

FY2024 (Ended March 31, 2025) Full-year Financial Results

May 15, 2025

H.U. Group Holdings, Inc.

(TSE: 4544)

Notes & references:

- * The financial information in this document follows Japanese GAAP, with the exception for EBITDA (Operating Profit + Depreciation + Goodwill Impairment), which is a non-GAAP measure.
- * In some cases, “Net profit/loss attributable to shareholders of the parent company” may be abbreviated as “Net profit/loss”.
- * Figures are generally rounded to the nearest whole number. As a result of rounding, there may be instances where the totals do not exactly match the sum of the individual figures.
- * Abbreviations:

LTS: Lab Testing and its related Services	IVD: In-Vitro Diagnostics
HS: Healthcare-related Services	HUHD: H.U. Group Holdings, Inc.
FMS: Facility Management Service	OP: Operating profit
Or. profit: Ordinary profit	FY2024: Fiscal year ending March 31, 2025
CDMO: Contract Development and Manufacturing Organization	

Exchange rates in this report:

FY2023	: 1USD = 144.61 JPY	1EURO = 156.79 JPY
FY2024	: 1USD = 152.58 JPY	1EURO = 163.78 JPY
FY2025 (Plan)	: 1USD = 150.00 JPY	1EURO = 158.00 JPY

Executive Summary 1

The Group

- Sales increased by ¥6.1 B, with EBITDA up ¥6.6 B, OP up ¥ 6.7B, and net profit up ¥10.3 B (YoY)
- EBITDA exceeded the pre-COVID level (FY2019) and is in line with FY2017–2018 levels
- Operating cash flow also exceeded the pre-COVID level (FY2019)

LTS

- Base business¹ recovery drove a 6% YoY sales increase
- Profitability improvement results:
 - Marginal profit is improving as planned, but fixed cost reductions fell behind the initial plan
 - AkirunoCube started full operations from April

IVD

- NEURO-related sales grew rapidly, exceeding the forecast (reached ¥4.7 B)
- Base business continued to its growth momentum

1. Excluding COVID-19 testing-related sales

Executive Summary 2

Akiruno Cube

- Started full operations from April (completed transition)
- A one-time costs of approximately ¥1 B is expected in Q1 FY2025
 - A cost of hypercare¹ following the new system launch and support for the legacy system (mainframe) shutdown

Reasons² for the shortfall

Reasons for the shortfall against the ¥1.8 B of Q4 OP forecast:

- LTS
Fixed cost reductions not fully achieved
- IVD
Base business fell short of forecast (Lumipulse Japan and CDMO)
Part of the profit expected in OP recorded under non-operating profit (¥0.3 B)
- The Group
Additional expense (advisory costs of ¥0.2 B)

1. Temporary post-migration support costs, limited to the transition period

2. Forecast revision as of Feb.7

Financial Results for FY2024

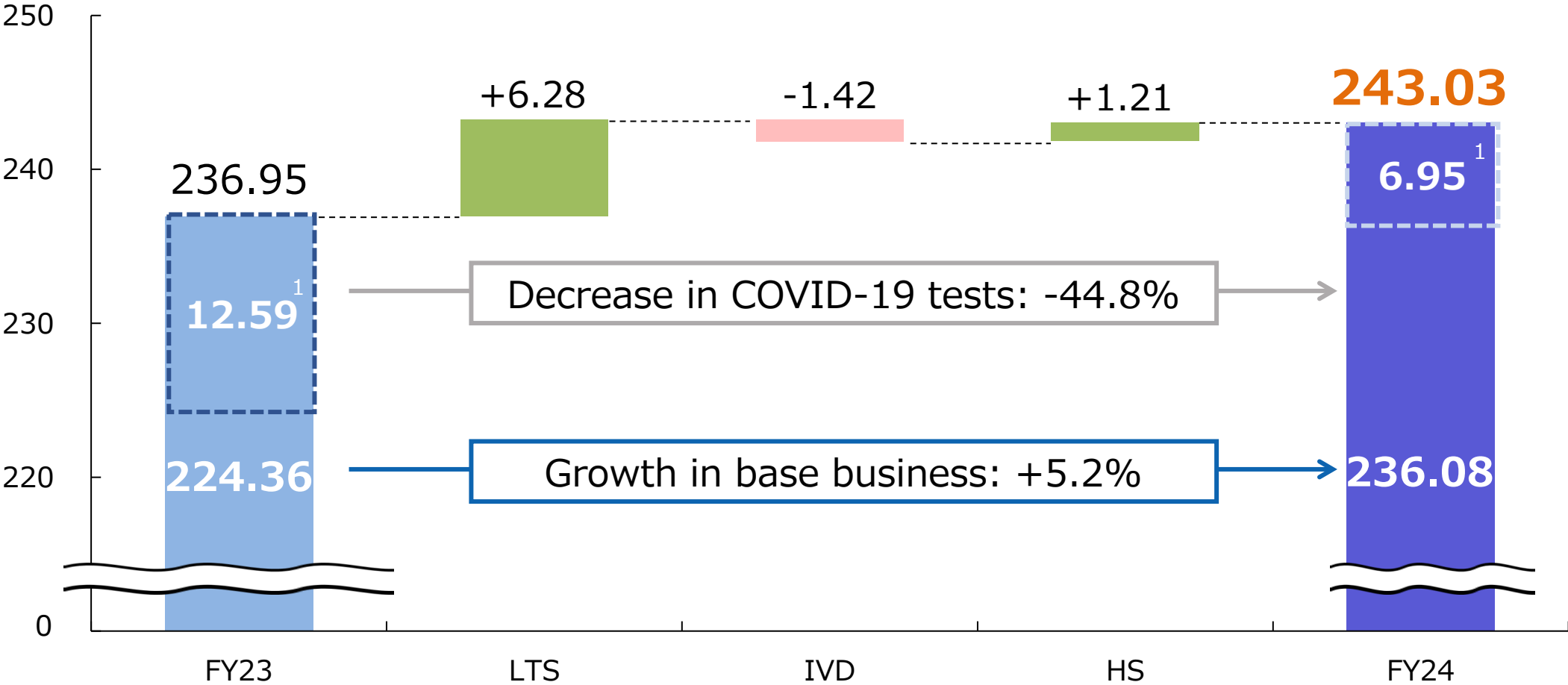
Consolidated Results for FY2024

(¥ billion)

	FY2023		FY2024		Change	
	Results	Profit ratio	Results	Profit ratio		
Net sales	236.95		243.03		+6.07	+2.6%
LTS	146.73		153.01		+6.28	+4.3%
IVD	61.91		60.49		-1.42	-2.3%
HS	28.31		29.52		+1.21	+4.3%
EBITDA	16.83	7.1%	23.39	9.6%	+6.56	+39.0%
LTS	-0.17	-0.1%	7.65	5.0%	+7.82	—
IVD	18.28	29.5%	16.69	27.6%	-1.58	-8.7%
HS	3.04	10.7%	3.53	12.0%	+0.50	+16.3%
H.U.Group	-4.32		-4.49		-0.17	—
Operating profit/loss	-4.04	-1.7%	2.64	1.1%	+6.68	—
LTS	-12.51	-8.5%	-4.64	-3.0%	+7.87	—
IVD	12.92	20.9%	11.35	18.8%	-1.57	-12.2%
HS	1.34	4.7%	1.78	6.0%	+0.44	+33.0%
H.U.Group	-5.78		-5.84		-0.06	—
Or. profit/loss	-7.24	-3.1%	4.74	2.0%	+11.98	—
Net profit/loss	-7.55	-3.2%	2.76	1.1%	+10.31	—

Consolidated Net Sales Changes

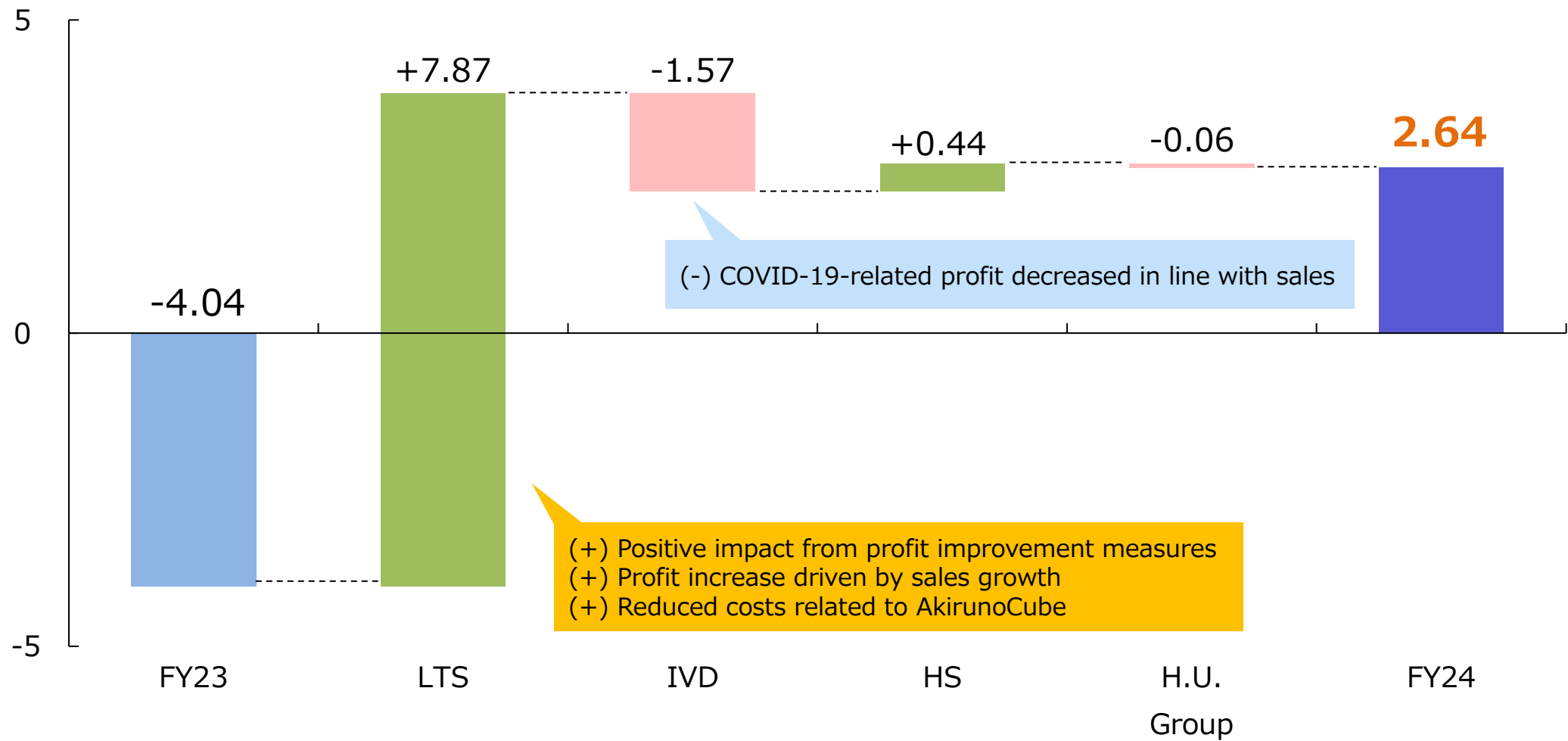
(¥ billion)



