UT GROUP Sustainability Data Book 2024

The UT Group's sustainability up to date

Publishing of the UT Group Sustainability Data Book

In the course of its growth over the years since its founding, UT Group has focused on realization of our workers' personal growth and reassurance in their lives. Our workers are vigorously engaged, and are contributing to the business of our client companies, while realizing sound growth and better lives for themselves. Dedication to this is incorporated in UT Group's mission, to "Create vigorous workplaces empowering workers." In order to achieve this, we are constantly alert in identifying issues that we must address to grow together with workers, and are taking action to resolve those issues.

Editorial policy

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.

Coverage

UT Group Co., Ltd. and its consolidated subsidiaries. For information on consolidated subsidiaries, please refer to "About UT Group > Group Companies" on the Company's website.

Period

FY3/2024 (April 2023-March 2024)

Issue date

June 2024

Note
UT Group has decided to use the term "associates" to describe its "employees". This is to more accurately express how its people are positioned in UT Group: In addition to getting paid to work, they can also become its shareholders, can be promoted to the management, and are regarded as its customers in the Twin Customer Strategy.

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Materiality and the UT Group

The Essence of UT Group	Theme Category	Key Themes and Initiatives	Materialities	Activity Policy and Evaluation Indicators
Purpose / Mission / Vision / Values **Policy on Value Creation** Basic Policy on Individual Dignity and Growth	Value creation activities to realize the mission	**Individuals' potential to be broadened** We respect and are engaged with each worker and continue to create an environment where workers can vigorously work.	Development of human resources Securing of talented people Diversity and inclusion	Hiring activities Numbers of applicants (technical jobs), interviews (technical jobs), new graduates (technical jobs and general jobs), and mid-career hires (technical jobs and general jobs) Career formation support activities Total number of recipients of training courses Career path Numbers of One UT users, Next UT users, UT Entry users, and Job changers from a technical job to a general job HR development Indicators Median annual salary, median annual salary increase, retention rate of technical associates, number of employees (domestic, domestic technical, overseas technical, and general jobs) Workplace development activities Number of client companies (domestic and overseas), and workplaces (domestic and overseas) Diversity indicators Numbers of elderly hired, disabled persons hired, and women hired (technical and general jobs), and ratios of female directors, female managers, and female associates
Basic Policies on Organizational Governance Basic Policy on Corporate Governance Basic Policy on Sustainability Basic Policy on Stakeholder Engagement Basic Policy on Internal Control System Basic Policy on Risk Management Basic Policy on Compliance Basic Policy on Information Security	Organizational support and business base to support value creation activities	**Continued strengthening of business base** We continue to lead the staffing industry from the perspective of workers, without being constrained by legacy customs.	Appropriate work practices Health and safety of associates Data security	Proper labor practices Acquirers of child-care leave (male and female), return rate after child-care leave, and acquirers of nursing-care leave Health and safety of employees Average overtime hours Data securitay Number of recipients of information security training courses
		Fair and transparent organizational controls We foster a corporate culture that respects each individual, and maintain an open and fair corporate attitude.	Business ethics Corporate governance Code of Conduct	Business ethics Recipients of compliance training courses, and cases of serious violations of laws and regulations Code of Conduct Internal whistleblowing cases, and cases of human rights-related consultations Corporate governance Attendees at the general meeting of shareholders, questions raised at the general meeting of shareholders, voting rights exercise rate, ratio of independent outside officers, average attendance rate of the Board of Directors, Board meetings held, Nomination and Compensation Committee meetings held, IT Investment Committee meetings held, Compliance and Risk Management Committee meetings held, Governance Council meetings held, and Management Committee meetings held
Basic Policy on Environment	Environmental-friendly sustainable business management	**Appropriate environmental considerations** We recognize our impact on the natural environment and appropriately control it.	Development of environmental policies and environmental management	Environmental management Greenhouse gas emissions, and paper consumption to sales

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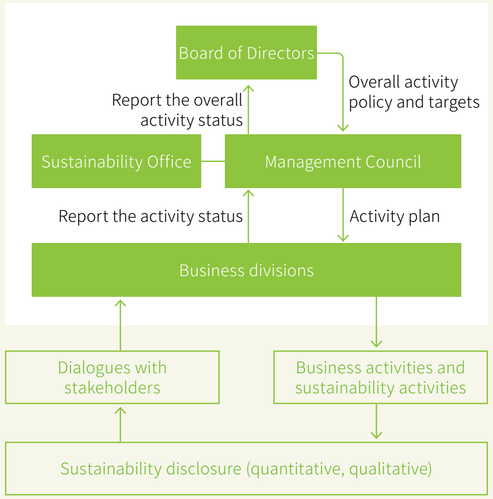
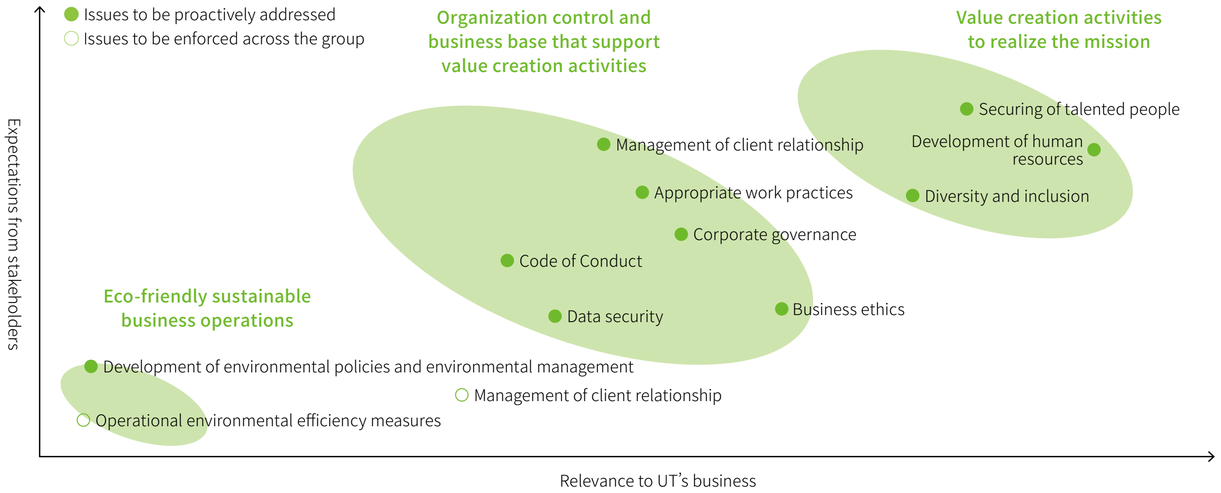
Materiality assessment process

In order to understand the social needs of the staffing industry so that we properly identify our materiality, we referred to the items of the SASB Materiality Map's service sector and the items that RobecoSAM has advocated as focal criteria for the Professional Services sector. We did this to facilitate extracting what came to 12 items that are considered to be highly desirable in the staffing industry. We then sat down for dialogues with external stakeholders and asked what they expected of UT Group. In order to discuss matters from a common perspective, we asked them to assign priority ratings to the 12 items of the staffing industry and asked for their specific opinions based on that. Similar processes were carried out internally, to collect opinions from executives, managers, employees (we call them "associates"), and others. We thus attached priority on the relevance of UT Group's business to these items.

Sustainability Promotion System



Materiality Map



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Individuals’ potential to be broadened

UT Group contributes to the business of client companies by the personal growth of workers, and by transferring capital gained from this growth to support for the growth of workers. In light of these unique characteristics, the cornerstone of our business consists of human resource development, hiring activities, and the realization and sustenance of an environment in which diverse teams go about their work with vigor. We are working at establishing a system that allows all associates, which include not only technical associates but also general associates engaged in business operations, to expand their potential. The main measures for development of human resources through this approach give our dispatched workers 'regular employee' status and they are assigned to Career Partners who support their career development, and are provide with extensive training programs and job transfer options that promote associates’ motivation.

Materiality

Development of HR

We provide access to our extensive career development support system, career paths that enable workers find the work of their liking, and personal bonding with a Career Partner and others, to help each and every one of our associates to grow.

Goal

20% increase in average annual income of technical associates by FY3/2025

(Target for FY3/2025 compared to FY3/2021)

UT Group’s policy on HRdevelopment

We believe that working people are our most important asset, and that the growth of each worker and their own value enhancement through taking up challenges will lead to improvement of our corporate value. As provider of a career platform that increases the value of people through work, we promote human resource development based on the following HR guidelines to develop human resources with high value that is useful to society.

- Consistently provide “fair and square” opportunities
- Boldly face challenges
- Strengthen personal connections

The education system and investment in education for technical associates

In general, the manufacturing dispatch industry has a high mobility of workers. The low retention rate makes it difficult to maximize the effectiveness of human resource education. To overcome this problem, UT Group emphasizes ensuring that each new associate is firmly established in the workplace, on promoting a sense of security, on fostering an awareness of career development, and directly dealing with the challenges of skill improvement and change of careers.

As a means to retain associates, we hold training sessions for new graduates and a welcoming package for mid-career hires (a series of educational measures facilitating acceptance of new hires and encouraging them to stay with us and become active in the workforce). We also provide welcoming education programs tailored to our "construction management engineers" and "network engineers."

The second major educational measure is education for career change tailored to the target position and job type of associates. In order for technical associates to change their careers from that of a manufacturing operator to a manager or engineer position, we have diverse training programs for each of targeted occupations and positions, such as manager positions, leader positions, "Semiconductor Manufacturing Equipment Engineer,” "Construction Management Engineer,” "Network Engineer,” and "Quality Data Analysis Engineer” (the latter are involved in product quality control). Those programs are designed to support associates’ acquisition of specialized skills and knowledge and to encourage them to advance by a change in their careers.

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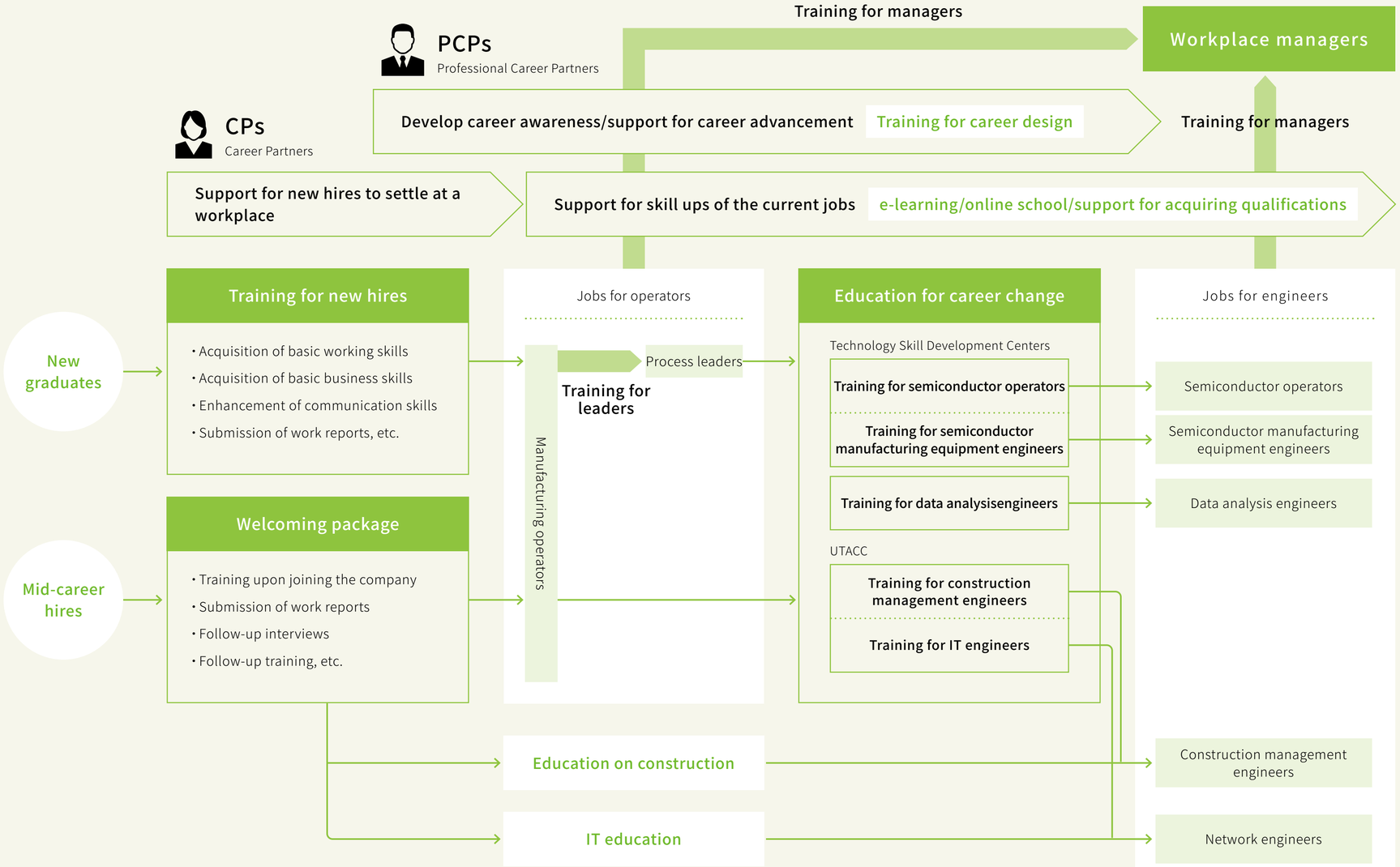

