



1Q of Fiscal Year Ending March 31, 2024

Financial Results

August 10, 2023

UT Group Co., Ltd.

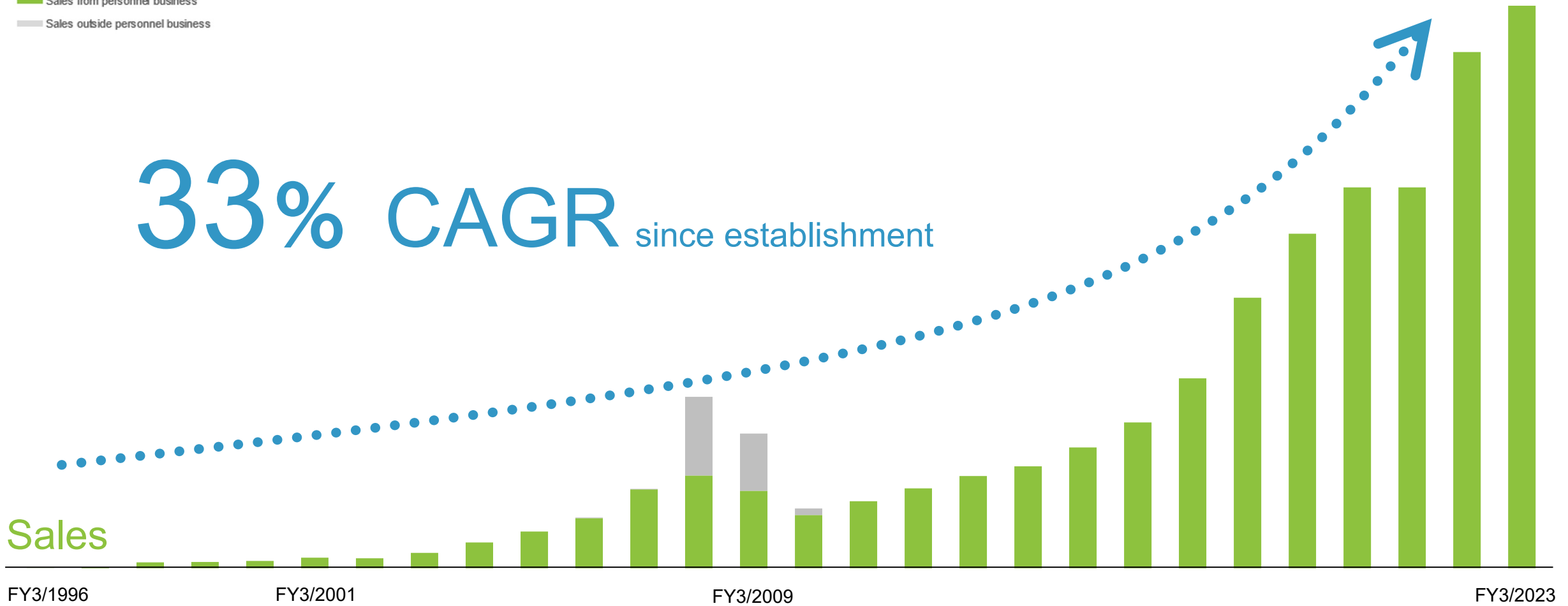
Securities Code: 2146(TSE Prime Market)

UT Group's Competitive Advantages

**Since the establishment (FY3/1996),
we've consistently been achieving high sales growth.**

■ Sales from personnel business
■ Sales outside personnel business

33% CAGR since establishment



Segment composition of FY3/2023

Overseas Business

Personnel services in Vietnam

9.6 BY (5.7%)

Engineering Business

Engineer dispatch service
in construction and IT field

9.0 BY (5.3%)

Solution Business

Supporting structural reform and personnel services

18.6 BY (10.9%)

Manufacturing Business

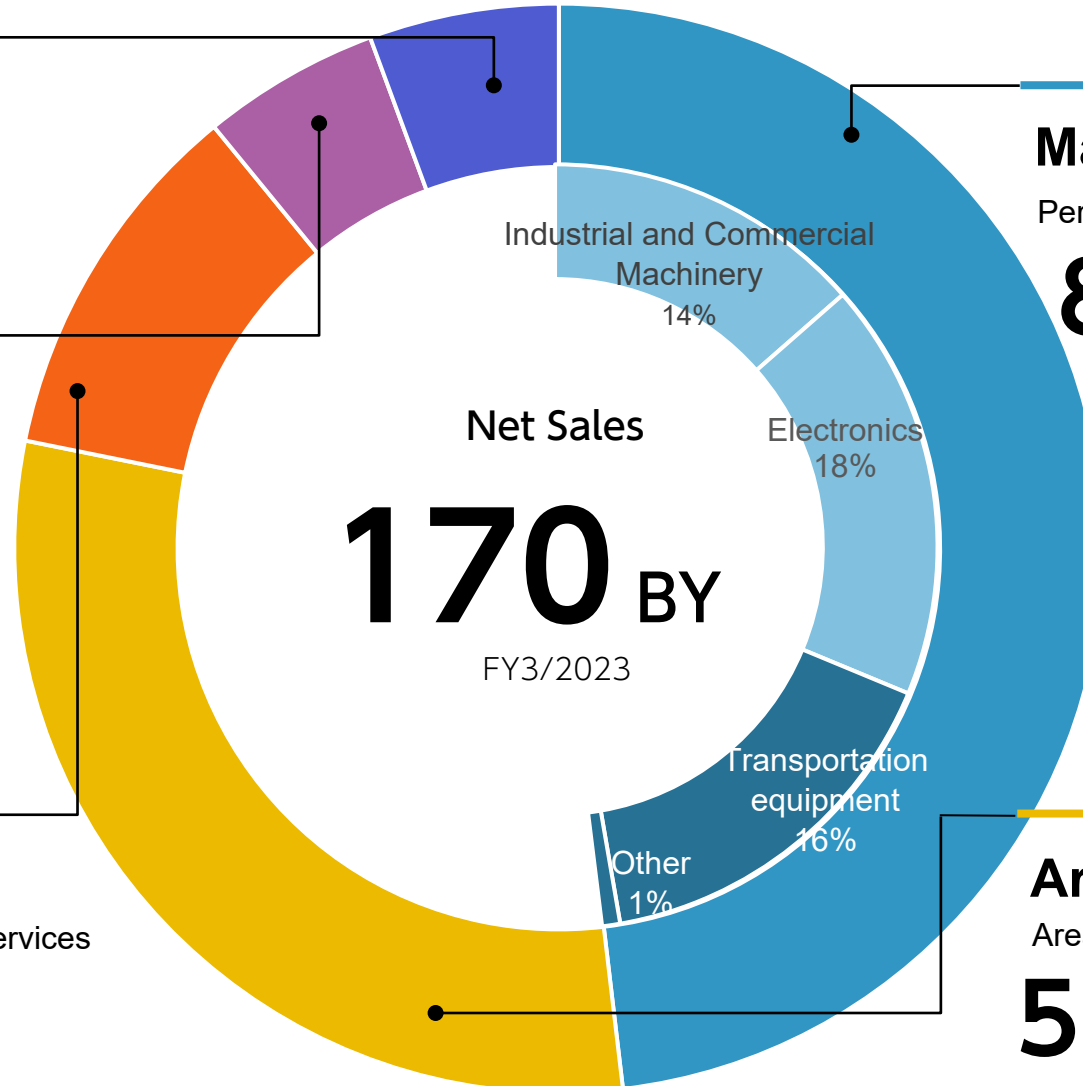
Personnel services for major manufacturers

82.0 BY (48.1%)

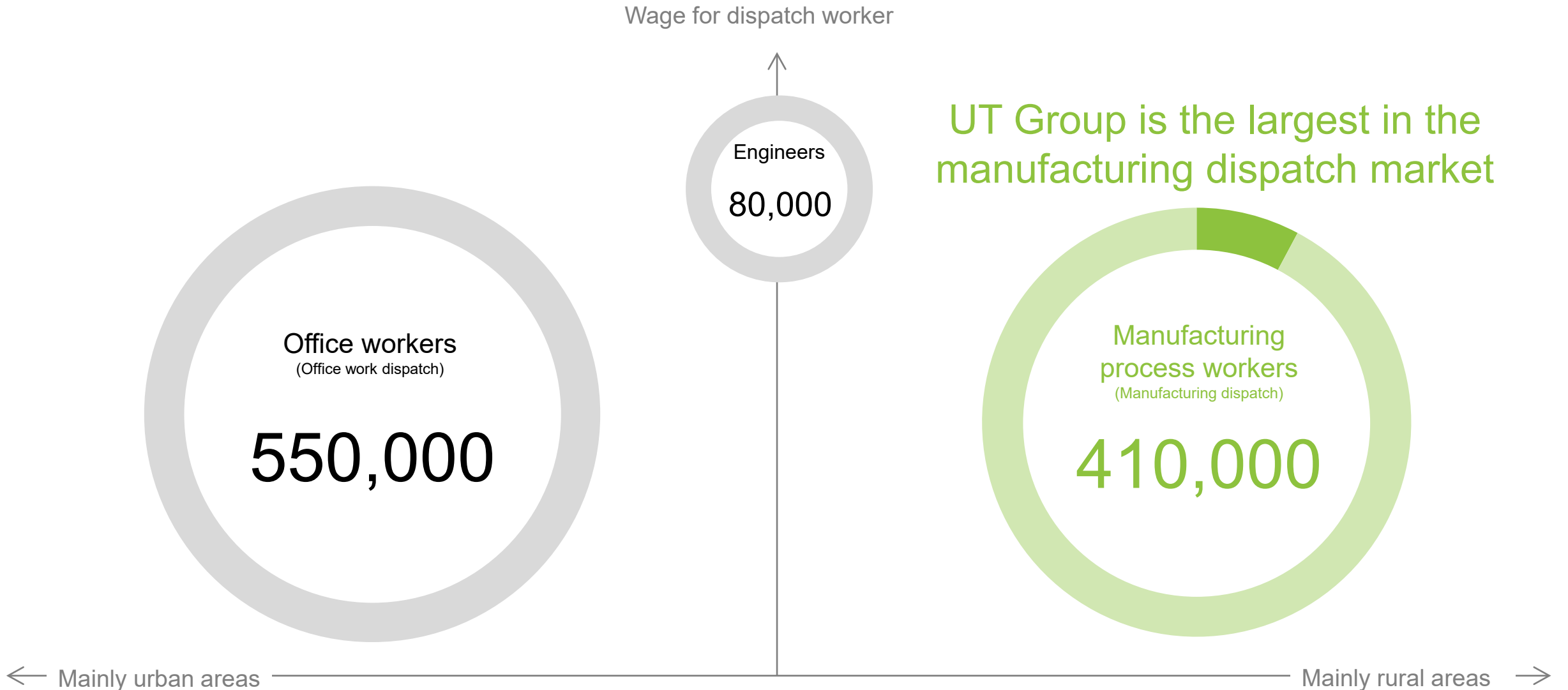
Area Business

Area-based personnel services

51.2 BY (30.0%)



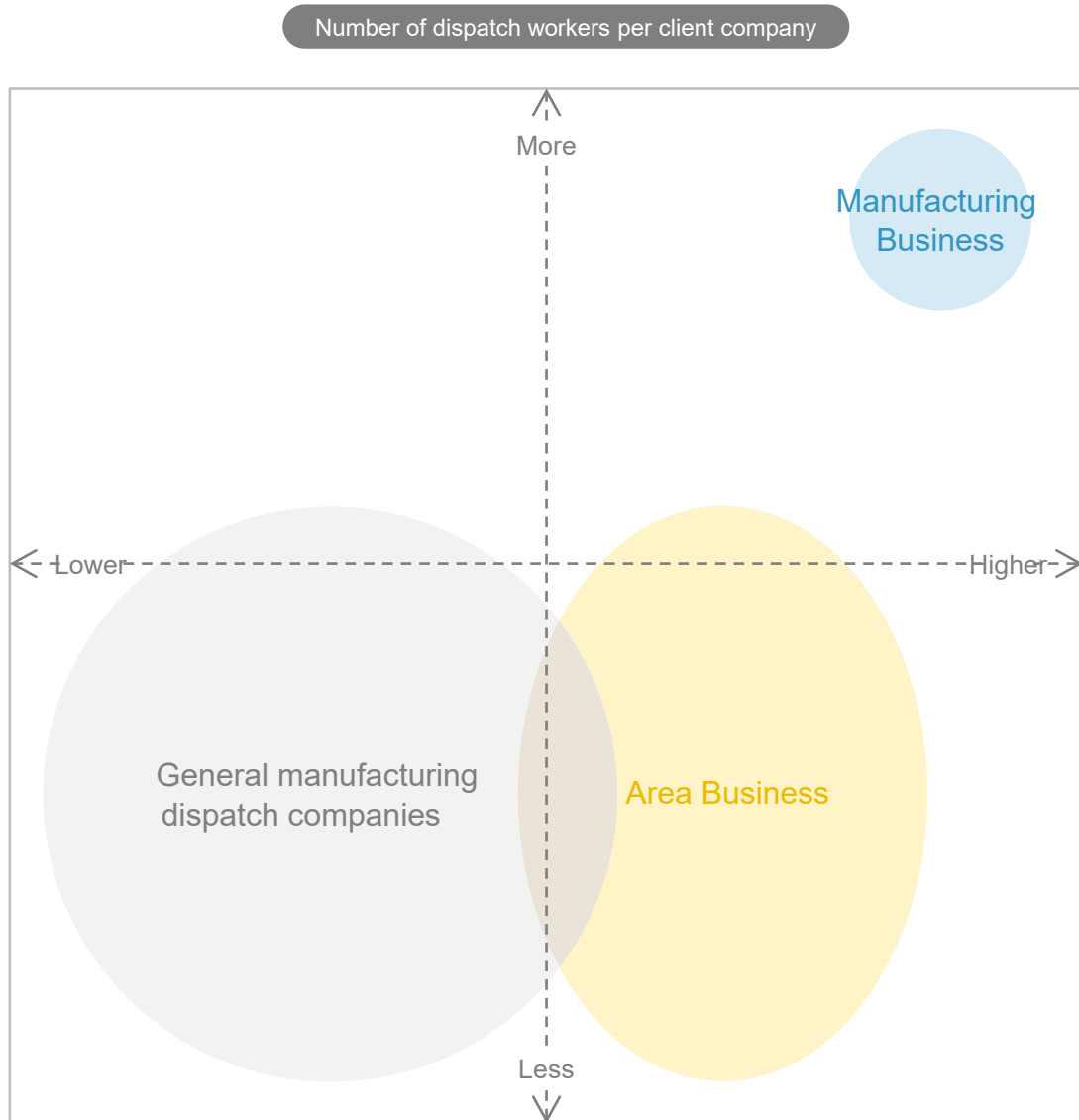
Primary Dispatch Market: Scale and Features



UT Group is the largest in the manufacturing dispatch market

Source: Basic Data of Labor Force Survey, Ministry of Internal Affairs and Communications (2022)

UT's Position in the Manufacturing Dispatch Industry



Manufacturing Business

- Specializes in large-scale factories that require dispatch companies that supply a large number of workers with a high retention rate.
- Reduces the risk of cancellation by closely working with clients and raising UT's share in the factory.
- Achieves high profitability by providing high-quality services from hiring to retaining and developing.

Area Business

- Expands the business scale by acquiring mid-tier dispatch companies in selected areas.
- Improves the retention rate by utilizing the know-how of the Manufacturing Business.
- Improves profitability by utilizing the scale merit achieved by business integration.

General manufacturing dispatch companies

- Dispatch less workers per client to disperse risk.
- Have a relative low retention rate of dispatch workers.
- Many companies are small in size and have low profitability.

UT is characterized by high profitability enabled by differentiated strategies

A strategy to capitalize on economic fluctuations and increase market share in client factories

About the top strategy

UT's Manufacturing Business is promoting the strategy, based on the analysis at the time of the global financial crisis that showed that dispatched companies with a higher share in the factory received less cancellation or reduction in dispatched workers.

Features of the top-share factories

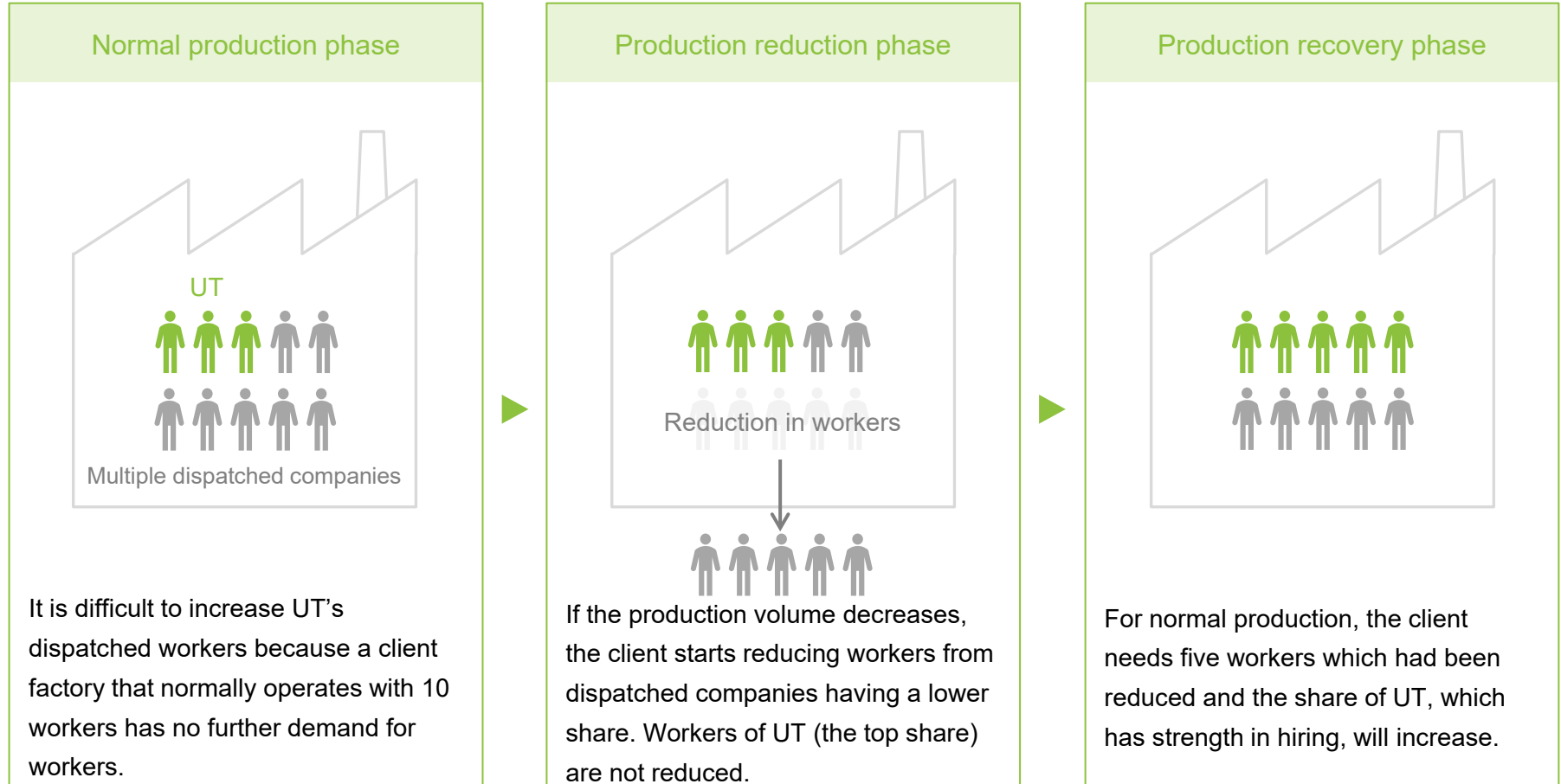
Less cancellation or reduction

A strong relationship with clients results in receiving a lower impact of cancellations and reductions relative to that of peers.

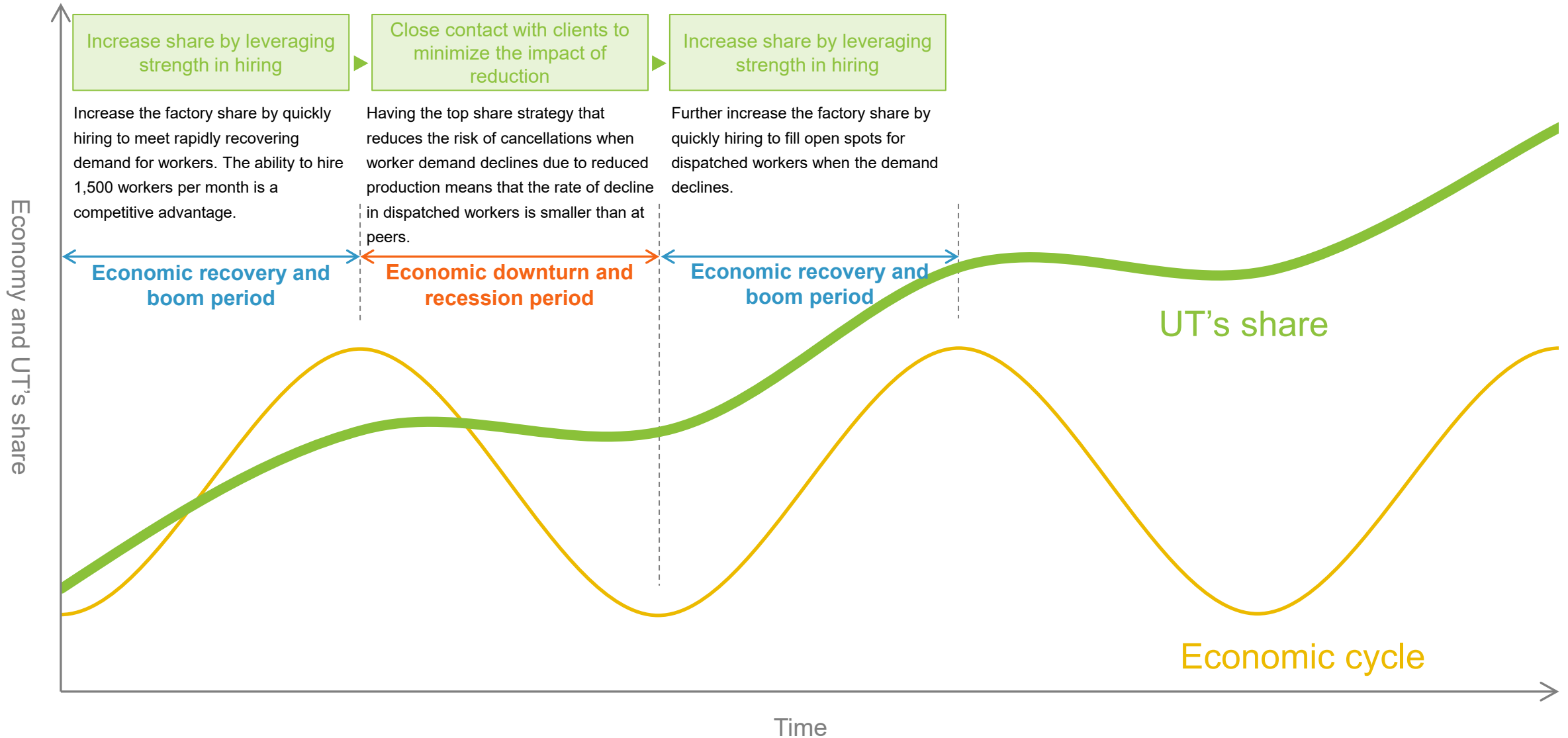
High profit margin

More technical employees in a single factory means higher management efficiency.

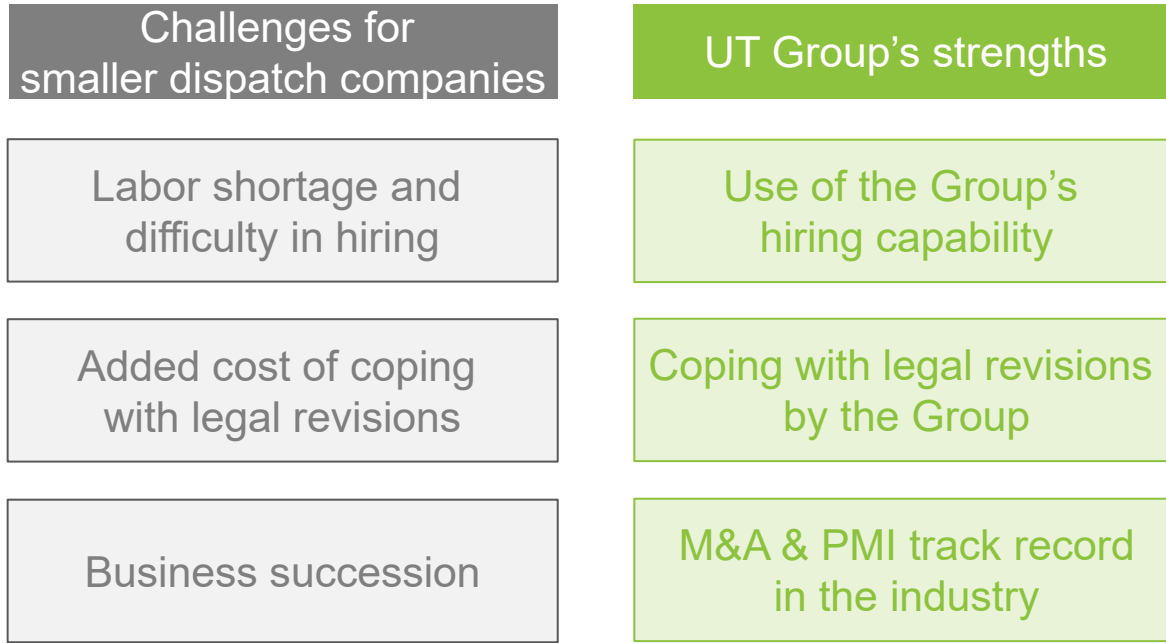
Mechanism to expand factory share by the top share strategy



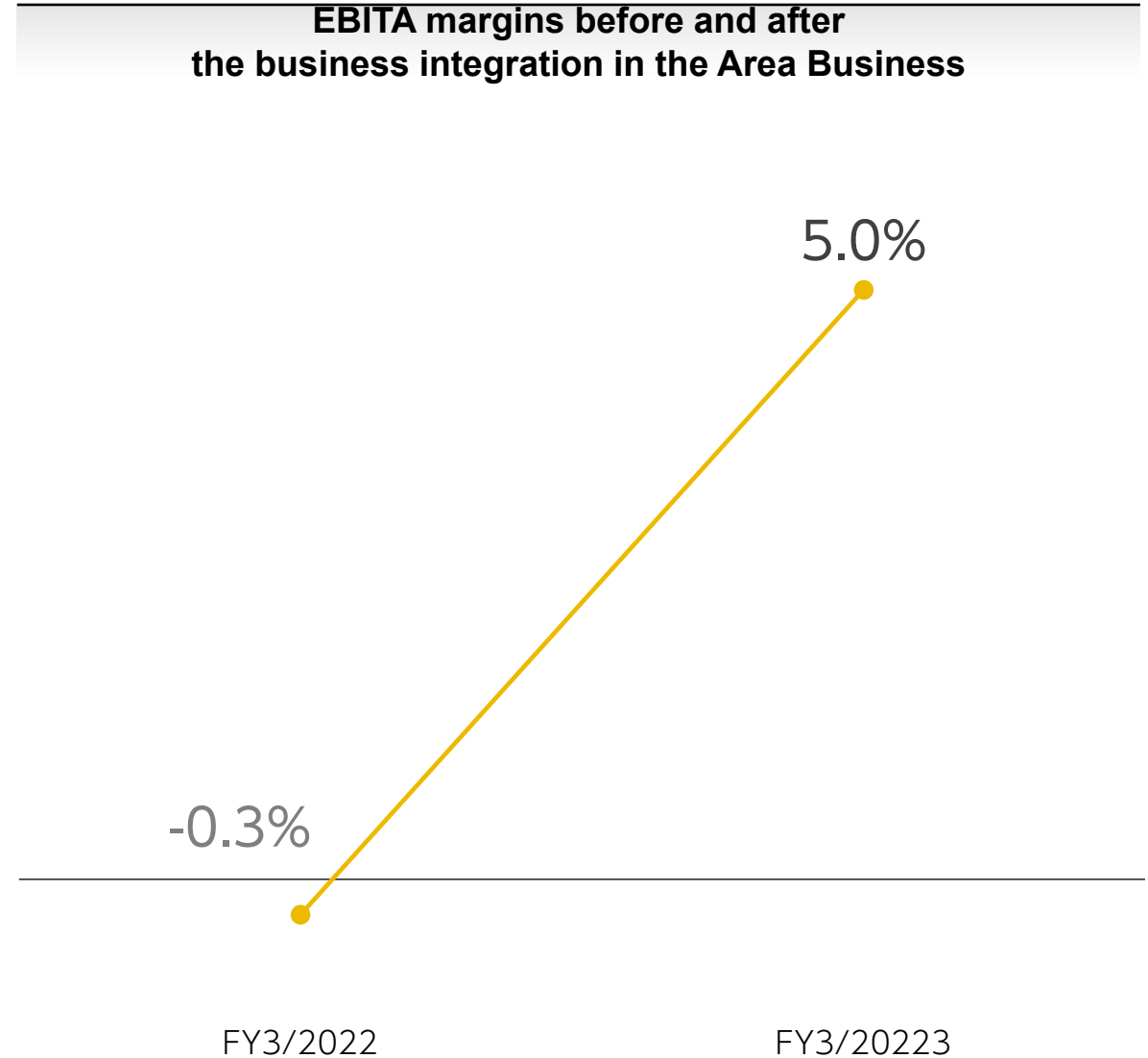
A strategy to capitalize on economic fluctuations and increase market share in client factories



