

Consolidated Financial Results

for the Fiscal Year Ended

March 31, 2026 [IFRS]



May 13, 2026

Company Name: PHC HOLDINGS CORPORATION

Stock Code: 6523 (URL: <https://www.phchd.com/global/ir>)

Stock Exchange Listing: Tokyo

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Scheduled date of Ordinary General Meeting of Shareholders: June 24, 2026

Scheduled date to commence dividend payments: June 25, 2026

Scheduled date to submit the Annual Securities Report: June 23, 2026

Availability of supplementary briefing material on annual results: Yes

Scheduled date of Annual Results Briefing Session: Yes

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(1) Consolidated Results of Operations

(% indicates changes from the previous corresponding term)

	Revenue		Operating profit		Profit before taxes		Profit		Profit attributable to owners of parent		Comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	364,403	0.8	22,688	0.5	6,390	(66.1)	219	(97.9)	492	(95.3)	24,144	284.3
Fiscal year ended March 31, 2025	361,593	2.2	22,580	—	18,823	—	10,364	—	10,485	—	6,283	(47.4)

	Basic earnings per share attributable to owners of parent	Diluted earnings per share attributable to owners of parent	Ratio of profit to equity attributable to owners of parent	Ratio of profit before income taxes to total assets	Ratio of operating profit to revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2026	3.90	3.87	0.3	1.2	6.2
Fiscal year ended March 31, 2025	83.13	82.58	7.5	3.4	6.2

(Note) Share of profit (loss) of investments accounted for using equity method:

March 31, 2026... 79 million yen

March 31, 2025... (371) million yen

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2026	542,510	160,880	161,668	29.8	1,277.89
March 31, 2025	532,482	141,171	141,639	26.6	1,122.36

(3) Consolidated cash flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
As of	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	42,458	(8,454)	(39,821)	39,820
March 31, 2025	41,941	(8,473)	(39,068)	39,592

2. Cash dividends

	Annual cash dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter end	Second quarter end	Third quarter end	Fiscal year end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2025	-	21.00	-	21.00	42.00	5,298	50.5	3.8
March 31, 2026	-	21.00	-	21.00	42.00	5,313	1,077.3	3.5
Fiscal year ending March 31, 2027 (Forecast)	-	21.00	-	21.00	42.00		34.5	

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(% indicates year on year changes)

	Revenue		Operating profit		Profit before taxes		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Fiscal year ending March 31, 2027	359,700	(1.3)	27,000	19.0	22,000	244.3	15,400	-	15,400	-	121.73

(Note) For the details of the forecasts of consolidated earnings, please refer to P.14 "1. Qualitative Information Regarding the Financial Performance, (4) Explanation regarding future prospects (ex. forecasted consolidated business results)" on the attached materials.

* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: -companies

Excluded: -companies

(2) Changes in accounting policies, changes in accounting estimates

1) Changes in accounting policies required by IFRS: Not applicable

2) Changes in accounting policies other than 1): Not applicable

3) Changes in accounting estimates: Not applicable

(3) Total number of issued shares (common stock):

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

As of March 31, 2026	126,724,020 Shares
As of March 31, 2025	126,410,072 Shares

2) Total number of treasury shares at the end of the period:

As of March 31, 2026	211,966 Shares
As of March 31, 2025	211,941 Shares

3) Average number of outstanding shares during the period:

Fiscal year ended March 31, 2026	126,446,722 Shares
Fiscal year ended March 31, 2025	126,126,617 Shares

Note 1: This summary of financial results is exempted from the annual audit procedure by Certified Public Accountant or external auditors.

Note 2: Explanation regarding proper use of the projected financial results and other notes:

The forecasted statements shown in these materials are based on information currently available and certain assumptions that PHC Holdings Corporation regards as reasonable, and therefore the group's actual results may differ materially due to unknown several factors.

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1. Qualitative Information Regarding the Financial Performance

(1) Explanation regarding operation results

During the fiscal year ended March 31, 2026 (hereafter “this period”), PHC Group generated revenue of JPY 364,403 million, up 0.8% compared to the previous year (hereafter “year on year”). In Diabetes Management, revenue increased due to robust sales in Blood Glucose Monitoring (hereafter “BGM”) business, despite ongoing market decline in developed countries, and the positive impact of foreign exchange. In Healthcare Solutions, despite a decline in revenue from CRO business, overall revenue was on par year on year due to sales growth in genetic testing within LSIM business and in electronic medical record and medical-receipt systems within Healthcare IT Solutions business. In Diagnostics & Life Sciences, revenue decreased mainly due to stagnant market conditions, particularly in the U.S.

Operating profit for this period was JPY 22,688 million, up 0.5% year on year. In Diabetes Management, operating profit increased significantly due to solid performance in developed countries for BGM business, cost reductions, and improved profit margins following the transfer of the Continuous Glucose Monitoring (hereafter “CGM”) business. In Healthcare Solutions, despite LSIM business achieving profit growth due to revenue growth and cost reductions, overall operating profit declined. This was due to the weaker demand for high-margin electronic prescriptions software in Healthcare IT Solutions business and decreased revenue in CRO business. Diagnostics & Life Sciences saw a decline in operating profit primarily due to lower revenues, the impact of U.S. tariffs, and the transfer of corporate functions described below.