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Educational measures aimed at retaining new graduates and mid-career hires

We are implementing a welcoming package as a measure to ensure that employees are swiftly and firmly entrenched in the workplace. The package is for mid-career hires, and takes place for three months after they join the company. On Day 1, an orientation (guidance on the workstyles of dispatch workers, their work at the dispatched company, and the way of thinking about career development) is held. During the three months, several follow-up interviews are conducted to check the situation of each new associate in detail and to alleviate any of their anxiety of the moment. In addition, we will check the work reports, which also serves as a pulse-taking survey, to check the status of the new associates from an angle different from the follow-up interviews, and carry out follow-up if necessary. In Month 3, follow-up training is conducted at the end of the training period. As a result of the welcoming package, the turnover rate of technical associates eligible for the program within three months of joining the company has been reduced by about half compared to previous levels.
For new graduates who will become technical associates, we provide a more extensive six-month training program as they have no work experience. Unlike the welcoming package, the program for new graduates includes acquiring basic working skills and business skills, such as working manners and how to prepare reports. A session to acquire communication skills using VR and other sessions are also available. The work reports, submitted by the new hires during the training, are used to monitor their progress and status. As with the welcoming package, this program helps to increase the retention rate of new graduates.

Educational measures for career change

We offer educational programs for associates to change careers to specific job types and positions. The programs by job type include those for "Semiconductor Manufacturing Equipment Engineer," "Construction Management Engineer," "Network Engineer," and "Quality Data Analysis Engineer," and the position-specific programs include those for "Process Leader" who is responsible for process management and for "Workplace Manager" who is responsible for workplace management and supervision. All programs have individual educational content and trainers. Technical associates who wish to change their careers are recommended by Professional Career Partners (PCP, who support the career development of technical associates from a long-term perspective) for participation in these programs. We periodically review the target job types for career change education targeting specific job types, in accordance with the needs of the market, and strive to create opportunities to empower our working people.

Off-JT skill-up training

In addition to on-the-job training (OJT) to improve skills in the workplace, we offer off-the-job training (Off-JT) programs for technical associates to improve their skills in their current jobs and workplaces. We mainly use online schools and e-learning, and provide education and support for acquiring specific qualifications such as national qualifications required for special work (UT Group bears the cost of taking the examination for obtaining qualifications). We also provide career design training for technical associates, to help them to envision their future careers.

Development of technical associates through Career Partners and Professional Career Partners

We designate and prepare internally-certified Career Partners (CPs) and Professional Career Partners (PCPs) to support the career development of our technical associates. The CP supports the workers on a daily basis for their day-to-day work on the job, while the PCP is positioned to introduce and encourage future career change opportunities for technical associates. In particular, PCPs play an important role in realizing mid- to long-term career changes for technical associates by proposing appropriate positions according to their abilities and motivation and recommending career changes to those positions.

Establishment of educational facilities for technical associates

In response to the growing global demand for semiconductors, we established the Technology Skill Development Centers as training facilities to train semiconductor manufacturing equipment engineers. It operates in four locations nationwide: Kitakami City (Iwate Prefecture), Yokkaichi City (Mie Prefecture), Osaka City (Osaka Prefecture), and Kumamoto City (Kumamoto Prefecture). In FY3/2023, we also introduced a state-of-the-art educational program using VR.
The UT Advanced Career Center (UTACC), a training facility located at the head office in Shinagawa-ku, Tokyo, provides training for development of human resources in the construction and plant industries and IT industry, and the six-month training for new graduates. The UTACC is also responsible for developing education programs for the Technology Skill Development Centers, and for trainers, and various educational programs including the aforementioned career change education programs for each job type and position.

Target set for the education of technical associates

As a guideline for promoting the development of technical associates and strengthening the Group in general, we have set a target of producing 5,000 semiconductor manufacturing equipment engineers in four years from FY3/2022 to FY3/2025.

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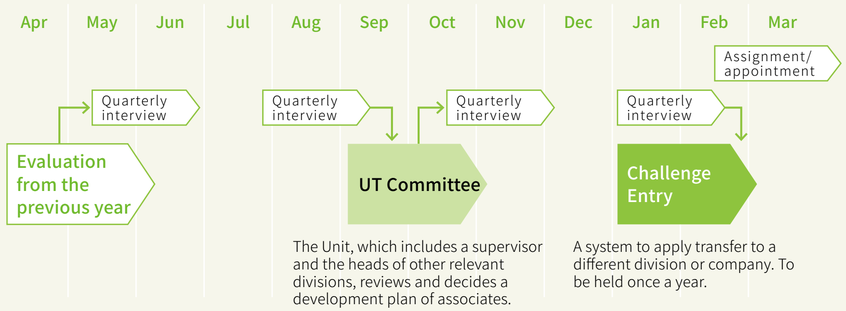
Regarding the training system and investment in education for regular associates

For the development of general associates engaged in business operations and other operations, we have a separate training system organized by target position. We are implementing various measures, with a focus on “Management Personnel Development" for new graduates who will become executive candidates, "Management Skills" for managers and manager candidates, and "UT Knowledge" for introductory training for those who have switched from technical to general positions or who are mid-career hires.

☐ Management Personnel Development

We hire all new graduates in general staff as executive candidates, and have prepared a training package that enables them to advance to a role equivalent to that of a manager in three years. In Year 1, they will be placed in at dispatching workplace, just like technical associates, as part of on-site training. There, they will learn about the workplace firsthand and work at finding and solving problems. The follow-up

Annual development/evaluation schedule for general associates



UT Knowledge

Introductory training for those who have switched from technical to general positions or those who have switched from technical to general positions or are mid-career hires

- History of UT Group
- Internal rules
- Internal systems
- Personnel systems

Management personnel development

Training package that enables new hires to advance to a role equivalent to that of a manager in three years them to advance to a role equivalent to that of a manager Training to enable new hires to advance to a role equivalent to that of a manager in three years

- On-site training at dispatching workplace
- Follow-up training
- 360-degree survey
- Presentation to Executive Officers

▶

- Capability to identify and resolve issues
- Capability to take initiatives and execute work
- Team management skills
- Mission management skills
- Awareness of career development

Management skills

Training for managers and manager candidates to acquire skills needed them to advance to a role equivalent to that of a manager Training to enable new hires to advance to a role equivalent to that of a manager in three years

Manager candidates	New managers	Managers
Stage-up training	Training for new managers	360-degree survey
● Organization management ● Compliance ● Customer negotiations	● Responsibility of managers ● Evaluation and development of subordinates	● Regular feedback from superiors, colleagues and subordinates

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training is also provided so that they can acquire the ability to carry out work proactively at the client company. In Year 2, various training courses will be held to acquire the ability to lead a team and manage a larger mission while involving the other associates around them, and 360-degree surveys will be held to raise awareness of those around them and themselves. Year 3 is to wrap up the three-year training. At this time they will be given an opportunity to think about their future career in the company.
Another distinctive feature of the program is a system for qualifying for becoming executive candidates in order to get the position of their choice. In this program, executive candidates who have completed three years of training present their achievements as well as what they want to achieve in their desired division to executive officers in charge of the division.

☐ Management Skills

The "Management Skills" program for managers and manager candidates is divided into three stages: Before starting management work, immediately after starting management work, and after experiencing management work for a certain period of time. As an education before starting management work, we provide "stage-up training" for the acquisition of the knowledge and skills necessary to aim for advancing to a section manager position. We use e-learning for acquisition of the knowledge and skills necessary in the workplace, such as management of subordinates, compliance, and customer negotiations. In the training immediately after taking on management duties, a "training for new managers" session is conducted to focus trainees attention on the role and positioning of managers in the organization. In addition, with the aim of their acquiring the ability to operate the human resources management cycle set by the Company, "Hiring, Development, Evaluation, Compensation, Assignment and Appointment," training is provided to encourage associates in charge to set goals, evaluate the results, and provide appropriate personal feedback. As an education measure after a certain period of management experience we conduct a 360-degree survey targeting those who are in charge of the section and above. Based on the fact that the higher the position, the more difficult it is to get feedback from those around us, the more we use this as an opportunity to gain evaluation from superiors, colleagues, and subordinates.

☐ UT Knowledge

UT Knowledge is an induction-phase training program for those who have switched from technical to general positions or are mid-career hires, and is held as an opportunity to acquire the knowledge necessary for working at UT Group, such as its history, internal systems, internal rules, and personnel systems.

☐ Development and support of education plans

We have defined an HR management cycle as a series of "hiring, development, evaluation, remuneration, assignment, and appointment." Our associates use their own "Will Can Commitment Sheet," which summarizes what they want to do and can do, and what they are working on at present, relying to do this on individual interviews with their superior on a quarterly basis. Through this, the HR management cycle is run and forms the basis of human resource development.
The education plan for each associate is reviewed and its contents are determined once a year by the UT Committee, which is composed of a supervisor and the organizational heads of other relevant divisions. The education of each associate is thereby considered not by the direct superior alone but from an organizational perspective, and we aim to link the associate's personal growth with the organizational growth, incorporate the opinions of relevant divisions, and provide feedback to them. It also includes the aim of having the heads of divisions sharing know-how and improve management skills while thinking about HR development together with each other.

☐ Entry system

One of our HR policies is to "Boldly face challenges," and we consider the autonomy and positivity of our associates to be an important resource for the growth of our organization. As a measure to nurture such motivation and provide all associates with equal opportunities to take on challenges, we have established an entry system in which associates can voluntarily stand up as candidates for new jobs.
The entry system has two types. The "Executive Officer Entry" is mandatory for all who wish to become an executive officer, regardless of whether they have been appointed or newly appointed, and their entry sheets are reviewed and they are interviewed by directors. The Nomination and Compensation Committee examines the nominees from this process and then the Board of Directors appoints executive officers out of those recommended by the Committee.
The "Challenge Entry" is for general and technical associates. Technical associates who wish to move up to become on-site managers and supervisors or to switch to general jobs, such as indirect work at the head office, are recruited for this. In case of general associates who want to take up the challenge to work at other divisions or other operating companies, they submit an entry application once a year based on the job postings submitted by each organization. The "Challenge Entry" brings about a win-win situation as the applicants can understand the job in detail before applying and the organization which receives the applicants can acquire desirable candidates with a high degree of certainty for the job.

☐ Evaluation and compensation

Our evaluation system incorporates two criteria: Achievement of goals and engagement. Each associate is evaluated based on the degree of achievement of the goal set at the beginning of the fiscal year, and of engagement. Higher-ranking executives are evaluated more strongly on the basis of their achievement, which is then reflected in remuneration, assignment, and appointment.

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[KPI]

Career formation support activities

	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Applicants (technical jobs)	32,874*1	44,351*1	57,242*2	79,465*2

Career path

	FY3/2021	FY3/2022	FY3/2023	FY3/2024
One UT users*3	236	570	478	81
Next UT users*3	412	541	606	760
UT Entry users*3	348	295	272	243
Job changers, from a technical job to a general job*3	18	60	52	74

HR development Indicators

	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Median annual income*3 (1,000 yen)	—	3,346	3,559	3,360
Median annual income increase rate (%) (Compared to FY2021.3) *4	—	+5.7	+10.7	+12.1
Retention rate of associates (%)	—	96.8*5	96.5*6	96.1*6
Associates (total domestic) *3	25,083	33,478	33,745	35,019
Technical associates (domestic)*3	—	31,636	31,936	33,078
General associates (domestic)*3	—	1,842	1,809	1,941

*1 UT Aim, UT Community, UT Pabec, UTHP, UT Technology, UT Construction
*2 UT Aim, UT Connect, UT Technology, UT Construction, FUJITSU UT, UT Toshiba, UT Heartful
*3 UT Group companies in Japan
*4 Manufacturing business and Engineering business
*5 UT Aim, UT Community, UTHP, UT Technology, UT Construction
*6 UT Aim, UT Connect, UT Technology, UT Construction

[Award]

UT Aim, a core company of our group, received the Grand Prize of the Good Career Company Award 2018 from the Minister of Health, Labour and Welfare.
The "Good Career Company Award" recognizes commendable companies that carry out initiatives in support of employees' self-reliant career development, these initiatives then serving as role models to others. The purpose of the award is to disseminate and establish the importance of career development support by widely announcing their philosophy and the content of initiatives. In 2018, there were applications from 43 companies nationwide, and five companies were selected for the Grand Prize (awarded by the Minister of Health, Labour and Welfare) and five for the Innovation Award (awarded by the Director General of Human Resources Development, Ministry of Health, Labour and Welfare). UT Aim was highly evaluated for its comprehensive and detailed support for dispatched workers' medium- to long-term career development based on the indefinite-term employment and transfer system.

