Member of the Financial Accounting Standards Foundation

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May 13, 2026

CONSOLIDATED EARNINGS REPORT FOR FISCAL 2025

[Japanese GAAP]

Company Name: BML, Inc.
Stock Listing: Tokyo Stock Exchange
Stock Code: 4694
URL: https://www.bml.co.jp
Representative: Kensuke Kondo, President and Representative Director
Contact: Norihisa Takebe,
Representative Director and Senior Managing Executive Officer
Tel: +81-3-3350-0111

Scheduled Date for the General Meeting of Shareholders: June 26, 2026
Scheduled Date for Filing of Annual Securities Report: June 23, 2026
Scheduled Date for Payment of Dividends: June 29, 2026
Creation of Supplementary Explanatory Materials: Yes
Holding of Explanatory Meeting: Yes

(Rounded down to nearest million yen)

1. Results for Fiscal 2025 (April 1, 2025–March 31, 2026)
(1) Consolidated business results

(% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2025	150,262	4.9	10,421	11.3	11,014	10.5	7,748	23.7
FY2024	143,191	3.8	9,364	2.1	9,970	3.8	6,263	3.8

(Note) Comprehensive income: FY2025 ¥8,823 million / 22.2% FY2024 ¥7,220 million / (5.3)%

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets ratio	Operating profit to sales ratio
	Yen	Yen	%	%	%
FY2025	203.54	203.45	6.0	6.0	6.9
FY2024	160.62	160.55	4.9	5.6	6.5

(Reference) Equity in earnings (losses) of affiliates: FY2025 ¥— million FY2024 ¥— million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	Yen
As of March 31, 2026	183,247	132,129	69.7	3,405.40
As of March 31, 2025	182,873	133,772	70.7	3,316.84

(Reference) Equity capital: As of March 31, 2026 ¥127,646 million As of March 31, 2025 ¥129,378 million

(3) Consolidated cash flow position

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of period
	¥ million	¥ million	¥ million	¥ million
FY2025	20,715	(7,689)	(12,351)	64,602
FY2024	15,809	(16,793)	(5,426)	63,928

2. Dividends

	Dividends per share					Total amount (Full year)	Dividend payout ratio (Consolidated)	Dividend on net asset (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Full year			
	Yen	Yen	Yen	Yen	Yen	¥ million	%	%
FY2024	–	50.00	–	70.00	120.00	4,680	74.7	3.7
FY2025	–	60.00	–	65.00	125.00	4,685	61.4	3.7
FY2026 (forecast)	–	62.50	–	62.50	125.00		66.9	

3. Consolidated Cumulative Earnings Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026–March 31, 2027)

(% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	Yen
Full year	155,000	3.2	10,500	0.8	11,000	(0.1)	7,000	(9.7)	186.75

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: - companies (Company name:)

Excluded: 1 company (Company name: BML Life Science Holdings, Inc.)

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reason: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of outstanding shares (common shares)

a. Number of outstanding shares at the end of the period (treasury shares included)

As of March 31, 2026	40,749,426	As of March 31, 2025	42,294,426

b. Number of treasury shares at the end of the period

As of March 31, 2026	3,265,827	As of March 31, 2025	3,287,817

c. Average number of shares during the period

FY2025	38,069,233	FY2024	38,997,966

Reference: Non-consolidated Results of Operations

1. Non-consolidated Business Results for Fiscal 2025 (April 1, 2025–March 31, 2026)

(1) Non-consolidated management performance

(% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2025	123,770	5.4	5,320	10.6	8,041	2.5	7,098	18.9
FY2024	117,420	4.6	4,811	10.9	7,844	20.9	5,970	11.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2025	186.45	186.37
FY2024	153.11	153.04

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	Yen
As of March 31, 2026	149,242	98,792	66.2	2,635.06
As of March 31, 2025	145,889	101,861	69.8	2,610.80

(Reference) Equity capital:

As of March 31, 2026 ¥98,771 million As of March 31, 2025 ¥101,838 million

Notes:

* The earnings report is exempted from auditing by a certified public accountant or an audit firm.

* Proper use of earnings forecasts, and other special matters

Earnings forecasts contained in these materials are based on certain assumptions judged to be reasonable, and on the information available when the forecasts were made. However, the Company makes no guarantee that these forecasts will be achieved. Actual results may differ significantly from the forecasts due to a variety of factors. Please refer to “(4) Forecasts” under “1. Overview of Financial Performance” on page 4 of this earnings report concerning financial forecasts such as the assumptions used for financial forecasts, factors that could cause these assumptions to change, and cautionary notes.

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1. Overview of Financial Performance

(1) Operating results for the fiscal year under review

In the fiscal year under review, the Japanese economy continued to show a mild recovery trend due to improvements in the employment and income environment, as well as the effects of various government policies. However, it is necessary to closely monitor the impact of the situation in the Middle East, and continued attention should also be paid to fluctuations in the financial and capital markets as well as developments surrounding US trade policies.

Under these economic conditions, the contract clinical testing industry continued to face a challenging business environment due to rising costs as well as increasing burdens associated with securing personnel amid labor shortages. However, there was no reduction in medical service fees for clinical testing, as this was not a year for the biennial revision of medical service fees under the national health insurance (NHI) system.

Under these circumstances, net sales for the fiscal year under review were ¥150,262 million, an increase of 4.9% year on year, and operating profit was ¥10,421 million, an increase of 11.3% year on year. Ordinary profit was ¥11,014 million, an increase of 10.5% year on year, and profit attributable to owners of parent was ¥7,748 million, an increase of 23.7% year on year. Net sales increased due to steady progress in acquiring new customers and the promotion of price optimization measures that we have pursued since the previous year. Profit increased due to higher net sales from acquiring new customers and price optimization, despite an increase in depreciation associated with the operation of the new wings of the BML General Laboratory (in January 2025).

