





H.U. Group Holdings Integrated Report 2023

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Editorial Policy

This report is designed to communicate to a wide range of H.U. Group stakeholders the Group's initiatives to increase its corporate value over the medium to long term and to promote dialogue. The production process has involved coordinated efforts from all divisions, including the Group CEO and the CFO, who is in charge of the report's publication. We have gathered important annual information regarding management strategy and sustainability and focused on ensuring the information is connected and concise. Please visit our website for more detailed information.







Scope of Report

The business performance data in this report includes consolidated Group companies. The information on sustainability includes some data from outside the scope of the rest of the report. All data are presented with an indication of the scope covered.

Time Period Covered by Disclosed Information

As this report is issued in December 2023, it contains mainly information on fiscal 2022 (ended March 31, 2023) and the first half of fiscal 2023 (ending March 31, 2024).

Forward-looking Statements

The predicted performance figures found within this integrated report are based on determinations made by our management team using information available at present. They were prepared on the basis of numerous assumptions and opinions obtained based on information that includes enormous risks and uncertainty. Please note that our actual performance results may differ from these performance predictions due to a variety of different factors. Factors that could foreseeably impact our performance include, but are not limited to, a deterioration of the economic climate, exchange rate fluctuations, changes in legal or governance systems, delays in bringing new products to market, pressure resulting from the product strategies of our competitors, decreased selling power for our existing products, and sales discontinuation.



What's in Our Name



Governance



Aiming to Be a Healthcare Innovator

The H.U. Group is shifting its role in society from its former role of an "entry point to medicine" to a new role as an "entry point to healthcare." This challenge means creating new value above and beyond what we could have achieved on our past trajectory. We believe that this challenge has been made possible for us because we have established a business model shared by very few around the world, having both the LTS business, which provides highly reliable testing services, and the IVD business, which supports global medicine through innovative diagnostic technologies. Moreover, we also aim to be an innovator providing a total response to social issues with the addition of the HS business, where we are developing outsourcing services in the field of treatment and nursing care with an eye to the progress of at-home endof-life care. While continuing to develop our existing businesses, we will work together as a single Group to create new value in healthcare.



The H.U. Group's Mission and Vision guide us as we expand the scope of the value we create and contribute to the future of medicine and the development of healthcare.

By ensuring that all our employees understand our Values and Traits and practice them in their day-to-day operations, we aim to provide optimal healthcare solutions for everyone.

Value Creation Story

Group Mission and Vision

Mission

Create new value in healthcare and thereby contribute to human health and the future of medical care

Vision

With our deep involvement in human health, we aim to be a group that contributes to the development of healthcare through trust and innovation

Values and Traits

Customer Centricity

 Respond to medical care and healthcare needs, exceed customer expectations

Creation of New Value

- Strive for global value creation first and foremost, take risks to challenge and innovate
- ◆Think and execute with a global perspective
- ◆ Lead with result-orientation, speed and efficiency

Sincerity and Trust

- ◆ Be sincere and trustworthy, act with transparency
- Communicate openly and constructively, beyond boundaries
- Gain and maintain trust from all stakeholders

Mutual Respect

- Respect diverse values, experience, expertise and teamwork
- Praise and celebrate challenges and successes
- Grow and help others to grow

The H.U. Group's Businesses



LTS

Lab Testing and its related Services

The H.U. Group leads Japan's clinical testing market with a share of 23.4%*1 and provides comprehensive testing services to medical institutions and others through its nationwide network of laboratories, including the H.U. Bioness Complex, one of the world's largest lab facilities. We have particular strengths in esoteric testing for examining the cause and progression of disease, and we receive upwards of 200,000 orders for tests daily, mainly from major hospitals. We are also focusing on the introduction of testing services to support advanced treatments, such as genomic medicine in the fields of cancer and rare diseases.

*1 Source: Yano Research Institute "2023 Clinical Laboratory Center Management Overview"

Main products and services

- Testing business (including CRO functions)
- Health check-up support business
- ♦ Food, environment, cosmetics testing business



IVD

In-Vitro Diagnostics

We are a leading company in immunoassay reagents, providing products to over 100 countries worldwide. We promote R&D through a three-hub structure in Japan, Europe and the United States, working to create innovative test reagents for diseases for which there are not yet effective testing methods anywhere in the world. Recently, we have been developing our contract development and manufacturing organization (CDMO) business model globally through partnerships with overseas diagnostic reagent companies. Using our high-quality raw materials and advanced technological capabilities, we are also striving to create new testing markets, such as Alzheimer's disease.

Main products and services

- ◆ Lumipulse®*² business
- CDMO and raw material supply business
- Other products
- *2 Fully automated chemiluminescence enzyme immunoassay system



HS

Healthcare-related Services

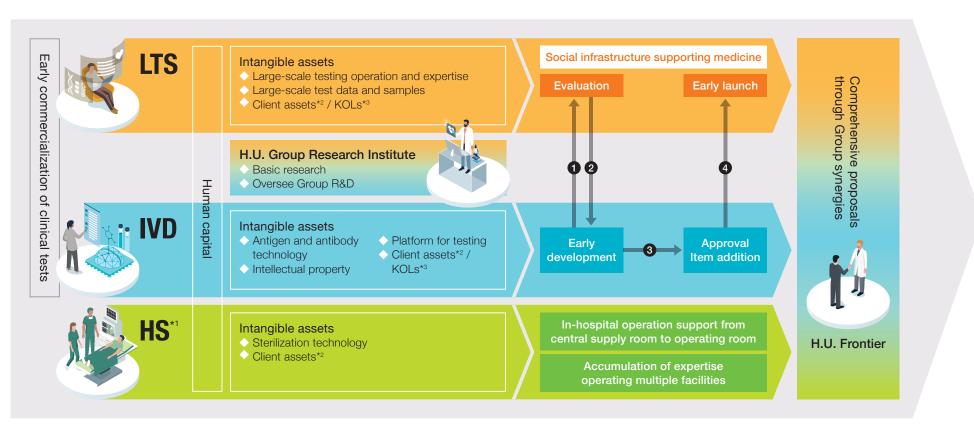
Paving the way to a future where end-of-life care shifts to the home, the Group is expanding the scope of its contributions by developing an outsourcing service business in the medical and nursing care fields. In the sterilization and related services business, we provide comprehensive solutions to medical institutions, from sterilization services inside and outside hospitals to surgical operation support services. In the home-visiting and welfare business, we provide home-visit services centered on nursing care equipment rental and home-visit nursing. Other areas of business include the sale and lease of medical equipment and medical supplies.

Main products and services

- Sterilization and related services business
- Home-visiting, welfare business

The H.U. Group is one of few corporate groups in the world to combine the LTS business, which has the leading share of the Japanese commissioned clinical testing market, and the IVD business, where it is a leading company in immunoassay reagents. Recently, the HS business, which provides healthcare-related services, was included in the Group, strengthening its structure for responding comprehensively to customer needs. In addition, guided by the concept that the power of the Company is the sum total of the power of its individual members, we are striving to enhance our personnel systems and training systems to enhance the skills and knowledge of all employees. Furthermore, we fully utilize the human capital and intellectual capital of our Group companies, aiming to harness synergy effects in order to maximize the value provided to customers.

In the LTS business and IVD business, we conduct "early development ()" of test reagents, then demonstrate their value to realize "development evaluation (2)" and "approval acquisition and item addition (3)" within the Group. We maintain close links, including with H.U. Group Research Institute G.K., which is responsible for corporate R&D functions, to enable "early launch (3)" of high-value-added products and services. During the COVID-19 pandemic, this value creation model was used to rapidly introduce PCR tests and quickly develop and commercialize antigen test reagents, contributing significantly to solutions for social issues. In addition, integrated sales company H.U. Frontier, Inc. is providing total solutions combining the products and services of the LTS business, IVD business, aiming to increase the corporate value of the Group.



^{*1} Sterilization and related services in the Healthcare-related Services (HS) business *2 Links with a diverse customer base and associated customer relationships *3 Key opinion leaders

Message from the CEO



The H.U. Group is a corporate group that aims to provide "Healthcare for You," contributing to human health for all people and the future of medical care through our deep involvement in the health of each and every person. The results of the Group's integration strategies for realizing unique value creation are steadily emerging. We will further accelerate this activity and reinforce our foundation for future sustainable growth to set the entire Group on a growth trajectory.

We aim to address the social issue of a falling birthrate and aging population as a corporate group that provides healthcare solutions that lead to longer healthy lives

Three years have passed since we adopted "H.U." in our company name, representing "Healthcare for You." Looking back on our progress over recent years, since my appointment as president in 2016, we have accelerated the Group integration strategy and promoted management reforms aimed at new growth. While engaging with a series of measures within those reforms, our ideal image of the Company discussed internally gradually changed towards pursuing greater social value.

One of the issues for society today is the falling birthrate and aging population. If effective countermeasures are not implemented, there will be unavoidable impacts on our economy and society, including a worsening shortage of workers as the working population declines, in addition to burgeoning national healthcare costs. To respond to this issue, the Company reached the conclusion that it should broaden its offering of high-quality products and services to become a corporate group that promotes the prevention, early detection, and treatment of disease, as well as providing solutions that lead to extended healthy lives. In 2020, we decided to change the company name to one that embodies our commitment to this direction.

"Healthcare for You," expresses the Group's aspiration to step beyond the role of supporting healthcare centered on the clinical laboratory testing and in-vitro diagnostics businesses to engage with individual consumers and deliver optimal healthcare to all. The H.U. Group's Mission is to "Create new value in

healthcare and thereby contribute to human health and the future of medical care."

Going forward, as we enter the age of the 100-year lifespan, we will expand the scope of our contribution to span the process from disease prevention to prognosis, in other words, all the areas that correspond to "Healthcare for You." In August 2021, we revised our business segments, making the Healthcarerelated Services (HS) business, which encompasses the homevisit nursing and long-term care business and nursing care supplies business, a third business pillar alongside the Lab Testing and its related Services (LTS) and In-Vitro Diagnostics (IVD) businesses. In a super-aged society, we predict that end-oflife care will shift from its traditional setting of a medical institution to treatment at home. We are combining the Group's strengths in clinical testing services and home-visit nursing services and continuing to develop new ways to support users and their families. In addition, while our business is primarily based on B2B services, by expanding our range to include B2C services, we are striving to create high-value-added products and services that are quick to respond to changes in society. A leading success story in this regard is our COVID-19 rapid antigen test kit, which was approved as an over-the-counter test drug in Japan in October 2022. This test kit was initially approved for medical use in May 2020, becoming the first such device to be approved in Japan. As it requires no test equipment and can determine results immediately, it has become widely adopted by general households since being repurposed for general use. In addition, in response to the spread of public awareness that people can conduct testing themselves, we established H.U.POCkeT, Inc., which focuses mainly on POCT*1-related business and started operating from July 2023.

Meanwhile, as medical technology evolves, the Group's products and services are also increasing in sophistication and adding higher value. For example, in the area of Alzheimer's disease test reagents, which is one of the key initiatives of the IVD business, we used a technology that can capture microscopic amounts of components in blood to develop a reagent that can detect a protein that is considered to be one of the substances that cause dementia. We are now preparing to file for approval in the United States. The conventional testing method of collecting cerebrospinal fluid is challenging because it burdens the body

significantly and involves highly difficult testing techniques. On the other hand, testing using blood alleviates physical and mental burdens and can also be expected to reduce costs. Using the results of cutting-edge R&D to drive the evolution of clinical testing services and test reagents leads directly to the Group's growth, and we have also considered it our duty since our foundation, having looked upon the lives of the individual people who provide the test specimens.

*1 Point of care testing, a form of simple and rapid testing

Over the past three years, we have been steadily working to reinforce our foundation for growth through measures such as establishing an integrated sales company, promoting external partnerships, and conducting M&As in the IVD business

In the three years since we changed the company name, we have focused on redefining the Group Mission and Vision and restructuring the organization, as well as changing the mindset of our employees. During these three years, we have had three significant accomplishments.

The first accomplishment was the establishment of H.U. Frontier as a centralized sales platform for the Group in Japan. Previously, Group companies such as SRL, Inc., Fujirebio Inc., and Nihon Stery, Inc. conducted their sales activities separately for a single medical institution. The establishment of the new company enabled wider extension of the value chain, combining the various products and services of each Group company based on customer needs to provide total solutions. By comprehensively providing multiple products and services, we will continue to increase their added value and competitiveness, ultimately securing stable earnings. The effects of centralizing our sales platform are also apparent in the area of human resource development. For example, last year, sales personnel from SRL sat the Diagnostics Medical Representative (DMR) qualification*2 examination, with most of them gaining the certification for use in their work. Regardless of which company they originate from, I feel that they are gradually developing a mindset of enhancing their own capabilities in order to implement the H.U. Group Values and Traits on the front lines.



The second important accomplishment was the advancement of external partnerships. Until recently, the Group has had a strong inclination towards self-sufficiency, which I feel has prevented it from fully utilizing its opportunities for growth and efficiency gains. Reflecting on this, we decided to actively promote external links after identifying the Group's own core competences. In 2022, we established a joint logistics company called MEDISKET CORPORATION with leading pharmaceutical wholesaler MEDIPAL HOLDINGS CORPORATION, with whom we are sharing logistics operations for more efficient distribution functions. Breaking the conventional industry paradigm of selfsufficiency in logistics, this innovative joint delivery model not only minimizes logistics costs for both companies, but also helps to reduce CO₂ emissions. Moreover, we are also working proactively on open innovation with academia and start-ups. At H.U. Group Research Institute, we are currently working on a number of joint research projects with the goal of generating innovation. Universities and research institutes aiming to implement their research themes in the real world are extremely attracted to the H.U. Group's clinical testing technologies and expertise, and we are seeing an increase in inquiries.

The third important accomplishment came from the M&As of two overseas companies that were conducted with the aim of further growing the IVD business. In July 2022, we acquired ADx NeuroSciences N.V., a biotechnology company specializing in the field of neurological diseases, such as Alzheimer's disease. In November, Fluxus, Inc., which has been developing a diagnostic drug platform using ultra-high-sensitivity detection technology together with Fujirebio, was included in the Group. These M&As are expected to strengthen our R&D capabilities, which drive the growth of our IVD business, and accelerate our global strategy. We believe they can enhance our competitiveness.

*2 An industry qualification for the role of providing medical professionals such as clinical testing technicians with medical information regarding clinical test reagents, aiming to ensure their correct usage and widespread adoption, while also communicating feedback of information from the medical front lines regarding the efficacy and safety of clinical test reagents

Impact of COVID-19 on business performance. Looking ahead, we will focus on further strengthening the base businesses, aiming for a return to growth

Since the Group operates diverse businesses responding to various medical needs, COVID-19 had an extremely large impact on the Group's business performance. The impacts were both positive and negative.

First of all, over the two-year period from fiscal 2020 to fiscal 2021, when the virus was spreading globally, sales and profits both grew sharply as we expanded our supply of various COVID-19-related testing products and services. This is the positive side. The Group had an advantage with respect to the newly emergent testing needs thanks to the technology and expertise that we had accumulated due to the efforts of our predecessors, who had started internal research into test reagents in alarm over the SARS (Severe Acute Respiratory Syndrome) virus that spread overseas in 2002, and the Zika fever and so forth. In January 2020, when the first COVID-19 case was confirmed in Japan, the Group began working rapidly to develop a test reagent. At that time, we found that the genome analysis result of the virus causing the new respiratory illness was almost the same base sequence as the SARS virus of 2002. We realized, therefore, that we could reuse part of the antibody that was established 17 vears earlier. This history was behind our release of Japan's first

rapid antigen test kit in May of the same year, followed in June by our release of the world's first high-sensitivity quantitative antigen test reagent. These initiatives were well received and contributed significantly to social activity, such as providing comprehensive test support including PCR testing at major airport quarantine stations throughout Japan. I realize that responding to such an unknown infectious disease by quickly establishing a testing system and rapidly building a supply system centered on test reagents and equipment is one of the reasons for the H.U. Group's existence.

On the other hand, looking at the negative impacts of the COVID-19 pandemic, our existing base businesses experienced a downturn due to factors such as curbs on outpatient visits and other changes in consumer behavior, and a decrease in hospital admissions in order to save beds for COVID-19 patients. Our base businesses have yet to fully recover to the pre-COVID-19 level of fiscal 2019. Moreover, after growing through fiscal 2020 and fiscal 2021, sales of COVID-19-related tests and products have been in decline. As these factors compounded, we recorded decreases in sales and profits for fiscal 2022. During the three-year COVID-19 pandemic, we have worked to strengthen the earnings base for each business. Now we must accelerate our initiatives even further for growth over the medium to long term.

We see fiscal 2023 as the time to put our focus onto strengthening our existing base businesses and returning them to growth. In the commissioned clinical testing market, existing testing services could become more simplified with the progression of birthrate decline and population aging. Accordingly, in the LTS business, we need to constantly create new test items while retaining market share. It is particularly essential to expand our test items in the area of cutting-edge medicine, and we will continue to invest management resources in R&D activities. In the IVD business as well, it is vital that we constantly conduct R&D and commercialization of new test reagents. We will build our track record for Lumipulse® in Japan and accelerate our cycle of expansion into the contract development and manufacturing organization (CDMO) business, while globally expanding our lineup of test reagents.

We will realize a sustainable and healthy future as a healthcare innovator, inspired by society's expectations

The H.U. Group's intangible assets are essential for increasing its corporate value in the future. In particular, we seek to draw out as much potential value as possible from our intellectual and human capitals.







Fiscal 2022 Kick-off Meeting and Annual Award Ceremony (June 2023)

Intellectual capital is managed centrally by H.U. Group Holdings, which works to ensure that it is appropriately protected and used effectively within the Group. In the LTS business, our aim is to acquire technologies and specialized skills that will enable us to provide high-value-added testing services. These include companion diagnostic-related testing and genome analysis, which are essential for precision medicine.*3 We plan to use these intellectual properties strategically as the source of gaining a competitive advantage. In the IVD business, we will increase our efforts to research and develop test reagents, contributing to the advancement of medicine through the development of products that are exclusive to the H.U. Group and have high clinical utility. Furthermore, to strengthen the research side of R&D, H.U. Group Research Institute is promoting broad basic research to create future seeds. Strengthening intellectual capital will also have a positive impact on partnerships with external organizations. We will continue to focus on intellectual property, not only in the form of patents to protect our own technologies, but also as a catalyst for co-creation.

Meanwhile, in our efforts to create systems for maximizing the value of human capital, we recognize that we are currently in a situation where we must fundamentally break away from traditional Japanese employment practices, such as lifetime employment and a seniority system. Moreover, the Group's personnel philosophy is that the power of the Company is the sum total of the power of its individual members. Guided by this philosophy, we plan to create a new personnel system for enhancing individual capabilities and skills. Some of the programs will begin in fiscal 2023, with full-scale operation scheduled to begin from fiscal 2024. Our primary focus in designing the system has been management training. First, in the management evaluation system, we will clarify the role requirements for managers along with specific expected behaviors. In addition, we will renew the content of management training to foster the desired mindset and help people break away from non-leadership style thinking. A particularly important point is the ability to communicate with subordinate team members. It is important because neglecting day-to-day communication can lead to an inability to draw out honest self-disclosure from team members

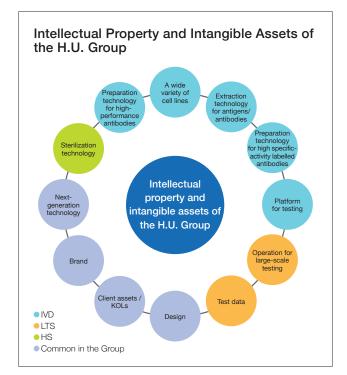
and the failure of organizational operations. Other than strengthening this kind of management training, we will also revise various systems, such as the grading system and compensation system. We aim to develop human resources who will build their careers independently, autonomously, and on their own responsibility to take the Group into its next phase.

Seven years have passed since I was appointed president. One thing I have observed is that the key to realizing integrated management for the Group lies in changing the mindset of employees. Our people's awareness has been reformed to the point where retired employees who had a strongly conservative mindset and who know the Group as it was in the past

commented on their surprise at how much things have changed. Moreover, as our day-to-day initiatives driven by this awareness reform are promoted, we have recently seen a rapid rise in the Group's evaluation from ESG rating agencies. Therefore, I am keenly aware that we must fulfill our responsibility to society even more than before.