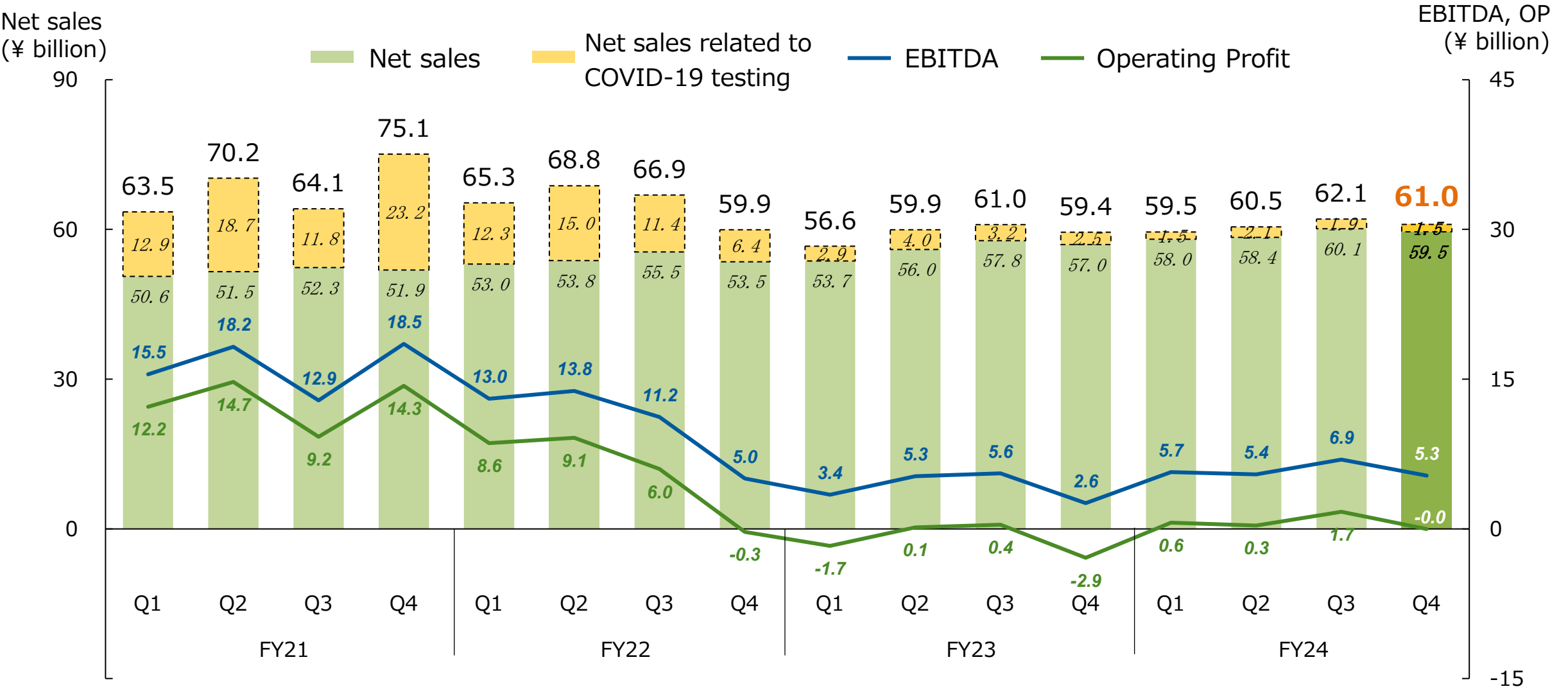
1. Net sales related to COVID-19 testing

Consolidated Operating Profit Changes

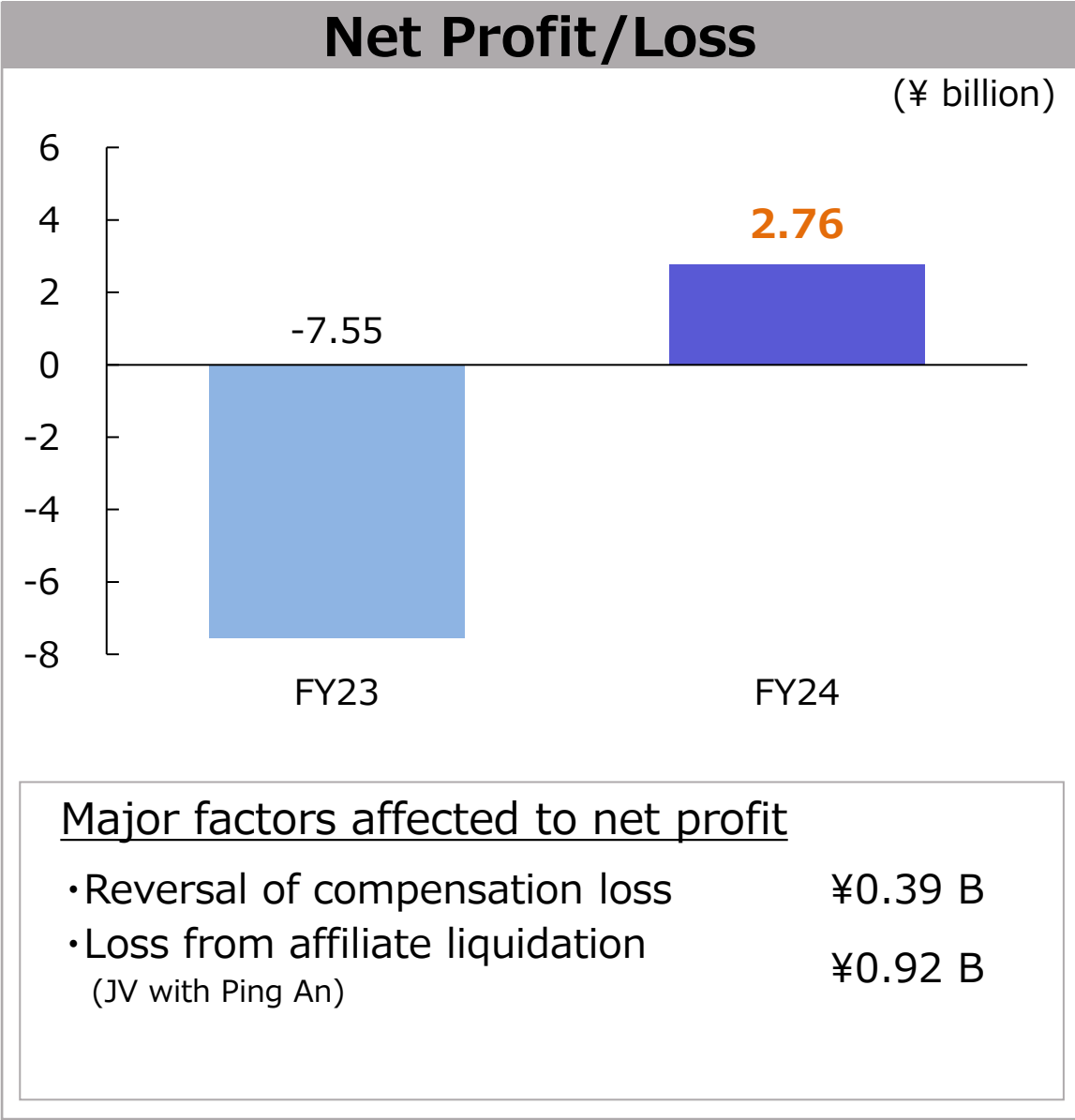
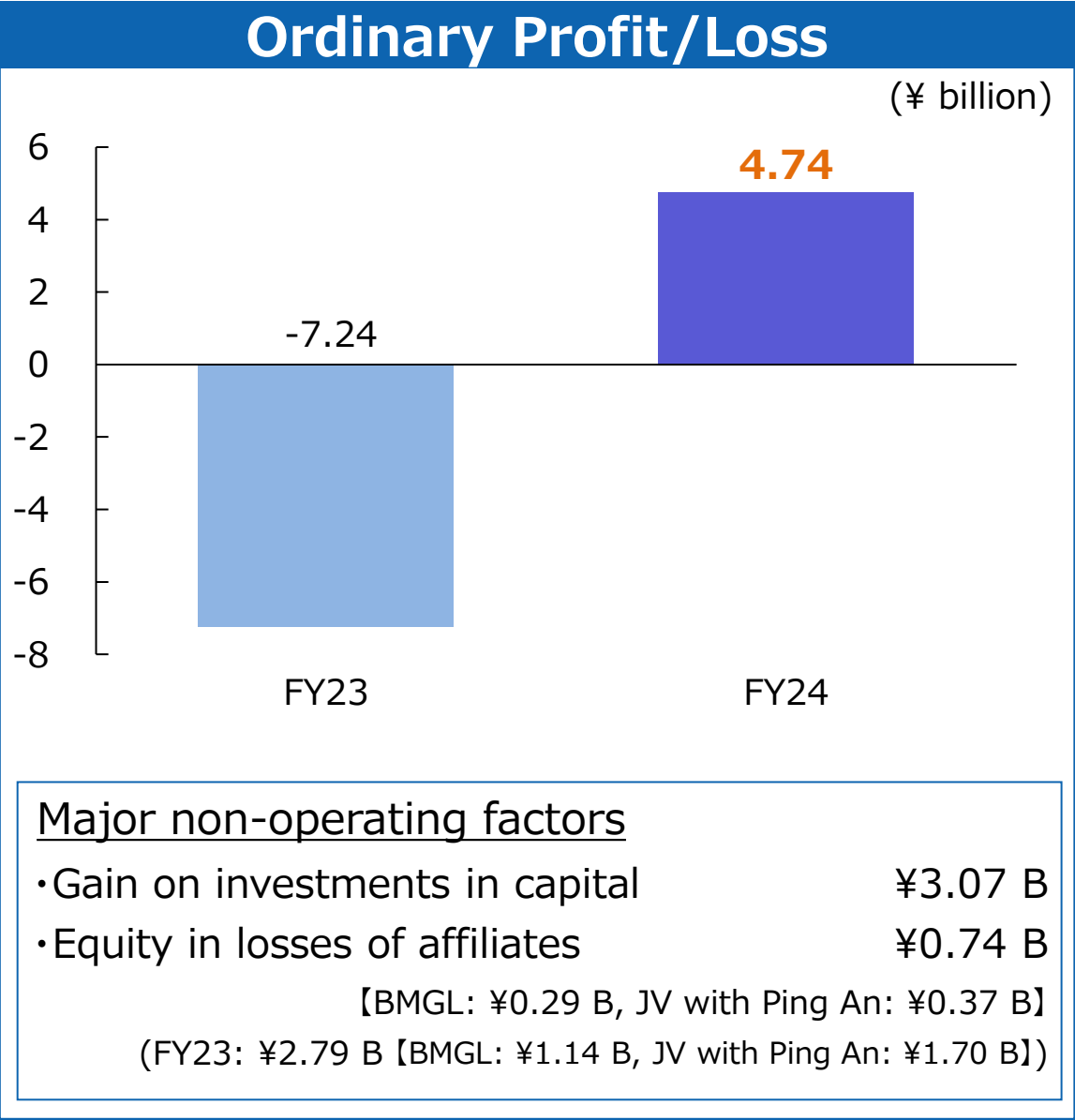
(¥ billion)



