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August 13, 2026

FY2026 Financial Results (Japanese Accounting Standards)

Company name: TAUNS Laboratories, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 197A
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 Scheduled date of general meeting of shareholders: September 25, 2026
 Scheduled date of payment of cash dividends: September 28, 2026
 Scheduled date of filing Yukashoken-Hokokusho: September 24, 2026
 The additional material of the Financial Results for FY2026: Yes
 The briefing session of the Financial Results for FY2026: Yes (For institutional investors and analysts)

(Amounts less than one million yen are rounded down.)

1. Financial results for FY2026 (July 1, 2025 - June 30, 2026)

(1) Operating results (Percent indications show percentage of changes from corresponding figures for the previous period)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2026	14,369	(22.9)	4,200	(49.2)	3,952	(51.9)	5,495	(13.0)
FY2025	18,627	1.0	8,265	2.9	8,219	4.8	6,315	9.4

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income as a percentage of total assets	Operating income as a percentage of net sales
	Yen	Yen	%	%	%
FY2026	52.28	51.08	29.8	9.7	29.2
FY2025	62.07	58.90	40.7	25.0	44.4

Reference: Equity in earnings of affiliate FY2026 - Millions of yen FY2025 - Millions of yen

(2) Financial position

	Total assets	Net assets	Net assets as a percentage of total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2026	44,620	19,420	43.5	182.01
FY2025	36,515	17,417	47.7	168.99

Reference: Net assets excluding share subscription rights: 19,419 million yen as of June 30, 2026
17,412 million yen as of June 30, 2025

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2026	(2,825)	(6,175)	3,297	3,563
FY2025	6,818	(9,258)	2,281	9,266

2. Dividends

	Annual cash dividends per share					Total cash dividends (Annual)	Payout ratio	Cash dividends as a percentage of net assets
	At 1st quarter end	At 2nd quarter end	At 3rd quarter end	At fiscal year end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2025	—	6.00	—	22.00	28.00	2,876	45.1	18.2
FY2026	—	14.00	—	14.00	28.00	2,983	53.6	16.0
FY2027 (Forecast)	-	14.50	-	14.50	29.00		104.3	

Note: 1. The year-end dividends for the FY2025 include special dividend of 10.00 yen.

3. Forecast of operating results for FY2027 (July 1, 2026 - June 30, 2027)

(Indications show percentage of changes from corresponding figures for the previous period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
FY2027	16,730	16.4	4,374	4.1	4,026	1.9	2,965	(46.0)	27.80

Note: Forecast of operating results for FY2027 1st half is not prepared. For details, please refer to “1. Business Performance and Financial Position (4) Fiscal year 2027 financial forecast” on page 4.

※ Notes

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

- ① Changes in accounting policies due to revisions to accounting standards: None
- ② Changes in accounting policies except for those in ①: None
- ③ Changes due to accounting estimation change: None
- ④ Restatement: None

(2) Number of shares issued (common shares)

① Number of shares issued at the fiscal year end (including treasury stocks)	FY2026	106,691,686 shares	FY2025	102,992,370 shares
② Number of treasury stocks at the fiscal year end	FY2026	— shares	FY2025	— shares
③ The average number of shares issued during the fiscal year	FY2026	105,104,210 shares	FY2025	101,740,640 shares

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

※ Explanation regarding the appropriate use of forecast of business results

The financial forecast is based on judgments and estimates that have been made on the basis of currently available information. By nature, such financial forecast is subject to uncertainty and risk. Therefore, you are advised that the final results might be significantly different from the aforementioned forecast due to changes in economic environments related to our business, market trends and exchange rate, etc.

Please refer to “Business Performance and Financial Position, (4) Fiscal year 2026 financial forecast” on page 4 for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts.

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1. Overview of the operating results, etc.

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

During the fiscal year under review (July 1, 2025 to June 30, 2026), the business environment in the in-vitro diagnostics industry was characterized by the influenza season beginning in late September, earlier than usual, and continuing for an extended period. In contrast, the scale of the COVID-19 pandemic remained significantly below the level observed in the previous fiscal year.

