



EIKEN ROAD MAP 2030

New Medium-Term Management Plan

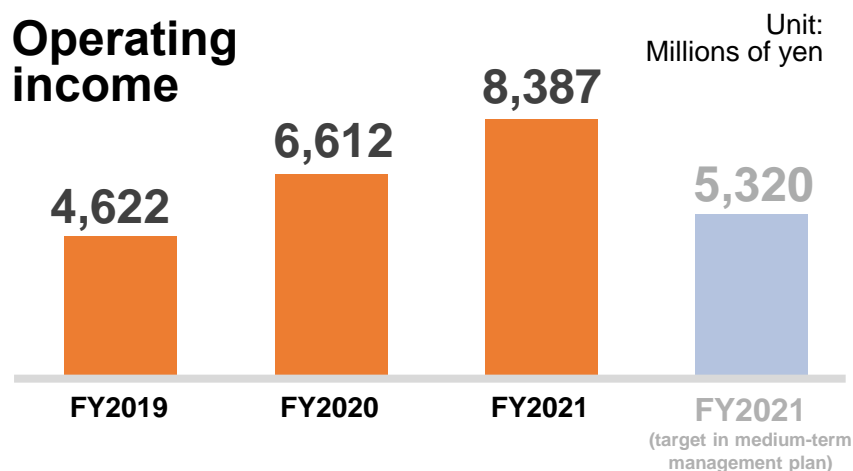
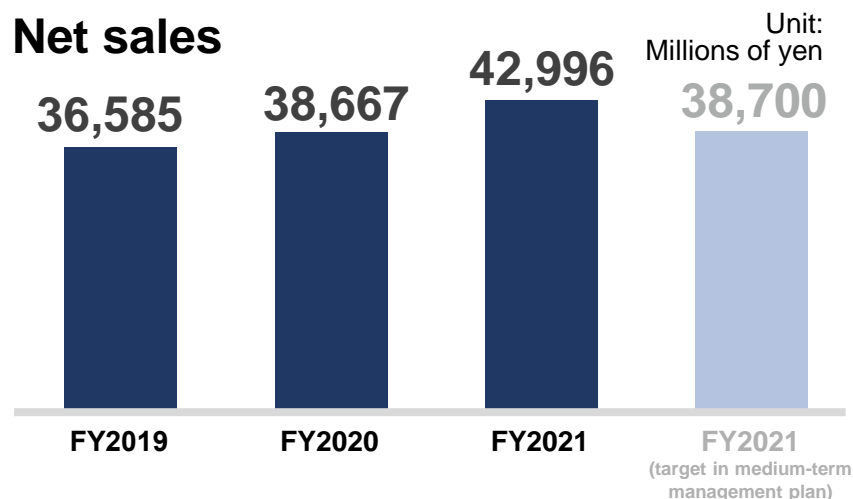
FY2022 to FY2024

Beyond
the Field
— Team × Challenge —



Review of the Previous Medium-Term Management Plan (FY2019 to FY2021)

Significant overachievement of targets for net sales and operating income (22nd consecutive year of sales growth and record high income)



Comparison with target

	FY2021	
	Target	Result
Net sales	38,700	42,996
Overseas net sales	9,460	8,868
Operating income	5,320	8,387
Operating income margin	13.7%	19.5%
ROE	10%	14.3%

Main factors

External	<ul style="list-style-type: none">• Increase in demand for products related to COVID-19 testing• Increase in royalty income from the LAMP method• Expansion of online and postal health screening using fecal occult blood tests overseas• Drop in health screening and outpatient visits due to COVID-19
Internal	<ul style="list-style-type: none">• Unused budget for selling, general and administrative expenses due to COVID-19

Review of Key Issues in the Previous Medium-Term Management Plan

(FY 2019 to FY 2021)

Eiken Chemical succeeded in growing its business and strengthening its base while responding to changes in the business environment. However, further changes are necessary for the Company to continue to enjoy further growth.

