

Our Corporate Governance System

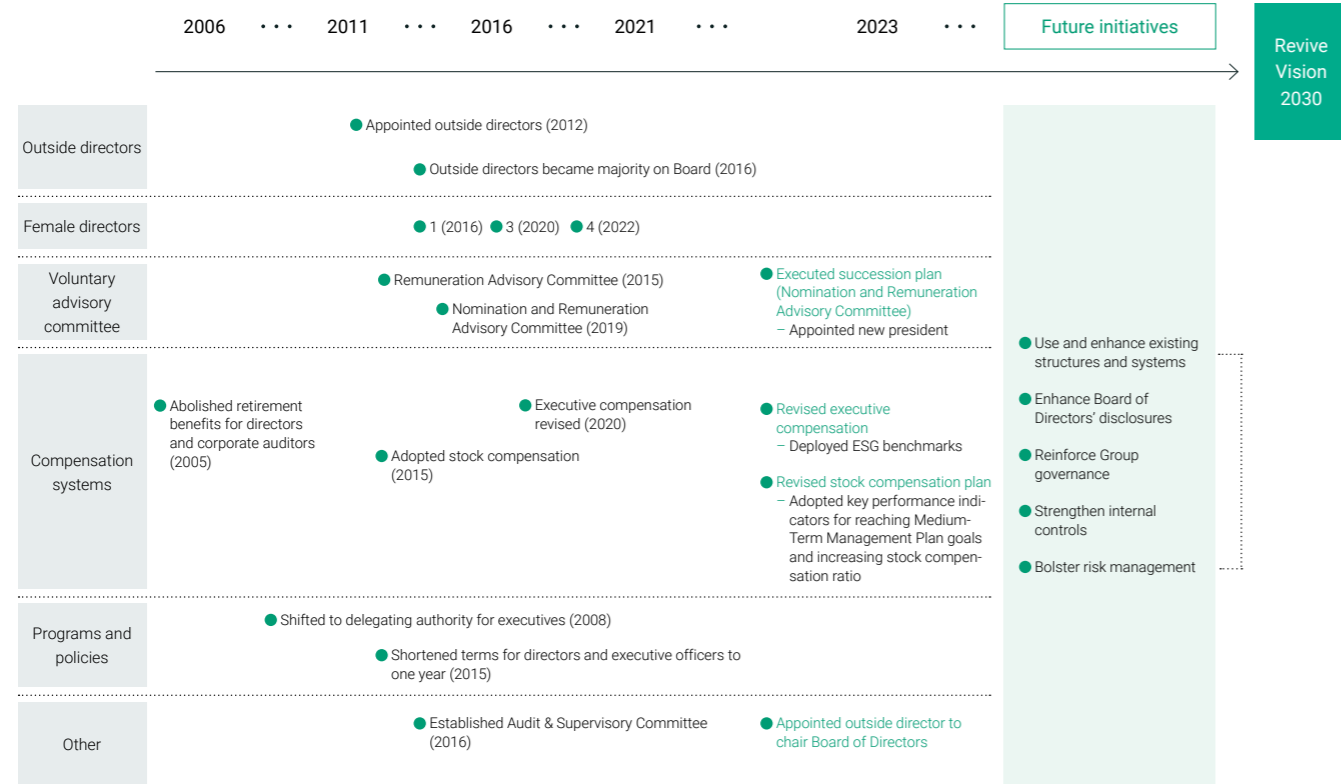
Enhancing Our Management Base

On our path to becoming a “light” innovation company, we lay an even stronger foundation, supporting astute resource allocation and agile decision-making.

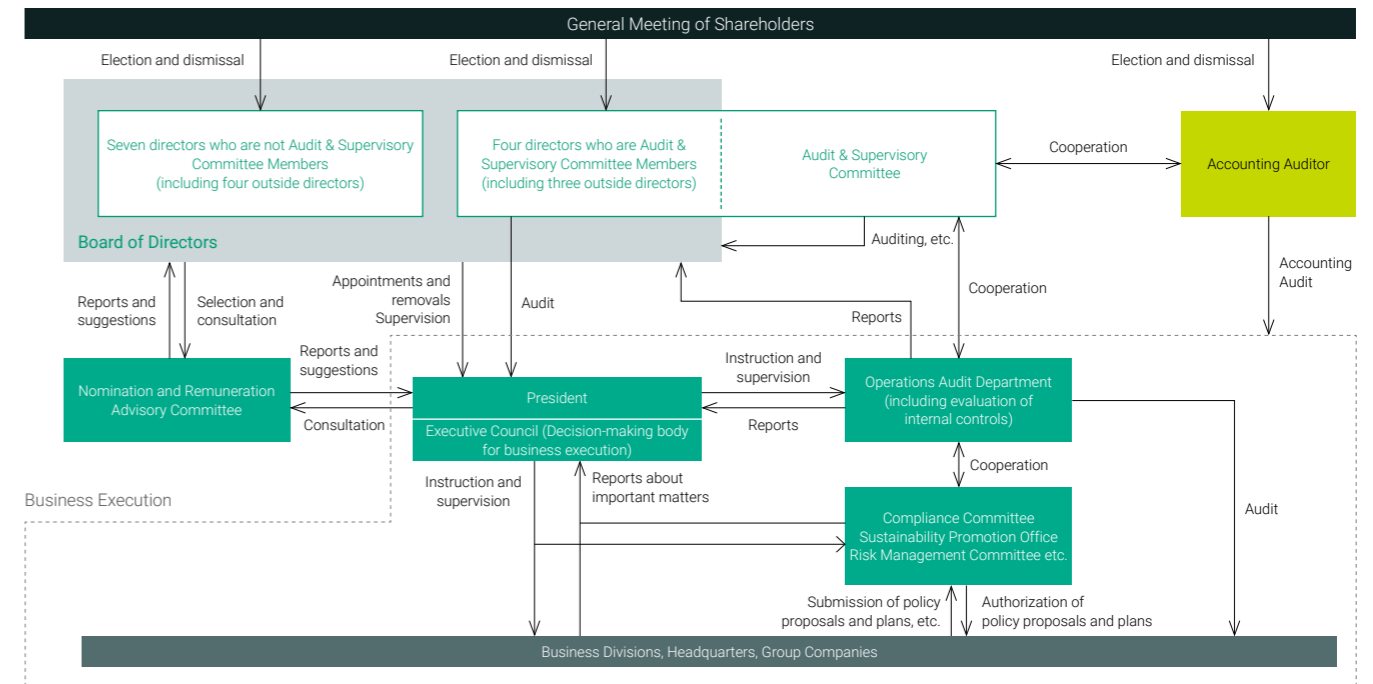
Corporate Governance

Ushio recognizes that realizing its Management Philosophy, as well as promoting the sustainable growth of Ushio and increasing corporate value over the medium-to long-term, will bring satisfaction to all stakeholders. To achieve this goal, Ushio strives to ensure the transparency and efficiency of corporate management and to reinforce corporate governance in order to realize speedy and resolute decision-making.

