

H.U. Group Holdings, Inc.  
Integrated Report 2025

# *Healthcare for You*



**H.U.**  
H.U.GROUP

## Contents

# Healthcare for You

The H.U. Group has presented its vision for 2035 in a new Vision statement. Under this Vision, the Group aims to maximize the value it creates through Collaboration, Challenge, and Innovation, looking to sustainably increase corporate value while contributing to the resolution of social issues facing our world.

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### Editorial Policy

Under the new medium-term plan, H.U. 2030, which started in fiscal 2025, we formulated a new Vision, and we have clarified our management direction to emphasize Collaboration, Challenge, and Innovation. This report provides detailed information to support dialogue with investors on how this strategic direction contributes to corporate value. Please also visit our website for more detailed information.

 **Corporate Website**  
<https://www.hugp.com/en/>

 **Investor Relations**  
<https://www.hugp.com/en/ir/>

 **Sustainability**  
<https://www.hugp.com/en/sustainable/>

### 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 the original Japanese version of this report was issued in November 2025, it contains mainly information on fiscal 2024 (ended March 31, 2025) and the first half of fiscal 2025 (ending March 31, 2026).

### 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.



## Mission

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

### Our Mission

Our goals go beyond simple business growth. As expressed in our company name, which stands for “Healthcare for You,” we are committed to delivering optimal healthcare for everyone. This is our goal and our true mission. Guided by our steadfast commitment to this mission, we provide comprehensive solutions to diverse healthcare needs through our LTS business, which provides highly reliable testing services, our IVD business, which develops groundbreaking diagnostic reagents, and our HS business, which provides healthcare-related services. Going forward, we will continue to accelerate co-creation through collaboration among our businesses, customers and partners, looking to create innovations that will contribute to solutions to social issues facing our world. Such value creation is made possible when individuals who share the same aspirations inspire and elevate one another, both within and outside the Group. We firmly believe these efforts will lead to a future where everyone can enjoy healthy lives.

## Value We Aim to Create and the Characteristics of the H.U. Group



\*1 Japanese market scale: Based on commissioned clinical testing market data for fiscal 2024 according to the Yano Research Institute's "2025 Clinical Laboratory Center Management Overview"

\*2 The H.U. Group's market share: Research by H.U. Group Holdings (calculated based on fiscal 2024 financial results)

\*3 Fully automated chemiluminescence enzyme immunoassay system

\*4 Research by H.U. Group Holdings

\*5 Government Pension Investment Fund

\*6 Percentage of favorable and neutral responses



## Vision

# Solve global social issues through Collaboration, Challenge, and Innovation leveraging H.U. Group assets and resources

### Our Vision for 2035

To continue to fulfill our social mission in a rapidly changing business environment with accelerating progress in science and medical technologies, we need to have a perspective that looks beyond individual businesses. The source of the Group's value creation that supports "Healthcare for You" is its diverse range of shared management resources, based on the human capital and technological foundation it has cultivated ever since it was founded 75 years ago. We aim to make maximum use of these across our businesses to resolve social issues. For example, diagnostic reagents validated in the LTS business can reach more people and meet their health needs globally through the CDMO model of our IVD business. Our new Vision, which looks ahead to 2035, sets out our aim of achieving sustainable growth by leveraging these strengths and taking on the challenge of addressing global social issues. Under this Vision, we will expand possibilities through Collaboration, cross existing frameworks by taking on Challenges, and return the benefits to society through Innovation.



## Shared Group Resources (Unique Strengths)

### 1 Strength of Our Customer Base

Through our nationwide testing services, we provide optimal solutions for the diverse needs of each region and disease, continuously creating the value that is really needed on the front lines of medicine.

### 2 Operational Capabilities of Domestic and Overseas Offices

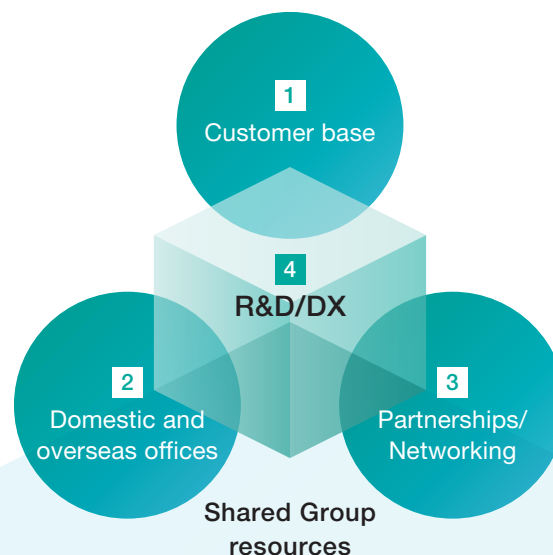
Leveraging our robust testing system in Japan and expertise accumulated through community healthcare, we are able to conduct evaluations by acquiring and analyzing clinical data. Through collaboration between Japan, the United States, and Europe, we realize both rapid development and global expansion.

### 3 Partnerships and Networking to Co-create Value

We drive technological innovation through collaboration with IVD manufacturers, pharmaceutical companies, and other partners. These efforts are producing sustainable solutions for medical and healthcare issues that are difficult to solve on our own.

### 4 Integration of R&D and DX

By integrating our research results with digital transformation (DX), we create next-generation healthcare that realizes prevention, prediction, and optimization. We are contributing to the advancement of corporate culture and the development of human resources by resolving operational issues across the entire Group.



## Testing Reagent Development Capability

The essential value of the IVD business is in its development of new testing reagents required in frontline medical settings. We are promoting the development and commercialization of innovative reagents, based on around 30 years of specialized development expertise in Lumipulse® reagents, and the clinical value of test items obtained through product evaluations by our LTS business. By adopting our test methods inside the Group to establish them as the de facto standard, we are continuously expanding our share of the global market.

## Antibody Purification Ability

Our competitive advantage in the IVD business lies in our ability to purify antibodies, which is at the top end of the value chain in testing reagent development. We have the ability to create unique “Only One” items based on a system that can fully draw out the characteristics of each antibody and quickly commercialize it, coupled with continuous research and development activities. In the NEURO field especially, we aim to expand the lineup of items by combining our capabilities with the raw material portfolios of our Group companies.

## Expertise in Large-volume Specimen Processing

In the LTS business, we are leveraging clinical testing operational expertise accumulated over more than half a century, and human resource capabilities able to handle esoteric testing and advanced medicine, to build a system capable of performing highly accurate and rapid testing of large volumes of specimens on a national scale. Moreover, in recent years, we have made progress in automation using original equipment and AI technologies. At our core H.U. Bioness Complex facility, we aim to expand our processing capacity to over 250,000 specimen IDs by fiscal 2029.

## Expertise in Quality Control

Quality control is the most important element for supporting test accuracy, and in the LTS business, we maintain it through international certifications (CAP/CLIA/ISO 15189) and a proprietary quality management system covering our entire flow from specimen receipt to test results reporting. Furthermore, we also participate in external quality control conducted by such organizations as the Japan Medical Association, and we take rigorous steps to quickly ascertain test errors and prevent recurrences. These combined technological, human resource, and operational capabilities support our brand value.

## Testing Technologies and Data Assets

Value creation of our LTS business is supported by high-level testing technologies cultivated over more than half a century and massive amounts of accumulated test data in a wide range of fields including cancer and intractable and rare diseases. By drawing out the maximum potential value of these assets, we are able to create new testing needs that cross existing boundaries and provide value-added services by combining them with data science. In this way, we will contribute to the resolution of even more medical issues.

## Ability to Resolve Customer Issues

The essential nature of our business is resolving issues faced by medical institutions, and in this regard, we are also a solutions business. Using our extensive value chain, which is deeply rooted in the medical front lines, we utilize our accumulated technologies, data, and expertise in an integrated manner to build systems that can provide one-stop solutions for a diverse range of issues. We support streamlining of healthcare and increased diagnostic accuracy, while creating value that also contributes to improved patient outcomes.

## Redefining Our Materiality (Material Issues)

The social significance of the H.U. Group's businesses creates internal motivation in each employee, and drives them to achieve personal growth. To fully realize our potential, we redefined our materiality with a 10-year outlook on environmental changes. This was based on discussions during the formulation of our new Vision and medium-term plan, publicly announced in May 2025. At the same time, we established key performance indicators (KPIs) linked with each material issue to promote cross-organization use of the Group's technologies, human resources, and networks. These initiatives for materiality are connected to employee autonomy to enable sustainable increase in corporate value.

### Positioning of Materiality



### Resolution of Social Issues through Our Businesses

Our businesses are directly concerned with the resolution of issues for health, which is a common desire of people all over the world, and they support the foundation of a sustainable society. With this understanding, we strive to create competitive products and services in areas of high social demand, such as responding to unmet medical needs for which effective treatments have yet to be developed.



### Creation of Innovation

Resolving issues in the increasingly sophisticated and complex fields of medical care and healthcare requires the development of highly innovative products and services. With a core of highly specialized technologies cultivated within the Group, we also seek cooperation with external medical and research institutions as we continue to take on bold challenges to drive innovation.



### Human Resource Development That Creates New Value

People who understand issues and create value are essential for resolving issues on the front lines of medicine and driving innovation for this purpose. We actively promote investment in human resources, while deeply embedding an organizational culture that promotes Collaboration, Challenge, and Innovation, in order to draw out the full motivation and potential of our people.



### Mitigation of Environmental Impacts

Our businesses owe their existence to the maintenance of a healthy global environment. Recognizing this, we are committed to making our businesses more sustainable by mitigating their environmental impacts as much as possible, including reducing CO<sub>2</sub> and waste emissions, and the use of water resources. At the same time, we strive to realize a sustainable society and pass on a healthy planet to the next generation.



### Establishment of a Sustainable Value Chain

To resolve social issues, we have positioned our suppliers not as mere business partners, but as partners in value creation. We seek to deepen mutual understanding with these partners and build strong trust-based relationships, thereby constructing robust, sustainable value chains and addressing ESG issues while increasing corporate value.

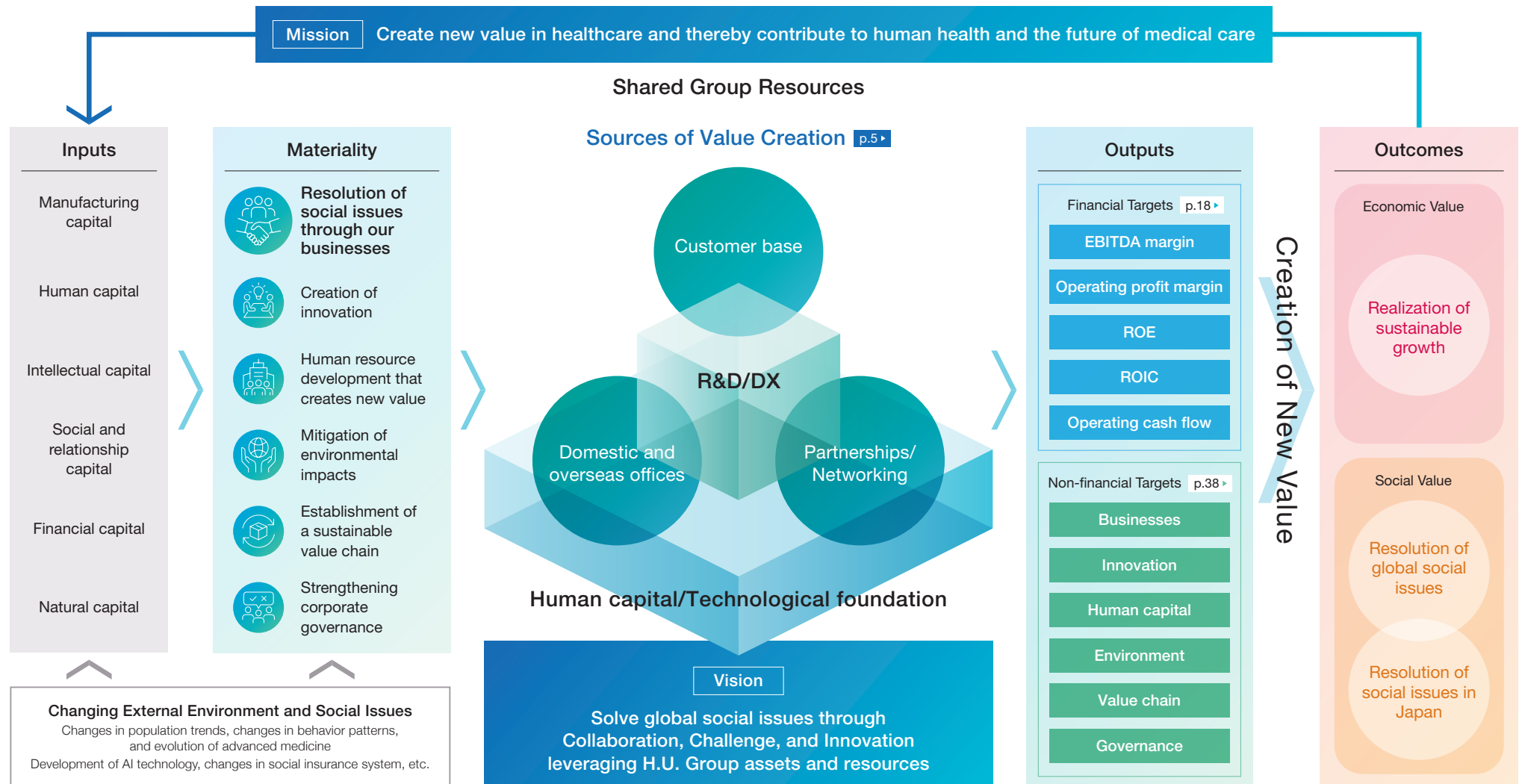


### Strengthening Corporate Governance

To continue growing in a rapidly changing business environment, we must gain the trust of a wide range of stakeholders, including customers, suppliers, shareholders and investors, employees, and local communities. We therefore work to strengthen our governance even further through measures such as increasing the soundness and transparency of our management and establishing systems for rapid decision-making.

# Value Creation Process

Under the medium-term plan, H.U. 2030, the H.U. Group aims to advance healthcare and sustainably increase its corporate value, based on its Mission. By reinvesting the created value, we will build a value creation cycle that is beneficial to society. To realize this aim, we will fully utilize the Group's shared management resources over the next five years to actualize our strategies.





## Our Strengths

### The H.U. Group's Businesses



#### LTS Business Lab Testing and its related Services

##### Main Products and Services

Testing business

Health check-up  
support business

Food, environment,  
cosmetics testing  
business

The H.U. Group leads Japan's clinical testing market with a share of 24.7%<sup>\*1,2</sup> and provides comprehensive testing services to medical institutions and others through its laboratories, including the H.U. Bioness Complex, one of the world's largest testing facilities, and nationwide network. 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 large hospitals. We are also focusing on the introduction of testing services that support advanced medicine, such as genomic medicine in the fields of cancer and rare diseases.

<sup>\*1</sup> Japanese market scale: Based on commissioned clinical testing market data for fiscal 2024 according to the Yano Research Institute's "2025 Clinical Laboratory Center Management Overview"

<sup>\*2</sup> H.U. Group's market share: Research by H.U. Group Holdings (calculated based on fiscal 2024 financial results)



#### IVD Business In-Vitro Diagnostics

##### Main Products and Services

Lumipulse<sup>®</sup>\*3  
business

CDMO and raw  
material supply  
business

Other products

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, the United States, and Europe, 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 for Alzheimer's disease.

<sup>\*3</sup> Fully automated chemiluminescence enzyme immunoassay system



#### HS Business Healthcare-related Services

##### Main Products and Services

Sterilization/  
operation-related business

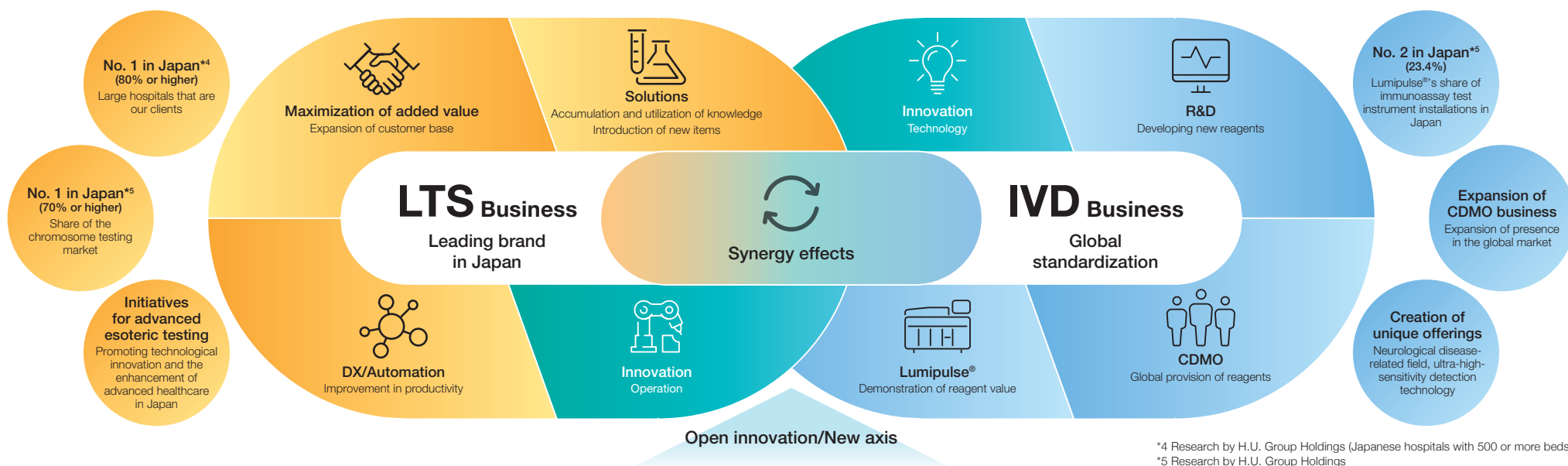
Home-visit services business

In the sterilization/operation-related business, we provide comprehensive solutions to medical institutions, covering everything from sterilization services inside and outside hospitals to surgical operation support services. By enhancing the safety and efficiency of medical front lines, we contribute to the realization of high-quality medical care. Moreover, looking ahead 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 home-visit services business, we mainly provide home-visit nursing, as well as home-visit care and in-home care support for those who need care and medical services at home.

## Healthcare for You

The H.U. Group is committed to engaging in the health of each individual and delivering optimal healthcare for everyone. This commitment is expressed in our company name, which stands for "Healthcare for You." From disease prevention to treatment and prognosis, we aim to provide solutions for each phase of people's health and contribute to the future of human health and medicine.

## Framework for Collaborative Value Creation



### Value Creation Story of the LTS Business

The LTS business provides lab testing and related services centered on commissioned clinical testing, utilizing one of the largest clinical testing laboratories in the world and a nationwide network. Since its establishment in 1970, the LTS business has leveraged its strengths in esoteric testing, which investigates the causes and progression of diseases, among other fields, and is now increasing the speed and accuracy of testing by promoting DX and automation. Our share of the large hospital market is over 80%,<sup>\*4</sup> and we continue to expand test items of high added value in the healthcare field, as well as testing services to support advanced medicine, such as genomic medicine in the fields of cancer and rare diseases. Furthermore, we have developed an operations system together with corporate R&D, and we are working closely with the IVD business to generate unrivaled competitive advantages.

### Corporate R&D to Promote Innovation

To promote the sustainable growth of the H.U. Group, we are working to build new technology platforms and intellectual capital with the aim of creating products and services that will drive the next generation of growth. We actively combine the management resources of each business to accelerate the development and introduction of new technologies and realize the promotion of DX and the release of new products and services that contribute to the resolution of social and medical issues. In addition, we actively promote open innovation inside and outside the Group, using the results of this research to create new businesses and strengthen the competitive advantages of existing ones. Drawing out the individual potential of our employees through human resource exchanges across organizational boundaries also helps to drive our sustainable growth and is one of our major strengths.

### Value Creation Story of the IVD Business

The IVD business is working to create innovative test reagents targeting diseases for which effective testing methods are not yet established anywhere in the world. Our business model has a unique strength in that the reagents developed for esoteric test instruments can be utilized in the LTS business to provide a rapid evaluation of their clinical value. Using our technological ability to develop customized reagents for other company's platforms, we are accelerating a pivot to a CDMO business model, targeting growth in the global market. Recently, we have been focusing on the development of "Only One" test items and offerings, including the fields related to neurological diseases, such as Alzheimer's disease, and ultra-high-sensitivity detection technology. Our aim is to become a leading global brand in test reagents.

## Our History of Value Creation

**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. (foothold to entry into the raw material supply and CDMO businesses)

**1992** Developed and started sales of fully automated chemiluminescence enzyme immunoassay system Lumipulse® 1200 (pivot from manual procedures to automation)

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

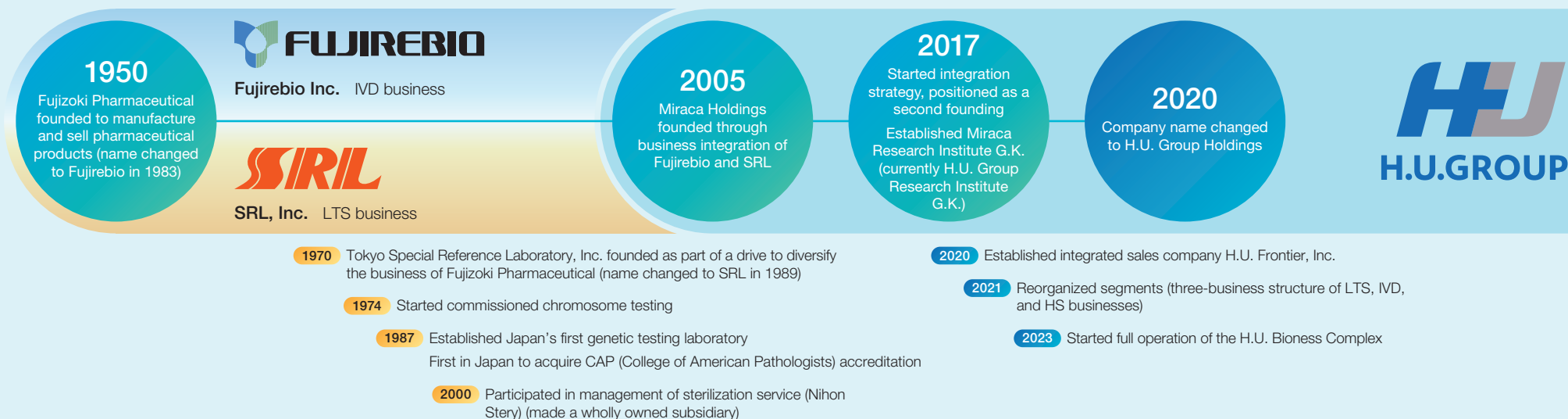
**1954** Entered the blood bank business and began supplying blood for transfusions (withdrew from the business in 1970)

**2025** Acquired Plasma Services Group, Inc. (U.S.)

**2022** Acquired all of the stock of Fluxus, Inc. (U.S.) and ADx NeuroSciences N.V. (Belgium)

**2020** Launched Japan's first rapid antigen test kit for COVID-19  
Launched the world's first fully automated high-sensitivity quantitative antigen test reagent for COVID-19

**2019** Established Fujirebio Diagnostics Japan, Inc. specializing in the CDMO business



The H.U. Group traces its origins back to Fujizoki Pharmaceutical (now Fujirebio), which was founded in 1950 with the aim of manufacturing and marketing pharmaceuticals. By the mid-1960s, the company had begun developing test reagents, and in 1966, it launched the world's first clinical reagent for syphilis (treponema pallidum hemagglutination, or TPHA), at a time when no highly reliable diagnostic method for the disease was available. Building on the hemagglutination (passive agglutination) technology established through this product, the company accelerated research and development of test reagents for autoimmune diseases and infectious diseases, growing into a leading company in the field of immunology. In 1970, the company began expanding its business

overseas, laying the foundation for its evolution into a global life sciences enterprise.

Subsequently, Fujizoki Pharmaceutical leveraged its IVD expertise to diversify its business. Having lost its mainstay blood bank business, the company urgently needed to establish a new growth trajectory and sought alternative paths for survival. The first step was the establishment of Tokyo Special Reference Laboratory, Inc. (now SRL), a new company created to provide clinical testing services. Although SRL entered the industry as a latecomer when it launched operations in 1970, it pursued a focused strategy specializing in esoteric testing, steadily expanding its market share among university and national hospitals. Later, the company broadened its

scope to include general testing and grew into Japan's largest provider of commissioned clinical testing services.

In 2000, the Group expanded its presence in healthcare services by making Nihon Stery, a provider of medical equipment and material sterilization services, a wholly owned subsidiary under SRL.

In 2005, Fujirebio and SRL were reunited under a single holding company after 35 years, forming Miraca Holdings. In 2020, the company was renamed H.U. Group Holdings, marking a shift in the management focus from a business centered on medicine to a broader vision encompassing the entire healthcare field.



## Our Track Record of Value Creation

### Our Origins in Value Creation and the Legacy of Our Technologies

The origins of the H.U. Group's value creation lie in the creation of the world's first clinical reagent for syphilis (TPHA), launched in 1966. Through the development of this product, the Group established core technologies that form the foundation of infectious disease testing, including antigen cultivation methods and techniques for sensitizing antigens to red blood cells. These technologies were later applied to the development of test reagents for diseases such as hepatitis B virus, adult T-cell leukemia, and HIV. In 1992, the Group developed and launched the Lumipulse® immunoassay system, further solidifying its strong position in the fields of immunology and infectious disease within the IVD domain.

Meanwhile, the Group began offering commissioned clinical testing services in 1970 with a focus on esoteric testing. Since then, the Group has handled highly specialized tests that are difficult for existing testing centers to perform, and in 1987, it became the first entity in Japan to receive CAP\*1 accreditation. Furthermore, in 1995,

the Group established the Genetic and Chromosome Analysis Center, which has since grown to hold the leading market share in this field in Japan. The two businesses, each refining their respective expertise and technological capabilities, serve as the driving forces that underpin the H.U. Group's competitive advantage and sustainable growth, continuing to lead the Group's value creation.

