



January 31, 2025

Senior Vice President & Executive Officer

(Reference) Equity:	As of	December 31, 2024:	¥	45,016 million
	As of	March 31, 2024:	¥	45,613 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	25.00	-	26.00	51.00
Fiscal year ending March 31, 2025	-	26.00	-		
Fiscal year ending March 31, 2025 (Forecast)				27.00	53.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 3rd quarter dividend for the fiscal year ending March 31, 2025 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	40,200	0.4	3,210	(5.0)	3,270	(8.4)	2,620	(0.5)	75.79

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

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

Newly included: - (Company name:)
Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) 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 reasons: None
- 3) Changes in accounting estimates: Yes
- 4) Restatement: None

(4) Number of issued shares (common shares)

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

December 31, 2024: 38,541,438 shares
March 31, 2024: 40,041,438 shares

2) Number of treasury shares at the end of the period:

December 31, 2024: 4,356,923 shares
March 31, 2024: 5,443,508 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 34,568,042 shares
Nine months ended December 31, 2023: 37,071,051 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

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1. Overview of Consolidated Business Performance

(1) Summary of Consolidated Business Performance for the Third Quarter of the Current Fiscal Year

During the third quarter of the current fiscal year, the domestic and overseas economies remained uncertain due to downside risks owing to surging resource prices and the effects of monetary tightening.

The business environment became increasingly severe in the clinical diagnostics industry due to measures to cap medical expenses and rising costs such as for logistics and raw material procurement, on account of yen depreciation and high crude oil prices. Corporations were obliged to focus on cost competitiveness and to actively expand overseas.

In the context of this business environment, the Eiken Group is implementing key measures focused on the three key business fields of “Contribution to cancer prevention and treatment,” “Contribution to the eradication and control of infectious diseases,” and “Provision of products and services useful for health care” and striving to achieve sustainable growth and steadily enhance profitability for the Group as a whole, in accordance with the Medium-term Management Plan established based on the Group’s management framework “Eiken Road Map 2030.”

In addition, as a Group with a mission to protect the health of people worldwide, the Eiken Group is addressing issues not only in “Medical” but also in the “Environment,” “Society,” and “Governance.” Through these efforts, we strive to further enhance our corporate value and achieve a sustainable society.

The net sales for the consolidated fiscal year under review increased to 30,640 million yen (up 0.5% year-on-year) amid continuing strength in sales of fecal immunochemical test reagents for both domestic and overseas markets remained strong. For net sales by product class and type, sales of microbiological testing reagents were 3,469 million yen (up 3.9% year-on-year) amid increased sales of the rapid diagnostic kits for our new products (Immunocatch –Strep A, Immunocatch –Adeno). Sales of urinalysis reagents were 3,505 million yen (up 8.8% year-on-year) amid strong growth in sales of urine test strips for both domestic and overseas markets. For sales of immunological and serological reagents were 17,623 million yen (up 4.1% year-on-year) amid continuing strength in sales of fecal immunochemical test reagents for domestic markets remained strong and the resolution of the negative impact of structural factors almost in overseas markets. Sales of clinical chemistry reagents were 455 million yen (up 0.3% year-on-year) and sales of the equipment and culture medium for food and environment related category were 1,492 million yen (up 0.2% year-on-year). Sales in other categories (medical devices, genetic-related products, etc.) were 4,094 million yen (down 19.0% year-on-year) amid a decrease in sales for COVID-19 detection reagents.

Overseas sales were 7,868 million yen (up 2.2% year-on-year) amid an increase in sales of urinalysis reagents and fecal immunochemical test reagents.

Regarding profit, amid changes in the sales mix, including a decrease in sales of COVID-19 detection reagents and an increase in selling, general and administrative expenses mainly due to research and development expenses, operating profit was 2,634 million yen (down 22.9% year-on-year), ordinary profit was 2,835 million yen (down 18.9% year-on-year) and profit attributable to owners of parent was 2,116 million yen (down 17.7% year-on-year).

(2) Summary of Consolidated Financial Position for the Third Quarter of the Current Fiscal Year

The financial position at the end of the third quarter of the consolidated accounting period under review was as follows.

When compared to the end of the previous consolidated fiscal year, total assets increased by 1,920 million yen, liabilities increased by 2,517 million yen and net assets decreased by 596 million yen.

Major increases and decreases in the category of assets were a decrease of 8,434 million yen in cash and deposits, an increase of 423 million yen in notes and accounts receivable - trade, and contract assets and an increase of 1,944 million yen in other current assets amid the payment of deposits paid for purchase of treasury shares. In addition, property, plant and equipment increased by 5,278 million yen amid the recording of construction in progress accompanying the payment of construction expenses for the new manufacturing building at Nogi Division. In addition, long-term time deposits increased by 1,100 million yen.

In the category of liabilities, notes and accounts payable - trade increased by 506 million yen, electronically recorded obligations – operating increased by 521 million yen and other current liabilities increased by 1,206

million yen amid an increase of non-operating electronically recorded obligations accompanying the payment of construction expenses for the new manufacturing building at Nogi Division.

In the category of net assets, amid the payment of dividends and purchase of treasury shares, shareholders' equity decreased by 582 million yen despite the recording of profit attributable to owners of parent. In addition, capital surplus decreased by 38 million yen, retained earnings decreased by 1,528 million yen and treasury shares decreased by 1,567 million yen amid the retirement of treasury shares.

As a result of the above, the equity ratio decreased to 70.8% from 74.0% at the end of the previous consolidated fiscal year.

