

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

August 13, 2025

## Financial Results for the Fiscal Year Ended June 30, 2025 (Japanese Accounting Standards)

Company name:	TAUNS Laboratories, Inc.
Listing:	Tokyo Stock Exchange
Securities code:	197A
URL:	<a href="https://www.tauns.co.jp/">https://www.tauns.co.jp/</a>
Representative:	Masaki Nonaka, President and CEO
Inquiries:	Yoshio Uchiyama, Director and CFO
Telephone:	+81-55-957-3090
Scheduled date of annual general meeting of shareholders:	September 26, 2025
Scheduled date to commence dividend payments:	September 29, 2025
Scheduled date to file annual securities report:	September 25, 2025
Preparation of supplementary material on financial results:	Yes
Holding of financial results briefing:	Yes (for analysts and institutional investors)

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

### 1. Financial results for the fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

#### (1) Operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
June 30, 2025	18,627	1.0	8,265	2.9	8,219	4.8	6,315	9.4
June 30, 2024	18,434	17.6	8,030	61.7	7,840	58.3	5,774	90.3

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
June 30, 2025	62.07	58.90	40.7	25.0	44.4
June 30, 2024	57.74	53.99	52.2	32.9	43.6

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended June 30, 2025: - million

For the fiscal year ended June 30, 2024: - million

Note: As the Company was listed on the Tokyo Stock Exchange Standard Market on June 20, 2024, the diluted earnings per share for the fiscal year ended June 2024 has been calculated using the average share price from the date of listing to the end of the previous fiscal year as the average share price for the period.

#### (2) Financial position

	Total assets		Net assets		Equity-to-asset ratio	Net assets per share
	Millions of yen		Millions of yen		%	Yen
As of						
June 30, 2025	36,515		17,417		47.7	168.99
June 30, 2024	29,261		13,666		46.7	136.53

Reference: Equity

As of June 30, 2025: ¥17,412 million

As of June 30, 2024: ¥13,658 million

### (3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended June 30, 2025	Millions of yen 6,818	Millions of yen (9,258)	Millions of yen 2,281	Millions of yen 9,266
June 30, 2024	9,935	(4,110)	2,355	9,424

## 2. Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended June 30, 2024	Yen -	Yen 6.00	Yen -	Yen 21.75	Yen 27.75	Millions of yen 2,775	% 48.1	% 25.1
Fiscal year ended June 30, 2025	-	6.00	-	22.00	28.00	2,876	45.1	18.2
Fiscal year ending June 30, 2026 (Forecast)	-	6.00	-	22.00	28.00		33.1	

Note:

1. The year-end dividends for the fiscal year ended June 30, 2024 include special dividend of 11.10 yen.
2. The year-end dividends for the fiscal year ended June 30, 2025 include special dividend of 10.00 yen.

## 3. Forecast of operating results for the fiscal year ending June 30, 2026 (from July 1, 2025 to June 30, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Fiscal year ending June 30, 2026	20,769	11.5	8,323	0.7	8,143	(0.9)	8,613	36.4	84.66

Note: Since the company conducts annual performance management, it omitted the performance forecast for the second quarter (cumulative). Please refer to "1. Overview of the operating results, etc. (4) Explanation of future forecast information, including earnings forecasts" on page 4 of the attached document for details.

## \*Notes

(1) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(2) Number of issued shares (common shares)

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

As of June 30, 2025	102,992,370 shares
As of June 30, 2024	100,000,000 shares

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

As of June 30, 2025	- shares
As of June 30, 2024	- shares

(iii) Average number of shares outstanding during the period

Fiscal year ended June 30, 2025	101,740,640 shares
Fiscal year ended June 30, 2024	100,000,000 shares

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

\* Proper use of earnings forecasts, and other special matters

The financial forecast is based on judgments and estimates that have been made on the basis of currently available information.

By nature, such financial forecast is subject to uncertainty and risk. Therefore, you are advised that the final results might be significantly different from the aforementioned forecast due to changes in economic environments related to our business, market trends and exchange rate, etc.

Please refer to “Overview of the operating results, etc., (4) Explanation of future forecast information, including earnings forecasts” on page 4 for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts.

