



**3Q of Fiscal Year Ending March 31, 2024**

# Financial Results

February 9, 2024

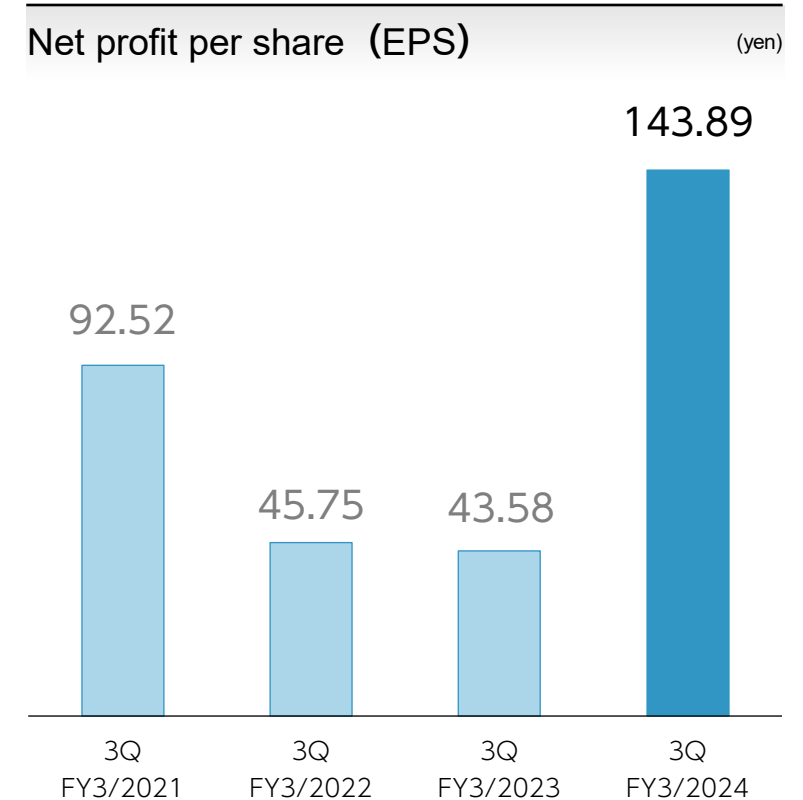
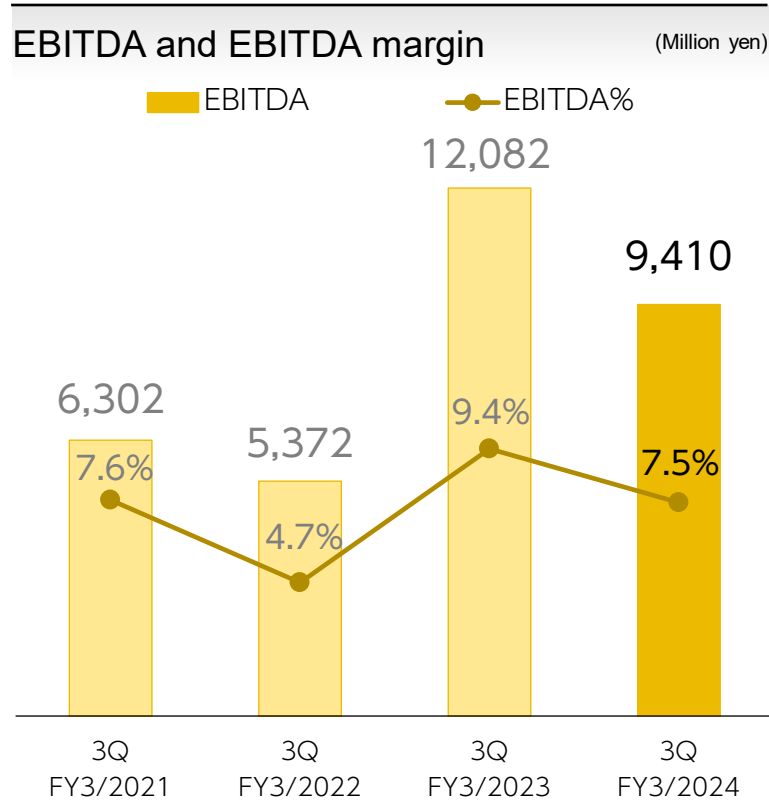
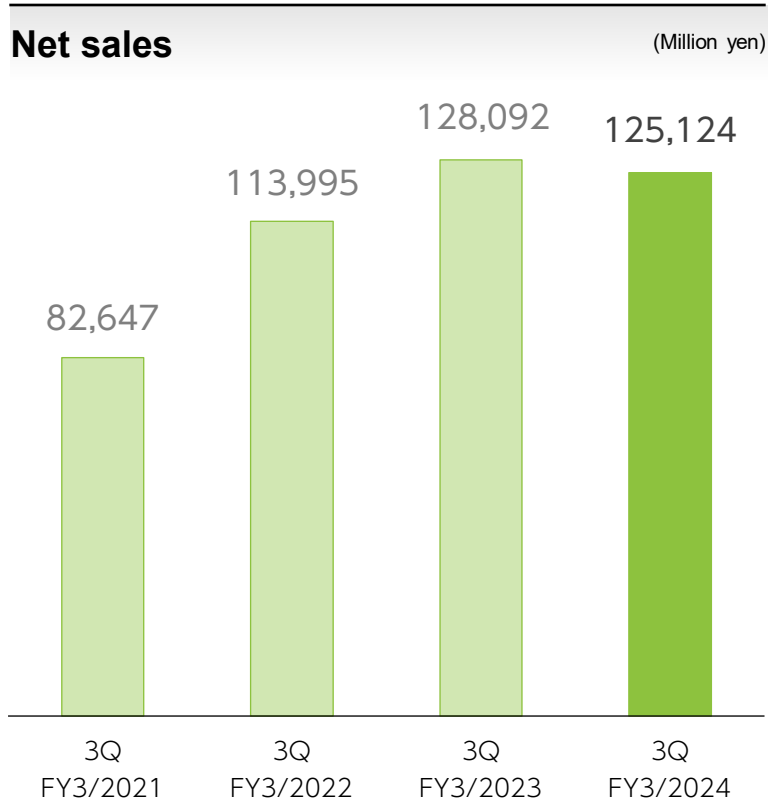
**UT Group Co., Ltd.**

Securities Code: 2146(TSE Prime Market)

# FY3/2024 3Q Financial Results

# Highlights

- Continued stagnant demand for workers in the semiconductor-related sector
- Continued strategic investments to build a system for hiring 2,000 employees per month for future growth despite curbing cost in line with the stagnant demand
- Achieved record-high EPS, significantly renewing the previous high of ¥96.34 in the first nine months of FY3/2019.



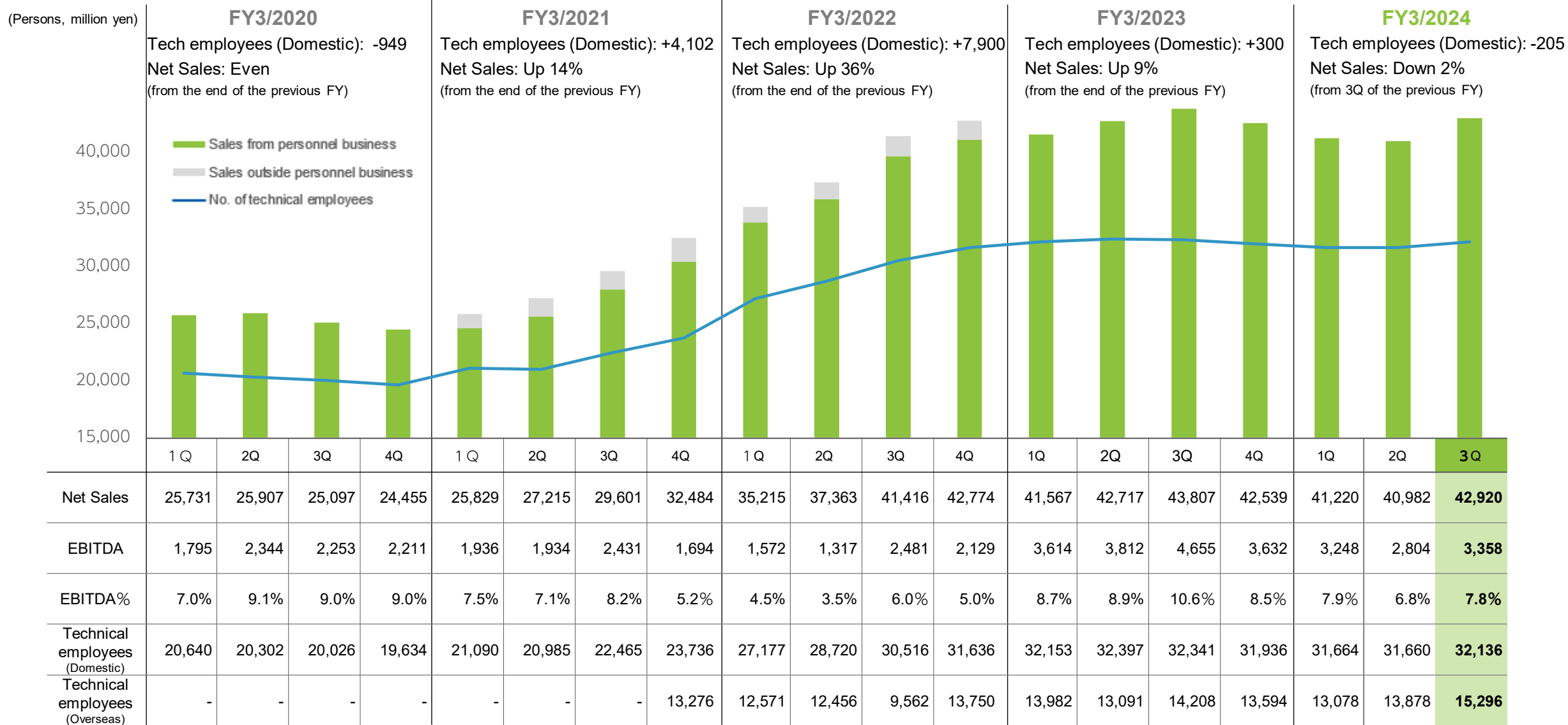
# Hiring Activities

## Quarterly domestic hires and hiring expenses



**Increased the monthly hires to 1,600 workers in Nov. 2023, close to the record-high level.**

# Quarterly Changes in Sales and Number of Technical Employees



# Summary of Statement of Income

[million yen]

	3Q of FY3/2023		3Q of FY3/2024		Y-o-Y change	
	Results	% to net sales	Results	% to net sales	Amount	%
Net sales	<b>128,092</b>	100.0%	<b>125,124</b>	100.0%	-2,967	-2.3%
Gross profit	<b>25,147</b>	19.6%	<b>23,368</b>	18.7%	-1,778	-7.1%
SG&A expenses	<b>19,540</b>	15.3%	<b>15,127</b>	12.1%	-4,412	-22.6%
EBITDA	<b>12,082</b>	9.4%	<b>9,410</b>	7.5%	-2,671	-22.1%
Operating profit	<b>5,606</b>	4.4%	<b>8,240</b>	6.6%	+2,633	+47.0%
Ordinary profit	<b>5,526</b>	4.3%	<b>8,252</b>	6.6%	+2,725	+49.3%
Net profit attributable to UT Group	<b>1,758</b>	1.4%	<b>5,717</b>	4.6%	+3,958	+225.0%
EPS (yen)	<b>43.58</b>	—	<b>143.89</b>	—	+100.31	+230.2%
No. of Tech employees (Domestic)	<b>32,341</b>	—	<b>32,136</b>	—	-205	-0.6%
No. of Tech employees (Overseas)	<b>14,208</b>	—	<b>15,296</b>	—	+1,088	+7.7%

(note) EBITDA = Operating profit + Depreciation (Property, plant and equipment, and Intangible assets) + Amortization + Share-based payment expenses

# Summary of Consolidated Balance Sheets

[million yen]

	March 31, 2023		Dec. 31, 2023		Change from the end of the previous FY	
	Results	% to total assets	Results	% to total assets	Amount	%
<b>Current assets</b>	55,784	77.9%	51,473	77.0%	-4,311	-7.7%
Cash and deposits	31,969	44.6%	28,316	42.4%	-3,653	-11.4%
Notes and accounts receivable – trade	21,851	30.5%	21,243	31.8%	-607	-2.8%
<b>Non-current assets</b>	15,846	22.1%	15,373	23.0%	-472	-3.0%
Property, plant and equipment	1,309	1.8%	1,265	1.9%	-44	-3.4%
Intangible assets	10,804	15.1%	11,408	17.1%	+603	+5.6%
Goodwill	5,414	7.6%	5,755	8.6%	+341	+6.3%
Investments and other assets	3,731	5.2%	2,700	4.0%	-1,031	-27.7%
<b>Total assets</b>	71,630	100.0%	66,846	100.0%	-4,784	-6.7%
<b>Current liabilities</b>	27,903	39.0%	23,680	35.4%	-4,223	-15.1%
Short-term borrowings and Current portion of long-term borrowings	3,993	5.6%	4,079	6.1%	+86	+2.2%
<b>Current liabilities</b>	13,798	19.3%	9,904	14.8%	-3,894	-28.2%
Long-term borrowings	12,400	17.3%	8,687	13.0%	-3,712	-29.9%
<b>Net assets</b>	29,928	41.8%	33,261	49.8%	+3,333	+11.1%
Shareholders' equity	22,454	31.3%	25,432	38.0%	+2,977	+13.3%
Share acquisition rights	6,161	8.6%	6,139	9.2%	-22	-0.4%
<b>Total liabilities and net assets</b>	71,630	100.0%	66,846	100.0%	-4,784	-6.7%
<b>Gross debt/equity ratio</b>	0.7	—	0.5	—	—	—

## Current assets

- Decrease in cash and deposits
- Decrease in notes and accounts receivable

## Non-current assets

- Increase in goodwill
- Decrease in investment securities

## Current liabilities

- Increase in deposits received and accrued expenses
- Decrease in income taxes payable and accrued consumption taxes

## Non-current liabilities

- Decrease in long-term borrowings

## Net assets

- Share buybacks as shareholder returns of FY3/2023
- Recognition of net profit attributable to owners of the parent
- Equity ratio 38.8% (31.8% as of March 31, 2023)

# FY3/2024 Earnings Forecasts

- In addition to a delay in earnings progress up to 1H, the current demand trends from 3Q onward are suggesting that it is likely to take some time for a full-fledged recovery.
- We continue to make strategic investments such as building a system for hiring 2,000 employees per month for further business growth.
- Loss of about ¥40 million is expected for Jan.- Mar. 2024 by being affected by the 2024 Noto Peninsula Earthquake and incidents of some client companies as of this moment.

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	FY3/2023		FY3/2024 Forecasts		Increase /decrease	Change %
	Results	% of net sales	Forecasts	% of net sales		
Net sales	1,706	100.0%	1,690	100.0%	-16	-0.9%
EBITDA*	157	9.2%	111	6.5%	-46	-29.3%
Operating profit	89	5.2%	95	5.6%	+6	+6.7%
Ordinary profit	88	5.2%	93	5.4%	+5	+5.7%
Net profit attributable to UT Group	38	2.2%	61	3.6%	+23	+60.5%
EPS (yen)	94.92	—	153.93	—	+59.01	+62.2%
Ref) Diluted EPS (yen)	90.18	—	—	—	—	—

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



# Change in shareholder return policy and FY3/2024 dividend forecast

## Before change

Deliver shareholder returns through dividend payments or share buybacks that help to improve capital efficiency, using a total return ratio of 30% as the baseline target, and making a comprehensive assessment of the share price level, business environment, and other factors.