The Group's management reforms will transition from the foundation strengthening phase to a growth phase as we advance. Inspired by society's expectations, we will realize a sustainable and healthy future as a healthcare innovator.

*3 Medical care that is individualized and optimized based on detailed information including the patient's genetic information





Members of the second class of H.U. Business College





New offices at the head office after relocation in May 2023

From Foundation to Management Integration

The H.U. Group's parent company was Fujizoki Pharmaceutical (currently Fujirebio), which was founded to manufacture and sell pharmaceutical products in 1950. In the mid-1960s, we started work on development of test reagents, and in 1966 succeeded in developing the world's first clinical test reagent for syphilis, a disease for which there was no reliable method of diagnosis at the time. Continuing from this success, we applied the principle of passive (indirect) agglutination, which we had cultivated with this product, to advance our R&D on test reagents for autoimmune diseases and infectious diseases. We grew to become a leading company in the field of immune serum. We started expanding overseas in 1970, aiming to become a global life science company.

Subsequently, Fujizoki Pharmaceutical diversified its businesses using the technologies it had cultivated in the In-Vitro Diagnostics business. At this time, the Company divested its blood bank business, which had been a core business, and it needed to explore different paths as a matter of survival. The Company's first step was to establish a new company, Tokyo Special Reference Laboratories (currently SRL), for providing commissioned clinical testing services. Despite being an industry latecomer, having started business in 1970, by focusing its business on the field of esoteric testing, the company steadily expanded its market share, mainly among university hospitals and national hospitals. Later, the company expanded its business domain to encompass general testing and grew to become the largest clinical laboratory testing company in Japan.

In 1999, SRL established Care'x, Inc., a nursing care equipment rental company, jointly with Mitsui & Co., Ltd. In 2000, Nihon Stery, which offers sterilization services for medical devices and equipment, became a wholly owned subsidiary under the umbrella of SRL.

Then in 2005 Miraca Holdings, Inc. was founded through the reintegration under the holding company of Fujirebio and SRL after 35 years. The Company name "Miraca" was created as an acronym of the Japanese words for "future" and "science" to express the intention of applying and developing science that is constantly one step ahead. The Company aimed to provide high-value-added testing technologies and services.

Fuiirebio



2000 Sold the pharmaceutical business

1998 Acquired the diagnostic reagent business unit of U.S. company Centocor Diagnostics and changed the company name to Fujirebio Diagnostics, Inc. (FDI) (Stepping stone to entry into the raw materials supply and CDMO businesses)

1997 Developed and started sales of test reagent ESPLINE® HBsAg/Ab

1992 Developed and started sales of fully automated chemiluminescence enzyme immunoassay system LUMIPULSE® 1200 (Transition from manual to automated)

1987 Listed on the first section of the Tokyo Stock Exchange

1983 Company name changed to Fujirebio, listed on the second section of the Tokyo Stock Exchange

1977 Developed and started sales of test reagent SERODIA® HBs for detecting HBs antigen for hepatitis B virus

1966 Entered the diagnostic reagent sector
Developed and started sales of the world's first clinical reagent for syphilis

1964 The Japanese government adopted a resolution to secure blood for transfusions through blood donations (Policy change from private-sector blood banks to public blood donation operations)

1954 Entered the blood bank business
Started providing blood for transfusions

1950 Fujizoki Pharmaceutical founded to manufacture and sell pharmaceutical products

1970 Tokyo Special Reference Laboratories founded as part of a drive to diversify the business of Fujizoki Pharmaceutical

1974 Started commissioned chromosome testing

1982 Entered the clinical testing market

1987 Established Japan's first genetic testing laboratory
First in Asia to acquire CAP (College of American Pathologists) accreditation

SRL



1989 Changed the company name to SRL

1990 Listed on the second section of the Tokyo Stock Exchange

1997 Established SRL Medisearch, Inc.

1999 Established joint nursing care equipment rental business (Care'x) with Mitsui & Co., Ltd.

2000 Acquired certification for ISO 14001, an international standard for environmental management systems
Participated in management of sterilization service (Nihon Stery)

2001 Listed on the first section of the Tokyo Stock Exchange

2005

Miraca Holdings founded through business integration of Fujirebio and SRL



Through H.U. Group Research Institute G.K., we organically connect the Group's R&D resources, shortening the cycle from development to validation and product creation. We are strengthening external collaboration to promote commercialization of the latest technologies.

H.U. Frontier was established as an integrated sales company that leverages our wide-ranging value chain to provide one-stop solutions for medical institutions' issues. We are building a platform for sharing information about markets, products, and technologies.

We are promoting work style reforms and infrastructure upgrades designed to create concepts based on an awareness of the entire Group and innovation not bounded by industry practices. We will execute a series of measures aimed at creating links across organizational boundaries.

The Second Founding — Establishment of H.U. Group Holdings

From 2000 through the 2010s, the commissioned clinical testing industry established its social role as an important supporting infrastructure for healthcare. However, market growth stagnated due to the suppression of medical fees and other factors. The business environment has changed dramatically due to factors such as increases in social security costs associated with the declining birthrate and aging population in Japan, the advance of personalized medicine leading to longer healthy lives, and an increase in demand for advanced medical care.

In response, the H.U. Group used these changes as opportunities for reform and started work on radical restructuring, positioning 2017 as a "second founding." We conceived a completely original business model that would enable test reagent manufacturers and clinical testing centers to work together and create synergies. We made proactive investments to promote further growth in areas such as human resources, R&D, and automation equipment. In addition, to establishing a foundation for our Group integration strategy, we promoted internal transactions. By introducing LUMIPULSE®* at each of SRL's laboratories and other facilities, we strengthened the connection between the LTS and IVD businesses even further and

enhanced the Group's cash flow generation capability. Other reforms included consolidating the back-office divisions of our main operating companies, creating systems to encourage the flow of talent within the Group, and unifying internal rules.

In 2020, the major reform measures started to bear fruit as a common platform promoted between the three main Group companies began to take shape, and the Company changed its name to H.U. Group Holdings. By changing the name of the Company, we demonstrated to those inside and outside the Company our management policy of seeking to expand our business from medicine into healthcare, as well as the Group's new Mission and Vision. In 2020, we also established the Research and Development Strategy Division to unify the R&D organizations of the entire Group. We built a structure for organically linking the resources of each business and promoting the creation of innovation. H.U. Group Research Institute G.K. is the center of the corporate R&D functions and is strengthening basic research activities that contribute to medium- to long-term growth. In addition, in October 2020, we established H.U. Frontier, which integrates the sales functions of each Group company, with the aim of maximizing the

value to customers through one-stop provision of a variety of products and services to address medical institutions' issues.

In 2021, we changed our business segment structure to three segments: the Lab Testing and its related Services (LTS), In-Vitro Diagnostics (IVD), and Healthcare-related Services (HS). We are working to strengthen their business foundations and accelerate their growth. Moreover, in May 2023, we started full operation of the H.U. Bioness Complex, a complex facility that includes one of the largest clinical testing laboratories in the world, which we have constructed in Akiruno City, Tokyo Prefecture. The facilities and core systems used at our Hachioji Laboratory have been renewed at the H.U. Bioness Complex, setting up a 24-hour operation for our automated production lines. Through measures such as these, we expect to enhance operation efficiency and reduce fixed expenses. The H.U. Bioness Complex also functions as a research base for creating testing technologies that will support next-generation medicine, such as genome and regenerative medicine.

* A proprietary testing device of Fujirebio that is able to automate the majority of processes involved in immunoassays using Fujirebio's reagents

Examples of Value Creation

Leveraging the Group's Combined Capabilities to Help End the COVID-19 Pandemic

By leveraging to the maximum the accumulated technologies and know-how of the Group, in the spring of 2020, we successfully developed a PCR testing system for COVID-19 infection and a range of antigen test reagents ahead of our competitors. Since then, our efforts to support people facing the global pandemic have included offering greater convenience with saliva tests and developing a test kit that can test simultaneously for the influenza virus.

We were able to organically combine our knowledge of highsensitivity quantitative antigen testing and PCR testing methods in the successful development of the DX-based testing system for pandemic response, which can perform mass screening for infectious diseases within a short period of time. This system has been used in a wide variety of settings where stable testing at high volume is required, such as airport quarantine operations, major public events, and mass screening projects. In this way, it played a major role in the resumption of normal social and economic activities.

DX-based Testing System for Pandemic Response

Design and development of unique laboratory systems

Development and stable supply of highperformance reagents and instruments

Operational optimization and stable operation



Sample receipt

Automated preprocessing

Quantitative antigen testing

testing

HJ H.U. Group Research Institute

FUJIREBIO

Rapid result

reporting

Digitalization and data integration

Al-based quality assurance Data-based laboratory management

A New Stage of Value Creation with the Full Operation of the H.U. Bioness Complex

The H.U. Bioness Complex is the central facility of the H.U. Group. It covers an area of approximately 122,000 m² (around 2.7 times the size of Tokyo Dome) and includes the R&D Building and a testing laboratory. This facility is one of the largest of its kind in the world. It is designed to increase both the quality and efficiency of testing by preventing human error through the use of IT and Al. The complex has the capacity to process more than twice as many as our existing facilities, mainly due to a 24-hour operation system using automated lines.

In the R&D Building, researchers from each operating company gather, creating an environment conducive to active exchanges between personnel and open innovation as a base for value creation that is closely linked with people's lives. At the same time, it also functions as an innovation hub that promotes H.U. Group Research Institute G.K.'s mission of basic research in the life science domain and commercialization of research results.

To uphold our social responsibility of "never let testing stop," the facility has business continuity plan (BCP) features such as anti-seismic, earthquake-resistant construction, emergency power generators, and water tanks, and we have created systems to enable testing to continue for three days

even in a major disaster. Moreover, our previous testing labs have had a strong image of being closed off, and in order to change this, we hold facility tours for a wide range of stakeholders, including people from medical institutions, educational institutions, and local residents.

We will look to accelerate the rebuilding of a nationwide testing system centered on the H.U. Bioness Complex as well as our facilities in Kansai and Fukuoka. In doing so, we will further promote initiatives to establish our unique position.



H.U. Bioness Complex Testing Laboratory Building (left) and R&D Building (right)



Fiscal 2023 R&D Results Reporting Meetina



Technology Day 2022



AkirunoCube Sakura Festival 2023



H.U. Family Day @AkirunoCube

Performance Highlights

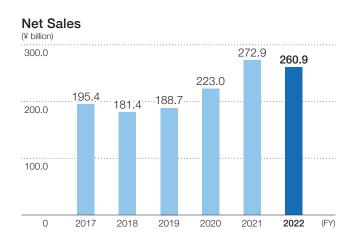
Fiscal 2022 Performance

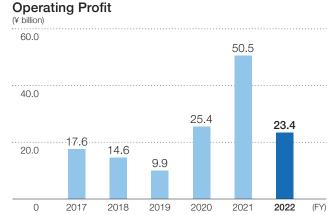
In fiscal 2022, consolidated net sales decreased by 4.4% year on year to ¥260.9 billion. By segment, although the base business including gene-related testing such as cancer genome testing grew in the LTS business, the decrease in sales of COVID-19-related tests such as PCR tests and testing support in airport quarantine stations was the main factor resulting in decreased revenue. Meanwhile, in the IVD business, although there was a slight decrease in net sales of COVID-19-related products, revenue increased due to growth of the base business including the impact of foreign exchange rates.

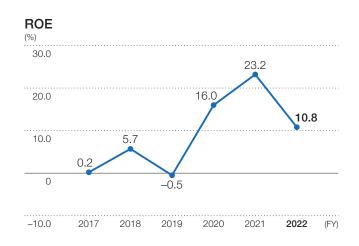
Consolidated operating profit decreased by 53.7% year on year to ¥23.4 billion due to factors such as increases in temporary expenses and running costs associated with the operation of the H.U. Bioness Complex in the LTS business, and the impact of the revision of medical service fees centered on PCR testing. Ordinary profit decreased by 53.6% year on year to ¥22.0 billion mainly due to the decrease in operating profit, and net profit decreased by 47.0% to ¥15.7 billion mainly due to the decrease in ordinary profit despite a gain on sale of non-current assets being posted as extraordinary income. As a result, ROE decreased by 12.4 points from the previous fiscal year to 10.8%.

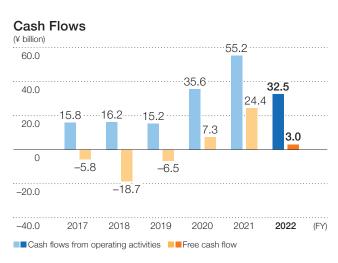
Meanwhile, cash flows from operating activities decreased by 41.1% to \$32.5 billion. Over the three years from fiscal 2020 to fiscal 2022, a total of \$123.4 billion in operating cash flow was generated, and \$78.0 billion of this was allocated to capital investment centered on the LTS business. In addition, there were cash outflows such as acquisitions in the IVD business, and cumulative free cash flow over three years was \$34.6 billion. The target for the current mediumterm plan is for cumulative operating cash flow of \$150.0 billion and free cash flow of \$50.0 billion over five years, and we believe this is a level that can be achieved over the remaining two years.

Consolidated Management Indicators









Medium-term Plan Progress

Value Creation Story

Financial Indicators

Financial Indicators							
N. I. I.	04 1111	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Net sales	(¥ million)	195,400	181,415	188,712	223,016	272,944	260,908
EBITDA*	(¥ million)	27,287	24,353	21,270	37,887	65,118	43,076
Operating profit	(¥ million)	17,648	14,648	9,939	25,392	50,490	23,381
Ordinary profit	(¥ million)	16,567	11,524	6,468	25,458	47,422	22,010
Profit (loss) attributable to owners of parent	(¥ million)	257	6,386	- 516	17,468	29,599	15,676
Total assets	(¥ million)	176,068	201,234	219,403	252,751	286,587	297,924
Net assets	(¥ million)	113,225	112,973	103,228	115,298	140,178	150,047
Net cash	(¥ million)	16,144	-13,187	-29,156	-22,769	-10,841	-19,514
Cash flows from operating activities	(¥ million)	15,767	16,244	15,229	35,588	55,229	32,535
Cash flows from investing activities	(¥ million)	-21,552	-34,902	-21,761	-28,273	-30,862	-29,583
Cash flows from financing activities	(¥ million)	-9,635	31,973	8,234	-1,566	-21,725	-5,757
Cash and cash equivalents at end of period	(¥ million)	20,444	33,688	36,226	42,950	46,479	44,185
Operating margin	(%)	9.0	8.1	5.3	11.4	18.5	9.0
ROE	(%)	0.2	5.7	-0.5	16.0	23.2	10.8
ROA	(%)	8.5	6.1	3.1	10.8	17.6	7.5
ROIC	(%)	7.2	6.3	3.7	8.7	15.4	7.0
Equity ratio	(%)	64.2	56.0	47.0	45.6	48.9	50.3
Basic earnings (loss) per share	(¥)	4.51	111.94	-9.06	306.38	519.55	275.52
Net assets per share	(¥)	1,979.78	1,980.27	1,809.18	2,020.01	2,463.33	2,635.26
Research & development expenses	(¥ million)	5,365	5,937	5,514	5,944	7,281	9,556
Capital expenditure	(¥ million)	26,221	17,768	18,833	27,375	41,654	22,558
Depreciation	(¥ million)	7,842	8,692	10,432	12,091	14,527	19,491
Dividend payout ratio (consolidated)	(%)	2,882.5	116.1		47.1	24.1	45.4
Dividends per share	(¥)	130	130	130	144	125	125
Number of shares issued	(Shares)	57,334,183	57,361,385	57,387,861	57,416,407	57,446,657	57,471,867
Number of treasury shares at end of period	(Shares)	253,080	404,381	408,064	389,287	569,941	561,968

^{*} EBITDA = Operating profit + Depreciation + Amortization of goodwill

Medium-term Plan Progress

Value Creation Story

Governance

Non-financial Indicators

				FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
		Greenhouse gas (GHG) emissions (Scope 1, Scope 2 and Scope 3)*1	(t-CO ₂)	370,809	388,459	364,653	478,054	497,811	530,672
		Scope 1	(t-CO ₂)	11,221	10,712	11,162	13,199	13,880	13,418
		Scope 2	(t-CO ₂)	24,912	22,822	22,088	26,295	27,571	32,641
		Scope 3*2	(t-CO ₂)	334,676	354,925	331,403	438,560	456,360	484,614
		Energy use*3	(GJ)	692,643	661,788	672,231	841,186	977,461	1,062,611
Environmen	nt	Electricity use*3	(GJ)	501,821	481,095	484,820	620,826	740,279	829,542
		Gasoline use*3	(GJ)	87,042	86,654	92,596	111,830	112,362	95,990
		Amount of waste generated	(t)	3,467	3,581	3,494	3,452	3,755	4,026
		Total recycling rate of waste plastic*4	(%)	66	68	71	74	76	86
		Water used	(1,000 m ³)	392	374	399	392	390	420
		CDP climate change score*5	_	F	F	С	С	A-	A-
		Number of suppliers performing risk assessment*6	(Companies)	_	_	89	33	23	85
Bu	usiness	Percentage of suppliers performing risk assessment*6	(%)	_	_	100	54.1	88.5	100
pa	artners	Reported cases of child labor at suppliers	(Number)	0	0	0	0	0	0
		Reported cases of forced labor at suppliers	(Number)	0	0	0	0	0	0
		Average age	(Years old)	42.9	42.5	40.0	41.2	41.9	42.1
Social		Average employment year (male/female)	(Years)	14.2/10.6	14.3/11.1	13.0/10.0	13.5/11.2	13.0/11.3	13.6/11.8
Social		Gender ratio (male:female)	(%)	63:37	64:36	57:43	55:45	56:44	55:45
En	mplovooo*7	Percentage of female managers*8	(%)	_	_	_	16.8	18.6	20.2
EII	mployees*7	Japan	(%)	11.8	14.1	14.2	13.4	12.2	14.7
		Percentage of females in new graduate hires	(%)	57.6	62.6	69.8	64.2	45.3	52.8
		Percentage of employees returning to work after maternity / parental leave	(%)	100	90.6	97.0	97.9	98.8	99.1
		Average monthly overtime hours	(Hours)	21.5	19.0	21.0	16.9	20.4	16.0

Environment: Aggregated results of Japanese Group companies subject to internal control evaluation up to fiscal 2019; and of Japanese and overseas Group companies subject to internal control evaluation from fiscal 2020.

Social: Aggregated results of the three core companies up to fiscal 2018; of Japanese Group companies subject to internal control evaluation in fiscal 2019; and of Japanese and overseas Group companies subject to internal control evaluation from fiscal 2020.

- *1 Based on Ministry of the Environment database: Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain
- *2 Target items calculated based on Scope 3 items of the GHG Protocol
- *3 Calculated by converting to crude oil
- *4 Item specialized in Japan
- *5 Answers submitted since fiscal 2019
- *6 Suppliers at 80% sales coverage of each of the applicable ranges
- *7 Full-time employees
- *8 Managers and above



Governance

Medium-term Plan

Progress of the Medium-term Plan, H.U. 2025— Hiyaku (Significant Growth) & United

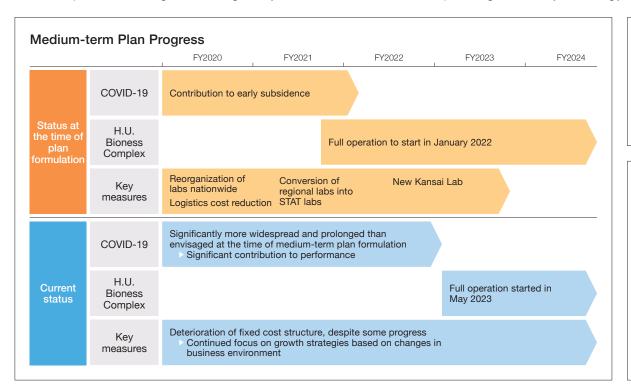
The Company has been promoting the medium-term plan, H.U. 2025—Hiyaku (significant growth) & United, covering the period from fiscal 2020 to fiscal 2024, with the aim of achieving rapid and sustainable growth in the future. Over the three-year period up to fiscal 2022, as the spread of COVID-19 dramatically exceeded initial expectations and became prolonged, the H.U. Group worked together to supply test services and products, which contributed significantly to business performance. Meanwhile, the H.U. Bioness Complex, which is positioned as the most important initiative in the current medium-term plan, commenced full operations in May 2023 despite partial postponement of the plan.