► Initiatives Relating to Governance at Ushio



► Outline of Governance



Activities of the Board of Directors

Ushio Inc.'s Board of Directors met 12 times in fiscal 2023. The main items for examination by the Board of Directors are the status of implementation of the 2nd Medium-Term Management Plan, which commenced in April 2023, and related measures; the status of implementation of business strategies; the formulation of New Growth Strategy commencing in April 2024; the formulation of financial capital strategies; progress on the implementation of various human resources strategies including personnel development and hiring; the status of

promotion of ESG management; the status of establishment of risk management systems; the status of dialog with institutional investors; and examination of the propriety of Cross-Shareholdings.

In addition, meetings attended only by outside directors, known as executive sessions, are held on a regular basis to ensure a forum for information exchange and to establish common understanding based on independent, objective perspectives. A total of five executive sessions were held in fiscal 2023.

Corporate Governance System (As of June 27, 2024)

Ushio Inc. uses an Audit & Supervisory Committee system, which fosters prompt decision-making by delegating decisions for certain important business matters from the Board of Directors to the executive directors. It has also strengthened the supervisory function of the Board of Directors by ensuring that the majority of its members are outside directors. The system has also been reinforcing audit and supervisory functions through the establishment of an Audit & Supervisory Committee with the authority to assess the legality and validity of board members' actions in performing their duties.

In addition to establishing a system for more accurate and prompt business execution through the executive officer system, Ushio Inc. has established an Executive Council to discuss and report on important matters.

Furthermore, there is a Nomination and Remuneration Advisory Committee for the purpose of ensuring the fairness and appropriateness of the nomination and remuneration of directors. The Nomination and Remuneration Advisory Committee is chaired by and comprises a majority of outside directors. It is chaired by Toyonari Sasaki, an independent outside director, and its responsibilities as advisors to the Board of Directors and the representative directors consist of advice and recommendations concerning the structure and level of remuneration for directors, evaluations of the contributions of individual directors to business performance, and the nomination of director candidates.

Evaluation of the Effectiveness of the Board of Directors

Each year, Ushio Inc. conducts questionnaires with Directors concerning the evaluation of the effectiveness of the Board of Directors and the Nomination and Remuneration Advisory Committee, analyzes and evaluates their effectiveness, and shares the results with the Board of Directors to confirm the details and future actions. This year's questionnaire has been conducted in the form of a self-assessment of the discussions of the Board of Directors and the Nomination and Remuneration Advisory Committee, the composition of the Board of Directors, and the effectiveness of the Board of Directors (the fulfillment of the respective roles and responsibilities of the Board of Directors, Nomination and Remuneration Advisory Committee, Internal Directors, and Outside Directors). As a result of the analysis and evaluation of such questionnaires conducted this year, it has been confirmed that the effectiveness of the Board of Directors and the Nomination and Remuneration Advisory Committee has been appropriately secured in each Directors' assessment.

At the Board of Directors held in fiscal 2023, the formulation of the New Growth Strategy became an important agenda item, as the Medium-Term Management Plan needed to be revised due to significant changes in the business environment surrounding Ushio. The discussion at the Board of Directors proceeded with the enhancement of the contents of the documents (the enhancement of information and data necessary to understand the background), which was raised last year as an issue to improve the quality of the discussion, and as a result, it was confirmed that our New Growth Strategy, Revive Vision 2030, was formulated after high quality discussions on business strategy and capital policy, etc.

On the other hand, the lack of discussion on human resource strategy and R&D strategy has been identified as issues, and it has been confirmed that the Board of Directors to be held in fiscal 2024 will enhance and deepen the discussion on these issues. It has been also confirmed that monitoring the progress of the business portfolio strategy is

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important to ensure the achievement of the New Growth Strategy. In addition, it has been confirmed that the appropriate composition of the Board of Directors from a medium- to long-term perspective will continue to be a matter of ongoing discussion by the Nomination and Remuneration Advisory Committee.

Ushio Inc. will continuously make improvements to further enhance the effectiveness of the Board of Directors.

Audit & Supervisory Committee

The Audit & Supervisory Committee comprises four members, including one full-time Audit & Supervisory Committee Member, and has been established to oversee the Directors' execution of their duties. The Audit & Supervisory Committee has also appointed a full-time Audit & Supervisory Committee member to enhance the efficacy of audits by collecting information from directors (excluding those who are also Audit & Supervisory Committee members) and employees, and coordinating smoothly with the internal audit department and Accounting Auditor.

The full-time member Makoto Kinoshita has many years of domestic and international experience at financial institutions and also possesses a high level of expertise regarding finance and accounting. The member Akemi Sunaga is a certified public accountant and certified public tax accountant and also possesses a high level of expertise pertaining to finance and accounting. The member Chiaki Ariizumi has experience working in public financial institutions over many years and also possesses a high level of expertise regarding finance and accounting.

The Audit & Supervisory Committee meets once a month, in principle, to supervise the management of Ushio Inc. and conduct audits on the

appropriateness of business execution by the Directors. In fiscal 2023, the committee met 13 times, and the attendance rate of each individual member is as listed in the table below.

The main items for examination by the Audit & Supervisory Committee are formulation of annual audit plans, which include key audit matters and the division of roles between each member of the Audit & Supervisory Committee; the status of Directors' performance of duties through regular interviews with the Representative Directors; the status and appropriateness of the implementation of the Medium-Term Management Plan and related measures; the status and appropriateness of accounting audits and internal control audits in accordance with audit plans by the Accounting Auditor; the establishment and operational status of Group internal control systems; the monitoring of the management status of Group companies; the status of compliance, risk management, and audit activities of full-time Audit & Supervisory Board members; and other key audit matters (KAM). Auditing and supervision of these various factors are carried out from the perspectives of legality and validity.

Policy on Determining Officer Remuneration Amounts or the Calculation Methods from Fiscal 2024

In response to significant changes in the business environment surrounding the Company, Ushio reviewed the 2nd Medium Term Management Plan, and set forth and disclosed a New Growth Strategy (Revive Vision 2030) for fiscal 2030. Accordingly, in order to link the remuneration system to the New Growth Strategy, the Company has revised details of its policy for determining individual remuneration, etc. of Directors (excluding those who are Audit & Supervisory Committee Members; the same shall apply hereinafter) and Executive Officers who have entered into a delegation agreement with the Company (the Directors and Executive Officers are collectively referred to as "Directors etc." hereinafter) for fiscal 2024 onward as follows.

When making this decision, the Nomination and Remuneration Advisory Committee was consulted in advance, and the Board of Directors received the report before making a resolution at the meeting held on May 14, 2024.

Additionally, remuneration for Directors who are Audit & Supervisory Committee Members has been determined through discussions among the Directors.

1. Basic Policy on Remuneration

The Company's basic policy for remuneration of directors is as follows.

