(Note) This English translation of the summary of the financial statement was prepared for reference only.
In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

Summary of Consolidated Financial Statements
For the Second Quarter of Fiscal Year Ending March 31, 2025 (Japanese GAAP)

November 13, 2024

Listed company name: UT Group Co., Ltd.
Stock exchange listing: Tokyo
Code number: 2146
URL: http://www.ut-g.co.jp
Representative: Manabu Sotomura, President and Representative Director
For inquiries: Takahito Yamada, Executive Officer and Division Manager, General Affairs Division
TEL: 03-5447-1710
Scheduled date of filing securities report: November 14, 2024
Scheduled date of cash dividend payment: -
Supplemental material for the financial results provided: Yes (to be uploaded on the Company's website on November 13, 2024)
Results briefing for the period under review provided: Yes (to be held for institutional investors and analysts on November 14, 2024)

(All amounts are rounded down to the nearest million yen.)

1. Consolidated Results for the Second Quarter of FY3/2025 (April 1, 2024 – September 30, 2024)

(1) Consolidated Earnings Results (Percentages indicate year-on-year changes.)

	Sales		EBITDA*		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2Q of FY3/2025	89,397	8.8	4,630	-23.5	3,604	-31.2	3,691	-29.3	6,411	81.3
2Q of FY3/2024	82,203	-2.5	6,052	-18.5	5,241	-23.4	5,218	-23.0	3,536	-20.4

(Note) Comprehensive income (million yen) 2Q of FY3/2025: 6,849 [77.4%] 2Q of FY3/2024: 3,860 [-20.7%]

	Net profit per share	Net profit per share, diluted
	Yen	Yen
2Q of FY3/2025	161.17	149.93
2Q of FY3/2024	88.56	83.57

*EBITDA = Operating profit + Depreciation (Property, plant and equipment, and Intangible assets) + Amortization

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
2Q of FY3/2025	71,762	38,101	42.5
FY3/2024	68,456	34,443	40.0

(Reference) Equity capital (million yen) 2Q of FY3/2025: 30,533 FY3/2024: 27,365

2. Cash Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	FY-end	Total
	Yen	Yen	Yen	Yen	Yen
FY3/2024	0.00	0.00	0.00	96.15	96.15
FY3/2025	0.00	0.00			
FY3/2025 (Plan)			―	―	102.66

(Notes) (1)Revision of the dividend forecast disclosed recently: Yes
(2)Quarterly dividends will be paid from the record date for dividend of the third quarter of FY3/2025, and the breakdown of third quarter-end dividend and year-end dividend is yet to be determined.
(3)The dividend forecast for FY3/2025 is calculated based on a payout ratio of 60% for a dividend of ¥171.09 per share, which is the profit forecast divided by the number of shares assuming all stock acquisition rights are exercised.

(Note) This English translation of the summary of the financial statement was prepared for reference only.
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3. Consolidated Forecasts for FY3/2025 (April 1, 2024 – March 31, 2025)

(Percentages indicate year-over-year changes.)

	Sales		EBITDA*		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	183,100	9.6	8,700	-20.5	6,500	-30.4	6,500	-30.8	8,100	27.3	203.45

(Notes) (1) Revision of the earnings forecasts disclosed recently: Yes
(2) The EPS estimate for FY3/2025 is calculated from the average number of shares of the term based on the number of shares outstanding at the end of the first half of FY3/2025.

*EBITDA = Operating profit + Depreciation (Property, plant and equipment, and Intangible assets) + Amortization

* Notes
(1) Significant changes in the scope of consolidation during the period : Yes
New 2 Companies (Companies name) : BeNEXT Partners Inc. (renamed to UT Partners Co., Ltd.)
: Hitachi Ibaraki Technical Service Ltd. (renamed to UT-HITES Co., Ltd.)
Excluded 2 Companies (Companies name) : UT Technology Co., Ltd.
: UT Construction Co., Ltd.
(2) Use of particular accounting procedures in preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies and accounting-based estimates, and restatements
(a) Changes in accounting policies due to revisions in accounting standards and others: Yes
(b) Changes in accounting policies other than (a) above: No
(c) Changes in accounting-based estimates: No
(d) Restatements: No

(4) Number of outstanding shares (common stock)
(a) Number of shares outstanding at the end of the period (including treasury shares):

2Q of FY3/2025	39,847,883	FY3/2024	39,699,383

(b) Number of treasury shares at the end of the period:

2Q of FY3/2025	151	FY3/2024	78

(c) Average number of shares outstanding during the period (cumulative for quarter):

2Q of FY3/2025	39,779,241	2Q of FY3/2024	39,937,520

* The Summary of Consolidated Financial Statements is not subject to be reviewed by certified public accountants and auditing firms.