[Award]

UT Aim, received the Porter Prize in 2019.
The Porter Prize bestows recognition on Japanese companies that have achieved and maintained superior profitability in a particular industry by implementing unique strategies based on innovations in products, processes, and ways of managing. It was established in July 2001 and the name of the award is derived from Professor Michael E. Porter of Harvard University, a leading authority on competition strategy and international competitiveness.

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Securing of talented people

We are creating good workplaces where our associates can feel rewarded and grow, and work with vigor.

Goal

50,000-60,000 technical associates by FY3/2026

Hiring activities

In the hiring system and process, the marketing team sends out the hiring information, and the contact team directs applicants to the interview. After that, the recruitment team will interview applicants to learn their thoughts, needs, and wishes, and match them with suitable projects and client companies.
With an emphasis on improving the convenience of applicants and reducing their stress, we have prepared a wide range of methods for making an interview appointment, including telephone, chat, an automated appointment system, and a telephone AI service. We have also built a system to react within five minutes after contact is made by an applicant.
In addition to face-to-face interviews, we use video calls and chats via PC and smartphone apps to create a system that allows applicants to conduct interviews without feeling stressed by the time, place, format, etc.
UT Group’s average number of applicants per month is over 10,000. In hiring, rather than “selecting” applicants, we value the attitude of matching the applicants with jobs that are suitable for them, proposing suitable jobs by reaching their subconscious, and motivating applicants starting from the interview appointment stage. Therefore, in order to secure operator resources and quality of response at call centers, we have introduced a monitoring system and systematized FAQs to back up operations.
We place importance on the speed from application to start of work. In addition to constantly improving our internal hiring and acceptance processes, we are working to collaborate with external parties, such as by encouraging our client companies to set an acceptance day of our newly-dispatched associates every week.

☐ JOBPAL, a job site for dispatched workers

In April 2022, we launched JOBPAL, a comprehensive job site that integrated job information from Group companies. Going forward, our plan is to enhance its functions so that it can provide job seekers (JOBPAL members) with information on new jobs and offer proposals tailored to each individual's preferences.

Activities to develop better workplaces

UT Group’s basic structure has been constructed so as to provide extensive career development support to workers and to improve their skills and motivation. We provide a structure to develop these workers and raise their added value contributed to client companies, which will ultimately lead to improvement of working conditions and the working environment, and to the development of new client companies. A sustainable cycle centered on "human resource development" and "creation of better workplaces" is our unique value chain and a major strength.

☐ Proposal of compliance system

In cooperation with client companies, we also propose to build a compliance system at their manufacturing sites. We share our accumulated know-how in creating workplaces, including work time management and mental health care. We are working to create a workplace environment where associates can work with peace of mind by training on-site managers in knowledge of laws and compliance, and by formulating measures to prevent risks from occurring and to prevent recurrence when they occur.

Flexibility in work locations and working hours

We had considered the use of remote work long before the COVID-19 pandemic. Triggered by the outbreak of the COVID-19 infections, general associates working at the head office have been working remotely in almost all divisions since April 2020. In addition, we also promote remote work to the extent possible for general associates who manage and supervise the dispatched workplaces of client companies.
With regard to working hours, we apply a flextime system to non-managerial associates in general positions if applicable to the circumstances and work of each organization.
The introduction of remote work and flextime has made it possible to realize flexible workstyles, improve office utilization efficiency and productivity, and maximize organizational results.

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The right to collective bargaining and freedom of association

Although we do not have a labor union, we take steps in accordance with laws and regulations, such as explaining matters to associates in advance and asking for the opinions of associate representatives, depending on the content of new or revised work regulations. The rights of these associates are stipulated in the Policy on Human Rights.

Special holidays

In addition to annual paid leave, we introduced leave for maternity leave, nursing care leave, and other leave stipulated by laws and regulations, and leave for congratulations and condolences not stipulated by laws and regulations.

Short working hours

We have established a shorter working hours system for those engaged in childcare and nursing care. For childcare, in accordance with laws and regulations, we have established a system that allows associates raising children under the age of three to work six hours a day in principle. Associates engaged in nursing care of their family member can take shorter working hours over a period of three consecutive years from the start date of the leave use per one family member, and use the system twice.

Long service award

We have established a long service award system. Associates who have reached a milestone of 10 years, 20 years, and 30 years of service, are awarded with a letter of appreciation, a sum of congratulatory money, and commemorative gifts.

Side jobs and concurrent work permit system

To prevent associates from being overworked, we review the monthly working hours and work details of side jobs and concurrent jobs, and pending approval from their superiors and personnel division managers, we allow all associates, including contract associates, to engage in side jobs or concurrent jobs. As stated in the HR policy of “facing challenges”, we have established a system that considers the act of associates to independently expand their careers as part of this. As a result of the COVID-19 pandemic, the number of associates using the system has been on an increasing trend since fiscal 2020.

Regular medical examinations

To promote the health of our associates, we conduct regular health checkups once a year (for some technical associates, once every six months). For associates who require a re-examination or follow-up based on the results of their health checkups, appropriate follow-up is provided in cooperation with industrial physicians.

Employee Stock Ownership Association

The Company has organized an Employee Stock Ownership Association that allows all indefinite-term employees to acquire shares of the Company in order to increase associate participation, motivation, commitment to performance, and loyalty. Associates who join the Stock Ownership Association can purchase shares of the Company in units of 1,000 yen, and the Company will provide a 10% incentive for each monthly contribution. In addition to improving organizational motivation over the medium to long term, we thus support the asset formation by associates.

Defined Contribution Pension Plan

We have introduced a Defined Contribution Pension Plan (selective PC) for all indefinite-term associates to support their asset building and life planning. If an associate wishes to use the system, he or she can contribute a certain amount and recover it as a pension payment after the age of 60. Tax incentives are available for making contributions to the Defined Contribution Pension Plan.

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[KPI]

Hiring activities

	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Applicants (technical jobs)	116,463*1	180,648*1	141,524*2	139,720*2
Numbers of interviews (technical jobs)	36,753*1	60,628*1	59,943*2	63,247*2
Graduates hired (technical jobs)	553*3	584*3	549*4	425*5
Graduates hired (general jobs)*6	17	22	12	4
Mid-career hired (technical jobs)	7,291*7	14,406*7	10,767*2	12,662*2
Mid-career hired (general jobs)*6	76	197	79	140

Workplace development activities

	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Client companies	1.538*6	1,658*8	1,953*6	2,260*6
Workplaces	—	2,197*8	2,697*6	3,028*6

*1 UT Aim, UT Community, Support System, UT Pabec, UTHP, UT Construction
*2 UT Aim, UT Connect, UT Construction
*3 UT Aim, UT Pabec, UT Technology, UT Construction
*4 UT Aim, UT Connect, UT Technology, UT Construction
*5 UT Aim, UT Connect, UT Technology, UT Construction, FUJITSU UT, UT Toshiba, UT Heartful
*6 UT Group companies in Japan
*7 UT Aim, UT Community, Support System, Seekel, UT Pabec, UTHP, UT Construction
*8 UT Group companies in Japan excluding UT FSAS Creative

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Materiality

Diversity and inclusion

In line with the diversification of workstyles, we emphasize diversity in which everyone can work their own way. We want to become a platform for workstyles that are not bound by any attribute, such as age, gender, or nationality. The UT Group Code of Conduct and the UT Group Compliance Code of Conduct stipulate appropriate actions to comply with laws and regulations, social norms, internal rules and other rules to be taken, and that officers and associates shall comply with it.

Goal

The ratio of women in managerial positions* to 15% by FY3/2025

(The ratio of women in managerial positions at UT Group Co. and its major operating companies)

Promotion of women's empowerment

In order to realize our vision of becoming a platform for the way we work in the future, we will need to work on more diverse business projects in the future, and I believe that realizing diversity on our own will be the foundation for that.
With regard to the promotion of women's participation, we believe that it is important to increase the ratio of women in front-line managers, supervisors, and managers in order to increase the number of female associates in engineering positions. In addition, we have set a target of increasing the ratio of female managers in general positions to 15% by FY3/2025, after taking into consideration the appropriate balance of assignment to each operating company located throughout Japan and the appropriate allocation among divisions within the head office.

☐ Initiatives to promote the empowerment of women

Specific initiatives can be broadly divided into three categories: Expanding the employment of technical professionals, improving the working environment, and fostering female managers. With regard to expanding the hiring of female engineers, we are working to expand hiring capacity while cooperating with client companies because the Manufacturing Business, which is centered on automobile manufacturing, has a particularly small number of female associates due to the characteristics of the business. On the other hand, the Area Business, which responds to the needs of people wanting to work in local areas, has a business model that anticipates the utilization of part-time workers from the beginning, and we believe that promoting the business centered on UT Connect, which was begun in April 2022, will lead to the creation of opportunities for women to play an active role.
In terms of improving the working environment, we recognize two important issues: Elimination of long working hours and establishment of diverse career models.
In the former, we are working to improve operational efficiency by separating core and non-core operations by front-line managers and supervisors, in order to eliminate overtime caused by collective management and supervision of technical associates whose working hours are distributed on a rotating basis.
The establishment of diverse career models is linked to the development of female managers, and we aim to develop new career models for managerial positions with a focus on female associates. As a project team, we established the Diversity Promotion Project, which brings together female leaders from each division. We are building a system throughout the company to comprehensively promote career development support in response to lifestyle changes. These initiatives are shared with management at the Steering Committee meeting, which is held three times a year.

☐ Fostering internal awareness

As in-house education to promote the active participation of women, we have established an executives education program for elimination of thinking biases, and we also hold study sessions for managers on the development of female associates, communication, and harassment. In addition, in order to widely raise awareness among associates, we conduct internal PR activities to convey the importance of diversity.

Promotion of the active participation of people with disabilities

UT Heartful, a special-purpose subsidiary of the UT Group, employs people with disabilities and entrusts operations from the head office and operating companies with "services that contribute to productivity improvement." We have implemented a remote work system for associates with disabilities, one of the few in Japan, which enables us to actively hire people with severe disabilities. As of the end of December 2023, the Group as a whole employed 859 associates with disabilities, with an employment rate of 2.65%, exceeding the statutory employment rate.

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Promoting the active participation of seniors

We are working to utilize senior human resources at our existing subsidiaries such as UT Aim and UT Connect, as well as Fujitsu UT and UT Toshiba, which are joint ventures with major manufacturers. We are working to create a working environment that provides opportunities for new activities and allows senior associates to work for a long period of their career time.

Provide opportunities for those who have the will to work

Our hiring policy is to accept everyone, including those who have as their major qualification only a desire to work, and those who have a vague desire to grow but do not know how to advance their career, and provide opportunities for these people within our human resources system to create paths for growth and career advancement.
While negotiating with client companies based on the needs and circumstances of each job seeker, we aim to match them with a workplace where they can work safely and like their own. To this end, we continue to engage in new workplace development activities and negotiations with existing client companies.

Equal Opportunity Initiatives

The policy of “providing ‘fair and square’ opportunities” set forth in the HR Policy is linked to our founding philosophy of providing fair growth opportunities to non-regular associates who often receive unfavorable treatment.
In addition to creating an environment and support system that enables associates in technical positions to improve their work skills and improve their compensation, we also offer UT Entry, which allows associates to take on the challenge of switching from being a technical associate to being a general associate. At the same time, we can take on the challenge of changing careers, such as One UT, which enables a switch from an operator position to an engineer position, by utilizing a variety of educational programs prepared for each job type. In addition, in order to fulfill the desire to work for a long career without moving to another region, we provide opportunities for all technical associates in the Good Job program, which allows associates to choose their own workplace, and Next UT, which allows associates to transfer to client companies.

