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For Immediate Release

Company name: H.U. Group Holdings, Inc.
Representative: Shigekazu Takeuchi, Director,
President and Group CEO
Securities code: 4544 First Section,
Tokyo Stock Exchange
Contact: Atsuko Murakami,
Executive Officer and CFO
Telephone No.: +81-3-5909-3337

Notice of Differences between the Consolidated Earnings Forecasts and Results for the First Six-Months of the Fiscal Year Ending March 31, 2022, and Revisions to the Full-Year Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2022

H.U. Group Holdings, Inc. hereby announces differences between the consolidated earnings forecasts for the first six months of the fiscal year ending March 31, 2022, announced on August 10, 2021, and the results announced today. The Company also hereby announces revisions to its full-year consolidated earnings forecasts.

1. Differences between the consolidated earnings forecasts and results for the first six months of the fiscal year ending March 31, 2022 (April 1, 2021 - September 30, 2021)

	Net sales (Million yen)	Operating profit (Million yen)	Ordinary profit (Million yen)	Profit attributable to owners of parent (Million yen)	Earnings per share (Yen)	(Reference) EBITDA * (Million yen)
Previously announced forecast (A) (Announced on August 10, 2021)	128,000	21,500	21,000	13,500	236.73	28,000
Result (B)	133,739	26,951	26,745	19,519	342.23	33,720
Change (B - A)	5,739	5,451	5,745	6,019	—	5,720
Change (%)	4.5	25.4	27.4	44.6	—	20.4
(Reference) Results for the same period a year ago (First six months of fiscal year ended March 31, 2021)	98,566	8,146	7,342	5,102	89.52	14,078

2. Revision to the full-year consolidated earnings forecast for the fiscal year ending March 31, 2022 (April 1, 2021 – March 31, 2022)

	Net sales (Million yen)	Operating profit (Million yen)	Ordinary profit (Million yen)	Profit attributable to owners of parent (Million yen)	Earnings per share (Yen)	(Reference) EBITDA* (Million yen)
Previously announced forecast (A) (Announced on August 10, 2021)	249,000	30,000	28,000	17,500	306.87	45,000
Revised forecast (B)	254,700	35,500	33,700	23,500	411.97	50,700
Change (B - A)	5,700	5,500	5,700	6,000	—	5,700
Change (%)	2.3	18.3	20.4	34.3	—	12.7
(Reference) Results for the previous fiscal year (Fiscal year ended March 31, 2021)	223,016	25,392	25,458	17,468	306.38	37,887

* EBITDA = Operating profit + Depreciation + Amortization of goodwill

3. Reasons for differences between the consolidated earnings forecasts and results for the first six months of the fiscal year ending March 31, 2022

With the rapid rise in infections during the second quarter, the number of commissioned PCR tests and demand for high-sensitivity quantitative antigen test reagents and rapid antigen test kits exceeded the Company's initial assumptions. Testing demand associated with large-scale events also exceeded initial assumptions.

Consequently, results surpassed the previously announced forecasts.

4. Reasons for revisions to full-year consolidated earnings forecasts

The Company partially revised its second-half assumptions related to COVID-19 testing and expects further contributions to earnings chiefly from the IVD business during the second half. However, the Company expects that expenses will not be in line with its initial assumptions due to the gradual start-up of the first phase operation of the New Central Laboratory. Accordingly, the second half forecasts are unchanged from those announced on August 10.

In light of the results for the first six months which exceeded the forecasts announced on August 10 and the earnings forecasts for the second half, the Company revised its full-year earnings forecasts as stated at 2.

There is no change to the year-end dividend forecast (63 yen per share) as a result of the latest revisions.

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.