



A Technology Company Advancing New Frontiers in Medical Testing .

Regulations, human capital, technological innovation, global expansion —
embracing challenges in key areas opens doors to new possibilities

We tackle issues as a team, transcending personal work spheres to come together and
transform issues into opportunities for value creation.

Under our management approach, we believe that the long-term enhancement of corporate
value can only be achieved through the dual pursuit of social value and economic value.

We continually strive to make people smile and support their healthy living, day in and day out.

Challenges to Innovation

Since our founding in 1939, we have been a pioneer in clinical diagnostics, driven by our unceasing quest to create value by serving the public health. We will continue to contribute to people's health and medical treatment through healthcare.

| Our Management Philosophy

Protect the health of the public through health care services.

| Our Management Vision

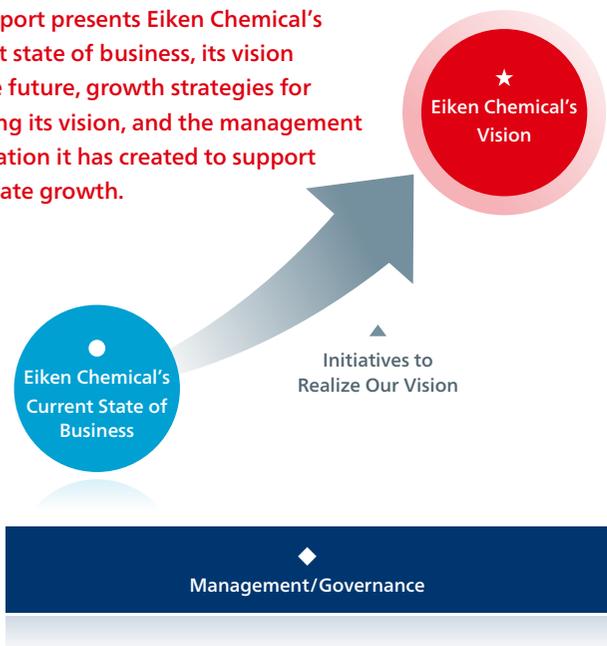
Eiken Group is dedicated to leveraging expertise as a medical testing pioneer in order to increase corporate value by protecting the health of the public with products and services that customers can trust.

| Our Motto

We EIKEN provide trustworthy quality, and develop with technology.



This report presents Eiken Chemical's current state of business, its vision for the future, growth strategies for realizing its vision, and the management foundation it has created to support corporate growth.



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●: Eiken Chemical's current state of business ★: Our vision
▲: Initiatives to realize our vision ◆: Management/Governance

Editorial Policy

The Eiken Group has prepared the Integrated Report as a tool for communicating with stakeholders.

During the course of editing this Report, the editors referred to documents such as the IIRC's "International Integrated Reporting Framework" and the Ministry of Economy, Trade and Industry's "Guidance for Collaborative Value Creation." It is hoped that it will facilitate understanding of what kind of value the Eiken Group has provided in the past, and what kind of value it seeks to provide in the future.

Disclaimer Regarding Forward-Looking Statements

Forward-looking statements, etc. contained in this Report represent the judgments of the Company based on information available at the time it was published, and actual performance going forward may differ from forecasts for a variety of reasons.

Period of the Report

FY2024 (April 1, 2024-March 31, 2025)

*Includes reports on some events occurring on or after April 1, 2025

Scope of the Report

EIKEN CHEMICAL CO., LTD. and its Group companies

At a Glance

The Eiken Group in FY ended Mar. 31, 2025



Net sales

40,539 million yen

R&D expenses

4,386 million yen

Net profit

2,228 million yen



ROE

5.0%

ROIC

5.2%



Number of employees
(full-time employees + temporary employees)

1,051

Number of
R&D personnel

201

Overseas sales
as share of total

26.4%



Number of countries
in which products deployed

61



CO₂ emissions
(Scope 1 + 2)

2,649 t-CO₂

Water volume consumed
(all production sites)

69,100 m³



Social value provided
by Eiken Chemical's
colorectal cancer screening tests

USD **4.5** billion

► Details on p11



Social value provided
by Eiken Chemical's
tuberculosis screening tests

USD **2.1** billion

► Details on p12



Number of urinalysis tests
using test strips conducted

approx. **350** million/year

► Details on p13

Message from CEO



Yuji Segawa
President and CEO

Superior technologies and human talent working in concert to enhance corporate value

- 01** There is nothing we cannot accomplish if we put our minds to it
- 02** Current issues analysis and resolution plans
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All the challenges we face lead to personal and organizational growth

