May 11, 2023

Company Name: Ushio Inc.
Representative: Koji Naito, President and Chief Executive Officer

(Stock code: 6925 Stock exchange: Prime)
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Notice Regarding Disposal of Treasury Stock by Granting Shares to Employee Stockholding Association

Ushio Inc. (Prime: 6925) announces that at a meeting of the Board of Directors held today (May 11, 2023) it resolved to grant shares to employees of Ushio Inc. and its subsidiaries in Japan (hereinafter, "Ushio Group") through Stockholding Association of Ushio Inc. (hereinafter, the "Association"), an employee stockholding association (hereinafter, the "Scheme"), and resolved to dispose of treasury stock through a third-party allotment (hereinafter, the "Treasury Stock Disposal" or "Disposal"), with the Association as the scheduled allottee, as described below.

1. Outline of the Disposal

(1) Date of Payment	August 31, 2023
(2) Class and number of shares to be disposed of	255,100 shares of common stock of Ushio Inc. (Note 1)
(3) Disposal price	1,743 yen per share, provided, however, that in the case where the highest closing price of Ushio Inc.'s common stock on the Tokyo Stock Exchange on the transaction day immediately preceding the Condition Determination Date (hereinafter the "Closing Price on the Transaction Date Immediately Preceding Condition Determination Date") is higher than 1,743 yen, the disposal price will be the same as the highest Closing Price on the Transaction Date Immediately Preceding Condition Determination Date. Condition Determination Date means one of the dates during the period from May 16, 2023 through May 19, 2023. (Note 2)
(4) Total value of disposal	444,639,300 yen (This is the estimated value as of today. The actual value will be the disposal price determined in accordance with (3) above multiplied by the number of shares to be

	disposed of described in (2) above.)
（5） Method of disposal	Third-party allotment
（6） Scheduled allottee	Stockholding Association of Ushio Inc. 255,100 shares
（7） Other	The Treasury Stock Disposal is subject to effectuation of a Securities Registration Statement pursuant to the Financial Instruments and Exchange Act.

（Note 1） Following the resolution of the council of the Association, which is expected to be passed promptly on or after the date of the board resolution, the Association will use promotional activities to invite applicants for membership in the Association over a period long enough for the dissemination of the Scheme For this reason, the figures for the number of shares to be disposed of specified above represent the maximum amount and the actual number of shares to be disposed of is expected to be determined depending on the acceptance of new members and the number of employees of Ushio Group whose consent to the Scheme is confirmed.

（Note 2） Method to determine the disposal price of the Treasury Stock Disposal/Reason for setting a time period for the determination of the price

When raising funds through the disposal of the stock by third-party allotment, the disposal price is normally determined on the date of the resolution approving the disposal. However, in this case the date of the resolution approving the Treasury Stock Disposal coincides with the announcement by Ushio Inc. on May 11, 2023 of the summary of accounts for the fiscal term ending in March 2023. Thus, in order to take into account the effect of such announcement on the share price and in order to take into account other factors, such as the stock price change, to consider the interests of the existing shareholders, on May 19, 2023, Ushio Inc. will set the disposal price as the higher of 1,743 yen, the closing price of Ushio Inc.’s common stock on the Tokyo Stock Exchange on May 10, 2023, and the highest closing price on the transaction day immediately preceding the Condition Determination Date

2. Purpose and Reasons for the Disposal

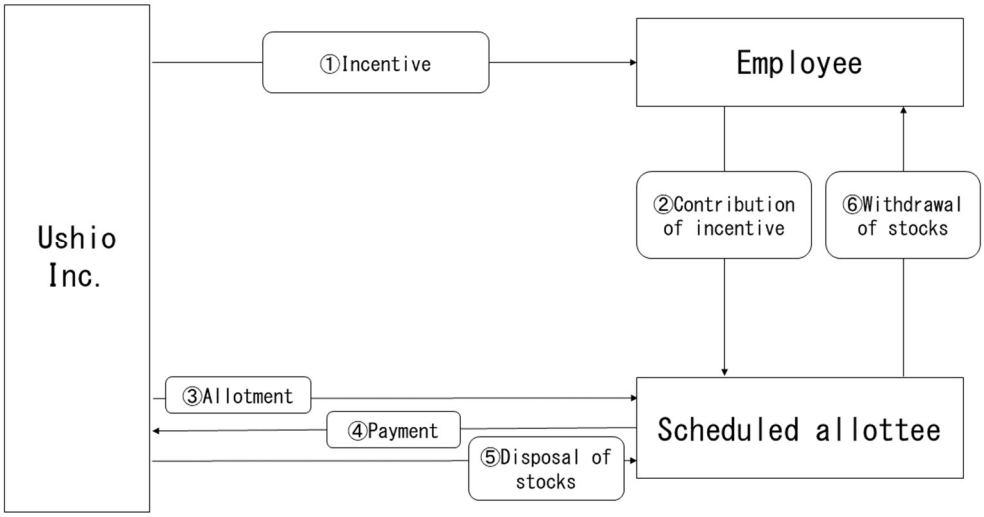
Since FY2020, Ushio Inc. has been working on its three-year medium-term management plan to achieve sustainable growth with the objective of becoming a "light" solutions company as described in its "Vision 2030". Having achieved all of the specified targets set forth in the medium-term management plan and largely completed the foundation for the transformation of the profit structure, Ushio Inc. resolved to grant Ushio Inc.’s common stock (hereinafter, the “Ushio Stock”) to the members of the Association as a special incentive to return the results of these efforts to the employees of Ushio group. Ushio Inc. also expects that the Scheme will increase the interest of employees of Ushio Group in corporate value, renew their awareness of the need to work with management to contribute to improving medium-to-long term corporate value, further encourage them to join the Association, and help them build their assets. Further, the Ushio Stock will be granted only to a person (hereinafter, the “Subject Employee”) who has consented to the acquisition of an interest in stock allotted to the Association, is not a non-resident of Japan, is a member of the Association and is an employee of Ushio Group.

