Financial Highlights for 1st Quarter ended September 30, 2025 of FY2026

TAUNS Laboratories, Inc. (Code: 197A)

November 14, 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 September 30, 2025)	296 million yen			
Board of Directors & Audit Committee (as of September 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)	CITIC CAPITAL JAPAN PARTHERS Ⅲ, L.P. 40.50% Masaki Nonaka 26.73%			
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	376 (as of September 30, 2025)			
Total Assets	39,084 million yen (as of September 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,

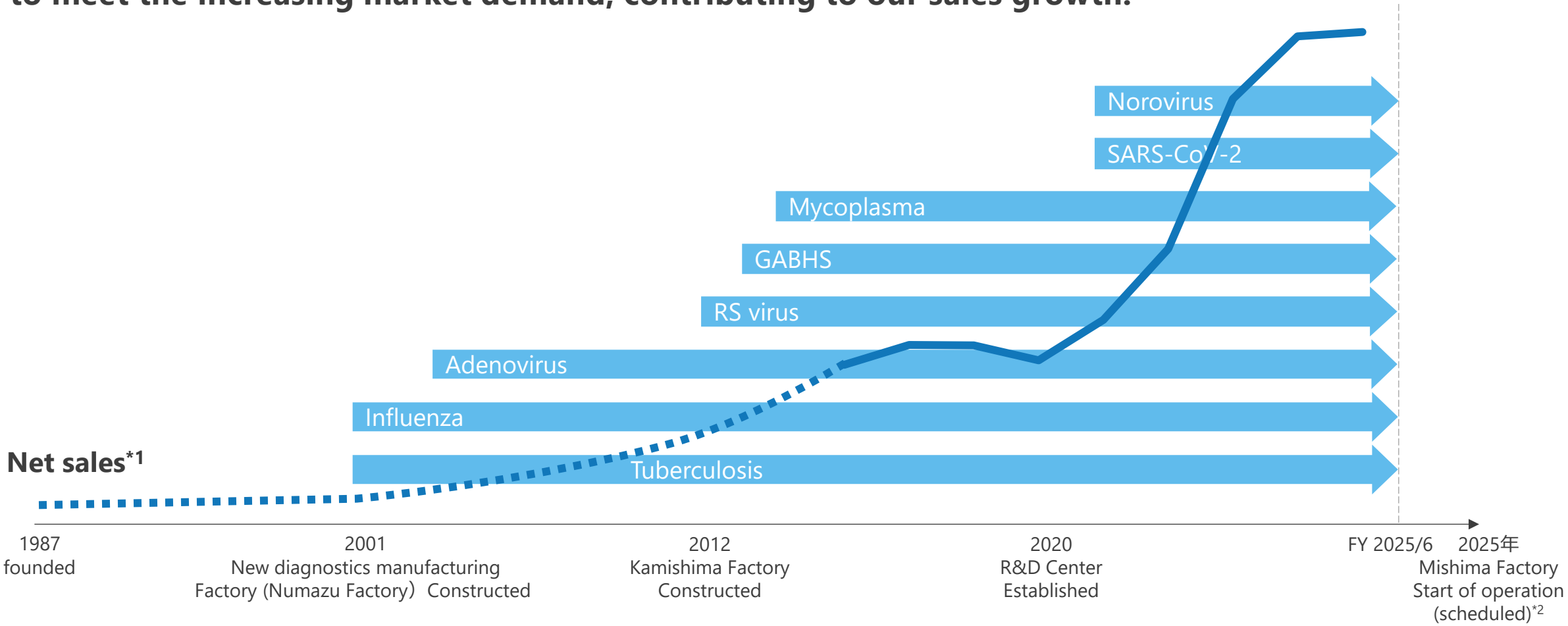
TAUNS assists in the diagnosis and early detection of diseases.

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.

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)

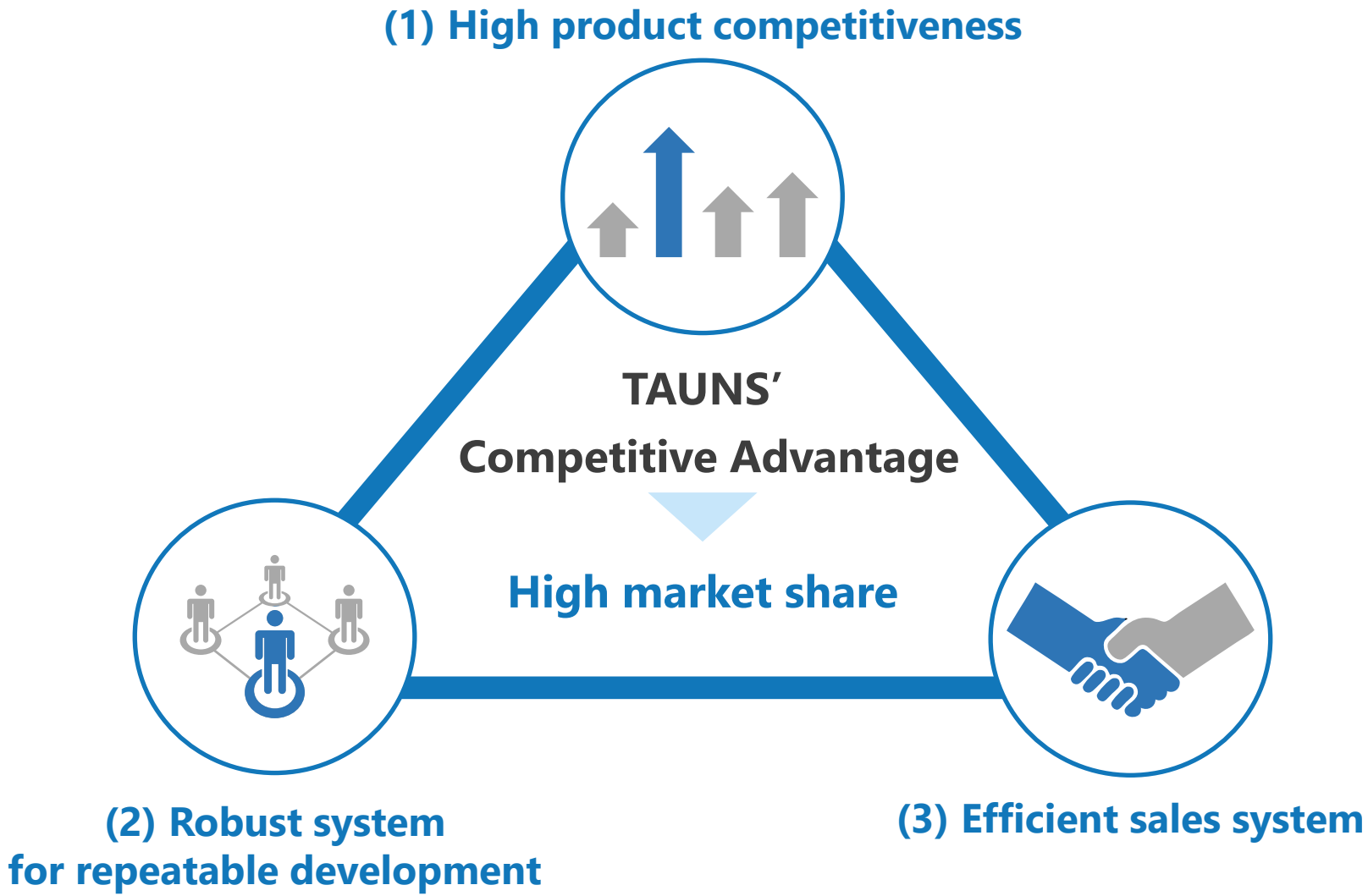
GABHS
(released in 2013)