As a result, net sales for the fiscal year under review amounted to ¥14,369 million, down 22.9% year on year. Operating income decreased 49.2% year on year to ¥4,200 million, and ordinary income decreased 51.9% year on year to ¥3,952 million. In addition, the Company recorded a government subsidy income of ¥4,363 million as special gains, resulting in net income of ¥5,495 million, down 13.0% year on year.

As the Company operates under a single business segment, namely the in-vitro diagnostics business, segment information is omitted.

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

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
FY2024	6,943	4,673	4,754	2,063	18,434
FY2025	6,419	5,561	5,626	1,020	18,627
FY2026	2,368	5,908	2,386	3,705	14,369

With regard to quarterly net sales trends, net sales in the fourth quarter of the previous fiscal year were adversely affected by inventory adjustments in the market and remained at a low level. In contrast, net sales in the fourth quarter of the fiscal year under review increased to ¥3,705 million, representing a year-on-year increase of 263.3%.

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

	FY2024	FY2025	FY2026	Increase/(decrease)
Net sales	18,434	18,627	14,369	(22.9%)
(including sales to local governments)	159	—	—	—
Gross profit	12,498	12,774	8,821	(30.9%)
Gross profit ratio (%)	67.8%	68.6%	61.4%	(7.2%)
Operating income	8,030	8,265	4,200	(49.2%)
Operating income ratio (%)	43.6%	44.4%	29.2%	(15.2%)
Ordinary income	7,840	8,219	3,952	(51.9%)
Ordinary income ratio (%)	42.5%	44.1%	27.5%	(16.6%)
Net income	5,774	6,315	5,495	(13.0%)
Net income ratio (%)	31.3%	33.9%	38.2%	4.3%

With respect to earnings for the fiscal year under review, operating income, ordinary income, and net income each decreased from the previous fiscal year, primarily due to the decline in net sales.

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

	FY2024 4th quarter	FY2025 4th quarter	FY2026 4th quarter	Increase/(decrease)
Net sales	2,063	1,020	3,705	263.3%
(including sales to local governments)	—	—	—	—
Gross profit	1,188	89	1,779	—
Gross profit ratio (%)	57.6%	8.8%	48.0%	39.2%
Operating income	(195)	(1,065)	690	—
Operating income ratio (%)	(9.5%)	(104.5%)	18.6%	—
Ordinary income	(408)	(1,076)	608	—
Ordinary income ratio (%)	(19.8%)	(105.5%)	16.4%	—
Quarterly net income	(132)	(330)	3,051	—
Quarterly net income ratio (%)	(6.4%)	(32.4%)	82.3%	—

With respect to earnings for the fourth quarter of the fiscal year under review, net sales substantially exceeded the level recorded in the same period of the previous fiscal year, reflecting the elimination of the market inventory adjustment that had affected the fourth quarter of the previous fiscal year. As a result, the Company reported operating profit and ordinary profit, compared with losses in the corresponding period of the previous fiscal year. Furthermore, the Company recorded government subsidy income of ¥4,363 million as special gains, resulting in quarterly net income of ¥3,051 million.

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

Sales by main product	FY2024	FY2025(a)	FY2026 (b)	(b) / (a)
COVID-19 single-use test kits	4,712	4,854	3,460	(28.7%)
Influenza/COVID-19 combo test kits	6,375	7,921	5,529	(30.2%)
Influenza test kits	4,087	3,314	2,697	(18.6%)
Others	3,259	2,537	2,682	5.7%
Total	18,434	18,627	14,369	(22.9%)

With respect to net sales by main product category for the fiscal year under review, sales of all main products decreased compared with the previous fiscal year, primarily because the scale of the COVID-19 pandemic remained significantly below the level recorded in the previous fiscal year.

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

Sales by main product	FY2024 4th quarter	FY2025 4th quarter (a)	FY2026 4th quarter (b)	(b) / (a)
COVID-19 single-use test kits	755	183	863	371.2%
Influenza/COVID-19 combo test kits	333	192	1,356	602.8%
Influenza test kits	220	61	457	645.8%
Others	753	582	1,028	76.5%
Total	2,063	1,020	3,705	263.3%

With respect to net sales by main product category for the fourth quarter of the fiscal year under review, sales of all main products increased significantly compared with the same period of the previous fiscal year, primarily due to the resolution of the market inventory adjustment that had affected the fourth quarter of the previous fiscal year.

