

## Consolidated Financial Results for the Three Months Ended June 30, 2021 <under Japanese GAAP>

Name of the Listed Company: **H.U. Group Holdings, Inc.**  
Listed Stock Exchanges: Tokyo Stock Exchange  
Securities Code: 4544  
URL: <https://www.hugp.com/>  
Representative: Shigekazu Takeuchi, Director, President and Group CEO  
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Scheduled date to submit Quarterly Securities Report: August 12, 2021  
Scheduled date to commence dividend payments: —  
Preparation of supplementary materials on quarterly financial results: Yes  
Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts rounded down)

### 1. Consolidated financial results for the three months ended June 30, 2021

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2021	63,492	44.6	12,227	987.5	11,929	—	8,343	—
June 30, 2020	43,904	(5.1)	1,124	(63.7)	364	(84.6)	(1,383)	—

Note: Comprehensive income  
Three months ended June 30, 2021: ¥8,540 million [ —%]  
Three months ended June 30, 2020: ¥(1,439) million [ —%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2021	146.30	146.23
June 30, 2020	(24.27)	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2021	250,211	118,460	47.3	2,075.94
March 31, 2021	252,751	115,298	45.6	2,020.01

Reference: Equity  
As of June 30, 2021: ¥118,387 million As of March 31, 2021: ¥115,195 million

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	–	50.00	–	94.00	144.00
Fiscal year ending March 31, 2022	–				
Fiscal year ending March 31, 2022 (Forecast)		62.00	–	63.00	125.00

Note: Revisions to the cash dividend forecasts most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2021	128,000	29.9	21,500	163.9	21,000	186.0	13,500	164.6	236.73
Fiscal year ending March 31, 2022	249,000	11.7	30,000	18.1	28,000	10.0	17,500	0.2	306.87

Note: Revisions to the earnings forecasts most recently announced: Yes

For details, please refer to “Notice of Revisions to Consolidated Earnings Forecasts for the First Six-Month and Full-Year Periods of Fiscal Year Ending March 31, 2022” announced today, August 10, 2021.

### \* Notes

- (1) Changes in significant subsidiaries during the current period under review (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - b. Changes in accounting policies due to other reasons: None
  - c. Changes in accounting estimates: None
  - d. Restatement: None

- (4) Number of shares issued (common shares)

- a. Total number of shares issued at the end of the period (including treasury shares)

As of June 30, 2021	57,417,907 shares
As of March 31, 2021	57,416,407 shares

- b. Number of treasury shares at the end of the period

As of June 30, 2021	389,521 shares
As of March 31, 2021	389,287 shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2021	57,027,969 shares
Three months ended June 30, 2020	56,983,115 shares

Note: The Company has introduced a Board Incentive Plan (BIP) trust as part of officer remuneration, and the number of shares of the Company held by the said trust is included in the number of treasury shares excluded from calculations of the number of treasury shares at the end of the period, and the average number of shares during the period.

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

(Note regarding the forecast figures)

Consolidated earnings forecasts for the fiscal year ending March 31, 2022 are based on information available to the Company as of the date of announcement of this report and assumptions as of the same date on many uncertain factors that could affect the future performance of the Company. Actual results may differ substantially from the forecasts due to various factors in the future.

(How to access supplementary materials on quarterly financial results and the details of quarterly financial results presentation meeting)

The Company is scheduled to hold a quarterly financial results presentation meeting for institutional investors and analysts via teleconference on Tuesday, August 10, 2021, and to post the materials used in the meeting on the Company's website immediately after the announcement of financial results.

## Quarterly consolidated financial statements

### (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	42,961	37,261
Notes and accounts receivable - trade	46,619	-
Notes and accounts receivable - trade, and contract assets	-	49,006
Merchandise and finished goods	5,756	5,907
Work in process	6,392	6,798
Raw materials and supplies	6,654	7,023
Other	10,202	9,560
Allowance for doubtful accounts	(574)	(264)
<b>Total current assets</b>	<b>118,013</b>	<b>115,293</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,431	15,529
Tools, furniture and fixtures, net	12,036	11,946
Land	9,691	9,691
Other, net	24,002	25,860
<b>Total property, plant and equipment</b>	<b>61,162</b>	<b>63,027</b>
Intangible assets		
Goodwill	760	730
Customer-related intangible assets	947	934
Software	7,827	7,743
Other	17,927	21,080
<b>Total intangible assets</b>	<b>27,462</b>	<b>30,487</b>
Investments and other assets		
Investment securities	10,388	9,874
Other	35,719	31,561
Allowance for doubtful accounts	(140)	(173)
<b>Total investments and other assets</b>	<b>45,966</b>	<b>41,261</b>
<b>Total non-current assets</b>	<b>134,591</b>	<b>134,776</b>
Deferred assets	146	140
<b>Total assets</b>	<b>252,751</b>	<b>250,211</b>