Mycoplasma
(released in 2015)

Human Metapneumo virus
(released in 2016)

RS virus
(released in 2012)

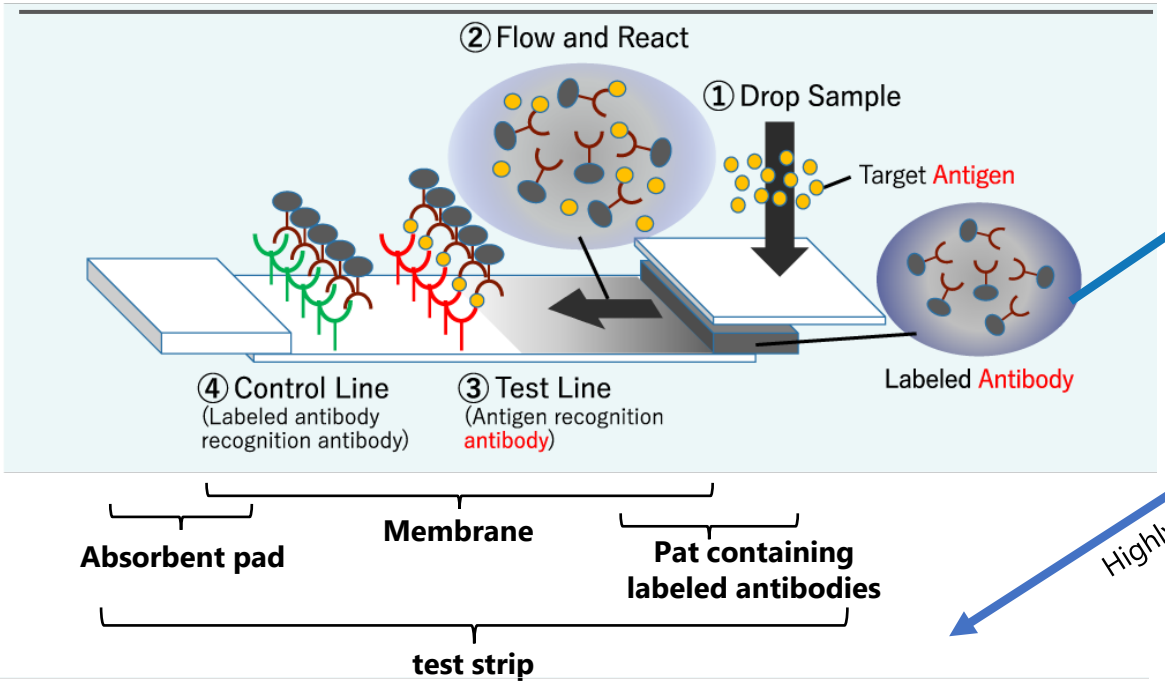
Our 3 Competitive Advantages Driving High Market Share



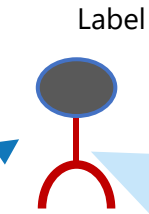
Principle of Antigen Test Kits and Strengths of Our Technology

- **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

52 *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)

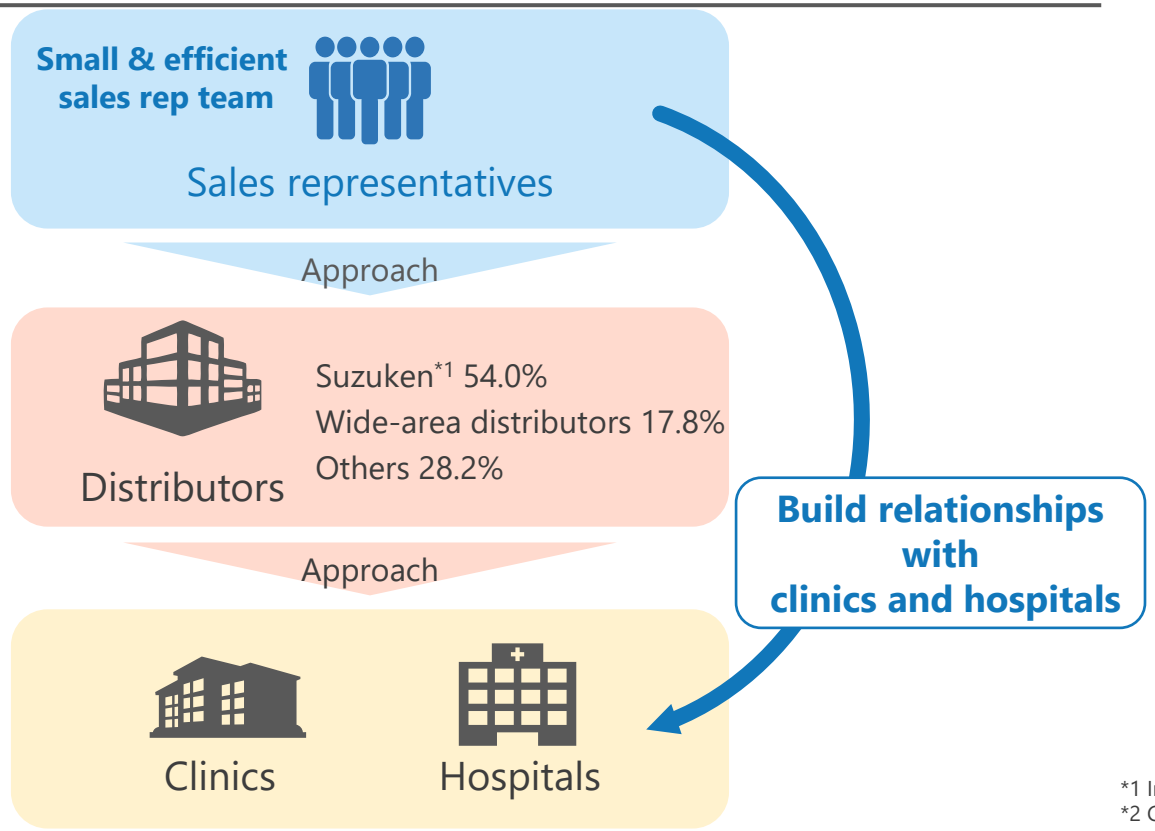
Dr. Ichiro Okura	Dr. Satoshi Mitarai	Dr. Yoshihiro Kawaoka
Institute of Science Tokyo	Research Institute of Tuberculosis	Institutes for Advanced Study, The University of Tokyo
Professor Emeritus	Dept. of Mycobacterium Reference and Research	The UTOPIA center
	Director	Director