The Treasury Stock Disposal will be accomplished through a third-party allotment in which Ushio Inc. grants a special incentive to the members and disposes of treasury stock to the Association in exchange for the

contribution of such special incentives. While the number of shares to be disposed of is expected to become fixed in due course as indicated in (Note 1) of 1. Outline of Disposal above, 255,100 shares are scheduled to be disposed of to the Association as the maximum amount.

The dilution caused by the Treasury Stock Disposal would be 0.21% (rounded off to two decimal places; hereinafter the same in the calculation of percentages) of 123,500,000 shares as the total number of issued shares as of March 31, 2023, and would be 0.22% of 1,177,277 voting rights as the total number of voting rights as of March 31, 2023. In addition, the dilution caused by the Treasury Stock Disposal and the disposal of treasury stock based on another scheme (For more details, please refer to the "Notice Regarding Disposal of Treasury Stock to Employee Stockholding Association Using Restricted Stock" announced on May 11, 2023) would be 0.59% of 123,500,000 shares as the total number of issued shares as of March 31, 2023, and would be 0.62% of 1,177,277 as the total number of voting rights as of March 31, 2023.

Structure of the Scheme



①Ushio Inc. provides a special incentive to the employees who are members of the scheduled allotee.

②The employees who are members of the scheduled allotee contribute such incentive to the scheduled allottee.

③Ushio Inc. disposes of the treasury stock through a third-party allotment and allots such stock to the scheduled allotee.

④The scheduled allotee pays for the third-party allocation of stock with the contributed incentives.

⑤Ushio Inc. disposes of treasury stock to the Association.

⑥The employees who are members of the scheduled allotee withdraw the stock from the scheduled allottee.

Further, the payment of money described in ① and ② above will be made by Ushio Inc. through direct bank transfer to the specified bank account of the scheduled allottee.

3. Basis of Calculation and Specific Details of the Amount to be Paid

The Treasury Stock Disposal is conducted based on the Scheme and by the Subject Employees contributing the special incentives to the Association as property contributed in kind for the granting of Ushio Stock. To eliminate any arbitrariness, the amount to be paid is the higher of 1,743 yen, which is the closing price of Ushio Inc.'s common stock on the Tokyo Stock Exchange on May 10, 2023, the business day immediately preceding the date of the resolution by the Board of Directors, and the highest closing price of the date immediately preceding the Condition Determination Date. This method of determining the disposal price of the treasury stock disposal is reasonable as it takes into account the interests of the existing shareholders and attempts to set a disposal price that approximates the market price. Therefore, Ushio Inc. believes that the disposal price for the Treasury Stock Disposal determined by this method is not a particularly advantageous price for the Association.

Note that the deviation rate (rounded off to two decimal places) of 1,743 yen, which is the closing price of Ushio Inc.'s common stock on Tokyo Stock Exchange on May 10, 2023, the business day immediately preceding the date of the resolution by the Board of Directors from the average closing price of Ushio Inc. shares on the Prime market of Tokyo Stock Exchange is as follows.

Period	Average closing price (any amount less than 1 yen is rounded off)	Deviation rate
1 month（April 11, 2023～May 10, 2023）	1,671 yen	4.31%
3 months（February 11, 2023～May 10, 2023）	1,625 yen	7.26%
6 months（November 11, 2022～May 10, 2023）	1,667 yen	4.56%

The Audit and Supervisory Committee held today consisting of four Audit & Supervisory Board Members (including three outside directors)) has expressed its opinion that Ushio Inc.'s process of determining that the foregoing disposal price will not be particularly advantageous to the Association as the allottee is reasonable, and that such determination is legitimate, in light of the fact that the purpose of the Treasury Stock Disposal is to introduce the Scheme and that the disposal price is the higher of the closing price on the business day immediately preceding the date of the resolution of the Board of Directors and the highest closing price of the date immediately preceding the Condition Determination Date.

4. Matters related to procedures under the Code of Corporate Conduct

With regard to the Treasury Stock Disposal, since (1) the dilution rate is less than 25% and (2) it does not involve the change of the controlling shareholder, there is no need to take procedures for acquiring the opinion of an independent third party and confirming the intention of shareholders as set forth in Article 432 of the listing regulations prescribed by the Tokyo Stock Exchange.

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