Conditions by business segment are described below.

In the clinical testing business, the BML Group strengthened efforts to acquire new customers and aimed to enhance business performance by implementing activities such as optimizing sales prices and further developing sales to existing customers of items, including new testing items and priority testing items. As a result, net sales in the clinical testing business increased by 5.1% year on year.

In the food hygiene business, we promoted the optimization of trading conditions, with a focus on major customers. Additionally, orders for store inspections and certification work increased in the food consulting business. Furthermore, the number of norovirus testing contracts in the intestinal bacteria testing business remained steady. As a result, net sales in the food hygiene business increased by 4.5% year on year.

As a result of the above, net sales in the testing business overall increased by 5.1% year on year.

In the medical informatics business, we responded to rising replacement demand, and net sales increased by 0.8% year on year.

In other businesses, the number of new cases acquired increased in the pain and urology areas in our site management organization (SMO) services for clinical trials at medical institutions. Although the dispensing pharmacy business was affected by the reduction in medical service fees (drug prices), net sales increased by 3.6% year on year due to an increase in prescriptions for high-priced drugs and other factors.

(2) Financial position for the fiscal year under review

Regarding the financial position at the end of the fiscal year under review, total assets amounted to ¥183,247 million, a ¥374 million increase over the end of the previous fiscal year, liabilities amounted to ¥51,117 million, a ¥2,017 million increase over the end of the previous fiscal year, net assets totaled ¥132,129 million, down ¥1,642 million over the end of the previous fiscal year, and the equity ratio was 69.7%, a 1.0 percentage point decrease over the end of the previous fiscal year.

As for the main items contributing to an increase or decrease, in the assets section, property, plant and equipment increased by ¥1,038 million, but current assets decreased by ¥551 million. In the liabilities section, accounts payable - other under current liabilities increased by ¥2,475 million. In net assets, retained earnings increased by ¥1,538 million.

(3) Overview of cash flows in the fiscal year under review

Cash and cash equivalents at the end of the fiscal year under review increased ¥673 million from the end of the previous fiscal year to ¥64,602 million. The cash flow position and factors behind changes for each type of activity are as follows.

Operating activities provided net cash of ¥20,715 million, ¥4,906 million more than in the previous fiscal year. This largely reflected an increase of ¥1,404 million in inflow from depreciation, a decrease of ¥1,849 million in outflow due to an increase in trade receivables, an inflow of ¥1,284 million due to an increase in consumption taxes refund receivable (an outflow of ¥421 million in the previous fiscal year), an increase of ¥2,208 million in inflow due to a decrease in accrued consumption taxes, and a increase of ¥1,502 million in outflow from income taxes paid.

Investing activities used net cash of ¥7,689 million, ¥9,104 million less than in the previous fiscal year. This was largely a result of a decrease of ¥6,395 million in purchase of property, plant and equipment, and an increase of 2,177 million yen in proceeds from sale of property, plant and equipment.

Financing activities used net cash of ¥12,351 million, ¥6,925 million more than in the previous fiscal year. This was primarily due to an increase of ¥1,469 million in dividends paid, and an increase of ¥5,382 million in purchase of treasury shares.

Reference: Trend of cash flow index

	FY2021	FY2022	FY2023	FY2024	FY2025
Equity ratio (%)	63.4	70.9	71.3	70.7	69.7
Equity ratio on market value (%)	67.4	69.7	64.3	64.4	82.7
Interest-bearing debt to cash flow ratio (%)	9.4	43.2	42.8	39.2	27.6
Interest coverage ratio (times)	1,253.0	287.8	137.8	132.8	171.0

・Equity ratio: Equity capital ÷ total assets

・Equity ratio on market value: Current capital stock ÷ gross assets

・Interest-bearing debt to cash flow ratio: Interest-bearing debt ÷ cash flow

・Interest coverage ratio: Cash flow ÷ interest expense

Note 1: The calculation of each index is on a consolidated basis.

Note 2: The total market value of listed shares is calculated by the number of outstanding shares excluding treasury shares.

Note 3: Cash flows are calculated using operating cash flow.

Note 4: In liabilities recorded on the consolidated balance sheet, interest-bearing debt means all liabilities with paid interest.

(4) Forecasts

Regarding the outlook for the domestic economy, a moderate recovery is expected to continue, supported by improvements in the employment and income environment as well as the effects of various government policies. However, uncertainties surrounding the global economy persist due to geopolitical risks such as the situation in the Middle East and developments in US trade policies, which have contributed to increases in raw material prices and energy costs. In addition, it remains necessary to closely monitor the impact of rising personnel and other expenses on business activities.

In the clinical testing industry, sales prices are determined based on medical service fees revised every two years, and careful explanation to and understanding from customers are essential in order to appropriately reflect soaring costs of various items onto sales prices.

In this operating environment, the BML Group will strive to improve profitability by setting appropriate service fees through dialogue with customers, and by implementing new measures to enhance operational efficiency.

In FY2026, the Company will enter the third year of its Ninth Medium-Term Management Plan (FY2024–FY2028), the midpoint of the plan, based on the Group Vision: “Becoming the most trusted choice in the medical world.” Under the Plan’s slogan “Expanding with Passion 2028” and the key concepts of “enhanced quality,” “solutions,” and “mutual development,” the Company will continue to engage in enhancing its quality and services and rebuilding its testing infrastructure.

With respect to consolidated earnings for the fiscal year ending March 31, 2027, we forecast ¥155,000 million in net sales, ¥10,500 million in operating profit, ¥11,000 million in ordinary profit, and ¥7,000 million in profit attributable to owners of parent.

