

November 7, 2019

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 JASDAQ)  
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### **Notice Regarding Acquisition of Shares (Conversion into Wholly-owned Subsidiaries) of Three Toshiba Group Companies Engaged in Personnel Dispatch and Other Businesses by UT Group**

At the Board of Directors' meeting of UT Group Co., Ltd. held today, a resolution was made that UT Group acquires all shares of TBLS Service Business Corporation and Toshiba Information System Products Incorporated, and 80% shares of Toshiba Office Mate Co., Ltd. and converts them into wholly-owned subsidiaries of UT Group. All three companies are group companies of Toshiba Corporation.

Concerning TBLS Service Business Corporation, the personnel dispatch and some general affairs service businesses which are conducted by its parent company Toshiba Business & Life Service Corporation, will be succeeded by TBLS Service Business Corporation, by means of simplified absorption-type company split, with an effective date of April 1, 2020. UT Group will subsequently acquire all outstanding shares of TBLS Service Business Corporation on the same day.

#### **1. Purpose of the acquisition of shares**

Under the mission "Creating vigorous workplaces empowering workers", UT Group has been employing workers as regular infinite-term employees since founding of the company. By providing personnel dispatching services to manufacturing plants and of engineers in design and development, IT, and construction sectors, we provide opportunities to all people with willingness to work for their advancement in skills and career through their own work. At the same time, we aim at contributing to client companies becoming more competitive.

Concerning services to large corporate groups, we provide not only personnel dispatch service but also comprehensive solutions in the utilization of human resources, which includes outsourced work and personnel development. In particular, by using our "In-house Solution Service", in which workers, including client companies' employees, transfer to UT Group and their work are also transferred to UT Group, we have

so far received about 2,400 employees of 11 client companies. We have maintained their employment and continuity in career, and have contributed to client companies in enhancing competitiveness.

Pursuant to our commitment to “facilitating the healthy birth of the next workstyle platform” as stated in our long-term management vision “UT Vision 2030”, UT Group also strives to create workplaces where diverse people, including women, elderly, and foreigners, can work at ease. This will be an extension from our current portfolio of workplaces which are mainly comprised of young male employees.

Toshiba Corporation, on the other hand, has set a goal of improving profitability through restructuring, as one of its major strategies in a medium-term management plan “Toshiba Next Plan”, which aims at securing profitability and growing with technology. We believe that supporting the Toshiba Group’s structural reform will further enhance our relationship with them and that maintaining employment and career continuity of their workers will contribute to raising our corporate value. We have therefore decided to acquire shares of the three subsidiaries of the Toshiba Group.

The three companies whose shares we will acquire are engaged in the personnel dispatch and general affairs services for offices and other back office operations of the Toshiba Group. From the next fiscal year when they will become subsidiaries of UT Group, we intend to enhance the function of post-retirement re-employment of employees of the Toshiba Group. By acquiring these companies, we intend to build an environment where women and elder workers are empowered, and to expand our business domains as set in our long-term management vision “UT VISION 2030”.

In UT Group’s Solution Business, we have identified the support to structural reform of large corporate groups as one of our important strategies. We aim at raising sustainable corporate value by contributing to enhancing competitiveness of client companies while maintaining employment of their workers and continuity of their career.

## 2. Outline of companies to be converted into subsidiaries

### 1) Outline of TBLS Service Business Corporation

(1)	Name	TBLS Service Business Corporation
(2)	Address	7-1 Nisshin-Cho, Kawasaki-ku, Kawasaki-shi, Kanagawa, Japan
(3)	Name and title of the representative	Fumiaki Ushio, President & CEO
(4)	Business	Personnel dispatch and general affairs service businesses
(5)	Capital	20 million yen
(6)	Established	April 3, 2006

(7)	Major shareholders and ownership percentage	Toshiba Business & Life Service Corporation 400 shares (100.0%)		
(8)	Relationship between the listed company and this company	Capital relationship	No particular capital relationship to mention	
		Personnel relationship	No particular personnel relationship to mention	
		Business relationship	No particular business relationship to mention	
(9)	Operating results and financial status of the company over the last three years (million yen)			
Accounting period		Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net assets (equity)		191	50	89
Total assets		475	364	154
BPS (yen)		477,037.49	124,164.26	223,416.52
Sales		918	1,050	464
Operating income		213	-39	27
Recurring profit		252	40	67
Net income		166	25	45
EPS (yen)		414,537.60	61,663.77	111,292.26
Dividend per share (yen)		48,463	414,537	12,040

## 2) Outline of Toshiba Information System Products Incorporated

(1)	Name	Toshiba Information System Products Incorporated		
(2)	Address	1-53 Nisshin-Cho, Kawasaki-ku, Kawasaki-shi, Kanagawa, Japan		
(3)	Name and title of representative	Hideji Goro, President & CEO		
(4)	Business	Purchasing agency services and sales of office supplies		
(5)	Capital	50 million yen		
(6)	Established	June 7, 2002		
(7)	Major shareholders and ownership percentage	Toshiba Information Systems Corporation 1,000 shares (100.0%)		
(8)	Relationship between the listed company and this company	Capital relationship	No particular capital relationship to mention	
		Personnel relationship	No particular personnel relationship to mention	

	Business relationship	No particular business relationship to mention	
(9) Operating results and financial status of the company over the last three years (million yen)			
Accounting period	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net assets (equity)	156	140	123
Total assets	2,613	2,669	2,697
BPS (yen)	155,705.55	139,894.76	123,202.95
Sales	6,773	6,993	6,929
Operating income	107	57	58
Recurring profit	118	91	69
Net income	74	58	41
EPS (yen)	73,869.96	58,059.11	41,367.29
Dividend per share (yen)	101,777.00	73,869.90	58,059.10