Adjusted EBITDA was JPY 51,959 million, up 3.7% year on year. Adjustment items include one-time income/expense relating to transformational M&A pre-acquisition and integration costs (additions of JPY 615 million in this period and JPY 74 million in the previous period, respectively) and one-time income/expense relating to restructuring (additions of JPY 1,385 million in this period and JPY 851 million in the previous period).

Profit before tax was JPY 6,390 million, down 66.1% year on year. This decline was mainly due to foreign exchange losses of JPY 10,472 million recorded during this period, compared with foreign exchange gains of JPY 1,151 million in the previous period.

Profit attributable to owners of parent was JPY 492 million, down 95.3% year on year, due to a decrease in profit before tax, tax arising from the subsidiary's capital repayment and a record of deferred tax liabilities from dividends paid by subsidiaries, and other factors.

Please note that, starting from this period, we have reviewed corporate functions and transferred some headquarters roles to each business. While this transfer does not affect the consolidated financial results, it does have an impact on profit by segment. The impact on actual results for this period is described in the operating profit and adjusted EBITDA situation for each segment.

	Fiscal Year ended March 31, 2025 (million yen)	Fiscal Year ended March 31, 2026 (million yen)	Change
Revenue	361,593	364,403	0.8%
Operating profit	22,580	22,688	0.5%
EBITDA	50,397	49,800	(1.2%)
Adjusted EBITDA	50,095	51,959	3.7%
Profit before tax	18,823	6,390	(66.1%)
Profit	10,364	219	(97.9%)
Profit attributable to owners of parent	10,485	492	(95.3%)
Average exchange rate JPY/USD	JPY 152.48	JPY 150.70	JPY (1.78)
Average exchange rate JPY/EUR	JPY 163.67	JPY 174.81	JPY 11.14

(Note) EBITDA and Adjusted EBITDA are not measures in accordance with IFRS Accounting Standards.

However, PHC Holdings Corporation believes that this disclosure may be useful information to investors.

【Calculation table of EBITDA and adjusted EBITDA】

	Fiscal Year ended March 31, 2025 (million yen)	Fiscal Year ended March 31, 2026 (million yen)	Change
Operating Profit	22,580	22,688	0.5%
+ Depreciation	27,871	27,119	(2.7%)
+ Impairment loss (excluding marketable securities)	(54)	(8)	—
EBITDA	50,397	49,800	(1.2%)
(Adjustment amount)			
+ One-time income/expense relating to transformational M&A pre-acquisition and integration costs	74	615	731.1%
+ One-time income/expense relating to restructuring	851	1,385	62.7%
+ One-time income/expense relating to termination/cancellation of contracts	—	(252)	—
+ Other one-time income/expense	(1,227)	411	—
Adjusted EBITDA	50,095	51,959	3.7%

(Note) EBITDA and adjusted EBITDA are calculated with the following formulas:

EBITDA = Operating profit + depreciation + impairment loss (excluding marketable securities)

Adjusted EBITDA = EBITDA + one-time income and expenses

The business performance by segment is as follows:

Diabetes Management Segment

	Fiscal Year ended March 31, 2025 (million yen)	Fiscal Year ended March 31, 2026 (million yen)	Change
Revenue	98,692	101,581	2.9%
Operating Profit	13,888	20,085	44.6%
EBITDA	19,855	24,762	24.7%
Adjusted EBITDA	20,444	25,577	25.1%

(Calculation table of EBITDA and adjusted EBITDA)

	Fiscal Year ended March 31, 2025 (million yen)	Fiscal Year ended March 31, 2026 (million yen)	Change
Operating profit	13,888	20,085	44.6%
+ Depreciation	6,027	4,694	(22.1%)
+ Impairment loss (excluding marketable securities)	(60)	(18)	—
EBITDA	19,855	24,762	24.7%
(Adjustment amount)			
+ One-time income/expense relating to transformational M&A pre-acquisition and integration costs	—	481	—
+ One-time income/expense relating to restructuring	597	333	(44.2%)
+ One-time income/expense relating to termination/cancellation of contracts	—	—	—
+ Other one-time income/expense	(8)	—	—
Adjusted EBITDA	20,444	25,577	25.1%

(Note) EBITDA and adjusted EBITDA are calculated with the following formulas:

EBITDA = Operating profit + depreciation + impairment loss (excluding marketable securities)

Adjusted EBITDA = EBITDA + one-time income and expenses

<Revenue Situation>

Revenue of Diabetes Management for this period was JPY 101,581 million, up 2.9% year on year. Despite ongoing market contraction and the shift to low-priced channels in developed countries, revenue in BGM business increased due to the largely eliminated impact of the termination of sales collaboration and the success of initiatives implemented during this period to improve unit prices and increased sales volumes in the U.S. Additionally, solid performance in Europe, the positive impacts of foreign exchange, and progress in localization initiatives in Algeria contributed to the revenue growth. In CGM business, revenue increased in the U.S. due to Eversense 365 system, which was launched during the third quarter of the previous fiscal year, allowing users one year of uninterrupted use. However, on January 1, 2026, as per the agreement to transfer Eversense commercialization to its maker, Senseonics Holdings, Inc., the transfer of operations in the U.S. was completed on that date. There is no impact from the fourth quarter of this fiscal year onwards.