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

Total assets at the end of the fiscal year under review increased by ¥8,105 million from the end of the previous fiscal year to ¥44,620 million. This was mainly attributable to increases in buildings, machinery and equipment following the commencement of full-scale operations at the new plant, as well as increases in accounts receivable and investment securities.

Total liabilities increased by ¥6,102 million from the end of the previous fiscal year to ¥25,200 million. This was primarily due to an increase in long-term borrowings associated with the financing of the construction of the new plant.

Net assets increased by ¥2,002 million from the end of the previous fiscal year to ¥19,420 million. This was mainly attributable to an increase in the reserve for advanced depreciation of fixed assets resulting from the receipt of government subsidies.

(3) Overview of cash flows for the current year

The balance of cash and cash equivalents (hereinafter referred to as “funds”) at the end of the fiscal year under review was ¥3,563 million, representing a decrease of ¥5,703 million from the end of the previous fiscal year.

(Cash flow from operating activities)

Cash flows from operating activities resulted in an outflow of ¥2,825 million, a decrease of ¥9,643 million compared with the previous fiscal year. This was mainly attributable to an increase in trade receivables and in consumption tax receivables associated with tax refunds, as well as a decrease in trade payables.

(Cash flow from investing activities)

Cash flows from investing activities resulted in an outflow of ¥6,175 million, a decrease of ¥3,082 million compared with the previous fiscal year. This was mainly attributable to payments for the acquisition of property, plant and equipment and the purchase of investment securities.

(Cash flow from financing activities)

Cash flows from financing activities resulted in an inflow of ¥3,297 million, an increase of ¥1,016 million compared with the previous fiscal year. This was mainly attributable to proceeds from long-term borrowings related to the construction of the new plant, despite dividend payments.

(4) Explanation of financial forecast

Looking ahead, the Company expects that its business performance will continue to be affected by trends in the prevalence of infectious diseases. In preparing its earnings forecast, the Company has assumed certain levels of prevalence for each infectious disease based on historical trends.

On the sales front, in July 2026 the Company obtained manufacturing and marketing authorization for “ImunoAce SARS-CoV-2/Flu II,” a combination test kit capable of simultaneously detecting COVID-19 and influenza. Compared with the previous product, the new kit reduces the test result turnaround time from 15 minutes to 10 minutes and extends the shelf life from 12 months to 22 months after manufacture, thereby enhancing convenience. The Company believes that this product will contribute to expanding its market share.

Furthermore, the Company will continue to pursue market share expansion, primarily for influenza- and COVID-19-related products, by strengthening collaboration with wholesalers and promoting co-promotion activities with Shionogi & Co., Ltd.

With respect to selling prices, the Company anticipates a certain degree of decline for each product, taking into account past performance and the current market environment.

Based on these assumptions, the Company forecasts net sales of ¥16,730 million for the next fiscal year, up 16.4% from the previous fiscal year, operating income of ¥4,374 million, up 4.1%, and ordinary income of ¥4,026 million, up 1.9%. On the other hand, because no government subsidy income equivalent to that recorded as special gains in the fiscal year under review is expected in the next fiscal year, net income is forecast to be ¥2,965 million, down 46.0% from the previous fiscal year.

The above earnings forecasts are based on information currently available to the Company. Actual results may differ from these forecasts due to future trends in the prevalence of infectious diseases and other factors. Should revisions to the earnings forecast become necessary, the Company will promptly disclose such revisions.

2. Basic Rationale on Selection of Accounting Standards

Based The Company has adopted Japanese Accounting Standards to ensure comparability with other companies in the domestic industry. Regarding the future adoption of IFRS, the Company's policy is to make an appropriate determination in light of developments both in Japan and overseas.