[KPI]

Diversity indicators

	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Elderly hired*1	—	181	265	432
Disabled persons hired*2	14	152	86	59
Women hired (technical jobs)	2,838*3	5,078*1	4,567*1	4,417*1
Women hired (general jobs)	36*4	72*1	22*1	54*1
Ratio of female directors(%)*5	0.0	14.3	16.7	16.7
Ratio of female managers(%)*6	—	11.2	12.7	14.0
Ratio of female associates(%)*1	28.9	28.7	34.6	32.1

*1 UT Group companies in Japan
*2 UT Group, UT Heartful
*3 UT Aim, UT Community, Support System, UT Pabec, UTHP, UT Construction
*4 UT Group, UT Aim, UT Community, Support System, Seekel, UT Pabec, UTHP, FUJITSU UT, UT Toshiba, UT System Products, UT MESC, UT Technology, UT Construction
*5 UT Group
*6 UT Group, UT Aim, UT Connect, UT Technology, UT Construction

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Continuous strengthening of the business foundation

There was a time when it was said that temporary workers at manufacturing sites were at risk of deprivation of stable employment and income and of being susceptible to exploitation through excessive workloads and assignment to dangerous environments. This has always been a matter of concern to us. That is why at UT Group, “temporary” workers are employed as permanent employees for indefinite terms and their individual growth is regarded as directly tied to the growth of our company and business. This means that the risks faced by our workers are risks to the very foundation of our business. While working together with client companies to improve the working environment of our people, we are making our best effort to improve labor practices and continuously strengthen our business foundation for the future, so as to realize a society where more people can work vigorously.

Materiality

Appropriate work practices

We focus on ensuring that all associates receive fair and equitable evaluations and are rewarded in accordance with their proper workstyle and capabilities, without being bounded by industry practices. We will not tolerate any violation of human rights.

Goal

Enabling diverse workstyles

Working hours management

We recognize that long working hours are directly linked to health risks for our associates, regardless of whether they are technical or general associates, and we monitor their working hours so that they can work healthily with assurance that they do not exceed the occupational accident certification standards set by the Japanese government. For technical associates, working hours trends and established practices tend to differ depending on their assigned industry. The working hours of associates in managerial positions also tend to exceed normal working hours. We take into account such individual circumstances, but still insist to apply the standards for appropriate working hours to all associates uniformly throughout the Group as we regard the standards for preventing health problems should be the same for all of our associates.

A unified attendance system for reporting working hours is used for associates to clock their working hours. If monitoring at regular intervals has detected overtime work or the possibility of overtime work, the HR division sends an alert to the relevant persons, the office to which they belong, and the operating company. In the event that overtime work is observed, the on-site manager or person in charge will negotiate with the client company and follow-up with the relevant person as appropriate to the type of industry and workstyle of the dispatched company, and develop a measure to prevent recurrence. The Compliance and Risk Management Conference, an advisory body of the Board of Directors composed of senior executive officers and external lawyers, and the Joint Safety and Health Conference, which brings together managers of business sites across Japan, share information and discuss the situation.

Establishment of an environment where all associates can work with peace of mind, regardless of employment status

The majority of our associates, including technical associates working at client companies, have indefinite-term (open-ended) employment status because we believe that this creates an environment in which they can work for a long time with peace of mind.

For some fixed-term associates, we are working to create an environment in which they can work without any disparities in treatment due to employment status; equal pay is given for equal work.

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Employment security

For technical associates in particular, if it becomes difficult to be kept working at a dispatched workplace because of fluctuations in the demand for human resources or of changes in working conditions, we have a system in place to promptly arrange reassignment to other dispatch workplaces, industries or types of work.
In addition, we believe that the environment in which associates can utilize our education system and achieve their desired career advancement is also effective in ensuring job security. The cumulative number of dismissals due to corporate reasons or disciplinary action has been less than 10 for the past three years. In this regard, we believe that compliance education after joining the company and the follow-up system for managers and supervisors at the client companies are effective.

[KPI]

Proper labor practices

	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Acquirers of child-care leave (total)*1	242	256	228	296
Acquirers of child-care leave (male associates)*1	—	27	34	64
Acquirers of child-care leave (female associates)*1	—	229	194	232
Childcare leave acquisition rate (male associates)(%) *1	—	—	13.8	39.5
Return rate after child-care leave(%)*1	79.6	83.2	57.0	58.9
Acquirers of nursing-care leave*1	4	12	8	4
Indefinite employment ratio (%)	—	95.5*2	91.9*3	84.9*3
Fixed-term employment ratio (%)	—	4.5*2	8.1*3	15.1*3

*1 UT Group companies in Japan
*2 UT Group, UT Aim, UT Community, UT Pabec, UTHP, UT Technology, UT Construction, UT Heartful
*3 UT Aim, UT Connect, UT Technology, UT Construction

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Health and safety of associates

With our client companies, we develop workplaces that ensure safe and healthy work, and cooperation, so that each and every associate can continue to work with peace of mind.

Goal

Stable operations of associates to help realize customer value

Health and safety of associates

As UT Group has an extensive number of associates working at a manufacturing site of a client company, there have been some occupational accidents involving our associates. In such cases our on-site manager or person responsible has collaborated with the client company, promptly responding, investigating the cause, and formulating measures to prevent recurrence. When necessary to improve safety, we propose and negotiate with the client company changes to the equipment to be used and the working environment.
Information on incidents and occupational accidents that require close attention is shared at the Joint Safety and Health Conference, which is attended by managers of each business site in Japan, to investigate the causes of the incidents and verify whether there are any deficiencies in measures to prevent recurrence. We provide further follow-up when necessary, and share information to improve the level of health and safety management at each business site.
We also provide safety and health education based on the Occupational Safety and Health Management System (OSHMS) to prevent occupational accidents. Moreover, we place equal importance on the creation of a living environment where associates can enjoy good health, by such action as the maintenance of company housing, as well as safety management. We have established a division that specializes in company housing management, and have established a system that enables smooth relocation when moving into company housing or changing workplaces.

Health and safety management system

In the event of an occupational accident, we are obligated to those involved to report a summary of the accident to the division in charge of safety and health management within 24 hours, investigate the cause, formulate measures to prevent recurrence, and report them within one month. Based on the results of these reports, we will share information at the Joint Safety and Health Conference, where managers from each business site in Japan gather, and consider the formulated measures to prevent recurrence.
Important cases such as death, long-term hospitalization, large-scale accidents, or cases involving suspension of work are reported to the Compliance and Risk Management Conference, an advisory body to the Board of Directors composed of the executive officer in charge and external lawyers.

Efforts to reduce working hours

To reduce overtime work by regular associates, the content of their overtime work is closely examined and constantly verified to improve work efficiency. For technical associates, on-site managers are working to improve work efficiency and reduce overtime while coordinating with client companies.
With regard to certain daily activities which are difficult to determine whether or not they are business activities, we conduct a comprehensive review of that work, clarify the classification, and develop rules so that all associates can report the correct working hours.

[KPI]

Health and safety of employees

	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Average overtime hours	11.5*1	16.4*1	14.5*2	12.3*2
Work-related accident rate (Number of fatalities and injuries due to work-related accidents/ actual working hours x 1,000,000)*2	—	—	—	1.57

*1 UT Group, UT Aim, UT Community, UT Pabec, UTHP, UT Technology, UT Construction, UT Heartful
*2 UT Aim, UT Connect, UT Technology, UT Construction

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Data security

Regarding the handling of personal information of associates and job applicants as well as client information, we strive to ensure a high level of information security and cybersecurity in accordance with the relevant policies and regulations.

Goal

Enhancing security literacy education

Personal information protection/ information systems: responsible managers and their roles

The position of Personal Information Protection Manager is to be concurrently held by the head of the division in charge of compliance, who must grasp the status of collection, use, and provision of personal information at the Company, provide education and training to the persons handling personal information to make them understand and comply with personal information protection measures, and take measures such as those needed for implementation of safety. The Chief Information System Officer position is to be concurrently held by the executive officer in charge of information systems, and shall perform the duties of the chief information security officer of the Company as a whole.

Information Security Response

[Access to the Group’s operational infrastructure]

- Control over network connections
- Control over the terminals

[Control access to information databases]

- Implementation of limited data access to information necessary for business purposes
- Control of data rewriting of the business infrastructure
- Storage of access history and data registration changes

[Defense against cyber attacks]

- Management of server resources using a controlled cloud infrastructure
- Detection of attacks to client terminals and activation of prevention tools

[Education on information security for associates]

- Compliance training that includes contents to raise awareness of information security (once a year)

[KPI]

Data security

	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Recipients of information security training courses*1	—	27,343	30,645	29,978

*1 UT Group companies in Japan excluding UT FSAS Creative

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Fair and transparent organizational controls

UT Group’s business can be characterized as public infrastructure that provides stable employment for each worker and the supply of labor to carry out companies' production activities. In such business area as this, it is a basic premise to respect the human rights of individuals and to comply with laws and social norms, with high ethical standards, and to earn the trust of a wide range of stakeholders and society. That is why we have identified corporate compliance and corporate governance, which forms a base for compliance, as our priority management issues. By making efforts to strengthen compliance and governance, we aim at a medium- to long-term organizational growth and the improvement in corporate value and shareholder value.

Materiality

Business ethics

We thoroughly educate all officers and associates on compliance and continuously strengthen internal control. We also focus on the soundness of the worker dispatch industry by maintaining a compliance system in the dispatched workplace.

Goal

Ensuring thorough compliance

Enhancement of effectiveness of compliance

☐ Role of the Compliance and Risk Management Conference

The UT Group Compliance and Risk Management Conference, chaired by the lead person in charge of the compliance division and with participation by an outside lawyer and others, has been established as an advisory entity serving the Board of Directors. The Conference, which meets once a month, discusses compliance policy and action plans of the Company and its Group, studies matters needed to ensure legal compliance and fair execution of duties, does research on adherence to of laws, regulations, and internal rules, and establishes recurrence prevention measures. In addition, the Conference understands the types of risks to be managed by the Company, manages and evaluates those risks, strives to prevent the occurrence of risks, and formulates measures to minimizes losses in the event of a risk and prevent recurrence.

☐ Role of the division in charge of compliance

The division in charge of compliance is responsible for establishing a system for dealing with compliance issues, providing associate education and training, and responding to the Compliance and Risk Management Conference.

Compliance training

Mandatory compliance training sessions (one for general associates and another for technical associates) are held for general associates and another for technical associates are held once a year. On top of common subjects such as information security, precautions in stock trading, and sustainability-related issues including matters related to the environment, human rights, and harassment, the contents include information necessary according to specific aspects of the target audience: the contents for general associates include corporate scandals and the creation of a workplace environment suitable for regular associates, while the contents for technical associates include the whistleblowing system. We have also adopted the UT Group Compliance Manual to ensure that each and every associate is engaged in business operations with compliance as their personal issue associated with their own position. Since FY3/2022, we have also been conducting compliance training for general associates of operating companies in Vietnam, in their own language, to foster basic awareness of the importance of compliance and the creation of systems for compliance.

☐ Compliance card

In order to raise associates' awareness of compliance, we have created a "Compliance Card" that states our compliance policies and other information. The card is distributed to all associates when they join the UT Group. And the card is recommended to be carried with them at all times. This card

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has also been produced in Portuguese and Tagalog and has been distributed to non-Japanese associates working in Japan.

Compliance training

We have established a whistleblower hotline available to be contacted by telephone or email, as a measure to quickly detect internal misconduct and issues related to compliance and ethics, and to improve the soundness of the organization. In addition to the in-house contact point, a whistleblower hotline to an outside corporate lawyer is also available. Our non-Japanese associates working in Japan can use the hotline, and we plan to expand the language support in the future. The whistleblower hotline is available not only to our associates, but also to the workers of related companies outside the UT Group. This can be used to report violations of laws and regulations, and misconduct by our associates. We are also working to protect whistleblowers through a management system that limits the number of persons who have access to the information of whistleblowers to a minimum.
Through work handbooks, the compliance card, the UT App (an internal communication tool), and public relations on our website, we make efforts to make the whistleblower hotline thoroughly known.

Classification, number, and response of compliance violations

If a risk incident with a suspected compliance violation occurs and becomes known via whistleblowing, etc., the division in charge of compliance is required to contact the division to which the target person belongs or other relevant divisions, urge them to respond within their respective divisions, and request the reporting of the result. In cases where it is difficult to contact the target divisions, the division in charge of compliance must check and investigate the matter.

	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Human rights violation	0	0	0	0
Labor management	0	1	2	0
Misconduct	0	0	0	0
Other	0	0	0	0

Cut off any relationship with anti-social forces

As a basic policy, we are determined to stand up against anti-social forces that threaten civil society and eliminate any relationship with them. Our Group prohibits all officers and associates to use anti-social forces and any individual or group that is related to them, and to be related with them in any way, including provision of money and cooperation. This policy is defined in the Basic Policy on Internal Control System as the "Basic views on eliminating anti-social forces and arrangements."