○Table of content of material

1.	Overview of the operating results, etc .....	5
(1)	Overview of business performance for the current year .....	5
(2)	Overview of financial position as of the current year end .....	7
(3)	Overview of cash flow for the current year .....	7
(4)	Explanation of future forecast information, including earnings forecasts .....	7
2.	Basic concept regarding the selection of accounting standards .....	8
3.	Financial Statements and notes .....	9
(1)	Balance sheet .....	9
(2)	Statement of income .....	11
(3)	Statement of changes in equity .....	13
(4)	Statement of cash flows .....	15
(5)	Notes to financial statements .....	16
	Notes concerning assumption of going concern .....	16
	Notes to share of profit (loss) of entities accounted for using equity method .....	16
	Notes to segment information .....	16
	Notes to per share information .....	16
	Notes to significant subsequent events .....	16

## 1. Overview of the operating results, etc.

### (1) Overview of business performance for the current fiscal year

The global economy remained unstable during the current fiscal year (July 1, 2024, to June 30, 2025). The prolonged situation in Ukraine and heightened tensions in the Middle East, in particular, increased geopolitical risks and further exacerbated uncertainty about the future.

In our main business area of infectious disease point-of-care testing (POCT), the spread of infection has continued to fluctuate since the reclassification of the COIVD-19 pandemic as a Class 5 infectious disease in May 2023. However, the prevalence of both diseases during the current fiscal year remained below levels from the previous year, resulting in a decrease in the infectious disease POCT market size compared to the previous fiscal year.

On the other hand, in the fiscal year ended June 2024, the influenza outbreak began earlier than usual in September and persisted for an extended period until around March of the following year. As a result, there was sustained high demand for influenza test kits and combo test kits capable of simultaneously testing for both influenza and COVID-19 at medical institutions. This led our company to implement shipment adjustments over an extended period. However, in the current fiscal year, we had secured sufficient inventory in advance, enabling us to minimize shipment adjustments even during the year-end and New Year period when demand for test kits surged sharply.

As a result, revenue and profits at all stages for the current fiscal year increased compared to the previous fiscal year.

#### <Net sales trend> (Unit: millions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
FY2023	6,326	4,106	2,401	2,839	15,673
FY2024	6,943	4,673	4,754	2,063	18,434
FY2025	6,419	5,561	5,626	1,020	18,627

In terms of quarterly sales performance, the first quarter has consistently been the strongest. However, note that the FY 2023 included approximately 1.4 billion yen in one-time sales of COVID-19 single-use test kits for local governments during the pandemic.

In addition, the fourth quarter of FY 2025 saw the lowest sales of the last three quarters. This was due to the fact that, following the widespread outbreak of influenza during the year-end and New Year holidays, wholesalers secured their inventories, but the outbreak subsided more quickly than expected, resulting in a surplus of inventories in the market. As a result, the market continued to work through its excess inventories from February onwards.

#### <P/L Comparison> (Unit: millions of yen)

	FY2023	FY2024	FY2025	Increase/(decrease)
Net sales	15,673	18,434	18,627	1.0%
(sales to local governments)	2,154	159	—	—
Gross profit	9,199	12,498	12,774	2.2%
Gross profit ratio (%)	58.7%	67.8%	68.6%	0.8%
Operating income	4,967	8,030	8,265	2.9%
Operating income ratio (%)	31.7%	43.6%	44.4%	0.8%
Ordinary income	4,953	7,840	8,219	4.8%
Ordinary income ratio (%)	31.6%	42.5%	44.1%	1.6%
Net income	3,034	5,774	6,315	9.4%
Net income ratio (%)	19.4%	31.3%	33.9%	2.6%

In terms of past profit and loss comparisons by fiscal year, our market share increased in the fiscal year ended June 2025 despite the significantly lower prevalence of influenza and COVID-19 compared to the fiscal year ended June 2024, resulting in higher sales in the fiscal year ended June 2025 than the previous fiscal year. Additionally, as detailed below, the percentage of sales accounted for by high-margin products, such as COVID-19 single-use test kits and combo test kits, increased. Despite recording inventory valuation losses, etc., at the end of the fiscal year, this improved profit margins at each stage, resulting in higher profits..

