



3rd Quarter of Fiscal Year Ending March 31, 2022

Financial Results

February 4, 2022

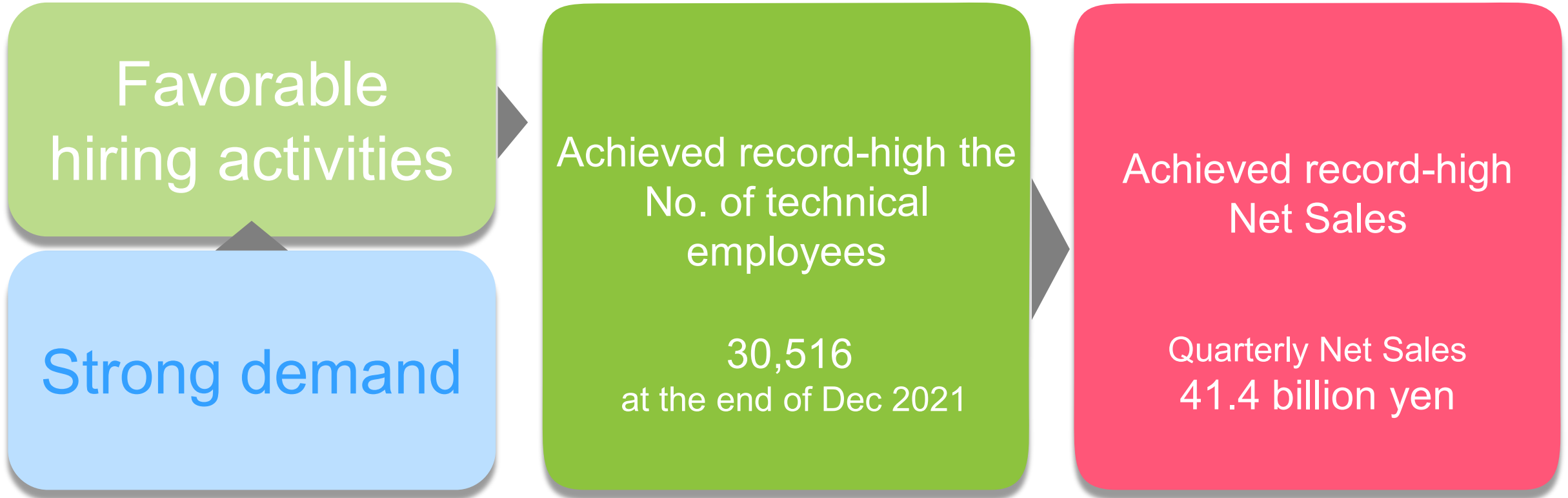
UT Group Co., Ltd.

Securities Code: 2146(TSE)

Contents

- 1. Progress of the 4th Medium-Term Business Plan (FY3/2021-FY3/2025)**
- 2. Financial Results for 3Q of FY3/2022**
- 3. FY3/2022 Earnings Forecasts and Outlook**
- 4. The 4th Medium-Term Business Plan (Repost)**
- 5. Appendix**

Key point of Financial Results for 3Q of FY3/2022



1. Progress of the 4th Medium-Term Business Plan (FY3/2021-FY3/2025)

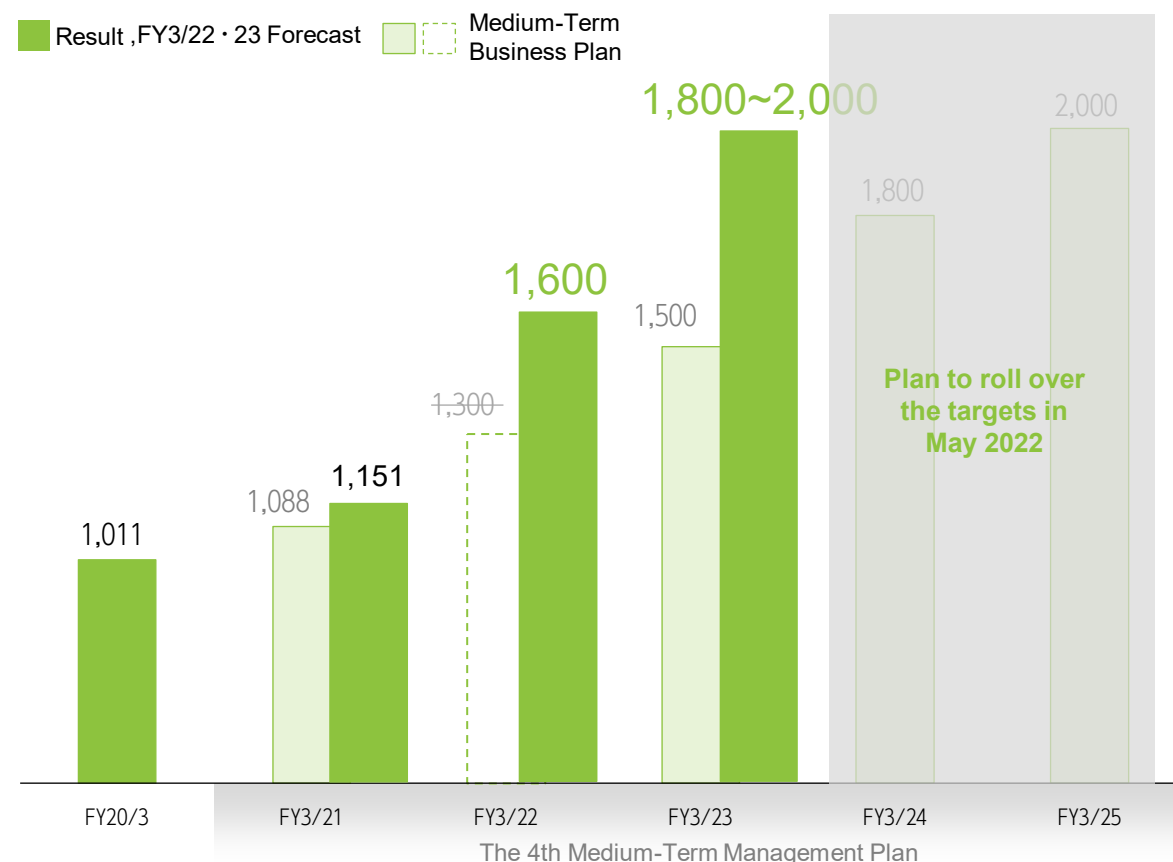
1. Progress of the 4th Medium-Term Business Plan(FY3/2021-FY3/2025)

Aim to achieve ¥30 billion in FY3/25

On the back of the rapid recovery of personnel demand in the manufacturing industries as well as that the impact of COVID-19 was slight, we have set the FY3/23 goal of EBITDA 150, one year ahead of originally-planned FY3/24, in order to achieve the EBITDA 30 billion yen as target of the 4th Medium-Term Business Plan.

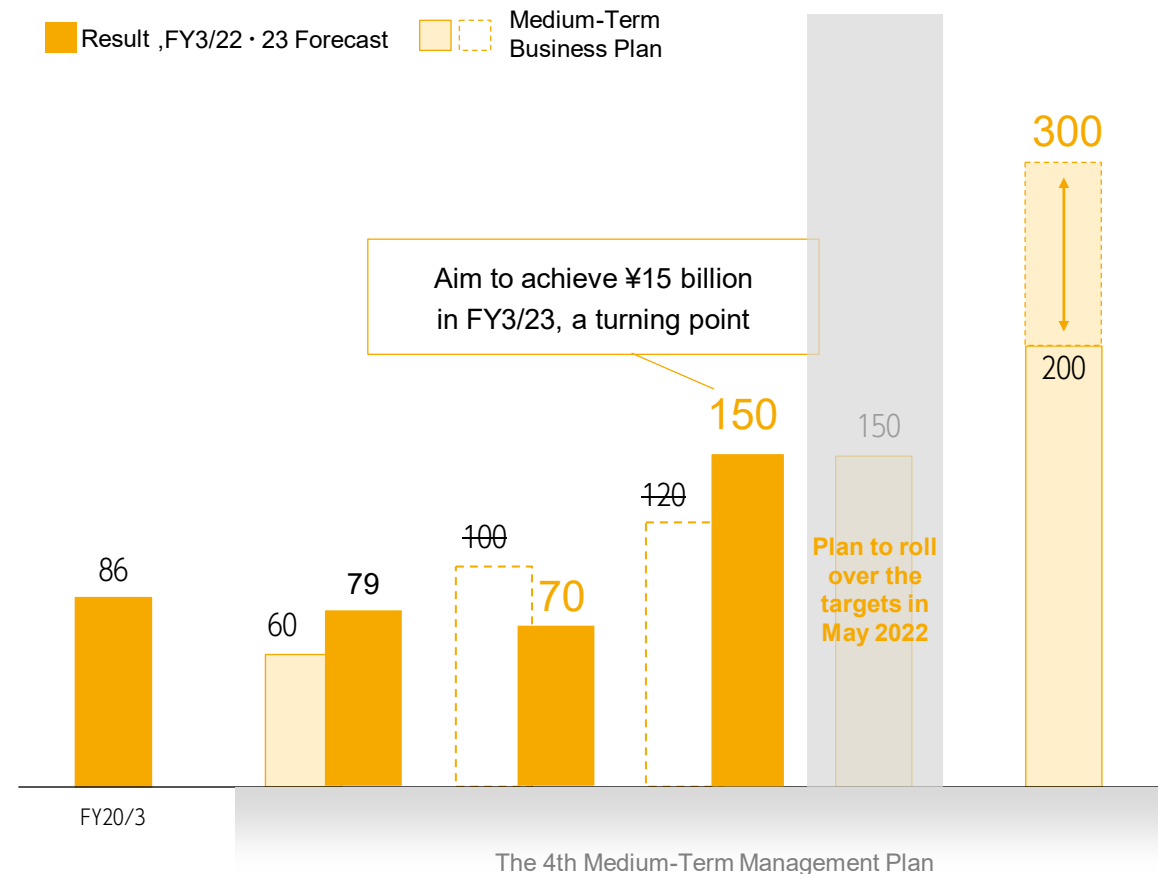
Sales target

(100 million yen)



EBITDA target

(100 million yen)



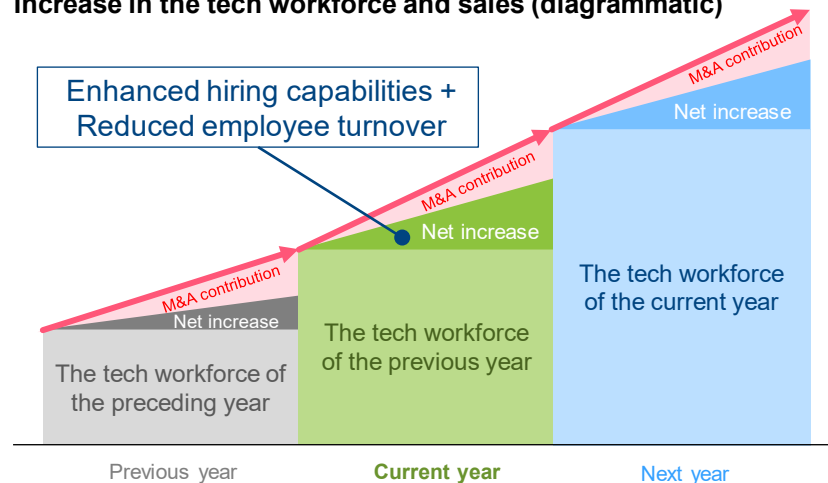
Growth base to ¥15 billion in FY3/23 has been established

Enhance hiring activities toward raising a growth target for early FY3/2023

Maximize the technical workforce by March 2022

- ✓ Continue to strengthen hiring activities as orders remained strong in 2H.
- ✓ Policy to maximize the number of technical employees at the end of FY3/2022 in order to achieve ¥15 billion in EBITDA in FY3/2023.
- ✓ Aim 34,000 tech employees at the end of March 2022

Increase in the tech workforce and sales (diagrammatic)



Promote initiatives aimed at achieving ¥15 billion in EBITDA in FY3/2023

Promote cost-efficiency initiatives

- ✓ Measures to reduce hiring costs and improve efficiency by improving hiring yields.
- ✓ Improve efficiency by reorganizing subsidiaries aimed at appropriate personnel allocation, and by consolidating common indirect functions. (Announced on September 27, 2021)
- ✓ Improve Labor productivity to depress SG&A expenses in FY3/23

1. Progress of the 4th Medium-Term Business Plan(FY3/2021-FY3/2025)

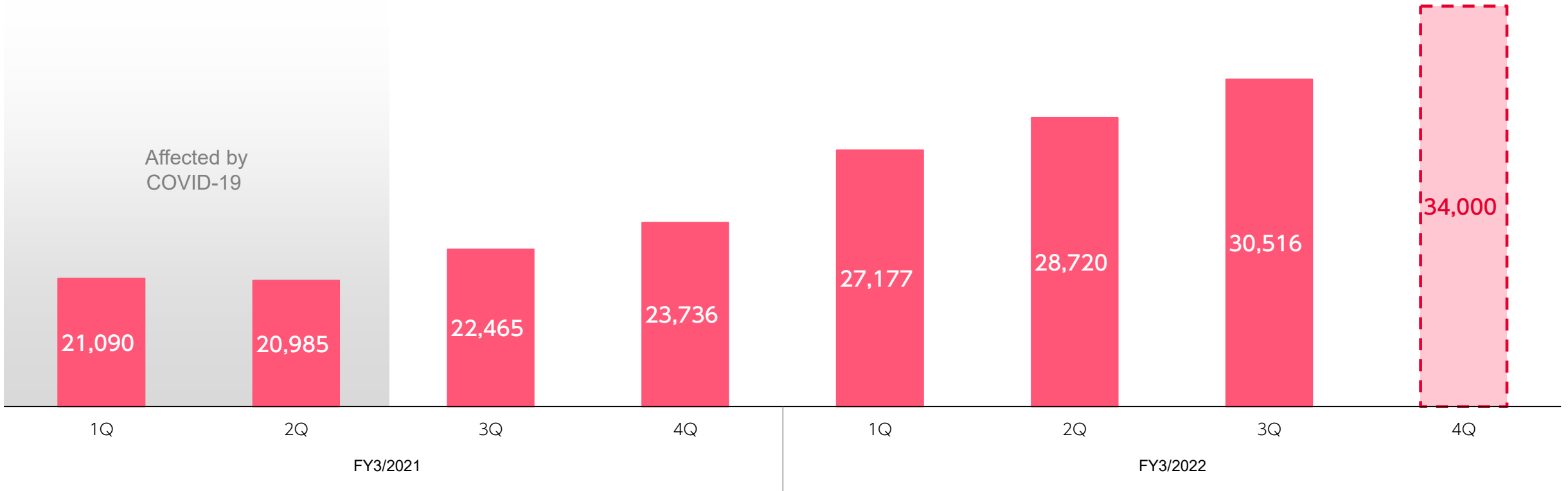
Favorable orders received and hiring.

Aim to maximize the number of technical employees at the end of FY3/2022.

- Decided to continue enhanced hiring, anticipating demand growth in 2H.
- Net increase of 8,051 technical employees from a year ago due to strong demand, particularly in the automotive-related sector.

Number of technical employees (at end of each Q / Domestic business only)

(Person)



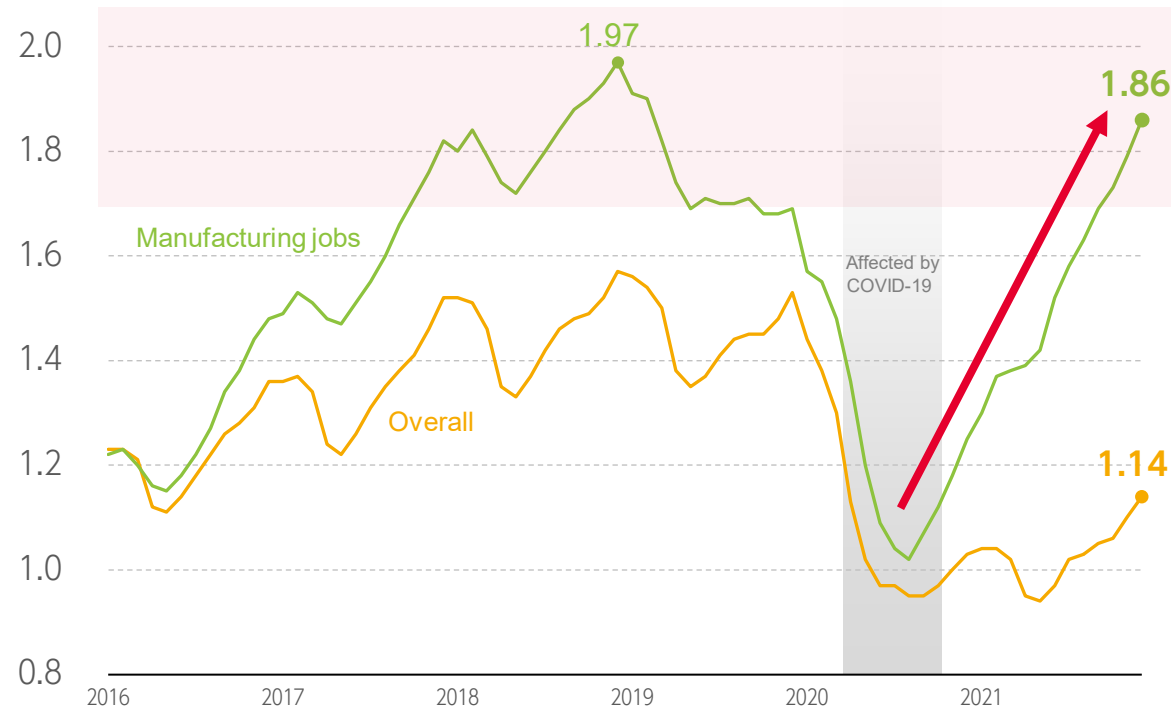
1. Progress of the 4th Medium-Term Business Plan(FY3/2021-FY3/2025)

The tight supply/demand balance in personnel in production processes benefits UT Group's top-line growth

- The jobs-to-applicants ratio for manufacturing jobs surged to the level in 2018 and the supply/demand balance in personnel continues to be tight in manufacturing.
- Enhanced client relationships on the back of a competitive advantage in hiring capability and strived to raise the top line that will serve as a base for the next year's performance.

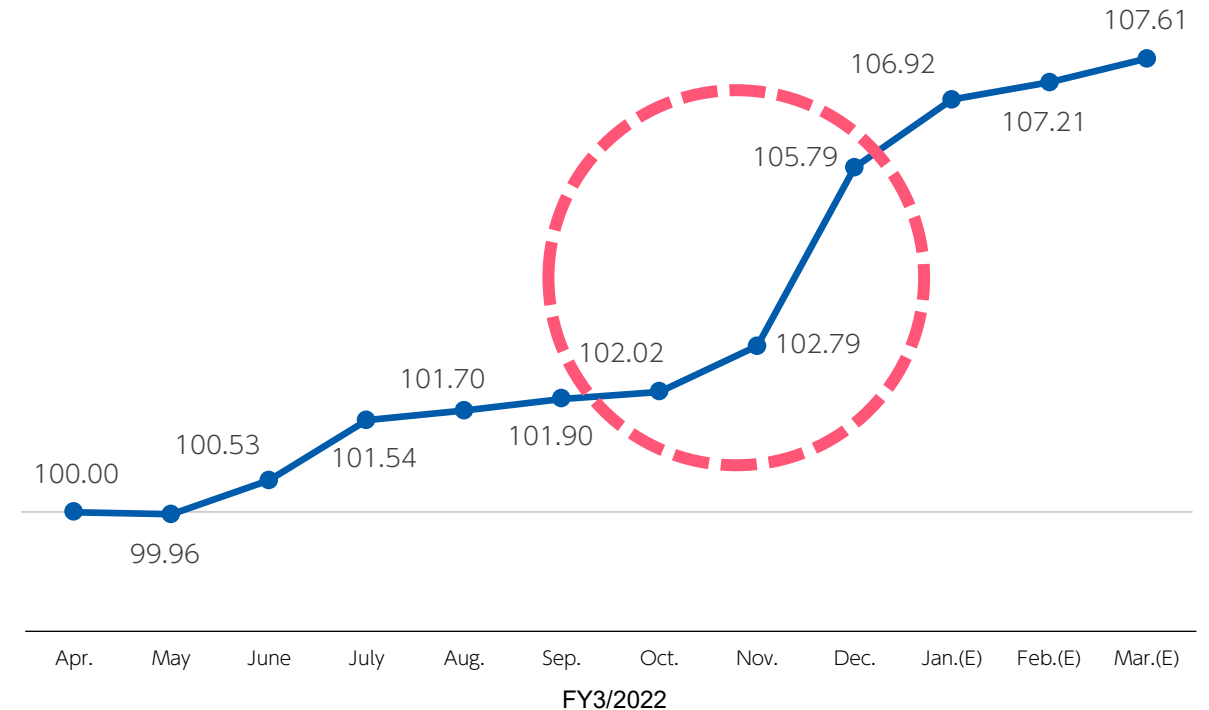
Jobs-to-applicants ratio

(times)



Price per contract in the Manufacturing Business Sector (for large manufacturers)

The index is set at 100 in April 2021

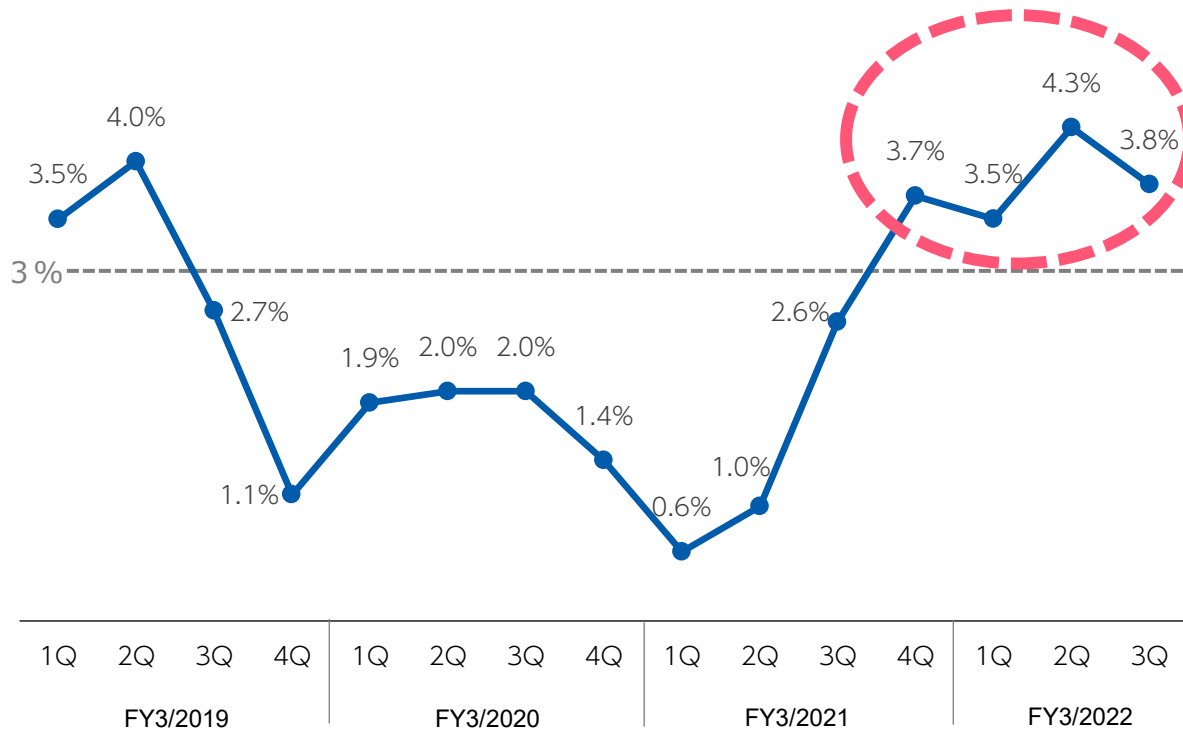


Source: Ministry of Health, Labour and Welfare, The status of general job placements (seasonally adjusted)