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

Distribution and Sales Structure

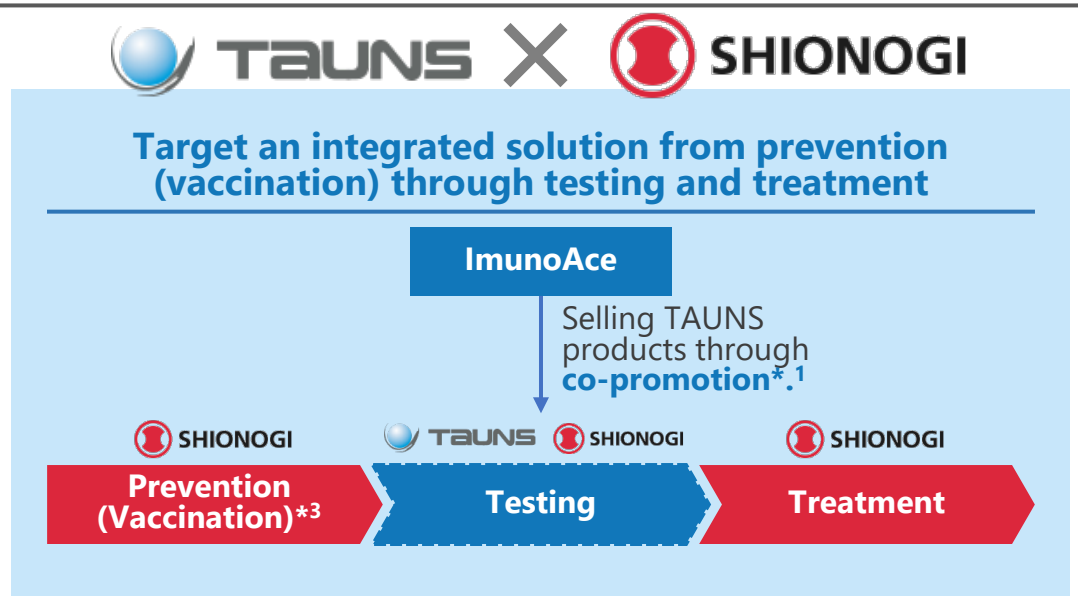
- **A small number of elite sales representatives have established strong cooperative relationships with distributors. Top-class domestic market share for major infectious disease antigen test kits**
- **Through collaboration (co-promotion) with Shionogi, we will provide a comprehensive solution for 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



Collaborate with Shionogi's robust sales infrastructure

Seek to become the undisputed leader in the domestic POCT market

*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 1st Quarter of FY ending June 2026

- ✓ Regarding COVID-19, while the 13th wave arrived during the first quarter, its scale shrank by approximately 34% compared to the same period last year when the 11th wave occurred, based on sentinel surveillance data. Consequently, demand for antigen test kits also decreased compared to the same period last year.
- ✓ Regarding influenza, while there was a slightly higher prevalence compared to the same period last year during the first quarter, the scale of the outbreak was less than one-tenth of COVID-19 based on sentinel surveillance data, and its contribution to business performance was limited.
- ✓ In addition to the decline in the scale of the infectious disease outbreak, the phase of reducing the market inventory of antigen test kits secured by wholesalers during the previous outbreak period continued from the fourth quarter of the previous fiscal year until around the end of the first quarter of the current fiscal year. This also served as a factor depressing sales revenue for the first quarter of the current fiscal year.
- ✓ Market share for major products remained generally stable, but sales of COVID-19/influenza combo test kits decreased by 81.4% year-on-year, COVID-19 single-item test kits decreased by 62.6%, and influenza test kits decreased by 55.3%, due to the reduced scale of the epidemic and the impact of clearing inventory in the market.
- ✓ As a result, for the first quarter, net sales were ¥2,368 million (63.1% decrease compared to the first quarter of the previous year), operating income was ¥547 million (85.4% decrease in the same), ordinary income was ¥505 million (86.5% decrease in the same), and net income was ¥357 million (86.7% decrease in the same).
- ✓ The phase of clearing out market inventory has ended, and with influenza entering its epidemic season starting in late September, demand for antigen test kits is currently expanding.

Results for 1st Quarter of FY2026

- **Net sales for the first quarter decreased by 63.1% year-on-year to ¥2,368 million, due to the scale of COVID-19 outbreak being smaller than in the same period last year and the market inventory drawdown phase continuing until around the end of the first quarter.**
- **Due to a significant decline in sales, gross profit decreased by 66.1% year-on-year, operating profit decreased by 85.4%, ordinary profit decreased by 86.5%, and quarterly profit decreased by 86.7%. Profit margins at each stage also fell below the previous year's levels.**

(Millions of yen)	1Q of FY2024/6		1Q of FY2025/6		1Q of FY2026/6		
	Actual	*Margin*	Actual	*Margin*	Actual	*Margin*	*YonY*
Net sales	6,943	-	6,419	-	2,368	-	(63.1%)
Gross profit	4,802	*69.2%*	4,810	*74.9%*	1,630	*68.8%*	(66.1%)
Operating income	3,746	*53.9%*	3,745	*58.3%*	547	*23.1%*	(85.4%)
Ordinary income	3,741	*53.9%*	3,753	*58.5%*	505	*21.3%*	(86.5%)
Net income	2,685	*38.7%*	2,696	*42.0%*	357	*15.1%*	(86.7%)
EBITDA	3,914	*56.4%*	3,917	*61.0%*	729	*30.8%*	(81.4%)