### 3) Outline of Toshiba Office Mate Co., Ltd.

(1)	Name	Toshiba Office Mate Co., Ltd.		
(2)	Address	1-53 Nisshin-Cho, Kawasaki-ku, Kawasaki-shi, Kanagawa, Japan		
(3)	Name and title of the representative	Shigeru Osada, President & CEO		
(4)	Business	Personnel dispatch, and printing and information processing service businesses		
(5)	Capital	90 million yen		
(6)	Established	March 13, 1986		
(7)	Major shareholders and ownership percentage	Toshiba Information Systems Corporation 1,800 shares (100.0%)		
(8)	Relationship between the listed company and this company	Capital relationship	No particular capital relationship to mention	
		Personnel relationship	No particular personnel relationship to mention	
		Business relationship	No particular business relationship to mention	
(9)	Operating results and financial status of the company over the last three years (million yen)			
Accounting period		Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net assets (equity)		158	144	130

Total assets	626	624	589
BPS (yen)	87,850.53	80,219.60	71,950.17
Sales	2,321	2,273	2,191
Operating income	53	20	11
Recurring profit	56	26	13
Net income	32	18	3
EPS (yen)	17,608.16	9,977.17	1,707.67
Dividend per share (yen)	160,13.80	17,608.10	9,977.10

### 3. Outline of the party from which UT Group will acquire shares

#### 1) Outline of the party from which UT Group will acquire shares of TBL Service Business Corporation

(1)	Name	Toshiba Corporation <sup>1</sup>	
(2)	Address	1-1 Shibaura 1-chome, Minato-ku, Tokyo, Japan	
(3)	Name and title of the representative	Nobuaki Kurumatani, Representative Executive Officer, Chairman & CEO	
(4)	Business	Business operation by group companies in the following domains: Energy Systems & solutions; Infrastructure Systems & Solutions, Building Solutions, Retail & Printing Solutions, Electronic Devices & Storage Solutions and Digital Solutions	
(5)	Capital	200,044 million yen	
(6)	Established	June 25, 1904	
(7)	Net assets (equity)	1,699,045 million yen (consolidated; as of March 31, 2019)	
(8)	Total assets	4,297,344 million yen (consolidated; as of March 31, 2019)	
(9)	Major shareholders and ownership percentage	Goldman, Sachs & Co. Reg 10.11% SMP Partners (Cayman) Limited as Trustee of ECM Master Fund 5.91% Goldman Sachs International 4.07% Chinook Holdings Ltd. 3.92% King Street Capital Master Fund, Ltd. 2.53% (as of March 31, 2019)	
(10)	Relationship between the listed company and this company	Capital relationship	No particular capital relationship to mention
		Personnel relationship	No particular personnel relationship to mention
		Business relationship	No particular business relationship to mention
		Related party or not	No particular related party to mention

1: All shares of TBLS Service Business Corporation is held by Toshiba Business & Life Service Corporation as of November 7, 2019, but will be acquired by Toshiba Corporation before the execution date of share transfer. UT Group will therefore acquire the shares from Toshiba Corporation.

2) Outline of the party from which UT Group will acquire shares of Toshiba Information System Products Incorporated and Toshiba Office Mate Co., Ltd.

(1)	Name	Toshiba Information Systems Corporation	
(2)	Address	1-53 Nisshin-Cho, Kawasaki-ku, Kawasaki-shi, Kanagawa, Japan	
(3)	Name and title of the representative	Kazumasa Watanabe, President & CEO	
(4)	Business	Embedded system solutions; LSI solutions, and SI solutions	
(5)	Capital	1,239 million yen	
(6)	Established	August 21, 1962	
(7)	Net assets	5,427 million yen	
(8)	Total assets	21,533 million yen	
(9)	Major shareholders and ownership percentage	Toshiba Digital Solutions Corporation 71.4%; Toshiba Electronic Devices & Storage Corporation 8.6%; and Denso Corporation 20.0%	
(10)	Relationship between the listed company and this company	Capital relationship	No particular capital relationship to mention
		Personnel relationship	No particular personnel relationship to mention
		Business relationship	No particular business relationship to mention
		Related party or not	No particular related party to mention

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

	TBLS Service Business Corporation	Toshiba Information System Products Incorporated	Toshiba Office Mate Co., Ltd.
(1) Number of shares held before the change	0 share (0% of the total share)	0 share (0% of the total share)	0 share (0% of the total share)

(2)	Number of shares to acquire	400 shares (100.0% of the total share)	1,000 shares (100.0% of the total share)	1,440 shares (80.0% of the total share)
(3)	Purchase price	850 million yen <sup>2</sup>		
(4)	Number of shares to hold after the change	400 shares (100.0% of the total share)	1,000 shares (100.0% of the total share)	1,440 shares (80.0% of the total share) <sup>3</sup>

- 2: The purchase price stated above is calculated based on the financial figures of TBLS Service Business Corporation, Toshiba Information System Products Incorporated, and Toshiba Office Mate Co., Ltd. as well as the personnel dispatch and some general affairs service businesses of Toshiba Business & Life Service Corporation. The final purchase price will be determined based on the financial figures at the time of completion of transfer and may be adjusted afterwards.
- 3: The remaining 20% stake of Toshiba Office Mate Co., Ltd. will be acquired by Toshiba Corporation from Toshiba Information Systems Corporation, in order to smoothly carry out post-retirement re-employment of employees of the Toshiba Group.

## 5. Schedule

(1)	Date of resolution of the Board of Directors' meeting	November 7, 2019
(2)	Date of signing contract for share transfer	November 7, 2019
(3)	Execution date of share transfer	April 1, 2020 (plan)

## 6. Outlook

The impact of this matter to UT Group's consolidated financial results for the current fiscal year will be immaterial.

End