#### <4th quarter from April to June P/L Comparison> (Unit: millions of yen)

	FY2023 4th quarter	FY2024 4th quarter	FY2025 4th quarter	Increase/(decrease)
Net sales	2,839	2,063	1,020	(50.6%)
(sales to local governments)	520	—	—	—
Gross profit	1,044	1,188	89	(92.4%)
Gross profit ratio (%)	36.8%	57.6%	8.8%	(48.8%)

Operating income	17	(195)	(1,065)	—
Operating income ratio (%)	0.6%	(9.5%)	(104.5%)	—
Ordinary income	13	(408)	(1,076)	—
Ordinary income ratio (%)	0.5%	(19.8%)	(105.5%)	—
Quarterly net income	(340)	(132)	(330)	—
Quarterly net income ratio (%)	(12.0%)	(6.4%)	(32.4%)	—

In terms of a comparison of profits and losses for the fourth quarter of the fiscal year, there was a decrease in both sales and profit. Two factors that caused the decline in sales were the timing of the epidemic and the impact of inventory levels in the market.

First, in the fiscal year ended June 2024, the summer surge of COVID-19 arrived around late June, leading to a rush of demand at the end of the fiscal year. However, in the fiscal year ended June 2025, no clear signs of the next surge were identified by the end of the fiscal year, resulting in the full recovery of demand for testing kits being postponed to the next fiscal year.

The second factor is that in the fiscal year ended June 2025, the clearance of market inventory shipped to distributors by January due to the influenza epidemic during the year-end and New Year period continued until the end of the fiscal year.

In addition to the above decrease in sales, the recording of inventory valuation losses at the end of the fiscal year reduced gross profit for the fourth quarter of the fiscal year ended June 2025.

< Sales by main product > (Unit: millions of yen)

Sales by main product	FY2023	FY2024(a)	FY2025 (b)	(b) / (a)
COVID-19 single-use test kits	8,687	4,712	4,854	3.0%
Influenza/COVID-19 combo test kits	3,415	6,375	7,921	24.2%
Influenza test kits	1,435	4,087	3,314	(18.9%)
Others	2,135	3,259	2,537	(22.2%)
Total	15,673	18,434	18,627	1.0%

When comparing sales by major product category on a fiscal year basis, the fiscal year ended June 2024 saw a prolonged influenza epidemic, however, the fiscal year ended June 2025 saw a shorter influenza epidemic, resulting in decreased sales of influenza test kits. On the other hand, combo test kits saw increased sales in the fiscal year ended June 2025 due to minimized shipment adjustments, stable supply, and expanding market demand. These combo test kits had been subject to prolonged shipment adjustments in the previous fiscal year. Additionally, despite the epidemic being smaller than the previous year, sales of COVID-19 single-use test kits increased, driven by a significant expansion in market share.

<4th quarter from April to June Sales by main product> (Unit: millions of yen)

Sales by main product	FY2023 4th quarter	FY2024 4th quarter (a)	FY2025 4th quarter (b)	(b) / (a)
COVID-19 single-use test kits	744	755	183	(75.7%)
Influenza/COVID-19 combo test kits	923	333	192	(42.2%)
Influenza test kits	355	220	61	(72.2%)
Others	815	753	582	(22.7%)
Total	2,839	2,063	1,020	(50.6%)

Sales for the fourth quarter of the fiscal year by major product line all decreased significantly compared to the previous quarter. The reasons for this are as mentioned above.

Under this environment, we made every effort to fulfil our social responsibility as a test kit supplier in line with our corporate slogan "Peace of mind through diagnostic technology".

As a result, net sales for the fiscal year increased by 1.0% year on year to 18,627,990 thousand yen, and operating income increased by 2.9% year on year to 8,265,025 thousand yen. In addition, ordinary income reached 8,219,959 thousand yen (a 4.8% increase year on year), and net income for the year was 6,315,407 thousand yen (a 9.4% increase year on year).

Because the company operates in only one segment, in vitro diagnostic test kits business, segment information is omitted.

## (2) Overview of financial position as of the current fiscal year

Total assets increased by 7,253,968 thousand yen from the previous fiscal year to reach 36,515,294 thousand yen at the end of the current fiscal year. This increase was primarily due to an increase in investment securities, as well as an increase in construction in progress related to the construction of a new factory.

Liabilities increased by 3,503,058 thousand yen compared to the end of the previous fiscal year, totaling 19,097,624 thousand yen. This increase is primarily due to an increase in long-term borrowings related to the procurement of funds for the construction of a new factory.

Net assets increased by 3,750,910 thousand yen from the end of the previous fiscal year to 17,417,670 thousand yen. This was mainly due to an increase in retained earnings resulting from the recognition of net income for the current period, despite the payment of dividends.

