



(Translation)



February 10, 2022

Company name: MIRAIT Holdings Corporation
Representative: Toshiki Nakayama, President and CEO
(TSE 1st Section Code No. 1417)
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Notice Concerning Conclusion of Merger Agreement with Consolidated Subsidiaries

MIRAIT Holdings Corporation (“the Company”) has concluded a merger agreement based on a resolution passed in the meeting of the Board of Directors held on February 10, 2022 concerning an absorption-type merger (“the Merger”) with the Company as the surviving company and the Company’s wholly owned subsidiaries MIRAIT Corporation and MIRAIT Technologies Corporation as the defunct companies as stated in the “Notice Concerning Commencement of Consideration and Preparations Aimed at Merger with Consolidated Subsidiaries” dated November 18, 2020.

Some disclosures have been omitted because it is a simple merger of wholly-owned consolidated subsidiaries of the Company.

Furthermore, the reorganization announced in the “Notice Concerning Reorganization of System Integration Business” today will be implemented before the merger.

1. Purpose of the Merger

MIRAIT Corporation and MIRAIT Technologies Corporation, which are the core business companies of the Group, have expanded their respective businesses in areas such as information and telecommunications engineering business for telecommunications carriers and the solutions business mainly, and have made significant contributions to the enhancement of corporate value of the Group. However, due to rapid changes in the surrounding business environment, the Group is faced with the pressing issue of accelerating the transformation of its business structure in order to achieve further corporate growth in future.

Based on these conditions, through the Merger, the Group will reduce costs further increase earning capacity by further increasing the speed of decision-making within the Group, improving the efficiency of the management system and concentrating management resources.

Furthermore, as specific initiatives going forward, by implementing five business reforms (5 Changes) that make up the Group’s new growth strategy(*1) focused on (i) People-centric management, (ii) Acceleration of business growth, (iii) Top- class profitability, (iv) Management based on data insight and (v) Strong foundation for ESG management with the aim of creating and protecting future social infrastructure (communications and energy), and continuing to be a trusted group while achieving further growth.

*1. Reference: Presentation materials: “Financial Results Presentation for Q2 FYE 3/2022” (November 19, 2021)
<https://ir.mirait.co.jp/en/news/>

2. Summary of the Merger

(1) Schedule of the Merger

Date of resolution by the Board of Directors	February 10, 2022
Date of agreement	February 10, 2022
Scheduled date (effective date)	July 1, 2022 (scheduled)

The Merger will be carried out without a resolution of the General Meeting of Shareholders of the Company because it falls under a simple absorption-type merger prescribed in Article 796, paragraph (2) of the Companies Act.

(2) Format of the Merger

The format of the merger is an absorption-type merger with the Company as the surviving company, and MIRAIT Corporation and MIRAIT Technologies Corporation being dissolved.

(3) Content of allotment pertaining to the Merger

The Merger will not involve the issuance of shares or exchange of cash, etc. because MIRAIT Corporation and MIRAIT Technologies Corporation are wholly-owned subsidiaries of the Company.

(4) Handling of subscription rights to shares and bonds with subscription rights to shares associated with the Merger

Not applicable.

3. Overview of the companies subject to the merger (As of March 31, 2021)

(units: millions of yen, unless otherwise noted)

	Company surviving absorption-type merger	Company absorbed in absorption-type merger	Company absorbed in absorption-type merger
(1) Name	MIRAIT Holdings Corporation	MIRAIT Corporation	MIRAIT Technologies Corporation
(2) Address	5-6-36 Toyosu, Koto-ku, Tokyo	5-6-36 Toyosu, Koto-ku, Tokyo	3-3-15 Edobori, Nishi-ku, Osaka-shi, Osaka
(3) Name and title of representative	Toshiki Nakayama, President and Chief Executive Officer	Toshiki Nakayama, President and Chief Executive Officer	Yasushi Totake, President
(4) Business description	Telecommunications engineering work, electrical work, civil engineering work and building construction work; management of subsidiaries and Group companies	Telecommunications engineering work, electrical work, civil engineering work and building construction work	Telecommunications engineering work, electrical work, civil engineering work and building construction work
(5) Amount of share capital	7,000 million yen	5,610 million yen	3,804 million yen
(6) Date established	October 1, 2010	December 21, 1944	June 15, 1960
(7) Number of shares outstanding	108,325,329 shares	41,112,324 shares	44,915,329 shares
(8) Fiscal year end	March	March	March
(9) Employees	(Non-consolidated) 106	(Non-consolidated) 2,752	(Non-consolidated) 1,238
(10) Major shareholders and shareholding ratio	Custody Bank of Japan, Ltd. (Trust Account) 10.74% The Master Trust Bank of Japan, Ltd.(Trust Account) 9.38% Sumitomo Electric Industries, Ltd. 3.60%	MIRAIT Holdings Corporation 100%	MIRAIT Holdings Corporation 100%
(11) Operating results and financial condition for the most recent fiscal year (fiscal year ended March 31, 2021)			
Consolidated net assets	231,323	111,850	55,237
Consolidated total assets	358,751	170,241	103,643
Consolidated net assets per share (yen)	2,232.25	2,676.61	1,183.98
Consolidated net sales	463,744	225,774	119,377
Consolidated operating income	30,129	16,468	4,937
Consolidated ordinary income	31,739	17,285	5,247
Net income attributable to owners of parent	24,205	12,554	3,172
Consolidated net income per share (yen)	229.59	305.36	70.63