2. Status of the Corporate Group

The BML Group consists of 16 consolidated subsidiaries, namely PCL Japan, Inc., Japan Clinical Service, Inc., Allegro, Inc., BML Food Science Solutions, Inc., Matsudo Medical Laboratories, Inc., Nikken Igaku, Inc., OPL, Inc., Morioka Clinical Laboratories, Inc., Biken, Inc., Labotech, Inc., Daiichi Kishimoto Clinical Laboratories Inc., Q-syu Open Laboratories, Inc., QCL, Inc., BML Medical Works, Inc., Okayama Medicine Laboratories, Inc., and Tohkai Cytopathology Institute; non-consolidated subsidiaries not accounted for under the equity method, namely Local Medical Services Co., Ltd., SPL, Sapporo Immuno Diagnostic Laboratory, Inc., Diagnostic Pathology Research Co., Ltd., and OML Co., Ltd.; and affiliates not accounted for under the equity method, which are KITASATO-OTSUKA Biomedical Assay Laboratories Co., Ltd. and Chuo Microbe Laboratory Co., Ltd.

Matsudo Medical Laboratories, Inc. and 13 other companies mainly undertake general and highly specialized tests from hospitals and clinics in each local area, and outsource highly specialized tests to the Company. The Company also outsources urgent tests, among the general tests the Company undertakes, to these companies. Local Medical Services Co., Ltd. collects test specimens from Morioka Clinical Laboratories, Inc.

Japan Clinical Service, Inc. mainly receives clinical testing specimens, and engages in report processing on test data and transportation services for the Company.

PCL Japan, Inc. and Tohkai Cytopathology Institute undertake pathological and cytological testing mainly from the Company. Diagnostic Pathology Research Co., Ltd. undertakes pathological and cytological testing mainly from Morioka Clinical Laboratories, Inc.

BML Food Science Solutions, Inc. undertakes food and hygiene testing from the food service industry, large-scale retail stores, and other entities, and provides consulting services for them. The Company outsources food testing and other tests the Company undertakes, to BML Food Science Solutions, Inc.

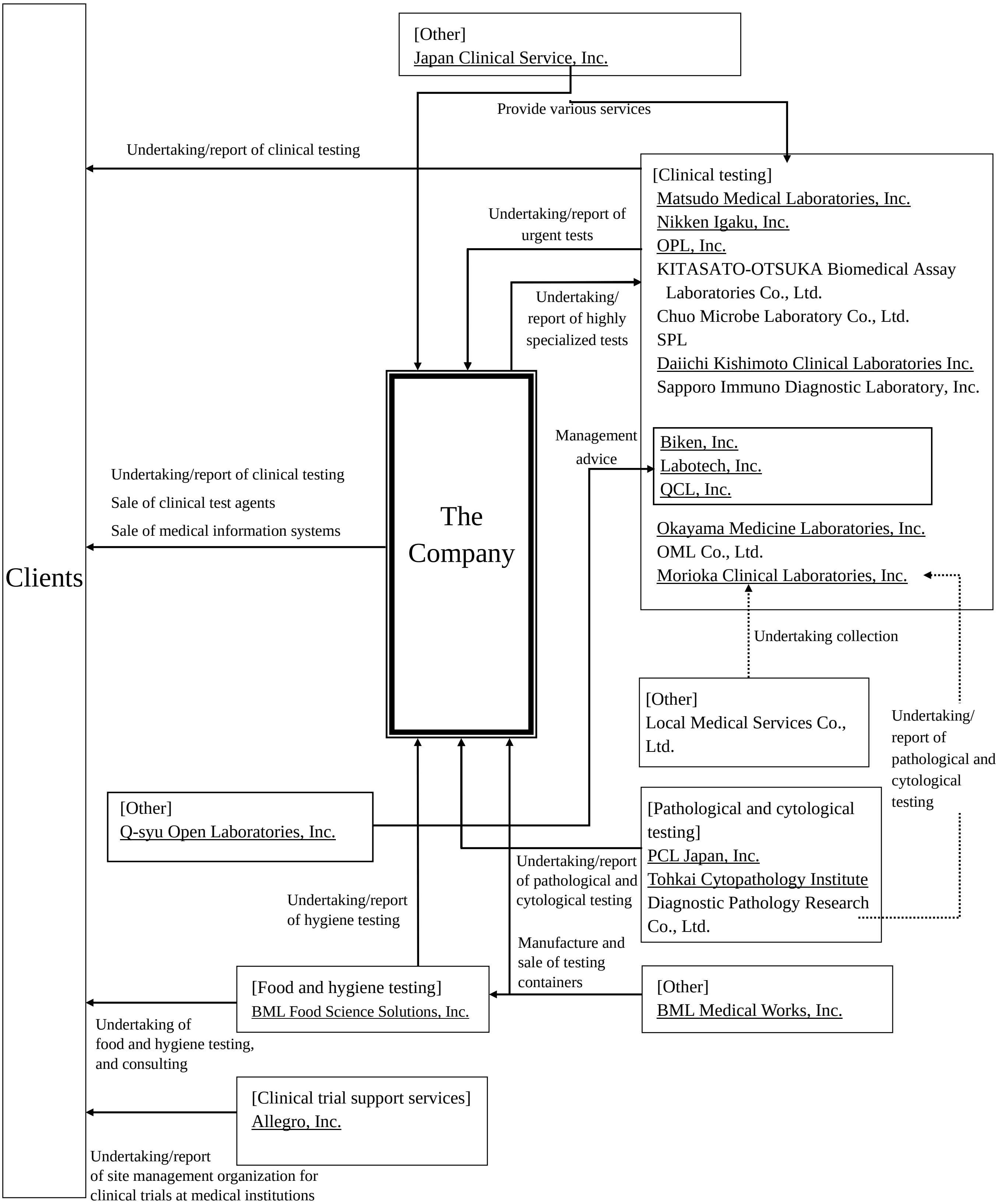
Allegro, Inc. undertakes site management organization for clinical trials at medical institutions from pharmaceutical companies and other entities.

