

November 27, 2023

Company name: UT Group Co., Ltd.
Representative: Yoichi Wakayama, President,
Representative Director & CEO
(Securities code: 2146, TSE Prime Market)
For inquiries: Takahito Yamada, Executive Officer
and Division Manager,
General Affairs Division
TEL: +81-3-5447-1710

Notice Regarding Acquisition of Shares (Conversion into Subsidiary) of BeNEXT Partners Inc., Change in a Consolidated Subsidiary (Share Transfer)

The Board of Directors' meeting of UT Group Co., Ltd., held today, resolved that 1) UT Group will acquire all outstanding shares of BeNEXT Partners Inc., a consolidated subsidiary of Open Up Group Inc. and make it a subsidiary ("Share Acquisition"), and 2) UT Group will sell all shares of its consolidated subsidiaries UT Technology Co., Ltd. and UT Construction Co., Ltd. to Open Up Group Inc. ("Share Transfer"). A share transfer agreement was concluded today as follows. As a result of the Share Transfer, UT Technology and UT Construction will be excluded from the scope of consolidation of UT Group.

I. Reason for Share Acquisition (conversion into subsidiary) and Share Transfer

With the target of "Creating a 'diversity & inclusion' workstyle platform" set forth in the Fourth Medium-term Business Plan, UT Group has been promoting further expansion of its market share in all processes in client factories by training and strengthening semiconductor manufacturing equipment engineers in its core business area of worker dispatch for major manufacturers. We are also working to further strengthen and expand the business foundation of the Group by establishing a stable employment environment in local workplaces through business alliances and M&As of leading dispatch companies in various areas.

The Japanese labor market is expected to see a rapid decline in the working-age population. In order to compensate for the decline in the working-age population, it is said that it is essential to create an environment in which workers can fully demonstrate their skills and create opportunities for diverse human resources to play an active role. In addition, manufacturing industries will find it more difficult to secure or develop sufficient human resources.

Under these circumstances, as a leading company in manufacturing dispatch, we have been building a business foundation with the aim of being a company chosen by workers. Currently, UT Group provides human resources services in multiple business segments, and while reviewing the optimization of the Group's business portfolio and the optimal allocation of management resources, we have been engaged in discussions

with Open Up Group.

As a subsidiary of Open Up Group in the manufacturing dispatch sector, BeNEXT Partners, which we will acquire at this time, operates business in 25 locations nationwide and employs approximately 2,800 persons. Its strength is ability to secure employment in various sectors and job types of the manufacturing industry, and to match job seekers and employees from all over the country with their workplace, placing the highest priority on their wishes and preferences. Open Up Group, which is the counterparty to the Share Acquisition and Share Transfer, is a corporate entity established through management integration of the former BeNEXT Group (a major engineer dispatch company) and the former Yumeshin Holdings Co., Ltd. (a major construction engineer dispatch company) in April 2021. Open Up Group has an overwhelming advantage in the electromechanical and IT sector and the construction sector, and has a wealth of know-how and business foundation. The company, which is also well known for its capability in re-skilling, has achieved strong growth in the engineer dispatch industry by supporting inexperienced workers to become engineers and engineers to raise their skills.

UT Technology and UT Construction both belong to the Engineering Business Segment of UT Group, and provide engineer dispatch and outsourcing services in the electromechanical and IT sector and the construction sector, respectively. Under the Fourth Medium-Term Business Plan, the Engineering Business has been positioned as a segment in which we will build a business foundation with a long-term perspective, in addition to achieving growth driven by the core business of worker dispatch for major manufacturers. Under the theme of “cultivating the field of high-skill engineers,” we have been seeking to build a business foundation by strengthening functions through alliances with leading companies and M&As of engineer dispatch companies.

To sum up, UT Group has decided to execute the transaction as stated above for the purpose of prioritizing the allocation of management resources to its core business of manufacturing worker dispatch. With regard to BeNEXT Partners, we will utilize the business foundation of its nationwide network and share our strengths in the know-how of area-based hiring and human resource development, to achieve their further growth. Concerning UT Technology and UT Construction, we have concluded that, in order to accelerate their medium-to long-term growth, collaboration with Open Up Group's companies will further refine their capability to recruit and develop engineers and lead them to provide higher value-added services than ever before.