M&As to Expand Scale, Integrations to Increase Efficiency



- ✓ Expanding the business areas via M&As
- ✓ Improving profitability by integrating operating companies



UT Characteristics: High Growth and High Efficiency (Compared to the four listed peers)

Growth

Sales growth (Five-year CAGR)

15.9%

A Co.	B Co.	C Co.	D Co.
24.5%	7.6%	8.9%	7.8%

Efficiency

EBITDA margin

9.2%

A Co.	B Co.	C Co.	D Co.
5.1%	5.6%	2.9%	3.8%

Stability

D/E ratio

0.7

A Co.	B Co.	C Co.	D Co.
2.4	1.6	1.0	9.3

EPS growth (Five-year CAGR)

20.6%[※]

A Co.	B Co.	C Co.	D Co.
5.3%	-6.9%	4.7%	-14.0%

EVA spread (ROIC-WACC)

14.6%[※]

A Co.	B Co.	C Co.	D Co.
-2.2%	0.9%	-0.9%	0.4%

Goodwill to equity ratio

24.1%

A Co.	B Co.	C Co.	D Co.
119.9%	11.4%	6.0%	0.0%

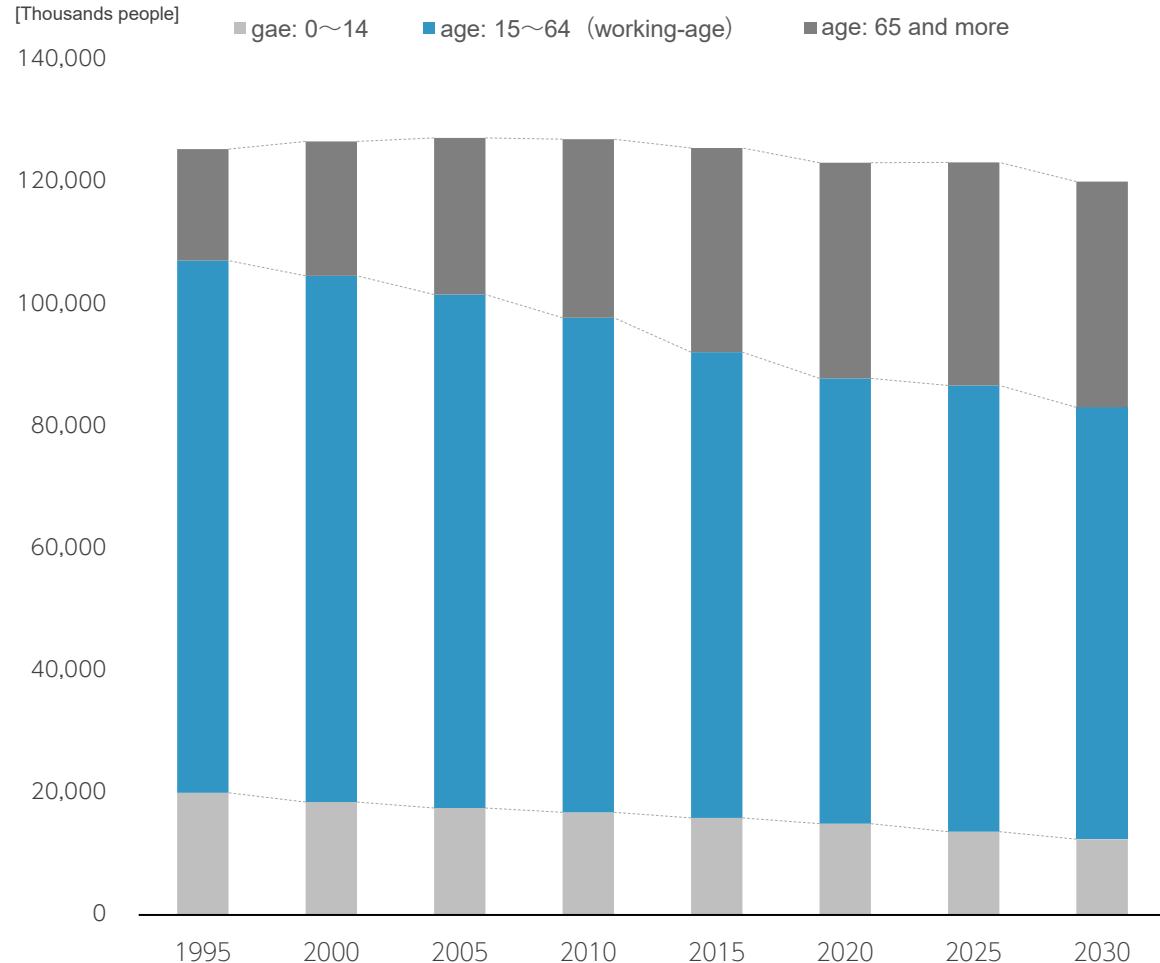
※ Calculated by using actual EPS or NOPAT, which excluded the impact of no cash-out stock-based compensation expenses

Source: Calculated by UT by using the Quick FACTSET figures of the recent fiscal year-end figures for each company

Business Environment and Business Opportunities for UT Group

Decrease in working-age population due to declining birthrate and aging population

Changes in Japan's demographics structure (Figures after 2025 are estimates)



Source: National Institute of Population and Social Security Research

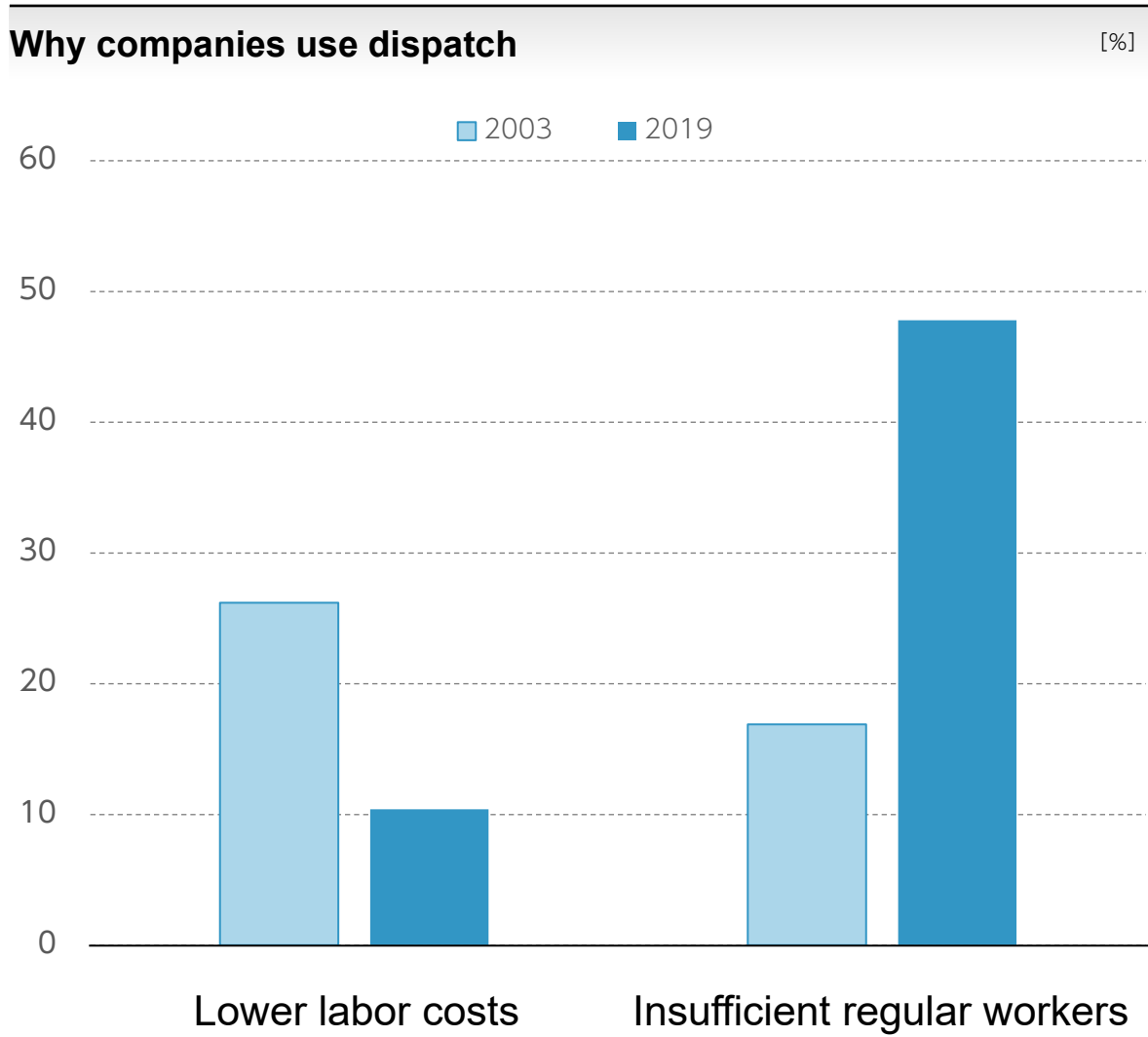
"2030 problem"

- Elderly to represent 1/3 of Japan's population
- Decrease in working-age population
- Labor shortage of 6.44 million people to the overall labor demand for 70.73 million* (estimate)

Worsening labor shortage

Source: "Labour Market Future Estimates 2030" (Persol Research Institute and Chuo University)

Labor Shortage Changes Demand for Dispatch Workers



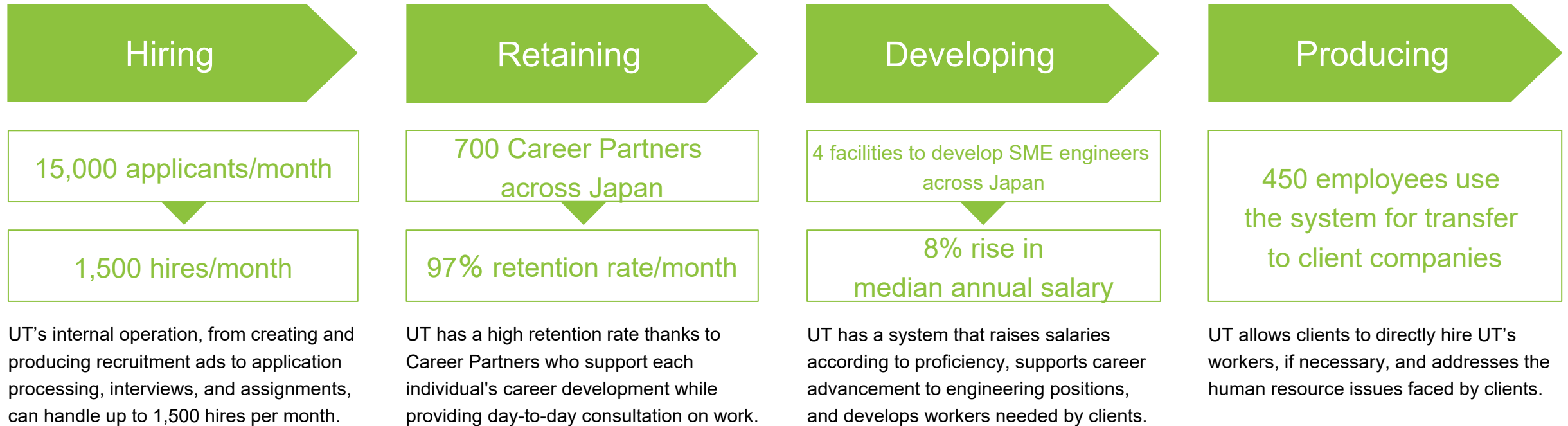
Cause: Shift from temporary low-cost labor force to alternative labor force to regular employees



Result: Dispatch companies are required to have the ability to hire, retain and develop workers

Source: "Summary of the Comprehensive Survey on the Diversification of Employment Formats in 2019" (Ministry of Health, Labour and Welfare)

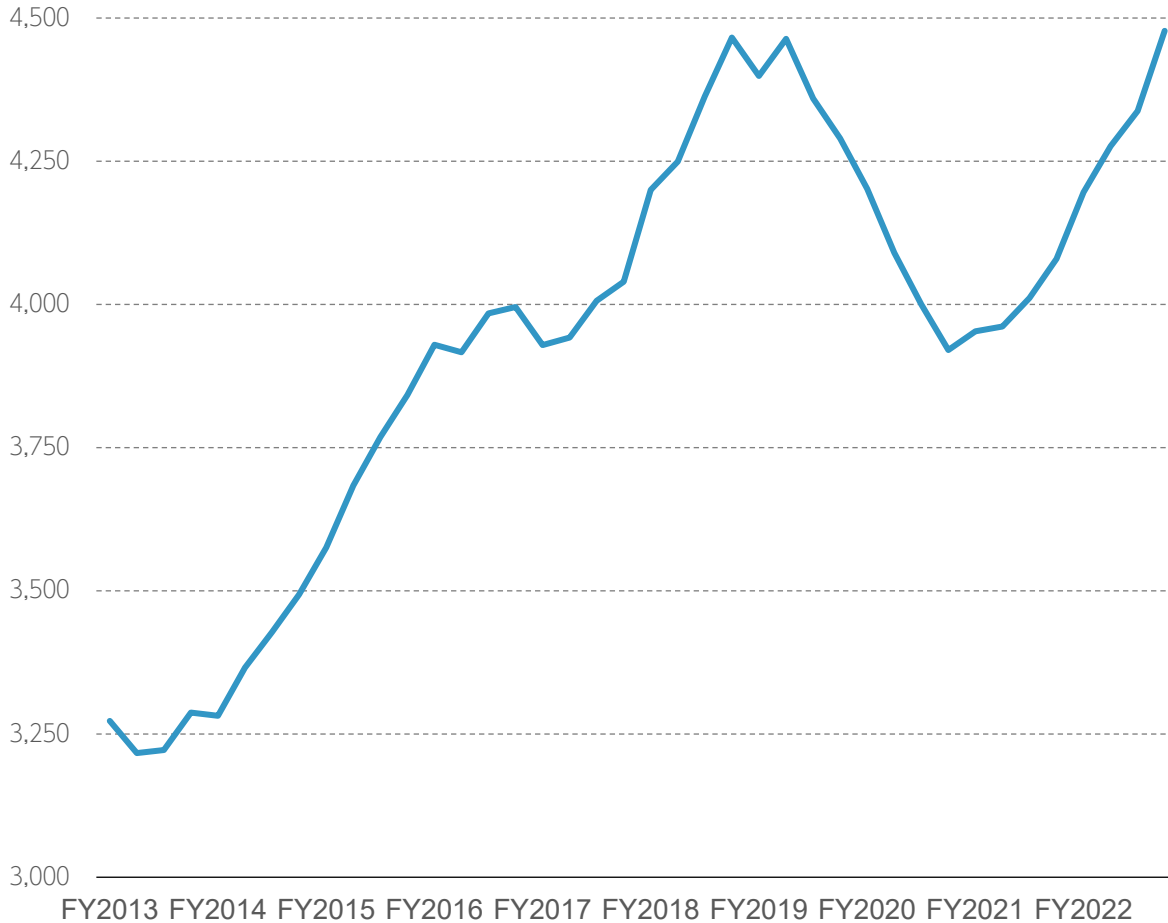
UT Group's Competitive Advantage



UT supports growth of workers and client companies, leveraging UT's strengths in hiring, high retention rate, and HR development system.

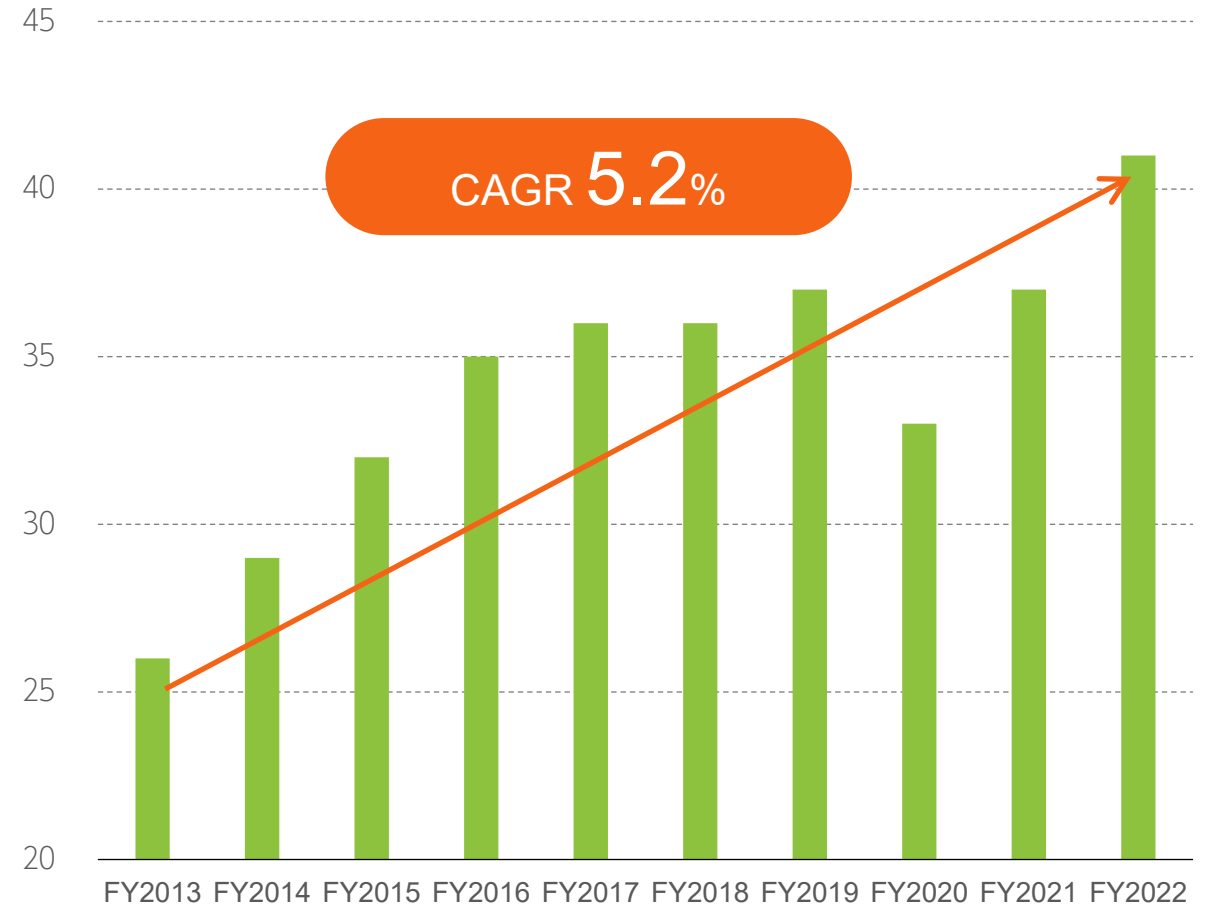
Japan's Capex Growth Expanded the Manufacturing Dispatch Market

Capital expenditures of Japan's manufacturing industry [10 billion yen]
(Four-quarter moving average)



Source: Ministry of Finance

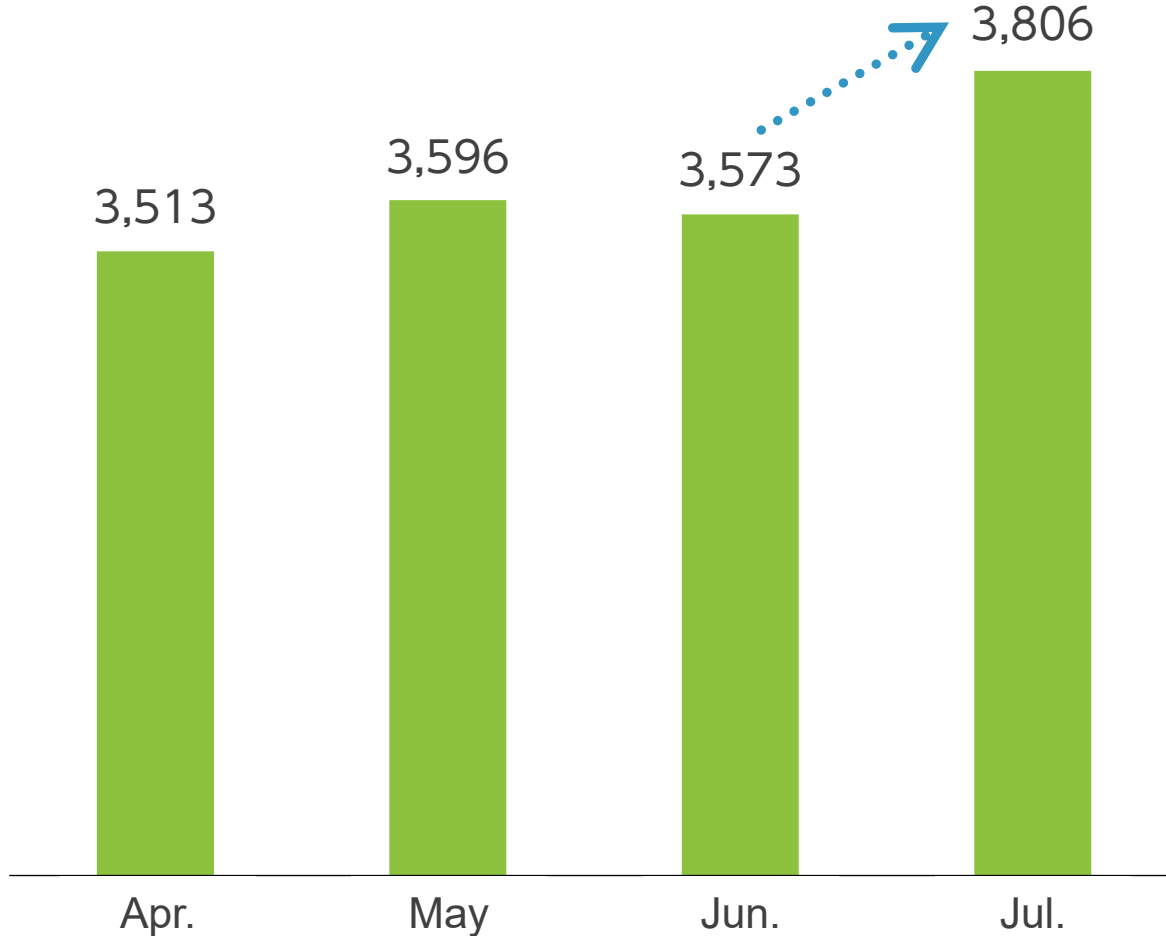
Japan's manufacturing dispatch market [10,000 persons]



Source: Ministry of Internal Affairs and Communications

End of Stagnant Demand for Workers

Shortage of dispatch workers, consolidated basis [Person]



Signs of recovery in workers demand as companies prepare for production recovery



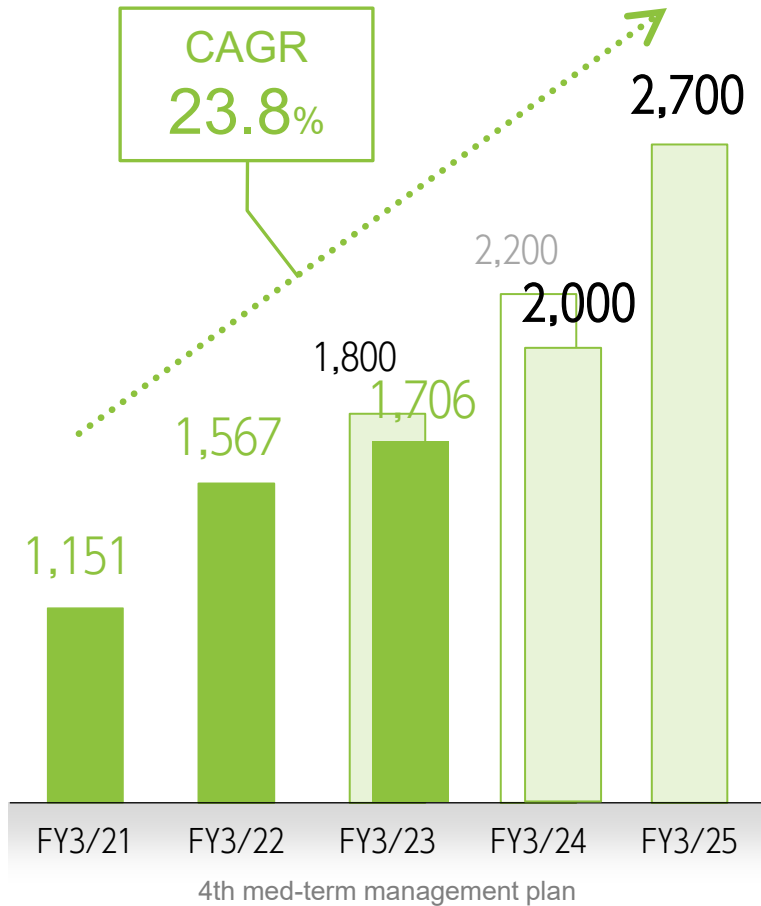
UT further enhances its hiring system to respond to recovery in demand

Target of the 4th Medium-Term Business Plan

Sales target

[0.1 Billions of yen]

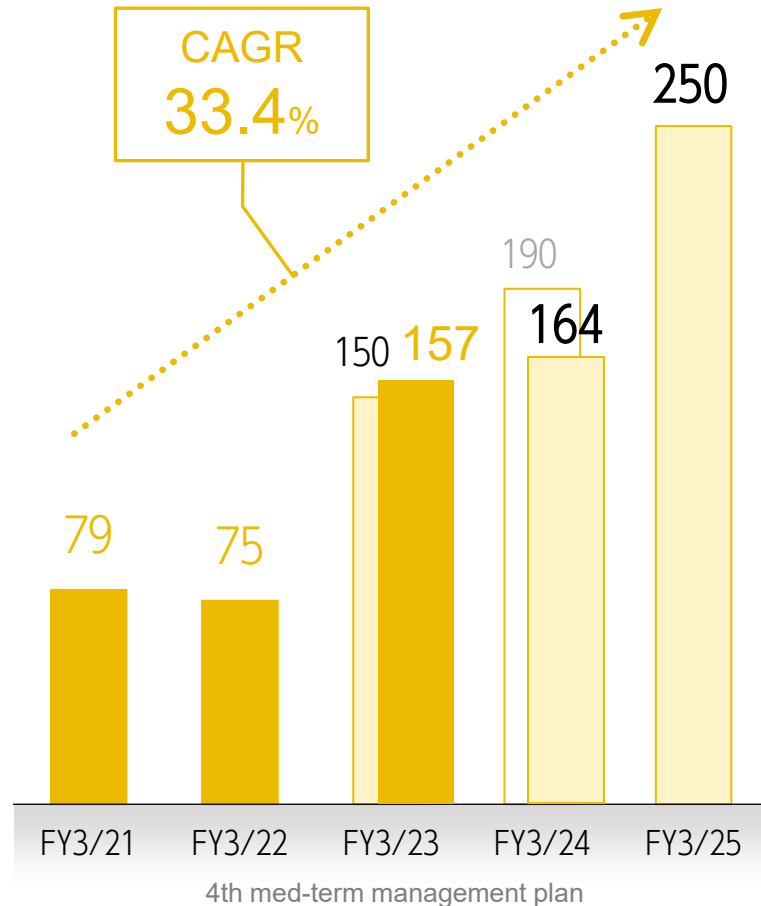
■ Proven ■ Goals



EBITDA targets*1

[0.1 Billions of yen]

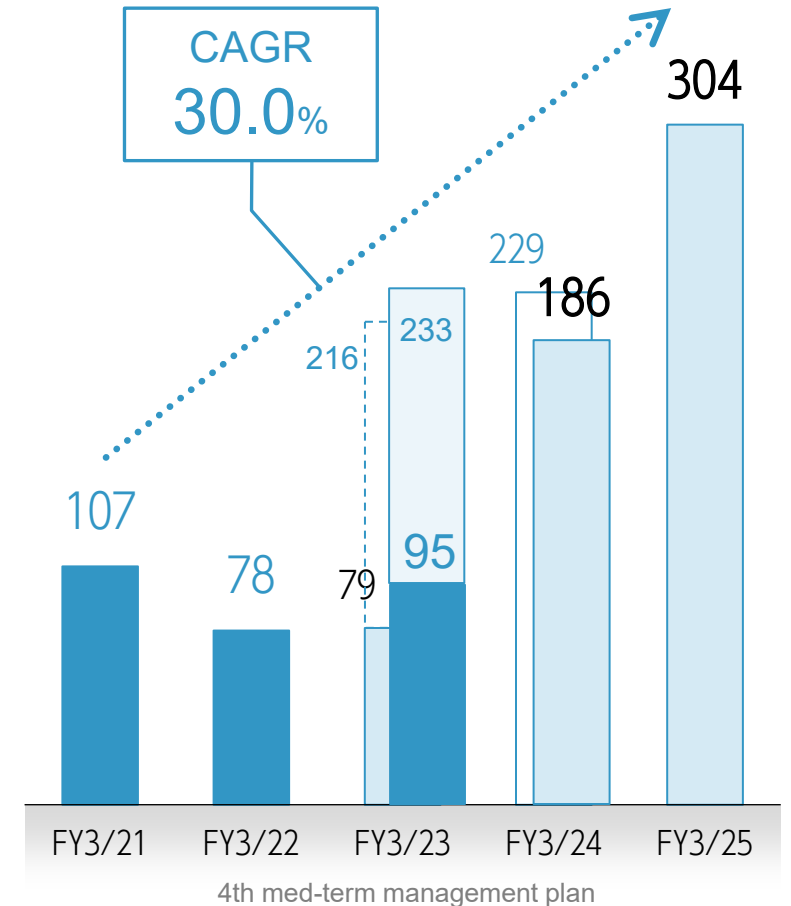
■ Proven ■ Goals



EPS targets*2

[Yen]