01 There is nothing we cannot accomplish if we put our minds to it

I was appointed President and CEO of Eiken Chemical in June 2025. My career has spanned some 35 years, the first 23 at Sony Corporation and the last 12 at Eiken Chemical. Nearly all of those years have been as an engineer in the R&D Division. At Sony, I was part of the development team for what was then one of the world's largest LCD color televisions. At both Sony and Eiken Chemical, my specialty field of research has been microfabrication technologies. During my previous work with electronics, I saw the promise of applying microfabrication technologies to the development of medical devices. That inspired me to seek a career in the medical field, and I was welcomed at Eiken Chemical in 2013. Over these past 12 years, I have had the opportunity to work on the development of the Simprova genetic testing system in the R&D Division, as well as a broad range of production and fundamental technologies. My career has also taken me through the Marketing Office, where I promoted new products and business. Reflecting on my journey, I feel fortunate to have taken a distinctive path from the engineering departments, where I built my

career, to marketing and management, where I accumulated no less valuable experience. In my engineering days at Sony, I traveled the world visiting customers to install manufacturing equipment at their production sites. This took me from sites around Japan to North and South America, China, South Korea, and Taiwan, to name a few countries. These travels afforded me opportunities to meet customers in my role as a leader of the company, and in addition to performing my duties as the engineering representative, I was also able to learn how to negotiate with people from other countries and regions with different cultures. I have also gained experience in collaboration with overseas companies while at Eiken Chemical, taking part in contract negotiations and other activities with business partners. In my new role as President and CEO, I will dedicate myself to the management of Eiken Chemical with a renewed vigor and sense of purpose, leveraging my hands-on experience in the global arena to build on the Company's success. When I joined Eiken Chemical, I was immediately struck by the potential for applying the technologies I had developed in previous work to different areas of the Company's business. I felt Eiken Chemical

had great potential for future growth. Today, I still feel that abundant potential. But now I am convinced that the potential does not lie only with technology. I am confident that we can stimulate new growth at Eiken Chemical by instilling a corporate culture that promotes a sense of urgency and positivity. This will require us to create a "Positive Culture" in which all employees feel secure in embracing challenges. My personal creed is, "There is nothing we cannot accomplish if we put our minds to it." That belief has

sustained me throughout my career, no matter what role I was in. There are times when challenges produce success and other times end in failure. In my experience, no matter the outcome, all challenges sustain our growth as individuals and the growth of the organizations we work in. My role is to set an example for employees by taking on new challenges, and giving them the confidence to be audacious. One of my aims is to further promote the spirit of challenge among employees throughout the Company.



The New Medium-Term Management Plan aims to resolve issues remaining from the previous plan, executed amid an increasingly severe business environment

02 Current issues analysis and resolution plans

The environment in which companies are operating is becoming increasingly severe. In markets around the world, heightened geopolitical risks, surging global resources prices, and higher costs for logistics and raw materials are among the many factors weighing on profits. The medium- and long-term outlook in Japan alone is no less forgiving. The decline in birthrates and aging population mean we could face fewer business opportunities in the future. If the population continues to decline, that spells a lower number of people receiving clinical diagnostic tests. At the same time, however, an aging population will likely lead to a higher number of disease patients, and there will be greater demand for methods to prevent healthy people from contracting diseases or suffering worsened conditions. Under these scenarios, our business opportunities might increase. Making the most of the opportunities is an issue for our business in Japan. Overall, however, there is no question that our sustainable growth as a company will depend on accelerating our business outside

Japan. Another issue we face as a company is the rapid change in the business environment since the end of the COVID-19 pandemic. The salient truth arising from the drastic changes precipitated by the pandemic was that a company needs to build the strength to withstand such change. Bolstering our planning, technology, product, development, and sales capabilities even further, and then sustaining that strength, is one important issue for us to address. Amid the changes I've discussed, we executed our Medium-Term Management Plan for FY2022-FY2024 (previous MTMP) as a milestone to achieving the EIKEN Vision 2030. Looking back on the plan, I believe there were many successes. We are now focusing on three key business fields. In the cancer field, the number of countries adopting colorectal cancer screening continues to rise. We have also begun contract clinical testing for lung cancer companion diagnosis. In the infectious diseases field, we have received a large order in Nigeria for our tuberculosis genetic testing system using the LAMP method, and we have begun selling rapid diagnostics kits for adenovirus and Group A beta hemolytic streptococcus (Strep A). In the healthcare

Overview of New Medium-Term Management Plan

Slogan

Challenges to Innovation

—Pursue challenge of thorough reform to reinforce earnings strength—

Basic policy

Business strategies

- Develop and expand overseas markets
- Restructure product portfolio
- Develop new products

Financial/Capital strategies

- Optimize cash allocation
- Raise ROIC

Governance

- Renovate executive structure
- Strengthen investment discipline
- Promote sustainability strategy

FY2027 targets

Net sales	Operating profit	ROIC	ROE	Total payout ratio FY2025-FY2027 cumulative
¥46.9 bn	¥5.9 bn	8.1 %	9.3 %	70% or more

field, we developed an advanced buffer solution for new stool sampling bottles which will help promote the expansion of screening by mail. There were disappointments as well. Sales of rapid test kits for influenza, COVID-19 and others failed to meet our targets. Under the previous MTMP, our quantitative targets fell short across the board. We have completed our analysis of the reasons behind our failure to achieve our targets. In response, we will strengthen the business strategies, financial and capital strategies,

and governance as the three main pillars of the New Medium-Term Management Plan starting with FY2025 (new MTMP) over the next three years.

