



EIKEN CHEMICAL CO., LTD.

Business Results for the First Three Months of fiscal year ending March 31, 2025

EIKEN CHEMICAL CO., LTD. (Code: 4549)

July 31, 2024

Earnings highlight for the first three months of the FY ending March 31, 2025

Earnings highlight for the first three months of the fiscal year ended March 31, 2025

Executive summary for the first three months of the fiscal year ended March 31, 2025

- **External environment**

- ✓ Decrease of demand for COVID-19 detection kits
- ✓ Downside risks mainly caused by surging global resource prices and the impact of monetary tightening
- ✓ Rising costs such as for logistics and raw material procurement, etc., on account of yen depreciation and high crude oil prices

- **The Company's business results**

- ✓ Net sales decreased due to the timing of orders for fecal immunochemical tests (FIT) reagents in various countries, the drop in demand for COVID-19 detection kits, and LAMP patent expiration, etc.
- ✓ On the other hand, performance of Urinalysis test strips was well because of the acquisition of new domestic customers and increased sales to overseas markets.
- ✓ Profits decreased due to changes in sales mix and increased SG&A expenses.

- **Other**

- ✓ Construction of new manufacturing building at Nogi Division.
- ✓ Decided to relocate head office.
- ✓ Efforts to increase domestic screening participation rates. Public health information website launched.
- ✓ Continuously selected as a constituent of FTSE Blossom Japan Sector Relative Index.

Consolidated financial highlights

Decrease in sales because domestic sales were steady, but overseas sales declined.

Decrease in profit due to changes in sales mix because of decline in sales of high-profit products and patent fee income, and increased SG&A expenses (used as planned).

	FY ended Mar. 31, 2024		FY ended Mar. 31, 2025		YoY	
	(Millions of yen)	Percentage of net sales	(Millions of yen)	Percentage of net sales	(Millions of yen)	Change
Net sales	9,864	100.0%	9,519	100.0%	-345	-7.4%
Japan	7,341	74.4%	7,405	77.8%	64	-13.2%
Europe	892	9.0%	692	7.3%	-200	+51.3%
North America	585	5.9%	462	4.9%	-123	-3.0%
Asia/Oceania/Other	1,046	10.6%	959	10.1%	-87	+1.1%
Cost of sales	5,681	57.6%	5,566	58.5%	-115	+2.5%
Gross profit	4,183	42.4%	3,953	41.5%	-230	-18.4%
Selling, general and administrative	3,130	31.7%	3,369	35.3%	239	+2.3%
Operating profit	1,052	10.7%	583	6.1%	-469	-54.7%
Ordinary profit	1,087	11.0%	641	6.7%	-446	-52.8%
Net profit	770	7.8%	486	5.1%	-284	-54.1%

Earnings by segment—YoY change

The main product, fecal immunochemical tests (FIT) reagents, performed steady in Japan, but overseas sales decreased due to the timing of orders, etc.

Molecular test sales decreased due to the decline in demand for COVID-19 tests and the expiration of patents.

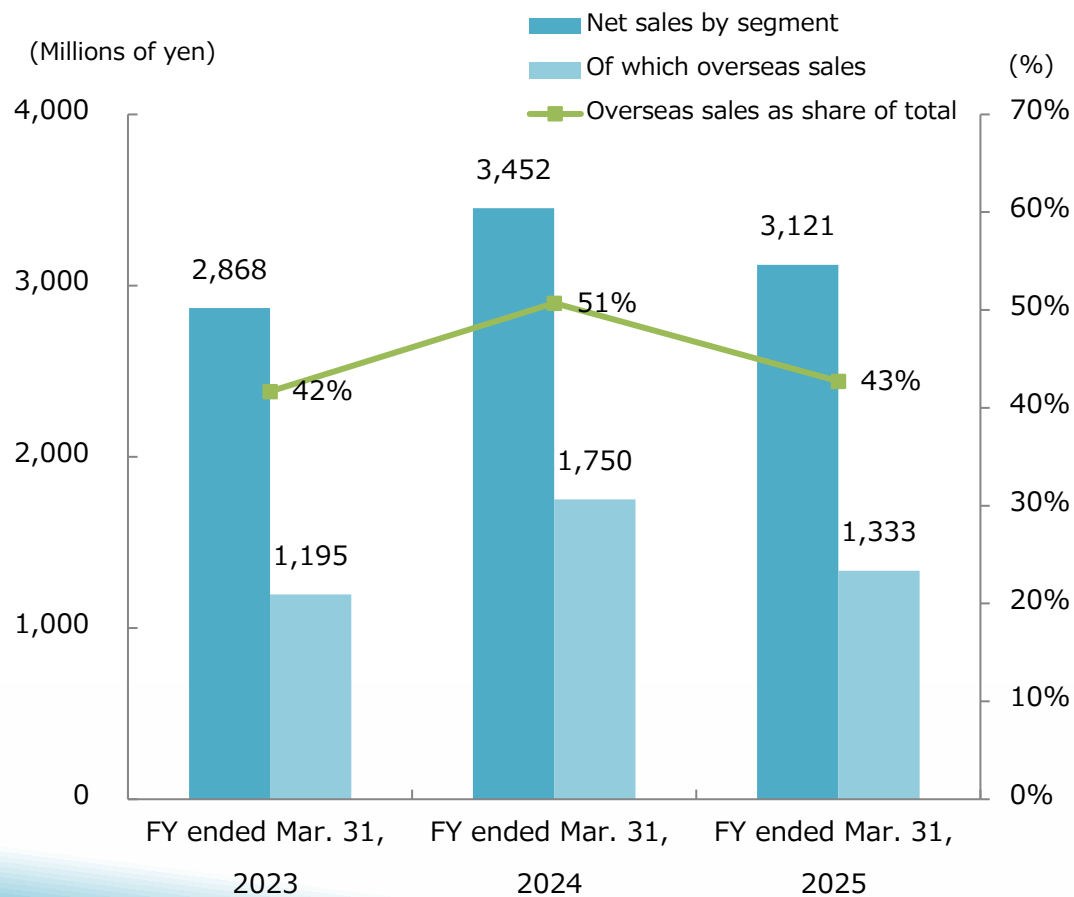
On the other hand, urinalysis test strips/ immunological and serological reagents sales increased because of increase in the number of facilities using the products.

