

August 30, 2021

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

The Board of Directors' meeting of UT Group Co., Ltd., held today, resolved that UT Group will acquire 51% of shares of Fujitsu FSAS Creative Inc. and make it a subsidiary as follows.

1. Reason for the share acquisition

At present, with the prolonged spread of the COVID-19 infections, the employment situation in Japan continues to pick up, particularly in the manufacturing industry, but on the whole it remains weak. Corporate activity is expected to be on a recovery trend, despite somewhat mixed by industries, supported by the resumption of capital spending mainly in the manufacturing industry, the growing demand for DX-related investment, and the response to new lifestyle with various activities being performed online or non-contact. Going forward, we anticipate that the supply and demand conditions of labor in Japan will be affected by the recovery of socio-economic activities and by agile, effective employment policies and that the way to use human resources will structurally change.

Under these circumstances, UT Group is implementing the Fourth Medium-Term Management Plan formulated in May 2020, which has the following three growth strategies: 1) "One-stop strategy for major manufacturers" to expand its share of personnel dispatch to the major manufacturing industries, which is the existing core business area; 2) "Area platform strategy" to enhance UT Group's local workplaces via alliances with and M&A of local dispatch operators; and 3) "Solution strategy" to support the mobilization of human resources, which is the HR issue specific to large companies.

Fujitsu FSAS Creative, which will be acquired at this time, has primarily Fujitsu Group companies, including Fujitsu Limited and Fujitsu FSAS INC., as its main clients. With approximately 1,200 employees, the company dispatches office staff and ICT-related engineers to various industries and business types, including banks, government agencies, and foreign-affiliated companies. It is also engaged in outsourced

operations of help desks and support desks concerning the operation of IT infrastructure, including internal mainframe systems. Fujitsu FSAS Creative thereby provides optimal human resources solutions that promptly respond to the business environment of its clients.

UT Group's Solution Business provides support for structural reform of major corporate groups, including mobilization of their human resources. Based on the long-cultivated relationship with the Fujitsu Group in manufacturing dispatch, UT Group acquired a 51% stake of Fujitsu Aprico Limited (renamed to Fujitsu UT Co., Ltd.) in 2018, and has been collaborating with the Fujitsu Group in the personnel dispatch business. The acquisition of shares of Fujitsu FSAS Creative will further strengthen the relationship with the Fujitsu Group. By combining the strengths and know-how of both companies, we, as a career platform company that meets the needs of more workers, will contribute to solving the major challenges of structural changes in human resource utilization, which are expected to progress significantly going forward.

2. Outline of a company to be converted into a subsidiary

(1)	Name	Fujitsu FSAS Creative Inc.	
(2)	Address	1-403, Kosugi-cho, Nakahara-ku, Kawasaki City, Kanagawa Prefecture	
(3)	Name and title of the representative	Nobuyuki Iidaka, President and Representative Director	
(4)	Business	Worker dispatch business Outsourced services, such as for operations system management and help desks	
(5)	Capital	100 million yen	
(6)	Established	June 19, 1996	
(7)	Major shareholder and ownership percentage	Fujitsu FSAS 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 March 2019	Fiscal year ended March 2020	Fiscal year ended March 2021
Net assets	595 million yen	709 million yen	742 million yen
Total assets	1,604 million yen	1,815 million yen	1,702 million yen
BPS	297,867.95 yen	354,711.40 yen	371,318.23 yen
Net sales	6,482 million yen	6,564 million yen	6,007 million yen
Operating profit	21 million yen	183 million yen	62 million yen
Ordinary profit	21 million yen	183 million yen	62 million yen
Net profit	11 million yen	113 million yen	33 million yen
EPS	5,516.78 yen	56,843.44 yen	16,606.84 yen

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

(1) Name	Fujitsu FSAS INC.	
(2) Address	13-2, Nakamaruko, Nakahara-ku, Kawasaki City, Kanagawa Prefecture	
(3) Name and title of the representative	Toshinori Kobayashi, President and Representative Director	
(4) Business	Planning and consulting, design and construction, installation and construction, implementation and deployment, operation and maintenance services for ICT infrastructure Sale of hardware, software, services, etc.	
(5) Capital	9.41 billion yen	
(6) Established	March 1, 1989	
(7) Major shareholder and ownership percentage	Fujitsu Limited (100.0%)	
(8) Relationships between UT Group and the company	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	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 the change	- Shares (Voting rights ownership: —%)	
(2)	Number of shares to acquire	1,020 shares (Voting rights ownership: 51.0%)	
(3)	Purchase price	Common stock of Fujitsu FSAS Creative Inc.	178 million yen
		Advisory costs, etc. (Approximate)	12 million yen
		Total (Approximate)	190 million yen
(4)	Number of shares to be held after the change	1,020 shares (Voting rights ownership: 51.0%)	

5. Date

(1)	Date of resolution of the Board of Directors meeting	August 30, 2021
(2)	Date of signing contract for share transfer	August 30, 2021
(3)	Execution date of share transfer	October 1, 2021 (scheduled)

6. Future prospects

The impact of this acquisition on UT Group's consolidated financial results for the current fiscal year will be immaterial. In the event of a matter that needs to be disclosed in the future, we will disclose it promptly.

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