03 Thorough reforms to bolster earnings strength

The new MTMP is being pursued under the slogan, "Challenges to Innovation." The challenge for us is to effect a thorough reform program for enhancing earnings strength,

driven by a corporate-wide effort joining all officers and employees in the Group. While the spirit of challenge will be the underlying principle behind this goal, challenge itself is not the end-purpose. Instead, the energy unleashed through our spirit of challenge will propel us towards reforms. As a specific example of our end-purpose, we will strive to develop high-profit products and product lines and restrain fixed costs to better absorb the increases in raw materials procurement costs. This strategy will support continual improvement in profit margins. For FY2027, we target an operating profit margin of 12.6%, an improvement of 5.2 points over three years.

Under the business strategies, we have three priority initiatives. First, we aim to develop and expand markets outside Japan through accelerated efforts to expand global markets for fecal immunochemical testing (FIT), tuberculosis testing (TB-LAMP) and immunological and serological latex reagents. The second priority is the restructuring of the product portfolio. We will realign our product portfolio into the three categories of core products, profit-generating products and developing products, and aggressively invest management resources into these three main product families. For products with low returns, we will consolidate dosage forms, raise prices or eliminate some products from the market as part of our thorough reform plan. The third priority is development of new products. We are developing the next-generation large fecal immunochemical measuring equipment, new items for immunological and serological testing products, the MINTs (Mutation Investigator

using the Next-era Sequencer) system, along with new items in neglected tropical diseases. Regarding the financial and capital strategies, we are striving towards our target of raising ROE to 9.3% in three years. We have clarified our cash allocation policies as part of this initiative. More specific measures include proactive strategic investments and strengthened shareholder returns. The strategic investments we are planning for future growth will extend beyond in-house technological development. In fact, we will zealously pursue outside technologies and invest our capital through open innovation frameworks. In terms of shareholder returns, we have changed our policy from a target of 30% or higher consolidated dividend payout ratio to 50% or higher total payout ratio. Additionally, we have made steady progress with ROIC-oriented management and will make further strides under the new plan. As previously explained, the business strategies are geared to raise profitability by restructuring the product portfolio. In tandem, we will shorten the cash conversion cycle to raise capital efficiency. Through these measures, we will aim to raise ROIC to 8.1% in three years. Finally, with regard to bolstering governance, in addition to my appointment as President and CEO, we appointed six new Executive Officers within the 10-person executive team. Furthermore, an independent Outside Director has been appointed Chairperson of the Board of Directors, and all three governing committees are comprised exclusively of independent Outside Directors. This renewed management team will lead the Eiken Group ahead with a fresh perspective and vigorous momentum.

Human capital and technology working in concert to enhance corporate value

04 Initiatives to accelerate the enhancement of corporate value

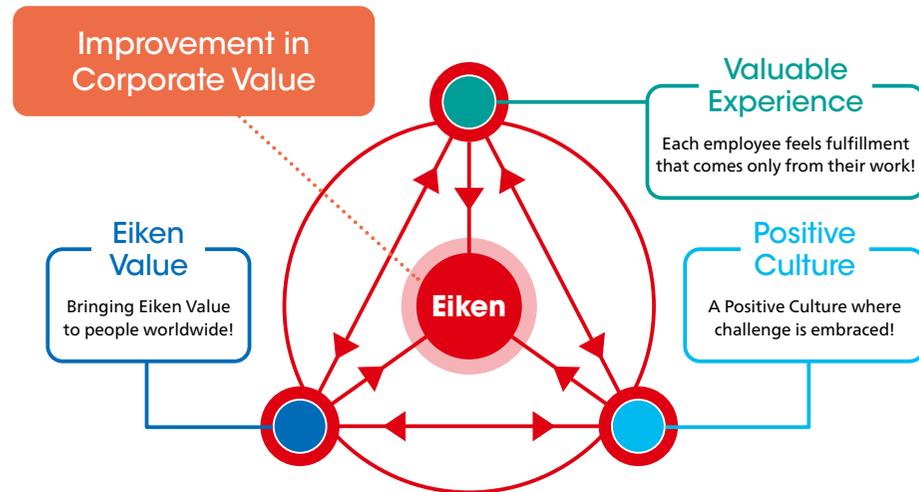
As I mentioned earlier in my message, Eiken Chemical has immense potential as a company. The driving forces behind converting that potential into higher corporate value are human capital and technological capabilities.

