



April 14, 2026

Company Name: USHIO INC.
Name and Title of Representative: Takabumi Asahi, President and Chief Executive Officer
(Code Number: 6925, Prime Market of the Tokyo Stock Exchange)
Name and Title of Contact Person: Hiromi Ito, General Manager, Accounting and Finance Department
(TEL. +81-3-5657-1000)

Notice Concerning Transfer of Semiconductor Laser Device Business to a Newly Established Subsidiary Through a Corporate Split and Transfer of Shares in the Newly Established Subsidiary

USHIO INC. (hereinafter, the "Company") hereby announces that, by a resolution of the Board of Directors as of today pursuant to Article 370 of the Companies Act, the Company decided to transfer all shares of a new company to be established by the Company (hereinafter, the "Newly Established Company") to KYOCERA Corporation (hereinafter, "Kyocera") (hereinafter, the "Share Transfer") and concluded a share transfer agreement (hereinafter, the "Share Transfer Agreement") accordingly. The details are outlined below.

Prior to the execution of the Share Transfer, the Company intends to transfer its semiconductor laser device business (hereinafter, the "Target Business"), to the Newly Established Company through an absorption-type split (hereinafter, the "Absorption-Type Split"; the Share Transfer and the Absorption-Type Split are collectively referred to as the "Transaction"). Since the Absorption-Type Split is a short-form absorption-type split under which the Target Business will be succeeded by the Company's wholly owned subsidiary, this disclosure omits certain items and details.

1. Purpose of the Transaction

With over 40 years of expertise in optical technology, the Company operates a business producing high-power, highly reliable semiconductor laser devices across a broad wavelength range, from blue-violet to infrared. In particular, it possesses competitive products and technologies in the area of red lasers using GaAs (gallium arsenide) substrates.

While the structure of semiconductor demand has changed significantly in recent years due to increased investment in data centers driven by the widespread adoption of generative AI, the market for general-purpose semiconductors has remained sluggish for an extended period. Furthermore, the business environment is undergoing structural changes, with demand for high-power lasers growing in the medical and sensing fields.

Against this backdrop, the Company received a proposal from Kyocera, which is engaged in the development of RGB laser diodes for applications such as AR glasses in the metaverse sector, regarding collaboration with the Target Business. Following subsequent discussions, the Company has decided to divest the business in order to improve capital efficiency and optimize its business portfolio, in line with the new growth strategy, "Revive Vision 2030," formulated in 2024.

2. Summary of the Transaction

(1) Timeline of the Transaction

Date of Board of Directors' resolution regarding the Transaction	: April 14, 2026
Date of execution of the Share Transfer Agreement	: April 14, 2026
Date of incorporation of the Newly Established Company	: December 2026 (planned)
Date of Board of Directors' resolution for the Approval of the Absorption-Type Split	: December 2026 (planned)
Date of execution of the Absorption-Type Split agreement	: December 2026 (planned)
Effective date of the Absorption-Type Split agreement	: April 2027 (planned)
Date of execution of the Share Transfer	: April 2027 (planned)

(2) Structure of the Absorption-Type Split

The Target Business will be transferred through the absorption-type split, with the Company as the splitting company and the Newly Established Company as the succeeding company. The Transaction is scheduled to be carried out without resolutions at shareholders' meetings of the Company and the Newly Established Company, as this constitutes a simplified absorption-type split specified in Article 784, Paragraph 2 of the Companies Act for the Company and an abbreviated absorption-type split specified in Article 796, Paragraph 1 of the Companies Act for the Newly Established Company.

(3) Allocation in connection with the Absorption-Type Split

In connection with the Absorption-Type Split, no shares will be allocated by the Newly Established Company to the Company, nor will any money or other assets be delivered.

(4) Treatment of share acquisition rights and bonds with share acquisition rights in connection with the Absorption-type Split

Not applicable.

(5) Increase or decrease in share capital due to the Absorption-Type Split

There will be no increase or decrease in the share capital of the Company as a result of the Absorption-Type Split.

(6) Rights and obligations to be succeeded to by the Newly Established Company

As of the effective date of the Absorption-Type Split, the Newly Established Company will succeed to the rights and obligations, including assets and liabilities, related to the Target Business, as set forth in the absorption-type split agreement relating to the Absorption-Type Split.

(7) Prospects for performance of obligations

The Company has determined that there are no concerns regarding the Newly Established Company's prospects for performing the obligations it will assume on and after the effective date of the Absorption-Type Split.

(8) Overview of the Share Transfer

The Company plans to transfer all shares of the Newly Established Company to Kyocera as of the execution date of the Share Transfer. For information regarding the transferee, please refer to "6. Overview of the Counterparty to the Share Transfer."

