Financial Highlights for FY ended June 30, 2025

TAUNS Laboratories, Inc. (Code: 197A)

August 13, 2025

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Corporate Profile

Corporate Name	TAUNS Laboratories, Inc.			
Representative	Masaki Nonaka, President and CEO			
Foundation Establishment*	April 1987 April 2016(*Date of establishment of current corporation following the reorganization of group)			
Headquarters	761-1 Kamishima, Izunokuni-shi, Shizuoka 410-2325, Japan			
Capital (as of June 30, 2025)	289 million yen			
Board of Directors & Audit Committee (As of June 30, 2025)	President and CEO Director Director Director	Masaki Nonaka Yoshio Uchiyama Junpei Nagai Masahiro Ito	External Director External Director Auditor External Auditor External Auditor	Toshinori Mishina Osamu Chiba Yoshitaka Endo Makiko Nakagawa Caroline F. Benton
Shareholder Composition (As of June 30, 2025)	Founding families: 26.7% Financial investors: 40.7% Others: 32.4%			
Business Scope	Development, manufacture, sales and import/export of in vitro diagnostic and reagents Main products are antigen test kits for infectious diseases			
Sales	18,627 million yen (FY 2025)			
Number of Employees	360 (as of June 30, 2025)			
Total Assets	36,515 million yen (as of June 30, 2025)			
Location	Head Office/Kamishima Factory (Shizuoka), Shimizu-cho Office / R&D Center (Shizuoka), Tokyo Office			
Main Clients	SUZUKEN CO., LTD., Roche Diagnostics K.K. and other companies			

Head Office/Kamishima Factory

Shimizu-cho Office / R&D Center

Mishima Factory (Production facilities to be completed by Dec. 2025 (business license, validation, etc.), full-scale operation scheduled to start in Feb. 2026)

Management Philosophy

**Through proprietary in vitro diagnostics, we will enrich lives and provide peace of mind.
In order to do so, we will accumulate technology and knowledge,
and continue to develop and improve our products.**

Peace of mind through diagnostic technology.

Normal days that pass you by.

Special moments that are extraordinary.

All of these are sustained by unwavering peace of mind.

With our proprietary diagnostic technologies,

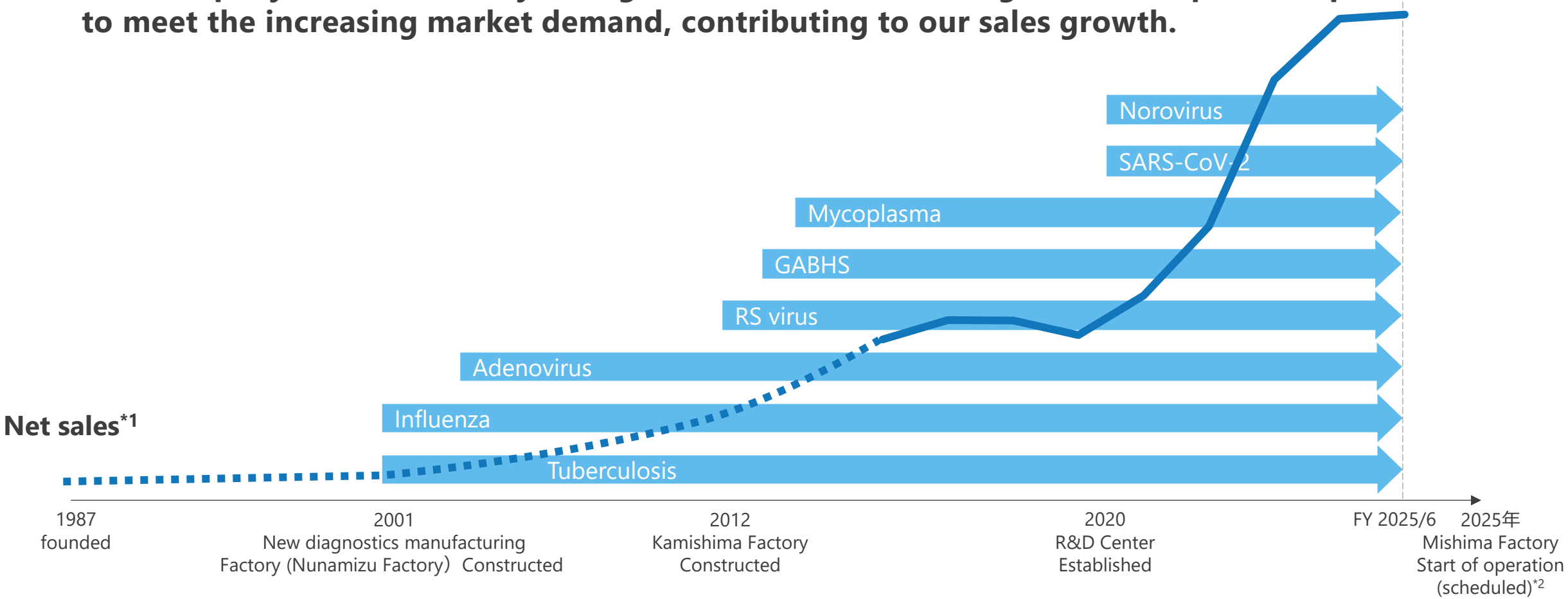
TAUNS assists in the diagnosis and early detection of diseases.

Building a better outlook throughout the world

by relieving worries, one by one.
We continue to help you live your life every day without worry.

History

- **Since the early 2000s, TAUNS has been expanding its extensive lineup of antigen tests.**
- **The Company has consistently strengthened its manufacturing and development capabilities to meet the increasing market demand, contributing to our sales growth.**



*1: The FY 2022/6 net sales figures are exclusive of MHLW purchases.
*2: Production facilities to be completed by Dec. 2025 (business license, validation, etc.), full-scale operation scheduled to start in Feb. 2026.
December 2025.

Business

- **We mainly develop and manufacture antigen test kits for infectious disease clinical testing. Under the ImunoAce brand, TAUNS offers a range of products for various infectious diseases, including influenza viruses, adenoviruses, and SARS-CoV-2.**

Main Product Lines

Infectious Disease Ares

SARS-CoV-2
(released in 2020)

Influenza virus
(released in 2008)

SARS-Cov2 /
Influenza virus
(released in 2022)

Adenovirus
(released in 2008)

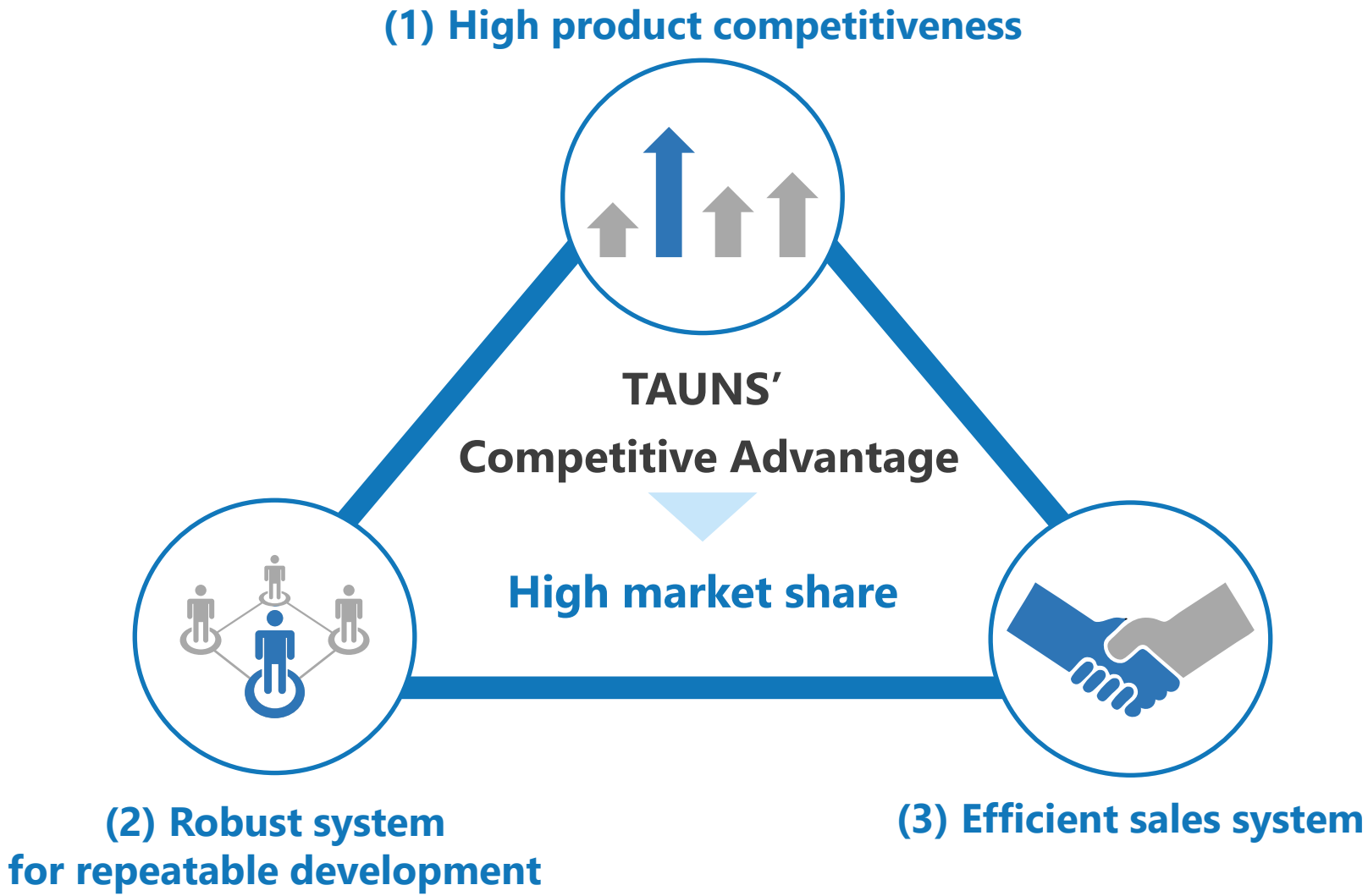
GABHS
(released in 2013)