■ Proven ■ Goals □ EPS excl. stock compensation expenses

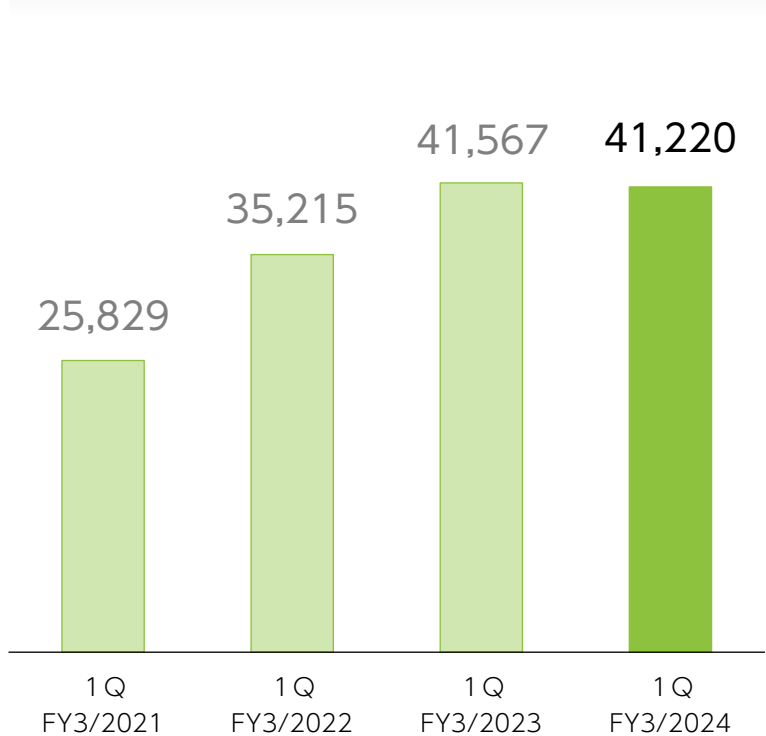


FY3/2024 1Q Financial Results

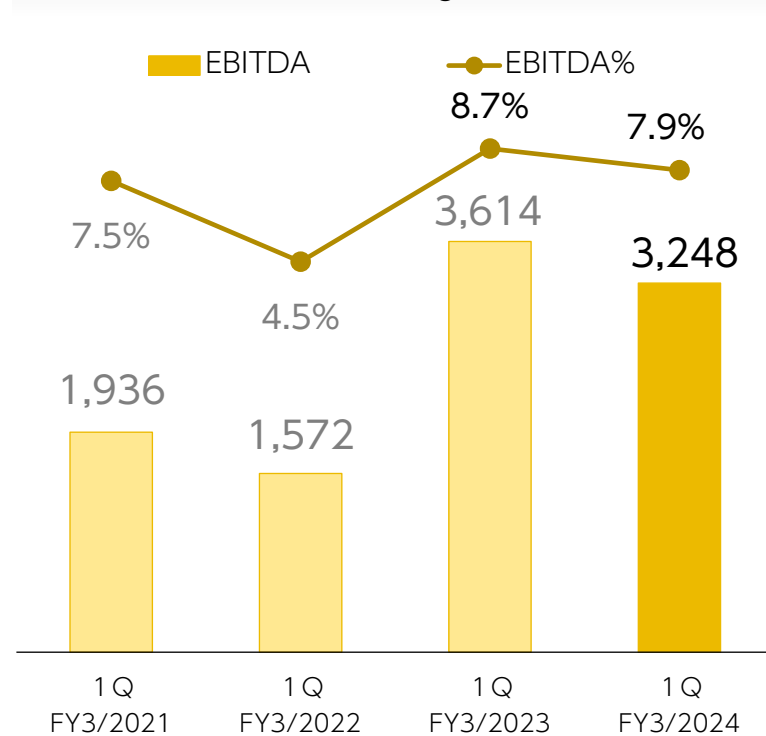
Highlights

- Continued stagnant demand for workers in electronics-related industries in the Manufacturing Business
- Strategic investments from 1Q as planned to achieve ¥25 billion, the EBITDA target of the Medium-term Business Plan
- Profit progress slightly exceeded UT's internal plan due to restrained hiring activities in light of stagnant demand for workers.

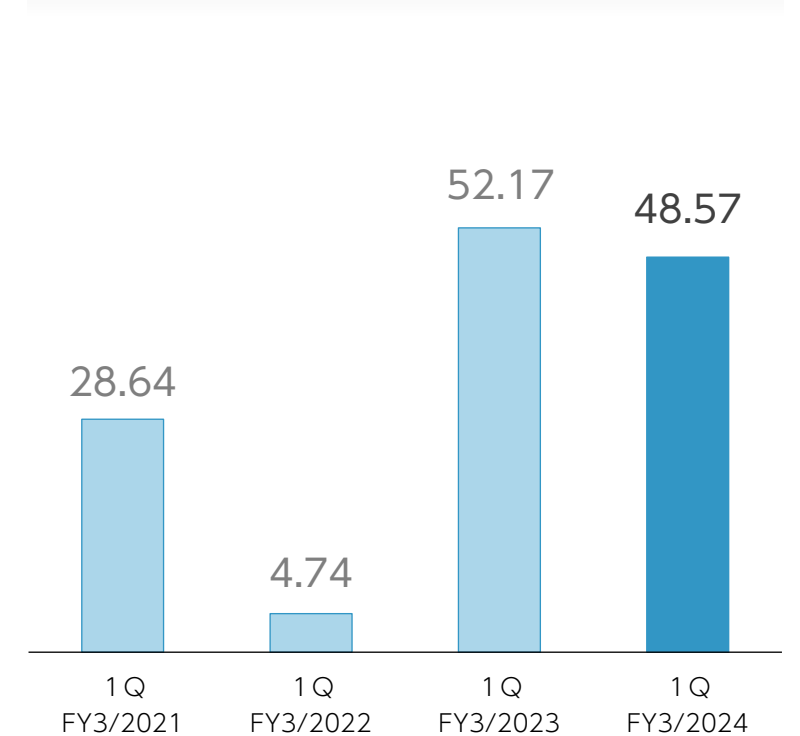
Net sales (Million yen)



EBITDA and EBITDA margin (Million yen)

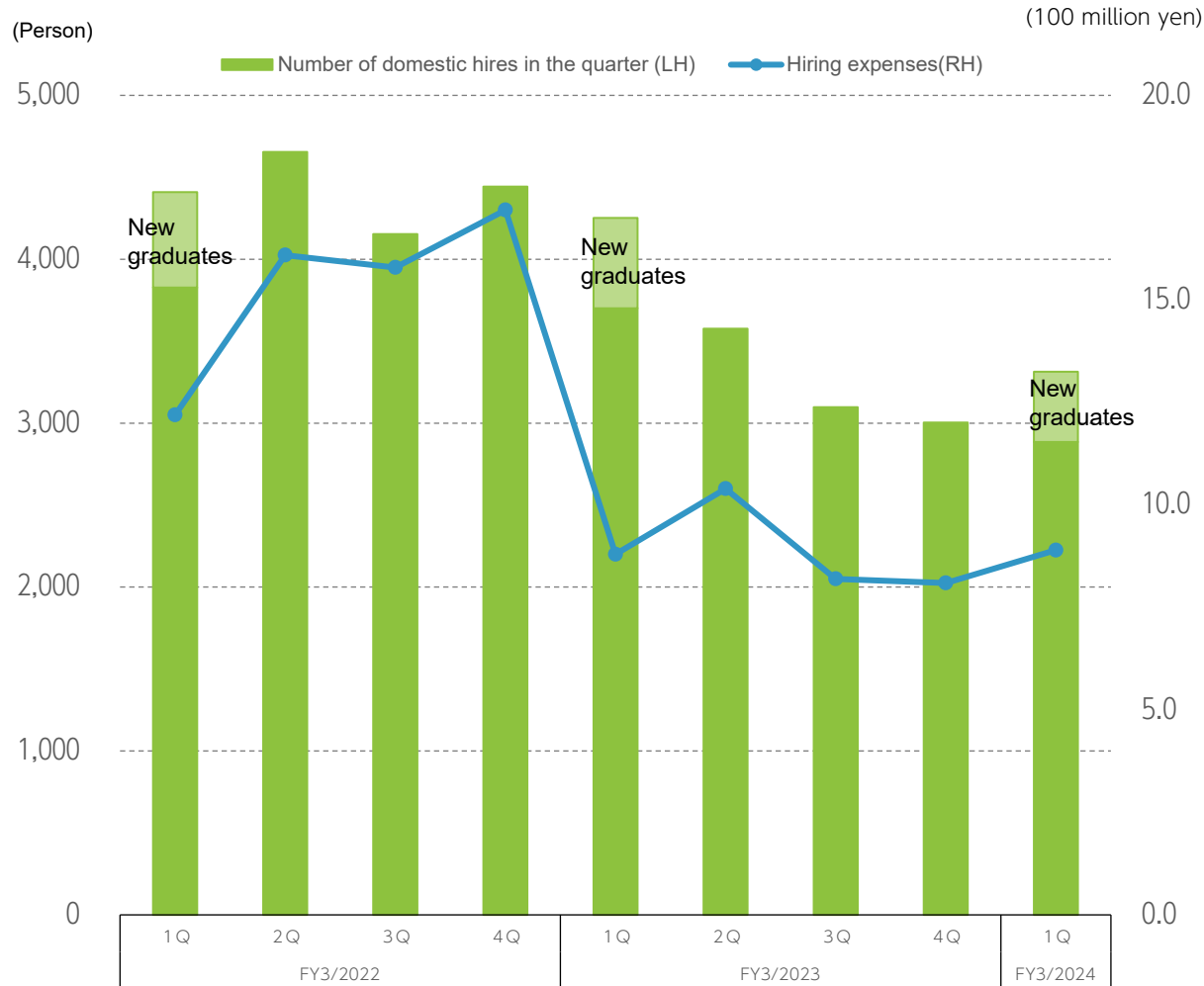


Net profit per share (EPS) (yen)



Hiring Activities

Quarterly domestic hires and hiring expenses



1Q FY3/2024:
 Focused on preparing for
 an increase in hires

Summary of Statement of Income

[million yen]

	1Q of FY3/2023		1Q of FY3/2024		Y-o-Y change	
	Results	% to net sales	Results	% to net sales	Amount	%
Net sales	41,567	100.0%	41,220	100.0%	-346	-0.8%
Gross profit	7,972	19.2%	7,722	18.7%	-250	-3.1%
SG&A expenses	4,631	11.1%	4,929	12.0%	+298	+6.4%
EBITDA	3,614	8.7%	3,248	7.9%	-366	-10.1%
Operating profit	3,341	8.0%	2,792	6.8%	-548	-16.4%
Ordinary profit	3,249	7.8%	2,753	6.7%	-496	-15.3%
Net profit attributable to UT Group	2,105	5.1%	1,956	4.7%	-149	-7.1%
EPS (yen)	52.17	—	48.57	—	-3.60	-6.9%
No. of Tech employees (Domestic)	32,153	—	31,664	—	-489	-1.5%
No. of Tech employees (Overseas)	13,982	—	13,078	—	-904	-6.5%

(note) EBITDA = Operating profit + Depreciation (Property, plant and equipment, and Intangible assets) + Amortization

Consolidated Balance Sheets

[million yen]

	March 31, 2023		June 30, 2023		Change from the end of the previous FY	
	Results	% to total assets	Results	% to total assets	Amount	%
Current assets	55,784	77.9%	51,330	77.0%	-4,453	-8.0%
Cash and deposits	31,969	44.6%	26,181	39.3%	-5,788	-18.1%
Notes and accounts receivable – trade	21,851	30.5%	21,066	31.6%	-784	-3.6%
Non-current assets	15,846	22.1%	15,350	23.0%	-495	-3.1%
Property, plant and equipment	1,309	1.8%	1,293	1.9%	-15	-1.2%
Intangible assets	10,804	15.1%	11,355	17.0%	+550	+5.1%
Goodwill	5,414	7.6%	5,866	8.8%	+452	+8.4%
Investments and other assets	3,731	5.2%	2,701	4.1%	-1,030	-27.6%
Total assets	71,630	100.0%	66,680	100.0%	-4,949	-6.9%
Current liabilities	27,903	39.0%	23,975	36.0%	-3,928	-14.1%
Short-term borrowings and Current portion of long-term borrowings	3,993	5.6%	4,447	6.7%	+454	+11.4%
Current liabilities	13,798	19.3%	11,617	17.4%	-2,180	-15.8%
Long-term borrowings	12,400	17.3%	10,360	15.5%	-2,040	-16.5%
Net assets	29,928	41.8%	31,087	46.6%	+1,159	+3.9%
Shareholders' equity	22,454	31.3%	23,589	35.4%	+1,135	+5.1%
Share acquisition rights	6,161	8.6%	6,161	9.2%	0	0.0%
Total liabilities and net assets	71,630	100.0%	66,680	100.0%	-4,949	-6.9%
Gross debt/equity ratio	0.7	—	0.6	—	—	—

Current assets

- Decrease in cash and deposits

Non-current assets

- Increase in goodwill
- Decrease in investment securities

Current liabilities

- Decrease in income taxes payable and accrued consumption taxes
- Decrease in provision for bonuses

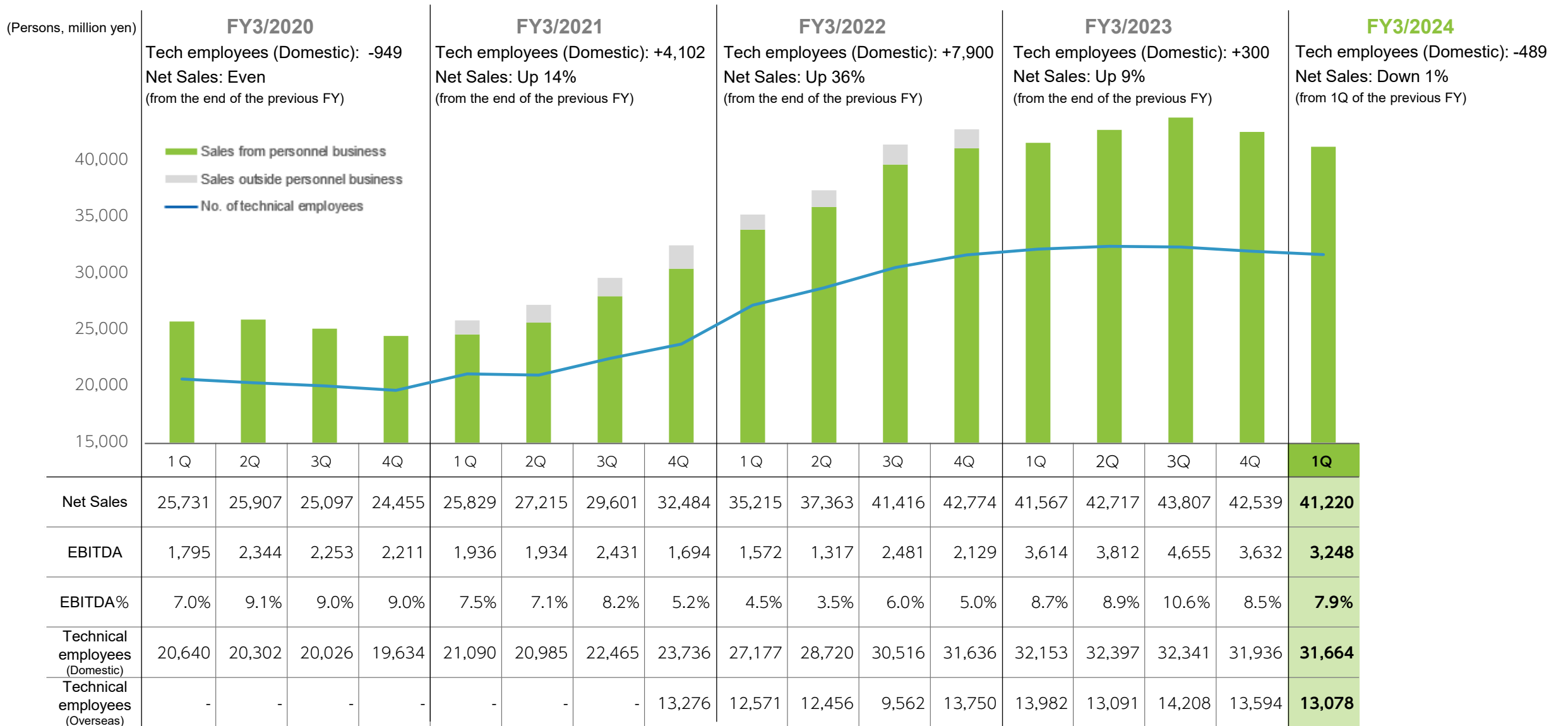
Non-current liabilities

- Decrease in long-term borrowings

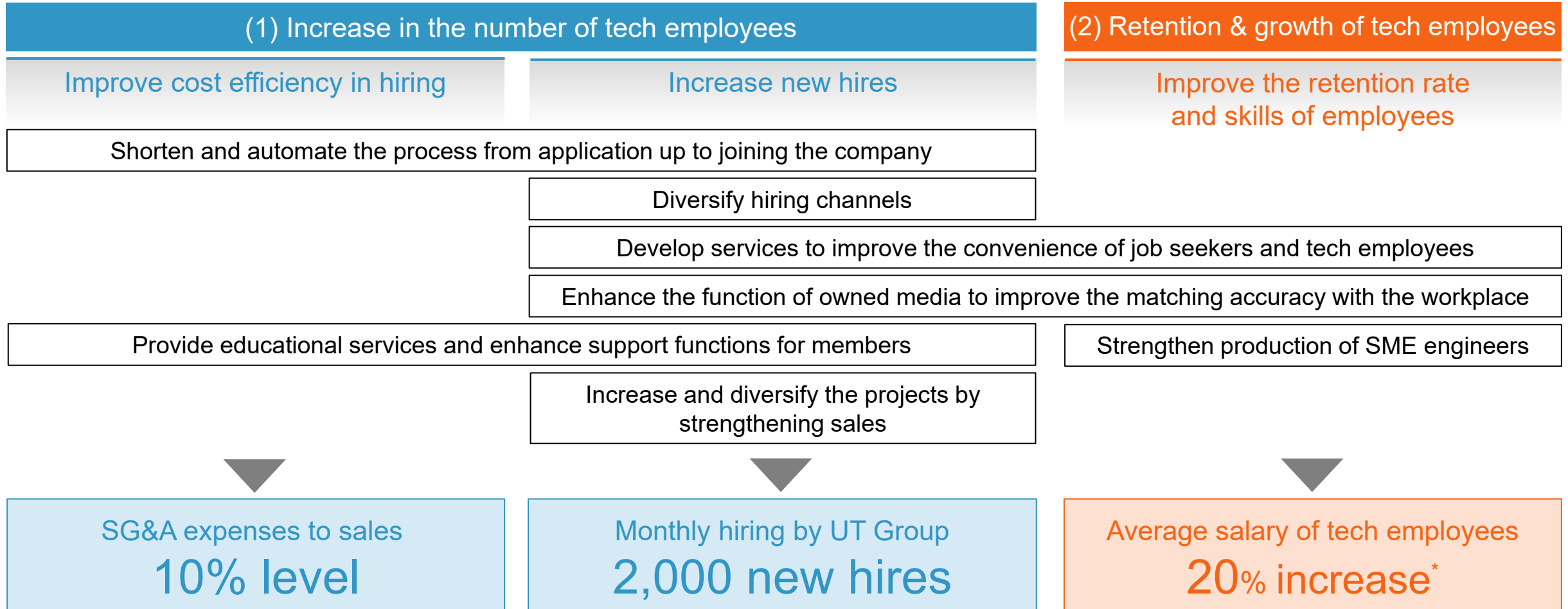
Net assets

- Recognition of net profit attributable to owners of the parent
- Share buybacks as shareholder returns
- Equity ratio 35.8% (31.8% as of March 31, 2023)

Quarterly Changes in Sales and Number of Technical Employees



Key measures for the last two years of the 4th Med-term Business Plan

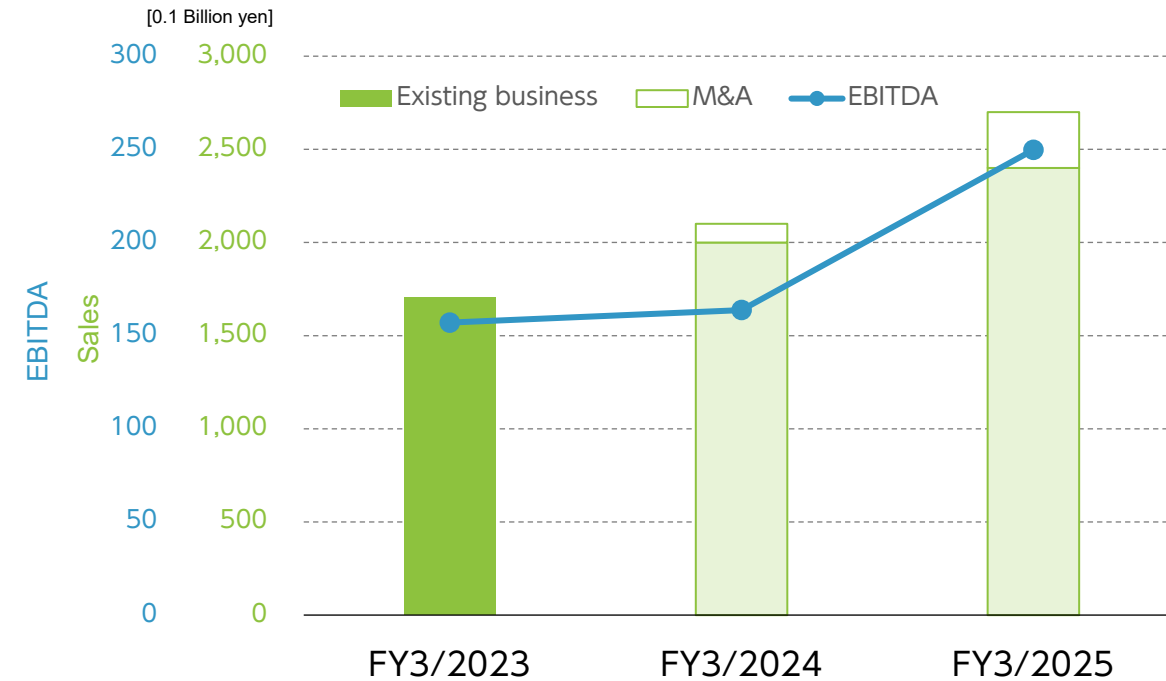


The target for FY3/2025 compared to FY3/2021

Targets: ¥25bln EBITDA and 50,000-60,000 tech employees

Roadmap for the final two years of the Fourth Medium-term Business Plan

Numerical targets for the final two years of the Business Plan



Workforce, year-end (Domestic)	31,936	44,000	56,000
New hires/year	13,930	21,000	24,000
Increase of the workforce due to M&As	0	3,500	7,500
Monthly Turnover rate	3.2%	2.9%	2.8%

Market outlook and UT's basic strategy

Gradual recovery in worker demand by major manufacturers from 2H FY3/2024

Regional worker demand remains firm

Expansion of the manufacturing dispatch market, and progress in consolidation into major dispatch companies

The labor market will be in favor of job seekers due to serious labor shortage

Convenient services to lock in job seekers

M&As to accelerate industry consolidation

FY3/2024 Earnings Forecasts (Announced in May 2023)

Invest for the future while keeping an eye on demand trends

- Started the year with the less-than-planned number of tech employees of 31,936
- Manufacturing Business: Control hiring expenses to match demand trends in 1H; and strengthen hiring activities in 2H
- Area Business: The Business is less susceptible to economic impacts. Will continue to strengthen the development of new projects and expand the staffing
- Invest in improving the convenience of job seekers and forming a foundation to support their skills and careers on an ongoing basis to achieve the ¥25 billion EBITDA target of the Medium-term Business Plan

[0.1 Billion yen]

	FY3/2023		Reference) FY3/2023 Excl. stock-based compensation expenses		FY3/2024		Change amount	Change %
	Results	% of net sales	Results	% of net sales	Forecasts	% of net sales		
Net sales	1,706	100.0%	1,706	100.0%	2,000	100.0%	+294	+17.2%
EBITDA*	157	9.2%	157	9.2%	164	8.2%	+7	+4.4%
Operating profit	89	5.2%	144	8.5%	144	7.2%	+55	+61.5%
Ordinary profit	88	5.2%	143	8.4%	141	7.1%	+53	+59.6%
Net profit attributable to UT Group	38	2.2%	93	5.5%	90	4.5%	+52	+134.9%
EPS (yen)	94.92	—	232.72	—	222.98	—	+128.06	+134.9%
Ref) Diluted EPS (yen)	90.18	—	—	—	185.98	—	—	—

Outlook for the business environment

Demand for semiconductors

Expect a med-term growth in demand but the softening personnel demand up to 1H

Automotive-related demand

On the way to recovery but still some uncertainties

Local personnel demand

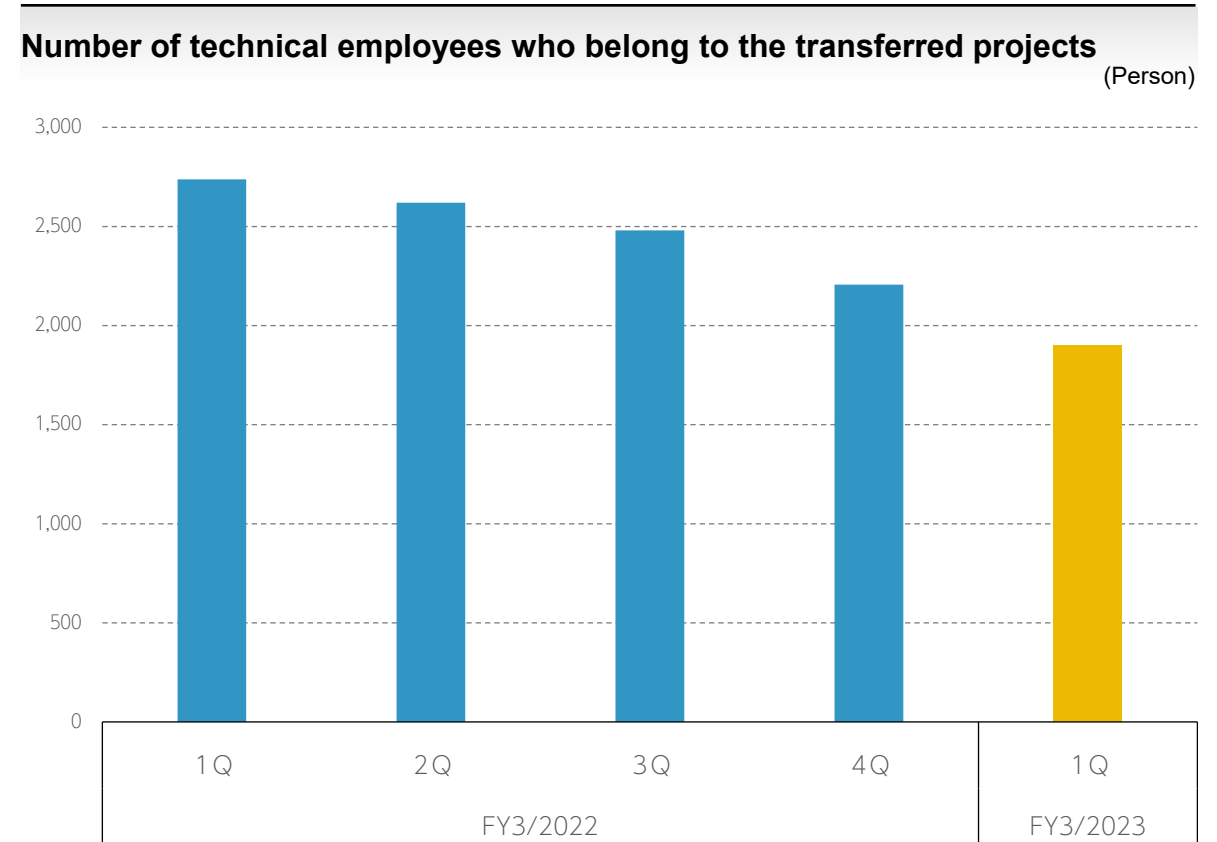
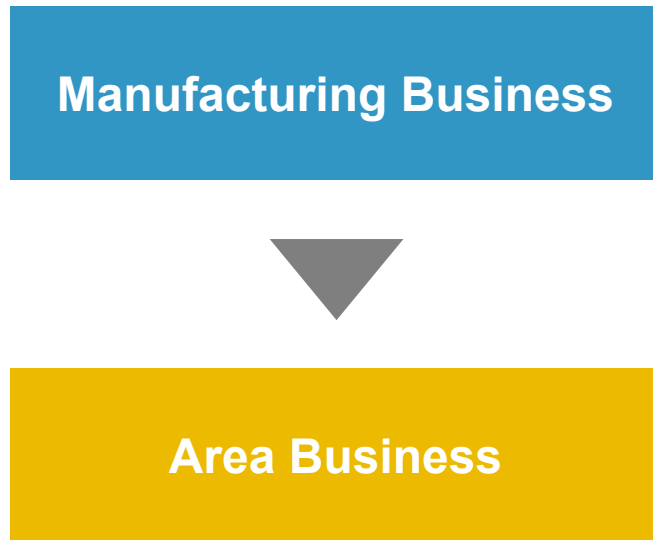
Upward trend in the job openings-to-applicants ratio in each area
Ample room for growth

* EBITDA = Operating profit + Depreciation (Property, plant and equipment, and Intangible assets) + Amortization + Stock-based compensation expenses

Results by segment

Inter-Segment Transfer of Technical Employees in April 2023

- Moved some clients of the Manufacturing Business to the Area Business in order to more closely provide services to them.
- This led to a transfer of approximately 1,900 technical employees to the Area Business as of the end of June, 2023.
- These clients were not concentrated in any subsegment of the Manufacturing Business.
- This document presents the retroactively revised data for the past two years for reference.