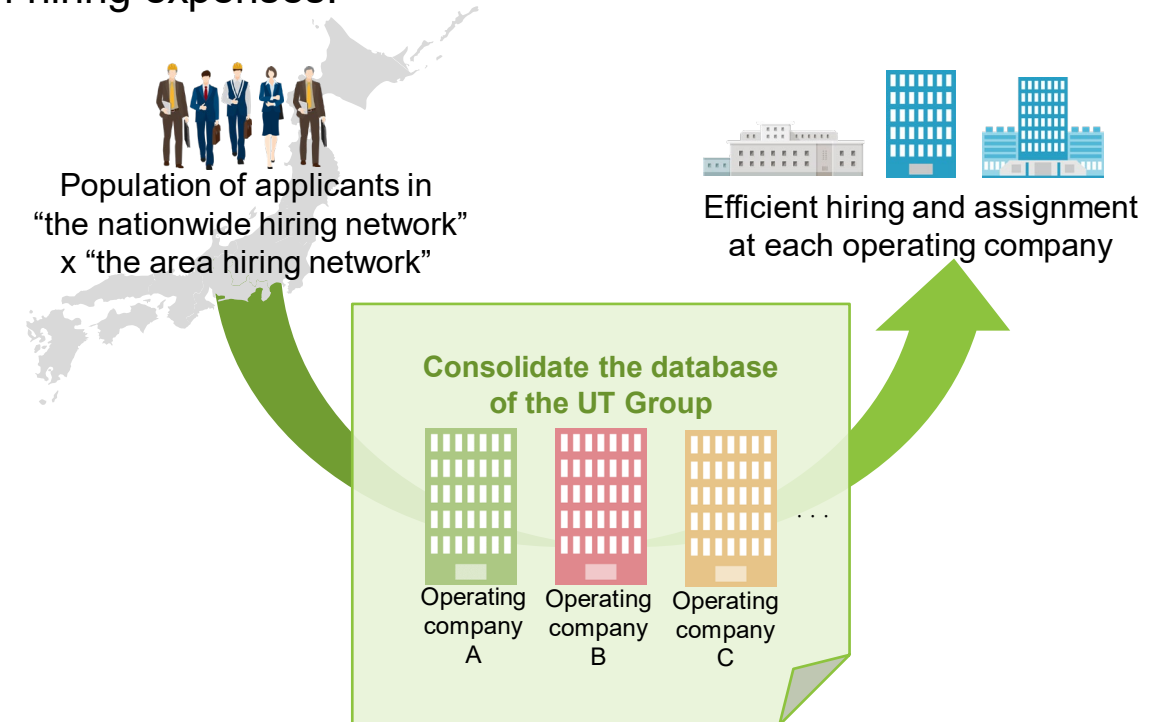
Efforts to improve cost efficiency (hiring expenses)

- Strategically increasing hiring expenses in FY3/2022, but plan to return the ratio of hiring expenses to sales to a normal level in FY3/2023.
- Will consolidate the Group's database to improve the matching accuracy and the hiring yield in FY3/2023.

Ratio of hiring expenses to sales



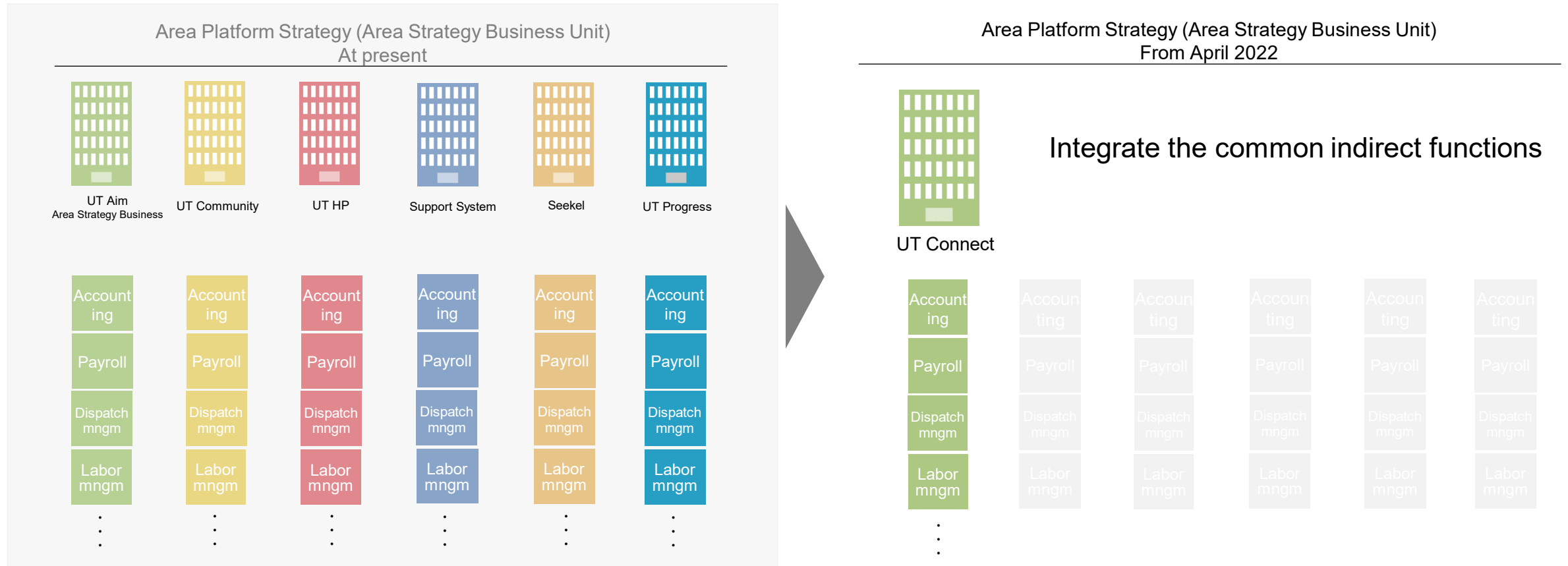
Plan to improve the accuracy of matching applicants with job information and to increase hiring at the normal rate of hiring expenses.



1. Progress of the 4th Medium-Term Business Plan(FY3/2021-FY3/2025)

Efforts to improve cost efficiency (SG&A expenses of the operating companies)

- Plan to reorganize the subsidiaries in April 2022 in order to promote growth strategies for achieving the Fourth Medium-term Business Plan.
- Accelerate the Area Platform Strategy along with the One-stop Strategy for Large Manufacturers.
- Aim to standardize the business infrastructure and improve productivity through integration.



1. Progress of the 4th Medium-Term Business Plan(FY3/2021-FY3/2025)

Approach to the budget for FY3/2023

Direction of the budget for FY3/2023

(Billion yen)

	FY3/2022 Forecasts		FY3/2023 Outlook		Increase	Y-O-Y
	Forecasts	% of sales	Forecasts	% of sales		
Net sales	160	100%	180~200	100%	+20~+40	+12.5%~+25.0%
EBITDA	7	4.4%	15	7~8%	+8	+114.3%

Approach to the budget for FY3/2023

Expected change from
FY3/2022 forecasts

Gross profit	+5~8 billion	<ul style="list-style-type: none"> • Increase gross profit on a sales gain. • Improve gross margin, driven by an increase in unit price per contract.
SG&A expenses	Similar to FY3/2022 ~ Reduction (SG&A expenses % of sales goes down)	<ul style="list-style-type: none"> • Optimize allocation of personnel through reorganization of subsidiaries in April 2022. • Improve labor efficiency by installation of new system and standardizing common functions. • Improvement of hiring efficiency through reorganization of subsidiaries and consolidated database.

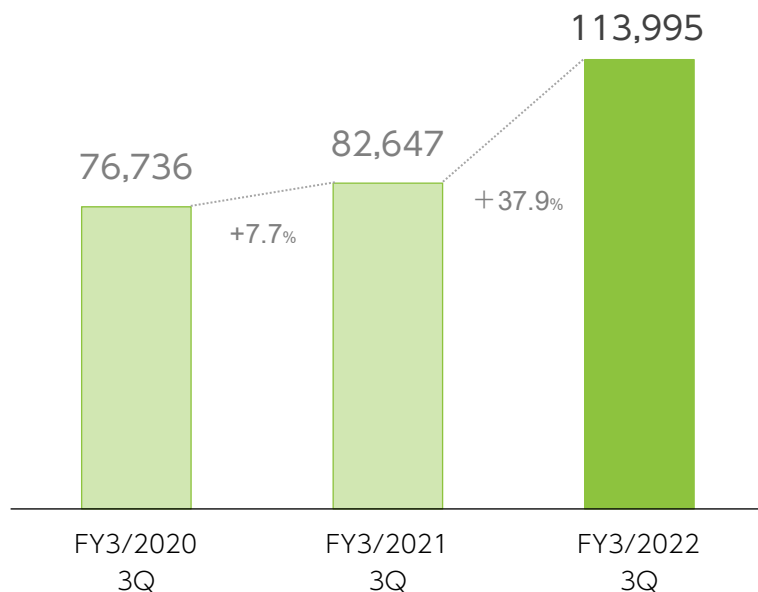
2. Financial Results for 3Q of FY3/2022

Highlights of Consolidated Results

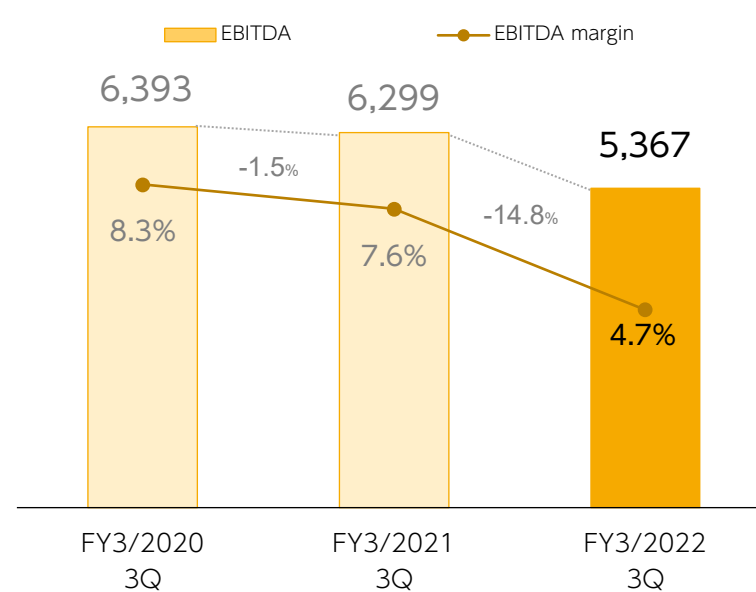
37.9% increase of Net Sales thanks to prompt hiring to meet robust demand and the acquisitions

The number of tech employees increased 8,051 y-o-y, a steady accumulation for making a good start in FY3/2023.

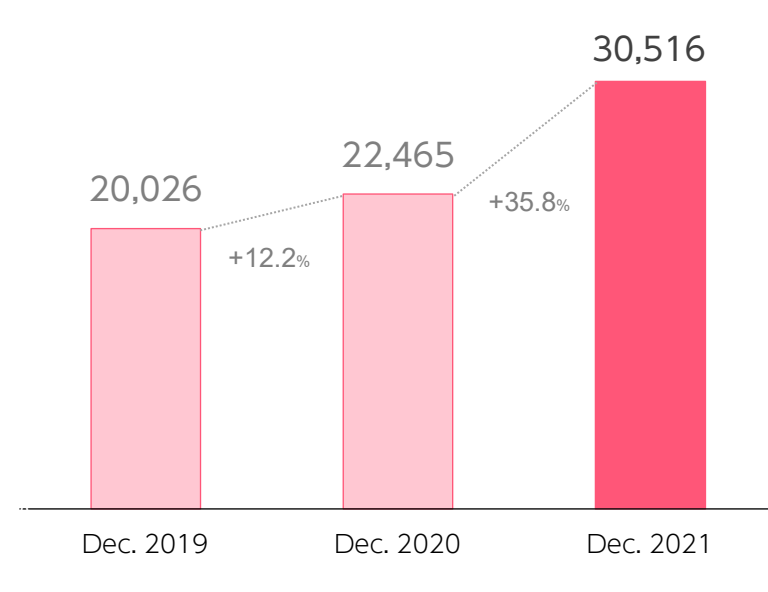
Net sales (Million yen)



EBITDA and EBITDA margin (Million yen)



Number of technical employees (Person)



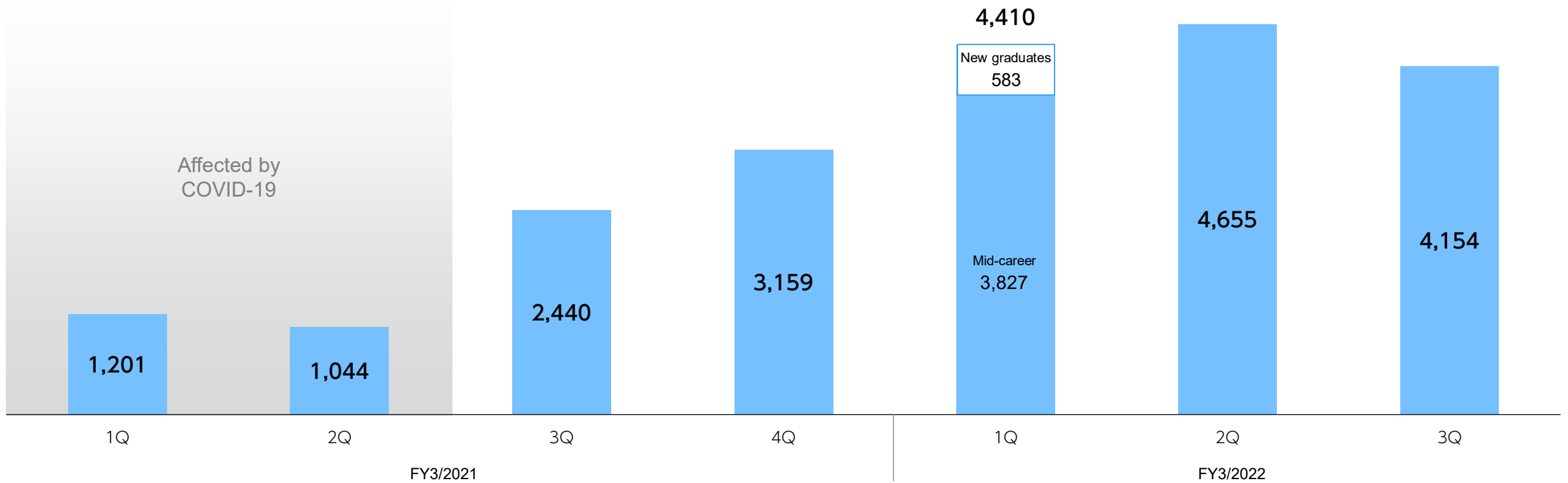
※ Domestic operations only

Fourfold increase of hiring after COVID-19 crisis

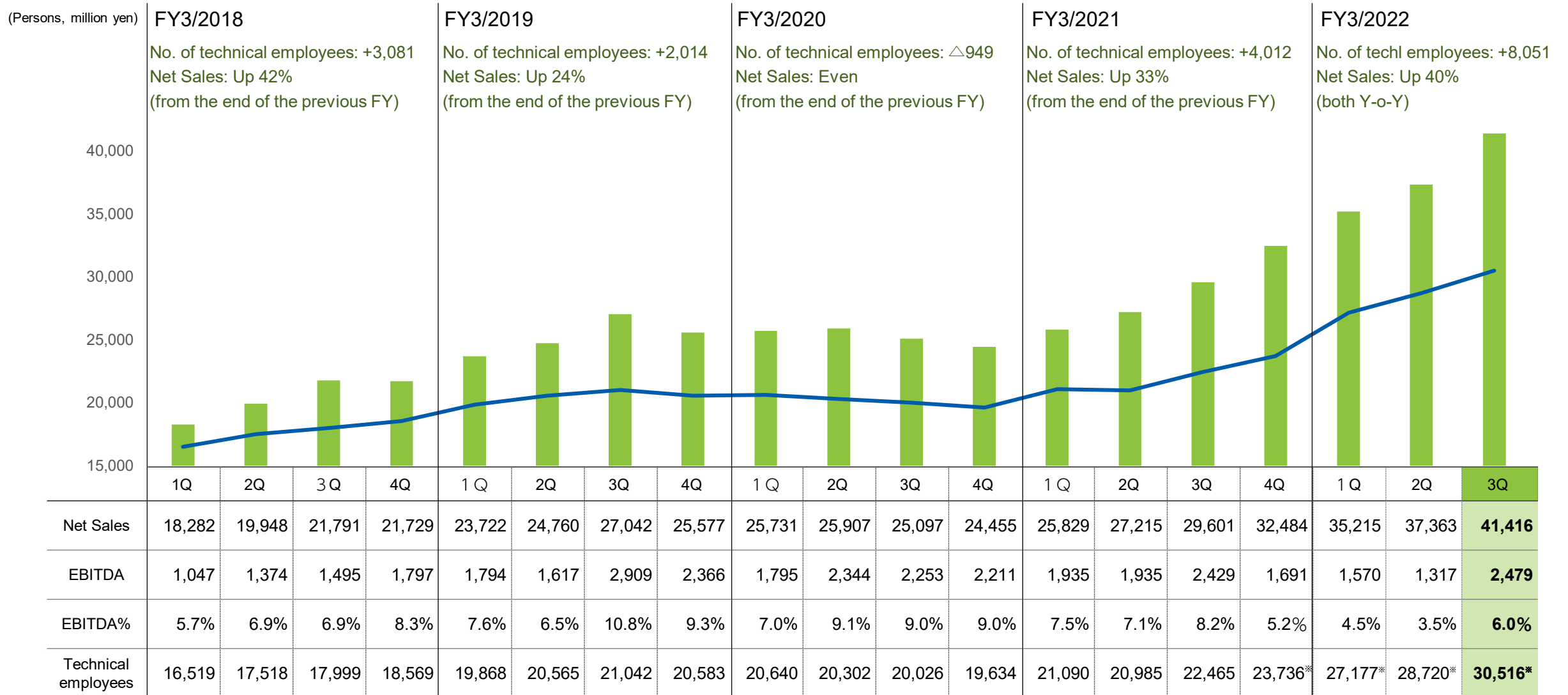
- 3Q hiring: 4,154, Nine months: 13,219
- Strategically increased hiring expenses and improved the hiring process.

Number of new hires (Domestic business)

(Person)



Quarterly Changes in Sales and Number of Technical Employees



※ Domestic operations only
(excluding number of employees in overseas operations)

Summary of Statement of Income

(Million yen)

	FY3/2021 3Q		FY3/2022 3Q		Y-o-Y change	
	Results	% to net sales	Results	% to net sales	Amount	%
Net sales	82,647	100.0%	113,995	100.0%	+31,348	+37.9%
Gross profit	15,703	19.0%	20,253	17.8%	+4,550	+29.0%
SG&A expenses	9,975	12.1%	15,810	13.9%	+5,835	+58.5%
Operating profit	5,728	6.9%	4,443	3.9%	-1,285	-22.4%
EBITDA	6,299	7.6%	5,367	4.7%	-931	-14.8%
Ordinary profit	5,745	7.0%	4,424	3.9%	-1,321	-23.0%
Net profit attributable to UT Group	3,734	4.5%	1,846	1.6%	-1,887	-50.5%
Technical employees(Persons) ※	22,465	—	30,516	—	+8,051	+35.8%

※ Domestic operations only
(excluding number of employees in overseas operations)

Sales

- Renewed record-high quarterly sales (¥41.4 billion) .
- Significant net increase in the number of tech employees in both the automotive-related sector and the semiconductors and electronic components sector. The newly-consolidated companies (see P42-43) also contributed to an increase in sales.

Gross margin

- Acquisitions resulted in operations with a different earnings model, which reduced the gross margin
- Gross margin improved to 18.8% in 3Q due to the increase in contract unit prices, more than offsetting the increase in hiring expenses.

Operating profit and EBITDA

- Enhancement of hiring activities resulted in a temporary decrease in profit margins, but the EBITDA margin rose to 6.0% in 3Q.

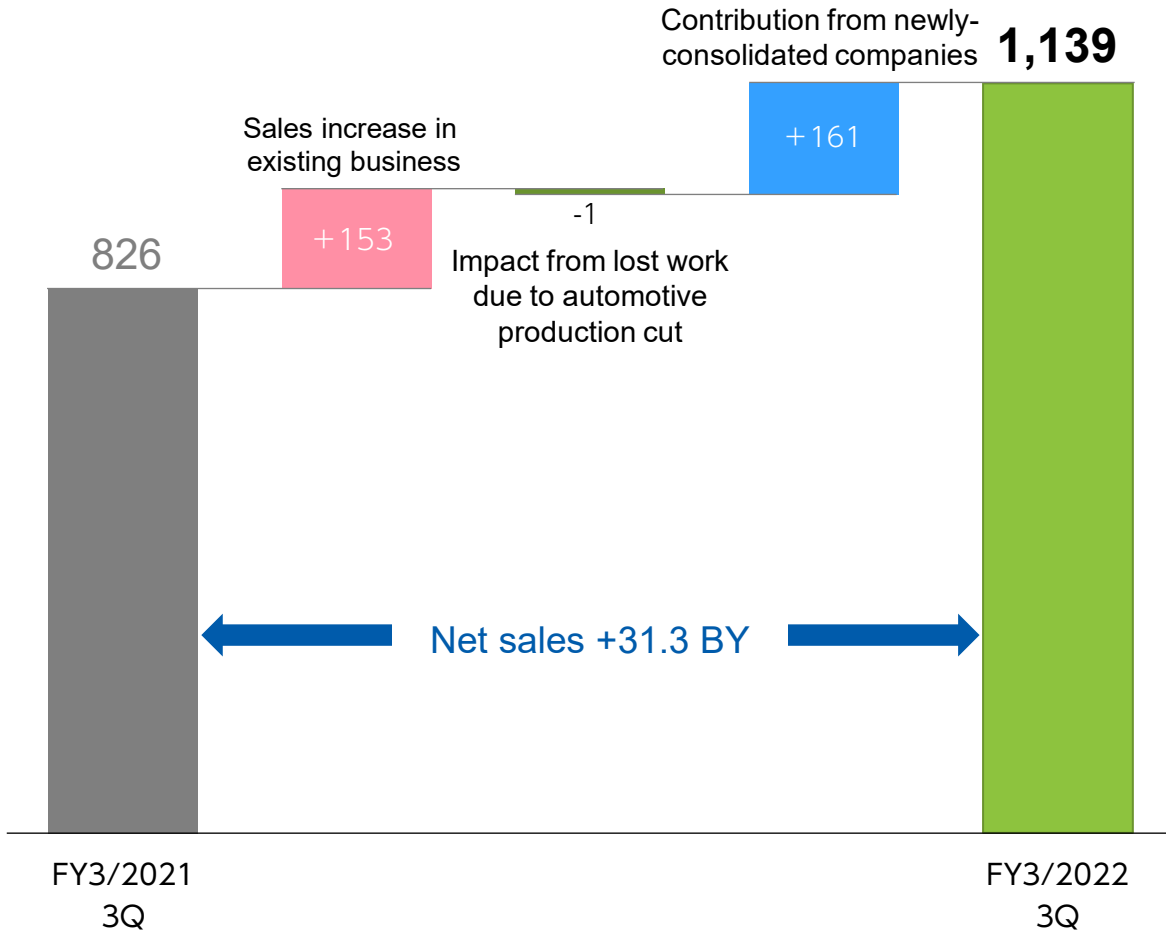
Extraordinary profit/loss

- An extraordinary loss was recorded due to a partial delay in the posting of acquisition expenses for newly-consolidated companies (SURI-EMU), which were acquired in two batches in 2H FY3/2021 and 1H FY3/2022.

