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MEMBERSHIP  
August 8, 2024

## Consolidated Financial Results for the Three Months Ended June 30, 2024 (Under Japanese GAAP)

Company name:	<b>H.U. Group Holdings, Inc.</b>
Listing:	Tokyo Stock Exchange
Securities code:	4544
URL:	<a href="https://www.hugp.com/">https://www.hugp.com/</a>
Representative:	Shigekazu Takeuchi, Chairman, President and Group CEO
Inquiries:	Naoki Kitamura, Managing Executive Officer and CFO
Telephone:	+81-3-6279-0926
Scheduled date to commence dividend payments:	–
Preparation of supplementary material on financial results:	Yes
Holding of financial results briefing:	Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

#### (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, 2024	59,467	5.0	622	–	641	–	175	–
June 30, 2023	56,620	(13.3)	(1,711)	–	(1,468)	–	(1,120)	–

Note: Comprehensive income For the three months ended June 30, 2024: ¥4,429 million [50.6%]  
For the three months ended June 30, 2023: ¥2,940 million [(68.8)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	3.08	–
June 30, 2023	(19.67)	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2024	284,891	143,333	50.3	2,521.02
March 31, 2024	290,849	142,505	49.0	2,506.50

Reference: Equity

As of June 30, 2024: ¥143,241 million  
As of March 31, 2024: ¥142,417 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	62.00	–	63.00	125.00
Fiscal year ending March 31, 2025	–				
Fiscal year ending March 31, 2025 (Forecast)		62.00	–	63.00	125.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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
Fiscal year ending March 31, 2025	241,000	1.7	10,000	–	9,500	–	7,000	–	123.20

Note: Revisions to the earnings forecasts most recently announced: None

### \* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None
- (4) Number of issued shares (common shares)

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

As of June 30, 2024	57,473,822 shares
As of March 31, 2024	57,473,822 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2024	655,063 shares
As of March 31, 2024	654,819 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	56,818,864 shares
Three months ended June 30, 2023	56,959,700 shares

Note: The Company has introduced a trust-type share-based compensation scheme, 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.

\* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

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

(Note regarding the forecast figures)

The consolidated earnings forecasts for the fiscal year ending March 31, 2025 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 material on financial results and the details of financial results briefing)

The Company is scheduled to hold a financial results briefing for institutional investors and analysts via telephone conference on Thursday, August 8, 2024, and to post the material 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, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	39,947	30,890
Notes and accounts receivable - trade, and contract assets	47,425	46,818
Merchandise and finished goods	6,093	5,909
Work in process	7,929	9,282
Raw materials and supplies	8,439	8,915
Other	14,063	15,160
Allowance for doubtful accounts	(678)	(857)
Total current assets	123,220	116,119
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	28,441	28,761
Machinery, equipment and vehicles, net	13,338	13,253
Tools, furniture and fixtures, net	16,847	16,201
Land	10,129	10,203
Other, net	12,644	12,632
Total property, plant and equipment	81,400	81,051
Intangible assets		
Goodwill	7,399	7,714
Customer-related intangible assets	1,968	2,019
Software	17,825	17,092
Other	18,638	19,177
Total intangible assets	45,832	46,004
Investments and other assets		
Investment securities	6,438	6,563
Other	34,269	35,423
Allowance for doubtful accounts	(411)	(361)
Total investments and other assets	40,297	41,624
Total non-current assets	167,530	168,680
Deferred assets	99	90
Total assets	290,849	284,891