Prevention of insider trading

In order to ensure the fairness and soundness of the securities market, to secure the trust of shareholders and investors, and to prevent misuse of the Company's information assets, the Group's officers and associates are required to comply with laws and regulations related to securities trading and are prohibited from insider trading.
We conduct individual reviews and interviews when our officers and associates trade shares of UT Group. We also provide relevant educational contents in the compliance training to ensure that all officers and associates are fully aware of laws and regulations related to information protection and securities trading.

Prohibition of gifting and entertainment

We prohibit acts that violate laws and regulations, such as bribery, as well as excessive gifts and entertainment that go beyond common sense in society, and extortion involving public officials, client companies, and all other related companies.

Business ethics management system

The UT Group Compliance and Risk Management Conference, which is chaired by an executive officer and is composed of executive officers in charge of business divisions and corporate divisions, outside directors, and external lawyers, meets once a month. At that time subject cases are classified into litigation, risks, punishment, financial-related risks, salary-related risks and IT/information system risks and the responsible divisions report on individual cases and their response status, as well as changes in the number of cases for each class. Moreover, the Board of Directors identifies material risks and has established a system to monitor the status of countermeasures against such risks since FY3/2023.

☐ Compliance awareness survey

In addition to annual compliance training, we conduct an awareness survey to measure the penetration of compliance awareness among associates. It is an opportunity to monitor the improvement of business ethics within the UT Group, and it also functions as feedback to improve compliance education and increase the attendance rate in training.

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[KPI]

Business Ethics

	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Recipients of compliance training courses	17,411*1	27,343*2	30,645*2	29,978*2
Cases of serious violations of laws and regulations*3	0	0	0	0

*1 UT Group, UT Aim, UT Community, UT Pabec, UTHP, FUJITSU UT, UT Toshiba, UT Technology, UT Construction, UT Heartful
*2 UT Group companies in Japan excluding UT FSAS Creative
*3 UT Group companies in Japan

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Corporate governance

With a strong awareness that our business bears great social responsibility, we are working to improve our system for accurate and prompt decision-making and business execution, as well as our system for supervision and monitoring.

Goal

Continuous improvement of the effectiveness of the Board of Directors

Skills matrix of the Board of Directors

Name	Attributes		Experience and expertise							
	Independence	Gender	Corporate management	Human resources business	Global business	M&A	Business development	Personnel affairs and development	Finance and accounting	Legal and risk management
Yoichi WAKAYAMA			●	●		●	●			
Manabu SOTOMURA				●				●		
Taisuke IGAKI					●	●				●
Hiroko SASAKI	●	●	●				●	●		
Hirokazu MIZUKAMI	●		●		●				●	
Koichi SHIMA	●		●	●		●		●	●	●

Diversity of the Board of Directors

Concerning the skills of directors, we place importance on management experience in the HR business in Japan and overseas to assure realization of the Fourth Medium-term Business Plan. We also find it important to have directors who have knowledge of M&A and business development as these activities are actively promoted in the Plan, and have vital knowledge and experience in both building of solid business and financial bases amid the expansion of corporate scale and in the fields of risk management and legal affairs.

☐ Policy for the selection of directors

Basic policy for nominating candidates for the post of director is to select those who can contribute to sustainable growth of the Company and to growth in medium- to long-term corporate value. The Nomination and Compensation Committee, which is an advisory body to the Board of Directors, selects candidates for directors, taking into consideration the balance of capabilities and knowledge of the entire Board of Directors, and the Board of Directors makes decisions on that basis. Nomination of candidates for the Audit and Supervisory Committee is done by the Nomination and Compensation Committee on the basis that they contribute to the sound management of the Company and the maintenance and improvement of its social credibility and are able to conduct audits from a neutral and objective standpoint. After receiving the consent of the Audit and Supervisory Committee, the Board of Directors makes decisions. As for outside directors, we appoint those who can secure sufficient independence based on his/her background and relationship with the Company, referring to the judgment criteria for independence as per the Tokyo Stock Exchange.
With regard to the dismissal of directors and Audit and Supervisory Committee members, we will begin the procedures for dismissal of those for whom we find material facts in violation of laws, regulations or the Articles of Incorporation, or facts which have deviated significantly from the selection criteria, as well as those whose negligence of duties has significantly impaired the Company's corporate value, or whose duties are deemed to be difficult to be decently performed. The dismissal of directors and Audit and Supervisory Committee members is determined at the General Meeting of Shareholders after fair and rigorous deliberation by the Nomination and Compensation Committee and a resolution by the Board of Directors.

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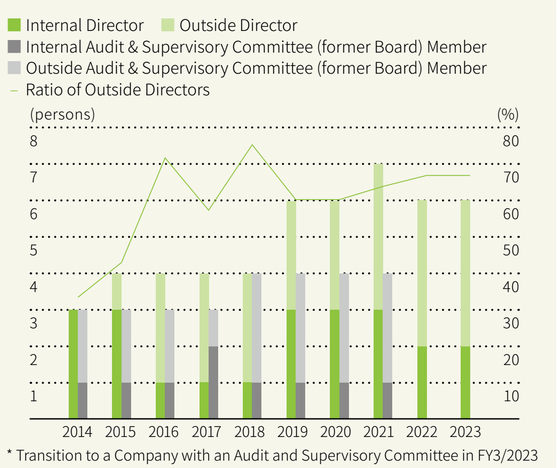
Board Directors and Audit & Supervisory Committee Members: Numbers and ratios of Outside Directors



* Transition to a Company with an Audit and Supervisory Committee in FY3/2023

Advisory bodies

	Nomination and Compensation Committee	Compliance & Risk Management Committee	IT Investment Committee
Chairperson	Outside director	Executive officer	Executive officer
Members	President 1 full-time director 3 outside directors	1 full-time director 1 outside director 1 external lawyer 5 executive officers	1 full-time director 1 external expert 4 executive officers
Objectives	Ensure the transparency and objectivity of procedures concerning the nomination and remuneration of directors and executive officers of the Company, and strengthen the accountability of the Board of Directors regarding CEO succession planning and supervision	Control UT Group's breach in compliance and risks; and minimize loss	Consider solutions based on UT Group's IT systems, and check the appropriateness of investment decisions and post-investment effects, etc.

The analysis and evaluation of the effectiveness of the Board of Directors

In accordance with the Corporate Governance Code advocated by the Tokyo Stock Exchange, we conduct analyses and evaluations of the effectiveness of the Board of Directors in order to improve its functions. The method of analysis and evaluation which was most recently conducted at the end of FY3/2023, yielded the results summarized below.

- Evaluation period: February-March 2023
- Subjects of evaluation: All directors and all audit & supervisory board members, 6 in total
- Method of evaluation: Self-evaluation through a Web questionnaire, and the compilation and analysis of evaluation results by an external organization
- Evaluation Items: 5 major items (25 questions in total)
  1) Organization and management of the Board of Directors;
  2) Management strategy and business strategy;
  3) Corporate ethics and risk management;
  4) Performance monitoring, and evaluation and compensation of management;
  5) Dialogue with shareholders
- Answer method: 5-level evaluation and free comments and requests for each major item

1. Organization and management of the Board of Directors

The selection of agenda items at the Board of Directors meetings was evaluated to be appropriate. In view of the knowledge, experience, and expertise of each Director, the Board of Directors has created an environment in which free and open discussions can be conducted. Accordingly, the Board was evaluated to be in an appropriate state based on its roles and functions. In particular, outside directors have become more active in expressing their views, and the quality of discussions itself was evaluated to have improved. On the other hand, it was pointed out that there was room for devising and improving the way to sufficiently explain the agenda items so as to deepen substantive discussions.

2. Management strategy and business strategy

Some expressed the view that UT Group has established an agile business execution system that firmly ascertains the recent changes in the business environment surrounding the Company, changes that increased both opportunities for information sharing and dialogue with the business execution side, and the level of supervision and monitoring from a more multifaceted perspective. Concerning business process reform through the promotion of DX, which was an issue raised at the time of the previous evaluation, the reform is being continuously monitored and its progress is appropriately confirmed. It was pointed out that further discussions should be made on the optimization of business portfolios, the allocation of management resources, including human capital investments, and initiatives for sustainability.

3. Corporate ethics and risk management

It was evaluated that the transparency of internal control and corporate governance has been improved with the transition to a Company with an Audit and Supervisory Committee in June 2022. In particular, the effectiveness of the whistle-blowing system, the construction and operation of the internal control system and risk management system, the construction of the risk assessment process, and the appropriate functions of the internal audit department were highly evaluated. It was confirmed that the Board's risk management and assessment are appropriate, while the Board is sufficiently cooperating with the Internal Audit Division and other departments.

4. Performance monitoring, and evaluation and compensation of management

The chairperson and members of the Nomination and Compensation Committee include three outside directors. Under such circumstances, it was confirmed that active discussions are being held, and performance evaluation of each director and executive officer is conducted appropriately. On the other hand, from a medium- to long-term perspective, opinions were raised that it would be necessary to deepen discussions and appropriately supervise a successor development plan for each director, including the CEO, and each executive officer.

5. Dialogue with shareholders, etc.

The evaluation recognized the necessity of thorough deliberation on matters that were expected to affect shareholders' interests. In addition, some expressed the view that efforts to promote the understanding of shareholders

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and others regarding such matters should be firmly grasped by the Board. In addition, as in the previous evaluation, it was pointed out that discussions should be deepened along with the promotion of human capital management on how to proceed with the disclosure of non-financial information from the perspective of sustainability.

Main matters of deliberations and reports at the Board of Directors meetings

Details of the main deliberations and reports at the Board of Directors meeting in FY3/2023

Management strategy	IT investments (e.g., progress of next-generation system projects, group-integrated hiring site)
	Business strategy (e.g., organizational strategy, hiring activities)
	M&A deals based on the M&A strategy of the medium-term business plan, and the status of PMI
	Sustainability initiatives
Capital policy and finance	Group finance
	Shareholder return policy
	Cash flows and funding
Governance	Nomination and compensation
	Status of response to material risks
	Evaluation of the effectiveness of the Board of Directors
	Designing of corporate entities

About shares

UT Group's one unit of shares is 100 shares, and shareholders who hold one unit or more may exercise their voting rights on matters to be resolved at the General Meeting of Shareholders. The number of voting rights varies according to the number of shares held.
All of the issued shares are common shares. We have not issued any other types of shares, including non-voting preferred shares, non-voting non-preferred shares, multi-voting shares, preferred shares and shares that can outvote all other shares (golden shares). In addition, there are no restrictions on voting rights, such as an upper limit of voting rights.

Requirements for a shareholder proposal

In accordance with Japan's Companies Act, the exercise of the right to propose an agenda item is limited to shareholders who hold at least 1% of the voting rights of all shareholders, or who have held at least 300 voting rights for six months. If the requirements are satisfied by adding the number of voting rights of multiple shareholders, such multiple shareholders may make a request as a joint proposal.

Measures to vitalize the General Meeting of Shareholders and facilitate smooth exercise of voting rights

• Early notification of General Meeting of Shareholders
The notice of the Annual General Meeting of Shareholders is dispatched early to ensure sufficient time for shareholders to review the matters.
• Scheduling the Annual General Meeting of Shareholders to avoid the peak day
The Meeting is held on a Saturday, avoiding the peak day and facilitating attendance by many shareholders.
• Allowing electronic exercise of voting rights
We have adopted a system for exercising voting rights via the Internet.
• Measures to improve the voting environment of institutional investors, such as use of an electronic voting platform
We have been utilizing the electronic voting platform for institutional investors operated by Investors Communications Japan, Inc. (ICJ).
• Providing convocation notice (summary) in English
The convocation notice in English is posted on our website and on the website of the Tokyo Stock Exchange.

[KPI]

Corporate governance

	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Attendees at the general meeting of shareholders (including live viewers)	32	32	18	35
Questions raised at the general meeting of Shareholders	3	4	8	6
Voting rights exercise rate (%)	80.1	88.7	90.5	83.5
Ratio of independent outside officers (%)	60.0	63.6	50.0	66.7
Average attendance rate of the Board of Directors (%)	100.0	99.5	100.0	100.0
Board meetings held	19	20	16	16
Audit & Supervisory Committee meetings held	—	—	10	12
Nomination Committee meetings held	4	1	—	—
Nomination and Compensation Committee meetings held	—	3	5	4
IT Investment Committee meetings held	9	13	12	7
Compliance and Risk Management Committee meetings held	12	12	12	12
Governance Council meetings held	—	4	2	2
Management Committee meetings held	—	35	35	35

Aggregation scope: UT Group

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Code of Conduct

The UT Group Code of Conduct and the UT Group Compliance Code of Conduct stipulate appropriate actions to comply with laws and regulations, social norms, internal rules and other rules to be taken, and that officers and associates are required to comply with it.