Going forward, UT Group will build a solid business foundation as a career platform company that can respond to the desires and interests of more and more workers, and will contribute to resolving major social issues such as the rapid decline in the working-age population envisaged in the medium term and structural changes in human resource utilization in the manufacturing industry. In addition, we will establish a solid position as a leading company in manufacturing dispatch and realize high growth over the medium to long term.

II. Share Acquisition (conversion into subsidiary)

1. Outline of a company (BeNEXT Partners Inc.) to be converted into a subsidiary

(1) Name	BeNEXT Partners Inc.		
(2) Address	2-14-1 Higashi-Shinbashi, Minato-ku, Tokyo		
(3) Name and title of the representative	Seiki Haruta, President and Representative Director		
(4) Business	Outsourcing and worker dispatch businesses related to general manufacturing operations		
(5) Capital	235 million yen		
(6) Established	January 15, 2009		
(7) Major shareholder and ownership percentage	Open Up Group Inc.		100.0%
(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 year	Fiscal year ended June 2021	Fiscal year ended June 2022	Fiscal year ended June 2023
Net assets	803 million yen	1,136 million yen	1,399 million yen
Total assets	1,968 million yen	2,370 million yen	2,756 million yen
BPS	87,316 yen	123,513 yen	152,157 yen
Net sales	8,662 million yen	9,682 million yen	10,997 million yen
Operating profit	550 million yen	547 million yen	588 million yen
Ordinary profit	470 million yen	454 million yen	388 million yen
Net profit	320 million yen	333 million yen	263 million yen
EPS	34,868 yen	36,237 yen	28,610 yen

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

(1) Name	Open Up Group Inc.	
(2) Address	2-14-1 Higashi-Shinbashi, Minato-ku, Tokyo	
(3) Name and title of the representative	Yutaka Nishida, Chairman and Representative Director, CEO	
(4) Business	Control and management of business activities by group companies, engaged in the worker dispatch business, etc.	
(5) Capital	4,695 million yen (June 30, 2023)	
(6) Established	August 6, 1997	
(7) Net assets (non-consolidated)	87,722 million yen	
(8) Total Assets (non-consolidated)	106,144 million yen	
(9) Major shareholder and ownership percentage (June 30, 2023)	The Master Trust Bank of Japan, Ltd. (Trust Account)	10.6%
	Hayao Nakayama	9.7%
(10) Relationships between UT Group and the company	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Not applicable

3. Number of shares to acquire, the purchase price, and shareholding before and after the acquisition

(1) Number of shares held before the transfer	— shares (Voting rights ownership: —%)	
(2) Number of shares to acquire	9,200 shares (Voting rights ownership: 100.0%)	
(3) Purchase price	Common stock of BeNEXT Partners, Inc.	3,185 million yen
	Advisory costs, etc. (approximate sum for the acquisition and transfer)	16 million yen
(4) Number of shares to be held after the transfer	9,200 shares (Voting rights ownership: 100.0%)	

4. Date

(1) Date of resolution of the Board of Directors meeting	November 27, 2023
(2) Date of signing contract for share transfer	November 27, 2023
(3) Execution date of share transfer	April 1, 2024 (plan)

III. Share Transfer

1. Outline of the subsidiaries to be transferred

1) UT Technology

(1) Name	UT Technology Co., Ltd.		
(2) Address	1-11-15 Higashi-Gotanda, Shinagawa-ku, Tokyo		
(3) Name and title of the representative	Reiko Nunomura, President and Representative Director		
(4) Business	On-site outsourced work in technology development, contracted development work, etc.		
(5) Capital	45 million yen		
(6) Established	September 30, 2005		
(7) Major shareholder and ownership percentage	UT Group Co., Ltd.		100.0%
(8) Relationships between UT Group and the company	Capital relationship	The company is a consolidated subsidiary in which UT Group owns 100.0% of its shares.	
	Personnel relationship	UT Group's certain directors and executive officers serve as directors or officers of the company, and UT Group's employee serves as auditor of the company. In addition, some other employees of UT Group are seconded to the company.	
	Business relationship	UT Group receives management guidance fees, commission fees, and dividends from the company. UT Group and the company also have transactions, including borrowing of funds.	
(9) Operating performance and financial condition in the last three fiscal years			
Fiscal year	Fiscal year ended March 2021	Fiscal year ended March 2022	Fiscal year ended March 2023
Net assets	469 million yen	448 million yen	564 million yen
Total assets	1,916 million yen	981 million yen	1,277 million yen
BPS	551,749 yen	526,517 yen	663,534 yen
Net sales	3,873 million yen	3,010 million yen	3,772 million yen
Operating profit	366 million yen	223 million yen	392 million yen
Ordinary profit	365 million yen	229 million yen	391 million yen
Net profit	208 million yen	148 million yen	259 million yen
EPS	244,815 yen	174,533 yen	305,054 yen

