

May 15, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: H.U. Group Holdings, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 4544
 URL: <https://www.hugp.com/>
 Representative: Shigekazu Takeuchi, Chairman, President and Group CEO
 Inquiries: Naoki Kitamura, Managing Executive Officer and CFO
 Telephone: +81-3-6279-0926
 Scheduled date of annual general meeting of shareholders: June 17, 2025
 Scheduled date to commence dividend payments: May 27, 2025
 Scheduled date to file annual securities report: June 16, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	243,025	2.6	2,640	-	4,742	-	2,761	-
March 31, 2024	236,950	(9.2)	(4,043)	-	(7,241)	-	(7,553)	-

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥1,624 million [-%]
 For the fiscal year ended March 31, 2024: ¥(199) million [-%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	48.60	-	2.0	1.7	1.1
March 31, 2024	(132.77)	-	(5.2)	(2.5)	(1.7)

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2025: ¥(735) million
 For the fiscal year ended March 31, 2024: ¥(2,788) million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	279,582	137,295	49.0	2,411.40
March 31, 2024	290,849	142,505	49.0	2,506.50

Reference: Equity
 As of March 31, 2025: ¥137,011 million
 As of March 31, 2024: ¥142,417 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	21,964	(15,958)	(5,298)	40,884
March 31, 2024	16,551	(16,050)	(5,782)	39,946

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	62.00	-	63.00	125.00	7,151	-	4.9
Fiscal year ended March 31, 2025	-	62.00	-	63.00	125.00	7,151	257.2	5.1
Fiscal year ending March 31, 2026 (Forecast)	-	62.00	-	63.00	125.00		129.1	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	252,000	3.7	8,000	203.0	6,000	26.5	5,500	99.2	96.80

*Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2025	57,473,822 shares
As of March 31, 2024	57,473,822 shares

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

As of March 31, 2025	655,425 shares
As of March 31, 2024	654,819 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	56,818,567 shares
Fiscal year ended March 31, 2024	56,886,640 shares

Note: The Company has introduced a trust-type stock-based compensation plan, and the Company's shares held by the trust are included in the number of treasury shares deducted for the calculation of the number of treasury shares at the end of the fiscal year and the average number of shares during the period.

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	30,110	28.4	18,724	60.2	19,910	137.9	22,069	127.7
March 31, 2024	23,450	(5.0)	11,686	(14.5)	8,370	(32.3)	9,693	(24.6)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	388.42	-
March 31, 2024	170.40	170.39

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	171,413	80,166	46.7	1,409.12
March 31, 2024	178,226	66,724	37.4	1,172.79

Reference: Equity
As of March 31, 2025: ¥80,063 million
As of March 31, 2024: ¥66,636 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The consolidated earnings forecast for the fiscal year ending March 31, 2026 is based on assumptions as of the date of this release regarding information available as of the date of this release and uncertain factors that may affect future results. Actual results may differ due to various factors in the future.

(Method of accessing supplementary material on financial results and contents of the financial results briefing)

On Thursday, May 15, 2025, the Company plans to hold a financial results briefing for institutional investors and analysts via conference call. The supplementary financial results explanatory materials distributed at this briefing will be promptly posted on the Company's website.

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	39,947	40,885
Notes and accounts receivable - trade, and contract assets	47,425	46,619
Investments in leases	188	209
Merchandise and finished goods	6,093	5,580
Work in process	7,929	8,509
Raw materials and supplies	8,439	7,183
Other	13,875	11,018
Allowance for doubtful accounts	(678)	(863)
Total current assets	123,220	119,143
Non-current assets		
Property, plant and equipment		
Buildings and structures	58,092	56,543
Accumulated depreciation	(29,650)	(30,297)
Buildings and structures, net	28,441	26,246
Machinery, equipment and vehicles	29,868	23,636
Accumulated depreciation	(16,530)	(16,534)
Machinery, equipment and vehicles, net	13,338	7,101
Tools, furniture and fixtures	46,813	44,382
Accumulated depreciation	(29,965)	(30,404)
Tools, furniture and fixtures, net	16,847	13,977
Land	10,129	9,700
Leased assets	21,491	28,206
Accumulated depreciation	(11,026)	(12,836)
Leased assets, net	10,465	15,370
Construction in progress	2,179	1,152
Total property, plant and equipment	81,400	73,549
Intangible assets		
Goodwill	7,399	7,682
Customer-related intangible assets	1,968	1,724
Software	17,825	17,304
Leased assets	316	196
Software in progress	10,401	9,953
Other	7,920	7,422
Total intangible assets	45,832	44,283
Investments and other assets		
Investment securities	6,438	1,801
Long-term loans receivable	52	4,860
Guarantee deposits	18,065	17,835
Deferred tax assets	10,450	13,881
Other	5,701	4,157
Allowance for doubtful accounts	(411)	(2)
Total investments and other assets	40,297	42,534
Total non-current assets	167,530	160,367
Deferred assets		
Bond issuance costs	99	70
Total deferred assets	99	70
Total assets	290,849	279,582