* Explanation concerning appropriate use of earnings forecasts and other notes
(Cautionary statement with respect to forecasts of future performance and other items)
Forecasts regarding future performance and other forward-looking statements in these materials are based on certain assumptions judged to be valid and information currently available to the Company. These statements are not promises by the Company regarding future performance. Actual performance may differ significantly from these forecasts for a number of reasons. For precautions on usage of forecasts of future performance, please refer to the section “1. Qualitative Information on Financial Results for Current First Half, (3) Description of Consolidated Earnings Forecast and Other Forward-looking Information” on page 5 of the attachments

(How to receive the supplemental materials for the financial results and the results briefing video of 2Q of FY 3/2025)
The Company plans to post supplementary materials on November 13, 2024 and a video of the financial results presentation on November 14, 2024 on the Company's website.

1. Qualitative Information on Financial Results for Current First Half

(1) Overview of Results of Operations

In the first half of FY3/2025 (April 1, 2024 – September 30, 2024), Japan's economy traced a gradual recovery trend, supported by improvements in corporate earnings and the employment environment. The industrial production by industry showed some signs of recovery in electronic components and devices industries but the transportation equipment industry lacked strength, showing mixed developments including the impact of suspended production by some manufacturers. Against this backdrop, the effective job openings-to-applicants ratio in the production process was 1.52 times in August 2024, and the tight supply and demand for workers became somewhat moderate[1].

Under these circumstances, UT Group is implementing the Rolling Plan of the Fourth Medium-term Business Plan, with FY3/2026 as the final year. Amid a growing labor shortage in the manufacturing industry caused by the declining working-age population in Japan, UT Group regards the "dispatch" workstyle itself as a service, and aims to thoroughly refine it and provide work opportunities to as many people as possible. We are striving to normalize the hiring of 2,000 employees per month. In order to become the most preferred dispatch company for those working in manufacturing dispatch, we aim at gaining an overwhelming market share by concentrating our management resources on the manufacturing dispatch sector and building a solid business foundation.

In FY3/2025, we anticipate a full-fledged recovery of demand for workers by semiconductor manufacturing equipment (SME) manufacturers and semiconductor manufacturers in the second half of the fiscal year. Worker demand had been sluggish since the beginning of the autumn of 2022. By setting up the normalized hiring of 2,000 employees per month as an important target to gain an overwhelming market share in preparation for anticipated recovery in demand for workers, we achieved the hiring of over 2,000 mid-career employees in March 2024 alone for the first time as UT Group. Meanwhile, the issues have emerged to realize normalized hiring of 2,000 employees per month. In the first half of FY3/2025 we focused on solving the issues such as maximizing sales activities, by such means as strengthening site management and acquiring new projects for workers.

On April 1, 2024, we acquired all shares of BeNEXT Partners Inc., an operating subsidiary in the manufacturing dispatch field of Open Up Group Inc., and sold all shares of our consolidated subsidiaries UT Technology Co. (an IT engineer dispatch company) and UT Construction Co. (a construction engineer dispatch company) to Open Up Group Inc. On May 1, 2024, we also acquired 51% of the shares of Hitachi Ibaraki Technical Service, Ltd. from Hitachi, Ltd. and made it a consolidated subsidiary.

As a result, in the first half of FY3/2025, UT Group recorded record-high net sales of 89,397 million yen (up 8.8% from 82,203 million yen in the first half of FY3/2024), as well as EBITDA[2] of 4,630 million yen (down 23.5% from 6,052 million yen), operating profit of 3,604 million yen (down 31.2% from 5,241 million yen), and ordinary profit of 3,691 million yen (down 29.3% from 5,218 million yen). Profit attributable to owners of the parent of 6,411 million yen (up 81.3% from 3,536 million yen) and the number of technical employees of 55,602 (up 10,064 from 45,538 a year ago) were also record-high levels for UT Group. The above-mentioned sale of UT Technology Co. and UT Construction Co. resulted in recording extraordinary income of approximately 5.9 billion yen as gain on sale of shares of subsidiaries and associates in the first quarter of FY3/2025.

*1. Source: Ministry of Health, Labour and Welfare, "General Employment Placement Status," effective job openings-to-applicants ratio (including part-time employees)
*2. EBITDA = Operating profit + Depreciation (Property, plant and equipment and Intangible assets) + Amortization of goodwill

The operating results of each business segment are summarized as follows. From the first half of FY3/2025, UT Company changed its report segments from the previous five (Manufacturing Business, Area Business, Solutions Business, Engineering Business, and Overseas Business) to the new five segments, (Manufacturing Business, Area

Business, Solutions Business, Nikkei Worker Business, and Vietnam Business). Also from the first half of FY3/2025, in order to more appropriately manage the performance of each reporting segment, the allocation method for head office expenses, etc. has been changed to a more rational one. As a result, the figures for the same period of the previous fiscal year have been restated for comparative analysis. For details, please refer to "2. Quarterly Financial Statements and Significant Notes (4) Notes to Quarterly Financial Statements (Segment Information)."