4. Status after the Merger

After the Merger, the Company will succeed the businesses conducted by MIRAIT Corporation and MIRAIT Technologies Corporation and make the transition from a holding company to an operating company, driving the Group as the Group's core operating company.

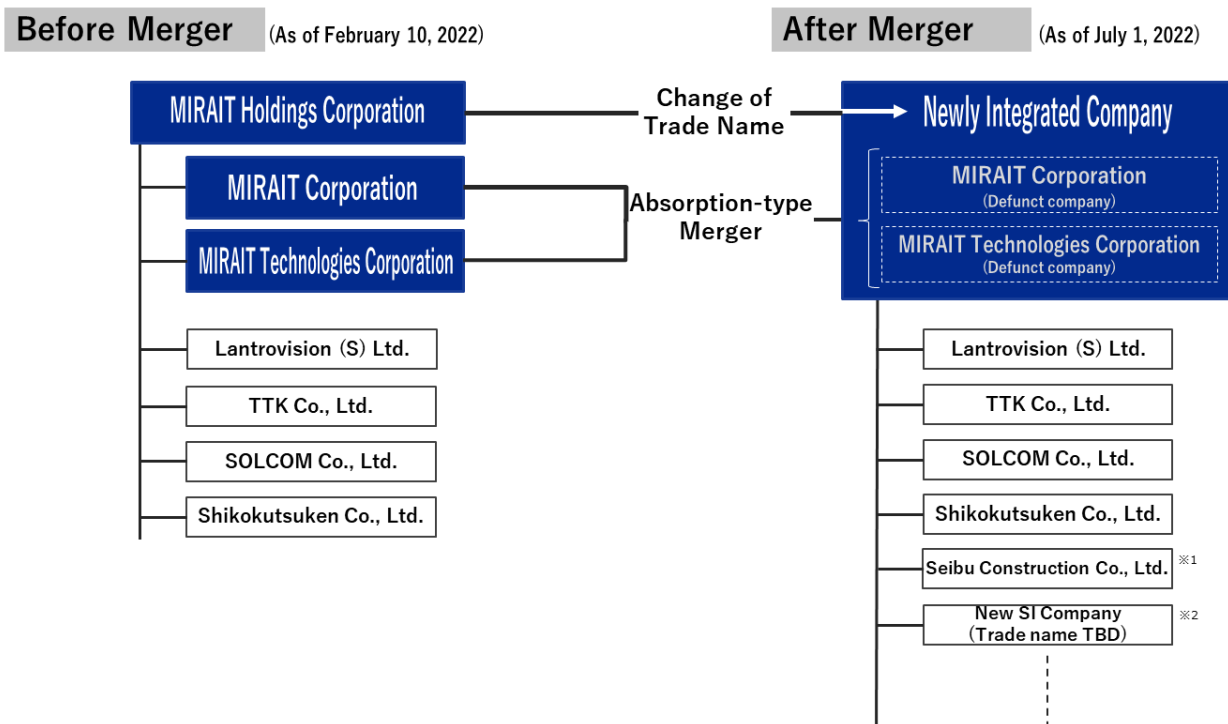
Furthermore, with the transition from a holding company to an operating company the trade name is scheduled to be changed to "MIRAIT ONE Corporation". (Please refer to the "Notice Concerning Change of Trade Name" dated today.)

No changes will be made to the head office address, position and name of representative, capital or end of fiscal year of the Company due to the Merger.

5. Future Outlook

The impact of the reorganization on the Company’s consolidated results will be minor because it will take place within the Group.

(Reference) Graphic Overview of the Reorganization (scheduled for July 1, 2022)



*1 To be made into a consolidated subsidiary on March 31, 2022

*2 Please refer to “Notice Concerning Reorganization of System Integration Business” dated today for information on the New SI Company.

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