

October 30, 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 Hitachi Ibaraki Technical Service by UT Group**

The Board of Directors' meeting of UT Group Co., Ltd., held today, resolved that UT Group will acquire 51% of outstanding shares of Hitachi Ibaraki Technical Service Ltd. and make it a subsidiary, as follows.

### **1. Reason for the share acquisition**

With the target of "Creating a 'diversity & inclusion' workstyle platform" set forth in the Fourth Medium-term Business Plan (FY3/2021-FY3/2025), UT Group has been promoting the following three growth strategies: 1) "One-stop strategy for major manufacturers"; 2) "Area platform strategy"; and 3) "Solution strategy." The Solution strategy aims at supporting the mobilization of human resources for major corporate groups, and so far, we have provided solutions to HR issues which are specific to major domestic electrical equipment manufacturers and other corporate groups.

As a manufacturing subsidiary of Hitachi, Ltd., Hitachi Ibaraki Technical Service, which will be acquired at this time, has outstanding know-how and reliable technology, and provides contracting services and worker dispatch services for design and manufacturing of electrical machinery and equipment and processed metal products. The company has approximately 650 employees and supports manufacturing by Hitachi, Ltd. and the Hitachi Group in the energy, industrial and mobility fields.

Since UT's acquisition of all shares of Mito Engineering Service Co., Ltd. (currently UT MESC Co., Ltd.) from the Hitachi Group in July 2020, the Hitachi Group and the UT Group have deepened their cooperation. The strengths and know-how of both groups will be further integrated with the newly announced acquisition of shares, while UT will closely follow the changing needs of clients with the changing times, and aim to pursue new service value.

As a career platform company that can respond to the desires and interests of more and more workers, UT will continue to contribute to the resolution of major social issues such as structural changes in human resource utilization, as needed at the present time and as envisioned over the medium term.

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

(1) Name	Hitachi Ibaraki Technical Service Ltd.		
(2) Address	1-1-1 Kokubu-cho, Hitachi-shi, Ibaraki Prefecture		
(3) Name and title of the representative	Takashi Hara, President Director		
(4) Business	Outsourcing services and worker dispatch business for design and manufacturing of electrical machinery and equipment, metal processing products, etc.		
(5) Capital	100 million yen		
(6) Established	February 1, 1996		
(7) Major shareholder and ownership percentage	Hitachi, Ltd.	74.5%	
	Hitachi Power Solutions Co., Ltd.	25.5%	
(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 2021	Fiscal year ended March 2022	Fiscal year ended March 2023
Net assets	1,023 million yen	1,044 million yen	1,030 million yen
Total assets	2,224 million yen	2,291 million yen	2,241 million yen
BPS	165,430 yen	168,812 yen	166,562 yen
Net sales	4,790 million yen	4,559 million yen	4,349 million yen
Operating profit	192 million yen	194 million yen	149 million yen
Ordinary profit	189 million yen	196 million yen	153 million yen
Net profit	90 million yen	111 million yen	97 million yen

EPS	14,609 yen	17,992 yen	15,741 yen
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### 3. Outline of a party from whom shares will be acquired

(1) Name	Hitachi, Ltd.		
(2) Address	1-6-6 Marunouchi, Chiyoda-ku, Tokyo		
(3) Name and title of the representative	Keiji Kojima, Director, Representative Executive Officer, President & CEO		
(4) Business	Development, production, sales and services provision of products related to Digital Systems & Services, Green Energy & Mobility, Connective Industries and others		
(5) Capital	462,817 million yen (March 31, 2023)		
(6) Established	February 1, 1920		
(7) Major shareholder and ownership percentage (as of March 31, 2023)	The Master Trust Bank of Japan, Ltd. (trust account)		18.20%
	Custody Bank of Japan, Ltd. (trust account)		6.67%
(8) Relationships between UT Group and the company	Capital relationship	Not applicable	
	Personnel relationship	Not applicable	
	Business relationship	The company has business transactions such as dispatching and contracting with UT Group's subsidiaries.	

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

(1) Number of shares held before the change	— shares (Voting rights ownership: —%)		
(2) Number of shares to acquire	3,156 shares (Voting rights ownership: 51.0%)		
(3) Purchase price	Common stock of Hitachi Ibaraki Technical Service Ltd. Undisclosed* Advisory costs, etc. (approximate)		22 million yen
(4) Number of shares to be held after the change	3,156 shares (Voting rights ownership: 51.0%)		

\* The purchase price was not disclosed in consultation with the counterparty, but was determined in consideration of due diligence and price calculation by a third-party organization.

#### (Reference)

#### Shareholding ratios of the subsidiary before and after the transfer (conversion into subsidiary)

(1) Shareholding ratios before the transfer	Hitachi, Ltd.	74.5%
	Hitachi Power Solutions Co., Ltd.	25.5%

(2) Shareholding ratios after the transfer	UT Group Co., Ltd.	51.0%
	Hitachi, Ltd.	23.5%
	Hitachi Power Solutions Co., Ltd.	25.5%

## 5. Date

(1) Date of resolution of the Board of Directors meeting	October 30, 2023
(2) Date of signing contract for share transfer	October 30, 2023
(3) Execution date of share transfer	March 1, 2024 (plan)

## 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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