Analysis of Consolidated Net sales

Net sales

(100 million yen)

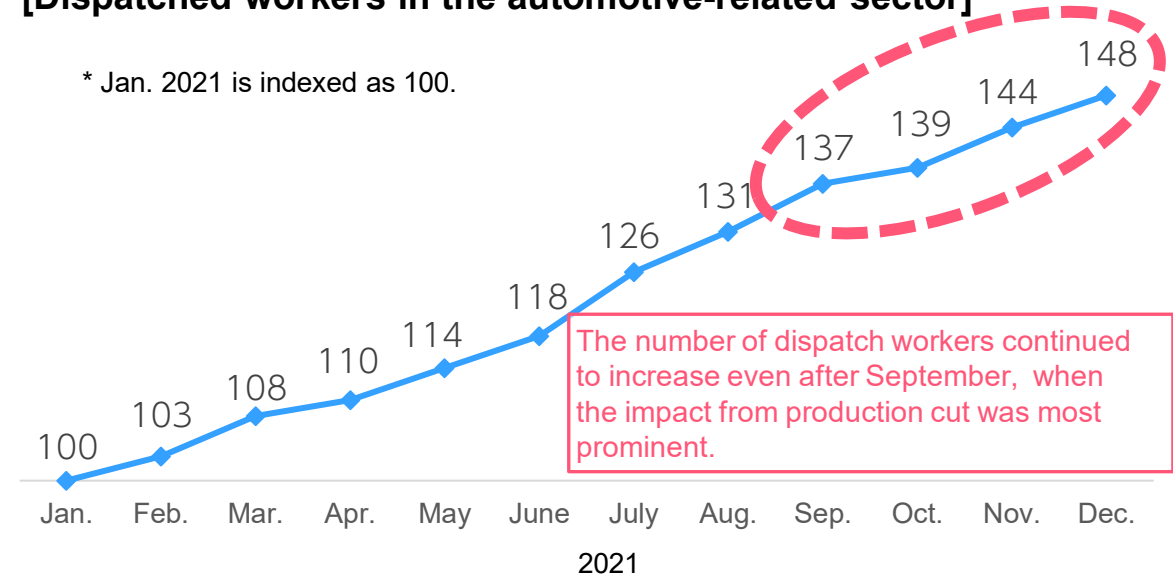


Impact from lost work due to production cut in automobiles

- A shortage in components caused by the lockdown in some ASEAN countries and the global shortage of semiconductors led to production adjustment in the automotive industry. However, due to a strong final demand for automobiles, automakers have dealt the issue with temporary shutdown or transfer of working days.
- The working hours such as overtime hours slightly decreased but the number of workers has not been reduced.
- Favorable orders for dispatch workers have continued and the number of dispatch workers in the automotive sector has increased due to the tight personnel demand in production processes.

[Dispatched workers in the automotive-related sector]

* Jan. 2021 is indexed as 100.

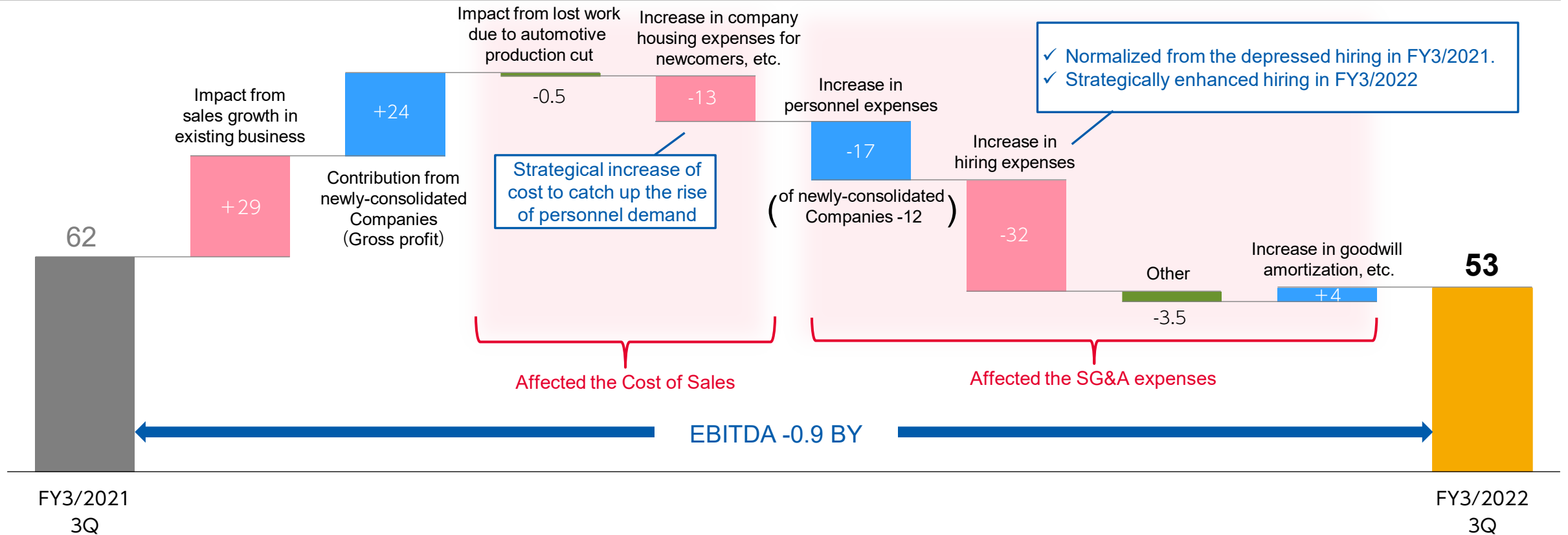


Analysis of Consolidated EBITDA

- Increase in costs through strategic investment (hiring activities and M&A) to increase share at the recovery phase of the shrunk dispatch market
- Controlled hiring expenses in line with the change in orders.

EBITDA

(100 million yen)



Summary of Balance Sheet

(Million yen)

	March 31, 2021		December 31, 2021		Change from the end of the previous FY	
	Results	% to net sales	Results	% to net sales	Amount	%
Current assets	43,979	83.5%	41,387	74.9%	-2,592	-5.9%
Cash and deposits	25,266	48.0%	18,537	33.5%	-6,729	-26.6%
Notes and accounts receivable – trade	16,762	31.8%	20,296	36.7%	+3,533	+21.1%
Non-current assets	8,687	16.5%	13,872	25.1%	+5,184	+59.7%
Property, plant and equipment	464	0.9%	1,395	2.5%	+931	+200.6%
Intangible assets	5,541	10.5%	9,142	16.5%	+3,600	+65.0%
Goodwill	4,005	7.6%	5,928	10.7%	+1,923	+48.0%
Investments and other assets	2,681	5.1%	3,334	6.0%	+652	+24.3%
Total assets	52,666	100.0%	55,259	100.0%	+2,592	+4.9%
Current liabilities	22,564	42.8%	26,215	47.4%	+3,651	+16.2%
Short-term borrowings and Current portion of long-term borrowings	2,520	4.8%	2,481	4.5%	-38	-1.5%
Current liabilities	9,904	18.8%	9,240	16.7%	-663	-6.7%
Long-term borrowings	9,163	17.4%	7,804	14.1%	-1,358	-14.8%
Net assets	20,198	38.4%	19,803	35.8%	-395	-2.0%
Shareholders' equity	19,116	36.3%	18,298	33.1%	-817	-4.3%
Total liabilities and net assets	52,666	100.0%	55,259	100.0%	+2,592	+4.9%
Gross debt/equity ratio	0.61	—	0.56	—	—	—

Current assets

- Cash and deposits decreased mainly due to dividend payment, despite an increase in notes and accounts receivable – trade.

Non-current assets

- Goodwill, other intangible fixed assets, deferred tax assets, and investment securities increased due to the acquisitions

Current liabilities

- Provision for bonuses decreased while accrued expenses and accounts payable - other increased.

Non-current liabilities

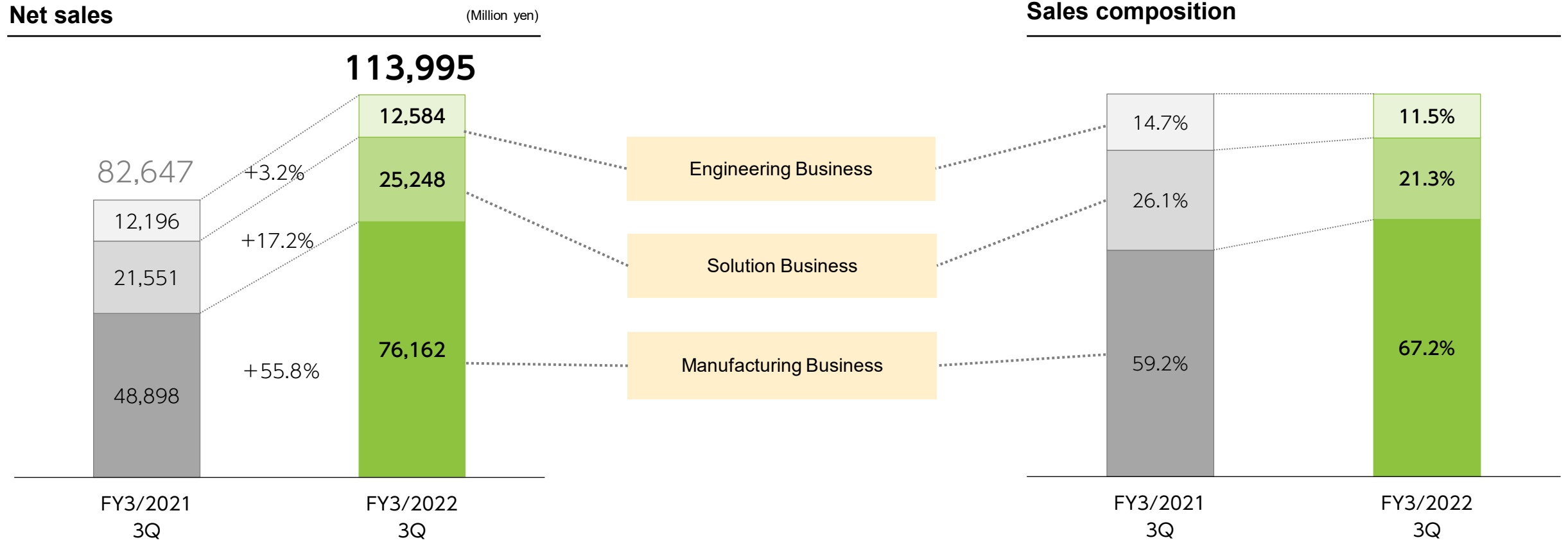
- Long-term loans payable decreased while deferred tax liabilities increased.

Net assets

- Net assets decreased due to the dividend payment from earnings surplus.

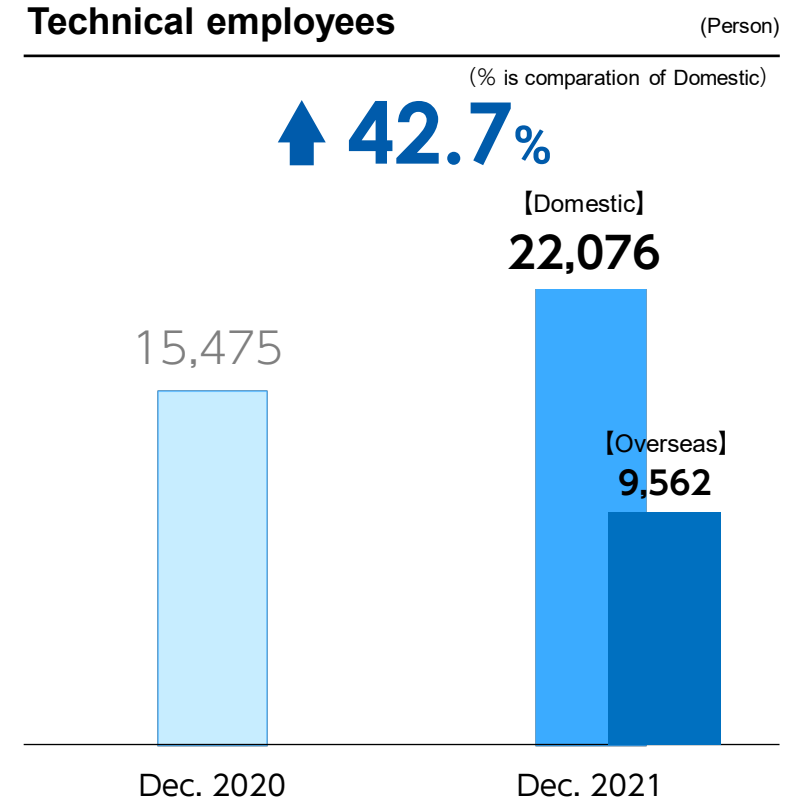
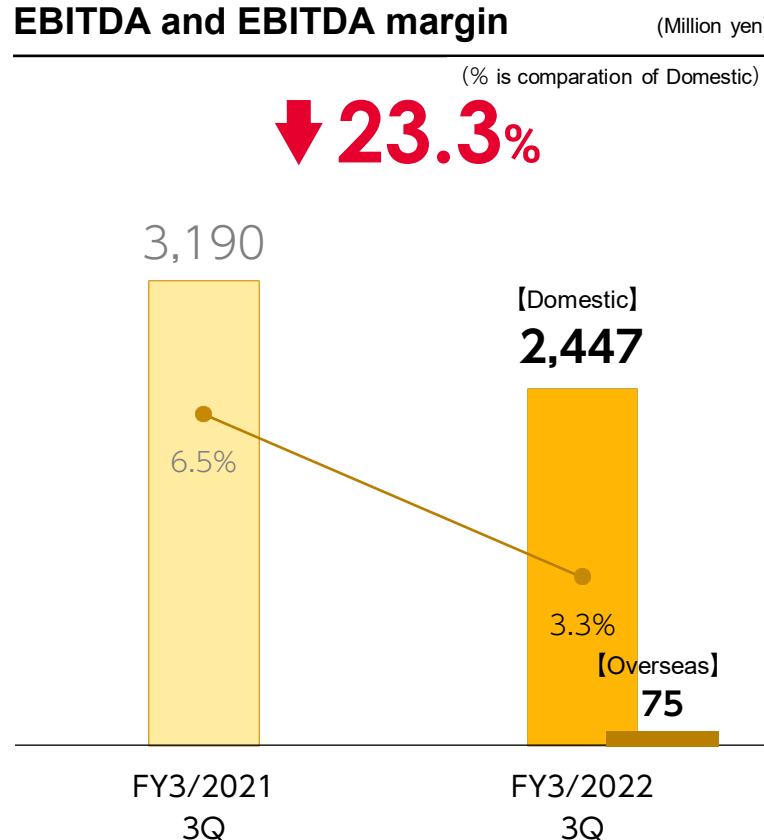
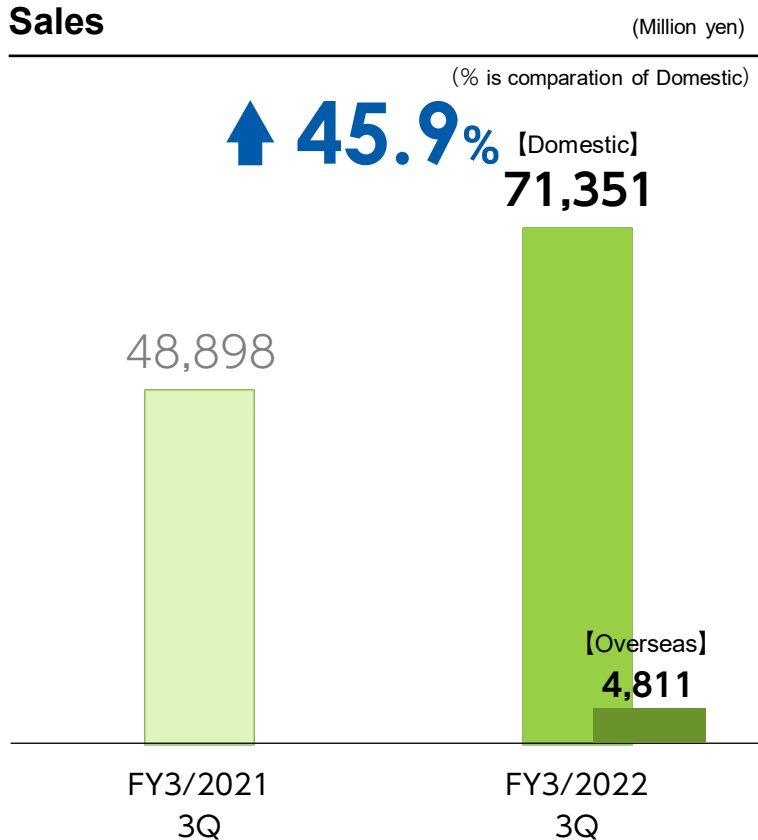
Results by Segment: Net Sales and Sales Composition

- Net Sales increased in all business segments.
- Manufacturing Business sharply increased sales by 55.8% y-o-y mainly due to growth in the automotive sector.



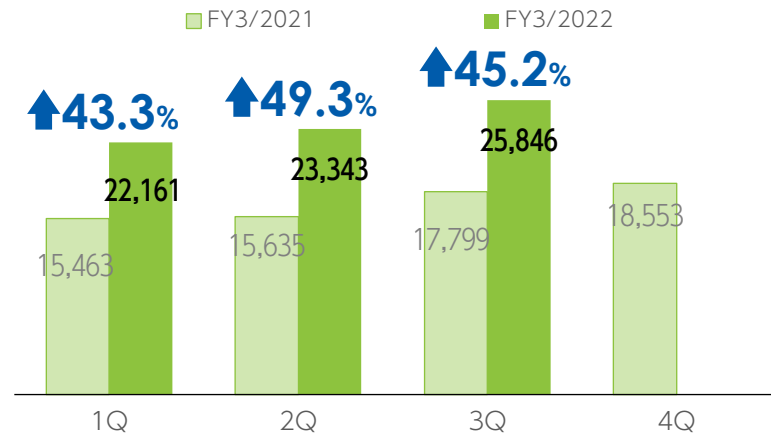
Manufacturing Business (Domestic and Overseas)

- Sharply increased sales due to growth in the automotive as well as the semiconductor and electronic parts sectors and contribution from newly-consolidated companies.
- Strategically increased hiring-related expenses and focused on maximizing the number of new hires, in order to boost efforts aimed at share expansion.

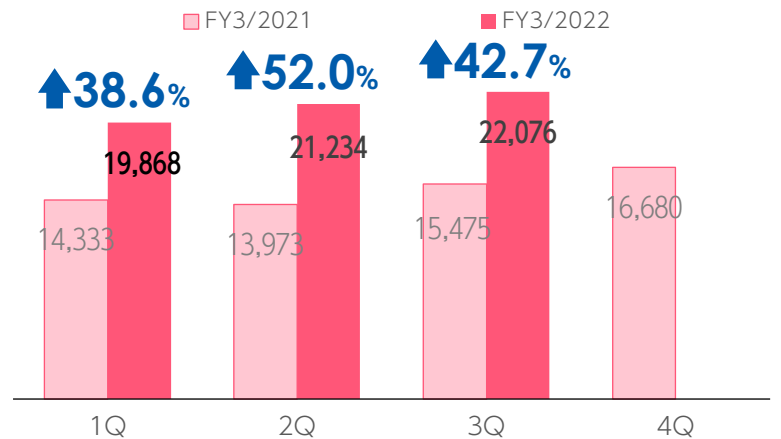


Manufacturing Business (Domestic and Overseas)

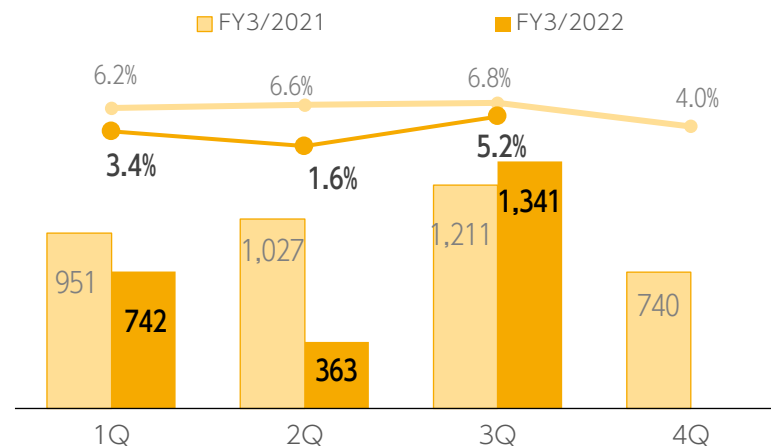
Sales (Million yen)



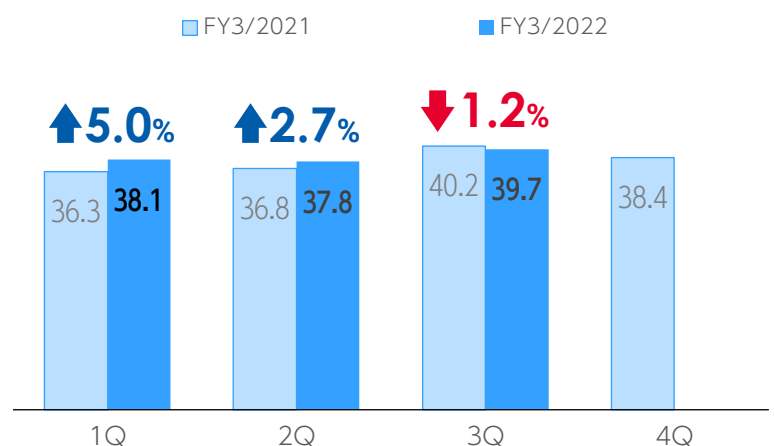
Technical employees (Person)



EBITDA and EBITDA margin (Million yen)



Monthly sales per capita (Ten thousand yen)



Sales and technical employees

- Net y-o-y increase of 6,601 employees due to enhanced hiring activities and the acquisitions.
- Organic growth and the acquisitions led to a significant growth in sales.