Mycoplasma
(released in 2015)

Human Metapneumo virus
(released in 2016)

RS virus
(released in 2012)

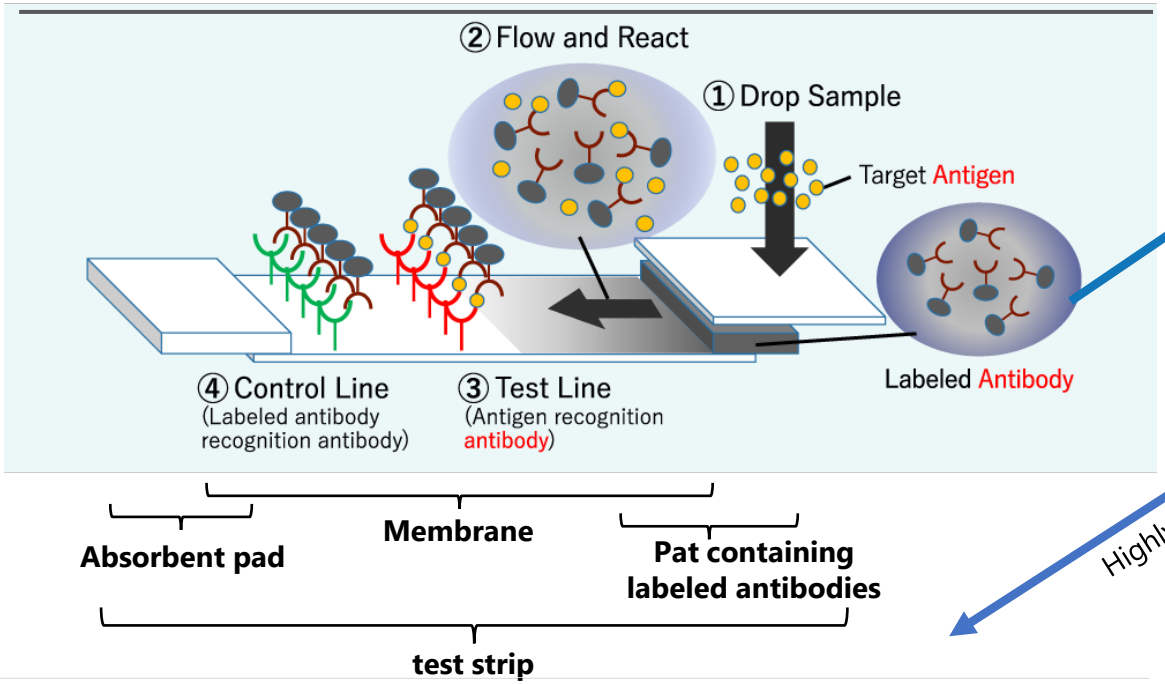
Our 3 Competitive Advantages Driving High Market Share



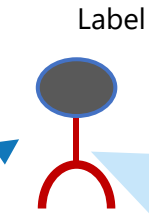
Principle of Antigen Test Kits and Strengths of Our Technology

- **High technological capabilities, including a track record in the development of numerous in-house antibodies (including patents) and proprietary platinum-gold colloid technology**
- **Utilizing our technological capabilities, we have developed high-quality products with both specificity and sensitivity. In addition, we supply products that are of high value to both the medical community and patients, such as those that enable the broad sharing of specimens among multiple infectious diseases.**

Principle of Antigen Test Kits



Our core technologies and product value-added



Highly visible black line

Our Core Technologies

Proprietary **platinum-gold colloid technology** to achieve highly **visible black lines** on black signage acquired technology to improve sensitivity while suppressing nonspecific reactions through many years of accumulated know-how

Possesses **advanced antibody development technology** and a wealth of experience and know-how

The creation of high-performance antibodies contributes significantly to the sensitivity and specificity of the kit

Specificity × Sensitivity

Robust System for Repeatable Development

- **A development team with extensive business experience and advanced, diverse expertise leads development activities.**
- **Accumulated in-house knowledge from years of research and development, combined with insights from external sources, contributes to rapid and innovative development.**

Experienced and Accomplished Development Team

No. of R&D members

51 *1

Many members have been in the industry for a long time

Composed mainly of doctoral and master's students

×

Experience in development of antigen test

30+years

With a history of industry-leading development

Accumulation of superior knowledge

Experienced Leaders / External Consultants

A wide range of expertise PJ leader layer with

It is not limited to the core antibody and nanoparticle synthesis technologies,

Extensive expertise in enzymatic and chemical reactions

×

Knowledgeable partner/KOL network

Collaboration with knowledgeable external advisors, collaborators, and joint research partners

Networking with KOLs

Extensive Development Achievements

- ✓ Pioneering achievements in developing 'world-first' products such as Capilia TB and MAC
- ✓ Successful development of proprietary technologies including platinum-gold colloid technology
- ✓ Numerous in-house antibody development successes (Antibodies to mycoplasma and tuberculosis bacteria are patented, and there are other antibodies pending patent application)

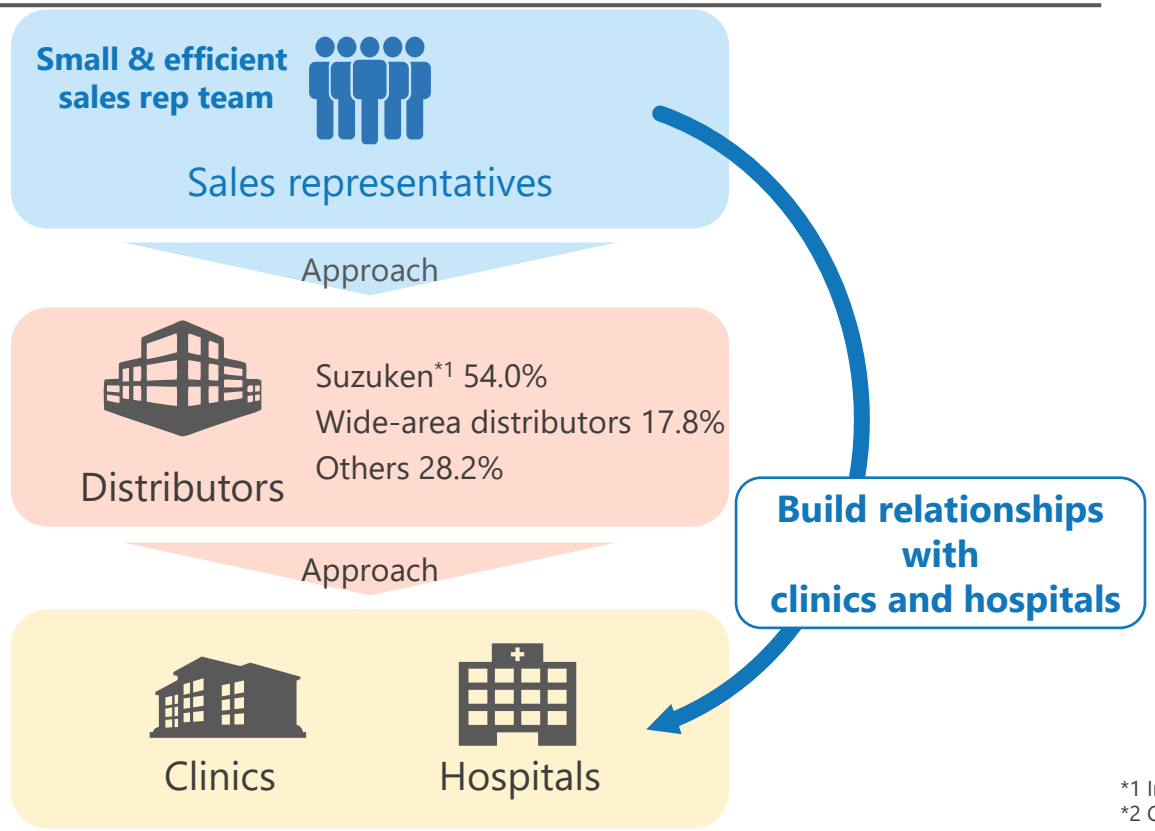
Dr. Ichiro Okura	Dr. Satoshi Mitarai	Dr. Yoshihiro Kawaoka
Institute of Science Tokyo	Research Institute of Tuberculosis	Institutes for Advanced Study, The University of Tokyo
Professor Emeritus	Dept. of Mycobacterium Reference and Research	The UTOPIA center
	Director	Director

*1 Number of researchers enrolled as of June 30, 2025 (full-time employees)