Basic strategy	Developing foundations to increase management efficiency	Promoting global expansion	Maintaining domestic sales and increasing market share	Improving research and development ability
Key results	<ul style="list-style-type: none"> Reform and integration of ERP systems Reinforcement of network infrastructure and construction of the remote-work environment Establishment of systems for the stable supply of COVID-19 detection reagents Construction of a new research building 	<ul style="list-style-type: none"> Securing of screening programs for fecal immunochemical test reagents for each country and region Launch and overseas deployment of fecal calprotectin reagents Increase in overseas sales of urinalysis test strips in collaboration with Sysmex 	<ul style="list-style-type: none"> Launch and deployment of Peripheral testing fixtures Launch of high-sensitivity immunochromatographic kits Entry into the market for cognitive-function screening tests 	<ul style="list-style-type: none"> Development of companion diagnostic systems Development of new products (COVID-19 detection reagents, fecal calprotectin reagents)
Key issues	<ul style="list-style-type: none"> Advancement of DX Reform of the human resource system 	<ul style="list-style-type: none"> Improvement of rates of uptake of colorectal cancer screening Search for demand for online screening, screening by post and endoscopic triage Spread and establishment of testing for tuberculosis and malaria 	<ul style="list-style-type: none"> Improvement of rates of uptake of health checkups and screening Establishment and cultivation of the market for cognitive-function screening 	<ul style="list-style-type: none"> Improvement of the efficiency and speed of research and development Strengthening of core technologies and production technologies Development of next-generation colorectal cancer screening tests

Changes in
the business
environment

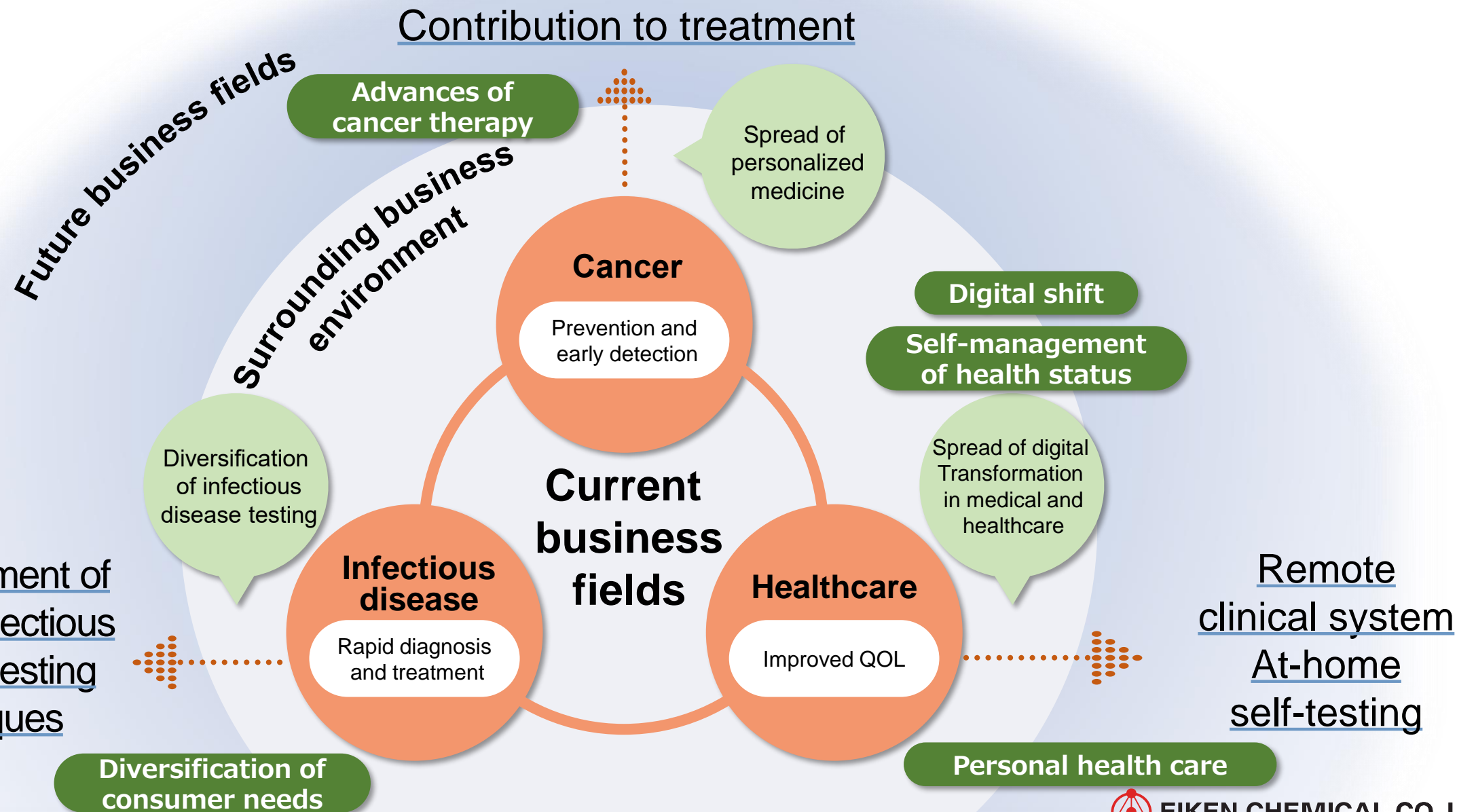
Society now
expects
management to
be conscious of
sustainability