(Manufacturing Business)

There is no change in the companies composing the segment from the former "Manufacturing Business" segment. The segment consists of "Industrial and Commercial Machinery," "Electronics," "Transportation Equipment," and "Other" subsegments and specializes in UT Group's core business of supplying human resource services for major manufacturing industries.

During the first half of FY3/2025, the semiconductor-related industry's inventory adjustments bottomed out, a recovery in production was anticipated, and some semiconductor-related manufacturers started to increase their workforce. In the Transportation Equipment segment, although production has been normalized since FY3/2024, the suspended production by some automobile-related manufacturers resulted in a stagnant trend in demand for additional workers.

As a result, in the first half of FY3/2025, the segment recorded net sales of 32,533 million yen (down 1.6% from 33,072 million yen in the same period of the previous year) and segment profit of 2,640 million yen (down 28.0% from 3,665 million yen), while the number of technical employees was 11,570 (up 350 from 11,220 a year ago).

(Area Business)

The Area Business is a segment dedicated to area-based services for worker dispatch. UT SURI-EMU Co., Ltd., a specialist in services by Japanese origin (Nikkei)workers, was separated from the former "Area Business" while newly-consolidated BeNEXT Partners Inc. (renamed UT Partners Co., Ltd.) on April 1, 2024 was added to this segment.

In order to respond to the diverse needs of job seekers, the segment strengthened its sales activities, such as acquiring new projects for workers, and focused on raising the number of new hires. This segment, being engaged in the business with the largest number of hires, is in the process of certain changes relating to human resources for sales activities, recruitment activities and on-site management, to be appropriate for the rapid expansion of the business scale.

As a result, in the first half of FY3/2025, the segment recorded net sales of 33,463 million yen (up 19.8% from 27,925 million yen in the same period of the previous year) and segment profit of 325 million yen (down 73.7% from 1,240 million yen), while the number of technical employees was 16,797 (up 2,649 from 14,148 a year ago).

(Solution Business)

There is no change in business activities from the former "Solution Business" segment. The segment accepts workers who are to be re-assigned in accordance with structural reforms in major manufacturing industries and provides worker dispatch services to client companies. It consists of operating subsidiaries that have capital relationships with the Toshiba Group, the Fujitsu Group, and the Hitachi Group. Regarding the companies composing the segment, the segment included Hitachi Ibaraki Technical Service, Ltd. (renamed to UT HITES Co., Ltd.) which became a consolidated subsidiary on May 1, 2024.

The Solution Business segment strengthened its sales activities to acquire new solution projects. UT Toshiba Co., Ltd. has strengthened its hiring activities for new university graduates in 2025, taking into account future growth in semiconductor-related demand. Fujitsu UT Co., Ltd. and UT FSAS CREA Co., Ltd. focused on sales activities outside of their former group companies and on proposal activities in new fields.

As a result, in the first half of FY3/2025, the segment recorded net sales of 11,054 million yen (up 23.0% from 8,990 million yen in the same period of the previous year) and segment profit of 212 million yen (up 161.8% from 81 million yen), while the number of technical employees was 3,724 (up 415 from 3,309 a year ago).

(Nikkei Worker Business)
This segment consists of UT SURI-EMU Co., Ltd., which was spun off from the former Area Business segment. For 37 years since its founding, UT SURI-EMU has demonstrated its strength in dispatching Japanese Brazilian workers to the Japanese manufacturers.

Taking advantage of the government’s relaxation of residence requirements for fourth-generation Nikkei people, the segment made renewed efforts to encourage client companies to make greater use of Nikkei Brazilian workers in the manufacturing industry as a countermeasure to the worsening labor shortage Attention was also given to strengthening the recruitment base so as to demonstrate strong mobilization capacity demand recovery.

As a result, in the first half of FY3/2025, the segment recorded net sales of 5,050 million yen (up 66.2% from 3,039 million yen in the same period of the previous year) and segment profit of 252 million yen (up 254.9% from 71 million yen), while the number of technical employees was 2,274 (up 836 from 1,438 a year ago).

(Vietnam Business)
The segment has been renamed from the former “Overseas Business” segment but has no change in the companies composing the segment. Green Speed Joint Stock Company is the main company that provides human resource services such as worker dispatch to the rapidly expanding manufacturing industry in Vietnam.