Under this plan, we are focusing on the following four key measures.

The first is cost-of-sales reduction through stable operations and automation at the H.U. Bioness Complex. In general testing, the complex will be able to process a high volume of tests through automation and 24-hour operation, while in esoteric testing, it will be equipped to handle the most advanced test items. By deploying Al, robotics, and related technologies, the new facility will pursue drastic improvements in operational efficiency.

The second is enhanced profitability in the LTS business. In addition to the SRL Advanced Lab. FMA, which was renewed and relocated to Fukuoka City, Fukuoka Prefecture, and the H.U. Bioness Complex in Akiruno City, Tokyo Prefecture, in fiscal 2026, we plan to establish the New Kansai Lab in Kameoka City, Kyoto Prefecture. We will concentrate testing at these three sites and work to build a stable testing structure and improve profitability. In addition, we will optimize logistics costs by establishing joint logistics operations in alliance with MEDIPAL HOLDINGS, consolidating internal Group collection operations and amalgamating facilities.

The third measure is to promote the Group integration strategy. In October 2020, H.U. Frontier, Inc. was established through the integration of the domestic sales departments and marketing departments of SRL, Inc., Fujirebio Inc., and Nihon Stery, Inc. H.U. Frontier will provide a wide range of services and total solutions in response to customer needs, including lab testing services, the manufacture and sale of IVD products, and sterilization services, as well as seeking to maximize the value provided to customers. In addition, the Group will improve cash flow by promoting intersegment sales, while accelerating the flexible introduction and development of technology by integrating R&D functions within the Group.



Value Creation Story

Key Measures in the Medium-term Plan

- 1. Cost-of-sales reduction through stable operations and automation at the H.U. Bioness Complex
- 2. Profitability improvement in the LTS business
- 3. Group integration in core businesses (Integration of sales forces, expansion of inter-segment sales, enhancement of R&D)
- 4. Expansion of CDMO business in the IVD business

FY2022 Performance and Medium-term Plan Targets

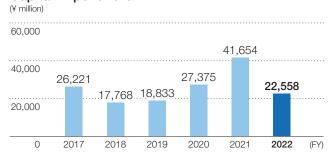
1 12022 I Chomanec and Mediam-term Flair largets								
	FY2022 performance	FY2024 targets						
Consolidated net sales CAGR	11.4%*1	6% or more						
Consolidated operating profit margin	9.0%	10% or more						
ROE	10.8%	12% or more						
	FY2020–2022 (cumulative performance)	FY2020–2024 (cumulative target)						
Cash flows from operating activities	¥123.4 billion	¥150.0 billion or more						
Free cash flow	¥34.6 billion	¥50.0 billion or more						
		*1 CAGR vs. FY2019						

Governance

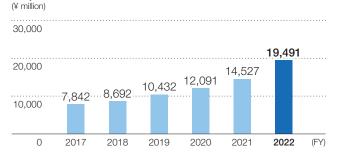
Finally, the fourth key measure is expansion of the CDMO business within the IVD business. To realize global growth, we will continue to work to enhance and expand the CDMO business by leveraging the reliability and reputational advantage based on our successful track record for Lumipulse® products in the LTS business and by utilizing our high-quality material and reagent development abilities in the immunoassay field, which is a strength of the IVD business.

Recently, we have seen a decrease in testing demand following the subsidence of COVID-19, expenses arising in relation to the operation of the H.U. Bioness Complex, and constant increases in fixed costs, among other factors. Nevertheless, we are making steady progress on the four key measures. We will continue to focus on executing growth strategies while considering changes in the business environment in order to achieve our quantitative targets for fiscal 2024, the final year of the current medium-term plan.

Capital Expenditure



Depreciation



Social Finance

Value Creation Story

In October 2019, the Company issued a social bond (unsecured bond) to procure funds for the installation of testing equipment and an IT system for use at the H.U. Bioness Complex, which started operation in May 2023. The funds were also to be used for R&D to improve testing quality and establish innovative technologies. In

addition, the Group undertook long-term borrowing in March 2020 through an SDGs social loan.*2

Furthermore, the allocation of funds procured in fiscal 2022 and the reporting of outputs and outcomes are as shown in the table below.

*2 Fund procurement with limited uses, such as business that contributes to the resolution of social issues or initiatives aimed at achievement of or contribution to the SDGs

Social Finance Reporting

Allocation of procured funds

ltem	Amount (¥ million)
Amount procured (after deduction of expenses from social bonds and loans)	24,923
Expenditure from FY2019 to FY2022 (actual)	
H.U. Bioness Complex	
IT systems	15,334
Equipment	8,590
R&D	999
Subtotal	24,923
Balance as of the end of FY2022	0

▶ Output report

Equipment and IT system newly installed at H.U. Bioness Complex (up to operation in FY2022)

(ap to operation in t	
	Investment amount (¥ million)
Reception equipment	923
Testing machine	2,179
Central specimen storage	1,118
Software	13,259
Other equipment	440

Overview of actually invested R&D

- ▶ R&D for response to COVID-19 testing and various technologies to prepare for the next pandemic
- ▶ R&D for promotion of test automation, mechanization, and digitalization
- ► R&D for new AI technologies utilizing medical information
- ▶ R&D related to new modalities (microbiomes, exosomes, etc.) needed for advanced medicine
- ▶ R&D for technologies related to regenerative medicine
- ▶ R&D related to next-generation omics analysis, long-read sequencing and other next-generation genomic analysis technologies
- ▶ R&D for building genome diagnostic platform
- Strengthening of open innovation

▶ Outcome indicators (R&D)

R&D progress status

Number of papers announced and conference presentations	Conference presentations: 31 (Japan and overseas)			
Number of research-related contracts	Contracts within the Group: 12 External commission contracts: 37 New joint research contracts: 12 New non-disclosure agreements: 32			
Number of patent applications	• 7 (new applications in Japan)			

Cases that resulted in commercialization

- ► Continued to develop, introduce, and implement various types of technology for variant monitoring for COVID-19 testing at the request of the Japanese government. Constructed a stable COVID-19 genome analysis system and continuously conducted over 35,000 measurements together with SRL, Inc.
- ▶ Used technologies to adopt mechanization, Al, digitalization, and devices to promote support for efficiency and productivity gains in the LTS business. Promoted support for selection of reagents with low environmental impact and device development for plastics that are consumed in large quantities in the LTS business, with an eye to the SDGs.

Message from the CFO



Atsuko Murakami Executive Officer and CFO

We will firmly embed a cash flow-focused approach in the Company while promoting investment with a stronger emphasis on returns and management with an awareness of the cost of capital. We will revise the hurdle rate for our investment criteria to select investments with high returns. Our aim is to improve profitability, mainly in the LTS business, and to achieve our five-year cumulative cash flow target.

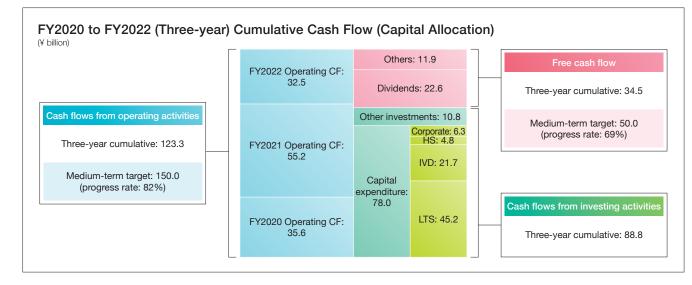
A Group-wide effort to increase corporate value over the medium to long term by generating returns that exceed the cost of capital

Value Creation Story

The Company's organizational structure is arranged from the perspective of integrated Group management, with the CFO overseeing accounting, finance, procurement and legal affairs, as well as public relations and sustainability. Procurement cost reduction and support for inventory optimization, which are essential for individual business management, also come under the management of the CFO. I also supervise the improvement of procurement operations based on the purpose and effect of each business and the countermeasures for sustainability risks at our suppliers, while working to reduce costs and risks. For example, we reduced the cash conversion cycle (CCC) and improved cash flow by optimizing our entire supply chain, including an

across-the-board revision of our approach to manufacturing. sales, and inventory management.

We are embedding this kind of cash flow-focused approach in the Company, while promoting management with an awareness of capital cost. In this regard, one of the roles of the CFO is to examine individual investment plans to see whether they are going to generate sufficient profit. As an indicator for this, we have set a hurdle rate linked with the weighted average cost of capital (WACC) to make investment decisions. We strive to promote investment with an awareness not only of sales and profit levels, but also the cost of capital. The entire Group is working to increase corporate value over the medium to long term by generating returns that exceed WACC. In February 2023, we revised the hurdle rate for our investment criteria, considering the changes in the market environment, and we have formulated an investment plan that we expect to provide higher returns than



Governance

before. Investment decisions on each prospective investment are made by the Investment Committee. The committee is composed of members from several divisions, including the Corporate Management, Corporate Planning, Accounting and Finance, and Procurement Divisions. It examines the appropriateness and discussion points for each investment proposal to strengthen the pre-screening function, and it also carries out monitoring after investment execution.

Cash flow, a key indicator, is performing steadily. We will enhance our earning capability by promoting key measures in each business domain

Our financial strategy in the current medium-term plan is to focus on stable generation of operating cash flow and strengthening our sound financial foundation over the medium to long term. CCC improvement is also one of our strategies for generating operating cash flow. Our current medium-term plan has five-year cumulative targets of ¥150.0 billion or more for operating cash flow and ¥50.0 billion or more for free cash flow. We think that it is more appropriate to use a multiple-year result rather than a single year for evaluating cash flow correctly. The figure on page 19 show our cumulative results for operating cash flow and free cash flow from fiscal 2020 to fiscal 2022. Looking at the progress rates on these

targets, it is clear that we are making steady overall progress.

Naturally, our sources of cash are profits from our business activities, and improving profitability should therefore be a priority. Lifting profitability in the LTS business in particular is our most important task. In May 2023, the H.U. Bioness Complex began full operations. Despite increased costs related to general testing in fiscal 2023 and concerns that the emergence of effects could be delayed, we expect to obtain some cost reduction effects from fiscal 2024 onward. In the area of esoteric testing, we also plan to increase operational efficiency through the introduction of advanced equipment and Al technology, Furthermore, we will promote efficiency gains by consolidating testing operations previously undertaken by regional laboratories and working to reduce costs related to shipping and logistics.

Meanwhile, we have positioned the IVD business as a growth segment, and we are focusing on expanding the contract development and manufacturing organization (CDMO) business, where we can fully leverage the Company's distinctive technological capabilities. We will also work on increasing our presence in the Alzheimer's disease testing market, where demand is expected to grow. In addition, we are contributing to improvements in asset efficiency, such as manufacturing process innovation and reducing the CCC through inventory optimization. The acquisitions of ADx NeuroSciences N.V. and Fluxus, Inc. in fiscal 2022 were M&As that matched our financial strategy for

medium- to long-term growth, and they will further accelerate our growth going forward.

In the HS business, we provide solutions that accurately address issues on the front lines of medicine and welfare. We will continue to monitor the long-term trends and promote growth of this business as a third pillar.

The Company places a similar emphasis on shareholder returns as medium- to long-term growth investments. We aim to maintain a consolidated dividend on equity (DOE) ratio at the 6% level and we also give overall consideration to factors such as the status of cash flows and the soundness of our financial base in order to pay stable and continuous dividends. Furthermore, in an era where the response to sustainability issues is considered increasingly important, we believe that non-financial aspects will also have a significant effect in terms of increasing corporate value. Management will also continue to strengthen its commitment to long-term sustainability, such as linking the compensation system for directors and executive officers with sustainability indicators.

Finally, I consider active communication with shareholders and investors to be another important role for the CFO.

Investor relations and shareholder relations interviews are a forum for communication where we receive various valuable opinions from them. We will continue to reflect these opinions in managing our Company going forward.

Financial Discipline

	FY2020 (Actual)	FY2021 (Actual)	FY2022 (Actual)	FY2024 (Target)
Net interest-bearing debt to EBITDA (excl. lease obligations) (times)	0.6 times	0.17 times	0.45 times	1.3 times or less* (2.5 times or less during the mediumterm plan)
Equity ratio (excl. real estate finance) (%)	45.6%	48.9%	50.3%	40% or more

*FY2024

Shareholder Returns

Basic policy

As our main dividend KPI, we aim for a consolidated dividend on equity (DOE) ratio at the 6% level, and we also give overall consideration to cash flow and maintaining a sound financial base over the medium to long term in order to pay a stable and continuous dividend.

- ▶ The FY2022 year-end dividend per share was ¥63 (annual dividend ¥125)
- ▶ The projected dividend for FY2023 is the same at ¥125, with a DOE ratio of approximately 5%
- ► (Reference) Dividend payout ratios FY2022: approx. 46%; FY2023: approx. 119% (estimate)

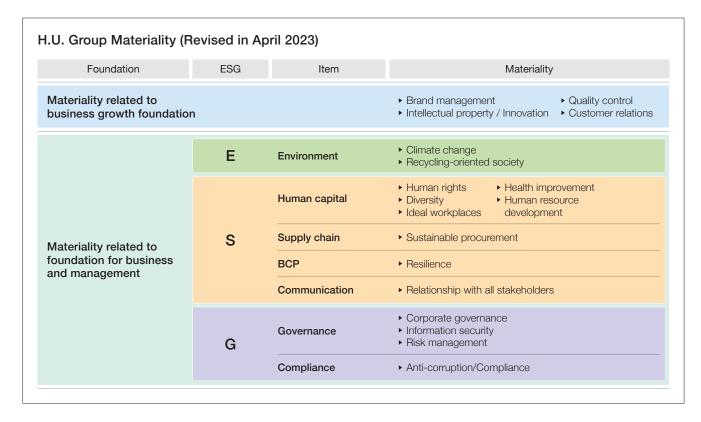


Sustainability Management

Basic Approach

The greatest mission of the H.U. Group, which aims to create new value in healthcare, is to contribute to realizing a healthy and prosperous society through business. This mission is also the foundation of sustainability. The way to realize sustainability, in our view, is to implement corporate activities based on the H.U. Group's philosophy consisting of its Mission, Vision, Values and Traits. Furthermore, we believe that the cumulation of each activity leads to building good relationships with stakeholders.

The Group has defined materiality (material issues) as an element that impacts the creation of medium-term corporate value and identified materiality for promoting sustainable management. The scope of the definition of materiality includes not only ESG perspectives but also intangible assets in general, such as customer assets, intellectual property, and brands. The identified materiality is reviewed and updated by the H.U. Group Sustainability Committee every year based on progress in initiatives to address issues and changes in the business environment. In April 2023, we determined that it is more important than ever to develop and grow human resources for sustained growth, and a revision was made to add "human resource development" to materiality.

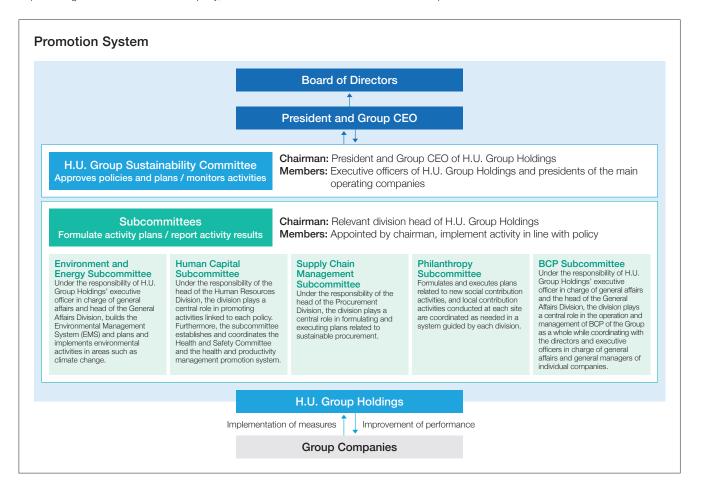




Sustainability Promotion System

With the president and Group CEO of the H.U. Group as chairman and the Group executive officers and the presidents of the main operating companies as members, the H.U. Group Sustainability Committee discusses basic policy and activity plans in the area of sustainability and monitors progress with related issues. In addition to promoting the activities of each company, the committee has the role of discussing and implementing measures for improvement based on gathering and sharing information on the latest external trends in sustainability.

Under the umbrella of the committee are a number of subcommittees, each covering a specific area of activity, through which the officers responsible for the relevant divisions take charge of related initiatives. The content of the committee's discussions and resolutions is reported to the Board of Directors.



Value Creation Story

Changes in the Activities of the Sustainability Committee

FY2019

- ► Established the Miraca Group CSR Committee (currently the H.U. Group Sustainability Committee) and started the CSR promotion system with six subcommittees
- ► Formulated the CSR approach and policies on the environment, procurement, human rights, diversity,

FY2020

- ► Formulated the H.U. Group's three-year roadmap to CSR goals (including the first version of Long-term **Environmental Goals**)
- ▶ Partially revised Human Rights Policy (explicitly added respect for international norms and principles)

FY2021

- ► Formulated draft of materiality for submission to the Board of Directors (approved by the Board of Directors in the same year)
- ► Approved support for Race to Zero and Business Ambition for 1.5°C
- ► Revised Long-term Environmental Goals (changed the previous goal of reducing sales-based emissions intensity to the goal of zero total emissions by 2050)
- ▶ Approved support for TCFD recommendations

FY2022

- ► Changed names and reorganized sustainabilityrelated subcommittees
- ▶ Partially revised the Training and Development Policy
- ► Considered next sustainability roadmap

FY2023

- ► Added materiality on human capital (added "human resource development")
- ► Partially revised Environmental Policy and made upward revision to Long-term Environmental Goals
- ► Approved new sustainability roadmap (two-year targets)

Sustainability Roadmap

The H.U. Group announced key performance indicators (KPIs) and targets related to sustainability activities as the Sustainability Roadmap along with the H.U. 2025 medium-term plan announced in 2020 and has proceeded with initiatives for three years until fiscal 2022.

Medium-term Plan Progress

In fiscal 2023, we announced a new roadmap with two-year targets through fiscal 2024 and are continuing to engage in further strengthening sustainability activities.