EIKEN ROAD MAP 2019 redefined as EIKEN ROAD MAP 2030

Clarified the vision of the Eiken Group
in 2030 as “EIKEN Vision 2030”

Business Fields and Future Prospects of Our Group



Advancement of Sustainable Management: 11 Materialities

- Responding to Climate Change
- Contributing to a Recycling-Oriented Society

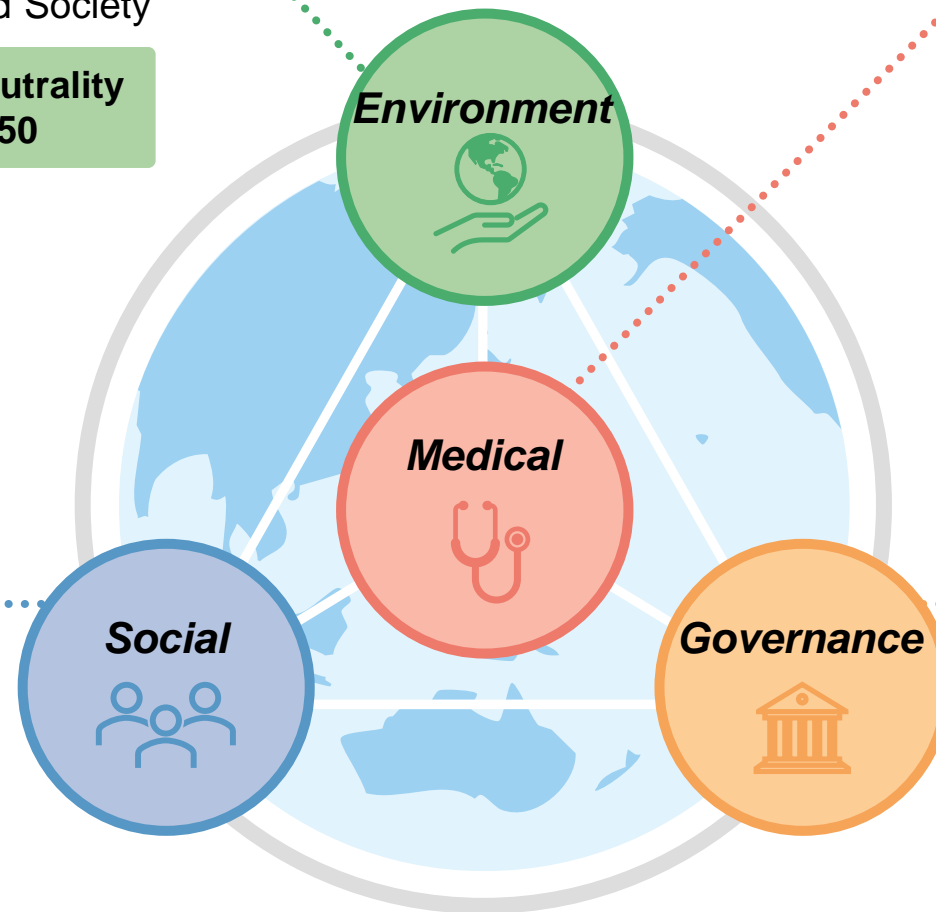
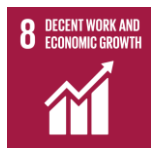
30% reduction in CO₂ emissions by 2030

Carbon neutrality by 2050

※Scope1+2 (compared to FY2018)



- Respecting Human Rights and Diversity
- Employee Engagement and Personnel Training
- Boosting Health and Ensuring Safety and Hygiene



- Improving Access to Healthcare
- Solutions to Medical Issues
- Pursuing Quality and Establishing Sustainable Supply Chains



- Achieving Transparent and Sound Governance
- Rigorous Compliance and Thorough Corruption Prevention
- Establishing Risk Management