In regard to our people, Eiken Chemical is blessed with hard-working, sincere employees across all of our departments. When talented employees get down to work, they are capable of doing great things. Our research and development personnel work earnestly and with great integrity, basing their research on elaborate, precise data. In the production departments, our employees are dedicated to producing high-quality products while working with exceptional productivity. Our marketing personnel, meanwhile, use data-driven techniques to compile their market research. Sales personnel are known for their passion and ability to engage with customers. We should all be proud to work in a company with such a talented workforce. Our technological capabilities are also exceptional. We possess strong fundamental technologies in the fields of fecal immunochemical testing, urinalysis testing, and genetic testing. Moving forward, we

will be especially aggressive in leveraging and building our portfolio of technologies supporting fecal and genetic testing. The data derived from fecal matter contain markers for not only colorectal cancer, but also for digestive tract diseases, lifestyle diseases, and a host of other health issues. Eiken Chemical stool sampling bottles are widely used worldwide. If we can find more ways to gain valuable data from these bottles, our presence in the global medical field will soar. Additionally, our genetic testing technologies hold great promise for expansion. Until now, these technologies have been used primarily for infectious diseases. There is ample opportunity, however, to broaden applications to the fields of cancer and healthcare. Although patents related to LAMP have expired, we have accumulated a tremendous amount of insight and know-how which can be leveraged moving forward. I believe it is important for Eiken Chemical to remain a technology-oriented company which can tackle change in the business environment, no matter how severe. The utilization of our robust foundation of technology will buttress the growth of existing businesses and promote applications and expansion in our three key fields of cancer, infectious diseases, and healthcare on a global scale. Of course, there will be some

areas where our internal technologies alone cannot solve our issues. Here, we will actively incorporate external technologies wherever needed. The fruits of open innovation, however, will require seeds from the powerful fundamental technologies we own. As illustrated below, exceptional talent and technologies are the forces which join and drive the wheel of “Eiken Value,” “Valuable Experience,” and “Positive Culture” to generate improvement in corporate value. We have products and services based on superior technologies in the fields of fecal immunochemical testing, latex reagents, urinalysis testing and LAMP. We can promote Eiken Chemical as a company that “protects the health of people,” ensuring that our name

and purpose are understood even among the end-users of our technologies. Delivering “Eiken Value” to people throughout the world in this way will improve our corporate value. Our Management Philosophy is to “Protect the health of the public through health care services,” which we can proudly present as our Purpose to everyone, both domestically and internationally. I will ensure that all of our employees are conscious of the responsibilities inherent in their work and the social contributions they are making based on our management philosophy. I want each of our employees to have moments where they feel the genuine fulfillment from their work, understand the contribution they have made to people’s health, and take joy



in their results. This is the kind of “Valuable Experience” I want to provide to employees reflecting on their tenure here. I believe these experiences will enhance our level of human capital. These are the experiences that I believe to be important to realizing the “Positive Culture” I mentioned earlier. “Eiken Value,” “Valuable Experience,” and “Positive Culture” move in a virtuous cycle, with human capital and technological strength working in concert to enhance corporate value. Inspired by our MTMP slogan “Challenges to Innovation,” I will strive to demonstrate strong leadership and guide our new executive team under the company’s strengthened

governance structure. Alongside our employees, I will keep a positive mindset and help to instill a culture that seeks out challenges, even beyond the framework of the new MTMP. We will work together, all dedicated to ROIC management, to raise profitability and improve corporate value. Our aggressive yet nimble approach to strategic investments will support further growth and higher returns to shareholders. As a final word, we will work rapidly to initiate positive reforms throughout the company, building a foundation for new growth for Eiken Chemical. I appreciate your continued understanding and support.

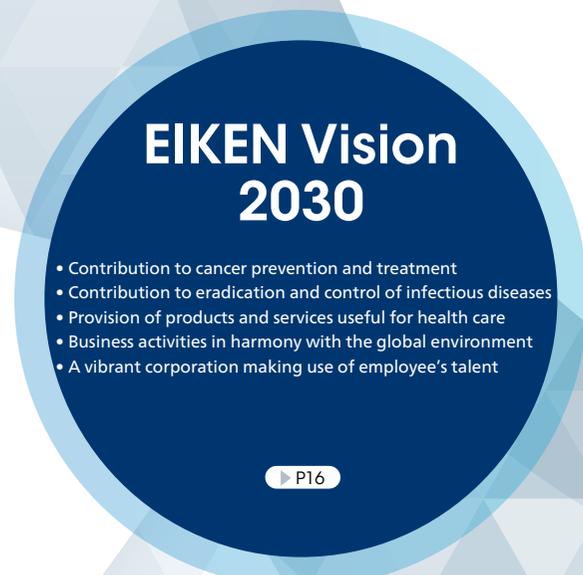
Eiken Chemical's Value Creation Process

As a medical testing pioneer, since the foundation we have provided products and services that are trusted by our customers. While valuing those things that are possible only because we are a comprehensive manufacturer, we will continue to protect people's health as we prepare for 2030 and the future that lies beyond.