## (3) Overview of cash flows for the current period

The balance of cash and cash equivalents (hereinafter referred to as “net cash”) at the end of the current fiscal year decreased by 158,260 thousand yen compared to the end of the previous fiscal year, resulting in a balance of 9,266,630 thousand yen.

### (Cash flow from operating activities)

Net cash provided by operating activities amounted to 6,818,472 thousand yen, a decrease of 3,116,602 thousand yen compared to the previous fiscal year. This was mainly due to an increase in income taxes paid, despite an increase in income before income taxes and a decrease in accounts receivable.

### (Cash flow from investing activities)

Net cash used by investing activities amounted to an expenditure of 9,258,084 thousand yen, an increase of 5,147,701 thousand yen compared to the previous fiscal year. This was primarily due to expenditures for the acquisition of tangible fixed assets and the acquisition of investment securities.

### (Cash flow from financing activities)

Net cash provided by financing activities amounted to 2,281,350 thousand yen, a decrease of 74,472 thousand yen compared to the previous fiscal year. This was mainly due to an increase in long-term borrowings related to the construction of a new factory and the payment of dividends.

## (4) Explanation of future forecast information, including earnings forecasts

In the domestic POCT market, which is our main business area, tens of millions of antigen tests were conducted annually even before the COVID-19 pandemic. Influenza accounted for the majority of the diseases tested, with the remainder being RS virus, streptococcus, adenovirus, and others. On the other hand, during the COVID-19 pandemic, restrictions on movement and other measures significantly reduced the spread of existing respiratory infections such as influenza, while the spread of COVID-19 rapidly expanded, resulting in the number of tests exceeding that of influenza.

Following the reclassification of COVID-19 as a Category 5 infectious disease on May 8, 2023, which is the same category as influenza and other diseases, various measures to restrict movement implemented during the pandemic were relaxed. While COVID-19 continues to fluctuate between outbreaks and declines while maintaining a certain level of testing demand, the prevalence levels of existing respiratory infections have already returned to pre-pandemic of COVID-19 levels. As a result, the market size for infectious disease antigen tests in Japan has expanded compared to pre-pandemic of COVID-19 levels.

Under these circumstances, we plan to introduce improved combo test kits for the next fiscal year that will be in high demand when influenza and COVID-19 are prevalent at the same time. In terms of sales, we aim to further strengthen our market share by strengthening our partnerships with distributors and sales partners.

Regarding supply, we plan to start operating a new factory to avoid shipment adjustments (i.e., opportunity loss) during peak seasons and enhance production efficiency through mechanization and automation.

We anticipate that our performance in the next fiscal year will continue to be influenced by the spread of infectious diseases, and while it is difficult to accurately forecast the extent of this impact, we have formulated our performance forecast based on the following assumptions.

We assume that the spread of COVID-19 will continue to follow a pattern of periodic containment and resurgence, with two waves expected in the next fiscal year, similar to the current fiscal year, occurring during the summer and winter seasons. Consequently, we expect that demand for rapid diagnostic testing for infectious diseases at medical institutions will remain strong. In establishing our performance forecast, we have assumed that the market size for domestic infectious disease antigen tests, based on volume, will be above the current level. This assumption takes into account the current trend of inbound tourist numbers reaching record highs and the potential for an outbreak of infectious diseases amid the successful Osaka Expo.

In terms of market share by product type, based on past trends, we expect the share of combo test kits for COVID-19-related

testing to increase further.

As for our market share, we believe that we will be able to achieve the same or higher levels as the current period for our main products, such as influenza and COVID 19-related products, by further strengthening our relationships with wholesalers and conducting co-marketing activities with Shionogi & Co., Ltd.

We have included a slight decline in unit prices in our plans for each product, taking into account past trends.

Based on the above, our outlook for the next fiscal year is as follows: net sales of 20,769 million yen (an 11.5% increase year on year), operating income of 8,323 million yen (a 0.7% increase year on year), ordinary income of 8,143 million yen (a 0.9% decrease year on year), and net income of 8,613 million yen (a 36.4% increase year on year).

If we determine that these forecasts need to be revised due to future performance trends or changes in the above assumptions, we will announce such revisions promptly.