Advancement of Sustainable Management: Action Plan Based on Materialities

	Materialities	Key Measures	2030 targets
Medical	<ul style="list-style-type: none"> Improving Access to Healthcare Solutions to Medical Issues Pursuing Quality and Establishing Sustainable Supply Chains 	<p>Global solutions to healthcare issues</p> <p>Strengthening of supply-chain management</p>	<p>Number of countries in which colorectal-cancer screening tests are deployed 57 countries</p> <p>CSR procurement survey implementation rate: 100%</p>
Environment	<ul style="list-style-type: none"> Responding to Climate Change Contributing to a Recycling-Oriented Society 	<p>Reduction of CO₂ emissions (Scope1+ Scope2)</p> <p>Reduction of waste volume</p> <p>Use of recyclable materials and reduction of packaging</p>	<p>Reduction in CO₂ emissions: 30% *compared to FY2018</p> <p>Reduction in waste-treatment volume: 15% *compared to FY2018</p> <p>Setting targets for FY2022</p>
Social	<ul style="list-style-type: none"> Respecting Human Rights and Diversity Employee Engagement and Personnel Training Boosting Health and Ensuring Safety and Hygiene 	<p>Promotion of diversity and inclusion</p> <p>Creation of fulfilling and supportive workplaces and achievement of work-life balance</p>	<p>Women as share of managers: 30%</p> <p>Rate of uptake of annual paid leave: 100%</p> <p>Rate of uptake of childcare leave: 100%</p>
Governance	<ul style="list-style-type: none"> Achieving Sound and Transparent Governance Rigorous Compliance and Thorough Corruption Prevention Establishing Risk Management 	<p>Training and monitoring based on compliance programs</p> <p>Thorough prevention of corruption</p>	<p>Rate of participation in training: 100%</p> <p>Rate of implementation of due diligence with business partners on corruption prevention: 100%</p>