In order to expand the business area, the segment expanded from the southern region centered on Ho Chi Minh City, where it has a base, to the northern region centered on Hanoi City, and focused on acquiring projects. Demand for workers in the manufacturing sector had been stagnant in FY3/2024 but has gradually begun to recover. In line with this, demand for workers in the service sector, in which the segment strengthened sales efforts in FY3/2024, continued to be firm. Accordingly, the segment has strengthened its hiring activities and posted a significant net increase in the number of technical employees.

As a result, in the first half of FY3/2025, the segment recorded net sales of 7,266 million yen (up 56.5% from 4,643 million yen in the same period of the previous year) and segment profit of 120 million yen (compared to loss of 114 million yen in the same period of the previous year), while the number of technical employees was 21,237 (up 7,359 from 13,878 a year ago).

The subsidiary in the Overseas Business has its fiscal year end on December 31. Its results for the January-June period of 2024 are recorded in UT Group’s first half of FY3/2025, with a delay of three months.

(2) Summary of Financial Condition for the Six Months Ended September 30, 2024
(i) Assets, Liabilities and Net Assets
(Assets)
Current assets as of the end of the current first half of the fiscal year increased by 2,027 million yen from the end of FY3/2024 to 56,241 million yen. This was mainly due to an increase of 2,739 million yen in Cash and deposits, despite a decrease of 223 million yen in notes and accounts receivable-trade. Non-current assets amounted to 15,520 million yen, an increase of 1,277 million yen from the end of FY3/2024. This was mainly due to increases of 568 million yen in Goodwill associated with M&A and 762 million yen in other intangible assets.
As a result, total assets amounted to 71,762 million yen, an increase of 3,305 million yen from the end of FY3/2024.

(Liabilities)

Current liabilities at the end of the current first half of the fiscal year increased by 308 million yen from the end of FY3/2024 to 25,276 million yen. This was mainly due to an increase of 2,877 million yen in Income taxes payable, despite decreases of 1,874 million yen in Deposits received and Accrued expenses, 680 million yen in Accounts payable–other due to the fact that the end of the previous fiscal year was a holiday. Non-current liabilities totaled 8,385 million yen, a decrease of 661 million yen from the end of FY3/2024. This was mainly due to a decrease of 1,279 million yen in Long-term borrowings.

In sum, total liabilities amounted to 33,661 million yen, an increase of 352 million yen from the end of FY3/2024.

(Net assets)

Net assets at the end of the current first half of the fiscal year amounted to 38,101 million yen, an increase of 3,657 million yen from the end of FY3/2024. This was mainly attributable to the recording of 6,411 million yen as Profit attributable to owners of the parent, despite the payment of 3,817 million yen in dividends from retained earnings.

As a result, the equity ratio was 42.5%, compared to 40.0% at the end of FY3/2024.

(ii) Status of cash flows

Cash and cash equivalents at the end of the current first half of FY3/2025 were 32,058 million yen (up 2,739 million yen from the end of the previous fiscal year). The cash flow conditions for the current first half and reasons for increases or decreases are explained below.

(Cash flows from operating activities)

Cash flow provided by operating activities amounted to 3,460 million yen (compared to 2,597 million yen provided in the first half of the previous fiscal year). This was mainly due to a 5,259 million yen increase in income before income taxes and minority interests after adjusting for non-cash expenses and non-operating expenses and an 806 million yen increase in notes and accounts receivable-trade resulting from an increase in net sales, despite a 2,876 million yen decrease in deposits received, accrued expenses and accrued liabilities due to the fact that the end of the previous fiscal year was a holiday.

(Cash flow from investing activities)

Cash flow provided by investing activities was 5,361 million yen (compared to 120 million yen provided in the first half of the previous fiscal year). This was mainly due to the purchase of 1,840 million yen for the acquisition of shares in subsidiaries of BeNEXT Partners Inc. (renamed to UT Partners Co., Ltd.), and proceeds of 6,418 million yen from sales of UT Technology Co., Ltd. and UT Construction Co., Ltd..

(Cash flow from financing activities)

Cash flow used by financing activities totaled 6,131 million yen (compared to 5,389 million yen used in the first half of the previous fiscal year). This was mainly due to cash dividends paid of 3,811 million yen and repayment of long-term loans payable of 1,785 million yen.

(3) Description of Consolidated Earnings Forecast and Other Forward-looking Information

Based on recent business performance trends and other factors, we have revised our consolidated full-year earnings forecast for the fiscal year ending March 31, 2025 and dividend forecast for the fiscal year ending March 31, 2025, which were announced on May 14, 2024, as of today. Details of and reasons for the revisions are as follows.