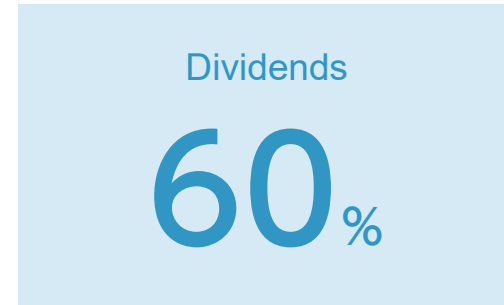
$$(\text{Dividends or share buybacks}) / \text{Net earnings} \geq 30\%$$



## After change (to be adopted for shareholder return in FY3/2024)

Deliver shareholder returns through dividend payments, using a total payout ratio of 60% as the baseline target.

$$(\text{Dividends} / \text{Net earnings}) \geq 60\%$$



	Net profit attributable to UT Group	¥6,100 million
FY3/2024 dividend forecast	Total return amount	¥3,660 million
	Total return ratio	60.0%
	forecast for year-end dividend per share	¥93.03

# Results by segment

# Concentrate on the manufacturing dispatch business and sell the IT/construction engineer business

## Acquisition in the manufacturing dispatch business

### BeNEXT Partners Inc.

(Plan to acquire its shares on April 1, 2024)

- Open Up Group Inc.'s subsidiary engaged in manufacturing dispatch
- Plan to acquire 100.0% of its shares
- Locations nationwide
- Number of tech employees: Approximately 2,600 (June 30, 2023)
- Corporate name to be changed to UT Partners Inc. (April 1, 2024)

## Sale of the engineer dispatch business

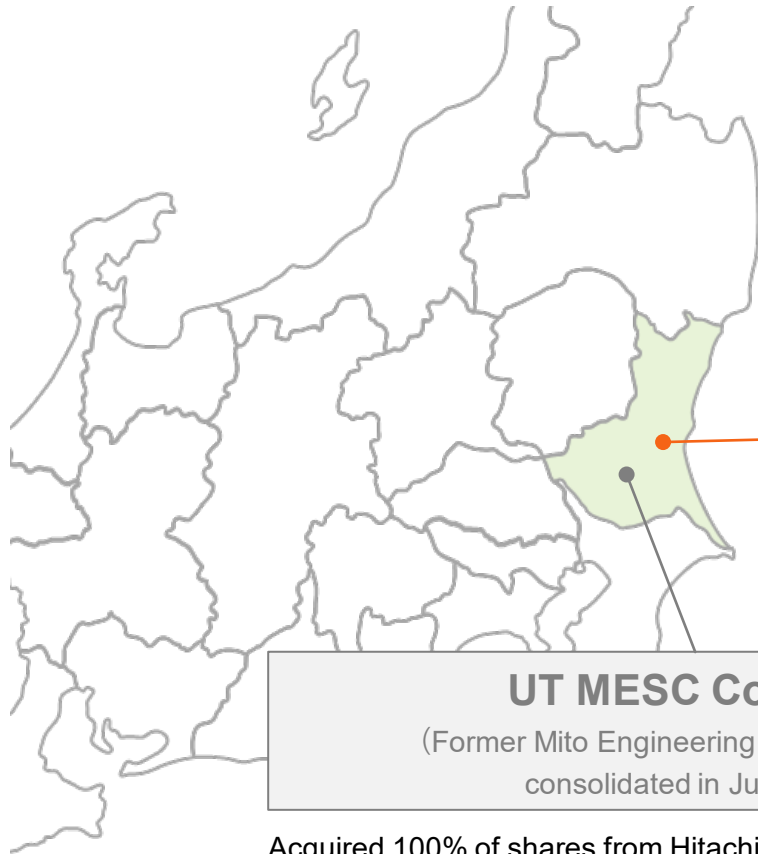
### UT Technology Co., Ltd. UT Construction Co., Ltd.

(plan to be sold on April 1, 2024)

- UT Group's subsidiaries engaged in IT/construction engineer dispatch
- Plan to sell 100.0% of their shares to Open Up Group Inc.
- Number of tech employees: 1,548 (December 31, 2023)
- The Engineering Segment of UT Group will be discontinued from FY3/2025.

**Establish a dominant share in the manufacturing dispatch market**

# Newly consolidating Hitachi Ibaraki Technical Service



**UT MESC Co., Ltd.**  
 (Former Mito Engineering Service Co., Ltd.;  
 consolidated in July 2020)

Acquired 100% of shares from Hitachi Building Systems Co., Ltd.

## Hitachi Ibaraki Technical Service Ltd.

(To be acquired on March 1, 2024)

- Plan to acquire 51.0% of shares from Hitachi Ltd.
- Outsourcing services and worker dispatch business for design and manufacturing of electrical machinery and equipment, metal processing products, etc.
- Business location in Ibaraki Prefecture
- Number of technical employees: Approximately 500 (September 31, 2023)
- Major customers: Hitachi Ltd. and other Hitachi Group companies
- Corporate name to be changed to UT HITES Co., Ltd. (March 1, 2024)

**Strengthen collaboration with the Hitachi Group and  
 deepen UT's business foundation**

# Business Results by Segment

## Manufacturing Business

### Industrial & Commercial Machinery/Electronics

Overall demand for workers was sluggish. Hiring was adjusted depending on demand. Affected by a net decline in tech workers by certain clients in battery manufacturing. Demand for SPE/electronics workers on the whole was weak but its degrees differ by clients. Little q-o-q change in overtime hours and holiday work.

### Transportation Equipment

The impact of operating adjustment caused by the shortage of components was eased, production activities recovered, and hiring efforts were enhanced. Despite the impact of certain manufacturers' incidents, overall automakers returned to an increase in workers. Little q-o-q change in overtime hours and holiday work. Sales increased in 3Q vs. 2Q, thanks to a net increase in tech workers.

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

## Area Business

Net increase of 348 employees in 3Q. The enhanced "inside sales" led to steady acquisition of new projects. Hiring was enhanced. The Area Business appeared to have a weak organic growth due to a net decrease from FY3/2023 in workers dispatched at the clients which were transferred from the Manufacturing Business. Excluding this factor, the organic sales growth in 1Q-3Q FY3/2024 was about 107% y-o-y.

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

## Solution Business

Progress was made in proposal activities to acquire new solution projects. Existing subsidiaries also worked to develop new clients (outside their former group companies) and to develop subcontracting projects in new fields, but overall the Solution Business was affected by termination of some subcontracting projects. Semiconductor-related operating level was weak. Some operating companies enhanced hiring of new graduates for 2025, which led to a slight rise in the ratio of SG&A expenses to sales.

## Engineering Business

### Construction engineers/IT engineers

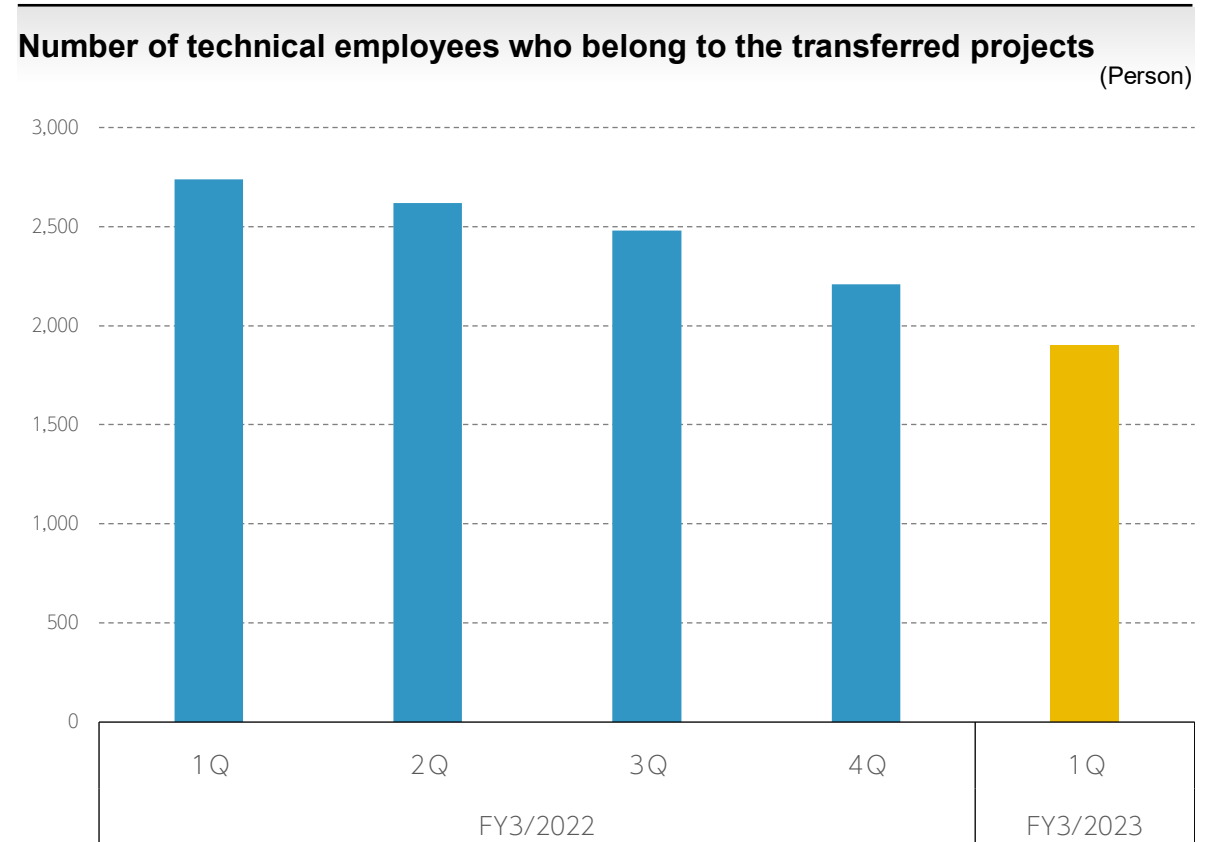
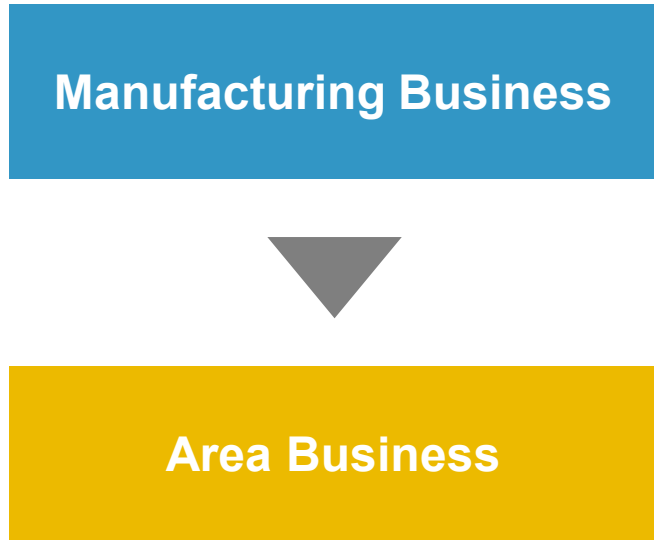
In 2023, 184 new graduates started work early. Due to strong demand, the Business focused on hiring of mid-career people and new graduates and increased hiring expenses. In the field of construction engineers, 88 technical employees were transferred to client companies (Next UT) with the strategic aim of strengthening relationships with clients having strong demand while promoting career development of engineers.

## Overseas Business

Stagnant exports in Vietnam led to sluggish worker demand, mainly in the manufacturing industry. Partly shifted workers to salespersons. Expanded sales activities from the south (established base) to the north of Vietnam and focused on acquiring projects with Japanese companies. The total amount of conditional consideration at the time of subsidiary share acquisition was determined: ¥687M in goodwill and one-off increase in goodwill amortization in 1Q. Increase in amortization amount: ¥5M per month from 2Q.

# Inter-Segment Transfer of Technical Employees in April 2023

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

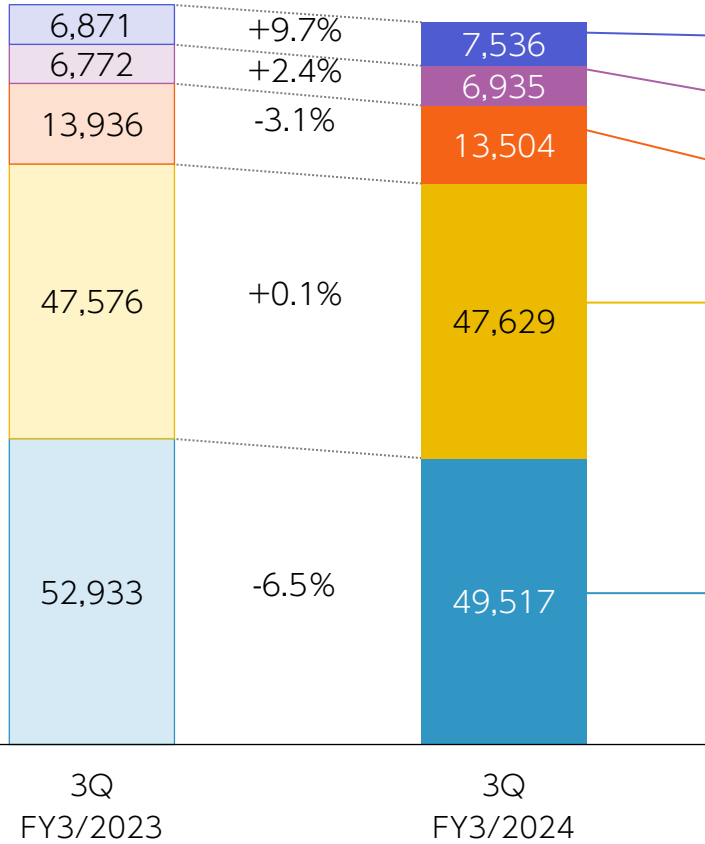


# Results by Segment: Net Sales and Sales Composition (3Q FY3/2023 was retroactively revised data for reference)

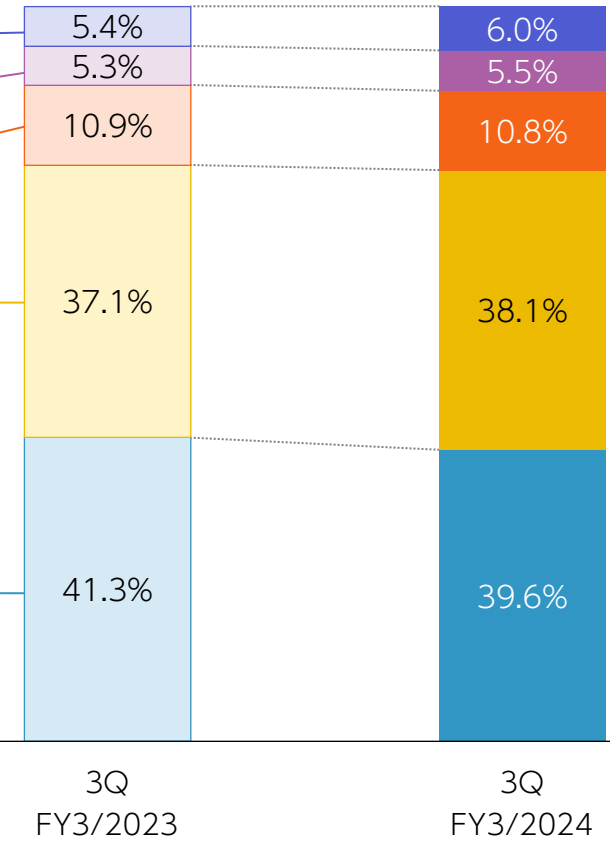
## Net sales

(Million yen)