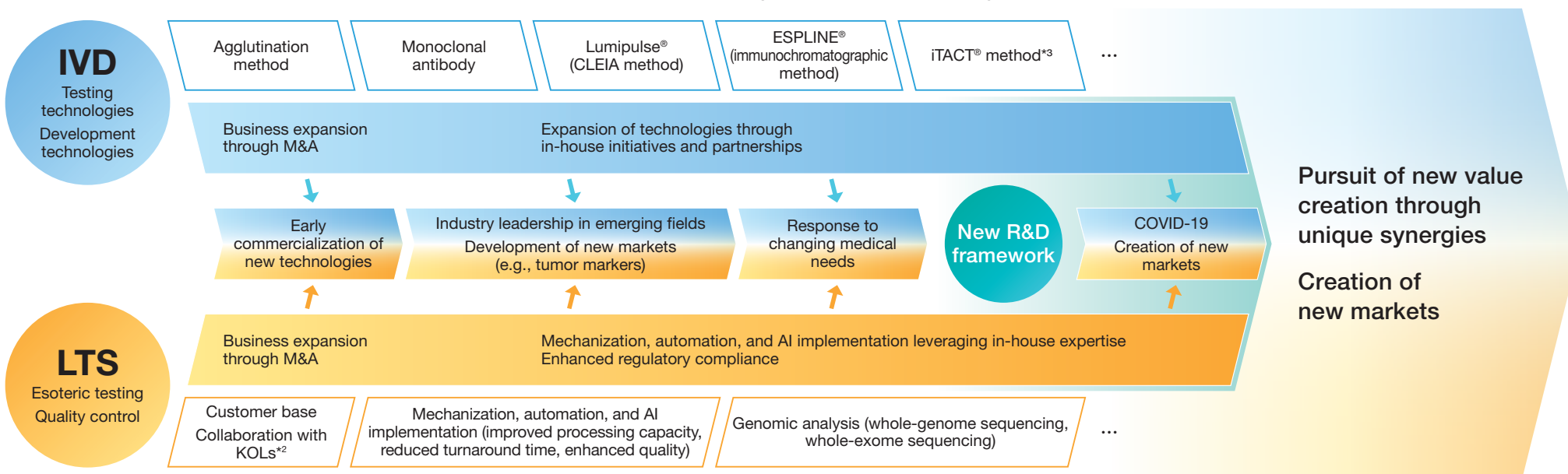
\*1 College of American Pathologists

### A Turning Point and Acceleration in Value Creation

The H.U. Group designated 2017 as its "second founding," embarking on a sweeping structural transformation. The goal was to build an integrated business model unlike any other—one that maximizes Group synergies by uniting the LTS business and the IVD business. As part of this initiative, the Group also rebuilt its R&D foundation, establishing a framework that enables it to complete the entire process from test reagent development to clinical implementation within the Group. Amid this transformation came the COVID-19 pandemic. In response to the escalating crisis, the two businesses worked closely together to rapidly establish testing

systems and supply reagents in a short period of time. This swift response to an unknown virus represented both a tangible outcome of the structural reforms and a prime example of the Group's ability to create new markets. Today, the Group has built a structure that enables the rapid commercialization of new solutions through collaboration among the IVD business, the LTS business, and H.U. Group Research Institute, including in the field of neurological diseases such as Alzheimer's disease.

Going forward, the Group aims to further strengthen partnerships with medical institutions and university hospitals to more effectively incorporate the needs of frontline healthcare professionals into product development. In addition, the H.U. Group will continue to focus on advancing testing processes through AI and automation technologies, and on creating innovative products and services in the fields of rare diseases and preventive medicine. By combining its technological strengths with its deep understanding of clinical practice, the Group will accelerate the creation of high-social-value solutions across the medical and healthcare domains.



\*2 Key opinion leaders

\*3 Fujirebio's proprietary technology that enables more accurate measurement of target substances compared with conventional technology by making specimens undergo additional preprocessing

# Further Acceleration of Integrated Management



Building on the integrated strategy proven effective during the pandemic, the H.U. Group is advancing to the next stage of potential in the healthcare domain. By developing and introducing proprietary reagents and mutually leveraging its shared customer base, the Group is creating new markets and accelerating earnings growth. Furthermore, by providing high-value-added test items that contribute directly to early treatment, the Group aims to address social issues and sustainably enhance corporate value.

## Key Initiatives for Collaborative Group-wide Value Creation

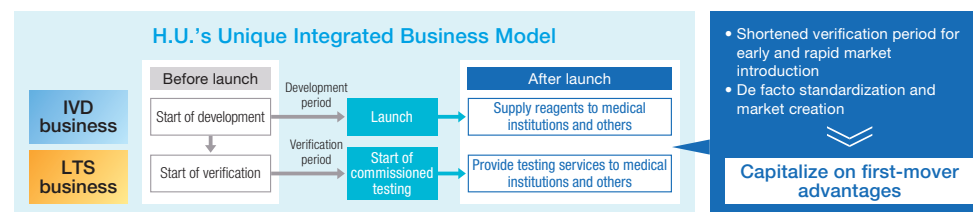


- Expand and apply the integrated market creation model, proven effective during the pandemic, to other fields such as NEURO (neurological diseases), enabling the early formation of new markets
- Capitalize on first-mover advantages

In introducing new test items, the H.U. Group integrates its technological, development, and operational resources across the organization to maximize value for customers and rapidly and sustainably create new markets. By establishing these test items as de facto standards, the Group aims to contribute to improving the quality of healthcare while achieving sustainable growth.

In the IVD business, the Group is accelerating processes from the development of test items to evaluation and regulatory approval. On the other hand, the LTS business begins verification from the early stages of development by the IVD business, enabling the Group to launch commissioned testing services simultaneously with the commercialization of test reagents, ensuring a prompt and precise response to frontline medical needs.

This collaborative Group model has already produced tangible results, such as the early practical application of COVID-19 antigen test reagents, demonstrating the Group's ability to lead market formation. During the COVID-19 pandemic in 2020, the Group also provided a comprehensive support system, including PCR testing. Going forward, the Group will expand this model to high-potential fields such as the NEURO domain, focusing on expanding its lineup of test items and creating new markets.



### TOPIC FDA Approval for Alzheimer's Disease Test Reagent

In May 2025, Fujirebio Diagnostics, Inc., a member of the H.U. Group, received U.S. Food and Drug Administration (FDA) approval for a test reagent used with the Lumpulse® system that measures the ratio of plasma pTau217\*1 to β-amyloid 1-42. This reagent is the first blood-based IVD product approved by the FDA to aid in the diagnosis of Alzheimer's disease. It contributes to assessing amyloid β accumulation in the brain and is expected to become a widely adopted, minimally invasive, and simple testing method. This approval follows the 2022 FDA approval of Fujirebio Diagnostics' cerebrospinal fluid test reagent, further strengthening the Group's contribution to the diagnosis and treatment of Alzheimer's disease.

\*1 Tau phosphorylated at threonine 217 is a promising biomarker for the early prediction of Alzheimer's disease

## 2

Development of  
Proprietary  
Reagents

- Introduction of high-value-added test items directly linked to diagnosis and medical treatment
- Stable reagent supply
- Cost advantage of in-house reagent production
- Expansion of Group revenue through external sales

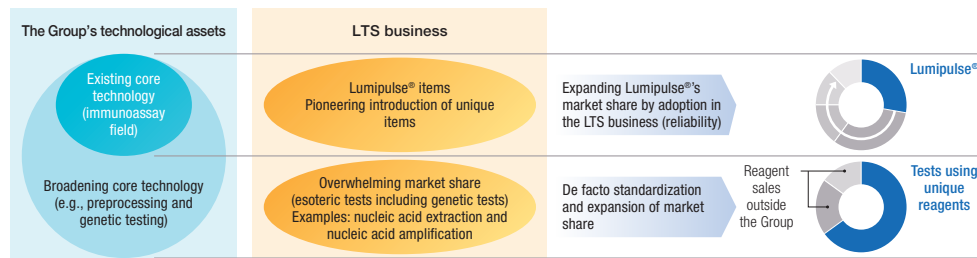
In the H.U. Group, the LTS business identifies test reagent needs accurately from the perspectives of customers, including medical institutions, while the IVD business has built a framework for developing proprietary reagents to meet those needs. Today, the Group promotes both cost reduction and early market introduction through rapid product evaluation conducted by the LTS business. Furthermore, reagents that have demonstrated effectiveness within the Group can be offered externally, supporting the expansion of market share and the establishment of de facto standards through adoption by other laboratories.

The IVD business's core technologies, including extraction and purification of antibodies that are used as raw materials for reagent production, and the LTS business's proven track record in adopting Lumipulse® reagents generate strong synergies. Backed by trust and adoption in the medical community, the Group expects further growth in external reagent sales. In addition, detection technologies using magnetic particles bound to antibodies and automated reagent dispensing and washing technologies can also be applied to esoteric areas such as genetic testing.

As more of the Group's reagents are adopted in testing domains where the LTS business holds a strong market share, testing methods across the industry are expected to shift toward the H.U. Group's reagents, driving wider market penetration through follow-on adoption by other companies. Already, Lumipulse® reagents are replacing existing products in test items such as renin\*<sup>2</sup> activity and aldosterone\*<sup>3</sup>, with the introduction of the MagreNA® nucleic acid extraction reagent representing another tangible outcome of the Group's integrated management model.

\*<sup>2</sup> An enzyme secreted by the kidneys that regulates blood pressure and body fluid balance

\*<sup>3</sup> A hormone secreted by the adrenal cortex that is used as a test item related to blood pressure and electrolyte balance



## 3

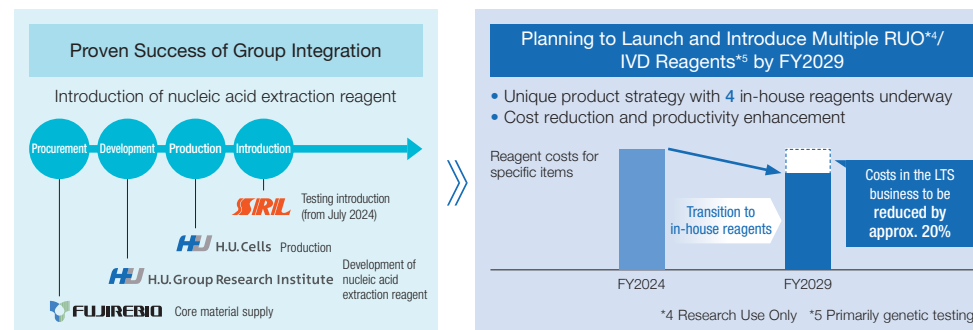
Maximizing Value  
from the Group's  
Customer Base

- Further accelerating growth by leveraging the mutual customer base of LTS and IVD
- Maximizing value provided to customers

In September 2020, the H.U. Group established H.U. Frontier by integrating the domestic sales and marketing functions of SRL, Fujirebio, and Nihon Stery. H.U. Frontier connects the Group's customer base, products, and services in an organic manner, creating a structure that enables the integrated provision of diverse solutions, including clinical testing services, clinical test reagents, and medical equipment sterilization services.

This initiative has enabled the Group to promote cross-selling to existing customers, as well as to provide one-stop solutions to new customers. By fully leveraging its pricing competitiveness, proposal capabilities, and problem-solving expertise, the Group has strengthened its presence in the healthcare market.

Through H.U. Frontier's sales functions and enhanced collaboration among Group companies, the integrated management framework launched in fiscal 2017 has now been firmly established as a system for maximizing customer value. Building on its distinctive strengths, the H.U. Group will continue to deliver innovative solutions that address the challenges faced in clinical practice.



### TOPIC Group Collaboration Leads to Successful Development of a 100% Japanese-made Nucleic Acid Extraction Reagent

To address the reagent supply risks exposed by the COVID-19 pandemic, in 2023, the H.U. Group leveraged the core technologies of its IVD business to develop MagreNA®, a 100% Japanese-made nucleic acid extraction reagent, including its key materials. In collaboration with the LTS business, the Group incorporated on-site laboratory needs into the design, achieving high levels of performance and productivity. As a result of this cross-Group technological integration, MagreNA® stands as a strong example of how the H.U. Group contributes to both the stabilization of healthcare infrastructure and sustainable value creation.



## Message from the CEO

Striving to achieve “Healthcare for You,”

we will further accelerate the Group’s

integrated management with the key themes of

Collaboration, Challenge, and Innovation.

**Shigekazu Takeuchi**

Director, Chairman,  
President and Group CEO

### Reviewing Our Progress in Integrated Management

For the H.U. Group, integrated management means more than simply pursuing the consolidation or streamlining of our businesses. In essence, our goal is for business entities with different specializations and cultures to complement one another and collaborate to create new social value.

The Group’s 75-year history started with the development and sale of test reagents for infectious diseases. Using this strength as a starting point, the Group established a new company in 1970 to provide commissioned clinical testing services. After that, the test reagent business and the commissioned clinical testing business grew as they honed their respective specializations, and were integrated in 2005, when the Group transitioned to a holding company structure.

To promote integration, we need to be committed to sharing awareness, culture, and values across the organization’s diverse systems, while being ready to create new value together. However, when I was appointed CEO in 2016, we had only limited strategic unity and coordination between the businesses. While our LTS business holds the leading market share in Japan for commissioned clinical testing and our IVD business has been a pioneer in immunoassays, each comes with its own strong capabilities and competitive advantages, but those very strengths became barriers to collaboration, resulting in fragmented management. Motivated by an urgent sense that this needs to change if we are to build a sustainable competitive advantage, I initiated a transformation of our Group structure to achieve integrated management.

This management policy is designed to maximize our ability to create value as a group by consciously balancing the independence of each company (centrifugal force) and the Group-wide controls that hold them together (centripetal force). Under the first medium-term plan launched after I was appointed president, we implemented large-scale reforms across our organization and systems to strengthen the “centripetal force.” These efforts included consolidating back-office divisions, unifying systems and regulations, fully replacing our immunoassay equipment with in-house devices, and rebuilding our research platform. In the area of R&D in particular, we established H.U. Group Research Institute (HRI) in 2017. As a central institution concentrating the knowledge and technologies of Group companies, HRI has promoted cross-organizational coordination. The following year, in 2018, we consolidated dispersed R&D personnel into the holding company and worked to integrate

their functions to serve as the “R&D headquarters.” This promoted further fusion of knowledge across divisions and individual companies, creating a system that maximizes the R&D capabilities of the Group as a whole.

With these reforms, we steadily created a foundation for Group coordination from 2018 to 2019. The effects of these reforms became most clear during the COVID-19 pandemic, which began in 2020. The Group was one of only a few organizations with a reagent manufacturing and sales function and a testing service function. As such, we received a government request to assist with airport quarantines, which we were able to accommodate. This demonstrated that our Group integration initiative had borne fruit and that we had built a system capable of responding rapidly and flexibly to social needs. Seeing our employees perform their roles with a sense of purpose under unprecedented circumstances gave me a firm understanding of the high level of awareness and resourcefulness of the Group’s human capital, as well as the strong culture of collaboration that has become embedded here. This experience built tremendous confidence among our frontline employees and further deepened collaboration between our businesses.

In July of the same year, we changed the Company name to H.U. Group Holdings to clearly indicate our intention to expand our scope beyond the medical field by adding the healthcare domain. Then, in 2023, we began full-scale operations at the Group’s central H.U. Bioness Complex facility. This facility combines one of the world’s largest clinical testing laboratories with HRI and has great significance as a symbol of the Group’s future. In particular, HRI makes a practical contribution by supporting the introduction of automation and AI to the clinical testing front lines, and it has been the starting point for a wide range of joint projects. In addition, at the annual Group awards, we have seen an increase in awards for joint projects involving multiple divisions and companies, demonstrating the steady results of broader cross-organizational collaboration. These changes are the result of carefully building our organizational foundation based on the integration strategy. The Group’s current state, in which collaboration is gradually becoming part of day-to-day operations, clearly shows that its value creation is evolving to a new stage.

## Transformation and Challenge for H.U. 2030

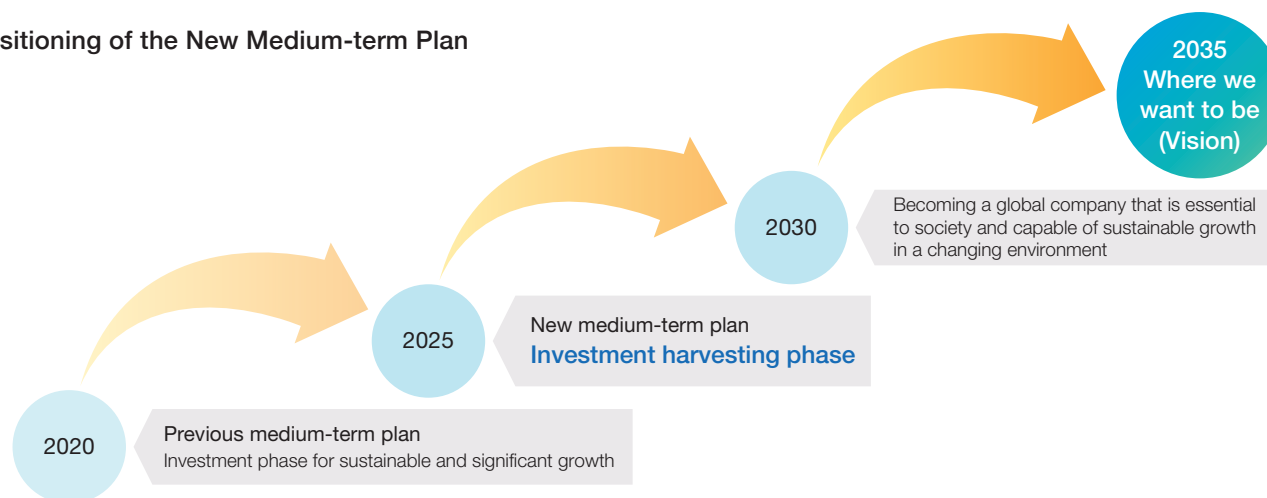
The Group has achieved stable business operations and built strong customer trust by encouraging individual employees to take quality and accuracy seriously and by steadily accumulating achievements. On the other hand, the many routine operations in our daily work have made it challenging to feel a sense of opportunity for change or growth. Today, our societal structure and market environment are changing at an unprecedented speed. In such times, it is even more important to strive to identify the seeds of growth, even in routine work, and to anticipate change to help the Company grow sustainably.

Recognizing this, the Group has identified three key themes in its new Vision: Collaboration, Challenge, and Innovation. These are not just slogans. These are practical policies for achieving the transformation we seek in our organizational culture. Taking this Vision as our core direction, we have formulated the new medium-term plan, H.U. 2030. With this plan, we will promote three key initiatives to drive sustainable growth and increase corporate value into the future.

The first initiative is “further acceleration of integrated management.” Under this initiative, we will build systems to foster collaboration and challenges across the entire Group, further promoting cooperation across our businesses. We will build a framework capable of creating value flexibly and quickly, even in a rapidly changing environment. Our second initiative utilizes this strength to drive “transformation into a highly profitable structure.” While leveraging the strengths of each business, we will transition to a structure that continuously generates profits, thereby increasing the stability and quality of our earnings.

This initiative has been inspired by acute changes in the business environment during the previous medium-term plan, along with the lessons learned from them. Initially, we had forecast an adverse management environment due to the burden of non-recurring costs and depreciation associated with preparing for the operation of the H.U. Bioness Complex. However, earnings grew strongly as COVID-19-related testing products and services outperformed expectations. On the other hand, in the clinical testing market, efforts to reduce fixed costs were delayed by the protracted impact of COVID-19. The fact that strong superficial results obscured the need for reforms—resulting in missed financial targets and delays in earnings structure reforms—has provided an important lesson for management going forward.

## Positioning of the New Medium-term Plan



Given this background, we have positioned the five-year period from 2025 as an “investment harvesting phase,” during which we will thoroughly review our fixed-cost structure and focus on strengthening our earnings base. We have completed the stage of large-scale investments and have developed the necessary foundation for growth, including the enhancements of our CDMO facilities. Going forward, our challenge will be to strategically leverage these assets to realize a sustainable increase in capital efficiency. The third initiative responding to these issues is “optimizing capital allocation and improving capital efficiency.” To realize appropriate returns on shareholder equity through improved capital efficiency, we plan to provide stable returns through a progressive dividend policy, as well as share buybacks of ¥20.0 billion or more over the next five years.

Furthermore, under our new medium-term plan, we have reviewed our materiality and are promoting an integrated approach to management strategy and sustainability issues. In particular, defining “resolution of social issues through our businesses” as a new material issue is an important step in demonstrating the purpose of our existence. Accurately assessing changes in society and continuously creating corporate value are the essence of the sustainability management that we are pursuing as a Group.

## Evolution toward Collaborative Value Creation

If you were to ask me what the purpose of a corporation's existence is, I would say that, essentially, it must make a genuine contribution to customers, society, and employees. Engaging sincerely with these three stakeholder groups and building trust over time will result in a sustainable increase in corporate value, which I believe will lead to long-term returns for shareholders.

Among the three, we consider employees to be the source of value creation, and we have placed human resource transformation at the heart of management, focusing in particular on developing management-level employees. We have evolved our education programs from simple knowledge acquisition to forums where people can transform their awareness and behavior, and I have personally demonstrated my commitment as a senior executive through consultations and lectures. We are also making a significant effort on KENKO Investment for Health, and we have improved our working environment, as reflected by our selection for the White 500 and KENKO Investment for Health Stock Selection.

Another pillar for increasing corporate value is DX. We are going beyond simply improving operational efficiency and are accelerating a bold transformation that revises how we run our business. In R&D, we are striving to expand the possibilities of next-generation medicine, including developing test reagents for the NEURO field, such as those for Alzheimer's disease, and developing genome tests in the fields of cancer and rare diseases.

In the nine years since my appointment as president, I have always been most conscious of the “centripetal force” that holds the entire Group together and the “centrifugal force” that inspires individual's challenge and creativity. The CEO is responsible for delivering final decisions while respecting diverse opinions and being willing to make decisions that go against the majority at times. Guided by my unchanging philosophy, I will continue to execute strategies flexibly and allow them to evolve.

Going forward, we will further enhance the quality of integrated management and profitability, while accelerating our evolution toward a phase in which we create value in collaboration with society.



## Group-wide Key Initiatives in the New Medium-term Plan

<b>1</b> Further acceleration of integrated management	<ul style="list-style-type: none"> <li>• Market creation by simultaneous introduction of new items (NEURO, etc.) into LTS/IVD</li> <li>• In-house production of reagents utilizing the Group's technology and external sales</li> <li>• Maximizing value from the Group's customer base</li> </ul>	<p>p.12 Further Acceleration of Integrated Management ▶</p>
<b>2</b> Transformation into a highly profitable structure	<ul style="list-style-type: none"> <li>• <b>LTS</b> Maximizing the H.U. Bioness Complex's functionality to enhance productivity and profitability</li> <li>• <b>LTS</b> Leveraging DX to drive business process reform</li> <li>• <b>IVD</b> Growth and expansion of CDMO business</li> <li>• <b>IVD</b> Development and expansion of new unique items (incl. NEURO, ultra-high-sensitivity detection)</li> <li>• <b>HS</b> Expansion of high-value-added operations (surgical field) and off-site services</li> </ul>	<p>p.25 Resolution of Social Issues through Our Businesses ▶</p>
<b>3</b> Optimizing capital allocation and improving capital efficiency	<ul style="list-style-type: none"> <li>• Disciplined capital allocation through a balanced portfolio strategy and ROIC accountability</li> </ul>	<p>p.21 Financial Strategy ▶</p>



Toward Realizing Our Vision

# Management Strategy

**Key Initiative** Optimizing capital allocation  
and improving capital efficiency

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**Key Initiative** Transformation into a highly  
profitable structure

- 25 Resolution of Social Issues through  
Our Businesses
- 33 Creation of Innovation
- 36 Risk Management
- 37 Sustainability Strategy
- 40 Human Resource Development That  
Creates New Value
- 43 Mitigation of Environmental Impacts
- 44 Establishment of a Sustainable Value Chain

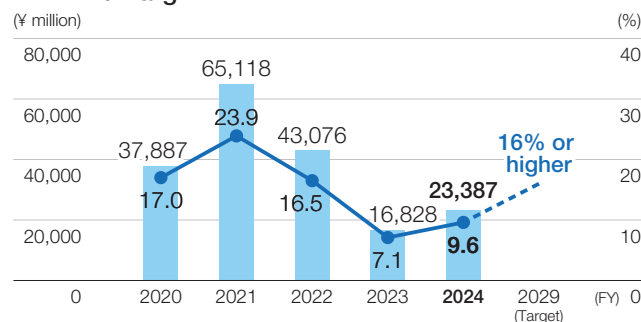
# Performance Highlights

## Fiscal 2024 Results and Fiscal 2029 Targets

We achieved year-on-year increases in sales and profit in fiscal 2024, with EBITDA up by approximately ¥6.6 billion, and operating profit up by approximately ¥6.7 billion. Operating cash flow and EBITDA have already surpassed the pre-COVID level seen in fiscal 2019, and we are steadily reinforcing our financial base. The medium-term plan, H.U. 2030, which started from fiscal 2025, is defined as a “harvesting

phase” to reap the results of the growth investments we have conducted. Looking toward fiscal 2029, we aim to pivot to a highly profitable business model, targeting a consolidated EBITDA margin of 16% or higher, operating profit margin of 11% or higher, ROIC of 10% or higher, return on equity (ROE) of 13% or higher, and cumulative operating cash flow of more than ¥150.0 billion.