Business Results by Segment

Manufacturing Business

Industrial & Commercial Machinery/Electronics

Although medium-term capex-driven demand is expected, the impact of inventory adjustments in semiconductors and other factors continued in 1Q as in 4Q of FY3/2023. Hiring in 1Q was to meet immediate demand. The relationships with clients was strengthened in preparation for recovery in demand. With the exception of some clients, vacancies started to increase in July.

Transportation Equipment

Despite the easing impact of operating adjustments caused by the shortage of components, and a pick-up in production activities, demand recovery in 1Q lacked strength as a result of production adjustments at some manufacturers. Hiring in 1Q was to meet immediate demand. In July, the number of vacancies remained stable.

■ In April 2023, UT transferred some dispatch workplace projects to the Area Business to provide better services, resulting in transfer of approx. 1,900 technical employees. This document has retroactively revised some data for the past two years.

Area Business

Despite a relatively weak vacancy situation, the number of job openings is steadily increasing thanks to the strengthened sales system. We focused on building a sales base in line with scale expansion. Inside sales were outsourced from 1Q to develop client relations and strengthen the sales base throughout the year. Since July, worker vacancy has been stable.

■ Accepted approx. 1,900 technical employees from the Manufacturing Business.

Solution Business

Progress was made in proposal activities to acquire new solution projects. Existing subsidiaries also worked to develop new clients (outside their former group companies) and to develop subcontracting projects in new fields, but overall the Solution Business was affected by termination of some subcontracting projects.

Engineering Business

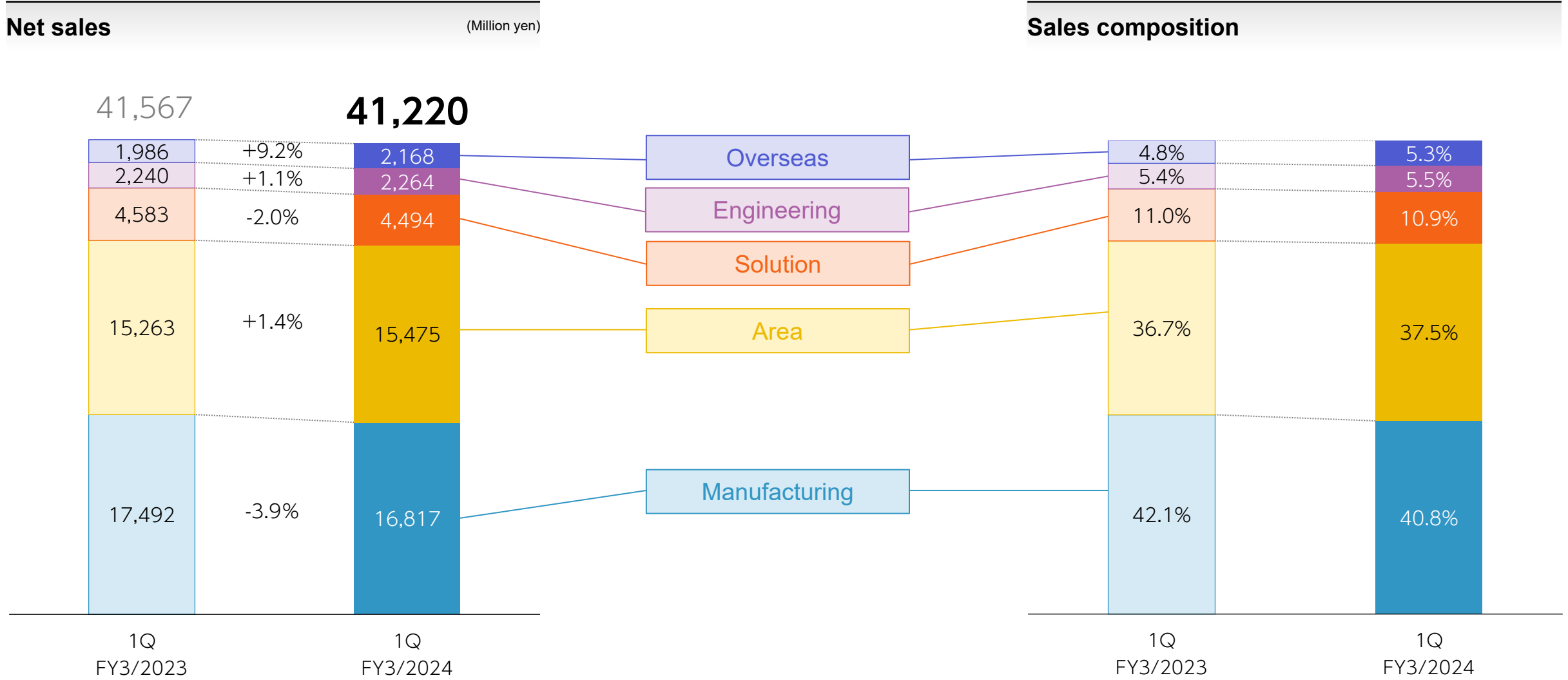
Construction engineers/IT engineers

In 2023, 184 new graduates started work early. Due to strong demand, the Business focused on new graduates for 2024. Also, hiring costs increased. In the field of construction engineers, 76 technical employees were transferred to client companies (Next UT) with the strategic aim of strengthening relationships with clients having strong demand while promoting career development of engineers.

Overseas Business

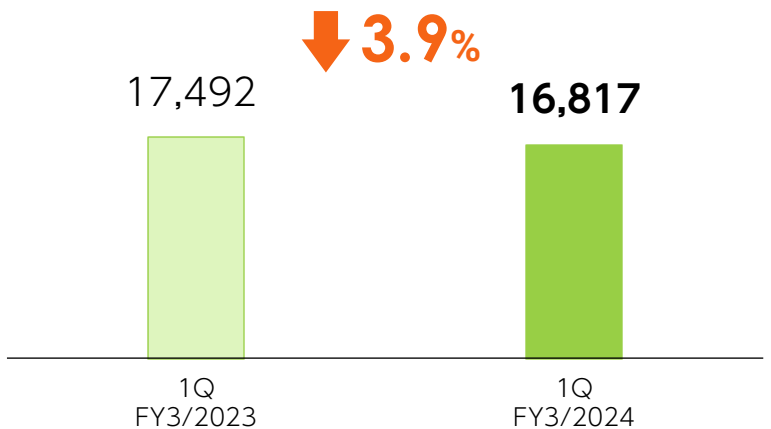
Expanded sales activities in the north of Vietnam and focused on acquiring business opportunities with Japanese companies. Demand for workers was sluggish, particularly among manufacturers, and UT sought to increase the dispatch of sales staff. The Vietnamese Lunar New Year caused a decrease in the number of technical staff. Amortization of goodwill temporarily increased significantly in 1Q due to the performance-linked earn-out clause at the time of share acquisition.

Results by Segment: Net Sales and Sales Composition (1Q FY3/2023 was retroactively revised data for reference)

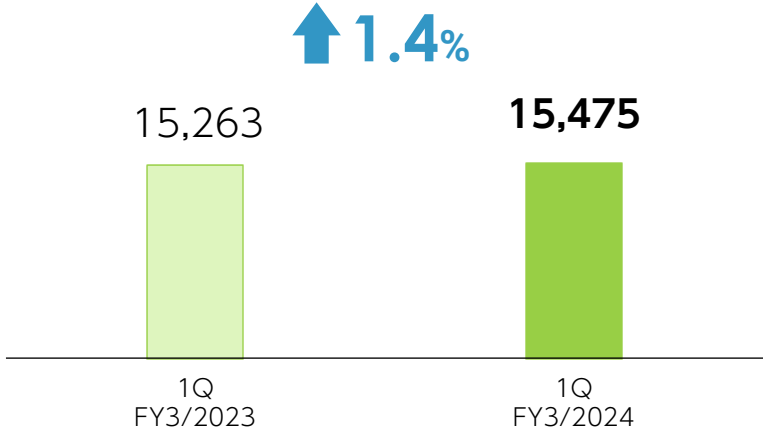


Net Sales by Segment (1Q FY3/2023 was retroactively revised data for reference)

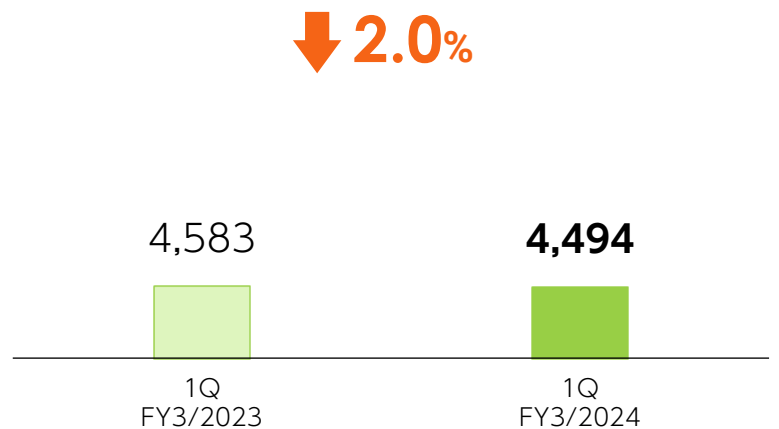
Manufacturing Business (Million yen)



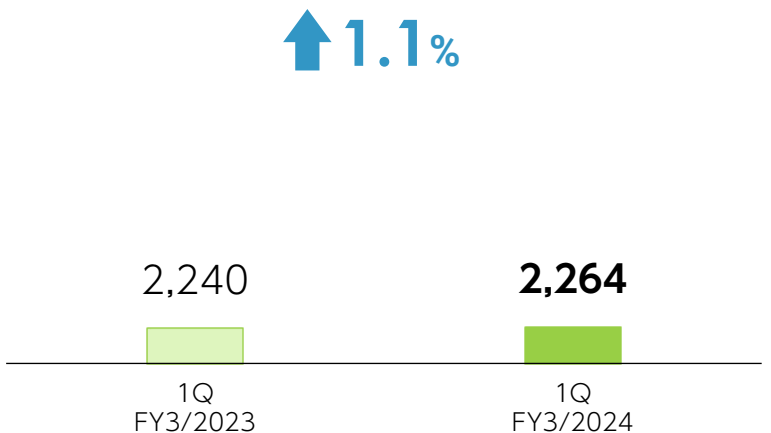
Area Business (Million yen)



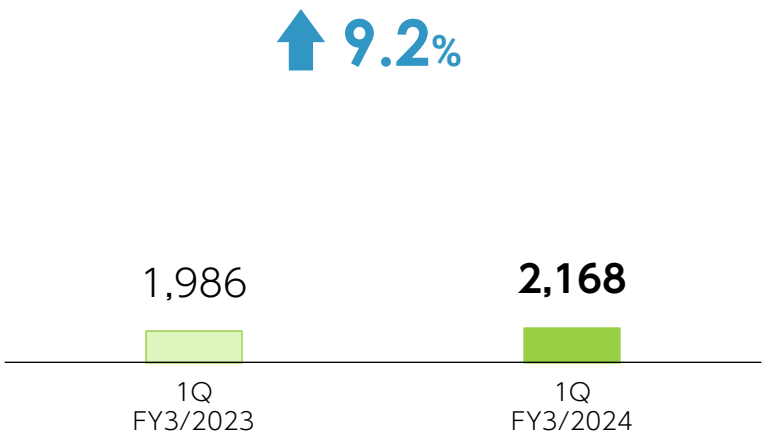
Solution Business (Million yen)



Engineering Business

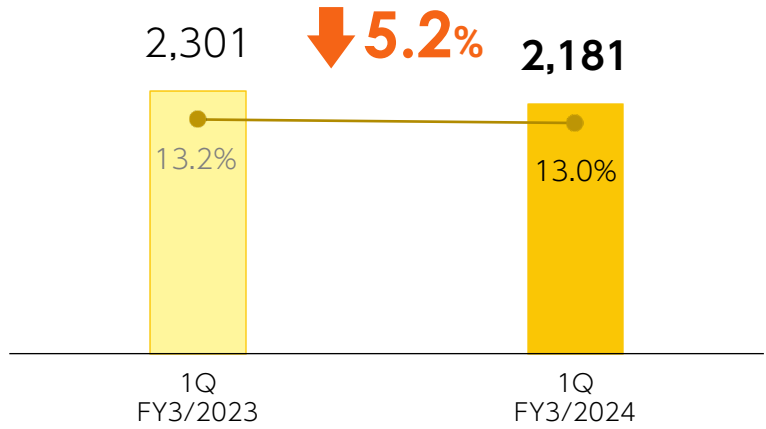


Overseas Business

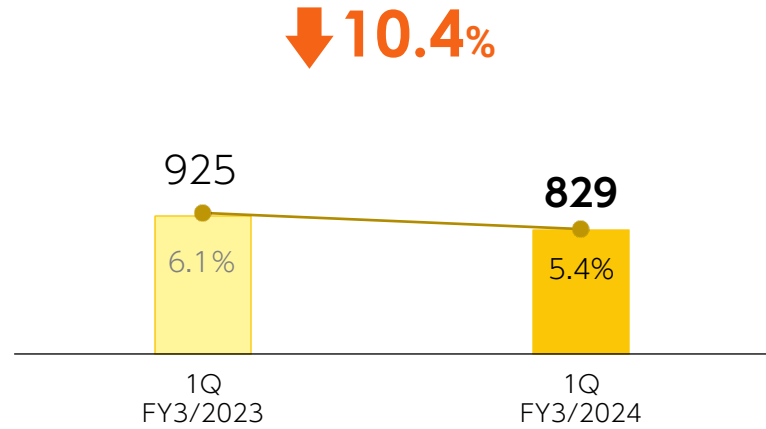


EBITDA by Segment (1Q FY3/2023 was retroactively revised data for reference)

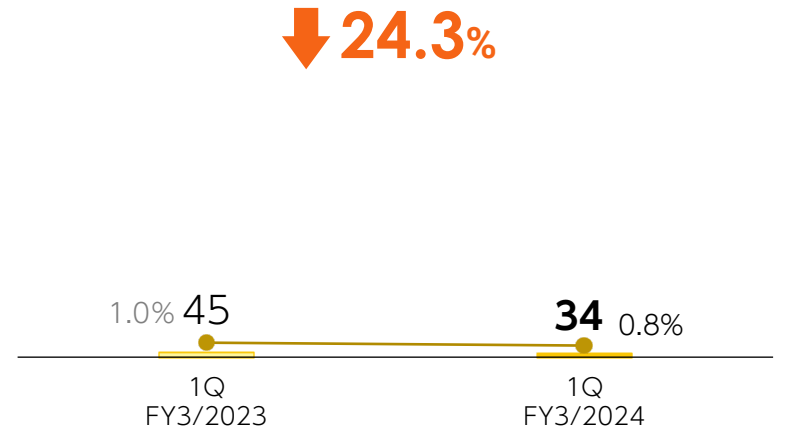
Manufacturing Business (Million yen)



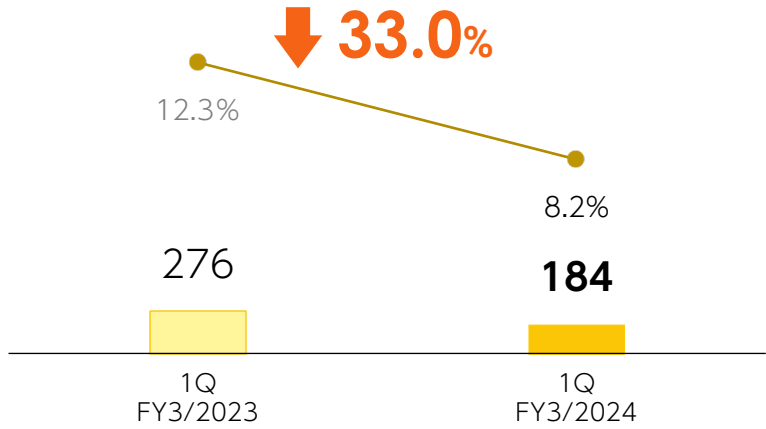
Area Business (Million yen)



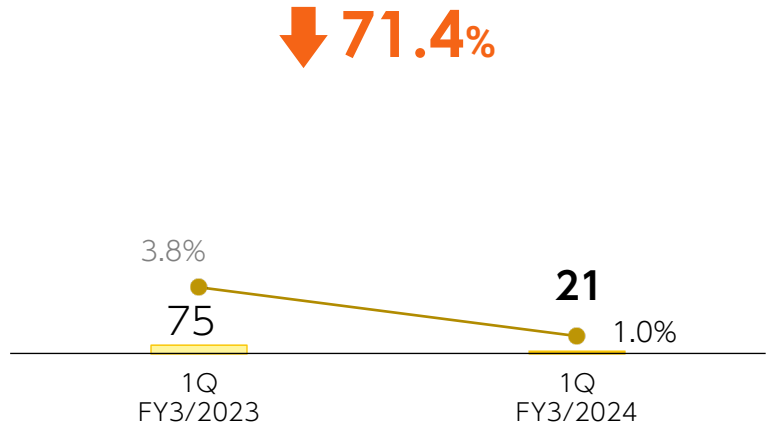
Solution Business (Million yen)



Engineering Business (Million yen)

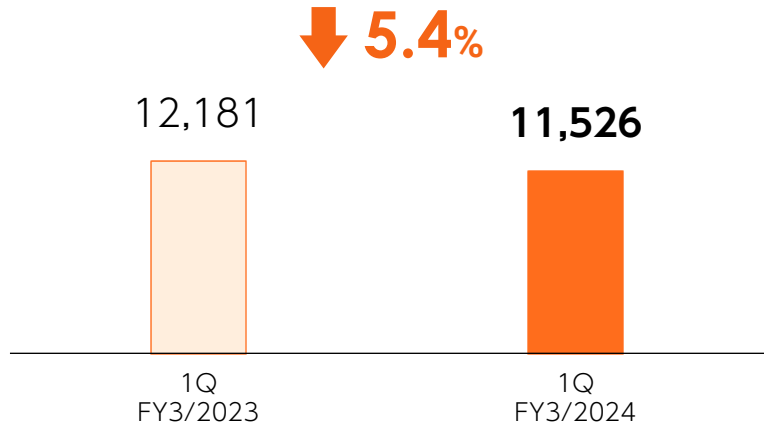


Overseas Business (Million yen)

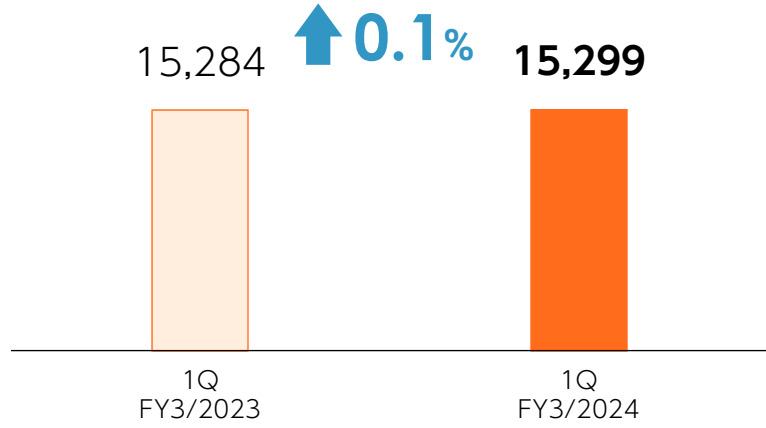


Technical employees by Segment (1Q FY3/2023 was retroactively revised data for reference)

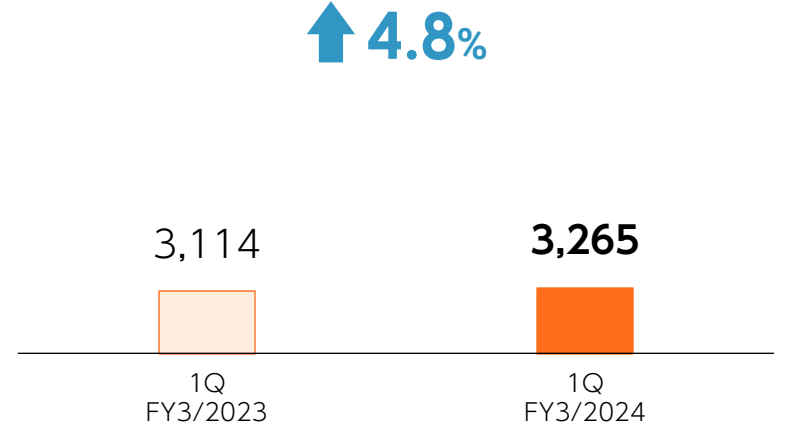
Manufacturing Business (Person)



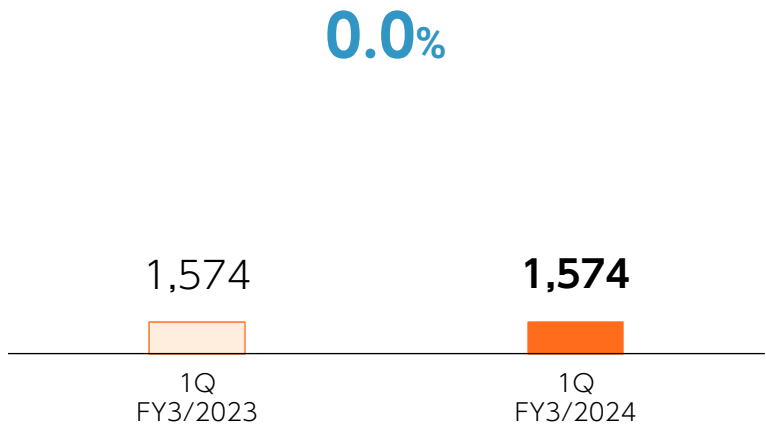
Area Business (Person)



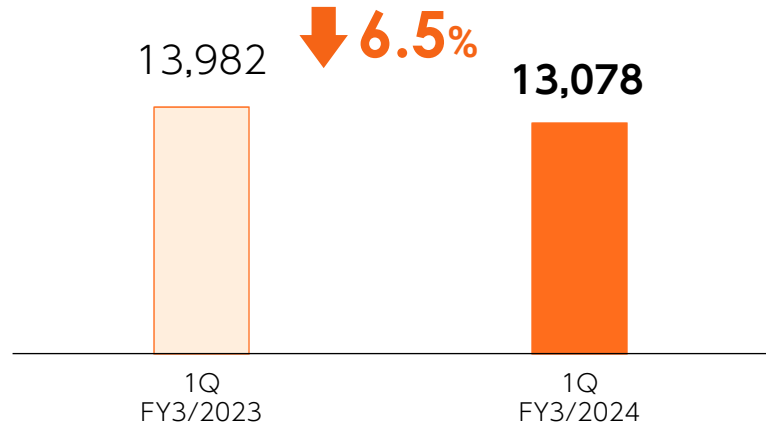
Solution Business (Person)



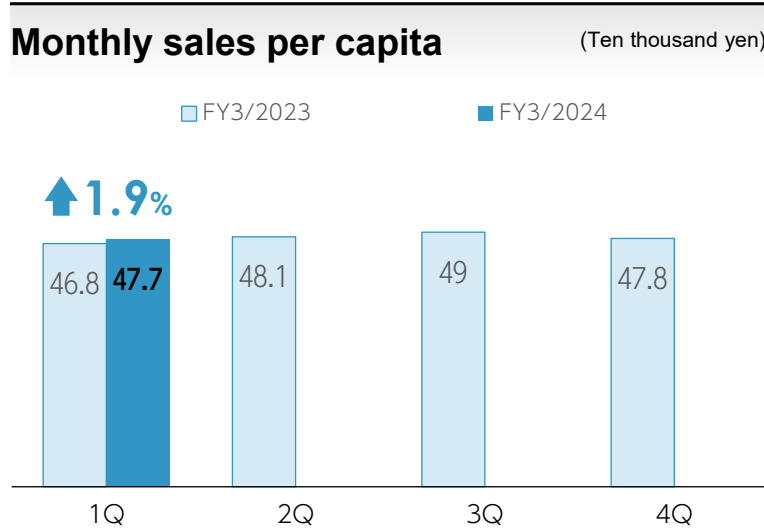
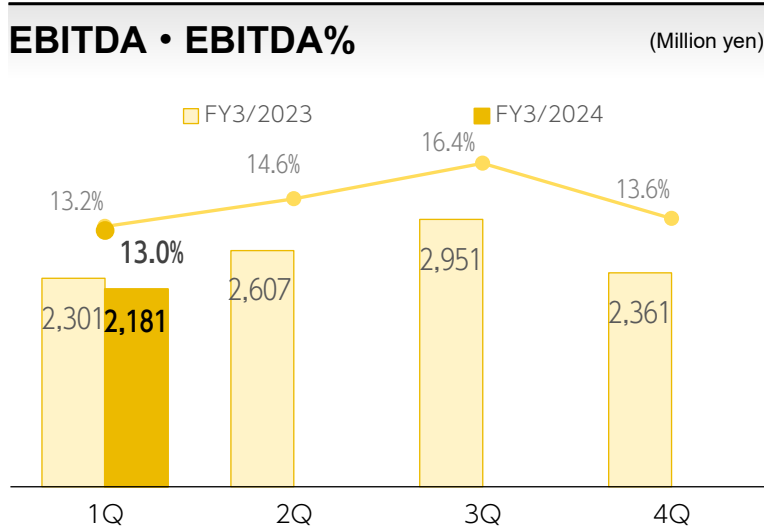
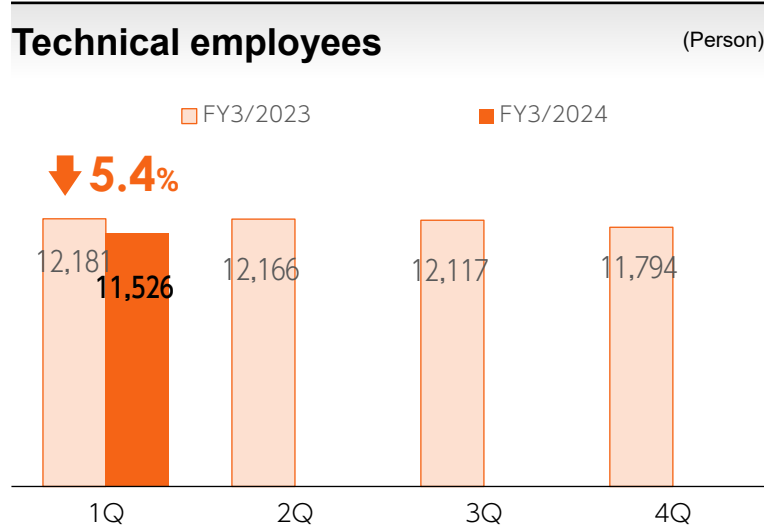
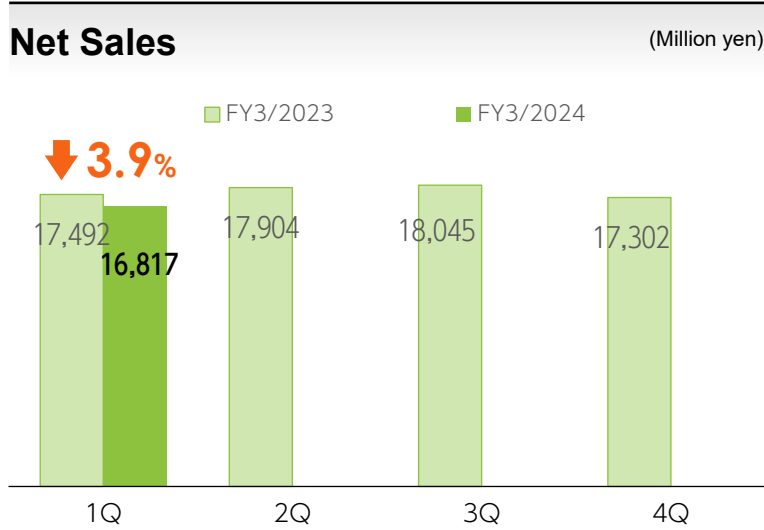
Engineering Business (Person)



Overseas Business (Person)



Segment Results (FY3/2023 was retroactively revised data for reference)