(3) Qualitative Information Regarding Forecasts for Consolidated Business Performance

For the consolidated financial results forecast for the consolidated fiscal year ending March 31, 2025, there has been no change in the financial results forecast announced on October 31, 2024.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	16,308	7,873
Notes and accounts receivable - trade, and contract assets	12,482	12,905
Merchandise and finished goods	4,170	4,528
Work in process	2,035	2,128
Raw materials and supplies	1,892	1,961
Other	971	2,915
Allowance for doubtful accounts	(7)	(7)
Total current assets	37,851	32,305
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,811	26,272
Accumulated depreciation	(13,821)	(14,530)
Buildings and structures, net	11,989	11,742
Machinery, equipment and vehicles	7,638	8,269
Accumulated depreciation	(6,115)	(6,494)
Machinery, equipment and vehicles, net	1,522	1,774
Tools, furniture and fixtures	5,371	5,769
Accumulated depreciation	(4,374)	(4,779)
Tools, furniture and fixtures, net	996	990
Land	1,928	1,928
Leased assets	286	332
Accumulated depreciation	(133)	(121)
Leased assets, net	153	211
Construction in progress	414	5,637
Total property, plant and equipment	17,005	22,284
Intangible assets	792	700
Investments and other assets		
Long-term time deposits	1,900	3,000
Other	4,125	5,306
Allowance for doubtful accounts	(23)	(23)
Total investments and other assets	6,001	8,282
Total non-current assets	23,799	31,267
Total assets	61,651	63,572

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,648	5,154
Electronically recorded obligations - operating	2,759	3,281
Income taxes payable	-	452
Provision for bonuses	674	331
Asset retirement obligations	-	121
Other	3,269	4,475
Total current liabilities	11,351	13,816
Non-current liabilities		
Bonds payable	3,000	3,000
Asset retirement obligations	35	16
Other	1,293	1,365
Total non-current liabilities	4,329	4,381
Total liabilities	15,680	18,197
Net assets		
Shareholders' equity		
Share capital	6,897	6,897
Capital surplus	7,892	7,892
Retained earnings	35,801	34,589
Treasury shares	(5,686)	(5,057)
Total shareholders' equity	44,904	44,322
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35	2
Foreign currency translation adjustment	353	403
Remeasurements of defined benefit plans	319	289
Total accumulated other comprehensive income	708	694
Share acquisition rights	358	358
Total net assets	45,971	45,374
Total liabilities and net assets	61,651	63,572

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	30,493	30,640
Cost of sales	17,425	17,866
Gross profit	13,068	12,773
Selling, general and administrative expenses	9,650	10,138
Operating profit	3,417	2,634
Non-operating income		
Interest income	6	10
Dividend income	4	3
Rental income	14	11
Compensation income for damage	-	64
Compensation income	4	7
Subsidy income	10	31
Foreign exchange gains	19	51
Other	36	47
Total non-operating income	95	227
Non-operating expenses		
Interest expenses	12	12
Other	3	14
Total non-operating expenses	15	27
Ordinary profit	3,497	2,835
Extraordinary income		
Gain on sale of non-current assets	1	-
Gain on sale of investment securities	-	49
Total extraordinary income	1	49
Extraordinary losses		
Loss on sale and retirement of non-current assets	66	6
Total extraordinary losses	66	6
Profit before income taxes	3,432	2,878
Income taxes	860	761
Profit	2,571	2,116
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	2,571	2,116

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	2,571	2,116
Other comprehensive income		
Valuation difference on available-for-sale securities	3	(33)
Foreign currency translation adjustment	29	50
Remeasurements of defined benefit plans, net of tax	(10)	(30)
Total other comprehensive income	22	(13)
Comprehensive income	2,594	2,102
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,594	2,102
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern assumption)

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

(Tax expense calculation)

Tax expenses on profit before income taxes are calculated by multiplying profit before income taxes by the reasonably estimated effective tax rate for the consolidated fiscal year including the third quarter of the consolidated accounting period under review after applying tax effect accounting.

(Notes in case of significant changes in shareholders' equity)

(Retirement of treasury shares)

In accordance with resolution of a meeting of the Board of Directors held on April 24, 2024, the Company retired 1,500,000 treasury shares on April 26, 2024. As a result, for the third quarter of the current fiscal year, capital surplus decreased by 38 million yen, retained earnings decreased by 1,528 million yen and treasury shares decreased by 1,567 million yen.

(Purchase of treasury shares)

In accordance with resolution of a meeting of the Board of Directors held on October 31, 2024, the Company purchased 447,100 treasury shares. As a result, for the third quarter of the current fiscal year, treasury shares increased by 972 million yen.

(Changes in accounting estimates)

(Change in estimates of asset retirement obligations)

During the semi-annual and the third quarter of the current fiscal year, as result of the acquisition of the recent information on restoration costs, the Company changed its estimates for expected restoration costs and expected usage period with respect to asset retirement obligations which it had recognized as restoration obligations arising from the Company's real estate lease agreements.

This change in the estimate increases the balance of asset retirement obligations by 101 million yen.

As a result of this change in estimates, operating profit, ordinary profit and profit before income taxes decreased by 50 million yen each for the third quarter of the current fiscal year.

(Notes on Cash Flow Statement)

Quarterly consolidated statements of cash flows for the third quarter of the current fiscal year are not prepared. Depreciation (Including depreciation of intangible assets.) for the third quarter of the current fiscal year is as follows.

	(Millions of yen)	
	Previous consolidated fiscal year (From April 1, 2023 to December 31, 2023)	Current consolidated fiscal year (From April 1, 2024 to December 31, 2024)
Depreciation	1,701	1,858

(Segment information)

I Previous consolidated fiscal year(From April 1, 2023 to December 31, 2023)

The Group is a single segment of the reagents business, so it is omitted.

II Current consolidated fiscal year(From April 1, 2024 to December 31, 2024)

The Group is a single segment of the reagents business, so it is omitted.