

Securities Code: 6925

June 8, 2017

To Our Shareholders:

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

USHIO INC.

Kenji Hamashima, President and Chief Executive Officer

Notice of the 54th Annual General Meeting of Shareholders

The Company would hereby like to request shareholders to attend the Company's 54th 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 28, 2017 (Wednesday).

Sincerely yours,

1. **Date:** 10:00 a.m., June 29, 2017 (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 54th business period (April 1, 2016 to March 31, 2017)

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)

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- 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(<http://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 (<http://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 returns of profits to shareholders, while endeavoring to enhance its financial position and business foundations.

Based on this policy, taking the business environment as well as business results into consideration, the Company would like to distribute the year-end dividend to assign an annual dividend of 26 yen per common share as in 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: 26 yen per common share
The total amount of the dividend property: 3,329,556,074 yen.
- (3) The day on which such distribution of dividend of surplus takes effect
On June 30, 2017

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

The terms of office of all nine (9) 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.

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	3,136,714
	<p><Reasons for electing Mr. Jiro Ushio as a candidate for Director></p> <p>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.</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
2	Kenji Hamashima (January 3, 1959)	Apr. 1982	Joined USHIO INC.	11,400
		Apr. 1999	President and Chief Executive Officer, USHIO AMERICA, INC.	
		Nov. 2000	Chairman and Chief Executive Officer, CHRISTIE DIGITAL SYSTEMS USA, INC. Chairman and Chief Executive Officer, CHRISTIE DIGITAL SYSTEMS CANADA INC.	
		Apr. 2004	Group Senior Executive Officer	
		Apr. 2007	Group Managing Executive Officer	
		Jun. 2010	Director and Senior Managing Executive Officer	
		Apr. 2014	Representative Director and Senior Executive Vice President	
		Oct. 2014	President and Chief Executive Officer (incumbent) General Manager, Light Source Business Division	
	<p><Reasons for electing Mr. Kenji Hamashima as a candidate for Director></p> <p>After having directed the management of North America Group companies for many years, Mr. Kenji Hamashima has served as President and Representative Director of the Company since 2014, undertaking supervisory functions, while making key decisions and executing business. The Company has judged that with such extensive experience and knowledge, he would continue to drive the Group to improve its corporate value and achieve further development. 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
3	Shiro Ushio (April 14, 1958)	Apr. 1991	Joined USHIO U-TECH, INC. (currently, USHIO LIGHTING, INC.)	171,333
		Jun. 1991	Director, USHIO U-TECH, INC.	
		Apr. 1992	Executive Director, USHIO U-TECH, INC.	
		Feb. 1996	President and Chief Operating Officer, USHIO U-TECH, INC.	
		Apr. 2004	Chairman and Chief Executive Officer, USHIO LIGHTING, INC.	
			Group Senior Executive Officer	
		Jun. 2004	Director and Group Senior Executive Officer	
		Mar. 2005	Director and Managing Executive Officer	
		Apr. 2010	Chairman and Chief Executive Officer, USHIO LIGHTING, INC. (incumbent)	
			Director and Group Managing Executive Officer	
		Jun. 2010	Director and Managing Executive Officer (incumbent)	
			(Significant concurrent position) Chairman and Chief Executive Officer, USHIO LIGHTING, INC.	
<p><Reasons for electing Mr. Shiro Ushio as a candidate for Director></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 would 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>				
4	Hiroaki Banno (October 3, 1954)	Mar. 1978	Joined USHIO INC.	11,100
		Apr. 2002	Executive Officer	
		Apr. 2004	Senior Executive Officer	
		Apr. 2007	Managing Executive Officer	
		Jun. 2007	Director and Managing Executive Officer (incumbent)	
		Apr. 2011	General Manager, Asian Marketing Office and General Manager, Business Division II, Operation Division	
		Apr. 2013	General Manager, Asian Marketing Office and General Manager, Business Division II	
		Apr. 2014	General Manager, SSLS Division and In charge of Business Division III	
		Oct. 2014	General Manager, SSLS Division	
		Apr. 2016	General Manager, SSLS Headquarters (incumbent)	
<p><Reasons for electing Mr. Hiroaki Banno as a candidate for Director></p> <p>Mr. Hiroaki Banno has directed the light sources business of domestic and overseas Group companies for many years and contributed to the growth of existing businesses and the creation of new businesses. The Company has judged that with such extensive experience and knowledge, he would 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>Outside Director</div> Tadashi Nakamae (December 24, 1938)	Apr. 1962 Joined Daiwa Securities Co., Ltd. Oct. 1985 Chief Economist, Daiwa Research Institute Ltd. (currently Daiwa Institute of Research Ltd.) Jun. 1986 President and Founder, Nakamae International Economic Research (incumbent) Jun. 2012 Outside Director (incumbent) (Significant concurrent position) President, Nakamae International Economic Research		1,300