<Operating Profit and Adjusted EBITDA Situation>

Operating profit in Diabetes Management for this period was JPY 20,085 million, up 44.6% year on year. Despite the negative impact of JPY 302 million from the earlier-mentioned transfer of some corporate functions and the expenses related to the transfer of CGM business, operating profit increased significantly. This was due to solid performance in BGM business in developed countries, improved profit margins through price initiatives, cost reduction with restructuring to date, lower depreciation expenses, and improved profitability related to the transfer of CGM business.

Adjusted EBITDA was JPY 25,577 million, up 25.1% year on year. Adjustment items included one-time income/expense relating to transformational M&A pre-acquisition and integration costs (addition of JPY 481 million in this period) as the expenses related to the transfer of CGM business and one-time income/expense relating to restructuring (additions of JPY 333 million in this period and JPY 597 million in the previous period, respectively).

Healthcare Solutions Segment

	Fiscal Year ended March 31, 2025 (million yen)	Fiscal Year ended March 31, 2026 (million yen)	Change
Revenue	128,311	128,389	0.1%
Operating Profit	9,272	6,234	(32.8%)
EBITDA	19,176	16,605	(13.4%)
Adjusted EBITDA	19,251	17,173	(10.8%)

(Calculation table of EBITDA and adjusted EBITDA)

	Fiscal Year ended March 31, 2025 (million yen)	Fiscal Year ended March 31, 2026 (million yen)	Change
Operating profit	9,272	6,234	(32.8%)
+ Depreciation	9,904	10,370	4.7%
+ Impairment loss (excluding marketable securities)	—	—	—
EBITDA	19,176	16,605	(13.4%)
(Adjustment amount)			
+ One-time income/expense relating to transformational M&A pre-acquisition and integration costs	74	134	81.1%
+ One-time income/expense relating to restructuring	—	434	—
+ One-time income/expense relating to termination/cancellation of contracts	—	—	—
+ Other one-time income/expense	—	—	—
Adjusted EBITDA	19,251	17,173	(10.8%)

(Note) EBITDA and adjusted EBITDA are calculated with the following formulas:

EBITDA = Operating profit + depreciation + impairment loss (excluding marketable securities)

Adjusted EBITDA = EBITDA + one-time income and expenses

<Revenue Situation>

Revenue of Healthcare Solutions for this period was JPY 128,389 million, up 0.1% year on year. A breakdown includes LSIM business at JPY 66,390 million, up 1.2% year on year, Healthcare IT Solutions business at JPY 52,977 million, up 1.7% year on year, and CRO business at JPY 9,022 million, down 15.4% year on year.

In LSIM business, the impact of inappropriate quality management was less severe than anticipated; revenue increased mainly due to the sales growth in genetic testing, one of LSIM's growth initiatives.

In Healthcare IT Solutions business, sales related to electronic medical record and medical-receipt systems offset the impact of lower demand for electronic prescription software, resulting in increased revenue.

In CRO business, revenue declined primarily due to lower clinical trial orders, partly attributed to the LSIM's inappropriate quality management, as well as the completion of large-scale safety testing in the non-clinical testing business during the previous period.

<Operating Profit and Adjusted EBITDA Situation>

Operating profit in Healthcare Solutions for this period was JPY 6,234 million, down 32.8% year on year. In LSIM business, profit grew through higher revenue and cost reduction efforts. However, in Healthcare IT

Solutions business, despite increased revenue from the electronic medical record and medical-receipt systems, operating profit declined due to lower demand for high-margin electronic prescription software, higher depreciation costs due to new product launches, rising purchase prices for IT equipment, and restructuring costs, among other factors. Additionally, operating profit from CRO business decreased due to the lower revenue. The reduction due to the earlier-mentioned transfer of some corporate functions was JPY 80 million. Adjusted EBITDA was JPY 17,173 million, down 10.8% year on year. Adjustment items include one-time income/expense relating to restructuring (additions of JPY 434 million in this period).

