

Aug 1, 2016

iSigma Partners Corporation

### Acquisition of Kyosemi Corporation

On July 15, 2016, iSigma Business Advancement Fund II Investment LLP (“the Fund” hereafter), managed and operated by iSigma Partners Corporation (“we” hereafter), acquired 82% of outstanding shares of Kyosemi Corporation (Kyoto City, Kyoto; “Kyosemi” hereafter) from Mr. Josuke Nakata, the founder of the company, and his families.

Kyosemi is a manufacturer of opto semiconductor devices including optical and opto sensors, optical communication-use devices, which are mainly incorporated in industrial products. The company has advanced technical capabilities based on its historical background that the company has developed as a specialized manufacturer since its foundation in 1980. The company also has a comprehensive set of production system which ranges from device designing to reliability testing, which enables the company to respond quickly to its customers’ needs. We believe that growth potential of the opto semiconductor device market is high under the expectation of the IoT(Internet of Things) era, and optical communication networks that deliver information shall become all the more important.

Furthermore, as a series of the transaction, Kyosemi transferred its entire share of Sphelar Power Corporation (“Sphelar” hereafter), 100% subsidiary of the company and mainly engaged in manufacturing and selling spherical solar shells, to J.N. Corporation, an asset management entity of Mr. Josuke Nakata, on the same day as our acquisition of Kyosemi described above. We understand this enables Kyosemi to focus its entire management resources on its core opto semiconductor device business.

We will actively support Kyosemi and pursue further growth and development of the company by combining its strength and corporate culture which have been developed by Mr. Josuke Nakata with our management improvement methods and business expansion initiatives. We are aiming at acquiring the entire share of Kyosemi by additionally acquiring the remaining 18% shares held by non-family shareholders in order to establish a more flexible and agile business management system.

Kyosemi Corporation

Established: Apr 1980

Representative: Naohiro Yokogawa, President

Location: Kyoto City, Kyoto

Business: Development and Manufacturing of opto semiconductor devices

URL: <http://www.kyosemi.co.jp/>