3. Financial Statements

(1) Balance sheet

(Unit: thousands of yen)

	FY2025 (As of June 30, 2025)	FY2026 (As of June 30, 2026)
Assets		
Current assets		
Cash on hand and in banks	9,266,630	3,563,581
Accounts receivable – trade	247,777	3,986,575
Merchandise and finished goods	3,043,200	2,543,056
Work in process	1,515,674	2,670,498
Raw materials and supplies	1,324,652	1,090,726
Refundable income taxes	—	11,384
Consumption tax receivable	—	1,144,770
Other Receivables	49,980	3,969,014
Advance payment	616	—
Prepaid expenses	27,981	68,421
Other	93	216,572
Total current assets	15,476,605	19,264,600
Fixed assets		
Property, plant and equipment		
Buildings	1,325,353	9,354,034
Structures	16,945	441,807
Machinery and equipment	1,850,578	4,648,896
Vehicles	55,110	43,837
Tools, furniture, fixtures	992,164	1,350,623
Land	1,734,634	1,734,634
Construction in progress	8,213,450	212,610
Accumulated depreciation and impairment loss	(1,909,024)	(2,538,794)
Total property, plant and equipment	12,279,213	15,247,649
Intangible fixed assets		
Patents	147,729	127,229
Software	73,355	670,582
Customer related assets	2,499,200	2,272,000
Technology related assets	596,800	497,333
Other	519,683	24,375
Total of intangible fixed assets	3,836,768	3,591,520
Investments and other assets		
Investment securities	4,177,271	6,076,316
Investment securities in affiliates	452,263	136,859
Bonds of affiliates	193,500	198,310
Other investments in affiliates	66,386	79,229
Other investments	20	20
Claims in bankruptcy	0	0
Long-term prepaid expenses	3,451	2,014
Other non-current assets	29,814	24,068
Total investments and other assets	4,922,707	6,516,819
Total fixed assets	21,038,688	25,355,988
Total assets	36,515,294	44,620,588

(Unit: thousands of yen)

	FY2025 (As of June 30, 2025)	FY2026 (As of June 30, 2026)
Liabilities		
Current liabilities		
Accounts payable – trade	1,199,041	270,046
Short-term borrowings	4,500,000	7,500,000
Current portion of long-term borrowings	1,114,919	5,732,766
Accounts payable – non-trade	488,728	369,741
Accounts payable – facilities	278,199	112,687
Accrued expenses	115,645	96,240
Accrued income taxes	842,289	319,162
Consumption taxes payable	101,869	—
Refund liability	441,381	651,936
Advances received	78,606	42,013
Deposits received	194,514	129,201
Allowance for bonuses	153,612	20,051
Allowance for bonuses to directors	17,791	—
Other	3,276	9,668
Total current liabilities	9,529,874	15,253,516
Long-term liabilities		
Long-term borrowings	8,809,081	8,026,906
Deferred tax liabilities	556,304	1,691,796
Accrued retirement benefits	190,363	215,837
Asset retirement obligations	12,000	12,000
Total long-term liabilities	9,567,749	9,946,539
Total liabilities	19,097,624	25,200,055
Net assets		
Shareholders' equity		
Common stock	289,771	400,750
Deposits for subscriptions rights to common stocks	7,913	628
Capital surplus		
Legal capital surplus	139,771	250,750
Other capital surplus	2,633,300	2,633,300
Total capital surplus	2,773,071	2,884,050
Retained earnings		
Other retained earnings		
Reserve for Advanced Depreciation of Fixed Assets	—	2,953,403
Reserve for Tax Measure to Promote Open-Innovation	999,996	1,282,011
Unappropriated retained earnings	13,307,554	11,811,845
Total retained earnings	14,307,551	16,047,260
Total shareholders' equity	17,378,307	19,332,691
Valuation and translation adjustments		
Net unrealized gains (losses) on available-for-sale securities	34,452	86,632
Total valuation and translation adjustments	34,452	86,632
Share subscription rights	4,910	1,209
Total net assets	17,417,670	19,420,533
Total liabilities and net assets	36,515,294	44,620,588

(2) Statement of income

(Unit: thousands of yen)