Distribution and Sales Structure

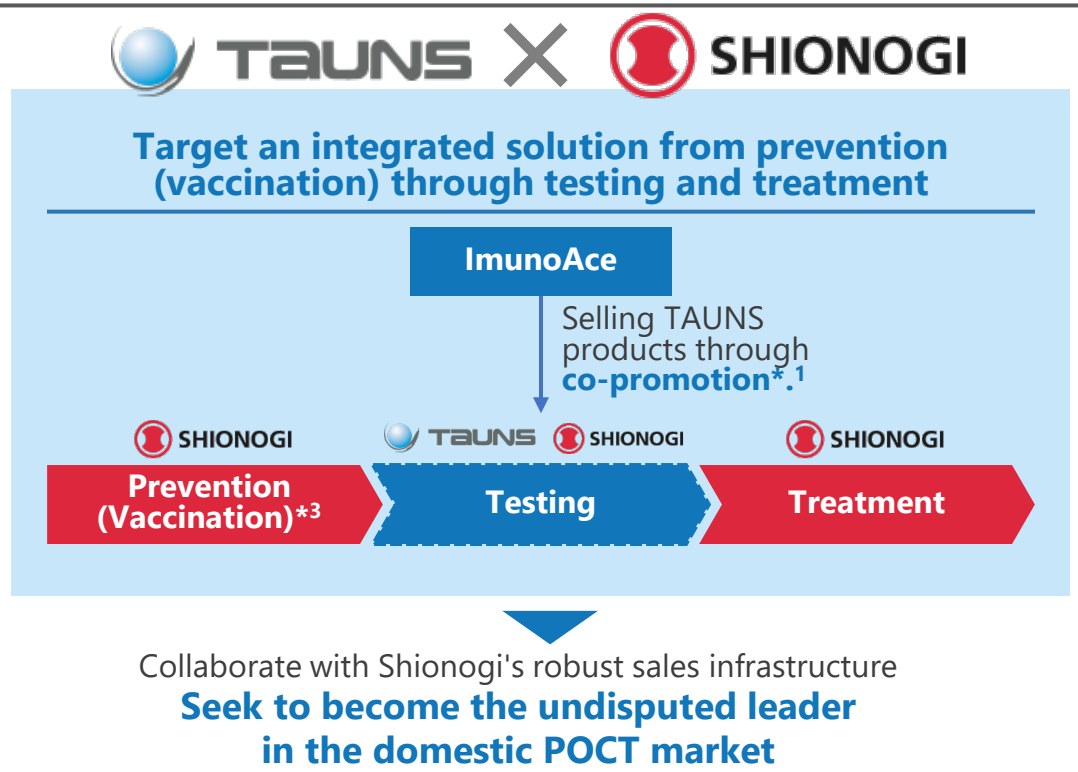
- **A small number of elite sales representatives have established strong cooperative relationships with distributors. Top-class domestic market share for major infectious disease antigen test kits**
- **Through collaboration (co-promotion) with Shionogi, we will provide a comprehensive solution for infectious disease control, from prevention to testing to treatment, and further strengthen our position in the domestic infectious disease POCT market through synergy between Shionogi's sales force, which is strong in clinics, and our sales force, which is strong in hospitals.**
- **At present, through a sales partnership (co-marketing) with Roche Diagnostics, we aim to further increase our market share, focusing on combo test kits.**

A small, elite sales force works strongly with distributors



*1 Including Jingu Yakuhin Co., Ltd. which merged in February 2024.

Strengthening Sales Capabilities Further Through Collaboration with Shionogi



*1 Infectious diseases covered in the current situation are COVID-19 and influenza
*2 Co-promotion: Parallel promotion of the same drug under the same brand by two or more pharmaceutical companies (usually two companies).
*3 Received regulatory approval for COVID-19 vaccine (Source: Shionogi & Co., Ltd. press release on June 24, 2024)

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Highlights for the Fiscal Year ended June 2025

- ✓ With regard to COVID-19, the scale of outbreaks in both summer and winter was lower than in the previous year, and the scale of outbreaks for the full year based on fixed observation points decreased by approximately 40% compared to the previous year. In line with the decrease in the scale of outbreaks, the market size for COVID-19 single-use test kits also decreased compared to the previous year, but the Company significantly increased its market share and sales of these kits increased compared to the previous year.
- ✓ With regard to influenza, the epidemic reached its peak in late 2024, but rapidly subsided in the third quarter. In the previous fiscal year, the epidemic began in the first quarter and continued for an extended period, resulting in a year-on-year decrease of approximately 50% in the overall scale of the epidemic. Although our company increased its market share for influenza test kits, sales of these kits decreased year-on-year due to the decline in the scale of the epidemic and a shift toward combo test kits.
- ✓ Although the scale of COVID-19 and influenza outbreaks both decreased compared to the previous year, sales of combo test kits exceeded those of the previous year and drove overall company performance due to factors such as the increased market penetration of combo test kits, the maintenance of sufficient inventory levels and stable supply in the current year (unlike the previous year, which was forced to adjust shipments over an extended period), and the commencement of a sales partnership with Roche Diagnostics.
- ✓ Each stage of profit increased year-on-year. The increase in the sales composition ratio of COVID-19 single-use test kits and combo test kits, which have relatively high profit margins, offset the impact of inventory valuation losses recorded at the end of the year, resulting in an improvement in each stage of profit margin.

Results for FY 2025/6

- **Although both COVID-19 and influenza outbreaks were smaller than in the previous year, the Company achieved a high market share and increased sales and profits, mainly due to its ability to meet demand during the epidemic with sufficient inventories.**
- **Profit margins at each profit level improved, despite the recognition of inventory valuation losses, as the high-margin COVID-19 single-use test kits and combo test kits accounted for a higher percentage of sales, and the level of SG&A expenses remained almost the same as in the previous year's results.**

(Millions of yen)	FY 2023/6		FY 2024/6		FY 2025/6		
	Actual	*Margin*	Actual	*Margin*	Actual	*Margin*	*YonY*
Net sales	15,673	-	18,434	-	18,627	-	*1.0%*
Gross profit	9,199	*58.7%*	12,498	*67.8%*	12,774	*68.6%*	*2.2%*
Operating income	4,967	*31.7%*	8,030	*43.6%*	8,265	*44.4%*	*2.9%*
Ordinary income	4,953	*31.6%*	7,840	*42.5%*	8,219	*44.1%*	*4.8%*
Net income	3,034	*19.4%*	5,774	*31.3%*	6,315	*33.9%*	*9.4%*
EBITDA	5,607	*35.8%*	8,706	*47.2%*	8,980	*48.2%*	*3.1%*

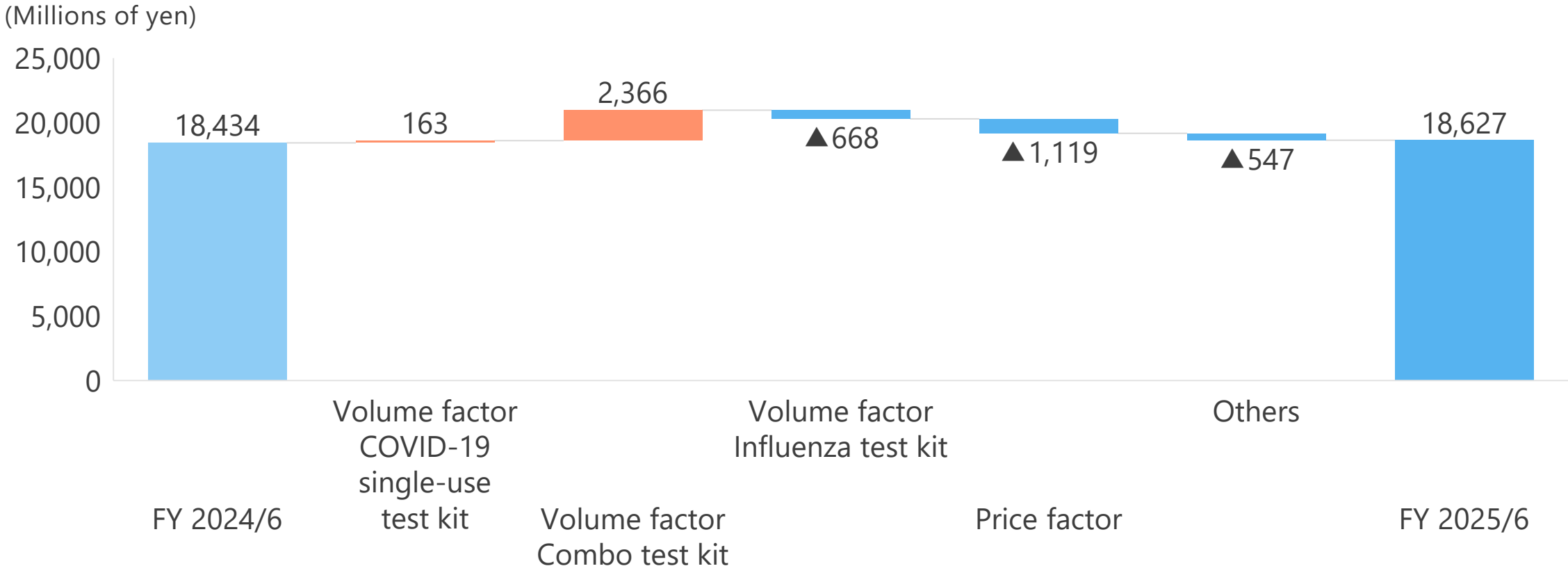
Sales by Main Products (FY 2025/6)

- **Although epidemic levels of both COVID-19 and influenza were lower than in the previous year, sales of the COVID-19 single-use test kit increased due to market share gains. On the other hand, sales of influenza test kits declined due to the shift in demand to combo test kits.**
- **Sales of combo test kits increased year on year due to timely responses to inventory securing measures taken by some distributors during the year-end and New Year holidays and the effects of a sales partnership with Roche Diagnostics.**

(Millions of yen)	FY 2023/6		FY 2024/6		FY 2025/6	
	Actual	*Composition*	Actual	*Composition*	Actual	*Composition*
COVID-19 single-use test kits	8,687	*55.4%*	4,712	*25.6%*	4,854	*26.1%*
Influenza/COVID-19 combo test kits	3,415	*21.8%*	6,375	*34.6%*	7,921	*42.5%*
Influenza test kits	1,435	*9.2%*	4,087	*22.2%*	3,314	*17.8%*
Others	2,135	*13.6%*	3,259	*17.7%*	2,537	*13.6%*
Total	15,673		18,434		18,627	