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	18,150	18,134
Electronically recorded obligations - operating	2,115	2,216
Short-term borrowings	4,500	4,500
Current portion of long-term borrowings	3,899	3,898
Accounts payable - other	12,407	11,316
Income taxes payable	2,374	1,715
Provision for bonuses	7,104	2,716
Other	12,366	13,389
Total current liabilities	62,918	57,887
Non-current liabilities		
Bonds payable	35,000	35,000
Long-term borrowings	22,321	20,510
Retirement benefit liability	3,801	3,901
Asset retirement obligations	1,053	1,056
Provision for share awards	279	372
Provision for compensation loss	466	466
Other	11,611	12,556
Total non-current liabilities	74,534	73,864
<b>Total liabilities</b>	<b>137,452</b>	<b>131,751</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	9,184	9,187
Capital surplus	24,906	24,909
Retained earnings	83,269	86,245
Treasury shares	(1,583)	(1,584)
Total shareholders' equity	115,775	118,757
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(152)	(147)
Foreign currency translation adjustment	400	564
Remeasurements of defined benefit plans	(828)	(785)
Total accumulated other comprehensive income	(579)	(369)
Share acquisition rights	116	98
Non-controlling interests	(13)	(26)
Total net assets	115,298	118,460
<b>Total liabilities and net assets</b>	<b>252,751</b>	<b>250,211</b>

**(2) Consolidated statement of income and consolidated statement of comprehensive income**  
**Consolidated statement of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	43,904	63,492
Cost of sales	31,355	38,136
Gross profit	12,548	25,356
Selling, general and administrative expenses	11,424	13,129
Operating profit	1,124	12,227
Non-operating income		
Interest income	23	9
Dividend income	13	20
Gain on investments in capital	–	519
Other	101	72
Total non-operating income	138	622
Non-operating expenses		
Interest expenses	69	97
Share of loss of entities accounted for using equity method	607	703
Other	222	120
Total non-operating expenses	898	921
Ordinary profit	364	11,929
Extraordinary income		
Gain on sale of non-current assets	0	5
Gain on reversal of share acquisition rights	–	16
Other	–	48
Total extraordinary income	0	69
Extraordinary losses		
Loss on retirement of non-current assets	1	29
Loss on valuation of other investments	–	525
Other	526	28
Total extraordinary losses	527	583
Profit (loss) before income taxes	(163)	11,415
Income taxes - current	79	1,282
Income taxes - deferred	1,140	1,803
Total income taxes	1,220	3,085
Profit (loss)	(1,383)	8,329
Loss attributable to non-controlling interests	–	(13)
Profit (loss) attributable to owners of parent	(1,383)	8,343

## Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit (loss)	(1,383)	8,329
Other comprehensive income		
Valuation difference on available-for-sale securities	2	4
Foreign currency translation adjustment	(92)	163
Remeasurements of defined benefit plans, net of tax	32	42
Total other comprehensive income	(56)	210
Comprehensive income	(1,439)	8,540
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(1,439)	8,553
Comprehensive income attributable to non-controlling interests	—	(13)

### (3) Consolidated statement of cash flows

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(163)	11,415
Depreciation	2,731	3,217
Amortization of goodwill	156	30
Gain on investments in capital	–	(519)
Loss on valuation of other investments	–	525
Increase (decrease) in provision for bonuses	(3,647)	(4,387)
Increase (decrease) in retirement benefit liability	125	180
Interest and dividend income	(36)	(30)
Interest expenses	69	97
Share of loss (profit) of entities accounted for using equity method	607	703
Decrease (increase) in trade receivables	450	–
Decrease (increase) in trade receivables and contract assets	–	(351)
Decrease (increase) in inventories	(1,594)	(922)
Increase (decrease) in trade payables	(2,091)	75
Increase (decrease) in accrued consumption taxes	(182)	(529)
Decrease (increase) in other current assets	(175)	(2,119)
Increase (decrease) in other current liabilities	(371)	462
Other, net	200	(452)
Subtotal	(3,921)	7,393
Interest and dividends received	36	39
Interest paid	(105)	(123)
Income taxes paid	(2,233)	(1,663)
Net cash provided by (used in) operating activities	(6,224)	5,646
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,644)	(4,501)
Purchase of intangible assets	(2,387)	(3,739)
Purchase of investment securities	(771)	–
Proceeds from share of profits on investments in capital	–	3,016
Subsidies received	–	1,696
Other, net	(540)	89
Net cash provided by (used in) investing activities	(6,344)	(3,437)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	10,000	–
Repayments of finance lease obligations	(386)	(930)
Repayments of long-term borrowings	(1,811)	(1,811)
Dividends paid	(3,684)	(5,268)
Other, net	27	(12)
Net cash provided by (used in) financing activities	4,145	(8,023)
Effect of exchange rate change on cash and cash equivalents	182	113
Net increase (decrease) in cash and cash equivalents	(8,241)	(5,700)
Cash and cash equivalents at beginning of period	36,226	42,950
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	0
Cash and cash equivalents at end of period	27,984	37,250