Beyond the Field ~Team × Challenge~

Business strategy

01

Contribution to cancer prevention and treatment

02

Contribution to eradication and control of infectious diseases

03

Provision of products and services useful for health care

Management Philosophy

Business Environment

Management strategy

04

Business activities in harmony with the global environment

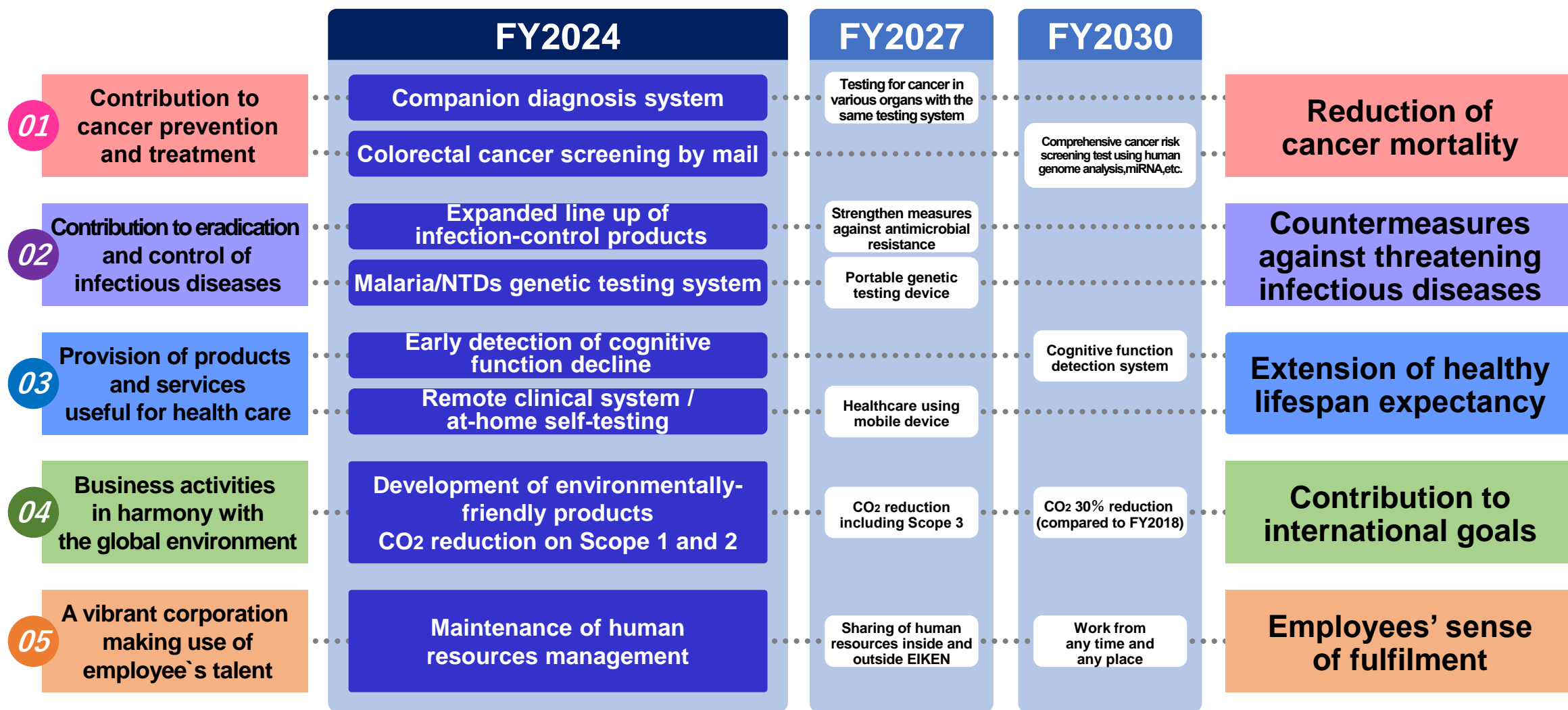
05

A vibrant corporation making use of employee's talent

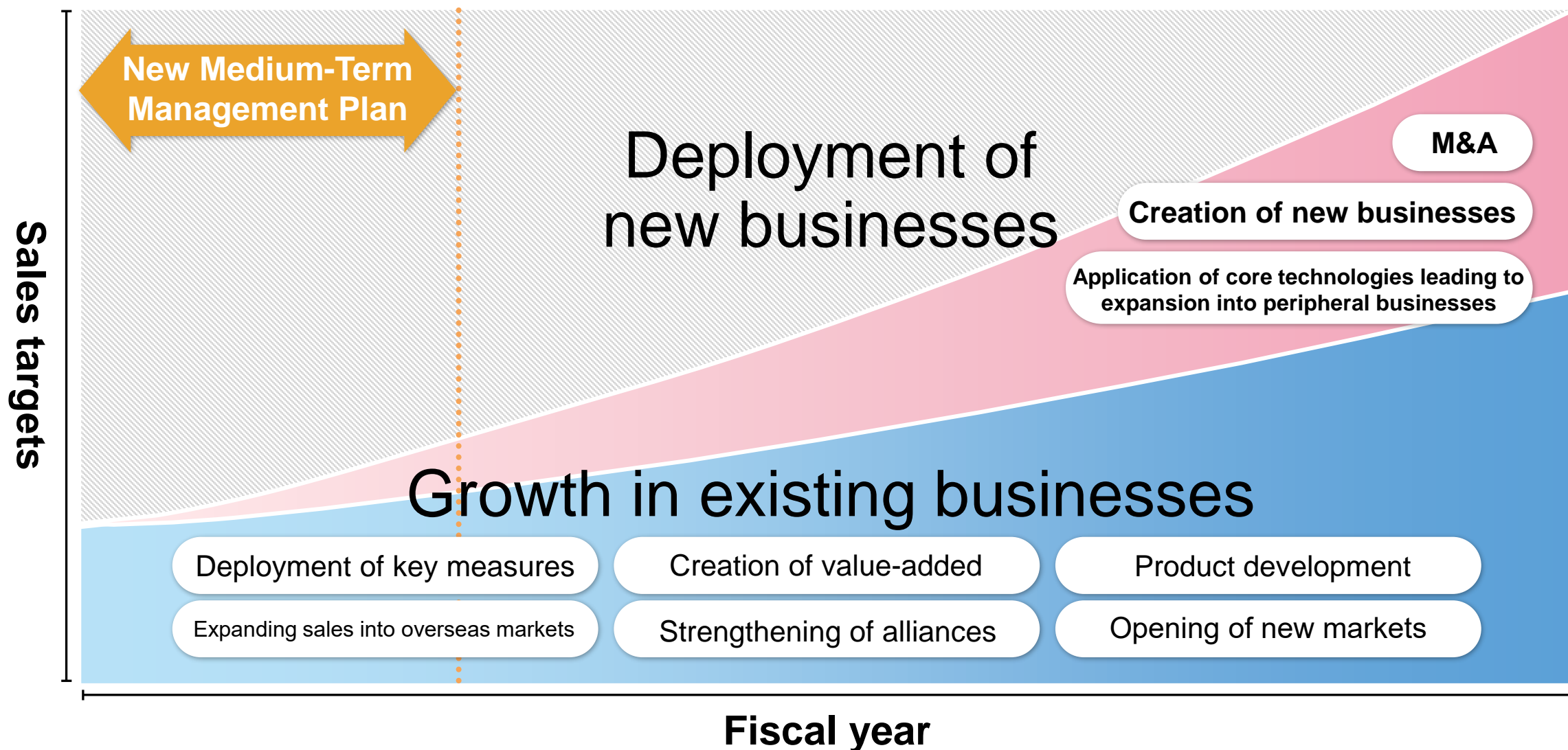
Growth driver

Sustainability Management

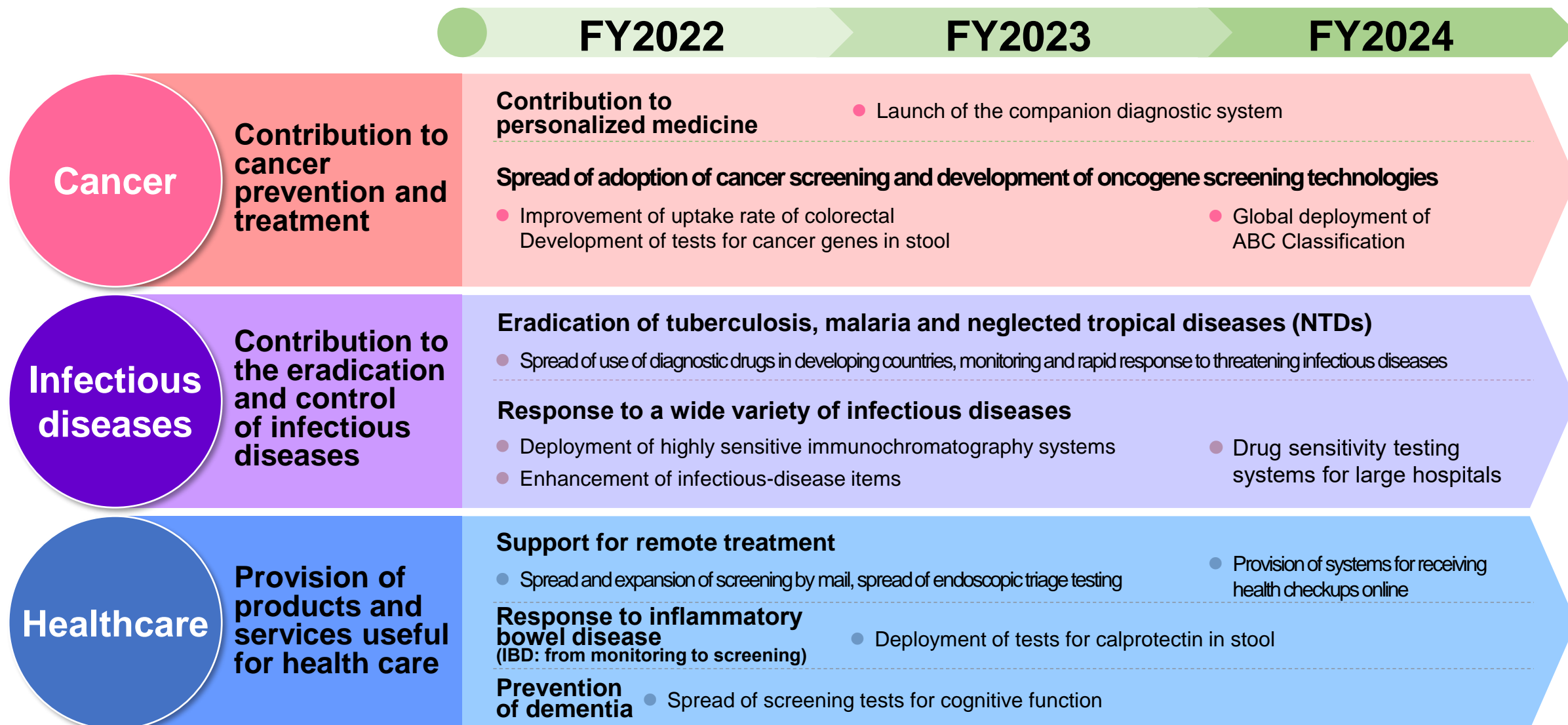
Roadmap to EIKEN Vision 2030



Overall Image of Operating Strategy



Key Fields and Measures in the New Medium -Term Management Plan



Strategies in the Field of Colorectal Cancer Screening

Improvement of rates of uptake of colorectal cancer screening

Extended Methods

Screening in areas with limited access to health care

Improvement of access to screening



Screening by mail



Online screening



Development of next generation FIT



Development of application to recommend colorectal cancer screening by mail



Development of reagents to stabilize substances in stool

Adaptable to transport conditions in various countries

Reliable colorectal cancer screening

Improvement of accuracy of colorectal cancer screening

Increased burden on patients and healthcare providers