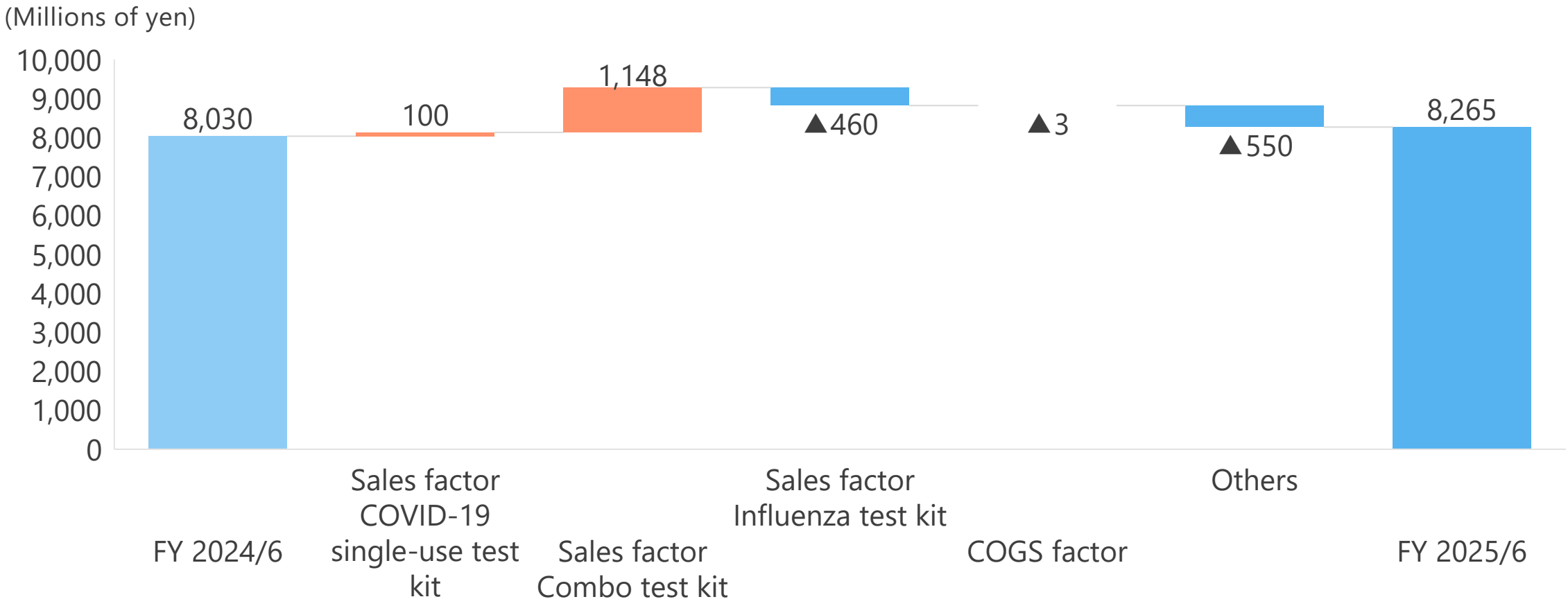
Factors for YonY Sales Increase/Decrease

- **As mentioned above, increased sales of combo test kits contributed to the increase in sales.**
- **Although the sales price per unit declined, it remained within the range anticipated at the beginning of the year.**



Factors for YonY Operating Income Increase/Decrease

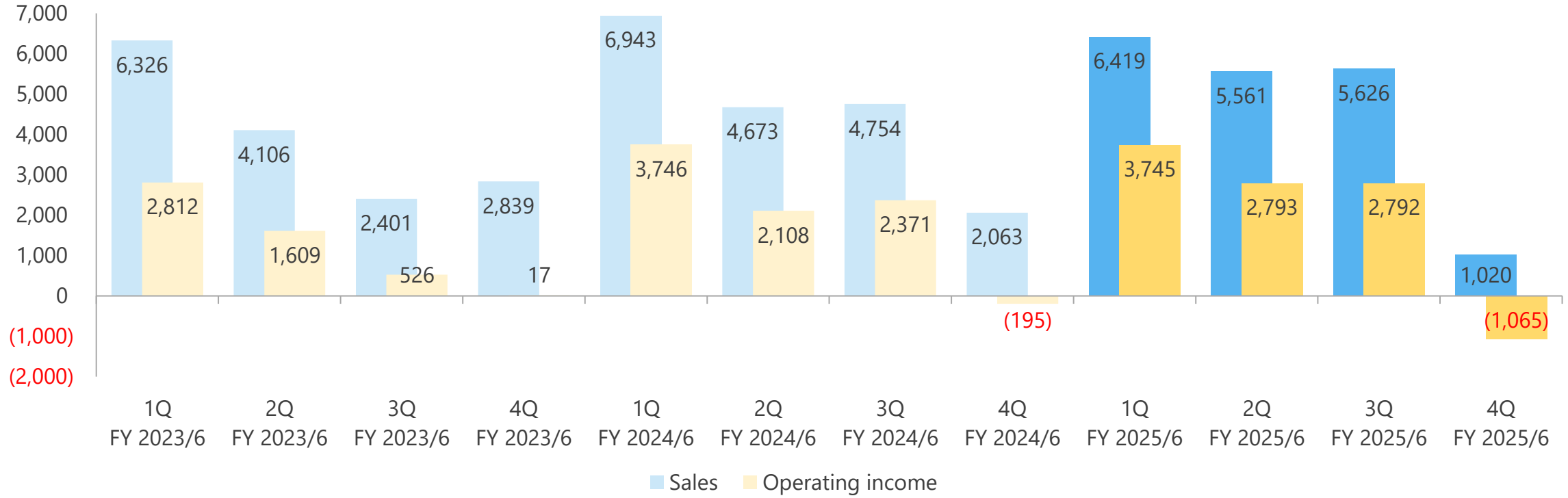
- **As mentioned above, increased sales of combo test kits contributed to higher profit.**
- **Although we recorded certain inventory valuation losses at the end of the year, the impact was offset by cost reductions such as the introduction of rabbit antibodies.**



Quarterly Sales and Operating Income Trends

- **Compared to the previous year, when influenza began to spread around September, sales in the first quarter of the current period decreased. However, sufficient inventory was secured during the current year, enabling the company to respond in a timely manner to the surge in demand during the winter season. As a result, sales and operating income in the second and third quarters increased compared to the same period of the previous year, when the company was forced to adjust shipments over a long period of time.**
- **In the fourth quarter, sales and profit decreased compared to the same period of the previous year due to the impact of the delayed spread of COVID-19, continued digestion of market inventories secured by wholesalers in the third quarter, and the recording of inventory valuation losses at the end of the year.**

(Millions of yen)



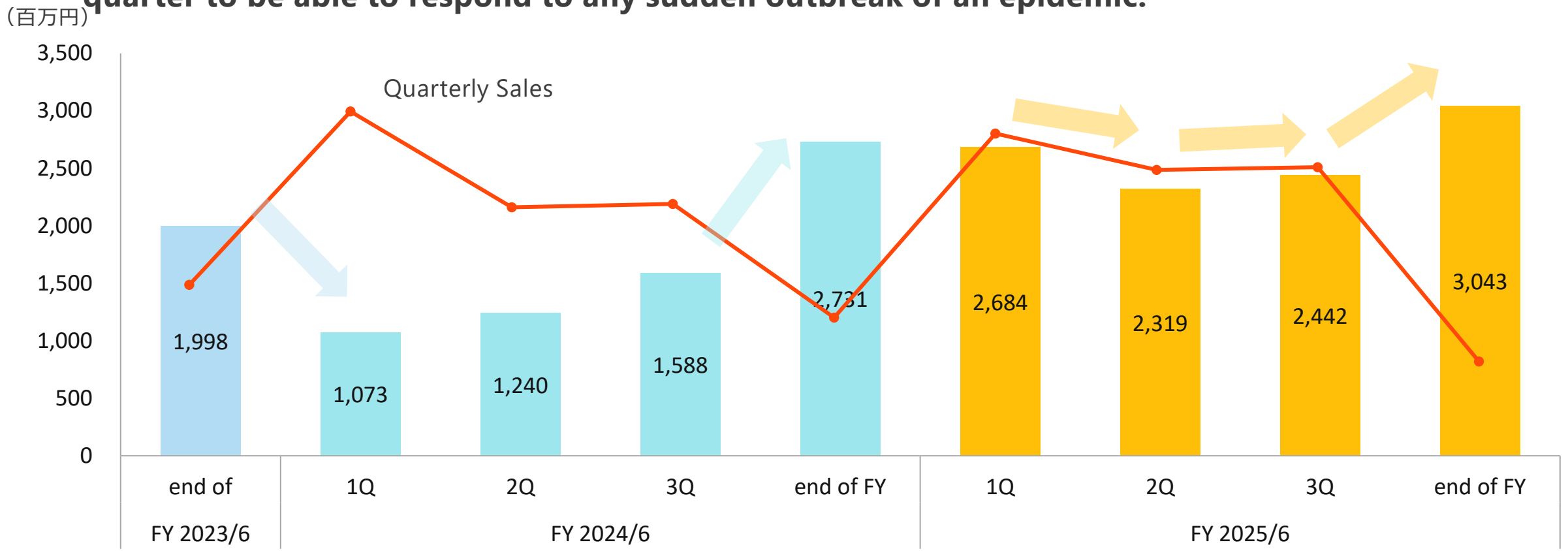
Sales by Main Products (Quarterly Period (April-June)

- **In the 4Q, sales decreased compared to the same period of the previous year, mainly due to the impact of the timing shift of the peak season in the epidemic and market inventory.**
- **The timing shift refers to the fact that, in the previous year, there was a rush demand due to the summer epidemic of COVID-19 arriving in late June, whereas in the current year, the epidemic was carried over to the next quarter period. The impact of market inventory refers to the fact that in the current period, the clearance of market inventory shipped to wholesalers in January in response to the influenza epidemic at the end of the year continued until the end of the year.**

(Millions of yen)	FY 2023/6 4th Quarter		FY 2024/6 4th Quarter		FY 2025/6 4th Quarter	
	Actual	*Composition*	Actual	*Composition*	Actual	*Composition*
COVID-19 single-use test kits	744	*26.2%*	755	*36.6%*	183	*18.0%*
Influenza/COVID-19 combo test kits	923	*32.5%*	333	*16.2%*	192	*18.9%*
Influenza test kits	355	*12.5%*	220	*10.7%*	61	*6.0%*
Others	815	*28.7%*	753	*36.5%*	582	*57.1%*
Total	2,839		2,063		1,020	