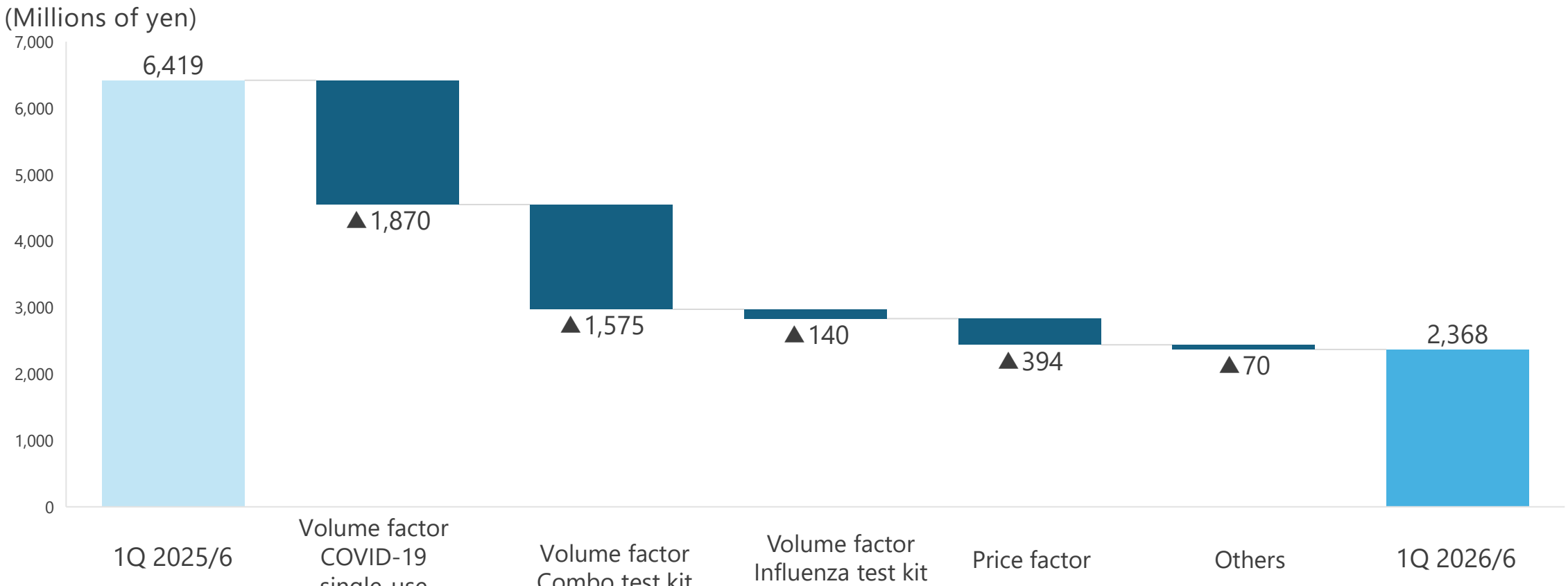
Sales by Main Products (1st Quarter of FY2026)

- **Sales of major products decreased year-on-year due to the scale of COVID-19 outbreak being smaller than in the same period last year, and the market inventory drawdown phase continuing until around the end of the first quarter of FY2026.**

(Millions of yen)	1Q of FY2024/6		1Q of FY2025/6		1Q of FY2026/6		
	Actual	*Composition*	Actual	*Composition*	Actual	*Composition*	*YonY*
COVID-19 single-use test kits	2,374	*34.2%*	3,284	*51.2%*	1,229	*51.9%*	*(62.6%)*
Influenza/COVID-19 combo test kits	2,479	*35.7%*	2,013	*31.4%*	374	*15.8%*	*(81.4%)*
Influenza test kits	1,286	*18.5%*	400	*6.2%*	179	*7.6%*	*(55.2%)*
Others	803	*11.6%*	720	*11.2%*	584	*24.7%*	*(18.9%)*
Total	6,943		6,419		2,368		*(63.1%)*

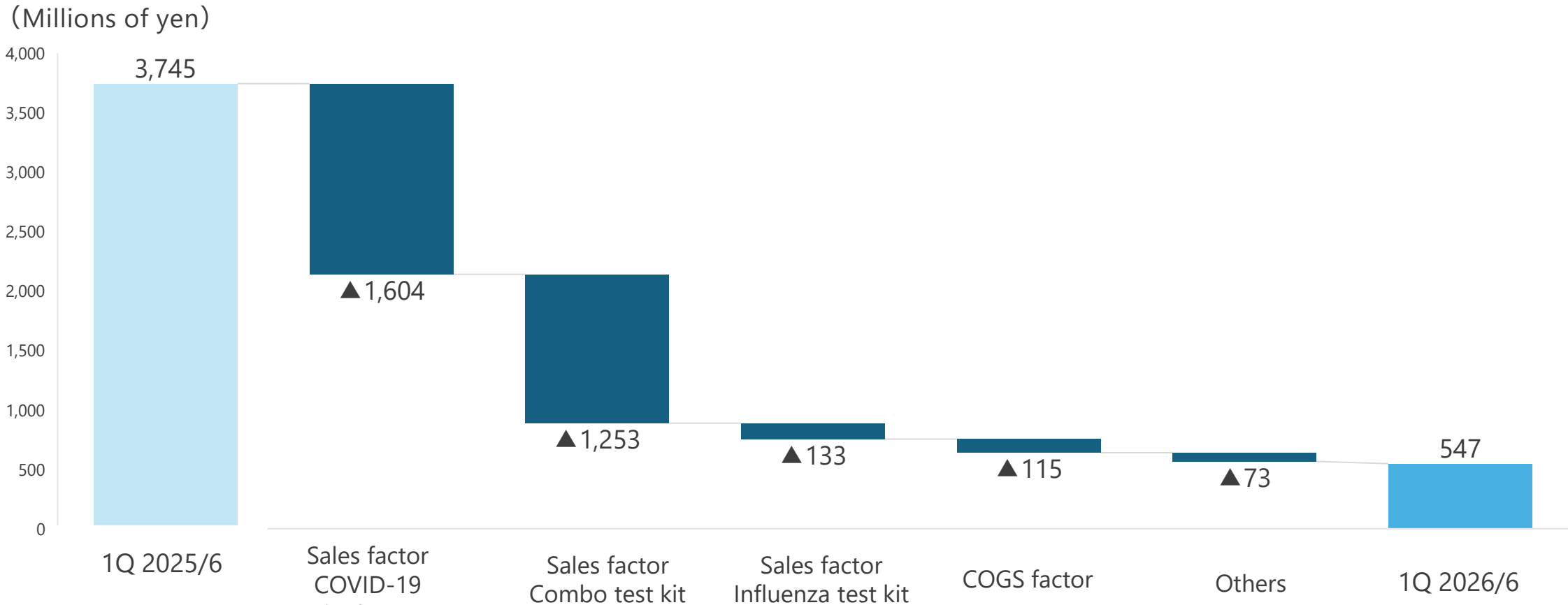
Factors for Sales Increase/Decrease (1st Quarter Comparison)

- **As explained on previous pages, the significant decline in sales volume of both single-use COVID-19 test kits and COVID-19/influenza combo test kits led to the decrease in sales revenue.**
- **The rate of decline in sales price per unit remained within the range anticipated at the beginning of the year.**