FY3/2025: Revision of full-year consolidated results forecast (April 1, 2024 - March 31, 2025)

	Net sales	EBITDA	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
Previous forecasts (A)	Million yen 215,000	Million yen 16,000	Million yen 13,600	Million yen 13,500	Million yen 13,000	Yen 327.01
Revised forecasts (B)	183,100	8,700	6,500	6,500	8,100	203.45
Increase/decrease (B-A)	-31,900	-7,300	-7,100	-7,000	-4,900	-123.56
Change (%)	-14.8%	-45.6%	-52.2%	-51.9%	-37.7%	-37.8%
Reference: Results for the previous fiscal year (FY3/2024)	167,030	10,936	9,344	9,397	6,361	160.41

* EBITDA = Operating profit + Depreciation (Property, plant and equipment, and Intangible assets) + Amortization

The initial plan for FY3/2025 incorporated semiconductor-related manufacturers’ full-fledged recovery in demand for workers in the second half of FY3/2025, and automobile-related manufacturers’ steady demand for workers to be sustained throughout the year due to the progress in normalization of their production.

In the first half of FY3/2025, in the semiconductor-related sector of the Manufacturing Business, the semiconductor inventory adjustment phase bottomed out, and demand for workers gradually began to increase at some semiconductor-related manufacturers. We worked to increase the number of hires and and the number of employees assigned to semiconductor-related workplaces. However, the number of technical employees fell below the initial plan due to the occurrence of insufficient hiring to meet up with the demand for some projects. In the automobile-related sector, demand for additional employees remained sluggish due to the suspension of some production lines at some manufacturers. We have strengthened sales activities to capture demand for workers that is not linked to production fluctuations, but this was not enough to offset the aforementioned impact, and the number of technical employees fell below the initial plan. In the Area Business, we were able to steadily acquire new projects for dispatch workers by strengthening sales activities from the beginning of FY3/2025. We therefore focused on increasing the number of hires, but we were unable to establish an adequate system for follow-up and on-site management of new employees after they joined the company. This has caused an increase in the turnover rate in the early stages of joining the company, and the number of technical employees of the Area Business also fell below the initial plan.
As a result, consolidated sales in the first half of FY3/2025 were lower than initially expected, mainly due to the fact that the number of technical employees in the core businesses of the Manufacturing Business and the Area Business fell short of the initial plan.

In light of these first-half results, we have carefully examined demand trends in the second half, and we now expect that the semiconductor-related demand for workers will be sluggish than the pace of recovery in the second half, which was factored into our initial plan. In addition, the automobile-related demand for additional workers in the second half is expected to fall below the initial plan, as in the first half, due to the spreading impact of the suspension of some production lines.

On the other hand, in preparation for the recovery phase of worker demand, which is anticipated in FY3/2026, we are making efforts to normalize the monthly hiring of 2,000 employees. After realizing record-high 2,344 hires in March 2024 alone, we achieved the level of 1,800-1,900 hires in July and September 2024, raising the level of the number of monthly hires. However, in order to make it a normal practice, both the Manufacturing and Area businesses have temporary internal issues that need to be improved in terms of follow-up and on-site management of new employees, measures for hiring, etc. We therefore intend to focus first on resolving these issues in FY3/2025 and to ensure to put in place a system of 2,000 hires per month starting from FY3/2026.

Based on the above, we have revised downward forecasts for full-year consolidated net sales as well as for various levels of profits for FY3/2025. The latter is mainly due to a decline in gross profit margin, which is related to stagnant operating hours and measures for hiring, and the spending of selling expenses, including expenses for establishing a monthly 2,000 hiring system, and general and administrative expenses, which are maintained at the levels budgeted in the initial plan.

Revision of FY3/3025 Dividend Forecast

	Dividend per share (yen)				
	1Q-end	2Q-end	3Q-end	FY-end	Total
Previous forecasts			—	164.81	164.81
Revised forecasts			Undecided	Undecided	102.66
FY3/2025 Results	0.00	0.00			
FY3/2024 Results	0.00	0.00	0.00	96.15	96.15

*The breakdown of the third quarter-end dividend and the year-end dividend is yet to be determined.
*The dividend forecast for FY3/2025 is calculated based on a payout ratio of 60% for a dividend of ¥171.09 per share, which is the profit forecast divided by the number of shares assuming all stock acquisition rights are exercised.

(Reference) Results of return to shareholders (Million yen)

	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025 Forecast
Profit attributable to owners of the parent	4,299	3,140	3,831	6,361	8,100
Total dividend amount	2,663	968	—	3,817	4,858
Amount of shares bought back	—	—	2,816	—	Undecided
Total return ratio	62.0%	30.8%	73.5%	60.0%	60.0%

* FY3/2021: In addition to common dividend equivalent to 30% of profit attributable to owners of the parent for FY3/2021, the special dividend, which was equivalent to 30% of profit attributable to owners of the parent for FY3/2020, was paid. In FY3/2020, we forwent return to shareholders.
* FY3/2023: We bought back our own shares, the amount of which was equivalent to 30% of profit attributable to owners of the parent, excluding the stock-based compensation expenses.