128,092      **125,124**

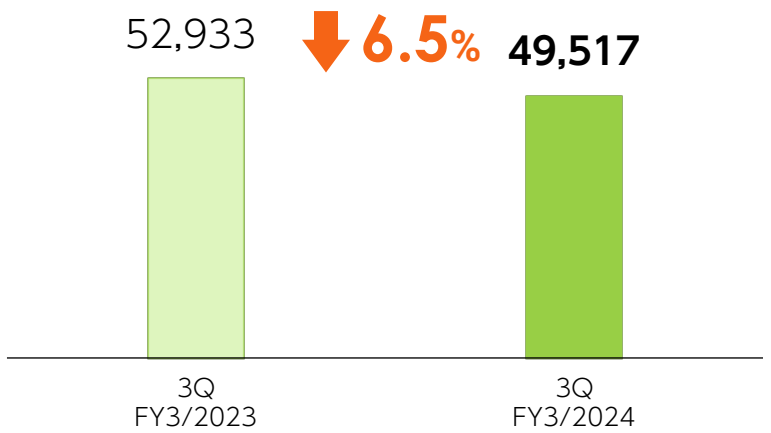


## Sales composition

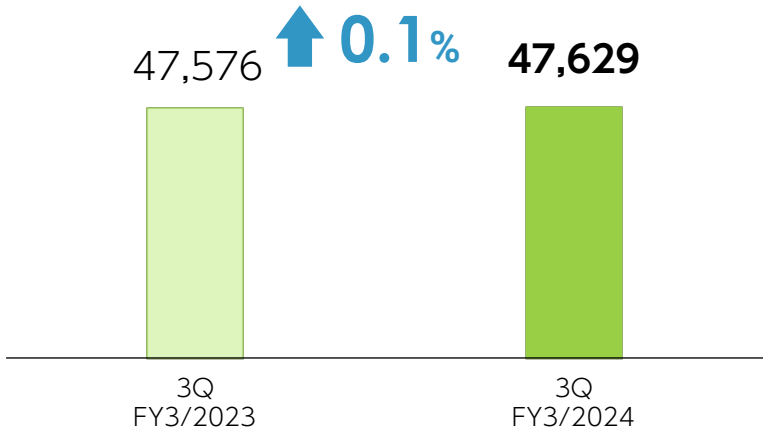


# Net Sales by Segment (3Q FY3/2023 was retroactively revised data for reference)

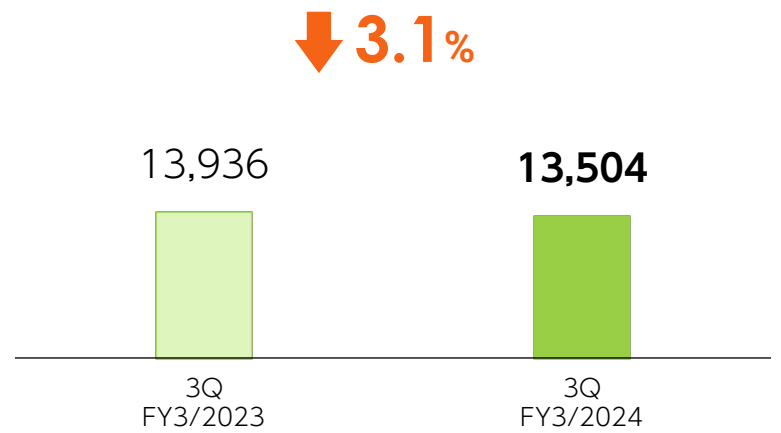
## Manufacturing Business (Million yen)



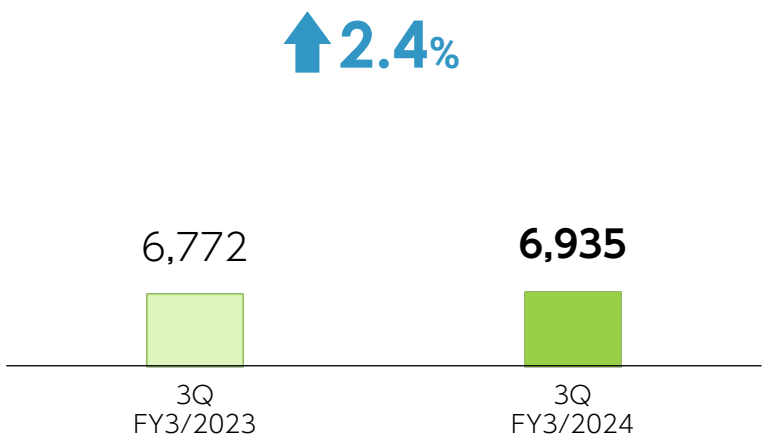
## Area Business (Million yen)



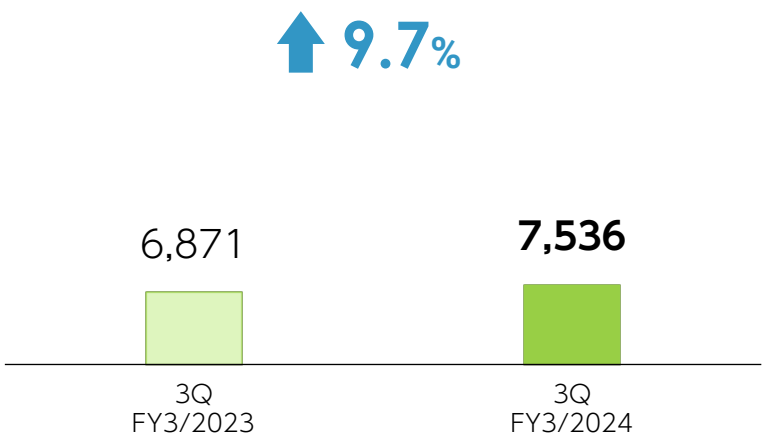
## Solution Business (Million yen)



## Engineering Business (Million yen)



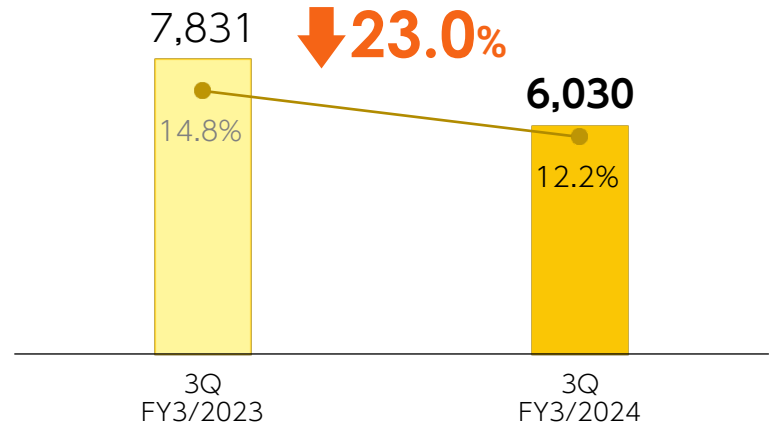
## Overseas Business (Million yen)



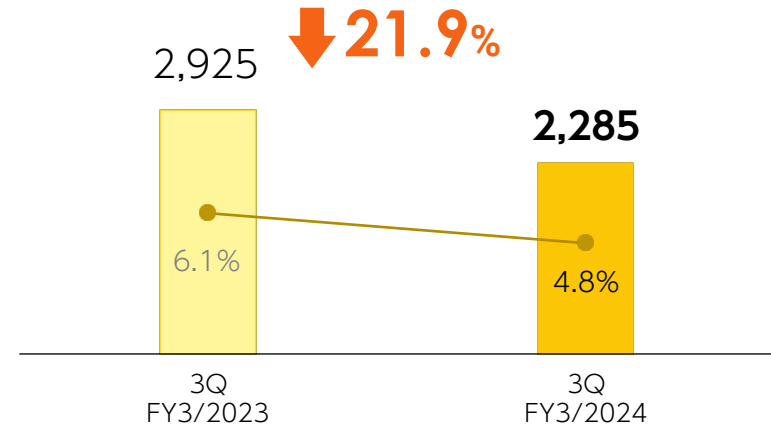


# EBITDA by Segment (3Q FY3/2023 was retroactively revised data for reference)

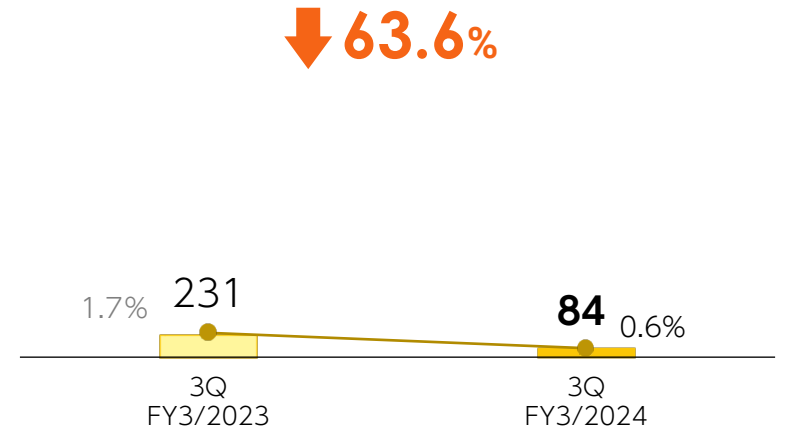
Manufacturing Business (Million yen)



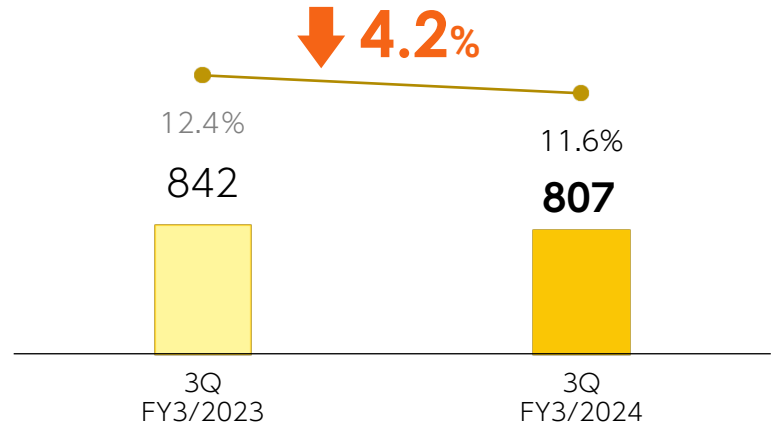
Area Business (Million yen)



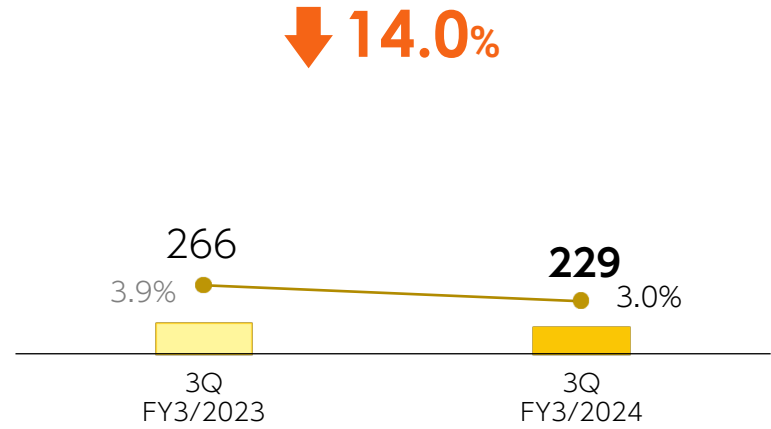
Solution Business (Million yen)



Engineering Business (Million yen)

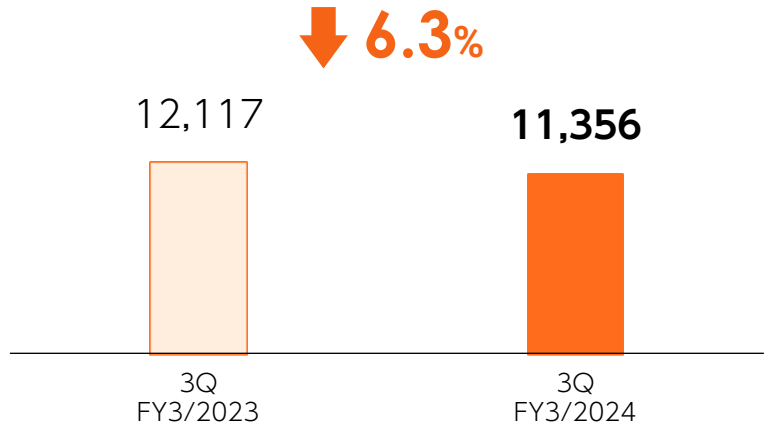


Overseas Business (Million yen)

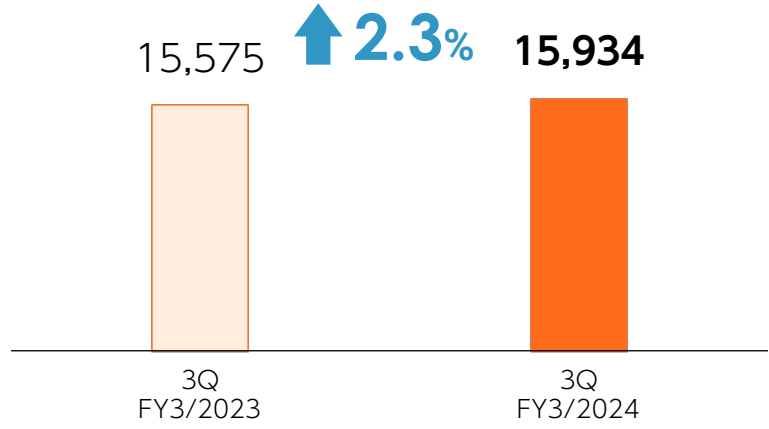


# Technical employees by Segment (3Q FY3/2023 was retroactively revised data for reference)

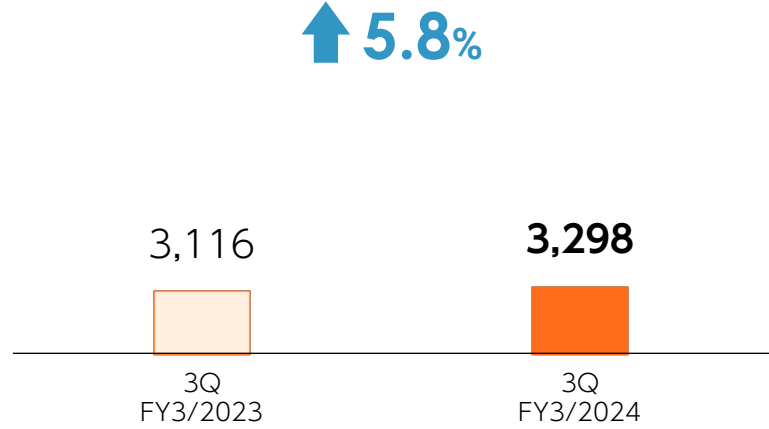
Manufacturing Business (Person)



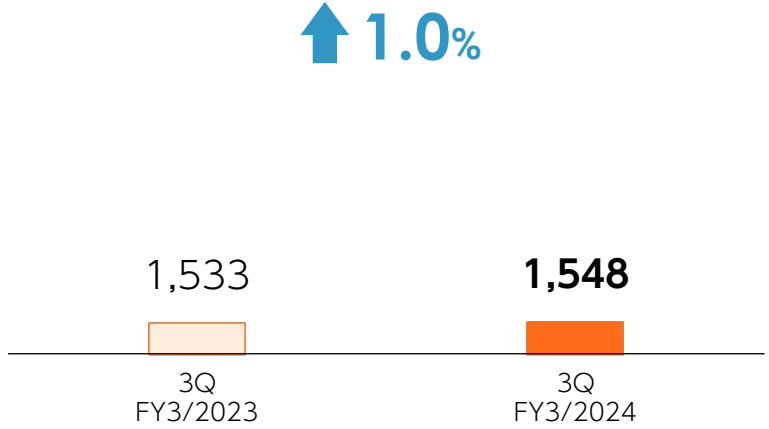
Area Business (Person)



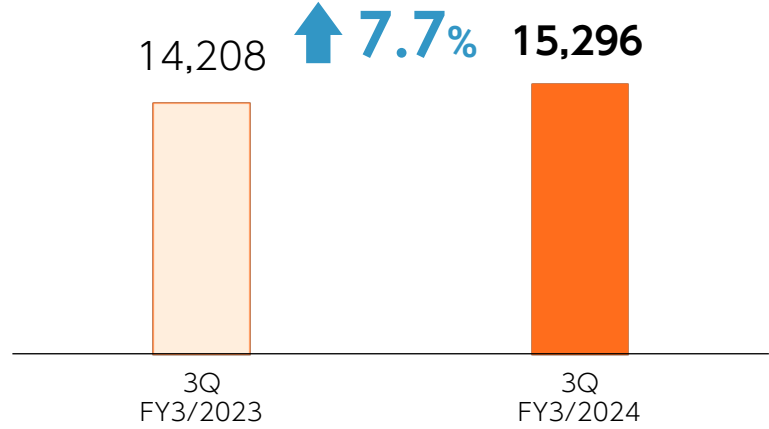
Solution Business (Person)