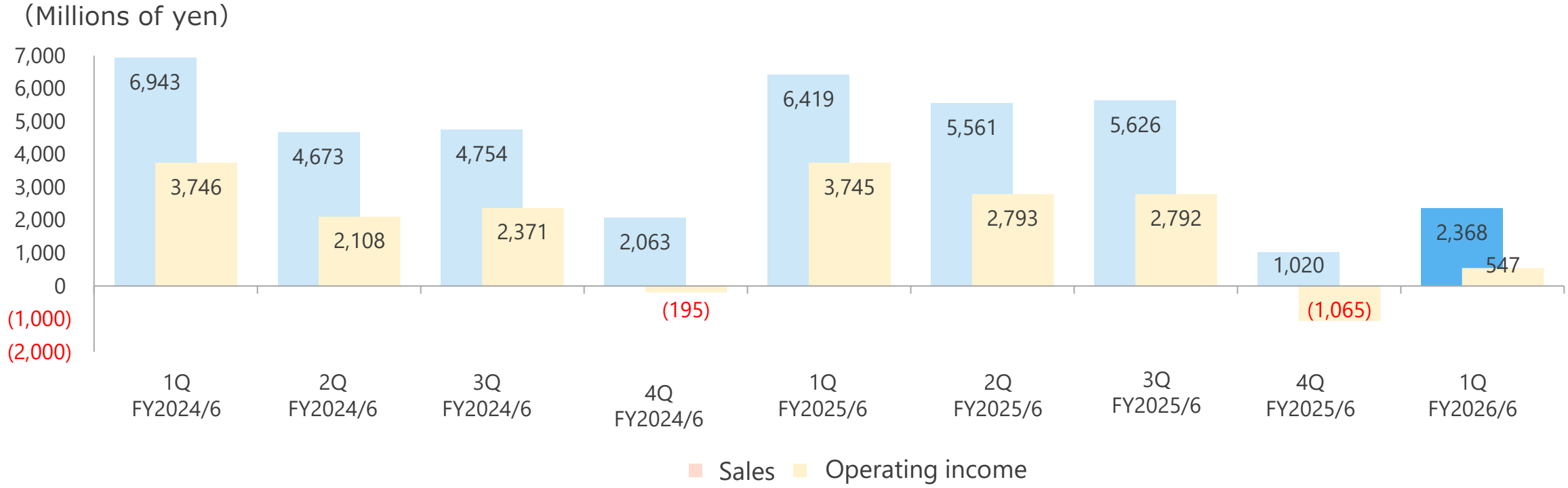
Factors for Operating Income Increase/Decrease (1st Quarter Comparison)

- **As explained on previous pages, the significant decline in sales of both single-use COVID-19 test kits and COVID-19/influenza combo test kits led to a decrease in operationg profit.**



Quarterly Sales and Operating Income Trends

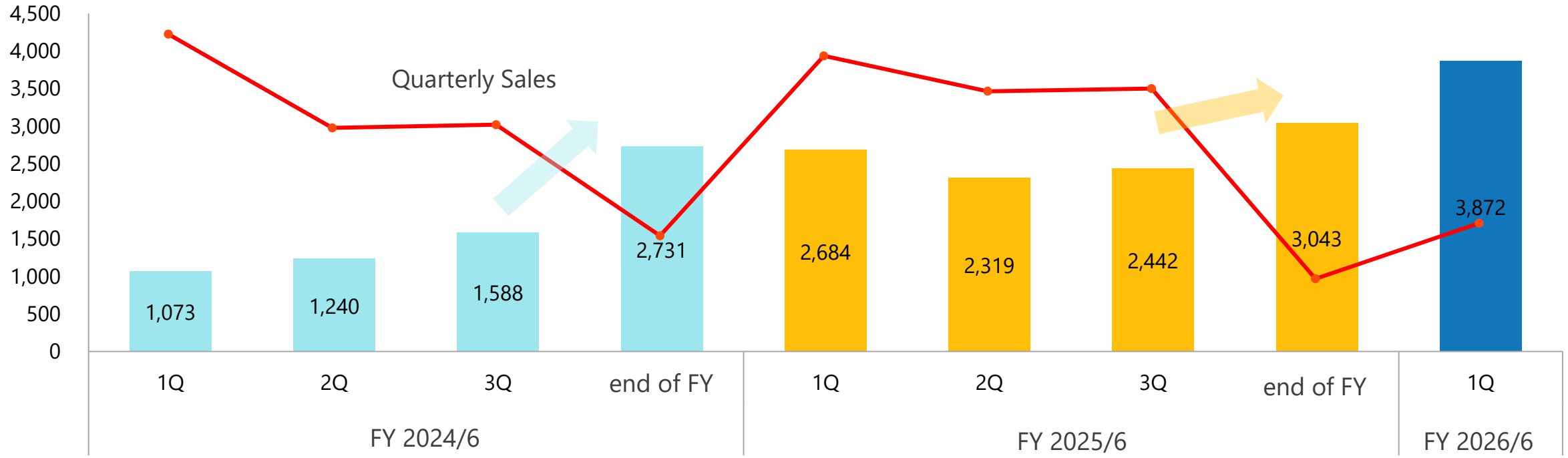
- **Sales for the first quarter was ¥2,368 million (63.1% decrease compared to the first quarter of the previous year), and operating profit was ¥547 million (85.4% year-on-year), representing a significant decline in both sales and profit. This was due to the scale of the COVID-19 outbreak being lower than the same period last year, and the continued phase of reducing market inventory.**
- **The inventory drawdown phase that began in the 4th quarter of the previous fiscal year ended around the end of this quarter. With influenza entering its epidemic season in late September, demand for antigen test kits is currently expanding.**



Inventory levels at the End of Each Quarter

- **In response to sluggish demand for antigen test kits during the current quarter, inventory levels are trending upward.**
- **We are maintaining sufficient inventory levels to meet the anticipated expansion in antigen test kit demand.**

(Millions of yen)



Balance Sheet

(Millions of yen)	1Q FY 2025/6	FY 2025/6	1Q FY 2026/6
Current assets	16,915	15,476	14,863
Cash on hand and in banks	9,424	9,266	4,609
Accounts receivable-trade	2,706	247	2,315
Merchandise and finished goods	2,731	3,043	3,872
Work in progress	846	1,515	1,638
Raw materials and supplies	1,140	1,324	1,300
Other	66	78	1,126
Fixed assets	12,345	21,038	24,220
Property, plant and equipment	7,905	12,279	15,464
Intangible fixed assets	3,720	3,836	3,841
Investments and other assets	719	4,922	4,914
Total assets	29,261	36,515	39,084

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

(Millions of yen)	1Q FY 2025/6	FY 2025/6	1Q FY 2026/6
Current liabilities	10,474	9,529	9,487
Accounts payable-trade	1,482	1,199	1,298
Short-term borrowings	4,500	4,500	4,500
Current portion of long-term borrowings	732	1,114	1,695
Accrued income taxes	1,706	842	161
Consumption tax payable	387	101	256
Other	1,210	1,597	1,577
Long-term liabilities	5,120	9,567	14,077
Long-term borrowings	4,307	8,809	13,313
Deferred tax liabilities	619	556	556
Other	193	202	207
Total liabilities	15,594	19,097	23,565
Net assets	13,666	17,417	15,518
Total liabilities and net assets	29,261	36,515	39,084