	FY2025 (From July 1, 2024 To June 30, 2025)	FY2026 (From July 1, 2025 To June 30, 2026)
Net sales	18,627,990	14,369,220
Cost of sales		
Merchandise and finished goods at beginning	2,731,012	3,043,200
Manufacturing cost for the period	6,179,831	5,017,304
Purchases of merchandise	—	58,200
Total	8,910,844	8,118,704
Transfer to other accounts	14,651	27,900
Merchandise and finished goods at end	3,480,183	3,209,414
Loss on devaluation of inventories	436,982	666,357
Cost of sales	5,852,992	5,547,747
Gross profit	12,774,997	8,821,472
Selling, general and administrative expenses		
Salaries and wages	1,264,599	1,411,596
Provision for bonus – employees	111,574	20,051
Provision for bonus – directors	17,791	—
Retirement benefit expenses	32,019	32,340
Depreciation and amortization	449,205	527,195
Outsourcing expenses	349,799	318,195
Other	2,284,981	2,311,685
Total selling, general and administrative expenses	4,509,972	4,621,064
Operating income	8,265,025	4,200,408
Non-operating income		
Interest income	4,738	14,391
Interest income on investments	2,300	2,300
Dividends income	7,110	7,126
Subsidy income	43,388	—
Miscellaneous income	3,076	635
Total non-operating income	60,614	24,453
Non-operating expenses		
Interest expenses	102,904	264,036
Commission fees paid	1,000	1,000
Miscellaneous expenses	1,776	7,220
Total non-operating expenses	105,681	272,256
Ordinary income	8,219,959	3,952,604
Special gains		
Gain on sales of fixed assets	3,394	2,342
Government Subsidies	—	4,363,603
Gain on reversal of subscription rights to stocks	4	2
Total special gains	3,398	4,365,947
Special losses		
Loss on sale of fixed assets	30	—
Loss on disposal of fixed assets	21,451	43
Loss on devaluation of investment securities	—	31,458
Loss on devaluation of Investment securities in affiliates	—	391,404
Total special losses	21,481	422,906
Income before income taxes	8,201,875	7,895,645
Income taxes - current	1,968,359	1,288,135
Income taxes - deferred	(81,891)	1,112,310
Total income taxes	1,886,468	2,400,445
Net income	6,315,407	5,495,199

Manufacturing cost report

		FY2025 (From July 1, 2024 To June 30, 2025)		FY2026 (From July 1, 2025 To June 30, 2026)	
Classification	Ref.	Thousands of yen	Ratio (%)	Thousands of yen	Ratio (%)
I Material cost		3,162,191	46.1	2,408,782	39.0
II Labor cost		983,420	14.3	1,074,288	17.4
III Manufacturing expenses	※	2,711,900	39.5	2,694,999	43.6
Total manufacturing cost		6,857,512	100.0	6,178,070	100.0
WIP at beginning		846,011		1,515,674	
Total		7,703,523		7,693,744	
WIP at end		1,625,766		2,834,171	
Transfer to other accounts		8,017		5,942	
Loss on devaluation of inventories		110,092		163,673	
Cost of goods manufactured		6,179,831		5,017,304	

Cost accounting method

The cost accounting method is actual cost accounting based on total cost accounting.

(※) Major breakdown is as follows.

Item	FY2025 (From July 1, 2024 To June 30, 2025)	FY2026 (From July 1, 2025 To June 30, 2026)
Outsourcing processing expenses (thousands of yen)	2,079,416	1,670,943
Depreciation and amortization (thousands of yen)	266,220	597,827

(3) Statement of changes in net assets

FY2025 (From July 1, 2024 To June 30, 2025)

(Unit: thousands of yen)

	Shareholders' equity								
	Common stock	Deposits for subscriptions rights to common stocks	Capital surplus			Retained earnings			
			Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings			Total retained earnings
						Reserve for Advanced Depreciation of Fixed Assets	Reserve for Tax Measure to Promote Open-Innovation	Unappropriated retained earnings	
Balance at the beginning of current period	200,000	5,681	50,000	2,633,300	2,683,300	—	—	10,777,852	10,777,852
Changes of items during the period									
Issuance of shares (exercise of share subscription rights to stocks)	89,771	(176,549)	89,771		89,771				
Exercise of share subscription rights to stocks		178,782							
Transfer to Reserve for Advanced Depreciation of Fixed Assets									—
Accumulation of Reserve for Tax Measure to Promote Open-Innovation							999,996	(999,996)	—
Cash dividends paid								(2,785,709)	(2,785,709)
Net income								6,315,407	6,315,407
Net changes of items other than those in shareholders' equity									
Total changes of items during the period	89,771	2,232	89,771	—	89,771	—	999,996	2,529,701	3,529,698
Balance at the end of current period	289,771	7,913	139,771	2,633,300	2,773,071	—	999,996	13,307,554	14,307,551

