

PRESS RELEASE

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Notice on Acquisition of Shares of Shanghai Changling Communication Equipment Co., Ltd (Conversion into Subsidiary)

In a meeting of the Board of Directors held today, MIRAIT Holdings Corporation (“the Company”) resolved to acquire 50.1% of the issued shares of Shanghai Changling Communication Equipment Co., Ltd through the Company’s consolidated subsidiary Lantrovision (S) Ltd (head office: Ayer Rajah Crescent Singapore 139939, Managing Director CHAN THYE YUAN, “Lantrovision”).

1. Purpose of the acquisition

The MIRAIT Group is expanding the scope of its business into the ICT solution business and the environmental & social innovation business, in addition to expanding globally with the aim of becoming a Comprehensive Engineering & Service Company based on technology for creating information and communications infrastructure.

Lantrovision, which is at the core of the Group’s global business, has conducted business in 13 countries and 28 cities throughout Asia, including Singapore and China, centered on LAN cabling design, implementation, maintenance and consulting operations.

At present, countries are competing to establish infrastructure using the next generation standard of 5G, and the government is leading a strong push for its establishment in China. Against this backdrop, in order to promote and improve the efficiency of capital expenditures, telecommunications carriers are sharing of telecommunications towers that account for much of their capex. Changling, whose shares were acquired by Lantrovision to make it a subsidiary, already has abundant accomplishments in the construction of telecommunications towers and sharing services mainly in Shanghai, China, and is expected to achieve stable business revenue and expansion of business by capturing this 5G-related demand.

The Group aims to expand the medium- to long-term business domains and revenue in its global business by establishing a system for communication cabling in data centers, etc. that is Lantrovision’s principal business, in addition to the provision of services for the establishment of infrastructure for telecommunications carriers.

2. Overview of subsidiary acquiring the shares (Lantrovision (S) Ltd)

(1)	Name	Lantrovision (S) Ltd
(2)	Address	8 Ayer Rajah Crescent, Singapore 139939
(3)	Name and title of representative	CHAN THYE YUAN, Managing Director
(4)	Details of business	Design, implementation, maintenance, consulting and sale of equipment for LAN cabling,
(5)	Paid-in capital	SGD 59 million (JPY 4,720 million)

3. Overview of the subsidiary being transferred (Shanghai Changling Communication Equipment Co., Ltd)

(1)	Name	Shanghai Changling Communication Equipment Co., Ltd		
(2)	Address	No. 1175 Tongpu Road, Putuo District, Shanghai		
(3)	Name and title of representative	Mr. Jiang Yabin, President and General Manager		
(4)	Details of business	Telecommunications tower construction and sharing services		
(5)	Paid-in capital	RMB 30 million (JPY 453 million)		
(6)	Date established	March 27, 2006		
(7)	Major shareholders and shareholding ratio	We will refrain from disclosure due to the conclusion of confidentiality agreements with the existing shareholders		
(8)	Relationships between the Listed Company and the Acquired Company	Capital relationships	There are no notable capital relationships between the Company and the Acquired Company. Furthermore, there are no noteworthy capital relationships between the personnel or affiliates of the Company and the personnel or affiliates of the Acquired Company.	
		Personal relationships	There are no notable personal relationships between the Company and the Acquired Company. Furthermore, there are no noteworthy personal relationships between the personnel or affiliates of the Company and the personnel or affiliates of the Acquired Company.	
		Business relationships	There are no notable business relationships between the Company and the Acquired Company. Furthermore, there are no business noteworthy relationships between the personnel or affiliates of the Company and the personnel or affiliates of the Acquired Company.	
(9)	Management performance of the Acquired Company over the past three years (Units: JPY million)			
	Fiscal year	Fiscal year ended December 31, 2017	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019
	Net assets	45	2	- 37
	Total assets	278	17	13
	Net sales	332	4	-
	Operating income	106	- 42	- 40
	Net income	107	- 42	- 40
<p>The Acquired Company changed its business format from specializing in tower construction to a tower construction and sharing business.</p> <p>For this reason, there was no revenue from sharing in fiscal 2019 and liabilities exceeded assets, but it recorded revenue from sharing in fiscal 2020 after being designated as a certified business operator by a major Chinese telecommunications carrier.</p>				

4. Overview of the other parties to the acquisition of shares

We will refrain from disclosure because Lantrovision has an obligation of confidentiality to the relevant shareholders.

5. Number of shares acquired, acquisition price and state of shares held before and after acquisition

(1)	Stake held before change	Ownership ratio: 17.3%
(2)	Acquired stake	Acquisition ratio: 32.8%
(3)	Acquisition price	The acquisition price is not public, but it was determined based on share value calculation report, etc. obtained from a third-party organization to ensure fairness and appropriateness.
(4)	Stake held after change	Ownership ratio: 50.1%

6. Schedule

(1)	Meeting of the Board of Directors	May 22, 2020
(2)	Effective date	July 1, 2020 (scheduled)

7. Future outlook

The impact of acquisition on the Company's consolidated results will be minor.

End

* The exchange rate used for the Chinese yuan and Japanese yen in this document is RMB1:JPY15.10.