Value Creation Story

H.U. Group Sustainability Roadmap

	FY2020-2023 (3 years)							FY2023-2024 (2 years)		
Materiality	Indicators	FY2020	FY2021	FY2	022	Achieved	Indicators	FY2024 Target		
	indicators	Actual	Actual	Actual	Target	Acriieved	Hulcators	1 12024 Target		
	CO ₂ emission intensity (Scopes 1+2) (vs. FY2017)	25.3% reduction	36.2% reduction	24.2% reduction	7% reduction	•				
	(Reference) CO ₂ emissions: Scopes 1+2	39.5 kt-CO ₂	41.5 kt-CO ₂	46.1 kt-CO ₂	_	_	CO ₂ emissions (Scopes 1+2) (vs. FY2021)	12.6% reduction		
Environment	(Reference) CO ₂ emissions: Scope 3	438.6 kt-CO ₂	456.4 kt-CO ₂	484.6 kt-CO ₂						
Liviloiiiieit	Waste plastic recycling rate (vs. FY2017)	Up 11.5%	Up 14.7%	Up 29.9%	Up 15%	•	Waste plastic recycling rate	82%		
	(Reference) Waste plastic recycling rate	73.6%	75.7%	85.7%	_	_	waste plastic recycling rate	02 70		
	CDP evaluation (climate change)	С	A-	A-	B or higher	•	_			
	Percentage of female managers	16.8%	18.6%	20.2%	20% or more	•	Percentage of female managers	22%		
	(Reference) Percentage of men taking extended leave or leave for childcare (Japan)	34.8%	50.8%	71.4%	_	_	Percentage of men taking extended leave or leave for childcare (Japan)	90%		
Human capital	(Reference) Percentage of employees who responded "Satisfied with work" in a survey of employees (Japan)	41.9%	42.9%	47.0%	_	_	Percentage of employees who responded "Satisfied with work" in a survey of employees (Japan)	55%		
	White 500 (Health & Productivity Management Outstanding Organizations Recognition Program) Certification	_	Obtained	Obtained	Obtained	•	Maintaining White 500	Obtained		
	(Reference) Training hours per regular employee (total time for group training, e-learning, distance education, etc.) (Japan)	23.4	35.3	32.1	_	_	Average annual training hours per regular employee*4 (Japan)	Maintained at 30 hours or more		
	Excellent response rate (Class A) on UNGC Self-Assessment Tool	Cun	nulative total FY2020–2 70.3%	2022	90%	Not achieved	Excellent response rate (Class A) on UNGC Self-Assessment Tool	Cumulative total FY2022–2024		
Supply chain	(Reference) Class A rate (Score of 60% of total points or more)	49.2%*1	69.2%*2	85.9%*3	_	_	on order sen-Assessment roof	7570		
	(Reference) Meetings to exchange opinions with suppliers	Cun	Cumulative total FY2020–2022 11 companies		_	_	Meetings to exchange opinions with suppliers	Cumulative total FY2022–2024 30 companies		
ВСР	Start-up of the H.U. Bioness Complex (Realization of high resilience)	_		on started om January 2022)	Started	•				
Communication	Holding ESG briefing sessions	_	Held	_	Held	•	_			
Philanthropy	Continuous promotion of and education on clinical testing	39 years	40 years	41 years (ongoing)	40 years	•				
Covernance		_					Introduced non-financial indicators directors and executive officers	for compensation for		
Governance		_					Ended inside directors concurrently the Nominating Committee	y serving as members of		

^{*1} Scope of assessment: Business partners of two overseas companies (Fujirebio Diagnostics (U.S.), Fujirebio Europe (Belgium))

^{*2} Scope of assessment: Business partners of consolidated subsidiaries other than the six Japanese companies and two overseas companies

^{*3} Scope of assessment: Business partners of six Japanese companies (H.U. Group Holdings, SRL, Fujirebio, Nihon Stery, Nihon Rinsho, Care'x)

^{*4} Includes DX training

Environment and Energy

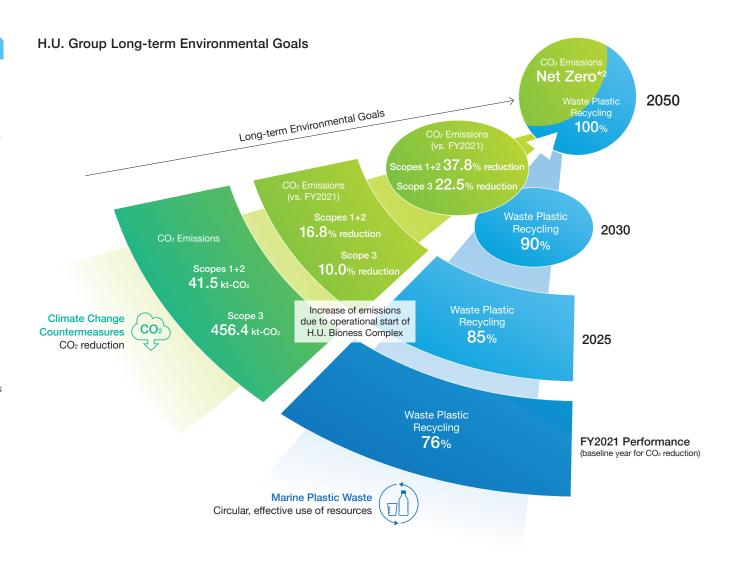
Strategy and Progress

The H.U. Group has identified the areas of climate change and the recycling-oriented society as Group materiality based on the Paris Agreement and the Osaka Blue Ocean Vision and set the long-term goals of "net zero CO_2 emissions" and "100% recycling rate of waste plastic" by 2050. In addition, the Group established medium-term targets for 2025 and 2030 and formulated a Sustainability Roadmap as KPIs in the most recent fiscal year. It also performs progress management.

In the three-year Sustainability Roadmap started in fiscal 2020, the fiscal 2022 targets were reached for CO₂ emission intensity, waste plastic recycling rate and CDP evaluation (climate change). In May 2023, the original targets were revised upward for the application for SBT (Science Based Targets) certification*¹ and reflected in the latest Sustainability Roadmap (fiscal 2023-2024). To achieve these targets, the Environment and Energy Subcommittee will continue to consider procurement of renewable energy, and it will reduce energy consumption further, adjust air conditioning settings, and introduce energy-saving equipment at each site. Meanwhile, the waste plastic recycling rate is progressing well, and the subcommittee will continue to select contractors capable of recycling and consider material recycling.

Furthermore, activities aimed at the preservation of water resources were started as a new initiative. In fiscal 2023, we are proceeding to make preparations for the inclusion of the two themes of "protection of water resources" and "preservation of biodiversity" in the next Sustainability Roadmap starting from fiscal 2025 with an understanding of water usage required at each business site, the volume of reused water, and the water quality of and harmful substances in discharged water.

*1 Greenhouse gas emission reduction targets for companies with a scientific basis consistent with the standards required by the Paris Agreement



See the Group website for details.



Human Capital

Strategy and Progress

The H.U. Group perceives human resources as "capital" based on the personnel philosophy that "the power of the Company is the sum total of the power of its individual members," and we are working to maximize their value by enhancing their capabilities through improving skills and knowledge.

The Group has established a system in which the Human Resources Division of the holding company handles the human resource functions of principal operating companies, and it promotes unified human resource management throughout the Group in accordance with the management strategy. In fiscal 2022, the Human Capital Subcommittee, comprised of members of the Human Resources Division, was established to maximize the value of human capital and is endeavoring to implement human capital management in coordination with the Sustainability Committee and the Central Health and Safety Committee. At present, we are engaged in fundamental reform of the human resources system to respond to changes in the social environment and globalization of business, and preparations are being made to commence operation from fiscal 2024.

Under this new human resources system, our goals are "selffulfillment through work" and "a company where they can truly enjoy working," and we will establish mechanisms for appropriately evaluating employees' efforts and results in achieving their goals. Specifically, this will revolve around revising the grading system, the evaluation system, and the compensation system and establishing institutional frameworks.

The new grading system will subdivide grades to clarify career paths and promote growth by setting appropriate roles and growth steps. A specialist career-path system will also be established to enable the formation of a career with promotions even when being specialist-oriented. The evaluation system will clarify the roles and expected behavior of each person. Also, the compensation system will have redesigned wage models such as variation of bonuses to encourage employees to embrace the challenge presented by greater responsibilities.

An engagement survey is scheduled to be conducted in December 2023, and we will work to resolve organizational and other issues through the visualization of engagement.

Note: See "Special Feature: The H.U. Group's Human Resource Strategy" on page 28 for details on our human resource strategy

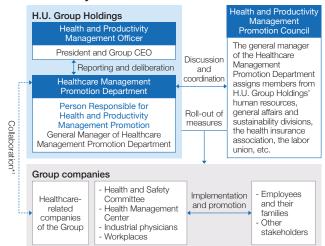
Health and Productivity Management

Medium-term Plan Progress

Value Creation Story

The H.U. Group is implementing various measures for the physical and mental health of not only employees but also their families based on the Health Declaration issued in 2019. In 2022 and 2023, four H.U. Group companies (H.U. Group Holdings, SRL, Fujirebio, and H.U. Frontier) were certified in the White 500 Health and Productivity Management Outstanding Organizations for two consecutive years. In April 2023, the Healthcare Management Promotion Department was put directly under the control of the CEO, and with the participation of management of operating companies, we clarified indicators promoting health and productivity management and updated our strategic map. We also participate in the Health & Productivity Management Alliance and work with other members to realize longer healthy lifespans and create new corporate value.

Health and Productivity Management Promotion System



^{*1} Maintain and promote the health of employees and their families by quickly rolling out and utilizing cutting-edge healthcare-related products and services within the Group

Human Resource Development

We are developing human resources by expanding grade-specific training and specialized training for each position and raising the overall

capabilities of employees through an integrated learning management system and the H.U. Skill Map. In addition, the second year of H.U. Business College launched in 2022 has begun. Furthermore, from fiscal 2023, we are strengthening the capabilities and skills of each employee and supporting career development based on self-reliance, self-direction, and self-responsibility that we aim for through the expansion of new training programs, such as manager training for the purpose of strengthening management and DX training for the purpose of further enhancing the digital literacy of employees.

Diversity

The Diversity Promotion Section, newly established in October 2022, is creating workplaces where diverse human resources can work and thrive while exchanging opinions with management on the ideal form of diversity and priority measures. Initiatives in fiscal 2022 included holding basic lectures on diversity and workshops on LGBTQ for human resource personnel and participating in the Dialogue in the Dark Training Program*2. In fiscal 2023, we plan to promote this throughout the Group and will revise internal regulations and internal procedures from a diversity perspective, in addition to providing diversity training for all employees.

*2 Social entertainment in which participants enjoy communication and various experiences using senses other than sight in "100% pure darkness" where light is completely shut off, with the guidance of a visually impaired person (https://did. dialogue.or.jp/totonou/en/)

Workplace Environment

We used the relocation of the head office in May 2023 as an opportunity to make the transition to a hybrid work style leveraging the strengths of teleworking and on-site work, and we implemented a free dress code with respect for the values and sensitivity of individual employees. The objective is to foster an open and accepting organizational culture. Going forward, we will promote unity of the Group and form a new culture while establishing an environment that leads to the improvement of work styles and operational efficiency.

See the Group website for details.



Human Capital Website (in Japanese) https://www.hugp.com/humancapital/



Human Capital Subcommittee https://www.hugp.com/en/sustainable/humanrights.html

Supply Chain Management

Strategy and Progress

Within the H.U. Group, the Supply Chain Management Subcommittee builds systems for handling the procurement functions of operating companies and formulates and executes plans for fair, stable, and sustainable procurement.

When initiating a business relationship, we ensure a shared understanding by communicating to the new partner the Procurement Policy and the Basic Policy on Business Partner Selection. Furthermore, we conduct due diligence on existing business partners approximately once every three years. Specifically, we utilize the United Nations Global Compact Self-Assessment Tool (UNGC SA) to check a wide range of items covering the compact's 10 principles in four areas (human rights, labor, environment, and anti-corruption) in an investigation that covers primary business partners and business partners accounting for 80% of the annual order amount of each Group company.

Supplier assessment is implemented collectively by the Procurement Division of the holding company on a cycle of once every three years. Assessments of companies' business partners were conducted for six Japanese companies (H.U. Group Holdings, SRL, Nihon Rinsho, Fujirebio, Nihon Stery, and Care'x) in the first year, two overseas supply chain management companies (Fujirebio Diagnostics and Fujirebio Europe) in the second year, and

consolidated subsidiaries, etc. other than those covered in the first and second years in the third year. Therefore, the Sustainability Roadmap sets three-year cumulative totals as targets. These are classified based on the UNGC SA score with the aim of improving the excellent response rate (Class A). Although the three-year cumulative results for fiscal 2020 to fiscal 2022 were below targets, in the second assessment of six Japanese subsidiaries conducted in fiscal 2022, the percentage of Class A improved by 1.6 points compared to fiscal 2019 (first assessment), which covered the same companies.

Future Outlook

Value Creation Story

Meetings are conducted to exchange opinions with business partners that have high-risk items in their supplier assessment responses. From fiscal 2023, we have adopted a Q&A format with a view to assessments from the next fiscal year by focusing on the environment and human rights to which stakeholders are paying particular attention. Good examples from Class A suppliers are shared with Class B and C suppliers with the aim of raising the overall level.

In the future, we plan to introduce systems utilizing AI, implement digital transformation of BCP, and visualize supply chain risk. We will build a system enabling immediate awareness of the situation if a disaster occurs for some reason so that the initial response can be taken rapidly. By implementing these measures, we believe we will be able to minimize management risk.

Progress in Supplier Assessments of Six Japanese Companies*1

(%

	FY2019 Results (First Assessment)	FY2022 Results (Second Assessment)		
Questionnaire collection rate	100	100		
Class A rate (Score of 60% of total points or more)	84.3	85.9		
Class B rate (Score of 40–60% of total points)	12.3	11.8		
Class C rate (Score of 40% of total points or less)	3.4	2.4		
Share of non-responses	0	0		

^{*1} Scope of assessment: H.U. Group Holdings, SRL, Nihon Rinsho, Fujirebio, Nihon Stery, Care'x

See the Group website for details.

WEB

Supply Chain Management

https://www.hugp.com/en/sustainable/procurement.html

Status of Supplier Assessment in the Past Three Years*2 (Including Human Rights Due Diligence)

Average Scores by Item for Suppliers



Distribution of Assessment Scores of Suppliers (Number of Companies by Assessment Item and by Class)

	Corporate governance	Human rights	Labor	Environment	Fair business practices	Quality and safety	Information security	Supply chain	Coexistence with local communities
Α	121	100	130	105	118	131	130	109	102
В	16	41	8	21	17	7	9	10	20
С	35	31	34	46	37	34	33	53	50
Total	172	172	172	172	172	172	172	172	172

^{*2} Three years of FY2020 (covering two overseas companies), FY2021 (covering other consolidated subsidiaries, etc. other than six Japanese companies and two overseas companies), and FY2022 (covering six Japanese companies; second assessment)



Aiming to Become a Healthcare Innovator — Reforming the H.U. Group

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Reforming to Become an Innovator

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Special Feature: The H.U. Group's Human Resource Strategy

The Second Founding and **Reforming the Organizational Culture**

The H.U. Group considers 2017 to be the year of its "second founding." The management situation at the time was focused on short-term profit, with insufficient investments for the future and a deceleration in growth. Moreover, while our operating companies were industry leaders, they had only limited internal transactions, and Group synergies were not being fully realized.

To overcome mounting management issues and maximize the Group's growth potential, we started a series of bold structural reforms under the leadership of CEO Takeuchi, who had been appointed Director, President and Group CEO a year earlier, in 2016. We needed to radically reform the mindset of each employee in order to transform the Company's business structure, align the entire Group to a common vector, and establish a foundation for sustainable growth. The first step in this process was to hold workshops for mainly younger employees at each operating company to consider what the essential character of their company is. The opinions elicited from these workshops were used to formulate a new philosophy system. Next, we held workshops for employees across the Group at locations throughout Japan, along with explanation sessions at subsidiaries and regional offices. By providing opportunities for direct dialogue between top management and employees and communication between Group employees, we gradually promoted reforms in workplace mindset.

In 2016, we embarked on an initiative to unify the existing personnel evaluation systems throughout the Group, standardizing those previously designed and operated by each operating company. This system revision resulted in everyone sharing a common personnel evaluation and salary system, with the aim of promoting the flow of human resources within the Group and accelerating their growth. In addition, to promote increased transparency and speed in the decision-making process from a system perspective, we also took steps to unify the decision-making authority and internal rules for each level. In other initiatives, management divisions such as general affairs, human resources, accounting, and legal affairs were concentrated inside the holding company, along with purchasing functions, in an effort to enhance service levels and cut costs across the entire Group. At the same time, we invested in future growth without hesitation.

Through this process, we formulated our new philosophy system and made a series of system reforms, aiming to implement rapid top-down decision-making by the CEO, while fostering an

organizational culture that encourages bottom-up decision-making through authority distribution. The background to this was the CEO's conviction that frontline employees are the ones with the deepest understanding of the frontline situation and that they are able to sense signs of change in the operating environment fastest.

In 2020, about three years after starting our unprecedented and dynamic reforms, the results emerged in an unexpected form. In January of that year, Japan confirmed its first COVID-19 case. This gave rise to the need to construct a system for people to be tested and execute test reagent development immediately. We responded by rapidly sharing the genetic information and necessary virus testing methods within the Group while promoting development and verification. In May 2020, we became the first in Japan to launch a rapid antigen test kit for easier infection detection than a PCR test. The performance of the test kit developed by Group company Fujirebio was quickly verified using SRL's expertise, which enabled rapid commercialization. Employees familiar with the previous state of the Group reflected that this kind of coordination between Group companies would have been unthinkable before. This experience became a case study showing our ability to create an environment where Group companies enhance each other by leveraging their strengths.

Changes in Human Resource Strategy to Promote Group Integration

FY2017-FY2019 Shift in emphasis from individual optimization to overall optimization/Building of Group synergies/Establishment of new growth strategy

Management strategy

FY2017

- ▶ Start of medium-term plan Transform! 2020
- ▶ Start of Group integration strategy, positioned as a second founding, to strengthen growth foundation
- ▶ Review of corporate philosophy, formulation and dissemination of Group message
- FY2018

- ▶ Rebuilding of training system
- ► Integration of personnel systems

▶ Integration of Group Values and Traits

Key initiatives for second foundation and a new decade

- 1. Strengthen existing business
- 2. Strengthen R&D
- 3. Strengthen overseas strategy
- 4. Promote alliance strategy

▶ Full-scale initiatives for work style reforms aimed at realizing work-life synergy by creating a healthy and highly productive work environment

Main initiatives

- ▶ Start of construction of the H.U. Bioness Complex
- Establishment of Miraca Research Institute G.K. (currently H.U. Group Research Institute G.K.)
- ▶ Establishment of joint venture with Ping An Insurance (Group) Company of China



- ► Revision of retirement bonus and pension plan
- ▶ Revision of employment regulations to improve productivity



Management Structure Realized by Establishing a Foundation of Human Capital

In April 2020, Miraca Holdings, SRL, and Fujirebio nearly completed the integration of their human resource systems, internal regulations, and decision-making authority, establishing a common foundation for human resource allocation and personnel management. In July of the same year, we indicated our future direction both internally and externally with a new company name, "H.U. Group Holdings," which suitably embodies our management policy of expanding our business into healthcare, along with our redefined Mission and Vision.

In October 2020, H.U. Frontier was established by integrating the sales and marketing functions of each operating company. The new company is an outcome of the Group integration strategy initiated in 2017. Establishing a foundation for human resources enabled the building of a one-stop services system connecting the entire value chain. In 2021, the Company clarified the roles of segment executive officers to enable its transition to a new growth stage. In 2023, we revised the compensation system for directors and executive officers to promote global management.

The Group's human resources philosophy centers on the idea that the power of the Company is the sum total of the

power of its individual members. Our corporate management practice focuses on people through hiring and personnel strategies that aim to maximize the capabilities of each employee. In hiring new graduates, we are strengthening our recruiting activities with an emphasis on "global, R&D, and digital" talent to support the Group's future growth. Furthermore, in our personnel strategies, in 2023 we started running an in-house career change system called AdCareer. The system comprises a free agent system and in-house recruitment. It will provide various opportunities for career development within the Group to the employees at each company.

In the post-COVID-19 industrial world, worker mindsets and values have changed significantly, with a greater emphasis on work-life balance and the popularization of the concepts of wellbeing, diversity, and inclusion. The Group's personnel system had been in operation for approximately five years, but it was increasingly misaligned with the Company's management policy following its name change and its shift towards a global development-focused business strategy. Given this background, we decided to fully launch a new personnel system throughout the entire Group from fiscal 2024.

Under the new personnel system, we will practice human capital management by treating employees' skills, abilities, and

knowledge as "capital," aiming to maximize their value. At the same time, we have positioned this as a core strategy for achieving significant growth in the upcoming medium-term plan, starting in fiscal 2025.

The three pillars of the new personnel system are the grading system, the evaluation system, and the compensation system. The key point for revision of the grading system is a greater level of detail. This involves an increase in the number of grade levels to enable a fair evaluation reflecting the size of the role played by managers. Moreover, by setting appropriate roles and growth steps, we will build systems to encourage the growth of each individual. In addition, we have established new specialized career paths aimed at furthering the careers of specialists. For the evaluation system, we will clarify the target levels that individuals need to achieve and their expected roles based on the common platform for personnel management that has been phased in since 2017. With regard to the compensation system, we will redesign the wage model, including strengthening the differentiation of bonuses according to evaluation and salary increase upon promotion.