Our goals for the future

Build the future of testing for the health of people worldwide and a sustainable society

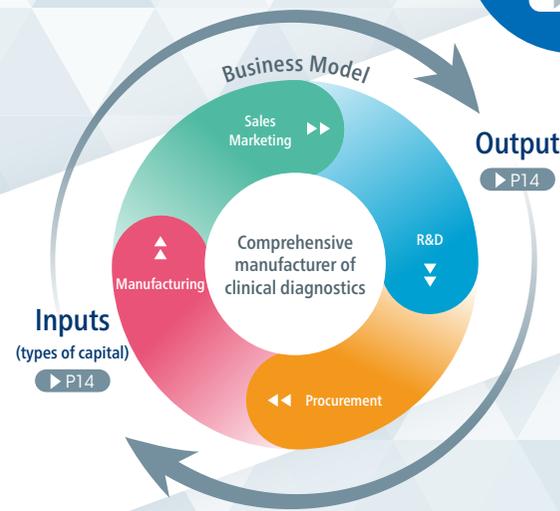
- Redress global disparities in health care
- Establish simpler test technology for infectious diseases
- Enhanced personal care, such as remote clinical system and at-home self-testing
- Improve quality of life by enhancing personal care
- Reduce workloads on the medical front line and control medical expenses through enhanced testing
- Achieve carbon neutrality



EIKEN WAY

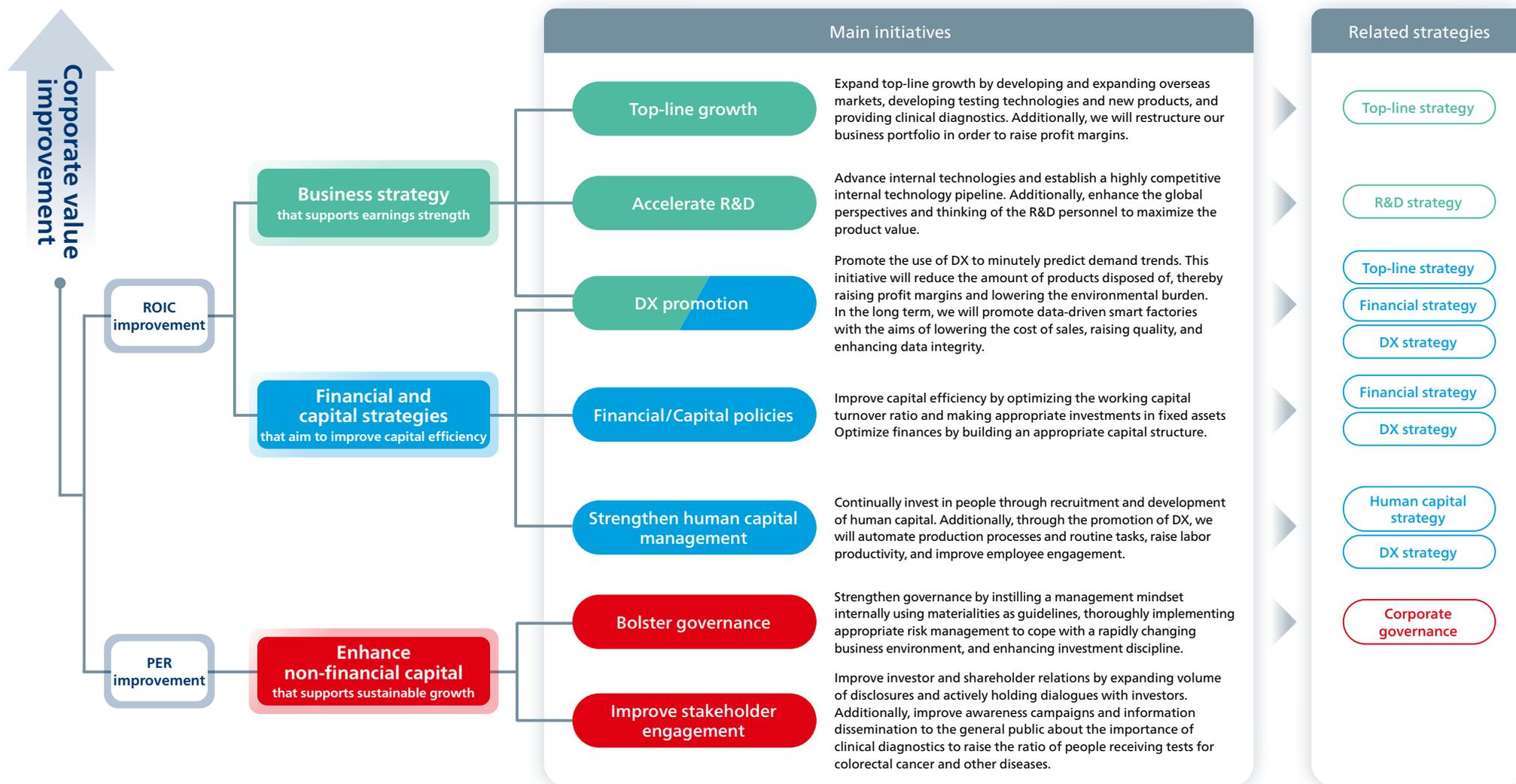


- Contributing to health and quality of life for people around the world
- Business activities in harmony with the global environment
- A vibrant corporation making use of employee's talent
- An organizational base that supports sustainable growth



