

December 24, 2021

Company name: UT Group Co., Ltd.
Representative: Yoichi Wakayama, President,
Representative Director & CEO
(Securities code: 2146, TSE First Section)
For inquiries: Takahito Yamada, Senior Executive
Officer and Division Manager,
General Affairs Division
TEL: +81-3-5447-1710

Notice Regarding the Results of the Evaluation of the Effectiveness of the Board of Directors of the Company

In accordance with the Corporate Governance Code stipulated by the Tokyo Stock Exchange, UT Group Co., Ltd. conducted an analysis and evaluation of the effectiveness of the Board of Directors in order to improve its functions. The results are summarized below.

1. Method of analysis and evaluation

- (1) Evaluation period: September - October 2021
- (2) Subjects of evaluation: All directors and all audit & supervisory board members, 11 in total
- (3) Method of evaluation: Self-evaluation through a Web questionnaire, and the compilation and analysis of evaluation results by an external organization
- (4) Evaluation Items: 5 major items (25 questions in total)
 - Management and organization of the Board of Directors
 - Management strategy and business strategy
 - Corporate ethics and risk management
 - Performance monitoring, and evaluation and compensation of management
 - Dialogue with shareholders, etc.
- (5) Answer method: 5-level evaluation and free comments and requests for each major item

2. Summary of the results of the analysis and evaluation

We confirmed that the Board is functioning properly and its effectiveness is generally ensured, based on the fact that many of the responses to the questionnaire were "5: Appropriate" or "4: Generally appropriate" out of the five levels in each of the major items, and the following reasons:

(1) Management and organization of the Board of Directors

In regard to the independence, gender, experience, and expertise of the Board of Directors, the

composition of the Board was evaluated as appropriate due to the appointment of a female outside director and the resulting increased diversity of the Board. In addition, the selection of agenda items for Board of Directors meetings and the allocation of matters for resolution and matters to be delegated to the business executive side were evaluated as appropriate.

(2) Management strategy and business strategies

Many expressed the view that UT Group has been achieving sustained growth through the effective functioning of its strategy to develop business centered on advancement in the skills and careers of technical employees. They also appreciated the Company's agile efforts to respond to changes in the external environment, such as the rise of social demands on sustainability. On the other hand, some expressed the view that the functions of sharing and monitoring progress should be strengthened concerning the post-merger integration (PMI) of acquired companies, which is related to the Company's important M&A strategy in the current medium-term management plan, and in the case of business process innovation through the promotion of DX.

(3) Corporate ethics and risk management

Many expressed the view that UT Group properly responds to external requests concerning corporate ethics and shares the status of risk assessment, and that internal auditing is functioning effectively. On the other hand, some expressed the view that the Board of Directors needs to further deepen discussions concerning monitoring of the status of risk management associated with organizational and operational changes.

(4) Performance monitoring, and evaluation and compensation of management

The performance evaluation of each director and each executive officer by the Nomination Committee (the Nomination and Compensation Committee was established as of August 30, 2021) was evaluated to be appropriate. Regarding decisions and the decision-making process for compensation of directors, some expressed the view that the Nomination and Compensation Committee should formulate how to report to the Board of Directors and be expected to make clearer announcements.

(5) Dialogue with shareholders, etc.

Many expressed the view that dialogue with shareholders and others is undertaken in a timely and appropriate manner and that the contents are properly reported to the Board of Directors. Some raised the view that, although certain dialogue restrictions have occurred due to the COVID-19 pandemic, the disclosure of information has been enhanced, and that the disclosure of non-financial information, especially from the standpoint of sustainability, is expected to further enhance corporate value.

3. Future responses based on the results of analysis and evaluation

Based on the results, the Board of Directors will deepen discussions on medium- to long-term management plans, risk management, and sustainability, and will continue efforts to strengthen the function of supervising the progress of the medium- to long-term management plans and the post-investment reviews of acquired companies. We are committed to further enhancing our corporate governance and continuing to raise our corporate value.

End