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,729	18,908
Electronically recorded obligations - operating	1,091	301
Short-term borrowings	-	10,000
Current portion of bonds payable	10,000	-
Current portion of long-term borrowings	-	10,045
Lease liabilities	3,849	4,470
Accounts payable - other	16,027	9,876
Income taxes payable	785	1,232
Provision for bonuses	6,109	6,266
Other	6,475	8,337
Total current liabilities	64,070	69,438
Non-current liabilities		
Bonds payable	31,100	31,100
Long-term borrowings	29,000	19,182
Lease liabilities	7,996	11,855
Retirement benefit liability	7,174	6,935
Asset retirement obligations	1,571	1,561
Provision for share awards	75	277
Provision for compensation loss	637	279
Provision for loss on guarantees	699	-
Other	6,020	1,657
Total non-current liabilities	84,274	72,848
Total liabilities	148,344	142,287
Net assets		
Shareholders' equity		
Share capital	9,279	9,279
Capital surplus	25,001	25,094
Retained earnings	97,700	93,309
Treasury shares	(2,256)	(2,258)
Total shareholders' equity	129,724	125,425
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,498	(9)
Foreign currency translation adjustment	13,209	12,942
Remeasurements of defined benefit plans	(2,014)	(1,347)
Total accumulated other comprehensive income	12,692	11,586
Share acquisition rights	88	102
Non-controlling interests	-	180
Total net assets	142,505	137,295
Total liabilities and net assets	290,849	279,582

(2) Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	236,950	243,025
Cost of sales	173,715	175,827
Gross profit	63,235	67,198
Selling, general and administrative expenses	67,279	64,557
Operating profit (loss)	(4,043)	2,640
Non-operating income		
Interest income	454	508
Dividend income	90	88
Dividend income of insurance	29	21
Rental income	94	95
Outsourcing service income	19	9
Foreign exchange gains	976	-
Gain on investments in capital	-	3,070
Other	223	488
Total non-operating income	1,889	4,283
Non-operating expenses		
Interest expenses	399	591
Share of loss of entities accounted for using equity method	2,788	735
Loss on investments in capital	650	-
Provision of allowance for doubtful accounts	144	295
Other	1,103	559
Total non-operating expenses	5,086	2,181
Ordinary profit (loss)	(7,241)	4,742
Extraordinary income		
Gain on step acquisitions	-	150
Reversal of provision for compensation loss	-	392
Compensation income	771	-
Gain on reversal of foreign currency translation adjustment	200	-
Other	880	52
Total extraordinary income	1,853	594
Extraordinary losses		
Loss on retirement of non-current assets	916	244
Loss on liquidation of subsidiaries and associates	-	922
Loss on termination of retirement benefit plan	-	333
Other	1,315	621
Total extraordinary losses	2,231	2,122
Profit (loss) before income taxes	(7,619)	3,215
Income taxes - current	3,824	3,723
Income taxes - deferred	(3,890)	(3,240)
Total income taxes	(66)	483
Profit (loss)	(7,553)	2,731
Loss attributable to non-controlling interests	-	(29)
Profit (loss) attributable to owners of parent	(7,553)	2,761

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit (loss)	(7,553)	2,731
Other comprehensive income		
Valuation difference on available-for-sale securities	1,379	(1,507)
Foreign currency translation adjustment	6,069	(266)
Remeasurements of defined benefit plans, net of tax	(94)	667
Total other comprehensive income	7,353	(1,106)
Comprehensive income	(199)	1,624
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(199)	1,654
Comprehensive income attributable to non-controlling interests	-	(29)