BML Medical Works, Inc. engages in manufacturing testing containers.

Q-syu Open Laboratories, Inc. engages in management advice to Biken, Inc., Labotech, Inc., and QCL, Inc.

As described above, the BML Group engages in clinical tests and related businesses.

The position of each group company is presented in the chart below.



(Notes) 1. The underlined companies in the chart above are consolidated subsidiaries.
2. BML Life Science Holdings, Inc. was absorbed and merged into the Company as of September 1, 2025.

3. Management Policy

(1) Basic policies

Since its foundation, BML has maintained a firm commitment to providing speedy, precise testing services across a broad range from general to highly specialized tests. Today, we support and carry out more than 4,000 different tests. True to our corporate mission of contributing to health and welfare through medical services, we have always been quick to respond to market needs, introduce the latest technologies, and positively promote quality control practice.

While expanding clinical testing services as a main business and remaining committed to its motto: “Tireless in Working toward Quality and Productivity Enhancement,” the BML Group strives to seek continuous growth and improvement of company value.

These days, under progress of medical structural reform, since the requirements for medical efficiency and quality improvement are growing stronger, the business environment surrounding BML is showing drastic change. Against this backdrop, BML will respond flexibly and rapidly to these environmental changes. We will also provide systems and services based on an accurate understanding of these trends. Our overall aim is to become a company that contributes to the application of IT to medical care.

In addition, we will improve our service quality and customer satisfaction by means of obtaining ISO 9001 and ISO 15189, which is specialized management system for clinical testing laboratories. Furthermore, from the viewpoint of social responsibility of our business enterprise, we will make active efforts to protect the environment by means of expanding the acquisition of ISO 14001 to the whole Group.

(2) Financial targets

Operating profit to sales ratio (consolidated basis): 8.5% or above
Return on equity (consolidated basis): 8.0% or above

(3) Medium- to long-term business strategy

The Ninth Medium-Term Management Plan (FY2024–FY2028) commenced in FY2024, based on the key concepts of the pursuit of “enhanced quality,” “solutions,” and “mutual development.” Under the Plan, the Company will pursue focused investments to substantially expand its business base while maintaining business growth, aiming to “reinforce its business expansion for the next decade” and achieve the Group Vision.

Specifically, the Plan will be implemented based on a framework of six basic strategies centered on the development of next-generation laboratories: expanding sales and market share, improving profitability, optimizing the business portfolio, enhancing the level of service, promoting standardization, and the development of high-performance tests.

Regarding the development of next-generation laboratories, a new BML Food Science Solutions test building, the 6th Stage Building of the BML General Laboratory, and PCL Japan’s New Tokyo Laboratory began operation. This will enable the Group to achieve the expansion of its sustainable testing capabilities for the next decade.

With regard to expanding sales and market share, the Company will strive to expand its business by appropriately allocating sales resources to suit each market and strengthening the head office solutions function to resolve issues faced by its customers. In addition, it will establish systems to address customer needs by expanding and enhancing its new testing items and functions.

With regard to improving profitability, the Company will raise recognition of its quality and service level and set selling prices based on their value, to improve revenue. It will also pursue a reduction in operating costs through a radical review of the processes for collecting test specimens, reporting results, and invoicing. In addition, it will further streamline testing processes and reduce testing costs with the completion of next-generation laboratories.

With regard to optimizing the business portfolio, the Company will strive to expand sales across the clinical testing business, the food hygiene business, and the medical informatics business. At the same time, it also aims to reduce costs and significantly improve revenue, especially in the clinical testing business, to achieve a balanced improvement in revenue across portfolio sectors.

With regard to enhancing the level of service, the Company has already completed the localization of bacteriological testing and pathological and cytological testing, which demand the swift reporting of results, and continues to work toward improving these services. It will also strengthen its call center functions for testing and electronic patient charts to boost the level of response to customer inquiries and requests, while also strengthening its customer support systems by increasing the number of personnel conducting upkeep and maintenance for customers who use electronic patient charts.

With regard to promoting standardization, the Company will classify its laboratories across Japan by scale, selecting and deploying standard equipment based on the size of each laboratory, while also establishing standard operating procedures. This will enable it to progressively standardize testing services and improve quality.

With regard to the development of high-performance tests, the Company will develop high-performance tests, such as genomic tests, through the introduction of advanced genomic analysis devices and stronger collaboration with biotech companies, universities, and research institutes.

The Company has engaged in DX solutions since the time of its Eighth Medium-Term Management Plan, defining DX as the improvement of customer experience and the realization of greater business efficiency. It already provides functions to support medical examination, such as the Digital Reporting System (DRS) and electronic patient charts. Going forward, it will continue to strengthen its functions to contribute to greater operational efficiency for customers while also expanding its lineup of new IT products. For this purpose, it plans to invest approximately ¥10 billion in promoting DX over 10 years. At the same time, it will encourage employees to obtain various qualifications as part of its efforts to develop digital human resources. Looking ahead, the Company will enhance the support it provides for obtaining qualifications while also recruiting and training high-level DX human resources.

Furthermore, the Ninth Medium-Term Management Plan also promotes stronger ESG initiatives.

In terms of environmental initiatives (E), the Company regards addressing climate change as a high-priority issue and has analyzed the impact of climate change in 2050, with reference to the climate change scenarios published by the International Energy Agency (IEA). The Company has selected 1.5–2°C and 4°C scenarios for this analysis, based on its belief that strict countermeasures will be required, including the radical transition of systems to cope with the rapid advance of global warming. Based on this analysis, the Company has established KPIs for the reduction of CO_2 emissions and other issues related to the environment and will pursue activities based on its plan to address these issues.

