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November 29, 2024

FOR IMMEDIATE RELEASE

Company name: H.U. Group Holdings, Inc.
Representative: Shigekazu Takeuchi, Chairman, President and Group CEO
Securities code: 4544, Prime Market, Tokyo Stock Exchange
Contact: Naoki Kitamura, Managing Executive Officer and CFO
Telephone No.: +81-3-6279-0926

<<Summary>>
Announcement of Issuance of Stock Options (Stock Acquisition Rights)

H.U. Group Holdings, Inc. (hereinafter, the Company) has announced that the Board of Directors today resolved 1) the conditions of Stock Acquisition Rights as Stock Options to the Company's employees, along with its subsidiaries' directors and employees*, 2) solicitation of persons who subscribe for the Stock Acquisition Rights.

* This Stock Options is tax-qualified, thus, the recipients of the Stock Acquisition Rights are limited to Japanese residents.

1 The reason for issuing the Stock Acquisition Rights

The purpose of issuing the stock acquisition rights is to enhance the motivation of senior managements, who are responsible to lead H.U. group, to improve the financial results and the corporate value.

2 Outline of the issuance of the Stock Acquisition Rights

2.1 Name of Stock Acquisition Rights

H.U. Group Holdings, Inc. 20th Stock Acquisition Rights

2.2 Total number of Stock Acquisition Rights

The total number of Stock Acquisition Rights shall be 520.

The above total represents the number of stock acquisition rights planned for allotment. In the event of a decrease in the total number of stock acquisition rights allotted, due to undersubscription and other factors, the total number of stock acquisition rights to be issued shall be the total number of stock acquisition rights to be allotted.

2.3 Class and number of shares to be issued upon exercise of Stock Acquisition Rights

The class of shares to be issued upon exercise of the stock acquisition rights shall be common stock of the Company. One hundred shares (hereafter "Number of Shares to be Allotted") will be issued upon exercise of each of the stock acquisition rights.

2.4 Amount to be invested when exercising Stock Acquisition Rights

The amount of the assets to be contributed upon exercise of each of the stock acquisition rights shall be an amount obtained by multiplying the price per share to be transferred upon exercise of the stock acquisition rights (hereafter "Exercise Price"), by the Number of Shares to be Allotted.

The Exercise Price shall be the higher price of following (i) or (ii).

(i) The average of the closing prices of Common Stock in the trading thereof on the Tokyo Stock Exchange (hereafter “Closing Price”) for trading days (excluding days on which there is no trading) during the month prior to the month of the Allocation Date of Common stock acquisition rights (hereafter “Allocation Date”)

(ii) The Closing Price on the Allocation Date of Common Stock Acquisition Rights (if there is no Closing Price on such date, the Closing Price for the immediate preceding trading day).

2.5 Exercise period of Stock Acquisition Rights

From November 29, 2027 to November 28, 2032

2.6 Matters concerning increase in capital stock and capital reserve by issuing of shares upon exercise of Stock Acquisition Rights

(i) When issuing shares upon the exercise of stock acquisition rights, the amount of stated capital to be increased shall be half of the maximum amount of increase in stated capital, as calculated in accordance with the provisions of Article 17, Paragraph 1 of the Rules of Account Settlement of Corporations, where any resultant fraction less than one yen shall be rounded up.

(ii) When issuing shares upon the exercise of stock acquisition rights, the amount of additional paid-in capital to be increased shall be determined by subtracting the amount of stated capital to be increased in the above i) from the maximum amount of increase in stated capital set forth in the above i)

2.7 Restriction on acquisition of Stock Acquisition Rights through transfer

Acquisition of stock acquisition rights through transfer shall require the approval by the Board of Directors.

2.8 Rules pertaining to fractions of less than one share arising from the exercise of Share Options

In case the number of shares to be delivered to the right holders who have exercised the stock acquisition rights includes any fraction less than one share, such fraction shall be rounded down.

2.9 Conditions for exercise of Stock Acquisition Rights

(i) The right holders shall remain directors or employees of the Company, or its subsidiaries or affiliates at the time of exercising such rights. However, in cases where the Company recognizes a justifiable reason, such as retirement of an officer due to expiration of term of office or mandatory retirement, the right may be exercised only within two years from the time of position lost.

(ii) Other conditions for the exercise of stock acquisition rights shall be as set forth in the "Stock Acquisition Rights Allotment Agreement" to be concluded between the Company and the right holders.

2.10 Calculation method for the amount to be paid in per Stock Acquisition Right

The amount to be paid in per stock acquisition right shall be calculated based on the Black-Scholes model. The amount calculated based on the above formula is the fair value of the stock acquisition

rights and does not fall under favorable issue. The Company will pay the persons to whom share acquisition rights are granted monetary compensation equal to the said amount and offset their claim for compensation from the Company against their payment obligations to be paid for the stock acquisition rights.

2.11 Stock Acquisition Right allotment date

December 24, 2024

2.12 Date of monetary payment in exchange for Stock Acquisition Rights

December 24, 2024

2.13 Stock Acquisition Right allotment recipients, number of recipients, and the number of Stock Acquisition Rights to be allotted

Allotment Recipients	Number of Recipients	Number of Stock Acquisition Rights to be Allotted
Employees of the Company	48 individuals	166
Directors of Subsidiaries	15 individuals	59
Employees of Subsidiaries	89 individuals	295