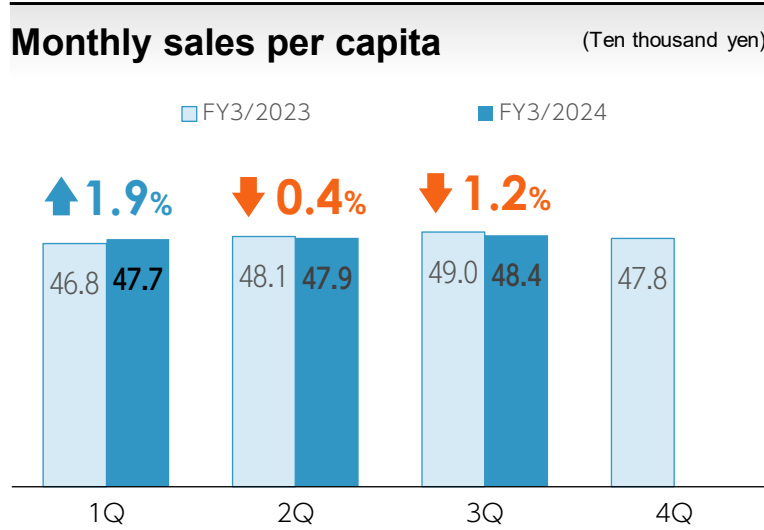
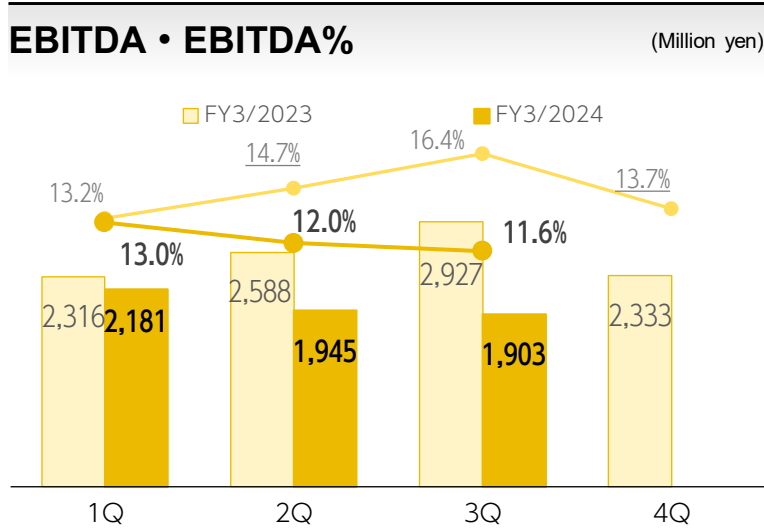
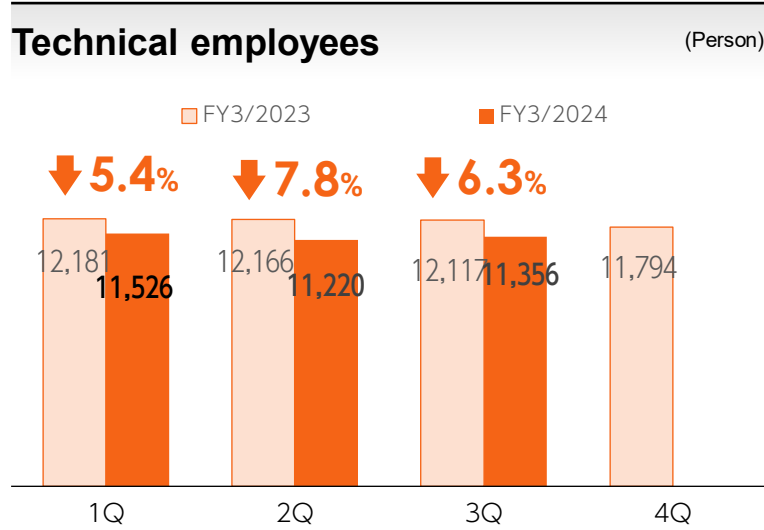
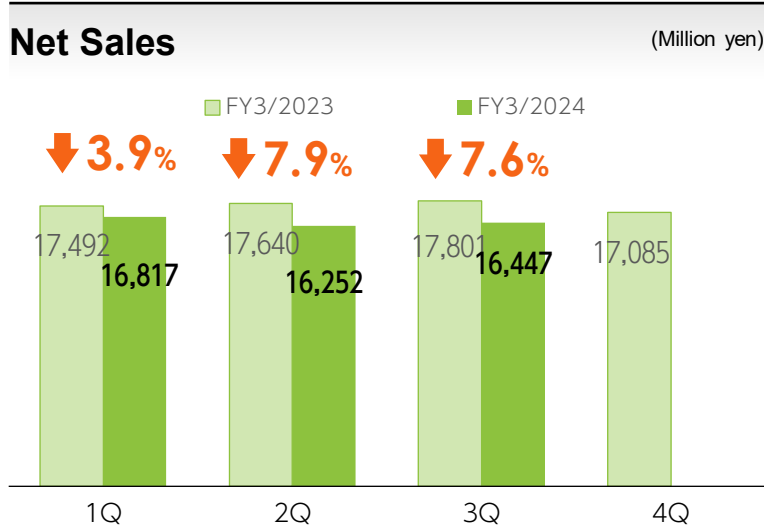
Engineering Business (Person)



Overseas Business (Person)



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



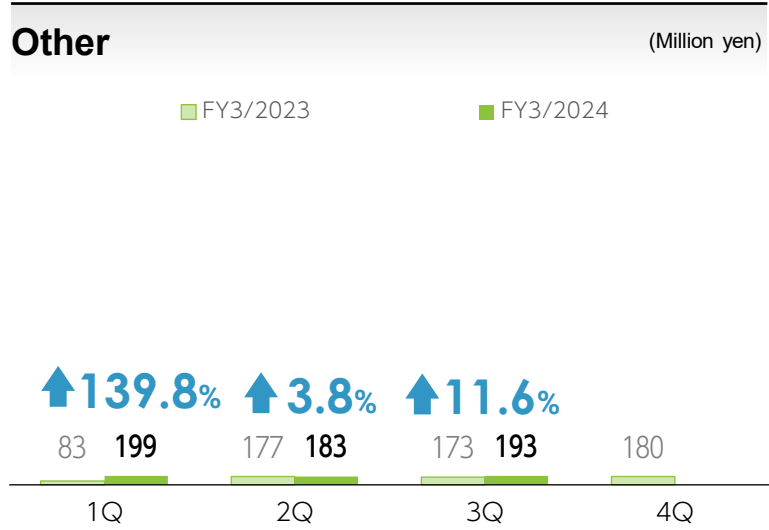
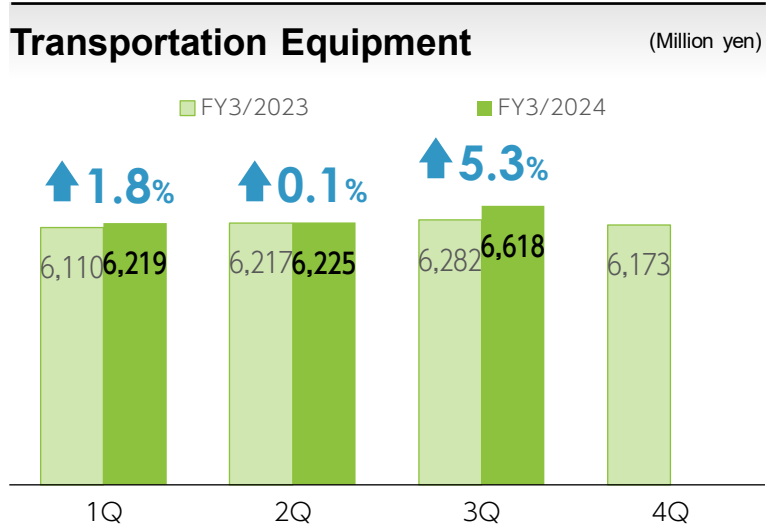
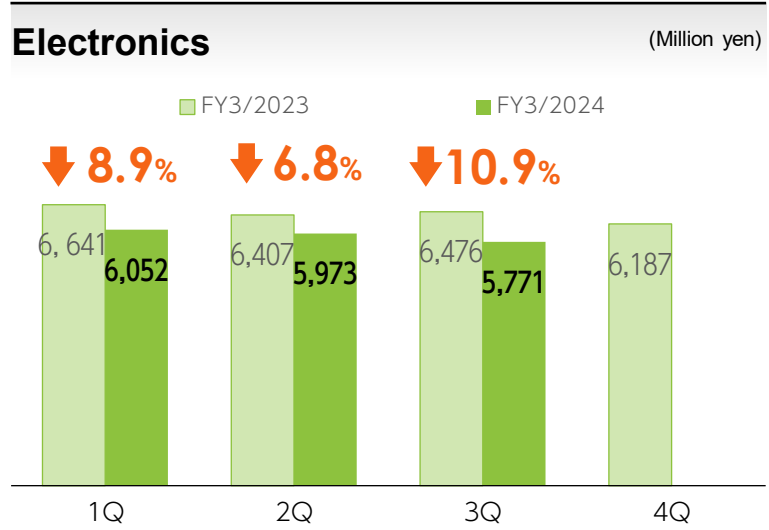
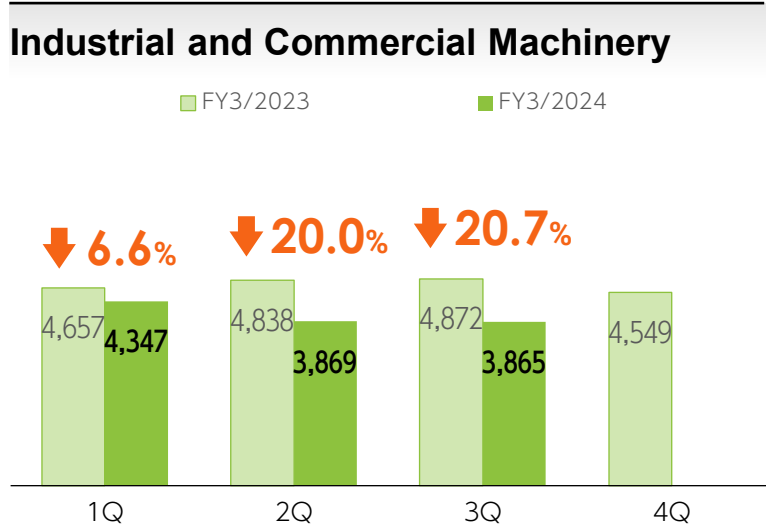
#### Sales and technical employees

- Transportation equipment-related demand increased, and the number of tech workers returned to a q-o-q increase in 3Q.
- The impact of semiconductor inventory adjustments continued. Demand for workers remained sluggish. Adjusted hiring activities to meet demand.
- Little q-o-q change in overtime hours and holiday works.

#### EBITDA

- Lower EBITDA margin due to an increase in hiring expenses in response to transportation equipment-related demand growth from the end of 2Q.

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



**Industrial and Commercial Machinery**

- A net drop in tech workers due to the incidents of certain clients in battery manufacturing.
- Sluggish demand for SPE workers continued.
- Slight q-o-q increase in overtime hours but no q-o-q change in holiday works.

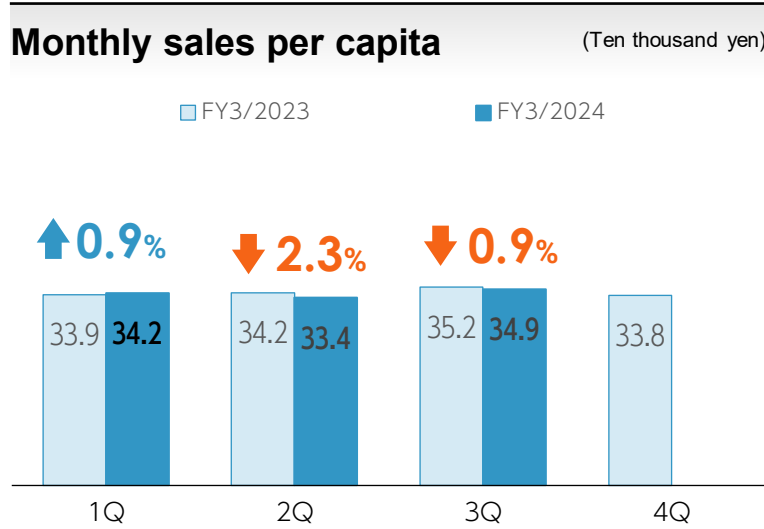
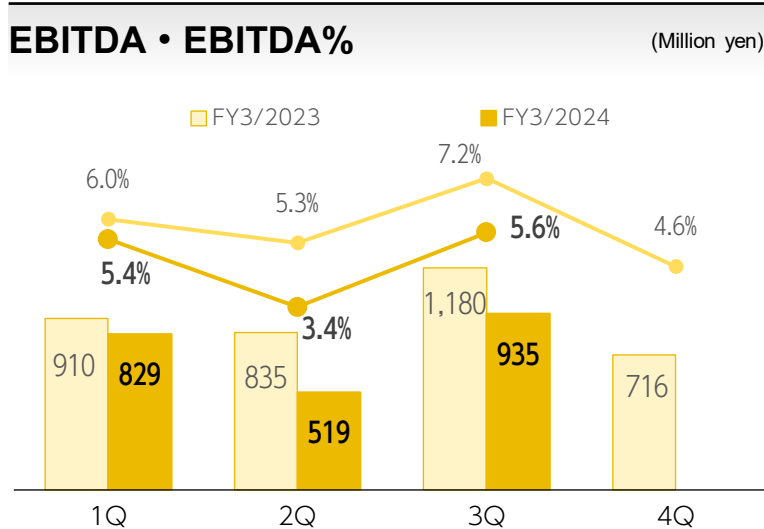
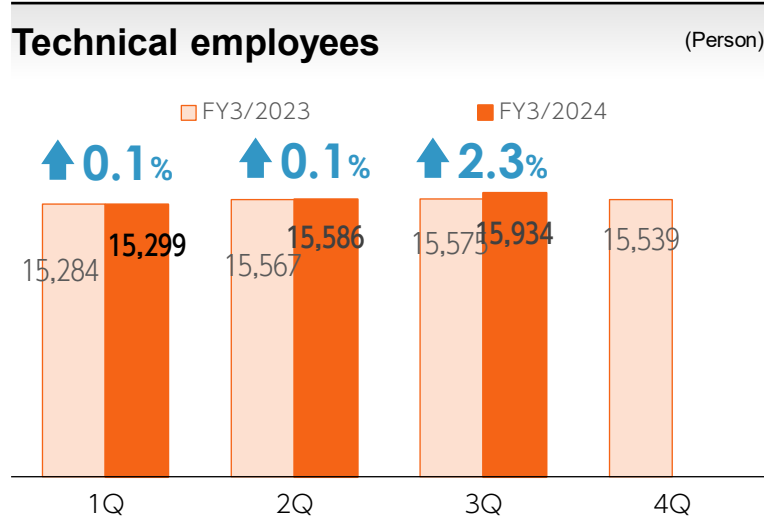
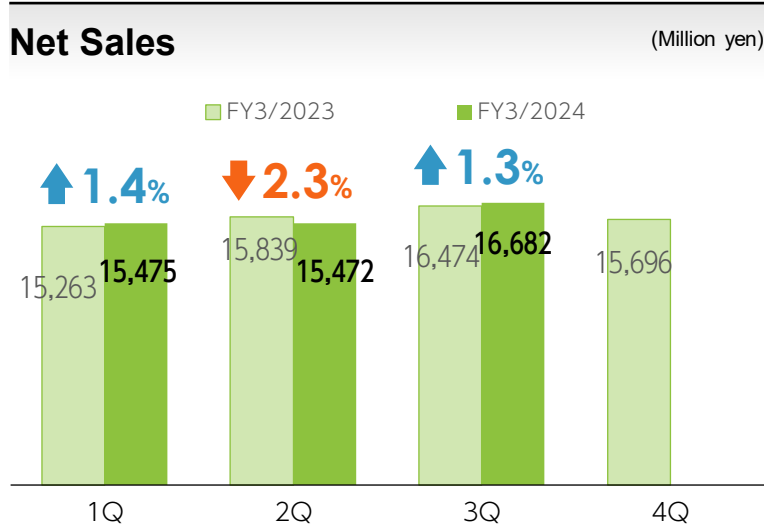
**Electronics**

- Demand for workers on the whole was weak but its degrees differ by clients.
- No q-o-q change in overtime hours and holiday works.

**Transportation Equipment**

- The impact of operating adjustment caused by the shortage of components was eased, production activities recovered, and hiring efforts were enhanced.
- Despite the impact of certain manufacturers' incidents, overall automakers returned to an increase in workers.
- Little q-o-q change in overtime hours and holiday work. Sales increased in 3Q vs. 2Q, thanks to a net increase in tech employees.