Goal

Promoting understanding of human rights issues among officers and associates

Employee education on compliance

☐ Compliance training

During the compliance training sessions, which are held once a year for officers and associates, the material issues are identified as to raise awareness and understanding on themes including human rights, environmental issues, business ethics, corporate scandals, information security, and the whistleblowing system. The training also covers the basic thinking and the contents related to daily work.

☐ Periodical dissemination of information for associates

In addition to compliance training, we provide information about compliance to all associates about once a month. A variety of themes, such as raising awareness of human rights issues, ensuring thorough protection of personal information and information security, and drawing attention to legal violations, are brought up to raise associates' awareness of compliance.

Management of foreign technical interns

We provide services to provide administrative support for non-Japanese personnel. The services are to support companies (training implementing organizations) to take compliance measures when accepting foreign personnel for the Technical Intern Training Program (TITP) or the Specified Skilled Worker Program. Through the efforts stated below, we are creating an environment where technical interns can work with peace of mind, with the emphasis on one of the social issues—the "respect for the human rights of foreign personnel."

☐ Careful selection of training implementation and supervising organizations (in Japan), and sending organizations (overseas)

Concerning Japan’s Technical Intern Training Program, there have been many unfortunate cases where human rights have been disregarded, such as cases of being forced to work in a poor environment. UT Group, however, has set strict prerequisites for the provision of our services for companies accepting technical interns. They include appropriate management of working hours, health and safety, personnel, and other items from the perspective of personnel and labor affairs. This is similar to conditions we set for client companies to whom we send our technical associates.
With regard to the selection of supervising organizations for technical interns (in Japan), we rigorously examine the quality of supervising organizations before entering into a tie-up with them. Based on research on their acceptance performance, legal knowledge, and the number of accidents in the past, we have partnered only with the most outstanding of about 3,000 organizations in Japan. With regard to the overseas sending organizations, we carry out on-site surveys and interviews with their trainees. We have also established screening criteria such as whether they are certified by the local government, whether they are collecting excessive amounts from trainees, and whether they are interacting with unnecessary brokers. We have partnered with only about 10 organizations out of around 300 organization candidates.
Moreover, monitoring and regular meetings are conducted not only at the time of contract signing but also after the start of the service, so as to continuously confirm whether there are any human rights issues or other problems with the supervision of technical interns. In case that a problem arises, we take strict measures, including suspension of business arrangement.

[KPI]

Code of Conduct

	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Cases received at the whistleblowing hotline	94*1	111*1	180*2	129*2
Human rights related consultations	—	18*1	32*2	19*2

*1 UT Group companies in Japan excluding UT FSAS Creative
*2 UT Group companies in Japan

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Environmentally-friendly and sustainable business operations

We believe that our business activities can only be realized over the long run if the global environment, which is the basis for the survival of all life, is maintained in a sound manner. The UT Group as a whole is dedicated to making an ongoing contribution to the realization of carbon neutrality by curbing emissions of environmentally hazardous substances such as greenhouse gases. In addition, we believe that education and awareness-raising activities for officers and associates regarding climate change and other environmental issues that have become apparent on a global scale are important environmental activities, and we will work to expand those activities.

Materiality

Development of policy on environment and environmental management

Based on the Basic Policy on Environment, we strive to efficiently use environmental resources, reduce greenhouse gases and other substances of concern that are emitted as a result of our business activities, and work to conserve the global environment. We also conduct education and enlightenment activities to ensure that officers and associates of our Group companies understand the importance of environmental conservation.

Goal

Continuous reduction in the ratio of paper use to net sale

Responding to climate change

In the event of a large-scale natural disaster related to climate change, production activities may be suspended due to damage to the manufacturing facilities of client companies or other disturbances, increasing physical risks related to the supply chain. In response to climate change and other environmental issues that have become more apparent on a global scale, we are building an environmental management system in line with the Basic Policy on Environment formulated in April 2021. In addition, we will continuously disclose information in accordance with the framework proposed by the Task Force on Climate-related Financial Disclosures (TCFD).

☐ Governance

a. **The process by which the Board of Directors receives reports on climate-related issues, how often they are addressed, and what are monitored**

We have established a company-wide risk management system to manage and analyze risks, including climate change, and to report the analysis to the Management Committee and the Board of Directors at least once a year.

b. **Management's responsibility for climate-related issues, processes for receiving reports (e.g., committees), and monitoring methods**

The President, who has the highest authority for corporate policy and action on climate-related issues, has established the Sustainability Office to promote sustainability at the Management Committee and the Board of Directors, and manages and promotes initiatives related to sustainability issues, including climate change.

☐ Risk management

a. **Details of the process for identifying and assessing climate-related risks and how to determine their importance.**

As part of the company-wide risk management process, we regularly conduct comprehensive risk assessments and identify risks related to climate change. After that, the degree of importance is determined based on the frequency of occurrence and the degree of impact through interviews with related divisions.

b. **Details and prioritization of critical climate-related risk management processes**

For important risks, including climate-related risks, the Risk Monitoring Office monitors the status of measures and reports risk information to the Management Committee and the Board of Directors.

c. **Status of integration into the company-wide risk**

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management system.

UT Group's material risks, including climate change, are managed by the Management Committee after regular risk assessments, and the status of such risks is monitored by the Board of Directors.

Strategy

	Scenario	Potential financial impact	Commitment
Transition risks	Increased legal and social requirements for strengthening decarbonization efforts and the resultant increase in the cost to respond to these demands	Small	Take various measures to adapt to a decarbonized society
Physical risks	Loss of sales opportunities due to suspension of operations in the event of a natural disaster caused by climate change	Small	・Reduce the impact of a decline in sales through the introduction of compensation for absence from work in transaction contracts and other measures ・Reinforce the system for quickly confirming the safety of associates
	Deforestation to accelerate climate change	Small	Reduce paper consumption in offices

[Indicators used to manage climate-related risks and opportunities]

In order to curb paper consumption in offices, we have adopted paper consumption to net sales (an index based on the ratio of FY3/2022 as 100) as an indicator.

	FY3/ 2021	FY3/ 2022	FY3/ 2023	FY3/ 2024
Paper consumption to sales*1	79.8	57.0	42.0	36.7
Greenhouse gas emissions (tCO2)*2	1,738.7	1,900.5	2,493.1	2,819.4
Greenhouse gas emissions (Scope 1) (tCO2)	1,712.5	1,871.2	2,463.8	2,788.6
Greenhouse gas emissions (Scope 2) (tCO2)	26.1	29.2	29.2	30.9
Greenhouse gas emissions (Scope 3) (tCO2)	—	—	—	—

*1 Indices are set based on 100 for FY3/ 2020: UT Group, UT Aim, UT Connect, UT Technology, UT Construction, FUJITSU UT, UT Toshiba

*2 Emissions are calculated based on the "Green Value Chain Platform" of the Environment Ministry and the Ministry of Economy, Trade and Industries.

Scope1: Greenhouse gas emissions from use of company vehicles

Scope2: Greenhouse gas emissions from electricity use in the offices

Scope3: Major indirect emissions excluding the above

: UT Group, UT Aim

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Basic Policy on Respect and Growth of Individuals

"Everyone has a natural talent and the equal right to use it." This is UT Group's most fundamental view of human beings. In order to achieve UT Group's mission, "Create vigorous workplaces empowering workers," it is important that each person with a desire to work has the opportunity and environment to develop and demonstrate their capability to make use of their own individuality through working. To that end, UT Group will continue to strive to create "a good place to work for employees with complete peace of mind," "an environment in which employees can always feel bonded with their company and associates," and "an environment in which employees feel their growth through fair evaluation based on the given roles and achievements." This Policy is to be shared with all UT Group officers and employees to provide guidance for corporate activities.

1. Respect for human rights
   We comply with international norms on human rights and the laws and regulations of the countries and regions where we operate, and we take responsibility by taking corrective measures to prevent and mitigate negative effects on human rights in order to respect human rights and not to violate the human rights of others.
2. Attitude of standing by and staying face to face with others
   We respect the individuality and potential of each and every employee. We will always stand behind each other's desire for growth and we will continue to sincerely stay face to face with each other's different situations and challenges toward achieving that ideal.
3. Fair opportunity and fair treatment
   We will equally provide opportunities for career development, such as employment, education and counseling, which are necessary for individual self-realization, to employees regardless of their age, gender, nationality, academic and work background. We also will create and maintain an environment in which they can realize their growth through consistently fair evaluation and treatment for their individualistic role and performance.
4. Work environment and health and safety
   We aim to continuously improve the work environment based on the recognition that a good and suitable place for work is essential for people to work vigorously with peace of mind. Even when they are working in a client's facility, we will give primary importance to employees' safety and security and collaborate with the clients so as to improve the work environment.

Basic Policy on Corporate Governance

With the aim of realizing the mission "Create vigorous workplaces empowering workers," UT Group strives to expand, with a sense of speed, the environment in which workers expand their potential and achieve their self-realization. In so doing, we are conscious that our business has a strong characteristic of public infrastructure, which is the stability of individual employment and the supply of labor in corporate production activities, and that it carries serious social responsibility. To achieve this, first and foremost, we must respect the human rights of individuals and comply with laws, regulations and social norms with high ethical standards. In order to gain the trust of our associates (a term for employees at UT Group), clients, other stakeholders and society, we must also disclose information with high transparency, communicate appropriately, and fulfill our accountability. Our business is heavily influenced by changes in the business environment, such as fluctuations in personnel demand by clients or their markets and fluctuations in supply in the human resources market. In order to achieve sustainable improvement of corporate value with high growth potential while maintaining employment in such a business environment, we believe we need to balance "Protective Governance" and "Aggressive Governance." "Protective Governance" means to constantly control risks and operate business in an appropriate manner, and "Aggressive Governance" means to support flexible thinking and bold risk-taking, which allow us to quickly respond to environmental changes and turn them into new business opportunities. Based on these ideas, we position corporate governance as one of the most important management matters and will continue to strengthen it.

1. Shareholders' rights
   UT Group respects the rights of its shareholders and strives to ensure equality of shareholders, and to create an environment in which shareholders can exercise their rights appropriately.
2. Collaboration with stakeholders
   UT Group strives to promote sustainable corporate value by working properly with its associates, clients, business partners, and all other stakeholders.
3. Proper disclosure of information and ensuring transparency
   In order to gain the trust of its shareholders and other stakeholders, UT Group actively discloses information with high transparency and strives to disclose information in an integrated manner so as to clearly communicate its vision and its management strategy intended to contribute to realization of the vision.
4. Responsibilities of the Board of Directors, etc.
   In order to achieve sustained improvement of corporate value which has high growth potential, consistent with the mission "Create vigorous workplaces empowering workers," UT Group's Board of Directors delegates its executive authority to executive officers, who are instructed to make speedy decisions, in a fair manner and in the best possible way, while providing effective oversight functions as its major role in management supervision.
   The composition of the Board of Directors is not limited to the internal structure of the organization. Half of the Directors are Outside Directors and more than one-third of Directors are independent, their number and share of Board positions intended to assure that the Board performs effective supervisory functions, while also making it possible for the Board to discuss various matters from a wide range of perspectives with the benefit of the effects of diversity in terms of knowledge of related fields, capability, industry experience, age, and gender.
   In order to make decisions in appointing directors as well as executive officers who are responsible for business execution, and to determine their remuneration, reliance is made on an advisory committee of which a majority of its members are outside experts (including Outside Directors) so as to ensure transparency. In addition, UT Group has developed a remuneration system that reflects an arrangement that is balanced from the perspectives of short- and medium-to-long-term, an arrangement that is believed to support risk-taking for growth. The Company has also established a system to manage risk. The system and its operation are consistently supervised.
5. Dialogue with shareholders
   As an important aspect of its relation with shareholders the UT Group strives to disclose management direction and strategy for improving medium- to long-term corporate value, and to engage in constructive dialogue with shareholders. The Company seeks to establish a proper structure to enable it and to get a good understanding of the shareholder structure.
6. Ethical standards and corporate culture
   UT Group provides public infrastructure that supports employment and production activities and, based on its awareness of social responsibility as expressed by being engaged with each worker, UT Group strives to foster a corporate culture that contributes to a sustainable society by adhering to local laws and regulations, as well as international norms, including respects of human rights.

Basic Policy on Sustainability

UT Group strives to create, with client companies, good workplaces that allow many workers to be empowered and pursue their potential, and to increase workplaces where both workers and companies grow in a virtuous circle. Under the mission "Create vigorous workplaces empowering workers," all UT Group executives and employees are expected to naturally contribute to the sustainable coexistence and co-prosperity of individuals and society by realizing an "organization in which diverse individuals are recognized and mutually benefit by interaction with each other."