## 2. Basic concept regarding the selection of accounting standards

We have adopted Japanese standards to ensure comparability with other companies in the same industry in Japan. We will consider the situation in Japan and overseas and take appropriate measures regarding the application of IFRS in the future.

2. Financial Statements

(1) Balance sheet

(Unit: thousands of yen)

	Prior fiscal year (As of June 30, 2024)	Current fiscal year (As of June 30, 2025)
<b>Assets</b>		
<b>Current assets</b>		
Cash on hand and in banks	9,424,891	9,266,630
Accounts receivable – trade	2,706,864	247,777
Merchandise and finished goods	2,731,012	3,043,200
Work in process	846,011	1,515,674
Raw materials and supplies	1,140,425	1,324,652
Uncollected refunds of corporate taxes, etc.	16,413	—
Advance payment	16,788	616
Prepaid expenses	30,778	27,981
Other	2,528	50,073
<b>Total current assets</b>	<b>16,915,714</b>	<b>15,476,605</b>
<b>Fixed assets</b>		
Property, plant and equipment		
Buildings	1,100,173	1,325,353
Structures	9,658	16,945
Machinery and equipment	1,823,649	1,850,578
Vehicles	68,363	55,110
Tools, furniture, fixtures	836,658	992,164
Land	1,734,634	1,734,634
Construction in progress	3,972,673	8,213,450
Accumulated depreciation	(1,640,584)	(1,909,024)
<b>Total property, plant and equipment</b>	<b>7,905,227</b>	<b>12,279,213</b>
Intangible fixed assets		
Patents	2,916	147,729
Software	44,117	73,355
Customer related assets	2,726,400	2,499,200
Technology related assets	696,266	596,800
Other	251,170	519,683
<b>Total of intangible fixed assets</b>	<b>3,720,871</b>	<b>3,836,768</b>
Investments and other assets		
Investment securities	33,332	4,177,271
Affiliated company stock	452,263	452,263
Affiliated company bond	186,796	193,500
Other affiliated company stock	14,094	66,386
Investment in capital	20	20
Bankruptcy claims	0	0
Long-term prepaid expenses	5,482	3,451
Other	27,523	29,814
<b>Total investments and other assets</b>	<b>719,512</b>	<b>4,922,707</b>
<b>Total fixed assets</b>	<b>12,345,611</b>	<b>21,038,688</b>
<b>Total assets</b>	<b>29,261,325</b>	<b>36,515,294</b>

(Unit: thousands of yen)

	Prior fiscal year (As of June 30, 2024)	Current fiscal year (As of June 30, 2025)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	1,482,761	1,199,041
Short-term borrowings	4,500,000	4,500,000
Current portion of long-term borrowings	732,000	1,114,919
Non trade payables	559,263	488,728
Equipment accounts payable	171,090	278,199
Accrued expenses	166,423	115,645
Income taxes payable	1,706,274	842,289
Consumption taxes payable	387,563	101,869
Refund liability	240,924	441,381
Contract liability	9,889	78,606
Deposits receivd	62,682	194,514
Allowance for bonuses	427,577	153,612
Allowance for bonuses to directors	27,991	17,791
Other	—	3,276
<b>Total current liabilities</b>	<b>10,474,442</b>	<b>9,529,874</b>
<b>Long-term liabilities</b>		
Long-term borrowings	4,307,000	8,809,081
Deferred tax liabilities	619,491	556,304
Accrued retirement benefits	181,631	190,363
Asset retirement obligations	12,000	12,000
<b>Total long-term liabilities</b>	<b>5,120,123</b>	<b>9,567,749</b>
<b>Total liabilities</b>	<b>15,594,565</b>	<b>19,097,624</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	200,000	289,771
Deposits for subscriptions rights to common stocks	5,681	7,913
<b>Capital surplus</b>		
Capital reserve	50,000	139,771
Other capital reserve	2,633,300	2,633,300
<b>Total capital surplus</b>	<b>2,683,300</b>	<b>2,773,071</b>
<b>Retained earnings</b>		
Other retained earnings		
Reserve for Tax Measure to Promote Open-Innovation	—	999,996
Retained earnings brought forward	10,777,852	13,307,554
<b>Total retained earnings</b>	<b>10,777,852</b>	<b>14,307,551</b>
<b>Total shareholders' equity</b>	<b>13,666,834</b>	<b>17,378,307</b>
<b>Valuation and translation adjustments</b>		
Net unrealized gains (losses) on securities	(7,982)	34,452
<b>Total valuation and translation adjustments</b>	<b>(7,982)</b>	<b>34,452</b>
<b>Share subscription rights</b>	<b>7,907</b>	<b>4,910</b>
<b>Total net assets</b>	<b>13,666,759</b>	<b>17,417,670</b>
<b>Total liabilities and net assets</b>	<b>29,261,325</b>	<b>36,515,294</b>