- Remuneration shall be sufficient to motivate directors to achieve management targets
- Remuneration should lead to continuous improvement of business performance and corporate value over the medium- to long-term.

- Remuneration should be closely linked with the Company's performance / Company values, and also be highly transparent and objective.
- Remuneration should be at a level that enables recruitment and retention of diverse and talented personnel, considering the level of companies listed on the Tokyo Stock Exchange Prime Market and companies of the same size in the same industry.
- Remuneration should be determined through a transparent process to ensure the trust and support of stakeholders.

2. Policies on the Composition and Composition Ratio of Remuneration

Remuneration for Directors etc. of the Company consists of fixed monetary remuneration, short-term performance-linked monetary remuneration, and medium- to long-term performance-linked stock remuneration.

Remuneration for Outside Directors of the Company only consists of fixed monetary remuneration. Remuneration levels and remuneration ratios for Directors, etc. are determined through deliberations by the Nomination and Remuneration Advisory Committee following an objective comparative verification using executive remuneration data from an external research organization in accordance with the basic policy. The percentages of fixed monetary remuneration, short-term performance linked monetary remuneration, and medium- to long-term performance-linked stock remuneration, which are each set for Directors, etc., excluding Outside Directors, according to their position, are set approximately at the levels shown in the table below for when a target standard is achieved.

Post	Fixed Monetary Remuneration	Short-term Performance-linked Monetary Remuneration	Medium- to Long-term Performance-linked Stock Remuneration
Representative Director	50%	25%	25%
Directors	55%	25%	20%
Executive Officers	60%	25%	15%

3. Policies on Short-Term Performance-Linked Monetary Remuneration

The Company will decide on short-term performance-linked monetary remuneration in accordance with one's position and degree of achievement of the performance targets (evaluation of consolidated performance and the performance of the unit that each Director, etc. is in charge of) for a given fiscal year in order to further increase the motivation of Directors, etc. to contribute to the enhancement of the Company's corporate value and to encourage them to implement the New Growth Strategy (Revive Vision 2030) steadily under the basic policy. Evaluation indicators are linked to key indicators of the New Growth Strategy, and the relevant indicators, ratios and target values during the period covered by Phase I of the New Growth Strategy have been set as shown in the table below.

This type of remuneration is paid in a lump sum after the end of a fiscal year in an amount determined by multiplying the base amount set for each position by a factor set in accordance with the degree of achievement of each evaluation indicator. Short-term performance-linked monetary remuneration varies in value in a range between 0% and 200%.

	Director Portion	Executive Officer Portion	
Indicator	ROE*	Consolidated operating margin*	Target achievement rate for the unit the Director is in charge of
Percentage	100%	50%	50%
Target	Linked to fiscal year consolidated performance targets	Linked to fiscal year consolidated performance targets of the unit the Director is in charge of	

* Unplanned, temporary performance impacts may occur in ROE and consolidated operating margin when making selections and concentrations (business acquisitions, divestments and exits) through a portfolio revamp that will contribute to future corporate value enhancement. If this is the case, numbers excluding such impacts are used.

4. Policies on Medium- to Long-term Performance-Linked Stock Remuneration

The Company will decide on medium- to long-term performance-linked stock remuneration in accordance with one's position and degree of achievement of the performance targets and ESG targets for a given fiscal year in order to further increase the motivation of Directors, etc. (excluding non-residents of Japan) toward the remuneration to contribute to the enhancement of the Company's corporate value and to encourage them to implement the New Growth Strategy (Revive Vision 2030) steadily under our Basic Policy. Evaluation indicators are linked to key indicators of the New Growth Strategy, and the relevant indicators, ratios and target values for Phase I of the New Growth Strategy have been set as shown in the table below.

The stock points for medium- to long-term performance-linked stock remuneration, which are granted to Directors, etc. (excluding non-residents of Japan) at certain times each year*1, are calculated by multiplying the base stock points set for each position*2 by a factor set in accordance with the degree of achievement of each evaluation indicator and vary within a range between 0% and 200%. When a director, etc. resigns, the

Company shares will be given to him/her in a number determined by multiplying the cumulative number of stock points granted to him/her during his/her tenure by one share per point.

	Director Portion	Executive Officer Portion		
Indicator	ROE*1	Consolidated operating margin*2	Engagement Score*4	ESG Evaluation Score*5
Percentage	100%	70%	18%	12%
Target	Linked to fiscal year consolidated performance targets		Linked to the ESG targets	

*1 In order to encourage steady execution of the New Growth Strategy, the base number of stock points set for different positions is weighted toward the final year of Phase I of the New Growth Strategy period. Accordingly, the maximum limit on the total number of stock points that can be granted to Directors, etc. per year is 165,000 points for the final fiscal year of an evaluation period and 127,500 points for the other fiscal years subject to evaluation

*2 The base stock remuneration points linked to medium- to long-term performance were calculated by dividing the preset amount of medium- to long-term performance-linked stock remuneration for each position by the average closing price of the Company's stock during the period from January 4, 2023 to March 31, 2023.

*3 Unplanned, temporary performance impacts may occur in ROE and consolidated operating margin when making selections and concentrations (business acquisitions, divestments and exits) through a portfolio revamp that will contribute to future corporate value enhancement. If this is the case, numbers excluding such impacts are used.

*4 The Company defines engagement as "a state in which executives and officers find value in their relationships with their colleagues in the company and office and want to contribute actively," and uses as an engagement score the percentage of employees who have given an affirmative answer to a question indicating such a state

*5 FTSE Russell ESG Ratings are used as an indicator.

5. Policies on the Period and Conditions for Granting Remuneration

Fixed monetary remuneration is paid as a fixed monthly remuneration.

Short-term performance-linked monetary remuneration is paid in a lump sum after the end of each fiscal year.

As for medium- to long-term performance-linked stock remuneration, Company shares corresponding to the accumulated stock points granted individually are delivered, and the cash equivalent of the conversion value of the said shares is paid if Directors, etc., fulfill the beneficiary requirements, in principle after retiring their positions, in accordance with the Rules on Share Delivery for Directors, etc. prescribed by resolution of the Board of Director.

In the event of a serious violation of duties by a director, etc., the Company may forfeit the right to receive shares or demand the return of the amount equivalent to the stock remuneration already delivered.

6. Items Pertaining to Delegating Authority for Decision-Making on Remuneration

The Nomination and Remuneration Advisory Committee, where the chairperson and the majority of the members are Outside Directors, deliberates and determines the system and level of remuneration for Directors, etc. and the evaluation of their contribution to the Company's performance in accordance with the delegation by the Board of Directors, in order to ensure fairness and appropriateness in determining specific remuneration amounts for individual Directors.