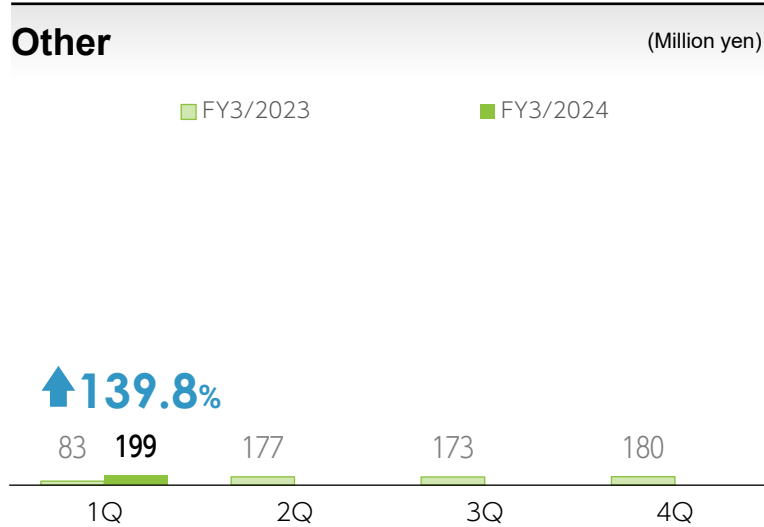
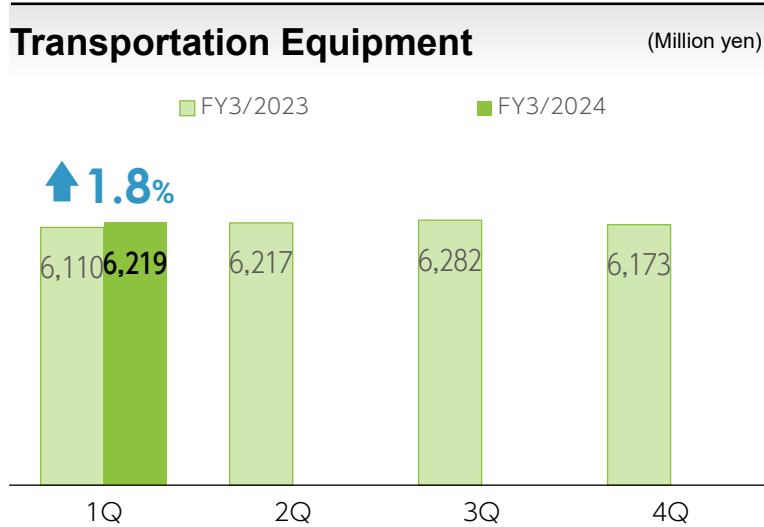
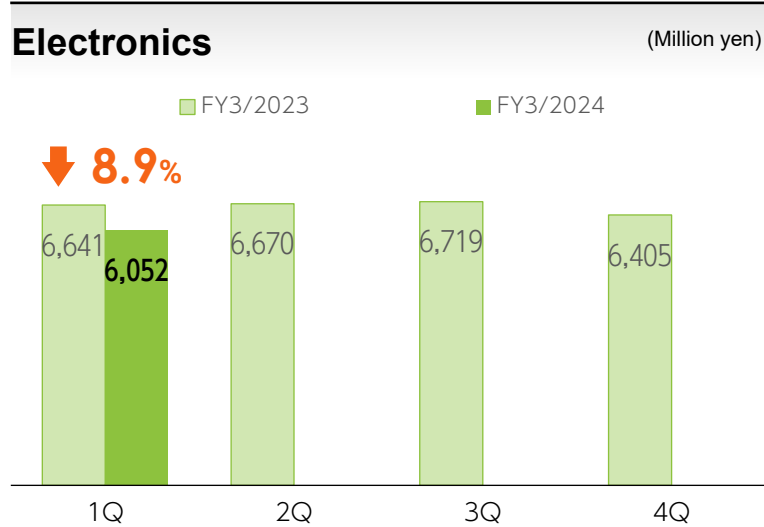
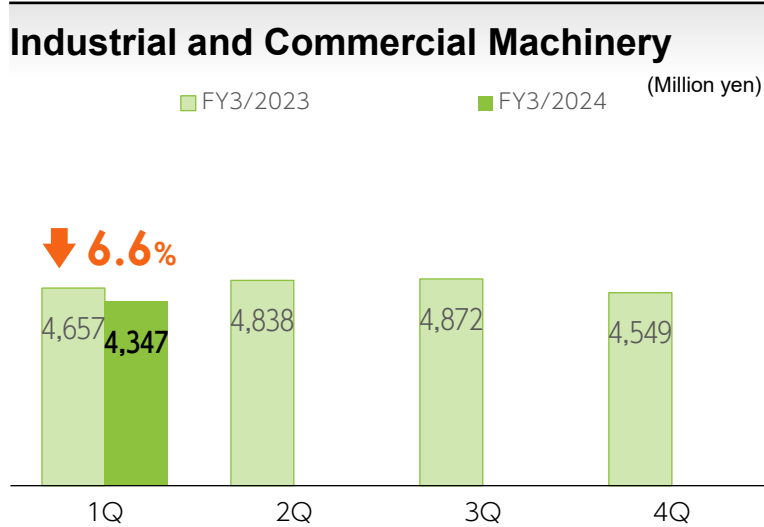
Sales and technical employees

- The impact of inventory adjustments in semiconductors continued. Despite the q-o-q easing impact of the adjustments, demand for workers remained sluggish.
- Restrained hiring activities to meet demand.
- Strengthened relationships with client companies to prepare for a recovery in demand.
- Deployed an “HR development and dispatch model” with a client company and completed placement of new graduates of 2023 to the client.
- Vacancies increased in July with the exception of some clients.

EBITDA

- The SG&A efficiency was maintained by restraining hiring activities.

Net Sales by Subsegment (FY3/2023 was retroactively revised data for reference)



Industrial and Commercial Machinery Electronics

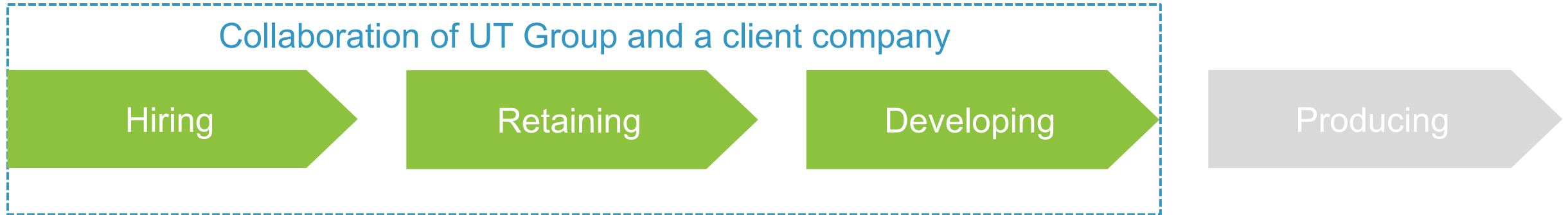
- Although capex-related medium-term demand is expected to increase, the impact of inventory adjustments in semiconductors and other factors continued in 1Q as in 4Q of FY3/2023.
- Demand for workers in battery manufacturing, which is included in the Industrial and Commercial Machinery subsegment, was weak.
- Strengthened relationships with clients to prepare for a recovery in demand.
- With the exception of some clients, vacancies improved in July.

Transportation Equipment

- Demand was weak in 1Q as a result of production adjustments at some manufacturers, despite the easing impact of operating adjustments caused by the shortage of components and some recovery in production activities.
- Executed hiring activities to meet immediate demand in 1Q.
- The number of vacancies remained stable in July.

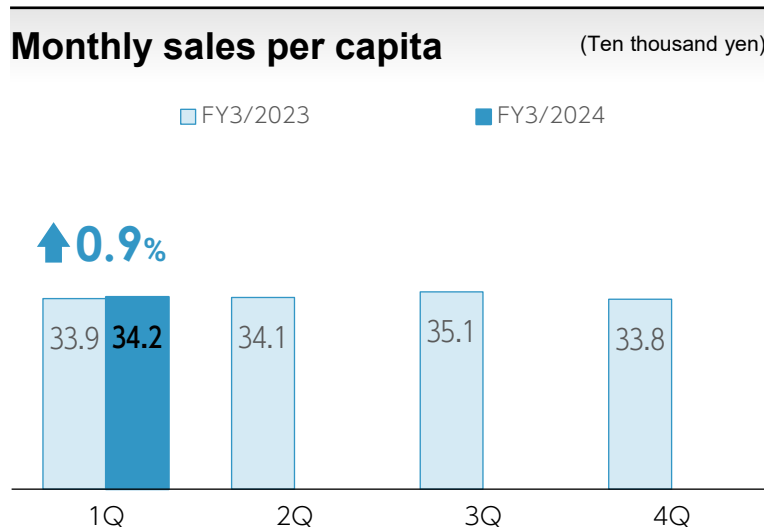
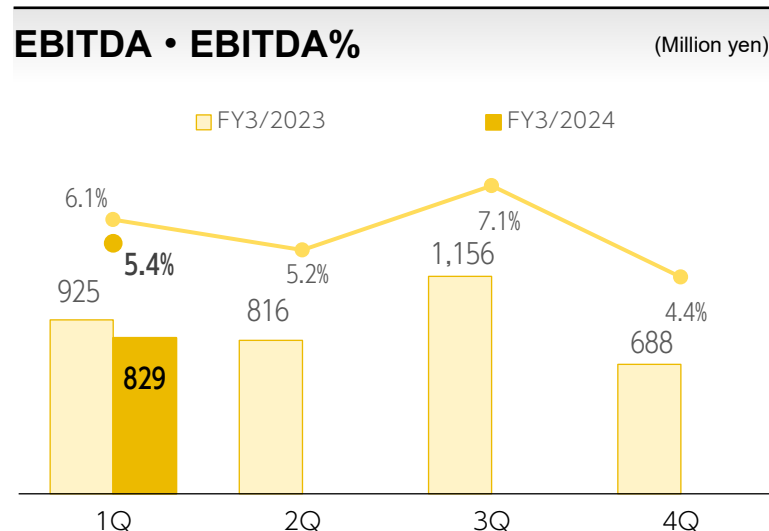
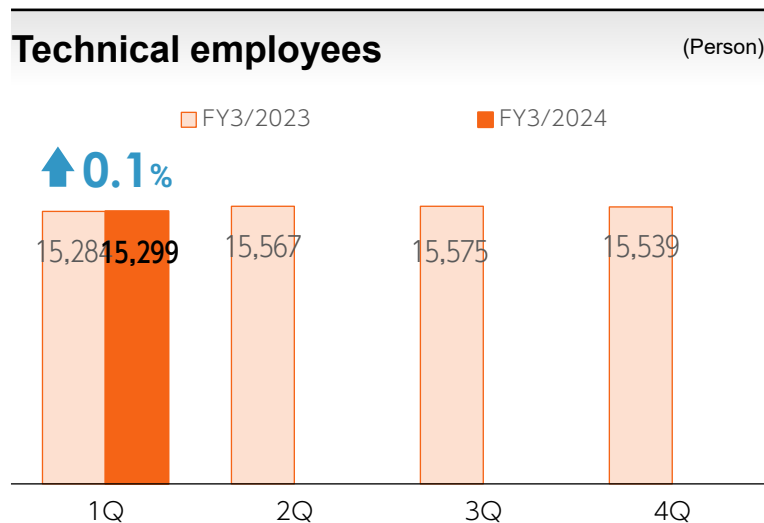
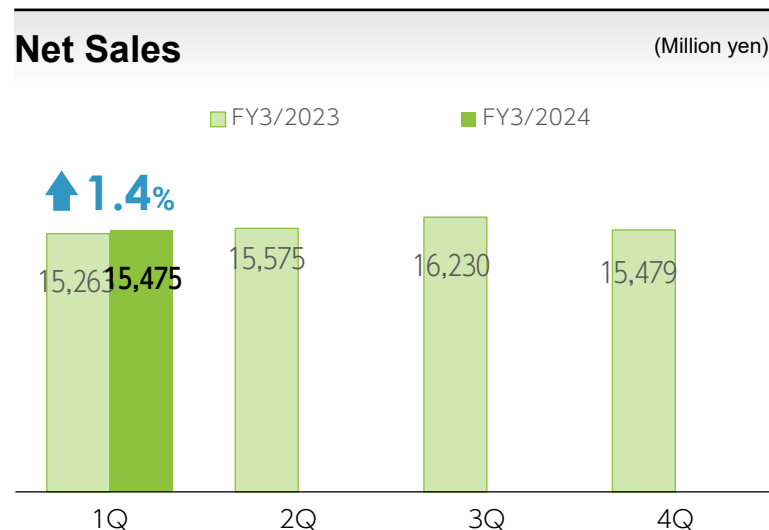
Deploys Full-scale Human Resource Development and Dispatch Model Jointly with Client Companies

- UT's 72 new graduates, hired across Japan, have been assigned to SCREEN Semiconductor Solutions Co., Ltd.
- UT's lecturers were assigned to SCREEN to train them by using the customized curriculum to SCREEN.
- Aim to collaborate with client companies and help improve their HR.
- This collaborative model will be applied not only to the semiconductor industry but also to other manufacturing industries.



In response to the medium-term intensifying competition for human resources, UT will cooperate with client companies to help them build a robust manufacturing system.

Segment Results (FY3/2023 was retroactively revised data for reference)



Sales and technical employees

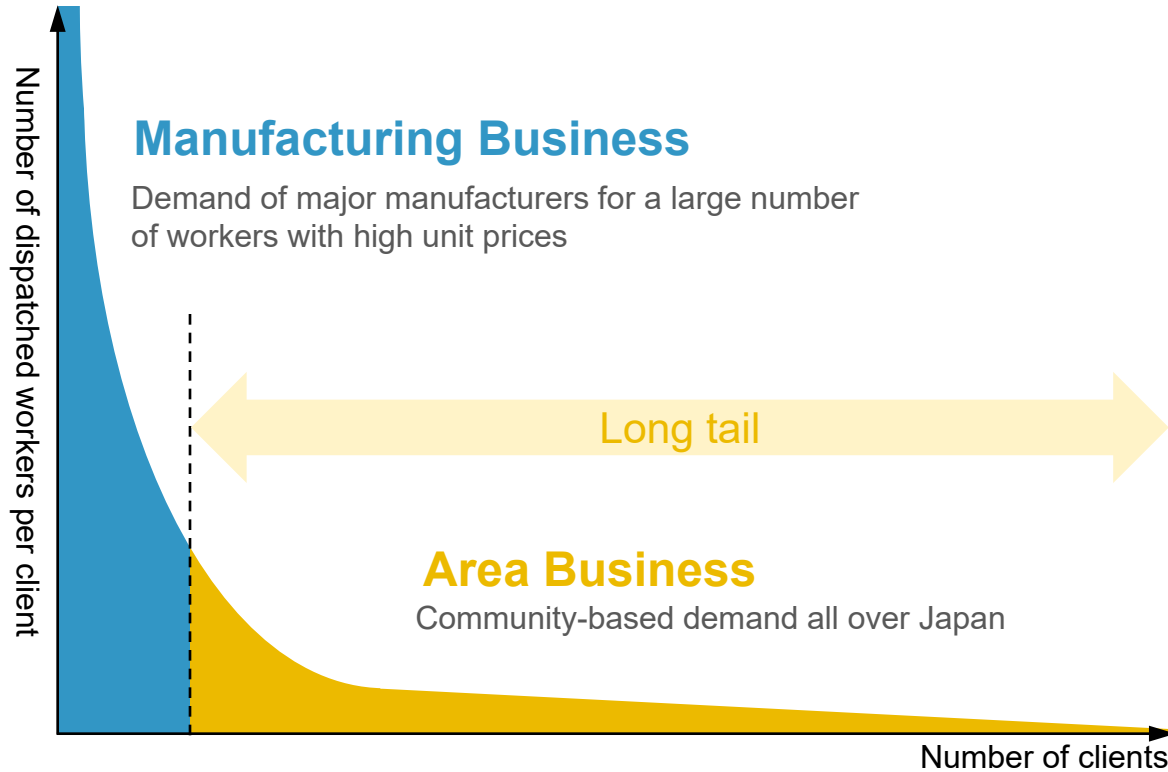
- Despite a slower growth in the number of technical employees, which was caused by a slightly weak vacancy situation, UT's strengthened sales system achieved a steady increase in job offers from clients.
- The number of dispatched employees in some clients which were moved from the Manufacturing Business had been on a declining trend throughout FY3/2023. This decline offset the organic increase in the Area Business.
- The Area Business focused on strengthening its sales base in line with the expected business scale. We outsourced inside sales from 1Q to develop clients and strengthen the sales base throughout the year.
- Since June, vacancies have been on the rise.

EBITDA

- The SG&A expense efficiency was maintained thanks to the integration effect in FY3/2023.

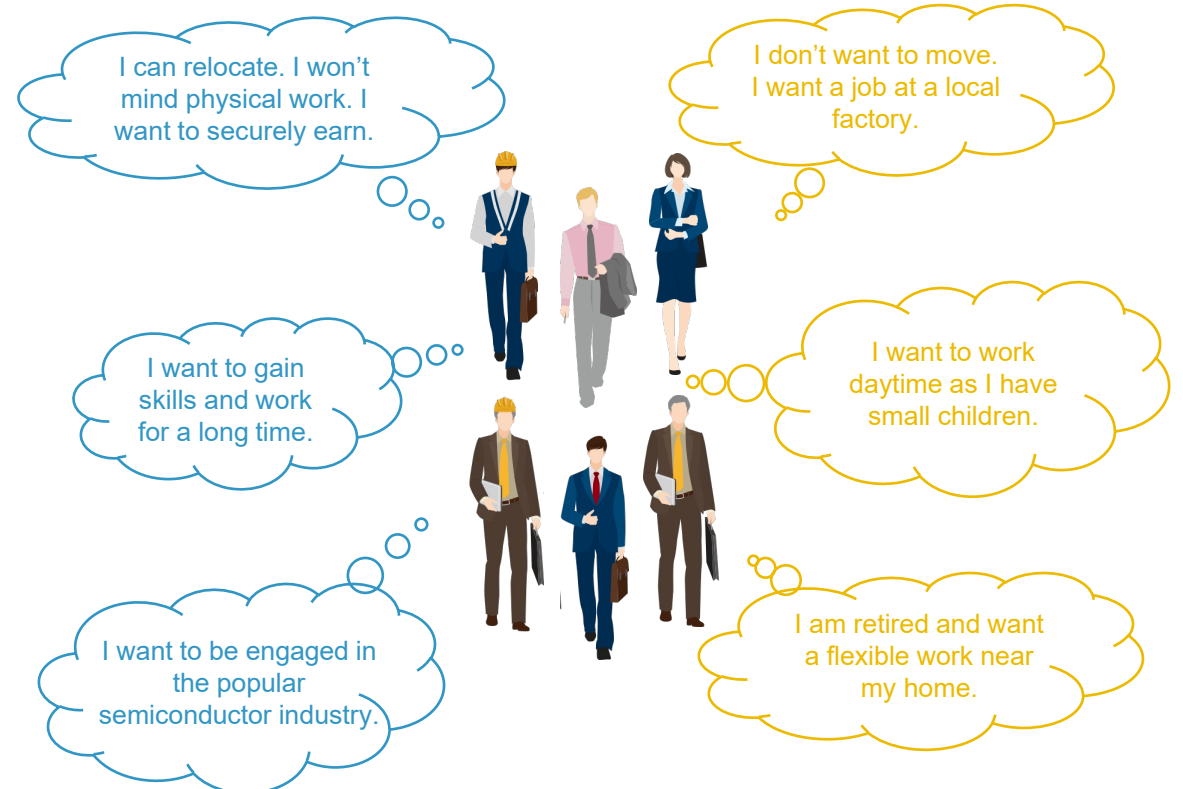
Area Business and Manufacturing Business complement each other

■ Different demand by client



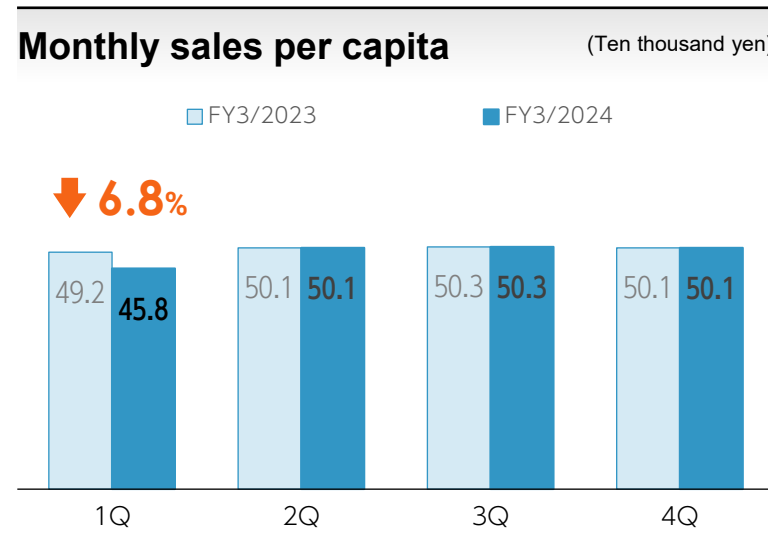
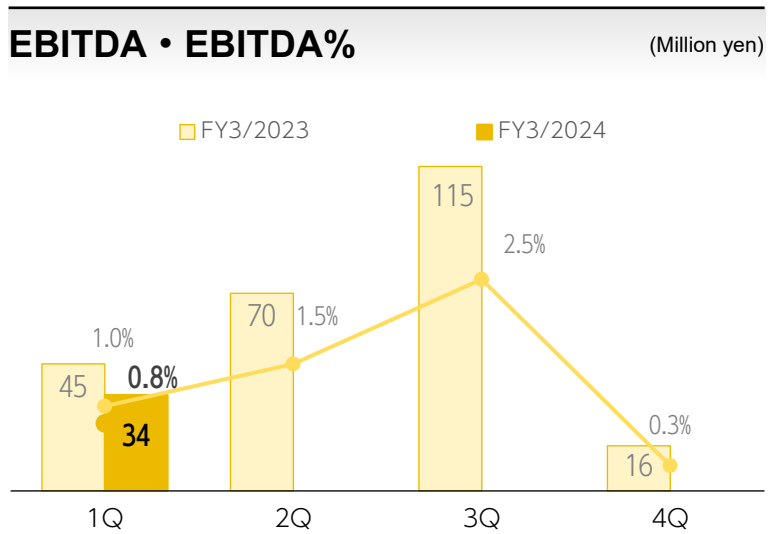
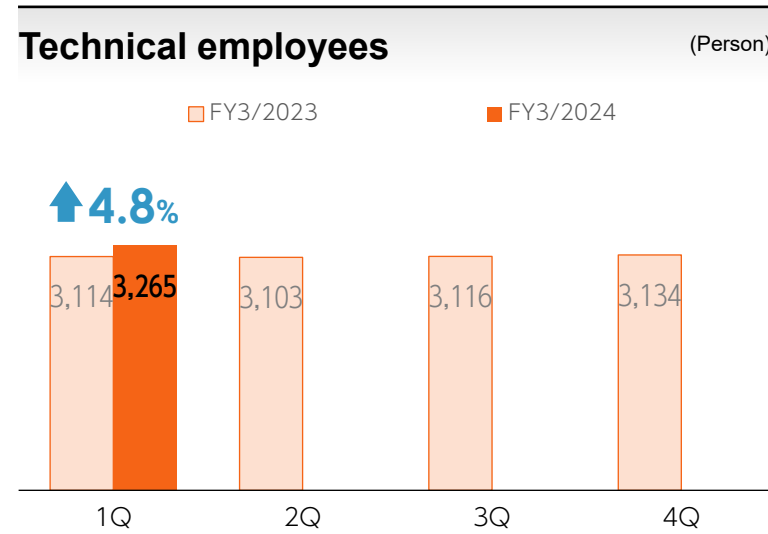
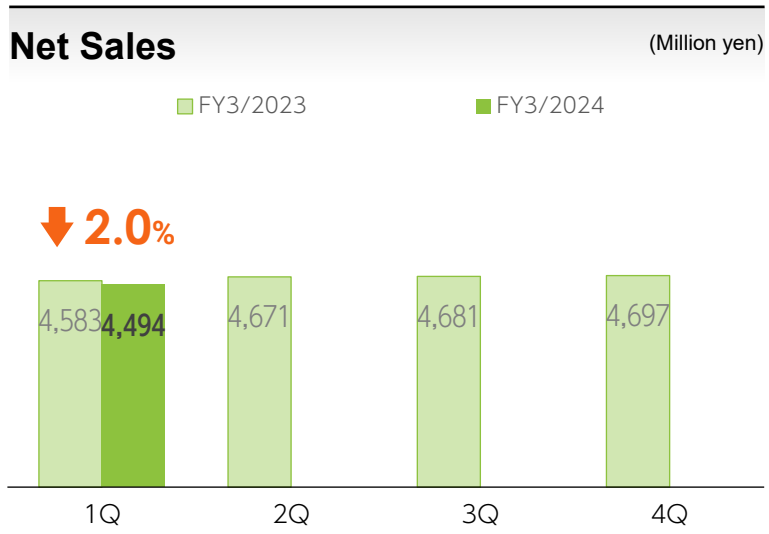
Ensure diversity in work types and expand in areas as a platform

■ Different intention for work by job seeker



Improve the accuracy in matching from the UT Group's base of over 10,000 applicants per month

Segment Results



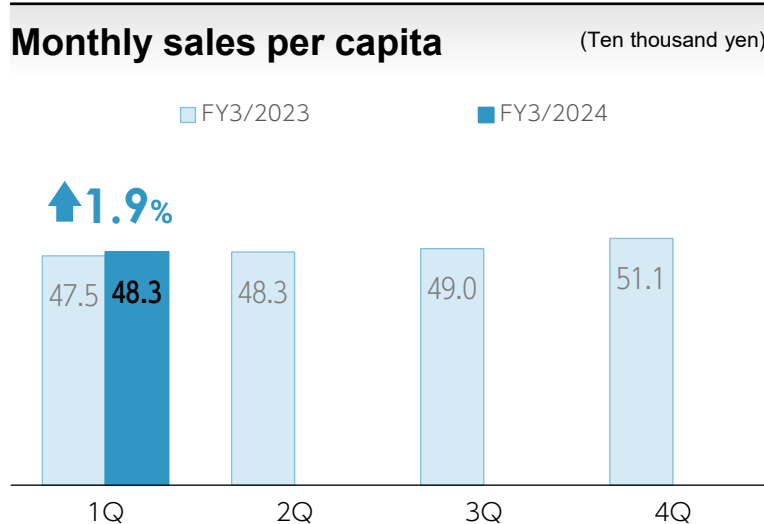
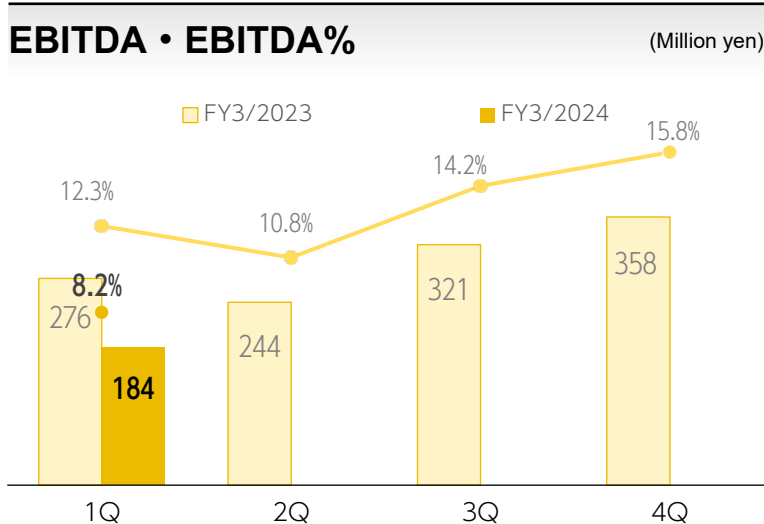
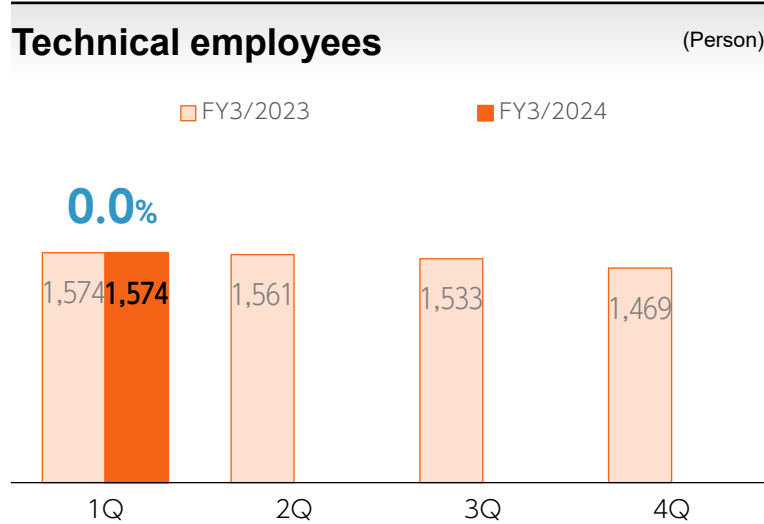
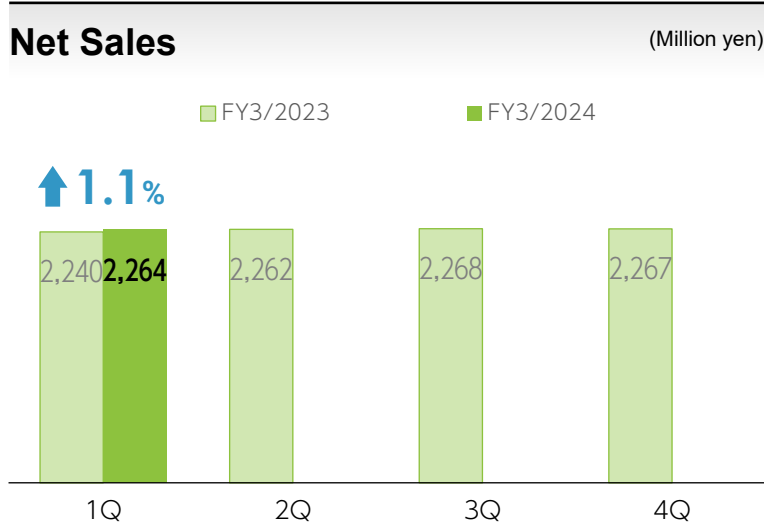
Sales and technical employees

- No impact of new consolidation in FY3/2023
- Accelerate activities to make proposals aimed at acquiring new solution projects.
- While existing subsidiaries worked to develop clients outside their former group companies and to develop subcontracting projects in new fields, there was an impact from the termination of some subcontracting projects.
- Semiconductor-related operations were sluggish.