	FY ended Mar. 31, 2024		FY ended Mar. 31, 2025		YoY	
	(Millions of yen)	Composition	(Millions of yen)	Composition	(Millions of yen)	Change
Fecal immunochemical tests (FIT) reagents	3,452	35.0%	3,121	32.8%	-331	-9.7%
Immunological and serological reagents	2,381	24.1%	2,481	26.1%	100	-1.4%
Urinalysis test strips	992	10.1%	1,122	11.8%	130	+6.2%
Microbiological reagents	1,038	10.5%	1,058	11.1%	20	+9.5%
Clinical chemistry test reagents	150	1.5%	151	1.6%	1	-2.5%
Equipment/culture mediums related to food and environment	480	4.9%	512	5.4%	32	+6.7%
Molecular test (LAMP)	551	5.6%	232	2.4%	-319	-64.2%
Medical devices/Others	817	8.3%	841	8.8%	24	+2.1%
Total	9,864	100.0%	9,519	100.0%	-345	-7.4%

Earnings details by segment (1)

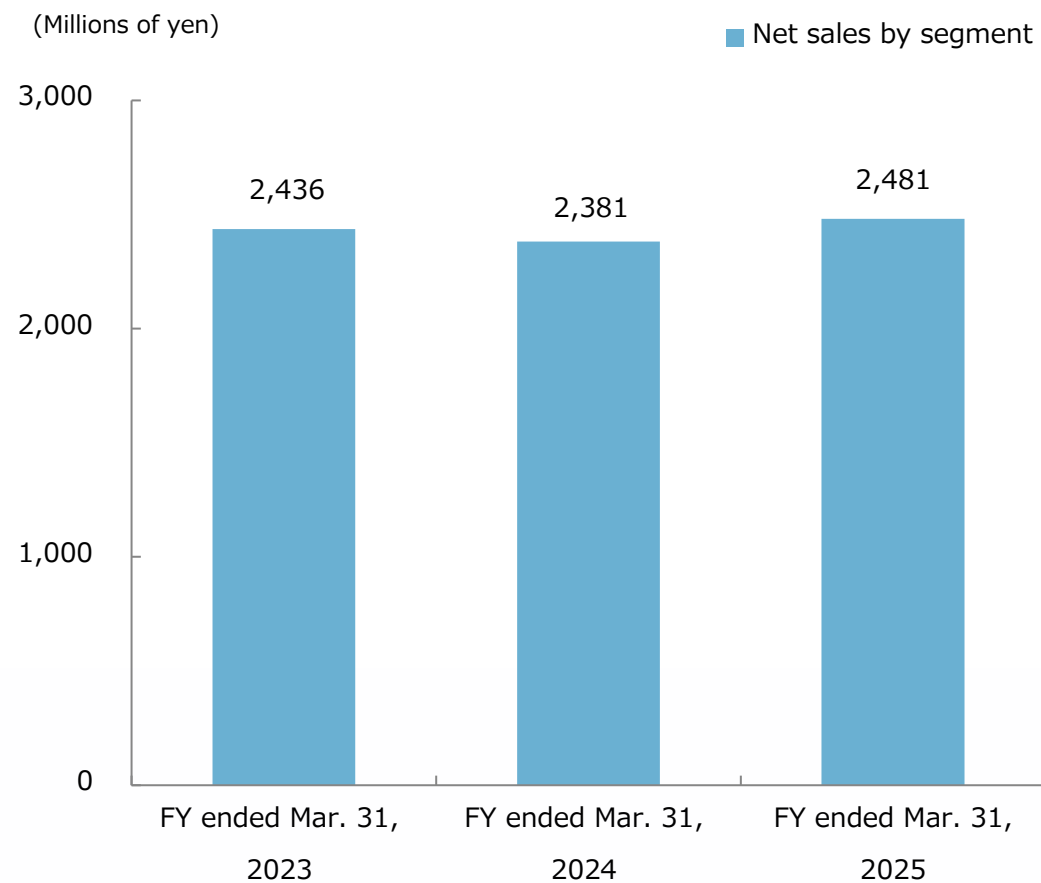
Fecal immunochemical tests (FIT) reagents

Sales in Japan remained steady, but sales decreased mainly overseas due to the timing of orders.