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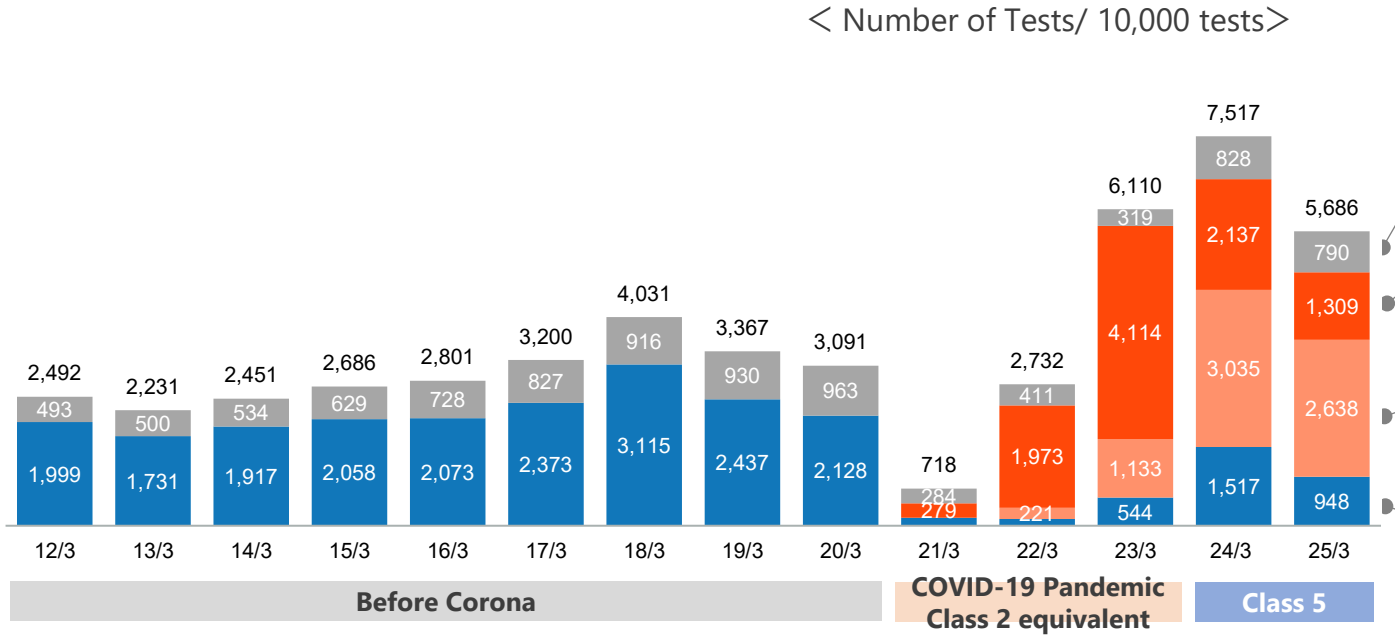
Domestic Antigen Testing Market for Medical Institutions Expanded through COVID-19 Pandemic

- **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

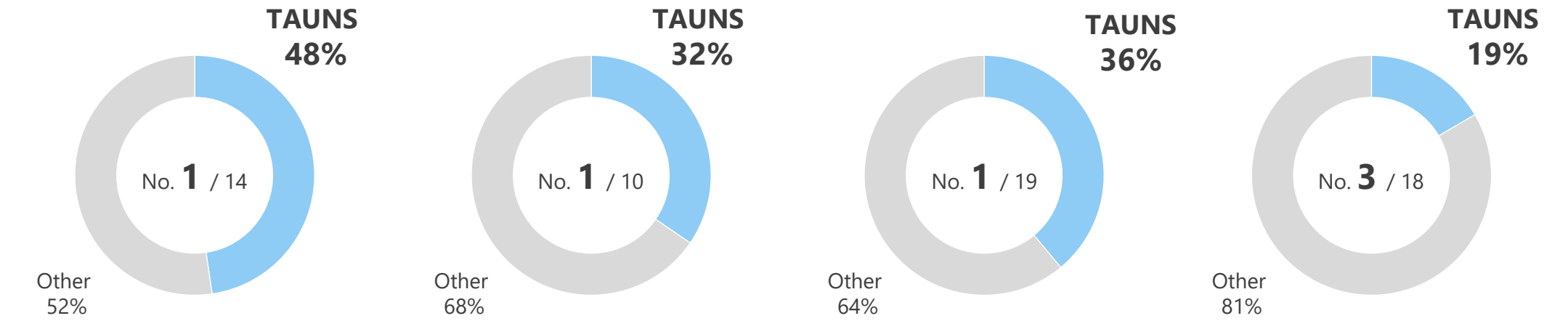
(Sources: IQVIA (market size); MHLW, "7th NDB Open Data" (number of insurance points)

*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 (179 points), streptococcus (121 points), mycoplasma (FA method 170 points / immunochromatography 148 points), human metapneumovirus (142 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

- **Test kits for influenza, adenovirus, and COVID-19 maintain the top market share..**
- **COVID-19/influenza combo test kit saw its market share decline from second to third place compared to the previous year, due to increased market share by competitors. A key factor was the delayed launch of an improved version of the combo test kit compared to initial expectations. Looking ahead, we aim to increase its market share through the launch of the improved product and the synergistic effects of its partnership with Roche.**

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 2025 - September 2025) to confirm the Company's share for the 1st quarter of FY6/2026. 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

- **Regarding the full-year earnings forecast for the fiscal year ending June 2026, although sales for the 1st quarter fell below the same period last year, we have maintained the earnings forecast announced on August 13, 2025. This decision reflects the completion of the inventory drawdown phase and the fact that influenza entered its epidemic season earlier than usual, starting in late September, leading to increased demand for antigen test kits at present.**
- **We anticipate receiving a subsidy related to the new factory as extraordinary income.**

(Millions of yen)	FY 2025/6 Forecast *(1)*	FY 2025/6 Actual *(2)*	FY 2026/6 Forecast *(3)*	*YonY (2)/(3)*	*Margin*
Net sales	19,273	18,627	20,769	*111.5%*	*-*
Operating income	8,308	8,265	8,323	*100.7%*	*40.1%*
Ordinary income	8,316	8,219	8,143	*99.1%*	*39.2%*
Net income	6,019	6,315	8,613	*136.4%*	*41.5%*

Progress of operating results

- **During the 1st quarter, the scale of COVID-19 outbreak was lower than in the same period last year, and the market inventory drawdown phase continued until around the end of the first quarter. As a result, the progress rate of sales against the full-year forecast remained at 11.4%.**
- **The market inventory drawdown phase has ended. Furthermore, influenza entered its epidemic season earlier than usual, starting in late September. Consequently, demand for antigen test kits is increasing at present. We anticipate steady progress in performance from the second quarter onward.**

(Millions of yen)	FY 2025/6			FY 2026/6		
	Full Year Results	1Q Results	*vsFY*	Full Year Forecast	1Q Results	*vfForcast*
Net sales	19,273	6,419	*33.3%*	20,769	2,368	*11.4%*
Operating income	8,308	3,745	*45.1%*	8,323	547	*6.6%*
Ordinary income	8,316	3,753	*45.1%*	8,143	505	*6.2%*
Net income	6,019	2,696	*44.8%*	8,613	357	*4.1%*

Shareholder Return Information

- **We have revised our interim and year-end dividend forecasts for the fiscal year ending June 2026 as shown in the table below.**
- **We have introduced a progressive dividend policy starting at ¥28 per share for the fiscal year ending June 2026 and beyond. Accordingly, we have changed our previous policy regarding the allocation of amounts between the interim and year-end dividends.**

(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 (Forcast announced on August 13, 2025)	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.
FY 2026/6 (Forcast revised on November 14, 2025)	14.00	14.00	28.00	Revised forecast. Annual dividend remains unchanged.