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► Total Remuneration for Director Categories, Total Amount by Type of Remuneration, and Number of Eligible Directors in fiscal 2023

Director Category	Total Amount of Remuneration (millions of yen)	Total Amount by Type of Remuneration (millions of yen)			Number of Eligible Directors
		Fixed Compensation (monetary compensation)	Performance-linked Compensation (monetary compensation)	Performance-linked Compensation (stock)	
Directors (excluding directors who are Audit & Supervisory Committee members or outside directors)	330	146	105	78	5
Directors who are Audit & Supervisory Committee members (excluding outside directors)	24	24	—	—	1
Outside directors	83	83	—	—	8

- (Note 1) Performance-linked compensation (stock) is the amount recorded as expenses in fiscal 2023 according to Japanese GAAP.
- (Note 2) The remuneration for directors (excluding directors who are outside directors or Audit & Supervisory Committee members) comprises fixed monetary compensation, performance-linked monetary compensation, and performance-linked stock compensation. The remuneration for outside directors and directors who are Audit & Supervisory Committee members is solely fixed monetary compensation.
- (Note 3) At the Annual General Meeting of Shareholders held on June 29, 2016, shareholders approved a resolution to limit the remuneration for directors (excluding directors who are Audit & Supervisory Committee members) to ¥540 million per year (of which the portion for outside directors is up to ¥84 million). In addition, the Articles of Incorporation limit the number of directors (excluding directors who are Audit & Supervisory Committee members) to 12.
- (Note 4) At the Annual General Meeting of Shareholders held on June 29, 2016, shareholders approved a resolution to limit the remunerations for directors who are Audit & Supervisory Committee members to ¥84 million per year. In addition, the Articles of Incorporation limit the number of directors who are Audit & Supervisory Committee members to 5.
- (Note 5) The stock compensation system for directors (excluding directors who are Audit & Supervisory Committee members and outside directors) and executive officers who have entered into an engagement agreement with the Company (excluding non-residents of Japan) was established by resolutions passed at the Annual General Meeting of Shareholders held on June 26, 2015 and the Annual General Meeting of Shareholders held on June 29, 2016. Furthermore, as stated in the Policy on Determining Officer Remuneration Amounts and Remuneration Calculation Method from Fiscal 2024 established by a resolution at the Annual General Meeting of Shareholders held on June 27, 2024, the system shall be partially revised from fiscal 2024 onwards.
- (Note 6) The specific amount of monetary compensation paid to individual directors (excluding directors who are Audit & Supervisory Committee members) in fiscal 2023 was determined by the Nomination and Remuneration Advisory Committee, which is chaired by and comprises a majority of outside directors, based on the authority delegated to them by the Board of Directors, with the purpose of ensuring the fairness and validity of this decision.
- (Note 7) Remuneration for directors who are Audit & Supervisory Committee members for fiscal 2023 was determined through discussions among such members.

Cross-Shareholdings

Ushio Inc. maintains cross-shareholdings with important business partners with the aim of enhancing the medium- to long-term corporate value of Ushio by maintaining and strengthening our relationships with such business partners. The cross-shareholdings are regularly examined by the Board of Directors by comprehensively judging the medium- to long-term economic rationality of each shareholding with regard to the dividends and transaction amounts, and whether it contributes to enhancing medium- to long-term corporate value in view of the business strategies etc. of Ushio. Any cross-shareholdings whose significance has waned will be sold after considering the status, etc. of the business partner with whom Ushio maintains cross-shareholdings. Voting rights of

cross-shareholdings will be exercised after closely examining all bills from the viewpoint of enhancing the medium- to long-term corporate value of Ushio and the business partner with whom the Company maintains the cross-shareholding and properly judging our opinion regarding each bill. We will oppose a bill if it would significantly damage value for shareholders or if serious concerns about corporate governance such as social misconduct surface. If a shareholder of the cross-shareholdings states the intention to sell shares of Ushio Inc., we will never attempt to impede the transaction by, for example, suggesting they reduce the transaction amount, and will properly respond to such sales.

Risk Management

In light of growing uncertainty in our business environment, the Ushio Group has established risk management policies and a Risk Management Committee, and is building a global risk management framework for the purpose of reforming its frameworks and rebuilding and strengthening Company-wide risk management frameworks. The Risk Management Committee identifies important risks, takes measures against them, and carries out risk management PDCA cycles to earn greater trust from all of our stakeholders, achieve the Ushio Group's management targets, and facilitate sustainable growth.

► Overview of Material Risks and Countermeasures

Material Risks	Risk Scenarios	Responses to risk
Supply chain	<ul style="list-style-type: none"> • Suspension of operations due to delays or interruptions in the supply of raw materials, parts, and/or purchased products due to the closure of suppliers and the tightening of laws and regulations in the country of origin. • Rising costs caused by the depletion of resources and tight supply and demand, etc. 	<ul style="list-style-type: none"> • Analyze the current situation for each part and clarify alternative and backup plans for the risks visualized. • Formulate a procurement policy that includes centralized purchasing and distributed purchasing within the Group. • In response to price hikes, create a system that allows us to assess appropriate prices and pass on costs to prices as appropriate.
Business continuity	<ul style="list-style-type: none"> • Sharp decline in sales due to restrictions on local business activities, etc. resulting from political confrontations with specific countries. • Earthquakes, tsunamis, and volcanic eruptions resulting in human casualties and damage to factories, warehouses, offices, equipment, and systems, which also interrupts business operations. 	<ul style="list-style-type: none"> • Promote the strengthening of business continuity initiatives from the perspective of geographically-optimized production and sales by cooperation between bases that leverage the strengths of each based on business direction information from each business department. • Hold regular disaster prevention and initial response drills, BCP drills based on manuals, and regular company fire brigade drills, and renew stockpiles and disaster prevention equipment.
Overseas crisis management	<ul style="list-style-type: none"> • Wars, conflicts, or political unrest may occur, adversely impacting the Company's business. 	<ul style="list-style-type: none"> • Start cooperation with overseas bases and build a system that can collect information on a regular basis. • Organize matters that need to be addressed and determined, and establish reporting rules and information sharing lines.
Global personnel strategy	<ul style="list-style-type: none"> • There is a concern that we will not be able to hire personnel with specific expertise and skills, which will lead to stagnation of business growth and a decline in competitiveness as a company. • Skills and know-how that employees have cultivated through their work are not passed down, causing a loss of productivity and competitiveness. 	<ul style="list-style-type: none"> • Strengthen communication with HR departments and business departments at overseas bases to understand the current situation and identify problems. • With the cooperation of business departments and specialists in technical fields, establish a global human resources strategy and personnel system, and implement measures.
Information security management	<ul style="list-style-type: none"> • Malicious attacks on IT systems such as internal fraud, unauthorized external access, exploitation of vulnerabilities, and malware infections may cause information leakage, modification or loss, or IT system outages, resulting in business losses, liability, and interruption of business activities. 	<ul style="list-style-type: none"> • To disseminate the Ushio Group Information Security Policy, we will promote education and raise awareness according to the security level of each Group company. • We will strengthen information security across the entire Group by introducing high detection rate tools and monitoring services to combat ransomware, such as endpoint detection and response (EDR) tools. • We will conduct regular information security assessments to check the status of compliance with the Ushio Group Information Security Policy and identify issues.
Climate change measures	<ul style="list-style-type: none"> • Delays in disclosing information on climate change-related risks and Specific Activities in accordance with the TCFD. • Failure to respond to requests from business partners and others to reduce CO₂ emissions, resulting in the cancellation of transactions and weakening of the company's image. 	<ul style="list-style-type: none"> • Expand the content of information disclosure on climate change, which is an important item related to sustainability. • Review the SBT target based on the 1.5°C scenario.