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



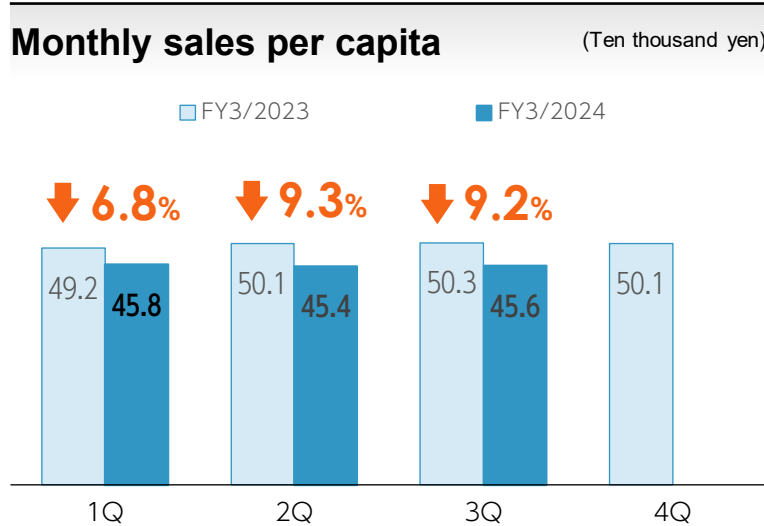
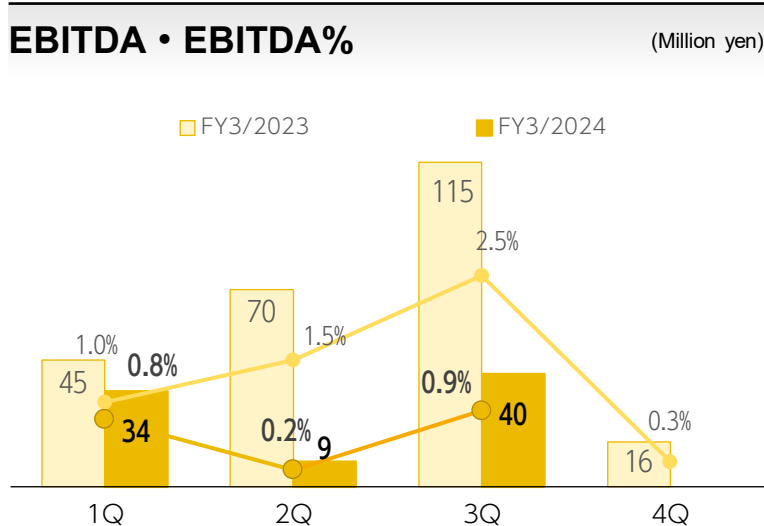
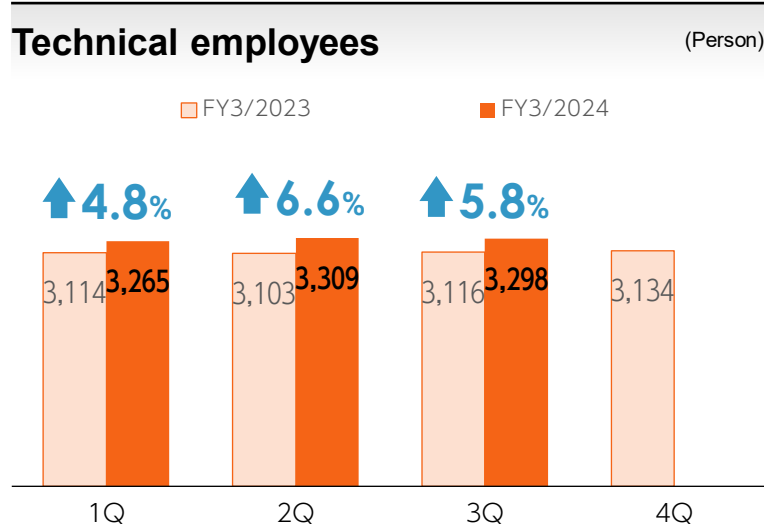
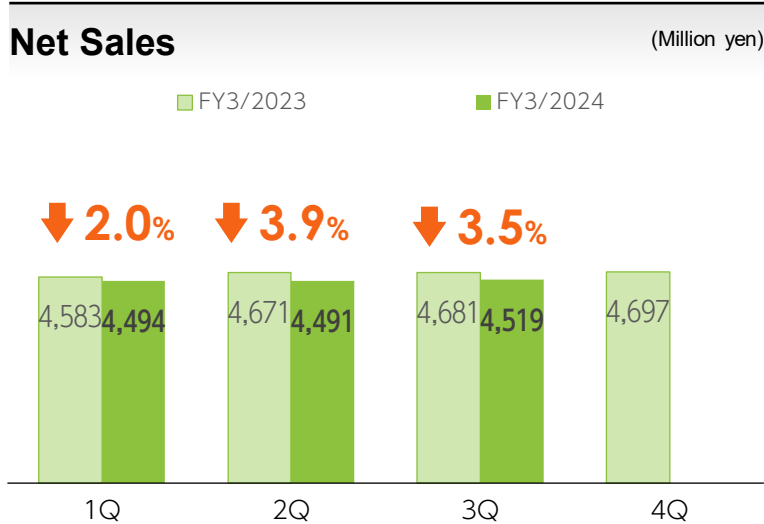
**Sales and technical employees**

- The number of tech employees increased by 348 in 3Q.
- The Area Business strengthened “inside sales,” steadily acquired new projects, and enhanced hiring activities.
- Excluding the impact of the above intra-segment transfer, the organic sales in 3Q was 107% compared to the previous 3Q.

**EBITDA**

- More diversity in projects affected the business mix and gross margin was lower than a year ago.
- Personnel expenses increased to strengthen sales systems, while hiring expenses increased to enhance hiring activities.

# Segment Results



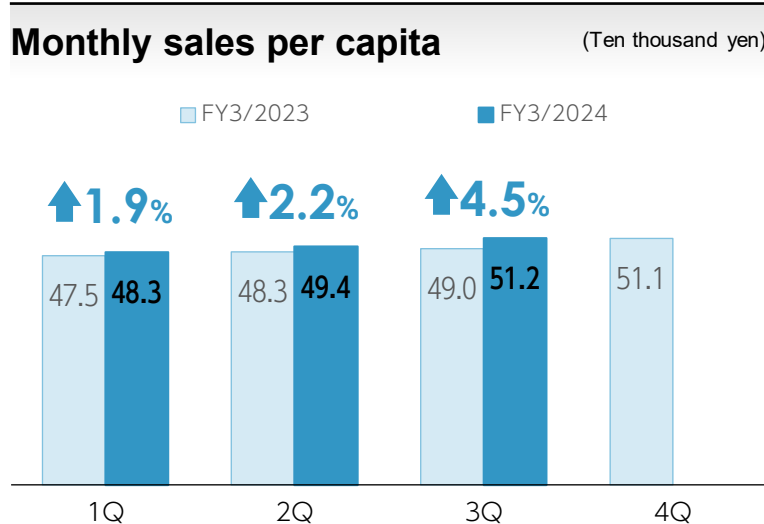
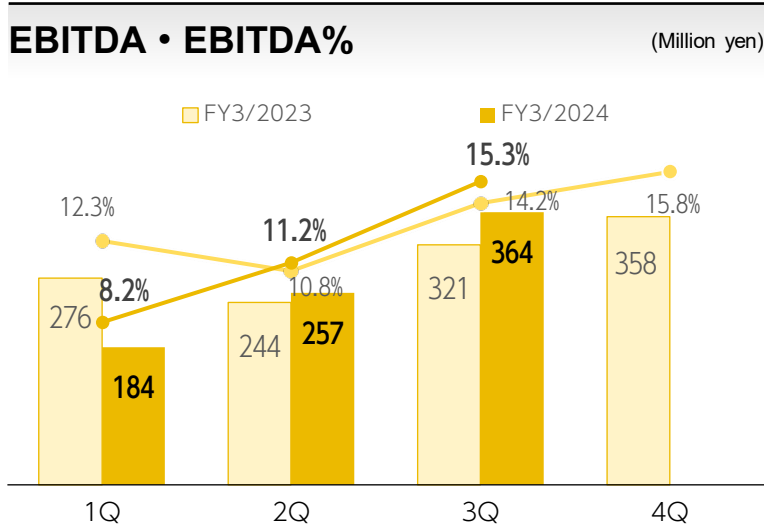
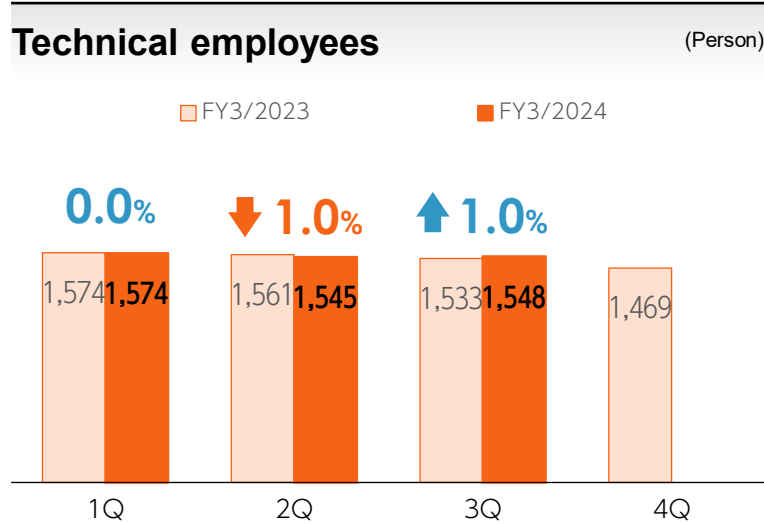
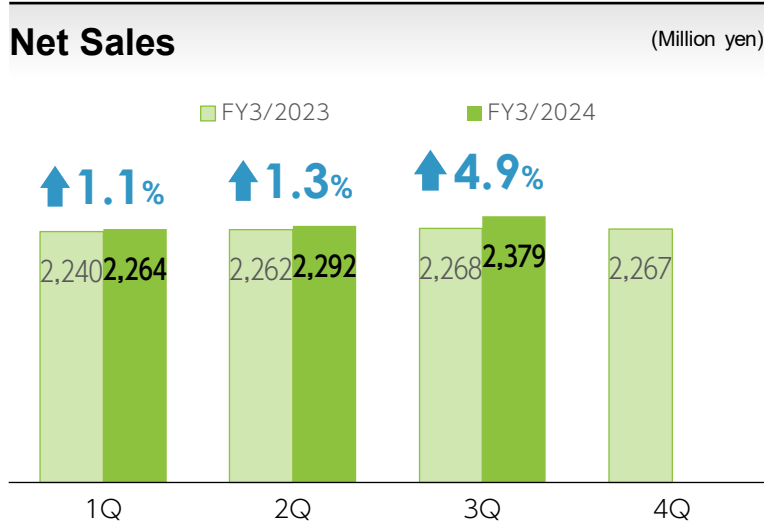
#### Sales and technical employees

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

#### EBITDA

- Some operating companies enhanced hiring of new graduates for 2025, which led to a slight rise in the ratio of SG&A expenses to sales.

# Segment Results



#### Sales and technical employees

- In 2023, 184 new graduates started operations as early as possible.
- Demand for both construction and IT engineers was strong, and the hiring environment became tight.
- For 1Q-3Q, In the field of construction engineers, 103 employees transferred to client companies as UT strategically aimed at strengthening relationships with clients and supporting their career development.

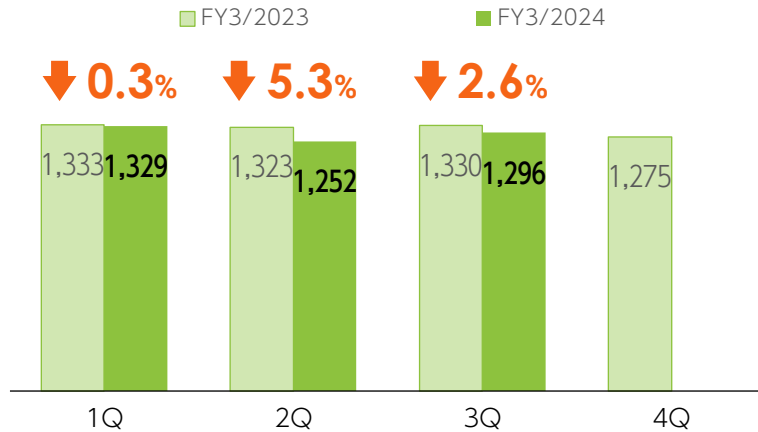
#### EBITDA

- Overtime hours are at a high level in the construction engineer field.
- In both the construction and IT engineers fields, the enhanced hiring of mid-career staff led to a rise in the ratio of hiring expenses to sales.

# Net Sales by Subsegment

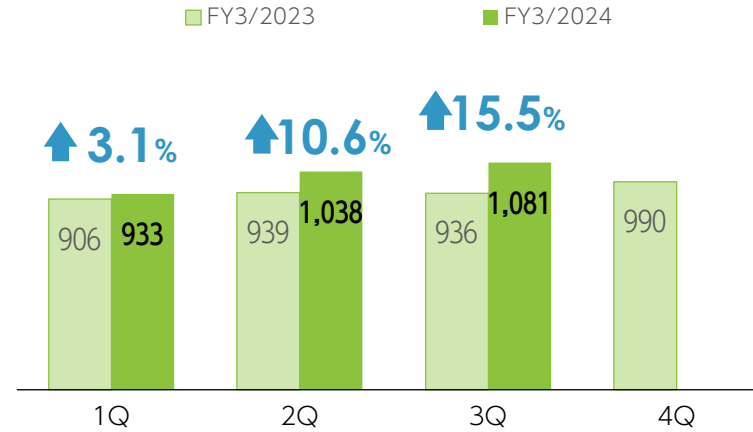
## Construction engineers

(Million yen)



## IT engineers

(Million yen)



### Construction engineers

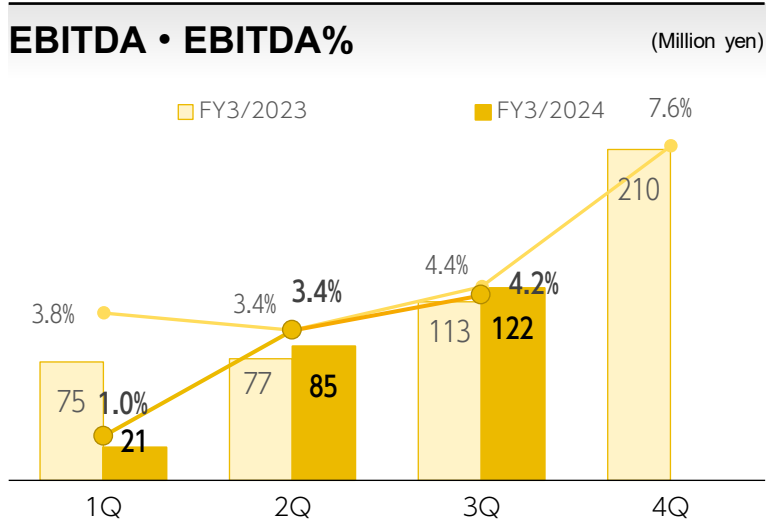
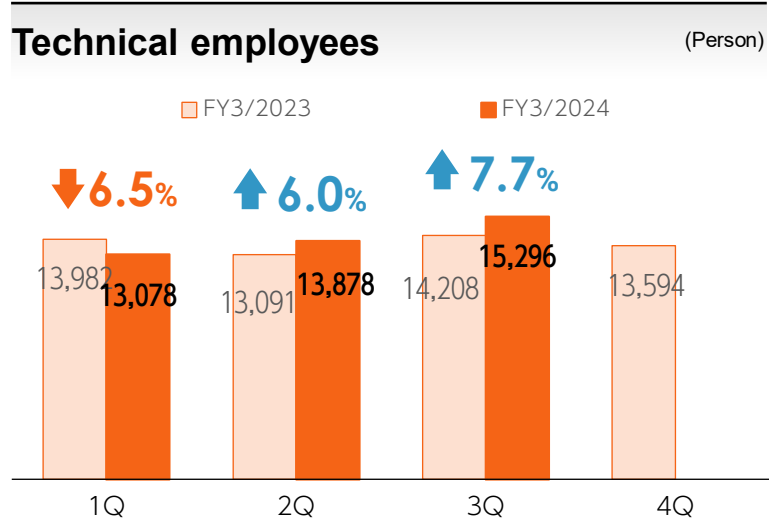
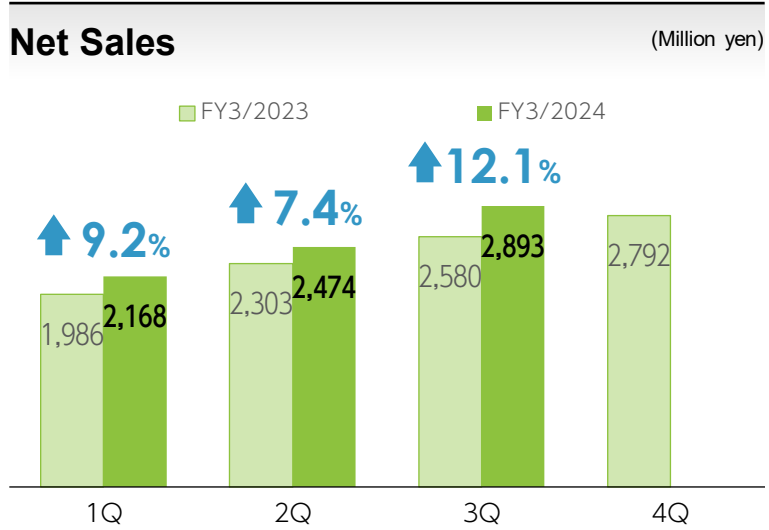
- Demand for workers was strong, mainly for facilities and plants.
- There was a strong sense of worker shortage, and the competition in the hiring environment was intensified.
- 76 employees were transferred to client companies (Next UT) in order to strengthen relationships with clients and support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

### IT engineers

- Despite demand for the utilization of inexperienced workers, hiring/placement difficulty increased.
- Sales increased due to the acquisition of projects in the areas of machinery design and production technologies and the improvement in unit prices of projects.