The concept of the new personnel system is a fair system that promotes employees' self-reliance, self-direction, and self-responsibility, and it enhances individual capabilities. The abilities

FY2020-FY2022 Addressing the challenge of "Healthcare for You"/Construction of foundation for Group coordination/Spread of COVID-19's impact

- ▶ Start of medium-term plan H.U. 2025—Hiyaku (Significant Growth) & United
- ► Change of company name to H.U. Group Holdings, revision of Mission and Vision
- ► H.U. Frontier established as an integrated sales company for the three core Group companies
- ▶ Provision and expansion of various testing products and services related to COVID-19
- ► Revision of segments, shift to a three-business structure of LTS, IVD, and HS businesses
- ► Establishment of MEDISKET, a logistics joint venture with MEDIPAL HOLDINGS
- ▶ Pivot to a global strategy for the CDMO business

▶ Full operation of the H.U. Bioness Complex

FY2022

onward

- ► ADx NeuroSciences N.V. becomes a consolidated subsidiary
- ► Fluxus, Inc. becomes a consolidated subsidiary

FY2021

 Revision and formulation of personnel-related regulations, including H.U. Frontier, to build the optimal management system for achieving the medium-term plan ► Formulation of a new personnel system to be fully launched from FY2024

 Revision of compensation system for directors and executive officers

/ \ FY2020

> Revision of personnel systems, mainly welfare system and work style reforms

of the individuals alone cannot realize the H.U. Group's Mission and Vision. Therefore, to realize them as an organization and a team, we intend to transform into a professional group that merges each individual's high aspirations and expertise. To this end, it is essential to have a fair personnel system that promotes employees' self-reliance, self-direction, and self-responsibility and enhances their individual capabilities. Furthermore, from a personnel strategy perspective, we have defined our ideal direction as aiming to empower each employee to achieve selffulfillment through work and create a company where they can truly enjoy working.

New Personnel System Reform Concept

A fair personnel system that promotes employees' self-reliance, self-direction, and self-responsibility and enhances their individual capabilities

Further strengthening of management capabilities



Transformation of personal awareness and behavior

Please see the following websites for further details.



Human Resource Development (in Japanese) https://www.hugp.com/humancapital/efforts/hrd.html



Human Capital

https://www.hugp.com/en/sustainable/humanrights.html

Support for Career Development Based on Self-reliance, Self-direction, and Self-responsibility

Medium-term Plan Progress

Based on our human resource development policy of "career development based on self-reliance, self-direction, and selfresponsibility," the Group emphasizes career development and ability development, offering each employee opportunities for growth and learning.

Employee Career Development

Within the H.U. Group, employees establish their own performance targets at the start of the year, as well as a career goal and an ability development plan, and strive to realize them throughout the year. Moreover, to help employees to realize their targets, goals, and plans and to support their proactive career development, we provide regular opportunities to discuss them, including evaluation interviews and one-on-one meetings with their supervisors. Furthermore, we develop and provide learning programs to help each employee learn how to think about career development and how to build their own careers with the aim of fostering their career awareness.

Learning Management Systems

To encourage employees' proactive learning, we have established an environment for individual growth and career development, including our CAREERSHIP (Learning Management System) education platform to enable people to learn anytime, anywhere; the H.U. Skill Map, which visualizes the Group's required skills; and specialist education programs tailored to specific job types.

Human Resource Development through H.U. Business College

In January 2022, the Group launched H.U. Business College, its first open-application education program. Our objective is to discover and develop autonomous and proactive human resources seeking opportunities for their own growth. Students engage in self-directed learning, covering business fundamentals, such as logical thinking, marketing, finance and accounting, management strategy, and corporate legal affairs through weekday evening classes and e-learning. The college functions as a space where the H.U. Group's various human resources can

realize their envisaged future careers by gathering and learning from other participants, developing a higher perspective, and expanding their knowledge.

List of Main Initiatives

H.U. Skill Map and Specialist Education Program

To support employee growth, we have organized the H.U. Skill Map, visualizing job-specific skills, and specialist education programs that detail specialist knowledge, skills, and qualifications for each position. These initiatives support individual career development and encourage employee growth.

CAREERSHIP (Learning Management System) **Education Platform**

We have established a learning environment with over 160 courses, in addition to company- and organization-specific education programs, such as required education and level-specific education, allowing all employees to learn anytime, anywhere.

H.U. Business College

The H.U. Group's first open-application education program started in January 2022. Participants with a proactive learning mindset acquire fundamental business knowledge from experienced business professionals over the year.

Promotion of DX Education

In fiscal 2023, we will provide DX education to strengthen digital literacy and work to develop specialist human resources with advanced digital skills for creating innovation.

AdCareer In-house Career Change System

This system, introduced in fiscal 2023, offers employees opportunities to develop various careers within the Group as an in-house career change system comprising a free agent system and internal recruitment. Through this system we provide each employee with opportunities to proactively find their own career direction and take on challenges.

Human Capital Website

The Group launched the website in June 2023 as a platform for disseminating externally the entire Group's personnel philosophy, personnel initiatives, and other activities.





Human Capital Website (in Japanese) https://www.hugp.com/humancapital/

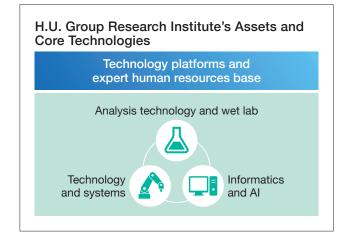
Strengthening Our Innovation Foundation

Corporate R&D

The H.U. Group Research Institute (HRI) provides the corporate R&D function separately from the H.U. Group operating companies' R&D divisions. It provides basic research that continuously generates future business seeds. HRI collaborates with corporations and research institutes in and outside the Group, covering all stages from exploration of research themes to real-world application, which is the exit from R&D.

As the Group's central R&D organization, HRI is currently focusing on the following three points. The first is creation of innovation. We are promoting research activities with a focus on "value" that contributes to solutions for market needs and social issues in the medical and healthcare domain. For this reason, at the initial stage of research, we focus on the ideas of the individual researcher and recommend conducting a rapid proof of concept (PoC). Subsequently, as the research advances to higher stages, it is assessed comprehensively from various perspectives, including the level of value it can provide and problems it will solve, its technical excellence (the presence of a No. 1 or "only one" factor), and its investment profitability.

The second focus point is research activities that will strengthen existing businesses. By merging advanced technologies such as Al and IoT with our existing businesses, we aim to create new



Case Study Preparation against New Threats

Rapid Development of Virus Genome Analysis System and Infrastructure Preparation for the Next Generation

Regular virus genome screening is considered important for dealing with infectious diseases caused by viruses such as COVID-19 because mutations occur in the genome information that determines the characteristics of the virus, and sometimes, these cause changes in the characteristics of the virus. The H.U. Group rapidly established a virus genome analysis system and analyzed a large volume of virus genomes over approximately three years. Genome analysis data grows to a huge volume during a pandemic, and it is therefore important to prepare data analysis infrastructure to ensure stable continuity of analysis. The Group has developed a

Building a Technology Platform for Large-scale Genome Analysis











Company's statement, "Healthcare for You."

cloud-based genome analysis platform as a new analysis

infrastructure. The platform will enable large-volume, stable genome

expanding applications include analysis of other infectious diseases,

analysis. Genome analysis is not limited to COVID-19. Its rapidly

identification of genes that cause cancer and hereditary diseases,

and analysis of bacterial flora. Our previous analysis system faced

limitations in certain cases due to insufficient processing power.

Having developed and implemented a cloud-based analysis

people requiring immediate diabetes treatment. Data analysis

health check-up was 3.8 times higher than people receiving a

existing testing and medical care frameworks, and we aim to

revealed that the risk of diabetes among people not receiving a

check-up, demonstrating that appropriate use of testing and early

intervention can dramatically reduce total medical costs. The H.U.

Group is pursuing new modes of healthcare that are not bound by

infrastructure, we are well-equipped to further promote the





Specimens

RNA extraction

Reverse transcription

Library preparation

Sequence

Data analysis Report

Adopting cloud technology to build infrastructure capable of flexibly responding to infection situations

Case Study Challenge for a New Healthcare **Nobeoka City Postal Testing Project**

Health check-ups are considered effective for maintaining one's health, but a certain number of people do not receive them. To address this issue, in 2021, the H.U. Group received an order from Nobeoka City, Miyazaki Prefecture to survey the health risk of people who had not received health check-ups (around 7,000 people). Through the project, 476 people conducted self-testing using postal testing kits provided by the Company, and 332 people received a health check-up at a clinic, which enabled us to identify a number of

Early Intervention **Using Postal** Testing and Verification of Its **Effectiveness**











implement these in society.



Guidance

Dispatch of testing guidance

Needle prick by pricking with a lancet

Blood sampling Take around five drops of blood

Send by post Daily posting of samples

Test for 14 lifestyle disease risk items

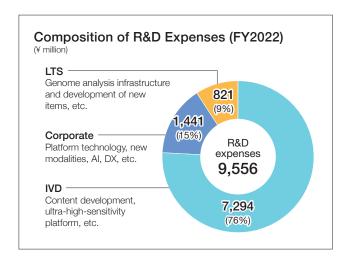
Testing

Recommendation for health check-up

Depending on the test results, Nobeoka City public health nurses recommend clinic check-ups by making individual visits

customer experiences and, moreover, new emotionally moving experiences. Meanwhile, new business models that are outside the trajectory of existing businesses and projects involving the implementation of solutions are positioned as "internal venture" projects to be managed by HRI, which promotes the effective utilization of the technologies and expertise of each operating company. Recently, we have provided solutions that go beyond conventional R&D functions, such as developing large-scale screening test infrastructure for airport quarantine and large-scale international events, which were used as border control measures for COVID-19.

The third point is developing the next generation of human resources. In addition to developing highly skilled technical human resources, we are also working on developing diverse human resources who will play key roles in the Group's growth, including project managers to lead commercialization projects and project leaders who can effectively coordinate cross-functional groups of technicians. In particular, creating innovation requires essential human resources who can envisage new value inspired by market needs based on wide-ranging expertise in medicine and healthcare technologies. Furthermore, HRI serves as a facilitator for enhancing the overall technology literacy of the entire H.U. Group, which contributes to medium- to long-term growth.



Intellectual Property Activities

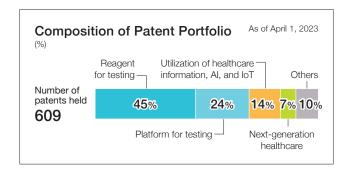
Value Creation Story

The H.U. Group regards intellectual property as a main pillar of its business. We have constructed a system in which the holding company centrally manages intellectual property created by Group companies in Japan and overseas. By appropriately protecting the intellectual property of each operating company, we not only minimize the related risks but also strive to maximize the value of intellectual property by using it and combining it within the Group. Additionally, we periodically hold meetings on intellectual property strategy to review our intellectual property portfolio. We use an IP landscape*1 to analyze the intellectual property of the Group and other companies and work to share information with each business division.

Recently, we have supported the expansion and enhancement of individual businesses by using intellectual property as a catalyst to invigorate alliances with partner companies, medical institutions, and academia, among others. For example, the Group's ownership of patents and technologies related to exosomes (EVs)*2 and immunoassays has led to a steady increase in open innovation and CDMO businesses.

The Group acquires patent rights as well as trademark rights for its original technologies to promote their branding. For example, we hold trademark rights for iTACT® in relation to immunoassay sample preprocessing technology and EViSTEP® in relation to exosome (EV)-related platform technologies. This protects the Group's technologies in terms of both patent rights and trademark rights.

- *1 A method used for analyzing the intellectual property information of the Company and competitors as well as the market and using the results for formulating management strategies and decision-making
- *2 One of the extracellular vesicles (EVs) excreted from cells. Including messengers such as proteins and mRNA



IT Platform Supporting Management

H.U. Digital Vision

To realize reforms for better medical care services, we will maximize the potential of digital technology and ICT to create new value in the healthcare business

Basic Strategy

- (1) Lean operation aiming for streamlining and increased efficiency
- (2) Using digital technology to create value that closely aligns with individuals
- (3) Building a human resource base and technology innovation platform for providing new digital healthcare

The Group has formulated a Digital Vision for a management transformation to realize its Mission and Vision. We will promote digital transformation (DX) along two axes. The first is a lean operation* with greater sophistication and efficiency of operational processes and reduced costs. The second is the creation of a new digital healthcare business based on digital technology and data. In addition, we are building a technology innovation platform for providing new digital healthcare, including the appointment and development of ICT and DX human resources and the preparation of infrastructure.

In recognition of these initiatives to transform management using digital technology, the Company was selected as a DX Stock*4 in May 2023.

- *3 Continuously improving operations to increase the productivity of a corporate organization
- *4 Companies listed on the Tokyo Stock Exchange that have been jointly selected and announced by the Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and the Information-technology Promotion Agency, Japan for their performance in building internal systems to promote DX in a way that enhances their corporate value and for their outstanding utilization of digital technologies





Toshihiko Shimizu Executive Officer and CIO

DX Strategy Explanation by the CIO

Medium-term Plan Progress

Value Creation Story

Aiming to build a technology innovation platform for carrying out business reform to realize our Mission and Vision

The H.U. Group has positioned DX as a means for opening up new possibilities in healthcare and accelerating business reform. We aim to build a technology innovation platform capable of providing optimal healthcare for everyone. At the heart of this project will be Japan's largest clinical testing platform. We have started a project to establish this platform by deploying the IT system built for the H.U. Bioness Complex to all our laboratories throughout Japan. Inside our testing labs, which process more than a hundred thousand samples daily, we use RFID technology to manage traceability at every step, from collection and reception to testing, reporting, and disposal. Using these data, we aim to visualize the status of testing progress and the processing capacity of each testing machine, with the goal of enhancing the reliability and efficiency of testing. In the IVD business, we are implementing manufacturing reforms by optimizing the manufacture and supply of testing machines and reagents in line with domestic and overseas demand as part of efforts to further enhance our supply chain infrastructure.

In creating value, we strive to accelerate the speed of highvolume data processing in the genome analysis business, and to enhance AI image diagnosis accuracy. In our healthcare service business for individuals, we have linked the personal health record (PHR) provided by Group company Ishinban, Inc. to Mynaportal*1. We plan to offer new services such as

pharmaceutical logbook functions during fiscal 2023. In July 2023, we established a subsidiary to engage in the point of care testing (POCT) business for individuals and launched services. In the future, we will coordinate with pharmacies and other partners to link PHR and POCT data to provide high-value-added healthcare services based on test results.

*1 A government-operated administrative service platform that was opened in conjunction with the launch of the My Number system

Focusing on the development of DX human resources who can support business reform and the building of a next-generation healthcare platform

What is important as we advance these initiatives is the development of human resources who can leverage digital technology to transform business and create value. The H.U. Group has defined the DX human resource development targets as DX human resources for horizontal integration,*2 DX human resources for data utilization, and DX human resources for business reform.*3 We have built DX education programs for all employees and will begin implementing them in fiscal 2023. Through DX human resource development, we aim to actively contribute to the creation of an organization where employees can shift to roles that add higher value.

- *2 Human resources capable of coordinating and reforming businesses and operations from a Group-wide perspective
- *3 Human resources capable of taking a strategic view of business and technology trends and making decisions aligned with future business development

The H.U. Group's Digital Education System



ntents

Reforming to Become an Innovator: LTS Business



Main Products and Services



Testing business (including CRO functions)



Health check-up support business



Food, environment, cosmetics testing business

Main Companies

- SRL, Inc.
- Nihon Rinsho, Inc.
- HOKUSHIN Clinical Laboratory, Inc. etc.



Lab Testing and its related Services Business

Business Strengths

First position*1

23.4%

Share of the Japanese commissioned clinical testing market

First position*2

Or more

Major hospital are our clients

First position*3

or more

chromosome testing market

Business Scale

Over **200,000**

Number of commissioned tests per day

Over 400 million

Annual number of tests conducted

0ver 120

Number of sites in Japan

H.U. Bioness Complex







The H.U. Group's core facility, with one of the world's largest clinical testing laboratories. General testing is processe in large volumes thanks to full automation and 24-hour operation, and in esoteric testing, the facility handles advanced test items.

- *1 Yano Research Institute "2023 Clinical Laboratory Center Management Overview"
- *2 Hospitals with 500 or more beds
- *3 Research by H.U. Group Holding



Makoto Matsumoto **Executive Officer in Charge of LTS**

Strategy Explanation by the Executive Officer in Charge of the LTS Business

We aim to establish an unrivaled position in the clinical testing market through full operation of the H.U. Bioness Complex. We will strive to grow our base business and to expand testing fields that support advanced medicine, as well as prioritizing efforts to improve profitability and strengthen our business structure. At the same time, we will create new value and generate innovation as we continue our challenge of building a foundation for the next phase of society and medical care.

We aim to establish an unrivaled position while refining our strengths as the market leader in Japan, with a focus on delivering unique value within the Group

The H.U. Group's business is centered on products and services that support the core fields of medical institutions, such as diagnostics, treatment, and surgery. Our strength comes from possessing a customer base across a wide-ranging value chain.

The LTS business, which I oversee, provides essential clinical testing and related services for patient diagnosis and treatment within our value chain. Our social responsibility in the LTS business is to improve individual patient health and enhance overall medical care through accurate, high-quality testing services. The key player in this segment is SRL. SRL has the top share of the Japanese commissioned clinical testing market.

We have recognized the following three points as the main reasons why customers prefer SRL's testing services. The first is the extensive coverage of a wide range of test items that SRL can undertake. SRL offers a comprehensive range of services, from screening centered on the primary care field, such as comprehensive examinations, general health check-ups and initial diagnoses, to advanced esoteric testing needed at the treatment stage. In addition, SRL has had strengths in esoteric testing since its establishment in 1970 and has expanded its business over the years mainly in university hospitals and national hospitals. At the H.U. Bioness Complex, we leverage the benefits of scale through mass transport centered on esoteric testing specimens shipped from all over Japan. We are also expanding testing to support advanced medicine, such as genome medicine in the fields of cancer and rare diseases.

Net Sales and Operating Profit of the LTS Business (¥ billion)



■■Net sales (left axis) ■■ Operating profit (right axis)

Main Strategies and Initiatives Going Forward

- ► Realize the effects of the H.U. Bioness Complex
- ▶ Radically reform the structure of fixed costs
- ► Improve profitability

Medium-term Plan Targets and Performance for LTS Business

	FY2024 target	FY2022 performance
Net sales CAGR	6% or more*	10.7%
EBITDA margin	17% or more	7.5%
Operating profit margin	9% or more	0.2%

*Five-year average (FY2019-FY2024)

The second point is our dedication to test quality. To maintain the quality of the leading brand in Japan, we have obtained international standards: the U.S. Clinical Laboratory Improvement Amendments (CLIA) accreditation and the CAP accreditation from the U.S. College of American Pathologists. In addition, we have also built our own quality management system (QMS) which is implemented across our entire service, from receiving specimens to reporting test results.

The third point is the speed of our process, from specimen receipt to test report. We achieve swift test reporting, optimally timed to the various treatment cycles of each patient. By achieving both test accuracy and efficiency, while taking steps to increase speed even further, we are helping to make healthcare more economical by shortening hospital stays, among other means.

In terms of Group synergy, we have established an unrivaled position by incorporating test reagents newly developed by the IVD business into the testing services of the LTS business, with its broad customer base. Moreover, at H.U. Frontier, which is in charge of the Group's sales and marketing, in an effort to grasp latent testing needs at an early stage, we are strengthening our cooperation with medical and research institutes that are constantly working on new medical technologies and treatment methods. By utilizing this business model, which is unique to the Group, we will build a foundation to support the next phase of society and medicine and continue to evolve even further.

Focus on untapped value in testing data to contribute to solving medical issues

We anticipate that clinical testing and other medical services will change dramatically in the future due to population trends. For example, as populations decline in depopulated regions, physician shortages will become more acute, resulting in diversification of testing locations and timings. In fact, during the COVID-19 pandemic, many households began to use the H.U. Group's rapid antigen test kit as an OTC pharmaceutical product. The pandemic brought about the practice by the general public of taking their own specimens and performing tests themselves, and the practice spread rapidly. Looking ahead, tests that enable people to self-check at anytime and anywhere are likely to promote consumer interest and awareness of health, and the demand is expected to expand even more.

