



Translation

May 11, 2017

Company Name: USHIO INC.

Name and Title of Representative:

Kenji Hamashima, President and Chief Executive Officer

(Code Number: 6925,

the First Section of the Tokyo Stock Exchange)

Name and Title of Contact Person:

Hideaki Takizawa, Accounting General Manager,

Accounting & Finance Department

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Notice Regarding Return of Substitutional Portion (for Past Service) of Employees' Pension Fund and Recording of Extraordinary Income

USHIO INC. announced today that the USHIO employees' pension fund, in which the Company participates, received approval from the Minister of Health, Labour and Welfare on May 1, 2017 for the return of the benefit obligations related to past employee service under the substitutional portion of the employees' pension fund, in accordance with the enforcement of the Defined-Benefit Corporate Pension Act.

In conjunction with this, the Company recognized the extinguishment of its retirement benefit obligations under the substitutional portion and the accompanying gain and loss on the date of approval based on Paragraph 46 of the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015).

As a result, the Company plans to record a gain of approximately ¥5.6 billion on the return of the substitutional portion of the employees' pension fund as extraordinary income for the fiscal year ending March 31, 2018. The final amount of the gain is currently being calculated and is subject to change.

The extraordinary income recorded in conjunction with this approval is factored into the consolidated earnings forecasts for the fiscal year ending March 31, 2018 shown in the financial report titled "Consolidated Financial Results for the Fiscal Year Ended March 31, 2017" published today.