Diagnostics and Life Sciences Segment

	Fiscal Year ended March 31, 2025 (million yen)	Fiscal Year ended March 31, 2026 (million yen)	Change
Revenue	130,920	128,323	(2.0%)
Operating Profit	7,248	3,893	(46.3%)
EBITDA	18,599	15,322	(17.6%)
Adjusted EBITDA	18,106	15,323	(15.4%)

(Calculation table of EBITDA and adjusted EBITDA)

	Fiscal Year ended March 31, 2025 (million yen)	Fiscal Year ended March 31, 2026 (million yen)	Change
Operating profit	7,248	3,893	(46.3%)
+ Depreciation	11,312	11,418	0.9%
+ Impairment loss (excluding marketable securities)	38	9	(76.3%)
EBITDA	18,599	15,322	(17.6%)
(Adjustment amount)			
+ One-time income/expense relating to transformational M&A pre-acquisition and integration costs	—	—	—
+ One-time income/expense relating to restructuring	138	254	84.1%
+ One-time income/expense relating to termination/cancellation of contracts	—	(252)	—
+ Other one-time income/expense	(631)	—	—
Adjusted EBITDA	18,106	15,323	(15.4%)

(Note) EBITDA and adjusted EBITDA are calculated with the following formulas:

EBITDA = Operating profit + depreciation + impairment loss (excluding marketable securities)

Adjusted EBITDA = EBITDA + one-time income and expenses

<Revenue Situation>

Revenue of Diagnostics and Life Sciences for this period was JPY 128,323 million, down 2.0% year on year. This includes JPY 58,414 million in Pathology business, up 0.2% year on year, JPY 51,550 million in Biomedical (PHCbi) business, down 2.3% year on year, and JPY 18,358 million in IVD business, down 7.6% year on year. In Pathology business, revenue increased modestly year on year. In Europe, revenue grew in most categories due to the strong performance such as consumables and equipment, as well as the large-scale projects for digital pathology products and favorable foreign exchange effects. Additionally, in the Asia Pacific, revenue increased mainly due to the growth in digital pathology products, which benefited from the start of local inhouse production in China. Collectively, these gains offset the continued softness in equipment demand in the Americas. In Biomedical (PHCbi) business, revenue decreased due to lower demand caused by government policies in the U.S., despite signs of market recovery in Europe, Japan, and other areas. In the U.S. market, while there are signs of a recovery in demand, particularly with the acquisition of large-scale projects for pharmaceutical and biopharmaceutical companies, demand remains slow mainly due to ongoing budget cuts at U.S. government agencies, universities, and research institutions. In EMEA, revenue increased, driven by higher orders from

pharmaceutical companies and strong demand from universities and research institutions in France, generally favorable performance in other countries, and the positive impact of foreign exchange rates. In Japan, revenue increased slightly year on year due to projects, including the construction of new facilities by pharmaceutical companies, universities, and research institutions.

In IVD business, revenue declined mainly due to lower sales of reagents for PATHFAST™ Immunoanalyzer and automated analyzers in Russia, as well as the lower demand in China with reduced numbers of testing.

Additionally, the decline in sales of digital injectors and the absence of one-time revenue recorded in the previous period contributed to the decrease.

<Operating Profit and Adjusted EBITDA Situation>

Operating profit in Diagnostics and Life Sciences for this period was JPY 3,893 million, down 46.3% year on year. While Pathology business was driven by the positive impact of price revisions, cost reductions through manufacturing optimization, and the recording of other income due to changes in the classification of affiliated companies, to counteract geopolitical headwinds leading to year on year improvement. Biomedical (PHCbi) and IVD Businesses were unable to absorb the impact of lower revenues by cost down initiatives, resulting in a decline in profits. Additionally, the increased cost of JPY 1,207 million due to the earlier-mentioned transfer, the absence of one-time income recorded in IVD business during the previous period, and approx. JPY 1,000 million related to tariff impacts drove operating profit lower.

Adjusted EBITDA was JPY 15,323 million, down 15.4% year on year. Adjustment items include one-time income/expense relating to restructuring (additions of JPY 254 million in this period and JPY 138 million in the previous period, respectively) and one-time income/expense relating to termination/cancellation of contracts (subtraction of JPY 252 million in this period).

(2) Explanation regarding financial position

Assets

The balance of total assets in this period was JPY 542,510 million. The balance increased by JPY 10,028 million compared to the previous fiscal year-end.

The balance increase primarily reflects goodwill increased by JPY 15,023 million attributable to the impact of currency fluctuation, while intangible assets decreased by JPY 6,277 million mainly due to progress in amortization derived from the previous acquisition of entities.

Liabilities

The balance of total liabilities in this period was JPY 381,630 million. The balance decreased by JPY 9,680 million compared to the previous fiscal year-end. The balance decrease primarily reflects a loan balance decreased by JPY 20,702 million mainly due to the repayment. Trade and other payables increased by JPY 6,653 million.

Equity

The balance of equity in this period was JPY 160,880 million. The balance increased by JPY 19,708 million compared to the previous fiscal year-end. Other components of equity increased by JPY 26,108 million, mainly due to translation difference of foreign operations. Retained earnings decreased by JPY 6,837 million mainly due to JPY 5,306 million of dividends, despite JPY 492 million of profit attributable to owners of parent.

In addition, the ratio of equity attributable to owners of parent to total assets increased by 3.2 points from 26.6% at the end of the previous consolidated fiscal year to 29.8%.

(3) Explanation regarding cash flow

Cash and cash equivalents at the end of this period amounted to JPY 39,820 million, an increase of JPY 227 million from March 31, 2025.

The status of each cash flows from each activity and its drivers during this period are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was JPY 42,458 million, which was an increase of JPY 516 million year on year.