EBITDA

- Although the SG&A expenses to sales ratio remained at the same level as FY3/2023, the gross profit to sales ratio remained slightly weak.

Segment Results



Sales and technical employees

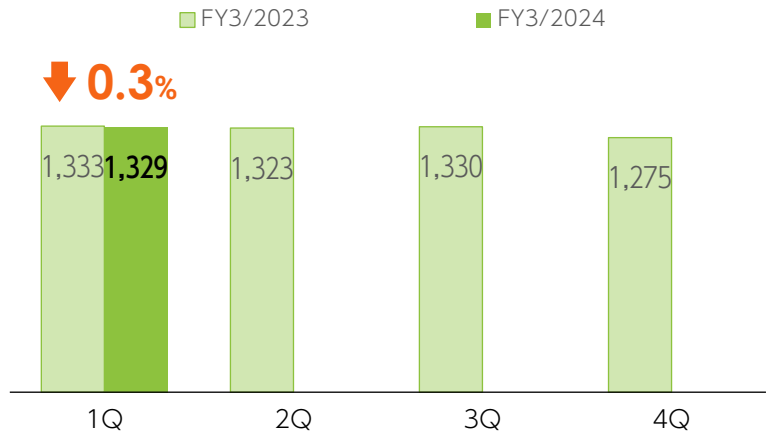
- In 2023, 184 new graduates started operations as early as possible.
- Demand for both construction and IT engineers was strong, and the hiring environment became tight.
- In the field of construction engineers, 76 employees transferred to client companies as UT strategically aimed at strengthening relationships with clients and supporting their career development.

EBITDA

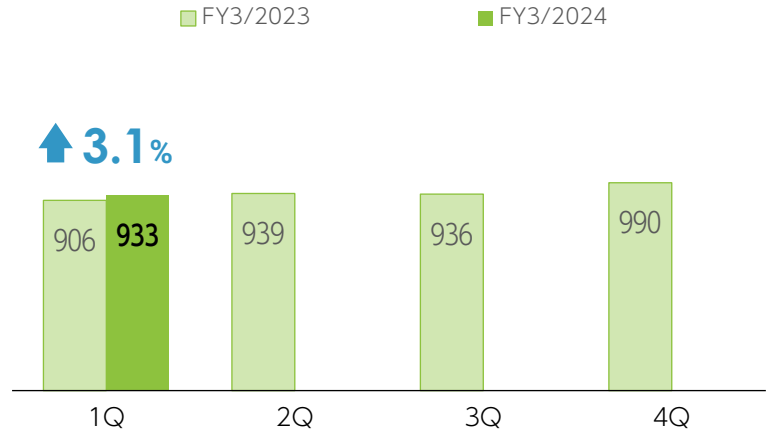
- The development of a sales system resulted in an increase in personnel expenses in the IT engineers field.
- In both the construction and IT engineers fields, hiring costs increased due to the intensified hiring environment for mid-career staff and the focus on hiring new graduates for 2024.

Net Sales by Subsegment

Construction engineers (Million yen)



IT engineers (Million yen)



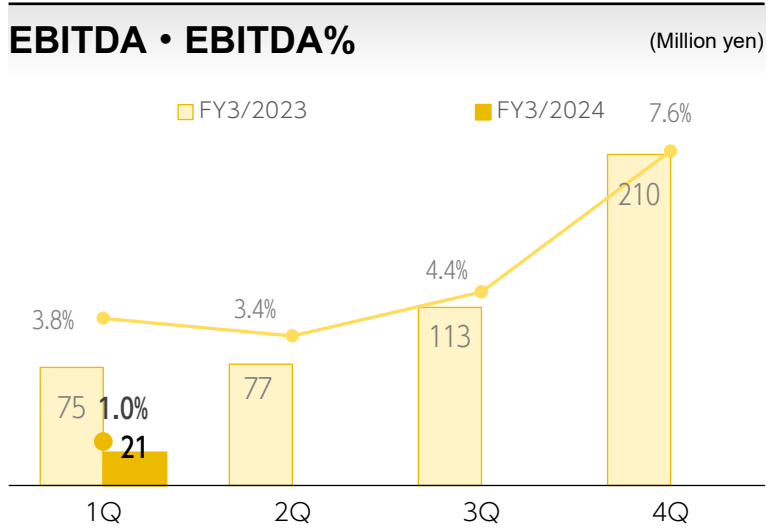
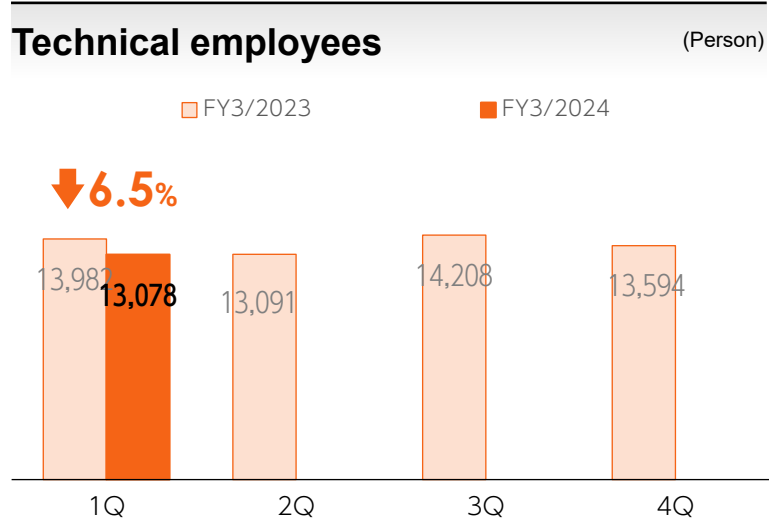
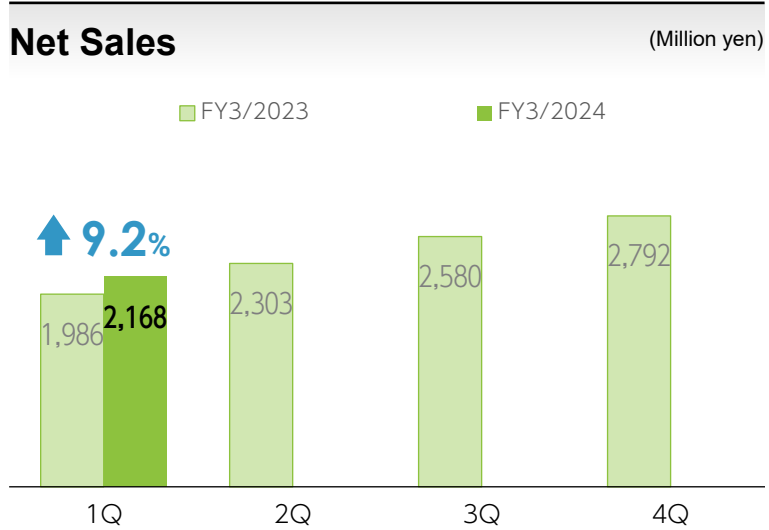
Construction engineers

- Demand for workers was strong, mainly for facilities and plants.
- There was a strong sense of worker shortage, and the competition in the hiring environment was intensified.
- 76 employees were transferred to client companies (Next UT) in order to strengthen relationships with clients and support worker career development.

IT engineers

- Despite demand for the utilization of inexperienced workers, hiring/placement difficulty increased.

Segment Results



Sales and technical employees

- Compared to 1Q FY3/2023 when production activity was active even during the Lunar New Year period in Vietnam due to the recovery period from the nation's lockdown, the Overseas Business in 1Q FY3/2024 was routinely affected by seasonality and the number of technical employees decreased y-o-y. In addition, due to sluggish exports in Vietnam, demand for workers, mainly in the manufacturing industry, also decreased. Partly shifted to salesperson dispatch.
- Expanded sales activities from the south where the bases had been established to the north of Vietnam and focused on acquiring projects with Japanese companies.
- Affected by fluctuations in VND/JPY exchange rates. Impact on sales in 1Q: +¥200M

EBITDA

- Increase in goodwill amortization due to the performance-linked earn-out clause at the time of acquisition of shares of the subsidiary. The amount of goodwill increased because the conditions were met in FY3/2023, the target period. Amortization of ¥129M for the period from the time of acquisition to June 2023 was recorded in 1Q. *The amount of amortization per month from July 2023: ¥4-5M

(Ref.) Net sales by Business segment (retroactively revised data for the past two years)

Manufacturing Business (Million yen)

Before		1Q	2Q	3Q	4Q	通期
FY3/2022	Net Sales	17,415	18,371	19,864	20,324	75,975
	EBITDA	1,383	1,176	2,034	1,885	6,479
	EBITDA%	7.9%	6.4%	10.2%	9.3%	8.5%
	Technical employees	13,402	14,133	14,555	14,963	14,963
FY3/2023	Net Sales	20,509	20,833	20,928	19,815	82,086
	EBITDA	2,577	2,853	3,266	2,527	11,225
	EBITDA%	12.6%	13.7%	15.6%	12.8%	13.7%
	Technical employees	14,919	14,786	14,597	14,001	14,001

After		1Q	2Q	3Q	4Q	通期
FY3/2022	Net Sales	14,660	15,446	16,786	17,385	64,278
	EBITDA	1,232	1,015	1,774	1,714	5,735
	EBITDA%	8.4%	6.6%	10.6%	9.9%	8.9%
	Technical employees	10,873	11,948	11,858	12,306	12,306
FY3/2023	Net Sales	17,492	17,904	18,045	17,302	70,745
	EBITDA	2,301	2,607	2,951	2,361	10,220
	EBITDA%	13.2%	14.6%	16.4%	13.6%	14.4%
	Technical employees	12,181	12,166	12,117	11,794	11,794
FY3/2024	Net Sales	16,817				
	EBITDA	2,181				
	EBITDA%	13.0%				
	Technical employees	11,526				

エリア事業 (Million yen)

Before		1Q	2Q	3Q	4Q	通期
2022年3月期	Net Sales	10,387	10,643	11,722	11,857	44,610
	EBITDA	13	-137	112	-127	-138
	EBITDA%	0.1%	-1.3%	1.0%	-1.1%	-0.3%
	Technical employees	10,522	11,086	11,557	12,225	12,225
2023年3月期	Net Sales	12,246	12,646	13,347	12,966	51,207
	EBITDA	649	569	841	520	2,580
	EBITDA%	5.3%	4.5%	6.3%	4.0%	5.0%
	Technical employees	12,546	12,947	13,095	13,332	13,332

After		1Q	2Q	3Q	4Q	通期
FY3/2022	Net Sales	13,142	13,568	14,800	14,796	56,307
	EBITDA	164	24	373	45	606
	EBITDA%	1.2%	0.2%	2.5%	0.3%	1.1%
	Technical employees	13,051	13,271	14,254	14,882	14,882
FY3/2023	Net Sales	15,263	15,575	16,230	15,479	62,548
	EBITDA	925	816	1,156	688	3,585
	EBITDA%	6.1%	5.2%	7.1%	4.4%	5.7%
	Technical employees	15,284	15,567	15,575	15,539	15,539
FY3/2024	Net Sales	15,475				
	EBITDA	829				
	EBITDA%	5.4%				
	Technical employees	15,299				

(Ref.) Net sales by subsegment of Manufacturing Business (retroactively revised data for the past two years)

Industrial and Commercial Machinery (Million yen)

Before	1 Q	2 Q	3 Q	4 Q	Full year
FY3/2022	4,810	5,013	5,302	5,343	20,468
FY3/2023	5,785	5,913	5,979	5,468	23,145

After	1 Q	2 Q	3 Q	4 Q	Full year
FY3/2022	4,174	4,138	4,277	4,313	16,903
FY3/2023	4,657	4,838	4,872	4,549	18,917
FY3/2024	4,347				

Electronics (Million yen)

Before	1 Q	2 Q	3 Q	4 Q	Full year
FY3/2022	6,974	7,182	7,269	7,088	28,512
FY3/2023	7,623	7,672	7,688	7,260	30,243

After	1 Q	2 Q	3 Q	4 Q	Full year
FY3/2022	5,816	6,100	6,245	6,195	24,358
FY3/2023	6,641	6,670	6,719	6,405	26,435
FY3/2024	6,052				

Transportation Equipment (Million yen)

Before	1 Q	2 Q	3 Q	4 Q	Full year
FY3/2022	5,393	5,926	7,021	7,616	25,955
FY3/2023	6,821	6,891	6,913	6,750	27,377

After	1 Q	2 Q	3 Q	4 Q	Full year
FY3/2022	4,665	5,166	6,204	6,794	22,830
FY3/2023	6,110	6,217	6,282	6,173	24,784
FY3/2024	6,219				

Other (Million yen)

Before	1 Q	2 Q	3 Q	4 Q	Full year
FY3/2022	238	251	271	277	1,036
FY3/2023	280	354	347	338	1,320

After	1 Q	2 Q	3 Q	4 Q	Full year
FY3/2022	3	39	59	81	183
FY3/2023	83	177	173	180	614
FY3/2024	199				

Appendix



Analysis of SG&A expenses

(million yen)

	FY3/2020					FY3/2021					FY3/2022					FY3/2023					FY3/2024				
	1 Q	2 Q	3 Q	4 Q	Full year	1 Q	2 Q	3 Q	4 Q	Full year	1 Q	2 Q	3 Q	4 Q	Full year	1 Q	2 Q	3 Q	4 Q	Full year	1 Q	2 Q	3 Q	4 Q	Full year
personnel expenses	1,574	1,522	1,530	1,467	6,093	1,665	1,981	1,828	1,837	7,311	2,246	2,362	2,547	2,391	9,546	2,403	2,414	2,393	2,510	9,720	2,424				
ratio to sales	6.1%	5.9%	6.1%	6.0%	6.0%	6.4%	7.3%	6.2%	5.7%	6.4%	6.4%	6.3%	6.1%	5.6%	6.1%	5.8%	5.7%	5.5%	5.9%	5.7%	5.9%				
Hiring expenses	490	527	496	341	1,854	151	267	770	1,218	2,406	1,215	1,608	1,575	1,719	6,117	877	1,041	817	812	3,549	886				
ratio to sales	1.9%	2.0%	2.0%	1.4%	1.8%	0.6%	1.0%	2.6%	3.7%	2.1%	3.5%	4.3%	3.8%	4.0%	3.9%	2.1%	2.4%	1.9%	1.9%	2.1%	2.1%				
depreciation and amortization of goodwill	137	139	142	145	563	171	181	218	256	826	309	303	305	307	1,225	267	308	320	327	1,223	452				
ratio to sales	0.5%	0.5%	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%	0.8%	0.7%	0.9%	0.8%	0.7%	0.7%	0.8%	0.6%	0.7%	0.7%	0.8%	0.7%	1.1%				
Other	889	841	803	923	3,456	883	831	1,029	1,152	3,895	1,058	1,086	1,196	1,285	4,625	1,083	1,053	990	1,002	4,130	1,166				
ratio to sales	3.5%	3.2%	3.2%	3.8%	3.4%	3.4%	3.1%	3.5%	3.5%	3.4%	3.0%	2.9%	2.9%	3.0%	3.0%	2.6%	2.5%	2.3%	2.4%	2.4%	2.8%				
SG&A Expenses	3,090	3,029	2,971	2,876	11,966	2,870	3,260	3,845	4,463	14,438	4,828	5,359	5,623	5,703	21,513	4,631	4,817	4,521	4,653	18,624	4,929				
ratio to sales	12.0%	11.7%	11.8%	11.8%	11.8%	11.1%	12.0%	13.0%	13.7%	12.5%	13.7%	14.3%	13.6%	13.3%	13.7%	11.1%	11.3%	10.3%	10.9%	10.9%	12.0%				

Results for 3Q, 4Q and Full-year of FY3/2023 exclude the stock-based compensation expenses

Basic Policy on Shareholders' Return

Basic policy on shareholders' return

UT Group's management aims at establishing a stable financial position and promoting aggressive business development to achieve high growth and ultimately raise sustainable corporate value. UT Group regards returning profits to shareholders as an important management issue and intends to make an appropriate return to shareholders based on a total return ratio of 30% or more by dividends and share buyback, which helps improve capital efficiency, and in consideration of stock price level, business environment, and other factors.

Total return ratio
(Dividends + share buyback) / Net profit \geq 30%

Total return ratio							(million yen)
	FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	FY3/2023	
Net profit	3,534	4,968	4,562	4,299	3,140	3,831	
Dividends paid	-	2,499	-	2,663	968	-	
Amount of share buyback	1,060	-	-	-	-	2,817 (expected)	
Total return ratio	30.0%	50.3%	0.0%	62.0%	30.8%	73.6% (expected)	

*In light of changes in the business environment and other factors, shareholder return in FY3/2019 was all in the form of dividend payment, including special dividend.

* Shareholder return for March 2020 was postponed in consideration of the impact of the spread of the new coronavirus.

*In FY3/2021, returns to shareholders were entirely in cash dividends. In addition to the ordinary dividend of 30% of net income, a special dividend (equivalent to 30% of net income for FY3/2020, payment of which had been forgone) was paid.

*In FY3/2023, UT Group plans to acquire its own shares in an amount equivalent to 30% of net income attributable to owners of the parent, excluding the stock-based compensation expenses.

Status of Share Buybacks

Objective and details of share buybacks

Objective

Implemented as the means of providing shareholder return in FY3/2023

Details

- (1) Type of shares acquired: Common shares of the Company
- (2) Total number of shares acquired: Up to 1.3 million shares.
(3.22% of the total number of outstanding shares (excluding treasury stock))
- (3) Amount of acquisition: Up to 2,817 million yen.
- (4) Period of acquisition: From May 16, 2023 to October 31, 2023
- (5) Method of acquisition: Acquisition on the Tokyo Stock Exchange
- (6) Other: According to the resolution of the Board of Directors pursuant to Article 178 of the Companies Act, the Company plans to cancel all of the treasury stock acquired through this repurchase, as this action is aimed as return to shareholders.

Funded by 30% of net income attributable to owners of the parent,
excluding stock-based compensation expenses in FY3/2023

FY3/2023 total return ratio: 73.6%

Status of Stock Acquisition (July 31, 2023)

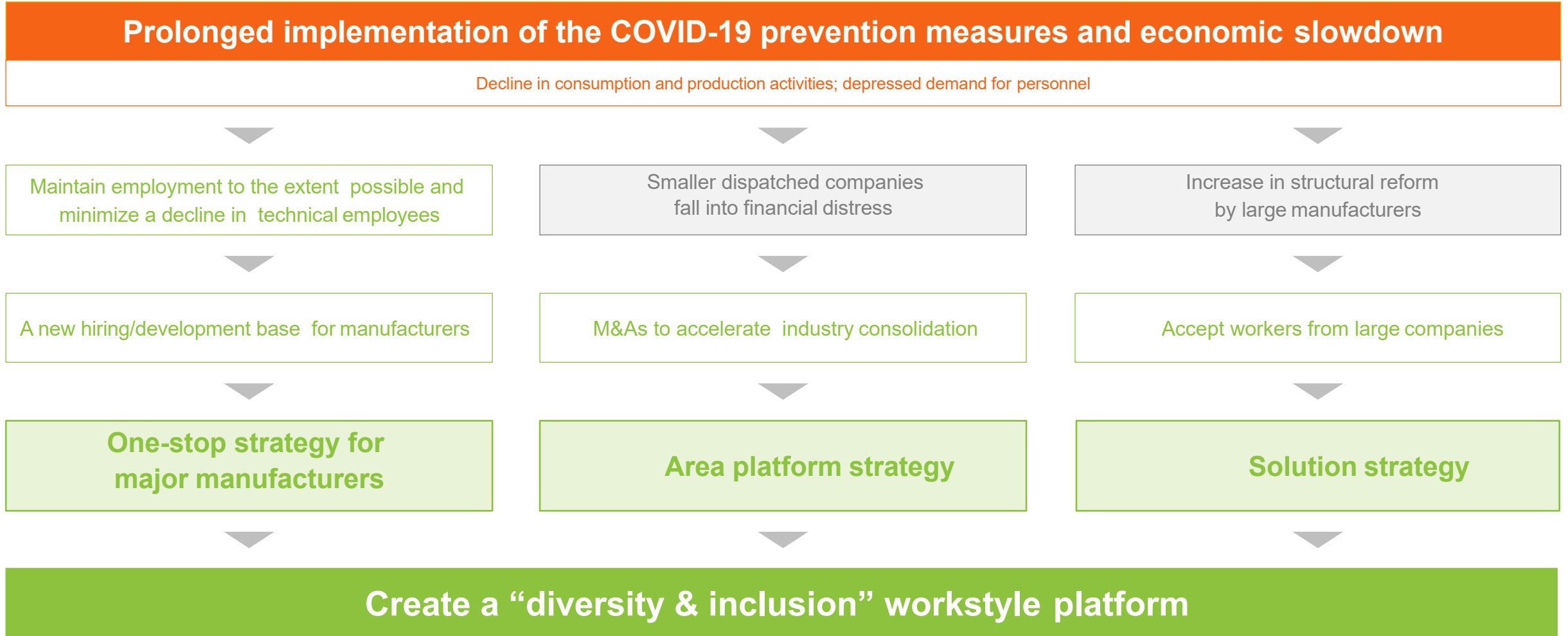
- Period of acquisition: May 16, 2023 to July 31, 2023 (On a contract basis)
- Total number of shares acquired: 547,900 shares
- Amount of acquisition: 1,559,126,900 yen

Medium-term business objective

Create a “diversity & inclusion” workstyle platform



Growth strategies



Measures for economic recovery are expected to produce a V-shaped recovery and enable UT Group to achieve its plans

Change in business segments corresponding to growth strategies

Segments to promote the growth strategies of the Fourth Medium-term Business Plan

Manufacturing Business

One-stop Strategy to Large Manufacturers

Development of manufacturing workers into effective workforce

Provide personnel services from hiring of personnel needed by large manufacturers to their retention and development into effective workforce. Aim to expand its share in the client workplace by one-stop provision of personnel, from workers in production process to engineers.

Area Business

Area Platform Strategy

Creation of jobs nationwide

Establish an employment base in various areas of Japan to respond to demand for local jobs. Raise workplace satisfaction and market shares in various parts of Japan by promoting alliances with large companies and acquisition of engineer dispatch companies, and integrate the business base to improve profitability.

Solution Business

Solution Strategy

Support to personnel mobilization aimed at enhancing corporate competitiveness

Support personnel mobilization by creating workplaces for excess workers of large corporate groups, which have personnel issues and demand for structural reform.

Segments to establish a business base from a longer-term perspective

Engineering Business

Development of high-skill engineers

Secure workers with hiring and the use of the intra-group transfer system One UT and develop those with no experience in the construction and IT sectors. Aim to enhance functions and establish a business base through alliances with large companies and acquisition of engineer dispatch companies.

Overseas Business

Establishment of the environment for non-Japanese workers to work vigorously

Plan to establish an overseas personnel service business through overseas alliances and acquisition in order to create workplaces where foreign interns in Japan can work empowered back at their home country.

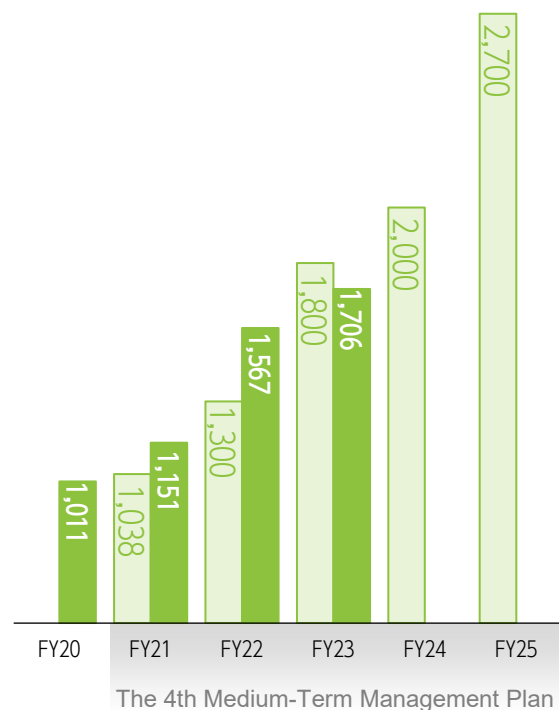
Numeric Targets and Commitments

As sales target for FY3/2023 was realized one year ahead of schedule in FY3/2022, we revised earning targets of FY3/2023 - FY3/2025 (announced May 13, 2022).

We are determined to achieve M&A-driven growth and financial stability, and to ensure return to shareholders.

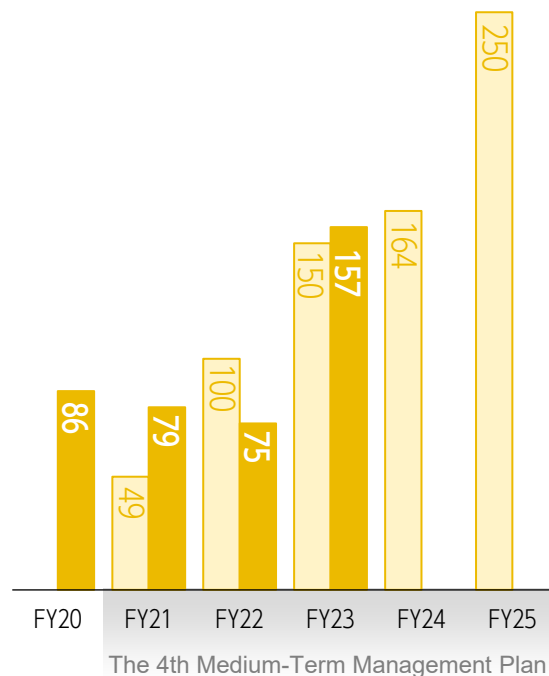
Sales target [100 million yen]

■ Results □ Targets



EBITDA* target [100 million yen]

■ Results □ Targets



Commitments

EBITDA growth rate: 30% or more (CAGR starting from FY3/2021)

The UT Group emphasizes earnings growth as much as sales growth by business expansion. The Fourth Medium-term Business Plan includes strategic M&A activities aimed at formation of a long-term business base. We therefore use EBITDA to show our commitment in earnings growth and set 30% or more CAGR in EBITDA for the period starting from FY3/2021.

Total return ratio: 30% or more

The UT Group recognizes return to shareholders as an important management priority. We intend to achieve a corporate growth through strategic investment as well as return to shareholders. We are committed to a total return ratio of 30% or more by dividend payment and share buyback.

Gross D/E ratio: 1.0 or less (at the end of FY3/2025)

We intend to achieve both a high growth and a stable financial position by balancing debts with shareholders' equity, which stems from efficient business operation and capital policy.

Total return ratio
 The total return ratio represents the proportion of shareholder return to net profit.
 Total return ratio = (Dividends + Shares bought back) / Net profit after tax

Gross D/E ratio
 The gross debt/equity ratio indicates the ratio of interest-bearing debt to shareholders' equity of the fund
 sources of a company. A ratio of 1.0 or less is generally regarded as indicating a healthy financial position.

*EBITDA = Operating profit + Depreciation (Property, plant and equipment, and Intangible assets) + Amortization + Stock-based compensation expenses

Performance-linked stock acquisition rights

Overview of the performance-linked stock acquisition rights

Resolved by the Board of Directors
(2020/5/20)

Objective

to strengthen our commitment to pursuit of expanding corporate value of the Company in the medium- to long-term.

Total number of stock acquisition rights:

80,592 units (equivalent to 20% of issued shares) * At the issuance

Conditions for exercise of stock acquisition rights

If any of (A), (B), and (C) below is fulfilled (one time only) **Condition achieved in FY3/2023**

A : EBITDA of ¥15 billion or more in any of FY3/2021-FY3/2024

~~B : EBITDA of ¥20 billion or more in any of FY3/2021-FY3/2025~~

~~C : EBITDA of ¥30 billion or more in any of FY3/2021-FY3/2027~~

Exercise period

May 1, 2021 to April 30, 2028

The exercise condition is a profit growth of 1.7-2.9 times EBITDA in FY3/2020, even though dilution of up to 20% will occur.

When to recognize stock-based compensation expenses

Because the condition A was met in FY3/2023, stock-based compensation expenses of about ¥5.5 bn was recorded in 1Q.