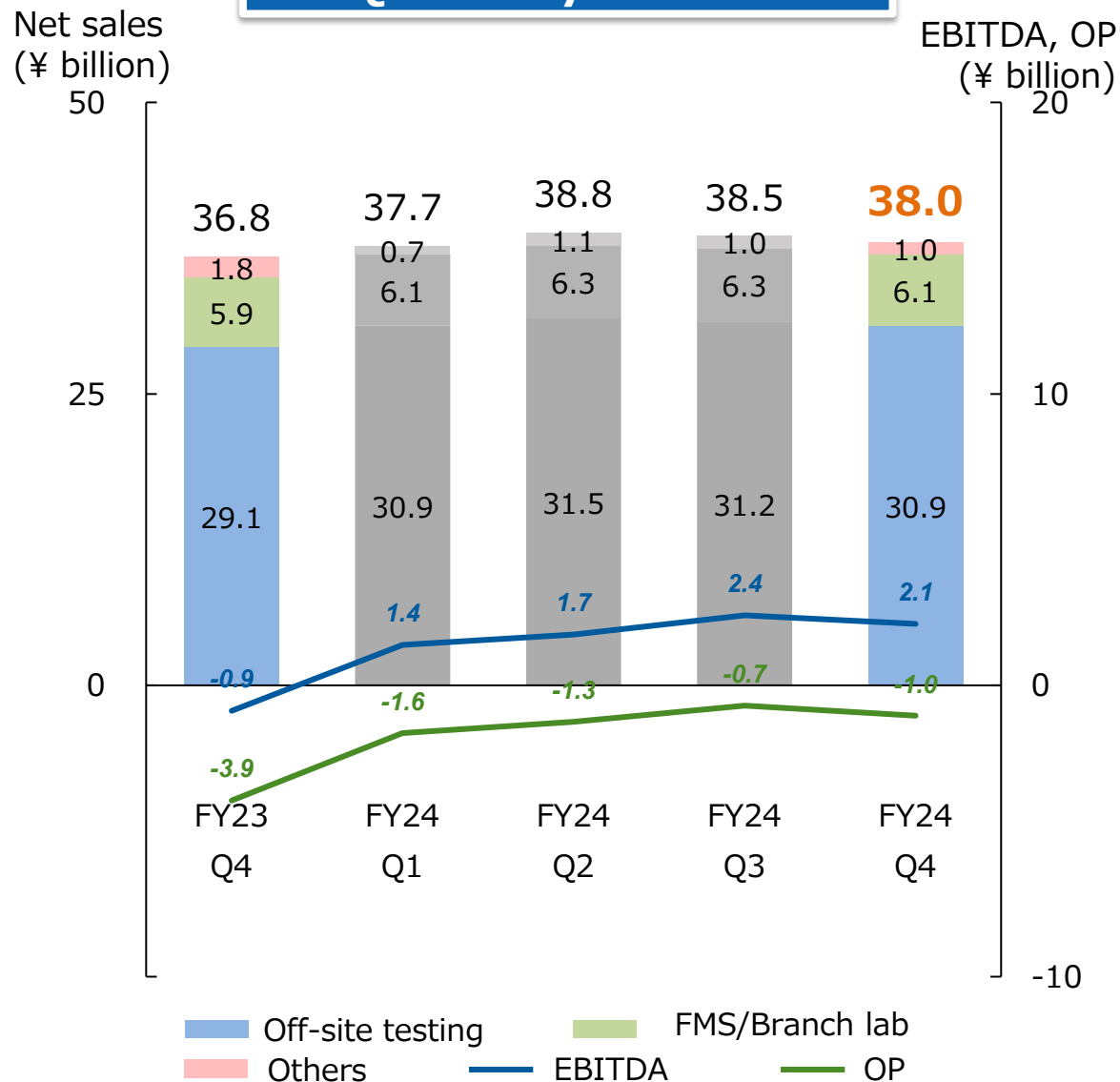
Quarterly Performance



Consolidated Ordinary Profit/Loss & Net Profit/Loss



Quarterly Results



YoY Comparison

(¥ billion)

	FY23	FY24	Change	
Net sales	146.73	153.01	+6.28	+4.3%
Off-site	117.53	124.46	+6.93	+5.9%
FMS/Branch	24.35	24.72	+0.37	+1.5%
Others	4.85	3.84	-1.01	-20.8%
EBITDA Ratio	-0.17	7.65	+7.82	5.0%
OP Ratio	-12.51	-4.64	+7.87	-3.0%

Key points

Net sales

- Genetic testing increased
- Base business (excl. COVID-19) sales grew by 6%
- Testing volume rose by 5%
- COVID-19-related sales: ¥1.3 B (FY23: ¥3.5 B)

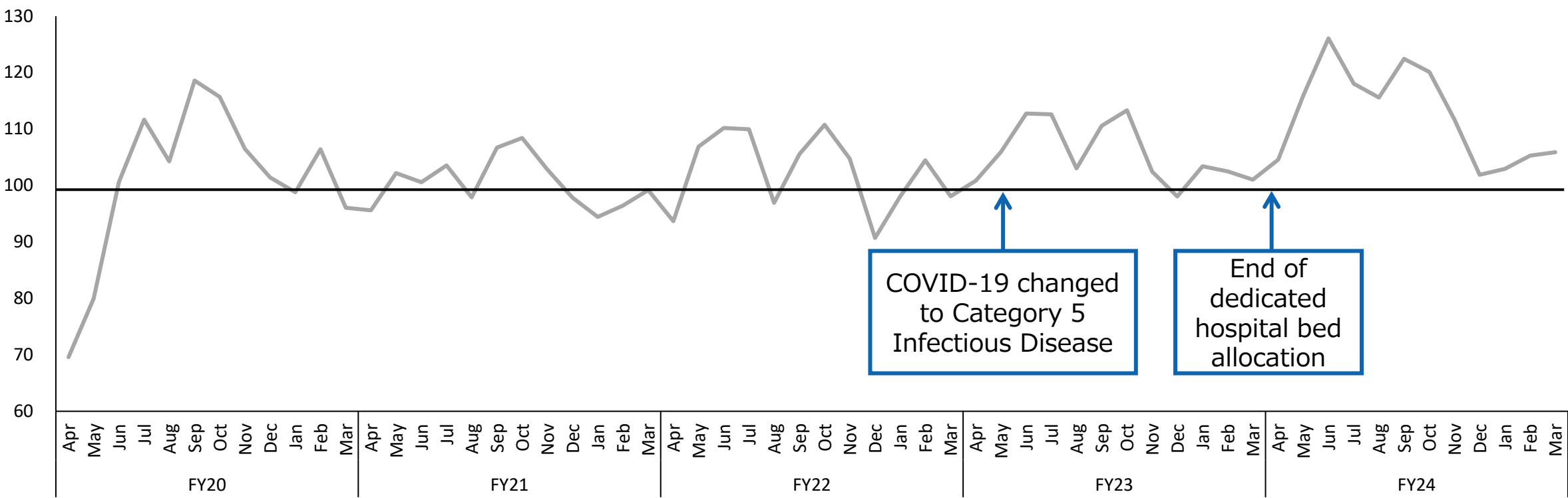
Operating Profit

- Positive impact from profit improvement measures
- Profit increase driven by sales growth
- Reduced costs related to AkirunoCube