Inventory levels at the End of Each Quarter

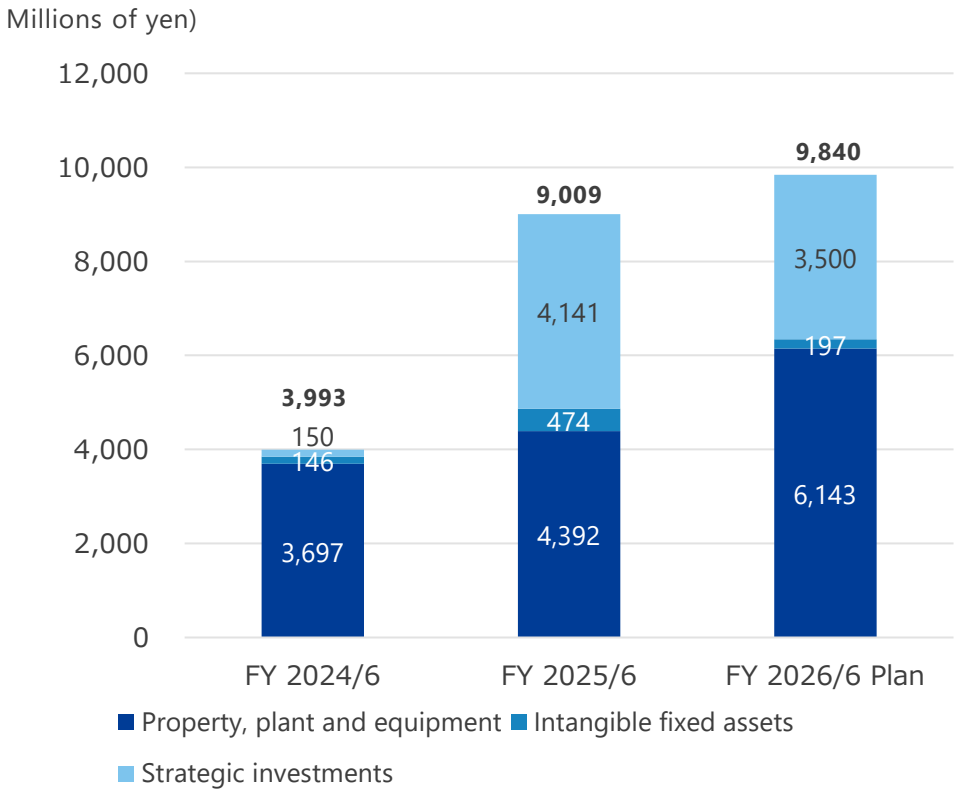
- **In the previous year, inventory levels plummeted due to a surge in demand caused by the influenza and COVID-19 pandemic during the summer, forcing us to adjust shipments for a long period of time.**
- **On the other hand, the Company maintained sufficient inventory levels at the end of each quarter to be able to respond to any sudden outbreak of an epidemic.**

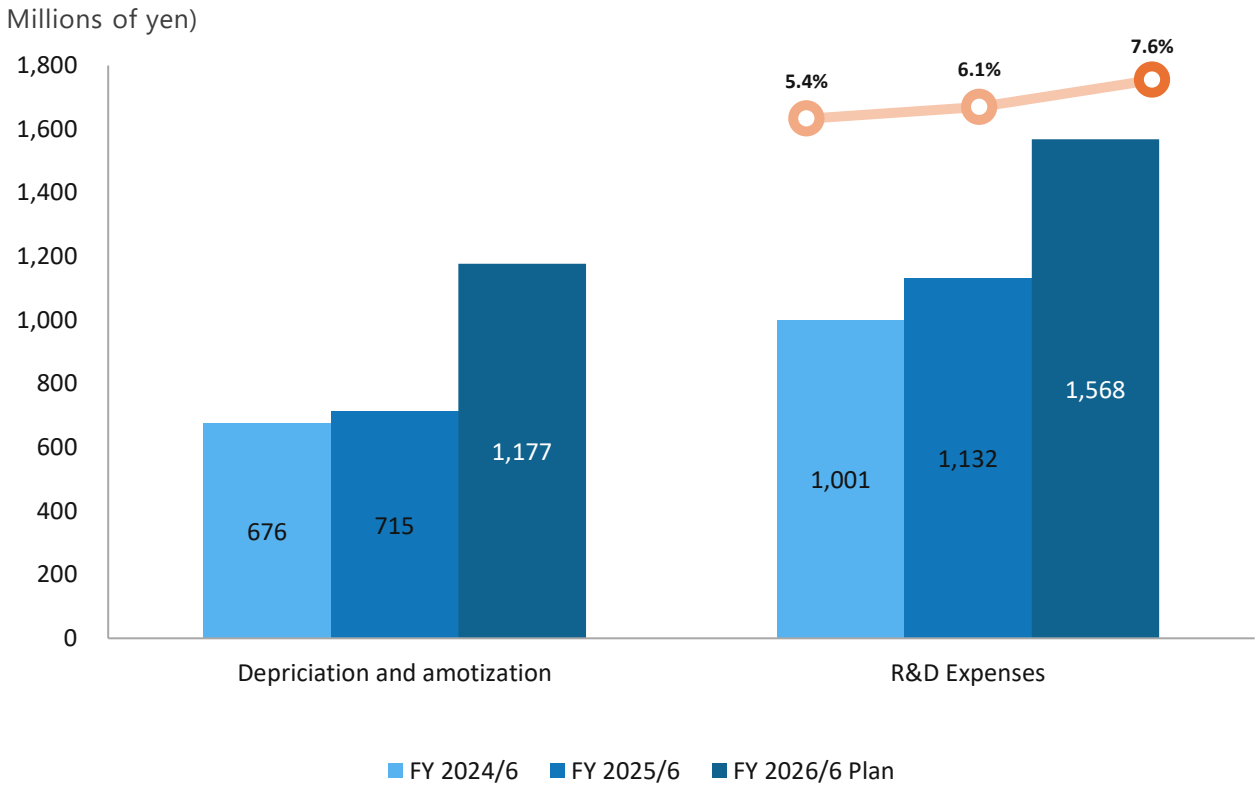


Investment

- **Total investment for the fiscal year ended June 2025 expanded to approximately 9 billion yen. Investments in property, plant, and equipment, which were executed largely as planned, were mainly for new factory investments. Strategic investments were expanded from the previous fiscal year in anticipation of future growth strategies.**
- **Steady execution continued in the fiscal year ended June 2026. Investment in property, plant, and equipment was mainly for new plant-related investment, which is entering its final stage.**

Investment results and plan for FY June 2026





Balance Sheet

(Millions of yen)	FY 2024/6	3Q of FY 2025/6	FY 2025/6
Current assets	16,915	18,753	15,476
Cash on hand and in banks	9,424	8,580	9,266
Accounts receivable-trade	2,706	4,975	247
Merchandise and finished goods	2,731	2,442	3,043
Work in progress	846	1,161	1,515
Raw materials and supplies	1,140	1,409	1,324
Other	66	183	78
Fixed assets	12,345	18,881	21,038
Property, plant and equipment	7,905	12,151	12,279
Intangible fixed assets	3,720	3,865	3,836
Investments and other assets	719	2,863	4,922
Investments and other assets	29,261	37,635	36,515

*1 The increase in investments and other assets is due to an increase in investment securities.

(Millions of yen)	FY 2024/6	3Q of FY 2025/6	FY 2025/6
Current liabilities	10,474	10,849	9,529
Accounts payable-trade	1,482	1,296	1,199
Short-term borrowings	4,500	4,500	4,500
Current portion of long-term borrowings	732	831	1,114
Accrued income taxes	1,706	1,547	842
Consumption tax payable	387	542	101
Other	1,665	2,131	1,771
Long-term liabilities	5,120	9,113	9,567
Long-term borrowings	4,307	8,300	8,809
Deferred tax liabilities	619	620	556
Other	193	193	202
Total liabilities	15,594	19,963	19,097
Net assets	13,666	17,672	17,417
Total liabilities and net assets	29,261	37,635	36,515

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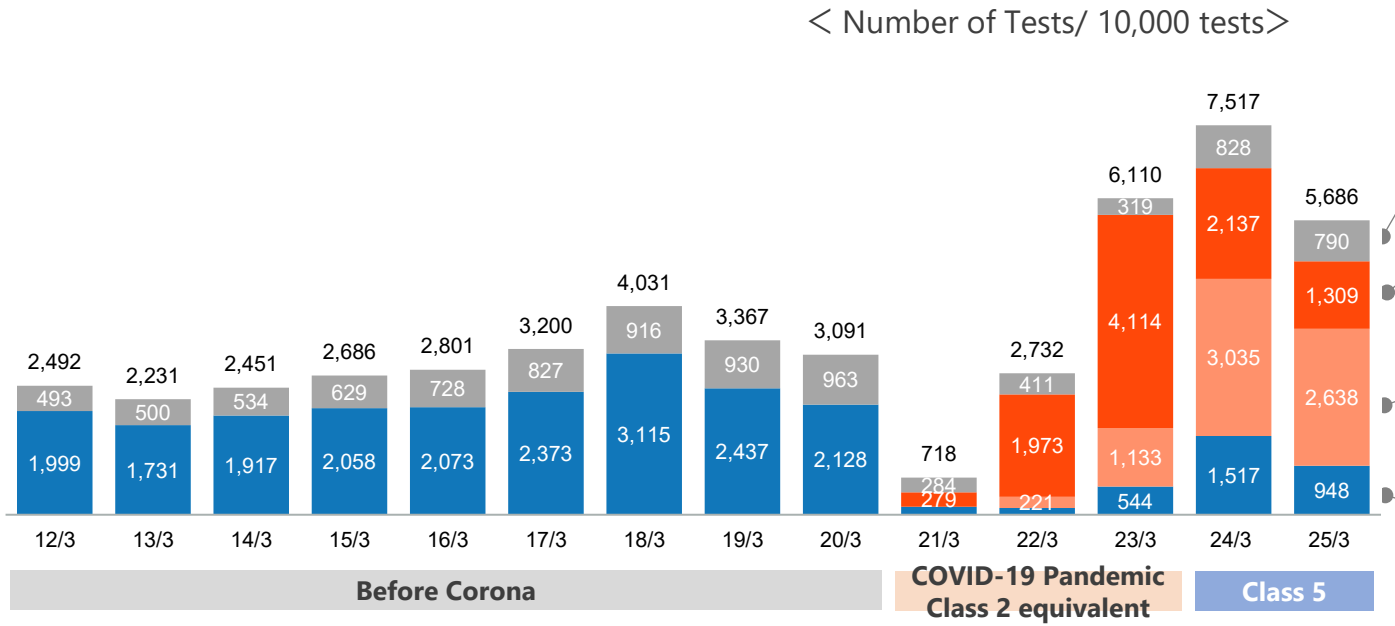
Domestic Antigen Testing Market for Medical Institutions Expanded through COVID-19 Pandemic

