

February 5, 2021

UT Group Co., Ltd.

(Code number: 2146)

Consolidated Financial Results of the First Nine Months of FY3/2021

## UT Group Recorded Record-high Levels in Net Sales and the Number of Technical Employees

**Enhanced hiring activities to satisfy increased orders proved successful.  
UT Group made a good start toward having a maximal number of technical employees  
by the beginning of the next fiscal year**

In the first nine months of fiscal 2020 ending March 31, 2021 (FY3/2021), UT Group recorded net sales of 82,647 million yen (up 7.7% year-on-year), EBITDA of 6,299 million yen (down 1.5%), operating profit of 5,728 million yen (down 4.1%), and net profit attributable to owners of the parent of 3,734 million yen (up 18.5%). The number of technical employees was 22,465 (up 2,439).

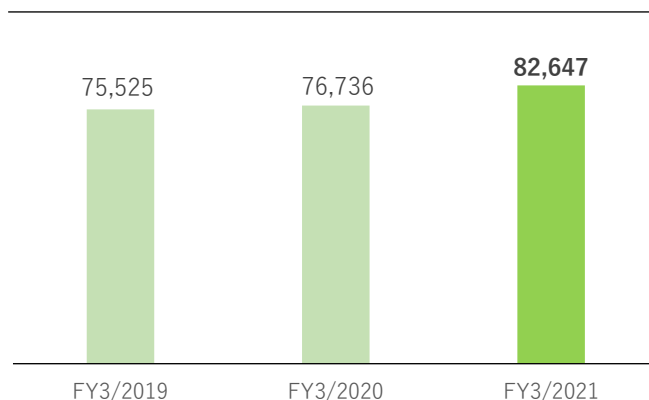
During the first nine months of FY3/2021, UT Group's operation and order booking situation have improved, thanks to a recovery in production by client companies in the automotive-related sector and the semiconductors and electronics components sector. Along with this, the Company made group-wide efforts in its hiring activities, which led to a turnaround in the number of technical employees in the Manufacturing Business Segment from a downtrend to an increase, and a steady growth in the total number of technical employees. Moreover, thanks to contributions by recent acquisitions, UT Group achieved record-high levels in net sales and the number of technical employees.

### Major indicators

(Million yen)	FY3/2020 3Q	FY3/2021 3Q	Y-O-Y
Net sales	76,736	82,647	7.7%
EBITDA	6,393	6,299	-1.5%
Operating profit	5,974	5,728	-4.1%
Profit attributable to owners of the parent	3,150	3,734	18.5%
EPS (Yen)	78.06	92.52	—
Number of technical employees (Persons)	20,026	22,465	12.2%

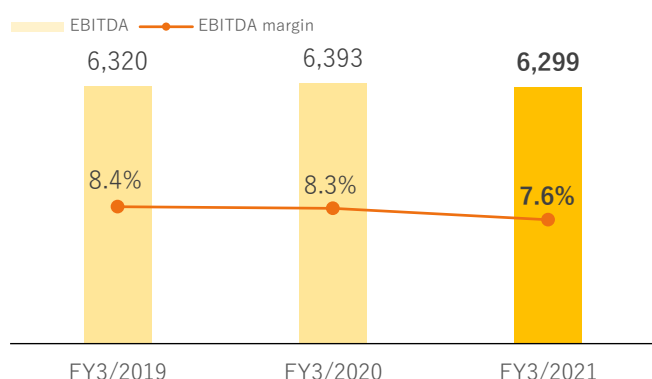
### Net sales

(Million yen)



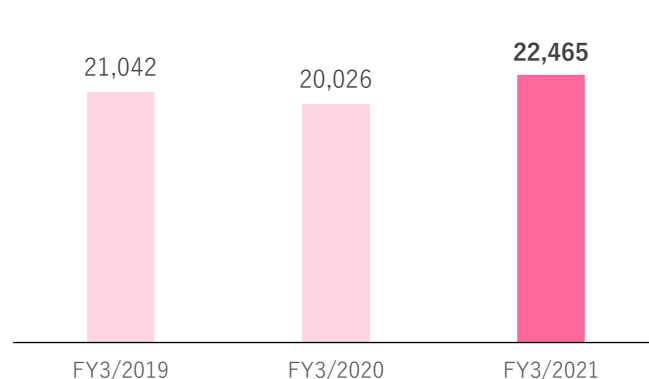
### EBITDA

(Million yen)



### Number of technical employees

(Persons)

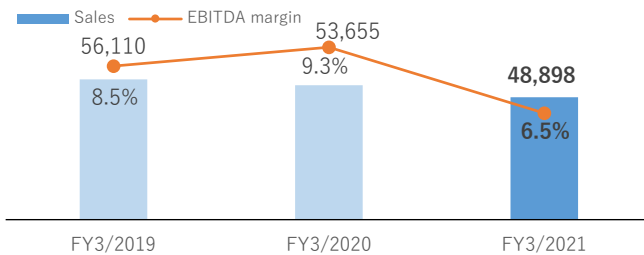


## Results by Sector

### Manufacturing Business

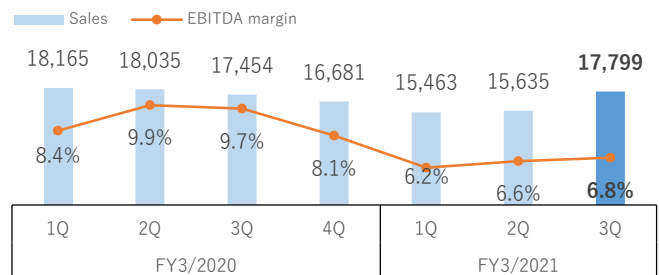
#### Sales and EBITDA margin

(Million yen)