EBITDA

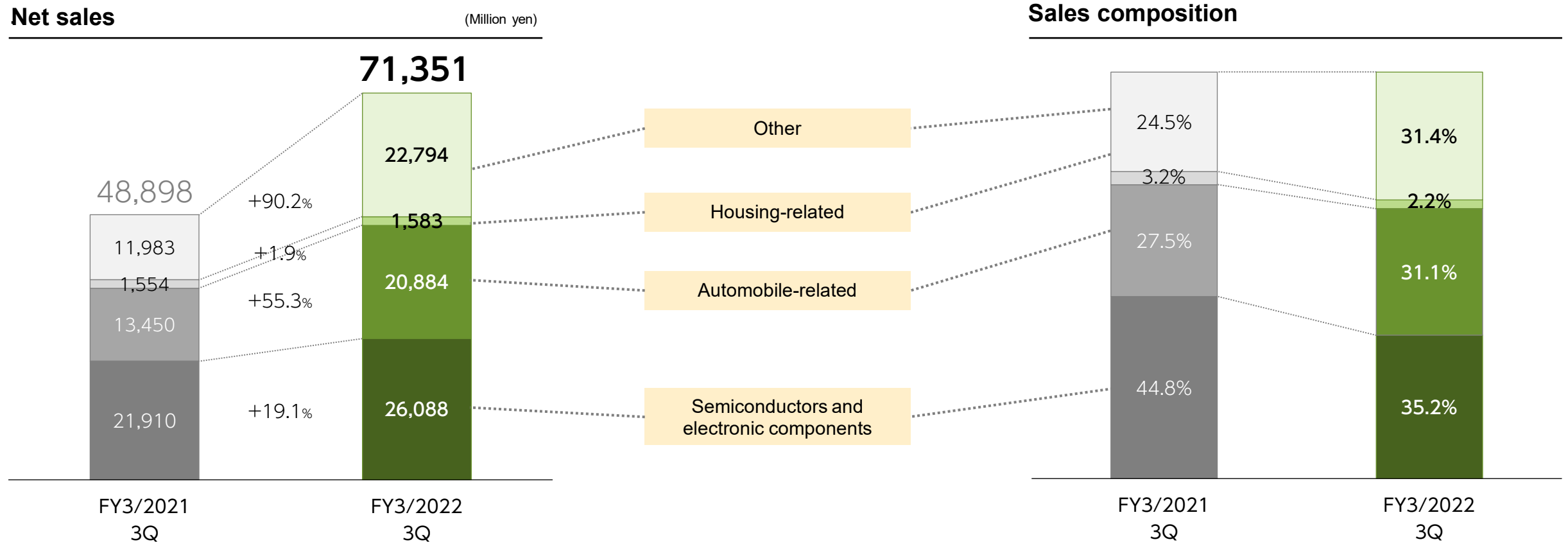
- EBITDA increased due to an increase in gross profit despite a temporary increase in hiring expenses caused by enhanced hiring activities.
- The Manufacturing Business segment roughly accounted for ¥3.7 billion of ¥4.4 billion in total hiring expenses (consolidated).

Monthly sales per capita

- Monthly sales per employee decreased as the suspension of some automotive production lines resulted in no increase in operating days and hours which more than offset contributions by the increase in major high-unit-price orders and by the increase in contract unit price in the automotive and semiconductors and electronic components sectors.

Manufacturing Business: Sales by Sector (excl. overseas business)

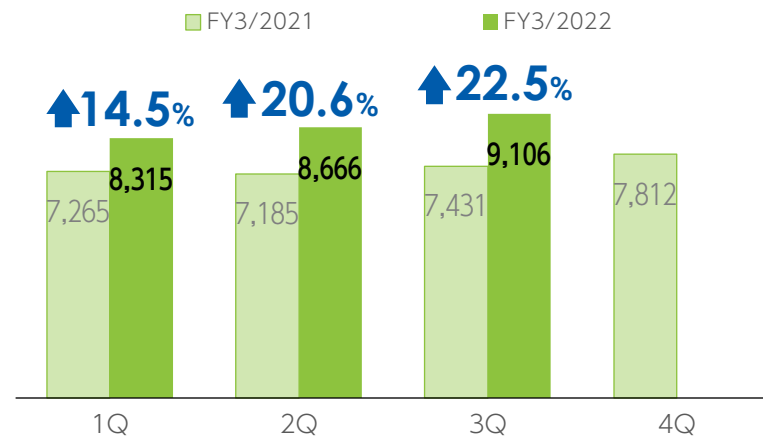
- Net Sales increased in all sectors.
- Orders received were favorable in the semiconductors and electronic components sector thanks to growth in demand for semiconductors.
- Automobile-related sector considerably increased Net sales despite impact from lost work due to automotive production cut



Manufacturing Business: Sales by Sector (excl. overseas business)

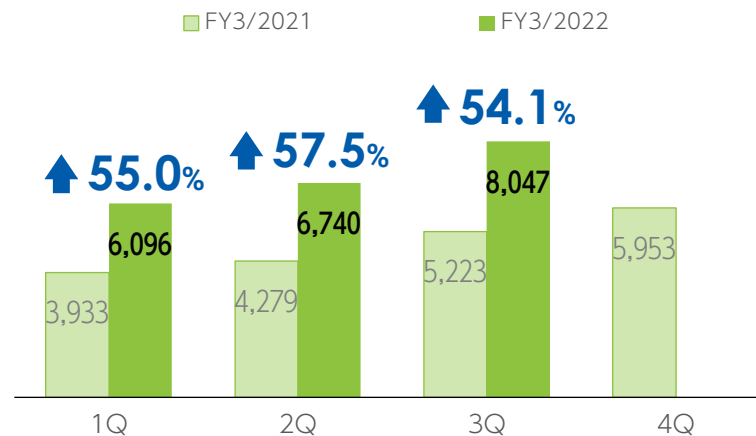
Semiconductors and electronic components

(Million yen)



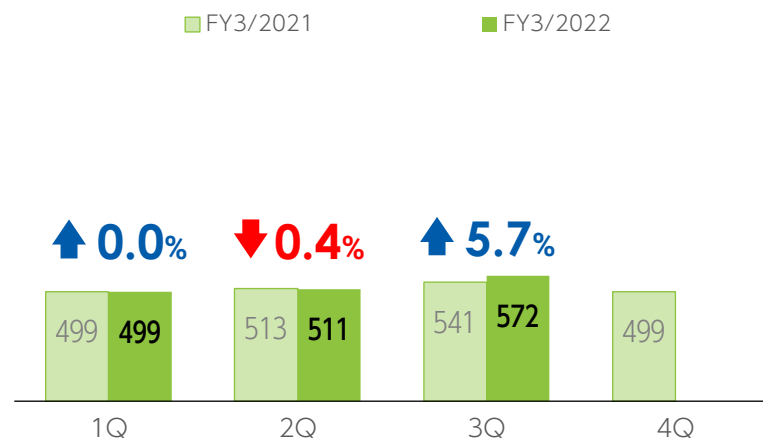
Automobile-related

(Million yen)



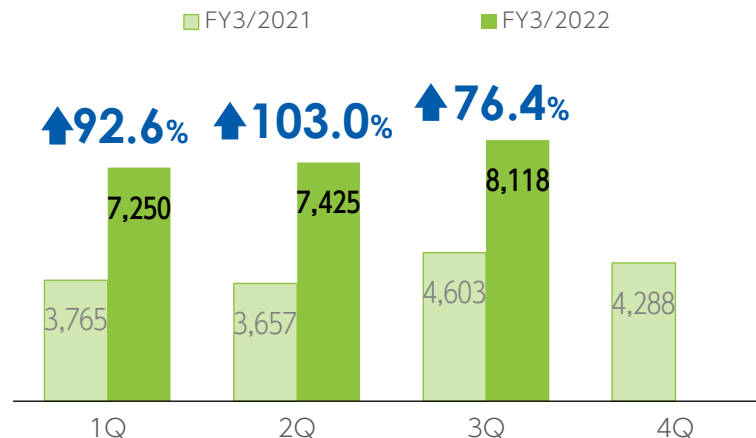
Housing-related

(Million yen)



Other

(Million yen)



Semiconductors and electronic components

- Sales increased mainly for semiconductor manufacturing equipment and semiconductors.

Automobile-related

- Sales increased 19.4% q-o-q. Quarterly sales in the automotive-related sector were the highest.

- The automobile-related sector increased sales, thanks to a significant increase in workers despite decreases in the number of operating days and overtime hours due to the impact from continual production adjustment.

Other

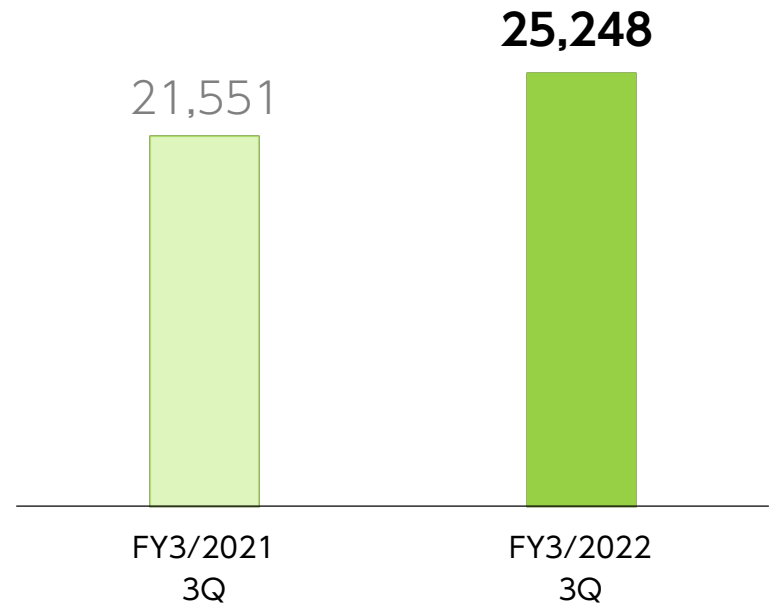
- This sector increased sales due to positive contribution by newly-consolidated Seekel, Progress Group, and SURI-EMU based on the Area Platform Strategy.

Solution Business

- An In-house Solution® (outsourced work and transfer of employees) project of a large corporate group began in July 2021.
- UT FSAS Creative (formerly Fujitsu FSAS Creative) was newly consolidated from October 2021.
- Hiring activities were enhanced as personnel demand was strong despite some impact from the shortage in semiconductors and component procurement.

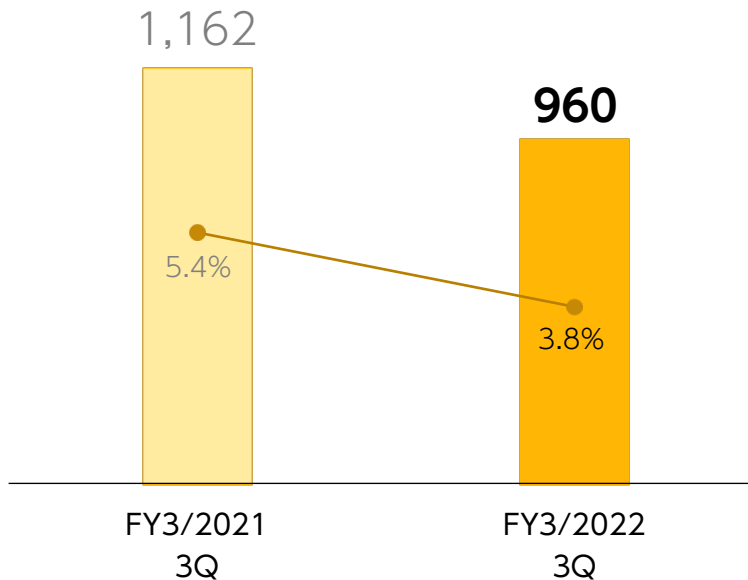
Sales (Million yen)

↑ 17.2%



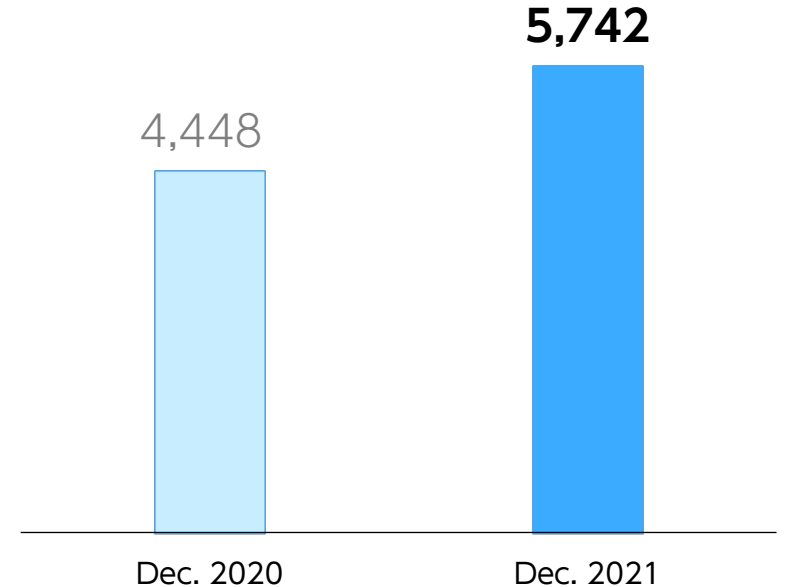
EBITDA and EBITDA margin (Million yen)

↓ 17.4%



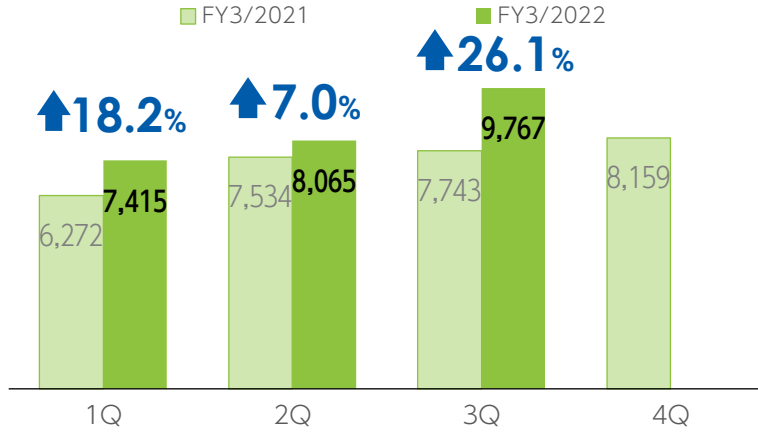
Technical employees (Person)

↑ 29.1%

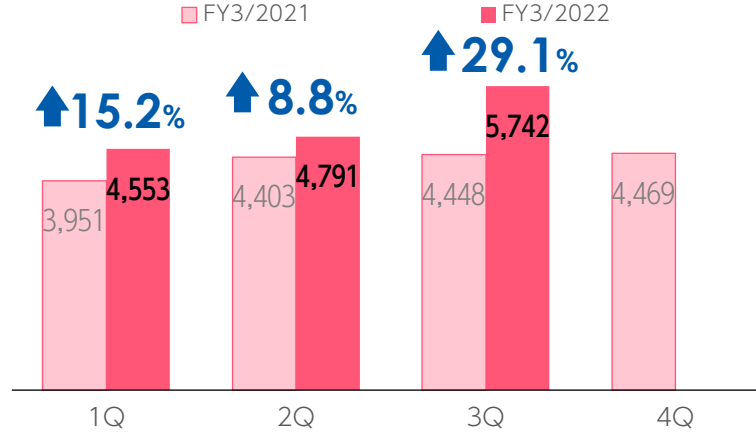


Solution Business

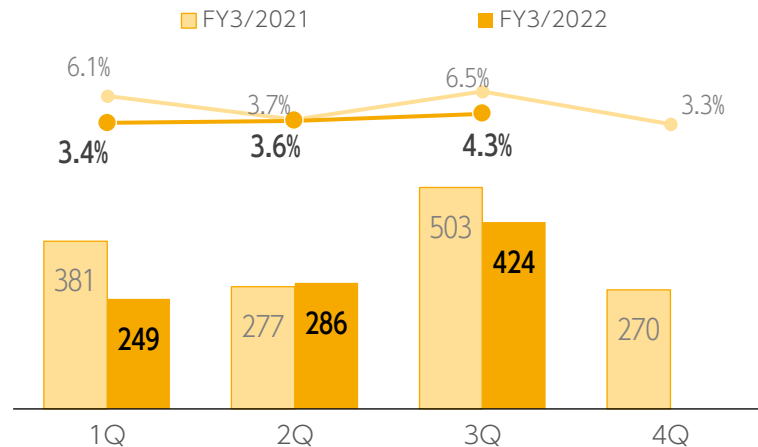
Sales (Million yen)



Technical employees (Person)



EBITDA and EBITDA margin (Million yen)



Sales and technical employees

- The new In-house Solution® project began in July 2021 and a newly-consolidated company contributed from October 2021.
- The existing business by operating companies increased sales and the number of tech employees on a net basis.

EBITDA

- Hiring activities were enhanced as personnel demand was strong
- The EBITDA margin temporarily declined y-o-y due to an addition of an operating company.

Progress in Solution Strategy. A new company was consolidated in October.

- Newly consolidated a personnel dispatch company of the Fujitsu FSAS Group in October 2021.
- Further strengthen the relationship with with the Fujitsu Group, together with the existing Fujitsu UT Co., Ltd.

Newly Consolidated Company

UT FSAS Creative Inc.

(Consolidated in Oct., 2021)

※former Fujitsu FSAS Creative Inc.

Ownership: UT Group 51%, Fujitsu FSAS 49%

- Worker dispatch and outsourced operations and help desks and support desks of system management
- Main customers: Fujitsu Group and Fujitsu FSAS Group
- Approximately 900 employees (December 31, 2021)

Existing Business Company

Fujitsu UT Co., Ltd.

(Consolidated in Apr., 2018)

※former Fujitsu Aprico Limited.

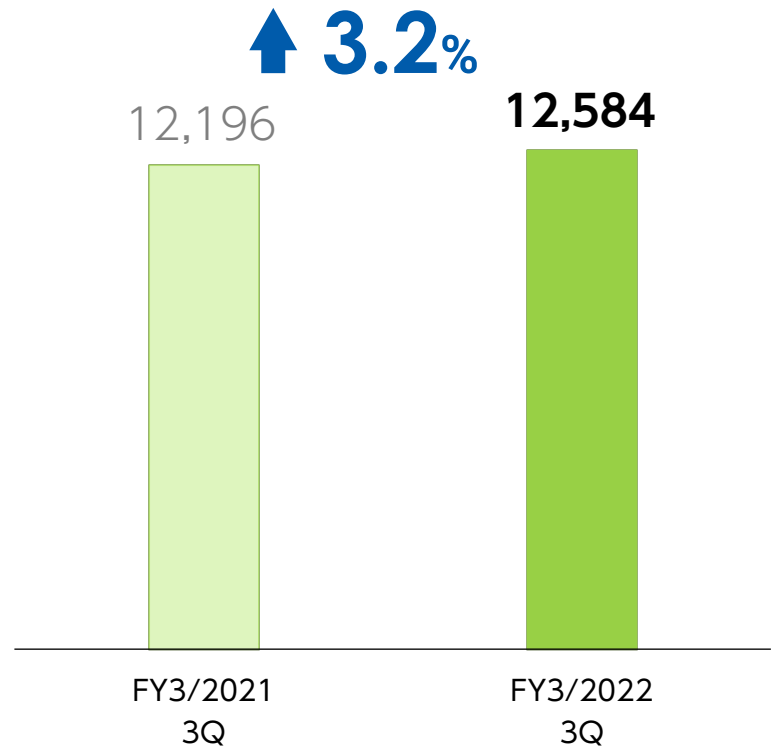
Ownership: UT Group 51%, Fujitsu FSAS 49%

- General worker dispatch and outsourced work business
- Approximately 700 employees (December 31, 2021)

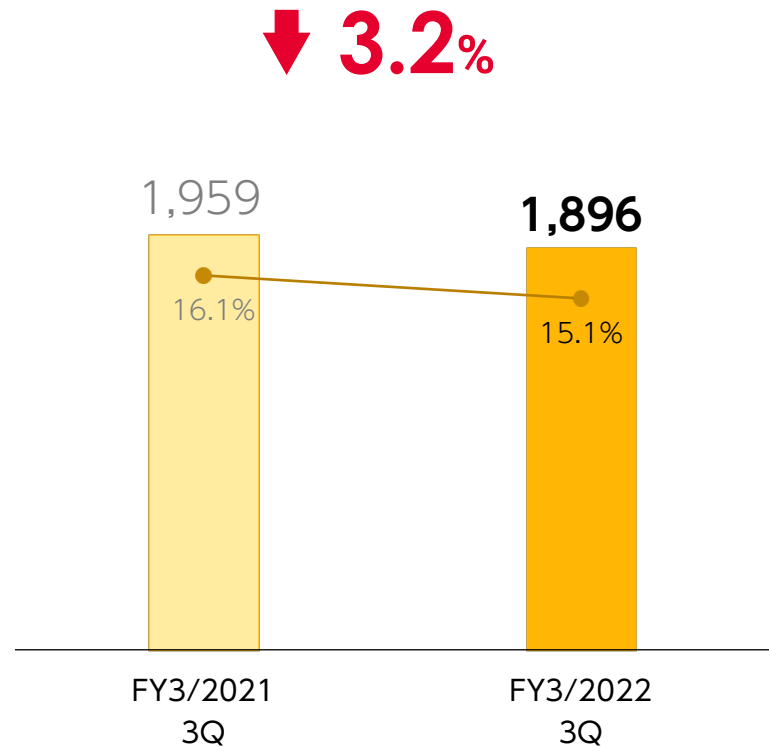
Engineering Business

- The EBITDA margin stayed at a high level thanks to the improvement in operations encompassing hiring to assignment.
- Sales increased due to an increase in engineers in design and manufacturing, and construction.

