

January 31, 2020

Company name: UT Group Co., Ltd.
Representative: Yoichi Wakayama, President,
Representative Director & CEO
(Securities code number: 2146,
TSE 1st Section)
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Notice Regarding Acquisition of Shares (Conversion into Wholly-owned Subsidiary) of Support System Corporation by UT Group

At the Board of Directors' meeting of UT Group Co., Ltd. held today, a resolution was adopted that UT Group will acquire all the shares of Support System Corporation, with the exception of 550 treasury shares, and convert it into a wholly-owned subsidiary of UT Group.

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.

UT Group's Manufacturing Business Segment's main client base comprises Japan's major manufacturing industries and it has secured many workplaces with favorable work terms. However, there are cases where some employees are required to move, as their assigned workplace is different from the place where they are hired. On the other hand, we are positioning the development of a wide range of local workplaces as one of our important strategies, since some job seekers (or prospective employees) put priority on working locally rather than receiving better wages or other favorable employment terms.

Support System Corporation is engaged in the personnel dispatch business for manufacturing companies with its main base in the Kansai region but has been expanding into the Kanto region in recent years. In addition, the company has obtained ISO9001 (quality management) and ISO22000 (food safety management) certification and has earned a high degree of credibility from the food processing industry. Its strength therefore lies in providing high-quality services. The use of UT Group's hiring and personnel development infrastructure

is expected to enable Support System to provide even higher quality services to many of its clients in the Kansai and Kanto Regions.

We have therefore concluded that turning Support System into our subsidiary will contribute to further raising the corporate value of UT Group, and have decided to acquire its shares.

2. Outline of company to be converted into a subsidiary

(1)	Name	Support System Corporation		
(2)	Address	1-11-13 Higashi Tenma, Kita-ku, Osaka City, Osaka Prefecture		
(3)	Name and title of the representative	Akira Matsumoto, President and Representative Director		
(4)	Business	Worker dispatch business; fee-charging employment agency business; outsourcing business; and consulting business		
(5)	Capital	80 million yen		
(6)	Established	October 14, 1998		
(7)	Major shareholders and ownership percentage	Akira Matsumoto 1,450 shares (72.5%); treasury shares 550 shares (27.5%)		
(8)	Relationships between UT Group and Support System	Capital relationships	There are no particular capital relationships that should be disclosed between UT Group and Support System, nor between UT Group's related persons and companies and Support System's related persons and companies.	
		Personnel relationships	There are no particular personnel relationships that should be disclosed between UT Group and Support System, nor between UT Group's related persons and companies and Support System's related persons and companies.	
		Business relationships	There are no particular business relationships that should be disclosed between UT Group and Support System, nor between UT Group's related persons and companies and Support System's related persons and companies.	
(9) Operating results and financial status of the company over the last three years (million yen)				
Accounting period		Fiscal year ended September 30, 2017	Fiscal year ended September 30, 2018	Fiscal year ended September 30, 2019
Net assets (equity)		367	404	422
Total assets		721	779	802
BPS (yen)		183,597	202,287	211,294

Sales	3,197	3,439	3,508
Operating income	64	82	91
Recurring profit	64	82	91
Net income	44	57	59
EPS (yen)	22,244	28,559	29,814
Dividend per share (yen)	—	—	—

3. Outline of party (individual) from whom shares will be acquired

(1)	Name	Akira Matsumoto	
(2)	Address	Ashiya City, Hyogo Prefecture	
(3)	Relationships between UT Group and the related person	Capital relationships	Not applicable
		Personnel relationships	Not applicable
		Business relationships	Not applicable

4. 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	1,450 shares (Voting rights ownership: 100.0%)	
(3)	Purchase price	Common shares of Support System Corporation	1,100 million yen
		Advisory fees, etc. (approximate amount)	56 million yen
		Total (approximate amount)	1,156 million yen
(4)	Number of shares to hold after the change	1,450 shares (Voting rights ownership: 100.0%)	

*Before UT Group acquires shares of Support System, 500 treasury shares will be canceled.

5. Schedule

(1)	Date of resolution of the Board of Directors' meeting	January 31, 2020
(2)	Date of signing contract for share transfer	January 31, 2020
(3)	Execution date of share transfer	March 2, 2020 (plan)

6. Outlook

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

End