Material risks are as of June 27, 2024. Please refer to the following page on our website for details on our risk management, such as our basic policy. https://www.ushio.co.jp/en/sustainability/esg/governance/risk_management/



Please refer to the following page on our website for information regarding risks in each of our business segments. <https://www.ushio.co.jp/en/ir/management/risk.html>



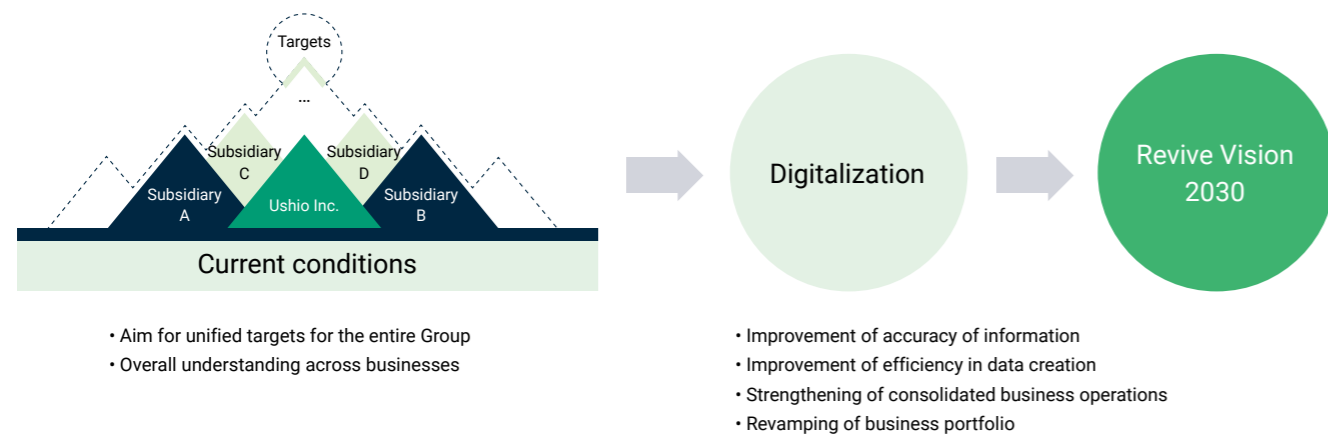
Corporate Governance

Group Governance

Until fiscal 2023, we built infrastructure and implemented operations that enable us to allocate resources and ascertain cost structures on a consolidated basis, and carried out activities to create the optimal connections between all of these components.

Now that we have environmental infrastructure that enables a cross-sectional view of our businesses, we have begun setting unified targets and managing progress on a Group-wide basis, and aim to continuously optimize the Group as a whole.

Going forward, we will further implement operational improvements and DX within the Group, pursue efficiency, and improve the accuracy of our information to ensure prompt, appropriate decision-making about matters such as our revamp of our business portfolio and business risk management on a consolidated basis, with the aim of further enhancing our operations and achieving Revive Vision 2030.



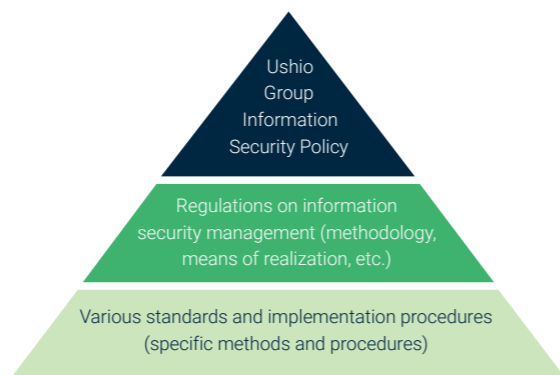
Information Security

Ushio Group understands that information assets are extremely valuable business assets that help us maintain and enhance our competitiveness as a corporate group. To build strong trust-based relationships with all of our stakeholders, we aim to utilize and manage information assets in a safe and appropriate manner. Accordingly, we have formulated an integrated Ushio Group Information Security Policy and are working to establish and reinforce information security governance based on a system of Group-wide monitoring and management. In particular, we consider improving our employees' information security literacy to be an important element. We create educational materials in Japanese, English, and Chinese, and are actively carrying out unified training and awareness-raising activities throughout the Group.

As cyber attacks become more sophisticated and complex worldwide, companies and organizations of a growing range of sizes and industries are becoming victims. Accordingly, we are introducing EDR as a ransomware countermeasure and MDR as a monitoring and analysis service across the Group to ensure a prompt response to any attack, no matter what time or day.

Upon assessing issues throughout the Group and at each specific company, we are working to strengthen information security by conducting regular information security assessments and taking organizational, technical, human, and physical security measures.

With threats to information security intensifying, we have built a framework for activities throughout the Group to ensure smooth execution of operations such as collecting and analyzing information such as details on vulnerabilities, responding in the event of an incident, and sharing information and cooperating throughout the Group. Ushio Group will continue working to strengthen information security throughout the Group.



Tax Governance

As tax-related duties are significantly impacted by the tax regulations of each country, individual Group companies perform operations such as gathering information on amendments to their countries' respective tax systems and identifying tax risks, with Ushio Inc. working to ascertain Group-wide tax costs and establish tax management systems. We position global tax governance as a key issue for enhancing our corporate governance and are working to enhance Group-wide tax transparency.

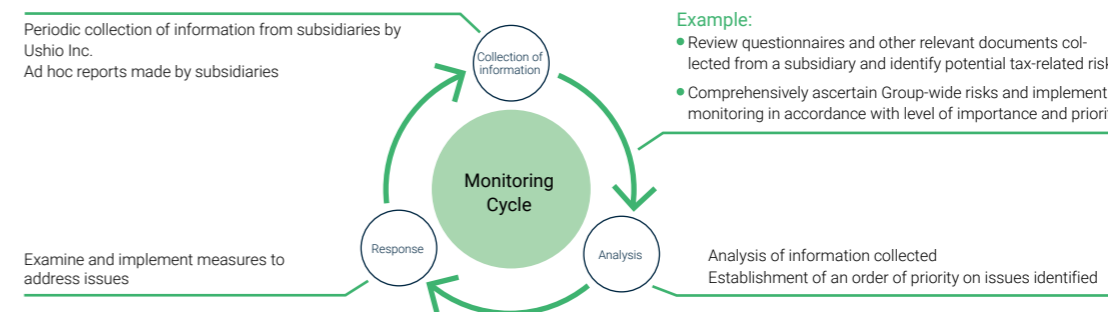
In fiscal 2023, Group-wide tax management regulations were enforced to confirm the tax declaration status of each Group company, trends in tax investigations, and response to amendments of tax systems.

