

November 5, 2020

Company name: UT Group Co., Ltd.
Representative: Yoichi Wakayama, President,
Representative Director & CEO (Securities code
number: 2146, TSE First Section)
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Notice Regarding Acquisition of Shares (Conversion into Subsidiary) of Seekel Holdings Co., Ltd. by UT Group

The Board of Directors' meeting of UT Group Co., Ltd., held November 5, 2020, resolved that UT Group will acquire all shares of Seekel Holdings Co., Ltd. and make it a subsidiary.

1. Purpose of the acquisition of shares

In keeping with the mission "Creating vigorous workplaces empowering workers," UT Group has been employing workers as regular infinite-term employees since founding of the company. We provide personnel dispatching services to manufacturing plants and dispatching services of engineers and technicians to the design and development, IT, and construction sectors. Japan's main manufacturers are major clients in our broad-based client base. By having both employees who are willing to relocate across Japan and a nationwide hiring base, we have grown by making commitment to satisfying major companies' large-scale needs of workers even in the current labor-shortage environment.

In May 2020 UT Group announced its Fourth Medium-term Business Plan, which set a medium-term target of "creating a 'diversity & inclusion' workstyle platform" and identified three growth strategies: the One-stop strategy to provide personnel to large manufacturers" (leveraging on the established strength in order commitment), the Area Platform Strategy, and the Solution Strategy.

In the Area Platform Strategy we aim at expanding the career platform via alliances with and M&A of local dispatch operators, in order to raise the local workplace satisfaction level of job applicants who prefer stable work in a local area, rather than a conventional workstyle that presupposes relocation but enables career advancement.

Seekel Co., Ltd., a core company of Seekel Holdings, is a personnel dispatch company with 30 years in history and six bases in Ibaraki Prefecture. The company dispatches about 1,000 workers mainly to housing equipment, semiconductor, home appliances and office equipment, automotive, and other

manufacturers. It has long provided community-based high-quality services to satisfy local personnel demand.

Within the UT Group, UTHP Co., Ltd.¹ and Mito Engineering Service Co., Ltd.² are based in Ibaraki Prefecture and have established strong relationships mainly with the Hitachi Group companies in a local industrial concentrated industrial cluster of major manufacturers. By adding Seekel Holdings' sales base and client base to UT Group's existing local business base, we believe we can further expand our local business base as well as our career platform. We have therefore decided to acquire shares of Seekel Holdings.

- 1: UTHP Co., Ltd.: A general manufacturing dispatch and outsourcing service company, established in December 2016. It has 13 bases in Hitachi, Mito, Chikusei, Hitachinaka, Ishioka, and Tsuchiura of Ibaraki Prefectures and about 800 technical employees.
- 2: Mito Engineering Service Co., Ltd.: The company was established as a fully-owned subsidiary of Hitachi Building Systems Co., Ltd. in February 2001 and was consolidated as a subsidiary by UT Group in July 2020. It is engaged in design & manufacturing work and support, as well as dispatch of high-skilled engineers for pre-installation and actual installation work, and manufacturing outsourcing. It has about 400 technical employees.

2. Outline of the company (Seekel Holdings) to be converted into a subsidiary

(1)	Name	Seekel Holdings Co., Ltd.	
(2)	Address	Senba-cho 733-1, Mito City, Ibaraki Prefecture	
(3)	Name and title of the representative	Akira Watanabe, Representative Director	
(4)	Business	Management of subsidiaries	
(5)	Capital	435 million yen	
(6)	Established	January 8, 2019	
(7)	Major shareholders and ownership percentage	Rising Japan Equity No. 2 Investment LLP	
(8)	Relationships between UT Group and the company	Capital relationship	There is no particular capital relationship that should be disclosed between UT Group and the company, nor between UT Group's related persons and companies and the company's related persons and companies.
		Personnel relationship	There is no particular personnel relationship that should be disclosed between UT Group and the company, nor

		between UT Group's related persons and companies and the company's related persons and companies.
	Business relationship	There is no particular business relationship that should be disclosed between UT Group and the company, nor between UT Group's related persons and companies and the company's related persons and companies.

Note: Established in January 2019 and closing in September, the company does not have operating performance and financial condition to be recorded.