1. Respect individual dignity
   Respect of individual dignity is essentially the corporate purpose of UT Group, which aims to realize a society in which all motivated people are equally given opportunities for skill development and career formation, and are treated fairly. While striving to ensure the security and safety of the working environment and information security, we will work to create an organization in which diverse individuals are recognized and utilized by each other.
2. Broaden potential of individuals
   UT Group will strive to enhance career support that enables many individuals to pursue their individuality and potential throughout their lives. We will also expand our business and its domains through sound transactions so that we can sustainably provide employment and growth opportunities.
3. Maintain the coexistence and prosperity of individuals and society
   UT Group strives to create and increase with, client companies, good workplaces where both workers and companies grow in a virtuous circle in order to provide a dependable workplace where as many people as possible are empowered and work vigorously for a long time. In doing so, we will always have a public perspective Also, not only will we vigorously comply with social ethics and prevailing trends, but also will strengthen corporate governance and to reduce environmental impact. We will thus strive to maintain the coexistence and mutual prosperity of individuals and society with strong connections to the public perspective.

Basic Policy on Stakeholder Engagement

UT Group is aware of its social responsibility as a company that provides public infrastructure such as stable employment and labor supply. In order to be a company trusted by society and stakeholders, we find it important to accurately grasp demands and expectations related to UT Group and respond to them. We will thus appropriately collect and disclose information, engage in dialogue and other communication, and cooperate with stakeholders.

1. Policy for dealing with employees
   We strive to achieve both employee satisfaction and customer satisfaction by providing an environment that supports each employee's self-fulfillment through their work.
2. Policy for dealing with client companies
   We strive to achieve both customer satisfaction and employee satisfaction through the provision of services by our highly motivated human resources and activities to improve the working environment.
3. Policy for dealing with job seekers
   We will work to expand the potential of each individual job seeker by addressing their individual careers and providing advice on career development and accurate information about work and the company.
4. Policy for dealing with shareholders and investors
   We place great importance on transparent management and information disclosure. We will communicate in accordance with our IR policy to ensure transparency and fairness.

Basic Policy on Internal Control System

1. System to ensure execution of duties by Directors and employees of the Company in conformity with laws and regulations and the Articles of Incorporation of the Company

(1) Important matters concerning execution of business that may affect the Company and its entire Group are identified and discussed at the Board of Directors meeting. The President & Representative Director reports the status of business execution of the Company and matters deemed important to the Board of Directors. In addition,

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External Directors are selected to maintain and enhance supervisory functions concerning execution of duties by Directors.

(2) The UT Group Compliance Risk Management Conference, chaired by the lead person in charge of the compliance division and with participation by an outside lawyer among others, has been established as an advisory entity serving the Board of Directors. The Conference discusses compliance policy and action plans of the Company and its Group, studies matters needed to ensure legal compliance and fair execution of duties, does research on violation of laws, regulations, and internal rules, and establishes recurrence prevention measures.

(3) The Code of Conduct and the UT Group Compliance Code of Conduct stipulate appropriate actions to comply with laws and regulations, social norms, internal rules and other rules to be taken. The Company strives to make officers and employees of the Group to be well aware of this and comply with it.

(4) Concerning promotion of compliance, the Company has established the UT Group Compliance Manual. Officers and employees of the Company and its Group Companies attend seminars and other events and are instructed to perform duties and management by taking compliance as one of their own issues in their respective position.

(5) A whistle-blower system has been established to enable consulting on possible or actual organizational or individual legal violations or fraudulent acts and to appropriately handle the information. By making use of the system, the Company endeavors to prevent scandals caused by fraudulent and other acts, detect problems early, and become more agile in improving its ability to govern itself.

(6) The Internal Audit Division has been established to examine, evaluate, and report the status of corporate organization establishment and compliance, effectiveness and efficiency of business management to maintain and improve internal control.

2. System to ensure the preservation and management of information related to execution of duties by Directors

(1) The minutes of the Board of Directors meetings and related materials are properly preserved and managed in accordance with laws and regulations as well as the Company's Document Management Regulations and Board of Directors Regulations.

(2) Concerning information management and periods of retention, the Information Security Management Regulations and the UT Group Compliance Manual have been established to put in place a system to retain and manage information.

3. Regulations and other organizational structures to manage risk of losses

(1) The UT Group Compliance Risk Management Conference determines the types of risks of the Company and its Group to be managed, controls and evaluates these risks, takes steps to prevent risk occurrence, and, in the event of risk occurrence, minimizes loss and establishes recurrence prevention measures.

(2) In case of an emergency, the Company takes prompt, appropriate action in accordance with the Rules Concerning Emergency Response, which aims at minimizing damage. An emergency headquarters, led by the President & Representative Director, will be in charge of crisis management.

4. System to ensure efficient execution of duties by Directors of the Company

(1) A regular Board of Directors meeting is held once a month and an extraordinary Board of Directors meeting is held as needed; all are to decide on important matters and supervise the execution of duties by Directors among other activities.

(2) The Company has defined resolution matters and reporting matters of the Board of Directors meeting in the Board of Directors Regulations, and responsibility and authority of each organization and each job position concerning execution of duties in the Job Position Authority Regulations.

(3) The Company has also adopted an Executive Officer System to separate business supervisory functions and business execution functions and improve effectiveness of the Board of Directors by granting a part of the Board of Directors' decision-making authority of business execution to Executive Officers.

(4) In the Management Committee, which is chaired by the President & Representative Director and is comprised of Full-time Directors and Executive Officers, important matters concerning execution are discussed.

5. System to ensure appropriate operations of a corporate group that consists of the Company and its subsidiaries

(1) As a holding company that controls the business of its Group, the Company appropriately exercises rights of shareholders to its subsidiaries from the perspective of maximizing corporate value of its Group. The Company also regularly receives reporting from its subsidiaries on their status of management, execution of duties, and financial position, in accordance with the "Management Regulations of Subsidiaries and Affiliates," and the Management Committee confirms whether Directors of Group Companies efficiently execute their duties.

(2) With regard to management of the Company's subsidiaries, Directors of the Company's Group Companies who concurrently serve as the Company's Executive Officers, or Directors of the Company's Group Companies who are elected by the Company ensure that the Company's prior approval is required for the subsidiaries' important matters, including business strategy and business plans, which is based on the Company Group Policy. In principle, a subsidiary of the Company's subsidiary is managed and controlled through the subsidiary.

(3) The UT Group Compliance Risk Management Conference is in charge of and promotes compliance of the entire Company Group, and the Company's Internal Audit Division audits its subsidiaries in accordance with the Management Regulations of Subsidiaries and Affiliates and the Internal Audit Regulations and from the perspective of matching with laws and regulations, the Articles of Incorporation, internal rules, and other rules.

(4) The Code of Conduct, UT Group Compliance Code of Conduct, and UT Group Compliance Manual have been adopted by the entire Company Group. The Company strives to make Directors and employees of the Group Companies to be well aware of taking appropriate actions in compliance with laws and regulations, social norms, internal rules and other rules.

6. Matters concerning the Director and employee who assist auditing duties of the Audit & Supervisory Committee; matters concerning independence of the Director and employee from Directors (excluding Directors who are Audit & Supervisory Committee Members); and matters concerning securing effectiveness of instructions to the employee

(1) When requested by the Audit & Supervisory Committee, an employee who performs assistance to duties of the Committee will be selected and be dedicated to performing assistance to the Audit & Supervisory Committee. With regard to nomination of personnel, Directors (excluding Directors who are Audit & Supervisory Committee Members; referred as "Audit & Supervisory Committee Members" hereafter) exchange opinions with the Audit & Supervisory Committee and obtain its agreement.

(2) Directors (excluding Audit & Supervisory Committee Members) do not have the authority to issue orders to the employee who performs assistance. The employee follows orders from the Audit & Supervisory Committee.

(3) Disciplinary action to the employee who performs assistance needs to be agreed by the Audit & Supervisory Committee.

7. System for Directors and employees of the Company to report to the Audit & Supervisory Committee and systems for others to report to Audit & Supervisory Committee

(1) In order to understand important decision-making processes and the status of execution of duties, Audit & Supervisory Committee Members attend the Board of Directors meetings and other important meetings, inspect major requests for approval and other important documents concerning execution of duties, and request explanation to Directors and employees as needed.

(2) The Audit & Supervisory Committee collaborates with the Auditing Company by receiving briefings on accounting audit details and exchanging information.

(3) The Audit & Supervisory Committee can request reporting on execution of duties to Directors and employees of the Company's subsidiaries, who in turn shall promptly respond to the request. The Company makes Directors and employees of the Company's subsidiaries to be well aware of this point. In case they detect a violation to laws and regulations or its possibility, they promptly report it to the Audit & Supervisory Committee.

(4) Concerning information on the whistle-blower system common to the Company and its Group Companies, departments in charge regularly report to the Audit & Supervisory Committee.

(5) The Company prohibits any party from treating the whistle blower to the Audit & Supervisory Committee in any manner disadvantageous on the grounds of the whistle-blowing disclosure and seeks that Directors and employees be well aware of this point.

8. Matters concerning policy on procedures for expenses arising from performance of duties of the Company's Audit & Supervisory Committee Members

Directors (excluding Audit & Supervisory Committee Members) cooperate with audit by Audit & Supervisory Committee Members and budget a certain amount for the payment of expenses and other costs arising from the auditing to secure its effectiveness.

9. Other arrangements to ensure that audits by the Audit & Supervisory Committee is conducted effectively

(1) Audit & Supervisory Committee Members audit execution of duties by Directors and Executive Officers based on the Audit & Supervisory Committee's Auditing Standards and according to the audit plan.

(2) Audit & Supervisory Committee Members attend the Board of Directors meetings and other important meetings, and provide their opinions as needed.

(3) Audit & Supervisory Committee Members regularly exchange information and collaborate with the Auditing Company and the Internal Audit Division, and have meetings with the President & Representative Director as appropriate.

10. System to ensure credibility in financial reporting

(1) In order to ensure appropriate accounting treatment and improve credibility in financial reporting, the Company has adopted diverse types of regulations concerning accounting operations, has assigned an Officer in charge concerning information disclosure, and strives to put in place an internal control system concerning financial reporting and to enhance its effectiveness.

(2) The Audit & Supervisory Committee conducts audits concerning internal control related to financial reporting, in accordance with the Audit & Supervisory Committee's Audit Performance Standard Concerning Internal Control System.

(3) In case that the Audit & Supervisory Committee determines that the internal control related to financial reporting does not address significant risks, the Committee points it out to Officers in charge of finance in a timely and appropriate manner, and ask for improvement as is deemed necessary.

11. Basic Views on Eliminating Anti-Social Forces and arrangements

As a part of systems to ensure appropriateness of operation, the Company's basic views on eliminating anti-social forces are clearly stated as follows and the systems are established.

(1) Basic views on eliminating anti-social forces

As a basic policy, the Company Group is determined to stand against anti-social forces that threaten civil society and eliminate any relationship with them. The Group prohibits all Directors and employees to use anti-social forces and any individual or group that is related to them, and to be related with them in any way, including provision of money and cooperation.

(2) Arrangements for eliminating anti-social forces

(i) The Company has adopted the UT Group Compliance Manual, which calls for elimination of any relationship with anti-social forces and strives to make Directors and employees of the Group to be well aware of and comply with it.

(ii) The Company and its Group Companies have stipulated in the Standard on Eliminating Anti-Social Forces and the Detailed Rules on Investigating and Eliminating Anti- Social Forces measures needed to eliminate anti-social forces from all activities including contracts exchanged by the Company and its Group Companies.

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(iii)In case that the Company is contacted by anti-social forces, the Company's department in charge is prepared to deal with it in cooperation with police and lawyers.

Basic Policy on Risk Management

UT Group aims to continuously increase corporate value while making high growth. For this reason, we believe it is important to take strong action to convert environmental changes into business opportunities, while at the same time appropriately controlling risks in business operations. Consonant with our mission "Create vigorous workplaces empowering workers," this Basic Policy is adopted as a guideline for protecting and enhancing corporate value and protecting the trust that society and stakeholders hold in the Group.

1. Integrated management of risks
   We will identify risks that may impede the sustainable improvement of corporate value and establish a system for integrated management throughout the Group to prevent risks.
2. Quick response to risks
   If a risk arises, we will endeavor to conserve our management resources by taking appropriate and prompt action and minimize damage to our stakeholders.
3. Life and safety first
   In the event of an emergency such as a disaster, we will put human life and safety first and act in cooperation with the local community.

Basic Policy on Compliance

UT Group's business has an aspect as a public infrastructure and a social responsibility that helps broaden the potential of its workers and plays a role in securing employment and supplying the labor force. Unlike dealing with material objects or energy, this includes responsibility for the desire and potential of each worker. We at UT Group are strongly aware of this and maintain a basic compliance policy to ensure that all of our corporate activities are fair and remain trusted by society and stakeholders.

