

September 18, 2020

To Whom It May Concern

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 (Securities code: 4544 TSE 1st section)
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Announcement Regarding Consolidated Earnings Forecasts

H.U. Group Holdings, Inc. (hereinafter, the Company) hereby announces the consolidated earnings forecast for the fiscal year ending March 31, 2021, which had not been determined at the time of our announcement of “Consolidated Financial Results for the Fiscal Year Ended March 31, 2020” publicized on May 13, 2020.

1. Earnings forecasts

(1) Consolidated Earnings Forecasts for the six months ending September 30, 2020
(from April 1, 2020 to September 30, 2020)

	Net sales (¥ millions)	Operating profit (¥ millions)	Ordinary profit (¥ millions)	Profit attributable to owners of parent (¥ millions)	Earnings per share (¥)
Previous forecast (A)	—	—	—	—	—
Revised forecast (B)	97,500	7,000	undetermined	undetermined	undetermined
Change (B-A)	—	—	—	—	
Change (%)	—	—	—	—	
(Ref.) Six months ended September 30, 2019 (Consolidated)	93,480	5,758	4,526	2,544	44.67

(2) Consolidated Earnings Forecasts for the fiscal year ending March 31, 2021
(from April 1, 2020 to March 31, 2021)

	Net sales (¥ millions)	Operating profit (¥ millions)	Ordinary profit (¥ millions)	Profit (Loss) attributable to owners of parent (¥ millions)	Earnings per share (¥)
Previous forecast (A)	—	—	—	—	—
Revised forecast (B)	200,000 to 220,000	14,000 to 18,500	undetermined	undetermined	undetermined
Change (B-A)	—	—	—	—	
Change (%)	—	—	—	—	
(Ref.) Fiscal year ended March 31, 2020 (Consolidated)	188,712	9,939	6,468	(516)	(9.06)

(3) Reasons for the announcement

The consolidated financial forecasts for the fiscal year ending March 31, 2021 had not been determined due to difficulties in making reasonable estimates of the COVID-19 pandemic impact. However, as it has become possible for the Company to estimate the forecasts to a certain degree based on the latest available information, the Company hereby announces the above forecasts.

(4) Reasons for the forecasts

Test volume in CLT business, which significantly decreased in April and May due to the COVID-19 pandemic, has recovered to the similar level as the previous year since the month of June. Also, increased number of COVID-19 related tests and sales of the antigen tests (both high-sensitive reagents “Lumipulse SARS-CoV-2 Ag” and rapid test kit “ESPLINE SARS-CoV-2”) began to contribute to our earnings, recovering our consolidated business performance. Considering these factors, the Company forecasts consolidated net sales of 97.5 billion yen and consolidated operating profit of 7.0 billion yen for the first six months of the fiscal year ending March 31, 2021.

In and after the third quarter, the Company is not expecting as large decline of test volume in CLT business as it experienced in the months of April to May. However, the outlook of demands for COVID-19 related tests and the aforementioned antigen tests remains unclear to elaborate precise earnings forecasts for the full year. Therefore, the Company has decided to disclose full-year consolidated net sales and consolidated operating profit in a range.

As for the forecasts of ordinary profit and profit attributable to owners of parent, the Company has decided to maintain them as undetermined. This is due to the remaining uncertainties from the impact of COVID-19 pandemic on business performances of the companies accounted for using the equity method in the United States and China. Accordingly, the Company will also maintain the dividend forecast undermined.

*** The earnings forecasts above are based on information available to management at the time of preparation of this document. Actual performance may vary from forecasts.**