3. Overview of Parties to the Absorption-Type Split

	Splitting Company		Succeeding Company (Newly Established Company)
(1) Name	USHIO INC.		TBD
(2) Location	31F, Sumitomo Fudosan Tokyo Mita Garden Tower, 3-5-19 Mita, Minato-ku, Tokyo		TBD
(3) Title and name of representative	Takabumi Asahi, President and Chief Executive Officer		TBD
(4) Business Description	Manufacturing and sales of products related to the Industrial Process Business, Visual Imaging Business, Life Science Business, and Photonics Solution Business		Manufacturing and sales of semiconductor laser devices
(5) Share capital	19,556 million yen		TBD
(6) Date of establishment	March 23, 1964		December 2026 (planned)
(7) Number of shares outstanding	83,500,000 shares		TBD
(8) Fiscal year-end	March 31		March 31
(9) Major shareholders and their shareholding percentages	The Master Trust Bank of Japan, Ltd. (Trust Account)	15.64%	100% owned by the Company
	BBH (LUX) FOR FIDELITY FUNDS-GLOBAL TECHNOLOGY POOL	6.48%	
	Resona Bank, Limited	4.86%	
	STATE STREET BANK AND TRUST COMPANY 505301	4.80%	
	Custody Bank of Japan, Ltd. (Trust Account)	3.73%	
	Asahi Mutual Life Insurance Company	3.05%	
	THE USHIO FOUNDATION	2.99%	
	Shiro Ushio	2.96%	
	STATE STREET BANK AND TRUST COMPANY 505001	2.02%	
	NIKON CORPORATION	1.82%	
(10) Consolidated financial position and consolidated operating results for the most recent fiscal year (millions of yen)	Fiscal year ended March 2025		— (Note 2)
Net assets	200,509	—	
Total assets	297,304	—	
Net assets per share	2,263.23yen	—	
Net sales	177,616	—	
Operating profit	8,825	—	
Ordinary profit	12,451	—	
Profit attributable to owners of the parent	6,797	—	
Basic earnings per share	70.27yen	—	

(Note 1) Information for the splitting company is as of March 31, 2026.

(Note 2) As the Newly Established Company has yet to be established, there is no financial position or operating results to be disclosed.

4. Overview of the Target Business in the Absorption-Type Split

(1) Business description

Manufacturing and sales of semiconductor laser devices

(2) Operating results of the carved-out target business (Fiscal year ended March 31, 2025)

Net Sales 3,394 million yen

(3) Items and book values of assets and liabilities to be split

Assets		Liabilities	
Items	Book value	Items	Book value
Current assets	1,156 million yen	Current liabilities	90 million yen
Non-current assets	74 million yen	Non-current liabilities	354 million yen

(Note) The amounts above are based on the balance sheet as of December 31, 2025; therefore, the actual amounts to be transferred will be adjusted to reflect any changes through the effective date.

5. Status after the Absorption-Type Split

The name, location, title and name of the representative, business description, share capital and fiscal year-end of the Company and the Newly Established Company after the Absorption-Type Split are as described in "3. Overview of Parties to the Absorption-Type Split."

6. Summary of the Share Transfer

(1) Overview of the Newly Established Company to be transferred

Please refer to "3. Overview of Parties to the Absorption-Type Split."

(2) Overview of the Counterparty to the Share Transfer

(1) Name	KYOCERA Corporation		
(2) Location	6 Takeda Tobadono-cho, Fushimi-ku, Kyoto-shi, Kyoto		
(3) Title and name of representative	Shiro Sakushima, President and Representative Director		
(4) Business Description	Core components, electronic components, solutions business, etc.		
(5) Share capital	115,703 million yen		
(6) Date of establishment	April 1, 1959		
(7) Net assets and total assets for the most recent fiscal year	Net assets	2,435,960 million yen	
	Total assets	3,272,155 million yen	
(8) Major shareholders and their shareholding percentages (as of September 30, 2025)	The Master Trust Bank of Japan, Ltd. (Trust Account)	22.88%	
	Custody Bank of Japan, Ltd. (Trust Account)	8.80%	
	The Bank of Kyoto, Ltd.	4.18%	
	STATE STREET BANK AND TRUST COMPANY 505001	3.93%	
	Inamori Foundation	2.71%	
	STATE STREET BANK WEST CLIENT – TREATY 505234	2.05%	
	Stock Purchase Plan for Kyocera Group Employees	1.74%	
	JP MORGAN CHASE BANK 385781	1.42%	
	MUFG Bank, Ltd.	1.33%	
	Daiichi Life Insurance Co., Ltd.	1.22%	
(9) Relationship between the Company and the Relevant Company	Capital relationship	Not applicable.	
	Personnel relationship	Not applicable.	
	Business relationship	There is a business relationship between the Company and the relevant company.	
	Status as a related party	Not applicable.	

(Note) The figures are as of March 31, 2025, except where otherwise specified.

7. Status of shareholdings before and after the Share Transfer

(1) Number of shares owned before transfer	TBD (voting rights ownership percentage: 100%)
(2) Number of shares to be transferred	All issued shares (voting rights ownership percentage: 100%)
(3) Transfer price	1 billion yen (Note)
(4) Number of shares owned after transfer	0 shares (voting rights ownership percentage 0%)

(Note) Depending on the price adjustment set forth in the Share Transfer Agreement, the final transfer price may vary from the reference amount of 1 billion yen.

8. Outlook

The impact of the Transaction on the Company's consolidated financial results for fiscal year ending March 31, 2027 is immaterial. If any matters requiring disclosure arise in the future, the Company will promptly disclose the relevant information.