# Segment Results



#### Sales and technical employees

- Due to stagnant exports in Vietnam, demand for workers was sluggish, mainly in the manufacturing industry. Partly shifted manufacturing dispatch workers to dispatch salespersons.
- Expanded sales activities from the south where the bases had been established to the north of Vietnam and focused on acquiring projects with Japanese companies.
- Affected by fluctuations in VND/JPY exchange rates.  
Impact on sales in 1Q: +¥200M.  
Impact on sales in 2Q: +¥100M.  
Impact on sales in 3Q: +¥70M.

#### EBITDA

- Increase in goodwill amortization due to the performance-linked earn-out clause at the time of acquisition of shares of the subsidiary. The amount of goodwill was determined in 1Q and increased by ¥687M because the conditions were met in FY3/2023, the target period. Amortization of ¥129M for the period from the time of acquisition to the determination of the goodwill amount was recorded in 1Q.

\*The amount of amortization per month from July 2023: ¥4-5M

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

## Manufacturing Business (Million yen)

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

After		1Q	2Q	3Q	4Q	通期
FY3/2022	Net Sales	14,660	15,218	16,544	17,114	63,537
	EBITDA	1,239	997	1,772	1,712	5,719
	EBITDA%	8.5%	6.5%	10.7%	10.0%	9.0%
	Tec. employees	10,873	11,948	11,858	12,306	12,306
FY3/2023	Net Sales	17,492	17,640	17,801	17,085	70,020
	EBITDA	2,316	2,588	2,927	2,333	10,164
	EBITDA%	13.2%	14.7%	16.4%	13.7%	14.5%
	Tec. employees	12,181	12,166	12,117	11,794	11,794
FY3/2024	Net Sales	16,817	16,252	16,447		
	EBITDA	2,181	1,945	1,903		
	EBITDA%	13.0%	12.0%	11.6%		
	Tec. employees	11,526	11,220	11,356		

## エリア事業 (Million yen)

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

After		1Q	2Q	3Q	4Q	通期
FY3/2022	Net Sales	13,142	13,796	15,042	15,067	57,048
	EBITDA	157	42	375	47	622
	EBITDA%	1.2%	0.3%	2.5%	0.3%	1.1%
	Tec. employees	13,051	13,271	14,254	14,882	14,882
FY3/2023	Net Sales	15,263	15,839	16,474	15,696	63,273
	EBITDA	910	835	1,180	716	3,641
	EBITDA%	6.0%	5.3%	7.2%	4.6%	5.8%
	Tec. employees	15,284	15,567	15,575	15,539	15,539
FY3/2024	Net Sales	15,475	15,472	16,682		
	EBITDA	829	519	935		
	EBITDA%	5.4%	3.4%	5.6%		
	Tec. employees	15,299	15,586	15,934		

**(Ref.) Net sales by subsegment of Manufacturing Business** (retroactively revised data for the past two years)**Industrial and Commercial Machinery**  
(Million yen)

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

After	1 Q	2 Q	3 Q	4 Q	Full year
FY3/2022	4,174	4,138	4,277	4,313	16,903
FY3/2023	4,657	4,838	4,872	4,549	18,917
FY3/2024	4,347	3,869	3,865		

**Electronics**  
(Million yen)

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

After	1 Q	2 Q	3 Q	4 Q	Full year
FY3/2022	5,816	5,873	6,002	5,924	23,617
FY3/2023	6,641	6,407	6,476	6,187	25,711
FY3/2024	6,052	5,973	5,771		

**Transportation Equipment**  
(Million yen)

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

After	1 Q	2 Q	3 Q	4 Q	Full year
FY3/2022	4,665	5,166	6,204	6,794	22,830
FY3/2023	6,110	6,217	6,282	6,173	24,784
FY3/2024	6,219	6,225	6,618		

**Other**  
(Million yen)

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

After	1 Q	2 Q	3 Q	4 Q	Full year
FY3/2022	3	39	59	81	183
FY3/2023	83	177	173	180	614
FY3/2024	199	183	193		

# Appendix

# Analysis of SG&A expenses

(million yen)

	FY3/2020					FY3/2021					FY3/2022					FY3/2023					FY3/2024				
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year
<b>personnel expenses</b>	1,574	1,522	1,530	1,467	6,093	1,665	1,981	1,828	1,837	7,311	2,246	2,362	2,547	2,391	9,546	2,403	2,414	2,393	2,510	9,720	2,424	2,309	2,371		
ratio to sales	6.1%	5.9%	6.1%	6.0%	6.0%	6.4%	7.3%	6.2%	5.7%	6.4%	6.4%	6.3%	6.1%	5.6%	6.1%	5.8%	5.7%	5.5%	5.9%	5.7%	5.9%	5.6%	5.5%		
<b>Hiring expenses</b>	490	527	496	341	1,854	151	267	770	1,218	2,406	1,215	1,608	1,575	1,719	6,117	877	1,041	817	812	3,549	886	1,030	1,451		
ratio to sales	1.9%	2.0%	2.0%	1.4%	1.8%	0.6%	1.0%	2.6%	3.7%	2.1%	3.5%	4.3%	3.8%	4.0%	3.9%	2.1%	2.4%	1.9%	1.9%	2.1%	2.1%	2.5%	3.4%		
<b>depreciation and amortization of goodwill</b>	137	139	142	145	563	171	181	218	256	826	309	303	305	307	1,225	267	308	320	327	1,223	452	352	355		
ratio to sales	0.5%	0.5%	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%	0.8%	0.7%	0.9%	0.8%	0.7%	0.7%	0.8%	0.6%	0.7%	0.7%	0.8%	0.7%	1.1%	0.9%	0.8%		
<b>Other</b>	889	841	803	923	3,456	883	831	1,029	1,152	3,895	1,058	1,086	1,196	1,285	4,625	1,083	1,053	990	1,002	4,130	1,166	1,143	1,183		
ratio to sales	3.5%	3.2%	3.2%	3.8%	3.4%	3.4%	3.1%	3.5%	3.5%	3.4%	3.0%	2.9%	2.9%	3.0%	3.0%	2.6%	2.5%	2.3%	2.4%	2.4%	2.8%	2.8%	2.8%		
<b>SG&amp;A Expenses</b>	3,090	3,029	2,971	2,876	11,966	2,870	3,260	3,845	4,463	14,438	4,828	5,359	5,623	5,703	21,513	4,631	4,817	4,521	4,653	18,624	4,929	4,835	5,363		
ratio to sales	12.0%	11.7%	11.8%	11.8%	11.8%	11.1%	12.0%	13.0%	13.7%	12.5%	13.7%	14.3%	13.6%	13.3%	13.7%	11.1%	11.3%	10.3%	10.9%	10.9%	12.0%	11.8%	12.5%		

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

# Status of Share Buybacks and Cancellation

## Objective and details of share buybacks

### Objective

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

### Details

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

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

**FY3/2023 total return ratio: 73.5%**

## Status of Stock Acquisition (Completed on August 25, 2023)

- Period of acquisition: May 16, 2023 to August 25, 2023
- Total number of shares acquired: 1,047,100 shares
- Amount of acquisition: 2,816,926,100 yen
- Total return ratio: 73.5%

## Status of Cancellation

- Date of cancellation: October 10, 2023
- Total number of shares cancelled: 1,047,484 shares
- Ratio of cancellation to outstanding shares before cancellation: 2.59%

# Performance-linked stock acquisition rights

## Overview of the performance-linked stock acquisition rights

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

### Objective

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

Total number of stock acquisition rights:

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

Conditions for exercise of stock acquisition rights

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

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

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

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

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

## When to recognize stock-based compensation expenses

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

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

The exercise price is 1,859 yen per share. When all the rights are exercised, cash will increase and be transferred to stated capital and additional paid-in capital.

Exercise period

May 1, 2021 to April 30, 2028

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

# Corporate Outline

## Corporate Outline

As of Dec. 31, 2023

Corporate name:	UT Group Co., Ltd.
Founded:	April 2, 2007
Capital:	725 million yen
Listing:	TSE Prime Market (Securities code: 2146)
Representative:	President, Representative Director & CEO Yoichi Wakayama
Location:	1-11-15 Higashi-Gotanda, Shinagawa-ku, Tokyo
Number of issued and outstanding shares :	39,345,183 shares
Number of shareholders:	6,952

## Group Companies

As of Dec. 31, 2023

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

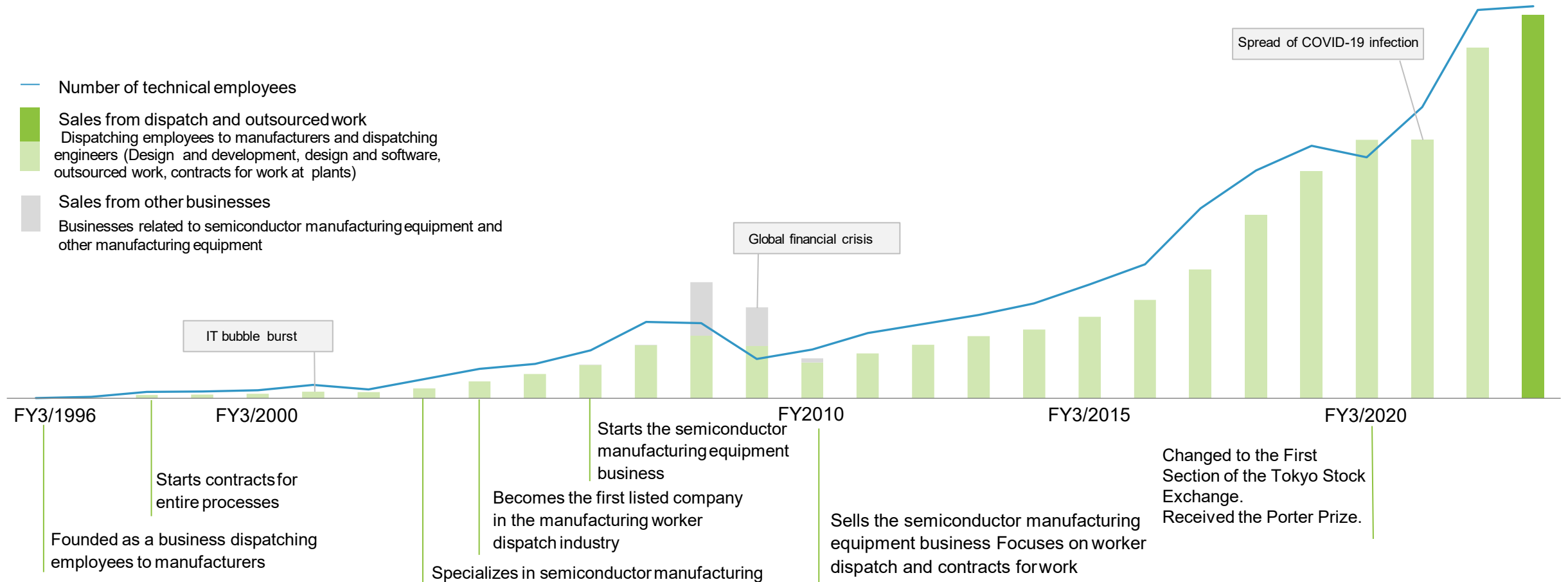


# The Leading Company in Manufacturing Dispatch Industry

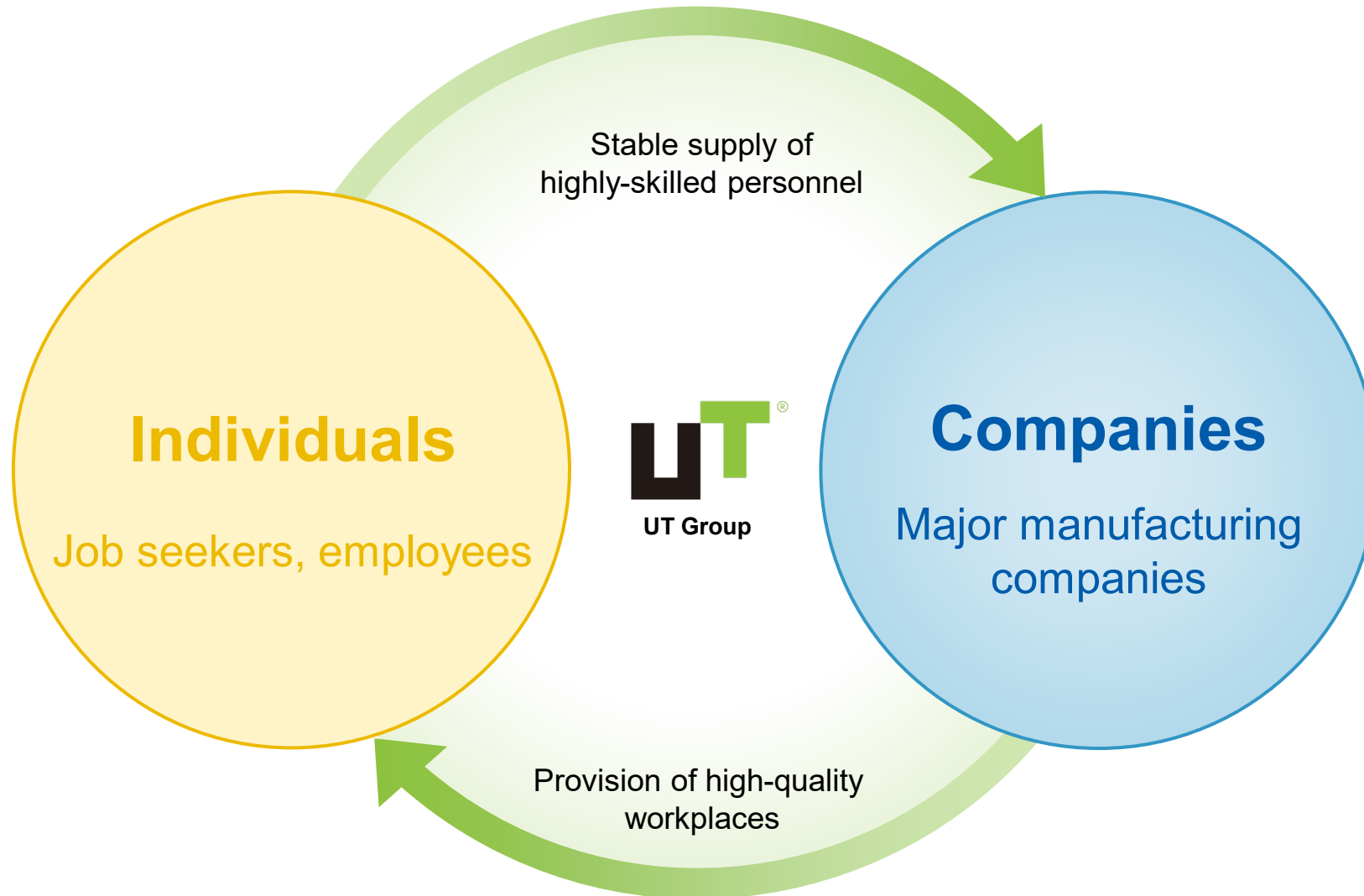
## Creating vigorous workplaces empowering workers.