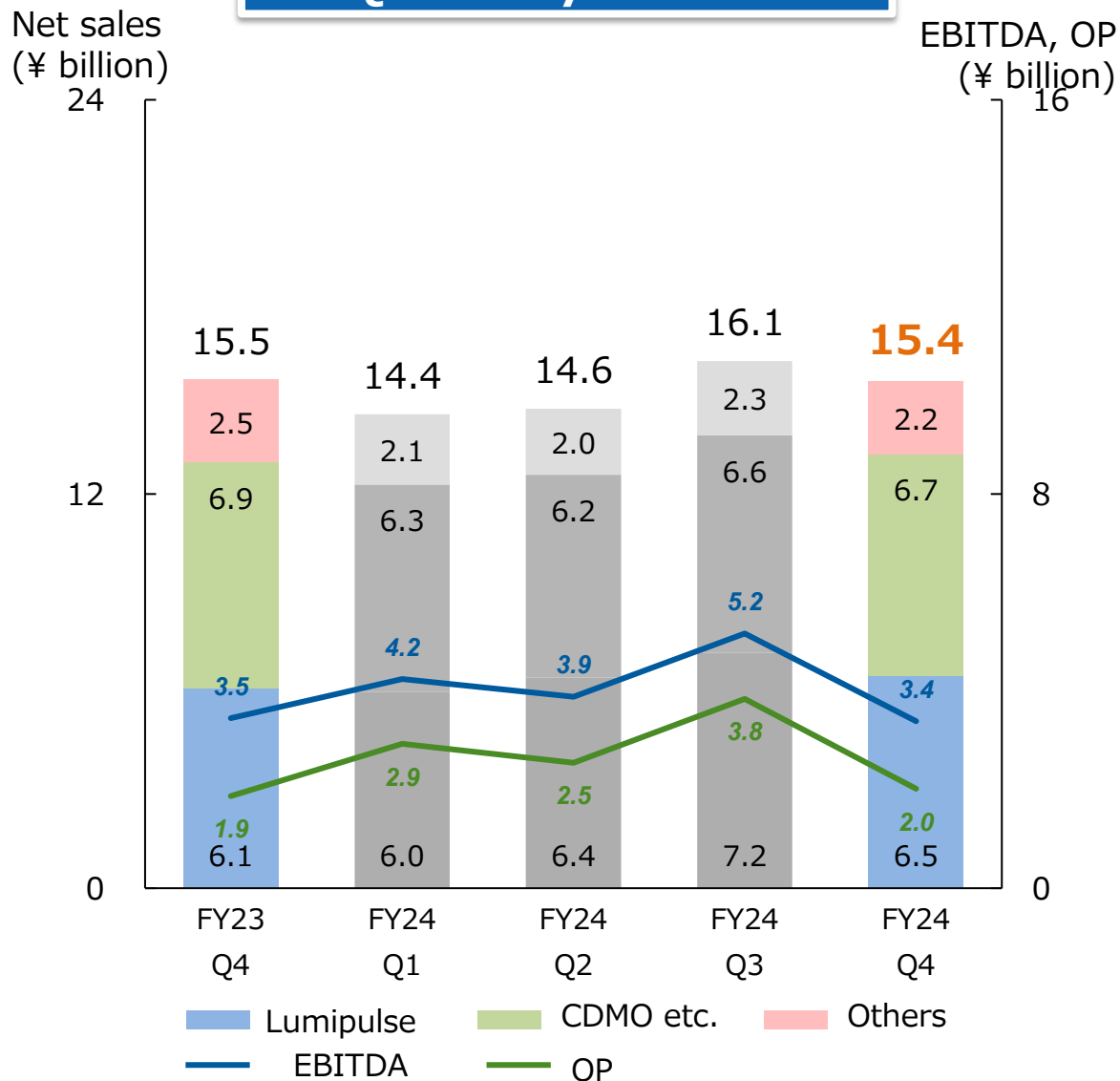
LTS: Trend in the Testing Volume (since April 2020)

- Testing volume is increasing with COVID-19 changed to a Category 5 Infectious Disease and the end of dedicated hospital bed allocations
- Baseline growth continues in the post-COVID-19 era

The trend assumes the tests-per-day at SRL in FY2019 to be 100



Quarterly Results



YoY Comparison

(¥ billion)

	FY23	FY24	Change	
Net sales	61.91	60.49	-1.42	-2.3%
Lumipulse	25.72	26.02	+0.30	+1.2%
Japan	22.02	19.68	-2.34	-10.6%
Overseas	3.70	6.34	+2.64	+71.3%
CDMO etc.	25.68	25.85	+0.17	+0.7%
Others	10.51	8.62	-1.89	-18.0%
EBITDA Ratio	18.28	16.69	-1.58	-8.7%
OP Ratio	12.92	11.35	-1.57	-12.2%
Lumipulse inter-segment transaction	4.53	3.78	-0.75	-16.6%

Key points

Net sales

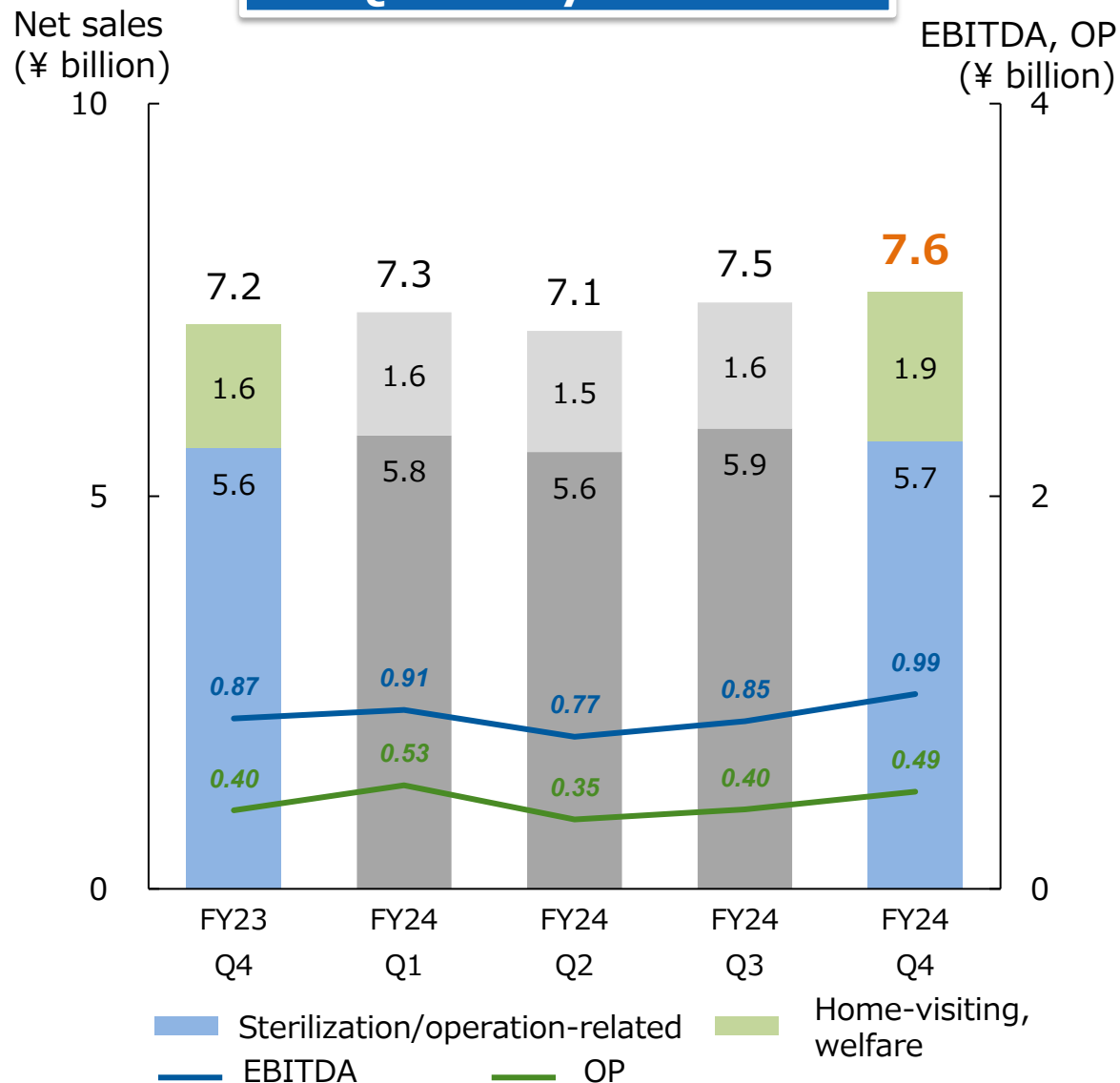
- Strong growth in the core business driven by the increase in NEURO reagents for Lumipulse overseas (Neuro sales: ¥4.7 B)
- COVID-19-related sales: ¥5.6 B (FY23: ¥9.1 B)

Operating profit

- Upfront R&D investment above expectation, while healthy OPM maintained

FX impact (net sales: +¥1.8 B, OP: +¥0.25 B)

Quarterly Results



YoY Comparison

(¥ billion)

