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## **(Change of Disclosure Matters) Notice Regarding Acquisition of Shares with Conversion into Subsidiary and Sub- Subsidiaries by UT Group**

As announced in the “Notice Regarding Acquisition of Shares (Conversion into Subsidiary and Sub-Subsidiaries) by UT Group” on February 14, 2020, the Company acquired 51% of shares of Green Speed Joint Stock Company (GS), which owns 100% of Green Speed Co., Ltd. and Hoan Nhan Co., Ltd., engaged in the personnel dispatch business in Vietnam. We have resolved to partially change the setting of the period for the performance-based Earnout method that we have adopted as follows:

### **1. Description of the change**

The period covered by the performance-based Earnout method was initially set to the end of the fiscal year ending December 2021, but will be changed to the end of the fiscal year ending December 2022 (fiscal 2022), without including the fiscal year ending December 2021 (fiscal 2021). The total amount of the payment will not change from the original amount of Vietnamese Dong 378.9 billion (1,767 million yen).

### **2. Reason for the change**

In Vietnam, the COVID-19 spread had been limited and an early resumption of the economy was anticipated. However, since the beginning of 2021 various COVID-19 variants have been discovered and the Vietnamese government has expressed strong concern about their spread.

In February 2020, UT Group resolved to acquire 51% of shares of GS Co., Ltd., and completed the acquisition in October 2020. We have adopted a performance-based Earnout method for the payment, and completed the first and second payments. Regarding the third payment that we are going to make, we originally set the scheme to align with GS's business results for fiscal 2021. In light of the impact of the spread of COVID-19 in Vietnam as described above, we will change the fiscal year for the payment calculation to align with the results for fiscal 2022.

GS aims to maximize EBITDA for fiscal 2022. In addition to an expected increase in revenue reflecting the post-COVID-19 improved business environment, we are planning a significant increase in profits, led by the

reduction in cost of sales and SG&A expenses that will be effected from fiscal 2021. If the planned targets are achieved, UT Group's consolidated profit is expected to increase significantly, with the impact of the increase in amortization costs being absorbed.

As GS is UT Group's first overseas company, we find it very important to improve its profitability at an early stage. When the COVID-19 spread is contained, as soon as possible we intend to build a business alliance scheme that bridges GS with UT Group's managerial agency business for foreign technical interns, further strengthening our business base and improving our profitability.

### **3. Outlook**

The impact of this change 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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