

May 15, 2023

Company name: UT Group Co., Ltd.  
Representative: Yoichi Wakayama, President,  
Representative Director & CEO  
(Securities code: 2146, TSE Prime Market)  
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## Notice Regarding the Determination of Matters Relating to Stock Acquisition

(Under the Provisions of UT Group's Articles of Incorporation  
Pursuant to Article 165, Paragraph 2 of the Companies Act of Japan)

UT Group resolved at its Board of Directors meeting held on May 15, 2023 to buy back its own shares pursuant to Article 156 of the Companies Act of Japan, as applied pursuant to Article 165, Paragraph 3 of the same Act.

### 1. Reason for acquisition

We recognize returning profits to shareholders as an important management issue. To achieve a total return ratio of 30% as our baseline target, we adopted the policy of making a comprehensive assessment of the share price level, business environment, and other factors and on that basis to deliver optimal shareholder returns through dividend payment or share buyback that helps to improve capital efficiency.

Regarding a shareholder return policy for FY3/2023, as we announced in the “Notice Regarding Decision on the Shareholder Return Method and Dividend Forecast for FY3/2023” on February 27, 2023, we have decided to buy back our own shares. For FY3/2023, while stock-based compensation expenses of 5.5 billion yen have been recorded in light of achieving the performance conditions for the exercise of stock acquisition rights resolved at the meeting of the Board of Directors held in May 2020, we have set a significant record high in earnings if the stock-based compensation expenses is excluded, as announced in the “Summary of Consolidated Financial Statements For the Fiscal Year Ended March 31, 2023 (Japanese GAAP)”. Considering the EPS growth rate excluding the stock-based compensation expenses that do not involve cash-out, as the actual profit growth potential of the UT Group, we have recognized that the share price is at an extremely undervalued level, as shown in the table below (Reference 2).

That is why we will buy back our own shares, funded by the amount of 2,817 million yen, which is equivalent to 30% of net income attributable to owners of the parent of 9,393 million yen, excluding the stock-based compensation expenses, for FY3/2023. As a result, the total payout ratio will be 73.6% for FY3/2023.

## 2. Details of acquisition of own shares

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

### (Reference 1) Status of treasury stock held as of April 30, 2023

Total number of outstanding shares (excluding treasury stock)	40,362,760 shares
Treasury stock	307 shares

### (Reference 2)

	FY3/2022	FY3/2023 (actual)	FY3/2023 excluding the impact of stock-based compensation expenses
Net profit attributable to UT Group	3,140 mln yen	3,831 mln yen	9,393 mln yen
EPS	77.81 yen	94.92 yen	232.72 yen
EPS growth rate (1)	-27.0%	22.0%	199.1%
PER (2)	39.91	25.88	10.55
PEG ratio = (2)/(1)	-1.48	1.18	0.05

PEG ratio compares the price earnings ratio (PER) and the EPS growth rate, and is referred to when determining the shareholder return method as an indicator of the share price level relative to growth potential

PEG ratio of less than 1 time: Considered to indicate that the stock price is undervalued

PEG ratio of over 2 times: Considered to indicate that the stock price is fully valued by the market

End