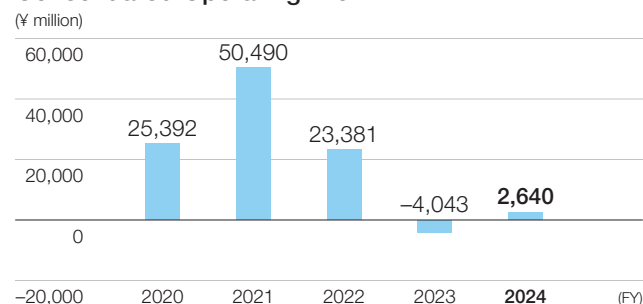
### EBITDA/Margin\*1



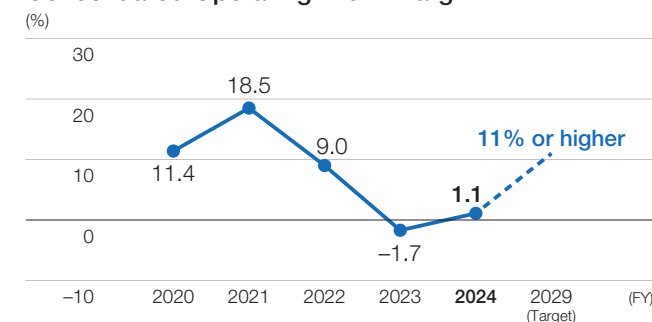
■ Consolidated EBITDA (left axis) ● Consolidated EBITDA margin (right axis)

\*1 EBITDA = Operating profit + Depreciation + Amortization of goodwill;  
EBITDA margin = EBITDA / Net sales

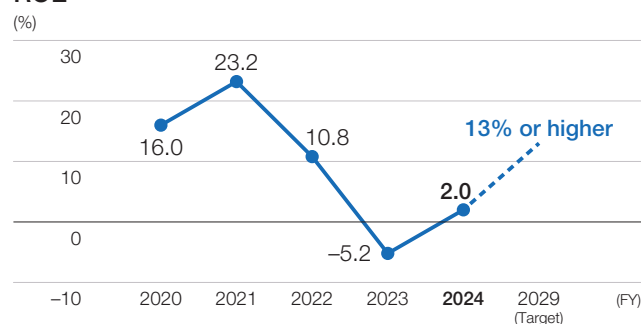
### Consolidated Operating Profit



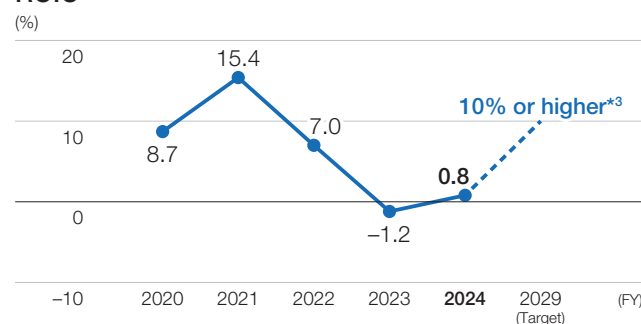
### Consolidated Operating Profit Margin



### ROE



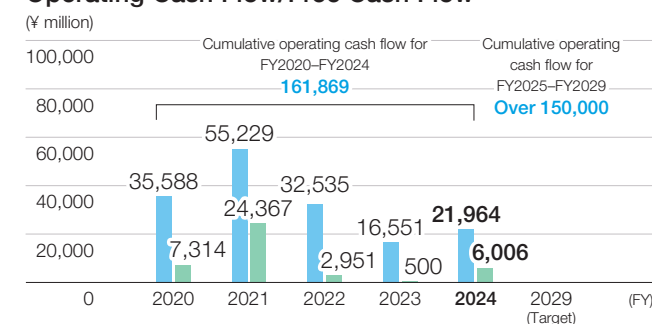
### ROIC\*2



\*2 ROIC = NOPAT (Operating profit – Assumed corporate tax) / Invested capital  
[Average of net assets at beginning and end of year, Interest-bearing debt (including lease obligations), and Other non-current liabilities]

\*3 Excluding lease finance standard impact

### Operating Cash Flow/Free Cash Flow



■ Operating cash flow ■ Free cash flow

Cumulative operating cash flow for  
FY2020–FY2024  
**161,869**

Cumulative operating  
cash flow for  
FY2025–FY2029  
**Over 150,000**

# Overview of Management Strategy

## Change in Strategy over 10 Years

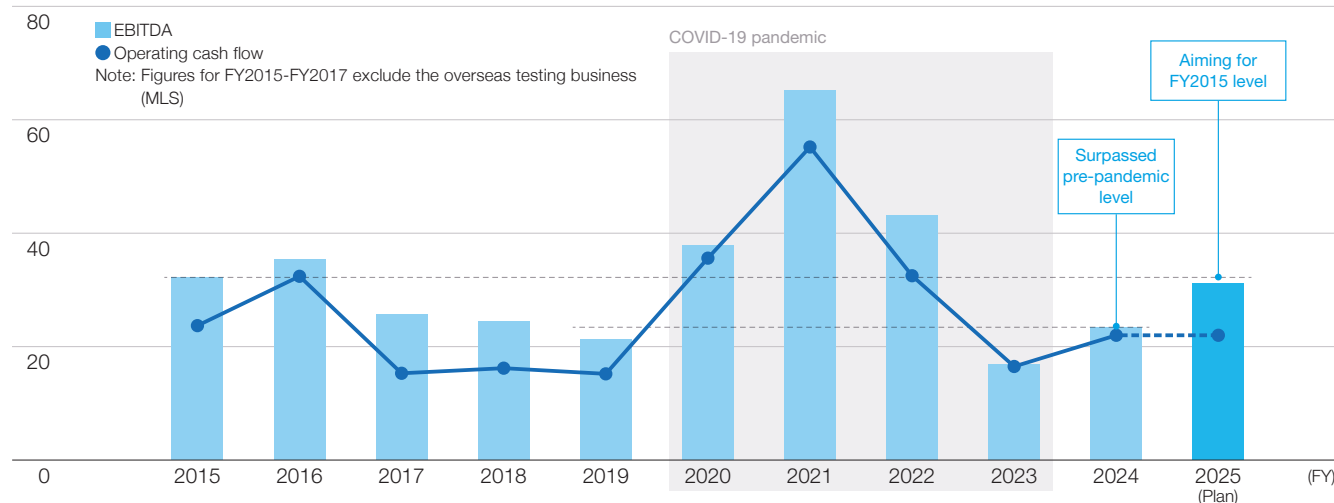
Throughout the 2010s, market growth in the commissioned clinical testing industry continued to slow due to impacts such as curbs on medical fees. In this adverse environment, we determined that medium- to long-term growth was unattainable if we continued our existing management approach. Positioning the year 2017 as our “second founding,” we undertook a radical change in management strategy and structural reforms. First, we set out to build the Group’s management foundation by promoting the integration of our philosophy, IT systems, and personnel system, and the unification of our organization. Furthermore, we focused on establishing a foundation to support future growth, stepping up our capital investment and human resource investment, which had been restrained for some time, and establishing Miraca Research Institute (currently H.U. Group Research Institute).

The results of these initiatives emerged from around 2019 in the form of stronger Group unity. During the COVID-19 pandemic, this enabled coordination among our LTS business, IVD business, and R&D functions to realize the rapid development and commercialization of test reagents, as well as contributing to the provision of comprehensive testing services for airport quarantine. In 2020, we changed to the current company name, and established H.U. Frontier, a company for consolidating and managing the Group’s sales functions. We have developed a system that allows us to offer a broad lineup of products and services seamlessly. In addition, with an eye to increasing profitability, we have restructured our laboratories throughout Japan around the H.U. Bioness Complex, and we are promoting a bold transition to a CDMO business model in the IVD business.

These strategies are also producing results, as consolidated financial results for fiscal 2024 showed growth in sales and profits, with EBITDA and operating cash flow surpassing pre-pandemic levels. In fiscal 2025, we are forecasting EBITDA to approach the record-high level achieved in 2016, excluding the overseas testing business. On the financial front, we are working to maintain a healthy cash generation capability while increasing profitability even further. Meanwhile, under the previous medium-term plan, which ended in fiscal 2024, we were unable to adequately achieve many of our targets for reducing fixed costs and improving profit margins, and we have reaffirmed that these are important priorities for us going forward.

## EBITDA and Operating cash flow since FY2015

(¥ billion)



### Common platform building phase (FY2015-FY2019)

### Strategic collaboration phase (FY2020-FY2025)

Whole Group	2017	Started integration strategy, positioned as a second founding	2020	Company name changed to H.U. Group Holdings
	2017	Established Miraca Research Institute G.K. (currently H.U. Group Research Institute G.K.)	2020	Established integrated sales company H.U. Frontier, Inc.
LTS Business	2019	Made Selmesta Co., Ltd. (currently H.U. Wellness, Inc.) a subsidiary	2021	Reorganized segments (three-business structure of LTS, IVD, and HS businesses)
	2019	Made Japan Institute of Foods Ecology, Inc. a subsidiary	2020	Established Ishinban, Inc.
IVD Business	2017	Established Fujirebio Holdings, Inc.	2022	Established H.U.POCKeT, Inc.
	2019	Established Fujirebio Diagnostics Japan, Inc.	2023	Made Tokyo Central Pathology Laboratory, Inc. a subsidiary
HS Business	2018	Started home-visiting business (home-visit nursing, etc.) through Care'x, Inc.	2023	Started full operation of the H.U. Bioness Complex
			2022	Made ADx NeuroSciences N.V. (Belgium) a subsidiary
			2022	Made Fluxus, Inc. (U.S.) a subsidiary
			2025	Made Plasma Services Group, Inc. (U.S.) a subsidiary
			2024	Made GAIA medicare Inc. a subsidiary



## Overview of Medium-term Plan H.U. 2030

Over the past 10 years, the H.U. Group has made steady progress on establishing its management foundation and strengthening Group unity. Although COVID-19 temporarily slowed profitability improvements such as fixed cost reduction, we have continued to make strategic investments for sustainable future growth. Building on these results, we have formulated a new Vision and medium-term plan, H.U. 2030, by back-casting from where we want to be in 10 years. With the five years starting from fiscal 2025 positioned as an “investment harvesting phase,” we will accelerate collaboration in and outside the Group and contribute to the creation of new value and the resolution of social issues in the healthcare domain.

One of our key initiatives under H.U. 2030 is our “transformation into a highly profitable structure.” In the LTS business, we will maximize the functions of the H.U. Bioness Complex and increase its productivity, while raising profitability by introducing high-value-added tests directly linked to diagnostics and treatment, aiming to

continue growth that will drive profit. We aim to strengthen integrated management and transition to a highly profitable structure by reducing costs through the introduction of our own test reagents and standardizing high-value-added test items. In the IVD business, we will expand our partnerships with diagnostic reagent companies in CDMO, and concentrate management resources in the NEURO and domestic Lumipulse® businesses, looking to achieve an operating profit margin of 25% or higher in fiscal 2029.

Furthermore, we will promote “further acceleration of integrated management” as our core management strategy going forward. Through coordination between the LTS business and the IVD business, we realized rapid practical application of SARS-CoV-2 antigen tests and certain Lumipulse® reagents. Going forward, we will deploy this successful model in other fields, such as NEURO, looking to expand the range of test items and create new markets. We will also leverage the Group’s technological capabilities, switching from test reagents that depend on outside suppliers to products developed in-house. This will stabilize our supply chain and

increase our cost competitiveness. In the future, we will also market these original reagents for external sales, aiming to establish a new revenue base.

By leveraging the customer bases of our Group companies, we will maximize our value proposition, expand business opportunities, and address customers’ issues through the Group’s unique strengths.

### Key Initiatives in H.U. 2030

1. Further acceleration of integrated management  
[p.12](#) • [Further Acceleration of Integrated Management](#)
2. Transformation into a highly profitable structure  
[p.25](#) • [Resolution of Social Issues through Our Businesses](#)
3. Optimizing capital allocation and improving capital efficiency  
[p.21](#) • [Financial Strategy](#)

## ▶ Review of Previous Medium-term Plan and Future Challenges

### Review of Previous Medium-term Plan

<b>LTS Business</b>	<ul style="list-style-type: none"> <li>• Delay of full operation of the H.U. Bioness Complex</li> <li>• Below-target fixed cost reductions and profitability improvement</li> <li>• Regional lab restructuring (general practitioner strategy revised)</li> <li>• Increased advanced test items such as gene-related testing</li> </ul>
<b>IVD Business</b>	<ul style="list-style-type: none"> <li>• Lumipulse® installations up in Japan, but base growth flat</li> <li>• CDMO achieved high-level growth with expanding new partnerships</li> <li>• Launched new AD*1-related products in NEURO</li> <li>• Implemented “selection and concentration” strategy and optimized cost structure</li> </ul>
<b>New Areas/ Group Integration</b>	<ul style="list-style-type: none"> <li>• Prepared for launch of healthcare and ICT service businesses</li> <li>• Quickly built COVID-19 testing system (PCR testing and antigen test reagents) using Group synergies</li> </ul>

\*1 Alzheimer's disease

### Challenges to be addressed

- Maximize H.U. Bioness Complex functions and capabilities
- Selection and concentration
  - Focus on the hospital market
  - General testing market: Integrate three clinical testing subsidiaries outside SRL/ strengthen selection and concentration via alliance
- Lab restructuring in final phase, including suspension of New Kansai Lab project
- Profitability improvement in line with profit growth

### Further focus on the core fields and accelerate growth

- CDMO: Deliver early sales contribution
- NEURO: Expand the lineup further
- Lumipulse® Japan: Strengthen sales force and product appeal

- Promote market creation via medical DX, PHR\*2, and customer base
- Establish and grow businesses in pre-symptomatic disease and healthcare

- Strengthen integrated management based on proven success, further leveraging Group synergies

\*2 Personal health record

# Financial Strategy

## Basic Policy of Financial Strategy

The H.U. Group's business in the medical and healthcare domain comprises activities with high social value, such as provision of testing services and test reagents that lead to the prevention and early detection of disease, and the provision of indispensable services for operating rooms. After re-examining the true nature of these businesses, in the newly launched medium-term plan, we have adopted "resolution of social issues through our businesses" as one of our new material issues (materiality). By placing the resolution of social issues at the center of our business, we have more clearly articulated the Group's approach of enhancing corporate value in terms of both sustainability and profitability.

Based on this approach, the Group's financial strategy is to achieve sustainable growth and expand earnings of businesses that contribute to resolving social issues through measures such as promoting strategic allocation of resources to growth fields, implementing management with an awareness of increasing ROE and ROIC, and strengthening investment management. Furthermore, we will securely reap the results of large-scale investments implemented under the previous medium-term plan and increase our cash flow generation capability, while aiming to further increase corporate value by utilizing this cash to strengthen shareholder returns.

The current medium-term plan has set the following main management targets for fiscal 2029: ROE of 13% or higher, EBITDA margin of 16% or higher, operating profit margin of 11% or higher, ROIC of 10% or higher, and cumulative operating cash flow of ¥150.0 billion or more from fiscal 2025 to fiscal 2029.

The ROIC targets have been presented separately for each business segment for the first time. This aims to foster deeper understanding, both inside and outside the Company, of each business's capital allocation policy and investment efficiency.

We have set fiscal 2029 ROIC targets of 17% or higher for both the LTS business and the IVD business, clarifying our policy of balancing our investments in both businesses. Meanwhile, for the HS business, we have set a higher ROIC target of 25% or higher, with the intention that it should create synergies by utilizing the shared customer base with the LTS and IVD businesses, and function as the main driver for increasing the Group's overall ROIC.

Going forward, we will aim to further accelerate Group management based not only on the profit and loss statement but also on the balance sheet and capital efficiency by having a Group-wide awareness of ROIC by segment.

## H.U. 2030 Management Targets

Indicators	FY2024 Result	FY2025 Forecast	FY2029 Target
ROE	2.0%	4.1%	13% or higher
Operating cash flow	¥22.0 billion	¥22.0 billion	¥150.0 billion or more*1
Consolidated EBITDA (margin)	¥23.4 billion (9.6%)	¥30.5 billion (12.1%)	16% or higher
Consolidated operating profit (profit margin)	¥2.6 billion (1.1%)	¥8.0 billion (3.2%)	11% or higher
ROIC	0.8%	2.5%	10% or higher

\*1 Five-year cumulative management target

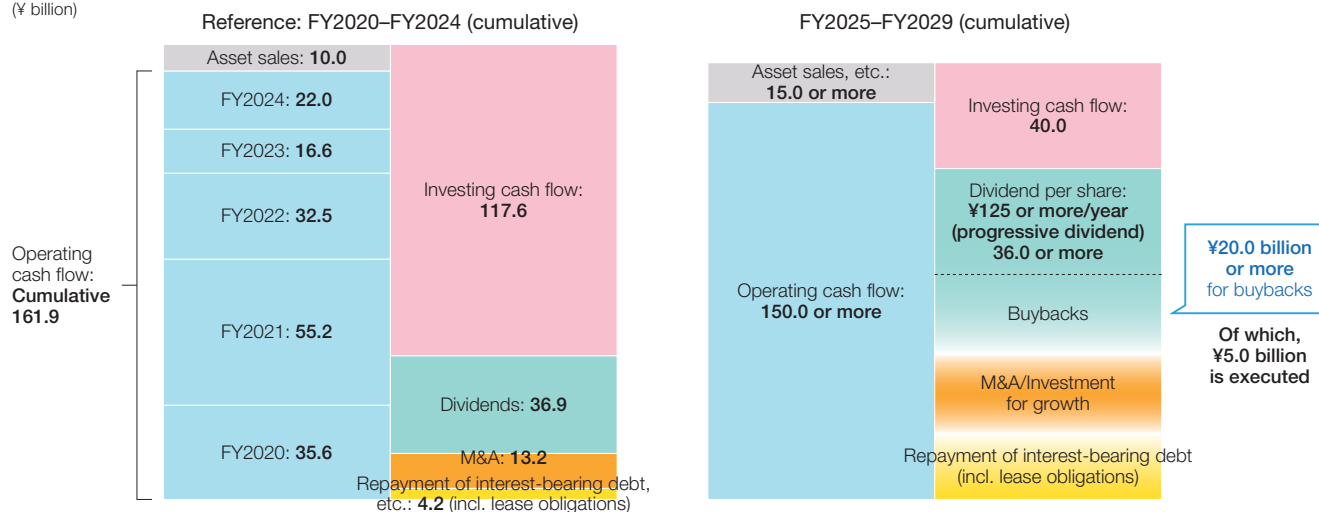
## Optimizing Capital Allocation

During the five years of the previous medium-term plan, we allocated ¥117.6 billion to investments, representing around 68% of operating cash flow and cash from asset sales. Under the current medium-term plan, one of our key missions is to realize the returns from these large-scale investments and achieve cumulative operating cash flow of ¥150.0 billion or higher from fiscal 2025 to fiscal 2029 while enhancing ROIC. To achieve this, we will strengthen our system for managing investment performance to an even higher level. We will operate a PDCA cycle and build a system that enables rapid and effective responses whenever actual performance diverges from initial investment assumptions.

To improve the cash conversion cycle (CCC), we have already shortened the cycle to 30 days or shorter at SRL, the core company in the LTS business. On the other hand, we have yet to obtain a noticeable effect in the IVD business, and we will continue working to improve the CCC while controlling the risk of product shortages.

## Capital Allocation Policy under H.U. 2030

(¥ billion)



Our investment policy for the coming five years is to implement thorough selection and concentration mainly focused on maintenance investment, unlike during the previous medium-term plan. However, we will continue to execute M&As that bring potential Group synergies and growth investments that are clearly compatible with our business strategy, as appropriate, after carefully examining the returns.

Through the steady increase in free cash flow, we will obtain funds for shareholder returns, while actively and flexibly conducting share repurchases to increase shareholder value. From fiscal 2025 to fiscal 2029, we plan to make cumulative shareholder returns totaling ¥56.0 billion or more, combining share repurchases of ¥20.0 billion or more and dividends. To ensure we can execute this plan, it is essential to steadily reap the returns on large-scale investments executed under the previous medium-term plan and achieve cumulative operating cash flow of ¥150.0 billion or more. In addition, we will promote effective use of cash from asset sales based on capital efficiency. We envisage selling assets such as real estate that has become unnecessary following streamlining operations in the LTS business. We will also look at discussing strategic options for businesses that are not expected to grow in the future, or for which it is deemed difficult to improve the ROIC.

Furthermore, for high-priority M&As and growth investments aligned with the key initiatives of the current medium-term plan, we will take decisive action, utilizing additional debt capacity<sup>\*2</sup> and so forth as necessary. Execution of such investments is always predicated on maintaining a balance with financial soundness. The Group considers net interest-bearing debt to EBITDA, excluding lease obligations, to be an important indicator, and uses 1.3x or lower as a benchmark. However, during the period of the current medium-term plan, we consider it acceptable for the ratio to temporarily exceed this level. This is because we believe that increasing the level of EBITDA enables us to expand our debt capacity.

<sup>\*2</sup> Capacity for procurement of interest-bearing debt

### Improving Capital Efficiency

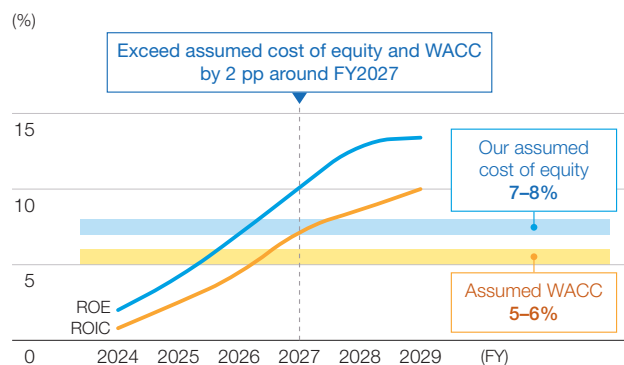
Under the current medium-term plan, we aim to promote a business portfolio strategy and optimize capital allocation based on ROIC in each business segment, thereby increasing capital efficiency.

The Company's cost of equity is currently estimated at around 7–8%. We are working to realize ROE that exceeds the level of market expectations from fiscal 2027 onward through continuous improvement of consolidated ROIC, as well as a reduction in depreciation, and a reduction in share of loss of entities accounted for using equity method. Specifically, we aim to realize a level that is 2 percentage points or more above the cost of equity. In addition, to achieve continued reduction of the WACC,<sup>\*3</sup> we will make use of financial leverage within an appropriate scope.

We have set the hurdle rate in a range from 8–24%, factoring in the degree of investment risk and the difference in risk-free rates by region as a risk premium, and we are striving to strengthen investment decision-making and management.

<sup>\*3</sup> Weighted average cost of capital. The weighted average of borrowing costs and equity financing costs

### ▶ ROE and ROIC



### Strengthening Shareholder Returns

For shareholder returns, we have set a target for consolidated dividend on equity (DOE) of 6%. We have introduced a new progressive dividend policy, reflecting management's confidence in stable free cash flow generation, and have clarified our commitment to building long-term trust with shareholders.

With regard to capital allocation, we have positioned share repurchases as part of our strategic investments, after taking into consideration the comparison with ROIC in our business investments. This demonstrates management's intention to focus on maximizing capital efficiency and further increasing ROE. Looking ahead, we will work steadily to maximize shareholder value by rigorously implementing management that is conscious of the cost of capital.

#### Shareholder Return Policy

We aim to achieve a consolidated DOE ratio of 6% as our primary KPI for dividends, ensuring progressive dividend payments from the profits and funds generated by each business. At the same time, we consider cash flow, maintaining a strong financial base over the medium to long term, and other relevant factors from a comprehensive viewpoint. Additionally, we consider share repurchases to be strategic investments in the Group, and we implement them actively and flexibly.

### ▶ Financial Discipline

	FY2023 Result	FY2024 Result	FY2029 Target
Net interest-bearing debt to EBITDA (excl. lease obligations)	1.79 times	1.26 times	<b>1.3 times or less</b>
Equity ratio (excl. real estate finance)	49.0%	49.0%	<b>40% or more</b>

### ▶ Shareholder Returns

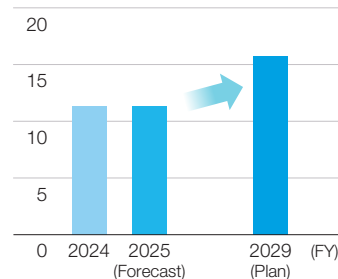
	FY2023 Result	FY2024 Result	FY2025 Target
Dividend per share	¥125.00	¥125.00	¥125.00



## ► Trend in Main Indicators in the Medium-term Plan

### Research and Development Expenses

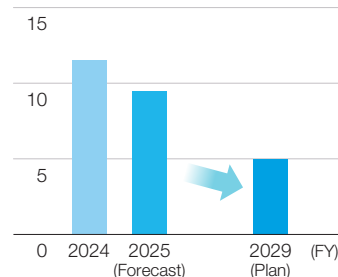
(¥ billion)



- The IVD business aims to allocate 12% of sales to R&D
- Ongoing development of Lumipulse® reagents including NEURO

### Capital Expenditure

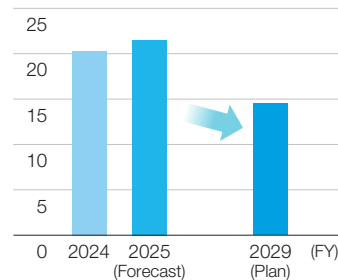
(¥ billion)



- H.U. Bioness Complex-related investment completed in fiscal 2024
- Capital expenditure has peaked out; maintenance investment is now the main focus

### Depreciation

(¥ billion)



- Depreciation expenses are expected to peak in fiscal 2025
- After that, they are expected to decline

## Social Finance

The Company issued a Social Bond (unsecured bond) in October 2019 to raise funds for the introduction of testing machines and IT systems to be used at the H.U. Bioness Complex, which started operation in May 2023, the improvement of testing quality, and R&D to establish innovative technologies. Furthermore, in March 2020,

the Company executed long-term borrowings through an SDGs Social Loan.\*4

The status of allocation of procured funds in fiscal 2024 and output and outcome reports are shown below.

\*4 A method of procuring funds for limited uses in projects that contribute to the resolution of social issues and initiatives that aim to achieve or contribute to the SDGs

## Social Finance Reporting

### ► Allocation of Funds

Item	Amount (¥ million)
Amount of funds (after deduction of expenses from social bonds and loans)	24,923
Expenditure from FY2019 to FY2024 (result)	
H.U. Bioness Complex	
IT systems	15,334
Equipment	8,590
R&D	999
Total	24,923
Balance as of the end of FY2024	0

### ► Output Report

#### H.U. Bioness Complex

Overview of newly introduced equipment and IT systems (reception equipment and testing machines, etc.) and investment amounts (up to start of operations in fiscal 2024)

	Investment Amount (¥ million)
Reception equipment	4,510
Testing machines	2,522
Central specimen storage	1,118
Software	15,334
Other equipment	440

#### R&D

##### 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 diagnostics platform
- Strengthening of open innovation

### ► Outcome Indicators (R&D)

#### Status of R&D Progress

Number of academic publications and presentations	<ul style="list-style-type: none"> <li>• 31 academic presentations (Japan and overseas)</li> </ul>
Number of research-related contracts	<ul style="list-style-type: none"> <li>• 12 intra-Group contracts</li> <li>• 37 external outsourcing contracts</li> <li>• 12 new joint research contracts</li> <li>• 32 new confidentiality agreements</li> </ul>
Number of patent applications	<ul style="list-style-type: none"> <li>• 7 applications (new applications in Japan)</li> </ul>

#### Cases That Resulted in Practical Application

- We continued to develop, introduce, and implement various technologies for monitoring variants in COVID-19 testing at the request of the government. We built a stable COVID-19 virus genome analysis system, and continued to conduct over 35,000 measurements with SRL.
- We supported efficiency and productivity increases in the LTS business using technologies such as mechanization and the implementation of AI, digital technology, and devices. We also addressed the issue of plastics, which are consumed in large quantities in the LTS business, promoting the selection of test reagents with low environmental impact and the implementation of devices from an SDGs perspective.