2. Quarterly Consolidated Financial Statements and Significant Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	29,318	32,058
Notes and accounts receivable - trade	22,519	22,295
Work in process	8	52
Raw materials and supplies	77	154
Other	2,501	2,013
Allowance for doubtful accounts	-211	-333
Total current assets	54,213	56,241
Non-current assets		
Property, plant and equipment	821	861
Intangible assets		
Goodwill	5,560	6,129
Software	3,719	3,924
Other	1,984	2,017
Total intangible assets	11,264	12,072
Investments and other assets		
Investment securities	7	5
Long-term loans receivable	6	4
Long-term prepaid expenses	106	78
Deferred tax assets	1,633	2,044
Other	410	456
Allowance for doubtful accounts	-6	-3
Total investments and other assets	2,157	2,587
Total non-current assets	14,242	15,520
Total assets	68,456	71,762

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	192	210
Short-term borrowings	1,062	726
Current portion of long-term borrowings	3,305	2,799
Accounts payable - other	2,326	1,646
Accrued expenses	10,083	9,421
Lease liabilities	10	8
Income taxes payable	523	3,401
Accrued consumption taxes	2,377	2,736
Provision for bonuses	2,016	2,523
Provision for bonuses for directors (and other officers)	1	9
Deposits received	2,948	1,735
Other	119	57
Total current liabilities	24,967	25,276
Non-current liabilities		
Long-term borrowings	7,900	6,620
Lease liabilities	12	8
Retirement benefit liability	700	1,131
Deferred tax liabilities	419	611
Other	13	13
Total non-current liabilities	9,046	8,385
Total liabilities	34,013	33,661
Net assets		
Shareholders' equity		
Share capital	1,190	1,385
Capital surplus	843	1,038
Retained earnings	24,973	27,567
Treasury shares	-0	-0
Total shareholders' equity	27,007	29,991
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	-1
Foreign currency translation adjustment	358	543
Total accumulated other comprehensive income	358	541
Share acquisition rights	5,862	5,746
Non-controlling interests	1,215	1,821
Total net assets	34,443	38,101
Total liabilities and net assets	68,456	71,762

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income(Quarterly Consolidated Statements of Income)

(Million yen)

	For the Six Months ended September 30,2023	For the Six Months ended September 30,2024
Net sales	82,203	89,397
Cost of sales	67,197	74,194
Gross profit	15,005	15,203
Selling, general and administrative expenses	9,764	11,598
Operating profit	5,241	3,604
Non-operating income		
Interest income	8	15
Foreign exchange gains	—	33
Gain on valuation of derivatives	—	16
Subsidies for employment adjustment	67	75
Dividend income of insurance	0	—
Surrender value of insurance policies	29	—
Other	19	20
Total non-operating income	125	161
Non-operating expenses		
Interest expenses	68	62
Foreign exchange losses	33	—
Commission expenses	32	0
Loss on valuation of derivatives	10	—
Other	3	11
Total non-operating expenses	148	74
Ordinary profit	5,218	3,691
Extraordinary income		
Gain on sale of non-current assets	1	1
Gain on sale of shares of subsidiaries and associates	528	5,916
Gain on bargain purchase	—	65
Gain on reversal of share acquisition rights	—	1
Total extraordinary income	529	5,985
Extraordinary losses		
Loss on retirement of non-current assets	0	27
Loss on sale of non-current assets	0	—
Loss on termination of retirement benefit plan	13	—
Settlement payments	75	—
Total extraordinary losses	88	27
Profit before income taxes	5,659	9,648
Income taxes	2,025	3,048
Profit	3,633	6,600
Profit attributable to non-controlling interests	97	188
Profit attributable to owners of parent	3,536	6,411

(Quarterly Consolidated Statements of Comprehensive Income)

(Million yen)

	For the Six Months ended September 30,2023	For the Six Months ended September 30,2024
Profit	3,633	6,600
Other comprehensive income		
Valuation difference on available-for-sale securities	0	-1
Foreign currency translation adjustment	226	250
Share of other comprehensive income of entities accounted for using equity method	0	－
Total other comprehensive income	227	249
Comprehensive income	3,860	6,849
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,716	6,594
Comprehensive income attributable to non-controlling interests	144	254