2) UT Construction

(1) Name	UT Construction Co., Ltd.
----------	---------------------------

(2) Address	1-11-15 Higashi-Gotanda, Shinagawa-ku, Tokyo		
(3) Name and title of the representative	Hiroshi Hokari, President and Representative Director		
(4) Business	Construction engineer dispatch business, and fee-charging employment placement business		
(5) Capital	40 million yen		
(6) Established	April 17, 2012		
(7) Major shareholder and ownership percentage	UT Group Co., Ltd.		100.0%
(8) Relationships between UT Group and the company	Capital relationship	The company is a consolidated subsidiary in which UT Group owns 100.0% of its shares.	
	Personnel relationship	UT Group's certain directors and executive officers serve as directors or officers of the company, and UT Group's employee serves as auditor of the company. In addition, some other employees of UT Group are seconded to the company.	
	Business relationship	UT Group receives management guidance fees, commission fees, and dividends from the company. UT Group and the company also have transactions, including borrowing of funds.	
(9) Operating performance and financial condition in the last three fiscal years			
Fiscal year	Fiscal year ended March 2021	Fiscal year ended March 2022	Fiscal year ended March 2023
Net assets	401 million yen	314 million yen	490 million yen
Total assets	1,247 million yen	1,097 million yen	1,306 million yen
BPS	501,737 yen	392,688 yen	612,690 yen
Net sales	4,583 million yen	4,922 million yen	5,263 million yen
Operating profit	440 million yen	301 million yen	536 million yen
Ordinary profit	442 million yen	304 million yen	535 million yen
Net profit	290 million yen	202 million yen	350 million yen
EPS	363,548 yen	253,451 yen	437,502 yen

2. Outline of a party to whom shares will be transferred

(1) Name	Open Up Group Inc.
(2) Address	2-14-1 Higashi-Shinbashi, Minato-ku, Tokyo
(3) Name and title of the representative	Yutaka Nishida, Chairman and Representative Director, CEO
(4) Business	Control and management of business activities by group companies,

	engaged in the worker dispatch business, etc.	
(5) Capital	4,695 million yen (June 30, 2023)	
(6) Established	August 6, 1997	
(7) Net assets (non-consolidated)	87,722 million yen	
(8) Total Assets (non-consolidated)	106,144 million yen	
(9) Major shareholder and ownership percentage (June 30, 2023)	The Master Trust Bank of Japan, Ltd. (Trust Account)	10.6%
	Hayao Nakayama	9.7%
(10) Relationships between UT Group and the company	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Not applicable

3. Number of shares to be transferred, transfer price, and status of shares held before and after transfer

1) UT Technology

(1) Number of shares held before the transfer	851 shares (Voting rights ownership: 100.0%)	
(2) Number of shares to be transferred	851 shares (Voting rights ownership: 100.0%)	
(3) Transfer price	Common stock of UT Technology Co., Ltd. Advisory costs, etc. (approximate sum for the acquisition and transfer)	2,371 million yen 16 million yen
(4) Number of shares held after the transfer	0 shares (Voting rights ownership: 0.0%)	

2) UT Construction

(1) Number of shares held before the transfer	800 shares (Voting rights ownership: 100.0%)	
(2) Number of shares to be transferred	800 shares (Voting rights ownership: 100.0%)	
(3) Transfer price	Common stock of UT Construction Co., Ltd. Advisory costs, etc. (approximate sum for the acquisition and transfer)	5,000 million yen 16 million yen
(4) Number of shares held after the transfer	0 shares (Voting rights ownership: 0.0%)	

4. Date

(1) Date of resolution of the Board of Directors meeting	November 27, 2023
(2) Date of signing contract for share transfer	November 27, 2023
(3) Execution date of share transfer	April 1, 2024 (plan)

IV. Future prospects

The impact of these transactions on the consolidated financial results for FY3/2024 is expected to be insignificant. As a result of these transactions, a certain amount of extraordinary income (sale of shares in subsidiaries and affiliates) is expected to be recorded in FY3/2025. The impact of the transactions, including the extraordinary income, on UT Group's financial results earnings are currently being assessed and will be disclosed as soon as it is determined.

End