## (2) Statement of income

(Unit: thousands of yen)

	Prior fiscal year (From July 1, 2023 To June 30, 2024)	Current fiscal year (From July 1, 2024 To June 30, 2025)
Net sales	18,434,863	18,627,990
Cost of sales		
Beginning merchandise and product inventory	1,998,525	2,731,012
Cost of goods manufactured	6,596,554	6,179,831
Purchases	98,000	—
Total	8,693,080	8,910,844
Goods transfer to other account	25,536	14,651
Ending merchandise and product inventory	2,850,915	3,480,183
Loss on valuation of inventory	119,902	436,982
Cost of sales	5,936,531	5,852,992
Gross profit	12,498,332	12,774,997
Selling, general and administrative expenses		
Salaries expense and allowances	1,126,312	1,264,599
Provision for bonuses	323,041	111,574
Provision for directors' bonuses	27,991	17,791
Retirement benefit expenses	41,775	32,019
Depreciation	423,344	449,205
Business consignment expenses	439,455	349,799
Other	2,086,316	2,284,981
Total selling, general and administrative expenses	4,468,237	4,509,972
Operating income	8,030,094	8,265,025
Non-operating income		
Interest income	37	4,738
Interest on securities	2,305	2,300
Dividends income	5,343	7,110
Subsidy income	53,533	43,388
Miscellaneous income	2,596	3,076
Total non-operating income	63,816	60,614
Non-operating expenses		
Interest expenses	31,211	102,904
Syndicated loan fee	104,380	—
Commission fee	100,000	1,000
Miscellaneous expenses	17,694	1,776
Total non-operating expenses	253,285	105,681
Ordinary income	7,840,625	8,219,959
Special gains		
Gain on sales of fixed assets	591	3,394
Gain on reversal of subscription rights to stocks	1,892	4
Total special gains	2,483	3,398
Special expenses		
Loss on sale of fixed assets	280	30
Loss on disposal of fixed assets	6,470	21,451
Loss on devaluation of investment securities	1,665	—
Total special expenses	8,416	21,481
Income before income taxes	7,834,691	8,201,875
Income taxes-current	2,363,419	1,968,359
Income taxes-deferred	(302,813)	(81,891)
Total income taxes	2,060,605	1,886,468
Net income	5,774,086	6,315,407

Schedule of Cost of Goods Manufactured

		Prior fiscal year (From July 1, 2023 To June 30, 2024)		Current fiscal year (From July 1, 2024 To June 30, 2025)	
Category	Note	Amount (thousands of yen)	Percentage of total (%)	Amount (thousands of yen)	Percentage of total (%)
I Material cost	※	2,755,138	44.6	3,162,191	46.1
II Labor cost		983,618	15.9	983,420	14.3
III Manufacturing expenses		2,441,499	39.5	2,711,900	39.5
Total manufacturing costs for the period		6,180,255	100.0	6,857,512	100.0
Beginning work in process inventory		1,265,625		846,011	
Total		7,445,881		7,703,523	
Ending work in process inventory		1,063,869		1,625,766	
Transfer to other accounts		3,315		8,017	
Loss on valuation of inventory		217,858		110,092	
Cost of goods manufactured		6,596,554		6,179,831	

Method of cost accounting

The cost accounting method used is actual cost accounting based on process cost system.

(※) The main breakdown is as follows.