1. Awareness of social responsibility
   We will ensure that all UT Group officers and employees are aware that our business plays a social role in securing employment and supplying the labor force, and we will take appropriate action to gain the trust of society and stakeholders.
2. Compliance with laws, social norms, and internal rules
   We will properly understand and comply with the laws and social norms established by each country where we do business, and we will act in an orderly manner based on the UT Group's Articles of Incorporation and internal rules.
3. Respect for human rights and creation of the environment in which each employee can achieve self-realization
   We will support and respect international norms on human rights. Moreover, we strive to create a good workplace where we can help employees develop their individuality and abilities, broaden their potential, and achieve self-realization.
4. Fair competition and trade
   We always engage in fair trade, and fair and transparent competition, to maintain healthy relationships with our suppliers.
5. Proper information management
   We will strictly manage business secrets relating to our customers, personal information relating to employees and others, and significant undisclosed facts in the course of our business, so as to prevent them from being leaked to third parties.
6. Elimination of anti-social forces
   We will refrain from all relations with anti-social forces and organizations that pose a threat to social order and security, and we will respond to unjust requests in a resolute manner.
7. Ongoing compliance education
   We will provide ongoing compliance education to our officers and employees, so as to promote corporate activities that are trusted by society and stakeholders.

Basic Policy on Information Security

UT Group handles an immense amount of information, including personal and client information, in order to provide the public infrastructure that secures employment and supplies the labor force. Based on the view that ensuring of the proper management and information security is one of the important management issues for the proper and smooth operation of UT Group's business, the Basic Policy on Information Security is established as a guideline for protecting information assets.

1. Information security system
   We will establish a group-wide information security system in order to protect all information assets held by the Group.
2. Protection of information assets
   We will take necessary organizational, human, technical, and physical measures to ensure the security of information assets.
3. Compliance with relevant laws and regulations
   We will comply with various laws, regulations, and other rules concerning information security.
4. Information security education
   We will provide education and training on information security to our officers and employees in accordance with the nature of their assignments and strive to improve information security literacy.

Basic Policy on Environment

Just as each individual is the one and only in the world, the environment of this planet, which is the stage for all people's lives and for all corporate activities, is also the invaluable one and only. UT Group has established a basic policy on the environmental in order to ensure that all officers and employees understand the importance of the environment and give consideration to the global environment of the present and the future in performing their business activities.

1. Compliance with environmental laws and regulations and environmental-related agreements
   UT Group will understand and comply with environmental laws and regulations in each country and international environmental-related agreements.
2. Reduction in environmental impact
   UT Group will strive to make efficient use of environmental resources, reduce greenhouse gases emitted as a result of its business activities, and conserve the global environment.
3. Environmental education and awareness raising
   UT Group will carry out educational activities to ensure that officers and employees of each group company understand the importance of environmental conservation.

UT Group Policy on Human Rights

The UT Group's mission is to "create vigorous workplaces empowering workers." We will contribute to the growth of our customers' businesses and a sustainable society by helping each individual who is motivated to work to acquire the ability to demonstrate their own individuality through the act of working. Our business is really about supporting the growth of people who work. As a precondition for this, we recognize that respecting the human rights of each and every person is fundamental to our corporate activities. We have therefore prescribed this policy here in order to respect the human rights of all people and we will promote initiatives to respect human rights.

1. Basic concept
   The UT Group recognizes the importance of respecting human rights as a company that supports the growth of each individual and provides the public infrastructure of employment stability and labor supply. As international human rights standards, we understand the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work and we will promote respect for human rights.
   We will comply with the human rights laws and regulations of the countries and regions in which we operate, implement appropriate measures when rights are violated, and will not tolerate discrimination or harassment of any kind.
2. Scope of application
   This Policy applies to all UT Group officers and employees. We also expect all our business partners to respect human rights in accordance with this policy.
3. Human rights issues related to business activities

(1) Forced labor, modern slavery and child labor
We respect above all the will and desire of workers to work and do not tolerate any form of forced labor, human trafficking, modern slavery, or labor practices that violate human rights. Furthermore, we do not tolerate child labor and adhere to the legal minimum age in all countries and regions where we do business.

(2) Discrimination and harassment
We do not tolerate any form of discrimination based on race, ethnicity, creed, social status, gender, sexual orientation or gender identity, physical or mental disability or illness, or employment status, nor do we tolerate any form of harassment, whether physical or mental. We will create a workplace that respects each individual, provides fair opportunities, and treats employees fairly so that they can demonstrate their diverse personalities.

(3) Working conditions, working hours, and living wage
We aim to create a quality workplace where all employees can work vigorously and experience growth through career development that suits each individual. Therefore, we will properly manage wages, working hours, and employee welfare benefits to meet the requirements of applicable laws and labor agreements. In addition, we will work closely with client companies to reduce excessive working hours beyond compliance with laws and regulations and develop high-quality workplaces that provide employees with compensation that exceeds a living wage.

(4) Occupational health and safety
We believe that a safe and healthy workplace is essential for working vigorously. For this reason, we aim to create a better working environment not only in the workplaces we manage, but also in collaboration with the companies to which we dispatch workers.

(5) Privacy
We will properly manage all personal information obtained in the course of our business, take the utmost care not to infringe on privacy, and allow it to be used only for legitimate purposes. We will strive to take all possible measures to ensure the accuracy, security, and confidentiality of the personal information we store.

(6) Freedom of association and the right to collective bargaining
We respect freedom of association and the right to collective bargaining in accordance with applicable laws and regulations in the countries and regions in which we operate.

4. Establishment of support desk
   We will establish a consultation desk to receive consultations on human rights from employees and stakeholders of the UT Group.
5. Remedies
   If it becomes apparent that there is a human rights violation involving the UT Group, we will endeavor to remedy it through appropriate procedures.
6. Education
   We will provide appropriate education and training to ensure that all UT Group officers and employees understand human rights and to ensure the effectiveness of this policy.

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7. Dialogue
   In the course of implementing this policy, we will receive advice from outside experts and engage in dialogue with stakeholders.

UT Group Basic Policy on Hiring

7UT Group believes that providing employment opportunities to all those who have the will to work and continuously increasing their value by acquiring the ability to work will lead to an increase in UT Group's corporate value. Based on this policy, UT Group employs as many people as possible who are motivated to work and accelerates business activities that expand their potential.

1. Respond to each individual's desire to work
   We believe that the willingness of each person to work is of paramount importance. We will employ as many people as possible who have the will to work, while respecting their individuality and diversity regardless of their age, gender, educational background, and nationality.
2. Discover the potential of each individual
   When hiring human resources, we look at not only their present situation but also their desire to grow, and actively seek out their future potential in the hiring process.
3. Provide employment opportunities that are optimal for each individual
   We will provide the most suitable workplace and employment opportunities, taking into consideration the will, aptitude, career plan, etc. of each individual.

UT Group Basic Policy on Human Resource Development

UT Group believes that working people are the most important asset of the Group, and that each working person should believe in his or her own potential, grow by taking on challenges, and increase his or her own value, which will lead to an increase in UT Group's corporate value. As a unique indicator that represents this approach, the term "Work creating value"—the sum of Total personnel expenses and Operating profit—has been defined and is used as one of the evaluation indicators for corporate value. As a career platform that increases the value of people through work, UT Group is dedicated to supporting the growth of each worker and to developing human resources with high value that are useful to society. For that purpose, UT Group will promote human resource development based on this policy.

1. Provide each individual with a fair opportunity
   We respect the will of each individual and endeavor to provide fair career development opportunities to all those who have the will to grow by developing systematic systems and mechanisms for career development. These include assignments to appropriate workplaces that enable growth through work, as well as career interviews, education and vocational training, and evaluation systems.
2. Create a system and culture that supports each individual who takes on a challenge
   We will endeavor to foster an organizational culture in which everyone can always take on a challenge constructively by establishing systems and mechanisms that allow individuals to take on challenges as many times as possible, using their failures as a source of empowerment for their tireless efforts and aspirations to take on challenges.
3. Address each individual as an organization
   As an organization, we will sincerely address each individual's situation and issues and provide opportunities for them to inspire each other, so that diverse human resources become empowered and their teams and organizations also become more powerful.

UT Group Basic Policy on Workplace Development

UT Group recognizes that creating a quality workplace where each and every worker can work vigorously and with peace of mind is a fundamental and important business foundation for its corporate activities, and it conducts business development based on this policy. In addition to the improvements to the environment undertaken by UT Group, we will work together with our clients to continuously improve the working environment and promote the creation of an environment that supports the career development and growth of workers together with our clients.

1. Continuous creation of quality workplaces
   We aim to create a number of quality workplaces where workers can make the most of their individuality, expand their possibilities, and sense their growth. Our ideal workplaces are where as many people as possible can work vigorously.
2. Establishment of an occupational health and safety management system
   We place the highest priority on the safety and health of workers and have built a management system based on the occupational health and safety management system, which we are continually improving.
3. Compliance with relevant laws and regulations
   We will comply with laws and regulations related to occupational health and safety in the countries and regions where we operate.
4. Continuous improvement of the working environment through collaboration with client companies
   We will endeavor to create safe, employee-friendly workplaces by cooperating with client companies where we dispatch our workers, such as by setting up meetings on health and safety with them.
5. Encouragement of employees to actively improve the workplace
   We will endeavor to build a system in which employees themselves can actively improve the workplace environment through dialogue with the UT Group Employee Association, which is composed of UT Group employees, the use of opinions on workplace improvements received at the consultation desk, and independent workplace activities to propose improvements.

UT Group Basic Policy on Social Contribution Activities

UT Group's Mission to "Create vigorous workplaces empowering workers" is based on the basic idea that people who have the will to work can expand their potential as long as they have the right opportunity, and by realizing that environment broadly, society as a whole can be better. We believe that one of our social responsibilities is to cooperate with the local community and society beyond the framework of our business, and to create an environment in which each individual can work vigorously.

1. Provision of reassurance, bonding and growth for workers
   UT Group provides support for areas with high social and public interest that contribute to reassurance, bonding and growth for people who have the will to work, such as those who are in difficult circumstances and have difficulty working vigorously even if they want to.
2. Cooperation and collaboration with stakeholders
   UT Group will collaborate with local communities, government agencies, NPOs and NGOs in implementing social contribution activities, and provide financial support. We will actively disseminate information about our activities both internally and externally.
3. Regular verification and review for effective support
   UT Group verifies social contribution activities based on regular reports and strives to improve such activities so that it can provide effective support.

Privacy Policy

1. When we obtain personal information, we will identify the purpose of use and will do so in a legal and fair manner within the scope of our legitimate business operations.
2. We will use the personal information it has acquired only within the scope of its intended use, and will take measures to prevent any unintended use.
3. When we consign or provide personal information to a third party, we will select a person who meets the sufficient level of protection and take appropriate measures based on contracts, etc.
4. We will comply with laws and regulations concerning the handling of personal information, national guidelines and other codes.
5. We recognize risks such as leakage, loss or damage to personal information, establishes internal standards and systems of responsibility for preventing and correcting such risks, and takes appropriate measures.
6. We will respond promptly and honestly to complaints and consultations concerning the handling of personal information from the individual.
7. Recognizing the importance of protecting personal information, we will endeavor to protect personal information appropriately, and will continue to improve the system and system of management to protect personal information.

Client Information Protection Policy

1. We shall fully recognize our mission and responsibility in being engaged in manufacturing of semiconductors, flat panel displays and other products and sincerely protect personal data and client information.
2. We shall be conscious of being a corporate group that makes and implements a wide range of solution proposals to client manufacturers. We shall implement appropriate measures to maintain confidentiality of information asset, ensure their completeness, and protect this asset from external threat.
3. We shall develop and implement measures to prevent illegal access, loss, destruction, alteration and/or leakage of client information in the possession of the UT Group.
4. We shall observe all laws, ordinances and standards concerning client information.
5. We shall educate our executives and employees to raise awareness about information security and ensure full information security literacy. We shall monitor our information protection measures, and continue review and improvement.
6. We shall strive to prevent information security accidents. In the event such accident should occur, corrective measures shall be promptly implemented.

Disseminating information to stakeholders

We have been publishing an integrated report since FY3/2021, with an emphasis on appropriate information disclosure and communication to our stakeholders. The third Integrated Report for 2023 has been compiled based on how we think about "human capital management that is unique to the UT Group," along with continually monitoring the Japanese labor market and our compliance with UT Group's vision. In addition to the interview to the President, those responsible for business divisions and our associates in various workplaces have been featured to make it easier to understand our operations.
The Integrated Report is available on UT Group's website. Related information is also available in the Sustainability section of the website.

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