3. Outline of the company (Seekel Co., Ltd.) to be converted into a second-tier subsidiary company

(1)	Name	Seekel Co., Ltd.		
(2)	Address	Senba-cho 733-1, Mito City, Ibaraki Prefecture		
(3)	Name and title of the representative	Akira Watanabe, Representative Director		
(4)	Business	Personnel dispatch and outsourcing service business		
(5)	Capital	50 million yen		
(6)	Established	October 1, 1991		
(7)	Major shareholders and ownership percentage	Seekel Holdings Co., Ltd.		
(8)	Relationships between UT Group and the company	Capital relationship	There is no particular capital relationship that should be disclosed between UT Group and the company, nor between UT Group's related persons and companies and the company's related persons and companies.	
		Personnel relationship	There is no particular personnel relationship that should be disclosed between UT Group and the company, nor between UT Group's related persons and companies and the company's related persons and companies.	
		Business relationship	There is no particular business relationship that should be disclosed between UT Group and the company, nor between UT Group's related persons and companies and the company's related persons and companies.	
(9)	Operating performance and financial condition in the last three fiscal years			
	Fiscal years	FY9/2017	FY9/2018	FY9/2019
	Net assets	550 million yen	496 million yen	468 million yen

Total assets	1,530 million yen	1,382 million yen	745 million yen
BPS	1,195,064 yen	1,077,715 yen	1,017,538 yen
Net sales	2,872 million yen	3,040 million yen	3,026 million yen
Operating profit	83 million yen	89 million yen	144 million yen
Ordinary profit	78 million yen	88 million yen	156 million yen
Net profit	61 million yen	-54 million yen	-229 million yen
EPS	132,651 yen	-117,349 yen	-498,764 yen

4. Outline of a party from whom shares will be acquired

(1) Name	Rising Japan Equity No. 2 Investment LLP		
(2) Address	1-7-2 Otemachi, Chiyoda-ku, Tokyo		
(3) Basis of foundation	Limited Partnership Act for Investment		
(4) Objective of foundation	The objective is to make buyout investments for helping boost sustainable and further growth of targeted medium-sized companies, which support the Japanese economy, via hands-on managerial support, providing risk money for their capital needs in business expansion, reorganization, succession, etc.		
(5) Date of foundation	February 1, 2017		
(6) Amount of investment	30,750 million yen (maximum amount)		
(7) Investors, invested ratios, and outline of investors	Japanese institutional investors and operating companies		
(8) Outline of a managing partner	Name	Rising Japan Equity, Inc.	
	Address	1-7-2 Otemachi, Chiyoda-ku, Tokyo	
	Name and title of the representative	Representative Director and President, Tetsuo Maruyama	
	Business	Investment management	
	Capital	100 million yen	
(9) Relationships between UT Group and the Fund	Relationships between UT Group and the Fund	There is no particular relationship that should be disclosed between UT Group and the Fund, nor between UT Group's related persons and companies and the Fund's related persons and companies.	
	Relationships between UT Group	There is no particular relationship that should be disclosed between UT Group and the Managing Partner, nor between UT Group's related persons	

	and the Managing Partner	and companies and the Managing Partner's related persons and companies.
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5. Number of shares to acquire, the purchase price, and shareholding before and after the acquisition

(1) Number of shares held before the change	— share (Voting rights ownership: —%)						
(2) Number of shares to acquire	17,400 shares (Voting rights ownership: 100%)						
(3) Purchase price	<table> <tr> <td>Common shares of Seekel Holdings, Co., Ltd.</td><td>1,700 million yen</td></tr> <tr> <td>Advisory fees, etc. (approximate amount)</td><td>8 million yen</td></tr> <tr> <td>Total (approximate amount)</td><td>1,708 million yen</td></tr> </table>	Common shares of Seekel Holdings, Co., Ltd.	1,700 million yen	Advisory fees, etc. (approximate amount)	8 million yen	Total (approximate amount)	1,708 million yen
Common shares of Seekel Holdings, Co., Ltd.	1,700 million yen						
Advisory fees, etc. (approximate amount)	8 million yen						
Total (approximate amount)	1,708 million yen						
(4) Number of shares to be held	17,400 shares (Voting rights ownership: 100%)						

6. Schedule

(1) Date of resolution of the Board of Directors' meeting	November 5, 2020
(2) Date of signing contract for share transfer	November 5, 2020
(3) Execution date of share transfer	November 30, 2020 (plan)

7. Outlook

The impact of this transaction to UT Group's consolidated financial results for the fiscal year ending March 31, 2021 will be immaterial.

End