In terms of social initiatives (S), the Company will enhance its training system to fully develop and utilize human resources. At the same time, it will implement various measures aimed at helping female employees build their careers, as part of its efforts to promote diversity, equity, and inclusion. Moreover, we will continue to promote the preservation and improvement of health for our employees and their families, while moving ahead with the creation of a healthy and pleasant working environment. KPIs have been established for each of these items, and the Company will pursue activities based on its plan to address them.

In terms of governance initiatives (G), the Company will promote the diversity of Directors, stronger supervisory and executive structures, and a higher level of internal controls, with an awareness of Japan's Corporate Governance Code and the Company's policy on advice on the exercise of voting rights. As part of the initiatives, the Company transitioned to a company with an Audit and Supervisory Committee in June 2025. This will enable it to further enhance corporate governance by strengthening Directors' supervisory function and establishing a monitoring structure. The Company will conduct more proactive investor briefings and investor relations activities to strengthen communication with investors and deepen mutual understanding.

Regarding the promotion of management that is conscious of cost of capital and stock price, the Company will maintain an accurate consciousness of its cost of capital and profitability of each business, and work to improve ROE. Specifically, the Company will prioritize the allocation of management resources to initiatives that contribute to future growth, such as investments in DX and human capital, and ensure that these investments bear fruit in the form of higher revenues. At the same time, the Company will strive to optimize the balance of investment and shareholder returns by continuing to pay stable dividends while also enhancing the payout ratio. This will enable it to achieve an ROE of 8.0% or above, substantially exceeding the cost of capital.

4. Basic Policy on the Selection of Accounting Standards

With regard to adopting the International Financial Reporting Standards (IFRS) in the future, BML Group will respond appropriately based on due consideration of circumstances.

5. Consolidated Financial Statements and Primary Notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	67,562	68,029
Notes and accounts receivable - trade	26,824	26,827
Merchandise and finished goods	252	334
Work in process	749	904
Raw materials and supplies	3,681	3,605
Other	3,213	2,066
Allowance for doubtful accounts	(23)	(60)
Total current assets	102,259	101,707
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,312	29,913
Land	16,919	16,117
Leased assets, net	4,672	4,236
Construction in progress	3,270	5,785
Other, net	8,314	7,473
Total property, plant and equipment	62,489	63,527
Intangible assets		
Other	4,987	4,695
Total intangible assets	4,987	4,695
Investments and other assets		
Investment securities	3,127	3,269
Retirement benefit asset	7,059	7,895
Deferred tax assets	1,087	371
Other	1,934	1,858
Allowance for doubtful accounts	(72)	(78)
Total investments and other assets	13,137	13,317
Total non-current assets	80,613	81,539
Total assets	182,873	183,247

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,714	20,229
Lease liabilities	1,630	1,646
Income taxes payable	1,974	2,197
Provision for bonuses	3,667	3,918
Accounts payable - other	8,235	10,710
Other	2,374	2,185
Total current liabilities	37,595	40,887
Non-current liabilities		
Lease liabilities	3,659	3,170
Provision for retirement benefits for directors (and other officers)	190	203
Retirement benefit liability	7,141	6,347
Other	513	508
Total non-current liabilities	11,504	10,230
Total liabilities	49,100	51,117
Net assets		
Shareholders' equity		
Share capital	6,045	6,045
Capital surplus	6,659	6,646
Retained earnings	122,484	120,945
Treasury shares	(8,173)	(9,157)
Total shareholders' equity	127,016	124,480
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	577	706
Remeasurements of defined benefit plans	1,784	2,458
Total accumulated other comprehensive income	2,362	3,165
Share acquisition rights	23	21
Non-controlling interests	4,370	4,461
Total net assets	133,772	132,129
Total liabilities and net assets	182,873	183,247

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Millions of yen)

	Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)	Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)
Net sales	143,191	150,262
Cost of sales	97,329	101,572
Gross profit	45,861	48,689
Selling, general and administrative expenses	36,497	38,267
Operating profit	9,364	10,421
Non-operating income		
Interest income	29	106
Dividend income	290	142
Rental income from real estate	52	48
Subsidy income	155	156
Rental income from facilities	50	118
Other	198	191
Total non-operating income	776	764
Non-operating expenses		
Interest expenses	118	119
Rental costs on real estate	30	31
Other	21	20
Total non-operating expenses	170	171
Ordinary profit	9,970	11,014
Extraordinary income		
Gain on sale of non-current assets	2	1,201
Other	–	161
Total extraordinary income	2	1,362
Extraordinary losses		
Impairment losses	10	372
Other	289	16
Total extraordinary losses	299	389
Profit before income taxes	9,673	11,987
Income taxes - current	3,187	3,641
Income taxes - deferred	(23)	336
Total income taxes	3,164	3,977
Profit	6,509	8,009
Profit attributable to non-controlling interests	245	261
Profit attributable to owners of parent	6,263	7,748

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)	Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)
Profit	6,509	8,009
Other comprehensive income		
Valuation difference on available-for-sale securities	9	129
Remeasurements of defined benefit plans, net of tax	702	683
Total other comprehensive income	711	813
Comprehensive income	7,220	8,823
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,976	8,551
Comprehensive income attributable to non-controlling interests	244	271

(3) Consolidated statements of changes in shareholders' equity

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,045	6,646	119,730	(8,229)	124,193
Changes during period					
Dividends of surplus			(3,509)		(3,509)
Profit attributable to owners of parent			6,263		6,263
Purchase of treasury shares					–
Disposal of treasury shares		12		55	68
Cancellation of treasury shares					–
Net changes in items other than shareholders' equity					
Total changes during period	–	12	2,754	55	2,822
Balance at end of period	6,045	6,659	122,484	(8,173)	127,016

