

October 27, 2022

Company Name: Meitec Corporation
Representative: Hideyo Kokubun
President, Group CEO
Code No.: 9744 TSE Prime Market

Notice Regarding the Start of an Evaluation to Transition to a Holding Company Structure and a Company with Audit and Supervisory Committee

Meitec Corporation (the Company) announces that, at the Board of Directors Meeting held today, contingent upon the approval of the General Meeting of Shareholders and the necessary permissions from the relevant authorities, it has resolved to start an evaluation to transition to a holding company structure and a company with audit and supervisory committee.

1. Reasons and purposes for the transition

While working to continuously improve its five values—Value to Engineers, Value to Employees, Value to Clients, Value to Shareholders, and Value to the Society—and while continuously enhancing corporate governance, the MEITEC Group has aimed for sustainable growth and to enhance its corporate value over the medium to long term. Recently, among large manufacturers, the main customers of the MEITEC Group, design and development operations have grown more diverse and more complex due to technological innovation. Amid this trend, the MEITEC Group has worked to transform itself into a corporate group that provides engineering solutions that is “The Only One” unlike those that we have provided in the past. Going forward, we are aware that the MEITEC Group’s main clients will be taking a more aggressive approach to sustainability issues including environmental issues such as carbon neutral.

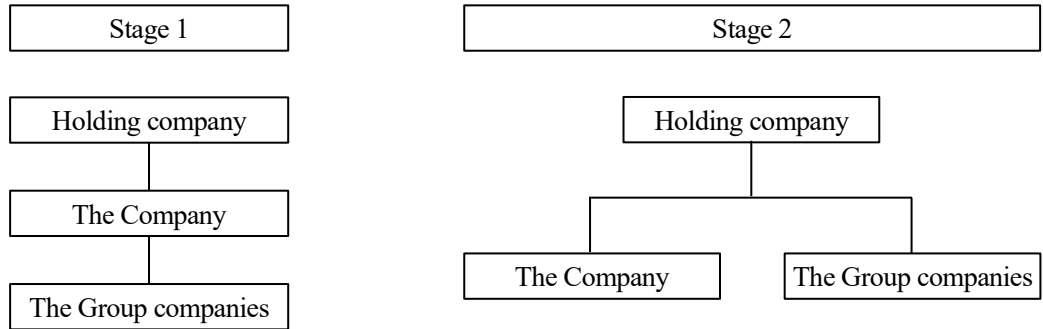
Given these conditions, while aggressively pursuing opportunities for high added value, to continuously improve both earnings power and capital efficiency, the Company decided to start an evaluation to transition to a holding company structure and a company with audit and supervisory committee as the appropriate stance to simultaneously pursue the below three points.

- Achieve strong leadership capable of carrying out bold management decisions
- Establish an environment capable of risk-taking and improve effectiveness of oversight of management resource allocation
- Reform mindset and conduct of the Group’s executives and employees

(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

2. Transition procedures (plan)

The plan is to restructure the group companies as subsidiaries directly held by a holding company. The Company will issue a separate notification on the specific details and timing when they are decided.



3. Transition timing and method (plan)

Going forward, with a goal of early October 2023, the Company is moving forward with an evaluation of the transition to a holding company structure, contingent upon the approval of the General Meeting of Shareholders and the necessary permissions from the relevant authorities.

Furthermore, the schedule may change based on procedural requirements for the transfer of shares in addition to the listing-related review by the Tokyo Stock Exchange, as well as other factors.

Board of Directors Meeting to approve the share transfer plan	Early May 2023 (scheduled)
Approval of the share transfer at the Annual General Meeting of Shareholders	Late June 2023 (scheduled)
Date of the delisting of the Company’s stock	Late September 2023 (scheduled)
Date of registration of the holding company (effective date of the share transfer) and stock listing date	Early October 2023 (scheduled)

In terms of the method of the transition to a holding company structure, the Company is moving forward with an evaluation of the sole share transfer method in which the Company will become a wholly-owned subsidiary and the newly established holding company will become the wholly-owning parent company through the share transfer.

As a result of the transfer, the Company’s stock will be delisted. Regarding the shares of the holding company that will be newly allotted to the Company’s shareholders, we plan to apply for a new listing (technical listing) with Tokyo Stock Exchange, Inc. and to effectively maintain our stock listing. Furthermore, the Company will issue a separate notification on the specific details of the share transfer when they are decided.

4. Holding company overview (plan)

The holding company will be a company with audit and supervisory committee which will be made up of a majority of independent outside directors. Furthermore, the Company will issue a separate notification on specific details of the holding company including its trade name when they are decided.

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