As I mentioned earlier, the H.U. Group has earned strong trust from medical institutions and other customers in the core medical fields of diagnostics, treatment, and surgery. This trust is a strength that can be leveraged as a competitive advantage. We are striving to develop technologies, create products and provide services that utilize this strength, not only in clinical testing but in a wide range of healthcare fields. In particular, the testing technology expertise and massive testing data that we have accumulated in the LTS business are essential assets for creating new services. Currently, we are working to establish infrastructure that will allow individuals to link their data with medical institutions using an app for managing personal health records (PHRs). As a forerunner to this, we are running health management services using PHRs with the WithWellness® health management app developed by Group company Ishinban, Inc. Instead of medical institutions managing test data, this approach empowers individuals to access their data, including test results and medical histories as needed through a smartphone app or other means. This can enhance discussions with attending physicians and facilitates accurate life-saving treatment during emergency medical transportation. We believe it will also create a platform that contributes to improved health economics efficiency.

Furthermore, we also focus on untapped value in test data. SRL performs approximately 400 million tests per year, covering a wide range of disease fields, from healthy people to patients with cancer, intractable diseases, and rare diseases. We envisage combining this huge quantity of test data with data science for use in statistical analysis aimed at increasing medical care efficiency. We strive to create new testing demand as well as new value that contributes to the resolution of medical issues.

The powerful testing capabilities and high-quality testing provided by the LTS business will enhance the quality of medical care and drive ongoing evolution. We consider it important to remain alert to testing technologies both in Japan and overseas and to constantly update to new technology platforms.





Value Creation Story





Preparing a nationwide testing system and promoting optimization of logistics. Building a foundation for further growth, using intellectual capital and human capital as sources of value creation

With the full operation of the H.U. Bioness Complex, we believe that we have created an environment that can provide sustainable value and create innovation for further growth, even in a rapidly changing society and medical environment. With the H.U. Bioness Complex at the center, we are developing a three-base testing system, including the Fukuoka Lab (SRL Advanced Lab. FMA) for the Kyushu area and the upcoming New Kansai Lab. This system will enable stable provision of testing services. Meanwhile, at our satellite labs, we will promote alliances with partner companies who have deep knowledge of local medical

needs to provide optimized testing services for each region.

Value Creation Story

Our strategy of optimizing logistics has entered a new stage of joint logistics with MEDIPAL HOLDINGS. We are currently conducting a feasibility study on verification of delivery routes and strategies to reduce the number of vehicles. By around 2025 we expect to see the effects of realizing an optimal logistics system by establishing a value chain based on a new model of medical logistics.

Under the medium-term plan, the LTS business has performed favorably due to factors such as the rapid spread of testing related to COVID-19 in fiscal 2021. On the other hand, operating profit decreased sharply in the following year, primarily due to declined sales in PCR tests and comprehensive testing support services at airport guarantine stations, leading to exceptionally challenging business conditions. Our highest priority issues

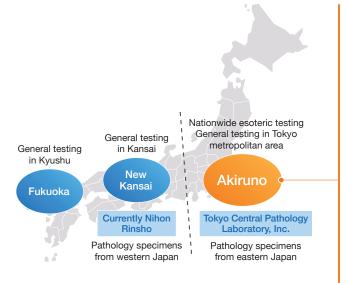
include improving profitability and strengthening the business structure. To address these, we are committed to reducing fixed costs by making maximum use of automation at the H.U. Bioness Complex while steadily growing our base business with a focus on cost reduction and expanding our testing fields in response to advanced medicine.

In tandem with these major measures, we work to construct an ICT platform, which is essential for future growth. Specifically, we aim to establish a platform for handling a huge quantity of genome information, in order to introduce systems that will enable consumers to monitor their health and use accumulated test data to motivate behavior change, as well as new technologies in advanced fields. In our management of test data and genome information, we have established rigorous internal control systems and strive to maintain and continuously improve and enhance security.

To execute these strategies requires that we maximize the value of intellectual capital. To incorporate new systems and technologies into existing services, we must maintain quality management systems at a high level, including test procedures, quality control measures, and risk management throughout the entire process from specimen collection to test reporting. These systems are a significant element in strengthening the intellectual capital of the LTS business. In addition, since it is individual human resources who maximize intellectual capital, we consider human capital to be equally important. To draw out the best performance in each individual, we focus on leadership development to enhance our organizational capabilities. For example, by conducting training at medical institutions, we aim to provide opportunities for people to acquire deeper learning, such as learning through actual experience how test results are used in patient treatment.

In June 2023, I was appointed Executive Officer in Charge of LTS and President of SRL. I joined the Company 32 years ago, when the founder, Koichiro Fujita, was President. Over the years, the industry environment has changed, but the social significance of clinical testing remains the same. We aim to retain our sense of responsibility for contributing to society and patients while driving innovation through the combination of testing technology and data science to be an effective leader in the future of clinical testing.

Nationwide Testing System





Facility Overview of the H.U. Bioness Complex

Nickname	AkirunoCube
Location	50 Fuchigami, Akiruno City, Tokyo Prefecture
Site area	Approx. 122,000 m², around 2.7 times the size of Tokyo Dome
Total floor area	Approx. 66,000 m ² (total for all buildings)
Facilities	T-Cube (Testing Laboratory Building), I-Cube (R&D Building), S-Cube (Management Building), W-Cube (Welfare Building)
BCP measures	Emergency power generators, water tanks (Testing Laboratory Building), seismic isolation construction (Testing Laboratory Building, R&D Building), earthquake-resistant construction (Management Building, Welfare Building)

Reforming to Become an Innovator: IVD Business



Main Products and Services



Lumipulse® business



CDMO and raw material supply business



Other products

Main Companies

- Fujirebio Holdings, Inc.
- Fujirebio Inc.
- Fujirebio Diagnostics Japan, Inc. etc.



In-Vitro Diagnostics Business

Business Strengths

Second position*

23.5%

Lumipulse®'s share of immunoassay test equipment installations in Japan

70 items

Capable of a wide range of tests for cancer markers, infectious diseases, hormones, and more

37.9%

Stable, high profit margin (FY2022)



* Created by the Company based on the Report on Results of the 2022 56th Clinical Testing Quality Control Survey (Japan Medical Association)



Goki Ishikawa Executive Officer in Charge of IVD

Strategy Explanation by the Executive Officer in Charge of the IVD Business

Under the medium-term plan, we fully leverage the IVD business's strength of test reagent development capabilities to accelerate our transition to a business model poised for global market growth. We pursue unique value through close cooperation between the IVD and LTS businesses while developing global standard products to raise the H.U. Group's profile worldwide.

Group synergies from cooperation between the IVD and LTS businesses generate unrivaled competitive advantages in reagents development and new markets exploration

Value Creation Story

The strength of the H.U. Group lies in having the LTS business in the Group because it is able to prove the value of new reagents developed by the IVD business. The LTS business handles over 200,000 commissioned tests per day, more than 400 million per year, giving it the top share of the Japanese commissioned testing market. Being in a position to prove the value of reagents creates a significant competitive advantage unrivaled by other companies. Fujirebio Inc. alone would never be able to obtain such powerful feedback or achieve such speed. For the members of the IVD business, which develops reagents, this is an amazing environment where they can enjoy considerable value every day. Having been able to draw on this Group synergy to rapidly develop and implement a COVID-19 antigen test reagent in 2020 was one of the significant achievements during this medium-term plan.

The essential value of the IVD business is in its reagent development and manufacturing capabilities. The greatest of these strengths is its technology for creating reagents from raw materials, which correspond to the highest upstream point in the value chain, mainly in the field of immunoassays. The business has a lineup comprising multiple antibodies, which constitute primary raw materials. It also has systems in place to draw out the full value of their respective characteristics and rapidly commercialize them. Accordingly, the role played by the IVD business in the H.U. Group is to perform a series of processes, generating new test technologies needed for diseases without existing effective test methods worldwide and commercializing these as reagents. Another important role for the IVD business is expanding reagents into overseas markets when their value has

Net Sales and Operating Profit of the IVD Business (¥ billion)



Main Strategies and Initiatives Going Forward

- ► Focus on utilizing LUMIPULSE® units, having accelerated their installation
- ► Expand CDMO projects
- ► Accelerate development of new reagents for Alzheimer's disease, etc.

Medium-term Plan Targets and Performance for IVD Business

	FY2024 target	FY2022 performance
Net sales CAGR	4.5% or more*	20.5%
EBITDA margin	25% or more	44.0%
Operating profit margin	20% or more	37.9%

*Five-year average (FY2019-FY2024)

Governance

been proven in Japan through cooperation with the LTS business. In Japan, reagents are required to be of a high level of quality, and the accumulation of evaluations and clinical data domestically is a powerful tool and an advantage in global markets overseas.

Under our medium-term plan, which started in fiscal 2020, we are transitioning to a business model based on the CDMO* business, aiming to fully leverage our strength in reagent development capabilities. This business model focuses on the upstream process of reagent development. In the Japanese market, we continue to expand our lineup of dedicated reagents for use with our in-house LUMIPULSE® platform. Then, we bring products with proven quality and value to the global market by customizing them as dedicated reagents for our CDMO partners' platforms. Former competitors are now our value-co-creating partners. One of the factors behind our ability to establish successful win-win relationships with them is the Group IVD business's specialization on immunoassays. This is because companies specialize in specific areas within the diverse fields of clinical testing, and it is far more efficient in terms of both development hours and costs to outsource reagents in nonspecialty areas than developing them in-house. We plan to further increase the number of contracted items by the end of the medium-term plan.

One of the changes in the industry brought about by the experience of the COVID-19 pandemic is that it is becoming more critical to bring newly developed products to market guickly. Being an industry leader by developing high-quality reagents and quickly obtaining regulatory approval is the way to receive the first-mover advantage, and we also believe it will open the way to becoming the "global standard." In fiscal 2020, we worked mainly on developing COVID-19-related products, but since fiscal 2021, we have been focusing more carefully on the priority of R&D themes and concentrating our management resources on the global development of test reagents for Alzheimer's disease. In 2022, with the acquisition of ADx NeuroSciences N.V. and Fluxus, Inc., we have accelerated our development activities, such as gaining approvals in major countries and expanding our lineup of test items through ultra-high-sensitivity detection.

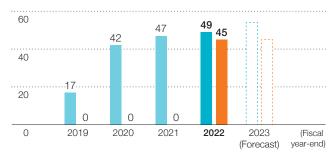
Even before regulatory approval, we guickly market new reagents as "Research Use Only (RUO)" products and focus on listening to market feedback. Obtaining feedback and objective evaluations from physicians at medical institutions is extremely important and essential. We will continue to accelerate our initiatives as a global leader in the domain of Alzheimer's disease.

We aim to establish a prominent position in the diagnostic reagent market in the Alzheimer's disease domain, with the goal of becoming a trend leader in immunoassays

With the COVID-19 pandemic, highly sensitive PCR tests earned recognition among the general public. After their approval as OTC pharmaceutical products, rapid antigen test kits came to be used by many ordinary households, and expectations have increased for kits and services offering simple at-home testing without the need to visit a hospital. Meanwhile, as the increase in the elderly population drives up overall medical costs, medical institutions are taking a tougher stance on evaluating the balance between the value and price of clinical tests.

Considering this trend, for the IVD business, we will strengthen the development of reagents that align with this long-term trend. We are focusing, in particular, on increasing our presence in the diagnostic reagent market for Alzheimer's disease, which is expected to see growth in demand in the future. There are issues with the conventional testing method in this area as it involves cerebrospinal fluid testing, which imposes a significant physical burden on the patient during sampling. On the other hand, the ability to detect pathogenic substances for dementia through blood testing has raised expectations for resolving this issue. Among two M&As conducted in 2022, the inclusion of ADx NeuroSciences N.V., with its advanced technologies in the field of neurological diseases, is expected to enhance our portfolio of Alzheimer's disease-related test reagents.

Number of Contracted CDMO Items (Reagent Manufacture) (Number of items)



Global Strategy for the IVD Business



Value Creation Story

► Sale to other companies of raw materials used for reagent development and manufacture (antibodies, particles, etc.)





- ▶ 15% of base net sales invested in R&D
- ▶ ¥7.4 billion (FY2022)
- ► Global R&D team (over 300 members)





^{*} Contract development and manufacturing organization

Meanwhile, the acquisition of Fluxus, Inc. was mainly aimed at acquiring ultra-high-sensitivity detection technology and strengthening our next-generation platform development capabilities. By combining the company's technologies with Fujirebio's test reagents and detection methods, we will accelerate the joint development initiatives that we had been working on previously and focus on expanding our lineup of reagents of high clinical significance that will be used on nextgeneration platforms.

Looking at the industry over a longer horizon, the development of ultra-high-sensitivity technologies has enormous potential to affect the state of immunoassays 10 years down the track. I predict that the industry will probably polarize into two coexisting domains: one that can be addressed with the current chemiluminescence technology and another that requires ultrahigh-sensitivity detection technologies. By leading this trend, the Group aims to establish a business model that can make a global contribution to people's health.

Looking at our recent performance, in fiscal 2022 the IVD business recorded increased sales due to growth of its base business, despite a slight downturn in net sales of COVID-19related products. The theme for fiscal 2023 is further growth of the base business, including transactions inside the Group and the Lumipulse® business. In the pharmaceutical industry, expectations have grown due to a sense of favorable conditions in general, including significant advances in new treatments for Alzheimer's disease, and this has also boosted morale inside the Company to exceptional levels.

We are committed to discovering and creating new business models, drawing on our global intellectual property. We also focus on nurturing global human resources

Looking ahead, as we continue to pursue our own unique value, we will develop and manufacture products that will set global

Value Creation Story

















standards and powerfully advance our strategy for expanding this value into markets worldwide. In particular, we recognize that generating innovation in the upstream processes of the value chain is a source of competitive advantage. By globally managing and operating our intellectual property, such as antibodies, we aim to discover and create new business models.

In executing these strategies, we will focus on investing in our overseas business and nurturing global human resources. Our current personnel composition is divided approximately in half between Japanese and overseas personnel. We have the highest ratio of overseas employees in the Group. Over the past few years, we have observed a change in the mindset of employees in Japan. Unlike the past, when the focus was on supplying products exclusively in the Japanese market, our employees now demonstrate a more global perspective. I believe there is an extremely high level of ability to use our accumulated technologies and raw materials to commercialize products. To utilize this capability in business expansion overseas, we have been increasing human resource exchanges between Japan, Europe, and the United States, initially targeting managementlevel employees and promoting communication efforts. Now, we are actively providing all employees with opportunities to gain overseas experience, including overseas assignments, with the aim of further expanding human resource exchanges. Face-toface interactions can remove barriers that have existed in online conversations up to now and create a corporate culture where people can readily engage in discussions for daily decisionmaking and issue solutions. We believe this will lead to growth of our overseas business, including stronger relationships with CDMO partners.

Regardless of their position, all employees involved in the IVD business are aligned in the same direction with their efforts. That is to achieve a future in which reagents developed in Japan become global standards and continue to contribute to the health of people worldwide. We are determined to be an essential player in the global diagnostic reagent industry and contribute to the Group's advancement.

Reforming to Become an Innovator: **HS Business**



Main Products and Services



Sterilization and related services business



Home-visiting, welfare business

Main Companies

- Nihon Stery, Inc.
- · Care'x, Inc.

Healthcare-related Services Business

Business Strengths

4 consecutive periods of sales growth

Stable growth through recurring sales business model*2 (since 2009)



- *1 Share of hospitals with 500 or more beds in 28 prefectures where the Company has expanded (as of September 2023)
 *2 A model that allows the Company to earn revenue through continuous service usage, rather than completion with a single transaction



Naoki Kitamura Director, Managing Executive Officer

Strategy Explanation by the Executive Officer in Charge of the HS Business

We aim for growth by shifting resources to high-added-value operating room services and implementing "Healthcare for You" centered on the home-visiting business targeting the home-visit nursing market. We also engage in management to encourage individuals to reach their maximum potential, enabling employees to advance their skills and grow, thereby enhancing the value provided to customers.

Using the strength of working in a position closest to end users to provide diverse services in response to customer feedback and frontline needs

The HS business has used its strength of working in a position closest to end users to provide diverse services in response to customer feedback and frontline needs. In the sterilization and related services business, we provide services centered on hospital operating rooms and central sterile supply rooms. In the home-visiting and welfare business, we provide services for home-based healthcare, primarily wholesale nursing care equipment rental and home-visit nursing. In the sterilization and related services business, our employees are stationed at hospitals, giving them ample opportunity to experience firsthand the issues arising in hospital operations. In 2020, we consolidated our sales functions in H.U. Frontier, enabling the provision of total solutions across all operating companies.

Net Sales and Operating Profit of the HS Business (¥ billion)



Under the current medium-term plan, we strengthen our development of operating room support services in addition to our in-hospital and outsourced sterilization services. These are comprehensive services that cover everything from pre-operation preparation to cleansing during and after operations, as well as restocking of supplies. Operating rooms are profit centers for medical institutions. By providing services that help to improve the efficiency of operating room operations and increase their operating rate, we aim to contribute to improving hospital profitability and establish a new recurring revenue business model.

Given the trend of work style reforms among medical professionals and task shifting and task sharing by physicians, we sense a growing need for further outsourcing not only of sterilization work but also duties related to operating rooms. Looking ahead, I believe that the important mission of the HS business is to create comprehensive proposals combining Nihon Stery's in-hospital services with the products and services offered by Group companies.

Main Strategies and Initiatives Going Forward

- ► Sterilization: Secure profit improvement and business growth through stable growth of in-hospital services
- ▶ Home-visiting: Capture steady expansion of the market
- ► Welfare: Focus on improving cost structure

Medium-term Plan Targets and Performance for HS Business

	FY2024 target	FY2022 performance
Net sales CAGR	9% or more*	-0.8%
EBITDA margin	12% or more	10.0%
Operating profit margin	9% or more	3.8%

^{*}Five-year average (FY2019-FY2024)

Meanwhile, in the home-visiting and welfare business, we are targeting not only the nursing care market but also the home-visit nursing market, which is the fastest-growing market in the medical field. The home-visiting business is the entry point for the Group to expand its business further into the B2C market. In implementing our objective, "Healthcare for You," it is extremely important to understand frontline issues not only in medical institutions but also through our touchpoints with general service users. In 2022, we formed a capital and business alliance with GAIA medicare Inc., which is involved in the home-visit nursing industry, aiming to mutually complement our service areas and cooperate to expand our business base. Behind these initiatives is a functional separation of medical institutions in the Community Health Care Vision* and changes in the required functions and numbers of hospital beds. As the reorganization of medical institutions in Japan proceeds going forward, demand is expected to increase not only for hospital services, but also for home-visit nursing services.

* An initiative of the Japanese Ministry of Health, Labour and Welfare aimed at preparing an efficient medical care system aligned to the actual conditions in each community, envisaging a super-aging society in the future

Engaging in human capital management and promoting frontline DX and utilization of intellectual capital that contribute to enhancing individual capabilities to sustainably increase corporate value

The nursing and caregiving professions, which support medical care, have a high level of mobility, and securing personnel is an urgent issue for hospitals and nursing care service providers. This presents the HS business with both opportunities and risks. Moreover, the HS business is also a labor-intensive business, and we therefore recognize the importance of a management approach that alleviates the burden on employees while thinking of human resources as the first priority. Individual job satisfaction leads to the provision of excellent services, which drives customer satisfaction. Creating this kind of cycle will ultimately lead to an increase in corporate value. Therefore, I recognize that one of my roles is to create an environment in which all employees can fully realize their potential.

Moreover, as a first step towards increasing employee engagement, Nihon Stery and Care'x have been holding discussions mainly with young employees to formulate their

Purpose (corporate philosophy). After formulating their Purpose, management participated in town hall meetings throughout Japan. At each meeting, the management team and around ten employees would have a face-to-face dialogue to enable management to communicate its perspective and passion. At the same time, management grasps issues affecting the front lines directly, which enables them to take countermeasures. Furthermore, as these dialogues continue, I myself have also been thinking more deeply about human capital management. We will continue aiming to create an environment where every employee can work with a sense of responsibility, confidence, and pride.