*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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ElectraDx, Inc. / Company and Project Overview

Corporate Profile

Name	ElectraDx, Inc.
Chairman and Founder	Ron Zwanziger
CEO	Veronique Ameye
Business	Research, Development, and Sales of POCT and OTC products
Technical and Product Strengths and Features	• Achieving both shorter testing times and higher accuracy • Integrates various technologies, including immuno-assay, protein and nucleic acid detection • Enables simultaneous multi-parameter testing with a small sample volume • Supports quantitative measurement and offers high versatility, including testing whole blood samples without pretreatment • Extremely low-cost compact testing device and test strips
Date of establishment	November 2023
Number of employees	35 people（October 2025）
Location	San Diego (US) and Glasgow (UK)

Overview

- Investment details: Subscription of Series B Preferred Shares
- Investment Amount: Undisclosed
- Shareholding Ratio: Undisclosed

Purpose of the Partnership

Objective： To further enhance our presence in the respiratory infections in the POCT Market by introducing innovative POCT utilizing ElectraDx's technology, and to launch new POCTs targeting new areas such as sexually transmitted infections and chronic diseases.

Expectations for ElectraDx： Supply of innovative POCT technology and joint development

TAUNS' role： Joint development of test kits and exclusive commercialization rights in Japan

Short-Term Initiatives：

✓ Launch of ElectraDx's lead development products

✓ Launch of respiratory infection POCT

Medium- to Long-Term Initiatives：

✓ Launch of POCTs in STI and chronic disease areas

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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

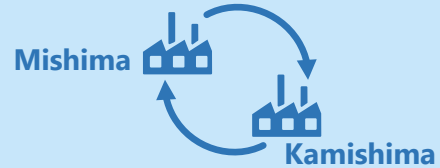
- Promote factory automation to reduce labor costs while maintaining high quality.
- Lower manufacturing costs by improving the total inhouse manufacturing capacity and reducing the number of processes that were previously outsourced.

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

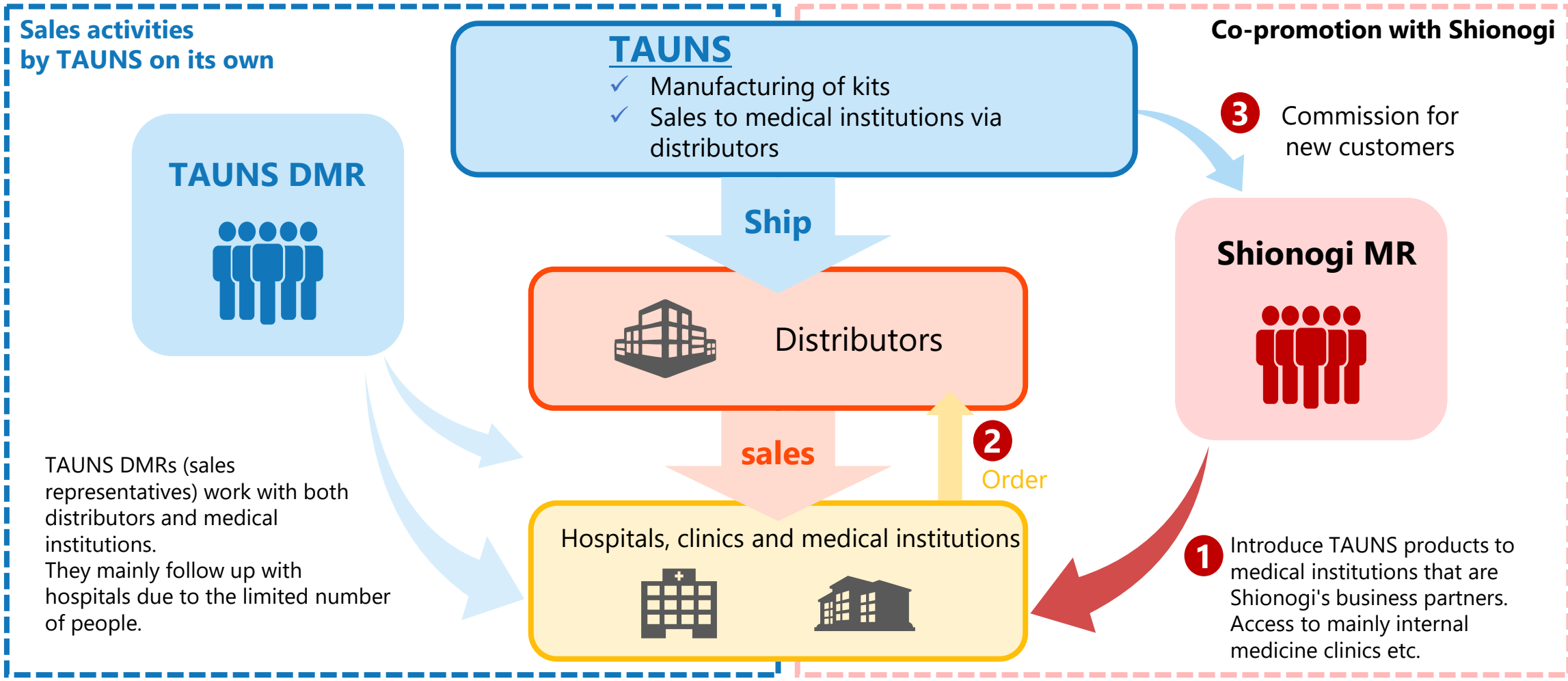
- Implement two production sites instead of the current system of only one production site.
- Ensure business continuity in the event of an emergency, avoid production outages.
- Equipped with higher earthquake resistance than the current Kamishima Factory.