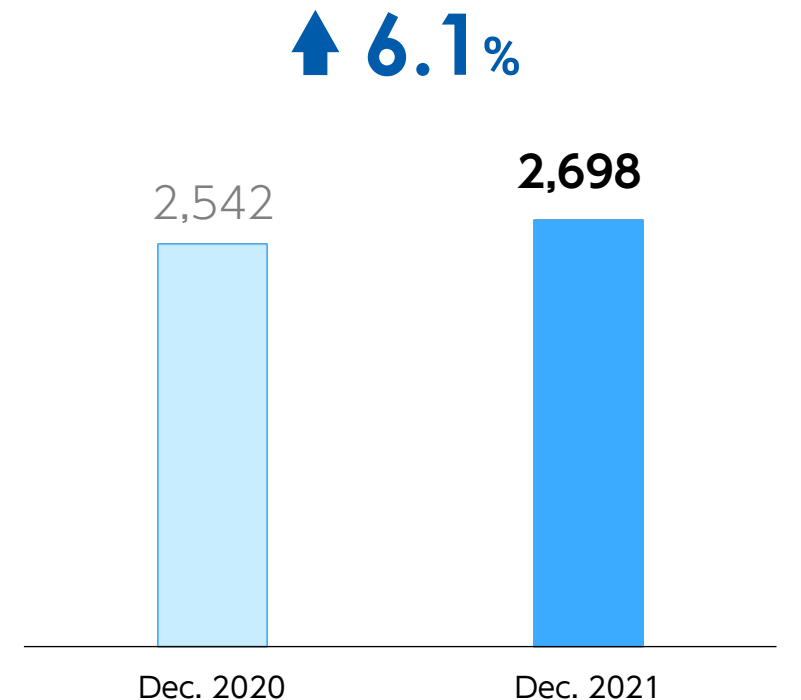
Sales (Million yen)



EBITDA and EBITDA margin (Million yen)



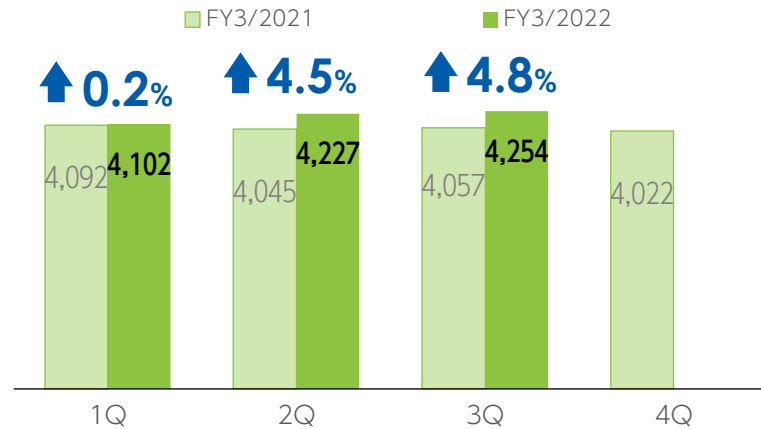
Technical employees (Person)



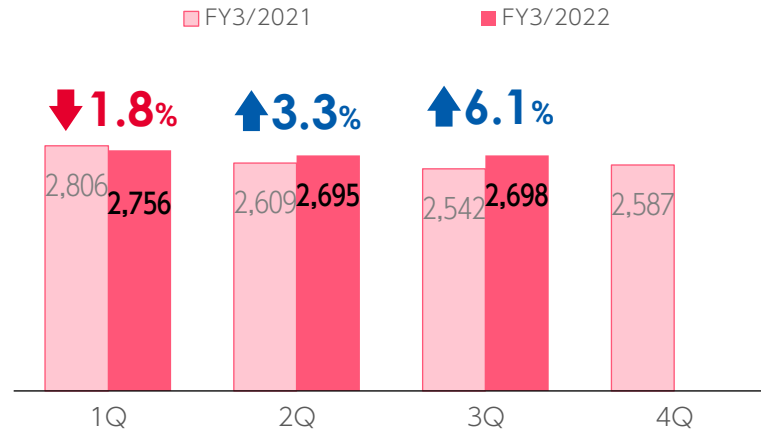
2. Financial Results for 3Q of FY3/2022

Engineering Business

Sales (Million yen)



Technical employees (Person)



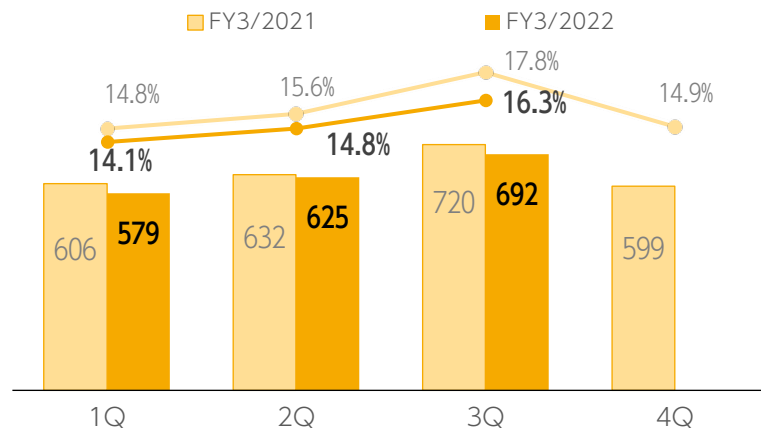
Sales and technical employees

- A net y-o-y increase in the number of tech employees for the two consecutive quarters.
- Sales increased due to an increase in engineers in design and manufacturing, and construction.

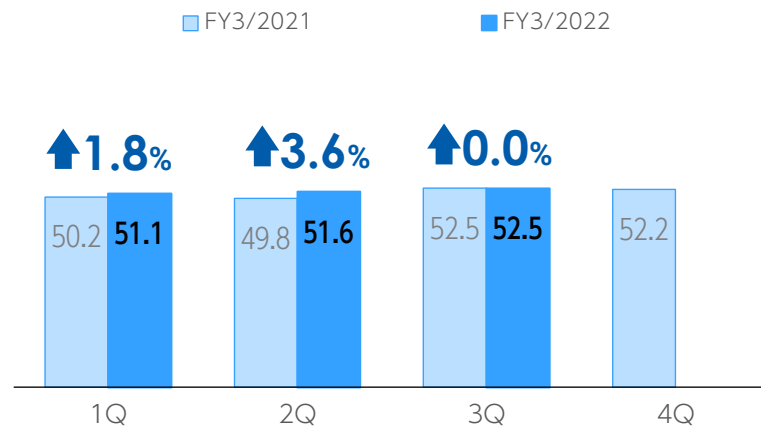
EBITDA

- The EBITDA margin stayed at a high level, as a high operating rate was maintained.

EBITDA and EBITDA margin (Million yen)

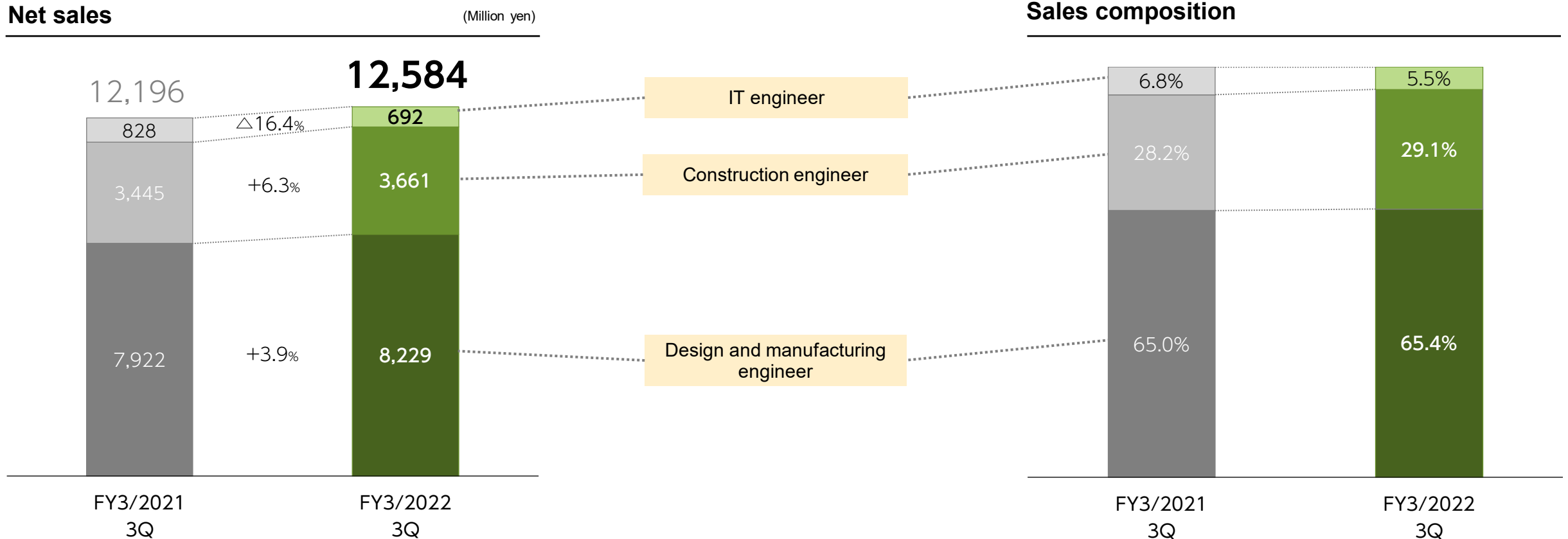


Monthly sales per capita (Ten thousand yen)



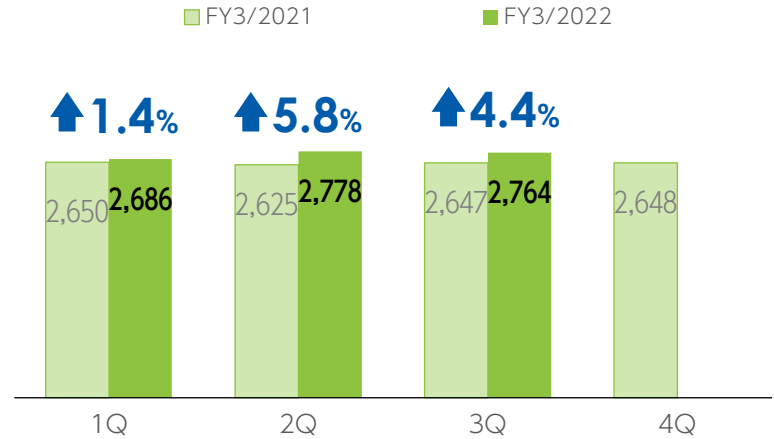
Engineering Business: Sales by Sector

- In the design and manufacturing engineer sector, personnel demand was robust for semiconductor manufacturing equipment engineers which complement the Manufacturing Business.
- Demand for construction engineers increased mainly in the equipment and plant sector.

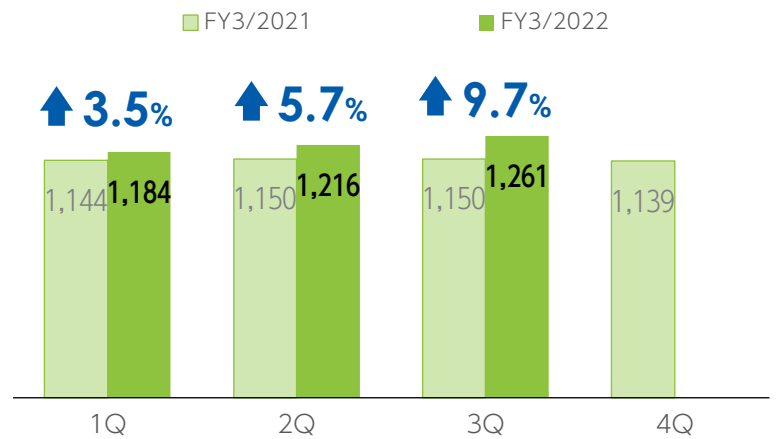


Engineering Business: Sales by Sector

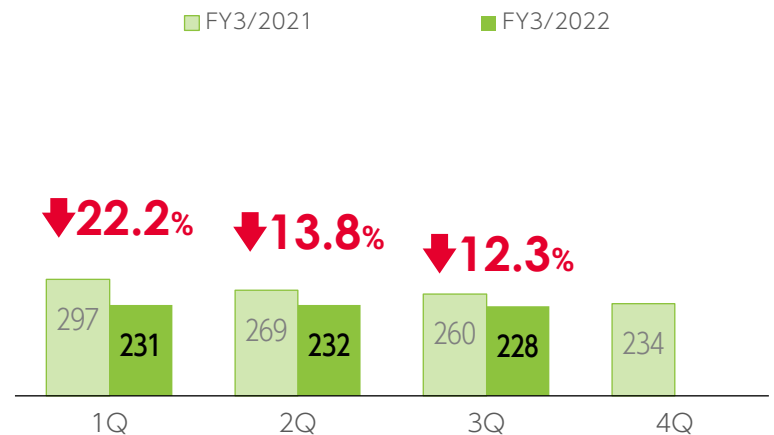
Design and manufacturing engineer (Million yen)



Construction engineer (Million yen)



IT engineer (Million yen)



Design and manufacturing engineer sector

- Personnel demand, mainly of semiconductor manufacturing equipment engineers, was robust.

Construction engineer sector

- Personnel demand increased mainly in the equipment and plant sector.
- The operating rate was improved due to earlier fixing of assignment from hiring for new hires

IT engineer sector

- The impact of a sale of business was completed and the sector promoted to be prepared for achieving profitability growth going forward.

3. FY3/2022 Earnings Forecasts and Outlook

3. FY3/2022 Earnings Forecasts and Outlook

Revision of consolidated results forecast for FY3/2022 (As of Nov. 5, 2021) ※Repost

- Upward revision to the sales forecast due to UT Group's continued focus on increasing its market share in 2H
- Downward revision to the profit forecast due to UT Group's decision to continue strategic hiring-related expenses in 2H, in response to robust demand
- Significantly increase the top line by maximizing the technical workforce by March 2022.

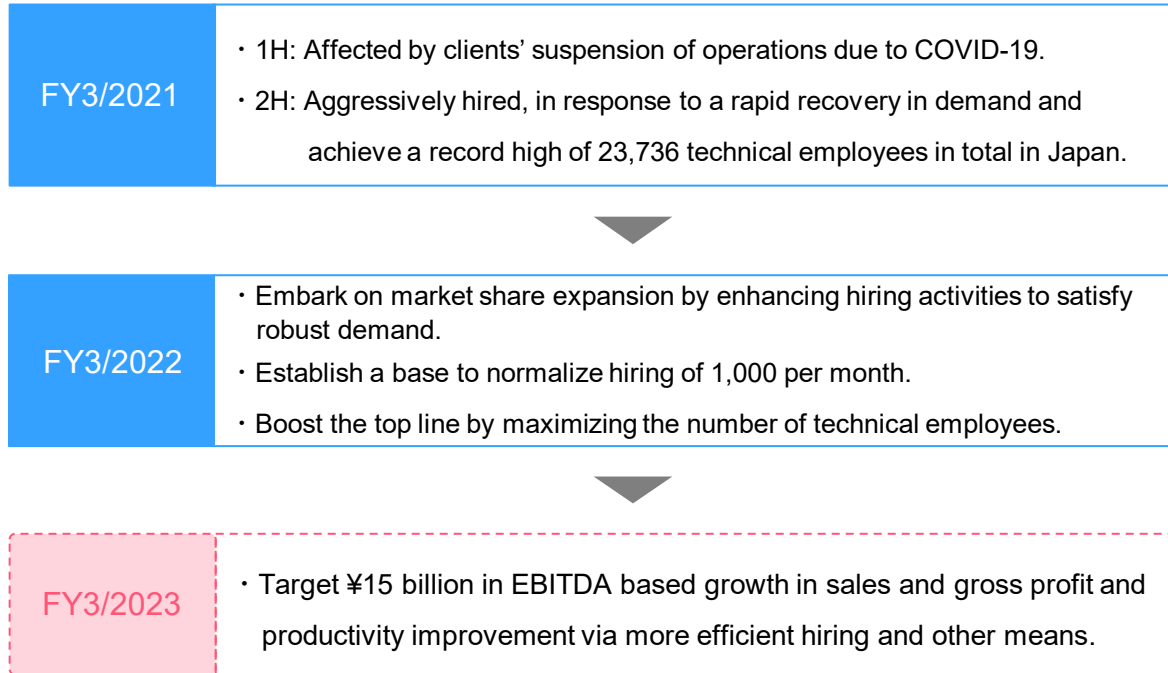
(100 million yen)

	Previous forecast (A)		Revised forecast(B)		Increase/ decrease (B - A)	Change	Results for FY3/2021	
	Forecasts	% to net sales	Forecasts	% to net sales			Results	% to net sales
Net sales	1,500	100%	1,600	100%	+100	+6.7%	1,151	100%
EBITDA	90	6.0%	70	4.4%	-20	-22.2%	79	6.9%
Operating profit	80	5.3%	60	3.8%	-20	-25.0%	71	6.2%
Ordinary profit	80	5.3%	60	3.8%	-20	-25.0%	71	6.2%
Net profit attributable to UT Group	48	3.2%	34	2.1%	-14	-29.2%	42	3.7%
EPS (yen)	118.92	—	84.24	—	-34.68	—	106.53	—

Management Policy for FY3/2022 (As of Nov. 5, 2021) ※repost

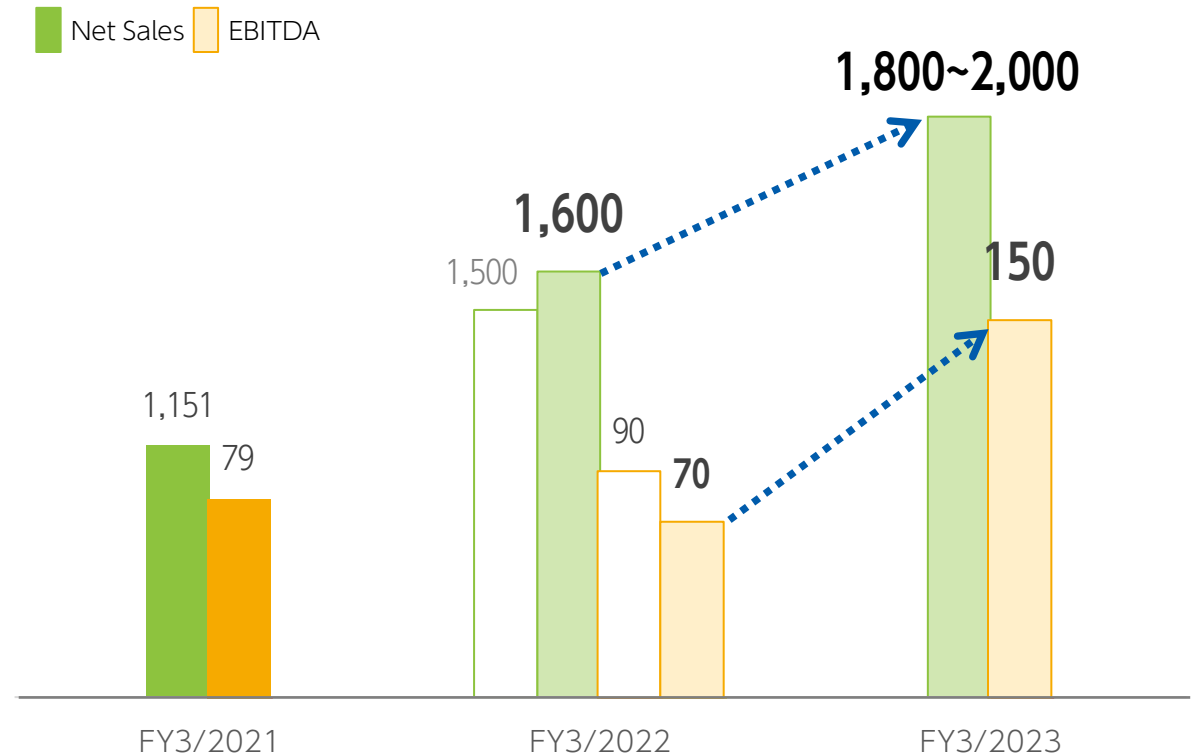
- Employment-related expenses, which were heavily allocated in 1H, will continue to be injected in 2H to strengthen hiring activities, in response to strong personnel demand.
- Changed the plan to maximize the number of technical employees by year-end in order to achieve ¥15 billion EBITDA in FY3/2023. Raised the sales targets and increased hiring budget.
- Upward revision to a year-end target in the number of technical employees to 34,000.

Policies and measures



Forecasts for sales and EBITDA

(100 million yen)



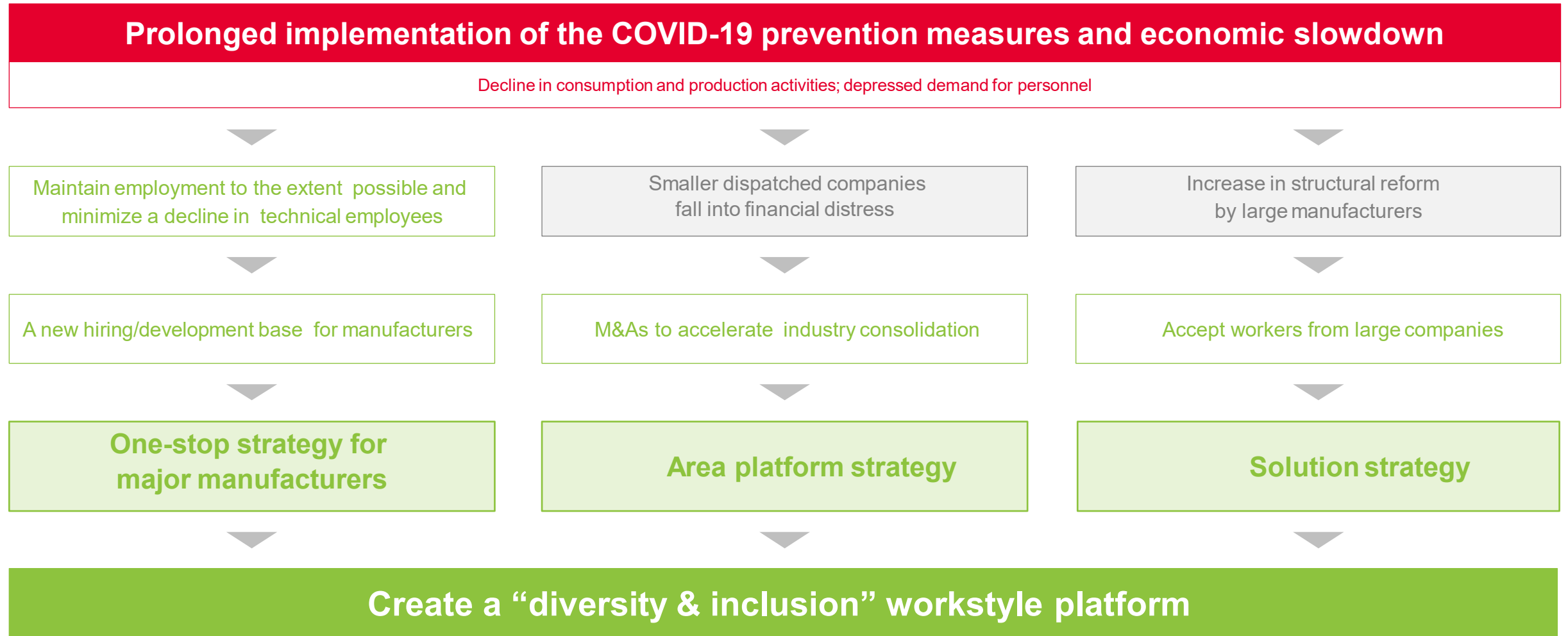
4. The 4th Medium-Term Business Plan (Repost)