Immunological and serological reagents

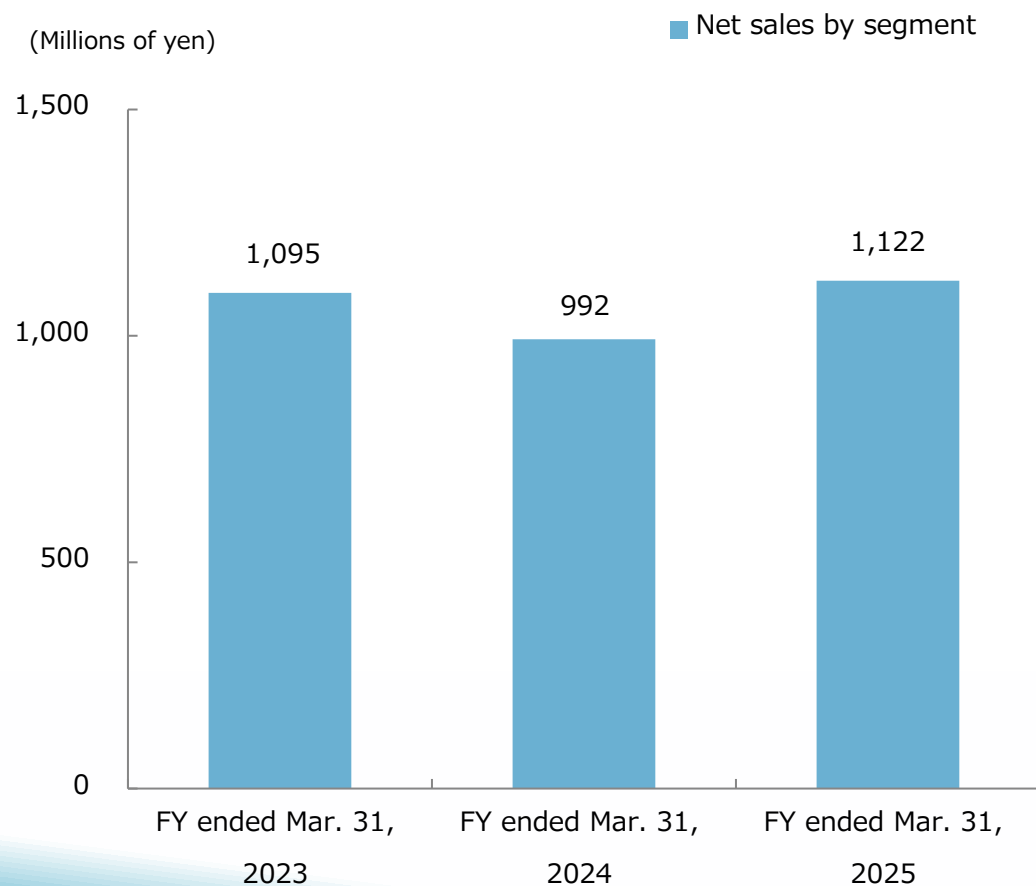
Sales increased in due to increases in the number of facilities adopting the HbA1c test.



Earnings details by segment (2)