	FY23	FY24	Change	
Net sales	28.31	29.52	+1.21	+4.3%
Sterilization/operation-related	22.05	22.90	+0.85	+3.8%
Home-visiting, welfare	6.26	6.62	+0.36	+5.7%
EBITDA Ratio	3.04 10.7%	3.53 12.0%	+0.50	+16.3%
OP Ratio	1.34 4.7%	1.78 6.0%	+0.44	+33.0%

Key points

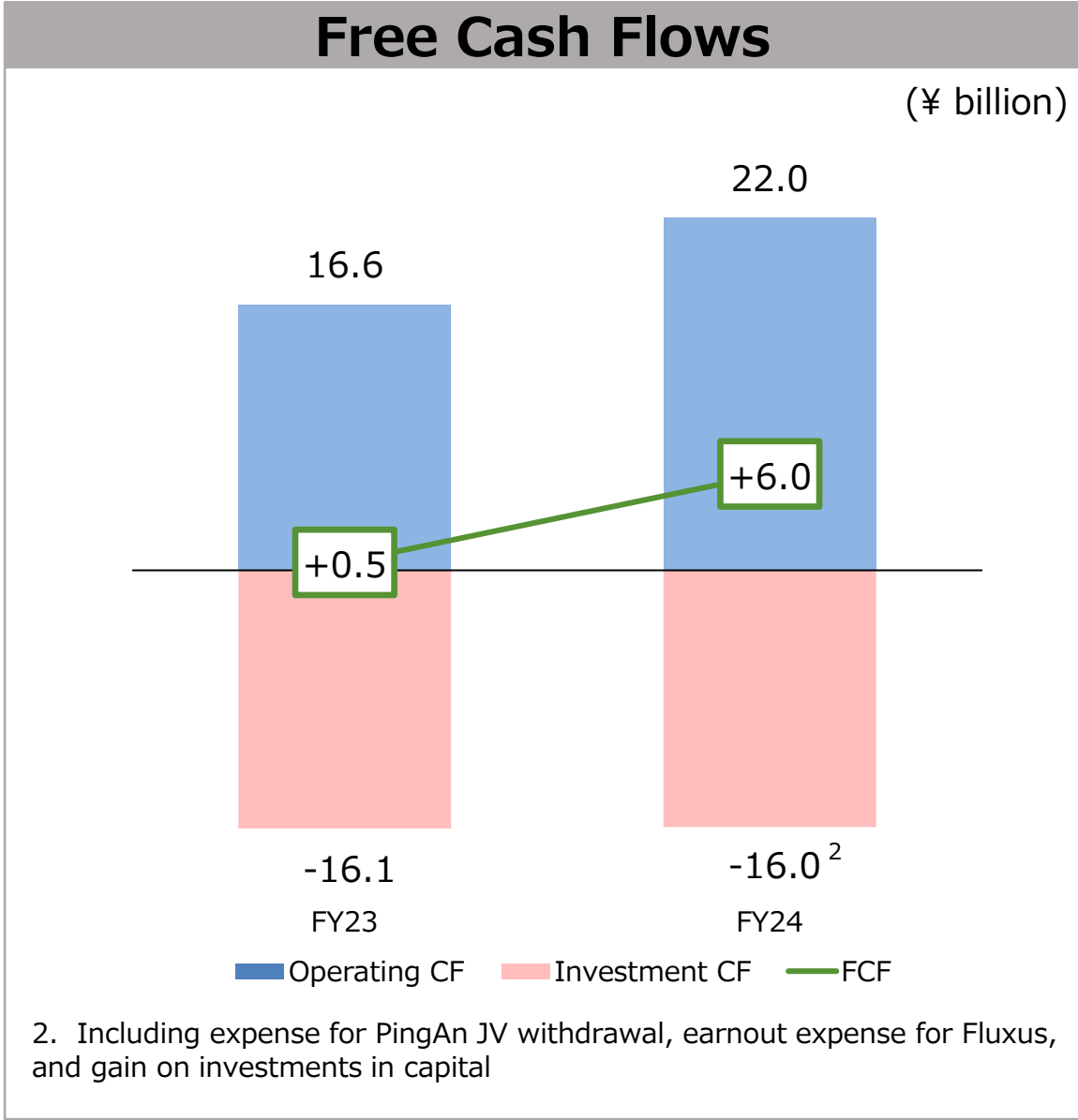
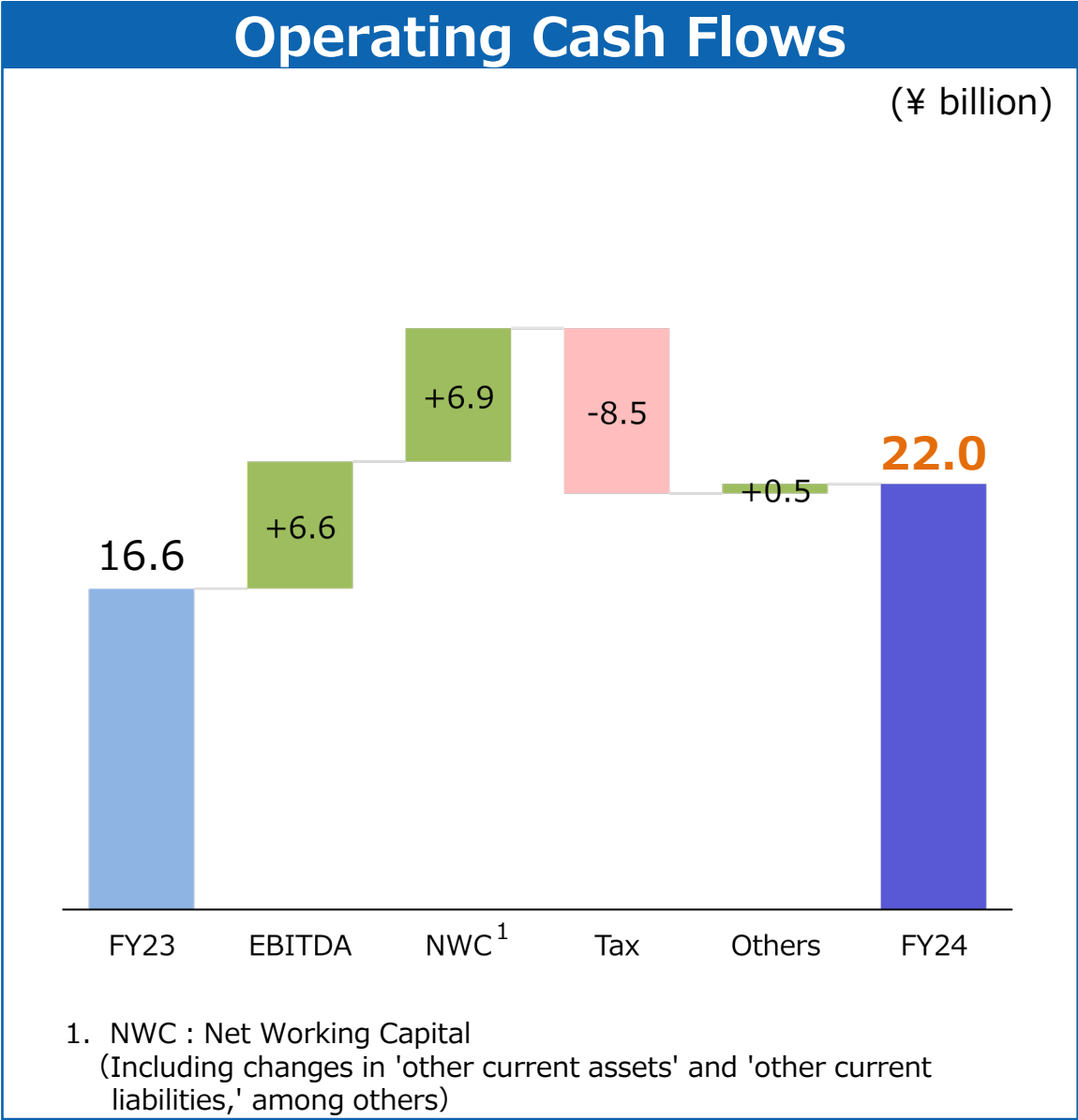
Net sales

- The sterilization/operation-related business continues stable growth

Operating profit

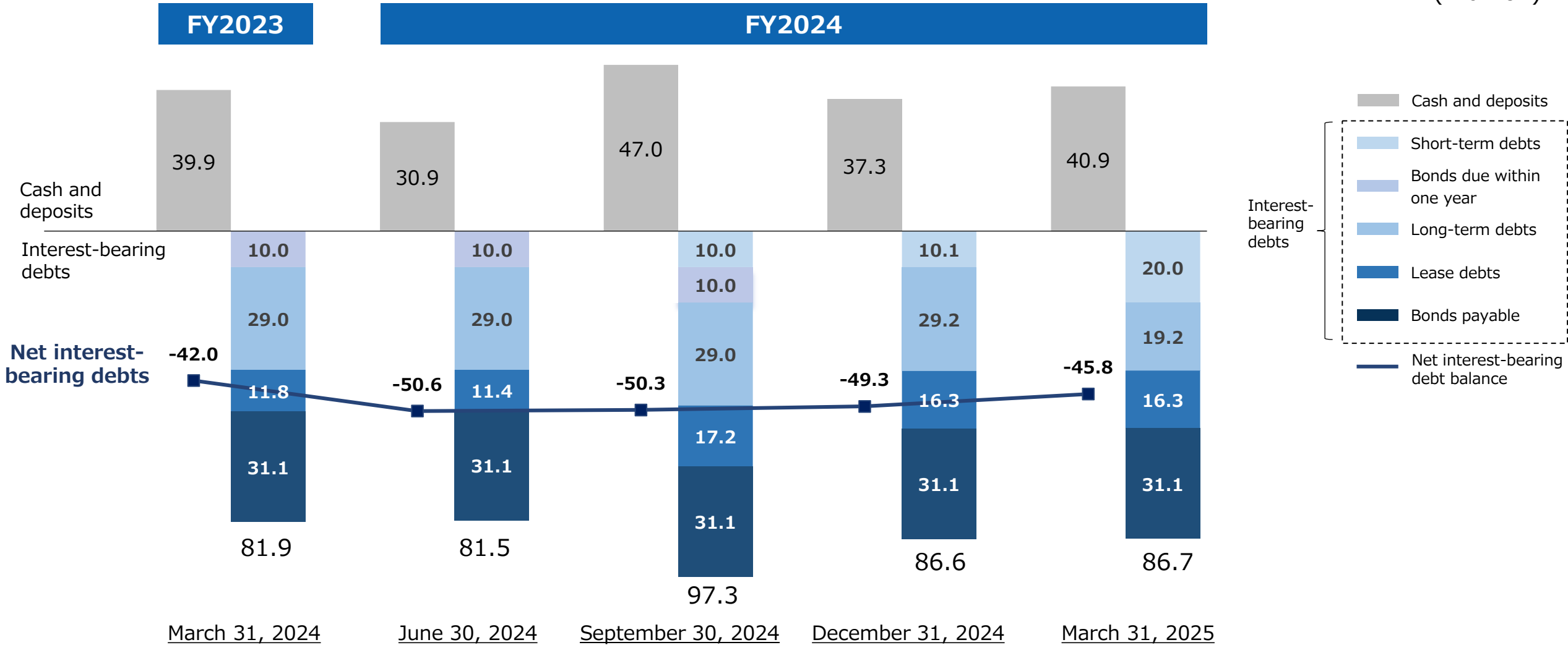
- The sterilization/operation-related business made improvement in profitability