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	568	1,081	1,649	23	4,273	130,140
Changes during period						
Dividends of surplus						(3,509)
Profit attributable to owners of parent						6,263
Purchase of treasury shares						–
Disposal of treasury shares						68
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	9	703	712	–	97	810
Total changes during period	9	703	712	–	97	3,632
Balance at end of period	577	1,784	2,362	23	4,370	133,772

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,045	6,659	122,484	(8,173)	127,016
Changes during period					
Dividends of surplus			(4,979)		(4,979)
Profit attributable to owners of parent			7,748		7,748
Purchase of treasury shares				(5,376)	(5,376)
Disposal of treasury shares		10		61	72
Cancellation of treasury shares		(23)	(4,307)	4,330	–
Net changes in items other than shareholders' equity					
Total changes during period	–	(12)	(1,538)	(984)	(2,535)
Balance at end of period	6,045	6,646	120,945	(9,157)	124,480

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	577	1,784	2,362	23	4,370	133,772
Changes during period						
Dividends of surplus						(4,979)
Profit attributable to owners of parent						7,748
Purchase of treasury shares						(5,376)
Disposal of treasury shares						72
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	129	674	803	(1)	90	892
Total changes during period	129	674	803	(1)	90	(1,642)
Balance at end of period	706	2,458	3,165	21	4,461	132,129

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)	Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Profit before income taxes	9,673	11,987
Depreciation	7,716	9,121
Impairment losses	10	372
Interest and dividend income	(319)	(249)
Interest expenses	118	119
Decrease (increase) in trade receivables	(1,862)	(13)
Decrease (increase) in inventories	(93)	(153)
Increase (decrease) in trade payables	982	514
Increase (decrease) in provision for bonuses	69	250
Subsidy income	(155)	(156)
Gain on sale of non-current assets	(2)	(1,201)
Increase (decrease) in accrued consumption taxes	118	2,326
Decrease (increase) in consumption taxes refund receivable	(421)	1,284
Other, net	737	(548)
Subtotal	16,569	23,655
Interest and dividends received	186	377
Interest paid	(119)	(121)
Income taxes paid	(1,919)	(3,422)
Income taxes refund	980	6
Subsidies received	113	219
Other, net	(2)	–
Net cash provided by (used in) operating activities	15,809	20,715
Cash flows from investing activities		
Payments into time deposits	(5,502)	(5,252)
Proceeds from withdrawal of time deposits	5,643	5,459
Purchase of property, plant and equipment	(15,146)	(8,750)
Purchase of intangible assets	(1,512)	(1,374)
Proceeds from sale of property, plant and equipment	21	2,198
Other, net	(297)	29
Net cash provided by (used in) investing activities	(16,793)	(7,689)

(Millions of yen)

	Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)	Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)
Cash flows from financing activities		
Repayments of lease liabilities	(1,757)	(1,809)
Dividends paid	(3,509)	(4,979)
Dividends paid to non-controlling interests	(146)	(180)
Purchase of treasury shares	–	(5,382)
Other, net	(12)	0
Net cash provided by (used in) financing activities	(5,426)	(12,351)
Net increase (decrease) in cash and cash equivalents	(6,410)	673
Cash and cash equivalents at beginning of period	70,338	63,928
Cash and cash equivalents at end of period	63,928	64,602

(5) Notes to consolidated financial statements

(Note on the assumption as a going concern)

Not applicable

(Basis of preparation of consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 16

Names of major consolidated subsidiaries: QCL, Inc.
PCL Japan, Inc.
Daiichi Kishimoto Clinical Laboratories Inc.

(2) Number of non-consolidated companies: 5, including SPL

Reason for exclusion from the scope of consolidation:

Amounts for all non-consolidated subsidiaries, including total assets, net sales, profit (loss), and retained earnings, are not significant and would not materially change the overall consolidated financial statements. We have therefore excluded these subsidiaries from consolidation.

2. Scope of equity method

Number of non-consolidated subsidiaries and affiliates not accounted for under the equity method: 7, including SPL

We have excluded these subsidiaries and affiliates not accounted for under the equity method because of their minor impacts on profit (loss) and retained earnings and on overall performance in the fiscal year under review.

(Segment information, etc.)

(Segment information)

1. Overview of reportable segments

The reportable segments of the Company and its subsidiaries are components for which discrete financial information is available and for which the Board of Directors makes decisions on the allocation of management resources and periodically considers operating results to evaluate business performance.

The Company and its subsidiaries are comprised of segments based on products and services and identify “testing business” as a reportable segment. In the other segment, which is not identified as a reportable segment, “medical informatics business” is included. The “testing business” engages in contracted clinical testing operations and others; additionally, we carry out production and sales of system equipment for medical institutions and provision of medical information service as “medical informatics business.”

2. Calculation of sales, profit or loss, assets, liabilities, and amounts of other items for each reportable segment

Accounting treatment for the reportable business segment is almost identical to that described in “Basis of preparation of consolidated financial statements).”

3. Information about sales, profit or loss, assets, liabilities, and other items by reportable segment

Since information related to the business other than the reportable “testing business” segment is deemed immaterial, separate disclosure of the information is omitted.

(Per share information)

	FY2024	FY2025
	Yen	
Net assets per share	3,316.84	3,405.40
Basic earnings per share	160.62	203.54
Diluted earnings per share	160.55	203.45

(Notes) 1. Basic earnings per share and diluted earnings per share were calculated on the following basis.