Medium-term business objective

Create a “diversity & inclusion” workstyle platform

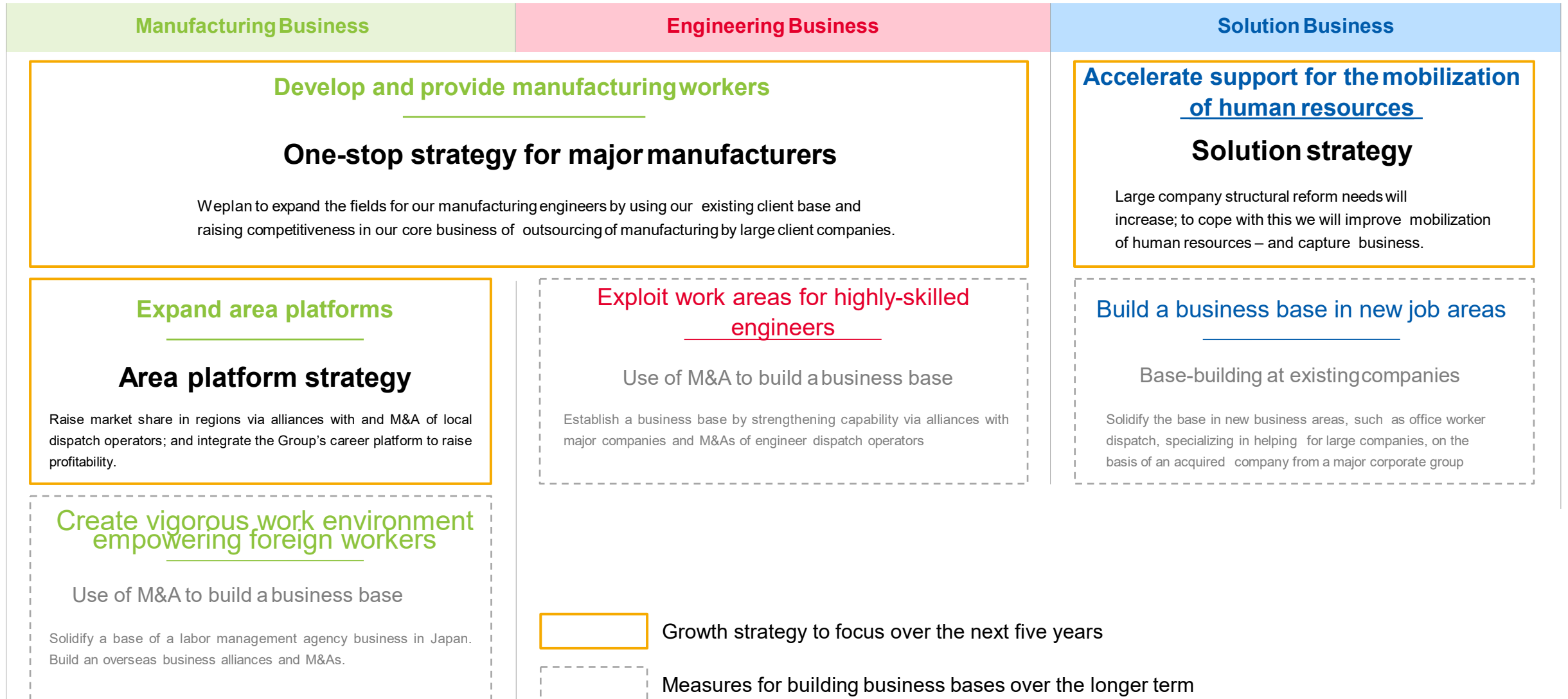


Growth strategy



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

Basic policy by segment

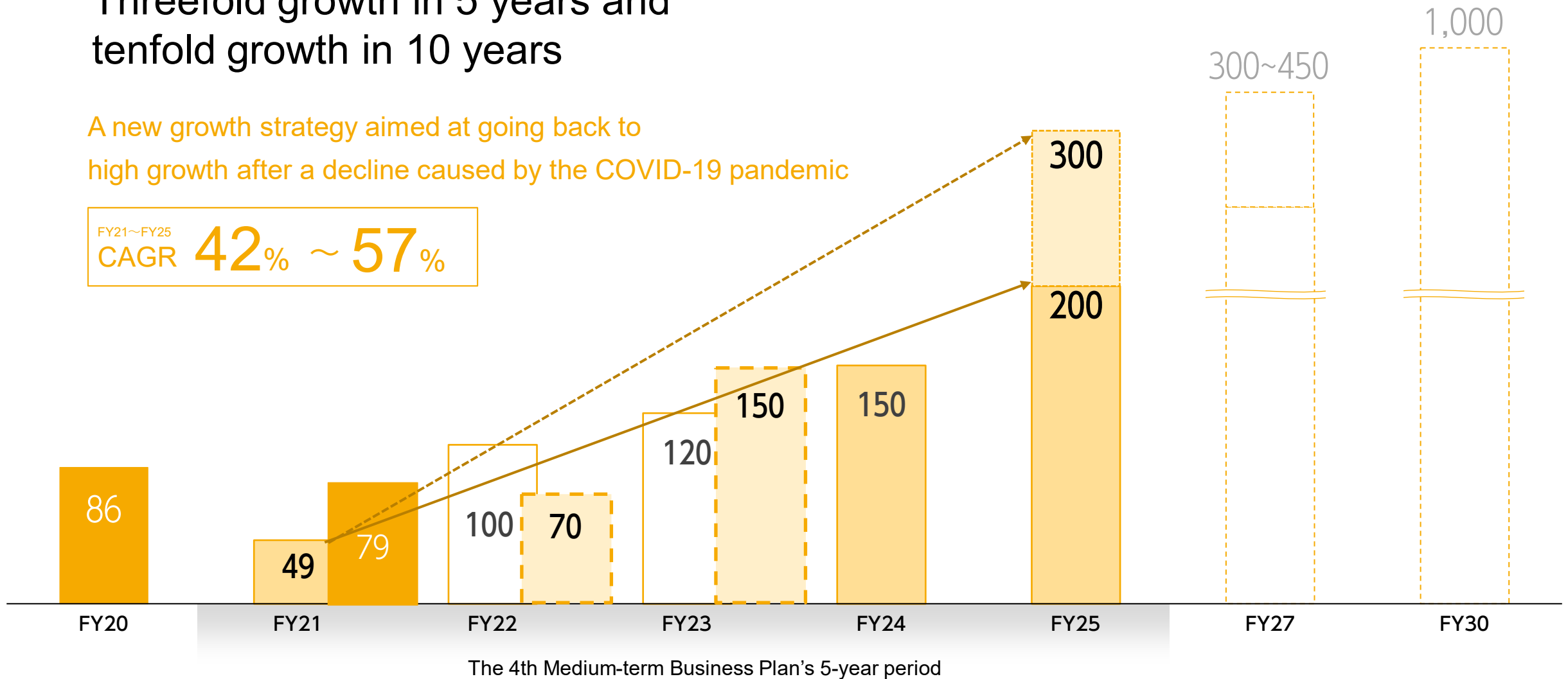


Numerical targets (EBITDA)

Threefold growth in 5 years and
tenfold growth in 10 years

A new growth strategy aimed at going back to
high growth after a decline caused by the COVID-19 pandemic

FY21~FY25
CAGR 42% ~ 57%



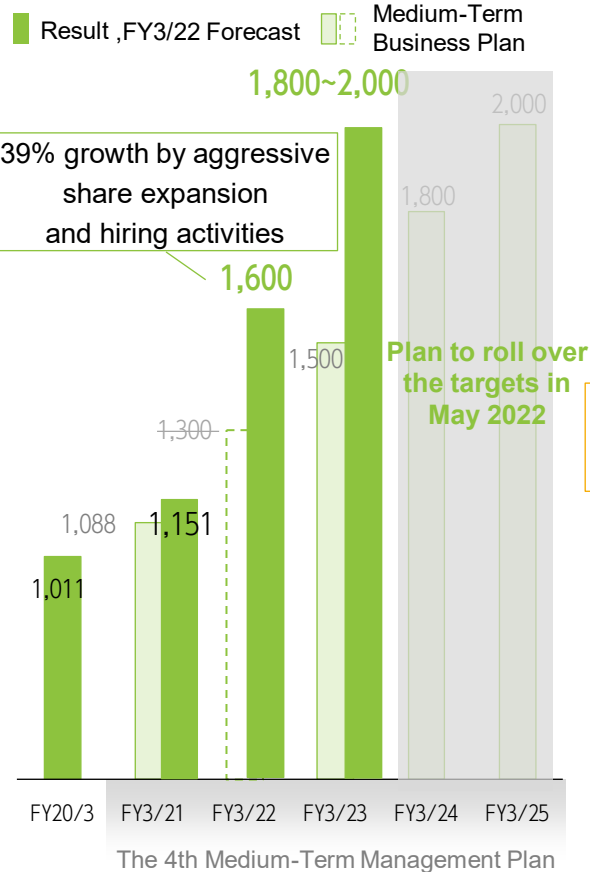
4. The 4th Medium-Term Business Plan

Numeric Targets and Commitments

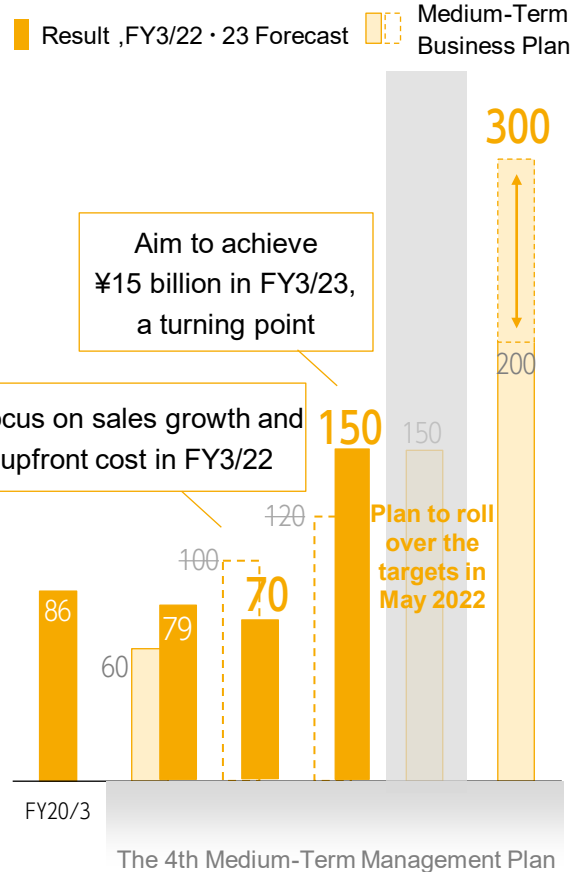
On the back of the rapid recovery of personnel demand in the manufacturing industries as well as that the impact of COVID-19 was slight, we have set the FY3/23 goal of EBITDA 150, one year ahead of originally-planned FY3/24, in order to achieve the EBITDA 30 billion yen as target of the 4th Medium-Term Business Plan.

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

Sales target (100 million yen)



EBITDA target (100 million yen)



Commitments

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

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

Total return ratio: 30% or more

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

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

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

Total return ratio

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

Gross D/E ratio

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

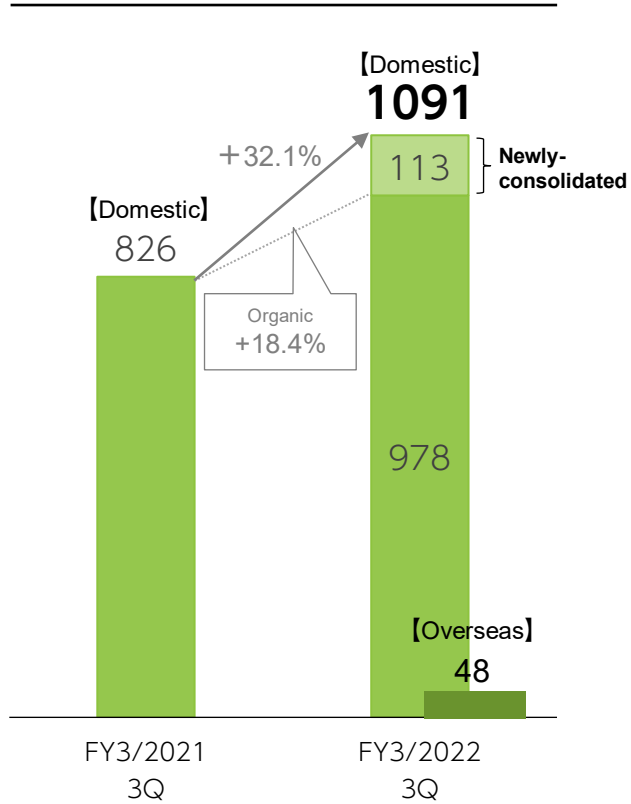
5. Appendix



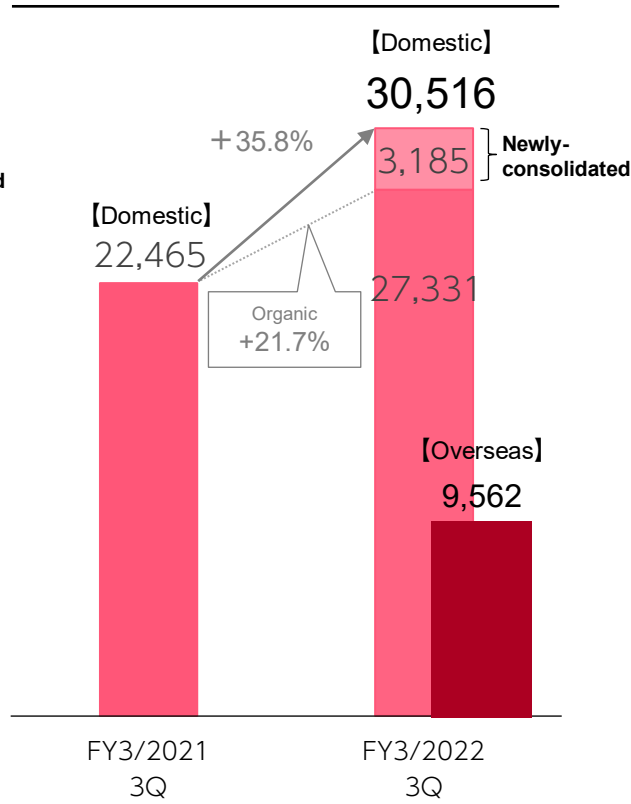
Organic growth and the acquisitions to enhance the profit base

- Strived for share expansion by increasing the technical employees for existing business and made a steady growth.
- Expanded the “Area” business bases, based on the "Area Platform Strategy"– the Growth strategy.

Net sales (100 million yen)



Number of technical employees (Person)



Newly-consolidated subsidiaries since 4Q FY3/2021

	Manufacturing Business	Solution Business
4Q FY3/2021	Green Speed Co., Ltd. (Vietnam)	-
1Q FY3/2022	Progress Group Co., Ltd. SURI-EMU Corp.	-
2Q FY3/2022	-	-
3Q FY3/2022	-	UT FSAS Creative Inc. (Consolidated from October 1, 2021)

Newly-consolidated companies' contribution to sales

Contribution of newly-consolidated companies to FY3/2022 Sales

Business Segment	Sector	Consolidated subsidiary	Time of consolidation	Contribution to FY3/2022 Sales	
				Sales (billion yen)	Number of technical employees (3Q end)
Manufacturing Business	Other	Seekel Co., Ltd.	Oct. 2020	1.5	※Since its consolidation was on 3Q of FY3/2021, Only 1H Sales was the newly-consolidated contribution.
	Other	Progress Group Co., Ltd.	April 2021	7.7	1,180
	Other	SURI-EMU Corporation	April 2021		1,137
	Overseas	Green Speed Co., Ltd (Vietnam)	Jan. 2021 (Consolidation of Income statement)	4.8	9,562
Solution Business	—	UT MESC Co., Ltd. Former Mito Engineering Service	July 2020	0.7	※Since its consolidation was on 2Q of FY3/2021, Only 1Q Sales was the newly-consolidated contribution.
	—	UT FSAS Creative Inc. Former Fujitsu FSAS Creative Inc.	Oct. 2021	1.2	868
Total				16.1	

5. Appendix

Analysis of SG&A expenses

SG&A expenses' breakdown

(million yen)

	FY3/2019					FY3/2020					FY3/2021					FY3/2022		
	1 Q	2 Q	3 Q	4 Q	Full year	1 Q	2 Q	3 Q	4 Q	Full year	1 Q	2 Q	3 Q	4 Q	Full year	1 Q	2 Q	3 Q
personnel expenses	1,301	1,409	1,486	1,677	5,873	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
ratio to sales	5.5%	5.7%	5.5%	6.6%	5.8%	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%
Hiring	833	993	724	289	2,839	490	527	496	341	1,854	151	267	770	1,218	2,406	1,215	1,608	1,575
ratio to sales	3.5%	4.0%	2.7%	1.1%	2.8%	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%
depreciation and amortization of goodwill	140	145	155	161	601	137	139	142	145	563	171	181	218	256	826	309	303	305
ratio to sales	0.6%	0.6%	0.6%	0.6%	0.6%	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%
Other	801	879	933	729	3,342	889	841	803	923	3,456	883	831	1,029	1,152	3,895	1,058	1,086	1,196
ratio to sales	3.4%	3.5%	3.5%	2.9%	3.3%	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%
SG&A expenses	3,075	3,426	3,298	2,856	12,655	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
ratio to sales	13.0%	13.8%	12.2%	11.2%	12.5%	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%

Expansion of the area platform by consolidating 6 companies of 2 groups

- Newly consolidated local worker dispatch operators who operate mainly in Aichi Prefecture in May 2021

Progress Group Co., Ltd.

Progress Co., Ltd.

- Acquisition of shares in May 2021
- Renamed to UT Progress Co., Ltd.

- Worker dispatch and outsourced business operation
- Business bases: mainly in Aichi Prefecture but also in Gifu, Mie, Nagano, and Ibaraki Prefectures
- Major clients: Manufacturers of automobiles and parts, electronic devices, rubber products, etc.
- 1,177 employees (Japanese and foreigners of Japanese descent) (June 30, 2021)

SURI-EMU Corporation

SURI-EMU Chubu Co., Ltd.

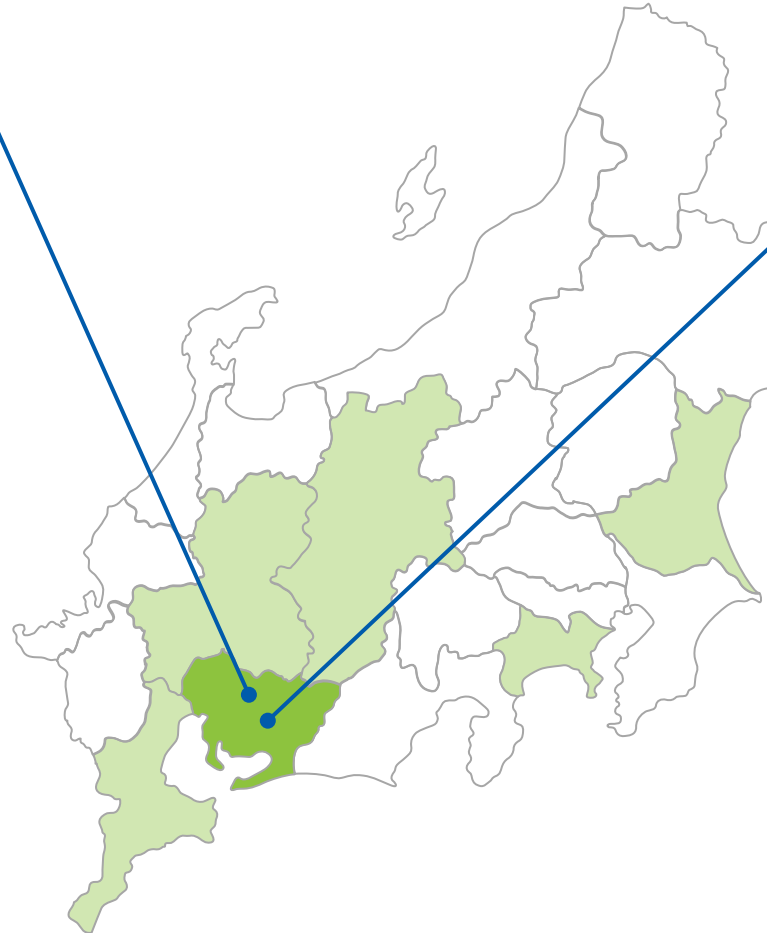
SURI-EMU Tokai Co., Ltd.

SURI-EMU Staff Co., Ltd.

- Acquisition of shares in May 2021
- Renamed to UT SURI-EMU Co., Ltd.

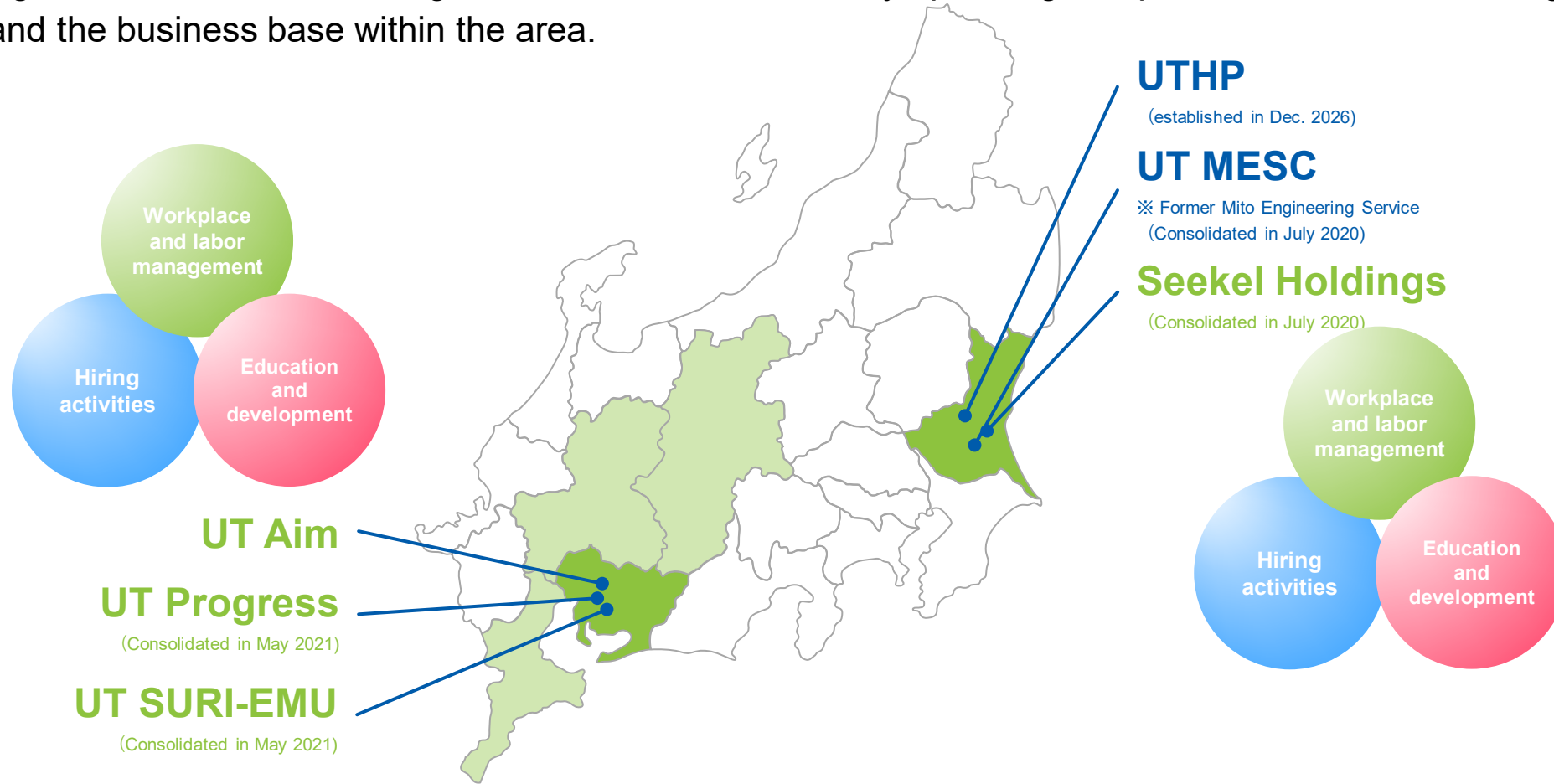
* Acquisition of all shares in two batches
18.8% (Feb. 28, 2021) → 100.0% (May 31, 2021)

- Worker dispatch and outsourced business operation
- Business bases: mainly in Aichi Prefecture but also in Miyagi and Kanagawa Prefectures
- Major clients: Major manufacturers of automotive-related, electronic devices, etc.
- 1,055 employees, mainly Japanese-Brazilians (June 30, 2021)



Further advance for the Area Platform Strategy

- Strengthen collaboration in hiring, sales and administration by operating companies with different strengths.
- Expand the business base within the area.



