

November 13, 2023

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Notice of Revision of Consolidated Earnings Forecasts

UT Group announces that its Board of Directors held a meeting on November 13, 2023 and, given the recent performance, revised the consolidated results forecasts for FY3/2024 (April 1, 2023 - March 31, 2024), which was initially disclosed on May 15, 2023, as follows.

1. Revision of full-year consolidated earnings forecasts for FY3/2024 (April 1, 2023 - March 31, 2024)

	Net sales	EBITDA	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
Previous forecasts (A)	Million yen 200,000	Million yen 16,400	Million yen 14,400	Million yen 14,100	Million yen 9,000	Yen 222.98
Revised forecasts (B)	169,000	11,100	9,500	9,300	6,100	153.93
Increase/decrease (B-A)	-31,000	-5,300	-4,900	-4,800	-2,900	-69.05
Change (%)	-15.5%	-32.3%	-34.0%	-34.0%	-32.2%	-31.0%
(Reference) FY3/2023 actual results	170,631	15,714	8,914	8,834	3,831	94.92

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

2. Reason for the revision

The current consolidated fiscal year started with a stagnation in production activity in the manufacturing industry as a whole due to the impact of the global economic slowdown that has continued since last year.

The business plan for FY3/2024 under review has assumed that human resources would gradually recover in the first half of the fiscal year, and that strong demand would continue from the second half onwards.

However, regarding first-half results, the number of technical employees at the end of September 2023 was lower than planned due to weaker-than-expected demand trends, mainly from semiconductor-related customer companies. In addition, the current demand trends from the third quarter onward are suggesting that it is likely to take some time for a full-fledged recovery, and that a significant deviation from the FY3/2024 business plan is likely to happen. In light of these circumstances, while UT Group is steadily making strategic investments such as building a system for hiring 2,000 employees per month for further business growth, we are curbing

costs such as hiring-related expenses and personnel expenses by reviewing personnel plans. However, these efforts will not be sufficient enough to compensate for the decline in gross profit caused by the decline in sales mentioned above. We have therefore revised our forecast for EBITDA downward by 5.3 billion yen from the previous forecast.

Given the delay in the current recovery in demand, the ongoing Fourth Medium-Term Business Plan is also being reviewed, which may include to push back the targets for FY3/2025, the final year of the Business Plan. Details will be promptly disclosed as soon as they are finalized.

* The consolidated results forecasts in this release are 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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