## Numerical Plans by Segment

## FY2024 Result

## Medium-term Plan H.U. 2030 Targets and Results

## LTS Business



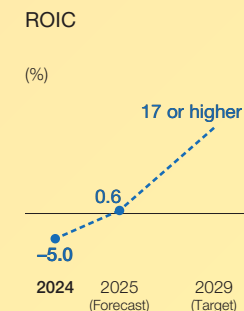
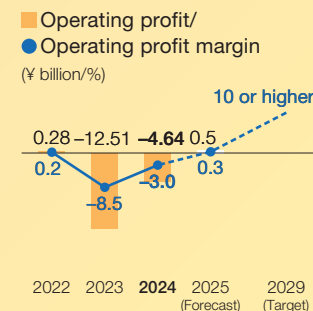
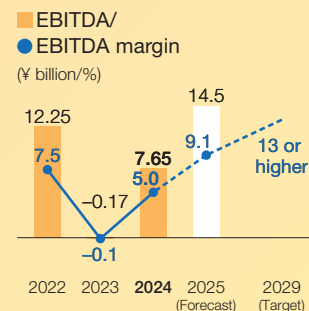
## Main Products and Services

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

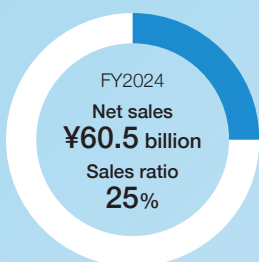
## Main Companies

- ▶ SRL, Inc.
- ▶ Nihon Rinsho, Inc., etc.

Net sales increased, driven by growth in the base business, including genetic testing such as cancer genome testing, despite a decrease in net sales for testing related to COVID-19. As a result, net sales were ¥153,014 million, up 4.3% year on year. In profits, operating loss was ¥4,638 million, against a loss of ¥12,512 million in the previous fiscal year, reflecting a profit increase due to higher sales in the base business and the emergent effects of measures to improve profitability.



## IVD Business



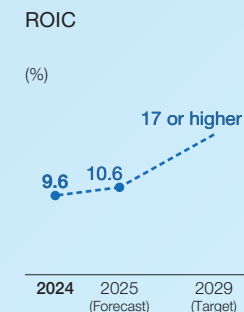
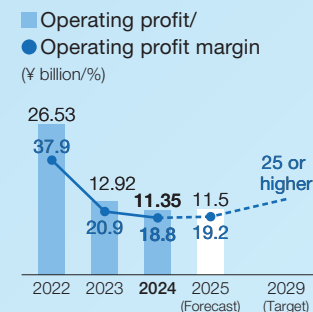
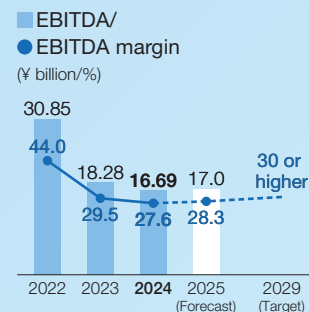
## Main Products and Services

- ▶ Lumipulse® business
- ▶ CDMO and raw material supply business
- ▶ Other products

## Main Companies

- ▶ Fujirebio Holdings, Inc.
- ▶ Fujirebio Inc.
- ▶ Fujirebio Diagnostics, Inc. (U.S.), etc.

Net sales decreased, mainly due to a decrease in net sales of COVID-19-related products, despite growth in NEURO reagents overseas and the foreign exchange impact from the yen's depreciation. As a result, net sales were ¥60,492 million, down 2.3% year on year. In profits, operating profit was ¥11,345 million, down 12.2% year on year, mainly reflecting a decrease due to lower COVID-19-related sales.



## HS Business



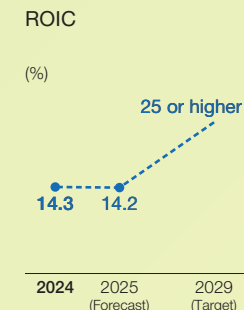
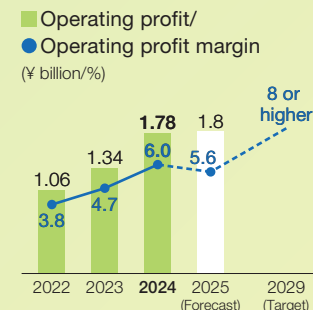
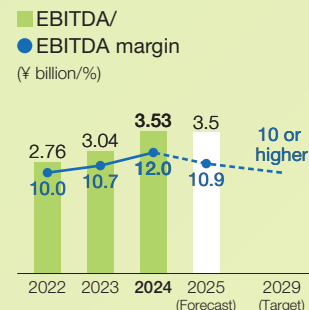
## Main Products and Services

- ▶ Sterilization and related services business
- ▶ Home-visit services business

## Main Companies

- ▶ Nihon Stery, Inc.

Net sales were ¥29,518 million, up 4.3% year on year, mainly reflecting growth in the sterilization and related services business. In profits, operating profit was ¥1,777 million, up 33.0% year on year, mainly due to a boost to profits from higher sales and improvements in profitability in the sterilization and related services business.



Note: The above graphs are presented in fiscal years.



## Resolution of Social Issues through Our Businesses

### LTS Business

#### Business Characteristics

The LTS business comprises several operating companies, centered on SRL, with strengths in esoteric testing such as cancer and genetic testing, which requires advanced technology. We aim to reinforce our unique strengths by enhancing the test item pipeline that provides high patient value, such as testing services that support genomic medicine and advanced medicine.

Currently, we accept commissioned tests from medical institutions throughout Japan, mainly major hospitals. We have the largest share of Japan's clinical testing market. We will achieve the optimal cost structure by improving operating efficiency, primarily at the H.U. Bioness Complex, while focusing on growing our base businesses.

#### Numerical Targets of H.U. 2030

- Consolidated EBITDA margin: **13% or higher**
- Consolidated operating profit margin: **10% or higher**
- ROIC: **17% or higher**

#### Materiality KPIs (FY2029 Targets)

- Number of newly introduced dementia-related test items: **8 items or more**
- Number of cancer gene (cancer genomic profiling) tests directly linked to treatment: **20% increase** compared to FY2024

#### Getting Back on the Growth Track

In the LTS business, we are working to increase the accuracy of diagnoses and treatments and to introduce high-value test items, in order to support patients' timely access to appropriate treatment. We are also working to contribute to the resolution of issues facing medical frontline settings through the standardization of esoteric testing and the promotion of medical DX.

Our competitive strength in this area stems from our solid position in high-value-added domains such as chromosome testing, in which we have a 70% share of the Japanese market, as well as genetic, esoteric, and semi-specialized testing. Under the previous medium-term plan, H.U. 2025, we created a foundation that enables us to fully utilize our strengths to achieve profitable growth. Meanwhile, in the field of general testing, where it is difficult to differentiate ourselves, we have taken a "selection and concentration" approach, aiming to optimize resource allocation through strategic business development, such as forming alliances with other companies to complement areas that we do not cover.

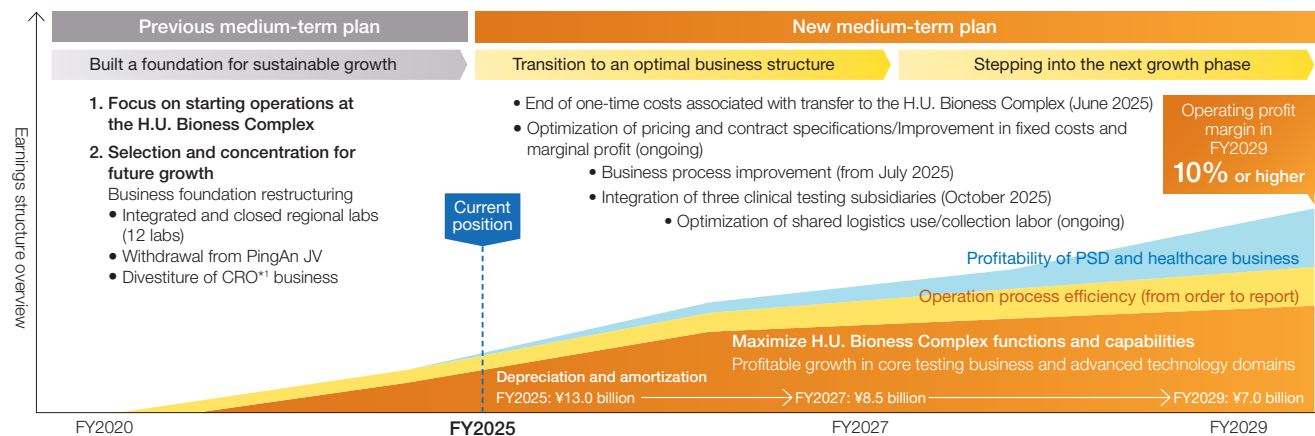
The most significant result of the previous medium-term plan was the start of full-scale operations at our core facility, the H.U. Bioness Complex, which is one of the largest of its kind in the world. Automation quality assurance took some time as we were unable to

secure adequate verification time due to the impact of the COVID-19 pandemic; however, in May 2023, we started full-scale operations.

Another significant achievement during the period of the previous medium-term plan was our timely response to society's demands under the unprecedented situation caused by the COVID-19 pandemic. The Group responded swiftly and accurately, leveraging the strengths of its internal value chain in clinical testing to rapidly establish a system to receive commissions for PCR tests, and to become the first in Japan to receive approval for quantitative and qualitative antigen tests.

Despite these achievements, several challenges remain. Among these, our main focus is on changes in the healthcare environment and commissioned-service models, the increasing diversity of treatment strategies, and the improvement of profitability, which has declined due to higher costs, particularly in shipping and logistics. By strengthening the functions of the H.U. Bioness Complex, we will continue to optimize our business structure. In addition, to respond to the increase in diversity and complexity of testing services, we need to achieve further efficiency gains across our overall operation through the promotion of DX and other initiatives. Moreover, we continue to focus on strengthening and upgrading our overall testing services by leveraging our value chain, including internalizing reagent manufacturing and providing advanced tests.

#### ▶ LTS Business Earnings Structure Overview



\*1 Contract Research Organization



## H.U. 2030 Growth Strategy

The LTS business is broadly promoting three initiatives as strategic pillars for establishing a highly profitable structure and realizing sustainable growth. The first is the introduction of high-value test items that contribute to increasing the sophistication of diagnosis and treatment, which will drive future sales growth. The second is the establishment of high-quality testing standards through the standardization of esoteric testing. The third is the resolution of social and customer issues through the promotion of medical DX. In tandem with this, we will increase our earning capacity by streamlining our overall testing operations.

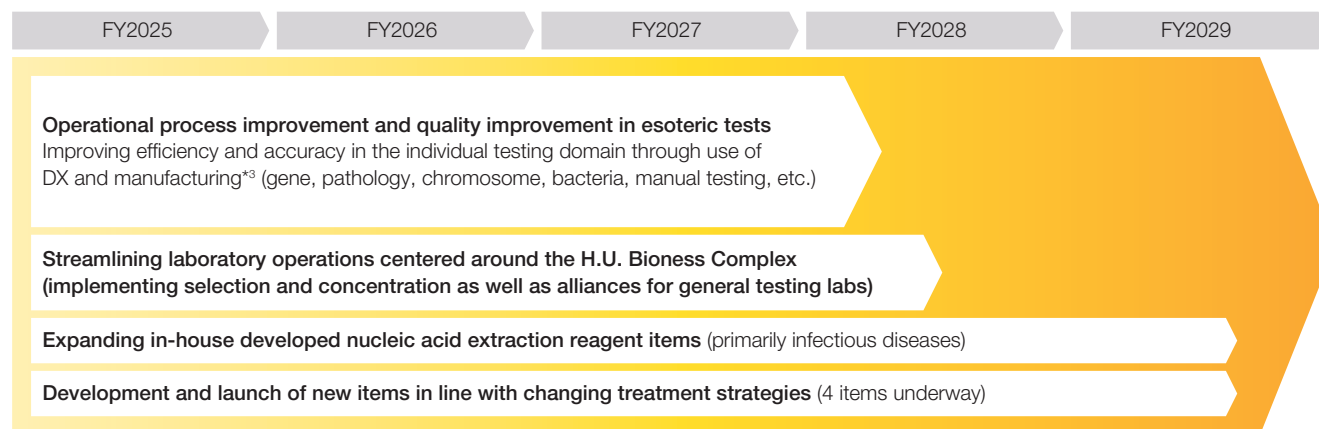
Under the new medium-term plan, H.U. 2030, we will continue to address the challenge of strengthening our earning capacity based on these strategic pillars. One of the key initiatives in this regard is streamlining laboratory operations centered around the H.U. Bioness Complex. We will identify domains that leverage the H.U. Group's strengths and clarify which business fields to focus on, aiming to realize reliable growth by strengthening and expanding our functions in those domains.

For example, in the domain of semi-specialized testing, we will integrate automated equipment and conveyor lines to reduce labor, while expanding the introduction of Lumipulse® to strengthen synergies with the IVD business. Going further, we will strengthen our capabilities in advanced fields, such as expanding our range of test items in the NEURO field. Meanwhile, we will continue to promote selection and concentration in the general testing field. As part of this, in October 2025, we completed the integration of three operating companies under SRL, and started operations.

Another key part of our growth strategy under H.U. 2030 is to differentiate our offerings and increase earnings through a unique product strategy. Already in the genetic testing domain, we are promoting the systematic introduction of four nucleic acid extraction reagents developed through Group-wide collaboration. By replacing reagents that were previously procured externally with in-house reagents, we expect to achieve a 20% reduction in the reagent cost.\*2

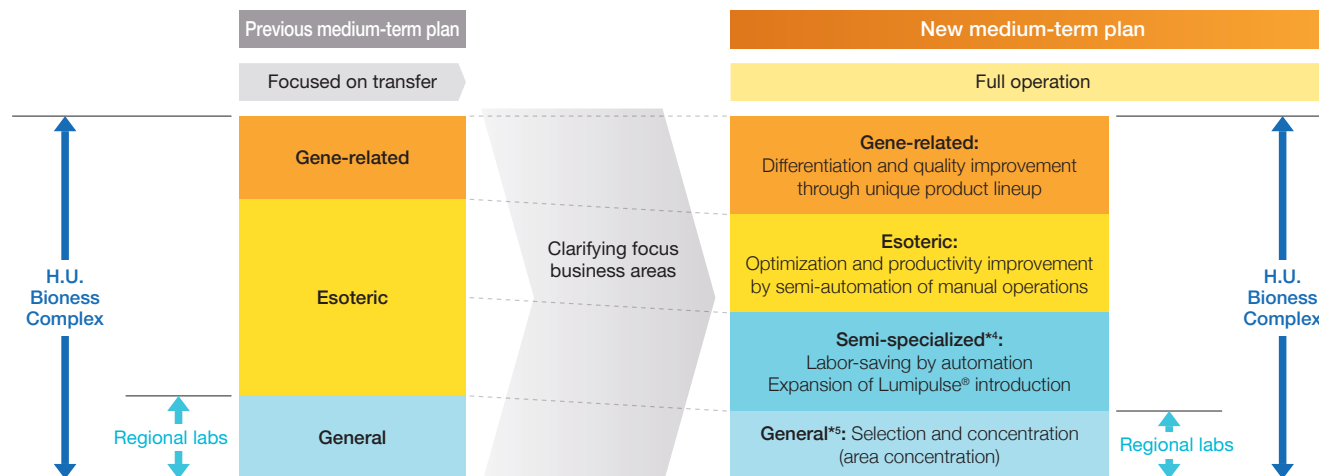
\*2 Fiscal 2029 plan, compared to fiscal 2024

## ► Maximization of the H.U. Bioness Complex's Functions



\*3 Utilization of 3D printing, etc.

## ► Business Fields to Focus On



\*4 Semi-specialized testing: Test items related to immunoassays, allergies, infectious diseases, etc.

\*5 General testing: Test items related to urine/feces, hematology, biochemistry, etc.

## Maximization of the H.U. Bioness Complex's Functions

The H.U. Bioness Complex started full-scale operations in May 2023 as the core facility of the Group. It covers an area of approximately 122,000 m<sup>2</sup> (around 2.7 times the size of Tokyo Dome) and includes the R&D Building and testing laboratories. The introduction of fully automated production lines operating 24 hours a day and robotics ensures rigorous efficiency. This has significantly reduced the specimen transporting workload, increasing testing productivity by 40% compared to the previous multi-laboratory configuration in Hachioji City.\*<sup>6</sup> In addition to saving labor, the facility is designed to increase both the quality and efficiency of testing by preventing human error through proactive use of IT and AI.

Looking ahead, we will optimize the overall testing process by leveraging accumulated testing order data, refining categorization and shortening preprocessing operations, and improving efficiency through error prediction, prevention and minimized downtime. In addition, by extending the operational uptime up to 24 hours, we aim to achieve a processing capacity of 250,000 IDs or higher by fiscal 2029.

Furthermore, in the esoteric testing domain, we will automate and streamline complex manual operations through DX, including the introduction of a process instruction system using projection mapping. In the genetic testing domain, we will strengthen our testing system functions using advanced technologies over a wide area, including expanding the scope of automation in preprocessing operations, and increasing detection sensitivity through cooperation with AI.

\*<sup>6</sup> Fiscal 2023 result, compared to fiscal 2019

## ► Evolution of Operations at the H.U. Bioness Complex

### Results of previous medium-term plan

#### Streamlined of reception\*<sup>7</sup>

- Productivity improvement: 40%
- Reduction in preprocessing due to labor-saving: -27%



Automated conveyor line

#### Streamlined complex manual process

- Esoteric testing area  
Introduced pre-test processing system (DX)



Automated specimen sorting system

#### Expanded automated preprocessing in genetic pathology area

- Automated RNA extraction process (overall adoption rate of 98%)



RNA preprocessing dispensing system

### Outlook for new medium-term plan

#### Optimization of processes and efficiency improvement leveraging testing order data

##### Utilization of order data in automated conveyor line

- Leveraging accumulated know-how to implement optimal preprocessing/categorizing

##### Quality improvement through data-driven error visualization

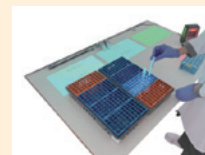
- Reduction and prevention of errors while minimizing downtime

Extension of operational uptime (up to 24 hours)

Processing capacity 250,000 IDs or higher (two times that of fiscal 2024)

#### Further streamlining of reception process

- Digital transformation of manual process  
Introduction of new technologies including projection mapping



#### Semi-automation of EIA testing\*<sup>8</sup> line

- Optimization of 1/3 of manual implementation items (equipment linkage from preprocessing to measurement processes)

Utilization of various technologies, including projection mapping

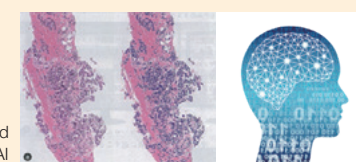
#### Automation of nucleic acid extraction process

- Meeting the rapidly growing demand for cancer gene tests

#### Linking automation with AI

- Enhancing detection sensitivity and quality

Automating pathological marking and tumor cell ratio analysis using AI



\*<sup>7</sup> Fiscal 2023 result (compared to fiscal 2019)

\*<sup>8</sup> Enzyme immunoassay

# IVD Business

## Business Characteristics

In the IVD business, we are promoting a global strategy with a three-hub structure in Japan, the United States, and Europe, led by Fujirebio Holdings, and delivering innovative diagnostic solutions to the world. This strategy starts with the early development of “Only One” test items that are unique to the H.U. Group, leveraging our in-house platform, Lumipulse®, to verify their clinical value. We then use partnerships with global companies in the diagnostic reagent industry to roll them out worldwide at a scale and speed unattainable by a single company. The profits generated are reinvested into future innovations, establishing a strategic virtuous cycle that contributes to the advancement of human health and medical care.

## Numerical Targets of H.U. 2030

- Consolidated EBITDA margin: **30% or higher**
- Consolidated operating profit margin: **25% or higher**
- ROIC: **17% or higher**

## Materiality KPIs (FY2029 Targets)

- Number of countries where NEURO-related reagents have been launched (total of in-house and CDMO products): **50**
- Number of infectious disease items developed for emerging countries (total of in-house and CDMO products): **12**

## NEURO Achievements and Prospects

The aging of populations worldwide is expected to drive an increase in dementia patients, such as people suffering from Alzheimer's disease. Amid concerns that this will exacerbate the burden on social security systems and shortages of medical and nursing personnel, dementia prevention and treatment have become key issues to be addressed by all of society. Recently, therapeutic drugs have emerged that can slow progression when administered early, making early diagnosis and intervention even more important. The creation of systems that enable early detection and appropriate treatment of dementia is of great significance not only to patients themselves, but also to their families and society in general.

At present, dementia diagnosis requires the collection of cerebrospinal fluid specimens or advanced image diagnostics, which are burdensome for both patients and medical institutions. The H.U. Group has been working in this field for many years, and in May 2025, obtained FDA approval for the world's first dementia-related test reagent that uses blood specimens. The reagent is expected to fundamentally change the diagnosis of dementia by enabling early intervention of preventative treatment, reducing the burden on the patient.

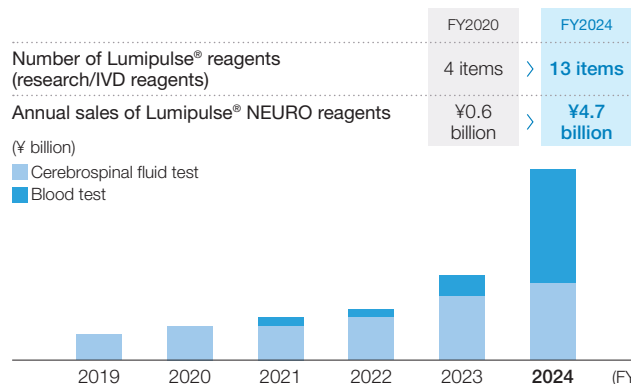
The goal in the development of test reagents and therapeutic drugs in this field is the search for target biomarkers. The Group collaborates with academic institutions and pharmaceutical companies where KOLs are active, engaging in exploratory research

from years before clinical application. Candidate substances are evaluated early using the Lumipulse® series to hasten decision-making on research directions. After their market launch as research reagents and IVD reagents, markers with verified clinical value are promoted globally as products in the CDMO business, and we pursue a virtuous cycle strategy to drive the growth of the entire industry. In this way, the Group is creating a wider range of social value by working in coordination with partner companies and medical front lines, rather than on its own.

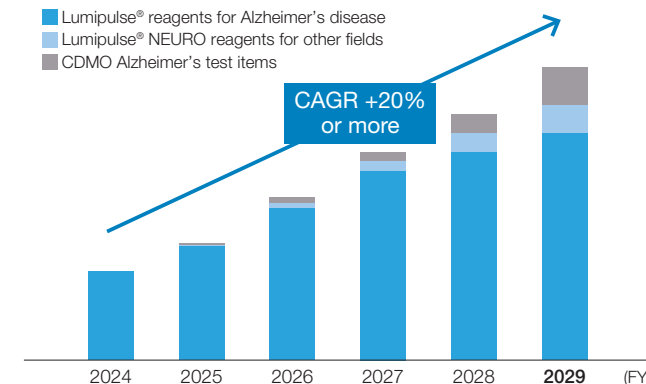
During the previous medium-term plan, H.U. 2025, the blood marker reagents that we had been developing were launched for research use, and sales of Lumipulse® reagents for NEURO-related test items grew approximately sevenfold\*1 on an annual basis. Later, with the acquisition of FDA approval, the Group established a solid position in the industry, and we will continue to lead the market as we expand our business going forward.

Under the new medium-term plan, H.U. 2030, we will leverage the R&D assets of ADx NeuroSciences N.V., which was acquired in 2022, to develop new reagents at the rate of at least five per year on average. ADx NeuroSciences N.V. specializes in biomarker development in the dementia field, and has abundant knowledge and human resources. By leveraging these technology assets to the fullest extent as a group, we will promote the development of a wide range of test items, with the aim of expanding our product portfolio and strengthening our market competitiveness.

## ▶ Sales of Lumipulse® NEURO Reagents



## ▶ NEURO Growth Projection (Lumipulse®+CDMO)





The spread of therapeutic drugs and diagnostic reagents in the NEURO field improves patients' QOL, but also has high social significance in terms of its contribution to optimization of healthcare resources and reduction of social impact. The Group has established its position as a recognized global de facto standard in this field, and will continue to drive the industry going forward, while contributing to solutions to social issues and to the sustainable growth of the market.

\*1 Fiscal 2024 result, compared to fiscal 2020

### CDMO Business Achievements and Prospects

In the CDMO business, which is operated by our IVD segment, we serve as a strategic partner to global diagnostic reagent manufacturers, and we have established ourselves as a provider of innovative diagnostic solutions to healthcare professionals worldwide. By further advancing this business, the Group will be able to deliver its advanced technologies to patients around the world across diagnostic platforms, countries, and regions, thereby contributing to the future of human health and medical care.

In the CDMO business, we respond flexibly to each partner's diverse business environment and provide support across all stages, from basic development to final product manufacturing. We create

new value in this business through our ability to contribute to medicine throughout the world with this open business model at a speed and scale unattainable by a single company.

This business is supported by our expertise in areas such as cancer, neurodegenerative diseases, and infectious diseases; a research and development platform spanning Japan, the United States, and Europe; extensive knowledge of pharmaceutical regulatory affairs; and a flexible production system. We have promoted aggressive corporate acquisitions, starting with Fujirebio Diagnostics, Inc. in the United States in 1998, and strengthened our functions in fields of high social significance. In this way, the Group is increasing its presence in the global market by playing a central role in diagnostic reagent development.

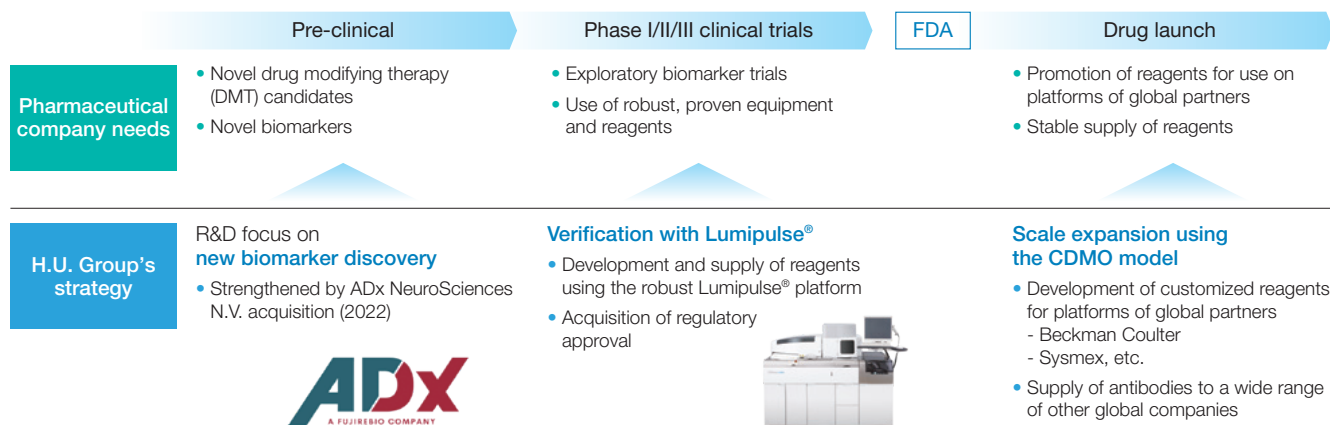
Under the previous medium-term plan, we focused mainly on strengthening the foundation of our CDMO business. We introduced raw material production equipment with identical specifications in Japan, the United States, and Europe, and dispatched human resources from the domestic R&D divisions to bases in each country to promote the horizontal spread of expertise and knowledge and realize integrated development and manufacturing operations. As a result, we have expanded the number of global partners from two to six companies, and the number of contract test items from 17 to 55. Many of the items that were in the development stage have transitioned to the manufacturing phase, and the profitability and

stability of the IVD business overall have increased significantly.

