGITAL SYSTEMS USA, INC. Chairman and Chief Executive Officer, CHRISTIE DIGITAL SYSTEMS CANADA INC.	1,050
<p>&lt;Reasons for electing Mr. Kazuhisa Kamiyama as a candidate for Director&gt;</p> <p>After having worked in the Accounting and Finance Departments of the Company for many years and undertaken management roles as General Manager of the Administration Department, Mr. Kazuhisa Kamiyama has directed the management of North America Group companies since 2018. The Company has judged that with such extensive experience and knowledge, he is expected to perform an appropriate role in overall management toward further improving corporate value. Accordingly, the Company proposes him as a candidate for Director.</p>			

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Outside Director</div> <p>Yoshinari Hara (April 3, 1943)</p>	<p>Apr. 1967    Joined Daiwa Securities Co., Ltd.  Jun. 1991    Director, Daiwa Securities Co., Ltd.  Sep. 1995    Managing Director, Daiwa Securities Co., Ltd.  Oct. 1997    President and Representative Director, Daiwa Securities Co., Ltd.  Apr. 1999    President and Representative Director and CEO, Daiwa Securities Group Inc.  President and Representative Director, Daiwa Securities Co., Ltd.  Jun. 2004    Chairman of the Board and Director, Daiwa Securities Group Inc.  Jun. 2008    Chief Corporate Advisor, Daiwa Securities Group Inc.  Jun. 2012    Honorary Advisor, Daiwa Securities Group Inc. (incumbent)  Jun. 2014    Outside Director(incumbent)  (Significant concurrent position)  Honorary Advisor, Daiwa Securities Group Inc.  Vice Chairman, Japan Association of Corporate Directors</p>	1,900
6	<p>&lt;Reasons for electing Mr. Yoshinari Hara as a candidate for Outside Director&gt;  Mr. Yoshinari Hara has a wealth of experience obtained managing the activities of a securities company, and has in-depth knowledge of capital markets. The Company has judged that with such strengths, he is expected to continue to appropriately perform managerial roles, which include advising the management of the Company and supervising the execution of business. Accordingly, the Company proposes him as a candidate for Outside Director.</p> <p>&lt;Independence&gt;  Mr. Yoshinari Hara was formerly the representative director of a securities company with which the Company has business transactions, the percentage of such transactions against consolidated net sales of the securities company and of the Company is not more than one percent (1%) and there are no transactions that have an impact on the decision-making of the Company. There are also no special interests between Mr. Yoshinari Hara and the Company. In addition, more than ten (10) years have passed since Mr. Yoshinari Hara resigned the executive officer of the securities company and of its group. Based on the aforementioned background, the Company judged that Mr. Yoshinari Hara is an Independent Director who has no conflicts of interest with ordinary shareholders, and has registered him as an Independent Director with the Tokyo Stock Exchange, Inc. in conformity with the regulations thereof. Provided Mr. Yoshinari Hara is appointed Outside Director as proposed, he will continue to be an Independent Director.</p>		

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
7	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Outside Director</div> <p>Yasufumi Kanemaru (March 12, 1954)</p>	<p>Apr. 1979    Joined TKC Corporation  Apr. 1982    Joined Logic Systems International, Inc.  Sep. 1985    Director, NTT PC Communications Incorporated  Nov. 1989    Established Future System Consulting Corp.(currently Future Corporation) and served as President and Chief Executive Officer  Mar. 2006    Chairman, President and Chief Executive Officer, Future System Consulting Corp.  Jan. 2007    Chairman and Chief Executive Officer, Future Architect, Inc. (currently Future Corporation)  Mar. 2011    Chairman, President and Chief Executive Officer, Future Architect, Inc.  Jun. 2015    Outside Director(incumbent)  Jul. 2015    Chairman, Future Architect, Inc.  Apr. 2016    Chairman, President and Group Chief Executive Officer, Future Corporation (incumbent)  Chairman, Future Architect, Inc.(incumbent)  (Significant concurrent position)  Chairman, President and Group Chief Executive Officer, Future Corporation  Chairman, Future Architect, Inc.  Representative Executive Officer &amp; Executive Vice President, Nippon Institute for Research Advancement</p>	9,100
<p>&lt;Reasons for electing Mr. Yasufumi Kanemaru as a candidate for Outside Director&gt;  Mr. Yasufumi Kanemaru has gained extensive experience and knowledge through his career as the founder of a telecommunications and IT consulting firm and as a business manager. The Company has judged that with such strengths, he is expected to continue to appropriately perform managerial roles, which include advising the management of the Company and supervising the execution of business. Accordingly, the Company proposes him as a candidate for Outside Director.</p> <p>&lt;Independence&gt;  The firm for which Mr. Yasufumi Kanemaru serves as the representative and the Company has a business relationship, the percentage of business transactions against consolidated net sales of the firm and of the Company is not more than one percent (1%) and there are no transactions that have an impact on the decision-making of the Company. There are also no special interests between Mr. Yasufumi Kanemaru and the Company. Based on the aforementioned background, the Company judged that Mr. Yasufumi Kanemaru is an Independent Director who has no conflicts of interest with ordinary shareholders, and has registered him as an Independent Director with the Tokyo Stock Exchange, Inc. in conformity with the regulations thereof. Provided Mr. Yasufumi Kanemaru is appointed Outside Director as proposed, he will continue to be an Independent Director.</p>			