Capacity shortage of Endoscope in Europe

Increased value-added



Cancer detection at earlier stages



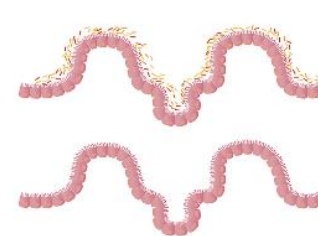
Increased accuracy



Development of highly accurate medical laboratory technology



miRNA
DNA methylation



Enterobacterial flora

Narrowing down the endoscopy target persons

Develop tests to reduce patients' physical burden



Comprehensive genetic mutation testing system

Detect multiple cancer gene mutations at once with next-generation sequencers (NGS)

Library setting

Base sequence
determination

Analysis

Pretreatment
(nucleic acid extraction)



Feature

Cytopathological specimens are available to the testing
(Short time to report results)

High sensitive
(No need for many specimens)

Molecular targeted drugs and target genes to be developed in the future have been already loaded

Development

Addition of target genes supporting new molecular targeted drugs

Expanded applications for many other cancers

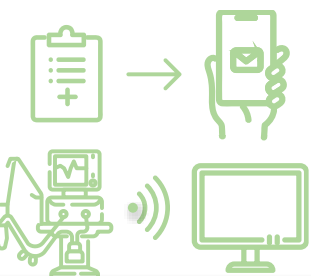
Supporting liquid biopsy

Help decide direction of cancer treatment (selection of molecularly targeted drugs) by blood tests

Strengthening Management Base – Promotion of Digital Transformation –

Products and services

- Promoting the spread of medical examinations using apps
- Adaptation to remote clinical system and at-home self-testing
- Health management service by data analysis
- Remote maintenance and failure prediction of medical equipment



R&D

- Promotion of data and AI-driven research
- Automation of experimental processes utilizing robots
- Molecular Design with AI



Cultivation of digital transformation experts and internal dissemination of digital transformation

Manufacturing

- Centralized monitoring of manufacturing equipment
- Enhancing the precision of demand forecasting and production planning
- Standardizing work using MES/LIMS and improving processes through data analysis
- Automation of manufacturing processes



All aspects of business process

- Realization of work efficiency and work-style reform by AI/RPA



ERP system

Production

Sales

Accounting

Personnel affairs



Financial and Capital Strategy

- ▶ Agile and flexible investment to balance a sound financial base with operational expansion
- ▶ Pursuit of stability and continuity in recognition of the importance of the return of earnings to shareholders as a management issue

Strategic investments

Cumulative 3-year
target of **¥28.4 billion**

- R&D
- Reinforcement of facilities and equipment
- DX
- Workstyle reform
- GX

Return of earnings to shareholders

Target dividend payout
ratio of **30% or more**

Return of stable earnings upon
securing the necessary cash to support
sustainable enterprise growth

M&A: Rather than set a specific figure, this matter is considered separately from the above.