Additionally, transfer price documents for each country are managed by Ushio Inc. to reduce tax risks.

In fiscal 2024, we will strengthen cooperation with Group companies, appropriately manage tax risks through the execution of management cycles, and take measures to optimize tax costs by reducing tax risks associated with the transfer pricing tax systems of each country and making effective use of preferential taxation systems and other systems in each country. We will also ensure that we respond in a timely and appropriate manner to changes in rules on international tax.

Monitoring Cycle of Tax Status Management

Importance placed on establishing and operating a monitoring cycle that analyzes and responds to collected information to ensure sustainable management of tax status



Compliance

Ushio Inc. has established the 10 Action Guidelines as a Member of Society as a set of action guidelines for all employees to act in compliance with laws, regulations, the Articles of Incorporation, and the Management Philosophy. We have also established a Compliance Committee to ensure that the guidelines are thoroughly implemented, and are striving to foster compliance awareness through various education and training for all employees.

Basic Policy on Compliance

(1) The Group has established a corporate philosophy common to the Group and has set forth "10 Action Guidelines as a Member of Society" as an action guideline that each and every member of the Group should follow on a daily basis in conducting fair business activities based on the corporate philosophy and with high corporate ethics that are always globally accepted.

(2) In order to promote the penetration and thorough implementation of our corporate philosophy and the Action Guidelines, as well as to strengthen our compliance framework, the Company shall establish a department in charge of compliance, and promote compliance within the Group, conduct preventions, investigations and responses to compliance violations and provide education and awareness programs.

(3) The Company shall establish an internal audit department under the direct control of the President, which shall, in accordance with the internal audit regulations, audit and evaluate whether operations are being conducted in accordance with the management control system, standards, laws and regulations, and other generally fair and appropriate standards, and report to the President and the Board of Directors.



(4) The Company shall establish internal and external contact points for whistle-blowing and establish a proper handling system thereof to ensure the early detection and correction of compliance violations and other misconduct.




(5) Each subsidiary of the Group, depending on its size and nature of business, shall allocate compliance and internal audit personnel to work in coordination with the Company's compliance department and internal audit department.

(6) The Company shall appoint responsible person, composed of mainly Executive Officers, in charge of each subsidiary of the Group, and, for major subsidiaries, shall dispatch its Executive Officers or employees to serve as Directors or Audit & Supervisory Board Members.



For details such as specific initiatives, refer to "Compliance" on the "Sustainability" page of our website. <https://www.ushio.co.jp/en/sustainability/esg/governance/compliance/>

Directors (as of June 27, 2024)

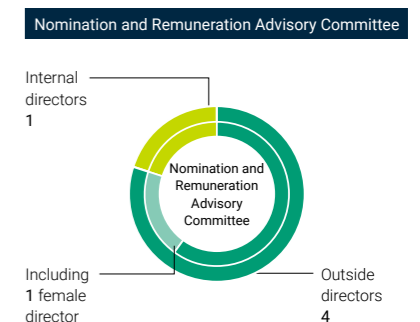
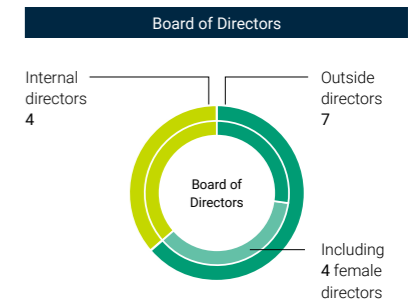
		
Name and Position	Takabumi Asahi President and Chief Executive Officer	Tetsuo Nakano Director, Senior Executive Vice President, Chief Operating Officer, and Chief Sustainability Officer
Brief profile	<p>Apr. 1987 Oki Electric Industry Co., Ltd.</p> <p>Apr. 1998 GM, Oki Semiconductor Taiwan Branch</p> <p>Apr. 1999 President, Oki Taiwan Inc.</p> <p>Apr. 2004 GM, North America, Sales and Marketing Dept., Silicon Solutions Company, Oki Electric Industry Co., Ltd.</p> <p>Apr. 2007 President and CEO, Oki Semiconductor Americas Company</p> <p>Aug. 2009 President and CEO, Oki Data Americas Inc.</p> <p>Aug. 2013 GM, Overseas Sales and Marketing Center, Marketing Dept., Oki Data Inc. (currently Oki Electric Industry Co., Ltd.)</p> <p>Oct. 2015 Deputy GM, Marketing Dept., Oki Data Inc.</p> <p>Apr. 2017 Joined Ushio Inc.</p> <p>Apr. 2018 Deputy General Manager, Corporate Headquarters</p> <p>Apr. 2019 Senior Executive Officer</p> <p>Jun. 2021 Director and Senior Executive Officer</p> <p>Apr. 2022 Director, Managing Executive Officer and Chief Financial Officer</p> <p>Apr. 2024 President and Chief Executive Officer (incumbent)</p>	<p>Apr. 1988 Joined Ushio Inc.</p> <p>Apr. 2016 Group Executive Officer</p> <p>Chairman, Ushio Shanghai, Inc.</p> <p>Apr. 2017 Group Senior Executive Officer</p> <p>Apr. 2018 Group Managing Executive Officer</p> <p>Apr. 2019 Managing Executive Officer</p> <p>Deputy General Manager, Business Management Headquarters and General Manager, Light Source Business Division, Business Management Headquarters</p> <p>Apr. 2022 General Manager, ESG Promotion Headquarters</p> <p>Jun. 2023 Director and Managing Executive Officer</p> <p>Apr. 2024 Director, Senior Executive Vice President, Chief Operating Officer and Chief Sustainability Officer (incumbent)</p>
Term of office	3 years	1 year
Independent Outside Director		
Attendance at Board of Directors' meetings	100% (12/12)	100% (9/9)
Attendance at the Audit & Supervisory Committee		
Attendance at the Nomination and Remuneration Advisory Committee	● (—/—)	
Skill Matrix	Corporate management	●
	Global business	●
	Finance, accounting, M&A	●
	Knowledge in priority businesses and related industries	●
	IT, digital transformation	
	Risk management, compliance	●
	Human capital strategy	●
Sustainability, ESG		