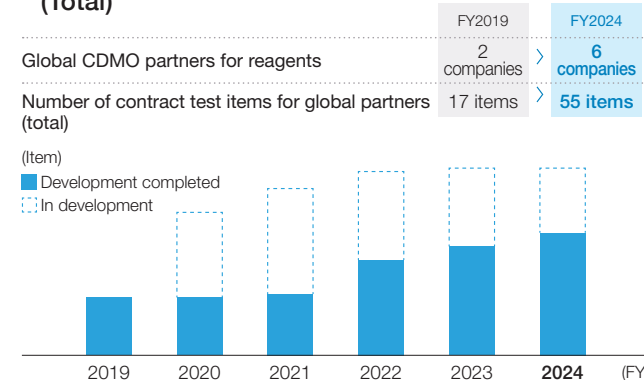
Under the new medium-term plan, H.U. 2030, we aim to continue expanding this business in light of the changes in the market environment in terms of growth in the immunoassay market and shortage of development resources. The trend toward "horizontal specialization" is accelerating with companies outsourcing their internal development operations to external companies. This trend is making the role of the Group even more important as a highly trusted external partner. Looking at the global situation, there are concerns regarding the risk of countries strengthening protectionist trade policies and regulations. However, we will coordinate with global companies focused on the markets of Europe, the United States, and China, as well as local partners specializing in specific areas, to diversify revenue sources and mitigate geopolitical risk.

In addition, the Group's Alzheimer's disease-related diagnostic items, offered on its own platform and leading the global market, are also positioned as a core offering in the CDMO business. Looking ahead, we will continue developing new test items in the dementia field and establish a virtuous cycle that drives global expansion through our partners by demonstrating their value through in-house validation. In this way, we will drive the further evolution of the Group's CDMO business beyond a simple contracting business to become a strategic business supporting the future of medicine.

### ▶ H.U. Group's NEURO Strategy



### ▶ Number of Contract Test Items for Global Partners (Total)



## Contribution to Global Health

Amid growing interest in global health, countermeasures for infectious diseases in particular have become an important theme that directly affects the health of people worldwide. The Group has had strengths in the infectious diseases field since it developed the world's first syphilis test product in 1966, and we recognize this field as a priority.









We collaborate with partners around the world through the CDMO business. We are promoting collaboration with Agappe Diagnostics Ltd. of India with a view to expanding in India, and also in other developing countries. Looking ahead, we will accelerate the development of reagents related to neglected tropical diseases (NTDs), and contribute to resolving issues in this area.

Moreover, in 2022, we acquired the U.S. company Fluxus, Inc., which possesses ultra-high-sensitivity technology capable of detecting target substances at the single molecule level. This enables measurement of trace substances, which is expected to enhance diagnostic accuracy and contribute to early disease detection. We completed research equipment during the previous medium-term plan, and currently we are working with Stanford University on the development of reagents for multiple test items. Furthermore, in April 2025 Fluxus received a grant from the GHIT Fund\*2 to develop early diagnostic technology for tuberculosis.

Under the new medium-term plan, H.U. 2030, we will focus on fields where the use of ultra-high-sensitivity detection technology is anticipated, such as tuberculosis, *C. difficile* infection (CDI), and hepatitis B and C. We will continue to build CDMO partnerships centered on these core areas, promote the spread of the technology across a wider area, and accelerate our contribution to global health.

\*2 The Global Health Innovative Technology Fund

## ► Strengthening the CDMO Strategy and Expanding Our Lineup through M&A

	Acquisition target	Country	Disease/technology field
1998	Centocor Diagnostics of Pennsylvania, Inc. (currently Fujirebio Diagnostics, Inc.)	 United States	Cancer
2006	CanAg Diagnostics Ab (currently Fujirebio Diagnostics AB)	 Sweden	Cancer
	Advanced Life Science Institute, Inc.	 Japan	Infectious diseases
2008	American Biological Technologies, Inc. (subsequently merged with Fujirebio Diagnostics, Inc.)	 United States	Raw materials
2010	Innogenetics N.V. (currently Fujirebio Europe N.V.)	 Belgium	NEURO
	ADx NeuroSciences N.V.	 Belgium	NEURO
2022	Fluxus, Inc.	 United States	Ultra-high-sensitivity detection
2025	Plasma Services Group, Inc.	 United States	Bio-based raw materials

## ► Change in the Market Environment

Market trends		Response of the Group
Horizontal specialization	<ul style="list-style-type: none"> <li>Global IVD players aim at reagent sales growth in immunoassay field</li> <li>With limited resources, IVD players leverage trusted partners for rapid development</li> </ul>	Expanded business with <b>CDMO</b> (global partners)
Changing markets in each country	<ul style="list-style-type: none"> <li>Government policy incentivizing domestic players</li> <li>Changes and tightening of regulations</li> </ul>	Expanded business with <b>CDMO</b> (local partners)
New testing areas	<ul style="list-style-type: none"> <li>Increasing need for Alzheimer's disease-related testing by multiple drug approvals</li> <li>Increasing need for drugs and testing in NEURO field beyond AD</li> </ul>	Global expansion of the Group's <b>NEURO</b> assets through "Lumipulse® + CDMO"

## ► Ultra-High-Sensitivity Detection Achievements and Prospects

Achievements in FY2020–FY2024	<ul style="list-style-type: none"> <li>Development of Research Use Only (RUO) platform and six reagents by Fluxus, Inc.</li> <li>Approval for grant of approximately ¥680 million from the GHIT Fund over two years for the development of a new diagnostic method for tuberculosis</li> </ul>
Prospects for FY2025–FY2029	<ul style="list-style-type: none"> <li>Develop reagents for unmet medical needs for which ultra-high-sensitivity detection technology could have high significance <ul style="list-style-type: none"> <li>TB-LAM (tuberculosis)</li> <li><i>C. difficile</i> infection (CDI)</li> <li>Hepatitis B and C virus (HBV/HCV)</li> </ul> </li> <li>Start collaboration with top universities in the EU and the United States <ul style="list-style-type: none"> <li>Develop and evaluate reagents for infectious diseases</li> </ul> </li> <li>Actively further discussions with global IVD players on CDMO partnerships</li> </ul>

## Transition to a Sustainable, Highly Profitable Business Model

In the IVD business, we will transition to a highly profitable business model by continuing to optimize our business portfolio. During the previous medium-term plan, we achieved continued strong growth in the CDMO business and the NEURO field, leading to an expansion in the share of overseas sales. Under the new medium-term plan, H.U. 2030, we aim to achieve a net sales CAGR of 6% or higher by adding the commercialization of ultra-high-sensitivity detection technology, while continuing to expand the share of overseas sales through growth in the CDMO business and the NEURO field.

The CDMO business is the core of the Group's global strategy. Our business model involves collaborating with partners to expand the revenue base and reach end users beyond the Group's direct access. This business model enables our partners to avoid ballooning upstream development costs, while we are able to curb resources needed to develop end users downstream. In this way, we are able to rapidly expand cutting-edge diagnostic solutions to end users throughout the world, and realize overall market growth. The Group's raw material supply and contract manufacturing of finished products contribute significantly to building a highly profitable business model, as they are expected to achieve both scale expansion and stable supply while maintaining costs at a certain level.

Furthermore, by reinvesting our CDMO business earnings into new innovations, we will drive a virtuous cycle in our global strategy. Going forward, we will continue to invest 12% or more of net sales each year into R&D, aiming to achieve an operating profit margin of 25% by fiscal 2029.

## ▶ H.U. Group's Response to Global Health

### H.U. Group's History of Developing Reagents for Infectious Diseases

- Development of the world's first diagnostic reagent for syphilis (TPHA), and introduction to CDC in the United States (1966)
- Participation in blood screening project of the Japanese Red Cross Society (2008–2019)
- Among the first in the world to develop a COVID-19 antigen test reagent, supplied in Japan and worldwide (May–June 2020)



### Research Grant from GHIT Fund Secured

- Secured a research grant to develop a diagnostic reagent for tuberculosis (April 2025)
  - Utilization of ultra-high-sensitivity detection technology of the U.S. subsidiary Fluxus, Inc.

See the Company's press release for details.

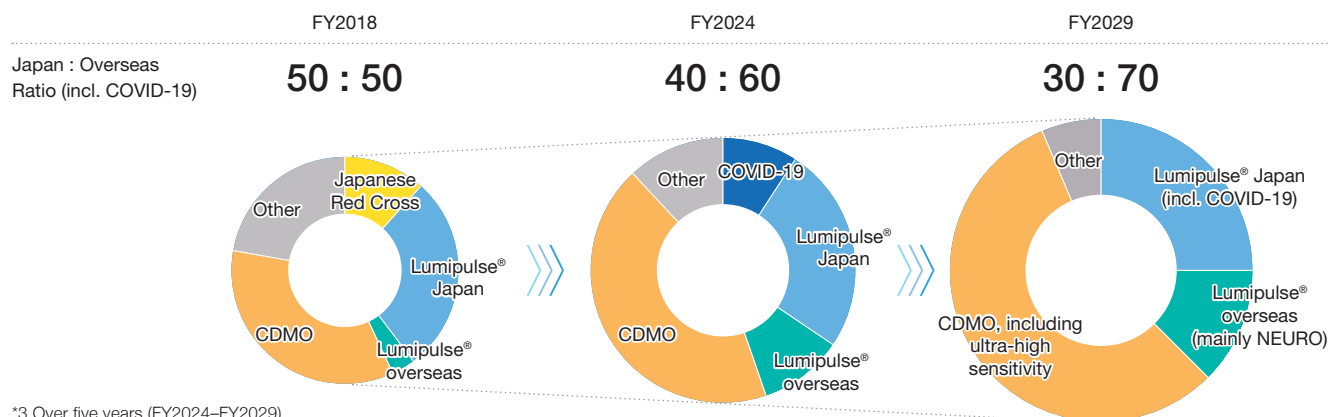
**WEB** Grant Award from GHIT Fund for Development of an Ultrasensitive Urine Test for Tuberculosis  
[https://www.hugp.com/en/news/202504/E-20250423\\_news.pdf](https://www.hugp.com/en/news/202504/E-20250423_news.pdf)

### Acceleration of NTD Reagent Development from India

- Started collaboration with Agappe Diagnostics (Kochi, India) as a CDMO partner (2022 onward)
- Aiming to accelerate the development of reagents for neglected tropical diseases (NTDs) through the collaboration
  - Rapid acquisition of the necessary specimens for evaluation of the reagents under development
  - Aim to expand from India to Asia, the Middle East, Africa and other regions

## ▶ Business Portfolio Optimization

- Realize sales CAGR of 6%\*<sup>3</sup> or higher, leveraging growth in overseas sales (CDMO/NEURO)
- Target operating profit margin of 25% or higher by fiscal 2029, continuously investing 12% or more of revenue in R&D





# HS Business

## Business Characteristics

The HS business segment is centered on Nihon Stery, which provides sterilization and operation-related services for medical institutions, and StarQ GAIA, which operates a home-visit services business centered on home-visit nursing. Nihon Stery provides operating room support services such as in-hospital sterilization in the central supply room and outsourced sterilization services at its own centers (eight bases throughout Japan), supporting essential hospital operations to help create an environment where physicians and nurses can concentrate on providing medical care. Meanwhile, in home-visit services, which are centered on home-visit nursing, we provide multifaceted services to support safe and comfortable in-home medical care, closely tailored to individual users' lifestyles.

## Numerical Targets of H.U. 2030

- Consolidated EBITDA margin: **10% or higher**
- Consolidated operating profit margin: **8% or higher**
- ROIC: **25% or higher**

## Materiality KPIs (FY2029 Targets)

- Number of medical institutions receiving our operating room support services: **205**
- Number of users of the Group's home-visiting business: **6,000**

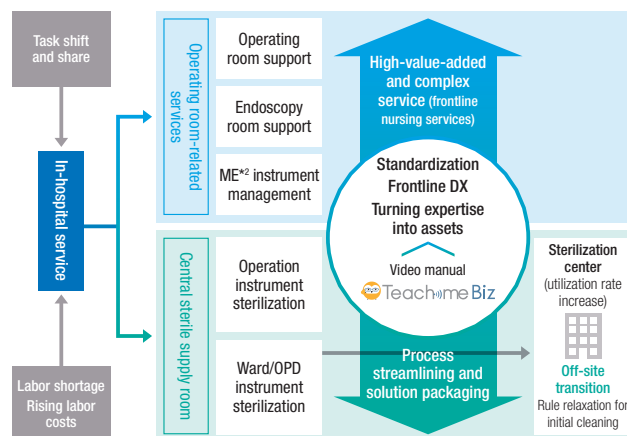
## Transition to High Profitability in the Sterilization and Operation-related Business

In the HS business, the key to growth is a transition to high profitability in the sterilization and operation-related business. This business functions as an infrastructure supporting safety and efficiency on the front lines of medical care. We strive to propose services that help to resolve management issues for medical institutions, such as high labor costs and personnel shortages.

As a result of efforts to strengthen our relationships with customers under the previous medium-term plan, H.U. 2025, we optimized our contract terms and increased contract amounts. In addition, we strove to establish a sustainable system, including the optimization of staffing ratios and ensuring equal pay for equal work. We also focused on creating new businesses and offerings, such as contributing to medical institutions by supporting the introduction of Teachme Biz®, a system for digitalizing paper-based manuals for surgical and other procedures, and establishing a sales scheme using the PayGO system, which enables billing based on actual testing volume through cooperation within the Group.

Under the new medium-term plan, H.U. 2030, we will promote three strategies to take advantage of the opportunity presented by an expansion of needs related to a transition to off-site sterilization

### ► Growth Strategy for the Sterilization/Operation-related Business



\*2 Medical engineering

services following a relaxation of rules for initial cleaning.\*1

The first is to add higher value to contracted in-hospital services. We will focus on highly specialized operating room-related services, and aim to achieve sustainable growth while contributing to work style reforms for medical professionals. We will enable higher-value-added contracted services with limited human resources, through standardized operations, DX promotion, and converting expertise into assets.

The second strategy is to expand our business by moving sterilization services off-site. With regard to the sterilization of hospital wards and outpatient department (OPD) instruments, we will streamline the whole process and create solution packages, while transitioning these services to off-site sterilization centers operated by the H.U. Group. This will help to increase the utilization rate of the centers, as well as reducing labor, footprint, and capital investment in medical institutions.

The third strategy is to comprehensively enhance operation-related services. In addition to providing operating room-related services, we will strengthen services including provision of supplies, thereby contributing to profitability improvement for medical institutions' operating room management. In this way, we aim to grow by proposing win-win solutions.

\*1 A relaxation of the rules to allow medical equipment to be transported off-site, without cleaning and disinfecting it on-site at medical institutions (for more information, see the notice issued in February 2025 by the Director-General of the Health Policy Bureau, Ministry of Health, Labour and Welfare)

## Realizing an Increase in Value and Sustainable Growth in the Home-visit Services Business

The home-visit services business needs to be strengthened in terms of both quality and quantity as Japan becomes an increasingly super-aged society, particularly in the Tokyo metropolitan area. We will establish large-scale home-visit nursing stations operating 24 hours a day, 365 days a year, mainly in the Tokyo metropolitan area, and lead the industry in adopting ICT, such as sharing electronic medical records.

In December 2024, we strengthened the capital and business alliance between StarQ care Inc. and GAIA medicare Inc., and established a new parent company, StarQ GAIA Inc. to integrate their management. This integration has enabled the establishment of a framework that allows the provision of home-visit nursing services covering almost the entire area of Tokyo. We are also strengthening collaboration among our sites to build a network capable of delivering nursing services in a sustainable and stable manner. At the same time, we will also focus on increasing recognition by rebranding, and on addressing the industry's most urgent issue—securing human resources—by creating comfortable and rewarding workplaces.



## Creation of Innovation

### Materiality KPIs under H.U. 2030 (FY2029 Targets)

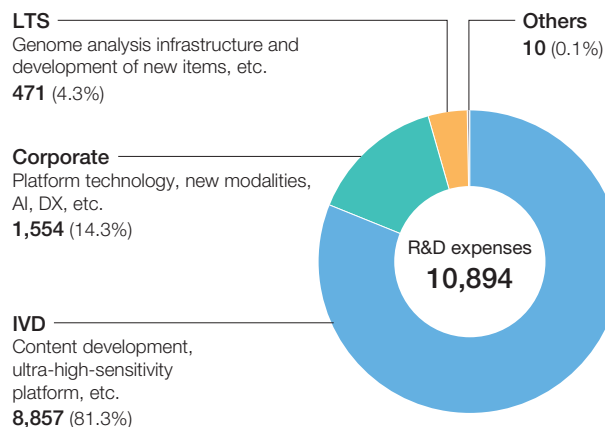
- Number of patent applications: 40/year
- Number of academic publications and presentations: 140/year
- R&D expenses to sales ratio
  - Consolidated: Maintained at the 5% level
  - IVD: Maintained at the 12% level

### Corporate R&D

H.U. Group Research Institute functions as the Group's corporate R&D organization, operating separately from the R&D divisions of each operating company. This is aimed at leveraging Group synergies to foster sustainable innovation. The institute works to generate a steady stream of innovation by conducting basic research and developing platform technologies that will serve as the seeds for future businesses, while also acting as a hub that

### Composition of R&D Expenses (FY2024)

(¥ million)



integrates knowledge and technology across the Group. In addition, it supports Group growth through a wide range of initiatives, including the development of next-generation technology management talent and the promotion of open innovation through collaboration with external partners.

Under the medium-term plan launched in fiscal 2025, H.U. 2030, the Group has identified the “creation of innovation” as one of its redefined material issues, expressing its commitment to advancing the development of cutting-edge technologies that address challenges in the medical and healthcare fields. To realize this goal, the Group has established two key directions: continuing and strengthening the value creation cycle centered on and driven by corporate R&D, and building an agile organizational foundation anchored by highly skilled talent.

The Group's value creation cycle comprises three main elements. The first is the continuous development of technological foundations and content, through which the Group seeks to create distinctive “Only One” and “No. 1” products and services based on its accumulated technologies and customer base. The second is developing a platform that enables customers to access the Group's

unique services and content quickly and easily. This approach both facilitates timely responses to needs in the medical field and supports the expansion and development of markets in Japan and overseas. The third element is the provision of global solutions. The Group is committed to working closely with the medical and healthcare front lines as a trusted partner, while strengthening collaboration with partner companies worldwide to deliver solutions on a global scale.

To maintain these cycles over the long term, the Group must strengthen its human resources and organizational foundation. Accordingly, it focuses on securing and developing highly skilled talent capable of responding flexibly to technological innovation and environmental changes, as well as accurately seizing business and growth opportunities. It is working to boost its technological foundation by promoting Group-wide efforts aimed at enhancing the technical literacy of its human resources, while also developing a framework for systematically training engineers. The Group also views the accumulation of expertise and know-how in AI and DX as essential for future business growth. It is therefore expanding AI/DX training programs for R&D personnel and gradually extending these programs

### Examples of Initiatives in Fiscal 2024 (1)

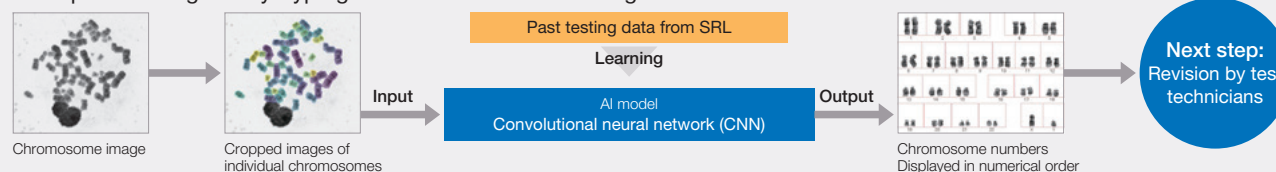
### Enhancing the Testing Infrastructure through the Use of AI

#### Establishing a Proprietary AI Development and Implementation Platform That Leverages Vast Accumulated Data to Improve Testing Quality

Recent advances in AI technology have been remarkable, driving rapid adoption across a wide range of fields. Expectations for AI utilization are also growing in medicine and testing; however, because these are highly specialized domains, it is difficult to secure the large-scale datasets required for the development of high-precision AI models. In this regard, the Group possesses one of the world's largest data repositories related to esoteric testing, enabling the development of AI systems that can assist testing operations while maintaining accuracy even with limited

resources. In developing these systems, the Group has established an AI development and implementation platform tailored to the realities of testing sites by using mechanisms that digitalize and accumulate daily testing data with minimal impact on clinical operations, and by leveraging know-how for fine-tuning AI to ensure ease of use in medical settings. This platform helps both in reducing workloads and improving testing accuracy, while also driving fundamental reform in testing operations that have traditionally relied heavily on individual skills and expertise.

#### Example: Building a Karyotyping AI for Chromosome Testing



The Group's expertise in AI development and implementation can also be offered as a platform for external use

across the Group. Moreover, to enable R&D professionals to actively engage not only in research and development but also in business activities directly linked to revenue generation, the Group provides training that fosters business acumen and project management capabilities, including customer-facing skills, thereby developing comprehensive R&D talent that serves as a driving force for innovation. In parallel with these human resource development initiatives, the Group is building a flexible organizational foundation capable of responding swiftly to changes in markets and the external environment.

As a key player in realizing the Group's new Vision, corporate R&D

is expected to continue collecting and integrating the diverse elements required for ongoing innovation. Serving as a shared platform of knowledge, technology, and expertise accessible to Group companies, partner organizations, and customers alike, it also acts as a convergence point that integrates business- and market-oriented perspectives with those addressing broader social issues. Furthermore, by functioning as a co-creation hub that builds innovation networks involving both internal and external stakeholders, corporate R&D will powerfully drive value creation that combines business growth with the resolution of social challenges.

#### Examples of Initiatives in Fiscal 2024 (2)

### Strategic Utilization of Group Assets

#### Expanding the Testing Experience through the Provision of a TaaS Testing Platform in Collaboration with Companies across Industries

One of the Group's key strengths lies in its large-scale testing platform, which enables the stable and highly accurate provision of a wide range of testing services. In fiscal 2023, the Group began offering Testing as a Service (TaaS), which makes this platform available via the internet to companies wishing to incorporate testing operations into their own business processes.

TaaS provides a digital infrastructure covering the entire testing process, from sample reception to testing and results reporting. By simply integrating TaaS into their own web services or apps, partner companies can offer their users high-precision testing on a one-stop basis. When user demand increases and scaling up becomes necessary, companies can expand seamlessly without significant investment or time lag, leveraging the Group's existing testing infrastructure.

By introducing TaaS, even non-medical companies can provide users with high-precision testing, enhancing business value through

service expansion and differentiation. For users, TaaS offers greater access to convenient, web-based testing, helping them connect with products and services aligned with their health status. For the Group, combining its testing infrastructure with partner companies' business channels, networks, and customer bases enables it to deliver testing services to a broader audience and expand the potential of testing itself, one of the Group's core strengths.

Following its initial release, the Group has continued to enhance TaaS to meet a wider range of testing needs. In fiscal 2024, in addition to postal HIV testing launched by Group company H.U.POCKeT, the Group integrated into TaaS a saliva-based immunoassay service developed in collaboration with Meiji, a leading food manufacturer. Going forward, the Group will continue expanding collaboration with partners across various industries to extend the use of the testing platform beyond the medical field, respond to the health needs of a wider user base, and increase the added value of testing services.

#### Service Flow Image



Example: HIV postal testing kit

### Intellectual Property Activities

The Group positions intellectual property as a key pillar for driving innovation and has established a framework in which the holding company centrally manages intellectual property created by Group companies in Japan and overseas. By appropriately protecting and utilizing intellectual property in line with each operating company's business strategy, the Group has worked not only to minimize related risks but also to maximize the value of its intellectual property.

To make more effective use of the Group's diverse intellectual property (IP) and link it to business growth, the Group recognizes the need to further strengthen its IP strategy functions. Accordingly, in fiscal 2024, the Group separated the IP function from the Legal Division and reorganized it as the Intellectual Property Center. This move marked a shift from a management-oriented approach to a business strategy-driven IP framework, focusing on three key pillars: contribution to management, contribution to business, and foundation strengthening.

In terms of contribution to management, the Group is deepening dialogue with senior management through IP landscaping,<sup>\*1</sup> providing analytical insights that support the formulation of management, business, and R&D strategies, as well as the creation of new businesses and promotion of open innovation with external partners. In addition, the Group is strengthening the dissemination of information related to intellectual property and other intangible assets through various media, thereby enhancing both corporate value and internal awareness of IP's importance.

For contribution to business, the Group actively promotes collaboration with partner companies, medical institutions, and academia through intellectual property, supporting the expansion



Hosting invention creation seminars featuring external lecturers



Holding opinion exchange sessions with patent examiners from the Japan Patent Office

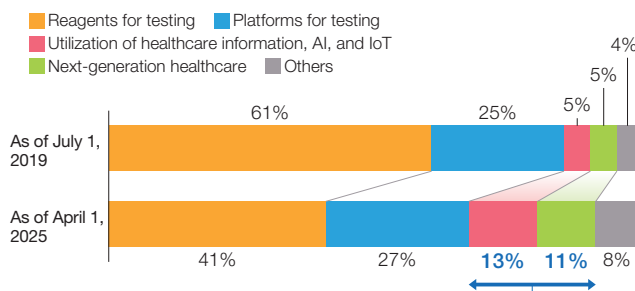


and strengthening of individual businesses. At the same time, it is building an IP portfolio that deters competitors by increasing the number of high-value and high-visibility patents and by securing trademark rights for highly unique technologies, in addition to patent rights.

With respect to foundation strengthening, the Group is reinforcing efforts to conduct thorough research on third-party rights and respond appropriately, while also promoting awareness of IP creation, utilization, and protection through contract support and the enhancement of IP literacy across the organization.