Overview of Initiatives to Enhance Corporate Value

In order to raise corporate value, we are striving to improve ROIC, as a measure of maximizing financial value, while also improving PER, as a way to support sustainable growth. There is a wide range of non-financial capital that we have accumulated throughout our corporate history and which cannot be achieved overnight. These include trusted relationships developed with health authorities, medical practitioners and business partners in countries around the world, our reputation in the clinical diagnostics field, our market shares in the FIT and urinalysis test reagent industries, and the product manufacturing know-how we have developed. By maximizing the benefits of non-financial capital and promoting the effectiveness of medical testing, we can support healthy lifestyles as well as the sustainable growth of our company.



Social issues

Cancer as a cause of death

2nd worldwide ^{*1}

Colorectal cancer is the second leading cause of death worldwide among cancers (2nd in Japan). Medical expenses associated with colorectal cancer have reached ¥587.2 billion in Japan.*2 On the other hand, colorectal cancer progresses relatively slowly and, if detected early, a complete recovery can be realistically hoped for.

Colorectal cancer-related medical expenses (Japan, 2022)

¥587.2 billion

Eiken Chemical's initiatives

Providing colorectal cancer screening

Recommended grade in Japan for colorectal cancer screening

A^{*3}

Share in Japan*4

1st
(68%)

Number of countries in which our products deployed

52 countries

Eiken Chemical provides fecal immunochemical testing (FIT) as a way to reduce the number of deaths and lower medical expenses associated with the disease's treatment. FIT is an easy and inexpensive test. Users need only to scrape the surface of the stool to take a sample. The continued use of FIT can reduce the risk of colorectal cancer by 70%*5. The effectiveness of our products has been reported in more than 100 international research articles. FIT is included in the guidelines for colorectal cancer screening in countries around the world*6, and 52 countries have approved the tests for their citizens. We will strive to expand the adoption of FIT in more countries, while promoting higher screening rates for populations in our quest to reduce the number of colorectal cancer deaths by even just one person.

► Social significance of our products

We calculated the social value of our FIT products by subtracting the negative effect from the positive effect. The positive effect was calculated as the combined incomes of people whose colorectal cancer was detected early (PPP base). From this positive value we subtracted the cost of unnecessary endoscopies caused by false positive results of the FIT tests. Last year, we used GDP as an indicator for calculations. This year, however, we have adopted GNI/capita, PPP, which is considered to be a more suitable indicator for measuring the improvement in medical standards. In comparison with last year, this year's positive value grew significantly because of an increase in sales in the United States. Additionally, in comparison with last year's calculations, we revised upward one of our materialities, namely the number of countries in which products are deployed, and therefore the FY2030 forecast has also been revised upward. The result of ¥4.5 billion in FY2024 can be considered very high. This figure, however, represents only one aspect of the social value of the Company's products. The improvement in human well-being is another important contribution. People gain a sense of security in taking a medical test, while the early detection of a disease enables people to enjoy longer lives. There is social value that cannot be translated into a monetary amount. Including these kinds of value, the Company's achievement of materialities KPI is leading to benefits for the Company and benefits for society as a whole.

	FY2024 (results)	FY2030 (forecast)	Calculation method
Positive value	USD 5.3 billion	USD 7.9 billion	Economic impact of early detection of colorectal cancer using FIT FY2024: Number of persons undergoing tests × cancer detection rate × early detection rate × 5-year survival rate × GNI per capita, PPP (current international USD) (2024, World Bank) For FY2030: Estimated market × estimated market share × cancer detection rate × early detection rate × 5-year survival rate × GNI per capita, PPP (current international USD) (2024, World Bank)
Negative value	USD 0.8 billion	USD 1.4 billion	Expenses incurred by endoscopies of persons with false positives FY2024: Number of persons undergoing tests × positive rate × false positive rate × secondary testing ratio × cost of endoscopy FY2030: Estimated market × estimated market share × positive rate × false positive rate × secondary testing ratio × cost of endoscopy *Endoscopy costs are calculated for Japan, the United States, and the EU in yen, dollars, and euro respectively and converted at the exchange rate as of end of each fiscal year
Social value	USD 4.5 billion	USD 6.5 billion	Positive value - Negative value

*1 WHO: <https://www.who.int/news-room/fact-sheets/detail/colorectal-cancer> *2 Ministry of Health, Labour and Welfare, "Overview of National Medical Care Expenditure" for FY2022

