

August 30, 2022

Company name: UT Group Co., Ltd.
Representative: Yoichi Wakayama, President,
Representative Director & CEO
(Securities code: 2146, TSE Prime Market)
For inquiries: Takahito Yamada, Senior Executive
Officer and Division Manager,
General Affairs Division
TEL: +81-3-5447-1710

Notice Regarding the Transfer of a Specified Subsidiary Due to the Transfer of Equity Interest of the Overseas Consolidated Subsidiary (Sub-subsidiary)

The Board of Directors' meeting of UT Group Co., Ltd., held August 30, 2022, resolved that, following the completion of the transfer of the business from Green Speed Co., Ltd. (GS LLC), an overseas consolidated subsidiary (sub-subsidiary) of UT Group, to Green Speed Joint Stock Company (GS JSC), also an overseas consolidated subsidiary of UT Group, UT Group has decided to transfer its shares of GS LLC to its founder, and has concluded a share transfer agreement as follows. This transfer will make GS LLC to be excluded from the scope of consolidation of UT Group.

1. Purpose of the transfer of equity interest

On October 22, 2020, UT Group acquired a 51% equity stake in GS JSC, which fully owns GS LLC and Hoang Nhan Co., Ltd. They are engaged in human resources services in Vietnam, and we have since been developing our first overseas human resources service business through these companies. Since April 2022, we have separated the overseas business segment as an independent segment and thereby strive to establish a business base from a long-term perspective.

In Vietnam, foreign companies are newly building or adding manufacturing bases as an alternative base to China. Many of them have difficulty securing the necessary human resources through their own hiring activities, and have accelerated the utilization of human resources services provided by companies in that line of business in Vietnam. GS JSC, in particular, is experiencing a sharp increase in demand for personnel from Japanese companies based in Vietnam.

Under these circumstances, we have proceeded with the business transfer from GS LLC to GS JSC to consolidate GS LLC's human resources services business to GS JSC, our consolidated subsidiary, with the double aim of facilitating prompt response to the production trend of locally-based Japanese and other client companies, and that of further enhancing competitiveness in Vietnam. This change will increase the efficiency of management. Moreover, we will leverage the strong relationship with client companies that we have cultivated in Japan since our foundation and accelerate the growth of our overseas business, led by the rapid decision-making of GS JSC.

Following the completion of the business transfer to GS JSC, all the shares of GS LLC held by GS JSC will be transferred to the founder of GS LLC.

2. Outline of the sub-subsidiary (Green Speed Co., Ltd. or GS LLC) to which the shares will be transferred

(1) Name	Green Speed Co., Ltd.				
(2) Address	No. 362, Ly Thuong Kiet Street, Thong Nhat 1 Zone, Di an Ward, Di an City, Binh Duong Province, The Socialist Republic of Vietnam				
(3) Name and title of the representative	Le Van Hoang, General Director				
(4) Business	Personnel dispatch and outsourced services				
(5) Capital	52 billion Vietnamese Dong				
(6) Established	October 10, 2012				
(7) Major shareholders and ownership percentage	Green Speed Joint Stock Company 100.0%				
(8) Relationships between UT Group and the company	Capital relationship	Green Speed Joint Stock Company, a consolidated subsidiary of UT Group, owns 100.0% of the company's equity.			
	Personnel relationship	UT's executive officer and employees have been appointed as directors of Green Speed Joint Stock Company, which owns 100.0% of GS LLC's equity.			
	Business relationship	There is no such relationship between GS LLC and UT Group.			
(9) Operating performance and financial condition in the last two fiscal years ¹					
	Fiscal years	FY12/2020		FY12/2021	
		(Million VND)	(Million yen)	(Million VND)	(Million yen)
	Net assets	73,884	329	62,443	315
	Total assets	207,807	926	96,662	488
	Net sales	769,818	3,433	252,132	1,273
	Operating profit	27,190	121	11,944	60
	Pretax profit	27,019	120	12,062	60
	Net profit	21,471	95	9,652	48

Note 1: Prepared in accordance with the Vietnamese accounting standards. Since GS LLC is a limited liability company in Vietnam, there are no shares or units of capital. Therefore, net assets per share, earnings per share, and dividends per share are omitted.

Exchange rates of Japanese yen to Vietnamese Dong (VND) as of the end of the fiscal year December 31 2020:

One Vietnamese Dong = 0.00446 yen; December 31 2021: One Vietnamese Dong = 0.00505 yen

GS LLC was consolidated to UT Group during its fiscal year ended December 2020.

3. Outline of the individual to whom the shares are transferred

(1)	Name	Le Van Hoang
(2)	Address	The Socialist Republic of Vietnam
(3)	Relationships between UT Group and the individual	Mr. Hoang is the founder of GS LLC and has been appointed as the representative director of Green Speed Joint Stock Company, a consolidated subsidiary of UT Group.

4. Number of shares to transfer, the transfer price, and shareholding before and after the transfer

(1)	Ratio of equity before the transfer	100.0% (Voting rights ownership: 100%)
(2)	Transfer percentage	100.0% (Voting rights ownership: 100%)
(3)	Transfer value	52.0 billion Vietnamese Dong (295 million yen) ^{2, 3}
(4)	Ratio after transfer	-% (percentage of voting rights: -%)

Note 2: Exchange rates of Japanese yen to Vietnamese as of July 31, 2022

One Vietnamese Dong = 0.00568 yen.

Note 3: The transfer value has been determined at the same amount as the stated capital of the company, based on the value evaluation calculated by a third-party organization.

5. Schedule

(1)	Date of resolution of the Board of Directors' meeting	August 30, 2022
(2)	Date of signing contract	August 30, 2022
(3)	Execution date of share transfer	December 30, 2022 (plan)

6. Outlook

GS LLC will be excluded from the scope of consolidation. The impact of this transaction to UT Group's consolidated financial results for the fiscal year ending March 31, 2022 will be immaterial.

End