(Cash flows from investing activities)

Net cash used in investing activities was JPY 8,454 million and consisted mainly of purchase of property, plant, and equipment, and intangible assets of JPY 9,093 million. The year-on-year reduction of JPY 19 million in net cash used in investing activities was primarily due to decreased purchase of property, plant and equipment and intangible assets of JPY 2,517 million, partially offset by a decrease of JPY 2,498 million in other investing cash inflows.

(Cash flows from financing activities)

Net cash used in financing activities of JPY 39,821 million consisted mainly of repayments of long-term borrowings of JPY 260,404 million, proceeds from long-term borrowings of JPY 185,801 million and proceeds from short-term borrowings of JPY 50,195 million, which were largely related to the refinancing of existing loans. In addition there were lease liability repayments of JPY 5,931 million and Dividend payouts of JPY 5,306 million.

(4) Explanation regarding future prospects (ex. forecasted consolidated business results)

Consolidated financial results forecasts for the Fiscal Year ending March 31, 2027 (From April 1, 2026 through March 31, 2027)

	Revenue (Million JPY)	Operating profit (Million JPY)	Profit before tax (Million JPY)	Profit (Million JPY)	Profit attributable to owners of parent (Million JPY)	Basic earnings per share attributable to owners of parent (JPY)	*Adjusted EBITDA (Million JPY)
Fiscal Year ended March 31, 2026 Actual (A)	364,403	22,688	6,390	219	492	3.90	51,959
Fiscal Year ending March 31, 2027 Forecast (B)	359,700	27,000	22,000	15,400	15,400	121.73	53,600
Change (B-A)	(4,703)	4,312	15,610	15,181	14,908	117.83	1,641
Change (%)	(1.3)	19.0	244.3	—	—	—	3.2

(Note) Adjusted EBITDA is calculated with the following formulas:

Adjusted EBITDA = EBITDA + one-time income and expenses

EBITDA = Operating profit + Depreciation + Impairment loss (excluding marketable securities)

*Adjusted EBITDA is not a measure in accordance with IFRS Accounting Standards. However, PHC Holdings Corporation believes that these disclosures may be useful information to investors.

The Company forecasts revenue of JPY 359,700 million, operating profit of JPY 27,000 million, Profit attributable to owners of parent of JPY 15,400 million, and adjusted EBITDA of JPY 53,600 million, in the fiscal year ending March 31, 2027 (hereinafter “the next period”). Foreign exchange rates for the forecasts are JPY 165 to the EUR and JPY 145 to the USD, which are regarded as a negative factor on the revenue and the operating profit of the Company due to the appreciation of yen from the average foreign exchange rates of JPY 175 to EUR and JPY 151 to USD in the fiscal year ended March 31, 2026. Revenue is anticipated to decrease by 1.3% year on year, while operating profit is expected to increase by 19.0% year on year; however, excluding FX impact, the revenue and the operating profit are forecasted to increase by 1.2% and 19.9%, respectively.

Please note that, effective from the Fiscal Year ending March 2027, name clarification and reorganization of some business units were implemented. The BGM Business Unit in Diabetes Management and LSIM Business Unit in Healthcare Solutions were newly named Diabetes Management Business Unit and Clinical Testing Business Unit, respectively. Furthermore, the Biomedical and IVD Business Units in Diagnostics & Life Sciences have been integrated into a single BU called Life Sciences Business Unit. Also, the B-to-B business in Indonesia, previously included in Head office and Others, was transferred to Life Sciences Business Unit. The sections below are described using the new classification.

In Diabetes Management, revenue is anticipated to decrease year on year due to continued market contraction in developed countries, a decline in the revenue related to the CGM business transfer, and a decreased impact of favorable FX, despite expected further market share growth in Europe and North America. On the other hand, operating profit is expected to increase due to cost reductions and improved profitability from the CGM business transfer.

In Healthcare Solutions, revenue is expected to increase in Clinical Testing business due to further growth in genetic testing, while Healthcare IT Solutions business seeks to expand sales of cloud-based products, and CRO business aims to boost revenue through enhanced order acquisition efforts. Operating profit is expected to grow supported by increased revenue, despite increased costs driven by cloud-related expenses, rising personnel costs, and inflationary pressures.

In Diagnostics & Life Sciences, revenue is expected to increase, driven by price revisions and other factors, despite the conservative assumption that continued sluggish equipment demand from market stagnation, which

significantly affected the previous fiscal year, will remain into the next period. Additionally, the impact on revenue from the earlier-mentioned B-to-B business transfer is expected to add JPY 4.4 billion. Operating profit is forecasted to increase, driven by higher revenue, despite anticipated higher SG&A expenses due to inflation and revenue growth.

As a result, total operating profit is expected to increase by JPY 4.3 billion year on year.

Due to the increase in operating profit and the forecast for not factoring in FX losses recorded in the previous fiscal year, profit before tax is expected to be approximately JPY 15.6 billion, and profit attributable to owners of parent is expected to be approximately JPY 14.9 billion.