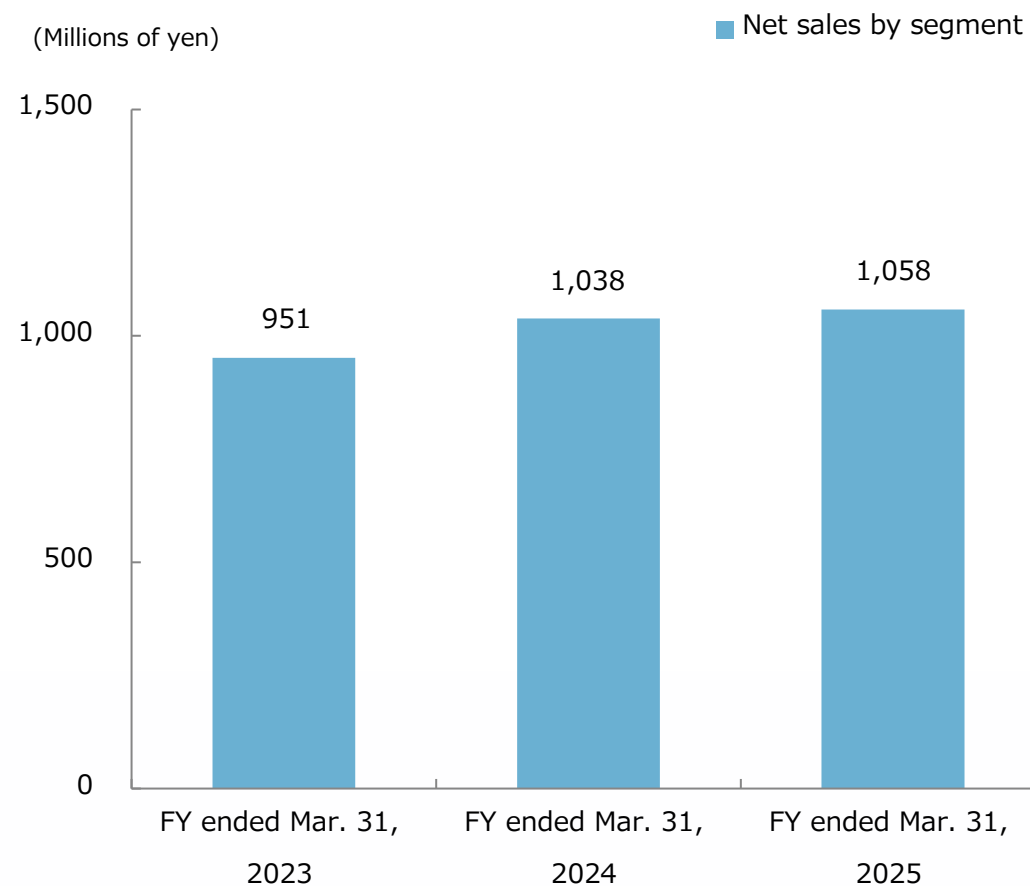
Urinalysis test strips

Steady growth due to new adoption in Japan and increased sales to overseas.



Microbiological reagents

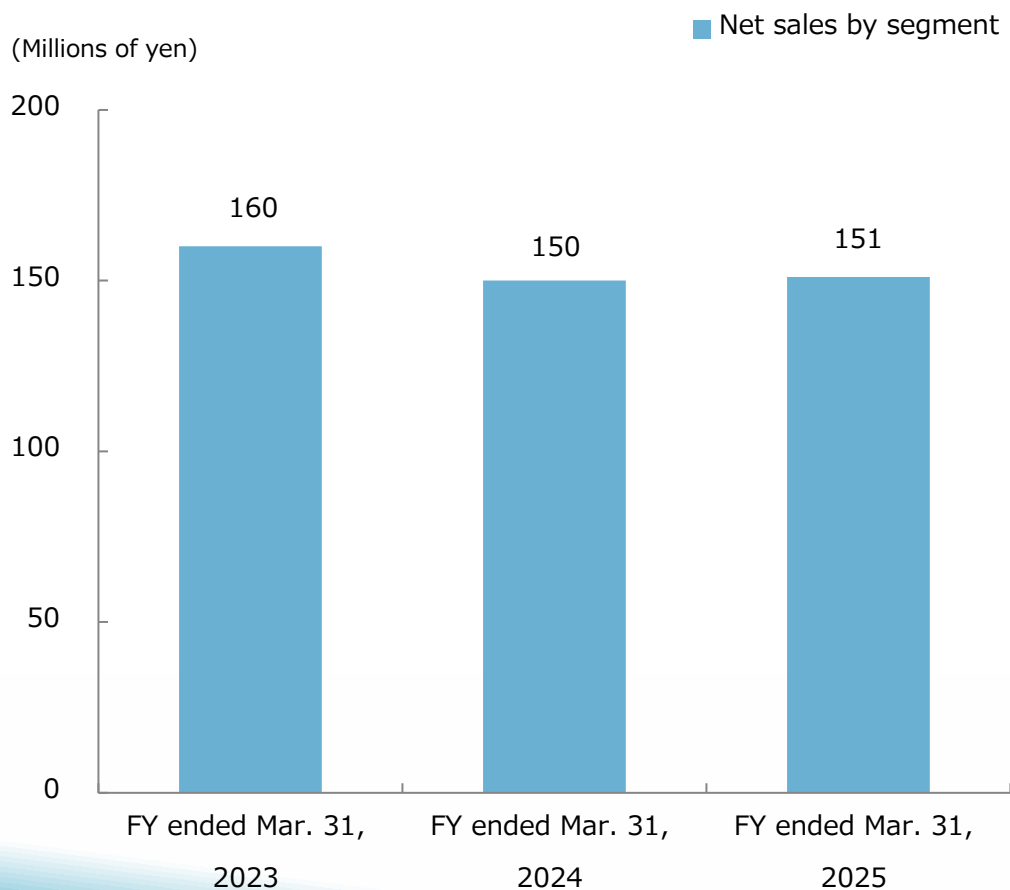
Although sales of new rapid diagnostic kits increased, overall sales remained at the same level as the same period last year due to the order timing in sales of susceptibility-related products.



