

Translation

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FOR IMMEDIATE RELEASE

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Notice Concerning Revisions to Full-Year Consolidated Earnings Forecasts

H.U. Group Holdings, Inc. (the "Company") hereby announces that in light of the most recent operating trends, the Company revised its full-year consolidated earnings forecasts for the fiscal year ending March 31, 2024, as announced on November 9, 2023. Details are as follows.

1. Revisions to full-year consolidated earnings forecast for the fiscal year ending March 31, 2024 (April 1, 2023 – March 31, 2024)

	Net sales (millions of yen)	Operating profit (millions of yen)	Ordinary profit (millions of yen)	Profit attributable to owners of parent (millions of yen)	Earnings per share (yen)	(Reference) EBITDA ¹ (millions of yen)
Previous forecast (A)	240,000	4,000	2,500	0	0.00	25,000
Revised forecast (B)	236,900	-4,100	-7,100	-7,400	-130.08	16,800
Change (B - A)	-3,100	-8,100	-9,600	-7,400	-	-8,200
Change (%)	-1.3	-	-	-	-	-32.8
(Reference) Results for the previous fiscal year (Fiscal year ended March 31, 2023)	260,908	23,381	22,010	15,676	275.52	43,076

1. EBITDA = Operating profit + Depreciation + Amortization of goodwill

2. Reasons for revisions

The Company anticipates a decrease in net sales of approximately 3.1 billion yen (-1.3%) compared to the previous forecast. This decline is attributed to lower-than-expected testing volumes in the base business, which were expected to recover in the fourth quarter, as well as a decrease in COVID-19-related tests, which were projected to increase.

Operating profit is anticipated to decrease by approximately 8.1 billion yen compared to the previous forecast, by reason of the aforementioned factors, along with the delayed effects of profitability improvement initiatives,

primarily within the Lab Testing and its related Services business.

Ordinary profit is anticipated to decrease by approximately 9.6 billion yen compared to the previous forecast, due to the decrease in operating profit and the increase in equity losses from affiliates.

Profit attributable to owners of the parent is anticipated to decrease by approximately 7.4 million yen compared to the previous forecast on account of the decrease in ordinary profit.

As a result of these considerations, the Company revised its full-year consolidated earnings forecasts, as detailed in the provided graph.

3. Dividend Forecast

The year-end dividend forecast per share remains unchanged at 63 yen (Annual: 125 yen), as announced on May 12, 2023.

The earnings forecasts above have been prepared based on information available as of the date on which this material was announced. Actual results may differ due to a variety of factors going forward.

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