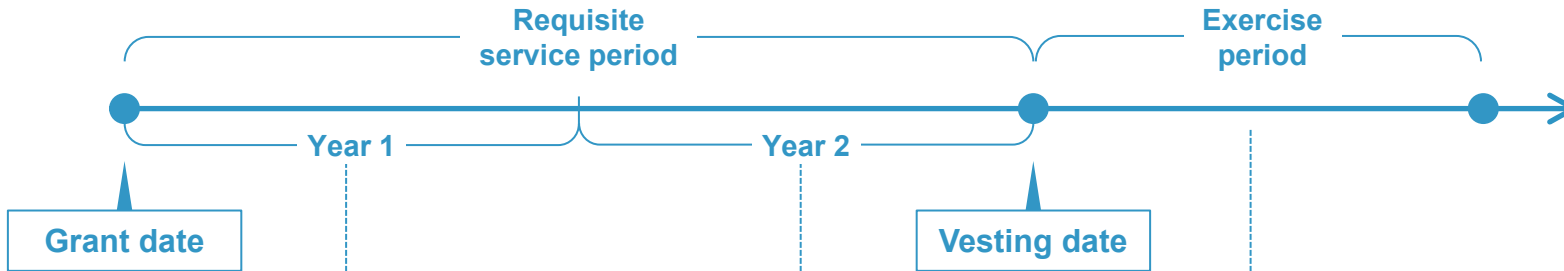
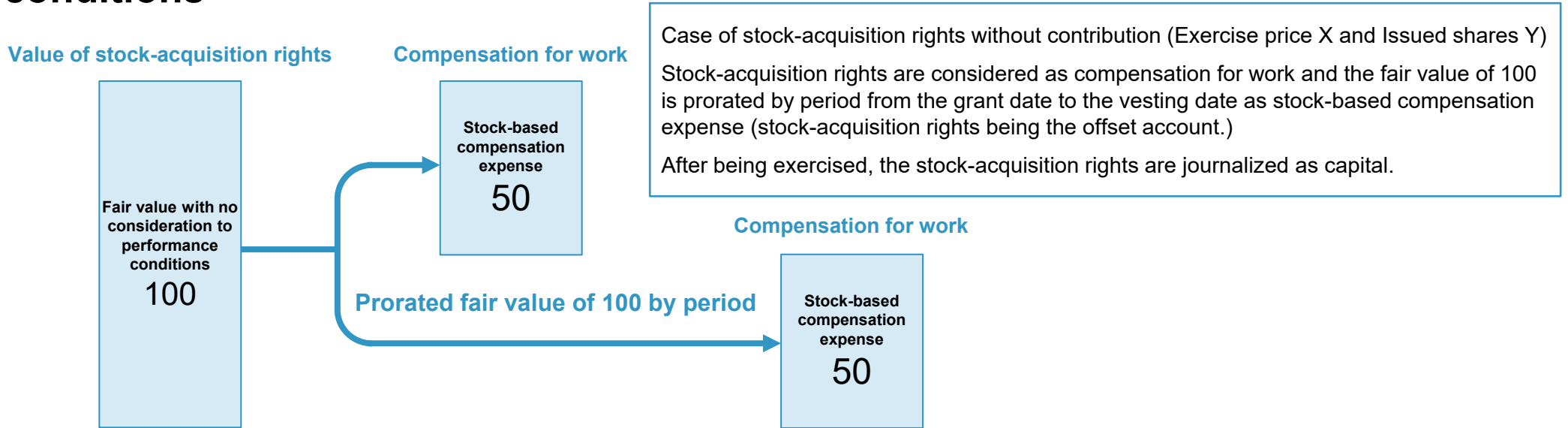
Due to the adoption of the accounting treatment of the paid stock option since April 2018, the stock-based compensation expenses are considered as compensation for labor when its performance conditions are achieved and the expenses are to be recorded as expenses (SG&A expenses).

The stock-based compensation expenses of ¥5.5 billion has been recognized as expense for accounting purposes, do not involve cash-out, and do not affect cash and deposits.

When all the rights are exercised, cash will increase and be transferred to stated capital and additional paid-in capital.

※EBITDA = Operating profit + Depreciation (Property, plant and equipment, and Intangible assets) + Amortization + Stock-based compensation expenses

(Ref.) Accounting treatment of stock acquisition rights without contribution with no performance conditions

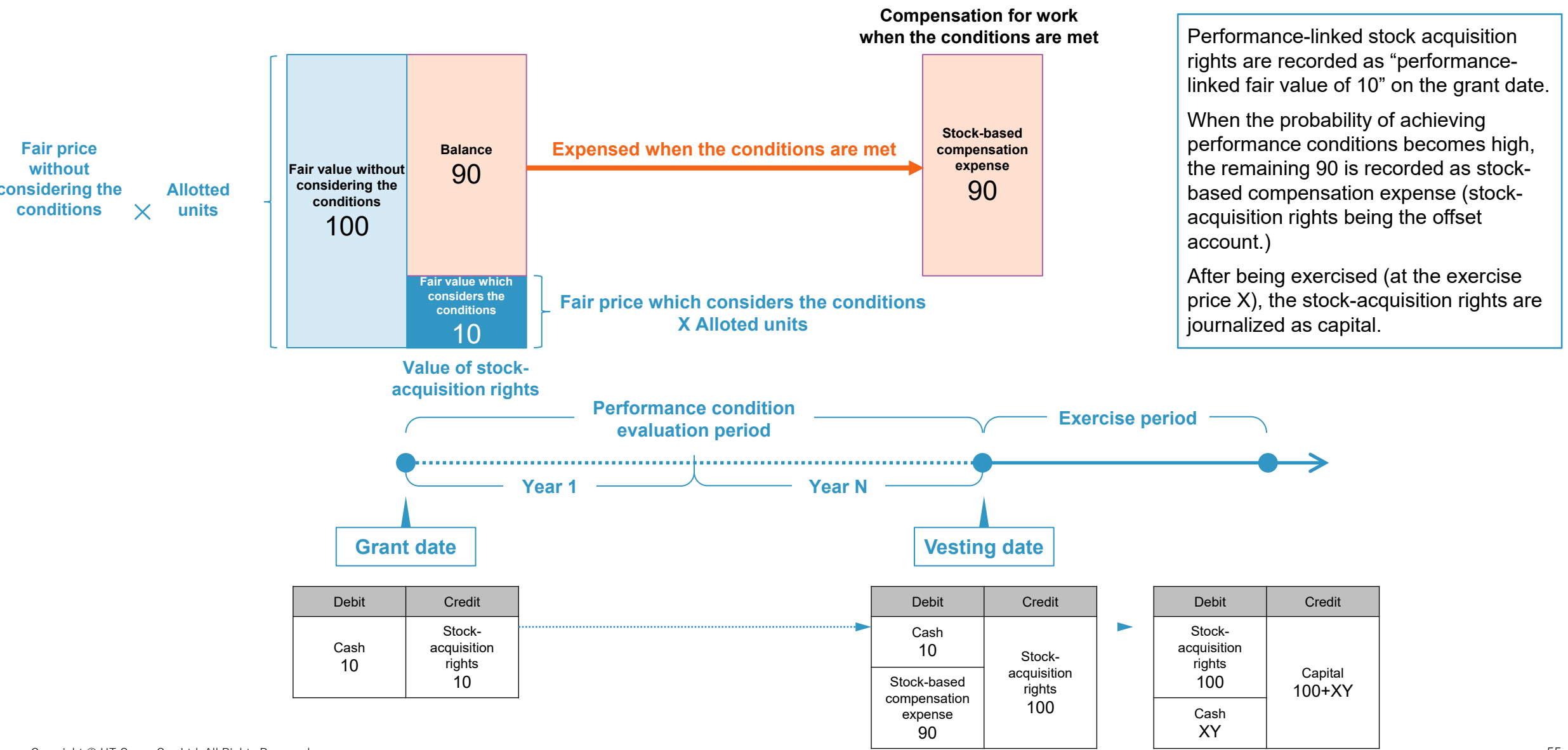


Debit	Credit
Stock-based compensation expense 50	Stock-acquisition rights 50

Debit	Credit
Stock-based compensation expense 50	Stock-acquisition rights 50

Debit	Credit
Stock-acquisition rights 100	Capital 100+XY
Cash XY	

(Ref.) Accounting treatment of performance-linked stock acquisition rights with contribution

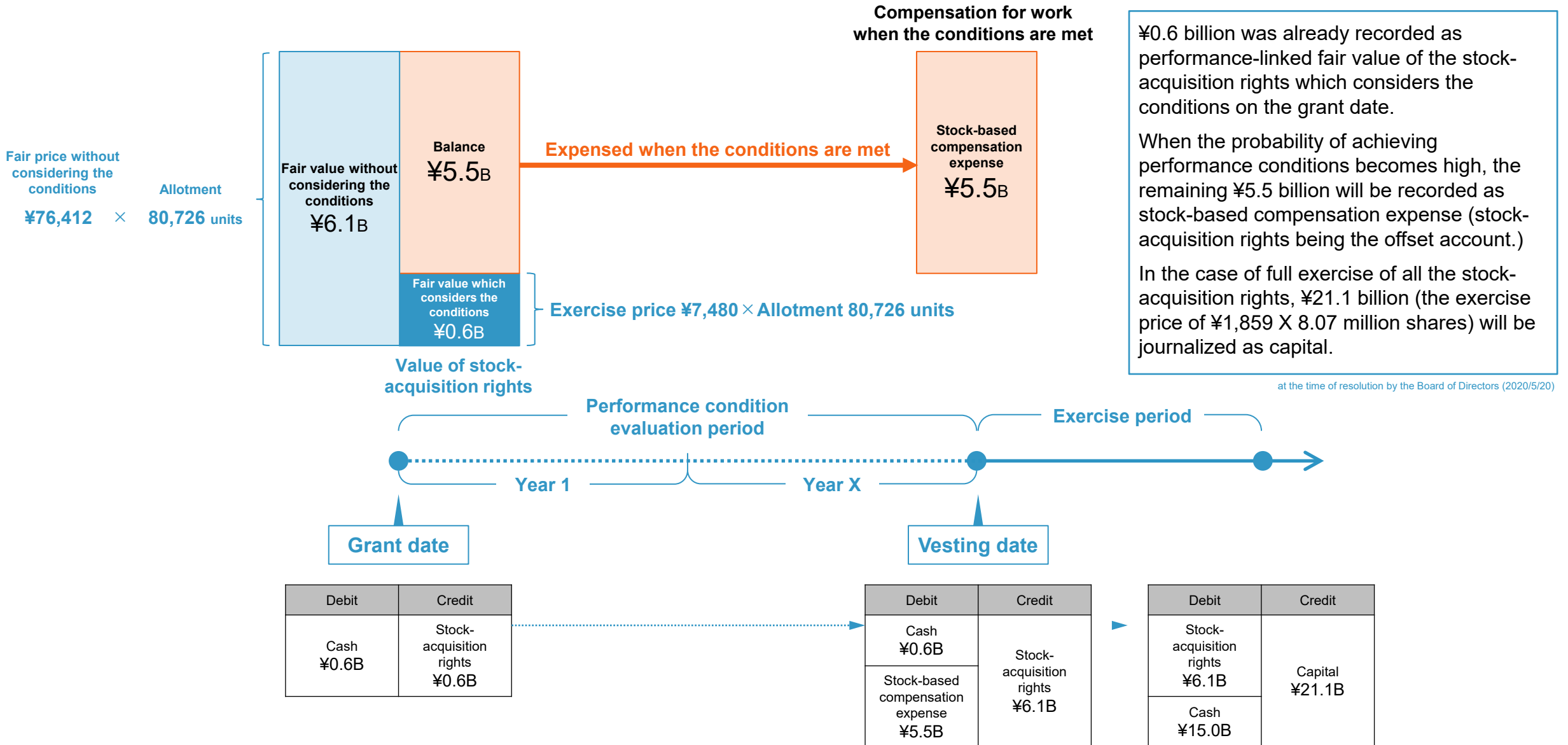


Performance-linked stock acquisition rights are recorded as “performance-linked fair value of 10” on the grant date.

When the probability of achieving performance conditions becomes high, the remaining 90 is recorded as stock-based compensation expense (stock-acquisition rights being the offset account.)

After being exercised (at the exercise price X), the stock-acquisition rights are journalized as capital.

【UT Group】 Accounting treatment of performance-linked stock acquisition rights with contribution



Corporate Outline

Corporate Outline

As of June 30, 2023

Corporate name:	UT Group Co., Ltd.
Founded:	April 2, 2007
Capital:	680 million yen
Listing:	TSE Prime Market (Securities code: 2146)
Representative:	President, Representative Director & CEO Yoichi Wakayama
Location:	1-11-15 Higashi-Gotanda, Shinagawa-ku, Tokyo
Number of issued and outstanding shares :	40,363,067 shares
Number of shareholders:	6,590

Group Companies

As of June 30, 2023

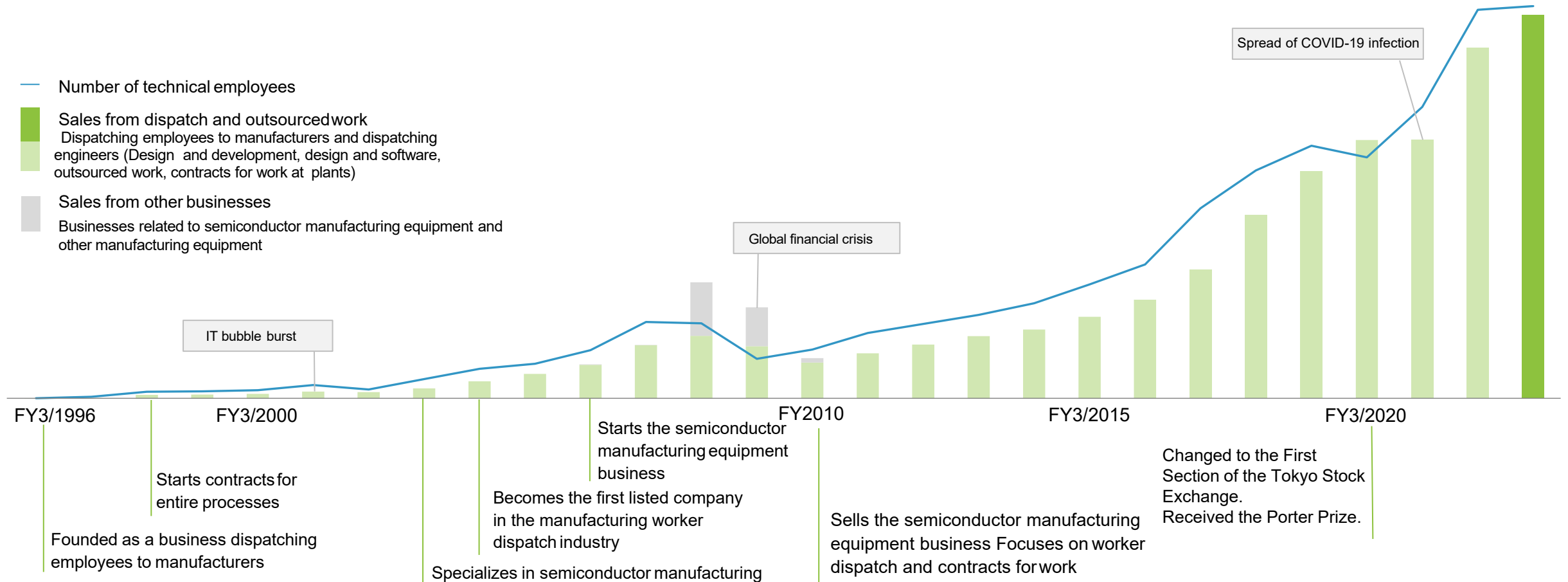
UT Aim Manufacturing personnel services	UT Technology IT engineer outsourcing
UT Connect General personnel dispatch and outsourcing	UT Construction Construction engineer outsourcing
UT SURI-EMU General personnel dispatch and outsourcing	Green Speed Joint Stock Company General personnel dispatch and outsourcing in Vietnam
FUJITSU UT General personnel dispatch and outsourcing	UT Life Support Internal benefit program management
UT Toshiba General personnel dispatch and outsourcing	UT Heartful Special subsidiary company
UT FSAS Creative Office work and IT personnel dispatch and outsourcing of operations system management and help desks	
UT MESC Elevator/escalator manufacturing outsourced work and dispatch of design engineers	

The Leading Company in Manufacturing Dispatch Industry

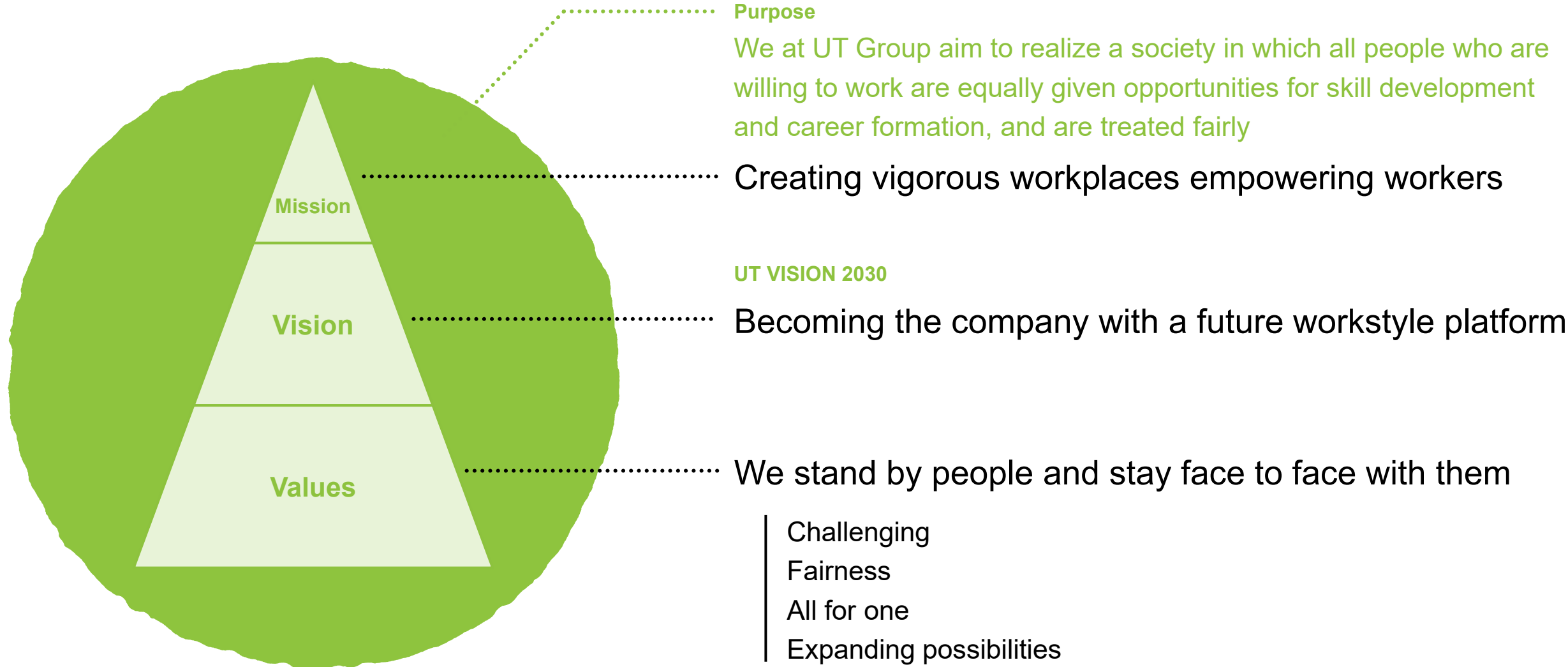
Creating vigorous workplaces empowering workers.

Adopting the twin customer strategy that identifies both workers and companies as clients, UT Group transformed the process of manufacturing worker dispatch into a sustainable business model that facilitates growth by both workers and companies. Create a “diversity & inclusion” workstyle platform.

FY3/2023
 Domestic Technical employees
31,936
 Consolidated sales
¥170.6bn



UT group's Mission, Vision and Values



UT Group's growth = The sum of vigorous work of its people

UT Group's human capital

Diversity

According to their own values and life stages,



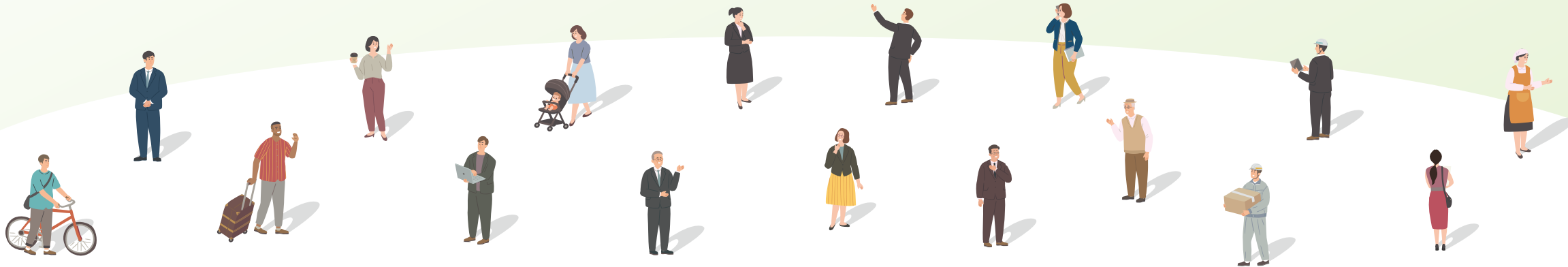
Market value

develop their skills and careers, and

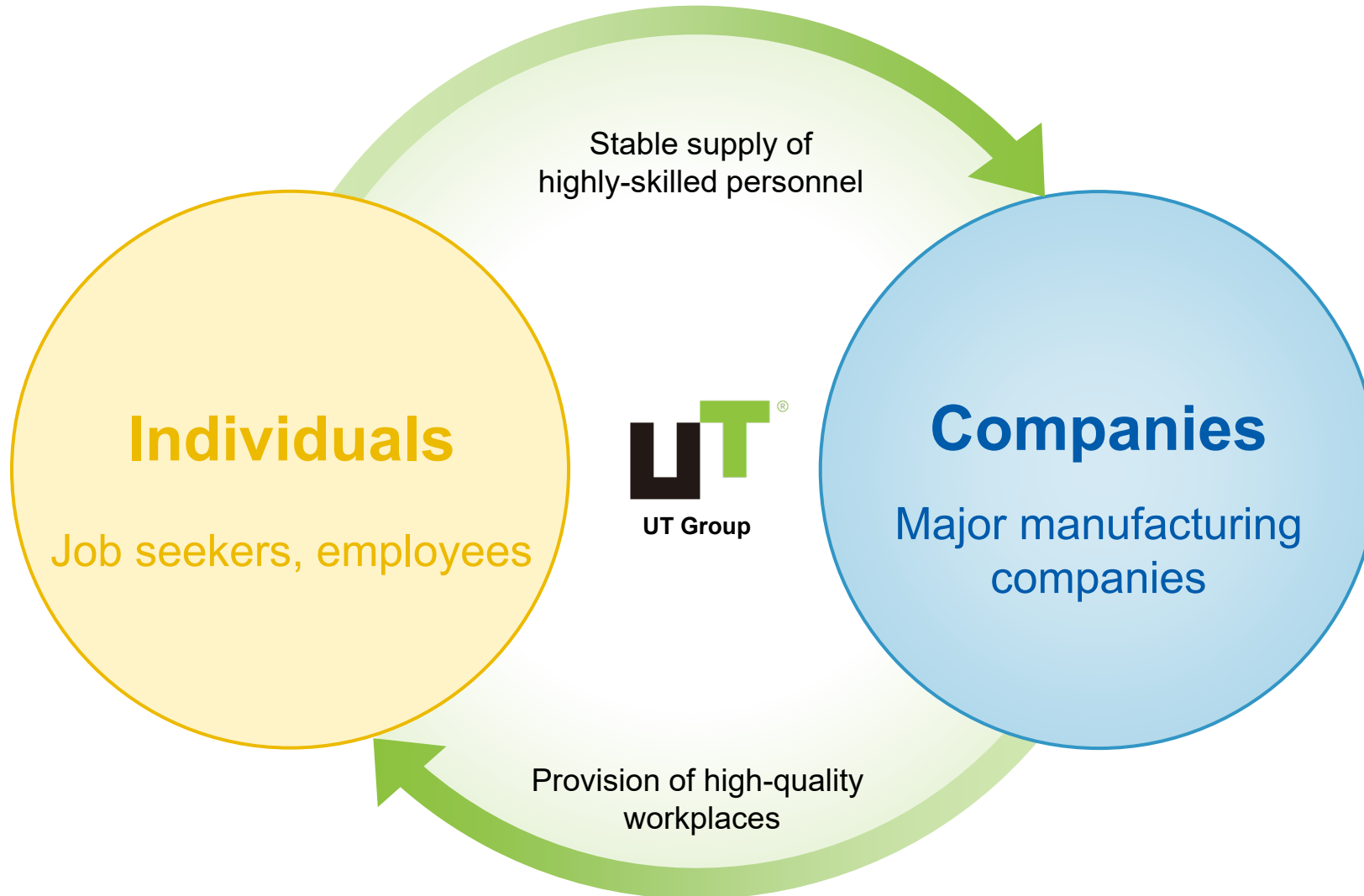


Engagement

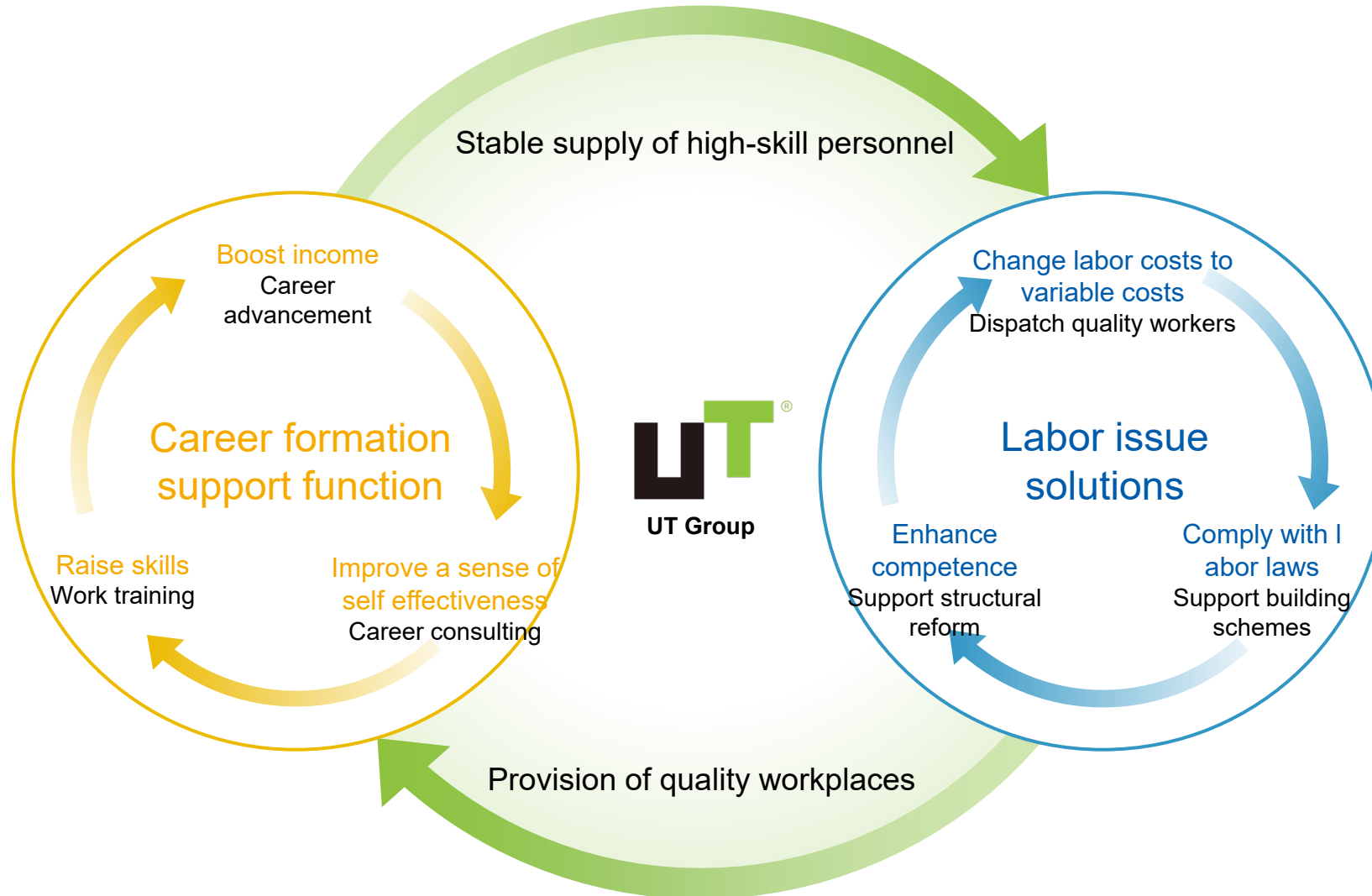
keep engaged and empowered on platform of UT Group



Twin-Customer Strategy and Career Platform



Twin-Customer Strategy and Career Platform



Enhancement of the systems that enable technical employees to advance their careers

- Good Job

A system that allows manufacturing operators and engineers to freely choose a workplace

(Own workplaces can be selected)
- One UT
STEP UT

A system that supports career changes from manufacturing operators to engineering jobs at Group companies. Provides opportunities to build various careers within the Group.