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
8	<div style="border: 1px solid black; background-color: #cccccc; padding: 2px; display: inline-block; margin-bottom: 5px;">Outside Director</div> <p>Sakie T. Fukushima (September 10, 1949)</p>	<p>Jun. 1980    Joined Braxton International  Sep. 1987    Joined Bain &amp; Company, Inc.  Aug. 1991    Joined Korn/Ferry International-Japan  May 1995    Director, Korn/Ferry International  Sep. 2000    Regional Managing Director, Korn/Ferry International-Japan  Jul. 2001    President and Representative Director, Korn/Ferry International-Japan  May 2009    Chairman &amp; Representative Director, Korn/Ferry International-Japan  Jul. 2010    President &amp; Representative Director, G&amp;S Global Advisors Inc. (incumbent)  Jun. 2011    Outside Director, Ajinomoto Co., Inc. (incumbent)  May 2012    Outside Director, J. Front Retailing Co., Ltd. (incumbent)  Jun. 2016    Outside Director(incumbent)  (Significant concurrent positions)  President &amp; Representative Director, G&amp;S Global Advisors Inc.  Outside Director, Ajinomoto Co., Inc.  Outside Director, J. Front Retailing Co., Ltd.</p>	400
<p>&lt;Reasons for electing Ms. Sakie T. Fukushima as a candidate for Outside Director&gt;  Ms. Sakie T. Fukushima has considerable global insights, and extensive knowledge and experience of managing a global business. The Company has judged that with such strengths, she is expected to continue to appropriately perform managerial roles, which include advising the management of the Company and supervising the execution of business. Accordingly, the Company proposes her as a candidate for Outside Director.</p> <p>&lt;Independence&gt;  There is no business relationship between the firm Ms. Sakie T. Fukushima represents and the Company. There are also no special interests between Ms. Sakie T. Fukushima and the Company. Based on the aforementioned background, the Company judged that Ms. Sakie T. Fukushima is an Independent Director who has no conflicts of interest with ordinary shareholders, and has registered her as an Independent Director with the Tokyo Stock Exchange, Inc. in conformity with the regulations thereof. Provided Ms. Sakie T. Fukushima is appointed Outside Director as proposed, she will continue to be an Independent Director.</p>			

Candidate number	Name (Date of Birth)	Brief profile, position, responsibility at the Company and significant concurrent positions held	Number of the Company's shares owned
	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid gray; padding: 2px;">Newly Elected</div> <div style="border: 1px solid gray; padding: 2px;">Outside Director</div> </div> <p>Toyonari Sasaki (April 1, 1953)</p>	<p>Apr. 1976    Joined the Ministry of Finance</p> <p>Jul. 2003    Deputy Director, General of the Budget Bureau</p> <p>Jul. 2007    First Deputy Commissioner, National Tax Agency</p> <p>Jul. 2008    Director, General of the Financial Bureau</p> <p>Jan. 2010    Assistant Chief Cabinet Secretary, Cabinet Secretariat</p> <p>Apr. 2013    Chief Domestic Coordinator, Governmental Headquarters for the Trans-Pacific Strategic Economic Partnership Agreement (TPP), Cabinet Secretariat</p> <p>Apr. 2016    Vice Chairman, the Life Insurance Association of Japan (incumbent)</p> <p>(Significant concurrent position) Vice Chairman, the Life Insurance Association of Japan</p>	0
9	<p>&lt;Reasons for electing Mr. Toyonari Sasaki as a candidate for Outside Director&gt;</p> <p>Mr. Toyonari Sasaki has extensive experience and knowledge of global business development including promotion of free trade. The Company has judged that with such strengths, he is expected to appropriately perform managerial roles, which include advising the management of the Company and supervising the execution of business. Accordingly, the Company proposes him as a candidate for Outside Director. Although he has no direct corporate management experience, the Company believes he is capable of appropriately performing the duties of an Outside Director based on the aforementioned reasons.</p> <p>&lt;Independence&gt;</p> <p>There are no special interests between Mr. Toyonari Sasaki and the Company. Based on the aforementioned background, the Company judged that Mr. Toyonari Sasaki is an Independent Director who has no conflicts of interest with ordinary shareholders. Provided he is appointed Outside Director as proposed, the Company will register him as an Independent Director with the Tokyo Stock Exchange, Inc. in conformity with the regulations thereof.</p>		

Notes:

1. Mr. Jiro Ushio concurrently serves as Chairman of The USHIO Foundation to which the Company makes donations.
2. (i) Mr. Yoshinari Hara will have served as Outside Director of the Company for five (5) years at the close of this Annual General Meeting of Shareholders.  
(ii) Mr. Yasufumi Kanemaru will have served as Outside Director of the Company for four (4) years at the close of this Annual General Meeting of Shareholders.  
(iii) Ms. Sakie T. Fukushima will have served as Outside Director of the Company for three (3) year at the close of this Annual General Meeting of Shareholders.
3. Ms. Sakie T. Fukushima serves as Outside Director of Ajinomoto Co., Inc., but will retire from the position of Outside Director at the close of the firm's annual general meeting of shareholders scheduled on June 25, 2019.
4. The Company and each Mr. Yoshinari Hara, Mr. Yasufumi Kanemaru and Ms. Sakie T. Fukushima have in place between them an agreement that limits the liability of damages provided in Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the said Act. Under this agreement, the liabilities are limited to the extent prescribed by law. If the appointment of Mr. Yoshinari Hara, Mr. Yasufumi Kanemaru and Ms. Sakie T. Fukushima is approved, the Company intends to continue the liability limitation agreement described above with each of them. If Mr. Toyonari Sasaki is elected, the Company plans to conclude the liability limitation agreement in the same manner.