- **Prior to the COVID-19 pandemic, the domestic antigen testing market for medical institutions was approximately 30 million tests per year, mainly for influenza.**
- **The market size expanded significantly to 75 million tests per year in 3/2024 due to the establishment of testing for COVID-19 and combos after the COVID-19 pandemic, but in 3/2025, the market size for single tests shrank due to a downward swing in the size of the epidemic and a shift to combo tests.**

Domestic infectious disease antigen testing market for medical Institutions (related to TAUNS)*1



Our view of future market trends

Other infectious diseases
- ✓ Already recovered to pre-Corona levels and expected to continue

COVID-19
- ✓ **Continued high demand, but some combo shift**

COVID-19/influenza combo
- ✓ **Very high demand due to the convenience of simultaneous inspections**

influenza
- ✓ **Already recovered to pre-Corona levels, but some moved to combo**

Insurance points*2 (revised June 2024) >> ■COVID-19 **150 points** ■COVID-19/influenza combo **225 points** ■Influenza **132 points** ■Others*3*4

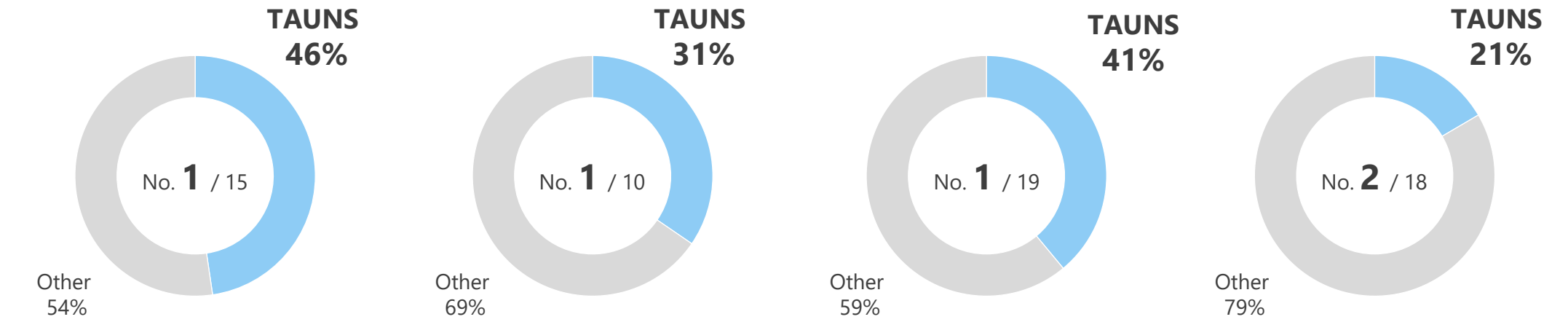
(Sources: IQVIA (market size); MHLW, "7th NDB Open Data" (number of insurance points)

*1 : Copyright © 2025 IQVIA. In-house calculation based on the period of JPM April 2011 to March 2024). Reprinted with permission. Figures for fiscal years ending March 2023 and March 2024 exclude pharmacy sales.
*2: Insurance points for COVID-19 and COVID-19/influenza combo and influenza are after the revision in June 2024. Other diseases are the insurance points as of 2021, the latest period of NDB open data.
*3: Breakdown of Others （insurance points in parentheses): RS virus (138 points), adenovirus (189 points), streptococcus (127 points), mycoplasma (FA method 170 points / immunochromatography 150 points), human metapneumovirus (146 points)
*4: Data from FY 2017/3 onward for mycoplasmas and FY 2013/3 onward for human metapneumovirus.

High Market Share and Room for Expansion

- **We have the largest share of the influenza, adenovirus and COVID-19 antigen test kit market in Japan.**
- **Influenza test kits continue to maintain a high market share, and the market share of COVID-19 test kits has increased significantly compared to the previous quarter.**
- **On the other hand, the company's market share for combo test kits, which it had positioned as a growth driver for the current fiscal year, is still recovering. The Company aims to further expand its market share through a sales alliance with Roche Diagnostics K.K. and the introduction of improved products.**

Share of the domestic market for antigen test kits for medical institutions for major respiratory infections*1



*1: Copyright © 2025 IQVIA. In-house calculation based on the period of JPM (July 2024 - June 2025) to confirm the Company's share for the FY6/2025. Reprinted with permission. All rights reserved.
Share is calculated as the ratio of the Company's number of inspections during the relevant period divided by the overall number of inspections during the relevant period.

Earnings Forecast

- **For the fiscal year ending June 2026, we expect increased sales, increased operating income, decreased ordinary income, and increased net income.**
- **Compared to FY June 2025, when both COVID-19 and influenza infections were below expected levels, the market size is expected to recover to a certain extent in FY 2026. However, operating income is expected to decrease slightly due to costs associated with implementing growth strategies. Due to the inclusion of subsidy income related to a new factory as extraordinary income, net income is expected to increase significantly in FY June 2026.**

(Millions of yen)	FY 2024/6 Forecast *(1)*	FY 2024/6 Actual *(2)*	FY 2025/6 Forecast *(3)*	FY 2025/6 Actual *(4)*	FY 2026/6 Forecast *(5)*	*YonY* *(5)/(4)*	*Margin*
Net sales	17,553	18,434	19,273	18,627	20,769	*111.5%*	-
Operating income	7,891	8,030	8,308	8,265	8,323	*100.7%*	*40.1%*
Ordinary income	7,741	7,840	8,316	8,219	8,143	*99.1%*	*39.2%*
Net income	5,550	5,774	6,019	6,315	8,613	*136.4%*	*41.5%*

Key assumptions in preparing the forecasts

- ✓ The market size is expected to recover to above the level of the FY 2025/6. Share is expected to improve slightly due to strengthened relationships with wholesalers and sales partnerships with Shionogi and Roche Diagnostics. Although an improved version of the combo test kit is planned for launch during the fiscal year, this has not been factored into the plan conservatively.
- ✓ Sales prices are expected to decline slightly based on past trends.
- ✓ Costs include expenses related to the new plant and costs associated with the implementation of growth strategies. Subsidies related to the new plant are recorded as extraordinary income.

Shareholder Return Information

- **No change to the dividend forecast for FY 2025/6 announced on August 13, 2024.**
- **During the mid-term management plan period starting in June 2026, we will introduce a progressive dividend starting at 28 yen. Details of the overall medium-term shareholder return policy will be disclosed in the mid-term management plan scheduled to be announced on August 20.**

(Yen)	Interim dividend	Year-end dividend	Annual dividend	Remarks
FY 2024/6	6.00	21.75*1	27.75*1	Special dividend of 11.10 yen per share to commemorate listing on the Tokyo Stock Exchange Standard Market
FY 2025/6	6.00	22.00*2	28.00*2	Special anniversary dividend of 10.00 yen per share will be paid at the end of the FY to celebrate the 10th anniversary of the Company's establishment.
FY 2026/6 (forecast)	6.00	22.00	28.00	Introduce a progressive dividend starting at 28 yen during the mid-term management plan period beginning in June 2026.

*1: 11.10 yen is included as a commemorative dividend for the new listing.
*2: 10.00 yen (planned) is included as a commemorative dividend for the 10th anniversary of the Company's establishment.

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Evaluation Elements of Antigen Test Kits

- **The main evaluation factors for antigen test kits are as follows. Our company has established a competitive advantage in terms of testing accuracy and other factors.**

Accuracy (Sensitivity・Specificity)

・Sensitivity (percentage of positive cases that are correctly identified as positive)

・Specificity (percentage of negative cases that are correctly identified as negative)

・Sensitivity and specificity are trade-offs, and it is difficult to achieve both at high levels, but we have been able to do so with our unique technology.

Cost (product price)

・Set the suggested retail price (disclosed by each company) within medical fee points

・The actual market price (not disclosed by each company) is the list price minus discounts to wholesalers, etc.

・Example: For a COVID-19 single-use test kit with a medical fee point value of 150 points (equivalent to 1,500 yen), our suggested retail price 1,400 yen per test.

Testing time

・Although it varies depending on manufacturer/product, antigen tests generally produce results faster than PCR tests.

・Our influenza test kit takes 5 minutes, our COVID-19 single-use test kit takes 10 minutes, and our combo test kit takes 15 minutes.

Length of validity

・We are designing formulations that will enable long-term storage, taking into account aging deterioration.

・For our products, the influenza test kit is 27 months, the COVID-19 single-use test kit is 18 months, and the combo test kit is 12 months.

Sample types

・The main types of samples are nasopharyngeal swabs, nasal swabs, and throat swabs

.・The accuracy of the test and the invasiveness (burden on the patient) vary depending on type of sample. There is a tendency for high test accuracy and low invasiveness to be trade-offs.

Simplicity of procedure

・The ability to perform tests easily, even by technicians who are not highly skilled, is particularly important in clinics.

・Antigen tests generally require fewer steps than PCR tests and are a simple testing method, visible to the eye .

Outlook for Demand for Testing of COVID-19 in Japan

- **COVID-19, in comparison to influenza viruses, is characterized by its strong infectivity, difficulty in acquiring immunity, and multiple outbreaks per year.**
- **Cases of COVID-19-related deaths, including those associated with complications of underlying cardiovascular disease, continue to occur. As a result, robust demand for testing is expected to continue for the foreseeable future.**

		influenza	COVID-19
Factors suggesting continued prevalence of COVID-19 infections	Infectivity	• COVID-19 contrast, weakly infectious. • The basic reproduction number (R0)*1 , an indicator of transmissibility, is approx. 1.3.	• Comparatively stronger than influenza viruses. • **The initial Wuhan strain had an R0 of approx. 3.0, and the R0 in subsequent mutants has remained even higher.**
	Immunity decay rates / Emergence of immune-evasive strains	• Epidemic strains appear every year; immunity can be acquired through vaccination or infection, and instances of repeated infections by the same individual within one season*2 are rare.	• Faster decay rate of immunity and emergence of immune-evasive strains compared to influenza viruses. • **Individuals can be infected more than once in a year.**
	Seasonality	• Seasonal patterns observed, with epidemics typically occurring during the winter months.	• Current evidence does not confirm seasonality; **multiple epidemics possible in a single year.**
Factors suggesting continued demand for COVID-19 infection tests	Fatality rates / Number of deaths	• Fatality rates consistent. • Annual no. of deaths in Japan in a typical year estimated to be approx. 10,000.	• **Fatality rates consistent; many fatalities due to complications with cardiovascular conditions.** • Approx. 50,000 deaths reported in Japan in 2023 *.[3]

(Sources) COVID-19 Infection Control Advisory Board. "Characteristics of COVID-19 and Medium- to Long-Term Risks"; MHLW website " Frequently asked questions about novel influenza viruses."