Regarding foreign exchange sensitivity, a fluctuation of 1 yen against each currency will have an annual impact of JPY 375 million on revenue, JPY 50 million on operating profit for the EUR, and JPY 470 million on revenue, JPY 25 million on operating profit for the USD. In both currencies, the depreciation of the yen has a positive impact, and the appreciation of the yen has a negative impact.

Forecasts of business performance by segment for the fiscal year ending March 31, 2027, are as follows:

(Million JPY)

Segments	Revenue		Operating profit		Adjusted EBITDA	
	Fiscal Year ended March 31, 2026 (Actual)	Fiscal Year ending March 31, 2027 (Forecast)	Fiscal Year ended March 31, 2026 (Actual)	Fiscal Year ending March 31, 2027 (Forecast)	Fiscal Year ended March 31, 2026 (Actual)	Fiscal Year ending March 31, 2027 (Forecast)
Diabetes Management	101,581	92,300	20,085	24,000	25,577	28,400
Healthcare Solutions	128,389	132,100	6,234	6,500	17,173	17,100
Diagnostics and Life Sciences	128,323	135,200	3,893	4,900	15,323	15,700
Head office and Others	6,108	100	(7,526)	(8,400)	(6,115)	(7,600)
Total	364,403	359,700	22,688	27,000	51,959	53,600

(Note) The B-to-B business in Indonesia is included in “Head office and Others” for the fiscal year ended March 31, 2026 (Actual) and in “Diagnostics & Life Sciences” for the fiscal year ending March 31, 2027 (Forecast).

[Dividend Policy]

During the VCP 2027 (Mid-term Plan) period through fiscal year ending March 31, 2028, our capital allocation policy prioritizes strengthening the financial foundation to establish a system that allows for stable increases in shareholder returns along with business growth in the next VCP. Dividends are determined based on a comprehensive consideration of a wide range of factors including consolidated performance and financial conditions. For the next period, our dividend forecast is 42 yen per share (interim: 21 yen/ share, year-end: 21 yen/ share), unchanged from the previous year.

2. Basic Approach to the Selection of Accounting Standards

The Group has been applying International Financial Reporting Standards (“IFRS”) with the aim of improving the comparability of financial information with the global market, and increasing convenience.

3. Consolidated financial statement and significant notes

(1) Consolidated statement of financial position

(Unit: million yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and cash equivalents	39,592	39,820
Trade receivables	70,530	70,283
Inventories	51,694	53,095
Other financial assets	4,308	4,925
Other current assets	6,665	8,055
Total current assets	172,790	176,180
Non-current assets		
Property, plant and equipment	48,374	49,242
Goodwill	206,500	221,524
Intangible assets	80,649	74,371
Investments accounted for using equity method	1,821	730
Other financial assets	13,932	10,988
Deferred tax assets	6,120	6,482
Other non-current assets	2,293	2,990
Total non-current assets	359,691	366,330
Total assets	532,482	542,510

(Unit: million yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	65,665	72,379
Borrowings	34,278	78,254
Income taxes payable	4,207	2,588
Provisions	7,725	8,234
Other financial liabilities	5,812	5,709
Other current liabilities	22,865	22,467
Total current liabilities	140,555	189,634
Non-current liabilities		
Trade and other payables	597	537
Borrowings	220,982	156,303
Retirement benefit liability	5,544	5,962
Provisions	4,575	4,955
Other financial liabilities	8,358	11,278
Deferred tax liabilities	9,291	11,472
Other non-current liabilities	1,405	1,487
Total non-current liabilities	250,755	191,995
Total liabilities	391,310	381,630
Equity		
Share capital	48,623	48,785
Capital surplus	42,039	42,636
Retained earnings	2,991	(3,846)
Treasury shares	(568)	(568)
Other components of equity	48,553	74,662
Equity attributable to owners of parent	141,639	161,668
Non-controlling interests	(468)	(788)
Total equity	141,171	160,880
Total liabilities and equity	532,482	542,510

(2) Consolidated statement of profit or loss and consolidated statement of comprehensive income
(Consolidated statement of profit or loss)

(Unit: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Revenue	361,593	364,403
Cost of Sales	195,369	199,138
Gross profit	166,224	165,264
Selling, general and administrative expenses	144,249	144,664
Other income	1,761	2,818
Other expenses	784	810
Share of profit (loss) of investments accounted for using equity method	(371)	79
Operating profit	22,580	22,688
Finance income	1,504	341
Finance costs	5,262	16,640
Profit before taxes	18,823	6,390
Income tax expense	8,458	6,170
Profit	10,364	219
Profit (loss) attributable to		
Owners of parent	10,485	492
Non-controlling interests	(120)	(273)
Earnings per share		
Basic earnings per share (Unit: JPY)	83.13	3.90
Diluted earnings per share (Unit: JPY)	82.58	3.87

(Consolidated statement of comprehensive income)