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	19,729	19,463
Electronically recorded obligations - operating	1,091	684
Current portion of bonds payable	10,000	10,000
Accounts payable - other	16,027	11,919
Income taxes payable	785	1,659
Provision for bonuses	6,109	2,918
Other	10,325	12,224
Total current liabilities	64,070	58,869
Non-current liabilities		
Bonds payable	31,100	31,100
Long-term borrowings	29,000	29,000
Retirement benefit liability	7,174	7,293
Asset retirement obligations	1,571	1,704
Provision for share awards	75	99
Provision for compensation loss	637	0
Provision for loss on guarantees	699	390
Other	14,016	13,101
Total non-current liabilities	84,274	82,689
Total liabilities	148,344	141,558
<b>Net assets</b>		
Shareholders' equity		
Share capital	9,279	9,279
Capital surplus	25,001	25,001
Retained earnings	97,700	94,270
Treasury shares	(2,256)	(2,257)
Total shareholders' equity	129,724	126,294
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,498	2,408
Foreign currency translation adjustment	13,209	16,482
Remeasurements of defined benefit plans	(2,014)	(1,943)
Total accumulated other comprehensive income	12,692	16,946
Share acquisition rights	88	91
Total net assets	142,505	143,333
<b>Total liabilities and net assets</b>	<b>290,849</b>	<b>284,891</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, 2023	Three months ended June 30, 2024
Net sales	56,620	59,467
Cost of sales	41,643	42,782
Gross profit	14,976	16,684
Selling, general and administrative expenses	16,687	16,062
Operating profit (loss)	(1,711)	622
Non-operating income		
Interest income	104	110
Dividend income	62	32
Foreign exchange gains	744	866
Other	103	88
Total non-operating income	1,015	1,098
Non-operating expenses		
Interest expenses	95	105
Share of loss of entities accounted for using equity method	253	519
Loss on investments in capital	277	295
Other	145	158
Total non-operating expenses	772	1,079
Ordinary profit (loss)	(1,468)	641
Extraordinary income		
Gain on sale of non-current assets	–	0
Gain on sale of businesses	377	–
Reversal of provision for compensation loss	–	678
Total extraordinary income	377	678
Extraordinary losses		
Loss on retirement of non-current assets	6	7
Loss on valuation of investment securities	58	–
Other	10	0
Total extraordinary losses	75	8
Profit (loss) before income taxes	(1,165)	1,311
Income taxes - current	453	1,270
Income taxes - deferred	(499)	(134)
Total income taxes	(45)	1,135
Profit (loss)	(1,120)	175
Profit (loss) attributable to owners of parent	(1,120)	175

**Consolidated statement of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit (loss)	(1,120)	175
Other comprehensive income		
Valuation difference on available-for-sale securities	259	910
Foreign currency translation adjustment	3,757	3,272
Remeasurements of defined benefit plans, net of tax	44	70
Total other comprehensive income	4,061	4,253
Comprehensive income	2,940	4,429
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	2,940	4,429

**(3) Consolidated statement of cash flows**

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(1,165)	1,311
Depreciation	5,062	4,941
Amortization of goodwill	71	117
Foreign exchange losses (gains)	(875)	(803)
Share of loss (profit) of entities accounted for using equity method	253	519
Decrease (increase) in accounts receivable - trade, and contract assets	2,523	1,107
Decrease (increase) in inventories	(834)	(1,001)
Increase (decrease) in trade payables	(1,847)	(793)
Increase (decrease) in provision for bonuses	(3,826)	(3,257)
Increase (decrease) in accrued consumption taxes	1,446	2,013
Decrease (increase) in other current assets	(1,180)	(1,192)
Increase (decrease) in other non-current liabilities	142	(1,339)
Other, net	(4,852)	1,021
Subtotal	(5,082)	2,645
Income taxes paid	(1,171)	(510)
Other, net	53	92
Net cash provided by (used in) operating activities	(6,200)	2,227
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,520)	(1,476)
Purchase of intangible assets	(1,526)	(1,369)
Loan advances	(155)	(899)
Payments of contingent consideration for shares of subsidiaries	–	(3,005)
Other, net	251	(214)
Net cash provided by (used in) investing activities	(3,950)	(6,965)
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	2,800	–
Repayments of long-term borrowings	(3,700)	–
Dividends paid	(3,583)	(3,583)
Net increase (decrease) in short-term borrowings	3,500	–
Repayments of finance lease liabilities	(1,086)	(1,026)
Other, net	398	(0)
Net cash provided by (used in) financing activities	(1,671)	(4,611)
Effect of exchange rate change on cash and cash equivalents	371	292
Net increase (decrease) in cash and cash equivalents	(11,450)	(9,056)
Cash and cash equivalents at beginning of period	44,185	39,946
Cash and cash equivalents at end of period	32,735	30,889