Consolidated Cash Flows (YoY)



Cash and Deposits / Interest-bearing Debts

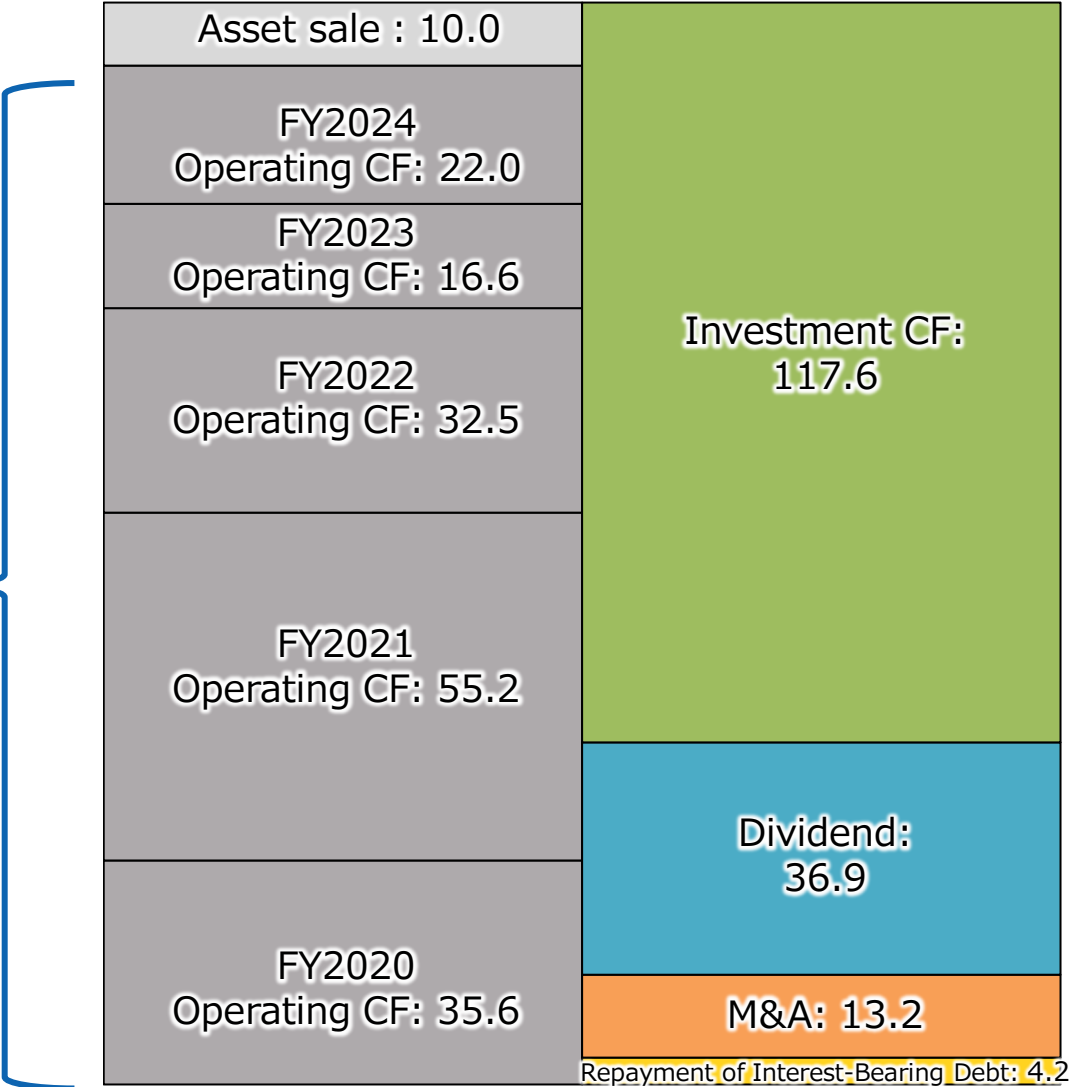
(¥ billion)



Capital Allocation for FY2020–FY2024 (5 Years)

(¥ billion)

Operating Cash Flow
Total 161.9



FY2025 Full-Year Forecast

Full-year Forecast for FY2025

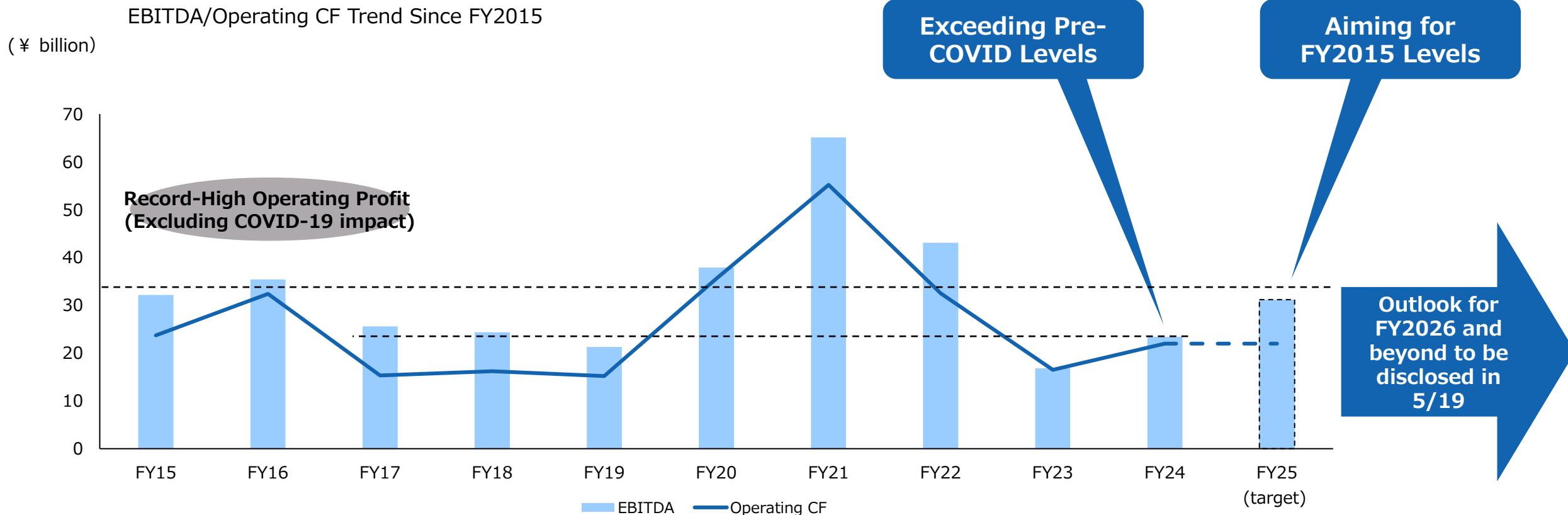
- Achieving profitability for LTS in FY2025 is a must
- To drive optimal capital allocation, ROIC management by segment will start in FY2025

	FY2024 results	FY2025 targets (¥ billion)			
Net sales	243.0	252.0	+9.0	+3.7%	
LTS	153.0	160.0	+7.0	+4.6%	
IVD	60.5	60.0	-0.5	-0.8%	
HS	29.5	32.0	+2.5	+8.4%	
EBITDA	23.4	30.5	+7.1	+30.4%	
LTS	7.7	14.5	+6.8	+89.5%	
IVD	16.7	17.0	+0.3	+1.8%	
HS	3.5	3.5	-0.0	-0.9%	
H.U.Group	-4.5	-4.5	-0.0	-	
OP	2.6	8.0	+5.4	+203.0%	
LTS	-4.6	0.5	+5.1	-	
IVD	11.3	11.5	+0.2	+1.4%	
HS	1.8	1.8	+0.0	+1.2%	
H.U.Group	-5.8	-5.8	+0.0	-	
Ord. profit	4.7	6.0	+1.3	+26.5%	
Net profit	2.8	5.5	+2.7	+99.2%	

	FY2024 results	FY2025 targets	
ROE	2.0%	4.1%	+2.1pt
ROIC	0.8%	2.5%	+1.7pt
LTS	-5.0%	0.6%	+5.6pt
IVD	9.6%	10.6%	+1.0pt
HS	14.3%	14.2%	-0.1pt