(Unit: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	10,364	219
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(228)	845
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	1,102	(3,450)
Items that may be reclassified to profit or loss		
Effective portion of cash flow hedges	(14)	17
Exchange differences on translation of foreign operations	(4,929)	26,893
Share of other comprehensive income of investments accounted for using equity method	(11)	(380)
Other comprehensive income, net of taxes	(4,081)	23,925
Comprehensive income	6,283	24,144
Comprehensive income attributable to		
Owners of parent	6,400	24,464
Non-controlling interests	(116)	(319)
Comprehensive income	6,283	24,144

(3) Consolidated statement of changes in equity

(Unit: million yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Effective portion of cash flow hedges
As of April 1, 2024	48,423	41,797	(2,773)	(568)	-	(1,110)	(3)
Comprehensive income							
Profit	-	-	10,485	-	-	-	-
Other comprehensive income	-	-	-	-	(228)	1,102	(14)
Total comprehensive income	-	-	10,485	-	(228)	1,102	(14)
Issuance of new shares	200	(154)	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-
Dividends to owners of parent	-	-	(4,917)	-	-	-	-
Forfeiture of share acquisition rights and Restricted Stock Unit	-	(203)	199	-	-	-	-
Share-based payment transactions	-	600	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	(3)	-	228	(225)	-
Transactions with owners	200	242	(4,720)	-	228	(225)	-
As of March 31, 2025	48,623	42,039	2,991	(568)	-	(233)	(17)

(Unit: million yen)

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total
	Exchange differences on translation of foreign operations	Share of other comprehensive income of investments accounted for using equity method	Total			
As of April 1, 2024	53,380	369	52,635	139,515	(351)	139,163
Comprehensive income						
Profit	-	-	-	10,485	(120)	10,364
Other comprehensive income	(4,933)	(11)	(4,085)	(4,085)	3	(4,081)
Total comprehensive income	(4,933)	(11)	(4,085)	6,400	(116)	6,283
Issuance of new shares	-	-	-	45	-	45
Purchase of treasury shares	-	-	-	-	-	-
Dividends to owners of parent	-	-	-	(4,917)	-	(4,917)
Forfeiture of share acquisition rights and Restricted Stock Unit	-	-	-	(3)	-	(3)
Share-based payment transactions	-	-	-	600	-	600
Transfer from other components of equity to retained earnings	-	-	3	-	-	-
Transactions with owners	-	-	3	(4,275)	-	(4,275)
As of March 31, 2025	48,447	357	48,553	141,639	(468)	141,171

(Unit: million yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Effective portion of cash flow hedges
As of April 1, 2025	48,623	42,039	2,991	(568)	-	(233)	(17)
Comprehensive income							
Profit	-	-	492	-	-	-	-
Other comprehensive income	-	-	-	-	845	(3,450)	17
Total comprehensive income	-	-	492	-	845	(3,450)	17
Issuance of new shares	161	169	-	-	-	-	-
Purchase of treasury shares	-	-	-	(0)	-	-	-
Dividends to owners of parent	-	-	(5,306)	-	-	-	-
Forfeiture of share acquisition rights and Restricted Stock Unit	-	(183)	112	-	-	-	-
Share-based payment transactions	-	609	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	(2,136)	-	(845)	2,982	-
Transactions with owners	161	596	(7,330)	(0)	(845)	2,982	-
As of March 31, 2026	48,785	42,636	(3,846)	(568)	-	(701)	-

(Unit: million yen)

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total
	Exchange differences on translation of foreign operations	Share of other comprehensive income of investments accounted for using equity method	Total			
As of April 1, 2025	48,447	357	48,553	141,639	(468)	141,171
Comprehensive income						
Profit	-	-	-	492	(273)	219
Other comprehensive income	26,940	(380)	23,971	23,971	(46)	23,925
Total comprehensive income	26,940	(380)	23,971	24,464	(319)	24,144
Issuance of new shares	-	-	-	331	-	331
Purchase of treasury shares	-	-	-	(0)	-	(0)
Dividends to owners of parent	-	-	-	(5,306)	-	(5,306)
Forfeiture of share acquisition rights and Restricted Stock Unit	-	-	-	(70)	-	(70)
Share-based payment transactions	-	-	-	609	-	609
Transfer from other components of equity to retained earnings	-	-	2,136	-	-	-
Transactions with owners	-	-	2,136	(4,435)	-	(4,435)
As of March 31, 2026	75,387	(23)	74,662	161,668	(788)	160,880

(4) Consolidated statement of cash flows

(Unit: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before taxes	18,823	6,390
Depreciation and amortization	27,871	27,119
Interest expenses	4,929	5,876
Decrease (increase) in trade receivables	3,061	3,989
Decrease (increase) in inventories	(193)	2,229
Increase (decrease) in trade payables	(2,602)	2,917
Other	(1,915)	5,655
Subtotal	49,974	54,178
Interest and dividends received	354	309
Interest paid	(6,568)	(5,334)
Income taxes paid	(3,977)	(7,021)
Income taxes refund	2,160	326
Net cash provided by operating activities	41,941	42,458
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(11,610)	(9,093)
Proceeds from sales of property, plant and equipment, and intangible assets	902	448
Proceeds from sale of investments accounted for using equity method	307	296
Other	1,927	(106)
Net cash used in investing activities	(8,473)	(8,454)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,329)	(2,063)
Proceeds from short-term borrowings	-	50,195
Proceeds from long-term borrowings	1,962	185,801
Repayments of long-term borrowings	(27,003)	(260,404)
Repayments of lease liabilities	(6,814)	(5,931)
Dividends paid to owners of parent	(4,916)	(5,306)
Other	32	(2,111)
Net cash used in financing activities	(39,068)	(39,821)
Effect of exchange rate changes on cash and cash equivalents	(1,851)	6,044
Net increase (decrease) in cash and cash equivalents	(7,451)	227
Beginning balance of cash and cash equivalents	47,044	39,592
Ending balance of cash and cash equivalents	39,592	39,820