	<p><Reasons for electing Mr. Tadashi Nakamae as a candidate for Outside Director></p> <p>Mr. Tadashi Nakamae has a wealth of knowledge on international economics and global markets, as well as significant insights backed by extensive experience as a business manager. The Company has judged that with such strengths, he would continue to appropriately undertake 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><Independence></p> <p>There is no business relationship between the firm Mr. Tadashi Nakamae represents and the Company. There are also no special interests between Mr. Tadashi Nakamae and the Company. Based on the aforementioned background, the Company judged that Mr. Tadashi Nakamae 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. Tadashi Nakamae is appointed to 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
6	<div>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>	1,100
<p><Reasons for electing Mr. Yoshinari Hara as a candidate for Outside Director> 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><Independence> 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 net sales of the securities company and of the Company is small in value 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. 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>Outside Director</div> Yasufumi Kanemaru (March 12, 1954)	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 & Executive Vice President, Nippon Institute for Research Advancement	4,100
<p><Reasons for electing Mr. Yasufumi Kanemaru as a candidate for Outside Director></p> <p>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><Independence></p> <p>The firm for which Mr. Yasufumi Kanemaru serves as the representative and the Company has a business relationship, the percentage of business transactions against net sales of the firm and of the Company is small in value 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>Outside Director</div> <p>Shuichi Hattori (November 25, 1953)</p>	<p>Apr. 1984 Attorney-at-law (incumbent) Apr. 1990 Legal Adviser of the Company (incumbent) Jun. 2004 Outside Audit & Supervisory Board Member Apr. 2007 Lecturer responsible for Financial Instruments and Exchange Act, Keio University Law School (incumbent) Jun. 2009 Outside Audit & Supervisory Board Member, Look Inc.(incumbent) Jun. 2015 Outside Audit & Supervisory Board Member, Tokyo Tatemono Co., Ltd.(incumbent) Jun.2016 Outside Director(incumbent) (Significant concurrent positions) Attorney-at-law Outside Audit & Supervisory Board Member, Look Inc. Outside Audit & Supervisory Board Member, Tokyo Tatemono Co., Ltd.</p>	3,900
	<p><Reasons for electing Mr. Shuichi Hattori as a candidate for Outside Director> Mr. Shuichi Hattori, as a lawyer specializing in corporate legal affairs, has in-depth specialized knowledge of laws, considerable insights into corporate management, and supervisory capabilities. 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. 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><Independence> Mr. Shuichi Hattori and the Company have concluded an advisory contract, and while the Company pays legal advisory fees to Mr. Shuichi Hattori, the amount of compensation is not large and does not cause the law office to which Mr. Shuichi Hattori belongs to be economically dependent on the Company, and there is no business relationship that may impact the decision-making of the Company. Based on the aforementioned background, the Company judged that Mr. Shuichi Hattori 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. Shuichi Hattori 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
9	<div>Outside Director</div> <p>Sakie T. Fukushima (September 10, 1949)</p>	<p>Jun. 1980 Joined Braxton International Sep. 1987 Joined Bain & 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 & Representative Director, Korn/Ferry International-Japan Mar. 2010 Outside Director, Bridgestone Corporation (incumbent) Jul. 2010 President & Representative Director, G&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) Outside Director, Bridgestone Corporation President & Representative Director, G&S Global Advisors Inc. Outside Director, Ajinomoto Co., Inc. Outside Director, J. Front Retailing Co., Ltd.</p>	100
<p><Reasons for electing Ms. Sakie T. Fukushima as a candidate for Outside Director> 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><Independence> 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>			

Notes:

1. Mr. Jiro Ushio concurrently serves as Chairman of The USHIO Foundation to which the Company makes donations.
2. (i) Mr. Tadashi Nakamae 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. Yoshinari Hara will have served as Outside Director of the Company for three (3) years at the close of this Annual General Meeting of Shareholders.
(iii) Mr. Yasufumi Kanemaru will have served as Outside Director of the Company for two (2) years at the close of this Annual General Meeting of Shareholders.
(iv) Mr. Shuichi Hattori and Ms. Sakie T. Fukushima will have served as Outside Director of the Company for one (1) year at the close of this Annual General Meeting of Shareholders.
3. The Company and each Mr. Tadashi Nakamae, Mr. Yoshinari Hara, Mr. Yasufumi Kanemaru, Mr. Shuichi Hattori 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. Tadashi Nakamae, Mr. Yoshinari Hara, Mr. Yasufumi Kanemaru, Mr. Shuichi Hattori and Ms. Sakie T. Fukushima is approved, the Company intends to continue the liability limitation agreement with each of them.