Earnings details by segment (3)

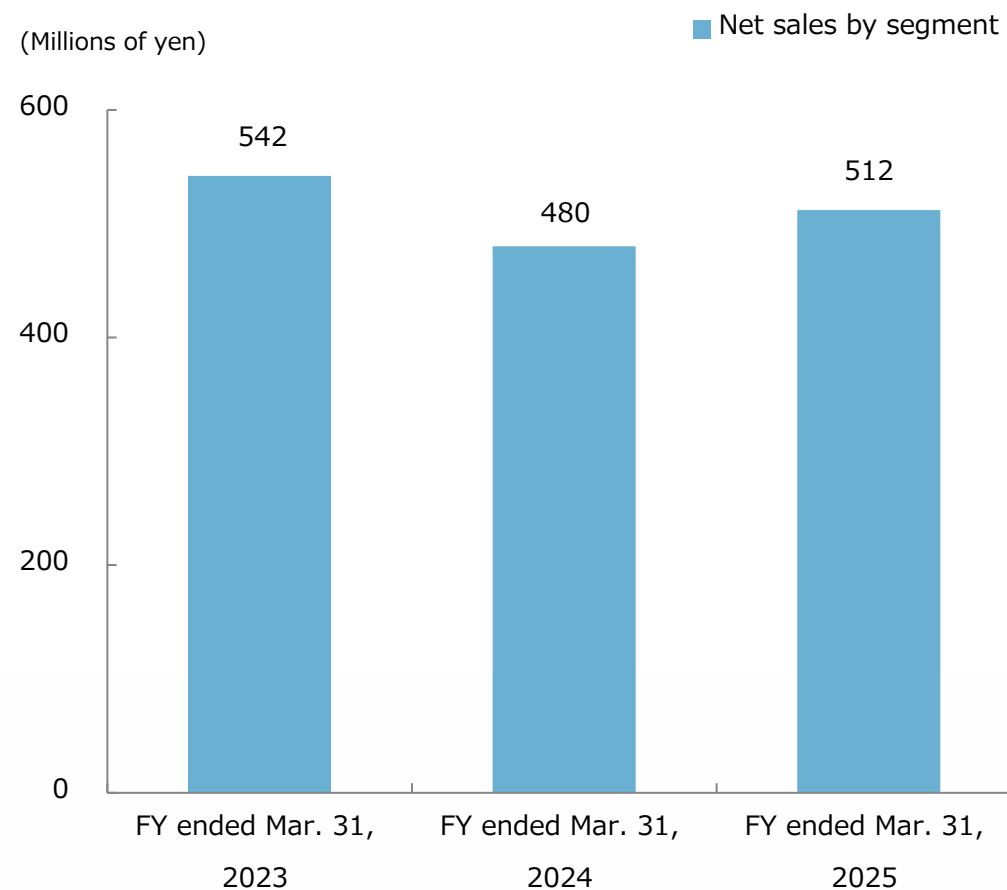
Clinical chemistry test reagents

Sales remained at the same level as the previous year despite the severe market environment.



Equipment/culture mediums related to food and environment

Sales increased due to increased demand from increased production in the food industry.