*3 Colorectal Cancer Guidelines Based on Effectiveness Assessments (FY2024 version) *4 FUJI KEIZAI, "Immunoassay and Highly Anticipated POC Medical Testing Market 2024," cancer marker (fecal occult blood) 2023 monetary amount

*5 Cancer Detect Prev. 2007;31(1):3-11. doi: 10.1016/j.cdp.2006.11.002. Epub 2007 Feb 7.: <https://pubmed.ncbi.nlm.nih.gov/17289293/> *6 Guidelines, etc. of various countries: <https://www.eiken.co.jp/en/publication/fit/>



Protecting the Health of the Public through Healthcare Services

Tuberculosis Genetic Tests

Social issues

Cause of death by infectious disease **1st worldwide** | New cases (worldwide, 2023) **10.8 million people**

Tuberculosis is the single largest cause of deaths by infectious disease. It is estimated that in 2023 an additional 10.8 million people contracted the disease, and that it led to the deaths of 1.25 million people*1. Preventive care for tuberculosis is highly cost effective, with a benefit-cost ratio (BCR) of 46 (meaning that USD 1 of investment generates a return of USD 46)*2. On the other hand, it is reported that diagnosis and treatment of tuberculosis and drug-resistant tuberculosis through Active Case Finding (ACF)*3 generates BCRs of 32 (6-47) and 2 (0-23) respectively*4, which means that it is a disease for which early intervention is significant.

Eiken Chemical's initiatives

Providing tuberculosis genetic testing

Our products' evidence **Recommended by the WHO** | Number of countries in which our products deployed **8 countries**

We provide tuberculosis genetic testing using the LAMP method in order to reduce the number of deaths caused by tuberculosis. LAMP is a genetic amplification method developed by Eiken Chemical. It has sensitivity and specificity equal to that of the PCR method, which is the global standard for genetic testing, but permits faster diagnosis than PCR. In research that assessed diagnostic algorithms that can cut time and costs associated with the detection of tuberculosis and drug-resistant bacteria, it was reported that it was more cost effective to perform PCR tests on a LAMP positive specimen than to use PCR testing alone*5, indicating that it makes a significant socioeconomic contribution.

Social significance of our products

The social value of our tuberculosis genetic testing reagent TB-LAMP is calculated as the total combined income of the people who tested positive for tuberculosis (PPP base). Last year, we used GDP as an indicator for calculations. This year, however, we have adopted GNI/capita, PPP, which is considered to be a more suitable indicator for measuring the improvement in medical standards. A genetic test is not a screening test but rather a test to confirm contraction. Therefore, a negative value is not calculated. Many countries in which tuberculosis is prevalent remain beset by such social issues as poverty and famine. By FY2030, it is estimated that TB-LAMP will have a direct social value of approximately USD 4.8 billion. We believe the provision of tuberculosis tests will also have an incalculable indirect social value associated with such benefits as the improvement of living standards and lengthening of average life span.

	FY2024 results	FY2025-FY2030 (forecasts)	Calculation methods
Social value	USD 2.1 billion	USD 4.8 billion	Economic impact of detecting tuberculosis using TB-LAMP FY2024: Number of people tested inferred from number of TB-LAMP tests shipped × detection rate × GNI per capita, PPP (current international USD) (2024, World Bank) FY FY2025-2030: Number of persons affected by tuberculosis calculated using international targets × estimated share × detection rate × GNI per capita, PPP (current international USD) (2024, World Bank)

*1 WHO
 *2 One Million Lives Saved Per Year: A Cost-Benefit Analysis of the Global Plan to End Tuberculosis, 2023-2030 and Beyond Carel Pretorius et al. Journal of Benefit-Cost Analysis (2023), 14: S1, 337-354
 *3 An approach in which medical professionals focus on people at high risk of being affected by tuberculosis, and identify those affected by actively testing for tuberculosis
 *4 Economic evaluation of a community health worker model for tuberculosis care in Ho Chi Minh City, Viet Nam: a mixed-methods Social Return on Investment Analysis Luan Nguyen Quang Vo et al. BMC Public Health. 2023; 23: 945.
 *5 A cost-benefit algorithm for rapid diagnosis of tuberculosis and rifampicin resistance detection during mass screening campaigns Valerie Flore Donkeng-Donfack et al. BMC Infectious Diseases volume 22, Article number: 219 (2022)



Social issues

Medical expenses associated with glomerular disease, renal tubulointerstitial disease, and kidney failure *1 (Japan, 2022)

approx. ¥ **1.6** trillion

According to WHO research*2, the average life expectancy among Japanese people is 84.5 years, and the average healthy life expectancy is 73.4 years, indicating that approximately 11 years of a person's life is spent in poor health. The widening gap between an average life expectancy and an average healthy life expectancy leads to lower quality of life, higher medical expenses and a variety of other negative influences.