Alongside these initiatives, the Group is further strengthening collaborative support between the IP function and R&D divisions. As a result of ongoing IP landscaping activities, dialogue between these divisions has deepened, enabling the IP function to become involved in development activities from an earlier stage. Building on this progress, the Group is visualizing the strengths of its own technologies by comparing them with those of competitors, selecting countries for foreign patent filings based on competitor trend analysis, and providing decision-making support when considering new business themes. Going forward, the Group intends to further enhance its contribution to innovation by deepening communication with R&D sites, utilizing IP data in research planning

### ► Trend in Ratio of Patents Held by Field



Actively submitting patent applications related to utilization of healthcare information and next-generation healthcare to promote the creation of new businesses

and proposal development, identifying promising startups, and supporting decisions on maintaining or abandoning IP assets.

\*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

### Digital Transformation Strategy

To achieve its Mission and Vision through business transformation, the Group has formulated the H.U. Digital Vision and is promoting DX through two complementary approaches: lean operations aimed at rationalization and efficiency improvement, and the creation of personalized value through digital technology.

The first approach, lean operations, refers to the continuous improvement of operations to enhance organizational productivity. A key focus area is business process reform within the LTS business. As part of this initiative, the Group has established one of Japan's largest clinical testing platforms, centered on the H.U. Bioness Complex. By introducing advanced technologies such as AI and radio frequency identification (RFID), the Group has fully automated testing, leading not only to improved processing capacity but also to a broad range of benefits, including higher testing accuracy through reduced human error, enhanced traceability, shorter turnaround time (TAT),\*2 and lower costs.

In the IVD business, the Group is advancing manufacturing reforms by leveraging data utilization and AI technologies to optimize planning across the entire supply chain. It is also building an environment that supports swift management decision-making, contributing to shorter lead times, reduced inventories, and an improved cash conversion cycle (CCC), while facilitating the growth and expansion of the CDMO business. In the HS business, the Group is promoting the use of digital technologies and improving process efficiency. For example, in complex operations such as sterilization services, the Group has introduced a video-based manual system accessible via tablet devices, enhancing work quality and shortening employee training periods. Going forward, the Group will pursue both area-specific optimization and fundamental transformation across its entire business processes.

The second approach focuses on leveraging digital technologies and accumulated data to create new services tailored to individual users. In collaboration with medical institutions, pharmaceutical companies, and leading testing organizations overseas, the Group

aims to deliver tailor-made medicine using genomic analysis technologies. In addition, Group company Ishinban is developing a new service that links a personal health record (PHR)-based health management app with the Japanese government's Mynaportal.\*3 The Group plans to further strengthen data linkage with pharmacies and other partners to establish a network that enables detailed understanding of each individual's health status.

The successful implementation of DX across both axes depends on the development of capable human resources. To this end, the Group operates a DX Human Resource Development Program for all employees, while also running the On-site Support DX Project, where selected members from various workplaces work together to solve real-world issues, thereby improving practical skills. As a result of these initiatives, workplaces are shifting from merely "accepting DX" to actively leading DX initiatives, driving progress toward true digital transformation in the sense of fundamentally rethinking business processes rather than simply digitalizing existing ones. Going forward, the Group will focus on developing cross-functional DX talent capable of addressing management-level challenges. It will also expand advanced IT education through programs such as H.U. Open Lectures, in which internal experts serve as instructors.

\*2 The time between receipt of a sample and delivery of test results to the customer

\*3 A government-operated administrative service platform that was opened in conjunction with the launch of the My Number system

### H.U. Digital Vision

We will maximize the potential of digital technology and ICT, helping to solve social issues in healthcare and create new value that contributes to the future of medicine.

(1) Lean operations aimed at rationalization and efficiency improvement

(2) Creation of personalized value through digital technology

Building a human capital base and technology innovation platform for providing new digital healthcare

# Risk Management

## Basic Approach 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

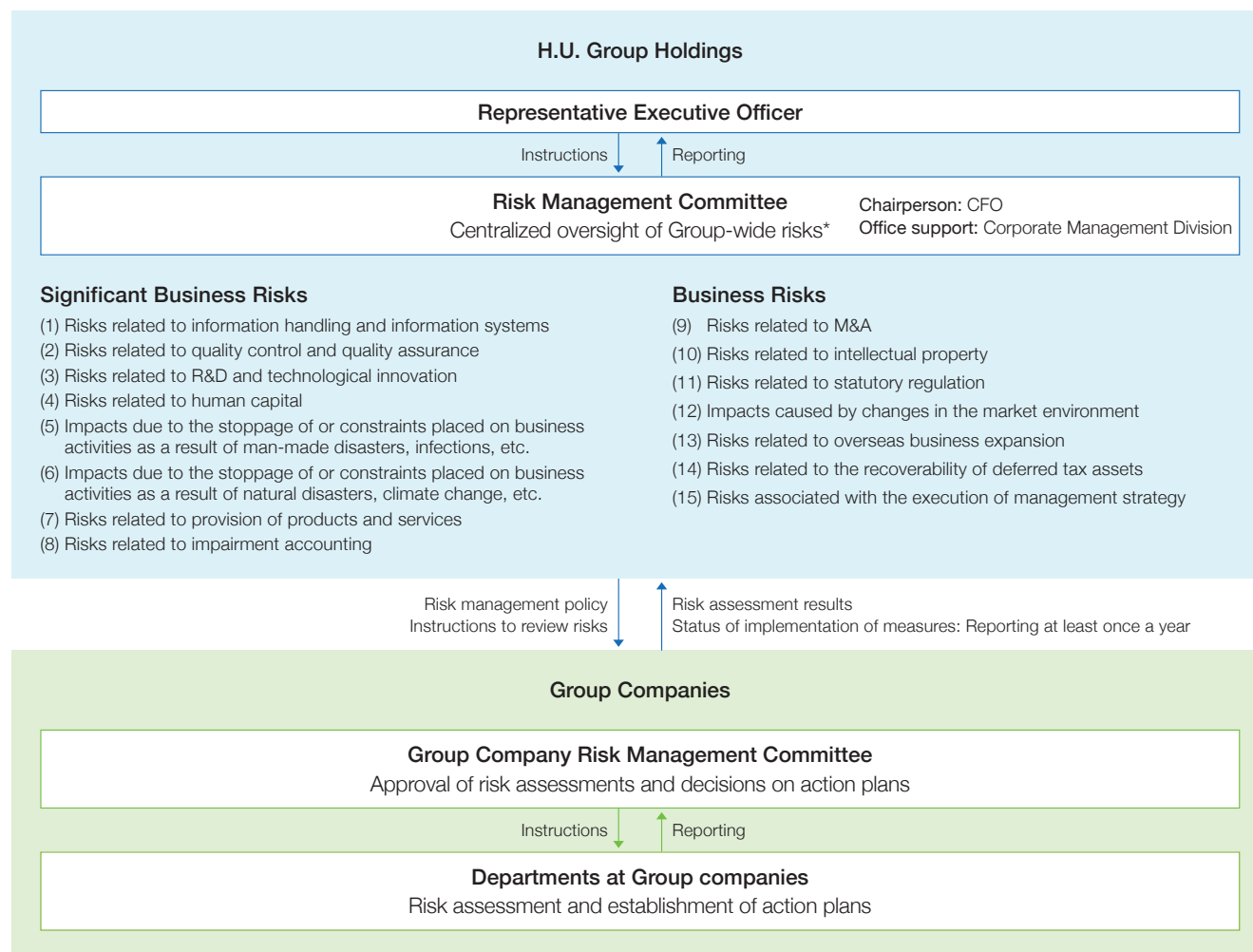
## Scope of Risk Assessment and Risk Identification Process

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 comprehensively assessed each risk based on its probability, frequency, and degree of impact on a consolidated Group basis.

See the following website for details of risks.

 **Business Risks**  
<https://www.hugp.com/en/ir/management/risk.html>

## Framework of Group Risk Management



\* 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 Group-wide or to a single operational process, the probability of its materialization and degree of impact, and implementation of risk countermeasures

# Sustainability Strategy

## H.U. Group's Sustainability Management

The essence of sustainability for the H.U. Group lies in the fact that its main business is committed to an extremely important social mission. All of our businesses support the foundation of a sustainable society and relate directly to resolving health and medical issues. They include testing services that are closely tailored to individuals' health, test reagents used in fields such as infectious diseases and NEURO, and outsourcing services in the medical and nursing fields.

The Group's sustainability management is based on a clear order of priority: it is as a result of contributing to the future of human health and medical care that we are able to increase earnings and realize sustainable growth. Furthermore, we will reinvest profits obtained through our sincere business activities, forming a value creation cycle. Through this cycle, we aim to fulfill our social mission while implementing initiatives that enhance corporate value. In the medium to long term, we believe this cycle will strengthen our profitability and financial soundness.

Over the five years of the medium-term plan, H.U. 2030, we will refine our value creation cycle model by implementing the following key initiatives to create innovative products and services: further acceleration of integrated management, transformation into a highly profitable business structure, and optimizing capital allocation and improving capital efficiency. We will respond flexibly to changes in social structures and technology innovation trends. While enhancing the profitability of each business, we will build new business models in healthcare and other areas.

Since our founding in 1950, we have contributed to building a healthy and prosperous society in core areas supporting medical infrastructure. Looking ahead, no matter how healthcare and clinical testing may change, we will continue to meet the needs of society through the practice of "Healthcare for You," and establish sustainability management as the foundation of our long-term growth and competitive advantage.

## Review of Our Sustainability Roadmap

In 2020, alongside the announcement of the previous medium-term plan, H.U. 2025, the Group released a Sustainability Roadmap, comprising three-year key performance indicators (KPIs) and targets

related to sustainability activities, and promoted various initiatives through fiscal 2022. In 2021, we set forth a new target of achieving net-zero CO<sub>2</sub> emissions by 2050, and declared our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in November of the same year. From fiscal 2023, we formulated a roadmap of KPIs and targets for the following two years, and promoted activities through to the end of fiscal 2024, the

final year of the previous medium-term plan. Under this roadmap, we achieved 10 out of 11 targets, and the only target not achieved—percentage of men taking extended leave or childcare leave—will remain a target for improvement from fiscal 2025 onward. In terms of governance, in June 2023, we introduced ESG indicators for compensation for directors and executive officers, and enhanced the independence of our Nominating Committee.

### ▶ Result of Initiatives for the Sustainability Roadmap during the Period of the Previous Medium-term Plan

Materiality	Indicators	FY2020 Result	FY2021 Result	FY2022 Result	FY2023 Result	FY2024 Result	FY2024 Target	Achieved
Environment	Total CO <sub>2</sub> emissions (Scopes 1+2) (vs. FY2021)	—	(Base year)	10.2% increase	5.9% reduction	18.1% reduction	12.6% reduction	●
	Waste plastic recycling rate	73.6%	75.7%	85.7%	85.1%	86.2%	82%	●
Human capital	Percentage of female managers	16.8%	18.6%	20.2%	22.2%	23.5%	22%	●
	Percentage of men taking extended leave or childcare leave (Japan)	34.8%	50.8%	71.4%	82.5%	75.0%	90%	Not achieved
	Percentage of employees who responded "Satisfied with work" in a survey of employees (Japan)	41.9%	42.9%	47.0%	60.7%	61.3%	55%	●
	Acquisition of KENKO Investment for Health Outstanding Organizations Recognition Program (White 500) Certification	—	Obtained	Obtained	Obtained	Obtained	Obtain	●
	Average annual training hours per regular employee (total time for group training, e-learning, distance education, etc.) (Japan)	23.4	35.3	32.1	31.7*1	34.0	Maintain at 30 hours or more*1	●
Supply chain	Excellent response rate (Class A) on UNGC Self-Assessment Tool	49.2%*2	69.2%*3	85.9%*4	64.5%*2	Cumulative total FY2022–FY2024 77.9%	Cumulative total FY2022–FY2024 75%	●
	Meetings to exchange opinions with suppliers	—	1	Cumulative total 10 companies	Cumulative total 21 companies	Cumulative total 30 companies	Cumulative total FY2022–FY2024 30 companies	●
Governance	Introduction of non-financial indicators for compensation for directors and executive officers	—			Achieved	Achieved	Maintain	●
	End of internal directors concurrently serving as members of the Nominating Committee	—			Achieved	Achieved	Maintain	●

\*1 Includes DX training

\*2 Scope of assessment: Business partners of two overseas companies (Fujirebio Diagnostics (U.S.), Fujirebio Europe (Belgium))

\*3 Scope of assessment: Business partners of consolidated subsidiaries other than the six Japanese companies and two overseas companies

\*4 Scope of assessment: Business partners of six Japanese companies (H.U. Group Holdings, SRL, Fujirebio, Nihon Stery, Nihon Rinsho, Care'x)















## New Materiality Identification Process

Anticipating the structure of society and the healthcare environment around 2035, the Group has identified new materiality drawing on its value creation story over the next 10 years and its corporate philosophy. In the identification process, we referred to discussions held on revising the Vision of the Group's philosophy and formulating the medium-term plan, H.U. 2030, as well as the Group's Code of Conduct, its business risks, and international frameworks such as the SDGs, to identify the material issues for sustainability.

We also held dialogues with around 20 institutional investors and shareholders, incorporating their valuable advice and diverse perspectives to refine individual issues. Through these dialogues, we heard strongly held opinions. Some investors said that the most important new material item was "resolving social issues through our businesses," while others emphasized that this item would be the core of sustainability going forward. We also received suggestions for improvements, such as a call to disclose impacts on corporate value and advice to assign a priority ranking to human capital. We reflected these proposals in our draft for new materiality, which was then deliberated by the Sustainability Committee, along with proposed KPIs. After approval by the committee, the final version was approved by the Board of Directors, together with the new medium-term plan.

This materiality is the foundation supporting the Group's essential and strategic sustainability management, and as such, we consider it an important contribution to strengthening our long-term value creation capability.

## ▶ Materiality and Non-financial Targets of H.U. 2030

Materiality	Components	Non-financial Targets	FY2029 Targets
 Resolution of social issues through our businesses	LTS business IVD business HS business Group synergy Resilience Quality control DX Brand management Customer relations	 Number of newly introduced dementia-related test items	Over 8 items
		 Number of cancer gene (cancer genomic profiling) tests directly linked to treatment	20% increase (compared to FY2024)
		 Number of countries where NEURO-related reagents have been launched (total of in-house and CDMO products)	50 countries
		 Number of infectious disease items developed for emerging countries (total of in-house and CDMO products)	12 items
		 Number of medical institutions receiving our operating room support services	205 institutions
		 Number of users of the Group's home-visiting business	6,000 users
 Creation of innovation	R&D Innovation Intellectual property	Number of patent applications	40 applications/year
		Number of academic publications and presentations	140 items/year
		R&D expenses to sales ratio	Consolidated: Maintained at the 5% level IVD: Maintained at the 12% level
 Human resource development that creates new value	Human resource development Diversity Ideal workplaces Health improvement Human rights	Positive response rate in the engagement survey	Identification with the corporate philosophy: 80% Opportunity for growth: 60%
		Percentage of men taking extended leave or childcare leave	100%
 Mitigation of environmental impacts	Climate change Recycling-oriented society Biodiversity	Reduction of total CO <sub>2</sub> emissions	33.6% (compared to FY2021)
		Reduction of water consumption per unit at the H.U. Bioness Complex	5% (compared to FY2024)
 Establishment of a sustainable value chain	Sustainable procurement	Formulation of a policy regarding sustainable procurement and agreement with key suppliers*5 on the policy	Formulation of policy and agreement with all key suppliers
		UNGC Self-Assessment Tool (SAQ)	Class S: All key suppliers Class A or higher: 90% of suppliers subject to the SAQ
 Strengthening corporate governance	Corporate governance Information security Anti-corruption/Compliance Risk management	Diversity ratio on the Board of Directors (such as women and foreign nationals)	30%

\*5 Suppliers accounting for the top 60% of the consolidated transaction value

## Setting Materiality KPIs (Non-financial Targets Linked to Materiality)

Recognizing that its businesses are directly involved in resolving social issues, the Group has positioned the execution of its core businesses at the center of sustainability management. Based on this understanding and approach, in May 2025, we announced KPIs for each material issue that will lead to an increase in corporate value.

Our previously announced Sustainability Roadmap presented KPIs and targets related to ESG, but we needed to address their relationship with the management plan and business activities. The KPIs that we have set this time are designed to connect the Group's core businesses with the resolution of social issues, and also to function as a system of targets that is linked to the medium-term plan, H.U. 2030.

### ► Materiality KPI Setting Process

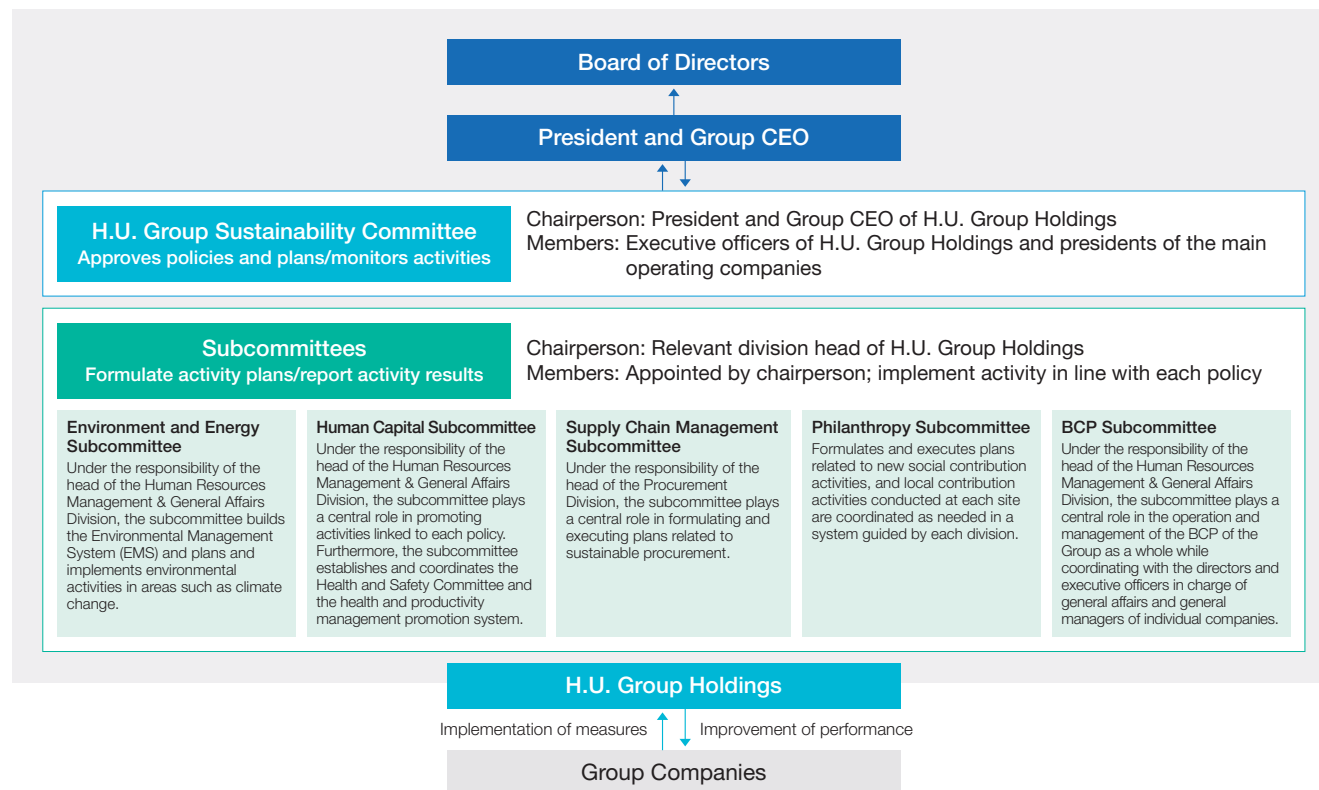
- |        |   |
|--------|---|
| Step 1 | <ul style="list-style-type: none"> <li>The Sustainability Committee discusses the policy on integrating the KPIs into the medium-term plan, adjusting the level of detail for each material issue and its components, with a shared view that targets should connect business activities to solving social issues, in line with global trends.</li> <li>The committee decides on the policy for setting individual KPIs for all material issues.</li> </ul> |
| Step 2 | <ul style="list-style-type: none"> <li>Non-financial targets linked to each material issue are discussed in coordination with the executive team of the H.U. Group, the presidents and executive teams of the main subsidiaries, and sustainability-related subcommittees, among others, and a draft is created.</li> </ul>   |
| Step 3 | <ul style="list-style-type: none"> <li>After deliberation and approval at an extraordinary meeting of the Sustainability Committee, the new materiality and non-financial targets are approved by the Board of Directors.</li> </ul>  |

## Sustainability Promotion System

We have established the H.U. Group Sustainability Committee, with the president and Group CEO as chairperson and the Group executive officers and the presidents of the main operating companies as members. The committee discusses basic sustainability policies and activity plans, and monitors progress on related issues. It also promotes the activities of each Group company, and has the role of discussing and implementing measures for improvement while gathering and sharing information on the latest external trends. Under the umbrella of the committee are a number of subcommittees, each covering a specific area of activity, with the officers responsible for the sustainability promotion

system of the relevant divisions taking charge of related initiatives. The content of the committee's discussions and resolutions is reported to the Board of Directors.

From fiscal 2024 onward, the Board of Directors discussed the integration of management and business planning with materiality, and a review of materiality in conjunction with this. Subsequently, the new materiality and materiality KPIs were formally approved. Furthermore, the Human Resources Management & General Affairs Division was established in an organizational integration conducted in July 2025, creating a structure in which the head of this division serves concurrently as the chairperson of the Environment and Energy, Human Capital, and BCP Subcommittees.





## Human Resource Development That Creates New Value

### Materiality KPIs under H.U. 2030 (FY2029 Targets)

- Positive response rate in the engagement survey
  - Identification with the corporate philosophy: 80%
  - Opportunity for growth: 60%
- Percentage of men taking extended leave or childcare leave: 100%

### The H.U. Group's Human Capital Strategy and Progress

Under the medium-term plan launched in fiscal 2025 and the new Vision, the H.U. Group is strengthening the promotion of a human capital strategy that is closely linked with its management strategy. In particular, we view strategically fostering an environment that encourages action on social issues and developing human capital as key management priorities requiring greater focus than ever before.

In addition, we are implementing various human resource

measures to instill throughout the Group the principles of Collaboration, Challenge, and Innovation set forth in the Vision. By establishing an environment that enables employees to take on challenges across different business units, the Group is enhancing employees' knowledge and skills, while also promoting both individual self-fulfillment and corporate growth through efforts to visualize career paths and expand career options. Furthermore, through 360-degree surveys and initiatives to strengthen communication skills, we are working to foster an organizational culture characterized by a high degree of psychological safety.

To achieve its quantitative target of a consolidated EBITDA margin of 16% or higher by fiscal 2029, the Group is working to maximize the productivity of its operations and the added value of its products and services, shifting toward a more highly profitable business structure. Recognizing that people are the driving force behind this transformation, we launched a new human resources system in fiscal 2024, one year ahead of the new medium-term plan. The new system introduces dual career paths, clear job descriptions, and defined behavioral expectations for each job category. It also establishes a new evaluation framework that fairly assesses employees' efforts and achievements in meeting their goals. From

fiscal 2025, the focus will shift to improving the quality of implementation, strengthening collaboration between frontline operations and HR departments to ensure the system functions effectively in practice.

At the same time, we are transitioning from a traditional approach centered on on-the-job training toward a more structured framework for talent development, guided by the principles of self-reliance, self-direction, and self-responsibility. Through the talent review process launched in fiscal 2024, the Group is developing both managerial and specialist talent in line with the new HR system, while promoting strategic personnel placement across Group companies.

In addition, in the second half of fiscal 2025, the Group will introduce a share-based compensation scheme for senior management. By granting shares to eligible employees, the program is designed to deepen their sense of participation in management, enhance incentives to improve corporate value, and foster greater engagement and retention, accelerating efforts toward sustainable value creation.

### New Initiatives to Enhance Employee Engagement

To augment employees' genuine sense of fulfillment and motivation at work, the Group conducts an annual engagement survey and uses the results to drive a continuous PDCA cycle for improvement. For the most recent survey, conducted in December 2024, we achieved a 98% response rate. The proportion of neutral and favorable responses across all survey items reached 76%, a slight increase from the 2023 survey. For the Group's non-financial target of "identification with the corporate philosophy," neutral and favorable responses remained high, at approximately 90%, indicating a strong and sustained sense of alignment. The results also reflected the positive impact of closer dialogue between management and frontline teams and training initiatives for managers, with notable year-on-year improvements in areas such as communication, corporate ethics, and collaboration.

In fiscal 2025, the Group introduced a new dashboard that allows all managers at the department head level and above to access survey results for their respective organizations. The dashboard enables them to plan, implement, and monitor improvement actions based on their own data. This system makes it easier to identify challenges within each department and encourages greater ownership and locally driven improvements across the organization.

### ▶ Human Capital Risks, Opportunities, and Key Initiatives

Risks	Opportunities Arising from Response Measures	Key Initiatives for the Next Five Years (Main Human Capital Investments)
1. Outflow of specialist talent	<ul style="list-style-type: none"> <li>• Strengthen technological advantage</li> <li>• Maximize human capital value</li> <li>• Enhance recruitment branding</li> </ul>	<ul style="list-style-type: none"> <li>• Clarify career paths for specialists</li> <li>• Strengthen the operation of fair and transparent evaluation and compensation systems</li> <li>• Establish mechanisms for the early identification and promotion of next-generation leaders</li> </ul>
2. Securing of talent	<ul style="list-style-type: none"> <li>• Build a sustainable business foundation by passing on reliable services, products, and technological development capabilities to the next generation</li> </ul>	<ul style="list-style-type: none"> <li>• Diversify recruitment channels</li> <li>• Develop programs to accelerate early contribution of new hires</li> <li>• Create an environment that enables senior employees to thrive</li> </ul>
3. Decline in engagement	<ul style="list-style-type: none"> <li>• Build a collaborative organization that leverages diversity and offers a comfortable work environment</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct regular engagement surveys and provide feedback</li> <li>• Identify engagement challenges and implement initiatives across Group companies</li> <li>• Establish a culture of dialogue through one-on-one meetings between supervisors and subordinates</li> </ul>



## Human Resource Development and Training

The Group provides growth and learning opportunities for all employees to promote the principles outlined in its human resource development policy—career formation based on self-reliance, self-direction, and self-responsibility—as well as the spirit of Collaboration, Challenge, and Innovation embedded in its Vision. The Group believes that employees' proactive career development and personal growth directly contribute to its financial performance and sustainable growth.

