

May 13, 2022

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Notice of Revision of Earnings Targets in the Fourth Medium-term Business Plan

UT Group announces that its Board of Directors held a meeting on May 13, 2022 and has resolved to revise its earnings targets for the Fourth Medium-term Business Plan up to FY3/2025 as its final year.

1. Reason for the revision

The Fourth Medium-term Business Plan started amid the uncertain outlook due to the continued spread of COVID-19 infections. However, UT Group managed to minimize the COVID-19 impact in FY3/2021, the first year of the plan, and implemented aggressive hiring activities during the subsequent period of a sharp recovery in personnel demand. This resulted to realize its sales target for FY3/2023 one year ahead of schedule in FY3/2022.

In the core Manufacturing Business, we have increased the number of technical employees by promptly responding to a sharp recovery in personnel demand, mainly in the Semiconductor and Electronic Parts Sector and the Automotive-related Sector, under the One-stop Strategy for major manufacturers. At the same time, we promoted the Area Platform Strategy, through which we aim to expand our business scale by acquiring major worker dispatch companies in local areas. Specifically, we acquired three corporate groups based in the Kanto and Tokai areas and steadily strengthened our business base in various regions. In the Solution Business, we have been increasing the number of technical employees mainly through alliances with major electrical equipment manufacturers, capturing demand for structural reforms by major corporate groups. We have also taken measures to improve our profitability through group reorganization, including the integration of some operating companies, and the building of new hiring infrastructure in April 2022.

Concerning the future business environment, the supply and demand balance for human resources in Japan is expected to remain tight due to the shortage of human resources in the manufacturing sector despite the ongoing concerns such as about resource price hikes and inflation.

In light of the above situation, we have decided to revise our earnings targets, anticipating sufficient opportunities to further expand our share of existing businesses by continuing to promote the three business strategies of the Fourth Medium-term Business Plan. We will strive to achieve the plan targets by providing services that meet the corporate personnel needs, while enhancing our support for career formation and our hiring capabilities in order to continue to be selected by job seekers more than ever before.

2. Revised earnings targets

(Billion yen)

		Fourth Medium-term Business Plan					
		FY3/2020	FY3/2021	FY3/2022	FY3/2023E	FY3/2024E	FY3/2025E
Net sales	Initial plan	-	103.8	130.0	150.0	180.0	200.0
	Actual* /revised target	101.1*	115.1*	156.7*	180.0	220.0	270.0
EBITDA	Initial plan	-	4.9	10.0	12.0	15.0	20.0-30.0
	Actual* /revised target	8.6*	7.9*	7.5*	15.0	19.0	25.0

(Note) The contents and plan targets in this release are prepared based on the information available on the date of this announcement, and the actual results may change in the future due to a variety of factors.

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