(5) Notes for consolidated financial statements

Notes for going concern

Not applicable

Segment information

1) Reportable segments

Major business contents in each reportable segment are as follows:

Reportable segments	Major business contents
Diabetes Management	Development, manufacturing, and sales of blood glucose monitoring (BGM) systems, and sales of continuous glucose monitoring (CGM) systems
Healthcare Solutions	Development of clinical testing business, development and sales of medical IT products such as medical-receipt computers and electronic medical record systems, and development of drug discovery support business
Diagnostic & Life Sciences	Development, manufacturing, and sales of pathological diagnosis equipment, research and medical support equipment, diagnostic reagents and instruments, as well as motorized drug injection devices

2) Segment revenues and operating results

Fiscal year ended March 31, 2025

(Unit: million yen)

	Diabetes Management	Healthcare Solutions	Diagnostic & Life Sciences	Subtotal	Others, adjustments and eliminations	Consolidated basis
Revenue						
Sale from external customers	98,692	128,311	130,920	357,924	3,669	361,593
Intersegment sales	—	—	—	—	—	—
Total	98,692	128,311	130,920	357,924	3,669	361,593
Operating profit (loss)	13,888	9,272	7,248	30,409	(7,828)	22,580
Finance income						1,504
Finance costs						5,262
Profit before taxes						18,823
Other items						
Depreciation and Amortization	6,027	9,904	11,312	27,244	626	27,871
Impairment losses (reversal of impairment losses)	(60)	—	38	(22)	(32)	(54)

(Notes) “Others” of “Others, adjustments and eliminations” is an operating segment not included in reportable segments and “adjustments and eliminations” mainly includes eliminations of intersegment transactions and corporate expenses not allocated to each reportable segment.

Fiscal year ended March 31, 2026

(Unit: million yen)

	Diabetes Management	Healthcare Solutions	Diagnostic & Life Sciences	Subtotal	Others, adjustments and eliminations	Consolidated basis
Revenue						
Sale from external customers	101,581	128,389	128,323	358,294	6,108	364,403
Intersegment sales	—	—	—	—	—	—
Total	101,581	128,389	128,323	358,294	6,108	364,403
Operating profit (loss)	20,085	6,234	3,893	30,214	(7,526)	22,688
Finance income						341
Finance costs						16,640
Profit before taxes						6,390
Other items						
Depreciation and Amortization	4,694	10,370	11,418	26,483	636	27,119
Impairment losses (reversal of impairment losses)	(18)	—	9	(8)	—	(8)

(Notes) “Others” of “Others, adjustments and eliminations” is an operating segment not included in reportable segments and “adjustments and eliminations” mainly includes eliminations of intersegment transactions and corporate expenses not allocated to each reportable segment.

Revenue

Disaggregation of revenue

Revenue disaggregation by reportable segments and major regions is as follows.

Fiscal year ended March 31, 2025

(Unit: million yen)

	Diabetes Management	Healthcare Solutions	Diagnostic & Life Sciences	Other	Total
By region					
Japan	3,900	127,344	24,814	185	156,245
Europe	53,267	197	30,710	—	84,176
North America	22,077	133	56,799	—	79,011
Other	19,446	635	18,595	3,484	42,161
Total	98,692	128,311	130,920	3,669	361,593

Fiscal year ended March 31, 2026

(Unit: million yen)

	Diabetes Management	Healthcare Solutions	Diagnostic & Life Sciences	Other	Total
By region					
Japan	3,334	127,482	23,622	138	154,577
Europe	56,624	195	34,175	—	90,995
North America	22,732	62	52,237	—	75,032
Other	18,889	649	18,288	5,970	43,797
Total	101,581	128,389	128,323	6,108	364,403

Earnings per share

Basic and diluted earnings per share, and their bases for calculation are as follows:

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit attributable to owners of parent (million yen)	10,485	492
Adjustment to profit (million yen)	-	-
Profit attributable to owners of parent after dilution (million yen)	10,485	492
Average number of ordinary shares during period (Thousands of shares)	126,126	126,446
Effect of dilutive potential ordinary shares		
Stock-based compensation (Thousands of shares)	841	844
Average number of diluted ordinary shares during period (Thousands of shares)	126,968	127,291
Basic earnings per share (Unit: JPY)	83.13	3.90
Diluted earnings per share (Unit: JPY)	82.58	3.87

Subsequent events

Not applicable