Kidney disease is one of the factors having a negative influence on healthy life expectancy. Kidney disease is often triggered by high blood pressure, diabetes, and infectious diseases. As symptoms progress, patients are at increased risk of cardiovascular disease. Further, when kidney disease becomes chronic, patients often require dialysis and other treatments, which lower their quality of life and lead to financial hardships, among other severe impacts. The rising expenses associated with these problems presents a significant social issue.

Eiken Chemical's initiatives

Providing urinalysis tests

Number of urinalysis tests using test strips conducted worldwide

approx. **350** million/year

Share in Japan*3

1st
(29%)

We provide urinalysis test strips as a way to help resolve these types of social issues. Eiken Chemical's urinalysis test strips are familiar to people throughout Japan, from regular checkups for patients three years and older, to workplace health checkups, and lifestyle health checkups. They are easy to use, inexpensive and painless, providing data on patients suffering a wide range of ailments, from diabetes and kidney disorders to liver disorders and urinary tract infections, to name a few. As a result, they are widely used for general examination. In 2024, a research paper reported that for IgA nephropathy screening conducted as part of Japanese school urinalysis, the cost effectiveness of this testing was high*4.

Social significance of our products

Our urinalysis test strips are used widely in a broad range of test settings, from the monitoring of such diseases as kidney disorders, liver disorders, diabetes and urinary tract infections, to regular prenatal exams and annual health checkups. It is difficult to specify exactly how many people were tested with our urinalysis testing products and for what diseases they are making a contribution. Therefore, we cannot calculate a monetary sum, but rather we are using the number of tests conducted as an indicator of social value. Our urinalysis test strips not only provide our company with profits, but also contribute to controlling medical expenses in general by supporting early detection and treatment of diseases, thereby extending the healthy lives of people.



*1 Ministry of Health, Labour and Welfare *2 World Health Statistics 2024 *3 FUJI KEIZAI, "2021 Clinical Diagnostics Market No. 3," urinalysis (reagents) 2020 market value

*4 JAMA Netw Open Published Online: February 16, 2024 2024;7;(2):e2356412. doi:10.1001/jamanetworkopen.2023.56412

Relation between Raising Corporate Value and Capital

The six types of capital are the driving force behind achieving EIKEN Vision 2030. Here we explain the relation between each type of capital and the basic policies in the Medium-Term Management Plan.

FY2024



Financial Capital

An organizational base that supports sustainable growth

Input

- Total assets: **¥62,300 million**
- Net assets: **¥43,600 million**

Output

- ROE: **5.0%**
- Operating cash flow: **¥6,000 million**

Issues and responses

- Improving ROE/operating profit margin
- Improving the balance sheet
- Making effective use of internal reserves
- Strengthening development investment for growth



Human Capital

Growth driver for the Group as a whole

- Number of employees (full-time employees + temporary employees): **1,051**
- Systematic HR development program
- Personnel evaluation program aimed at talent acquisition
- Total workforce training hours: **6,189 hours**

- Total actual work hours per full-time employee per year: **1,841**
- Employee satisfaction score: **58.8**
- Female managers as share of managers: **18.8%**

- Continuing to acquire and develop employees
- Enhancing management diversity
- Improving employee satisfaction



Intellectual Capital

R&D that builds the future of testing

- Proportion of R&D personnel: **19.1%**
- R&D expenses: **¥4,300 million**
- Consolidated R&D network

- Patent applications: **875 applications (cumulative)**

- Allocation of resources to development of products with market growth and profit potential



Social Capital

Partnerships rooted in the management philosophy

- EIKEN WAY
- Number of surveys implemented: **7**
- Number of inquiries received: **1,347**
- Number of IR events held: **103**
- Cooperation with WHO and other international organizations
- Trusted relationships with Ministry of Health, Labour and Welfare and other organizations
- Partnerships with a variety of external research institutions

- Number of countries in which products deployed: **52**
- Networks with hospitals and clinics
- Appropriate relationships with shareholders and investors
- Market share in fecal immunochemical testing reagents: **68% (Japan)**

- Direct sales network outside Japan
- Strengthening IR activities
- Maintaining and improving customer satisfaction



Manufacturing Capital

Stable supply of high-quality products

- Manufacturing locations: **2**
- Capital expenditures: **¥7,600 million**

- Products tailored to user needs

- Raising profitability through higher productivity and CCC
- Ongoing response to quality and supply risks



Nature Capital

Mitigating environmental impacts as “the last generation”

- Energy consumed: **97,075 GJ**
- Water volume consumed: **69,100 m³**
- Use of renewable energy (Tochigi Furusato Electricity* + on-site solar power generation): **11,548 MWh (91.8% of total)**

- Eco-friendly products
- CDP Corporate A List
- Inclusion in FTSE Blossom Japan Index

- Response to environmental regulations to address supply risks
- Introducing renewable electric power

*Locally produced and consumed renewable energy supplied by Tochigi Enterprise Bureau, Tochigi Prefectural Government, and TEPCO Energy Partner, Inc. A portion of the electricity fees are used to support environmental conservation efforts in Tochigi Prefecture.