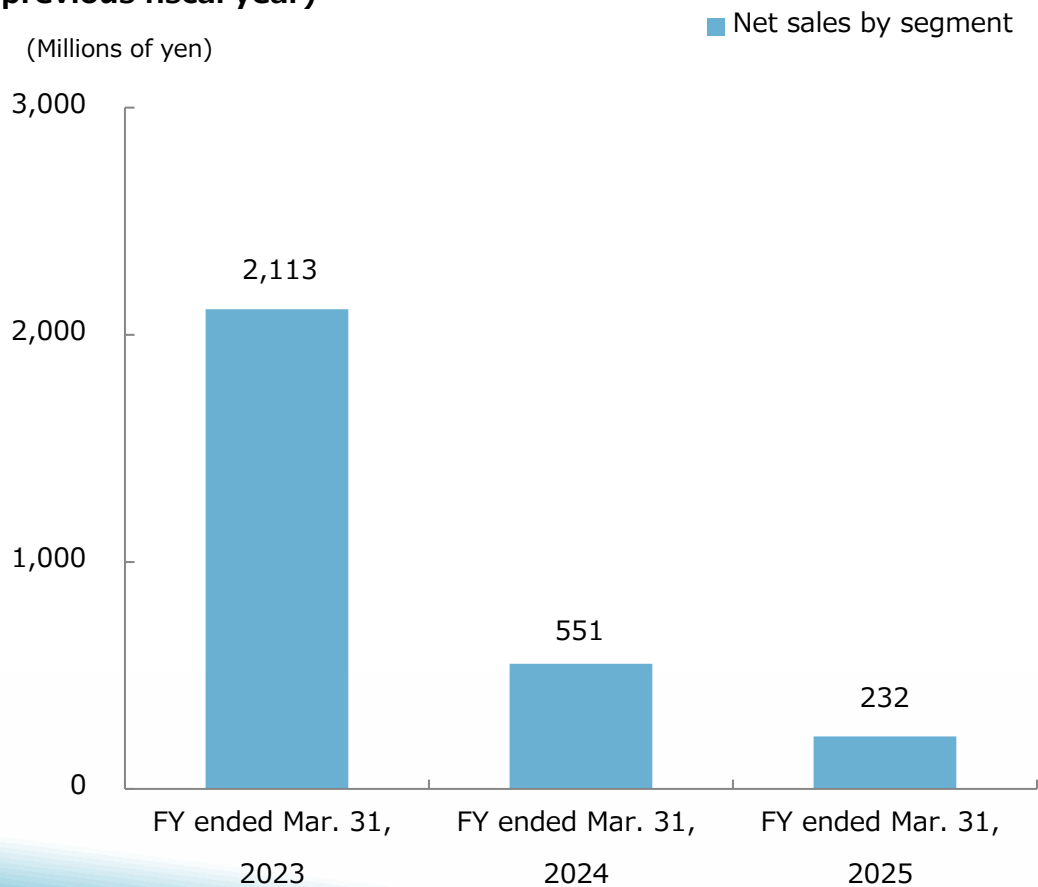


Earnings details by segment (4)

Molecular test (LAMP)

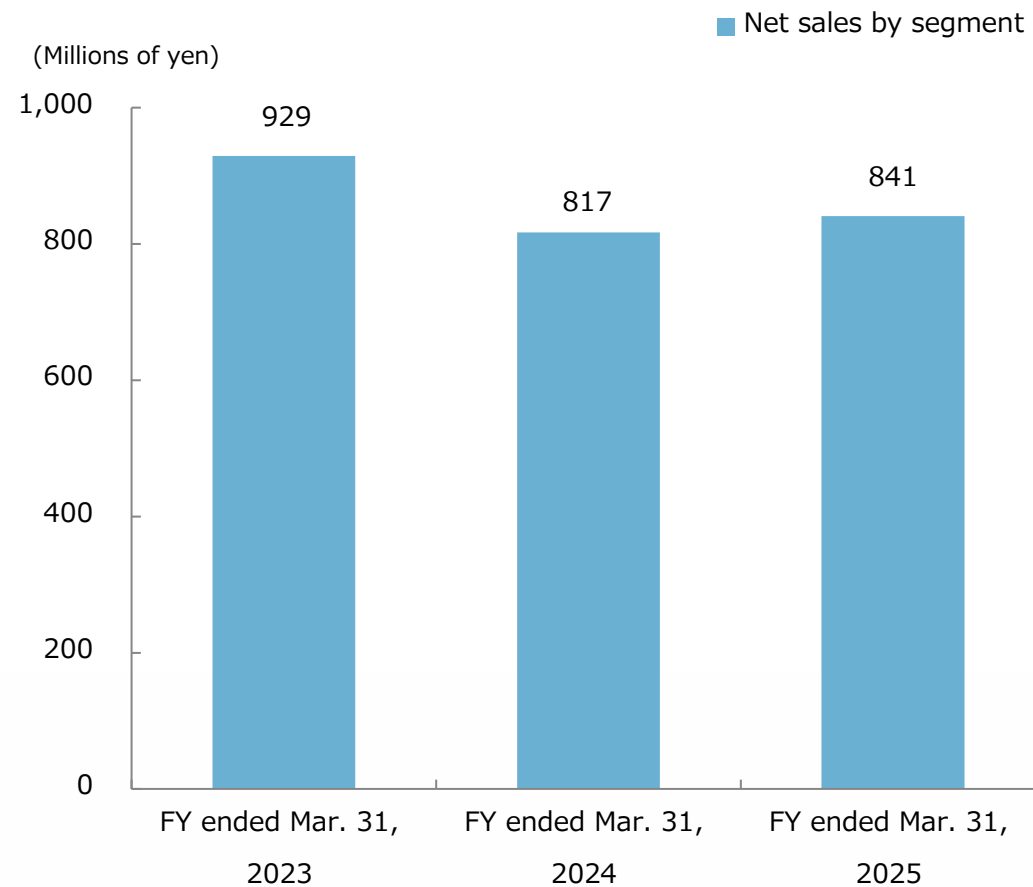
Sales decreased due to the drop in demand for COVID-19 detection kits, and LAMP patent expiration.

LAMP license incomes : ¥1 million (¥108 million Same period previous fiscal year)



Medical devices/Others

Sales remained at the same level as the same period last year.