Appeal UT Group to local client companies as a partner to be fully in charge of hiring, employment and education

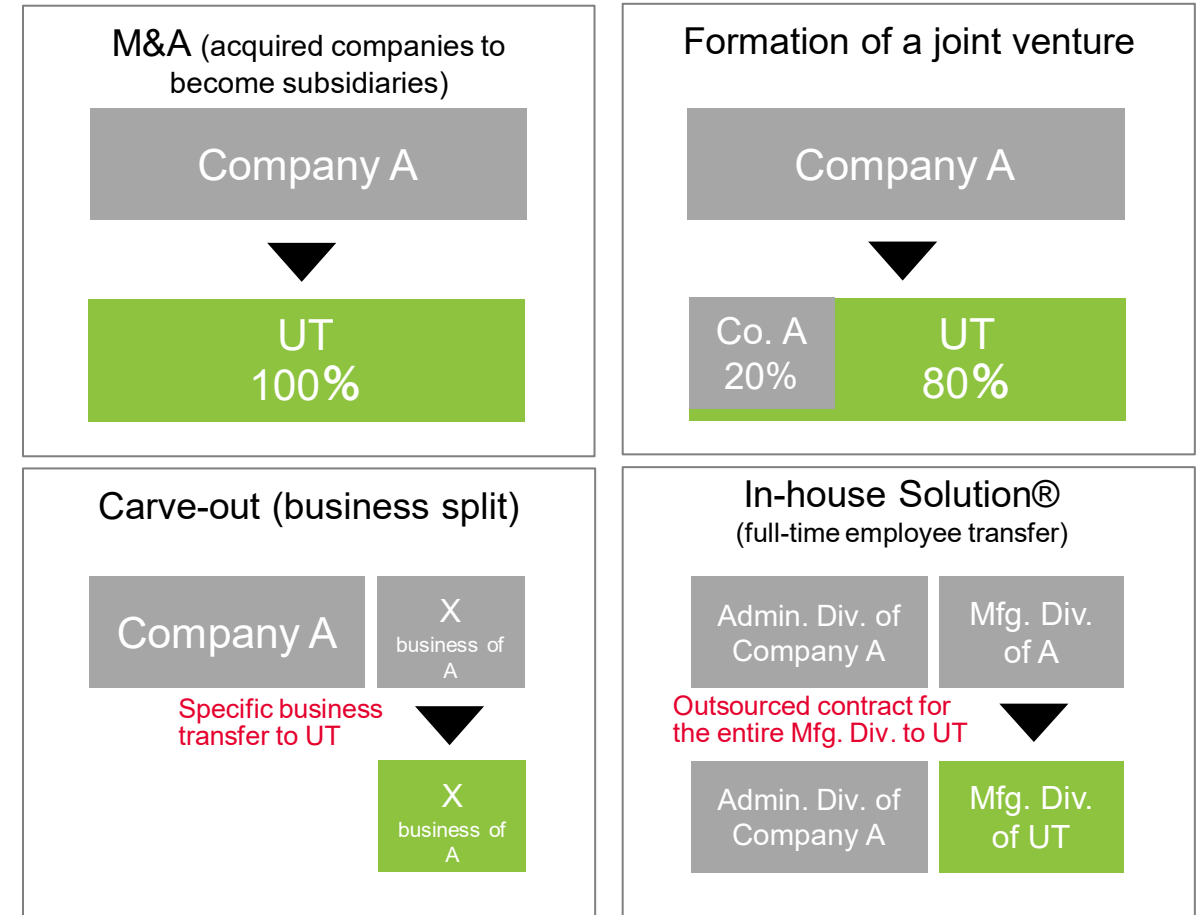
5. Appendix

Progress in the support for the mobilization of human resources (Solution Business)

Subsidiaries of Solution Business

UT Pabec Co., Ltd	(2013、 Panasonic Group)
Battery manufacturing outsourcing	
UTHP Co., Ltd.	
Manufacturing personnel dispatch and outsourcing	
Fujitsu UT Co., Ltd.	(2018、 Fujitsu Group)
General personnel dispatch and outsourcing	
UT Toshiba Co., Ltd.	(2020、 Toshiba Group)
General personnel dispatch and outsourcing	
UT System Products Co., Ltd.	(2020、 Toshiba Group)
Sales of information system equipment	
UT MESC Co., Ltd.	(2020、 Hitachi Group)
Elevator/escalator manufacturing outsourced work and dispatch of design engineers	
UT FSAS Creative Inc.	(2021、 Fujitsu Group)
Contracts for office and IT worker dispatch, operation and deployment work, etc.	

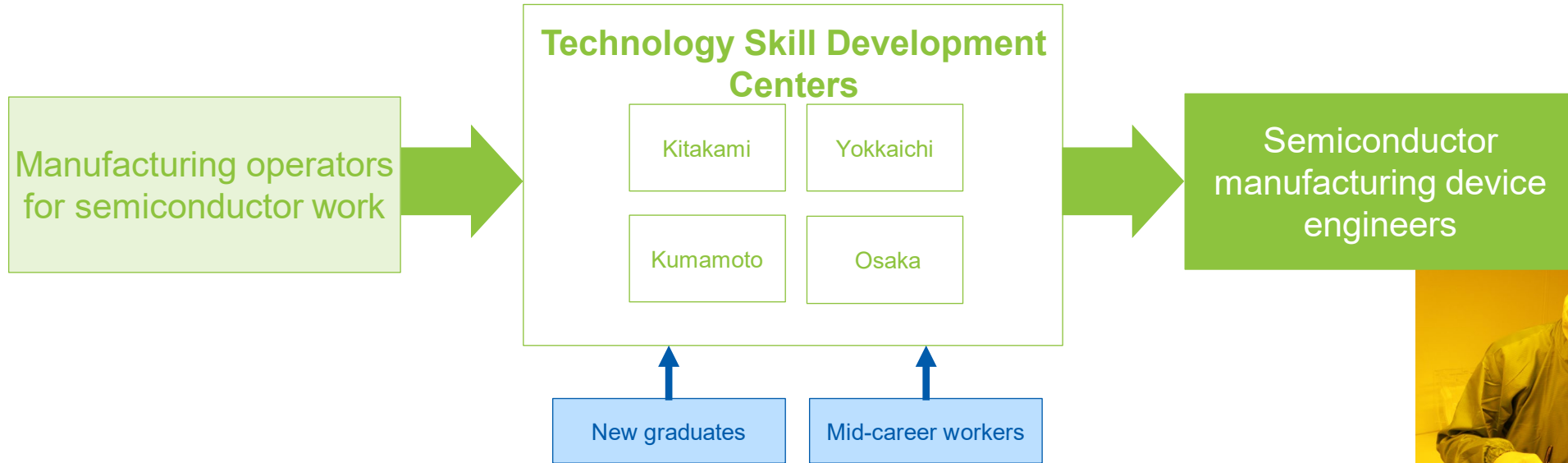
Basic scheme of the Solution Business



Build a track record of solutions mainly for electronics manufacturers
and deploy the solutions to other industries

Completed the formulation of an SME engineer development system

- 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)
- Seek to enhance the manufacturing engineer field and develop 3,000 semiconductor manufacturing equipment (SME) engineers in three years
- Plan to develop 890 engineers in FY3/2022



Practical training in a clean room

Corporate Outline

Corporate Outline

As of Jan. 31, 2022

Corporate name: UT Group Co., Ltd.

Founded: April 2, 2007

Capital: 680 million yen

Listing: TSE 1st Section(Securities code: 2146)

Representative: President, Representative Director & CEO Yoichi Wakayama

Location: 1-11-15 Higashi-Gotanda, Shinagawa-ku, Tokyo

Group Companies

As of Jan. 31, 2022

Manufacturing Business

UT Aim

Manufacturing personnel services

UT Community

General personnel dispatch and outsourcing

Support System

General personnel dispatch and outsourcing

Seekel Holdings

General personnel dispatch and outsourcing

Green Speed Joint Stock Company

General personnel dispatch and outsourcing in Vietnam

UT Progress

General personnel dispatch and outsourcing

UT SURI-EMU

General personnel dispatch and outsourcing

Engineering Business

UT Aim

Manufacturing personnel services

UT Technology

IT engineer outsourcing

UT Construction

Construction engineer outsourcing

Solution Business

UT Pabec

Battery manufacturing outsourcing

UTHP

Manufacturing personnel dispatch and outsourcing

FUJITSU UT

General personnel dispatch and outsourcing

UT Toshiba

General personnel dispatch and outsourcing

UT System Products

Sales of information system equipment

UT MESC

Elevator/escalator manufacturing outsourced work and dispatch of design engineers

UT FSAS Creative

Office work and IT personnel dispatch and outsourcing of operations system management and help desks

Other Business

UT Life Support

Internal benefit program management

UT Heartful

Special subsidiary company

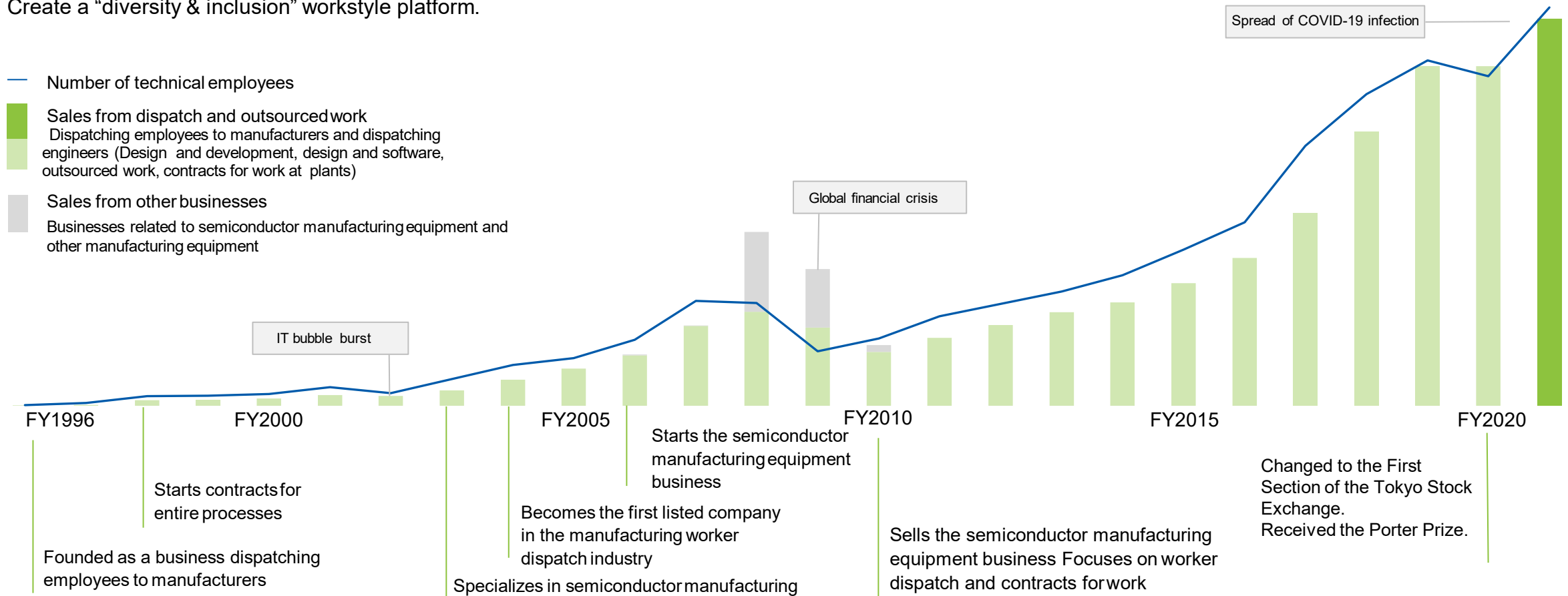
Facilitating the healthy birth of the next workstyle platform

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.

FY3/2021
 Domestic Technical employees
23,736
 Consolidated sales
¥115.1bn



Business Segment

Manufacturing Business

Staffing service in production processes

¥69.2 billion

60.1%

Solution Business

Structural reform support and BPO services

¥29.7 billion

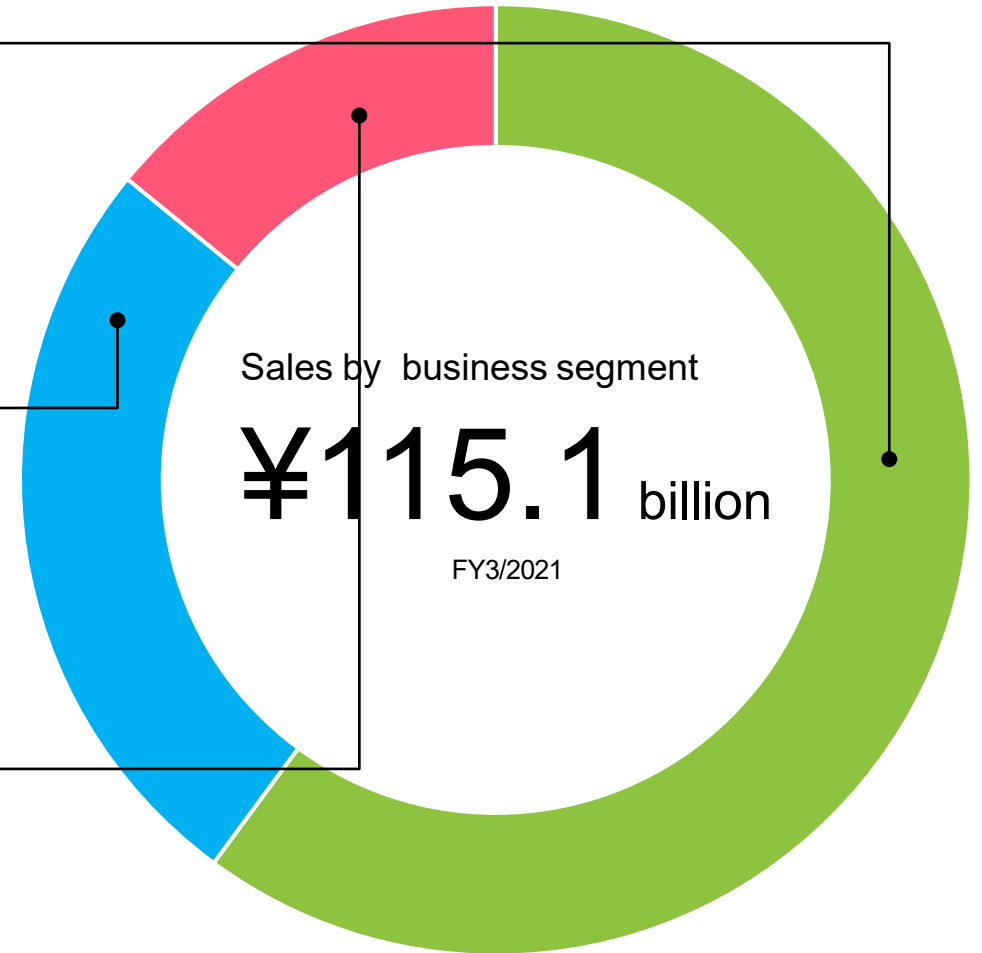
25.8%

Engineering Business

Dispatching of design, development and IT engineers

¥16.2 billion

14.1%



UT Group's Mission and Vision

Mission

Create vigorous workplaces empowering workers.

<p>UT Group gives opportunities to its entire workforce to take on challenges.</p>	<p>We believe that bravely taking on a challenge to achieve a high goal helps a person grow and brings joy to that person.</p>	<p>We further believe that such a vigorous work attitude results in a better response to client expectations and in contributing to a better future for Japan.</p>
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Strategy to make workers vigorous and empowered

Job security and stability

- Regular employment (open-ended employment)
- Company housing all over the country
- Fulfilling welfare benefits




Team dispatch and support for career development

- Start-to-finish outsourced production service
- Cultivation of inexperienced employees by teams
- Career consulting



Developing motivation

- Entry system for positions
- Job change within the group (One UT)
- Engineer development program
- Management training

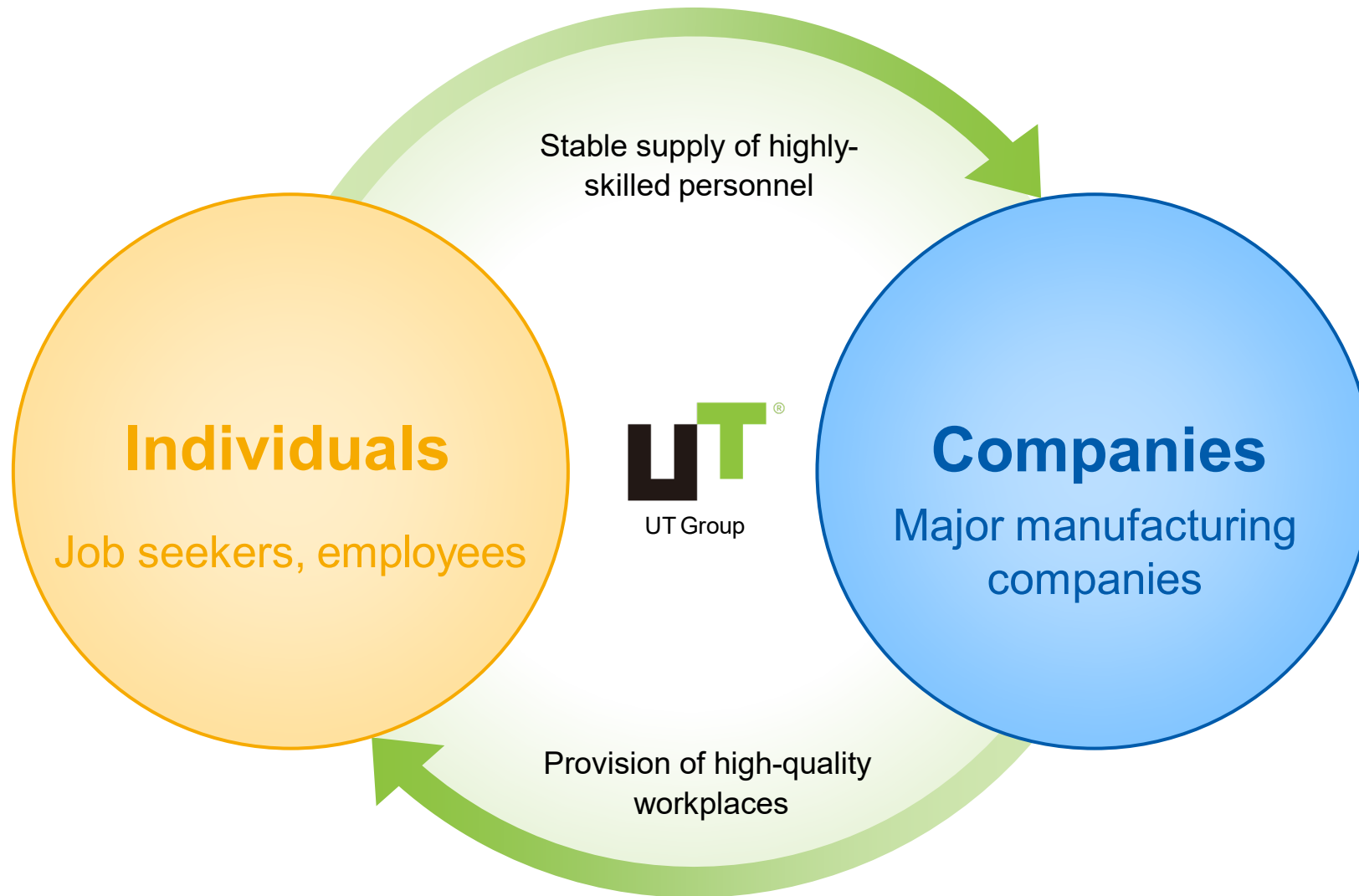


Share profit from enhanced corporate value with employees

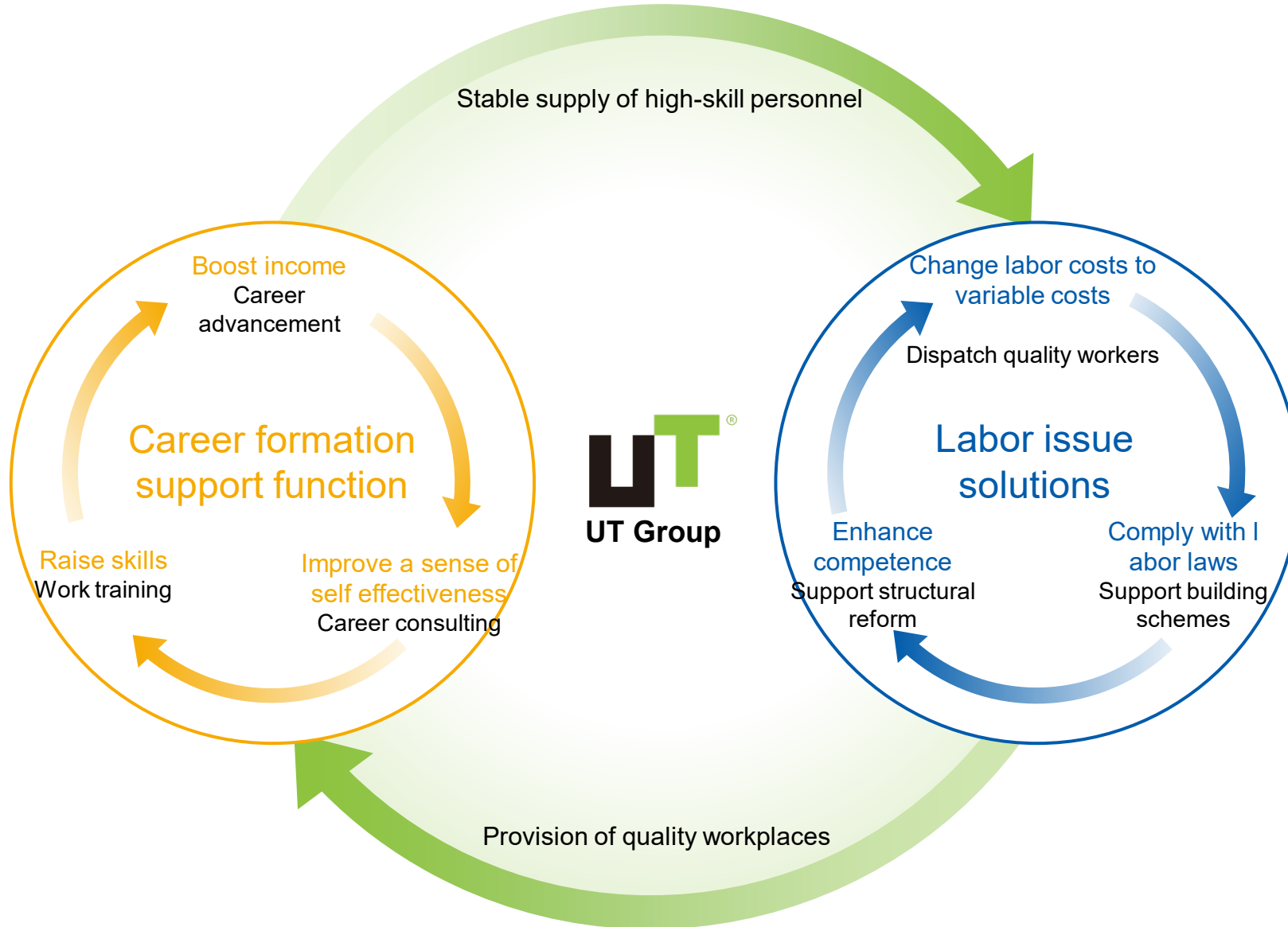
- Measures to encourage employees to become shareholders