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

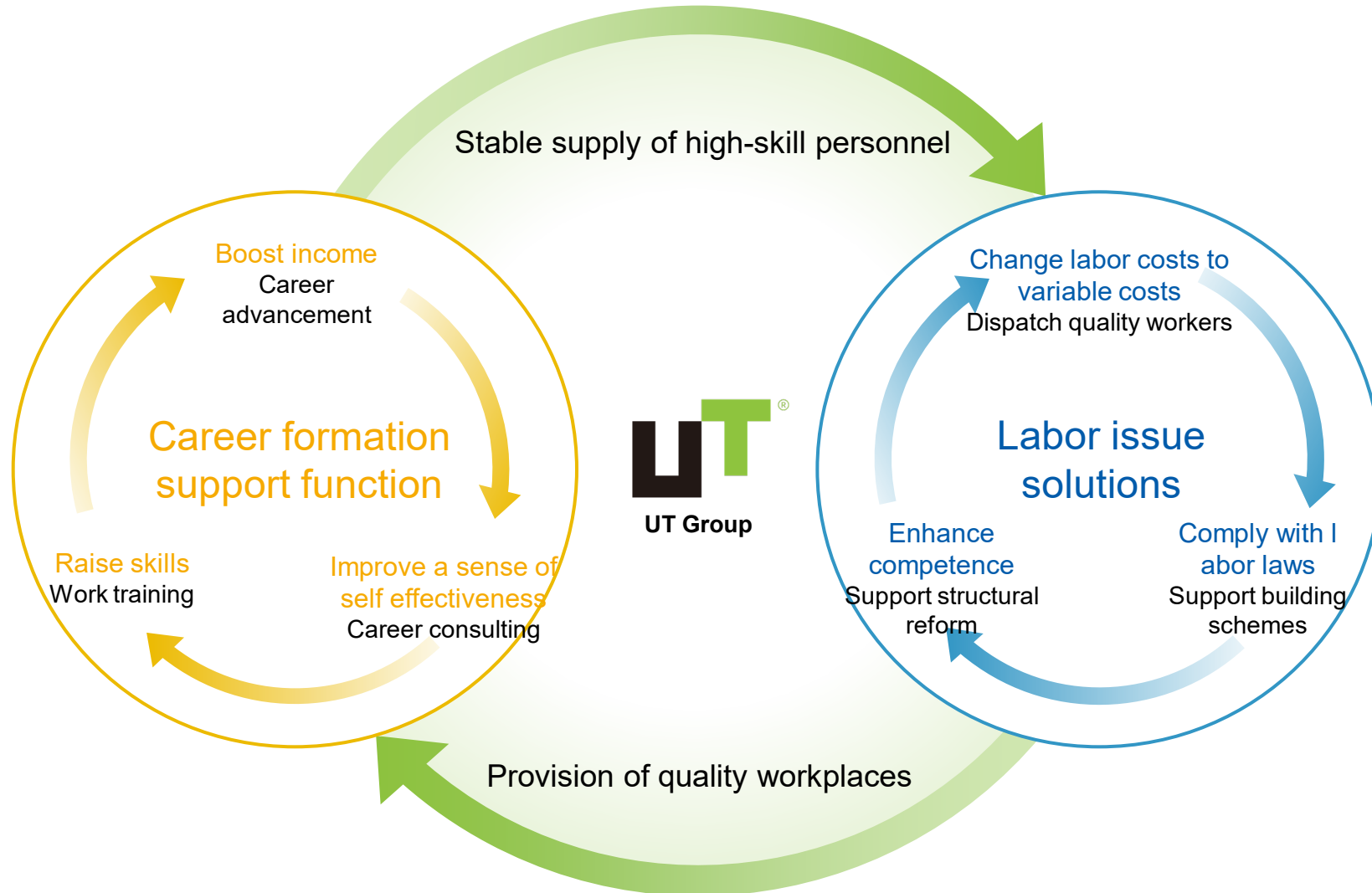
FY3/2023  
 Domestic Technical employees  
**31,936**  
 Consolidated sales  
**¥170.6bn**



# Twin-Customer Strategy and Career Platform

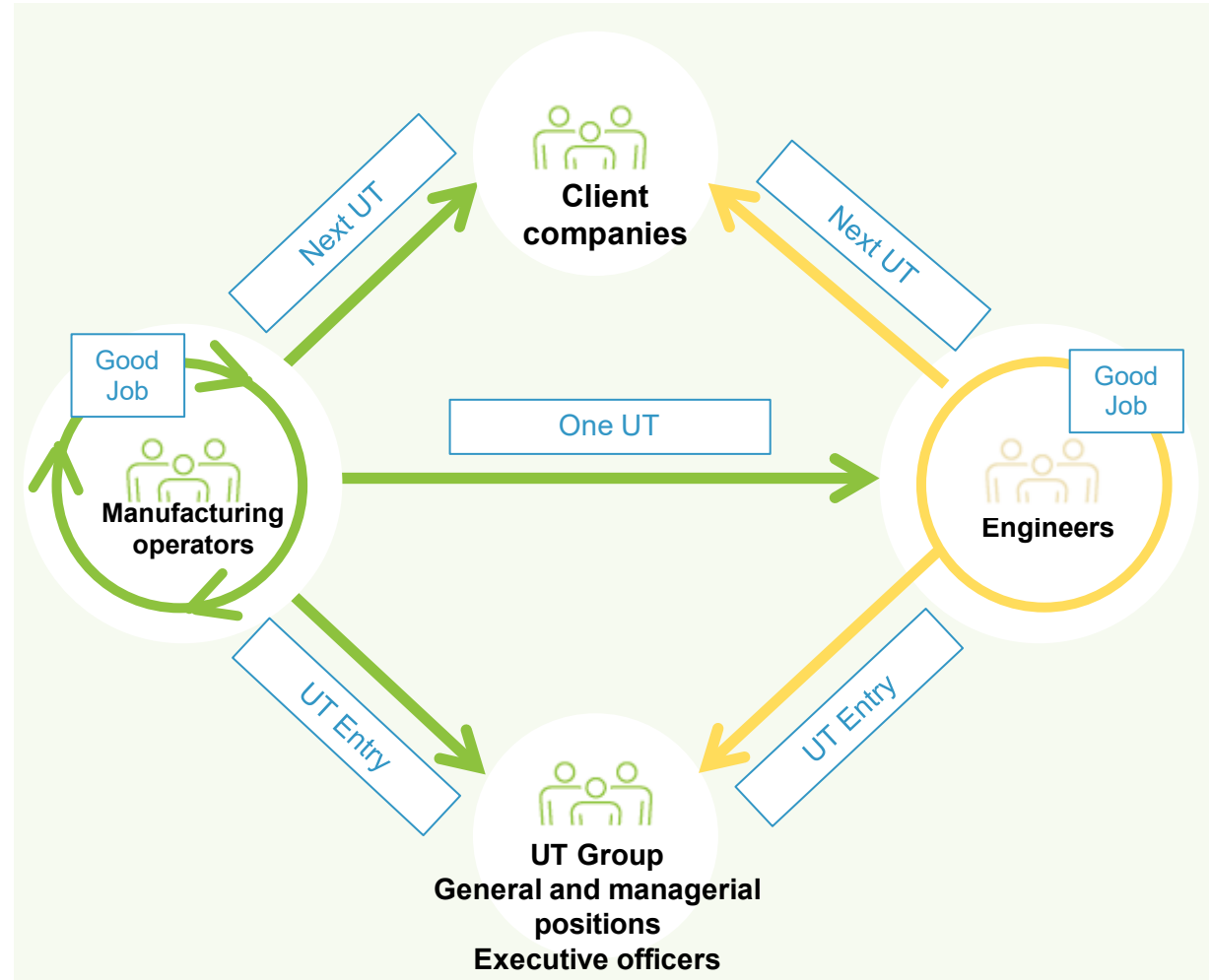


# Twin-Customer Strategy and Career Platform



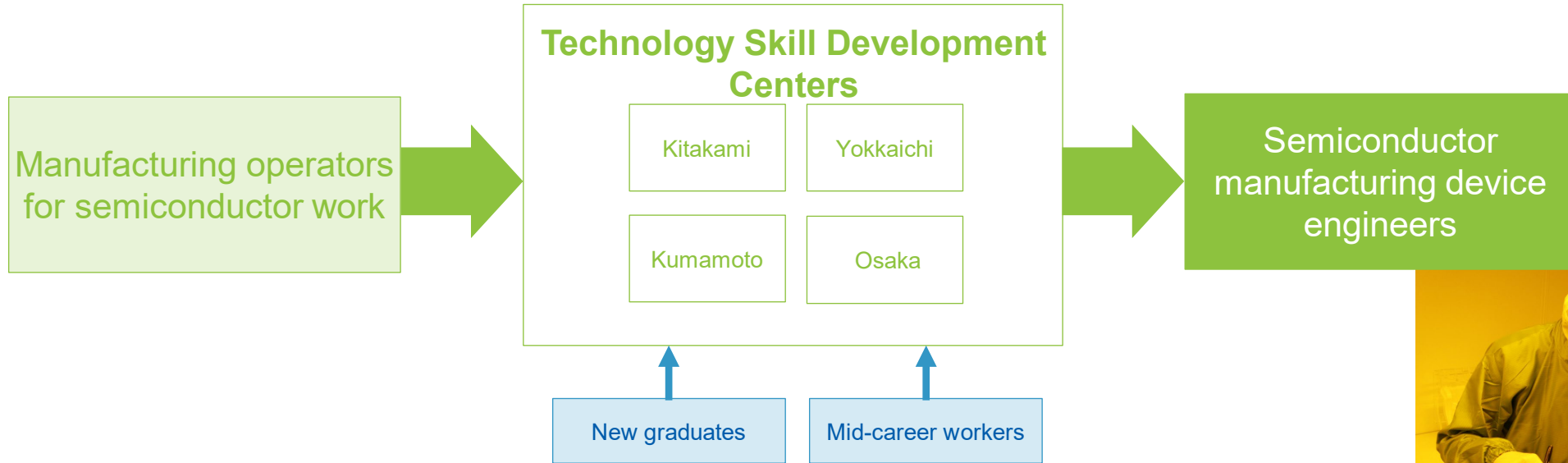
# Enhancement of the systems that enable technical employees to advance their careers

- Good Job**  
A system that allows manufacturing operators and engineers to freely choose a workplace  
**(Own workplaces can be selected)**
- One UT STEP UT**  
A system that supports career changes from manufacturing operators to engineering jobs at Group companies. Provides opportunities to build various careers within the Group.  
**(Intra-group transfers)**
- Next UT**  
A system that supports the transfer to a client company (mainly major manufacturers). Expand career path options to motivate employees.  
**(Transfer from UT's dispatched worker status to being a client company's full-time employee)**
- UT Entry**  
A voluntary nomination system to a manager or an executive. The industry's first system that provides all employees with a fair career opportunity regardless of their years of service, experience, or age.  
**(Voluntary nomination to the position of a manager or an executive)**



# Strongly promote SME engineer development

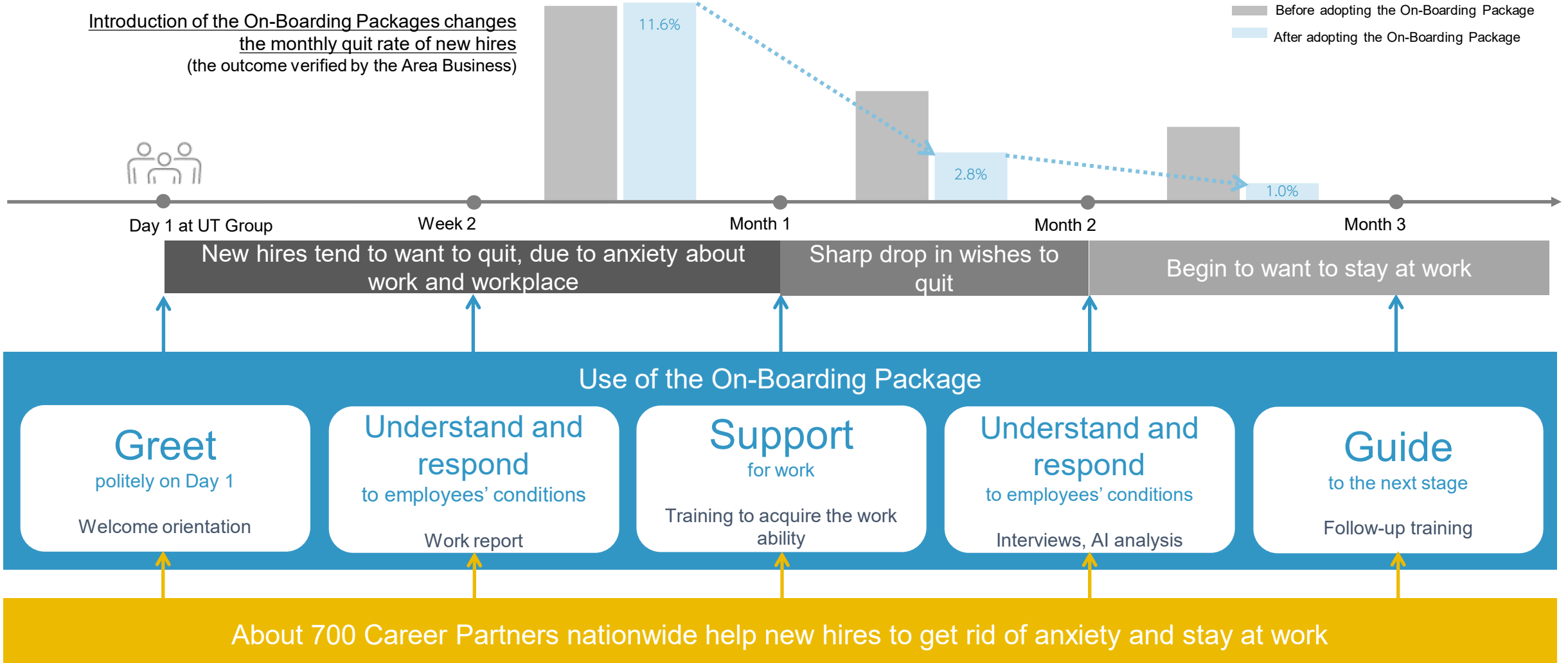
- Established four technology skill development centers for manufacturing engineers in the semiconductor field (Dec. 2020: Kitagami City in Iwate; March 2021: Yokkaichi City in Mie and Kumamoto City in Kumamoto; May 2021 Osaka City in Osaka)
- Targeting to produce 5,000 engineers in FY3/2022 – FY3/2025.