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the Six Months ended September 30,2023	For the Six Months ended September 30,2024
Cash flows from operating activities		
Profit before income taxes	5,659	9,648
Depreciation	458	760
Amortization of goodwill	352	265
Commission expenses	32	0
Increase (decrease) in allowance for doubtful accounts	67	123
Increase (decrease) in provision for bonuses	-273	293
Increase (decrease) in provision for bonuses for directors (and other officers)	-75	9
Interest and dividend income	-8	-16
Interest expenses	68	62
Loss on retirement of non-current assets	0	27
Loss (gain) on sale of shares of subsidiaries and associates	-528	-5,916
Decrease (increase) in trade receivables	1,120	806
Decrease (increase) in prepaid expenses	-9	28
Decrease (increase) in inventories	-31	-87
Decrease (increase) in long-term prepaid expenses	32	31
Increase (decrease) in trade payables	-57	-73
Increase (decrease) in accrued consumption taxes	-1,783	207
Increase (decrease) in accounts payable - other	43	-626
Increase (decrease) in accrued expenses	428	-1,097
Increase (decrease) in deposits received	1,129	-1,152
Other, net	-73	565
Subtotal	6,551	3,859
Interest and dividends received	8	14
Interest paid	-67	-69
Income taxes refund (paid)	-3,895	-344
Net cash provided by (used in) operating activities	2,597	3,460

	For the Six Months ended September 30,2023	For the Six Months ended September 30,2024
Cash flows from investing activities		
Purchase of property, plant and equipment	-24	-36
Purchase of intangible assets	-830	-196
Payment of conditional acquisition consideration for subsidiary shares	-687	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	-1,840
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	1,014
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	6,418
Proceeds from sale of shares of subsidiaries and associates	1,555	—
Proceeds from maturity of insurance funds	85	—
Net decrease (increase) in short-term loans receivable	2	2
Decrease (increase) in guarantee deposits	16	3
Other, net	1	-3
Net cash provided by (used in) investing activities	120	5,361
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	557	-409
Repayments of long-term borrowings	-3,039	-1,785
Proceeds from issuance of shares resulting from exercise of share acquisition rights	9	276
Purchase of treasury shares	-2,817	-0
Dividends paid	-0	-3,811
Dividends paid to non-controlling interests	-60	-394
Other, net	-38	-6
Net cash provided by (used in) financing activities	-5,389	-6,131
Effect of exchange rate change on cash and cash equivalents	89	50
Net increase (decrease) in cash and cash equivalents	-2,582	2,739
Cash and cash equivalents at beginning of period	31,969	29,318
Cash and cash equivalents at end of period	29,387	32,058

(4) Notes to the Quarterly Consolidated Financial Statements

(Note on the Assumption as a Going Concern)

Not applicable

(Notes in Case of Significant Change in the Amount of Shareholders' Equity)

1. First half of FY3/2024 (from April 1, 2023 to September 30, 2023)

(1) Dividends paid

Not applicable

(2) Significant change in the amount of shareholders' equity

Based on the resolution of the Board of Directors' meeting held on May 15, 2023, the Company acquired 1,047,100 shares of its common shares. As a result, including the repurchase of shares less than one unit, treasury shares increased by 2,817 million yen in the first half of FY3/2024, reaching 2,817 million yen at the end of the first half of FY3/2024.

2. First half of FY3/2025 (from April 1, 2024 to September 30, 2024)

(1) Dividends paid

Resolved	Type of stock	Total amount of dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date	Dividend source
Board of Directors meeting, held on May 14, 2024	Common stock	3,817	96.15	March 31, 2024	June 24, 2024	Retained earnings

Note: The dividend per share is comprised of 96.15 yen in ordinary dividend.

(2) Significant change in the amount of shareholders' equity

Not applicable

(Application of special accounting methods for presenting consolidated financial statements)

(Calculation of tax expenses)

Tax expenses are calculated by making a reasonable estimate of the effective tax rate after tax effect accounting for income before income tax for FY3/2025 including the first half under review, and multiplying the said estimated effective tax rate by quarterly profit before income taxes.

In case that the tax expenses calculated by the estimated effective tax rate result in a significantly unreasonable amount, the legal effective tax rate is used.

(Changes in accounting policies)

(Application of the "Accounting Standard for Current Income Taxes" and other relevant Accounting Standards Board of Japan (ASBJ) regulations)

UT Group began applying the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations from the first half of FY3/2025. Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022, Accounting Standards Board of Japan). This change in accounting policies has had no impact on the Company's quarterly consolidated financial statements. Concerning revisions related to a review of how gains and losses incurred as a result of the sale of assets such as shares of subsidiaries between consolidated companies shown on consolidated financial statements when deferred for tax reasons, UT Group began applying the 2022 revised Implementation Guidance from the first half of FY3/2025. This change in accounting policy is being applied retroactively, and quarterly consolidated financial statements and consolidate financial statements for the previous quarter and FY3/2024, respectively, reflect its retroactive application. This change in accounting policy had no impact on the quarterly consolidated financial statements for the previous quarter or on the consolidated financial statements for FY3/2024.