	Shareholders' equity	Valuation and translation adjustments		Share subscription rights	Total net assets
	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Total valuation and translation adjustment		
Balance at the beginning of current period	13,666,834	(7,982)	(7,982)	7,907	13,666,759
Changes of items during the period					
Issuance of shares (exercise of share subscription rights to stocks)	2,992			(2,992)	—
Exercise of share subscription rights to stocks	178,782				178,782
Transfer to Reserve for Advanced Depreciation of Fixed Assets	—				—
Accumulation of Reserve for Tax Measure to Promote Open-Innovation	—				—
Cash dividends paid	(2,785,709)				(2,785,709)
Net income	6,315,407				6,315,407
Net changes of items other than those in shareholders' equity		42,434	42,434	(4)	42,429
Total changes of items during the period	3,711,473	42,434	42,434	(2,996)	3,750,910
Balance at the end of current period	17,378,307	34,452	34,452	4,910	17,417,670

FY2026 (From July 1, 2025 To June 30, 2026)

(Unit: thousands of yen)

	Shareholders' equity								
	Common stock	Deposits for subscriptions rights to common stocks	Capital surplus			Retained earnings			
			Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings			Total retained earnings
						Reserve for Advanced Depreciation of Fixed Assets	Reserve for Tax Measure to Promote Open-Innovation	Unappropriated retained earnings	
Balance at the beginning of current period	289,771	7,913	139,771	2,633,300	2,773,071	—	999,996	13,307,554	14,307,551
Changes of items during the period									
Issuance of shares (exercise of share subscription rights to stocks)	110,979	(218,259)	110,979		110,979				
Exercise of share subscription rights to stocks		210,974							
Transfer to Reserve for Advanced Depreciation of Fixed Assets						2,953,403		(2,953,403)	—
Accumulation of Reserve for Tax Measure to Promote Open-Innovation							282,015	(282,015)	—
Cash dividends paid								(3,755,490)	(3,755,490)
Net income								5,495,199	5,495,199
Net changes of items other than those in shareholders' equity									
Total changes of items during the period	110,979	(7,284)	110,979	—	110,979	2,953,403	282,015	(1,495,709)	1,739,709
Balance at the end of current period	400,750	628	250,750	2,633,300	2,884,050	2,953,403	1,282,011	11,811,845	16,047,260

	Shareholders' equity	Valuation and translation adjustments		Share subscription rights	Total net assets
	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Total valuation and translation adjustment		
Balance at the beginning of current period	17,378,307	34,452	34,452	4,910	17,417,670
Changes of items during the period					
Issuance of shares (exercise of share subscription rights to stocks)	3,699				3,699
Exercise of share subscription rights to stocks	210,974				210,974
Transfer to Reserve for Advanced Depreciation of Fixed Assets	—				—
Accumulation of Reserve for Tax Measure to Promote Open-Innovation	—				—
Cash dividends paid	(3,755,490)				(3,755,490)
Net income	5,495,199				5,495,199
Net changes of items other than those in shareholders' equity		52,180	52,180	(3,701)	48,479
Total changes of items during the period	1,954,383	52,180	52,180	(3,701)	2,002,862
Balance at the end of current period	19,332,691	86,632	86,632	1,209	19,420,533

(4) Statement of cash flows

(Unit: thousands of yen)