Overseas results by region

Europe:

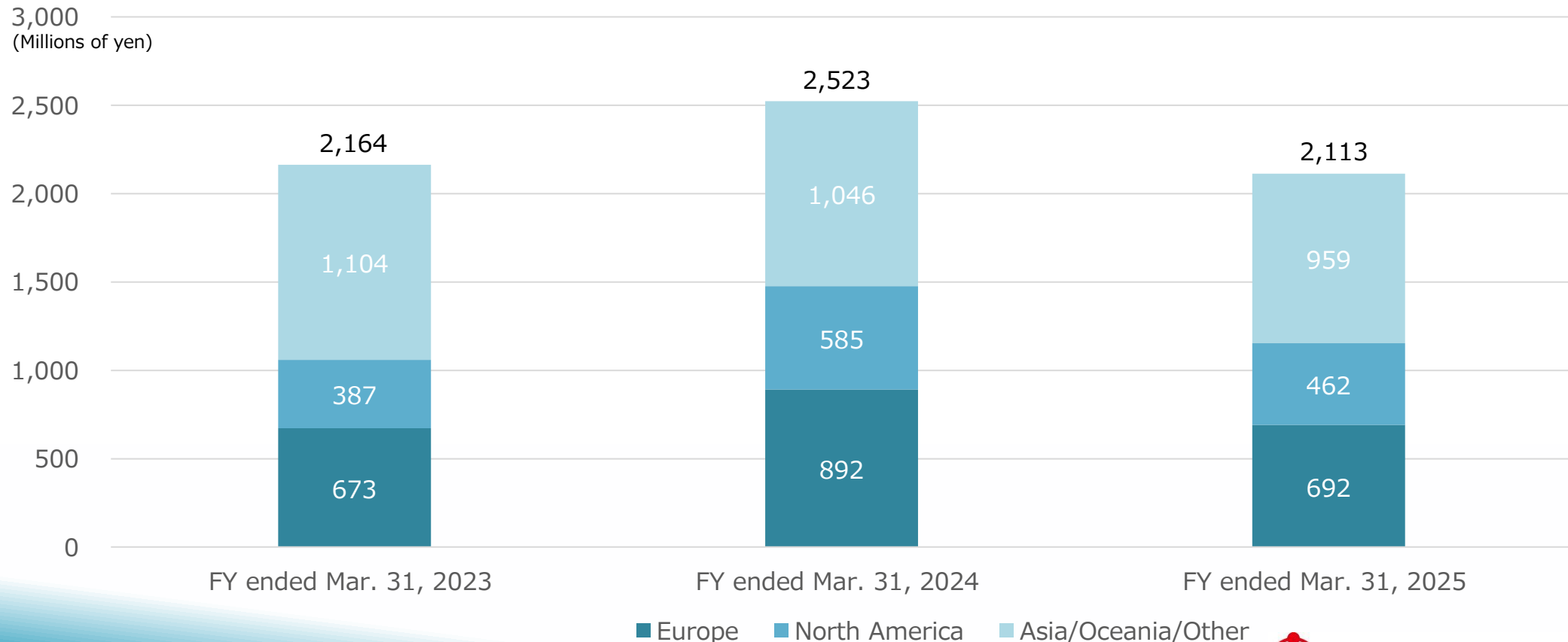
Sales of FIT decreased YoY due to inventory adjustments caused by waiting for next bidding, but this is expected to be temporary, and recovery is expected from the 2Q onward.

North America:

Sales of FIT decreased YoY due to the order timing, but there were no negative factors in the market, and recovery is expected from the 2Q onward.

Asia/Oceania/Other:

Sales of FIT for Oceania and urinalysis test strips* remained strong, although sales of FIT for Asia declined YoY due to inventory adjustments and other factors.



*:All sales of overseas urinalysis test strips (in partnership with Sysmex Corporation) are included in the Asia region

Consolidated earnings forecast for the FY ending Mar.31 2025

Financial forecast for the fiscal year ending March 31, 2025

Currently, no change to the full-year forecast for the fiscal year ending March 31, 2025. Expect to pick up from the 2Q onward due to factors such as recovery of FIT in overseas countries, increase in orders for TB-LAMP, and efficient use of expenses.

	FY ended Mar. 31, 2024		FY ending Mar. 31, 2025 (Forecast)		YoY	
	(Millions of yen)	Percentage of net sales	(Millions of yen)	Percentage of net sales	(Millions of yen)	Change
Net sales	40,052	100.0%	43,100	100.0%	3,048	+7.6%
Japan	29,936	74.7%	30,780	71.4%	843	+2.8%
Europe	3,929	9.8%	4,600	10.7%	670	+17.1%
North America	1,959	4.9%	2,610	6.1%	650	+33.2%
Asia/Oceania/Other	4,227	10.6%	5,110	11.9%	882	+20.9%
Cost of sales	23,328	58.2%	23,460	54.4%	132	+0.6%
Gross profit	16,723	41.8%	19,640	45.6%	2,917	+17.4%
Selling, general and administrative expenses	13,345	33.3%	13,980	32.3%	635	+4.8%
Operating profit	3,377	8.4%	5,660	13.1%	2,283	+67.6%
Ordinary profit	3,568	8.9%	5,620	13.0%	2,052	+57.5%
Net profit	2,634	6.6%	4,480	10.4%	1,846	+70.1%

Forecast by segment for the fiscal year ending March 31, 2025

In the FIT business, expected to pick up from the 2Q onward due to recovery from the restrained purchases due to the bidding period in major European countries, price increases taking advantage of the weak yen, expansion of the target age group, promotion of Calprotectin, and efforts to increase consultation rates in each country.