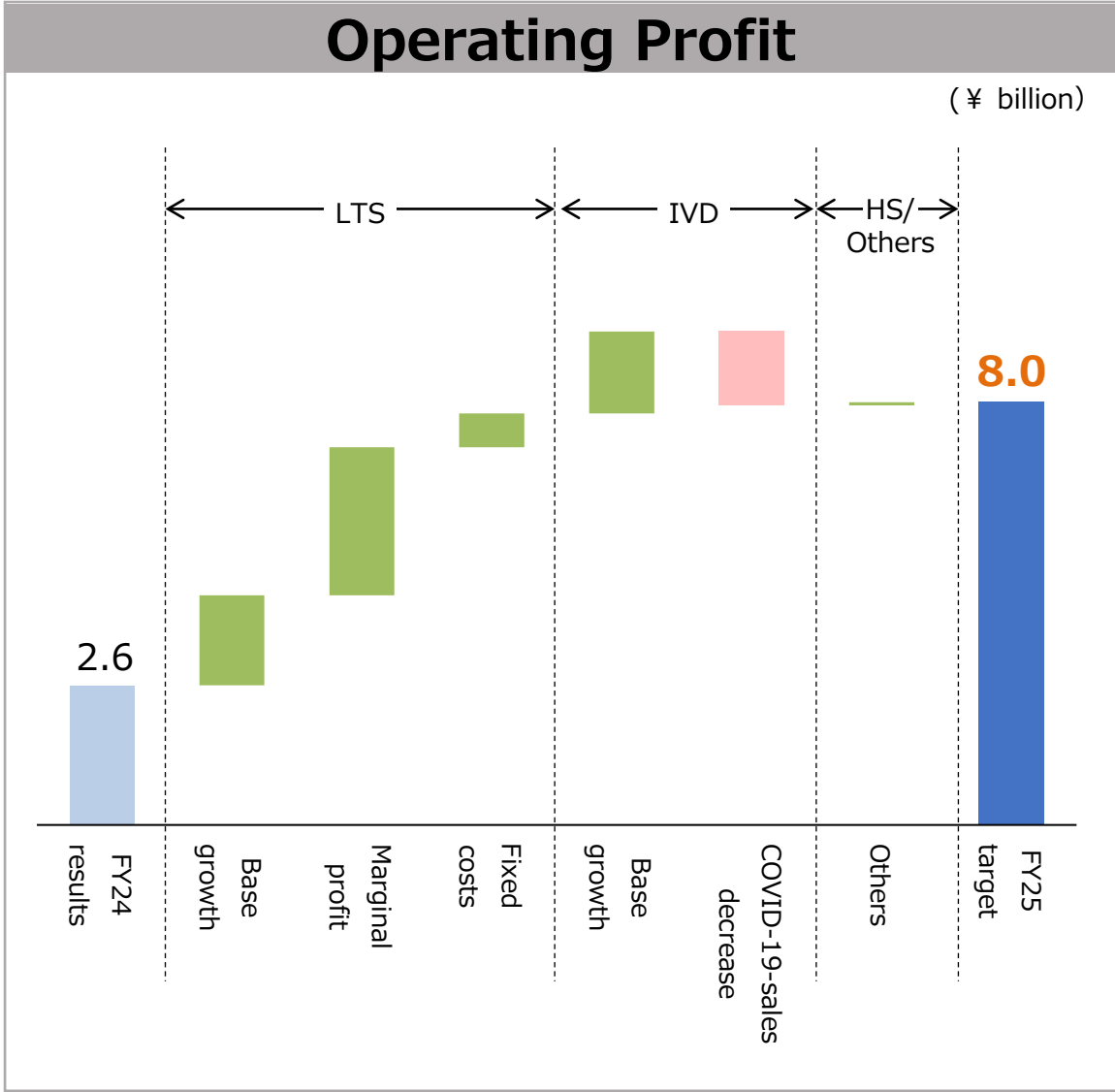
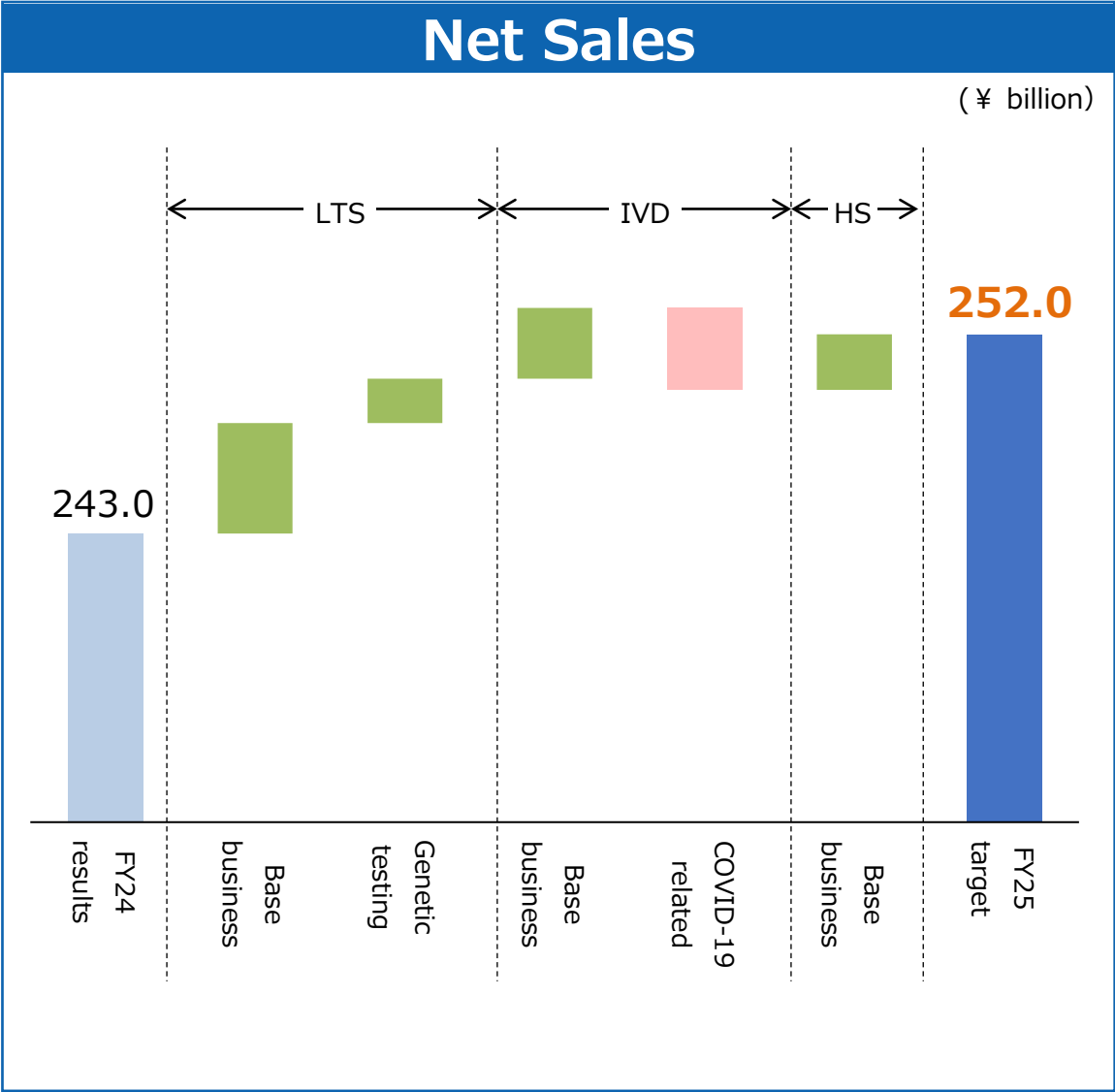
EBITDA and Operating Cash Flow Trends Since FY2015¹

- In FY2024, we surpassed pre-COVID levels (FY2019), with EBITDA and operating cash flow reaching levels seen in FY2017-2018
- Anticipating continued growth, accelerating profit expansion



1. FY2015-2017 excluding the Overseas Testing Business (Miraca Life Sciences)

Breakdown of FY2025 Net Sales and OP Forecast



Outlook for LTS in FY2025

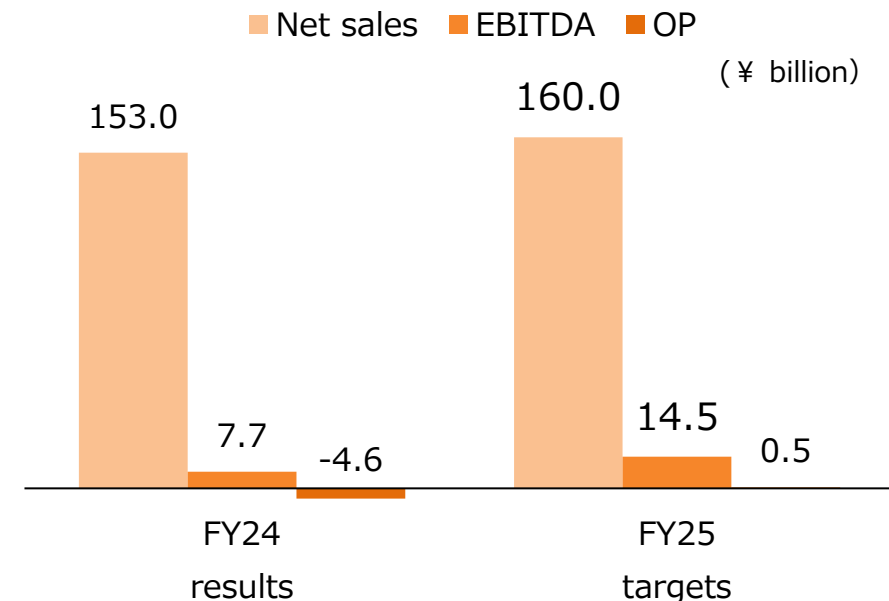
Net Sales

- Approximately 5% growth expected for the segment
- Base testing
 - 4% growth through service optimization and new customer acquisition
 - Genetic testing
 - 7% growth through expansion of new items and other sales initiatives

