

Company name: MIRAIT Holdings Corporation
Representative: Toshiki Nakayama, President and CEO
(TSE 1st Section Code No. 1417)
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of Strategy
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Notice Concerning Commencement of Consideration and Preparations Aimed at Merger with Consolidated Subsidiaries

MIRAIT Holdings Corporation (“the Company”) passed a resolution in the meeting of the Board of Directors held today to commence consideration and preparations aimed at a three-way merger (“the Merger”) of the Company with the two business companies MIRAIT Corporation and MIRAIT Technologies Corporation, which are its wholly-owned subsidiaries.

1. Purpose of the Merger

MIRAIT Corporation and MIRAIT Technologies Corporation, which are the core business companies of the Group, have expanded their respective businesses in areas such as telecommunications engineering business and the solutions business mainly for telecommunications carriers, and have made significant contributions to the enhancement of corporate value of the Group. However, due to rapid changes in the surrounding business environment, the Group is faced with the pressing issue of transforming its business structure in order to achieve further corporate growth in future. Specifically, this would involve (1) making growth areas such as the solutions business and new areas (frontier business) into core businesses, (2) making the telecommunications engineering business more profitable, and (3) strengthening the management base.

Based on these conditions, the Group will accelerate the transformation of the business structure through the Merger in order to reduce costs further increase earning capacity by further increasing the speed of decision-making within the Group, improving the efficiency of the management system and concentrating management resources, with the aim of continuing to be a Group that is trusted to create and protect the social infrastructure of the future (telecommunications and energy).

2. Summary of the Merger

(1) Schedule of the Merger

The Group aims to conclude the Merger early in FY2022.

(2) Format of the Merger

The Merger will be considered under the assumption that it will be an absorption-type merger with the Company as the surviving company.

(3) Other

- (i) It is a merger with MIRAIT Corporation and MIRAIT Technologies Corporation, which are wholly-owned subsidiaries of the Company, and will not involve the issuance of new shares of exchange of cash, etc.
- (ii) Changes to the Company's trade name and businesses associated with the Merger require an amendment of the articles of incorporation, which will require a separate resolution by the general meeting of shareholders.

3. Future outlook

Efforts will be made to quickly form one team for growth areas such as the solutions business and new areas (frontier business), and also to thoroughly improve the efficiency and maximize the profit of the telecommunications engineering business, but the specific details will be considered once the necessary projects have been launched in future.

At the present time, the impact of such efforts on the results for the current fiscal year are minor, and notification will be provided once the details have been finalized.

End

(Reference)

Overview of the companies subject to the merger (As of March 31, 2020)

	Company surviving absorption-type merger	Company absorbed in absorption-type merger	Company absorbed in absorption-type merger
(1) Name	MIRAIT Holdings Corporation	MIRAIT Corporation	MIRAIT Technologies Corporation
(2) Address	5-6-36 Toyosu, Koto-ku, Tokyo	5-6-36 Toyosu, Koto-ku, Tokyo	3-3-15 Edobori, Nishi-ku, Osaka-shi, Osaka
(3) Name and title of representative	Toshiki Nakayama, President and Chief Executive Officer	Toshiki Nakayama, President and Chief Executive Officer	Yasushi Totake, President
(4) Business description	Telecommunications engineering work, electrical work, civil engineering work and building construction work; management of subsidiaries and Group companies	Telecommunications engineering work, electrical work, civil engineering work and building construction work	Telecommunications engineering work, electrical work, civil engineering work and building construction work
(5) Amount of share capital	7,000 million yen	5,610 million yen	3,804 million yen
(6) Date established	October 1, 2010	December 21, 1944	June 15, 1960
(7) Number of shares outstanding	108,325,329 shares	41,112,324 shares	44,915,329 shares
(8) Fiscal year end	March	March	March
(9) Employees	(Non-consolidated) 100	(Non-consolidated) 2,716	(Non-consolidated) 1,217
(10) Major shareholders and shareholding ratio	Japan Trustee Services Bank Ltd. (Trust Account) (*1) 10.13% Sumitomo Electric Industries, Ltd. 8.87% The Master Trust Bank of Japan, Ltd. (Trust Account) 6.82%	MIRAIT Holdings Corporation 100%	MIRAIT Holdings Corporation 100%
(11) Operating results and financial condition for the most recent fiscal year (fiscal year ended March 31, 2020)			
Consolidated net assets	218,710	105,547	53,334
Consolidated total assets	352,134	160,846	112,189
Consolidated net assets per share (yen)	2,006.42	2,567.30	1,145.13
Consolidated net sales	441,166	210,694	125,779
Consolidated operating income	21,993	12,607	3,966
Consolidated ordinary income	23,207	13,386	3,792
Net income attributable to owners of parent	15,220	8,643	2,167
Consolidated net income per share (yen)	149.93	210.24	48.26

(units: millions of yen, unless otherwise noted)

(*1) Japan Trustee Services Bank Ltd. merged with JTC Holdings, Ltd. and Trust & Custody Services Bank, Ltd. on July 27, 2020, and is currently Custody Bank of Japan, Ltd.

End