		
Kazuhisa Kamiyama Director and Managing Executive Officer	Toyonari Sasaki Outside Director	Masatoshi Matsuzaki Outside Director
<p>Sep. 1995 Joined Ushio Inc.</p> <p>Apr. 2016 Executive Officer</p> <p>Apr. 2018 General Manager, Corporate Headquarters</p> <p>Jul. 2018 Group Executive Officer</p> <p>Chief Financial Officer, CHRISTIE DIGITAL SYSTEMS INC.</p> <p>Apr. 2019 Group Senior Executive Officer</p> <p>President, CHRISTIE DIGITAL SYSTEMS INC.</p> <p>Chairman and Chief Executive Officer, CHRISTIE DIGITAL SYSTEMS USA, INC.</p> <p>Chairman and Chief Executive Officer, CHRISTIE DIGITAL SYSTEMS CANADA INC.</p> <p>Jun. 2019 Director and Group Senior Executive Officer</p> <p>Apr. 2022 Director and Managing Executive Officer (incumbent)</p> <p>Deputy General Manager, Business Management Headquarters and General Manager, Light Source Business Division, Business Management Headquarters</p> <p>Apr. 2023 Deputy General Manager, Business Management Headquarters and General Manager, Life Science Division, Business Management Headquarters</p> <p>Apr. 2024 General Manager, Photolithography Division (incumbent)</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>Jul. 2016 Vice Chairman, the Life Insurance Association of Japan (incumbent)</p> <p>Jun. 2019 Outside Director (incumbent)</p>	<p>Apr. 1976 Joined Konishiroku Photo Industry, Inc. (currently Konica Minolta, Inc.)</p> <p>Oct. 2003 Director, Konica Minolta Business Technologies Inc.</p> <p>Apr. 2005 Executive Officer, Konica Minolta Holdings, Inc. (currently Konica Minolta, Inc.)</p> <p>President and Chief Executive Officer, Konica Minolta Technology Center, Inc.</p> <p>Apr. 2006 Senior Executive Officer, Konica Minolta Holdings, Inc.</p> <p>Jun. 2006 Director and Senior Executive Officer, Konica Minolta Holdings, Inc.</p> <p>Apr. 2009 Director, President, Chief Executive Officer and Representative Executive Officer, Konica Minolta Holdings, Inc.</p> <p>Apr. 2014 Director and Chair of the Board of Directors, Konica Minolta, Inc.</p> <p>Aug. 2021 Outside Director, SmarTHR, Inc.</p> <p>Apr. 2022 Outside Director and Chair of the Board of Directors, SmarTHR, Inc. (incumbent)</p> <p>Jun. 2022 Outside Director</p> <p>Special Advisor, Konica Minolta, Inc.</p> <p>Mar. 2023 Outside Audit & Supervisory Board Member, Lion Corporation (incumbent)</p> <p>Jun. 2023 Outside Director and Chair of the Board of Directors (incumbent)</p>
5 years	5 years	2 years
	●	●
100% (12/12)	100% (12/12)	100% (12/12)
	● (11/11)	● (11/11)
●		●
●	●	●
		●
●	●	
		●


Directors (as of June 27, 2024)

		
Name and Position	Naoaki Mashita Outside Director	Mika Masuyama Outside Director
Brief profile	<p>Oct. 1998 Established V-cube Internet (currently V-cube, Inc.) and served as President and CEO</p> <p>Jan. 2004 President and CEO, V-cube Broad Communications, Inc. (currently V-cube, Inc.)</p> <p>Oct. 2015 Director, V-cube Robotics Japan, Inc. (currently SENSYN ROBOTICS, Inc.)</p> <p>Director, Wizlearn Technologies Pte. Ltd. (incumbent)</p> <p>Nov. 2018 President and CEO, SENSYN ROBOTICS, Inc.</p> <p>Aug. 2019 Chairman and Representative Director, SENSYN ROBOTICS, Inc.</p> <p>Jun. 2021 Director, SENSYN ROBOTICS, Inc. (incumbent)</p> <p>Director, Xyvid, Inc. (Incumbent)</p> <p>Mar. 2022 Representative Director, Chairman & Group CEO, V-cube, Inc. (incumbent)</p> <p>Sep. 2022 Outside Director, MICIN, Inc. (incumbent)</p> <p>Jun. 2023 Outside Director (incumbent)</p> <p>Outside Director, Sumitomo Mitsui Trust Bank, Limited (incumbent)</p>	<p>Apr. 1985 Joined the Bank of Japan</p> <p>Sep. 1991 International Marketing Director, Cap Gemini Sogeti</p> <p>Nov. 1992 Senior Consultant, Gemini Consulting Japan</p> <p>Jun. 1997 Joined Egon Zehnder</p> <p>Jan. 2004 Partner, Egon Zehnder</p> <p>Oct. 2016 President and Representative Partner, Masuyama & Company LLC. (incumbent)</p> <p>Mar. 2017 Outside Director (an Audit & Supervisory Committee Member), Suntory Beverage & Food Limited (incumbent)</p> <p>Mar. 2019 Outside Director, KOKUYO Co., Ltd. (incumbent)</p> <p>Jun. 2019 Outside Director, Konoike Transport Co., Ltd. (incumbent)</p> <p>May 2020 Outside Director, MetLife Insurance K.K. (incumbent)</p> <p>Jun. 2024 Outside Director (incumbent)</p>
Term of office	1 year	—
Independent Outside Director	●	●
Attendance at Board of Directors' meetings	100% (9/9)	—
Attendance at the Audit & Supervisory Committee		
Attendance at the Nomination and Remuneration Advisory Committee	● (—/—)	
Skill Matrix		
Corporate management	●	
Global business	●	●
Finance, accounting, M&A		
Knowledge in priority businesses and related industries		
IT, digital transformation	●	
Risk management, compliance		
Human capital strategy		●
Sustainability, ESG		●



		
Name and Position	Makoto Kinoshita Director (Full-time Audit & Supervisory Committee Member)	Rei Sugihara Outside Director (Audit & Supervisory Committee Member)
Brief profile	<p>Apr. 1990 Joined the Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.)</p> <p>Nov. 2016 President, Banco de Tokyo-Mitsubishi UFJ Brasil S/A (currently Banco MUFG Brasil S.A.)</p> <p>Apr. 2018 President, Banco MUFG Brasil S.A.</p> <p>Deputy General Manager, Latin America Region and General Manager, Americas Corporate Administration Division, MUFG Bank, Ltd.</p> <p>Apr. 2020 Joined Ushio Inc.</p> <p>Sep. 2020 General Manager, Global HR Strategy Department, Human Resource & General Affairs Division, Corporate Headquarters</p> <p>Apr. 2022 Executive Officer</p> <p>General Manager, Global Human Resources & General Affairs Division, Corporate Headquarters</p> <p>Apr. 2023 General Manager, Group Human Resources & General Affairs Division, Corporate Headquarters</p> <p>Apr. 2024 In Charge of HR & General Affairs Division</p> <p>Jun. 2024 Director (a Full-time Audit & Supervisory Committee Member) (incumbent)</p>	<p>Apr. 1986 Judge (Assistant Judge, Tokyo District Court)</p> <p>Apr. 1995 Attorney-at-law (incumbent)</p> <p>Jan. 1996 Joined Koga Law Office (currently Kasumi Sogo Law Office)</p> <p>Jun. 2020 Outside Director (an Audit & Supervisory Committee Member) (incumbent)</p> <p>Jan. 2023 Outside Director (an Audit & Supervisory Committee Member), TOMOE Engineering Co., Ltd. (incumbent)</p>
Term of office	—	4 years
Independent Outside Director		●
Attendance at Board of Directors' meetings	—	100% (12/12)
Attendance at the Audit & Supervisory Committee	● (—/—)	● (13/13)
Attendance at the Nomination and Remuneration Advisory Committee		● (11/11)
Skill Matrix		
Corporate management		
Global business	●	
Finance, accounting, M&A	●	
Knowledge in priority businesses and related industries		
IT, digital transformation		
Risk management, compliance	●	●
Human capital strategy		
Sustainability, ESG		