In the Molecular test business, no change is expected in the full-year forecast, as large orders for TB-LAMP for developing countries are expected.

Other segments are also expected to achieve the full-year forecast due to steady sales.

	FY ended Mar. 31, 2024		FY ending Mar. 31, 2025		YoY	
	(Millions of yen)	Composition	(Millions of yen)	Composition		
Fecal immunochemical tests (FIT) reagents	12,315	30.8%	14,800	34.3%	2,485	+20.1%
Immunological and serological reagents	9,394	23.5%	10,245	23.8%	851	+8.9%
Urinalysis test strips	4,401	11.0%	4,515	10.5%	114	+2.4%
Microbiological reagents	4,312	10.8%	4,800	11.1%	488	+11.1%
Clinical chemistry test reagents	575	1.4%	690	1.6%	115	+20.1%
Equipment/culture mediums related to food and environment	1,961	4.9%	1,715	4.0%	-246	-12.5%
Molecular test (LAMP)	2,625	6.6%	2,860	6.6%	235	+9.0%
Medical devices/Others	4,464	11.1%	3,475	8.1%	-989	-22.4%
Total	40,052	100.0%	43,100	100.0%	3,048	+7.4%

Other topics

1. **Started construction of new manufacturing building at Nogi Division.**
2. **Decided to relocate head office.**
3. **Efforts to increase domestic screening participation rates.**
~ **Public health information website launched.**~
4. **Continuously selected as a constituent of FTSE Blossom Japan Sector Relative Index.**

Started construction of new manufacturing building at Nogi Division

To accelerate the global development of FIT and secure production space for an anticipated corresponding large increase in production volume, it is started construction of new manufacturing building as a production base that consolidates production of immunological and serological reagents at the Nogi Plant in Tochigi Prefecture.

Started in May 2024 – completion in June 2025 (scheduled). Total ¥6.5 billion. (Amount to be paid during this fiscal year: ¥4.3 billion.)

Issue	Summary	Specific issues to be resolved
<p>Space</p>	<p>Market launch of new and improved products Equipment upgrades Production structure</p>	<ul style="list-style-type: none"> • With the acceleration of global development of FIT and an anticipated corresponding large increase in production volume, production space at Nasu Plant was seen becoming insufficient
<p>Equipment</p>	<p>Testing redundancy Transport lead time to shipment warehouse</p>	<ul style="list-style-type: none"> • Improvement of manufacturing cost rate for Eiken's products • Redundancies in testing equipment and storage space for same raw materials at each factory • Outsourcing of testing to other factory creates product transport from Nasu Plant to product control division in Nogi (shipment warehouse) • Roughly 1 week lead time required, meaning safekeeping 1 week longer
<p>Organization</p>	<p>Redundancy in factory organization Increasingly difficult to transfer design management</p>	<ul style="list-style-type: none"> • Increase production value per person • With labor shortages anticipated in the future, work to streamline staff operations that duplicate organizational functions through consolidation and digital transformation • Strengthen coordination with research divisions consolidated at Nogi Division to expedite transfer of design management

Decided to relocate head office

Relocate head office from the current Taito-ku location to Chiyoda-ku, Tokyo, in order to promote flexible work styles and improve management efficiency.

➤ **New Address**

Ochanomizu Solacity 20F, 4-6 Kandasurugadai, Chiyoda-ku, Tokyo, Japan

➤ **Opening Date**

Scheduled for September 2025

➤ **Purpose for relocation**

To promote flexible work styles and improve management efficiency.

To promote the slogan “- Team × Challenge -” of our management plan by revitalizing internal communication through the introduction of new work styles, as well as to achieve reforms in work styles and awareness.

Efforts to increase domestic screening participation rates.
~Public health information website launched.~

Public health information website 「imakara,pjt」 launched. (Japanese Only)



<https://imakara.eiken.co.jp/>

This website was launched to communicate to everyone what can do now to ensure a healthy future.
As the first step, we are releasing a video about colorectal cancer screening by a doctor.
We plan to continue providing various information that will be useful for your health through this site.

Continuously selected as a constituent of FTSE Blossom Japan Sector Relative Index

Continuously included in the FTSE Blossom Japan Sector Relative Index in July 2024.



FTSE Blossom Japan Sector Relative Index

The FTSE Blossom Japan Sector Relative Index is designed as a sector neutral benchmark that reflects the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices in Japan. The index selects companies with higher ESG Ratings within the top 50% of each sector and supports climate transition to a low carbon economy by evaluating companies' climate governance and climate change efforts via the Transition Pathway Initiative's Management Quality Score.

< Reference > EIKEN Sustainability : <https://www.eiken.co.jp/en/sustainability/>
ESG Date : https://www.eiken.co.jp/en/sustainability/esg_data/

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.