Item	Prior fiscal year (From July 1, 2023 To June 30, 2024)	Current fiscal year (From July 1, 2024 To June 30, 2025)
Subcontract processing cost (thousands of yen)	1,863,117	2,079,416
Depreciation (thousands of yen)	252,819	266,220

(3) Statements of changes in equity

Fiscal year ended June 30, 2024 (From July 1, 2023 to June 30, 2024)

(Unit: thousands of yen)

	Shareholders' equity							
	Share capital	Deposit for subscriptions to shares	Capital surplus			Retained earnings		Total equity
			Capital reserve	Other capital reserve	Total capital surplus	Other retained earnings	Retained earnings brought forward	
Balance at July 1, 2023	100,000	—	25,000	2,758,300	2,783,300	5,603,766	5,603,766	8,487,066
Changes of items during period								
Issuance of new shares (exercise of share subscription rights)								—
Exercise of share subscription rights		5,681						5,681
Dividends of surplus						(600,000)	(600,000)	(600,000)
Net income						5,774,086	5,774,086	5,774,086
Transfer to capital stock from other capital reserve	100,000			(100,000)	(100,000)			—
Transfer to capital reserve from other capital reserve			25,000	(25,000)	—			—
Net changes of items other than shareholders' equity								
Total changes of items during period	100,000	5,681	25,000	(125,000)	(100,000)	5,174,086	5,174,086	5,179,767
Balance at June 30, 2024	200,000	5,681	50,000	2,633,300	2,683,300	10,777,852	10,777,852	13,666,834

	Valuation & translation adjustments		Share subscription rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation & translation adjustments		
Balance at July 1, 2023	(6,995)	(6,995)	9,800	8,489,871
Changes of items during period				
Issuance of new shares (exercise of share subscription rights)				—
Exercise of share subscription rights				5,681
Dividends of surplus				(600,000)
Net income				5,774,086
Transfer to capital stock from other capital reserve				—
Transfer to capital reserve from other capital reserve				—
Net changes of items other than shareholders' equity	(987)	(987)	(1,892)	(2,879)
Total changes of items during period	(987)	(987)	(1,892)	5,176,888
Balance at June 30, 2024	(7,982)	(7,982)	7,907	13,666,759

Fiscal year ended June 30, 2025 (From July 1, 2024 to June 30, 2025)

(Unit: thousands of yen)

	Shareholders' equity								
	Share capital	Deposit for subscriptions to shares	Capital surplus			Retained earnings		Total retained earnings	Total equity
			Capital reserve	Other capital reserve	Total capital surplus	Other retained earnings	Reserve for Tax Measure to Promote Open-Innovation		
Balance at July 1, 2024	200,000	5,681	50,000	2,633,300	2,683,300	—	10,777,852	10,777,852	13,666,834
Changes of items during period									
Issuance of new shares (exercise of share subscription rights)	89,771	(176,549)	89,771		89,771				2,992
Exercise of share subscription rights		178,782							178,782
Accumulation of Reserve for Tax Measure to Promote Open-Innovation						999,996	(999,996)	—	—
Dividends of surplus							(2,785,709)	(2,785,709)	(2,785,709)
Net income							6,315,407	6,315,407	6,315,407
Transfer to capital stock from other capital reserve									—
Transfer to capital reserve from other capital reserve									—
Net changes of items other than shareholders' equity									
Total changes of items during period	89,771	2,232	89,771	—	89,771	999,996	2,529,701	3,529,698	3,711,473
Balance at June 30, 2025	289,771	7,913	139,771	2,633,300	2,773,071	999,996	13,307,554	14,307,551	17,378,307

	Valuation & translation adjustments		Share subscription rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation & translation adjustments		
Balance at July 1, 2023	△7,982	△7,982	7,907	13,666,759
Changes of items during period				
Issuance of new shares (exercise of share subscription rights)			(2,992)	—
Exercise of share subscription rights				178,782
Accumulation of Reserve for Tax Measure to Promote Open-Innovation				—
Dividends of surplus			(2,785,709)	
Net income				6,315,407
Transfer to capital stock from other capital reserve				—
Transfer to capital reserve from other capital reserve				—
Net changes of items other than shareholders' equity	42,434	42,434	(4)	39,437
Total changes of items during period	42,434	42,434	(2,996)	3,750,910
Balance at June 30, 2024	34,452	34,452	4,910	17,417,670

## (4) Statement of cash flows

(Unit: thousands of yen)