		FY2024	FY2025
Basic earnings per share			
Profit attributable to owners of parent	¥ millions	6,263	7,748
Amount not attributable to common shareholders	¥ millions	–	–
Profit attributable to owners of parent that is related to common shares	¥ millions	6,263	7,748
Average number of shares during the period	Shares	38,997,966	38,069,233
Diluted earnings per share			
Amount for adjustment to profit attributable to owners of parent	¥ millions	–	–
Increase in common shares	Shares	16,998	15,959
(Share acquisition rights)	Shares	16,998	15,959
Descriptions of potentially dilutive common shares that were not included in the computation of diluted earnings per share because of their anti-dilutive effect	–		

2. Net assets per share were calculated on the following basis.

		FY2024	FY2025
Total net assets	¥ millions	133,772	132,129
Amounts deducted from total net assets	¥ millions	4,394	4,483
(Share acquisition rights)	¥ millions	23	21
(Non-controlling interests)	¥ millions	4,370	4,461
Net assets attributable to common shares at the end of the period	¥ millions	129,378	127,646
Number of common shares at the end of the period used in calculation of net assets per share	Shares	39,006,609	37,483,599

(Important subsequent events)

Not applicable

6. Non-consolidated Financial Statements

(1) Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	40,679	44,616
Notes receivable - trade	161	157
Accounts receivable - trade	23,059	22,979
Merchandise and finished goods	119	199
Work in process	539	694
Raw materials and supplies	2,878	2,753
Prepaid expenses	567	617
Other	2,544	1,239
Allowance for doubtful accounts	(20)	(58)
Total current assets	70,529	73,198
Non-current assets		
Property, plant and equipment		
Buildings	24,827	25,139
Structures	422	555
Machinery and equipment	738	591
Vehicles	14	9
Tools, furniture and fixtures	5,626	5,112
Land	14,351	13,551
Leased assets	3,678	3,354
Construction in progress	3,217	5,142
Total property, plant and equipment	52,877	53,457
Intangible assets		
Leasehold interests in land	199	199
Software	3,581	3,379
Leased assets	4	1
Other	582	533
Total intangible assets	4,367	4,114

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Investments and other assets		
Investment securities	2,755	2,880
Shares of subsidiaries and associates	8,484	8,778
Investments in capital	55	2
Long-term loans receivable from subsidiaries and associates	166	–
Long-term loans receivable from employees	0	2
Distressed receivables	58	66
Long-term prepaid expenses	362	397
Prepaid pension costs	4,244	4,758
Deferred tax assets	950	581
Other	1,094	1,069
Allowance for doubtful accounts	(58)	(66)
Total investments and other assets	18,115	18,471
Total non-current assets	75,359	76,043
Total assets	145,889	149,242

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes payable - trade	–	61
Accounts payable - trade	18,110	18,560
Short-term borrowings	900	900
Lease liabilities	1,319	1,327
Accounts payable - other	7,432	7,223
Accrued expenses	552	477
Income taxes payable	1,337	1,169
Accrued consumption taxes	–	2,297
Provision for bonuses	2,404	2,534
Advances received	37	30
Deposits received	3,354	7,750
Unearned revenue	69	69
Asset retirement obligations	0	9
Other	56	0
Total current liabilities	35,574	42,413
Non-current liabilities		
Lease liabilities	2,845	2,491
Provision for retirement benefits	5,238	5,188
Asset retirement obligations	351	352
Other	17	3
Total non-current liabilities	8,453	8,036
Total liabilities	44,027	50,449

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Net assets		
Shareholders’ equity		
Share capital	6,045	6,045
Capital surplus		
Legal capital surplus	6,646	6,646
Other capital surplus	12	–
Total capital surplus	6,659	6,646
Retained earnings		
Legal retained earnings	233	233
Other retained earnings		
Reserve for special depreciation	1	1
Reserve for tax purpose reduction entry of non-current assets	288	726
General reserve	15,400	15,400
Retained earnings brought forward	80,813	78,186
Total retained earnings	96,737	94,548
Treasury shares	(8,173)	(9,157)
Total shareholders’ equity	101,269	98,083
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	569	688
Total valuation and translation adjustments	569	688
Share acquisition rights	23	21
Total net assets	101,861	98,792
Total liabilities and net assets	145,889	149,242

(2) Non-consolidated statements of income

(Millions of yen)

	Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)	Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)
Net sales	117,420	123,770
Cost of sales	82,934	87,139
Gross profit	34,485	36,631
Selling, general and administrative expenses	29,674	31,311
Operating profit	4,811	5,320
Non-operating income		
Interest income	27	81
Dividend income	2,473	2,141
Rental income from real estate	519	596
Other	472	510
Total non-operating income	3,491	3,330
Non-operating expenses		
Interest expenses	124	156
Rental costs on real estate	324	438
Other	9	13
Total non-operating expenses	458	608
Ordinary profit	7,844	8,041
Extraordinary income		
Gain on sale of non-current assets	1	1,201
Gain on sale of investment securities	–	135
Gain on extinguishment of tie-in shares	–	323
Other	–	25
Total extraordinary income	1	1,686
Extraordinary losses		
Loss on retirement of non-current assets	54	14
Impairment losses	–	367
Total extraordinary losses	54	382
Profit before income taxes	7,792	9,345
Income taxes - current	1,793	1,934
Income taxes - deferred	28	313
Total income taxes	1,821	2,247
Profit	5,970	7,098

(3) Non-consolidated statements of changes in shareholders' equity

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
						Other retained earnings		
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for special depreciation	Reserve for tax purpose reduction entry of non-current assets	General reserve
Balance at beginning of period	6,045	6,646	–	6,646	233	2	292	15,400
Changes during period								
Reversal of reserve for tax purpose reduction entry of non-current assets							(0)	
Provision of reserve for tax purpose reduction entry of non-current assets							(3)	
Reversal of reserve for advanced depreciation of noncurrent assets accompanying tax-rates change						(0)		
Reversal of reserve for special depreciation						(0)		
The amount of change of the special depreciation liability reserve with the tax rate change								
Dividends of surplus								
Profit								
Purchase of treasury shares								
Disposal of treasury shares			12	12				
Cancellation of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	–	–	12	12	–	(0)	(3)	–
Balance at end of period	6,045	6,646	12	6,659	233	1	288	15,400