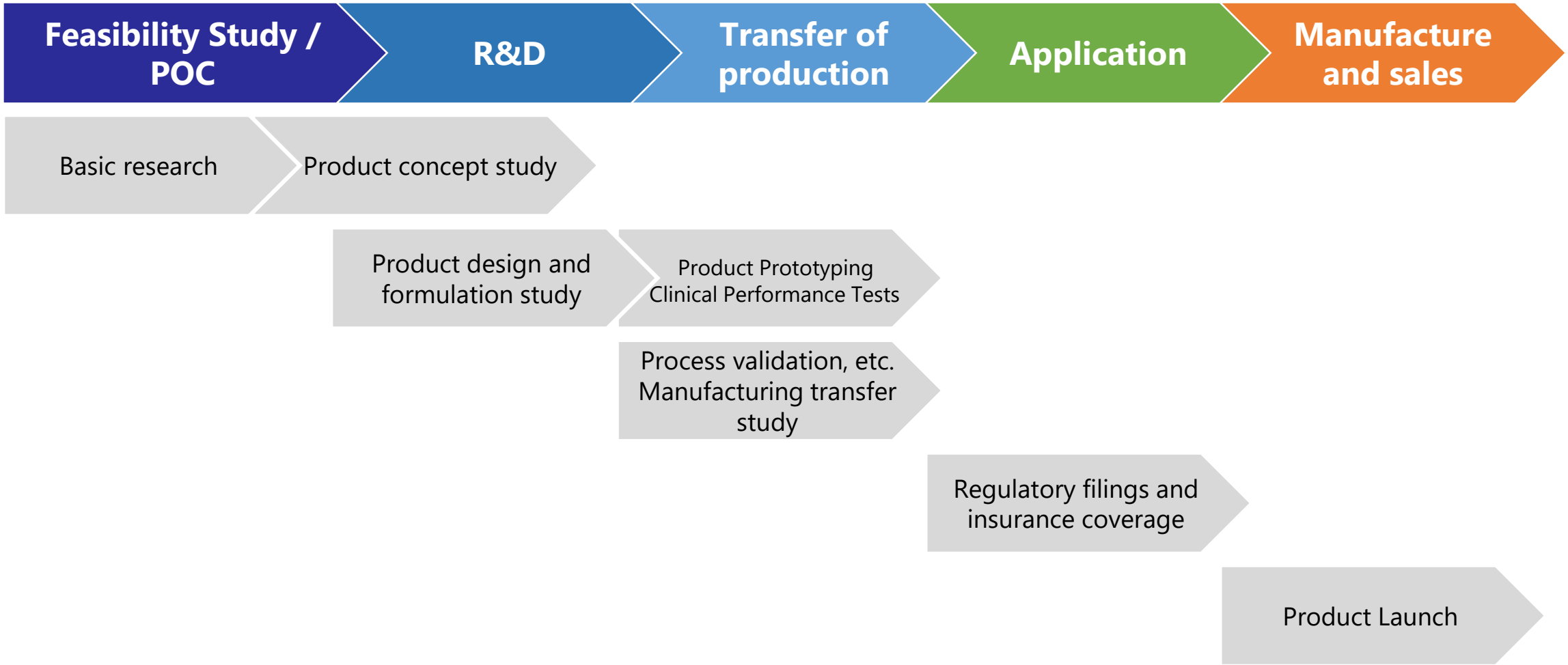
*1: Monthly production capacity is calculated based on the assumption that the company operates only during the daytime on weekdays and minimizes outsourcing.

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.**



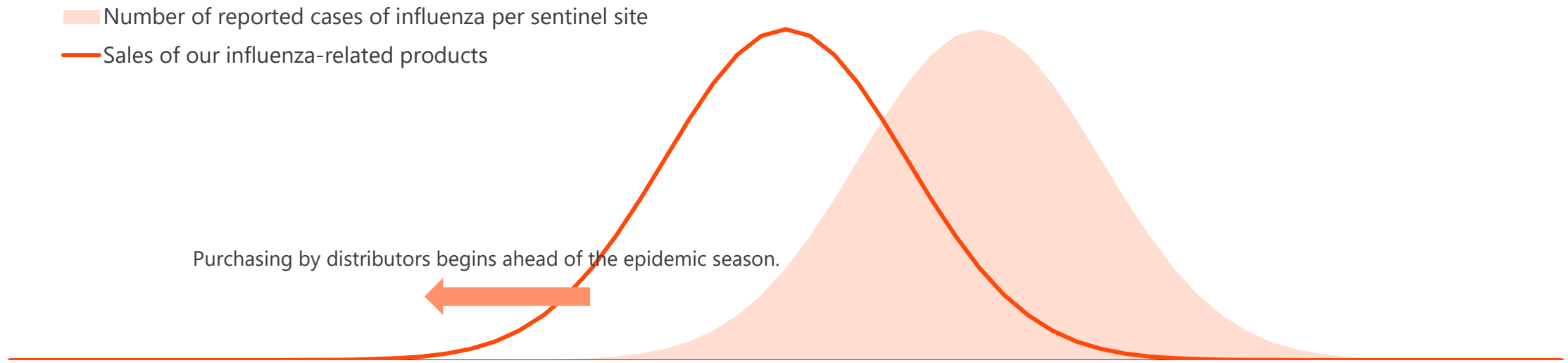
Product Launch Process



Epidemic Period of Infectious Diseases and Our Revenue (Image)

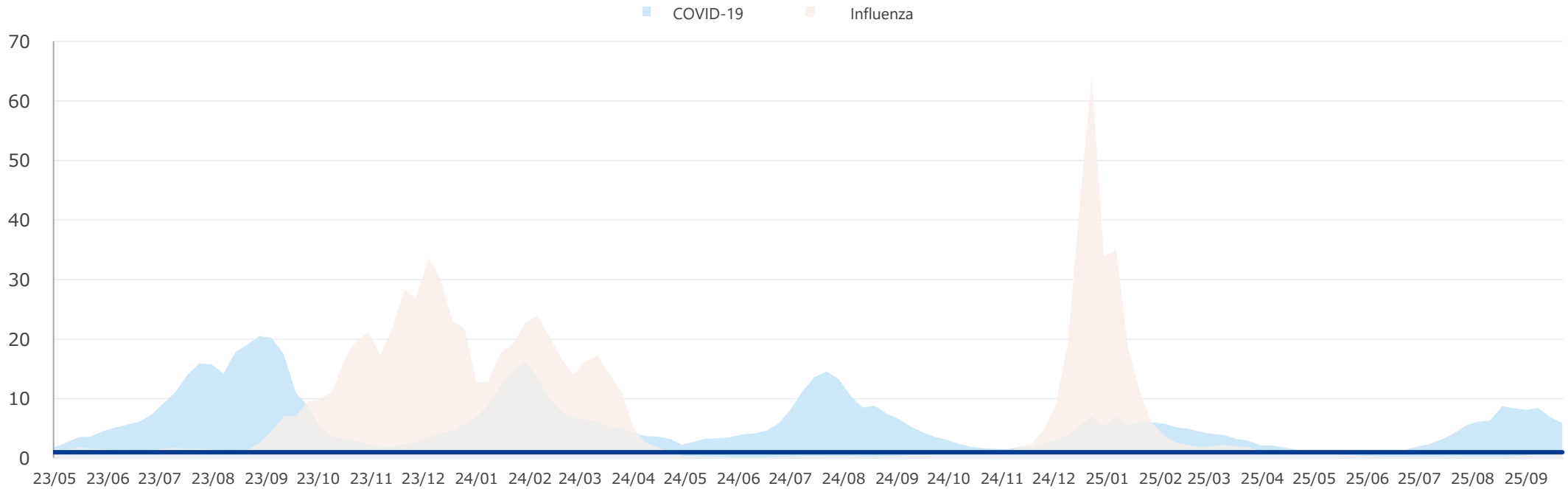
- **For seasonal infectious diseases such as influenza, distributors tend to peak their purchases (≒recorded as sales by the Company) ahead of the peak of the epidemic.**
- **Seasonal respiratory infections can occur at different times of the year, and our income peaks at different times depending on 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.**
- **During the 1st quarter of the fiscal year ending June 2026, the level of COVID-19 transmission decreased by over 30% compared to the same period the previous year. Meanwhile, influenza transmission began earlier than usual, around September.**



1-0 Influenza "epidemic season" guidelines

（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.

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