	FY2025 (From July 1, 2024 To June 30, 2025)	FY2026 (From July 1, 2026 To June 30, 2026)
Cash flows from operating activities		
Income before income taxes	8,201,875	7,895,645
Depreciation and amortization	715,426	1,125,023
Increase (decrease) in refund liabilities	200,456	210,555
Increase (decrease) in allowance for bonuses to employees	(273,965)	(133,561)
Increase (decrease) in allowance for bonuses to directors	(10,200)	(17,791)
Increase (decrease) in accrued retirement benefits	8,732	25,473
Interest and dividends income	(14,149)	(23,817)
Subsidy income	△43,388	—
Government Subsidies	—	(4,363,603)
Gain on reversal of subscription rights to stocks	(4)	(2)
Interest expenses	102,904	264,036
Loss on devaluation of investment securities	—	31,458
Loss on devaluation investment securities in affiliates	—	391,404
(Gain) on sales of fixed assets	(3,363)	(2,342)
Loss on disposal of fixed assets	21,451	43
Decrease (increase) in accounts receivable - trade	2,459,087	(3,738,798)
Decrease (increase) in inventories	(1,166,077)	(420,753)
Increase (decrease) in consumption tax receivable	—	(1,144,770)
Increase (decrease) in accounts payable – trade	(283,720)	(928,994)
Increase (decrease) in consumption tax payable	(285,693)	(101,869)
Other	174,578	(268,222)
Subtotal	9,803,949	(1,200,886)
Interest and dividends received	11,849	21,517
Interest paid	(104,949)	(264,036)
Subsidy received	43,388	414,006
Income taxes paid	(2,935,765)	(1,795,977)
Net cash provided by (used in) operating activities	6,818,472	(2,825,376)
Cash flows from investing activities		
Purchase of fixed assets	(4,679,989)	(3,788,808)
Proceeds from sales of fixed assets	5,085	3,854
Payment due to disposal of fixed assets	(1,030)	—
Purchase of intangible assets	(440,353)	(226,471)
Purchase of investment securities	(4,141,797)	(1,872,795)
Purchase of investments in affiliates	—	(76,000)
Payments for loans to affiliates	—	(215,000)
Net cash provided by (used in) investing activities	(9,258,084)	(6,175,220)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	3,000,000
Proceeds from long-term borrowings	5,642,000	5,393,000
Repayment of long-term borrowings	(756,999)	(1,557,328)
Proceeds from exercise of subscription rights to stock	178,782	210,974
Cash dividends paid	(2,782,432)	(3,749,098)
Net cash provided by (used in) financing activities	2,281,350	3,297,547
Increase (decrease) in cash and cash equivalents	(158,260)	(5,703,049)
Cash and cash equivalents at the beginning of the period	9,424,891	9,266,630
Cash and cash equivalents at the end of the period	9,266,630	3,563,581

(5) Notes to financial statements

(Notes to events and conditions which indicate there could be substantial doubt about going concern assumption)

None

(Change in Presentation)

(Balance Sheet)

Other Receivables, which had been included in “Other” under “Current Assets” in the previous fiscal year, is presented separately from the current fiscal year due to its increased materiality. To reflect this change in presentation, the financial statements for the previous fiscal year have been reclassified. As a result, ¥50,073 thousand, which was included in “Other” under “Current Assets” in the balance sheet for the previous fiscal year, has been reclassified as ¥49,980 thousand in “Other Receivables” and ¥93 thousand in “Other.”

(Basis of consolidated financial statements)

None of the investments in affiliates is accounted for by the equity method because they are insignificant in terms of earnings and retained earnings.

(Notes to business segments and related information)

【Segment Information】

FY2025 (From July 1, 2024 To June 30, 2025)

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

FY2026 (From July 1, 2025 To June 30, 2026)

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

(Amounts per share)

	FY2025 (From July 1, 2024 To June 30, 2025)	FY2026 (From July 1, 2025 To June 30, 2026)
Net assets per share	168.99 yen	182.01 yen
Basic earnings per share	62.07 yen	52.28 yen
Diluted earnings per share	58.90 yen	51.08 yen

(Note) 1. The basis for calculation of the basic earnings per share and the diluted earnings per share is as follows.

	FY2025 (From July 1, 2024 To June 30, 2025)	FY2026 (From July 1, 2025 To June 30, 2026)
Net basic earnings per share		
Net income (thousands of yen)	6,315,407	5,495,199
Net income not attributable to common stock holders (thousands of yen)	—	
Net income relating to common stock (thousands of yen)	6,315,407	5,495,199
Average number of shares of common stock during the fiscal year (thousands of shares)	101,740	105,104
Net diluted earnings per share		
Adjustments to net income (thousands of yen)	—	-
Increase in number of shares of common stock (thousands of shares) (Out of which, increase in number of share subscription rights (thousands of shares))	5,478 (5,478)	2,475 (2,475)

	FY2025 (From July 1, 2024 To June 30, 2025)	FY2026 (From July 1, 2025 To June 30, 2026)
Summary of potentially dilutive shares not included in the calculation of diluted net earnings per share due to the absence of dilutive effects.	—	—

(Significant subsequent events)

None