Twin-Customer Strategy and Career Platform

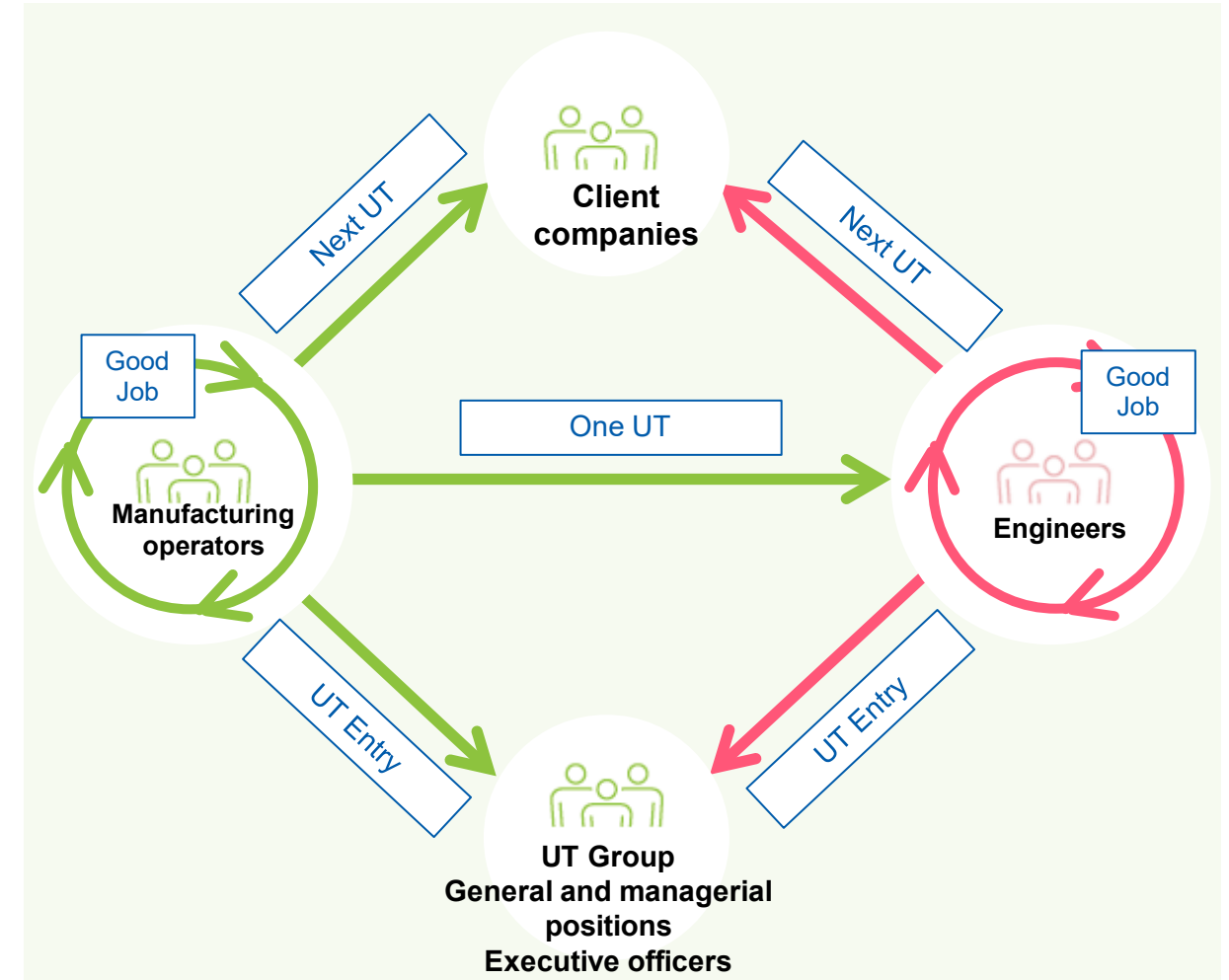


Twin-Customer Strategy and Career Platform



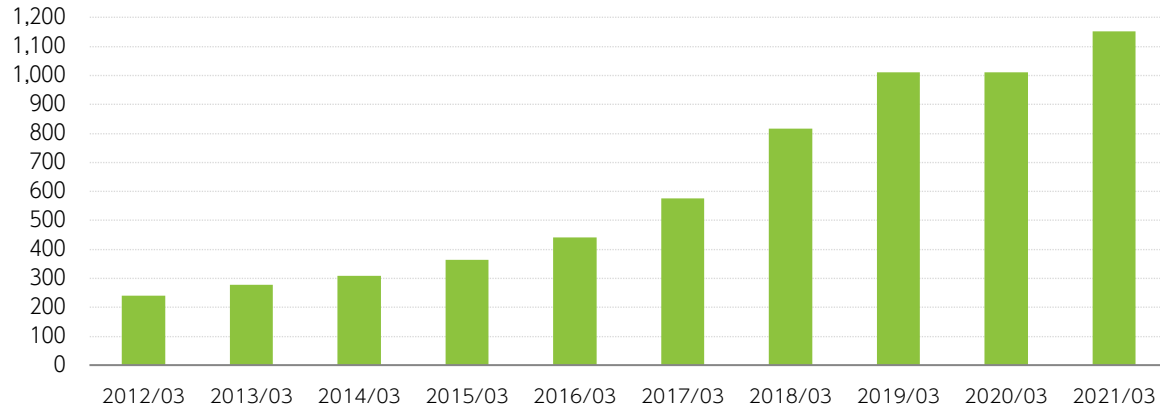
Enhancement of the systems that enable technical employees to advance their careers

- Good Job**
A system that allows manufacturing operators and engineers to freely choose a workplace
(Own workplaces can be selected)
- One UT**
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)

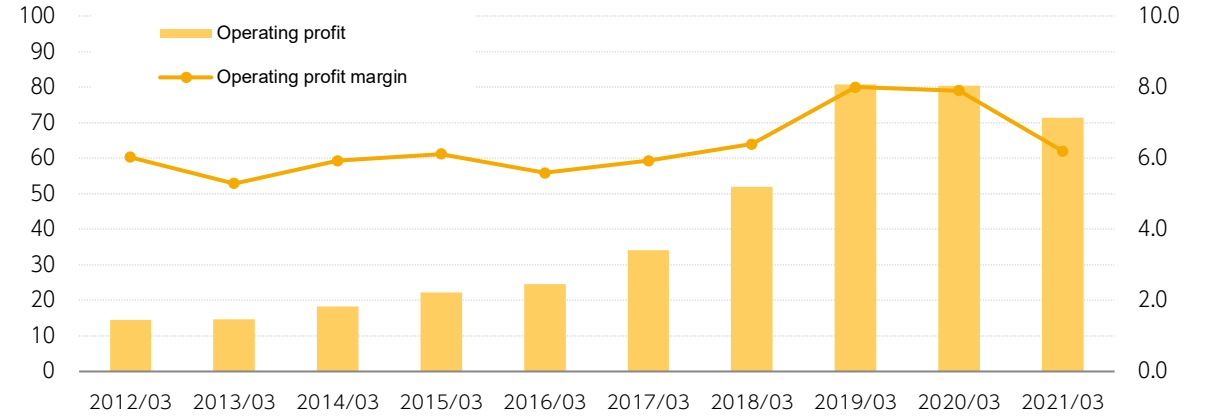


Trends of Business Results

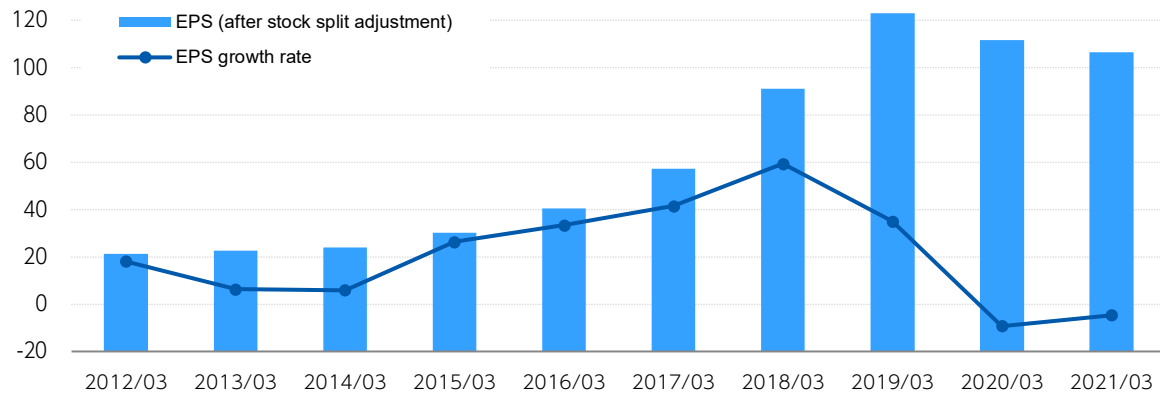
Net sales (100 million yen)



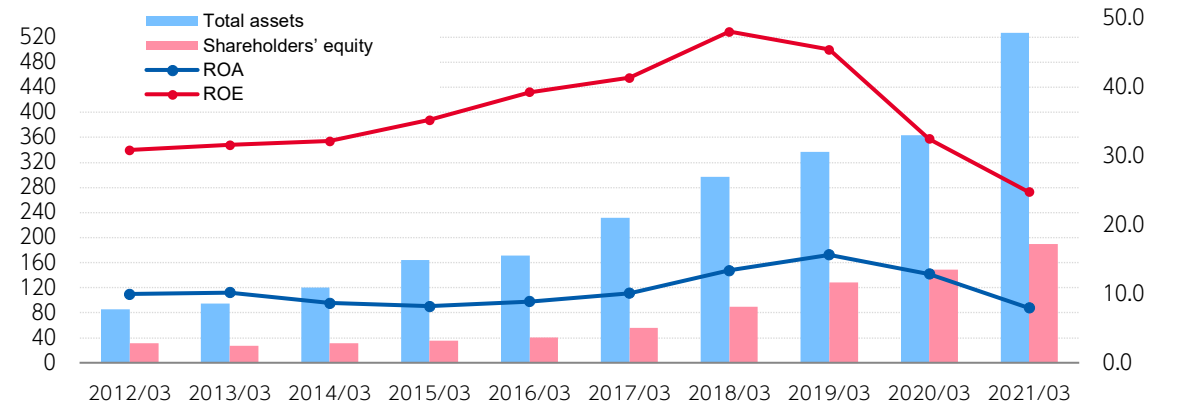
Operating profit (LH) and Operating profit margin (RH) (100 million yen, %)



EPS and EPS growth rate (Yen, %)



Total assets and Shareholders' equity (LH) ROA and ROE (RH) (100 million yen, %)



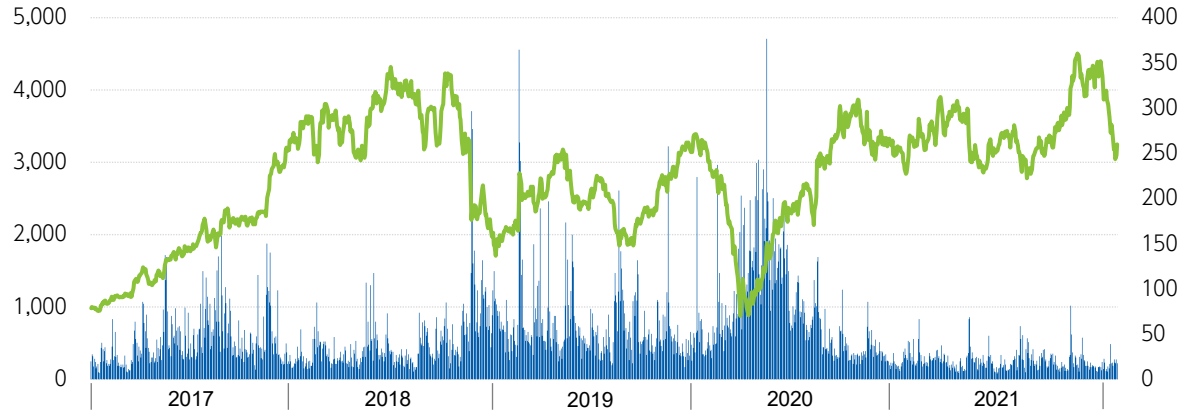
ROA = [Net profit attributable to owners of the parent] / [Total assets] (fiscal year average)
 ROE = [Net profit attributable to owners of the parent] / [Shareholders' equity] (fiscal year average)

5. Appendix

Trends of Stock Price

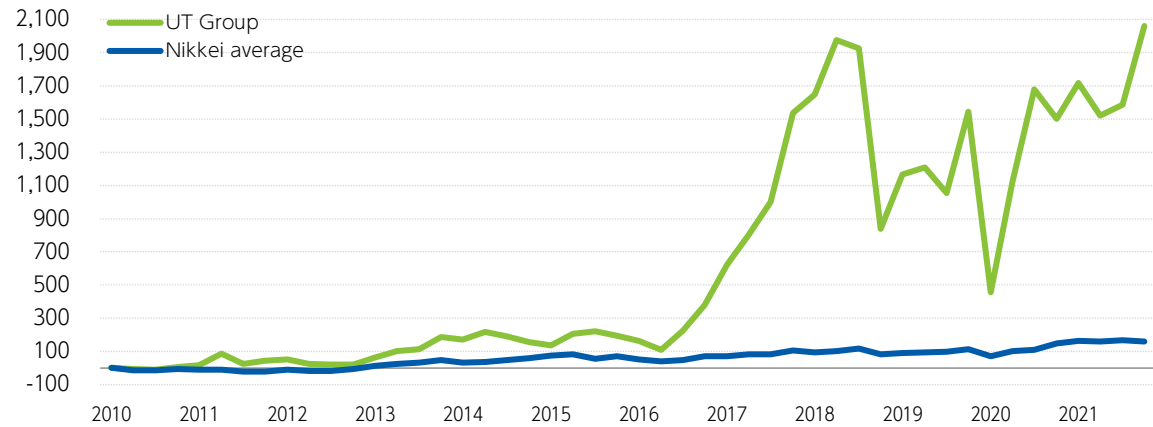
Stock price (LH) and trading volume (RH)

(Yen / 10,000 shares)



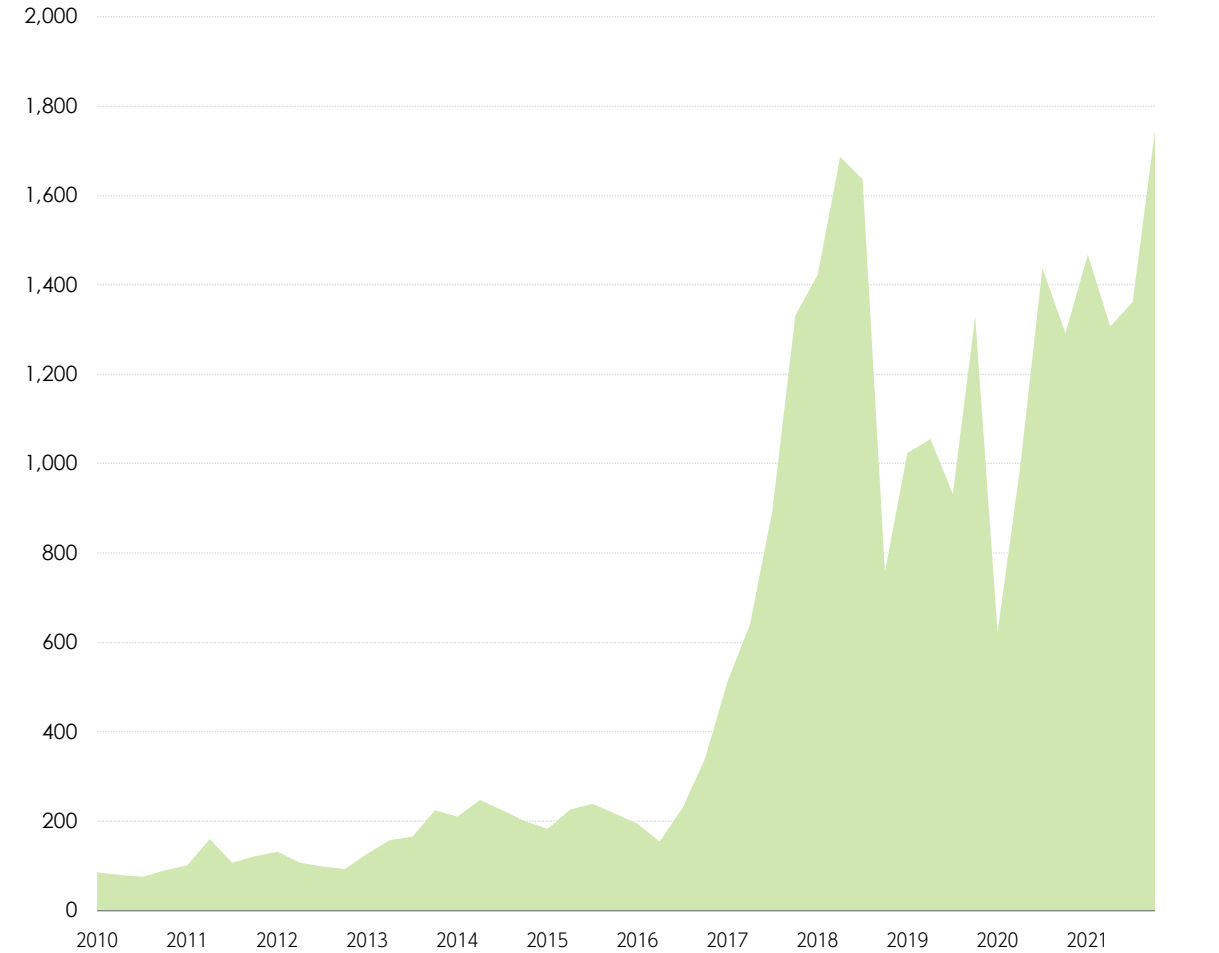
Changes in stock price
(compared with the level on March 31, 2010)

(%)



Market capitalization

(100 million yen)



Basic Policy on Shareholders' Return

Basic policy on shareholders' return

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

UT Group forwent return to shareholders in FY3/2020, given consideration to the impact of the COVID-19 pandemic.

Total return ratio

$(\text{Dividends} + \text{share buyback}) / \text{Net profit} \geq 30\%$

Total return ratio

(Thousand yen)

	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021
Net profit	2,033,027	3,534,596	4,968,446	4,562,294	4,299,825
Dividends paid	-	-	2,499,281	-	2,663,952
Amount of share buyback	609,862	1,060,818	-	-	-
Total return ratio	30.0%	30.0%	50.3%	0.0%	62.0%

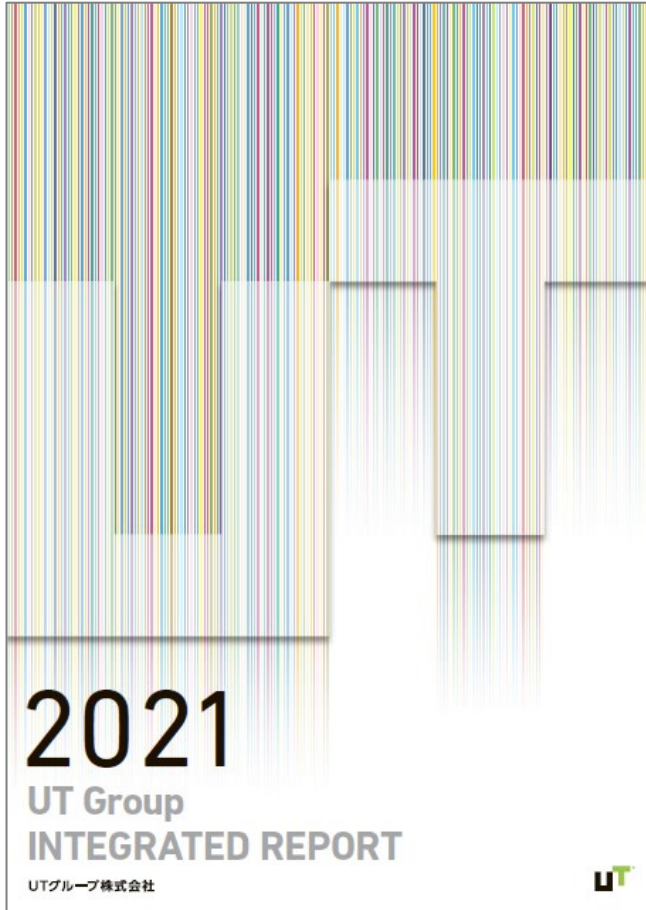
* In light of changes in the business environment and other factors, shareholder return in FY3/2019 is all in the form of dividend payment, including special dividend.

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

For the fiscal year ending March 31, 2021, we will pay a dividend of 32 yen per share, which is 30% of net income.

In addition, the company will pay a special dividend of 34 yen per share, equivalent to 30% of net income for the fiscal year ending March 2020, for a total dividend return of 66 yen per share.

INTEGRATED REPORT 2021 was released



In 2020, the COVID-19 pandemic sharply increased social uncertainty, and workers became more concerned about employment stability. In this situation, UT Group has put together its management philosophy of supporting the employment stability and growth of dispatched workers since its foundation in a sustainability context, and articulated this as the Basic Policy on Sustainability in April 2021.

Based on this, this Integrated Report incorporates sustainability aspects in the conventional annual report. It also integrates financial and non-financial information, and seeks to make it easier for shareholders, investors, and other stakeholders to understand our efforts to improve corporate value in the medium to long term.

Please download the Integrated Report from here:

https://ssl4.eir-parts.net/doc/2146/ir_material14/173646/00.pdf

Create vigorous workplaces empowering workers.



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[Inquiries]

UT Group Co., Ltd.

IR Section e-mail: ir@ut-g.co.jp