*1: The basic reproduction number (R_0) is an estimated value representing the average number of secondary infections generated by one infected The basic reproduction number (R95) is an estimated value representing the average number of secondary infections generated by one infected individual within a population completely lacking immunity to a specific infectious disease.
*2: The MHLW defines an influenza "season" as the period from September to April when the number of infections typically increases.
*3: Number of COVID-19-related deaths is based on data obtained from Death Certificates (autopsy reports) (Column I or II)

Production Strengthened by the Establishment of New Factory

- **We are currently building a new factory (Mishima factory) in Mishima City, Shizuoka, Japan. While increasing production capacity as a growth driver, TAUNS is also enhancing factory automation (FA) and in-house production to maintain high quality standards while reducing costs, as well as strengthening its BCP system.**

Purpose of Establishment

In addition to strengthening the production capacity of existing products, we will also achieve the manufacturing of products related to new platforms.

Start of Operations (Phase I Construction)

Production facilities to be completed by Dec. 2025 (business license, validation, etc.), full-scale operation scheduled to start in Feb. 2026)

Investment Amount

11.29 billion yen

Company cost is 7.29 billion yen due to subsidies (Land has already been acquired)

Depreciation burden due to new factory investment is about ＋400 million yen/year

1 Strengthening of production capacity

- Increase the production capacity Approx. 1.3 million tests/month*1

→ **Approx. 3.9 million tests/month** *1

- Maximum monthly production in FY2024 was 312% of capacity, a large load to cope with.
- Enable production of new platform products (D-IA, etc.) that cannot be manufactured at the Kamishima Factory.

2 Quality management and cost reductions through FA and inhouse production

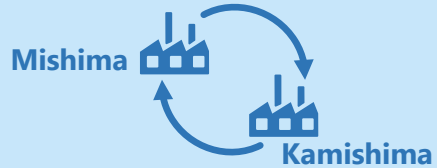
- Promote factory automation to reduce labor costs while maintaining high quality.
- Lower manufacturing costs by improving the total inhouse manufacturing capacity and reducing the number of processes that were previously outsourced.

3 Secure warehouse space / logistics cost savings

- Secure a large site to use as warehouse space for test kits.
- Reduce warehousing/logistics costs by eliminating the need for inventory storage at a conventional external warehouse.
- With factory automation in the warehouse, the number of cargo receivers can be reduced to 1/6 of the previous number.

4 BCP

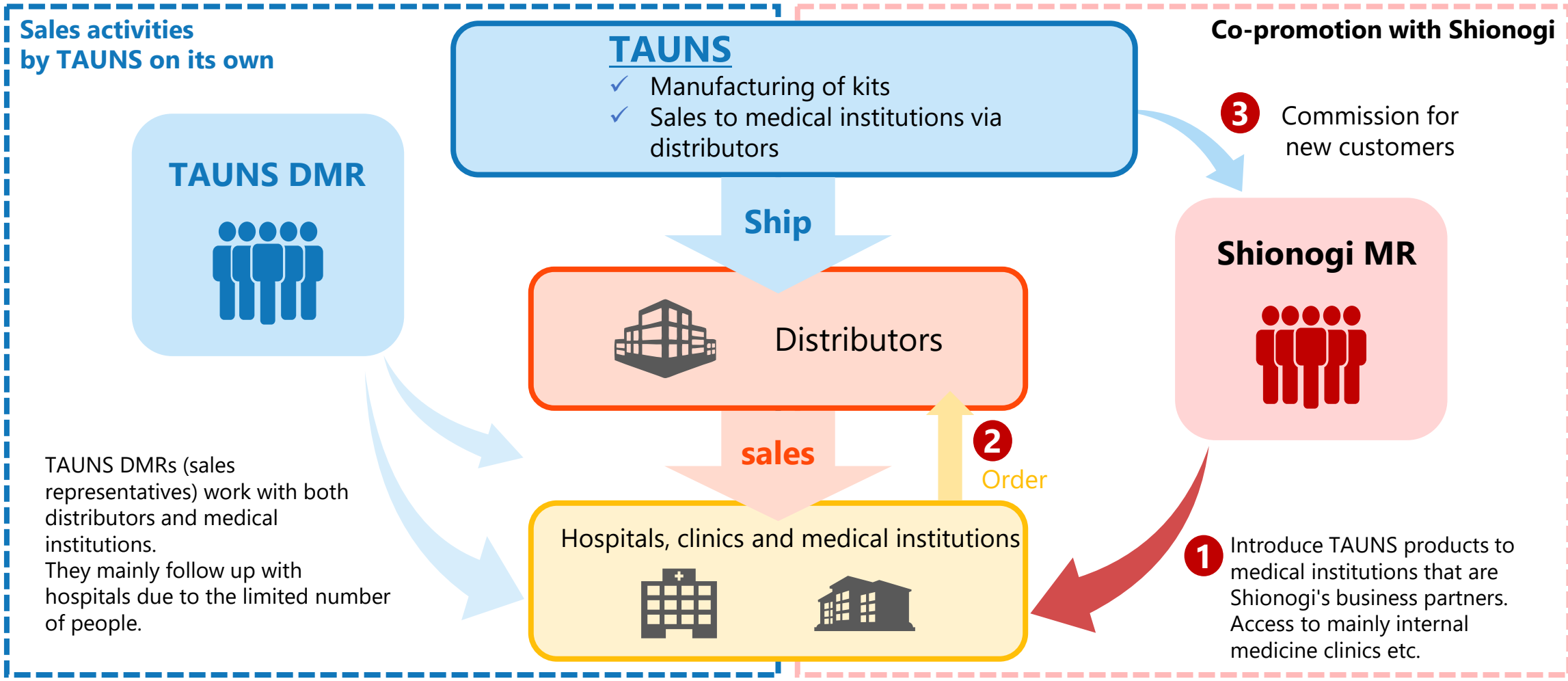
- Implement two production sites instead of the current system of only one production site.
- Ensure business continuity in the event of an emergency, avoid production outages.
- Equipped with higher earthquake resistance than the current Kamishima Factory.



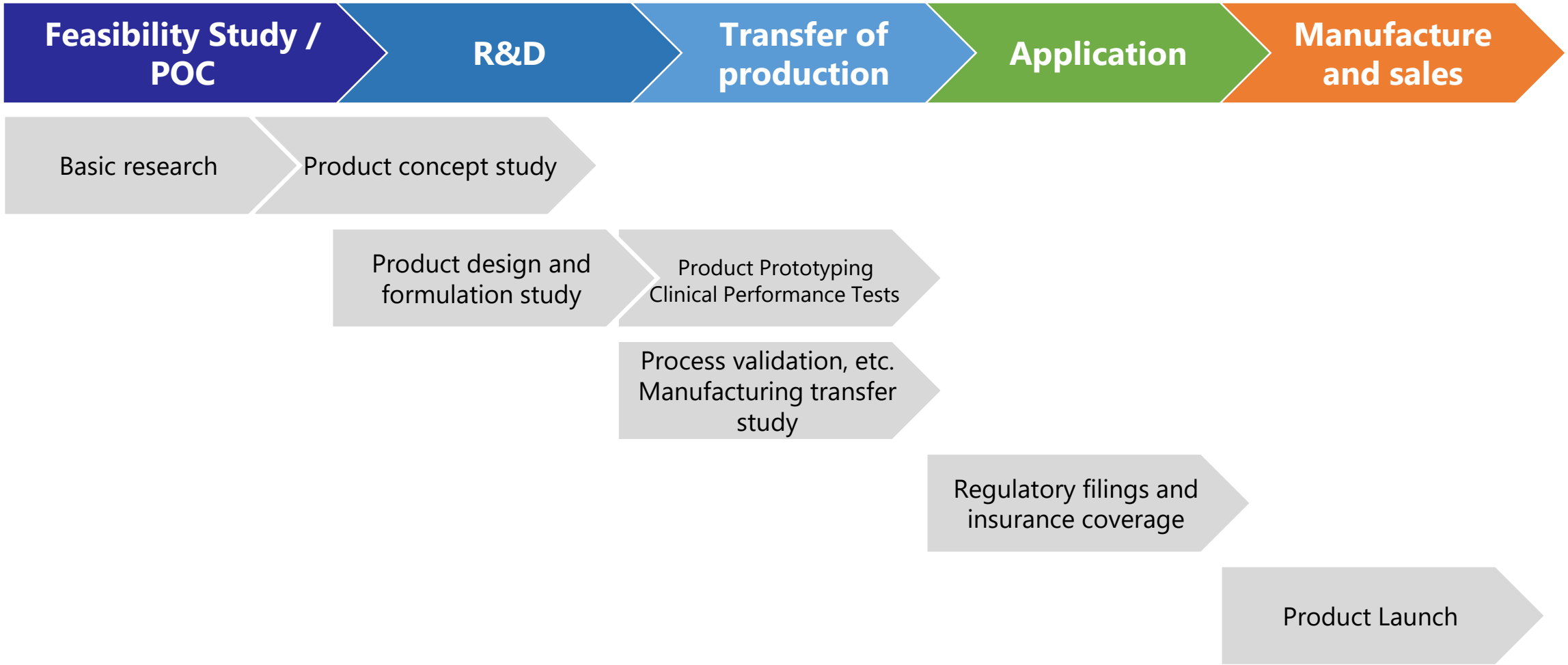
*1: Monthly production capacity is calculated based on the assumption that the company operates only during the daytime on weekdays and minimizes outsourcing.