Practical training in a clean room

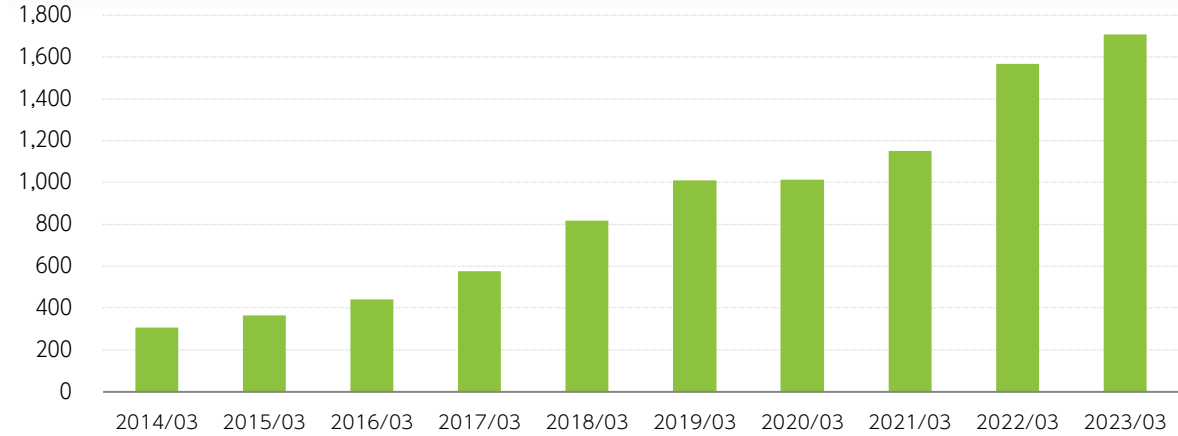
# Restrain new hires from quitting by consistent support for their growth

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

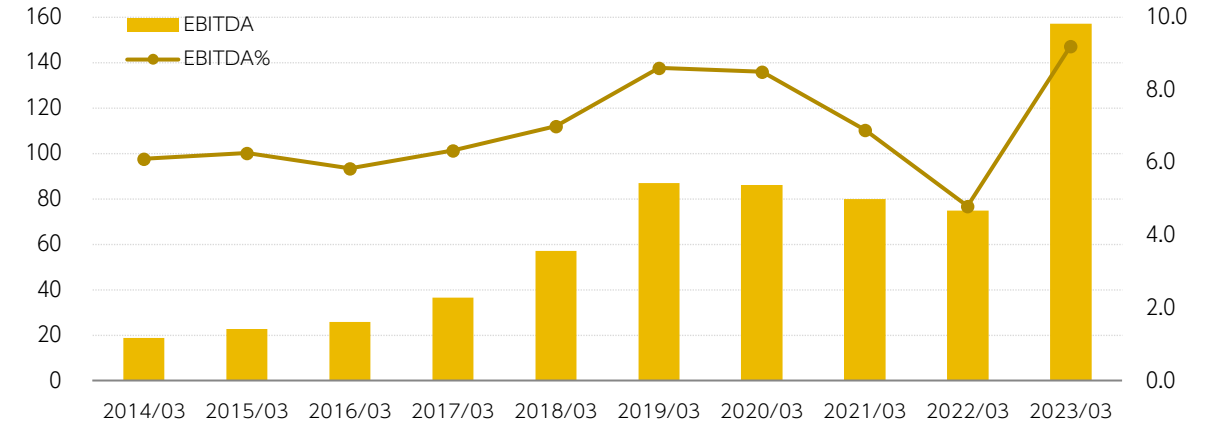


# Trends of Business Results

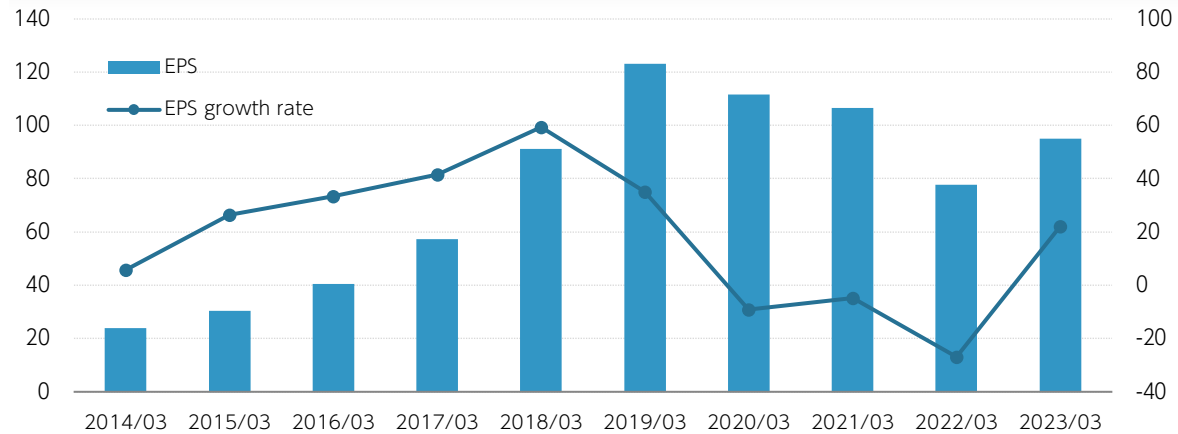
Net sales



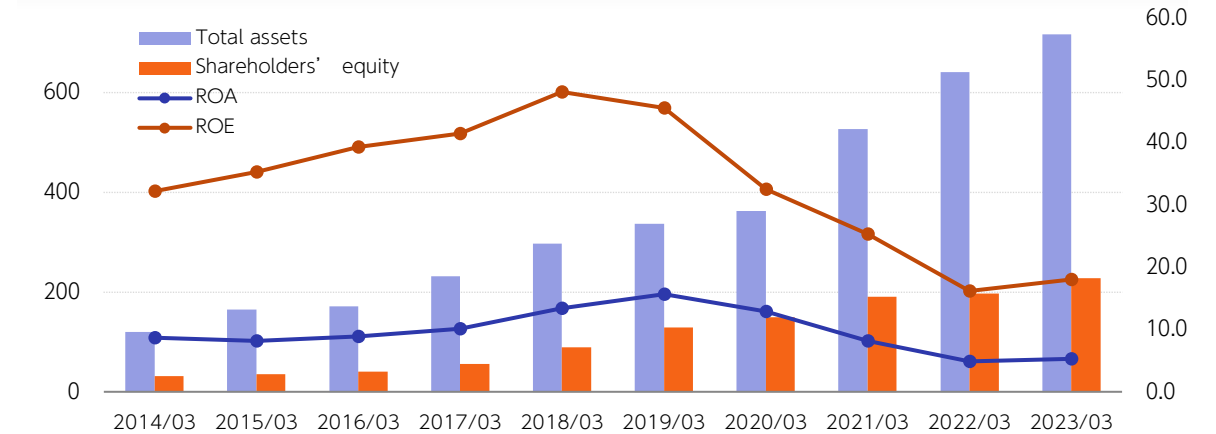
EBITDA(LH) and EBITDA% (RH)



EPS and EPS growth rate



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

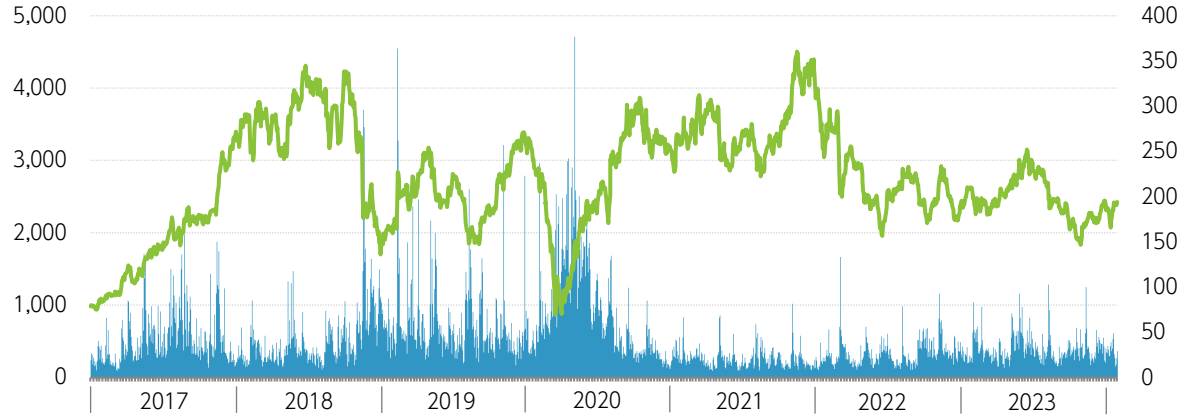


ROA = [Net profit attributable to owners of the parent] / [Total assets] (fiscal year average)  
 ROE = [Net profit attributable to owners of the parent] / [Shareholders' equity] (fiscal year average)

# Trends of Stock Price

Stock price (LH) and trading volume (RH)

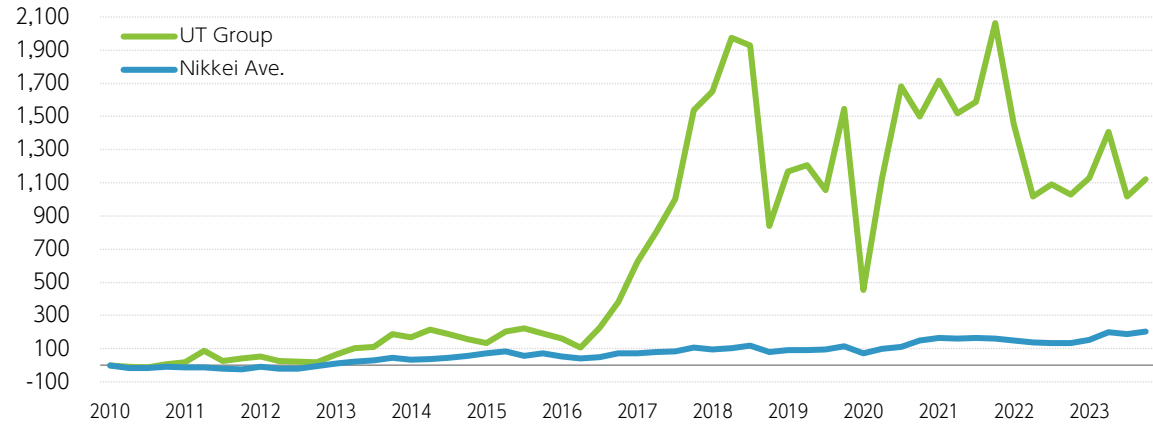
(Yen / 10,000 shares)



Changes in stock price

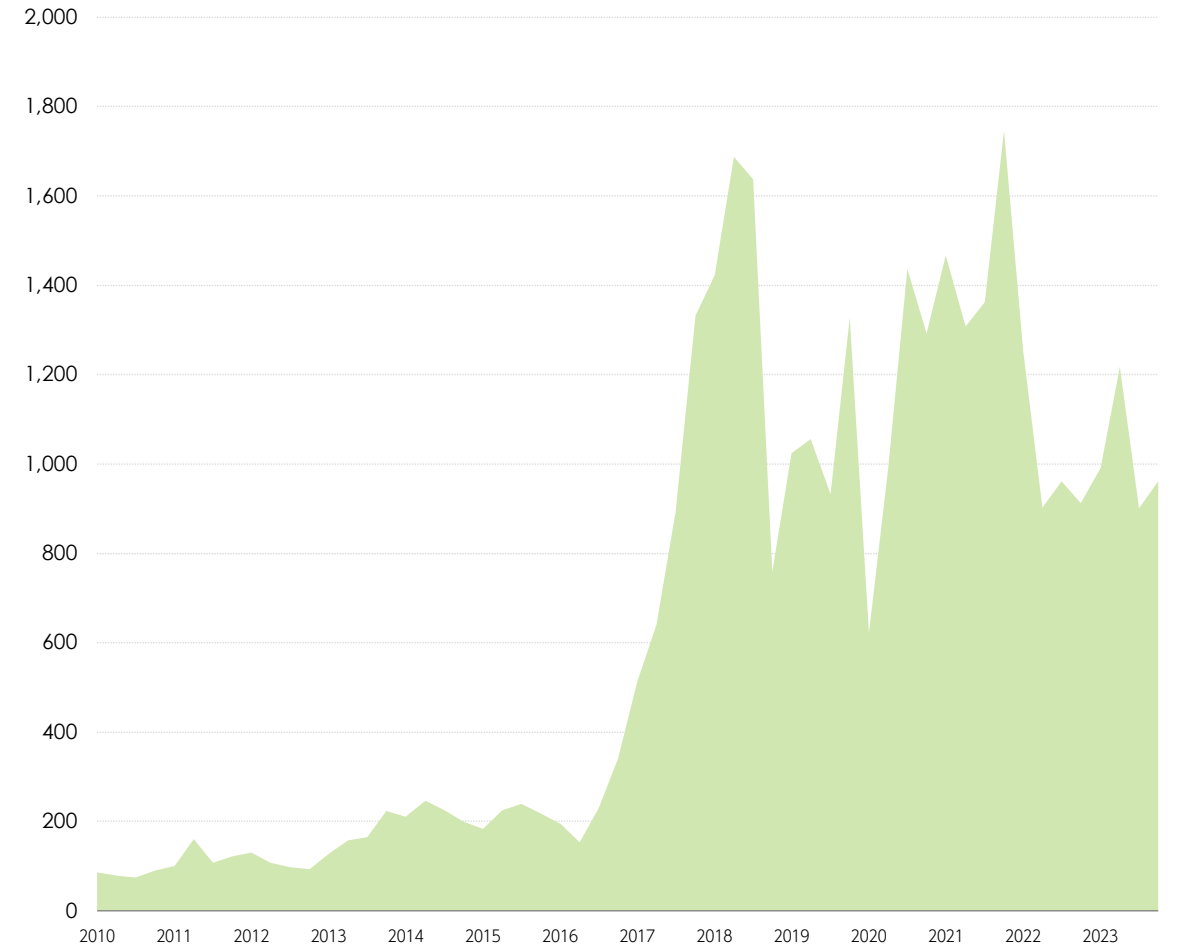
(compared with the level on March 31, 2010)

(%)



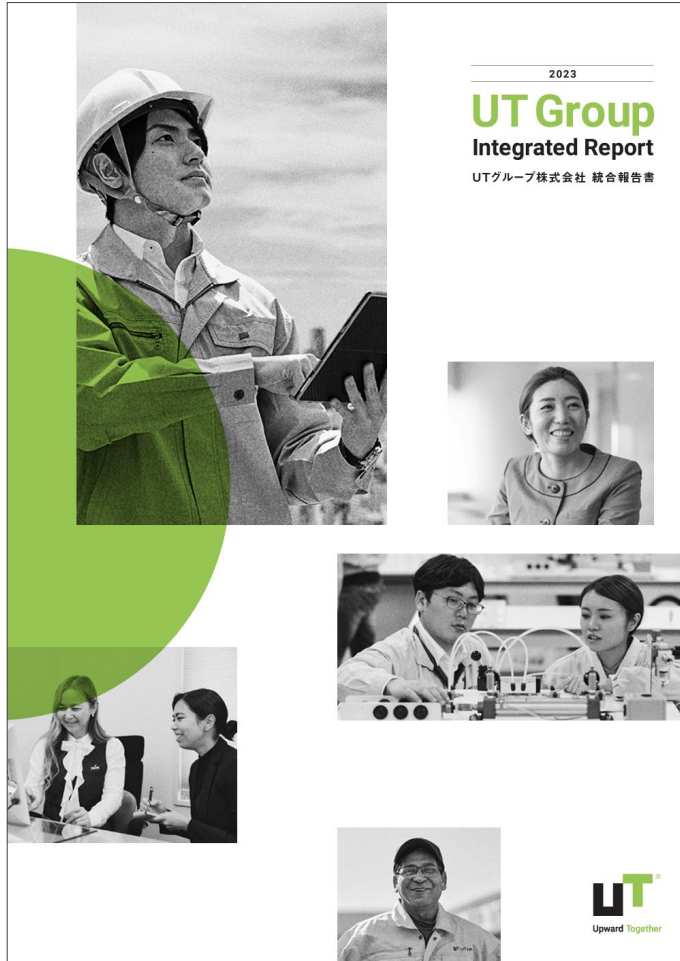
Market capitalization

(100 million yen)





# INTEGRATED REPORT 2023 was released (Sep. 2023)



What will be "human capital management that is unique to UT Group"?

Non-regular workers account for about 40% of the workforce in Japan, and their workstyles are diversifying. Now, how can we expand the opportunities for non-regular workers to play an active role and how can we create a foundation for them to become a competitive force? This is an urgent issue for Japan, where the working-age population is decreasing.

In keeping with our Mission, namely to "Create vigorous workplaces empowering workers," UT Group is committed to "realizing a society in which all people who are willing to work are equally given opportunities for skill development and career formation, and are treated fairly." This is our Purpose.

Currently, UT Group has approximately 32,000 technical employees in Japan, and we continue to support their individual skill and career development, by means that include building a foundation that meets the needs of their diversifying workstyles. We believe that increasing the overall sum of individuals' empowerment leads to improving our corporate value and sustainable performance growth.

We have been producing an Integrated Report since FY3/2021. 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. We hope many stakeholders read the report. Related information is also available in the Sustainability Data Book 2023, which summarizes our sustainability initiatives and data, on our website.

Please download the Integrated Report from here:

[https://ssl4.eir-parts.net/doc/2146/ir\\_material4/214561/00.pdf](https://ssl4.eir-parts.net/doc/2146/ir_material4/214561/00.pdf)

# Sustainability Data Book 2023 was released (Mar. 2023)

## UT GROUP Sustainability Data Book 2023

UTグループ サステナビリティデータブック

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

Please download the Sustainability Data Book from here:

[https://ssl4.eir-parts.net/doc/2146/ir\\_material14/203418/00.pdf](https://ssl4.eir-parts.net/doc/2146/ir_material14/203418/00.pdf)

# Create vigorous workplaces empowering workers.



Upward Together

**UT Group Co., Ltd.**

## Disclaimer

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

[Inquiries]

UT Group Co., Ltd.

IR Unit e-mail: [ir@ut-g.co.jp](mailto:ir@ut-g.co.jp)