(Segment Information)

I For the Six-Month Period of FY3/2024 (from April 1, 2023 to September 30, 2023)

1. Sales and profit (loss) by segment (Million yen)

	Reportable Business Segments							Adjustment amount[1]	Amounts on the consolidated statements[2]
	Manufacturing Business	Area Business	Solution Business	Engineering Business	Nikkei Worker Business	Vietnam Business	Total		
Sales									
Dispatching	25,989	26,240	4,896	4,111	2,027	3,653	66,918	—	66,918
Contracting	6,058	1,058	4,037	287	1,010	936	13,389	—	13,389
Other	1,021	612	50	157	1	52	1,895	—	1,895
Revenue from contracts with customers	33,068	27,911	8,984	4,556	3,039	4,643	82,203	—	82,203
Sales to clients	33,068	27,911	8,984	4,556	3,039	4,643	82,203	—	82,203
Inter-segment sales or transfers	3	14	5	—	—	—	22	-22	—
Total	33,072	27,925	8,990	4,556	3,039	4,643	82,226	-22	82,203
Segment profit	3,665	1,240	81	315	71	-114	5,258	-17	5,241

Notes: (1) Adjustment to segment profit of -17 million yen is elimination of inter-segment transactions.
(2) Segment profit is adjusted to correspond to operating profit in the consolidated statements of income.

2. Impairment losses of non-current assets or goodwill, etc. by reportable segment

(Significant changes in the amount of goodwill)

In the Vietnam Business segment, goodwill is newly recognized due to the determination of the total amount of consideration for the conditional acquisition of shares of Green Speed Joint Stock Company in October 2020.

The increase in goodwill as a result of this event was 687 million yen in the first half of FY3/2024.

II Current first half of FY3/2025 (from April 1, 2024 to September 30, 2024)

1. Sales and profit (loss) by segment (Million yen)

	Reportable Business Segments						Adjustment amount[1]	Amounts on the consolidated statements[2]
	Manufacturing Business	Area Business	Solution Business	Nikkei Worker Business	Vietnam Business	Total		
Sales								
Dispatching	25,750	31,607	5,849	3,152	5,910	72,270	—	72,270
Contracting	5,690	849	5,150	1,897	955	14,544	—	14,544
Other	1,088	979	47	0	399	2,515	67	2,583
Revenue from contracts with customers	32,530	33,435	11,046	5,050	7,266	89,330	67	89,397
Sales to clients	32,530	33,435	11,046	5,050	7,266	89,330	67	89,397
Inter-segment sales or transfers	3	27	7	—	—	38	-38	—
Total	32,533	33,463	11,054	5,050	7,266	89,369	28	89,397
Segment profit	2,640	325	212	252	120	3,551	52	3,604

Notes: (1) The 67 million yen adjustment to sales to external clients is recorded as sales of the head office that are not attributable to any business segment.
(2) Adjustment to segment profit (loss) of 52 million yen is elimination of inter-segment transactions.
(3) Segment profit (loss) is adjusted to correspond to operating profit in the consolidated statements of income.

2. Impairment losses of non-current assets or goodwill, etc. by reportable segment

(Significant change in the amount of goodwill)

The Area Business segment includes BeNEXT Partners Inc. in the scope of consolidation following the acquisition of all of its shares in April 2024.

The increase in goodwill resulting from this event is 1,147 million yen in the first half of FY3/2025.

3. Information on changes in reportable segmens

Following the sale of UT Technology Co., Ltd. and UT Construction Co., Ltd. in April 2024, which made up of the Engineering Business FY3/2024 and the restructuring of the business organization, from the first half of FY3/2025, the Company changed its report segments from the previous five (Manufacturing Business, Area Business, Solutions Business, Engineering Business, and Overseas Business) to the new five segments, (Manufacturing Business, Area Business, Solutions Business, Nikkei Worker Business, and Vietnam Business).

The operating results of each business segment are summarized as follows.

(1) Manufacturing Business: Supplying human resource and outsourcing services for major manufacturing industries.
(2) Area Business: Supplying human resource and outsourcing services dedicated to area-based.
(3) Solution Business: Accepting workers who are to be re-assigned in accordance with structural reforms in major manufacturing industries and supply human resource and outsourcing services.
(4) Nikkei Worker Business: Supplying human resource and outsourcing services of Japanese Brazilian workers.
(5) Vietnam Business: Supplying human resource services in Vietnam.

In conjunction with the changes in reporting segments, effective from the first half of FY3/2025, UT Group has changed the method of allocating corporate expenses that had not been directly allocated to each reporting segment in order to better manage the performance of each segment.

The segment information for the first half of FY3/2024 has been prepared in accordance with the new reporting segment classification method and the allocation of corporate expenses.