### Enhancing Visibility of Human Capital and Career Development Support

In fiscal 2024, the Group launched initiatives to visualize human capital data by developing and implementing employee assessment tools and business intelligence (BI) systems. These tools make it possible to identify and analyze employees' skills, experience, interests, and career aspirations across the organization. As a result, the Group has built an environment that enables data-driven talent reviews and targeted development programs. Looking ahead, in fiscal 2025 or later, the Group plans to introduce a talent management system to further enhance both the visibility of human capital and support for career development. Our goal is to create an environment where each employee can identify and choose the skills to acquire and the career experiences available within the Group.

To support employees who aspire to take on new challenges within the Group, we are also considering new programs such as internal internships, reskilling, and cross-organizational learning opportunities, in addition to our existing internal recruitment and free-agent programs. These initiatives aim both to enhance individual skills and to increase workforce mobility, thereby strengthening the foundation for sustainable growth.

In fiscal 2024, we launched training programs on department member evaluation and career development for all managers, encouraging behavioral improvement and change, as a measure to improve their management skills and ability to support employees' career development. From fiscal 2025, the Group is implementing 360-degree surveys for all managers Group-wide, using employee feedback to drive further growth in leadership effectiveness and workplace engagement.

### Human Resource Development through H.U. Business College

Since 2022, we have operated H.U. Business College to identify and cultivate autonomous, proactive talent and next-generation leaders.

Through classroom lectures and self-directed e-learning, participants study the fundamentals of business, including logical thinking, marketing, finance and accounting, and management strategy. The program functions as a platform where diverse employees can learn from one another, broaden their perspectives, and refine their insights, enabling them to realize the future vision they aspire to achieve.

### Promotion of DX Education

As part of its efforts to build a human capital base and technology innovation platform for providing new digital healthcare, the Group is implementing the Education Program for Human Resources Who Will Promote DX, which consists of basic education and specialist education. In basic education, the Group operates a DX education program for all employees to enhance digital literacy and related

skills. In specialist education, we have launched the On-site Support DX Project aiming to increase practical skills, enabling participants to develop hands-on DX capabilities through solving real-world challenges in their work. Through this comprehensive educational framework, the Group is cultivating DX human resources for business reform,<sup>\*1</sup> DX human resources for horizontal integration,<sup>\*2</sup> and DX human resources for data utilization who can leverage DX to solve operational issues. These initiatives provide employees with more advanced and practical opportunities for growth, driving the Group's digital transformation.

<sup>\*1</sup> Human resources capable of taking a strategic view of business and technology trends and driving the formation and growth of future businesses

<sup>\*2</sup> Human resources capable of coordinating and reforming businesses and operations from a Group-wide perspective

### ▶ Progress on Human Capital KPIs

KPI				Results				
Major Category	Intermediate Category	Minor Category	Unit	2020	2021	2022	2023	2024
Promotion of work-life balance	Paid leave utilization rate	Domestic Group companies subject to measurement	%	54.6	61.7	68.0	69.8	<b>73.2</b>
				48.2	52.0	57.1	62.6	<b>65.7</b>
	Average monthly overtime hours	Domestic Group companies subject to measurement	Hours	16.9	20.4	21.2	24.4	<b>22.2</b>
				17.1	22.2	23.3	24.6	<b>22.4</b>
Status of diversity promotion	Employment rate of persons with disabilities	Domestic special subsidiary	%	2.3	2.24	2.34	2.51	<b>2.68</b>
	Percentage of female managers		%	16.8	18.6	20.2	22.2	<b>23.5</b>
	Childcare support	Percentage of women taking extended childcare leave	%	96.9	95.8	100	100	<b>100</b>
		Percentage of women returning to work after extended childcare leave		97.9	98.8	100	94.6	<b>95.5</b>
		Percentage of men taking extended leave or childcare leave		34.8	50.8	71.4	82.5	<b>75</b>
Status of human resource development	Average annual training hours per regular employee provided by the HR division	Total time, including group training, e-learning, distance education, etc.	Hours	23.4	35.3	32.1	31.7	<b>34</b>
Health and productivity management	Acquisition of KENKO Investment for Health Outstanding Organizations Recognition Program (White 500) Certification		—	—	○	○	○	○
Ideal working environment	Percentage of employees who responded "Satisfied with work" in a survey of employees		%	41.9	42.9	47.0	60.7	<b>61.3</b>

## Diversity

The Group places diversity and inclusion (D&I) at the core of its integrated management strategy, aiming to maximize customer value through the activation of human capital. The Diversity Promotion Section implements initiatives and builds an environment where people of diverse backgrounds, such as differences in race, age, disability, sexual orientation, gender identity, values, and perspectives, can fully demonstrate their abilities. The wide range of perspectives and ideas that arise from employees' daily work and experiences enhances the Group's ability to respond to the increasingly diverse needs of the healthcare field. By leveraging diversity as a management resource, the Group is strengthening its global competitiveness and financial performance, driving sustainable business growth.

To date, we have developed e-learning content for Group employees, introduced diversity management training for managers, and expanded the scope of our partnership system. These efforts were recognized in 2024, when the Group received the highest-level "Best Workplace" certification under the D&I AWARD<sup>\*3</sup> program. In fiscal 2024, the Group hosted an event featuring prominent figures in the D&I field, encouraging employees to consider diversity from perspectives they do not often encounter in their daily work. This event provided valuable opportunities for reflection and helped foster a corporate culture that values diversity, equity, and inclusion.

Going forward, the Group will regularly monitor the progress of D&I initiatives to design optimal approaches and will promote targeted initiatives focusing on specific attributes, such as advancing women's participation, encouraging male employees to take childcare leave, and supporting employment of persons with disabilities, to further encourage positive behavioral change among employees.

<sup>\*3</sup> Japan's largest award recognizing companies that are engaging in D&I (held and run by JobRainbow)

## Focus Items in Fiscal 2025

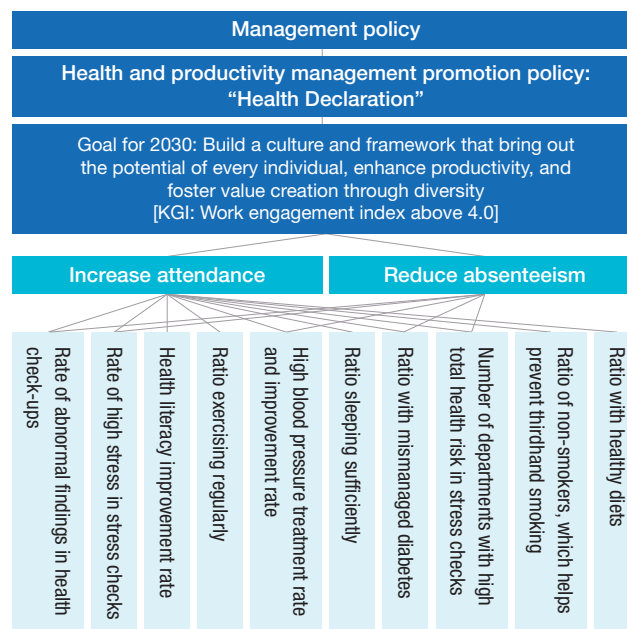
Conducting ongoing Group-wide diversity education/Hosting events to promote women's participation and advancement/  
Analyzing organizational culture issues

## Health and Productivity Management

Based on the Health Declaration issued in 2019, the Group promotes a wide range of initiatives to support the physical and mental health of employees and their families, with the Group CEO serving as chief health officer. In collaboration with the Health and Productivity Management Department, the Group continues to advance these efforts through regular dialogue and review. The Group was selected as a KENKO Investment for Health Stock for the second consecutive year in 2025, and four Group companies<sup>\*4</sup> were certified under the KENKO Investment for Health Outstanding Organizations Recognition Program (White 500) for the fourth consecutive year,<sup>\*5</sup> while one company<sup>\*6</sup> earned certification for the first time.

In fiscal 2024, the Board of Directors and Management Committee discussed each Group company's health and productivity

### ► Health and Productivity Management Strategy Map (Simplified)



management policies and goals, with senior management taking a leading role in driving implementation. Looking ahead to fiscal 2025, the Group will move up the timing of regular health check-ups and focus on encouraging participation in secondary examinations and improving the rate of participation in specific health guidance programs in collaboration with the health insurance association.

<sup>\*4</sup> H.U. Group Holdings, SRL, Fujirebio, H.U. Frontier

<sup>\*5</sup> 2022–2025 <sup>\*6</sup> Nihon Stery

## Ideal Working Environment

Guided by the belief that “the power of the Company is the sum total of the power of its individual members,” the Group considers the creation of a workplace environment where employees can fully demonstrate their abilities to be a core element of management. The Group views the development of a comfortable and supportive work environment not only as a way to improve individual satisfaction, but also as a crucial factor in building trust, strengthening engagement, and shaping the desired corporate culture.

In May 2023, the Group relocated its head office to Akasaka in Minato City, Tokyo, consolidating multiple Group companies on a single floor. This move has facilitated cross-organizational communication, helping to accelerate and improve the quality of decision-making.

Meanwhile, in an employee survey conducted in fiscal 2024, 61.3% of respondents answered that they were satisfied with their work, representing an improvement from the previous year. Going forward, the Group will continue to enhance workplace environments at business sites and strengthen managers' leadership and management capabilities, thereby supporting employees in achieving personal fulfillment through their work.



Head office



H.U. Bioness Complex (Welfare Building)

See the Group website for details.

 **Human Capital**  
<https://www.hugp.com/en/humancapital/>



## Mitigation of Environmental Impacts

### H.U. 2030 Materiality KPIs (FY2029 Targets)

- Reduction of total CO<sub>2</sub> emissions  
33.6% (compared to FY2021)
- Reduction of water consumption per unit  
at the H.U. Bioness Complex  
5% (compared to FY2024)

### Strategy and Progress in the Environment and Energy Field

The H.U. Group has redefined its materiality in the environmental field in conjunction with the new medium-term plan from fiscal 2025, and has identified climate change, a recycling-oriented society, and biodiversity as key areas. In addition, we have updated our CO<sub>2</sub> emissions reduction targets for 2030 to reductions of 33.6% in total emissions, 37.8% in Scopes 1 and 2 emissions, and 22.5% in Scope 3 emissions.\*<sup>1</sup> We have also committed to disclosing information and managing our progress based on the TCFD recommendations. There is no change to our long-term target of achieving net-zero CO<sub>2</sub> (Scopes 1 and 2) emissions by 2050.

The Group has expanded the scope of ISO 14001 certification as a step toward achieving its 2030 environmental targets, and strengthened its overall environmental management structure. Accordingly, we are examining investments related to renewable energy, including the introduction of PPA,\*<sup>2</sup> solar power generation, and Top Runner energy-saving equipment,\*<sup>3</sup> with the aim of improving energy efficiency. In other areas, the Group has been examining new processing technologies for the infectious waste products specific to our operations, and we will develop initiatives to reduce environmental impacts on multiple fronts.

We have prepared a structure to enable these activities to be coordinated across the Group by establishing the Energy-Saving Committee, led by the Environment and Energy Section of the Human Resources Management & General Affairs Division. In fiscal 2024, we promoted energy-saving activities through daily innovation and improvement on the front lines, achieving a reduction in energy usage of 10% compared to the previous fiscal year, which contributed to achieving the CO<sub>2</sub> reduction targets (Scopes 1 and 2). Measures to increase the recycling rate of waste plastic have

proceeded as planned, and we achieved our target for fiscal 2024 again after reaching our target in the previous year.

Recently, we are being urged to take measures to maintain and conserve biodiversity. Recognizing this, we have examined the relationship between biodiversity and the Group's business activities, and created a Biodiversity Relationship Map in an effort to assess the situation in our value chain. As a result, we focused closely on water resources as the main item upon which both the LTS and IVD businesses depend and have an impact. Based on the results of this investigation, we identified the risks and opportunities, with a focus on water resources in fiscal 2024, and provided disclosure based on the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). Looking ahead, we will strengthen our understanding of the volume of water usage and the quality of water

discharged at each business site and promote the creation of measures to curb our impact on water resources. In fiscal 2025, we have set a target of reducing the amount of water consumption per unit at the H.U. Bioness Complex by 1% from fiscal 2024, and will reflect this in our water efficiency and water-saving initiatives.

\*1 All targets are compared to FY2021

\*2 Power purchase agreement, an agreement for the purchase of electricity derived from renewable energy

\*3 Equipment with extremely high energy efficiency based on the Top Runner Program under the Act on Rationalizing Energy Use

See the Group website for details.

 **Environment and Energy**  
<https://www.hugp.com/en/sustainable/environment.html>

### ▶ Risks and Opportunities Related to Water Resources

#### Risks

Risk Category		Risk Content	Response
Physical risk	• Acute	• Impact on operations, such as laboratory and plant operation restrictions and increased operating costs due to water shortages and water quality deterioration	• Effective use of water resources
	• Chronic		
Transition risk	• Policy	• Increased costs of complying with regulations due to the strengthening and introduction of water-related regulations on water intake/discharge, etc.	• Compliance with new regulations
	• Liability		
	• Market	• Liability for damages in the event of environmental pollution due to the discharge of contaminated water, etc.	• Promotion of sustainable water use and information disclosure
	• Technology		
	• Reputation	• Amid growing consumer preference for products and services created through the introduction of technology and the use of equipment that promote water conservation and water recycling, a decline in reputation due to delays in responding to this trend and lack of water-related initiatives, resulting in customers refraining from purchasing and worsening in business terms	• Understanding of new technology trends, and introduction and use at the appropriate time

#### Opportunities

Opportunity Category		Opportunity Content	Response
Opportunities related to business performance	• Market	• Increased corporate value through selection for inclusion in relevant indexes adopted by institutional investors and preferential financing as a result of recognition of water resource conservation efforts in the capital markets	• Promotion of sustainable water use initiatives and information disclosure
	• Products and services		
	• Capital flow and financing	• Improvement in resilience to resource scarcity due to efficient use of water	• Promotion of water conservation and reuse
	• Resource efficiency		
	• Reputation capital	• Expansion of the market and sales of products and services and improvement in corporate reputation by introducing technologies and using equipment that contribute to conservation of water resources	



## Establishment of a Sustainable Value Chain

### Materiality KPIs under H.U. 2030 (FY2029 Targets)

- Formulation of a policy regarding sustainable procurement and agreement with key suppliers\*<sup>1</sup> on the policy

\*<sup>1</sup> Suppliers accounting for the top 60% of the consolidated transaction value

- UNGC Self-Assessment Tool (SAQ)

- Class S: All key suppliers
- Class A or higher: 90% of suppliers subject to the SAQ

### Strategy and Progress toward Strengthening the Supply Chain

Within the H.U. Group, the Supply Chain Management Subcommittee oversees the procurement functions of each Group company and formulates and promotes fair and sustainable procurement plans. When initiating transactions with new suppliers, the Group shares its Procurement Policy and Basic Policy on Business Partner Selection, proceeding with contracts only after ensuring mutual understanding. For ongoing suppliers, the Group uses the UN Global Compact Self-Assessment Tool (UNGC SAQ) to conduct due diligence in the four areas of human rights, labor, environment, and anti-corruption, generally on a three-year cycle.\*<sup>2</sup>

Supplier assessment is implemented collectively by the Procurement Division of the Company on a cycle of once every three years. In the first year, assessments covered six companies in Japan;\*<sup>3</sup> in the second year, two overseas companies;\*<sup>4</sup> and in the third year, other consolidated subsidiaries not included in the first or second year. These are classified based on the UNGC SAQ score with the aim of improving the excellent response rating (Class A). In fiscal 2024, assessments were conducted for consolidated subsidiaries other than the six Japanese and two overseas companies. Compared with three years earlier, the proportion of Class A suppliers increased significantly, and there were no suppliers rated Class C or D. From fiscal 2025, the Group has subdivided the UNGC SAQ rating scale from three to five levels to enable more accurate understanding of actual supplier conditions. While deepening dialogue with suppliers, the Group aims to build consensus based on its Sustainable Procurement Policy with key suppliers representing the top 60% of total consolidated procurement value by 2030.

Going forward, we plan to add sustainability (S) to the key supplier evaluation criteria of quality, cost, and delivery (QCD). In fiscal 2024, the Group began conducting environmental due diligence targeting GHG reduction in Scope 3, identifying emissions levels and target-setting status. The Group is working with the Human Capital Subcommittee to conduct individual assessments on human rights-related items, including labor practices. An analysis of individual assessments conducted for 160 suppliers in total across fiscal 2022, 2023, and 2024 found no legal violations or major concerns (such as accidents or lawsuits).

\*<sup>2</sup> We plan to change this to a two-year cycle from fiscal 2025

\*<sup>3</sup> H.U. Group Holdings, SRL, Nihon Rinsho, Fujirebio, Nihon Stery, Care'x

\*<sup>4</sup> Fujirebio Diagnostics, Fujirebio Europe

### Progress in Supplier Assessments of Consolidated Subsidiaries, Excluding Six Japanese and Two Overseas Companies\*<sup>5</sup> (%)

	FY2021 Results (First Assessment)	FY2024 Results (Second Assessment)
Questionnaire collection rate	88.5	100
Class A rating (Score of 60% of total points or more)	69.2	85.7
Class B rating (Score of 40-60% of total points)	11.5	14.3
Class C rating (Score of 40% of total points or less)	7.7	0
Share of non-responses (percentage)	11.5	0

\*<sup>5</sup> Scope of assessment: Consolidated subsidiaries, excluding six Japanese companies (H.U. Group Holdings, SRL, Nihon Rinsho, Fujirebio, Nihon Stery, and Care'x) and two overseas companies (Fujirebio Diagnostics and Fujirebio Europe)

See the Group website for details.

[WEB Supply Chain Management Subcommittee  
https://www.hugp.com/en/sustainable/procurement.html](https://www.hugp.com/en/sustainable/procurement.html)

[Results of Human Rights and Labor Assessments \(in Japanese\)  
https://www.hugp.com/resources/file/pdf/prc\\_assessment2025.pdf](https://www.hugp.com/resources/file/pdf/prc_assessment2025.pdf)

### ▶ Status of Supplier Assessment in the Past Three Years\*<sup>6</sup> (Including Human Rights Due Diligence)\*<sup>7</sup>

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
Class A	128	109	140	114	126	140	141	117	114
Class B	27	32	19	32	28	18	19	23	27
Class C	5	19	1	14	6	2	0	20	19
Total	160	160	160	160	160	160	160	160	160

\*<sup>6</sup> Three years of fiscal 2022 (covering six Japanese companies; second assessment), 2023 (covering two overseas companies; second assessment), and 2024 (covering consolidated subsidiaries, etc. other than six Japanese companies and two overseas companies)

\*<sup>7</sup> Values excluding non-responses



## Directors and Officers (As of October 31, 2025)

### Directors



**Shigekazu Takeuchi**

Director  
Chairman, President and Group CEO



**Naoki Kitamura**

Director  
Managing Executive Officer and CFO, HS



**Shigehiro Aoyama**

Outside Director  
Outside Director, Takamatsu  
Construction Group Co., Ltd.  
Chairman, 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 (who is an Audit &  
Supervisory Committee Member),  
BP Castrol K.K.



**Ryoji Itoh**

Outside Director  
Managing Director, Planetplan, Inc.  
Outside Director, SATO HOLDINGS  
CORPORATION



**Moegi Shirakawa**

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



**Keiji Miyakawa**

Outside Director  
Outside Director, Member of the Board,  
GungHo Online Entertainment, Inc.  
Senior Advisor, Lincoln International Inc.  
Outside Auditor, MASH Holdings Co., Ltd.  
Outside Director, ZENSHO  
INTERNATIONAL FOOD SERVICE  
LIMITED



**Hitoshi Yoshida**

Outside Director  
Former Director and Vice President,  
ASKUL Corporation

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

Name	Number of Years in Office as Director	Independent Officer	Committees (◎ Indicates Chairperson)			Knowledge, Experience and Skills					
			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
<b>Shigekazu Takeuchi</b> [Chairman of the Board of Directors] (Male)	9	—	—	—	—	●			●	●	
<b>Naoki Kitamura</b> (Male)	7	—	—	—	—	●		●		●	
<b>Shigehiro Aoyama</b> (Male)	7	○	○	—	—	●			●	●	
<b>Futomichi Amano</b> (Male)	8	○	—	—	◎		●	●			
<b>Sachiko Awai</b> (Female)	2	○	—	◎	○	●			●	●	
<b>Ryoji Itoh</b> (Male)	11	○	○	○	—	●			●		●
<b>Moegi Shirakawa</b> (Female)	3	○	○	—	○		●		●		
<b>Keiji Miyakawa</b> (Male)	4	○	—	○	○	●	●	●			
<b>Hitoshi Yoshida</b> (Male)	2	○	◎	—	—	●	●				●

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**

Managing Executive Officer, LTS **Makoto Matsumoto**

Executive Officer

**Tadashi Hasegawa**

Managing Executive Officer and  
CFO, HS

**Naoki Kitamura**

Executive Officer and CTO

**Kazuya Omi**

Executive Officer

**Takayuki Yoshizumi**

Managing Executive Officer, IVD

**Goki Ishikawa**

Executive Officer and CIO

**Toshihiko Shimizu**

## Reasons for Appointment of Directors

<b>Shigekazu Takeuchi</b> Director Chairman, President and Group CEO	Mr. Shigekazu Takeuchi was appointed as President & CEO of the Company and Group CEO in 2016. Since then, he has overseen management of the Company and the Group. His leadership based on abundant experience and broad insight as a corporate manager is essential to realizing the growth of the Group. Considering the above, Mr. Takeuchi is suited to be a director of the Company.	<b>Ryoji Itoh</b> Outside Director	Mr. Ryoji Itoh has a wide range of knowledge on corporate management, human resource development, and digital transformation based on his extensive global experience as a management consultant, fund manager, and business company manager. On the Board of Directors, he performs his role of seeking to ensure that the board appropriately makes decisions serving as an outside director. As the Chairperson of the Compensation Committee, he furthermore leads robust deliberations that involve reviewing the Company's compensation system for its directors and executive officers as well as making decisions on compensation levels. As a member of the Nominating Committee, he also conducts robust deliberations regarding the nomination of candidates for director in a manner that ensures membership balance and diversity of the Board of Directors overall. Considering the above, Mr. Itoh is capable of appropriately performing duties as an outside director.
<b>Naoki Kitamura</b> Director Managing Executive Officer and CFO, HS	Mr. Naoki Kitamura worked for Sony Corporation and its group companies in Japan and overseas before joining the Company in 2011 as General Manager of the Strategic Planning Department and has been serving as executive officer since 2013 (incumbent). He has been involved in finance, corporate planning, and strategic planning for many years and he has abundant knowledge and broad experience from a global perspective. Considering the above, Mr. Kitamura is suited to be a director of the Company.	<b>Moegi Shirakawa</b> Outside Director	Although Ms. Moegi Shirakawa does not have experience in corporate management other than being an outside director, she is an independent expert who has differing perspectives as a lawyer and a legal practitioner who is well versed in corporate and business law. Furthermore, she is engaged in the professional development of the attorneys and staff members who work at the law firm where she currently serves as a partner. On the Board of Directors, she performs her role of seeking to ensure that the board appropriately makes decisions serving as an outside director. In addition, on the Audit Committee, she audits and supervises the execution of duties by management of the Group through meetings with management of the Company and its major subsidiaries and regular meetings with corporate auditors of major subsidiaries, in accordance with the audit policy and audit plan. Considering the above, Ms. Shirakawa is capable of appropriately performing duties as an outside director.
<b>Shigehiro Aoyama</b> Outside Director	Mr. Shigehiro Aoyama has abundant experience and broad insight in global business encompassing M&A and in the healthcare field, having been involved in the management of Suntory Holdings Limited for many years. On the Board of Directors, he performs his role of seeking to ensure that the board appropriately makes decisions serving as an outside director. As the Chairperson of the Nominating Committee, he furthermore leads deliberations seeking to adequately nominate candidates for director in a manner that ensures membership balance and diversity of the Board of Directors overall. Considering the above, Mr. Aoyama is capable of appropriately performing duties as an outside director.	<b>Keiji Miyakawa</b> Outside Director	Mr. Keiji Miyakawa has abundant experience in the investment banking division of a major global securities firm and in M&A advisory companies, and also has broad insight as a financial service manager. On the Board of Directors, he performs his role of seeking to ensure that the board appropriately makes decisions serving as an outside director. As a member of the Compensation Committee, he furthermore conducts robust deliberations when it comes to making decisions on the Company's compensation system for its directors and executive officers as well on compensation levels. On the Audit Committee, he audits and supervises the execution of duties by management of the Group through meetings with management of the Company and its major subsidiaries and regular meetings with corporate auditors of major subsidiaries, in accordance with the audit policy and audit plan. Considering the above, Mr. Miyakawa is capable of appropriately performing duties as an outside director.
<b>Futomichi Amano</b> Outside Director	Mr. Futomichi Amano has broad insight in global business and abundant experience in the field of accounting, having been involved both in audits as a certified public accountant and in the management of Deloitte Touche Tohmatsu LLC for many years. On the Board of Directors, he performs his role of seeking to ensure that the board appropriately makes decisions serving as an outside director. As the Chairperson of the Audit Committee, he furthermore plays an important role in strengthening the supervisory function of the Board of Directors, which entails auditing and supervising Group management's execution of duties through meetings with management of the Company and its major subsidiaries, regular meetings with auditors of the major subsidiaries, etc. Considering the above, Mr. Amano is capable of appropriately performing duties as an outside director.	<b>Hitoshi Yoshida</b> Outside Director	Mr. Hitoshi Yoshida has a track record of sustained company growth as a manager at ASKUL Corporation and broad insight related to risk management and digital transformation. On the Board of Directors, he performs his role of seeking to ensure that the board appropriately makes decisions serving as an outside director. Furthermore, as a member of the Nominating Committee, he also conducts robust deliberations regarding the nomination of candidates for director in a manner that ensures membership balance and diversity of the Board of Directors overall. Considering the above, Mr. Yoshida is capable of appropriately performing duties as an outside director.
<b>Sachiko Awai</b> Outside Director	Ms. Sachiko Awai has broad insight based on her extensive experience as a business company manager. On the Board of Directors, she performs her role of seeking to ensure that the board appropriately makes decisions serving as an outside director. As a member of the Compensation Committee, she furthermore conducts robust deliberations when it comes to making decisions on the Company's compensation system for its directors and executive officers as well as on compensation levels. Considering the above, Ms. Awai is capable of appropriately performing duties as an outside director.		

## Message from the Chairperson of the Nominating Committee



**Hitoshi Yoshida**

Chairperson of the  
Nominating Committee,  
Outside Director

### We will advance the Nominating Committee framework to a new level suitable for the next generation and establish it as a foundation for sustainable governance.