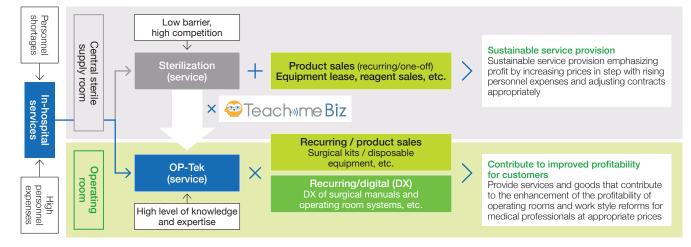
Furthermore, in addition to securing human resources and increasing the value added to existing services, we are also promoting measures to set appropriate prices, which means increasing the unit price of our contracts. In fiscal 2023, we will make progress on resolving issues such as increasing frontline efficiency and reducing costs, while consolidating our growth foundation for establishing a sustainable business model. We have also shifted our various manuals into cloud-based electronic formats and video manuals, with the goal of increasing frontline productivity and training personnel efficiently. By applying DX to these manuals, we are able to convert personal tacit knowledge into explicit knowledge as an organization. At the same time, having made the various digitalbased expertise accumulated through frontline DX into the Company's proprietary intellectual capital, we will utilize it to maintain relationships with existing customers and create new customers.

Above all, we will continue to put our weight behind management that thinks first of human resources, growing individual capabilities, and implementing measures to maximize the value provided to customers.



Skill improvement training at NS Training Center Daiba (Nihon Sterv)

Sterilization and Related Services Business: Growth Strategy for In-hospital Services



Value Creation Story

Directors and Officers

Directors



Shigekazu Takeuchi Director Chairman, President and Group CEO



Naoki Kitamura Director Managing Executive Officer



Shigehiro Aoyama Outside Director Outside Director, Takamatsu Construction Group Co., Ltd. Chairman, the Distribution Economics Institute of Japan



Futomichi Amano Outside Director Futomichi Amano CPA Office



Sachiko Awai Outside Director Outside Director (who is an Audit & Supervisory Committee Member), A.D. Works Group Co., Ltd. Outside Director, INFOCOM CORPORATION Outside Director (who is an Audit & Supervisory Committee Member), BP Castrol K.K.



Ryoji Itoh Outside Director Managing Director, Planetplan, Inc. Outside Director, SATO HOLDINGS CORPORATION Senior Researcher at Keio Research



Moegi Shirakawa Outside Director Partner, Anderson Mori & Tomotsune Member of the Business Accounting Council, Financial Services Agency



Keiji Miyakawa Outside Director Representative Director, N.I.Partners Ltd. Outside Director, Member of the Board, GungHo Online Entertainment, Inc. Senior Advisor, Lincoln International Inc. Executive Advisor, MASH Holdings Co., Ltd.



Hitoshi Yoshida Outside Director Former Director and Vice President, **ASKUL Corporation**

Composition of Committees and Knowledge, Experience, and Skills Expected of Directors

Value Creation Story

		Committe	es (© indicates Ch	airperson)	Knowledge, Experience and Skills						
Name	Number of Years in Office as Director	Independent Officer	Nominating Committee	Compensation Committee	Audit Committee	Business Management and Management Strategy	Legal Affairs and Risk Management	Finance and Accounting	Human Resources and Human Resource Development	Life Sciences and Healthcare	DX
Shigekazu Takeuchi (Male)	7	_	_	_	_	•			•	•	
Naoki Kitamura (Male)	5	_	_	_	_	•		•		•	
Shigehiro Aoyama (Male)	5	0	0	_	_	•			•	•	
Futomichi Amano (Male)	6	0	_	_	0		•	•			
Sachiko Awai (Female)	New	0	_	0	_	•			•	•	
Ryoji Itoh (Male)	9	0	0	0	_	•			•		•
Moegi Shirakawa (Female)	1	0	_	_	0		•				
Keiji Miyakawa (Male)	2	0	_	0	0	•	•	•			
Hitoshi Yoshida (Male)	New	0	0	_	_	•	•				•

Note: The above matrix does not indicate all of the skills of the Directors, and only a maximum of the top three skills they are expected to demonstrate are indicated.

Executive Officers

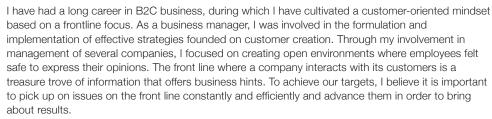
Chairman, President and Group CEO	Shigekazu Takeuchi	Executive Officer in Charge of IVD	Goki Ishikawa	Executive Officer and CIO	Toshihiko Shimizu
Managing Executive Officer	Naoki Kitamura	Executive Officer in Charge of Sales	Shunichi Higashi	Executive Officer in Charge of Corporate Planning and Management	Tadashi Hasegawa
		Executive Officer in Charge of LTS	Makoto Matsumoto	Executive Officer and CFO	Atsuko Murakami
		Executive Officer and CTO	Kazuya Omi	Executive Officer in Charge of General Affairs	Hiroaki Kimura

Messages from Newly Appointed Outside Directors

Value Creation Story



Sachiko Awai Outside Director



In addition to its diversity policy, the H.U. Group has declared its respect for diverse values, and strives to secure diverse human resources, without regard to nationality or gender. The Group has also focused on promoting active participation of women and has set quantitative targets, including the percentage of female managers. However, in order for diversity to bring about management results, it is important that management actively engage in instilling the concept of diversity in the company first. Then, it is necessary for all managers to recognize the value of diversity and work towards management that empowers the individuals that make up the organization. In addition, to enable employees to fully realize their individual potential, it is important to have organizational and systematic support for human resource development in place.

Looking ahead, to enable the H.U. Group to increase its presence in society, I expect all employees to apply the Group's Mission and Vision, not only as words, but in their everyday actions as they implement them on the front lines. I aim to contribute to sustainable growth by helping to resolve the issues facing management through my advice based on my personal experience and independent outside perspective.



Hitoshi Yoshida Outside Director

In my view, sustainable increase in corporate value depends on five basic points: increasing growth potential, increasing earning potential, enhancing investment efficiency, improving financial position, and increasing engagement. Based on these, my personal focus is on ensuring that strategies are always formulated on a customer-first basis and that the strategies we formulate are completely understood by employees. I also strive to ensure that our criteria for determining the achievement of targets are customer-oriented and that management is constantly aware of the frontline situation in terms of workplace, products, and capabilities. While keeping these factors in mind, I aim to realize an increase in corporate value for the H.U. Group.

I have had experience with promoting DX strategy in my previous position, and I consider it important to foster an awareness of the difference between digital transformation and digitalization when talking about DX. In essence, DX is more than simply digitalizing operations; I recognize that it involves creating the optimal customer experience and driving significant corporate growth. I believe that making sure all employees understand this perspective when they act is the key to successful DX.

The H.U. Group is currently embarking on a new growth stage. With the full-scale operation of the H.U. Bioness Complex, a new business model with high-quality testing and cost competitiveness will be realized. My role in this phase is to encourage the realization of a host of new initiatives towards "Healthcare for You" and to supervise their progress and operational execution from an objective standpoint. In particular, I will focus on contributing to getting the business centered on the H.U. Bioness Complex on track.

Corporate Governance

Basic Approach

H.U. Group Holdings is working to enhance managerial efficiency based on its stated Mission to "Create new value in healthcare and thereby contribute to human health and the future of medical care," along with our Vision, Values and Traits. We fully recognize the vital importance of cooperation encompassing a wide range of stakeholders both inside and outside the Company. Accordingly, we are committed to the establishment of a corporate governance structure that encourages greater managerial transparency and accelerates proper decision-making.

Corporate Governance Structure

We fully recognize the importance of strong and thorough corporate governance, and are committed to the establishment of a governance structure that encourages greater transparency and accelerates proper decision-making at all levels of oversight, management and operation.

We adopted the management configuration of a "company with three committees" with the aim of achieving clear separation of oversight and executive functions, establishing an implementation structure capable of operating with greater speed and enhancing oversight of Group companies. Under this configuration, we have established three committees: the Nominating, Audit and Compensation Committees, in accordance with laws and ordinances.

Board of Directors [13 Meetings in Fiscal 2022]

The Board of Directors, as the decision-making body for corporate management, resolves matters required by law, decides and approves basic management policies such as medium-term plans and single-year budgets, as well as important matters related to the execution of management operations, and supervises the duties of directors and executive officers.

The Company stipulates the balance, diversity, and size, etc. of the Board of Directors in the H.U. Group Corporate Governance Policy. We appoint outside directors from a wide range of fields to reflect diverse opinions in the discussions of the Board of Directors and to strengthen the supervisory function.

Nominating Committee [8 Meetings in Fiscal 2022]

The Nominating Committee has the authority to determine the content of proposals related to the appointment or dismissal of directors to be submitted to the General Meeting of Shareholders, to recommend candidates for representative executive officers and executive officers to the Board of Directors, and to make proposals for their dismissal. All members of the Nominating Committee are selected from part-time outside directors.

Compensation Committee [7 Meetings in Fiscal 2022]

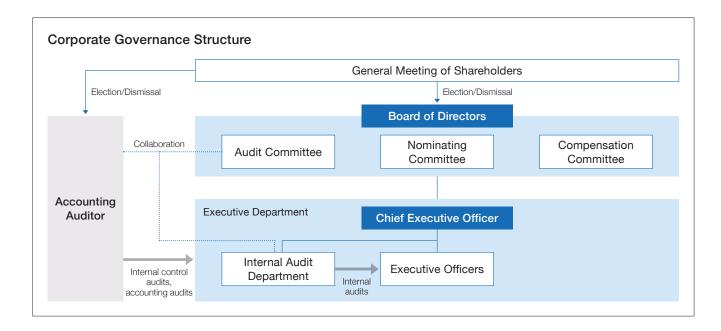
The Compensation Committee has the authority to formulate and determine policies regarding the determination of the content of individual compensation received by directors and executive officers. All members of the Compensation Committee are appointed from among part-time outside directors.

The June 20, 2023 Compensation Committee meeting revised the compensation system for the executive officers of the Company and for directors, etc. (excluding outside directors) of certain consolidated subsidiaries.

Audit Committee [17 Meetings in Fiscal 2022]

The Audit Committee audits the execution of duties by directors and executive officers, prepares an audit report, and determines the content of proposals to be submitted to the General Meeting of Shareholders concerning the appointment and dismissal of the Accounting Auditor as well as the non-reappointment of them. All members of the Audit Committee are appointed from among the part-time outside directors, given the view that members of the Audit Committee must maintain a high degree of independence.

Members of the Audit Committee participate in major meetings, such as the Risk Management Committee, the Group Compliance Committee, and other committees, or check the contents of such meetings. They also hold regular liaison meetings with the Internal Audit Department and the auditors of subsidiaries, and conduct direct audits of the execution of duties as necessary. The results of these activities are regularly reported to the Board of Directors. The Audit Committee exchanges ideas regularly with the Accounting Auditor by requesting them to explain and report the initial audit plan, status of audits during the term and results of the year-end audit.



Governance

We have established the Secretariat of the Audit Committee as a body under the direct control of the Audit Committee. The appointment and dismissal of the staff of the Secretariat of the Audit Committee and other details of their professional treatment, such as performance evaluation and interdepartmental transfer, are subject to prior approval by the Audit Committee based on advance briefing in order to ensure the independence of the staff.

Board of Directors and Appointment of Directors

The Company appoints internal and outside director candidates irrespective of their gender, race, or nationality from the perspective of their: 1) capacity to manage based on knowledge and experience in wide ranging fields outside the scope of business experience gained within the Company, 2) due recognition of the role management should play in society, avoiding disproportionate emphasis on the interests of management or certain stakeholders, and 3) ability to properly oversee the management in the execution of its duties. Moreover, the Company appoints outside director candidates primarily from the following wide range of fields:

- Experience as managers of operating companies;
- Experts in public administration in the fields of medical services, insurance, etc.:
- Experts in corporate and business law, corporate accounting and corporate finance:
- Experts in providing advice and support to corporate management; and
- Experience as managers of global business operations.

The Company appoints as candidates for outside director those who have been nominated by the Nominating Committee upon having determined that they have the aforementioned experience, while also showing that they are capable of maintaining independence from management and possess character and insights befitting an outside director.

The Company appoints as candidates for internal director those who have been nominated by the Nominating Committee on the basis of the criteria listed below:

- Possess expertise related to the Company's business operations;
- Exhibit outstanding capabilities for making business decisions and management execution;
- Exhibit outstanding capabilities in terms of leadership, decisiveness, foresight and planning; and
- Possess character and insights befitting a director.

As a basic rule, a majority of the Company's directors are to be outside directors with a high degree of independence. Also, the Company deems that no more than 10 directors should serve on the Board of Directors in order to ensure lively and substantive discussion.

Evaluating the Effectiveness of the Board of Directors

The Board of Directors considers it important to adopt a third-party perspective in its processes for evaluating its own effectiveness, and this evaluation process is carried out once a year in order to verify said effectiveness. As such, in fiscal 2022, it brought on board an independent, third-party organization to serve as an advisor in performing evaluations related to a number of different matters. Said matters include the composition of the Board of Directors; its effectiveness (including monitoring how it carries out work); the effectiveness of the Nominating, Compensation, and Audit Committees; the management of the Board of Directors; structures related to support and coordination with outside directors; and relations with shareholders and other stakeholders. The evaluations were carried out by ensuring impartiality by following a process of having eight directors respond to questionnaires and having a thirdparty organization tabulate and analyze the responses under conditions in which anonymity was guaranteed.

Evaluation Results

The results of the tabulation and analysis were reported to the Board of Directors in May 2023. It was found that the effectiveness of the Board of Directors had improved in terms of its discussion of important investments.

Initiatives in Response to the Evaluation Results

We have evaluated the effectiveness of the Board of Directors continuously since April 2016 and implemented initiatives in line with the evaluation results to increase the board's effectiveness.

Since the previous evaluation of effectiveness conducted in April 2022, we have implemented the following measures to improve the board's effectiveness.

- (1) Ensuring of timely advance distribution of discussion materials relating to agenda items for Board of Directors meetings
- (2) Holding of advance briefing meetings on key agenda items for Board of Directors meetings
- (3) Holding of sessions for directors to discuss medium- to longterm strategy
- (4) Holding of opinion exchange meetings for outside directors to promote communication among them
- (5) Holding of regular opinion exchange meetings between outside directors and the Group CEO and officers in charge of each business
- (6) Holding of discussions on the prioritization of material issues (materiality)

Sustainability Governance

As a company with three committees, the Company has established an implementation structure capable of clearly separating oversight and executive functions, and operating with greater speed. The Company is also working under the same corporate governance system with respect to sustainability.

With the president and group CEO of H.U. Group Holdings as chairman, the H.U. Group Sustainability Committee discusses the basic policy and activity plans in relation to sustainability, and reports the content of these discussions to the Board of Directors.

Towards resolving its material issues, the Group released key performance indicators (KPIs) and targets related to sustainability activities as a Sustainability Roadmap, and efforts are underway to achieve these goals.

Governance

Cross-shareholdings

The Company and its subsidiaries do not own cross-holding stocks in order to obtain stable shareholders. However, the Company may maintain strategic holdings of other listed companies' shares to strengthen business partnerships or its business activities with third parties, as strategic alliance is one of the growth strategies of the Group.

Boards of Directors of the Company and its subsidiaries conduct verification of each strategic shareholding on an annual basis considering the management environment and business alliance. The Company discloses the verification results. In fiscal 2022, the Company held three listed stocks (approximately ¥150.0 million) that were deemed suitable for holding as a result of the verifications.

In exercising voting rights of strategic shareholdings of the Company and its subsidiaries, we comprehensively make decisions based on whether each proposal contributes to the partner company's value. Moreover, we do not vote in favor of proposals that threaten to impair the Company's value or shareholder value.

Compensation for Directors and Executive Officers, etc.

H.U. Group Holdings. Inc., whose corporate name expresses "Healthcare for You," aims to make further progress as a corporate group that contributes to the development of healthcare based on its desire to provide optimal healthcare services to all by addressing each and every one of its customers individually. To realize this desire and to promote global management among other items, the Company revised the compensation system for directors and executive officers in July 2023. In addition, the Company has newly established the following Basic Principles of Executive Officer Compensation and will operate a compensation program in accordance with the principles.

Basic Principles of **Executive Officer Compensation**

Value Creation Story

- Encourage all executive officers to work together to develop and implement measures to sustainably increase the Company's market capitalization
- Strongly motivate executive officers to aggressively expand business on the premise of global expansion by emphasizing the concept of pay-for-performance in the compensation system, system design, and operation
- Appropriately reflect the assessment of non-financial initiatives in contributing to the realization of a healthy and prosperous society through our business, which is the cornerstone of the Company's sustainability
- Continually deepen shared interests with all stakeholders and enhance long-term trust in the Company by strengthening continued ownership of the Company's shares

Policy and Determination Methods on Amounts of Compensation for Directors and Executive Officers or **Calculation Method Thereof**

In accordance with the provisions of the Companies Act concerning companies with three committees, the Company, at the Compensation Committee, has established the following policies for determining compensation for its directors and executive officers and determines the amounts and other conditions of compensation, etc. for respective directors and executive officers in accordance with these policies.

In addition, as the Company is a company with three committees (Nominating, Audit and Compensation) pursuant to the Companies Act, it has established a Compensation Committee fully constituted by outside directors, including the Chairperson, as stipulated by the Companies Act.

1. Method for determining the policy for determining compensation, etc. for directors and executive officers

The Compensation Committee of the Company has built an operational process emphasizing objectivity and transparency based on the premise of promoting a high level of independence in determining the compensation system for directors and executive officers. In establishing a policy for determining the compensation for directors and executive officers, the Compensation Committee of the Company collects information and recommendations, etc. from outside compensation consultants and verifies the appropriateness of compensation for directors and executive officers each fiscal year based on objective and sufficient information, including recent developments, trends in discussions, and other companies' systems, etc. regarding compensation for directors and executive officers.

Regarding the involvement and participation of the outside compensation consultants on the Compensation Committee, they attend Compensation Committee meetings as necessary and only provide indirect support for effective deliberations and consensus building, but they do not make any recommendations, etc. on the appropriateness of compensation.

2. Approach to compensation for directors and executive officers, etc.

Compensation for directors and executive officers of the Company will be paid in the form of fixed-amount compensation based on official responsibilities in consideration of the scope and degree of responsibility for Group management and other aspects, and will not be paid in the form of retirement benefits at the time of retirement. The amount of performance-based compensation will be changed depending on evaluation indicators such as net sales, operating profit, net profit and total shareholder return (TSR). Directors serving concurrently as executive officers will receive compensation as executive officers.

▶ Directors' compensation

Directors' compensation will be determined as nil, or as a combination of fixed-amount compensation and share-based compensation in consideration of the duties of the respective directors.

The Company will pay compensation to outside directors based on the details of their supervision activities, in addition to the combination of prescribed fixed-amount compensation and sharebased compensation.

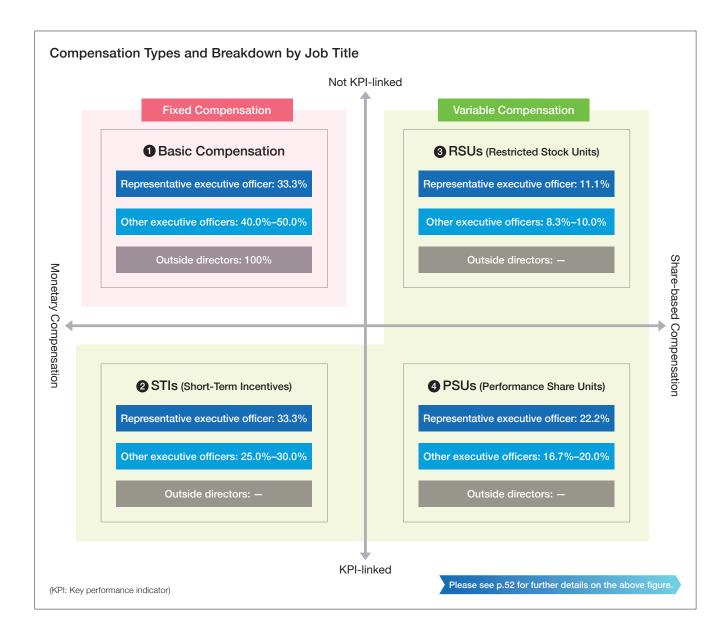
► Executive officers' compensation

Executive officers' compensation will be determined in a combination of fixed-amount compensation, performance-based compensation and share-based compensation in consideration of their duties.