Our Distribution and Collaboration with Shionogi

- **Shionogi introduces our products to medical institutions and contributes to raising awareness of them.**
- **Medical institutions place orders for our products with wholesalers, and TAUNS pays Shionogi a commission commensurate with its contribution.**



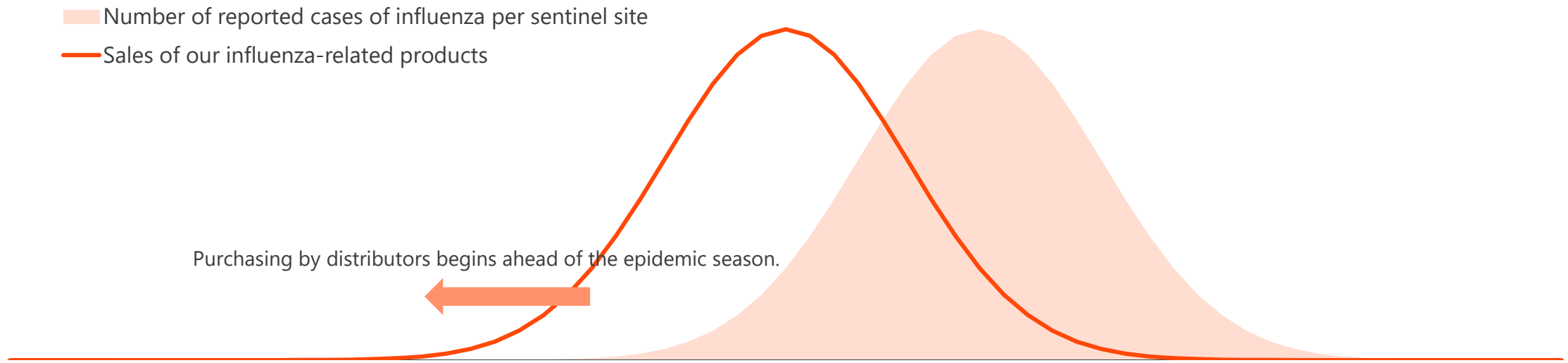
Product Launch Process



Epidemic Period of Infectious Diseases and Our Revenue (Image)

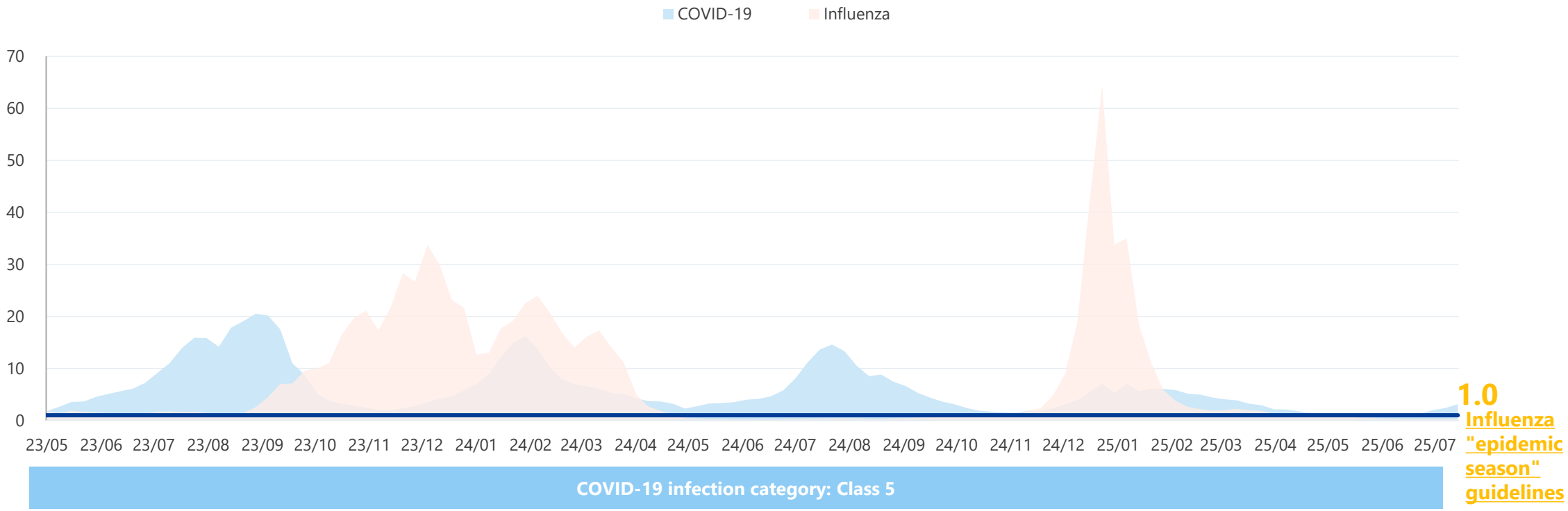
- **For seasonal infectious diseases such as influenza, distributors tend to peak their purchases (≒recorded as sales by the Company) ahead of the peak of the epidemic.**
- **Seasonal respiratory infections can occur at different times of the year, and our income peaks at different times depending on the timing of the epidemic.**

Infectious Disease Epidemic Periods and Our Revenue (Image Chart)



COVID-19 and Influenza Epidemics after the Transition to Class 5

- **Looking at the number of reports per fixed observation point* for COVID-19, the infection continues to expand and contract repeatedly even after the transition to Category 5.**
- **In the FY 2025/6, COVID-19 level was about 40% lower than in the same period last year, and the influenza level was about 50% lower than in the same period last year, and the test kit market size decreased accordingly.**



（Source： Ministry of Health, Labour and Welfare, "Outbreak of COVID-19" and "Press release on influenza".
*: Number of reports per sentinel sites is the weekly number of patient reports from all fixed-point medical institutions divided by the number of sentinel sites and is the average weekly number of infected patients reported per medical institution. Showing the number of reports per sentinel sites nationwide.

Recent Investments / KINS Co., Ltd. / Deal Overview

Corporate Profile

Name	KINS Co., Ltd.
CEO	Yutaka Shimokawa
Business	Research, product development and sales of microbiome
Strengths and Features	• High prevention/intervention product development capabilities • D2C Business Know-How • Clinical research and PoC through clinic operations • Sample collection from loyal KINS brand customers • Conducting research on the relationship between disease and bacterial flora • Library of proprietary fungi
Date of Establishment	December 2018
Capital Stock	50 million yen
Number of Employees	58 (full-time employees only)
Location	1-17-8-328 Shinkiba、Koto-ku, Tokyo 136-0082 Japan

Deal Summary

- Details of investment: Subscription of Class C preferred stock
- Investment amount: Not disclosed
- Shareholding ratio: Not disclosed

Alliance Objective

Objective: Development and sale of testing services and preventive/interventional products using the microbiome in the field of chronic diseases.

Expectations for KINS: Prevention/intervention product development, PoC at operating clinics.

TAUNS' contribution: Inspection service/product development, sales to medical institutions

Short-term Initiatives:

✓ Development of KINS' existing product x intestinal flora testing service
✓ Development of periodontal disease testing products for companion animals

Medium- and Long-Term Initiatives:

✓ Joint development of testing and intervention products in gynecology and dentistry
✓ Development of a gut flora testing service for companion animals
✓ Development of testing and preventive products for diabetes, cancer, dementia, etc.

Recent Investments / Craif Inc. / Deal Overview

Corporate Profile

Name	Craif Inc.
CEO	Ryuichi Onose
Business	Provide cancer screening services through urine testing
Strengths and Features	• Highly accurate microRNA analysis with NANO IP • Advanced and streamlined lab operations • Advanced specimen handling technology • Designing a customer experience that is user friendly • Strong patents and intellectual property to support the above
Date of Establishment	May 2018
Capital Stock	100 million yen
Number of Employees	81
Location	Tokyo Head Office, Nagoya Head Office (lab), US (lab)

Deal Summary

- Investment details: Subscription of Class C preferred stock
- Investment amount: Not disclosed
- Shareholding ratio: Not disclosed

Alliance Objective

Objective: Development of microRNA-based testing services in the field of chronic diseases

Expectations for Craif: Technical platform for urine microRNA analysis, advanced testing laboratory

TAUNS' contribution: Development support for new testing services, regulatory submissions, sales to medical institutions, academic support, etc.

Short-term Initiatives:

✓ Sales of Craif's existing products to medical institutions and support for regulatory filings

Medium- and Long-term Initiatives:

✓ Development of microRNA tests for dementia and other disease candidates

✓ Consideration of IVD for new inspection services

Recent Investments / Aillis, Inc. / Deal Overview

Corporate Profile

Name	Aillis, Inc.
CEO	Sho Okiyama
Business	Research, development, manufacturing and sales of medical devices (nodoca) using diagnostic imaging AI technology
Strengths and Features	• Construction of a large pharyngeal image database • High technological capabilities in diagnostic imaging AI development • Experience and expertise in regulatory filings for AI medical devices • Camera for stable image quality • Breadth of patents and intellectual property supporting the above
Date of Establishment	November 2017
Capital Stock	100 million yen
Number of Employees	93 (full-time employees only)
Location	7F Yaesu Central Tower 2-2-1 Yaesu, Chuo-ku Tokyo 104-0028 Japan

Deal Summary

- Investment details: Underwriting of Class D preferred shares
- Investment amount: 2,000,005,392 yen
- Shareholding ratio: 10.73

Alliance Objective

Objective: Expanding the use of less invasive diagnostic imaging support AI and developing medical databases

Expectations of Aillis: Improvement of nodoca accuracy, expansion of test items

TAUNS' contribution: Cooperation in collecting related data, sales of nodoca to medical institutions

Short-term Initiatives:

✓ Improve nodoca's accuracy and strengthen data collection system to expand test items

✓ Expand sales of nodoca by utilizing TAUNS' sales network

Medium- and Long-Term Initiatives:

✓ Developing new AI through technological collaboration and data integration for the construction and utilization of medical databases

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