Please refer to the following website for a list of executive officers.
<https://www.ushio.co.jp/en/company/officer.html>



Directors (as of June 27, 2024)

		
Name and Position	Akemi Sunaga Outside Director (Audit & Supervisory Committee Member)	Chiaki Ariizumi Outside Director (Audit & Supervisory Committee Member)
Brief profile	<p>Oct. 1989 Joined Auditing Department of Aoyama Audit Corporation (currently PricewaterhouseCoopers Japan LLC)</p> <p>Feb. 1991 Joined Auditing Department of Chuo Audit Corporation</p> <p>Aug. 1993 Certified public accountant (incumbent)</p> <p>Oct. 1994 Certified public tax accountant (incumbent)</p> <p>Nov. 1994 Established Sunaga CPA Firm and serves as Representative (incumbent)</p> <p>Nov. 1996 Established Marunouchi Business Consulting Ltd. and serves as Representative Director (incumbent)</p> <p>Jan. 2012 Established Marunouchi Business Consulting Tax Co. and serves as Senior Partner (incumbent)</p> <p>Jun. 2017 Established Marunouchi Audit Corporation and serves as Senior Partner (incumbent)</p> <p>Jun. 2020 Outside Director (an Audit & Supervisory Committee Member) (incumbent) Outside Director (an Audit & Supervisory Committee Member), YOMEISHU SEIZO CO., LTD. (incumbent)</p> <p>Jun. 2021 Outside Audit & Supervisory Board Member, Prima Meat Packers, Ltd. (incumbent)</p> <p>Jun. 2022 Outside Director, KYB Corporation (incumbent)</p> <p>Mar. 2023 Outside Audit & Supervisory Board Member, Lion Corporation (incumbent)</p>	<p>Apr. 1987 Joined Bank of Japan</p> <p>May 1998 Deputy Manager, International Department (Head of Europe and the Americas Group), Bank of Japan</p> <p>Jul. 2002 Manager, Nagoya Branch, Bank of Japan</p> <p>Jul. 2005 Director, Public Relations Department, Bank of Japan</p> <p>Jul. 2009 Director, Secretariat of the Policy Board (Head of Business Liaison Group), Bank of Japan</p> <p>Jun. 2019 Director, Public Relations Department, Bank of Japan</p> <p>Jan. 2020 Personnel and Corporate Affairs Department, Bank of Japan</p> <p>Mar. 2020 Retired from Bank of Japan Outside Audit & Supervisory Board Member, Kobayashi Pharmaceutical Co., Ltd.</p> <p>Jun. 2021 Outside Audit & Supervisory Board Member, Kiraboshi Bank, Ltd. (incumbent)</p> <p>Mar. 2022 Outside Director, Kobayashi Pharmaceutical Co., Ltd. (incumbent)</p> <p>Jun. 2022 Outside Director (an Audit & Supervisory Committee Member) (incumbent)</p>
Term of office	4 years	2 years
Independent Outside Director	●	●
Attendance at Board of Directors' meetings	100% (12/12)	100% (12/12)
Attendance at the Audit & Supervisory Committee	● (13/13)	● (13/13)
Attendance at the Nomination and Remuneration Advisory Committee		
Skill Matrix		
Corporate management		
Global business		
Finance, accounting, M&A	●	●
Knowledge in priority businesses and related industries		
IT, digital transformation		
Risk management, compliance	●	●
Human capital strategy		
Sustainability, ESG		

The reasons for the selection of the skill items the Company expects the directors to possess are as follows:

Skill items	Reason for selection
Corporate management	The Company is listed on the Tokyo Stock Exchange Prime Market and aims to be an innovation company in the field of light growing together with its customers. In order to achieve sustainable growth, the Company believes that it is essential to have directors with solid experience and knowledge in corporate management (equivalent to the Prime Market).
Global business	The Company is expanding its business in global markets, and its overseas sales have been consistently high. In order to further enhance its global business expansion, the Company believes that it is essential to have directors with solid experience and knowledge in global business.
Finance, accounting, M&A	In the Company's new growth strategy (Revive Vision 2030), the Company has identified ROE as a KPI. In order to execute business review and portfolio revamp initiatives to improve profitability, and to successfully balance its growth strategy and capital policy, the Company believes that it is essential to have directors with solid experience and knowledge in finance, accounting, and M&A.
Knowledge in priority businesses and related industries	In the Company's new growth strategy (Revive Vision 2030), the Company has redefined its strategic areas, and stated its intent to execute business review and portfolio revamp initiatives to achieve steady business growth. To meet this objective, the Company believes that it is essential to have directors with solid experience and knowledge on the needs of diverse customer and stakeholders, manufacturing, technology, research and development, within the Company's priority businesses as well as related industries.
IT, digital transformation	Amid significant changes in the business environment, the Company recognizes the increasing need for utilizing IT to improve management efficiency and productivity, as well as the need to develop from the perspective of digital transformation (DX) in order to create business ventures with significant social value. To ensure the validity of each initiative and drive the Company's sustainable growth, the Company believes that it is essential to have directors with solid experience and knowledge in IT and digital transformation.
Risk management, compliance	To establish structures for the Company's sustainable growth and long-term enhancement of corporate value, the Company believes that it is essential to have directors with solid experience and knowledge in risk management and compliance across all aspects of the corporate management, including the establishment and operation of internal control systems and the management of significant business risks.
Human capital strategy	The Company stated its Conviction to Build Both a Prosperous Company and Prosperous Employees in its Management Philosophy, aiming for simultaneous growth of the Company and its employees. To meet this objective, the Company believes that it is essential to have directors with solid experience and knowledge in human capital strategy, including the validation of measures to strengthen the foundation of human capital, such as the development of management talent to contribute to the sustainable growth and development of the Company, promotion of diversity and inclusion, and improvement of employee engagement.
Sustainability, ESG	To achieve the Company's sustainable growth and enhancement of corporate value, it is necessary to implement measures that focus on both business growth and ESG management, aiming for the enhancement of corporate value. In order to ensure the validity of these initiatives, including verifying the alignment of the direction of ESG management and various initiatives, not only in terms of environmental issues but also in terms of external evaluations, with the trends in society and the long-term value that society demands, the Company believes that it is essential to have directors with solid experience and knowledge in sustainability, ESG.