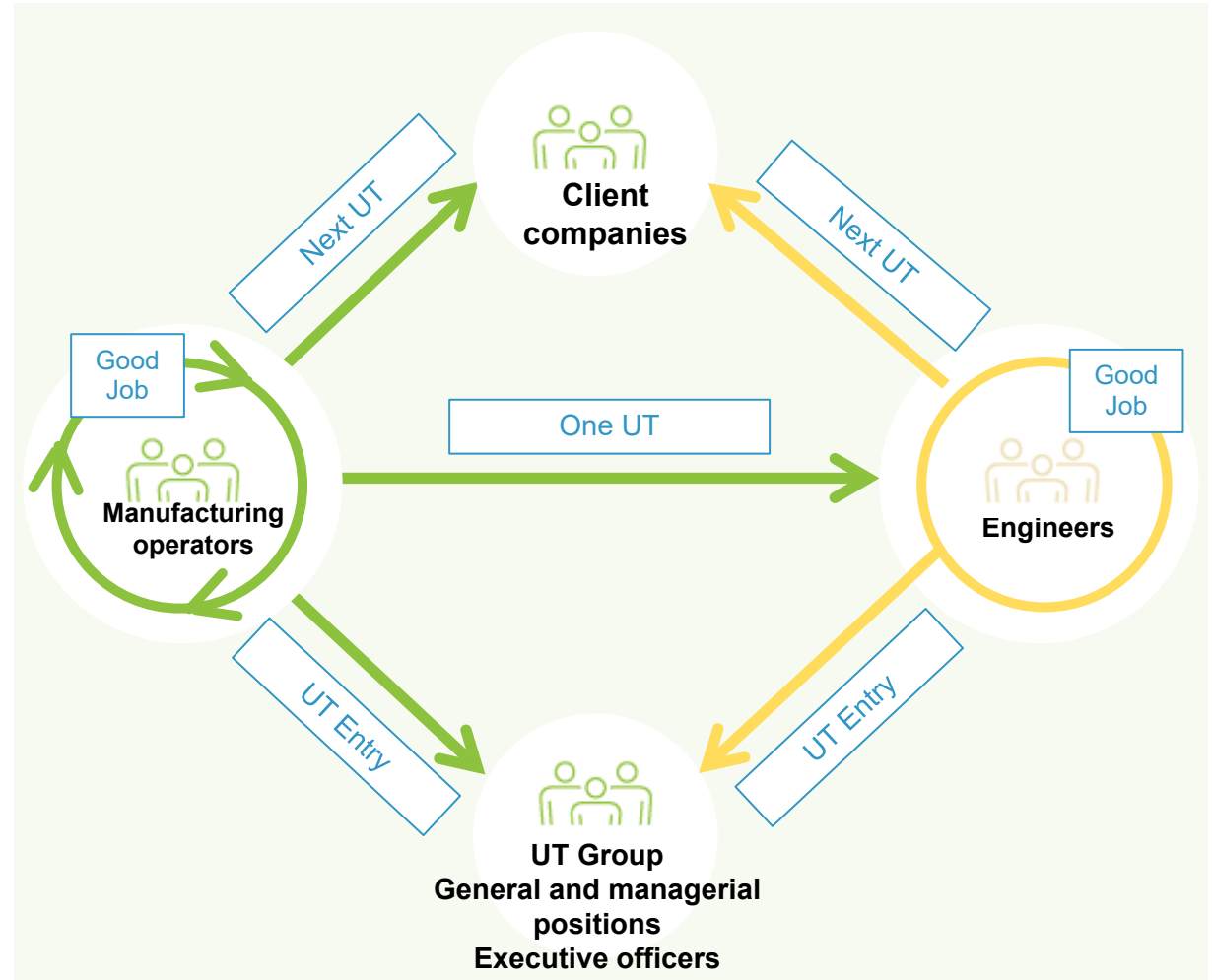
(Intra-group transfers)
- Next UT

A system that supports the transfer to a client company (mainly major manufacturers). Expand career path options to motivate employees.

(Transfer from UT's dispatched worker status to being a client company's full-time employee)
- UT Entry

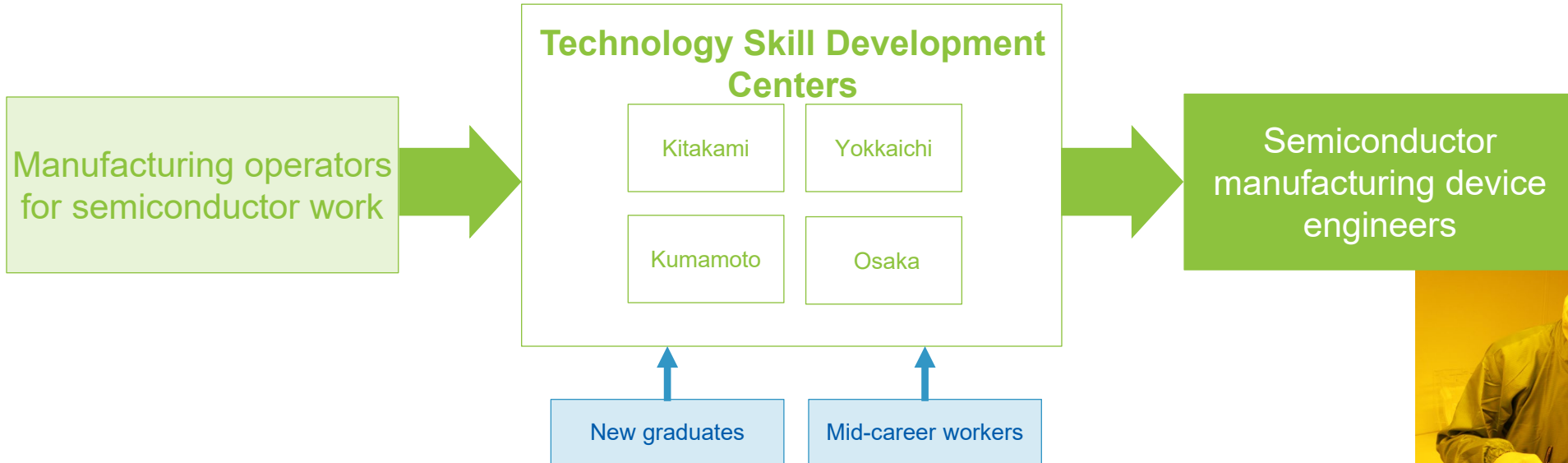
A voluntary nomination system to a manager or an executive. The industry's first system that provides all employees with a fair career opportunity regardless of their years of service, experience, or age.

(Voluntary nomination to the position of a manager or an executive)



Strongly promote SME engineer development

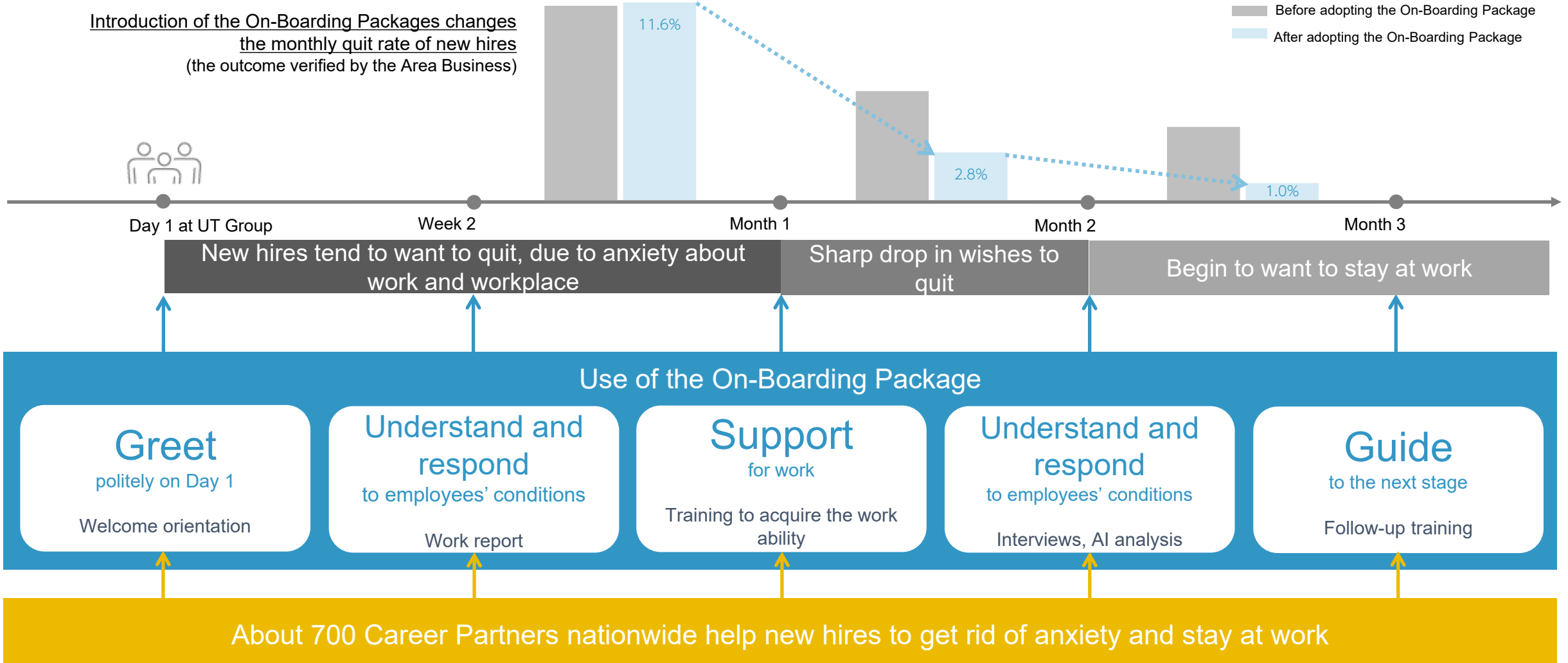
- Established four technology skill development centers for manufacturing engineers in the semiconductor field (Dec. 2020: Kitagami City in Iwate; March 2021: Yokkaichi City in Mie and Kumamoto City in Kumamoto; May 2021 Osaka City in Osaka)
- Targeting to produce 5,000 engineers in FY3/2022 – FY3/2025.



Practical training in a clean room

Restrain new hires from quitting by consistent support for their growth

- The Area Business introduces in stages the On-Boarding Package, which removes factors to quit and creates factors to stay



UT Group's platform that supports diversity of workstyle

Fourth Medium-Term Business Plan Targets (FY3/2021-FY3/2025)

Becoming a career platform that can respond to more workers

FY3/2021

Centered on client relationships and minimized the Covid impact.
"Secured employment and workplaces"

FY3/2022

Enhanced hiring efforts to respond to a rapid recovery in post-Covid demand,
"Expanded working opportunities"

FY3/2023

Consolidated subsidiaries to expand the Area Platforms and improved efficiency in hiring operations.
"Built a foundation for sustainable growth"

FY3/2024

Form a foundation to improve the convenience of manufacturing dispatch workers and consistently support their abilities and careers

FY3/2025

UT Vision 2030

Becoming the company with a future workstyle platform

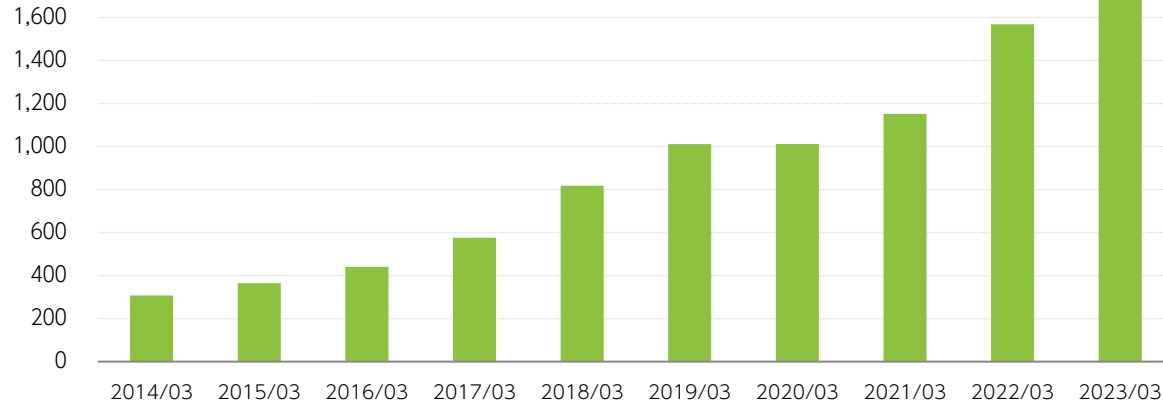
FY3/2030



Trends of Business Results

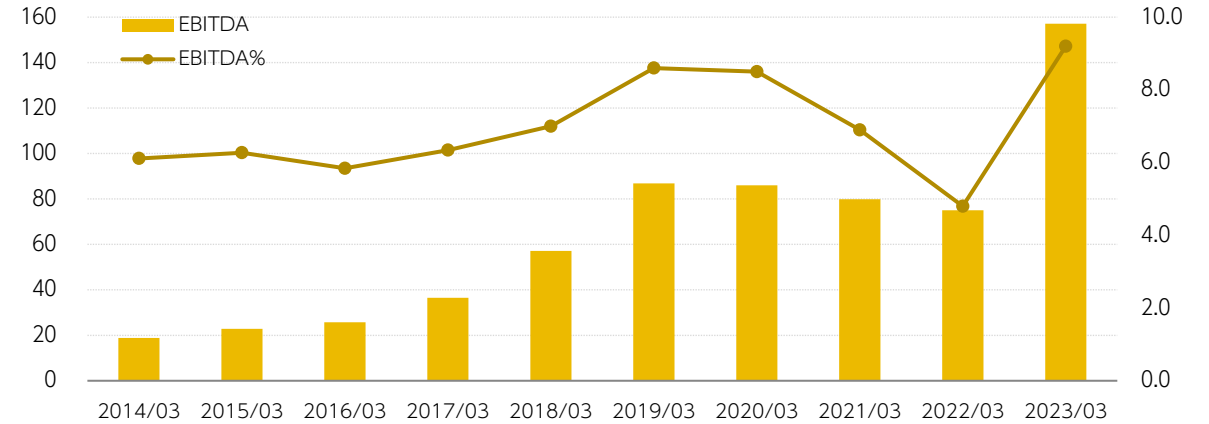
Net sales

(100 million yen)



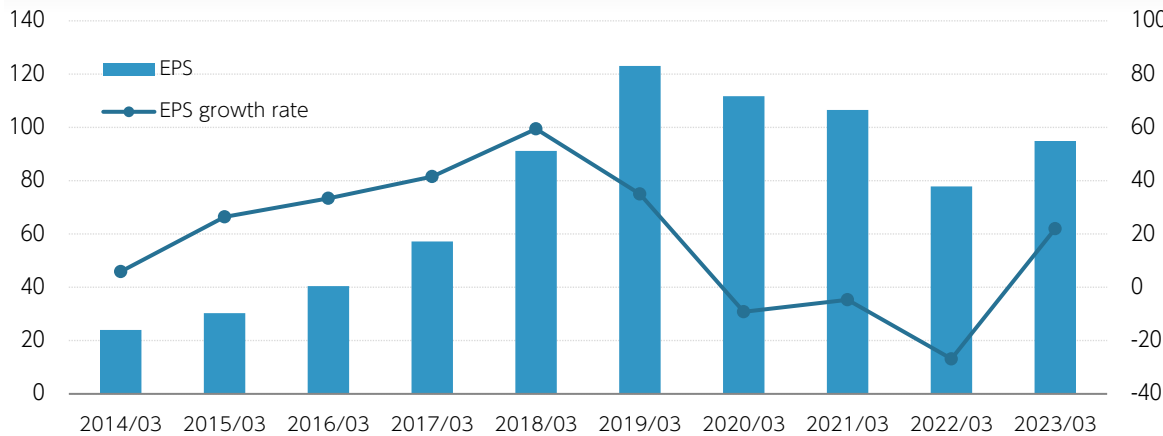
EBITDA(LH) and EBITDA% (RH)

(100 million yen, %)



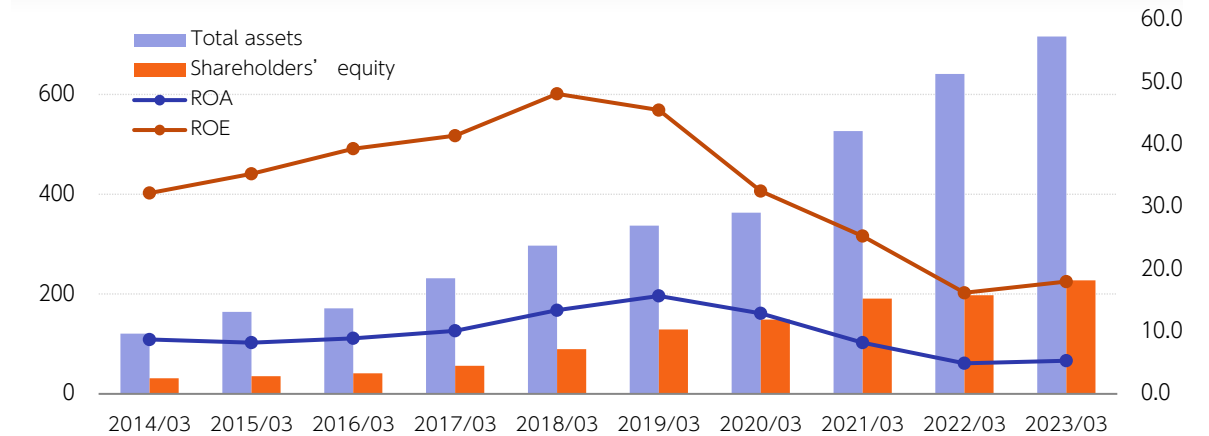
EPS and EPS growth rate

(Yen, %)



Total assets and Shareholders' equity (LH) ROA and ROE (RH)

(100 million yen, %)



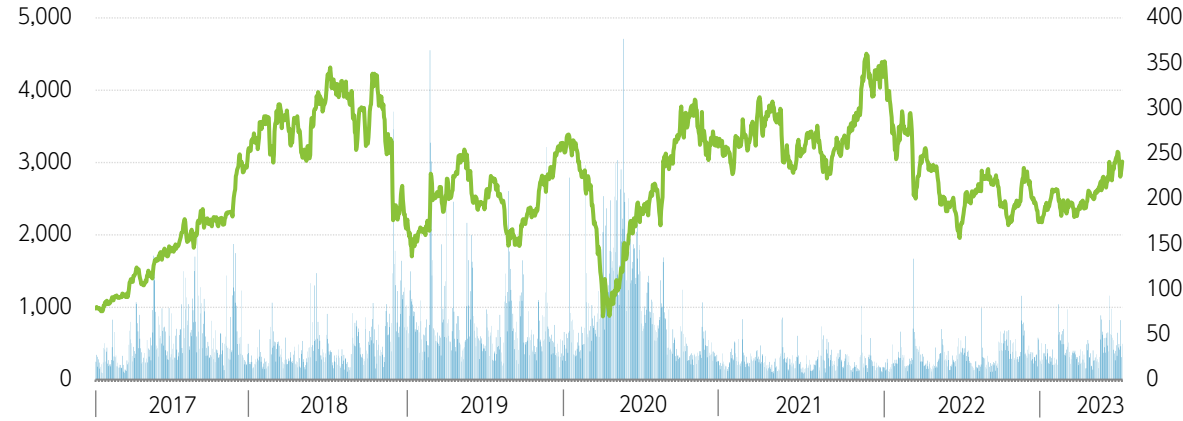
ROA = [Net profit attributable to owners of the parent] / [Total assets] (fiscal year average)

ROE = [Net profit attributable to owners of the parent] / [Shareholders' equity] (fiscal year average)

Trends of Stock Price

Stock price (LH) and trading volume (RH)

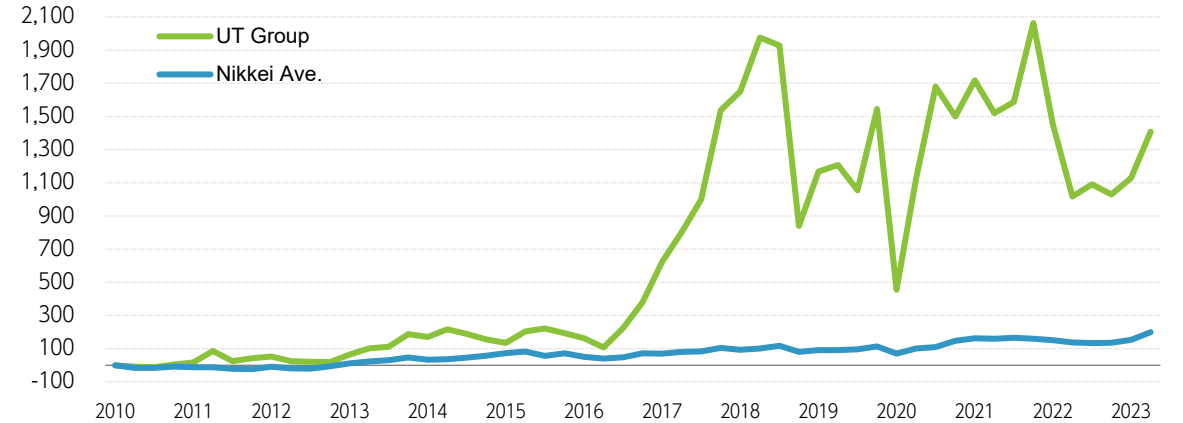
(Yen / 10,000 shares)



Changes in stock price

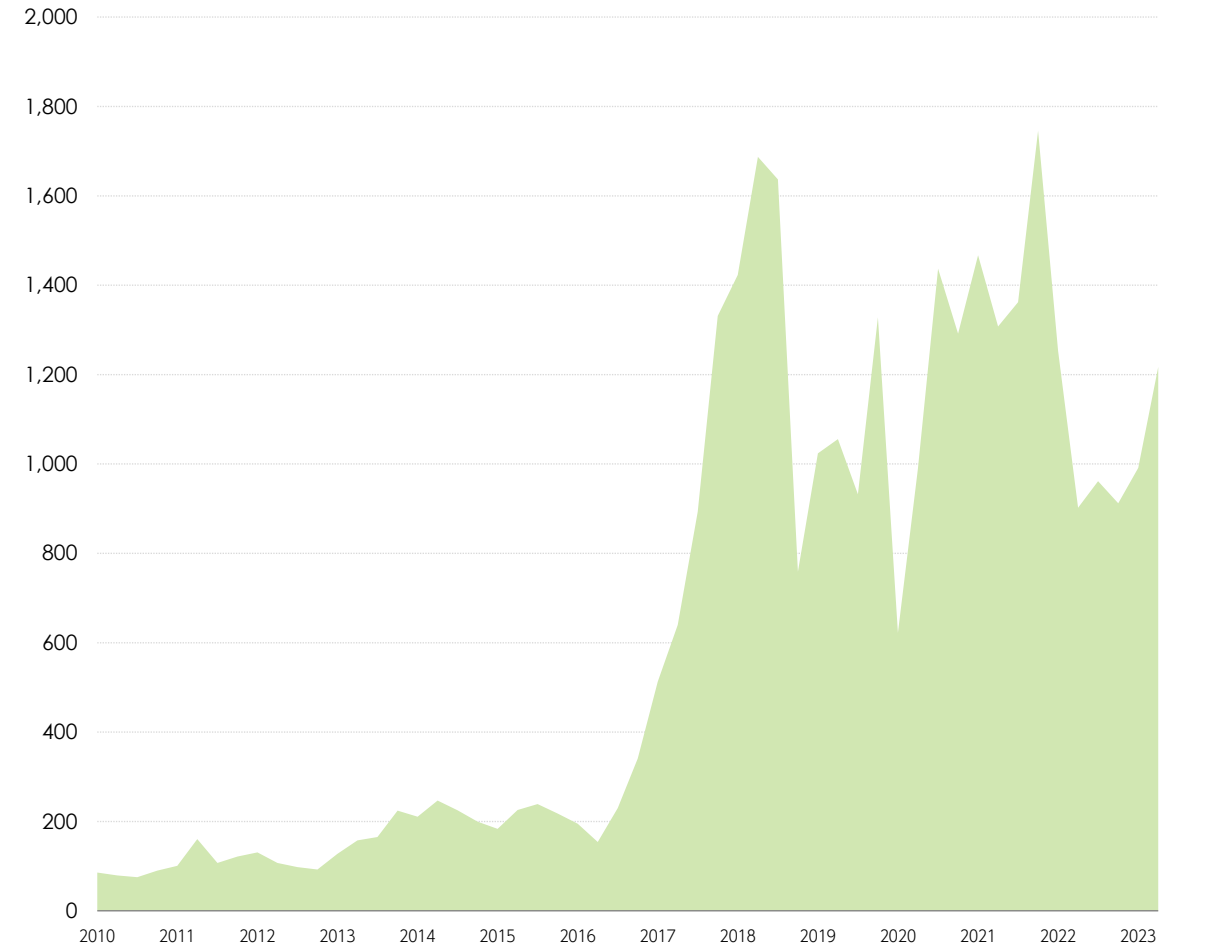
(compared with the level on March 31, 2010)

(%)

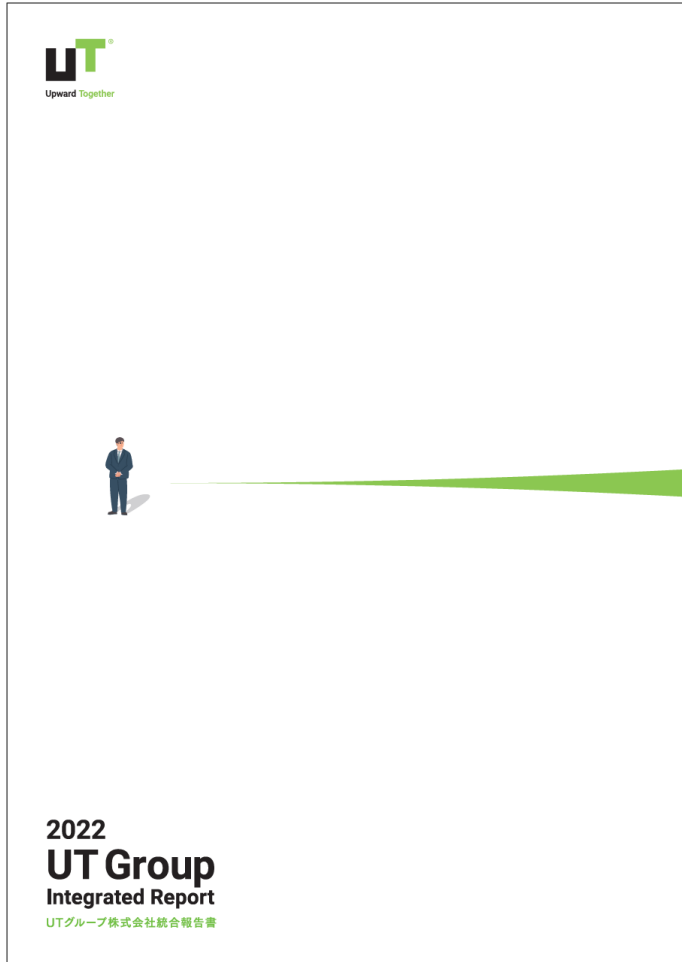


Market capitalization

(100 million yen)



INTEGRATED REPORT 2022 was released (Sep. 2022)



In FY3/2022, when demand for human resources rapidly recovered from the COVID-19 pandemic period, UT Group focused on expanding its market share, creating better workplaces and strengthening hiring activities. These efforts resulted in welcoming many new associates and creating workplaces for more than 30,000 technical employees in Japan.

Amid changes in the macroeconomic environment that cause great anxiety for working men and women, UT Group has stuck to the basic management philosophy it has had since its founding: supporting the stable employment and growth of dispatch workers. We have thereby successfully “created vigorous workplaces empowering people.”

In the Integrated Report 2022, we devised ways to convey in a more easily understood manner how we support the stable employment of workers and their growth, by clarifying it within our unique value chain. This is the second year that we produce an integrated report. We hope that the integrated report will be one of the meaningful tools for constructive dialogue with stakeholders and ultimately for increasing our corporate value.

Further information is also available on the Sustainability Part of our website.

Please download the Integrated Report from here:

https://ssl4.eir-parts.net/doc/2146/ir_material14/197319/00.pdf

Sustainability Data Book 2023 was released (Mar. 2023)

UT GROUP Sustainability Data Book 2023

UTグループ サステナビリティデータブック

The "UT Group Sustainability Data Book 2023" explains our thoughts, initiatives, indicators, etc. regarding sustainability that are not included in the Integrated Reports. The contents are categorized according to the Company's four key themes, and a wide range of information and data are included so that stakeholders can better understand the Company's activities.

Please download the Sustainability Data Book from here:

https://ssl4.eir-parts.net/doc/2146/ir_material14/203418/00.pdf

Create vigorous workplaces empowering workers.



Upward Together

UT Group Co., Ltd.

Disclaimer

This document has been prepared solely for the purpose of providing information regarding the Company's business forecasts. The forward-looking comments and forecasts expressed in this document are the plans based on the Company's judgment based on information available at the time of its preparation and are subject to change without notice. Actual results may differ from the above forecasts, due to various factors.

[Inquiries]

UT Group Co., Ltd.

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