The H.U. Group has operated as a holding company since adopting a three-committee corporate structure in 2005, building a stronger governance system to enhance corporate value. Among these committees, the Nominating Committee plays a core function in corporate governance. It follows a nomination process that emphasizes independence and objectivity to develop and select human resources who will lead the Group in the future, supporting the foundation of management continuity and value creation.

While the Nominating Committee's roles are diverse, it is particularly important to ensure the appropriateness of the standards and processes for the appointment and dismissal of directors. I recognize that the core mission of the Nominating Committee is to select, through a fair and transparent process, human resources who understand balanced management from both short- and long-term perspectives and who can enhance corporate governance. Moreover, the committee must also be accountable for the process.

Another important duty of the Nominating Committee is to verify the diversity of skills and the composition of the directors. This is an essential element for the Board of Directors to effectively serve their

monitoring function as the business environment surrounding companies becomes increasingly complex and sophisticated.

In May 2025, we introduced the candidates for our next CEO, along with the announcement of our new 10-year Vision and medium-term plan. Candidate selection focused on talent capable of continuing to build and expand upon the foundation for integrated management established by CEO Takeuchi, while strongly driving the delivery of successful outcomes across the entire Group. Within the Nominating Committee, we are continuously engaged in deep, multidimensional discussions while focusing on the essential qualities required of the Group CEO.

Today, 20 years after the Company's adoption of the three-committee corporate structure, our governance system needs to evolve in step with the changing times. In particular, increasing the safety and transparency of the nominating process is a key element in establishing trust in the Nominating Committee, and I see this as my most important duty as committee chairperson. Through these efforts, I will continue to contribute to maximizing corporate and shareholder value for the Group going forward.

### Steps to Enhancing the Governance System

- Adoption of the three-committee corporate structure (currently, a company with a nominating committee, etc.) and transition to a pure holding company
- Four of the nine directors are outside directors  
[Outside director ratio: 44%]

- The Board of Directors welcomes its first female member

- First evaluation of the effectiveness of the Board of Directors

- End of inside directors concurrently serving as members of the Compensation Committee

- Introduction of ROIC as an evaluation indicator for director and executive officer compensation

FY2005

FY2011

FY2013

FY2015

FY2016

FY2020

FY2021

FY2023

FY2025

- Outside directors constitute a majority of the Board of Directors
- All members of the Audit Committee are outside directors

- Establishment of the H.U. Group Corporate Governance Policy  
[Outside director ratio: 70%]

- All outside directors are independent directors

- Increase in the number of female directors
- End of inside directors concurrently serving as members of the Nominating Committee
- Introduction of relative total shareholder return and non-financial indicators for director and executive officer compensation  
[Outside director ratio: 78%]





## Strengthening Corporate Governance

### Basic Approach

Based on our mission to “create new value in healthcare and thereby contribute to human health and the future of medical care,” the H.U. Group is expanding business beyond medicine into the broader healthcare sector. Amidst such circumstances, the business environment surrounding our Group is changing at a dizzying pace, and to respond to this change and achieve sustainable growth, we established a new Vision to “solve global social issues through Collaboration, Challenge, and Innovation leveraging H.U. Group assets and resources.” Furthermore, we formulated the medium-term plan H.U. 2030 as a growth strategy for the five years from fiscal 2025 to fiscal 2029 to realize this Vision and Mission. 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 operations. 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 Committee, Compensation Committee and Audit Committee, in accordance with laws and ordinances.

#### Board of Directors [13 Meetings in Fiscal 2024]

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, 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 [10 Meetings in Fiscal 2024]

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 among the part-time outside directors.

#### Compensation Committee [10 Meetings in Fiscal 2024]

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.

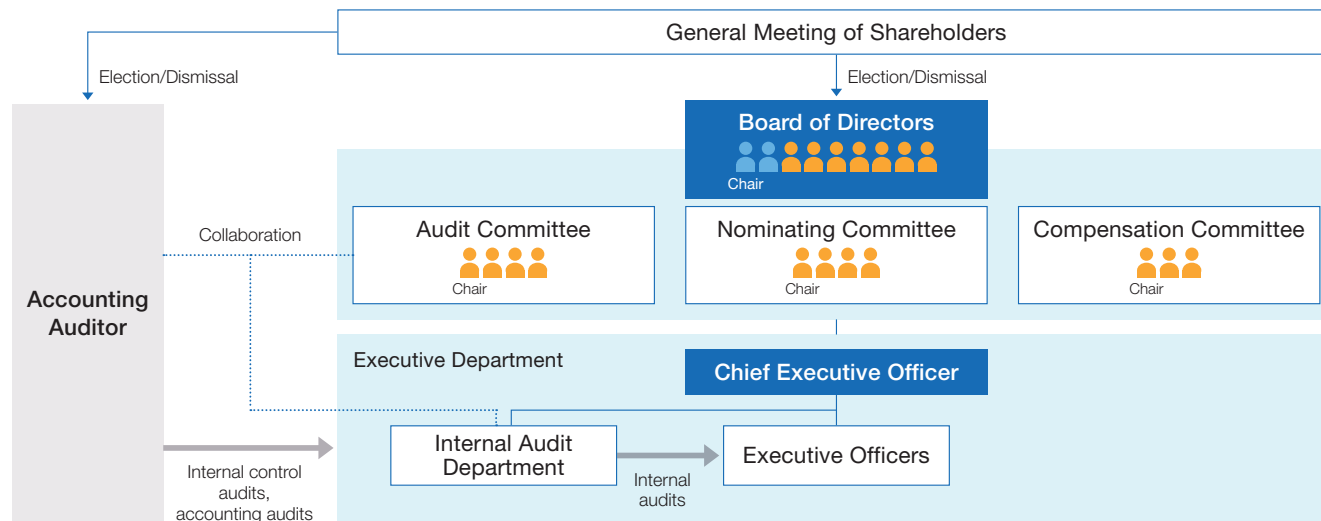
All members of the Compensation Committee are appointed from among the part-time outside directors.

#### Audit Committee [17 Meetings in Fiscal 2024]

The Audit Committee audits the execution of duties by directors and executive officers, prepares audit reports, 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 attend important meetings such as meetings of the Risk Management Committee and the Compliance Committee. In addition, they also hold regular liaison meetings with the Internal Audit Department and auditors at major operating companies, and conduct direct audits of the execution of duties as necessary. The results of these activities are regularly reported to the Board of Directors. In addition, the Audit Committee

### ► Corporate Governance Structure



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.

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.

### Balance, Diversity, and Size of the Board of Directors, and the 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 Board of Directors is 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 2024, 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 Committee, Compensation Committee, and Audit Committee; 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 nine directors respond to questionnaires and having a third-party 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 2025. It was found that the effectiveness of the Board of Directors continued to be generally good following the previous year, with improvements in evaluation related to risk management.

### 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 2024, 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 sessions for directors to discuss medium- to long-term strategy
- (3) Holding of opinion exchange meetings to promote communication among outside directors
- (4) Holding of regular opinion exchange meetings between outside directors and the Group CEO and officers in charge of each business
- (5) Holding of discussions on the prioritization of material issues (materiality)
- (6) Implementation of regular investment effectiveness review reports

### Sustainability Governance

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.

In addition to monitoring the status of the activities of each company for executing plans, the committee has the role of gathering and sharing information on the latest external trends in sustainability. Under the committee, five subcommittees have been established for each activity theme, with the officers responsible for the relevant divisions taking charge to advance sustainability activities.

As a company with three committees, the Group has established an implementation structure capable of clearly separating oversight and executive functions, and operating with greater speed. The Group is also working under the same corporate governance system with respect to sustainability. The content of the H.U. Group Sustainability Committee's discussions and resolutions is reported to the Board of Directors.

The Group has identified six material issues (materiality) in sustainability, and efforts are underway to achieve the KPIs established for each materiality as non-financial indicators for the realization of its Mission and Vision.

### Cross-shareholdings

The Company and its subsidiaries do not engage in cross-shareholding 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.

The 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 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

H.U. Group Holdings, 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 established the following Basic Principles of Executive Officer Compensation and has been operating a compensation program.

#### Basic Principles of Executive Officer Compensation

- 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 and Calculation Method Thereof

In accordance with the provisions of the Companies Act concerning companies with three committees, the Company, within 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 comprised of outside directors, including the Chairperson, as stipulated by the Companies Act.

#### 1. Method of 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 ensuring 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, 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, other companies' systems, etc. regarding compensation for directors and executive officers.

Regarding the involvement and participation of 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. Compensation structure

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 the level of achievement of performance determination criteria such as net sales, operating profit, and net profit.

Directors serving concurrently as executive officers will receive compensation as executive officers.

#### 3. 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 prescribed fixed-amount compensation.

#### 4. Executive officers' compensation

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

## 5. Shareholding guidelines

In order to promote the sustainable sharing of value with all stakeholders, we have established shareholding guidelines for the Company's executive officers, including the president and Group CEO, who serves as the top management of the Company.

## 6. Malus and clawback provisions

To prevent executive compensation from becoming an incentive that encourages excessive risk-taking and to ensure the soundness of executive compensation, the Company has established a malus provision requiring the forfeiture of all compensation (base points) related to short-term incentives (STIs) prior to being granted, and restricted stock units (RSUs) and performance share units (PSUs) prior to stock delivery or cash payment at the discretion of the Compensation Committee, and a clawback provision requiring the return or forfeiture of all or part of the compensation (in shares or cash) related to STIs after being granted, or RSUs and PSUs after stock delivery or cash payment, in the event that the Board of Directors determines that certain events have occurred, such as improper conduct or inappropriate accounting practices resulting in the misrepresentation of performance or the instruction, execution, or approval of significant retroactive revisions to prior-year financial statements. The provisions apply to STIs granted in fiscal 2025 or later, and RSUs and PSUs granted in fiscal 2023 or later, and the applicable period shall be the fiscal year in which the relevant event occurred and the three preceding fiscal years.

## Compensation Types and Breakdown

Compensation received by executive officers of the Company comprises basic compensation as fixed compensation; STIs, which are linked to the level of achievement of targets such as the single-year consolidated performance of the Group and business segments for which the executive officers are responsible; RSUs, which promote shared value with shareholders through the holding of shares; and 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 (share-based compensation), are both organized as variable compensation.

In addition to the above, in the Compensation Committee meeting held on May 23, 2025, the Company reviewed the policy for determining individual compensation for the Company's directors and executive officers, as well as the system for compensation for directors and executive officers, and resolved to revise the system in such ways as modifying the compensation ratio by type for compensation for the Company's executive officers and their respective evaluation indicators.

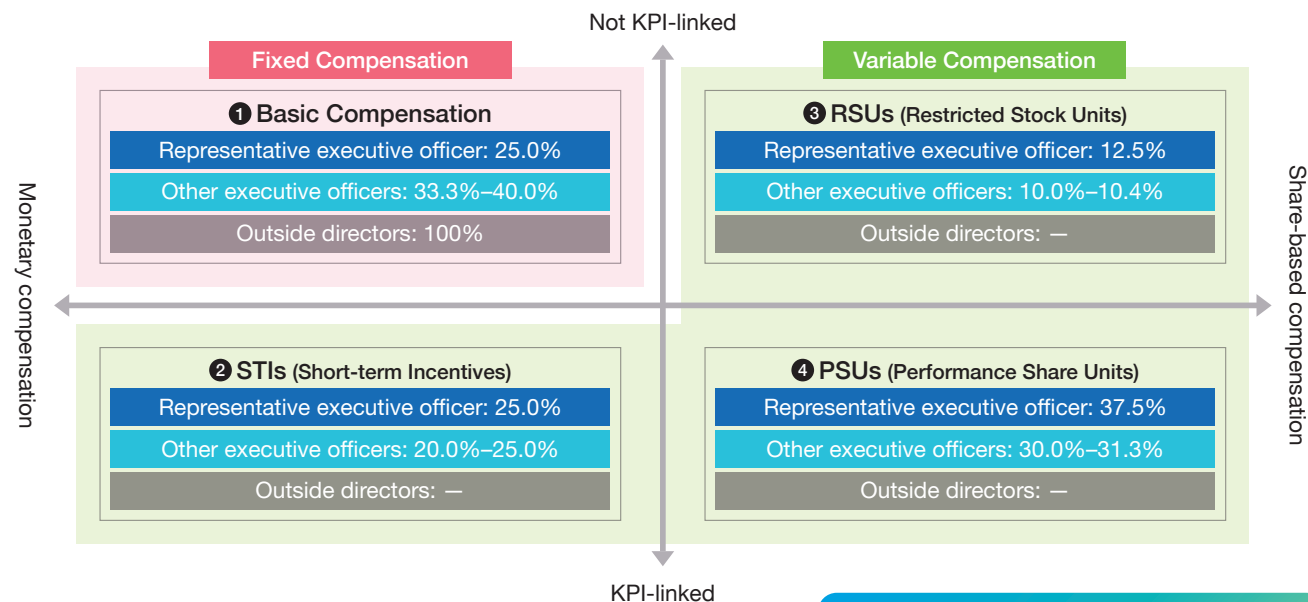
This revision to the compensation system aims to further accelerate the creation of sustainable corporate value through our medium- to long-term business growth and corporate transformation, and is designed to increase the ratio of long-term incentives (LTIs), which are positioned as the driving force behind these efforts. This policy has the following three main objectives.

The first is to institutionalize the creation of corporate value from a medium- to long-term perspective by providing management with greater opportunities to earn incentives. The second is to encourage behavioral changes toward enhancing corporate value across the entire management team, including global executives, by aligning compensation structures closer to global standards. The third is to set more challenging performance targets as the LTI ratio expands to further strengthen the incentive function of the compensation system.

Please refer to the Annual Securities Report for details on the activities of the Compensation Committee and compensation for directors and executive officers.

**WEB** Annual Securities Report (in Japanese)  
<https://www.hugp.com/ir/library/yuho.html>

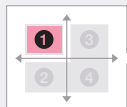
## ► Compensation Types and Breakdown by Job Title



(KPI: Key performance indicator)

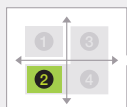
Please see p.53 for further details on the above figure. ►





### ① 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.

Breakdown by Job Title	Single-year Performance	
	(1) Consolidated Group Performance	(2) Segment Performance
Representative executive officer	100%	—
Other executive officers	30%–100%	0%–70%

#### (1) Consolidated Group Performance

KPI	Weight	Target	Range of Variation in Payment
Consolidated net sales	45%	Absolute amount (as per plan)	0%–200%
Consolidated profit	45%	Absolute amount (as per plan)	0%–200%
Sustainability indicators	10%	Set for each KPI	0%–200%

#### (2) Segment Performance

KPI	Weight	Target	Range of Variation in Payment
Net sales	50%	Absolute amount (as per plan)	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 (one 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 (hereinafter, the "Company's 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, 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 (one point = one share of the Company) for the year of service in July each year, then grants money corresponding to the Company's 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*1	50%	0%–200%
ROIC*2	50%	0%–200%

\*1 The Company's TSR (total shareholder return) in relation to the TOPIX growth rate including dividends

\*2 Return On Invested Capital

# 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 compliance-related 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

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 Division. 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.

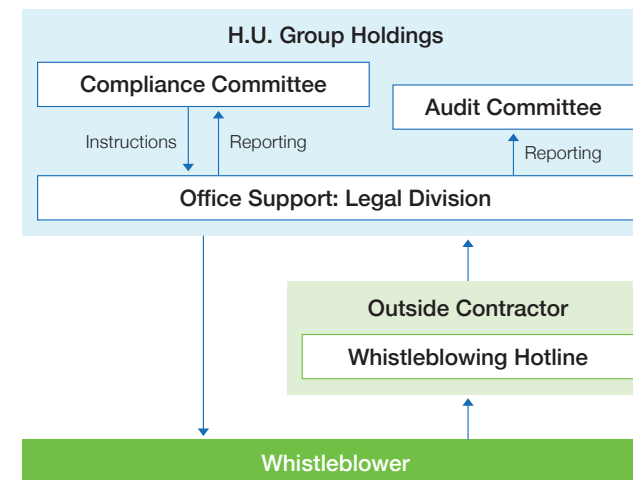
## Whistleblowing System

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 Legal Division reports regularly on the status of whistleblowing to the Audit Committee, which consists of four outside directors.

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.

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of reports made through the H.U. Group Hotline	134	116	155	184	152

## Whistleblowing System



## 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

## ESG Index Selection

### FTSE Blossom Japan Index\*<sup>1</sup>

An ESG investment index specializing in Japanese companies created by FTSE Russell, in which Japanese companies with excellent ESG initiatives are selected. The Company has been selected for three consecutive years since 2023.



### FTSE Blossom Japan Sector Relative Index\*<sup>1</sup>

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 four consecutive years since 2022.



### MSCI Nihonkabu ESG Select Leaders Index\*<sup>2</sup>

The index is composed of stocks of companies with superior ESG performance within the MSCI Japan IMI index covering Japanese stocks, with a target coverage of 50% by number of stocks within each industry. The Company has been selected for two consecutive years since 2024.

### 2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

### MSCI Japan ESG Select Leaders Index\*<sup>2</sup>

An index composed of stocks of companies with superior ESG performance within the MSCI Japan IMI index covering Japanese stocks, with a target coverage of 50% by market capitalization within each industry. The Company has been selected for nine consecutive years since 2017.

### 2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

### S&P/JPX Carbon Efficient Index

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



### Morningstar Japan ex-REIT Gender Diversity Tilt Index\*<sup>3</sup>

An ESG index designed by Morningstar to enable investment focused on companies "that have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees, irrespective of their gender." The Company has been selected for the highest rating of "Group 1" for two consecutive years since 2023.



### 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 five consecutive years since 2021.



### MSCI Japan Empowering Women Index (WIN)\*<sup>2</sup>

The index is composed of stocks of companies with excellent gender diversity scores, within the MSCI Japan IMI index covering Japanese stocks. The Company has been selected for seven consecutive years since 2019.

### 2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

## ESG Ratings

### MSCI ESG Ratings\*<sup>2</sup>

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

The Company has earned the highest "AAA" rating for four consecutive years since 2022.



### CDP

CDP is an international NGO that discloses information by scoring the responses of companies and other organizations based on questionnaires about global environmental issues. The Company has received the second highest rating of "A-" in the "Climate Change Report" for four consecutive years since 2021.

Furthermore, the Company was selected as a "Supplier Engagement Leader," which is the highest rating in the "Supplier Engagement Rating," for two consecutive years since 2022. The Group also received a "B-" rating in the "Water Security Report 2024."



### ESG Corporate Rating by ISS ESG

The H.U. Group has been 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 in the United States, since 2023.



\*<sup>1</sup> 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.

\*<sup>2</sup> THE INCLUSION OF H.U. Group Holdings, Inc. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF H.U. Group Holdings, Inc. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

\*<sup>3</sup> Morningstar Inc. and/or one of its affiliated companies (individually and collectively, "Morningstar") has authorized H.U. Group Holdings, Inc. to use the Morningstar Japan ex-REIT Gender Diversity Tilt Logo ("Logo") to reflect the fact that, for the designated ranking year, H.U. Group Holdings, Inc. ranks in the top group of companies comprising the Morningstar Japan ex-REIT Gender Diversity Tilt Index ("Index") on the issue of gender diversity in the workplace. Morningstar has authorized the use of the Logo by H.U. Group Holdings, Inc. only for informational purposes. Use of the Logo by H.U. Group Holdings, Inc. should not be construed as an endorsement by Morningstar of H.U. Group Holdings, Inc. or as a recommendation, offer or solicitation to purchase, sell or underwrite any security associated with H.U. Group Holdings, Inc. The Index is designed to reflect gender diversity in the workplace in Japan, but Morningstar does not guarantee the accuracy, completeness or timeliness of the Index or any data included in it. Morningstar makes no express or implied warranties regarding the Index or the Logo, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Index, any data included in it or the Logo. Without limiting any of the foregoing, in no event shall Morningstar or any of its third-party content providers have any liability for any damages (whether direct or indirect), arising from any party's use or reliance on the Index or the Logo, even if Morningstar is notified of the possibility of such damages. The Morningstar name, Index name and the Logo are the trademarks or service marks of Morningstar, Inc. Past performance is no guarantee of future results.

### Morningstar Sustainalytics' ESG Risk Ratings

These focus on ESG issues that pose a significant risk to corporate performance, and ratings are made from three perspectives: "corporate governance," "material ESG issues," and "industry-specific issues." The Company has earned the third best "Medium Risk" rating since 2024.

### D&I AWARD

The Company obtained the highest rating of "Best Workplace" in 2024 for Japan's largest award recognizing and awarding companies engaged in diversity & inclusion, which is held by JobRainbow Co., Ltd.



### KENKO Investment for Health Stock Selection

The KENKO Investment for Health Stock Selection includes enterprises jointly selected and announced by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for focusing on and strategically carrying out efforts with regard to employees' health from a management perspective. The Company has been selected for two consecutive years since 2024.



### 2025 Certified KENKO Investment for Health Outstanding Organizations Recognition Program (White 500)

The Company and its consolidated subsidiaries, SRL, Fujirebio and H.U. Frontier, have been selected for four consecutive years from 2022 in the large enterprise category of the 2025 Certified KENKO Investment for Health Outstanding Organizations Recognition Program (White 500) operated by the Japanese Ministry of Economy, Trade and Industry.



### DX Stocks 2025

The H.U. Group has been included in DX Stocks by the Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange and the Information-technology Promotion Agency, Japan for three consecutive years since 2023.



### DX Certification

Since 2023, the H.U. Group has been certified as a DX Certified Operator under the DX 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 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.



### Supporting JCI and the Race to Zero

We support the Japan Climate Initiative (JCI)'s call to "join 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.



\*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.

### Participating in the Ministry of the Environment's Water Project

The Company 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, academia and civil society 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.



## Rating by a Credit Rating Agency

The issuer rating of the Company by Rating and Investment Information as of the announcement on December 3, 2024 was as follows.

Rating	A (no change)
Direction of rating	Negative



# Corporate Information

## Corporate Profile (As of March 31, 2025)

### 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

Director, Chairman, President and Group CEO  
Shigekazu Takeuchi

### Established

December 18, 1950

### Capital Stock

¥9,279 million

### Permanent Employees (Consolidated)

5,444

### Management Structure

Company with three committees

### Main Subsidiaries

SRL, Inc.  
Fujirebio Holdings, Inc.  
Fujirebio Inc.  
H.U. Frontier, Inc.  
Nihon Stery, Inc.

## Share Information (As of June 30, 2025)

**Listed Stock Market** Tokyo Stock Exchange Prime Market  
(Securities code: 4544)

**Number of Shares Authorized** 200,000,000

**Number of Shares Issued and Outstanding** 57,473,822

**Number of Shareholders** 16,070

**One Share Unit** 100

**End of Fiscal Year** March 31

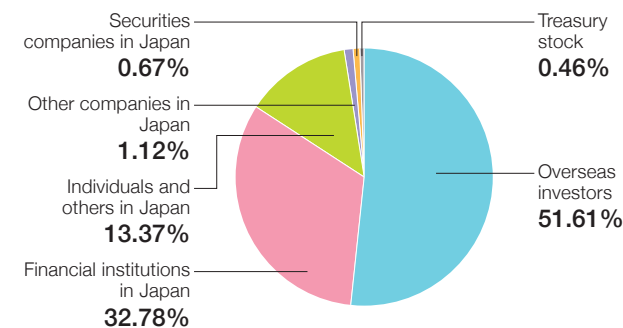
### Major Shareholders

Name of Shareholders	Number of Shares Held (thousands)	Shareholding Ratio (%)
THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)	9,399.8	16.43
STATE STREET BANK AND TRUST COMPANY 505001	3,839.0	6.71
CUSTODY BANK OF JAPAN, LTD. (TRUST ACCOUNT)	3,554.1	6.21
STATE STREET BANK AND TRUST COMPANY 505301	2,377.3	4.16
JP MORGAN CHASE BANK 380684	2,017.3	3.53
GIC PRIVATE LIMITED - C	1,661.1	2.90
STATE STREET BANK AND TRUST COMPANY 505103	1,622.3	2.84
NIPPON LIFE INSURANCE COMPANY, LTD.	1,538.6	2.69
J.P. MORGAN BANK LUXEMBOURG S.A. 381572	1,410.8	2.47
NORTHERN TRUST CO. (AVFC) RE USL NON-TREATY CLIENTS ACCOUNT	1,367.3	2.39

Notes: 1. The Company holds 262,834 shares of treasury stock, which is excluded from the shareholding ratios listed above. Furthermore, treasury stock does not include the 392,718 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, Ltd. and by Custody Bank of Japan, Ltd. are all held in their trust accounts.

### Shareholders by Category



## Main Group Companies and Bases (As of October 1, 2025)

- H.U. Group Holdings, Inc.

### Integrated Sales Company

- H.U. Frontier, Inc.

### Lab Testing and its related Services

- SRL, Inc.
- Nihon Rinsho, Inc.
- Tokyo Central Pathology Laboratory, Inc.
- H.U. Wellness, Inc.
- Japan Institute of Foods Ecology, Inc.
- SRL & Shizuoka Cancer Center Collaborative Laboratories, Inc.
- H.U.POCkeT, Inc.
- H.U. Cells, Inc.
- Ishinban, Inc.
- H.U. America, Inc. [1]
- KBBM, Inc.
- St. Luke's SRL Advanced Clinical Research Center, Inc.
- SAPPORO MIRAI LABORATORY Co., Ltd.
- SAPPORO MEDICARRY Co., Ltd.
- MEDISKET CORPORATION
- Baylor Genetics Holdings, Inc. (U.S.) [1]

### In-Vitro Diagnostics

- Fujirebio Holdings, Inc.
- Fujirebio Inc.
- Fujirebio Diagnostics Japan, Inc.
- Advanced Life Science Institute, Inc.
- Fujirebio Diagnostics, Inc. (U.S.) [1]
- Fujirebio Diagnostics AB (Sweden) [2]
- CanAg Diagnostics (Beijing) Co., Ltd. [3]
- Plasma Services Group, Inc. [4]
- Fujirebio Europe N.V. (Belgium) [5]
- ADx NeuroSciences N.V. (Belgium) [5]
- Fujirebio Italia S.r.L. [6]
- Fujirebio Germany GmbH [7]
- Fujirebio Iberia SL (Spain) [8]
- Fujirebio France SARL [9]

- Fluxus, Inc. (U.S.) [10]
- Fujirebio China Co., Ltd. [11]

### Healthcare-related Services

- Nihon Stery, Inc.
- StarQ GAIA Inc.
- GAIA medicare Inc.
- StarQ care Inc.
- Care'x, Inc.

### Other Related Businesses

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





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