	Prior fiscal year (From July 1, 2023 To June 30, 2024)	Current fiscal year (From July 1, 2024 To June 30, 2025)
<b>Cash flows from operating activities</b>		
Income before income taxes	7,834,691	8,201,875
Depreciation and amortization	676,163	715,426
Increase (decrease) in refund liabilities	△43,242	200,456
Increase (decrease) in allowance for doubtful accounts	△127,350	—
Increase (decrease) in allowance for bonuses to employees	319,053	(273,965)
Increase (decrease) in allowance for bonuses to directors	—	(10,200)
Increase (decrease) in accrued retirement benefits	27,421	8,732
Interest and dividends income	(7,686)	(14,149)
Subsidy income	(53,533)	(43,388)
Gain on reversal of subscription rights to stocks	(1,892)	(4)
Interest expenses	31,211	102,904
Syndicated loan fee	104,380	—
Commission fee	100,000	—
Loss (gain) on sales of non-current assets	1,665	—
Loss (gain) on sales of non-current assets	(310)	(3,363)
Loss on retirement of non-current assets	6,470	21,451
Decrease (increase) in accounts receivable - trade	344,384	2,459,087
Decrease (increase) in inventories	(130,525)	(1,166,077)
Increase (decrease) in accounts payable - trade	339,338	(283,720)
Increase (decrease) in consumption taxes payable	387,563	(285,693)
Other	552,423	174,578
<b>Subtotal</b>	<b>10,360,225</b>	<b>9,781,702</b>
Interest and dividends received	5,381	11,743
Interest paid	(29,019)	(104,949)
Subsidy received	53,533	43,388
Income taxes paid	(455,045)	(2,913,518)
<b>Cash flows from operating activities</b>	<b>9,935,074</b>	<b>6,818,472</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,751,868)	(4,679,989)
Proceeds from sales of property, plant and equipment	2,096	5,085
Retirement of property, plant and equipment	(1,309)	(1,030)
Purchase of intangible assets	(208,022)	(440,353)
Purchase of investment securities	(1,279)	(4,141,797)
Purchase of affiliated company stock	(150,000)	—
<b>Cash flows from investing activities</b>	<b>(4,110,382)</b>	<b>(9,258,084)</b>
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term loans payable	1,000,000	—
Proceeds from long-term borrowings	2,698,620	5,642,000
Repayment of long-term borrowings	(732,000)	(756,999)
Proceeds from exercise of subscription rights to stock	5,681	178,782
Payments of listing-related expenses	(16,478)	—
Cash dividends paid	(600,000)	(2,782,432)
<b>Cash flows from financing activities</b>	<b>2,355,823</b>	<b>2,281,350</b>
Increase (decrease) in cash and cash equivalents	8,180,515	(158,260)
Cash and cash equivalents at the beginning of the period	1,244,375	9,424,891
<b>Cash and cash equivalents at the end of the period</b>	<b>9,424,891</b>	<b>9,266,630</b>

(5) Notes to financial statements

(Notes concerning assumption of going concern)

None

(Notes to share of profit (loss) of entities accounted for using equity method)

All affiliated companies of the Company are omitted from the notes as they are not material in terms of profit and surplus.

(Notes to business segments and related information)

No segment information is provided as the Company has only one segment, which is IVD (in vitro diagnostics) business.

(Notes to per share information)

	Prior fiscal year (From July 1, 2023 To June 30, 2024)	Current fiscal year (From July 1, 2024 To June 30, 2025)
Net assets per share	136.53 yen	168.99 yen
Basic earnings per share	57.74 yen	62.07 yen
Diluted earnings per share	53.99 yen	58.90 yen

(Note) 1. As the Company was listed on the Tokyo Stock Exchange Standard Market on June 20, 2024, the diluted earnings per share for the previous fiscal year has been calculated using the average stock price from the date of listing to the end of the previous fiscal year as the average stock price for the period.

2. The basis for calculating basic earnings per share and diluted earnings per share is as follows.

	Prior fiscal year (From July 1, 2023 To June 30, 2024)	Current fiscal year (From July 1, 2024 To June 30, 2025)
Basic earnings per share		
Net income (thousands of yen)	5,774,086	6,315,407
Amount not attributable to common shareholders (thousands of yen)	—	—
Net income attributable to owners of parent related to common stock (thousands of yen)	5,774,086	6,315,407
Average number of shares of common stock outstanding (thousand of shares)	100,000	101,740
Diluted earnings per share		
Adjustment to net income for the period (thousands of yen)	—	—
Increase in common shares (thousands of shares) (Of these, share subscription rights (thousands of shares))	6,945 (6,945)	5,478 (5,478)
Outline of potential shares not included in the calculation of diluted earnings per share due to the absence of a dilution effect	—	—

(Notes to significant subsequent events)

None