New Targets for Net Sales and Income

Net Sales
Operating Income

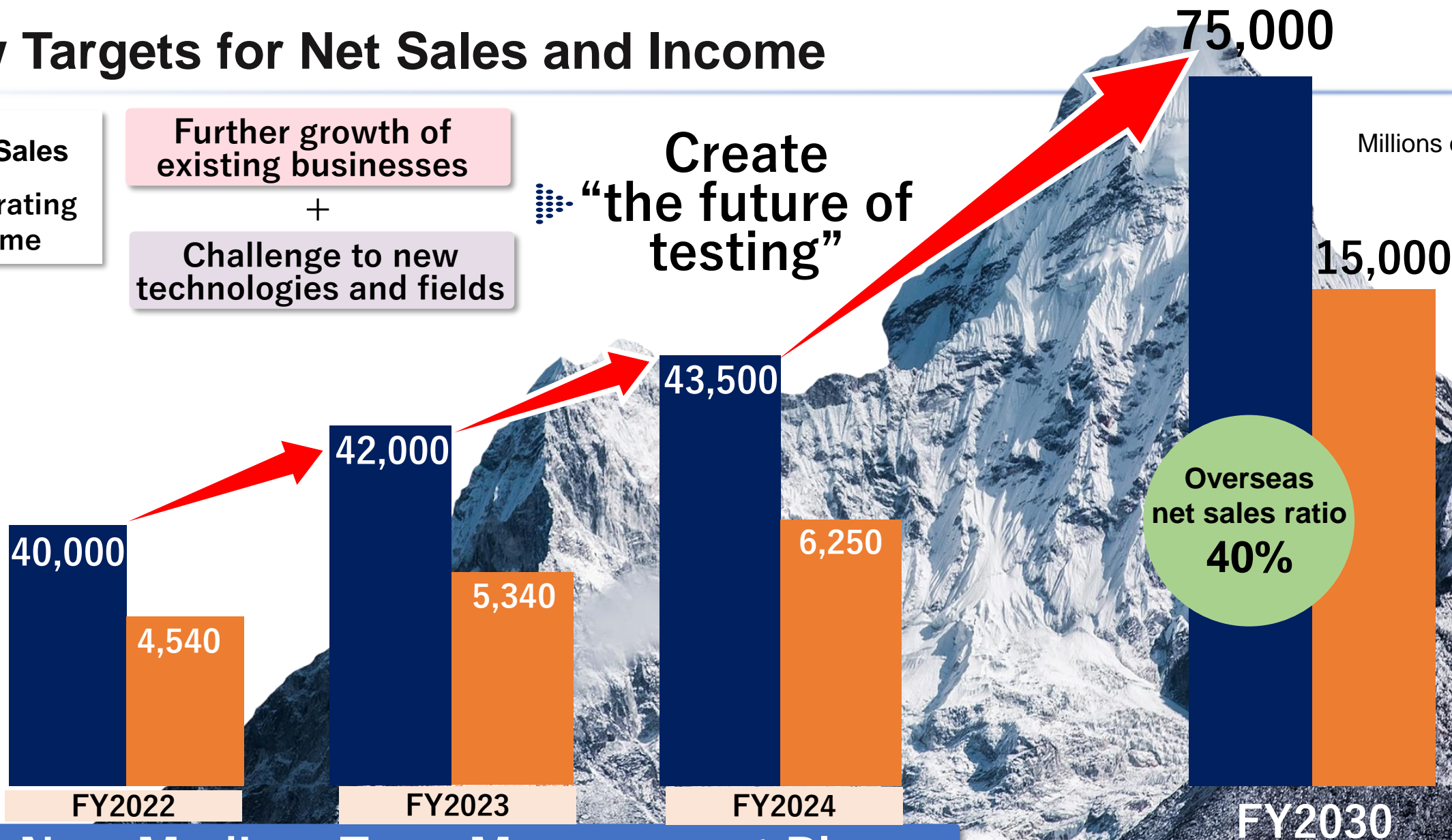
Further growth of
existing businesses

+

Challenge to new
technologies and fields

Create
“the future of
testing”

Unit:
Millions of yen



New Medium-Term Management Plan

New Targets for Finance

		FY2024	FY2030
Growth	Net Sales	¥43.5 billion	¥75 billion
	Overseas net sales ratio	25.8%	40% or more
Profitability	Operating income margin	14.4%	20% or more
Capital Efficiency	ROE	9.2%	15% or more

Saving Your Health

Continuing to protect people's health as a global clinical diagnostics company

Forward-Looking Statements

This material contains forward-looking statements about EIKEN CHEMICAL CO., LTD. (EIKEN). These forward-looking statements are based on the current judgments and assumptions of EIKEN in light of the information currently available to it.

Uncertainties inherent in such judgments and assumptions, the future course of our business operations and changes in operating environments both in Japan and overseas may cause our actual results, performance, achievements, or financial position to be materially different from any future results, performance, achievements or financial position either expressed or implied within these forward-looking statements.