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,274	24,996	112,422	(2,060)	144,633
Changes during period					
Issuance of new shares - exercise of share acquisition rights	4	4			9
Dividends of surplus			(7,151)		(7,151)
Loss attributable to owners of parent			(7,553)		(7,553)
Purchase of treasury shares				(987)	(987)
Disposal of treasury shares				791	791
Change in scope of consolidation			(17)		(17)
Net changes in items other than shareholders' equity					
Total changes during period	4	4	(14,722)	(196)	(14,909)
Balance at end of period	9,279	25,001	97,700	(2,256)	129,724

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	118	7,140	(1,919)	5,339	74	-	150,047
Changes during period							
Issuance of new shares - exercise of share acquisition rights							9
Dividends of surplus							(7,151)
Loss attributable to owners of parent							(7,553)
Purchase of treasury shares							(987)
Disposal of treasury shares							791
Change in scope of consolidation							(17)
Net changes in items other than shareholders' equity	1,379	6,069	(94)	7,353	13		7,366
Total changes during period	1,379	6,069	(94)	7,353	13		(7,542)
Balance at end of period	1,498	13,209	(2,014)	12,692	88	-	142,505

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,279	25,001	97,700	(2,256)	129,724
Changes during period					
Issuance of new shares - exercise of share acquisition rights					
Dividends of surplus			(7,151)		(7,151)
Profit attributable to owners of parent			2,761		2,761
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares				0	0
Change in scope of consolidation		93			93
Net changes in items other than shareholders' equity					
Total changes during period	-	93	(4,390)	(1)	(4,298)
Balance at end of period	9,279	25,094	93,309	(2,258)	125,425

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,498	13,209	(2,014)	12,692	88	-	142,505
Changes during period							
Issuance of new shares - exercise of share acquisition rights							
Dividends of surplus							(7,151)
Profit attributable to owners of parent							2,761
Purchase of treasury shares							(1)
Disposal of treasury shares							0
Change in scope of consolidation						210	303
Net changes in items other than shareholders' equity	(1,507)	(266)	667	(1,106)	14	(29)	(1,121)
Total changes during period	(1,507)	(266)	667	(1,106)	14	180	(5,209)
Balance at end of period	(9)	12,942	(1,347)	11,586	102	180	137,295

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(7,619)	3,215
Depreciation	20,323	20,264
Amortization of goodwill	547	482
Interest and dividend income	(544)	(596)
Interest expenses	399	591
Share of loss (profit) of entities accounted for using equity method	2,788	735
Decrease (increase) in accounts receivable - trade, and contract assets	640	237
Decrease (increase) in inventories	787	1,060
Increase (decrease) in trade payables	(1,767)	(1,590)
Increase (decrease) in retirement benefit liability	407	652
Loss (gain) on investments in capital	650	(3,070)
Loss on liquidation of subsidiaries and associates	-	922
Increase (decrease) in accrued consumption taxes	(210)	2,408
Increase (decrease) in other current liabilities	(5,844)	(1,647)
Other, net	(789)	838
Subtotal	9,771	24,503
Interest and dividends received	467	607
Interest paid	(389)	(615)
Income taxes refund (paid)	5,929	(2,592)
Other, net	771	62
Net cash provided by (used in) operating activities	16,551	21,964
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,370)	(4,083)
Proceeds from sale of property, plant and equipment	1,180	951
Purchase of intangible assets	(5,187)	(6,231)
Loan advances	(369)	(1,434)
Payments for debt guarantee	-	(5,174)
Payments of contingent consideration for shares of subsidiaries	-	(3,005)
Proceeds from share of profits on investments in capital	-	3,000
Other, net	695	19
Net cash provided by (used in) investing activities	(16,050)	(15,958)
Cash flows from financing activities		
Proceeds from long-term borrowings	4,000	-
Proceeds from issuance of bonds	6,100	-
Redemption of bonds	-	(10,000)
Dividends paid	(7,143)	(7,142)
Net increase (decrease) in short-term borrowings	-	10,000
Repayments of finance lease liabilities	(4,420)	(4,534)
Proceeds from sale and leaseback transactions	-	6,396
Other, net	(4,319)	(18)
Net cash provided by (used in) financing activities	(5,782)	(5,298)
Effect of exchange rate change on cash and cash equivalents	1,043	229
Net increase (decrease) in cash and cash equivalents	(4,239)	937
Cash and cash equivalents at beginning of period	44,185	39,946
Cash and cash equivalents at end of period	39,946	40,884