EBITDA/ Operating profit

- Achieving profitability for LTS is a must
- Profit growth drivers
- Testing price optimization
 - Profit increase from base sales growth
 - Profitability improvement measures (testing operation improvements)
 - Optimization of outsourced services (collection, in-house operations)
 - Personnel cost reduction
- Profit pressure factors
- Reagent and consumable price revision

* AkirunoCube costs and effects impact flat: one-time costs reduction and efficiency effects offset by increased depreciation and running costs



AkirunoCube Costs and Effects

	FY2023	FY2024	FY2025 forecast
One-time costs	3.7	2.2	1.0
Depreciation expenses	5.8	6.4	8.3
Running costs	6.3	6.1	6.7
Total costs	15.7	14.6	16.0
Efficiency effects	+1.1	+1.4	+2.8

Outlook for IVD in FY2025

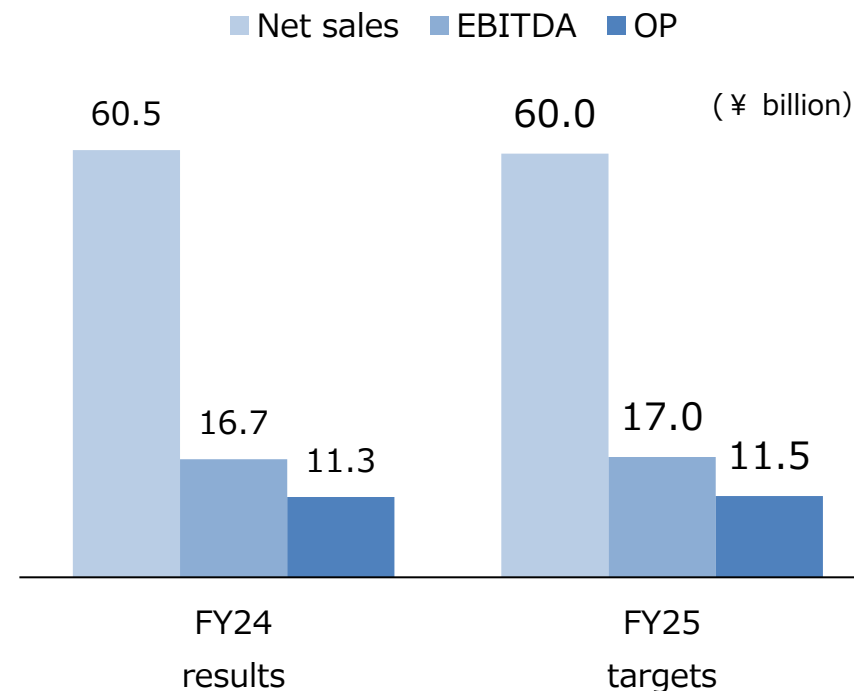
Net Sales

- CDMO
 - Starting shipments to new partners
 - Global market-linked stable growth
- NEURO
 - Expansion and stable supply of Plasma pTau217/Aβ1-42 in Europe and the U.S.
 - Expansion of pipeline/lineup in non-AD¹ areas
- Lumipulse in Japan
 - Sales expansion to SRL customers
 - Increase in sales from newly launched testing items
- Others
 - COVID-related revenue decline (to be included in base testing moving forward)

EBITDA/ Operating Profit

- Aiming to grow profit by strengthening core business
- NEURO : expansion in Europe and the U.S. (capitalizing on first-mover advantage)
 - CDMO : consistent profit generation
 - Driving cost optimization

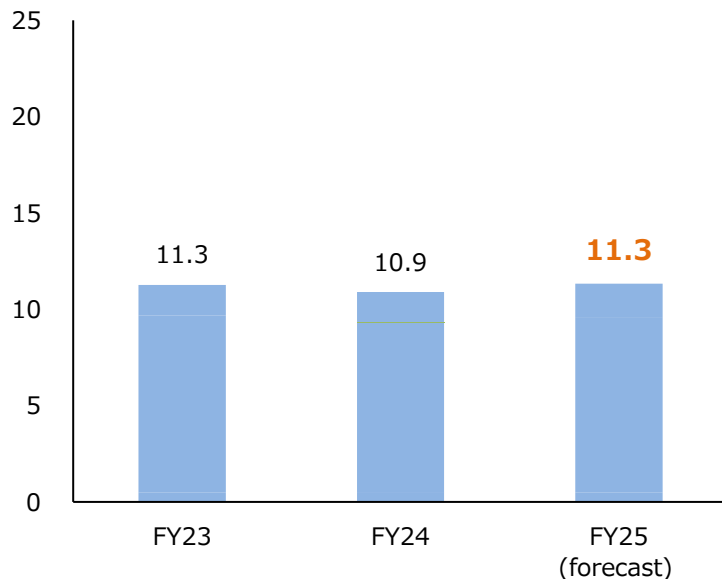
1. AD : Alzheimer's Disease



FY2025 R&D, CAPEX and D&A Costs

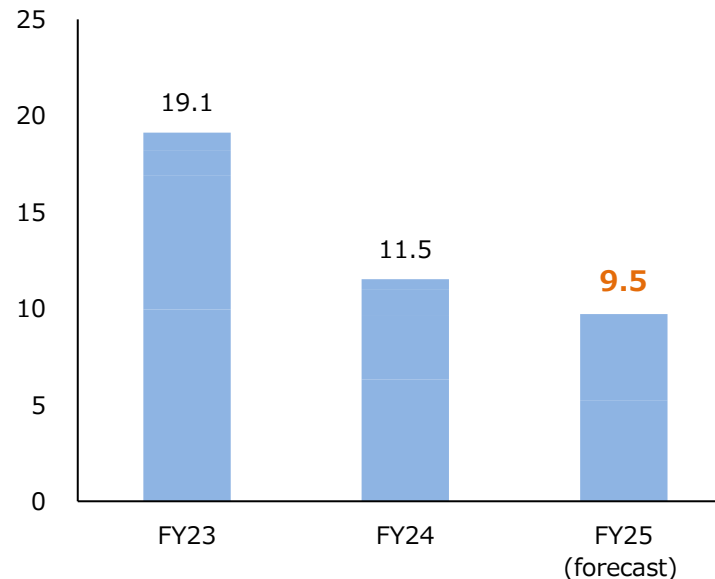
(¥ billion)

Research and Development



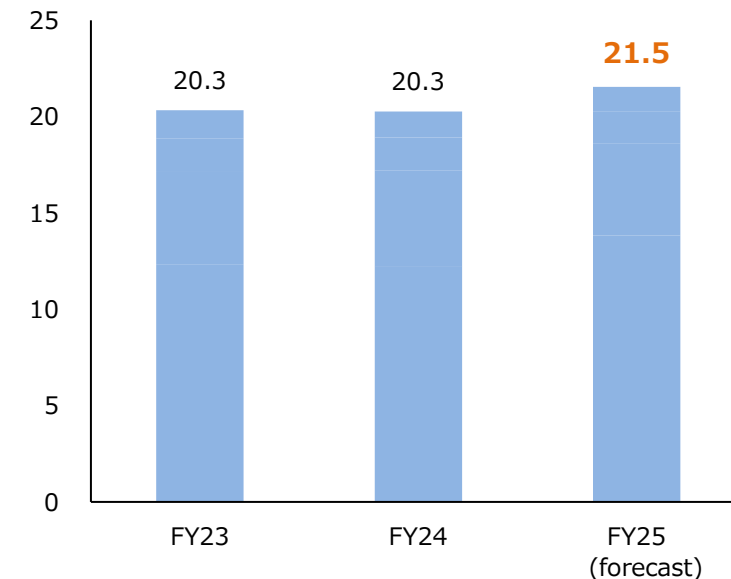
- IVD: 12% of sales expected to be allocated to R&D
- Ongoing development of Lumipulse reagents including NEURO

Capital Expenditure



- AkirunoCube-related investments completed in FY2024
- Capital expenditure peaked, shifting focus to maintenance investments

Depreciation and Amortization



- Depreciation expenses expected to peak in FY2025, followed by a gradual decline

Shareholder Return Policy

- The policy aims for a Dividend on Equity (DOE) ratio of 6% and maintaining stable and progressive dividends (the projected annual dividend per share for FY2025 is ¥125)
- We view share repurchases as “strategic investments in the Company”, to be implemented actively and flexibly (On May 15, a ¥5 B buyback was resolved)

Previous Policy

We aim to achieve a 6%-level DOE ratio as our primary KPI for dividends, ensuring stable and continuous dividend payments from the profits and funds generated by each business. This will be done while considering cash flow, maintaining a strong financial base over medium- to long-term and other relevant factors. Additionally, funds from retained earnings will be prioritized for investments in medium to long-term growth.

Future Policy

We aim to achieve a consolidated DOE ratio of 6% as our primary KPI for dividends, ensuring stable and progressive dividends payments from the profits and funds generated by each business. This will be done while considering cash flow, maintaining a strong financial base over the medium to long-term, and other relevant factors. Additionally, share repurchase will be positioned as “strategic investment in the Group” and implemented actively and flexibly.

【Contact information】

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Disclaimer regarding forward-looking statement:

The performance forecast provided in this document is prepared by the management based on currently available information and various hypotheses and ideas including significant risks or uncertainties. Please be aware that the actual performance may turn out to be different from the forecast as a result of various contributing factors.

Factors affecting the performance include, among others, aggravation of the economic situation, fluctuation of the exchange rate, change of regulatory, statutory, and administrative requirements, delayed launch of new products, pressures from the product strategies of competitive companies, and decline of the sales potential of existing products.