March 31, 2021

FOR IMMEDIATE RELEASE

Company name: H.U. Group Holdings, Inc.
Representative: Shigekazu Takeuchi, Director, President and Group CEO
Securities code: 4544 First Section, Tokyo Stock Exchange

Announcement of Transfer of Non-Current Assets and Posting of Extraordinary Loss (Loss on Sales of Non-Current Assets)

H.U. Group Holdings, Inc. (hereinafter, the Company) has announced that the Company has today decided to transfer non-current assets owned by consolidated subsidiaries, SRL, Inc. (President and CEO: Shunichi Higashi; Head Office: Shinjuku-ku, Tokyo; hereinafter "SRL") and Fujirebio Inc. (President and CEO: Takeshi Fujita; Head Office: Shinjuku-ku, Tokyo; hereinafter "Fujirebio"). The Company has also decided to post an extraordinary loss (loss on sales of non-current assets) related to the transfer of non-current assets in the fourth quarter of the fiscal year ending March 31, 2021.

1. Reason for the transfer

The Group is advancing its Akiruno project in Akiruno, Tokyo, centered around the establishment of a new central lab, one of Japan's largest labs. In consideration of the operations of this lab, the Company has decided to transfer part of the land and buildings of its existing laboratories in Hachioji, Tokyo to more effectively use its management resources and improve its financial position.

2. Details of assets to be transferred

Details of assets and location*	Loss on sales**	Current situation
Hachioji, Tokyo Land: 18,322 m^2 Buildings: 36,369 m^2	1,280 million yen	Testing, production, research, office space

*The sum of the areas of a part of the SRL Hachioji Laboratory Complex and the Fujirebio Hachioji Office

**Loss on sales is an estimated amount calculated by subtracting the book value and expenses, including demolition costs, from the transfer price.

3. Examination of the transfer

The land and buildings to be transferred are a part of the SRL Hachioji Laboratory Complex and the Fujirebio Hachioji Office. Since the Company decided to establish a new central lab in Akiruno, it has examined the sale of its assets in Hachioji, which will become idle assets, from a range of perspectives. The Company has decided that selling all the assets at once is better than SRL and Fujirebio selling their respective properties to maximize the value of the assets of the Group.

The Company received advice regarding transferees and transfer prices from a major trust bank in Japan, which the Company chose as a financial advisor and carefully examined the real estate value. The Company negotiated with the candidate companies offering the most favorable prices and other conditions, including leaseback conditions, and decided on the transferees and transfer prices. The transferees are two domestic companies. Following non-disclosure agreements, we will not disclose detailed information about them. One of the transferees has a business relationship with the Company but does not have any capital or personal relationships. It is not a related party. There is nothing that the Company should disclose about the capital, personal, or business relationships with the other transferee or about the transferee as a related party.

4. After the transfer

Under a rental agreement, the Group will continue to rent and use the existing facilities in Hachioji after the transfer of non-current assets, until December 2023 at the longest.

5. Schedule of the transfer

Date of execution of transfer agreement: March 31, 2021
Date of delivery of properties: March 31, 2021

6. Outlook

A loss on sales of 1,280 million yen caused by the transfer of assets will be posted as an extraordinary loss (loss on sales of non-current assets) in the fourth quarter of the fiscal year ending March 2021. It is reflected in the full-year consolidated financial forecast for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021) disclosed on February 8, 2021.

7. Profiles of subsidiaries

(1) Name	SRL, Inc.
(2) Location	2-1-1 Nishishinjuku, Shinjuku-ku, Tokyo
(3) Name and title of representative	Shunichi Higashi, President and CEO
(4) Business	Contract clinical testing, contract operation of health checkup institutions and health promotion service
(5) Capital	11,027 million yen

(1) Name	Fujirebio Inc.
(2) Location	2-1-1 Nishishinjuku, Shinjuku-ku, Tokyo
(3) Name and title of representative	Takeshi Fujita, President and CEO
(4) Business	Manufacture, sale, export and import of clinical testing reagents and equipment
(5) Capital	4,252 million yen