	Shareholders' equity				Valuation and translation adjustments		Share acquisition rights	Total net assets
	Retained earnings		Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
	Other retained earnings	Total retained earnings						
	Retained earnings brought forward							
Balance at beginning of period	78,347	94,275	(8,229)	98,739	561	561	23	99,324
Changes during period								
Reversal of reserve for tax purpose reduction entry of non-current assets	0	–		–				–
Provision of reserve for tax purpose reduction entry of non-current assets				–				–
Reversal of reserve for advanced depreciation of noncurrent assets accompanying tax-rates change	3	–		–				–
Reversal of reserve for special depreciation	0	–		–				–
The amount of change of the special depreciation liability reserve with the tax rate change	0	–		–				–
Dividends of surplus	(3,509)	(3,509)		(3,509)				(3,509)
Profit	5,970	5,970		5,970				5,970
Purchase of treasury shares				–				–
Disposal of treasury shares			55	68				68
Cancellation of treasury shares				–				–
Net changes in items other than shareholders' equity					7	7	–	7
Total changes during period	2,465	2,461	55	2,529	7	7	–	2,537
Balance at end of period	80,813	96,737	(8,173)	101,269	569	569	23	101,861

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
						Other retained earnings		
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for special depreciation	Reserve for tax purpose reduction entry of non-current assets	General reserve
Balance at beginning of period	6,045	6,646	12	6,659	233	1	288	15,400
Changes during period								
Reversal of reserve for tax purpose reduction entry of non-current assets							(0)	
Provision of reserve for tax purpose reduction entry of non-current assets							437	
Reversal of reserve for advanced depreciation of noncurrent assets accompanying tax-rates change								
Reversal of reserve for special depreciation						(0)		
The amount of change of the special depreciation liability reserve with the tax rate change								
Dividends of surplus								
Profit								
Purchase of treasury shares								
Disposal of treasury shares			10	10				
Cancellation of treasury shares			(23)	(23)				
Net changes in items other than shareholders' equity								
Total changes during period	–	–	(12)	(12)	–	(0)	437	–
Balance at end of period	6,045	6,646	–	6,646	233	1	726	15,400

	Shareholders’ equity				Valuation and translation adjustments		Share acquisition rights	Total net assets
	Retained earnings		Treasury shares	Total shareholders’ equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
	Other retained earnings	Total retained earnings						
	Retained earnings brought forward							
Balance at beginning of period	80,813	96,737	(8,173)	101,269	569	569	23	101,861
Changes during period								
Reversal of reserve for tax purpose reduction entry of non-current assets	0	–		–				–
Provision of reserve for tax purpose reduction entry of non-current assets	(437)	–		–				–
Reversal of reserve for advanced depreciation of noncurrent assets accompanying tax-rates change				–				–
Reversal of reserve for special depreciation	0	–		–				–
The amount of change of the special depreciation liability reserve with the tax rate change								
Dividends of surplus	(4,979)	(4,979)		(4,979)				(4,979)
Profit	7,098	7,098		7,098				7,098
Purchase of treasury shares			(5,376)	(5,376)				(5,376)
Disposal of treasury shares		–	61	72				72
Cancellation of treasury shares	(4,307)	(4,307)	4,330	–				–
Net changes in items other than shareholders’ equity					118	118	(1)	117
Total changes during period	(2,626)	(2,188)	(984)	(3,185)	118	118	(1)	(3,068)
Balance at end of period	78,186	94,548	(9,157)	98,083	688	688	21	98,792

7. Other

(1) Breakdown of production, orders and sales

(i) Production results

Production results for the fiscal year under review by testing type are as follows.

Testing		Fiscal Year Ended March 31, 2026	
		Production results (¥ million)	Year-on-year change (%)
Testing business	Clinical testing business		
	Biochemical tests	57,547	4.8
	Hematological tests	12,047	3.7
	Immunological tests	29,725	4.8
	Microbiological tests	7,358	1.6
	Pathological tests	10,653	5.2
	Other tests	20,546	11.4
	(Clinical testing business total)	137,879	5.5
	Food hygiene business	5,585	6.0
	Testing business subtotal	143,464	5.5
Medical informatics business		5,552	1.8
Other businesses		1,529	1.8
Total		150,546	5.3

(Note) The amounts are calculated based on sales prices, and do not include consumption tax, etc.

(ii) Order status

There is usually only a small backlog of orders, due to the very short duration from receiving orders to reporting results. Orders backlog nearly corresponds to production results during the period, and is therefore omitted.

(iii) Sales results

Sales results for the fiscal year under review by testing type are as follows.

Testing		Fiscal Year Ended March 31, 2026	
		Sales results (¥ million)	Year-on-year change (%)
Testing business	Clinical testing business		
	Biochemical tests	57,508	4.6
	Hematological tests	12,039	3.4
	Immunological tests	29,704	4.6
	Microbiological tests	7,354	1.4
	Pathological tests	10,646	5.0
	Other tests	20,407	10.2
	(Clinical testing business total)	137,661	5.1
	Food hygiene business	5,530	4.5
	Testing business subtotal	143,191	5.1
Medical informatics business		5,524	0.8
Other businesses		1,546	3.6
Total		150,262	4.9

(Notes) 1. The amounts do not include consumption tax, etc.

2. No clients account for more than 10% of sales to total sales results.

(2) Changes in officers

Regarding the changes in officers, please refer to the notice of personnel changes, which is disclosed on May 13, 2026.