

March 8, 2022

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Notice of Revision of Consolidated Results Forecast

UT Group announces that its Board of Directors held a meeting on March 8, 2022 and, given the recent performance, revised the consolidated results forecast for FY3/2022 (April 1, 2021 - March 31, 2022), which was disclosed on November 5, 2021, as follows.

1. Revision of full-year consolidated results forecast for FY3/2022 (April 1, 2021 - March 31, 2022)

| | Net sales | Operating profit | Ordinary profit | Profit attributable to owners of parent | Profit per share |
|---|------------------------|----------------------|----------------------|---|------------------|
| Previous forecast (A) | Million yen 160,000 | Million yen 6,000 | Million yen 6,000 | Million yen 3,400 | Yen 84.24 |
| Revised forecast (B) | 156,500 | 5,700 | 5,600 | 2,400 | 59.46 |
| Increase/decrease (B – A) | -3,500 | -300 | -400 | -1,000 | -24.78 |
| Change (%) | -2.2 | -5.0 | -6.7 | -29.4 | — |
| (Reference) Results for the previous fiscal year (FY3/ 2021) | 115,131 | 7,163 | 7,191 | 4,299 | 106.53 |

2. Reason for the revision

In order to achieve the EBITDA target for the final year of the Fourth Medium-term Business Plan announced in May 2020 (a five-year plan from FY3/2021 to FY3/2025), UT Group will carry out a major organizational restructuring within the Group on April 1, 2022 – at the beginning of the third year of the plan. This is a very

important organizational reorganization in order to build a strong, resilient business base over the medium to long term and to promote the plan's key strategies in clearer roadmap: One-stop Strategy to provide personnel to large manufacturers; Area Platform Strategy; and Solution Strategy. As expenses related to this organizational restructuring, an extraordinary loss will be additionally incurred in FY3/2022. In addition, due to financial expenses and other factors, profit attributable to owners of the parent is expected to be lower than previously announced.

Concerning business activities, on the back of strong demand for human resources, we aim at maximizing the number of technical employees by continuing to invest in hiring-related activities and enhance hiring activities in the 2H. This has resulted in steady sales growth. However, in the automotive-related sector, which is one of our main businesses, some production adjustments caused by a shortage of materials and components at major automakers, which have occurred since the summer of 2021, have persisted and the timing of production normalization is likely to be delayed from FY3/2022 to FY3/2023. In light of this situation, we have decided to also revise our forecasts for sales and operating profit.

In order to achieve the EBTIDA targets of 20-30 billion yen in FY3/2025 – the final year of the Fourth Medium-term Business Plan, we intend to achieve 15 billion yen in EBITDA in FY3/2023, one year ahead of the initially-planned FY3/2024. In the current FY3/2022, our most important challenge is to increase the number of technical employees and increase share and sales. In the upcoming FY3/2023, we will focus on further raising our top line and improving productivity through the organizational restructuring, thereby achieving EBITDA of 15 billion yen and increasing the probability of achieving EBITDA of 30 billion yen in FY3/2025.

* The consolidated results forecast in this release is prepared based on the information available at the present time, and the actual results may change in the future due to a variety of factors.

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