#### Quarterly results

(Million yen)

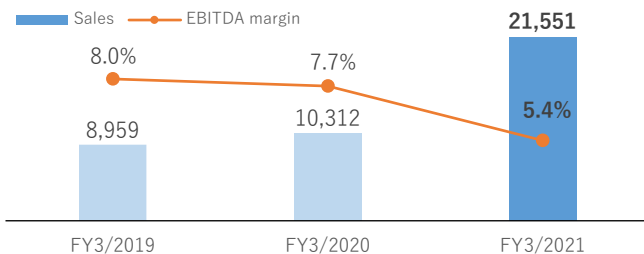


- The semiconductors and electronic components sector had solid demand for personnel, thanks to growth in 5G-related demand.
- Demand for personnel in the automobile-related sector sharply recovered as client companies' production recovered.
- Other sectors recovered moderately and the recent acquisitions contributed to sales increase.
- Investment for maximizing the number of technical employees in the next fiscal year has boosted hiring-related expenses.
- Newly consolidated Seekel Holdings (Ibaraki Pref.) in November 2020 and expanded the area platform

### Solution Business

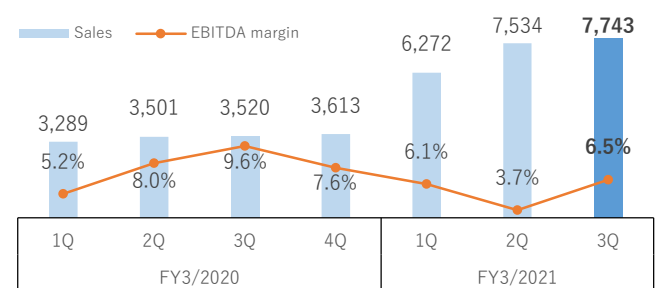
#### Sales and EBITDA margin

(Million yen)



#### Quarterly results

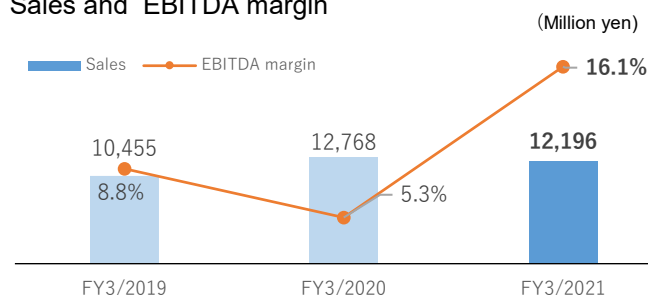
(Million yen)



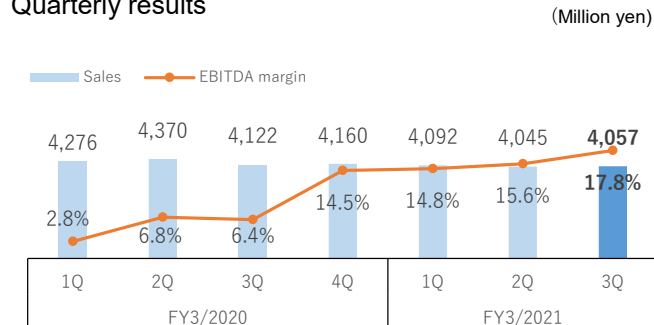
- Impacts of production adjustment by some client companies due to the COVID-19 spread have eased.
- In addition to a rise in unit price, associated with adherence to equal pay for equal work, consolidation of three Toshiba-affiliated companies in April and one Hitachi-affiliated company in July significantly boosted sales and the number of technical employees.

## Engineering Business

### Sales and EBITDA margin



### Quarterly results



- Business of field engineers and equipment maintenance operators was solid mainly for clients in the manufacturing field.
- The number of technical employees and sales decreased due to sale of an operating company, following the business strategy review and difficulty in implementing One UT\* under conditions imposed by the COVID-19 pandemic.
- Operating margin improved significantly, with a contribution from improved operating efficiency, driven by the reorganization of operating companies and higher operating rate, and the improvement of the support And placement system for new hires.

□\* : An internal system that encourages employee status transfer from manufacturing operators to engineers

## Outlook

Japan's declaration of the state of emergency in January 2021 has not so far affected UT Group's business. Rather, as reported by media, the semiconductor market is facing a surge in semiconductor demand due to accelerated digitalization, electrification of vehicles, and response to 5G. At the same time, the automobile market has sharply recovered since last summer and there is a concern for shortage in the supply of semi-conductors, which, however, is predicted to be limited by some. Regardless, electrification and adoption of automatic driving technology are inevitable and automakers are expected to raise manufacturing efficiency so as to achieve continuing stable production and to maintain a recovery trend in production volumes.

In light of that situation, we have been focusing on hiring activities in the 2H and have been steadily increasing the number of technical employees. However, the level of order inquiries exceeds our present level of new hires. As the order level is likely to accelerate in and after the 4Q, we are enhancing hiring activities in that quarter. We intend to expand our share at this recovery phase in personnel demand, and to have 23,700 technical employees by the end of FY3/2021. As we believe that maximizing the number of technical employees by the beginning of the next year or at the initial stage of the Fourth Medium-Term Business Plan may surely be a way to raise probability of achieving the Plan's targets, we plan to increase hiring expenses as forward investment.

In addition, we are powerfully promoting alliances and acquisitions with personnel dispatch companies and acquisitions to support large manufacturers' HR mobilization, as measures to implement the Plan's major strategies, namely the "Area Platform Strategy" and the "Solution Strategy." Increase in costs related to these are also projected. UT Group's revised earnings forecasts as of November 5, 2020 therefore remain unchanged.

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