3. Compensation system

Compensation received by executive officers of the Company comprises 1 basic compensation as fixed compensation, 2 shortterm incentives (STIs), which are linked to the level of achievement of targets such as the single-year consolidated performance of the Group and business companies for which the executive officers are responsible, 3 restricted stock units (RSUs), which promote shared value with shareholders through the holding of shares and 4 performance share units (PSUs), which are linked to the level of achievement of the enhancement of the Company's medium- to long-term corporate value. STIs, which are cash compensation, and RSUs and PSUs, which are non-monetary compensation (sharebased compensation), are both organized as variable compensation.

When determining the compensation ratio by type for compensation for the Company's executive officers, the Company reflects the weight of management responsibilities in the compensation composition by position by increasing the ratio of variable compensation as the position of the executive officer gets higher, while taking into consideration market compensation data for companies that are similar in scale to the Company based on officer compensation surveys carried out by external research institutions. Furthermore, to ensure that compensation is set at a level commensurate with the capabilities and responsibilities, etc. required of the management of the Company, the Compensation Committee conducts a verification of its appropriateness using compensation benchmarks and so forth every fiscal year.





Basic Compensation

- Although the benchmark for compensation is their titles, compensation is paid to
 executive officers after taking into account how each of them has performed in
 his or her duties, etc.
- In addition to the prescribed fixed compensation, compensation is paid to directors in accordance with the details of their supervisory activities.



2 STIs

- The amount paid is linked to short-term performance based on single-year performance.
- Evaluation of single-year performance is based on the evaluation of consolidated performance of the Group, and evaluations of certain executive officers take into account segment performance based on their respective areas of responsibility.

	Single-year Performance		
Breakdown by Job Title	(1) Consolidated Group Performance	(2) Segment Performance	
Representative executive officer	100%	_	
Other executive officers	60%–100%	0%–40%	

(1) Consolidated Group Performance

KPI	Weight	Target	Range of Variation in Payment
Consolidated net sales	50%	Absolute amount (as per plan)	0%–200%
Consolidated profit	50%	Absolute amount (as per plan)	0%–200%

(2) Segment Performance

KPI	Weight	Target	Range of Variation in Payment
Net sales	50%	Year-on-year growth rate	0%–200%
Operating profit	50%	Absolute amount (as per plan)	0%–200%



3 RSUs

- RSUs are share-based compensation in which the Company allocates RSU
 points (1 point = one share of the Company) for the year of service in July each
 year, then grants money corresponding to the Company's common shares and
 the tax amount three years after the allocation of points.
- The number of RSU points allocated is calculated as the standard RSU compensation amount for each individual, as determined by the Company's stock compensation regulations, divided by the average closing price of the Company's stock for the month of May each year (hereinafter, the "set stock price").
- In granting the shares, shares of the Company's common stock (hereinafter, the "Company's shares") corresponding to the allocated RSU points are granted.



4 PSUs

- PSUs are share-based compensation in which the Company allocates PSU points (1 point = one share of the Company) for the year of service in July each year, then grants money corresponding to the Company's common shares and the tax amount three years after the allocation of points, having multiplied the number of points by a performance-linked coefficient in accordance with the degree of achievement of KPIs.
- The number of PSU points allocated is calculated as the standard PSU compensation amount for each individual, as determined by the Company's stock compensation regulations, divided by the set stock price.
- In granting the shares, the Company's shares corresponding to the confirmed PSU points, calculated as the allocated PSU points multiplied by the performance-linked coefficient, are granted.

KPI	Weight	Range of Variation in Payment
Relative TSR	90%	0%–200%
ESG indicator	10%	0%–200%

Risk Management

Basic Approach to Risk Management and Management Structure

Risk is managed according to a uniform policy that applies to H.U. Group Holdings and its Group companies as defined in the risk management structure within the Risk Management Rules. The Risk Management Committee was established with the purpose of promoting risk management for the Company and the entire Group. The committee is chaired by the CFO and is composed of executive officers other than the representative executive officer. It meets at least once a year, with the results reported to the Board of Directors. The committee's detailed activities include:

- (1) Centralized oversight of the risk management of each Group company:
- (2) Identification of risks facing the entire Group and risks pertaining to the misconduct of management, as well as management of control execution:
- (3) Identification of risks that should be disclosed and management of control execution; and
- (4) Matters concerning the risk management of the Company

Scope of Risk Assessment and Risk Identification Process

We identified and assessed the priority risks to be addressed for each company, including consolidated subsidiaries in principle, based on the specific risk for its business category, business scale, and other factors and risk severity. Taking account also of the individual company's own assessment, the Risk Management Committee as a whole then assessed each risk on a 5-level scale based on its probability, frequency, and degree of impact on a consolidated Group basis.

See the following website for details of risks.



Framework of Group Risk Management

H.U. Group Holdings

Representative Executive Officer

Instructions

Reporting

Risk Management Committee

Centralized oversight of Group-wide risks*

Chairperson: CFO

Office support: Corporate Strategic Division

Significant Business Risks

- (1) Risks related to information handling and information systems
- (2) Risks related to quality control and quality assurance
- (3) Impacts due to the stoppage of or constraints placed on business activities as a result of man-made disasters, infections, etc.
- (4) Impacts due to the stoppage of or constraints placed on business activities as a result of natural disasters, climate change, etc.
- (5) Risks related to research and development and technological innovation

Business Risks

- (6) Risks related to impairment accounting
- (7) Risks related to mergers and acquisitions (M&A)
- (8) Risks related to provision of products and services and procurement of materials and raw materials
- (9) Risks related to intellectual property

- (10) Risks related to statutory regulation
- (11) Impacts caused by changes in the market environment
- (12) Risks related to overseas business expansion
- (13) Risks related to the recoverability of deferred tax assets
- (14) Risks associated with the execution of management strategy

Risk management policy Instructions to review risks Risk assessment results

Status of implementation of measures Reporting at least once a year

Group Companies

Group Company Risk Management Committee

Approval of risk assessments and decisions on action plans

Instructions

Reporting

Departments at Group companies

Risk assessment and establishment of action plans

* Risk is subject to management using a risk control matrix, which consists of risk identification, risk analysis and assessment based on whether the risk applies Groupwide or to a single operational process, the probability of its materialization and degree of impact, and implementation of risk countermeasures

Compliance

Formulation of the Code of Conduct

The H.U. Group has formulated a Code of Conduct to strengthen compliance Group-wide that has been adopted by all Group companies. In addition to the Japanese version, the code is also available in English, Chinese, and Vietnamese.

Promotion of Compliance Awareness

To promote understanding of compliance, the H.U. Group has prepared a Compliance Handbook that is distributed to all employees, conducts compliance training once a year and an annual compliance survey, and sends out a monthly compliance-related e-mail magazine.

Since it was first issued in 2016, the Compliance Handbook has been updated to take account of the latest trends and social requirements. It is used to raise awareness of compliance, including through reading sessions in each corporate department. We also integrate compliance-related content across our range of training programs.

We carry out e-learning using shared tools available at each company as part of compliance training. Employees at workplaces that do not have access to the internet take classes using paper-based materials.

We also send a monthly e-mail magazine providing compliancerelated information to all employees who have a company e-mail address and work further to instill compliance awareness by setting mini-tests and issuing other self-study materials.

Compliance Promotion Structure

Value Creation Story

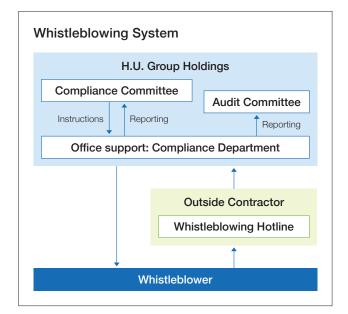
The Group has put in place a system under which the H.U. Group Holdings' Compliance Committee provides Group-wide guidance. The committee, an advisory body to the representative executive officer chaired by the executive officer in charge of legal affairs, consists of all executive officers, excluding the president and Group CEO, and the general manager of the Legal Department. Meeting once a year, the committee is responsible for educating and informing on laws and on the Code of Conduct and monitoring compliance, formulating related systems and measures, addressing violations of laws and the code and issuing relevant instructions, and carrying out independent surveys. Additionally, it receives reports from each Group company on compliance with laws and the code and provides appropriate guidance in response.

Whistleblowing System

Since 2013, the Group has operated the H.U. Group Hotline, a whistleblowing service to enable us to detect and address compliance issues at an early stage. All Japanese Group companies are covered by this system, which provides access to advice from external consultants, to whom reports can be made anonymously. Where serious incidents come to light, they may be reported if appropriate to senior management. The Compliance Department reports regularly on the status of whistleblowing to the Audit Committee, which consists of three outside directors. From August 1, 2022, the Compliance Department took over responsibility for the whistleblowing system from the Legal Department's Compliance Section. This organizational reform was designed to further strengthen efforts to uncover and address hidden risk across the Group.

Furthermore, in response to the amended Whistleblower Protection Act enacted in June 2022, a structure for appropriate handling of whistleblower reports has been put in place. In addition to reformulating our Whistleblower Report Handling Rules, we have designated staff to deal with whistleblower reports and have imposed a duty of confidentiality regarding information that could identify the whistleblower.

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of reports made through the H.U. Group Hotline	109	125	134	116	155



Research Ethics

The H.U. Group has established the H.U. Group Research Ethics Committee as an independent body for neutral and fair review of the clinical tests and research conducted at each Group company from an ethical and scientific standpoint. The committee rules, the list of members, and a summary of discussions are published on our website.

Company Recognition / Participation in Initiatives

Value Creation Story

ESG Index Selection

FTSE Blossom Japan Index*1

An ESG investment index specializing in Japanese companies created by FTSE Russell. The H.U. Group was selected for the first time in 2023.



FTSE Blossom Japan

FTSE Blossom Japan Sector Relative Index*1

An ESG investment index specializing in Japanese companies created by FTSE Russell, relatively reflecting the performance of Japanese companies with excellent ESG initiatives in each sector. It evaluates climate change initiatives and governance improvements in sectors with particularly high greenhouse gas emissions to promote the transition to a low-carbon society. The Company has been selected for two consecutive years since 2022.



FTSE Blossom Japan Sector Relative Index

MSCI Japan ESG Select Leaders Index*2

The index is composed of stocks of companies with superior ESG performance relative to their peers within the MSCI Japan IMI index covering Japanese stocks. The H.U. Group has been selected as a constituent for seven consecutive years since 2017.

2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

MSCI Japan Empowering Women Index (WIN)*2

The index is composed of stocks of companies with excellent gender diversity scores, within the MSCI Japan IMI index covering Japanese stocks. The H.U. Group has been selected as a constituent for five consecutive years since 2019.

2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

S&P/JPX Carbon Efficient Index

This index scores according to environmental information disclosure and carbon efficiency level (sales-based carbon emissions intensity). The H.U. Group has been selected as a constituent stock for six consecutive years since 2018.



SOMPO Sustainability Index

The H.U. Group has been selected as a constituent stock of the SOMPO Sustainability Index, which is operated by Sompo Asset Management Co., Ltd., for three consecutive years since 2021.



ESG Ratings

Governance

MSCI ESG Ratings*2

MSCI ESG ratings are global evaluation indicators for ESG investment that perform comprehensive evaluation of environmental, social and governance aspects of over 8,500 companies worldwide, and rate them in seven levels from the highest rating of "AAA" to the lowest of "CCC."

The H.U. Group has earned the highest AAA rating for two consecutive years since 2022.



ISS ESG ESG Corporate Rating

The H.U. Group was certified with the "Prime" rating in the "ESG Corporate Rating" by ISS ESG, which is a well-known ESG ratings organization that is the ESG investment solutions business unit of Institutional Shareholder Services, which is the world's largest proxy advisory firm for the first time in 2023.



- *1 FTSE Russell (registered trademark of FTSE International Limited and Frank Russell Company) hereby certifies that H.U. Group Holdings, Inc. has qualified for inclusion in the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index as a result of independent research. The FTSE Blossom Japan Index was created by global index provider FTSE Russell, and designed to measure the performance of companies with excellent environmental, social and governance (ESG) responses. The FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index are widely used to create and evaluate sustainable investment funds and other financial products.
- *2 The use by H.U. Group Holdings, Inc. of any data of MSCI ESG Research LLC or its affiliates ("MSCI") and the use of MSCI logos, trademarks, service marks, or index names herein do not constitute a sponsorship, endorsement, recommendation, or promotion of H.U. Group Holdings, Inc. by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided "as is" and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

CDP

The H.U. Group has received the A- rating, which is leadership level, in Climate Change Report 2022 by CDP*3, which is an international non-profit organization promoting disclosure of environmental information by companies and local governments, for two consecutive years since 2021. The H.U. Group was also selected as a Supplier Engagement Leader, which is the highest rating in the Supplier Engagement Rating, for the first time in March 2023.



Certified Health & Productivity Management Outstanding Organizations Recognition Program: White 500

The Company and its consolidated subsidiaries, SRL, Fujirebio and H.U. Frontier, were selected for two consecutive years from 2022 in the large enterprise category of the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500) operated by the Japanese Ministry of Economy, Trade and Industry.



*3 A non-profit organization launched in the UK in 2000. It is operated with the support of investors in various countries, conducts studies on climate change, etc. covering private companies to evaluate 13 items including corporate governance, risks and opportunities, business strategy, and targets and results, and rate them in eight levels from the highest rating of "A" to the lowest of "D-.

Rating by Credit Rating Agencies

The issuer rating of the H.U. Group by Rating and Investment Information as of October 1, 2023 was as follows.

Rating	A (no change)
Direction of rating	Stable (no change)

Other Ratings

Value Creation Story

JPX-Nikkei Index 400

The H.U. Group was selected as a constituent stock of the JPX-Nikkei Index 400, which is a stock index jointly administered by JPX Market Innovation & Research, Inc. and Nikkei.

The JPX-Nikkei Index 400 is a stock index listing companies with strong investor appeal based on meeting a range of global investment standard requirements, such as efficient use of capital and investor-focused management.



DX Stocks 2023

The H.U. Group was included in Digital Transformation (DX) Stocks 2023 by the Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange and the Information-technology Promotion Agency, Japan for the first time.



DX Certification

Since February 2023, the H.U. Group has been certified as a DX Certified Operator under the DX (Digital Transformation) Certification system established by the Ministry of Economy, Trade and Industry.



Participation in Initiatives

Signing of UNGC

In March 2019, we signed in support of the Ten Principles of the United Nations Global Compact (UNGC) and declared our commitment to

WE SUPPORT



ongoing efforts to fulfill them.

Supporting Business Ambition for 1.5°C

In October 2021, we signed on to this campaign, led by UNGC, the We Mean Business Coalition, and the Science Based Targets (SBT) Initiative, which calls for the setting of targets to limit global atmospheric temperature rise to 1.5°C.

BUSINESS 1.5°C







Supporting JCI and the Race to Zero

We support the Japan Climate Initiative (JCI)'s call to "ioin the front line of the global push for decarbonization from Japan." We also participate through JCI in the Race to Zero.*4 which targets net-zero greenhouse gas emissions by 2050.





Participating in the Ministry of the Environment's Water Project

The H.U. Group is participating in the Water Project launched by the Ministry of the Environment when the Basic Act on Water Cycle came into effect in July 2014. We support initiatives by industry, government and academia to utilize and preserve a good water cycle, and will promote not only business activities in the H.U. Group, but also raising

awareness of employees and collaboration with other companies participating in the project.



Joining the GHIT Fund

Fujirebio Holdings, Inc. joined the Global Health Innovative Technology Fund (GHIT Fund) in August 2023. It will contribute to

solving global health issues such as improving access to healthcare.

Fight Neglected Diseases through Partnerships



Global Health Innovative Technology Fund

^{*4} An international campaign promoted by the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC). It calls on business enterprises, local governments, and other organizations worldwide to commit to targeting net-zero greenhouse gas emissions by 2050 and to begin taking relevant action immediately.

Corporate Information (As of March 31, 2023)

Corporate Profile

Corporate Name

H.U. Group Holdings, Inc.

Headquarters

Akasaka Intercity AIR 1-8-1 Akasaka, Minato-ku, Tokyo 107-0052, Japan Tel: +81-3-6279-0801

Representative

Chairman, President and Group CEO Shigekazu Takeuchi

Established

December 18, 1950

Capital Stock

¥9,274 million

Permanent Employees (Consolidated)

5,437

Management Structure

Company with three committees

Main Subsidiaries

SRL, Inc., Fujirebio Inc. and Nihon Stery, Inc.

Share Information

Value Creation Story

Listed Stock Market Tokyo Stock Exchange Prime Market

(Securities code: 4544)

Number of Shares Authorized 200,000,000

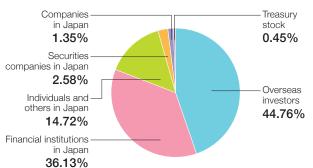
Number of Shares Issued and Outstanding 57,471,867

Number of Shareholders 18,721

One Share Unit 100

End of Fiscal Year March 31

Shareholders Based on the Shareholding Percentage



Major Shareholders

Name of Shareholders	Number of Shares Held (thousands)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,002.3	17.48
CUSTODY BANK OF JAPAN, LTD. (TRUST ACCOUNT)	3,912.3	6.84
J.P. MORGAN CHASE BANK 380684	1,969.1	3.44
J.P. Morgan Bank Luxembourg S.A. 381572	1,717.6	3.00
NIPPON LIFE INSURANCE COMPANY, LTD.	1,538.6	2.69
SSBTC CLIENT OMNIBUS ACCOUNT	1,396.1	2.44
Meiji Yasuda Life Insurance Company	1,272.2	2.22
The Dai-ichi Life Insurance Company, Limited	1,000.4	1.75
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS - UNITED KINGDOM	994.2	1.74
STATE STREET BANK AND TRUST COMPANY 505103	922.5	1.61

Notes: 1. The Company holds 261,190 shares of treasury stock, which is excluded from the major shareholders listed above. Furthermore, treasury stock does not include the 300,778 shares held in the Board Incentive Plan (BIP) trust under the trust-type share-based compensation scheme.

^{2.} Shares owned by The Master Trust Bank of Japan and by Custody Bank of Japan are held in their trust accounts.

Main Group Companies and Bases (As of March 31, 2023)

• H.U. Group Holdings, Inc.

Integrated Sales Company

• H.U. Frontier, Inc.

Lab Testing and its related Services

- SRL. Inc.
- Nihon Rinsho, Inc.
- HOKUSHIN Clinical Laboratory, Inc.
- SRL Kitakanto Laboratory, Inc.
- Tokyo Central Pathology Laboratory, Inc.
- SRL International, Inc.
- Clinical Network G.K.
- H.U. Wellness, Inc.
- Ishinban, Inc.
- Japan Institute of Foods Ecology, Inc.
- SRL Medisearch, Inc.
- H.U. Cells, Inc.
- KBBM. Inc.
- SRL & Shizuoka Cancer Center Collaborative Laboratories, Inc.
- St. Luke's SRL Advanced Clinical Research Center, Inc.
- SAPPORO MIRAI LABORATORY Co., Ltd.
- SAPPORO MEDICARRY Co., Ltd.
- MEDISKET CORPORATION
- H.U. America, Inc. [1]
- Baylor Miraca Genetics Laboratories, LLC (U.S.) [1]
- SRL (Hong Kong) Limited [2]
- Ping An SRL Medical Laboratories (China) [3]

In-Vitro Diagnostics

- Fujirebio Holdings, Inc.
- Fujirebio Inc.

Value Creation Story

- Advanced Life Science Institute, Inc.
- Fujirebio Diagnostics Japan, Inc.
- Fujirebio Diagnostics, Inc. (U.S.) [1]
- Fujirebio US, Inc. [1]
- Fujirebio Diagnostics AB (Sweden) [2]
- CanAg Diagnostics (Beijing) Co., Ltd. [3]
- Fujirebio Europe N.V. (Belgium) [4]
- ADx NeuroSciences N.V. (Belgium) [4]
- Fujirebio Italia S.r.L. [5]
- Fujirebio Germany GmBH [6]
- Fujirebio Iberia SL (Spain) [7]

- Fujirebio France SARL [8]
- Fujirebio China Co., Ltd. [9]
- Fluxus, Inc. (U.S.) [10]

Healthcare-related Services

- Nihon Stery, Inc.
- · Care'x. Inc.
- GAIA medicare Inc.

Other Related Businesses

- H.U. Group Research Institute G.K.
- H.U. Cast, Inc.
- MSF Capital Partners G.K.







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